



Enhancing connectivity,  
enriching lives.

ANNUAL REPORT 2011





## Enhancing connectivity, enriching lives.

Gamuda believes in the empowerment of communities. We create powerful platforms of opportunities, and expand them to reflect our values of innovation and excellence.

With an aspiration to enhance your connectivity with the rest of the world, we provide our clients with the capacity to build stronger relationships and partnerships. We also enrich lives, building lifestyle-changing infrastructure and properties that yield long-term sustainability and access to miles of convenience. This is expressed in our commitment to design and build cityscape-transforming developments, such as the nation's largest public infrastructure project, the Klang Valley Mass Rapid Transit (KVMRT).

By pushing boundaries and innovating solutions, we provide a holistic business and communal environment that continuously evolve with the times. We take our stakeholders, employees and customers on a journey which promises to be a valuable investment that will propel us to a successful future together.

## Vision & Mission

We deliver innovative world-class infrastructure and homes for our customers through our core businesses in infrastructure development and construction, operation and maintenance of public infrastructure concessions, and large-scale urban township development.

## Values

**Innovation** - in our concepts, services, products and delivery system to provide viable solutions for our clients and customers;

**Responsible conduct** - towards all our stakeholders, including our customers, employees, shareholders and the community and environment in which we operate;

**Constant improvement** on our efficiency and relevance amidst the changing needs of our customers and markets;

**Taking the long view** in our business policies and actions to ensure that we have a sustainable future.

## 35th Annual General Meeting

Permai Room, Kota Permai Golf & Country Club,  
No. 1, Jalan 31/100A, Kota Kemuning, Section 31,  
40460 Shah Alam, Selangor Darul Ehsan.  
Thursday, 8 December 2011 at 10.00 am.

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# On the Regional Front

## BAHRAIN

Bridge:

- Sitra Causeway Bridges

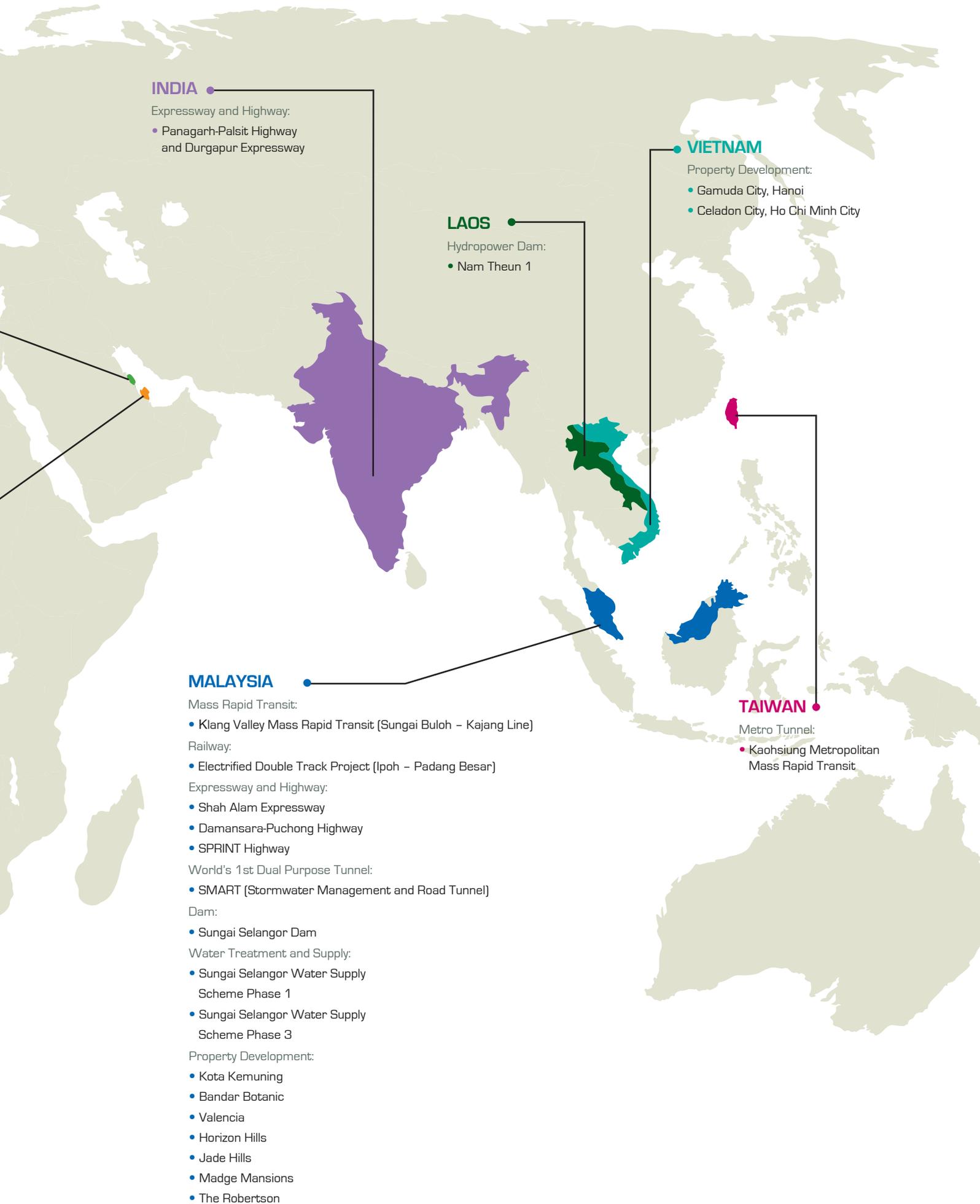
## QATAR

Airport:

- New Doha International Airport

Highway:

- Dukhan Highway





The country's largest infrastructure project, the Klang Valley Mass Rapid Transit will significantly improve public transport connectivity between the populated suburbs and key employment areas in the Klang Valley



## Performance Review

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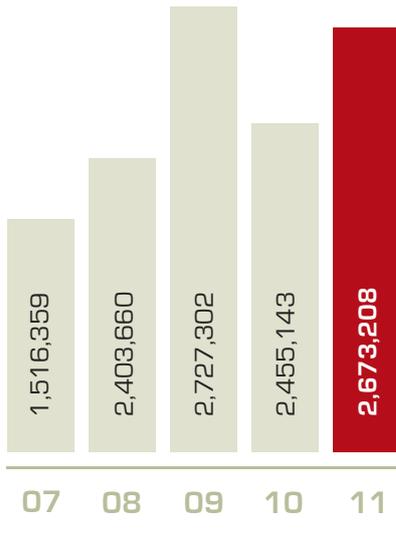
## Five-Year Financial Highlights

RM'000	2007	2008	2009	2010	2011
Revenue	1,516,359	2,403,660	2,727,302	2,455,143	2,673,208
Profit Before Tax	276,561	470,814	282,157	412,260	544,524
Profit Attributed to Shareholders	185,428	325,078	193,689	322,918	425,411
Total Assets	5,038,482	5,774,301	5,878,459	6,733,561	7,551,298
Shareholders' Equity	2,945,950	3,051,582	3,161,011	3,440,176	3,686,565
Total Number of Shares	981,528	2,005,016	2,009,257	2,025,888	2,064,824

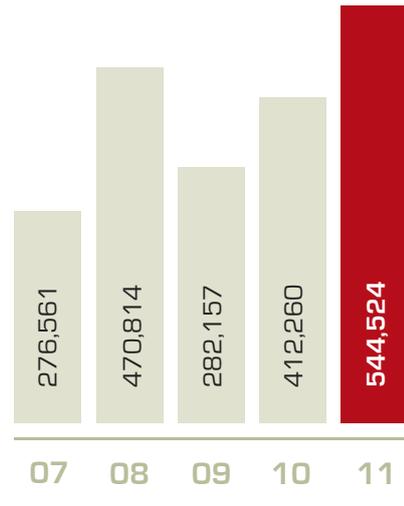
Sen per Share	2007	2008	2009	2010	2011
Group Earnings Per Share (sen)	11*	16	10	16	21
Net Tangible Assets Per Share (sen)	150*	152	157	170	179

\* Comparatives have been restated to take into effect the bonus issue exercise on the basis of one (1) new ordinary share for every one (1) existing share held which was completed on 25 October 2007.

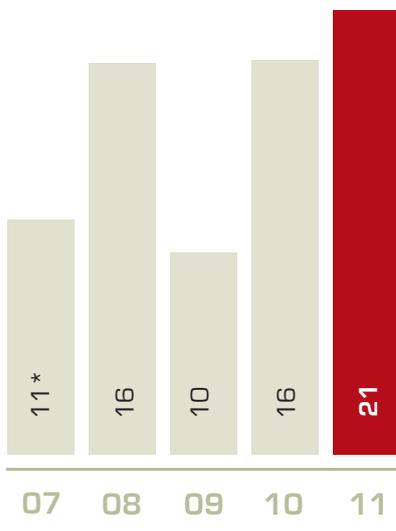
**Revenue (RM'000)**



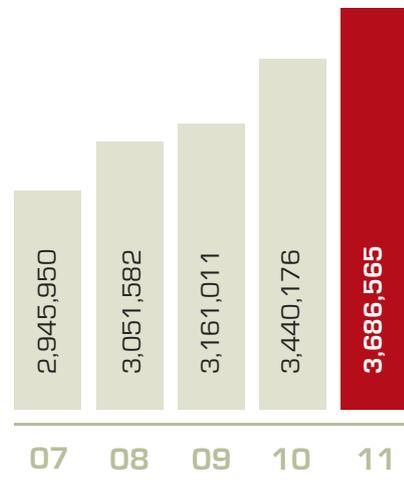
**Profit Before Tax (RM'000)**



**Group Earnings Per Share (sen)**



**Shareholders' Equity (RM'000)**





## Chairman's Perspective

**Y M Raja Dato' Seri Abdul Aziz bin Raja Salim**  
Chairman, Gamuda Berhad

To our shareholders, customers, employees, partners, suppliers and friends,

On behalf of the Board of Directors, it gives me great pleasure to present the 21st Annual Report and Audited Financial Statements of Gamuda Berhad for the financial year ended 31 July 2011 (financial year 2011).

Major developed economies faced different challenges during the second half of 2010 and into 2011. Due to its very sluggish economic growth, the US was forced to embark on its second round of quantitative easing which ended in mid-2011. Europe, on the other hand, faced its own economic turmoil with several weaker members of the European Union experiencing debt crises, triggering fears of sovereign debt defaults and a collapse of the European Union. This forced its central bank to set up unprecedented amounts of rescue funds to bail out its defaulting members.

Major Asian economies, however, achieved robust economic growths, led by its two powerhouses China and India. In contrast with the West, Asian central banks were forced to tighten monetary policy to keep inflation in check. This resulted in higher interest rates in most Asian countries and strengthening currencies over the course of the year.

Malaysia also experienced a relatively strong year in 2011 after achieving a 7.2% GDP growth in 2010. The economy started the year 2011 on a strong footing, expanding 4.9% during the Jan-Mar period before moderating to 4.0% during the Apr-June period. The Government expects the second half of the year to be stronger and forecasts GDP to expand between 5% and 6% for the full year. This is premised on a gradually strengthening global economy, as well as a normalisation of global trade and rebound in exports following the severe supply disruptions in Q2 after the Fukushima nuclear accident.

## “We achieved record levels of pretax and net earnings surpassing our previous records last achieved in financial year 2008.”

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In line with the relatively strong Asian recovery, our Group also performed strongly in financial year 2011. We achieved record levels of pretax and net earnings surpassing our previous records last achieved in financial year 2008. Net profit totalled RM425.4 million, up 32% over last year. Turnover growth was however smaller than that of the previous year, expanding 9% to a total of RM2.7 billion. The Board paid out net of tax dividends totalling 11.25 sen a share, up 25% over the payout in financial year 2010.

All our three core divisions performed well, although earnings growth was driven primarily by our construction and properties divisions. Our construction division chalked up higher margins with revenues dominated by works on the Electrified Double Track Project (EDTP). Our properties division achieved another record-breaking year in terms of new sales, unbilled sales, revenues and profits. Our expressways division maintained a good level of profitability, and contributed a significant amount of cash flows for our Group. During financial year 2011, the respective pretax profit contributions from the construction, properties and infrastructure concessions divisions totalled 26%, 28% and 46% respectively.

### Engineering and Construction

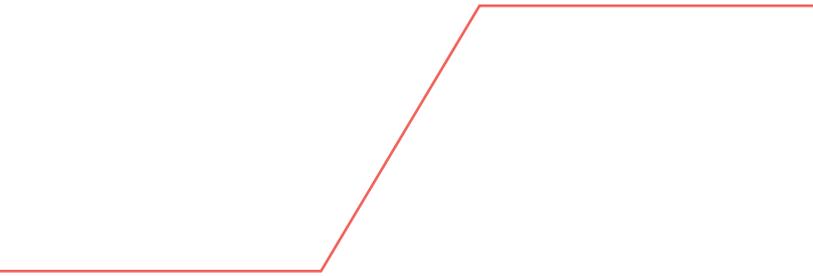
Meanwhile, our construction team continues to work tirelessly towards securing the underground works for Klang Valley Mass Rapid Transit. This multi-billion Ringgit project, which was first discussed with the Government in 2009, involves the construction of a comprehensive metro network to serve a population of 6 million living and travelling within a 20km radius of Kuala Lumpur's city centre. We are pleased to report that the Government approved this project in late 2010 and since then, major progress has been achieved in the planning and execution of this mammoth project.

The Klang Valley Mass Rapid Transit project, set to be the largest ever in the country's history, will be largely operational by 2020 and fully completed by 2030. The most critical and high traffic segments of the entire three-line network will be completed and fully operational by 2020. This will involve the construction of the entire first line, the Sungai Buloh-Kajang line (SBK line), as well as all city centre segments of the second and third lines. The less critical and lower-demand stretches in the suburban districts will be completed by 2030. Ground breaking for the SBK line was achieved in July this year.

The MMC-Gamuda Joint Venture has been appointed the Project Delivery Partner (PDP) for this project. As PDP, the JV is mandated with leading the implementation of the project on behalf of the government. Together with MRT Corp. (the project owner), and SPAD (the transport commission), we will be collectively responsible for ensuring the project is implemented within the approved and agreed completion timelines and project cost. We are indeed honoured and grateful to the Government for allowing us to play this central role in this massive infrastructure project.

In addition to the PDP role, the MMC-Gamuda JV also intends to participate as a design and build contractor in the construction of the underground tunnels within the city centre. As agreed by the Government, the JV will be allowed to bid for the tunnelling works under a Swiss Challenge mechanism. Under this mechanism, the JV will compete against local and foreign contractors who have been pre-qualified for the tunnelling works, and will be given the right to match the price of any lowest qualified bidder to secure the project.

The next few months will indeed be exciting months for Gamuda. The company expects awards of various contract packages for both the elevated and underground works to take place all through 2012. Construction works



**“All our three core divisions performed well, although earnings growth was driven primarily by our construction and properties divisions.”**

will begin in early 2012 and build up strong momentum over the next few years until the anticipated completion in late 2016 for the SBK line and 2020 for the subsequent two lines.

#### Property Development

The property development division achieved a record-breaking performance in financial year 2011. Underpinning this strong performance was a robust property sector, low interest rates, strong economic recovery, and the maturity of several of our township developments. As a result, this division achieved new property sales totalling RM1.3 billion, well above the RM1 billion target set by the Board during the year. The RM1.3 billion new sales represent a growth of 60% year-on-year, driving our unbilled sales to a record RM1 billion at end of the financial year.

All ongoing developments performed well, with our Bandar Botanic development in Klang achieving surprisingly strong sales. Contributing to its outstanding success is the maturity of the township, and its position as one of the leading and fastest-growing developments in Klang. Gamuda's other two newer developments, Jade Hills and Horizon Hills, also both achieved commendable performances over the year.

In Vietnam, significant progress has been achieved in the company's projects in Hanoi and Ho Chi Minh City. In Hanoi, the Government has commenced the handing over of several parcels of land earmarked for the residential development of Gamuda City. Armed with a sizeable land bank, our Gamuda City team is now working towards its maiden launch of residential units in early 2012. Similarly, our Celadon City project in Ho Chi Minh City was soft launched in May this year amidst a sluggish market. The response thus far has been lukewarm, but is expected to improve steadily in the coming months.

#### Infrastructure Concessions

In the water concession division, unfortunately, very little progress has been achieved in the Federal Government's efforts to consolidate the water assets in Selangor. However, on the debt side, the Government has secured agreement with all the water bondholders to swap their existing bonds with new Federal Government bonds. This has removed the risk of bond defaults and paves the way for both the Federal and State Governments to work towards yet another attempt to break the consolidation deadlock.

Our expressways continued to achieve gradual growth in revenues and profitability in the financial year 2011 despite the uncertainties surrounding the scheduled toll hikes at some of the expressways.

## PROSPECTS FOR FINANCIAL YEAR 2012

Gamuda anticipates an exciting year ahead with growth likely to be driven by both the construction and properties divisions. Financial year 2012 will see the commencement of works on the Klang Valley Mass Rapid Transit project. As the single largest project ever implemented in the country, our company expects this project to invigorate the entire construction sector as well as generate significant multiplier effects across the broader economy. As this project is expected to take several years to complete, it will sustain high activity levels across all construction-related sectors in the coming few years. The MMC-Gamuda JV, through its PDP and anticipated contracting role, is expected to benefit accordingly. Needless to say, our company expects to be able to secure a meaningful role in this project and to strengthen our construction order book accordingly.

The property division is also expected to expand further with the maiden launches of both Gamuda City and Celadon City developments in the coming months. Coupled with strong sales from the domestic market, the property division could be headed for yet another record-breaking year. Meanwhile, the current record levels of unbilled sales will translate into another year of strong financial performance.

Key risks for the Group include an unexpected economic downturn, significant changes in the Government spending policies, raw material price pressures, and unexpected delays in the roll-out of the Klang Valley Mass Rapid Transit project, unsuccessful bidding for the Klang Valley Mass Rapid Transit packages, unfavourable interest rate movements, and unexpected measures to curb the property market. In Vietnam, our property businesses will remain sensitive to the overall economic climate, and the market response to our product offerings.

Financials for the Group remain strong with minimal net gearing levels. With strong operational cashflows expected to sustain into the coming year, the Group's strong financials are expected to remain intact in the coming year.

On behalf of the Board of Directors, I would like to record our deepest appreciation to all management and staff for all their hard work during the past year, as well as for their continued dedication and unwavering loyalty. I would also like to pay tribute to all our overseas-based employees for their sacrifices and commitment over the last several years. Our sincere thanks and appreciation also go out to clients, investors, bankers, customers, and suppliers for their continued support, as well as the various local and overseas authorities and regulators for their invaluable guidance and assistance. Last, but not least, my thanks goes to my fellow Board members for their invaluable contributions, advice and guidance.





The first of three lines of the Klang Valley Mass Rapid Transit project, the Sungai Buloh - Kajang Line, is expected to commence construction in early 2012 with anticipated completion in late 2016



## Operations Review

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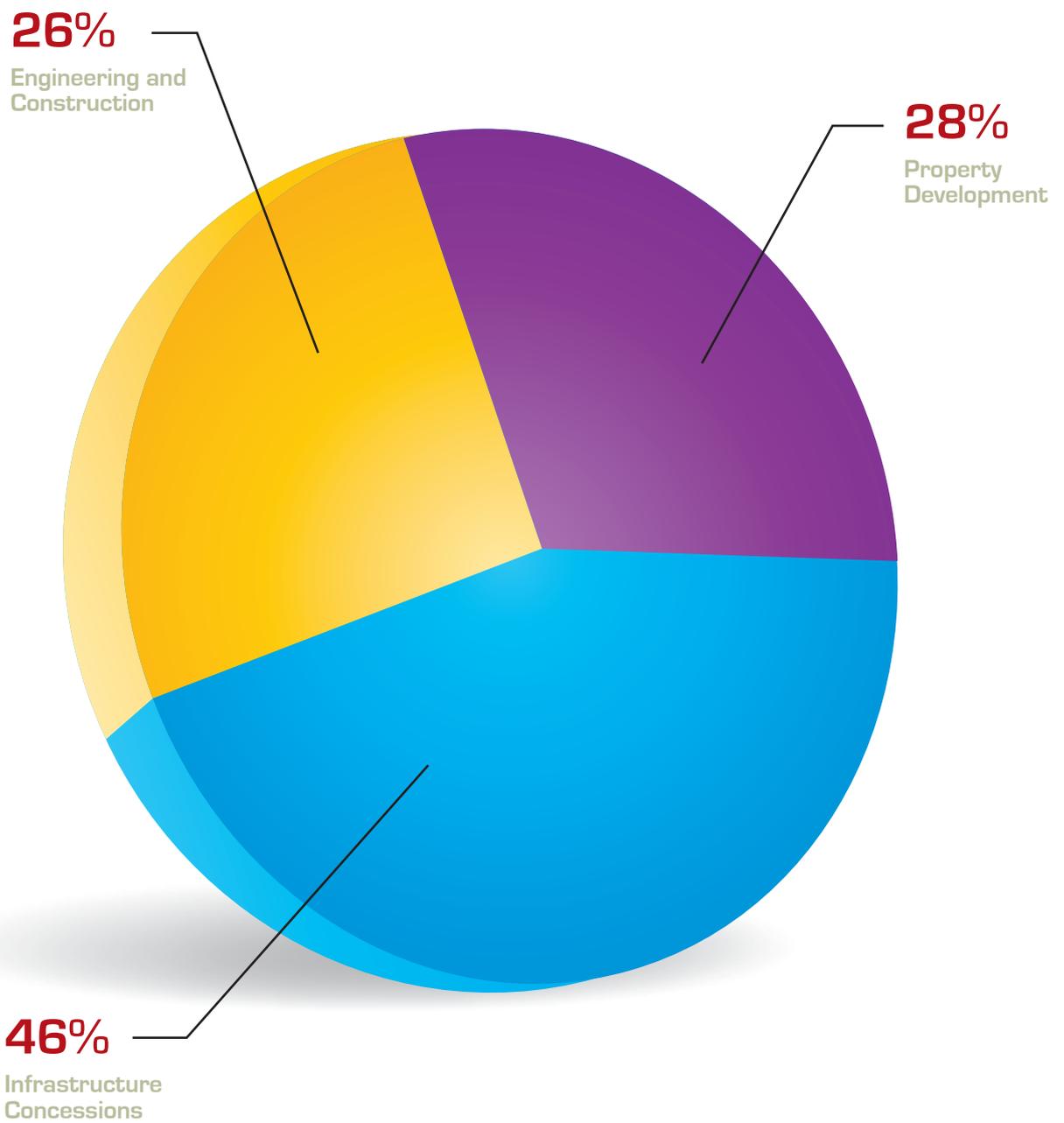


## Core Business

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Making up the core business activities of the group are Engineering and Construction, Infrastructure Concessions and Property Development.

### Segmental Performance - Profit Before Tax







## Engineering and Construction

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The Electrified Double Track Project (EDTP) charted further progress during the year and is now about 65% completed. All major civil works packages are currently at advanced stages of completion.



# Engineering and Construction



**“The outlook for the construction sector and the division looks bright given that the country’s largest infrastructure project ever is set to take off in the next few months.”**

The division achieved a significantly stronger performance than last year. For financial year 2011, revenue totalled RM1.8 billion, up 3% from the previous year. Pretax profit expanded 79% to RM143.3 million, resulting in the division contributing 26% to overall Group pretax profit. Pretax margin for the division rose strongly to 8% for financial year 2011 compared to 4% during the previous year. At the end of the financial year 2011, the division’s unbilled construction order book stands at RM2.6 billion, sufficient to last through the next two years.

The outlook for the construction sector and the division looks bright given that the country’s largest infrastructure project ever is set to take off in the next few months. The project, the Klang Valley Mass Rapid Transit consists of three new lines, most of which is planned to be completed by 2020. The first of the three lines runs from Sungai Buloh to Kajang (the SBK line) over a distance of 51km including a 9.5km stretch which runs underground beneath the city. The remaining two lines are being finalised by the Government and is expected to be unveiled to the public in early 2012. Construction of the second and third lines is targeted to commence in 2013 and will be implemented in two phases — the most critical, high-demand stretches in and around the city centre are

scheduled to be completed by 2020 under the first phase whilst completion of the less critical, suburban elevated routes is scheduled for completion by 2030 under the second phase.

The division is working towards playing two distinct roles in the Klang Valley Mass Rapid Transit project. The first role is that of a Project Delivery Partner (PDP) for the entire project. In this respect, the government has appointed the MMC-Gamuda JV (a 50:50 joint venture with MMC Corporation Berhad) as PDP vide a Letter of Award dated 28 January 2011. As PDP, the JV is mandated to lead the implementation and the delivery of the fully commissioned project to the Government.

The second role is that of main contractor for the underground works in the city centre. This works package for the underground stretch will be opened for tender by the fourth quarter of 2011 and the final awards are expected by the second quarter of 2012. The MMC-Gamuda JV believes that its chances of securing this job are high.



## Domestic Projects

The ongoing Electrified Double Track Project (EDTP) made further progress during the year and is now about 65% completed. All major civil works packages are now at advanced stages of completion. The systems, electrification and signalling works are expected to commence by the middle of 2012. The completion date for this project has been extended for a second time to Nov 2014 following the granting of a second Extension of Time by the Government.

Major construction material costs have held steady over the year and appear set to remain at current levels into 2012. This augurs well for the EDTP project as it mitigates material price risks in the coming months.

1. The almost completed trainset depot in Section N1 at Padang Besar  
 2. Rail installation works at the Chemor Yard in Section NB

3. External formwork and lining works in progress at the open cut area of the Berapit Tunnel in Padang Rengas  
 4. Piling and pile cap works in progress for the new Prai Swing Bridge in Prai, Penang

## Overseas Projects

### Gulf States

We have almost fully completed all our projects in the Gulf States. In Qatar, works on the New Doha International Airport (NDIA) are close to achieving substantial completion. Sectional handover of completed segments such as the East and West runways have been completed. Demobilisation works have also commenced and excess manpower have been redeployed back to Malaysia and Vietnam. In Bahrain, the Sitra Bridge works have been completed and our project team has also been redeployed.



1. New Doha International Airport (NDIA) staff posing for a group photograph as the project nears completion. In the background are the airfield facilities and the passenger terminal building of the airport

2. The Free Trade Zone (FTZ) tunnel at NDIA that leads from the passenger terminal building (in the distance) to the FTZ area, a zone designated for future developments

3. An aerial view of the almost-completed NDIA that is envisioned to become a major international gateway to the Middle East region

“Works on the New Doha International Airport (NDIA) are close to achieving substantial completion.”



4. An aerial view of the completed Sitra Causeway northern marine bridge that leads to the Umm Al Hassam junction, overlooking the city skyline of Manama, the capital of Bahrain. Inset: An aerial view of the Umm Al Hassam junction



1. Construction works for the Sewage Treatment Plant (STP) progressed well during the year and is in the advanced stage of completion. Once fully operational, the STP will be capable of treating nearly half of Hanoi's household sewerage

2. A Sequencing Batch Reactor (SBR) tank in the STP is aerated by air diffusers, a crucial process in the treatment of wastewater

3. The STP in Gamuda City is equipped with a processing capacity of 200,000m<sup>3</sup> of water per day, and is regarded as one of the biggest STPs in Vietnam. The picture depicts the gas holding tanks in the STP

4. A panoramic view of the mega structures in the STP at Gamuda City



**“Construction works on the Sewage Treatment Plant is now at the 90% completion state, while the park in Gamuda City has made magnificent progress.”**

#### Vietnam

Construction works on the Sewage Treatment Plant in Hanoi made good progress during the year. It is now at the 90% completion stage and substantial completion is expected by the middle of 2012. All civil works are now virtually completed and ongoing works comprise mainly mechanical and electrical works. The final handover of the project is targeted for late 2012.

#### Laos

We continue to review developments on the Nam Theun I project. Construction work will proceed after finalisation of a new tariff structure with the Electricity Generation Authority of Thailand.

5. The meticulously designed and landscaped Festive Retail Waterfront in Gamuda City is among the signature features in the largest world-class integrated township in Hanoi

6. Majestic sculptures of dragons and snakes adorn the Parterre Garden in Yen So Park, Gamuda City

7. The architecture of the Traditional Village set within the Traditional Park of Yen So Park is imbued with a strong element of Vietnamese ethnic culture

Enhancement works in progress at the TTDI interchange for a new underpass, which will enable smooth northbound traffic from TTDI to Bandar Utama. The upgrading will allow uninterrupted traffic flow at the TTDI interchange and intersection (traffic lights junction), which currently serves an estimated 110,000 vehicles per day





## Infrastructure Concessions

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Our expressways division continued to register steady growth in revenue and profits in financial year 2011. The LDP saw its average weekday tollable traffic rise 1.1% to 475,000 vehicles per day. Likewise, our SPRINT highway accomplished a 7.5% increase in average weekday tollable traffic.



# Infrastructure Concessions



## Water Supply

The protracted negotiations to consolidate Selangor's water industry continue to be deadlocked. Subsequent to Syarikat Pengeluar Air Sungai Selangor Sdn Bhd's (SPLASH) attempt to break the deadlock by making a bold offer to acquire the assets and liabilities of the entire industry for RM10.75 billion in 2010, the Federal Government had indicated that fresh offers would be made to resolve the issue, but to date, there has been no further offer forthcoming.

Meanwhile Acqua SPV Berhad, a wholly-owned subsidiary of Pengurusan Aset Air Berhad (PAAB), has successfully acquired all Selangor water industry bonds worth RM6.5 billion, including SPLASH's bonds in exchange for new Federal bonds. This bond swap has removed the risks of potential bond defaults as the redemption obligations of several bond issuers had become due. Renewed efforts at resolving the consolidation deadlock are expected in the months ahead.

## Tolled Highways

Our highways division continued to deliver steady growth in revenue and profits in financial year 2011. The LDP saw its average weekday tollable traffic rise 1.1% to 475,000 vehicles per day despite a slight dip in traffic recorded at its southern section following the opening of Section 1B of the South Klang Valley Expressway. LDP's scheduled toll hike which was due on 1 January this year has been deferred by the Government until further notice. Compensation is expected in due course in line with the terms of its Concession Agreement.

Likewise, our SPRINT highway achieved a 7.5% increase in average weekday tollable traffic. Among the three separate links which make up SPRINT, both the Penchala and Kerinchi Links achieved higher-than-average growth rates. All three links of SPRINT have had their respective scheduled toll hikes deferred by the Government until further notice, and the Government has been compensating SPRINT in accordance with the provisions of the Concession Agreement.

The RM133 million upgrading project at the Taman Tun Dr Ismail (TTDI) interchange is expected to be completed in early 2012. Upon completion of this project, motorists from TTDI heading towards Bandar Utama and beyond will enjoy an uninterrupted drive using the new underpass. Likewise, motorists travelling at the at-grade TTDI interchange will also experience smoother traffic flow with the consequent reduced phases of the traffic lights at the location.

Works on another major enhancement project called LDP 5 are also progressing smoothly. These works involve relieving traffic congestion in the southern, central and northern stretches of the LDP.



**“The RM133 million upgrading project at the Taman Tun Dr Ismail (TTDI) interchange is expected to be completed in early 2012.”**

1. Ongoing construction works for a two-lane flyover from Puchong towards Putrajaya, under Package 5A for the LDP 5 enhancement project
2. Road widening works in progress to provide a dedicated four-lane slip road and the construction of a new two-lane flyover from Persiaran Surian, Mutiara Damansara and Kota Damansara towards Kepong. This is under Package 5B for the LDP 5 enhancement project

3. A Gamuda Water staff operating the lime silo at the Rasa Water Treatment Plant
4. SMART maintenance staff carrying out routine maintenance check at one of the watertight doors along the tunnel

A breathtaking view of sunrise at the award-winning 18-hole championship golf course in Horizon Hills, located in the heart of Nusajaya





# Property Development

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Financial year 2011 saw the division's new property sales touch RM1.3 billion for the first time, rising 60% year-on-year, and well surpassed the RM1.0 billion target set by management.



# Property Development

“The domestic property market enjoyed another strong year, while our developments in Vietnam achieved further progress.”



Financial year 2011 was another record-breaking year for the division. New property sales topped RM1.3 billion for the first time, up 60% year-on-year, and well exceeded the RM1.0 billion target set by management. Consequently, unbilled sales rose to a record RM1 billion, and this is set to drive revenue and earnings growth in the years ahead.

Pretax profit for the division rose by 70% on a revenue increase of 34%. Pretax margins for the division rose to 21% from 17% the year before. All ongoing projects performed well, but one deserves special mention – our Klang-based Bandar Botanic development which achieved outstanding sales.

The domestic market enjoyed another strong year amidst a backdrop of accommodative monetary policy, availability of attractive financing packages and strong consumer confidence. The Government's decision to implement the Klang Valley Mass Rapid Transit project also helped underpin interest in the property market. Concerns over the building up of a property bubble prompted the Government to introduce a cap on the loan-to-value ratio for a buyer's third property onwards, and this has helped reduce some of the speculative element in the market.

The property market in Vietnam continued to be generally sluggish on the back of the Government's monetary tightening measures, curbs on property lending, downward pressure on its currency and a cooling economy. Buyers remained generally cautious with activity limited to the mass market and affordable segments. A 9% devaluation of the Dong in early 2011 has taken off the downward pressure on the Dong, and the government expects inflation to subside towards the end of this year.

Financial year 2011 also saw our two developments in Vietnam achieve further progress. In Hanoi, the Government has commenced the handing over of several parcels of land earmarked for the residential development of Gamuda City. This has enabled our team to better plan and work towards its maiden launch of landed residential units in early 2012. Notwithstanding the sluggish market, we expect a good response to our maiden launch given the market's clear preference for landed units and the limited competition in Hanoi.

In Ho Chi Minh City, our Celadon City development was soft launched in May this year amidst a sluggish market. The response thus far has been lukewarm, but is expected to improve in the coming months. Unfazed by the modest take-up rates, we intend to proceed with the construction of the residential blocks and the infrastructure facilities and amenities within the township.

In the medium term, we remain highly confident of our property township projects in Vietnam. The country's rapid urbanisation, coupled with its highly favourable demographics, low property ownership levels, and the lack of comparable product offerings will position our developments strongly in the next several years to come.

The balance Gross Development Value from the division's portfolio of seven projects in Malaysia and two projects in Vietnam totals RM21 billion over the next 15 years. As two of its Malaysian developments are expected to be completed over the next two years, the division remains on the lookout for opportunities to replenish its domestic development landbank.



## Bandar Botanic, Klang

This wholly-owned premium mixed township is among the market leaders in Klang. Setting it apart from the competition are its scenic waterfront homes, its botanical-style concept offerings, and 170 acres of landscaped parks surrounding its signature Central Lake. Other key attractions include its gated and guarded security and its exclusive Botanic Resort Club. Fully matured with a vibrant commercial hub, secondary market prices for properties in the township have appreciated sharply over the last few years. The recent opening of the second phase of GM Klang (a comprehensive one-stop wholesale city) has further strengthened the township's appeal as a shopper's destination.

Bandar Botanic has a remaining Gross Development Value of RM1.2 billion over the next 4 years.

## Horizon Hills, Johor

This rapidly-maturing, 1,200-acre premium freehold development is situated in the heart of thriving Iskandar Malaysia. Undertaken via a 50:50 joint venture with the UEM group, this development is now in its sixth year of development. Featuring a 'get close-to-nature' concept, this low-density residential township comprises 13 separate precincts of which 3 have been launched — The Gateway, The Golf and The Hills. Foreign buyers from neighbouring Singapore continue to be strong supporters of the development, attracted by its location, attractive pricing, development concept, the championship 18-hole designer golf course with signature clubhouse and breathtaking landscapes.

Horizon Hills has a remaining Gross Development Value of RM3.7 billion over the next 15 years.

1. A sensitive selection of plants and waterscape at the Floating Deck in Madge Mansions create a soft, inviting ambience for weary urban souls

2. The Gateway Precinct in Horizon Hills comprises 2.5-storey freehold semi-detached residences decked in luxurious landscaping inspired by the timeless elegance of Suzhou

3. Residents of Bandar Botanic enjoy a variety of resort living features, such as the Botanic Resort Club

## Jade Hills, Kajang

This wholly-owned, 4-year old development has seen sales increase every consecutive year since its launch. Rapidly rising to prominence in its Chinese-dominated catchment, this 338-acre contemporary Oriental-themed township leads the division's green efforts by featuring roof gardens and eco-friendly fittings in each home. Incorporating a wide variety of products ranging from bungalow land and bungalows to super-linked homes and serviced apartments, this development is poised to achieve even greater success in the years to come. Accessibility will be significantly enhanced once the soon-to-be constructed Sungai Buloh-Kajang KVMRT line is completed in 2016, putting this development within a 45 minute reach of Kuala Lumpur.

Jade Hills has a remaining Gross Development Value of RM1.3 billion over the next 7 years.



## Kota Kemuning, Shah Alam

This nearly-completed, self-contained township undoubtedly remains one of the division's most successful flagship developments. Developed over the last 10 years, this matured township remains highly sought after. Recent additions to its product offerings include Biz Suites. These office suites, ranging up to 1,110 sq ft, are targeted at young professionals and entrepreneurs. The township's award-winning Kota Permai Golf and Country Club continues to be one of the country's leading golf clubs. Coupled with its wide range of amenities, superior infrastructure, easy accessibility and a thriving commercial hub, this development continues to be a clear market leader in its vicinity, commanding a significant price premium over its competitors.

Kota Kemuning has a remaining Gross Development Value of RM150 million over the next 2 years.

## Madge Mansions, Kuala Lumpur

Located within the city's exclusive and prestigious Embassy District, this condominium-mansion is designed to offer the ultimate in luxurious condominium living. This wholly-owned, low-density development was recently launched and is targeted at captains of industry, discerning professionals, and senior level managers who appreciate the art of fine living. Innovatively designed, each of the 52 palatial units with built-up spaces of up to 8,300 sq ft offers layouts cleverly crafted to offer maximum flexibility for various occasions, whether they be discreet daily unions or lively yearly reunions. A first of its kind in-house butler service, aptly named 'At Your Service' will be offered to residents to cater to every conceivable need and preference.

Madge Mansions has a Gross Development Value of RM300 million over the next 4 years.



## Valencia, Sungai Buloh

With its landbank fully exhausted, this 10-year old wholly-owned boutique development recently sold out its final residential phase comprising three-storey link houses set within the Garden precinct. As testimony to its highly sought after status, sales conducted by ballot earlier this year were completely sold out within two hours. Boasting a residents-only golf course, and a state-of-the-art high level security system, and proven to be a highly popular residential choice for expatriates, Valencia appears set to retain its coveted position as one of the most prestigious residential enclaves in the northern Klang Valley.

Valencia has a remaining Gross Development Value of RM80 million over the next 2 years.

1. Among the distinctive features of the exclusive homes in Jade Hills are its spectacular view of sprawling greens seen from one's exquisite garden at the rooftop
2. The picturesque landscaped Central Park adds to the healthy, idyllic living for residents in Kota Kemuning

3. The Village Square is known as the 'heart and soul' of Valencia. A quaint focal point with specialty shops, services and a charming clock tower, it is the perfect meeting place for residents to relax and unwind



## Gamuda City, Hanoi

Positioned as the division's flagship development in Vietnam, this wholly-owned development is gearing up for its maiden launch in early 2012. Planned to be rolled-out over the next 10 years, this 453-acre integrated mixed township is envisaged to create a new, modern and vibrant urban district in south Hanoi. Residential components are planned to be wholly-developed by the Group whilst the commercial, retail and office components are planned to be co-developed with leading regional developers. With its residential product mix highly skewed towards a range of landed properties, this development is expected to be well received by the market which has demonstrated a clear preference for landed properties.

Gamuda City has a Gross Development Value of RM9 billion over the next 10 years.

## Celadon City, Ho Chi Minh City

This recently-launched development is 60% owned by the Group. Located just 9km west of the city centre, this 200-acre township aims to offer affordable condominium living to the mass market. Key features of the development include a 40-acre fully landscaped park, which is poised to be the largest green park in the city when completed. Other components of the development include small office buildings, retail mall, sports complex, international schools, medical centre and a cultural and entertainment centre. Sales gallery and show houses for the first phase have been completed. The unique strengths are well differentiated from the market. This is evidenced by the entry of a prominent regional mall operator, AEON. It will further attract more investors as well as homebuyers to the development.

Celadon City has a Gross Development Value of RM5 billion over the next 7 years.

## The Robertson, Kuala Lumpur

This wholly-owned development will be the division's first foray into a high-rise mixed commercial development in Kuala Lumpur. Located within the bustling neighbourhoods of Jalan Pudu and Bukit Bintang, this 2.94-acre development will comprise retail, commercial and serviced suites. The masterplan for the development is pending approval and construction work is expected to commence in early 2013.

This project has a Gross Development Value of RM730 million over the next 5 years.

4. Artist impression of a scenic evening at the Central Park in Celadon City
- 5 & 6. Nestled within Gamuda City, the Festive Retail Waterfront is a calming sanctuary of beautifully landscaped greens and natural water features, offering residents a quiet refuge for leisure and relaxation

## Group Awards & Achievements



### Engineering

- SMART, Best International Project, British Construction Industry Award
- SMART, Design & Construction Excellence Award, Institution of Engineers Malaysia
- SMART, Best Contractor Award, CIDB Malaysian Construction Industry Excellence Award
- Shah Alam Expressway, Builder's Gold Medal Award for Civil Engineering Construction Works, International Federation of Asian & Western Pacific Contractor's Association

### Innovation

- SMART, Special Award for Innovation, CIDB Malaysian Construction Industry Excellence Award

### Environment

- SMART, Special Award for Environment, CIDB Malaysian Construction Industry Excellence Award
- Kaohsiung MRT, Air Quality Protection Model Award, The Environmental Bureau of Kaohsiung Country Government, Republic of China
- Kaohsiung MRT, Planning and Implementation Award for Environmental Protection Policies, Government of Taiwan through the Environmental Protection Administration

### National Contribution

- SMART, Special Award for National Contribution, Malaysia Property Award 2010, International Real Estate Federation (FIABCI), Malaysian Chapter
- SMART, Specialised Project (Purpose Built) Category, Runner Up, FIABCI Prix d'Excellence Awards 2011, International Real Estate Federation (FIABCI)

### Masterplan

- Bandar Botanic, Best Masterplan, International Real Estate Federation (FIABCI), Malaysian Chapter

### Landscape

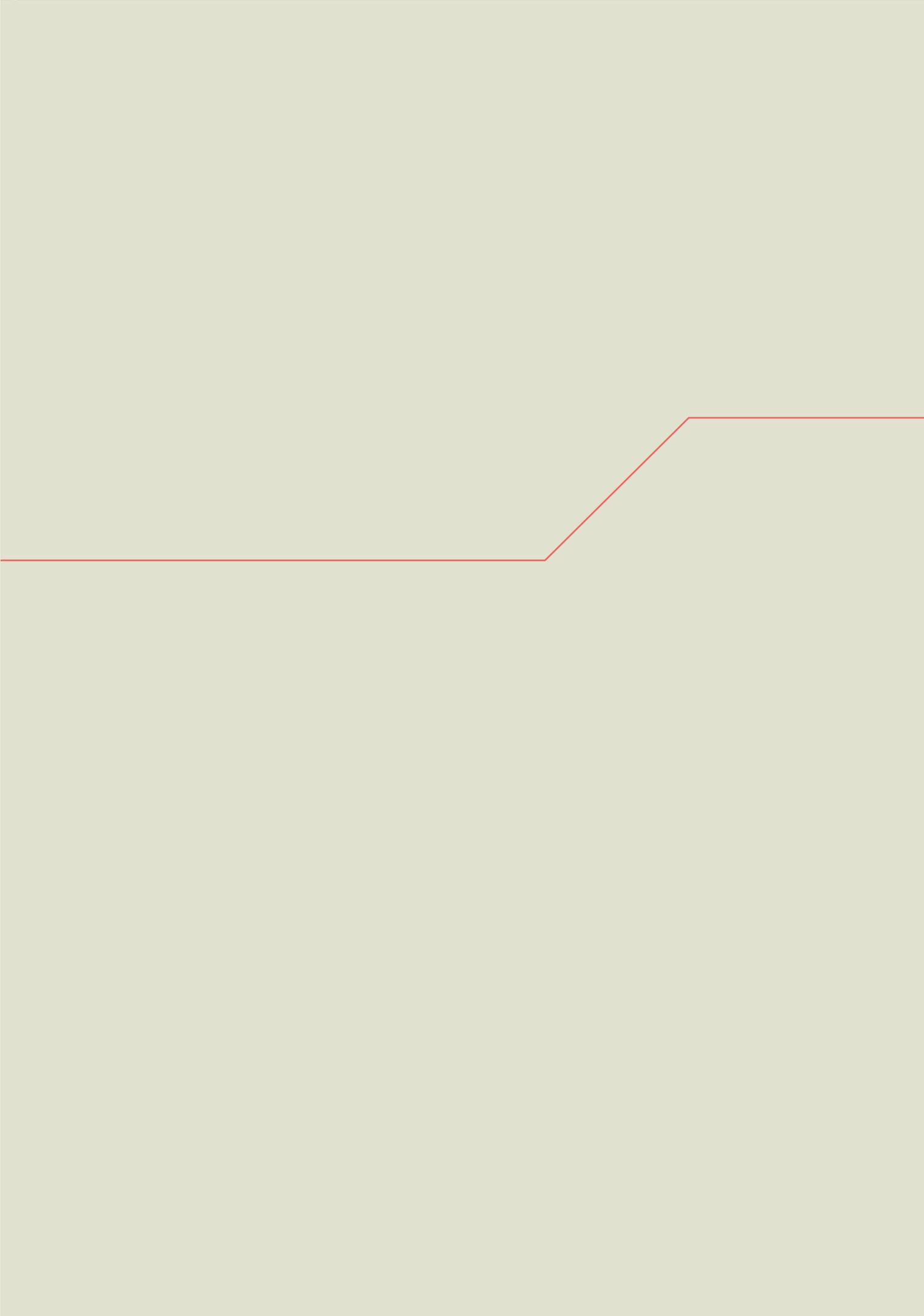
- Jade Hills, Property Developer Category for Excellent Landscape Planning and Development, Malaysia Landscape Architecture Awards 2010, Institute of Landscape Architects Malaysia (ILAM)
- Valencia, Property Developer Category for Excellent Landscape Planning and Development, Malaysia Landscape Architecture Awards 2009, Institute of Landscape Architects Malaysia (ILAM)
- Kota Kemuning, Urban Re-development, Conservation and Rehabilitation Award, Malaysian Institute of Planners

### Safety & Health

- New Doha International Airport, 25 Million "Man-hours without a Lost Time Injury"

### Business & Management

- Gamuda Berhad, Asia's Best Managed Companies, Euromoney
- Gamuda Berhad, Best Under a Billion 200 Companies, Forbes Global
- Gamuda Berhad, Best Managed Company and Strongest Commitment to Enhancing Shareholder Value, FinanceAsia
- Gamuda Berhad, The Edge Billion Ringgit Club 2010, The Edge



## Corporate Information

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## Directors' Profile

### Raja Dato' Seri Abdul Aziz bin Raja Salim

Non-executive Chairman (independent)

Raja Dato' Seri Abdul Aziz has been on the Board since 22 October 2001. He was appointed the Chairman of Gamuda Berhad on 17 December 2010.

A chartered accountant, he has a distinguished career in Government service. He was the Director-General of Inland Revenue Malaysia from 1980 - 1990 and Accountant-General Malaysia from 1990 - 1994. He was the President of the Chartered Institute of Management Accountants (CIMA), Malaysia Division from 1976 - 1993 and Council Member of CIMA, UK from 1990 - 1996. He was awarded the CIMA Gold Medal in recognition of his outstanding service to the accounting profession. Presently, he is a trustee and Board member of the Malaysian Accounting Research and Education Foundation.

Raja Dato' Seri Abdul Aziz's financial and tax experience supported with his experience as a member of the Board and Audit Committee of other public listed companies enable him to bring a great deal of experience and expertise to the Board, and make him ideally placed to chair the Board and particularly qualified to lead the Audit Committee.

He is an Honorary Fellow of the Malaysian Institute of Taxation; a Fellow of the Chartered Association of Certified Accountants, UK; a Fellow of CIMA, UK; a member of the Malaysian Institute of Accountants and a member of the Chartered Accountant (Malaysia). Age 73.

#### Board Committee membership

- Chairman of the Audit Committee

#### Other directorships of public companies

- Kenanga Fund Management Berhad
- Kenanga Investment Bank Berhad
- K&N Kenanga Holdings Berhad
- Panasonic Manufacturing Malaysia Berhad
- PPB Group Berhad
- Southern Steel Berhad
- Jerneh Asia Berhad
- Hong Leong Industries Berhad





## **Dato' Lin Yun Ling** Group Managing Director

Dato' Lin has been on the Board as Managing Director since 10 February 1981.

As a civil engineer, he joined Gamuda in 1978 as a senior project manager. He brings to the Group more than 33 years of experience in civil engineering and construction. Over the years under his leadership, Gamuda expanded its business focus from construction into infrastructure and property development, all sectors in which the Group has dominant positions, both locally and internationally.

As a key pioneer founder of the Group, Dato' Lin has a deep understanding of the strengths and capabilities of the Group. Consequently his differentiated vision and strategies have led to the Group's successful track record of growth and financial strength. Dato' Lin is instrumental in leading the executive team in implementing the Group's strategies. His leadership and entrepreneurial vision have been and will continue to be crucial in leading the Group into the future.

Dato' Lin holds a Bachelor of Science (Honours) degree in Civil Engineering from King's College, University of London, UK. Age 56.

### **Board Committee membership**

- Member of the Remuneration Committee

### **Other directorships of public companies**

- Lingkaran Trans Kota Holdings Berhad
- Syarikat Pengeluar Air Selangor Holdings Berhad



## **Tan Sri Dato' Mohd Ramli bin Kushairi** Senior Independent Non-executive Director

Tan Sri Dato' Mohd Ramli has been on the Board since 22 October 2001.

Tan Sri Dato' Mohd Ramli's service with the Government of Malaysia includes holding senior positions at Bank Negara Malaysia, Tariff Advisory Board, Federal Agricultural Marketing Authority and Kumpulan Fima Berhad, a Government-owned company then. He is a member of the National Standards & Accreditation Council, where he also serves as Chairman of the Council's National Standards Committee. Additionally, he is a trustee of both Yayasan Tuanku Bainun and Yayasan Suluh Budiman Universiti Pendidikan Sultan Idris, a member of the International Advisory Board of University of Hull, England and a Director of the Board of Universiti Teknologi Malaysia.

Tan Sri Dato' Mohd Ramli's roles in key trade and business councils, coupled with his commercial experience gained as a Board member of other public listed companies, have enabled him to provide highly valued advice and support to the executive management team of the Company and make him ideally suited to the position of Senior Independent Director for communication between the shareholders and the Board.

He holds a Bachelor of Arts (Honours) degree in Social Science from University of Hull, England, UK and did his post-graduate studies at King's College, University of London, UK. Age 75.

### **Board Committee membership**

- Chairman of the Remuneration Committee
- Member of the Audit Committee
- Member of the Nomination Committee

### **Other directorships of public companies**

- South Malaysia Industries Berhad (Chairman)
- Masscorp Berhad



### **Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain** Non-executive Director (independent)

Tan Sri Dato' Seri Dr Haji Zainul Ariff has been on the Board since 1 December 2004.

Tan Sri Dato' Seri Dr Haji Zainul Ariff spent his early career in Government service where he held senior positions including Secretary in the Department of Higher Education of the Ministry of Education, Director-General of the Social Economic Research Unit in the Prime Minister's Department, Deputy Secretary-General of the Prime Minister's Department and Secretary-General of the Ministry of National Unity and Social Development. His last position with the Government was as Director-General of the Implementation Coordination Unit in the Prime Minister's Department. He is the Chairman of the Board of Universiti Malaysia Perlis and a Distinguished Fellow of the Institute of Strategic and International Studies Malaysia. Tan Sri Dato' Seri Dr Haji Zainul Ariff is a former member of the Board of Malaysian Industry-Government Group For High Technology, past Chairman of Bank Pembangunan Malaysia Berhad and a former Director of MISC Berhad and Global Maritime Ventures Berhad.

Tan Sri Dato' Seri Dr Haji Zainul Ariff's extensive experience in the public sector and commercial experience in the later years enable him to provide a different perspective and independent view to the Board.

He holds a Ph.D. in Public Policy from University of Southern California, USA; a Master's in Business Administration from Ohio University, USA; a Bachelor of Arts (Honours) degree from University of Malaya; a Diploma in Public Administration from University of Malaya; a Certificate in Management Services (Excellent Grade) from Royal Institute of Public Administration, UK and a Certificate of Anatomy of Ship Finance from Cambridge Academy of Transport, Cambridge, UK. He did a short course on factoring at Catholic Leuven University, Belgium. Age 65.

#### **Board Committee membership**

- Member of the Remuneration Committee
- Member of the Nomination Committee

#### **Other directorships of public companies**

- FSBM Holdings Berhad



### **Raja Dato' Seri Eleena binti Raja Azlan Shah** Non-executive Director (non-independent)

An advocate and solicitor, Raja Dato' Seri Eleena has been on the Board since 1 June 1992.

She was called to the English Bar in 1985. Upon returning to Malaysia, she worked with an international firm in Kuala Lumpur and was called to the Malaysian Bar in 1986. She set up her own legal practice Messrs Raja Eleena, Siew, Ang & Associates in 1987 of which she is presently a senior partner.

Raja Dato' Seri Eleena's extensive experience in legal practice enables her to contribute significantly to the Board. She is the niece of Dato' Seri Ir Kamarul Zaman bin Mohd Ali and a major shareholder of Gamuda through her interest in Generasi Setia (M) Sdn Bhd.

Raja Dato' Seri Eleena is a Barrister-at-Law from Lincoln's Inn, London, UK. Age 51.

#### **Board Committee membership**

- None

#### **Other directorships of public companies**

- KAF-Seagroatt & Campbell Berhad



## **Dato' Seri Ir Kamarul Zaman bin Mohd Ali**

### **Executive Director**

Dato' Seri Ir Kamarul Zaman has been on the Board since 1 June 1992.

A civil engineer, he was attached to the Public Works Department (JKR), Penang for 17 years as a Quarry Manager. Subsequently, he joined Penang Development Corporation as a senior engineer for 9 years prior to joining G.B. Kuari Sdn Bhd, a subsidiary of Gamuda, on 1 June 1990.

Dato' Seri Ir Kamarul Zaman has been actively involved in overseeing the Group's quarry operations and related business requirements. His in-depth knowledge and vast experience in quarry operations and the broader construction industry enable him to provide a significant contribution to the Group's business and to the Board. Dato' Seri Ir Kamarul Zaman is the uncle of Raja Dato' Seri Eleena binti Raja Azlan Shah.

He holds a Bachelor of Science degree in Engineering from the Institute of Technology, Brighton, UK. Age 75.

#### **Board Committee membership**

- None

#### **Other directorships of public companies**

- Intan Utilities Berhad



## **Dato' Haji Azmi bin Mat Nor**

### **Executive Director**

Dato' Haji Azmi has been on the Board since 24 September 2001. Before that, he was Alternate Director to Mr Heng Teng Kuang from 22 December 2000 to 1 August 2001 (Mr Heng Teng Kuang retired from the Board and Company on 1 August 2001).

A civil engineer, he has worked as Resident Engineer at the Public Works Department (JKR), of Pahang and Selangor. His last position with the Public Works Department (JKR) was as Assistant Director of the Central Zone Design Unit under JKR Kuala Lumpur (Road Branch), in charge of road design and coordination of consultants' work.

Dato' Haji Azmi has extensive knowledge of developing and managing the implementation of complex infrastructure concession projects in Malaysia. He also contributes by overseeing the operations of the Group's infrastructure concessions, ranging from expressways to water-related and others.

Dato' Haji Azmi holds a Bachelor of Science degree in Civil Engineering and a Master's of Science degree in Highway Engineering, both from University of Strathclyde, Glasgow, Scotland, UK. Age 53.

#### **Board Committee membership**

- None

#### **Other directorships of public companies**

- Lingkaran Trans Kota Holdings Berhad
- Syarikat Pengeluar Air Selangor Holdings Berhad
- Kesas Holdings Berhad



## Dato' Ir Ha Tiing Tai

### Executive Director

Dato' Ir Ha has been on the Board since 1 February 1990.

A civil engineer, he has 34 years of experience in the engineering and construction sectors. Dato' Ir Ha has extensive experience in large-scale build-operate-transfer (BOT) projects from project inception to project financing and implementation, both in Malaysia and overseas.

As an Executive Director, Dato' Ir Ha plays a key role in the Group's engineering and construction business. It includes managing the Group's overseas projects in Taiwan and Indo China and the electrified double-tracking project from Ipoh to Padang Besar. Currently, through the Company's role as Project Delivery Partner (PDP), he also manages the implementation of the massive mass rapid transit (MRT) project in the Klang Valley.

Dato' Ir Ha's expertise and extensive experience gained particularly in large and complex projects enable him to contribute significantly to the Group's business and to the Board. He was appointed as Vice President of the China Economic & Trade Promotion Agency in September 2010.

Dato' Ir Ha holds a Bachelor of Engineering (Honours) degree from University of Malaya. He is a professional engineer registered with the Board of Engineers, Malaysia; a chartered engineer registered with the Engineering Council, UK; a Fellow of the Institution of Engineers Malaysia; a member of the Institution of Civil Engineers, UK and a Fellow of the Institution of Highways And Transportation, UK. Age 57.

#### Board Committee membership

- None

#### Other directorships of public companies

- Danau Permai Resort Berhad



## Dato' Goon Heng Wah

### Executive Director

Dato' Goon has been on the Board since 1 June 1992. He was previously a member of the Board from 11 November 1986 to 30 October 1988.

A civil engineer, Dato' Goon has many years of working experience in the fields of engineering, construction and infrastructure works and possesses a strong project implementation background. He held several senior management positions since joining Gamuda in 1978 with responsibilities including management and supervision of major projects.

Dato' Goon has substantial regional responsibilities for the Group's engineering and construction activities from India to the Middle East. Dato' Goon's contribution is in his engineering expertise, in-depth knowledge and extensive experience in the construction industry, in particular large-scale overseas project mobilisation and implementation.

He holds a Bachelor of Engineering (Honours) degree from South Bank University, UK. Age 55.

#### Board Committee membership

- None

#### Other directorships of public companies

- Danau Permai Resort Berhad



## Dato' Ng Kee Leen

### Executive Director

Dato' Ng has been on the Board since 20 September 1986.

He has been with Gamuda since 1977 during which time he held various senior management positions. Dato' Ng has extensive working experience in tender, finance and implementation of infrastructure projects. He is a former President of the Master Builders Association of Malaysia (MBAM), the collective and recognised voice of the construction industry in Malaysia. He presently serves as a Board member of the Construction Industry Development Board (CIDB), Council Member of the Building Industry Presidents' Council (BIPC), Council Member of the ASEAN Constructors Federation (ACF) and Vice President of Malaysian Service Providers Confederation.

He is responsible for the Group's expressway concession interests in Malaysia. Dato' Ng's skills and vast experience, having worked for the Company for 33 years across a wide spectrum of businesses including infrastructure concession projects, trading and investments, enable him to contribute significantly to the Group's overall business and to the Board. His involvement as the President of MBAM, Board member of CIDB and Council Members of BIPC and ACF enable him to contribute on issues affecting the building and construction industries. Age 55.

#### Board Committee membership

- None

#### Other directorships of public companies

- Lingkaran Trans Kota Holdings Berhad
- Kesas Holdings Berhad
- Construction Labour Exchange Centre Berhad



## Wong Chin Yen

### Non-executive Director (independent)

A stockbroker, Ms Wong has been on the Board since 1 June 1992.

Ms Wong began her career as an advocate and solicitor with Shearn Delamore & Co. in 1985 before moving on to the Legal Department of American Express (M) Sdn Bhd in 1987. She managed her own business providing process service to legal firms between 1990 and 1997 and thereafter joined the stockbroking industry where she is presently a Dealer's Representative with Hong Leong Investment Bank Berhad.

She has vast analytical skills, risk management and legal experience, enabling her to provide invaluable input to the Board and Audit Committee.

Ms Wong holds a Bachelor of Arts (Honours) degree in Law from London Metropolitan University, UK and a Master's in Law from London School of Economics and Political Science, UK. She is also a Barrister-at-Law from Middle Temple, London, UK. Age 51.

#### Board Committee membership

- Chairman of the Nomination Committee
- Member of the Audit Committee

#### Other directorships of public companies

- None



## Saw Wah Theng

### Executive Director

A chartered accountant, Mr Saw has been on the Board since 1 February 1998.

As head of the finance function, Mr Saw is responsible for the Group's budgetary control, treasury, tax and corporate finance including mergers and corporate restructuring exercises. He has extensive working experience in accounting, finance and corporate finance gained while he was attached to accounting and auditing firms in the United Kingdom and Malaysia, and as the Group Financial Controller of Hong Leong Industries Berhad, prior to joining the Gamuda Group.

Mr Saw was admitted as an Associate of the Institute of Chartered Accountants (England and Wales) in 1985 and he is a member of the Malaysian Institute of Accountants. Age 54.

#### Board Committee membership

- None

#### Other directorships of public companies

- Lingkaran Trans Kota Holdings Berhad
- Kesas Holdings Berhad
- Danau Permai Resort Berhad
- Horizon Hills Resort Berhad



## Ir Chow Chee Wah

### Alternate Director to Dato' Lin Yun Ling

Ir Chow has been on the Board as Alternate Director to Dato' Lin Yun Ling since 24 September 2001. Before that, he was Alternate Director to Mr Chan Kuan Nam @ Chan Yong Foo from 22 December 2000 to 1 August 2001.

A civil engineer, he has more than 29 years of working experience in the design of roads, expressways and buildings. He joined Gamuda as a project coordinator after working with engineering consultancy Sepakat Setia Perunding Sdn Bhd as Associate Director. In Gamuda, he held increasingly senior positions within the Group and he assumed the property development portfolio in 1996 in line with the Group's business diversification. Ir Chow heads the property development division as its Managing Director.

His engineering expertise and considerable number of years of experience working within the Group, particularly on the design and technical aspects of the construction side of the business and in later years, on property development, enable him to contribute significantly to the Group's business and to the Board.

Ir Chow holds a Bachelor of Science (Honours) degree in Civil Engineering from University of London, UK. He is a member of the Institute of Engineers, Malaysia and a professional engineer registered with the Board of Engineers, Malaysia. Age 53.

#### Board Committee membership

- None

#### Other directorships of public companies

- Horizon Hills Resort Berhad

#### Note:

- All the Directors -
  - are Malaysians;
  - do not have any conflict of interest with the Company; and
  - maintain a clean record with regard to convictions for offences within the past 10 years other than traffic offences, if any.
- Save as disclosed, none of the Directors has any family relationship with any Director and/or major shareholder of the Company.

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## Corporate Data

# Corporate Data

## Board Of Directors

- Y M Raja Dato' Seri Abdul Aziz bin Raja Salim (Chairman)
- Y Bhg Dato' Lin Yun Ling (Group Managing Director)
- Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi
- Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain
- Y A M Raja Dato' Seri Eleena binti Raja Azlan Shah
- Y Bhg Dato' Seri Ir Kamarul Zaman bin Mohd Ali
- Y Bhg Dato' Haji Azmi bin Mat Nor
- Y Bhg Dato' Ir Ha Tiing Tai
- Y Bhg Dato' Goon Heng Wah
- Y Bhg Dato' Ng Kee Leen
- Ms Wong Chin Yen
- Mr Saw Wah Theng
- Ir Chow Chee Wah (Alternate to Y Bhg Dato' Lin Yun Ling)

## Audit Committee

- Y M Raja Dato' Seri Abdul Aziz bin Raja Salim (Chairman)
- Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi
- Ms Wong Chin Yen

## Nomination Committee

- Ms Wong Chin Yen (Chairman)
- Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi
- Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain

## Remuneration Committee

- Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi (Chairman)
- Y Bhg Dato' Lin Yun Ling
- Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain

## Company Secretaries

- Ms Lim Soo Lye (LS 006461)
- Ms Tee Yew Chin (MAICSA 0794772)

## Registered Office

No. 78, Jalan SS22/21  
 Damansara Jaya  
 47400 Petaling Jaya  
 Selangor Darul Ehsan  
 Malaysia  
 Tel : 603-7726 9210  
 Fax : 603-7728 9811  
 E-mail : gbgpa@gamuda.com.my

## Share Registrar

(For Ordinary Shares and Warrants 2010/2015)

Insurban Corporate Services Sdn Bhd  
 149, Jalan Aminuddin Baki  
 Taman Tun Dr Ismail  
 60000 Kuala Lumpur  
 Tel : 603-7729 5529  
 Fax : 603-7728 5948  
 E-mail : insurban@gmail.com

## Auditors

Ernst & Young  
 Chartered Accountants

## Principal Banker

Malayan Banking Berhad

## Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad  
 Stock Code : Gamuda  
 Stock No : 5398

## Website

www.gamuda.com.my

# Corporate Structure as at 7 October 2011

## Expressway Tolling & Management

• Sistem Penyuraian Trafik KL Barat Sdn Bhd	53%
• Mapex Infrastructure Private Limited	50%
• Emas Expressway Private Limited	50%
• Lingkaran Trans Kota Sdn Bhd	46%
• Madang Permai Sdn Bhd	36%
• Kesas Sdn Bhd	30%

## Water Related

• Gamuda Water Sdn Bhd	80%
• Syarikat Mengurus Air Banjar & Terowong Sdn Bhd	50%
• Syarikat Pengeluar Air Sungai Selangor Sdn Bhd	40%

## Construction

• Gamuda Engineering Sdn Bhd	100%
• Masterpave Sdn Bhd	100%
• Ganaz Bina Sdn Bhd	100%
• Gamuda (Bahrain) W.L.L.	100%
• Gamuda Saudi Arabia L.L.C.	100%
• Gamuda-WCT (India) Private Limited	70%
• MMC-Gamuda Joint Venture Sdn Bhd	50%
• MMC Gamuda KVMRT (PDP) Sdn Bhd (formerly known as Premier Lotus Sdn Bhd)	50%

## Trading

• Gamuda Trading Sdn Bhd	100%
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## Property/Township Infrastructure Development

• Jade Homes Sdn Bhd	100%
• Harum Intisari Sdn Bhd	100%
• Madge Mansions Sdn Bhd	100%
• Valencia Development Sdn Bhd	100%
• Gamuda Land Sdn Bhd	100%
• Gamuda Land Vietnam Limited Liability Company	100%
• Gamuda Land (HCMC) Sdn Bhd	100%
• Idaman Lantas Sdn Bhd	100%
• Setara Hati Sdn Bhd	100%
• Gamuda-NamLong Development Limited Liability Company	70%
• Sai Gon Thuong Tin Tan Thang Investment Real Estate Joint Stock Company	60%
• Hicom-Gamuda Development Sdn Bhd	50%
• Horizon Hills Development Sdn Bhd	50%

## Township & Golf Club Management

• Valencia Township Sdn Bhd	100%
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## Property Maintenance

• Botanic Property Services Sdn Bhd	100%
• Rebung Property Services Sdn Bhd	100%
• Jade Homes Property Services Sdn Bhd	100%
• HGD Property Services Sdn Bhd	50%
• Horizon Hills Property Services Sdn Bhd	50%

## Golf Club & Clubhouse

• Bandar Botanic Resort Berhad	100%
• Jade Homes Resort Berhad	100%
• Danau Permai Resort Berhad	50%
• Horizon Hills Resort Berhad	50%

## Quarrying, Plant Hire & Others

• G. B. Kuari Sdn Bhd	100%
• Megah Management Services Sdn Bhd	100%
• Megah Sewa Sdn Bhd	100%
• Reka Strategi Sdn Bhd	100%
• GL (MM2H) Sdn Bhd	100%
• Gamuda Paper Industries Sdn Bhd	95%
• GPI Trading Sdn Bhd	95%
• Dyna Plastics Sdn Bhd	41%

## Investment

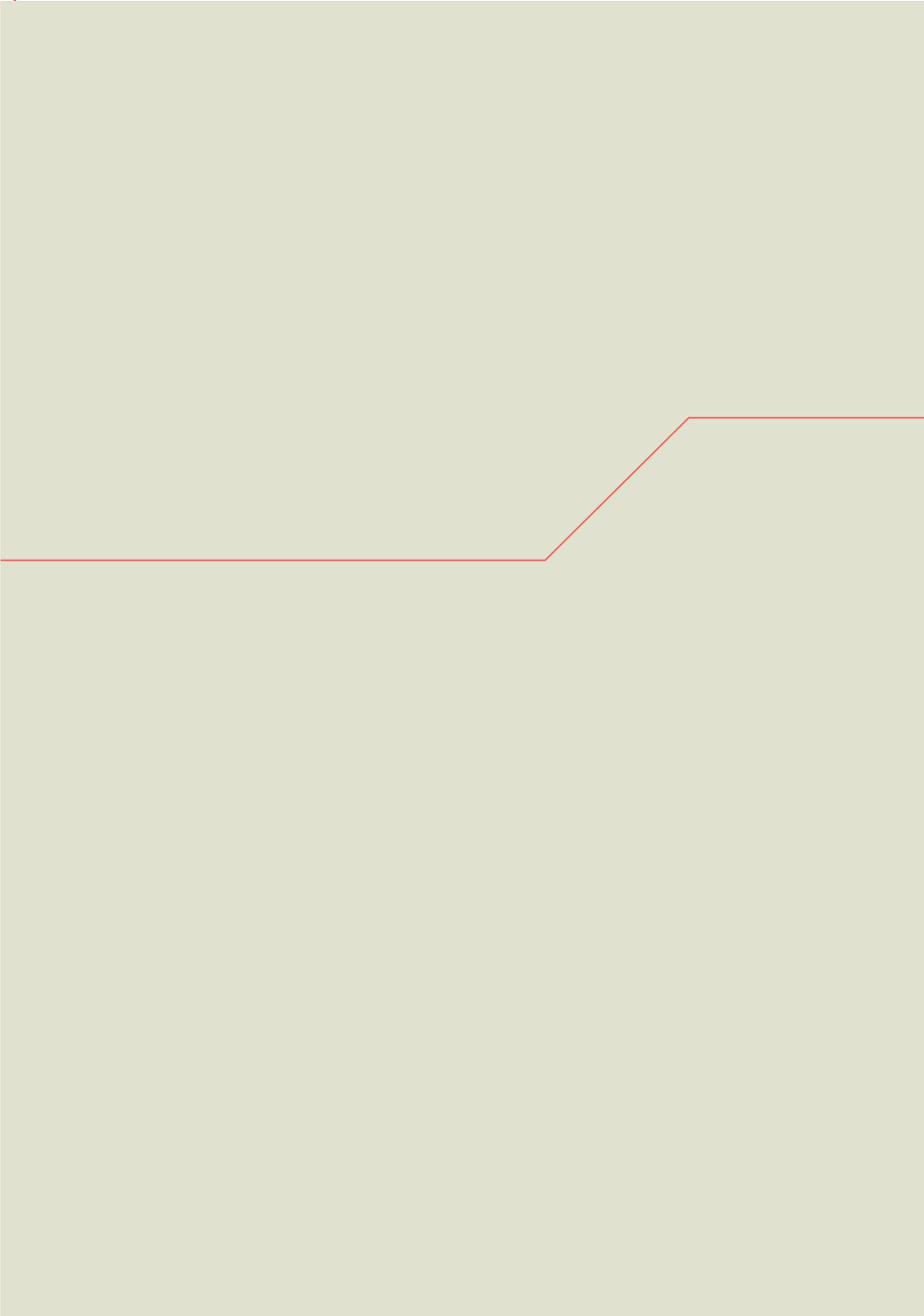
• Gamuda Overseas Investment Ltd	100%
• Megah Capital Sdn Bhd	100%
• Gamuda (Offshore) Private Limited	100%
• Gammau Construction Sdn Bhd	100%
• Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd	53%
• Gamuda-WCT (Offshore) Private Limited	50%
• Suria Holding (O) Pvt Ltd	50%
• Projek Smart Holdings Sdn Bhd	50%
• Lingkaran Trans Kota Holdings Berhad	46%
• Syarikat Pengeluar Air Selangor Holdings Berhad	40%
• Kesas Holdings Berhad	30%

## Information Technology

• GIT Services Sdn Bhd	100%
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## Landscaping

• Megah Landscape Sdn Bhd	100%
• Kota Kemuning Nursery & Landscaping Sdn Bhd	50%



## Corporate Responsibility

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# Corporate Social Responsibility

**“Corporate Social Responsibility forms the core of our corporate decision-making and daily business operations to achieve balanced economic growth, environmental protection and social progress.”**

The Gamuda Group sees corporate social responsibility (CSR) as an integral part of our business activities and consistent with being a responsible organisation. Caring for our communities, protecting the environment, and taking care of the welfare of our employees and business partners while delivering our commitments to our customers, are in harmony with our values. Balanced economic growth, environmental protection and social progress can be achieved with the right efforts.

The various elements of our CSR programmes fall in 3 main groups.

Quality, Safety & Health and Environment (QSHE)	Human Capital Development	Community and Social Development
<ul style="list-style-type: none"> <li>• Achieving exemplary targets</li> <li>• Communication and education</li> <li>• Regular reviews and constant improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Gamuda Annual Scholarship Award</li> <li>• Quantity Surveyor Apprenticeship Programme</li> <li>• Gamuda Plant Operator School</li> </ul>	<ul style="list-style-type: none"> <li>• Calendar of events</li> <li>• School sponsorship and academic engagement</li> <li>• Road safety awareness</li> </ul>

- The New Doha International Airport team celebrated 25 million 'Man-hours without a Lost Time Incident' in Jan 2011
- The Quality Management System successfully upgraded to ISO 9001:2008 standard requirements
- Electronic Document Management System (EDMS) implementation for the Group and new projects
- Environmental Management System implementation compliance with ISO 14001:2004 requirements at head office, Electrified Double Track Project (Ipoh-Padang Besar), Yen So Park Development Project and New Doha International Airport Project
- Safety achievement of record-breaking-hours without lost injury time (at New Doha International Airport Project in Qatar and Electrified Double Track Project (Ipoh-Padang Besar), Malaysia)
- Human Capital Development programs for the community and employees
- Adoption of the Japanese 5S system for SMARTCo Sdn Bhd in an effort to improve document control and filing
- Achievements from the previous management review (2010), the Group has developed and is implementing a new standardised documentation system, improvisation for 'analysis of data' at project sites, adoption of Centralised Material Purchasing procedures, and transition from previous Quality, Safety & Health and Environment Management System to Gamuda Management System

## Quality, Safety & Health and Environment (QSHE) Report

A comprehensive Gamuda Management System has evolved from the previous Quality, Safety & Health and Environment system that has been successfully implemented to ensure the Gamuda Group can manage and improve its operations to consistently provide quality, safe and environmentally-responsible products, and services to our stakeholders.

The Gamuda Management System is applied in all areas of the Group's operations to assist staff in meeting customer requirements, business commitments and social responsibilities while upholding quality, safety, health, and environment standards.

**“Among the successful initiatives by the project sites were the implementation of proper Electronic Document Management System and the standardisation of Document Control System Procedures.”**

### QSHE Policy Statement

- Timely delivery of quality products and services to our customers
- Improve operations to consistently provide high quality, cost effective, reliable, safe and environmental friendly products, and services
- Commitment to providing a safe and healthy working environment for our employees through adoption of best practices
- Prevent negative environmental impacts on project and neighbouring sites
- Comply and provide training to stakeholders on safety, health, and environment legislations and regulations
- Develop and inculcate a self-regulating mindset to all stakeholders to ensure the success of the Group's CSR goals



*Proper signages are placed strategically at the rail fabrication yard of EDTP to enable easy identification. The above picture depicts workers in full protective gear before commencing work*

### Quality Programmes and Achievements

Under the Quality Programme, a number of objectives were set to improve work quality and to ensure that the respective projects fully comply with the goals of the client and authorities. The criteria used were quality assurance; monitoring of non-conformance, complaints, and customer satisfaction; cost and budgeting; and training and awareness programs conducted.

Among the successful initiatives by the project sites were the implementation of proper Electronic Document Management System and the standardisation of Document Control System Procedures. Additionally, sub-contractors were given further education to ensure they meet the Group's Quality Assurance and Quality Control (QAQC) requirements. All these played an integral role in the organisation's goal to improve quality performance.

Our Integrated Management System (IMS) consists of the ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and the OHSAS 18001 and MS 1722 Occupational Health & Safety Management System. A full list of accreditations for the Group in 2010/2011 is as per the following:

- Gamuda Berhad and Gamuda Engineering Sdn Bhd MS ISO 9001:2008, OHSAS 18001:2007, MS ISO 1722:2005, MS ISO 14001:2004
- Lingkaran Trans Kota Holdings Berhad (LITRAK) MS ISO 9001:2008
- Kesas Sdn Bhd MS ISO 9001:2008
- Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (SPLASH) MS ISO/IEC 17025:2005, OHSAS 18001:2007, MS ISO 9001:2008
- G.B. Kuari Sdn Bhd MS ISO 9001:2008
- Megah Sewa Sdn Bhd MS ISO 9001:2008
- Gamuda Land (Hicom-Gamuda Development Sdn Bhd, Valencia Development Sdn Bhd, Harum Intisari Sdn Bhd) MS ISO 9001:2008
- Gamuda Land (Horizon Hills Development Sdn Bhd) MS ISO 9001:2008



Easy-to-read signages as well as proper storage facilities for flammable liquids and gasses are installed at all project sites across the Group. The above picture was taken at the Electrified Double Track Project's (Ipoh-Padang Besar) fabrication yard in Taiping

### Safety and Health Programmes and Achievements

Occupational safety and health outline an essential part of Gamuda Group's CSR programme. In line to improve our working conditions and employment practices while minimising safety and health risks, the following is the event organised in year 2011:

National Kidney Foundation (NKF) Health Screening and Health Talk programme was conducted on 8 April 2011. The health screening comprises of several tests such as blood pressure, urinalysis, body mass index and waist circumference, blood glucose and blood cholesterol which was later followed by a counseling session. This half-day health programme was a roaring success as the attendance was more than 140% of the targeted participants.

Going beyond this, in our quest to raise the profile of occupational health and safety in Gamuda's CSR agenda, a more comprehensive measuring and reporting system will be employed to allow for future improvement.

For the coming calendar year, the Group will review and revise its existing standard operating procedures to better suit the current implementation. An accountability system will be developed at all levels of the organisation where every personnel will be aware of their responsibilities in meeting the Safety and Health requirements. Management and construction teams will be involved in risk and hazard assessment, and the result shall be communicated effectively to all employees.

**“Going beyond this, in our quest to raise the profile of occupational health and safety in Gamuda's CSR agenda, a more comprehensive measuring and reporting system will be employed to allow for future improvement.”**



*Exceptional landscape design and an emphasis on green living were instrumental in Jade Hills winning the coveted Malaysia Landscape Architecture Awards 2010 by ILAM*

## Environmental Programmes and Achievements

Environmental management is an essential part of Gamuda's operations. It is a responsibility which the Group takes seriously. From our early projects working on rural roads to major urban expressways, we strive to conduct our business activities with minimal environmental impact through proper environmental management plans while complying with environmental legislation and regulations.

To ensure the Group operates in a sustainable environment, a set of programmes were executed in the past financial year. These were implemented in a comprehensive manner in concert with our joint venture partners, contractors, and suppliers, in application in the way we:

- Manage our construction site
- Use, dispose and recycle our non-hazardous construction materials (3R Approach – Reduce, Reuse and Recycle)
- Land, water and air (dust and noise) quality control
- Clear our land sites
- Maintain the ecosystem and biodiversity at the site

Gamuda's environmental protection policies were further enforced with strict regulations, compliance, and inspections whereby employees worked under the set 'Aim Zero Violation' authority. Constant reviews, monitoring and improvements were carried out without delays in regards to these policies. These were done with a purpose to minimise occurrence of non-conformance and complaints from clients, authorities, public, and other external parties.

Satisfactory results were accomplished from 2010/2011's environmental management plans:

- Increased number of training sessions for Environment
- Creation of Wetlands Park in Gamuda's township, Horizon Hills, Johor, which is conserved as a natural habitat for flora and fauna
- Waste, fuel and chemical storage at project sites were collected and disposed of properly by licensed contractors
- Substantial decline in environmental action/advisory notices at project sites
- Recycling stations for construction materials – paper, wood, metal and mixed materials – were placed at offices and construction sites. A significant amount of recycling items was collected from the 3R Approach (Reduce, Reuse and Recycle)

Gamuda recognises the importance of preserving the natural environment for the benefit of our future generations. In our effort to further improve our future performance to safeguard the environment in various aspects, we will focus on continuing to remove specific compounds in our construction practices which can adversely impact the human and environmental health.

The Group will also begin to promote the use of environmental friendly products and materials in our business operations as our 2011 CSR's targets. Other environmental initiatives in plan are the means to conserve natural resources through efficient usage of water, electricity, and paper arising from our business activities.

We believe in taking pro-active steps to apply the best practices in managing environmental protection. This will be carried on by increasing our education trainings to employees and contractors to exercise greater care for the environment.

## Human Capital Development

### Developing Human Capital through Education and Training

Steadfast in our commitment to the philanthropic spirit since 1995, we have strived to contribute to the society and country's development through our dynamic CSR drive in advancing human capital and improving the people's lives through continuous education and skills training. To date, over RM100 million has been invested over the years to help improve the quality of life of Malaysians and in the process, nurture a progressive nation.

As the appointed Project Delivery Partner (PDP) for the Klang Valley Mass Rapid Transit by the Government of Malaysia, we have taken the lead in spearheading the sharing of niche construction knowledge and technology within the industry with the establishment of the Construction Training Centre (CTC) in May 2011.

The CTC adds another feature to Gamuda's ongoing CSR efforts in education, in addition to the Group's Scholarship Award, Learning Centre, Quantity Surveyor Apprenticeship Programme, and Gamuda Plant Operator School (GPOS).

### Construction Training Centre (CTC)

Working in tandem with the Construction Industry Development Board (CIDB) and *Institut-Institut Latihan Kemahiran*, CTC serves as a valuable training ground for young Malaysians who would like to launch a career in the challenging construction industry. Due to the innovative nature of the large infrastructure projects and the state-of-the-art technologies employed by the Group, having our own training center enables us to prepare our staff, sub-contractors and other interested industry players, with the technical know-how needed to undertake their work efficiently and safely.

The first batch of graduates celebrated their graduation ceremony in July 2011. The next stage of the CTC programme will be to expand the current courses of formwork, concreting and bar-bending to include bricklaying, plastering and tiling, all of which are critical skills necessary in the quality completion of all construction projects.

### Gamuda Plant Operator School (GPOS)

The Gamuda Group is Malaysia's only private non-profit provider of plant and heavy machinery training for the industry. Realising the need for skilled workers and improved safety practices, the Group started the Gamuda Plant Operator School (GPOS) in 1997.

More than RM30 million has been invested in this training academy which is located in Kota Kemuning, Shah Alam. The school is accredited by the Construction Industry Development Board (CIDB), the Department of Occupational Safety and Health (DOSH), and the Human Resource Development Council (HRDC), and the is recognised by the Master Builders Association of Malaysia (MBAM).

GPOS conducts skills training in mobile, crawler and tower crane operation, crane safety inspection and lifting gears, slinging and rigging operations, excavator, bulldozer, wheel loader, backhoe loader operation, hands-on maintenance of construction machinery and scaffolding. In 2009, GPOS included additional courses in trade skills such as welding, bar-bending, and bricklaying to meet the needs of our construction market.

Apart from skills training, GPOS also provides training and consultancy in environmental management and occupational safety and health. Since its inception, GPOS has today trained more than 30,000 skilled plant operators and heavy machinery operators.



Outstanding graduates from MMC-Gamuda Construction Training Centre's first intake (from left): Mohd Rozaimi bin Kasa, Mohamad Faisal bin Md Noh and Mohd Shafei bin Abdul Halim

## Gamuda Scholarship Award

Close to 400 scholarship applications were received this year and due to the high number of quality applicants, the company has enhanced its candidate selection process via a 2-part combination of an interactive workshop based on written, oral and presentation finesse; followed by a one-on-one interview session with a 3-member panel of external judges.

A total of 22 outstanding students received their full scholarship awards this year and joined the ranks of more than 230 Gamuda scholars, who received scholarship assistance amounting to RM21 million since 1996 to pursue their tertiary education in local public, private and foreign universities.

We understand that education is a cornerstone for personal development that enables young people to reach their full potential and carve their future career path. Therefore, enabling more deserving Malaysians to pursue tertiary education is the primary objective of our annual Gamuda Scholarship Award.

The Gamuda Scholarship Award is an education grant that covers both the students' tuition and living expenses. In the best interest of the scholar, a structured mentoring, training and career guidance is offered during the scholars' education and employment period with the Group.

In addition, a new milestone was celebrated in the Gamuda family with the granting of the first Gamuda Employees' Children Assistance Programme (GECAP) to two special recipients, as a means of appreciation towards the tireless contributions of the Group's loyal employees.

GECAP entails a financial assistance of RM2,500 per academic year up to the completion of the first undergraduate degree for a maximum study duration of four years.

## Gamuda Continual Learning

We regard our employees as our partners because our success would not be possible without their contributions. In turn, we strive to provide the best possible workplace environment where our employees can have meaningful and rewarding careers. An array of job training and career guidance are offered to all employees within the Group through our dedicated training unit, Gamuda Learning Centre (GLC).

Since 1995, GLC has invested over RM15 million in staff training. More than 1,700 training sessions have been concluded for over 15,000 participants. These training sessions include in-house and external courses covering management, engineering and technical subjects, quantity surveying and construction supervisory skills training.

## Gamuda Quantity Surveyor (QS) Apprenticeship Programme

Recognising that the Group's business involves engineering and construction, Gamuda initiated the Quantity Surveyor (QS) Training and Apprenticeship Programme as part of its skills development programme in 1996.

To date, over 100 QS trainees from six batches since 1996 to 2006 have graduated from this programme. Including the current 7th QS intake in 2009, the overall commitment to this programme will total RM12 million.

Taking the QS Apprenticeship Programme to greater heights, we collaborated with Tunku Abdul Rahman (TAR) College in 2009 to advance the programme to a 4-year diploma course. The course will be equivalent to the academic rigour of the first year of a Bachelor's degree, and will be a stepping stone for trainees to pursue an Advanced Diploma or Bachelor (Honours) degree from any local or private university.

**“...enabling more deserving Malaysians to pursue tertiary education is the primary objective of our annual Gamuda Scholarship Award.”**



Y A M Raja Dato' Seri Eleena binti Raja Azlan Shah (left) conferring the Gamuda Scholarship Award 2011 to Umi Umairah binti Musa, one of the 22 scholars who were selected through an interactive workshop and an interview session with a panel of external judges



Senior management attended a tea meeting with the Group's employees to understand how to achieve an ideal work environment and nurture a sense of solidarity among colleagues, as part of the Group's staff development programme

## Community & Social Development



The community living along the Damansara-Puchong Highway were happy with the donations received from LITRAK, in conjunction with its 'One Can' Project



SMART Director Dato' Zaidee Laidin giving out goody bags to orphans

### 4 August 2010

A group of 40 students and 4 teachers from SMK Bandar Baru Batang Kali visited the SMART office to learn about the engineering achievements and innovation of SMART tunnel. Tokens of appreciation were given away during the question and answer session.

### 5 August 2010

A total of 35 university students and a lecturer from the Faculty of Engineering of Universiti Selangor (UNISEL) went on a study trip to SMART highway to understand how the tunnel was built. Demonstration on regular maintenance work and stormwater management operations was arranged. Industrial relations between UNISEL and SMART Tunnel management were forged from the visit.

### 10 August 2010

SMART management contributed daily groceries such as rice, Milo and sugar as they prepared 'bubur lambuk' for 'buka puasa' during the fasting month at Masjid Jamek Alam Shah.

### 11 August 2010

LITRAK initiated the 'One Can' Project where every staff member is encouraged to donate at least one can of food to underprivileged residents living along the Damansara-Puchong Highway (LDP).



SMART Chief Operating Officer Mohd Fuad Kamal Ariffin (left), accompanied by staff members, extending a hamper to a lucky winner (right) during the launch of SMART's Road Safety Campaign



Handover ceremony where Gamuda Land Vietnam, in collaboration with the Malaysian embassy, contributed cash totalling VND 100 million to the less fortunate affected by severe inundations in Central Vietnam



SMART team members distributing national flags to SMART Tunnel users during the Merdeka celebration



LITRAK CEO Szally Saidi (second from right) and LITRAK Chief Operating Officer Richard Lim gave out 'ang paws' (red packets) to children from Persatuan Kanak-Kanak Trinity

### 23 August 2010

The term Ramadhan month was given a new twist by LITRAK, calling it Ramadhan Charity, in conjunction with a charity programme where the team sponsored orphans and single mothers from Rumah Amal Baitul Kasih RM100 each for their Raya shopping spree at MYDIN hypermarket.

### 25 August 2010

SMART organised the Iftal 3 Amal 1 Majlis, a 3-in-1 CSR concept where management and staff members of SMART celebrated 'buka puasa' with orphans, single mothers and the underprivileged. 'Duit raya' and goody bags were given away during the event. Guests were invited to a session of 'tazkirah' (talk) during the Ramadhan month.

### 30 August 2010

Raising the spirit of patriotism among Malaysians, SMART team members honoured Independence Day by distributing national flags to SMART Tunnel users.

### 8 September 2010

A project called Road Safety Campaign was launched by SMART to educate road users on the importance of road safety. The campaign was held in conjunction with the Hari Raya Aidilfitri celebration. SMART gave away Hampers to 30 lucky road users.

### 22 September 2010

An education talk entitled, 'Two Issues, One Solution' conducted by SMART's Toll and Public Relations Manager Mohd Noor Mohd Ali was attended by Universiti Selangor (UNISEL) students to provide an in-depth understanding on the problem-solving efficacy of the dual-purpose tunnel.

### 30 September 2010

SMART hosted its third consecutive Hari Raya Open House, themed 'Jalanan Lebaran' SMART 2010. Over 500 guests and co-workers joined the celebration and took the opportunity to network and forge a closer working relationship with one another.

### 5 October 2010

LITRAK held its annual Aidilfitri Open House and was attended by its team of management and staff, clients, and the community. A total of 25 senior citizens from Persatuan Anak-Anak Yatim, Ibu Tunggai dan Warga Emas of Kampung Medan each received 'duit raya' of RM100 and a hamper.

### 6 November 2010

Staff members of Gamuda Land Vietnam pooled their resources and contributed daily essential items to 129 households that suffered serious losses caused by heavy downpour in the commune of Duc Lien, Vu Quang District, Ha Tinh Province.



Young children having fun with 'Hung Jie Jie' (Red Sister) during a one-day kids' camp at Horizon Hills



LITRAK Chief Operating Officer Richard Lim extending goody bags to residents of the Maranatha Home in Bukit Rahman Putra during its Christmas celebration



SMART Public Relations and Toll Operations Manager Mohd Noor bin Mohd Ali (right) welcomed the Malaysian Minister of Works Y Bhg Dato' Shaziman Abu Mansor to the Sukan Kerja Raya 2010



Management of LITRAK donated all toll collections of the day to schools affected by the flash floods in Jitra, Kedah, during a funds handover ceremony organised by the Malaysian Highway Authority (LLM)

#### 11 November 2010

Handover ceremony where Gamuda Land Vietnam, in collaboration with the Malaysian embassy, contributed cash totaling VND100 million to the less fortunate affected by severe inundations in Central Vietnam

#### 11 November 2010

The management of LITRAK presented 'ang pow', goody bags and hampers to 20 children from Persatuan Kanak-Kanak Trinity in Petaling Jaya, in conjunction with the festival of Deepavali.

#### 18 November 2010

In an effort to cultivate closer relationships with local residents, 14 staff members of LITRAK and SPRINT took part in the Qurban event after concluding the day's Aidiladha prayer.

#### 20 November 2010

Horizon Hills held a one-day kids' camp with 'Hung Jie Jie' (Red Sister) to educate the young ones on the significance of preserving our environment and the concept of 3R (Recycle, Reduce, Reuse). Children were taught how the use dried leaves and recycled sand for creative artworks. Drawing competition and storytelling were also part of the event.

#### 15 December 2010

SMART participated in Sukan Kerja Raya 2010 hosted by Kementerian Kerja Raya and LITRAK in Kuantan, Pahang. A team of 30 athletes took part in various sport events including darts, ping pong, futsal, carom, bowling and golf. Though no medals were won, our team spirit soared.

#### 17 December 2010

Jade Hills was the gold sponsor for the 14th Miss Tourism International 2010 event. A total of 50 finalists from various countries vied for the top spot and the title 'Miss Jade Hills Goodwill 2010'. Among the activities held was the donation of teddy bears as gifts to Ti-Ratana Welfare Society Malaysia's orphanage home in Desa Petaling.

#### 20 December 2010

In collaboration with Bank Rakyat, LITRAK Group sponsored 20 goody bags and hampers to old folks from the Maranatha Home in Bukit Rahman Putra in conjunction with its Christmas celebration.

#### 13 January 2011

SMART contributed new sofas for the newly-renovated Balai Bomba dan Penyelamat Pudu building in Kuala Lumpur as part of its Corporate Social Responsibility programme.



Residents from Rumah Titian Kaseh were in high spirits after receiving contributions from the SMART Prihatin Team

### 22 January 2011

In the presence of the Member of Parliament of Kubang Pasu Y Bhg Dato' Wira Mohd Johari, Malaysian Highway Authority (LLM) Director General Dato' Ir Haji Ismail Md Salleh and LITRAK Chief Executive Officer Sazally Saidi, LITRAK Group donated the entire toll collections of the day to schools affected by flash floods in Jitra, Kedah, during a funds handover ceremony organised by LLM.

### 26 January 2011

Gamuda Land Vietnam donated 200 gift sets including cash totaling VND100 million to the poor, elderly, homeless and out-of-labour-age families in the Hoang Mai District of Hanoi, Vietnam, in a programme called 'Gamuda – Tet of Love' to help improve the quality of life of local residents. The community event was organised in conjunction with the Tan Mao Lunar Tet (Vietnamese Lunar New Year) celebration.

### 31 January 2011

Not forgetting the less fortunate, LITRAK donated 'ang paws' (red packets), goody bags and hampers to 20 children from Rumah Charis in Kuala Lumpur, in conjunction with the Chinese New Year celebration.

### 31 January 2011

Ministry of Works Secretary General Dato' Thomas George, the Malaysian Highway Authority Director General Dato' Ir Haji Ismail Md Salleh together with all the directors of highway concessionaires launched a nationwide Road Safety Campaign to inculcate good driving practices and tips on how to stay safe on the road.

### 14 April 2011

SMART Prihatin Team donated beds and electrical items to Rumah Titian Kasih (RTK) in Tasik Titiwangsa, Kuala Lumpur. SMART Prihatin Team's contributions and visit helped lighten the burden of the charity home and brought much joy and laughter to its residents. Formed in 1988 to provide shelter for orphans and single mothers, RTK provides love and care for its residents and welcomes contributions from various quarters to sustain its daily operations.

### 26 April 2011

A Road Safety Talk and Safety Quiz were held at SMK Bandar Utama (4) by the Expressway Mobile Police Vehicle (EMPV) Commanden to educate students on the importance of road safety and provide tips on defensive driving.



LITRAK organised a weekend tuition programme to help Year 6 students from Pusat Jagaan Lambaian Kasih Kg Penchala and Kg Orang Asli Sg Rasau who will be sitting for their UPSR exams

### 31 May 2011

In partnership with Western Digital, LITRAK organised a Safety Programme to instill good work habits and safety procedures among Western Digital's staffs. As part of the programme, short quizzes were held and 60 souvenirs were given away to the winners.

### 18 June 2011 to 23 July 2011

A total of 48 Year 6 students from Pusat Jagaan Lambaian Kasih Kg Penchala and Kg Orang Asli Sg Rasau who will sit for their UPSR exams were selected to attend a tuition programme organised by LITRAK. Students were coached on three subjects, namely, English, Mathematics and Science, for two hours during the weekend.

### 29 July 2011

LITRAK's tuition programme for Year 6 pupils ended on a high note with guest of honour Malaysian Highway Authority (LLM) Director General Dato' Ir Haji Ismail Md Salleh attending its closing ceremony. Guests were shown a video presentation on the programme, followed by refreshments.

### 29 July 2011

Full scholarships worth a total of RM2 million were awarded to 22 deserving scholars who will pursue their tertiary studies in local public, private and foreign universities during the Gamuda Scholarship Award 2011 presentation ceremony held at the Kota Permai Golf & Country Club. Attended by Gamuda directors, management, staff, scholars and their family members, the event also added another milestone in Gamuda's history with the award of the first Gamuda Employees' Children Assistance Programme (GECAP) where two employees' children were presented with financial assistance to further their studies in their respective universities.

# Calendar of Events

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Management and staff members from the SMART team rejoicing after winning the Malaysia Property Award 2010 under the Special Award for National Contribution category from the International Real Estate Federation (FIABCI) Malaysian Chapter



More than 100 Gamudians received their Gamuda Group of Companies Long Service Award 2010, conferred in recognition of their dedication and commitment to the Gamuda Group

## **7 August 2010**

Management and staff members of Jade Hills and the editorial team from Expat Magazine enjoyed a night of networking and gala dinner, entitled 'Capture the Twilight', at the township's clubhouse. Both Jade Hills and the Expat Magazine teams took the opportunity to share new ideas and developments on expatriates living in Malaysia.

## **20 August 2010**

Gamuda's engineering and construction team working on the New Doha International Airport (NDIA) received another safety and health milestone when it accomplished 23 million 'Man-hours without a Lost Time Injury' in July 2010.

## **15 September 2010**

Over 300 photo submissions were received from staff members who participated in the Gamuda Photography Contest. Themed 'Colours of Life', entries came from the group's local and overseas offices in India, Vietnam, Qatar and Bahrain.



An exhilarating lion dance was performed outside Gamuda Group's premises in Damansara Jaya, Petaling Jaya, in conjunction with the Chinese New Year celebration



Live band performance by Freddie & The Cats entertained residents, management and staff of Bandar Botanik during its Chinese New Year celebration



Gamuda Berhad Executive Director Data' Goon Heng Wah (fifth from left) together with Kota Permai Golf & Country Club Group General Manager - Club Operations Tang Meng Loon (centre) and the management team celebrate after winning the Best Golf Course, Best Maintained Golf Course and Best Customer Service Club awards from Golf Malaysia Magazine for term 2011-2012



Staff and family members enjoyed a day of fun and merriment during the Gamuda Family Day at Sunway Lagoon

#### 24 September 2010

Famous 'Feng Shui' (Chinese metaphysics) Master Yap Cheng Hai from the Yap Cheng Hai Academy Sdn Bhd led a study tour of approximately 40 students to Jade Hills to observe the application of good 'Feng Shui'.

#### 25 September 2010

Unit owners and the public were invited to a pleasant evening filled with interesting activities at the Jade Hills clubhouse, in conjunction with the township's Mid-Autumn Festival celebration, entitled Autumn Rendezvous.

#### 11 October 2010

SMART was awarded The Road Engineering Excellence Award for its uniqueness and effectiveness in addressing flood and traffic congestion issues. The award was presented by the Malaysian Minister of Works Y Bhg Dato' Shaziman Abu Mansor during the 8th Malaysian Road Conference held at Sunway Pyramid.

#### 11 November 2010

SMART was awarded the Special Award for National Contribution under the Malaysia Property Award 2010 from the International Real Estate Federation (FIABCI), Malaysian Chapter.

#### 10 December 2010

Long-serving Gamuda staff were conferred the Gamuda Group of Companies Long Service Award for their dedication and commitment to the company for more than 10 years.

#### 7 January 2011

LITRAK launched the 'Frequent Travellers Programme' for Damansara-Puchong Highway (LDP) users where 20% reload value will be reimbursed into the users' Touch n Go cards when they reach 100 transactions.



A scene from the live musical 'Lat Kampung Boy Sebuah Muzikal' held at Istana Budaya



Chow and Suen Jewellers Sdn Bhd's Lee Sze Suen (from left), Gamuda Land Managing Director Chow Chee Wah (centre) and Gamuda Land Director of Business Development Angela Tham attending the media launch of Madge Mansions



General Manager - Architecture and Product Development Eddie Chan (second from left) sharing the joy with team members (from left) Assistant Manager - Sales and Marketing Rosalind Hew, Landscape Architect Khariza binti Abd Khalid and Landscape Architect Azwardi Ahmad after clinching the Malaysia Landscape Architecture Awards 2010 for Jade Hills



A total of 61 site supervisors from the Electrified Double Track Project (EDTP) (Ipoh-Padang Besar) in jubilation after receiving their Site Supervisor Accreditation Certificates from the Construction Industry Development Board (CIDB)

**14 January 2011**

Kota Permai Golf and Country Club was voted the 'Host Venue of the Year' by the Mercedes-Benz Tour. Club Group General Manager - Club Operations Tang Meng Loon and Club Manager, Sharudin Kamarudin received the award from Mercedes-Benz Indonesia President and CEO Rudolf Borgenheimer during the annual gala dinner and award presentation ceremony in Jakarta.

**10 February 2011**

A lion dance performance was organised by Gamuda as part of the Group's Chinese New Year celebration at the company's premises in Damansara Jaya, Petaling Jaya.

**10 February 2011**

Kota Permai Golf & Country Club (KPGCC) won three awards, namely, the Best Golf Course; the Best Maintained Golf Course; and the Best Customer Service Club from Golf Malaysia Magazine for term 2011 to 2012.

**10 February 2011**

Valencia Golf Club was proud to be awarded the 5th Best 9-Hole Course by the Gold Malaysia Magazine 2011. It was among the Top 20 Golf Courses in the Malaysia Course Poll 2011-2012.

**12 February 2011**

Bandar Botanic celebrated the Chinese New Year with a splash as management, staff members and residents were treated to an elaborate fireworks display, lion dance, movie screening and live band performance by Freddie & The Cats.

**14 February 2011**

Gamuda's engineering and construction team working on the New Doha International Airport project received another safety and health milestone when we registered 25 million 'Man-hours without a Lost Time Injury' in January 2011.

**17 February 2011**

Gamuda Group hosted a Chinese New Year Open House and gathered all management and staff for a warm get-together to nurture greater camaraderie and a closer working relationship among colleagues.

**26 February 2011**

Gamuda Group treated its staff and family members to a full-day fun trip at Sunway Lagoon for its Gamuda Family Day. A total of 1,600 participants reveled in various exciting activities and went home with treasured memories, prizes and goody bags.



Senior Finance Manager Dennis Eng Teck Yow received the FIABCI Prix d'Excellence Awards 2011 on behalf of Gamuda during the awards presentation ceremony held in Paphos, Cyprus

### 30 March 2011

Gamuda and MMC teamed up and became main sponsors for 'Lat Kampung Boy Sebuah Musikal', a musical production based on the famous homegrown local comic character 'Lat'. Over 700 staff members and associates of Gamuda and MMC joined other avid theatre-goers at Istana Budaya to watch 'Lat' come alive with his hilarious antics.

### 1 to 3 and 22 to 24 April 2011

LITRAK's management and its team of approximately 1,400 staffs were elated as they embarked on their company trip to Port Dickson. The outing was a good opportunity to strengthen the spirit of teamwork and nurture a more collaborative working relationship among co-workers.

### 2 April 2011

Gamuda Land's Jade Hills received top honours from the Institute of Landscape Architects Malaysia (ILAM) when we received the Malaysia Landscape Architecture Award 2010, under the Property Developer Category for Excellent Landscape Planning and Development. The award was presented by the Minister of Housing and Local Government YB Dato' Wira Chor Chee Heung and ILAM President En Mohd Fadrihah bin Mohd Taib.

### 7 April 2011

A media launch for Madge Mansions was held at the project's new property gallery at Jalan Maarof, Bangsar. Approximately 30 members of the press attended the event and were given a first-hand opportunity to uncover the luxurious development located within Kuala Lumpur's exclusive embassy district.



The first batch of 23 graduates from the MMC-Gamuda Construction Training Centre (CTC) in delight after receiving their graduation certificates

### 27 April 2011

The MMC-Gamuda Construction Training Centre held its first accreditation ceremony to recognise a total of 61 site supervisors who were involved in the Electrified Double Track Project (EDTP) (Ipoh-Padang Besar) project.

### 19 May 2011

Stormwater Management and Road Tunnel (SMART) received the FIABCI Prix d'Excellence Awards 2011 from the International Real Estate Federation (FIABCI) under the Specialised Project (Purpose Built) Category (Runner-Up). The awards ceremony was held in Paphos, Cyprus.

### 12 June 2011

Bowling enthusiasts from SMART took part in the JPS Open Bowling Championship 2011. Competing among more than 100 participants, the SMART team managed to clinch titles for several categories, including 2nd runner up for overall team, 2nd runner up for individual female and 13th spot for individual male categories.

### 22 June 2011

SMART took part in a bowling tournament organised under Karnival Kementerian Kerja Raya. The event was officiated by the Malaysian Works Ministry Secretary General Dato' Thomas George. Beating other concessionaire bowling participants from KESAS, LLM, Roadcare and HCM Engineering, the team secured an overall 6th position in the competition.



Malaysian Prime Minister Dato' Sri Haji Mohd Najib bin Tun Haji Abdul Razak inspecting the Klang Valley Mass Rapid Transit alignment during the project's launch at the Kuala Lumpur Convention Centre

#### 28 June 2011

SMART Director Datuk Ir (Dr) Haji Ahmad Zaidee bin Laidin was conferred the Senior Fellowship by Akademi Sains Malaysia (ASM) in a ceremony held at the Sime Darby Convention Centre. The academy aims to promote and foster the development of science, engineering and technology, while providing a forum for the interchange of ideas among scientists, engineers and technologists.

#### 5 July 2011

MMC-Gamuda Construction Training Centre (CTC) commemorated the graduation of its first batch of 23 graduates who completed their training modules.

#### 8 July 2011

The nation's biggest public infrastructure project, the Klang Valley Mass Rapid Transit was launched at the Kuala Lumpur Convention Centre by the Malaysian Prime Minister Dato' Sri Haji Mohd Najib bin Tun Haji Abdul Razak.



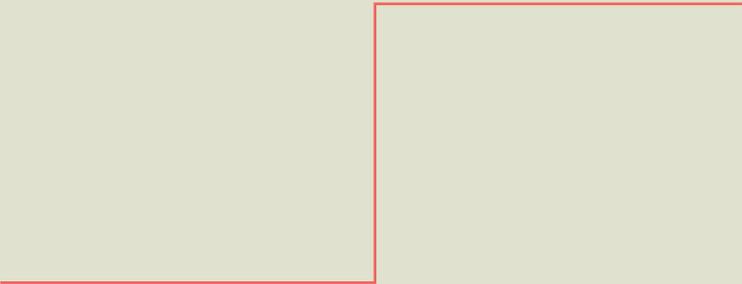
The final breakthrough celebration at Padang Rengas for the EDTP Bukit Berapit twin bore tunnel was a memorable event among staff and management

#### 9 July 2011

The engineering and construction team celebrated the final breakthrough for the Bukit Berapit twin bore tunnel at Padang Rengas for the Electrified Double Track Project (EDTP) (Ipoh-Padang Besar). Commemorating the achievement, light refreshments and a lion dance were arranged to add to the excitement among staff members and management.

#### 9 July 2011

Valencia Modern (MOD) Homes' final phase was launched. Management, staff and invited guests were present at the balloting ceremony.



## Corporate Governance

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## Corporate Governance Statement

The Board is committed to high standards of corporate governance, which it considers as fundamental to business integrity, maintaining investors' trust and to deliver sustainable value to the Company's shareholders.

### Compliance

The Board has at all times been guided by the Malaysian Code on Corporate Governance (the Code) in seeking to achieve the highest standards of business integrity, ethics and professionalism in all our activities. This Corporate Governance Statement explains the key features of the Company's governance structure and how the Company applies the best practices of corporate governance contained in the Code.

The Board believes that the Company has throughout the financial year ended 31 July 2011 ("2011" or the year) complied with the best practices of the Code.

### The Board's Role

The Directors are responsible to shareholders for ensuring that the Company is appropriately managed and that it achieves its objectives. A framework of delegated authority is in place consistent with the structure of delegation below the Board level and includes the matters reserved to the Board. The Board reserves to itself certain key matters to approve, including the Group's strategic plans, major capital expenditure, corporate governance issues, dividend policy and external financial reporting. The Board delegates responsibility for the day-to-day operation of the business to the Executive Directors and recognises its responsibility for ensuring that the Company operates within a framework of prudent and effective controls.

### The Board and Independent Directors

The Company is governed by a Board of Directors and they have the necessary skills and experience to effectively monitor and direct the business. At the start of the year, the Board consisted of thirteen directors of whom six are Non-executive Directors and seven are Executive Directors. Four of the Non-executive Directors are independent. On 9 December 2010, there was one change to the composition of the Board namely the retirement of Tan Sri Dato' Ir Talha bin Haji Mohd Hashim as Non-executive Chairman of the Board at the conclusion of the Company's 34th Annual General Meeting (AGM), a position he had held since 1992. On 17 December 2010, Raja Dato' Seri Abdul Aziz bin Raja Salim, a Non-executive Director, succeeded him in this role. The Board currently comprises twelve Directors of whom five are Non-executive Directors (four of them are independent) and seven are Executive Directors.

Influence is balanced within the Board by virtue of the Non-executive Directors whose skills and business experience are invaluable in constructively challenging and directing the Group's strategy and direction. All of the Non-executive Directors have a deep appreciation of the Group's business and activities, enabling them to make a thorough evaluation of information received, and they were independent in their judgement as demonstrated by their objective challenge of management, and objective decision making after appropriate debate.

### Chairman and Managing Director

The roles of the Chairman and Managing Director are exercised by different individuals. Whilst the Chairman and Managing Director collectively are responsible for the leadership of the Group, there is a clear division of duties and responsibilities between the Chairman and the Managing Director to ensure an appropriate balance of responsibility and accountability. The Chairman's primary role is to lead and manage the Board. The Managing Director is responsible for the development and implementation of strategy, and overseeing and managing the day-to-day operations of the Group.

### Senior Independent Director

The Senior Independent Director is Tan Sri Dato' Mohd Ramli bin Kushairi. He is available to shareholders if they have concerns that cannot be resolved through the existing mechanisms for investor communication. Tan Sri Dato' Mohd Ramli bin Kushairi has served on the Board since 2001 and the Board is satisfied with his independence and performance.

### Board Appointments

Appointments to the Board are the responsibility of the full Board on the recommendation of the Nomination Committee. Their appointments are subject to the usual regulatory provisions and continued satisfactory performance of duties following the Board's annual performance evaluation. Re-appointment is not automatic as it is subject to shareholders' approval. No new appointments were made to the Board during the year.

### Meetings and Attendance

The Board meets not less than four times a year and additional meetings are held as required. There are several other opportunities during the year when discussions between various Directors may be arranged or take place informally.

Four Board meetings were held in 2011. The Directors attended Board meetings whenever possible and their attendance during the year or before retirement is shown below.

## Corporate Governance Statement

### Board of Directors' Attendance

Director	Meetings attended	Percentage
Tan Sri Dato' Ir Talha bin Haji Mohd Hashim (Retired on 9 December 2010)	1 out of 1	100%
Raja Dato' Seri Abdul Aziz bin Raja Salim	4 out of 4	100%
Dato' Lin Yun Ling	3 out of 4	75%
Tan Sri Dato' Mohd Ramli bin Kushairi	4 out of 4	100%
Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	4 out of 4	100%
Raja Dato' Seri Eleena binti Raja Azlan Shah	4 out of 4	100%
Dato' Seri Ir Kamarul Zaman bin Mohd Ali	4 out of 4	100%
Dato' Haji Azmi bin Mat Nor	3 out of 4	75%
Dato' Ir Ha Tiing Tai	4 out of 4	100%
Dato' Goon Heng Wah	3 out of 4	75%
Dato' Ng Kee Leen	4 out of 4	100%
Wong Chin Yen	4 out of 4	100%
Saw Wah Theng	4 out of 4	100%
Chow Chee Wah, Alternate to Dato' Lin Yun Ling	4 out of 4	100%

### Information and Professional Development

The regular updating of Directors' skills and knowledge is encouraged. The Company provides the necessary resources for developing and updating its Directors' knowledge and capabilities including access to independent professional advice, services of the Company Secretary and any other services as may be necessary. In particular, the Company is committed to the provision of continuing professional development training to its Directors and in 2011 held the following internal seminars for Board members, with attendance as shown below.

## Corporate Governance Statement

Director	• Corporate Problems; and • How The Board Can Input to Strategy Development and Implementation	Financial Reporting Standards (FRS) 139 & FRS 7 – What Directors Need To Know
Tan Sri Dato' Ir Talha bin Haji Mohd Hashim (Retired on 9 December 2010)	✓	x
Raja Dato' Seri Abdul Aziz bin Raja Salim	✓	x
Dato' Lin Yun Ling	✓	x
Tan Sri Dato' Mohd Ramli bin Kushairi	✓	✓
Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	✓	✓
Raja Dato' Seri Eleena binti Raja Azlan Shah	x	✓
Dato' Seri Ir Kamarul Zaman bin Mohd Ali	✓	✓
Dato' Haji Azmi bin Mat Nor*	x	x
Dato' Ir Ha Tiing Tai	✓	x
Dato' Goon Heng Wah	✓	x
Dato' Ng Kee Leen	✓	x
Wong Chin Yen	x	✓
Saw Wah Theng	✓	✓
Chow Chee Wah, Alternate to Dato' Lin Yun Ling	✓	✓

\* Attended an external seminar on 'To Weather The Crisis, Start With The Basics' on 30 April 2011.

Throughout their period in office, the Directors are continually updated on the Group's businesses and the regulatory changes and developments relevant to Directors' area of responsibility. The Audit Committee regularly reviews audit findings and other developments through presentations from the management and provides ongoing briefings to the Directors at Board meetings. The Board receives detailed proposal papers in advance of meetings, together with management presentations to facilitate proper consideration and debate of matters brought before it. Progress on key initiatives is reported regularly and minuted, together with routine matters such as financial performance and current progress of projects and operations in each of the Group's business divisions. The Board is also encouraged to visit the major business units and to meet the senior management teams in order to facilitate a better understanding of the key issues facing the business. These sessions are in addition to the written briefings presented at each Board meeting.

## Corporate Governance Statement

### Board Performance Evaluation

The effectiveness of the Board is vital to the success of the Group and the Company undertakes a formal evaluation each year in order to assess how well the Board, its committees and the Directors are performing. This year the evaluation was again undertaken. The process was administered by the Company Secretary and commenced with the completion by the Directors of a questionnaire. The questions sought views of the Directors concerning the performance of the Board, any committee of the Board and Director, and recommendations for areas to develop. As a consequence of the evaluation, a few areas of potential improvement have been identified for implementation.

### Re-election

The Company's Articles of Association require all Directors to stand for election by the shareholders at the first AGM following their appointment and for re-election subsequently at least every three years. Further, the Companies Act, 1965 (Act) requires all Directors aged 70 or above to stand for re-appointment each year. Retiring Directors may offer themselves for re-election or re-appointment.

Brief biographies of all Board members, giving details of their background and breadth of experience, are included in the Annual Report, allowing shareholders to take an informed decision on those standing for re-election or re-appointment.

### Board Committees

The Board governs through clearly identified Board committees to which powers are delegated. These are the Audit Committee, Remuneration Committee and Nomination Committee. The Board is kept well informed of the work of these committees. The Chairman of each committee reports to the Board on matters considered, and any significant issues that have arisen, at the next Board meeting after the committees had met. All Directors receive copies of the minutes of committee meetings.

### Audit Committee

Members of the Audit Committee are:

- Raja Dato' Seri Abdul Aziz bin Raja Salim (Chairman)
- Tan Sri Dato' Mohd Ramli bin Kushairi
- Wong Chin Yen

Chaired by Raja Dato' Seri Abdul Aziz bin Raja Salim, the Audit Committee comprises entirely of independent directors. The Chairman is a member of the Malaysian Institute of Accountants (MIA) and has relevant experience in financial and accounting issues.

The Audit Committee meets not less than four times a year. Five Audit Committee meetings were held in 2011. The attendance is shown below.

#### Audit Committee Attendance

	Meetings attended	Percentage
Raja Dato' Seri Abdul Aziz bin Raja Salim	5 out of 5	100%
Tan Sri Dato' Mohd Ramli bin Kushairi	5 out of 5	100%
Wong Chin Yen	5 out of 5	100%

Audit Committee meetings are also attended, by invitation, by the Finance Director and senior members of the finance and internal audit functions. During the year, on the invitation of the Audit Committee, the external auditors attended one Audit Committee meeting and also met privately with the Audit Committee at a separate meeting, without the Executive Directors and the Company executives present. The private meeting is the forum used by the Non-executive Directors to discuss the performance of the Group, its management and their ongoing stewardship of shareholders' interests. The Non-executive Directors and the external auditors have the opportunity at this time to raise and discuss any issues of concern in this regard.

The Head of Internal Audit and the external auditors have direct access to the Audit Committee at all times.

The terms of reference and further details on the work of the Audit Committee appear in the Audit Committee Report.

### Remuneration Committee

Members of the Remuneration Committee are:

- Tan Sri Dato' Mohd Ramli bin Kushairi  
(appointed as Chairman on 17 December 2010)
- Dato' Lin Yun Ling
- Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain  
(appointed on 17 December 2010)
- Tan Sri Dato' Ir Talha bin Haji Mohd Hashim  
(ceased as Chairman on 9 December 2010)
- Raja Dato' Seri Abdul Aziz bin Raja Salim  
(resigned on 17 December 2010)

The Remuneration Committee currently comprises two Non-executive Directors and one Executive Director.

Central to the Remuneration Committee's work is the review of the Directors' remuneration packages. The Remuneration Committee aims to ensure that Directors' remuneration is competitive, motivates good performance and loyalty, and supports growth in shareholder value.

Each Executive Director's remuneration package currently consists of basic salary, annual performance related bonus, contribution to the national pension fund and benefits-in-kind such as private medical care, car allowance and fuel, Group's club membership and share options. The remuneration

## Corporate Governance Statement

of the Non-executive Directors takes the form primarily of fees and share options, which are agreed by the executive members of the Board and approved by the shareholders.

The Remuneration Committee, whilst establishing the appropriate levels of the Directors' remuneration package for 2011, has considered the information in the salary survey of comparator listed companies provided from external sources and information from sources within the Company, taking into account external market data, conditions within the business and performance of the Group.

The remuneration of the Directors is recommended by the Remuneration Committee and ultimately approved by the Board. No Director is involved in deciding his/her own remuneration or fees. Further information on the Directors' remuneration appears in Note 6 of the Financial Statements.

The Remuneration Committee meets not less than once a year. One Remuneration Committee meeting was held in 2011. The attendance is shown below.

### Remuneration Committee Attendance

	Meetings attended	Percentage
Tan Sri Dato' Ir Talha bin Haji Mohd Hashim <sup>(i)</sup>	0 out of 0	-
Raja Dato' Seri Abdul Aziz bin Raja Salim <sup>(ii)</sup>	0 out of 0	-
Tan Sri Dato' Mohd Ramli bin Kushairi <sup>(iii)</sup>	1 out of 1	100%
Dato' Lin Yun Ling	1 out of 1	100%
Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain <sup>(iv)</sup>	1 out of 1	100%

(i) Ceased as Chairman of the Remuneration Committee following his retirement from the Board on 9 December 2010

(ii) Resigned from the Remuneration Committee on 17 December 2010

(iii) Appointed as Chairman of the Remuneration Committee on 17 December 2010

(iv) Appointed to the Remuneration Committee on 17 December 2010

### Nomination Committee

Members of the Nomination Committee are:

- **Wong Chin Yen**

[appointed as Chairman on 17 December 2010]

- **Tan Sri Dato' Mohd Ramli bin Kushairi**

- **Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain**

[appointed on 17 December 2010]

- **Tan Sri Dato' Ir Talha bin Haji Mohd Hashim**

[ceased as Chairman on 9 December 2010]

The Nomination Committee currently comprises three Non-executive Directors.

Central to the Nomination Committee's work is the review of the effectiveness of the Board, its committees and individual Director. During the year the Nomination Committee carried out a detailed performance evaluation and believes that it has satisfied the requirements of the Code. The Nomination Committee's activities during the year also included the identification of suitable training programmes for the Directors for the new financial year and review of all Directors who are due for re-election or re-appointment at the Company's AGM. In addition, the Nomination Committee was also involved in the assessment of a potential successor to the Chairman, a process which identified Raja Dato' Seri Abdul Aziz bin Raja Salim as successor to Tan Sri Dato' Ir Talha bin Haji Mohd Hashim. The Nomination Committee makes recommendations to the Board as appropriate. The outcome of the work of the Nomination Committee is reported to the Board, which in turn reviews it.

The Nomination Committee is satisfied that the evaluation has helped to identify and address important views held by the Directors on initiatives to further strengthen the effectiveness of the Board and the priorities going forward.

The Nomination Committee meets not less than once a year. Two Nomination Committee meetings were held in 2011. The attendance is shown below.

### Nomination Committee Attendance

	Meetings attended	Percentage
Tan Sri Dato' Ir Talha bin Haji Mohd Hashim <sup>(i)</sup>	1 out of 1	100%
Wong Chin Yen <sup>(ii)</sup>	2 out of 2	100%
Tan Sri Dato' Mohd Ramli bin Kushairi	2 out of 2	100%
Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain <sup>(iii)</sup>	1 out of 1	100%

(i) Ceased as Chairman of the Nomination Committee following his retirement from the Board on 9 December 2010

(ii) Appointed as Chairman of the Nomination Committee on 17 December 2010

(iii) Appointed to the Nomination Committee on 17 December 2010

### Financial Reporting

The Group has a comprehensive budgeting system and a structured system for reporting financial results to the Board.

Each business unit maintains financial controls and prepares monthly results with a comparison against budget. There are clearly defined guidelines for the review and approval of capital expenditure projects. These include annual budgets, periodic reviews and designated levels of authority. The Group's centralised internal audit function reviews the systems and procedures in all business units and reports regularly to the Audit Committee which in turn, reports to the Board.

The Board is satisfied that it has met its obligations in presenting a balanced and clear assessment of the Group's position and prospects.

## Corporate Governance Statement

### Internal Control

The Board is responsible for all aspects of the Group's internal controls. The system of internal control, which is fully embedded into the operations of the Group, has been in place throughout the year, up to the date of this Annual Report. It includes financial, operating and compliance controls and risk management procedures. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the Company's business objectives. In pursuing these objectives, internal control can only provide reasonable but not absolute assurance against material misstatement or loss.

Significant risks faced by the business are identified and evaluated based on the likelihood and potential impact of each risk and where necessary, actions to mitigate the risks were also identified. The Board also takes account of the advice of the Audit Committee, reports received from the external auditors and any other related matters which have come to its attention.

### Directors' Responsibility Statement

The Directors are required by the Act to prepare financial statements for each financial year in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the performance of the Group and Company for the financial year.

- In preparing the financial statements, the Directors have applied appropriate and consistent accounting policies;
- made judgements and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and
- prepared financial statements on the "going concern" basis as the Directors have a reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue operations for the foreseeable future.

The Directors have responsibility for ensuring that the Company keeps accounting records, which disclose with reasonable accuracy the financial position of the Company and the Group, which enable them to ensure that financial statements comply with the requirements of the Act. The Directors have overall responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

### Shareholder and Investor Relations

Communication with shareholders and investors is important to the Company. As part of its corporate governance initiatives, the Board has set up a full-time Investor Relations (IR) unit which primary role is to implement and execute effective IR policies and programmes.

The Company conducts an active IR programme aimed at providing reliable and credible company information and visibility to the broad investment community. The Group Managing Director and/or the Senior Group General Manager, Investor Relations are primarily responsible for all IR activities.

Complementing the IR programme is Gamuda's representation on the Board of the Malaysian Investor Relations Association (MIRA). The Company has been a founding member of MIRA since its inception in June 2007.

Key IR activities during the year include holding regular investor briefings immediately after releasing the quarterly results and at other appropriate times during the year. Other activities include participating in international and domestic investor conferences, going on marketing road shows, hosting teleconferences, responding to email and telephone enquiries, catering to the numerous requests for private meetings by investors and analysts, and organising trips for investors to visit our overseas and domestic project sites.

The following is a summary of all IR activities during 2011.

Type of Event	Investment Centre	No of Meetings
Investor Conferences	Kuala Lumpur, Singapore, Hong Kong, China, Japan, Thailand, United Kingdom	14 trips
Marketing Roadshows	Europe	1 trip
Investor Briefings	Kuala Lumpur	4
Project Site Visits	Johor, Ho Chi Minh City, Hanoi	7 trips
Teleconference Calls	Various	7
Private Meetings	Various	151

Broader shareholder communication also takes place via our corporate website at [www.gamuda.com.my](http://www.gamuda.com.my) as well as through the Annual Report, AGM and Extraordinary General Meeting. The Chairmen of the Audit, Remuneration and Nomination Committees, together with other Directors will normally attend the AGM. Shareholders are encouraged to raise any pertinent issues at these meetings.

There is also a wealth of information online. All announcements made to Bursa Malaysia are updated on our corporate website as soon as practicable. In addition, slides and notes from the quarterly investor briefings are also updated on our website for the benefit of those unable to attend these meetings.

### Code of Practice

The Board is committed to ensuring that all its business activities operate with the highest standards of business ethics and integrity as summarised in the Company's written code on business practices, which are applicable Group-wide including Group facilities overseas. There is a Whistleblowing reporting procedure which encourages transparency and accountability within the Group.

### Corporate Social Responsibility

Information on the Group's corporate social responsibility activities appears in the Corporate Social Responsibility section.

## Statement on Internal Control

### Board's Responsibility

The Board affirms the overall responsibility for maintaining a sound system of internal control and for reviewing their adequacy and integrity so as to safeguard shareholders' interests and the Group's assets. The system of internal control covers inter alia, financial, operational and compliance system controls and risk management. However, the system of internal control is designed to manage rather than to eliminate the risk of failure to achieve business objectives. Accordingly, the internal control system can only provide reasonable and not absolute assurance against material misstatement or losses. The Board confirms that there is an on-going process of identifying, evaluating and managing all significant risks faced by the Group that has been in place for the year and up to the date of approval of the Annual Report and Financial Statements. The process is regularly reviewed by the Board and is in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

### Risk Management

The risk management framework, which is embedded in the Company's management systems, clearly defines the authority and accountability in implementing the risk management process and internal control system. The Management assists the Board in implementing the process of identifying, evaluating and managing significant risks applicable to their respective areas of business and in formulating suitable internal controls to mitigate and control these risks.

The project task force is responsible for assessing and evaluating the feasibility and risk impact that prospective investments would have on the Group. For ongoing business operations, risk assessment and evaluation is an integral part of the annual business planning and budgeting process.

The Management of each business unit, in establishing its business objectives, is required to identify and document all possible risks that can affect their achievement taking into consideration the effectiveness of controls that are capable of mitigating such risks. By this process, each business unit's identified risks, the controls and processes for managing them are tabulated in a risk assessment report. Significant risks of business units are summarised into risk maps and presented annually to the Audit Committee for their consideration.

### Key Internal Control Features

The Group's internal control system encompasses the following key control processes:

- Clearly defined operating structure, lines of responsibilities and delegated authority. Various Board and Management Committees have been established to assist the Board in discharging its duties. Among the committees are:
  - Audit Committee
  - Nomination Committee
  - Remuneration Committee
  - Budget Committee
  - ESOS Committee
- Feasibility study and risk impact and assessment on new investments /projects is evaluated by Project Task Force for Board's deliberation.
- Internal control activities have been established in all business units with clearly defined lines of responsibilities, authority limits for major capital expenditure, contract awards and other significant transactions, segregation of duties, performance monitoring and safeguarding of assets.
- Systematically documented Policies, Procedures and Standard Operating Procedures are in place to guide staff in their day-to-day work. These policies and procedures are reviewed regularly and updated when necessary.
- An annual budgetary process that requires business units to prepare budgets, business plans and control measures to mitigate identified risks for the forthcoming year. These budgets are deliberated by the Budget Committee before being presented to the Directors for approval.
- A comprehensive information system comprising budgets, key business indicators and performance results on operations are reported to Management and the Directors. The regular and comprehensive flow of information allows the Management and the Directors to review business unit's performance against budgets and performance indicators on monthly basis.

## Statement on Internal Control

- An Integrated Management System, incorporating ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 and MS 1722: Part 1: 2005 requirements has been established and implemented to continuously provide high quality, cost effective, reliable, safe and environmental friendly products and services.
- A Performance Management System whereby business objectives are clearly defined and targets are set for each individual employee. Employees' performances are monitored, appraised and rewarded according to the achievement of targets set.
- Training and development programmes are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their performance and job expectations.
- An adequately resourced Internal Audit Department which reports directly to the Audit Committee, conducts regular reviews on integrity and effectiveness of the Group's system of internal controls.
- Executive Directors and Senior Management conduct regular site visits and communicate with employees of different levels to have first-hand knowledge of significant operational matters and risks.
- Board representation in its associated companies. Information on the financial performance of these associated companies is provided regularly to the Management and Board of the Company via Group management reporting procedures and presentations at Board meetings respectively.
- In respect of joint ventures entered into by the Group, the Management of the joint ventures, which consist of representations from the Group and other joint venture partners are responsible to oversee the administration, operation, performance and Executive Management of the joint venture. Financial and operational information of these joint ventures are provided regularly to the Management of the Company.

The Board confirms that the Group's system of internal control is being properly implemented throughout the Group and continuous reviews of the systems and controls are being carried out to ensure its adequacy and effectiveness. All internal control weaknesses identified during the period under review have been or are being addressed. There were no major internal control weaknesses that require disclosure in the Annual Report. The Management continues to take measures to strengthen the control environment.

### Review of the Statement by the External Auditors

The External Auditors have reviewed the Statement on Internal Control and reported to the Board that nothing has come to their attention that causes them to believe the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

## Audit Committee Report

### Membership

The current composition of the Audit Committee is as follows:

1. **Y M Raja Dato' Seri Abdul Aziz bin Raja Salim**  
Chairman / Independent Non-executive Director
2. **Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi**  
Member / Senior Independent Non-executive Director
3. **Ms Wong Chin Yen**  
Member / Independent Non-executive Director

### Attendance of Meetings

During the financial year ended 31 July 2011, the Audit Committee met five times. The meeting attendance of the Committee members is as follows:

Name of Directors	Attendance
Y M Raja Dato' Seri Abdul Aziz bin Raja Salim	5/5
Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi	5/5
Ms Wong Chin Yen	5/5

### Terms of Reference

#### Membership

The Audit Committee shall be appointed by the Board of Directors from amongst its members and shall consist of not less than three members, all of whom must be Non-executive Directors with a majority of them being Independent Directors. The members of an Audit Committee must elect a chairman from among themselves who is an Independent Director. An Alternate Director cannot be appointed as a member of the Audit Committee.

At least one member of the Audit Committee:

- i. must be a member of the Malaysian Institute of Accountants (MIA); or
- ii. if he is not a member of MIA, the member must have at least three years' working experience, and:
  - a. must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
  - b. must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- iii. fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad (Bursa Securities).

In the event of any vacancy in the Audit Committee resulting in non-compliance with Bursa Securities Main Market Listing Requirements (Listing Requirements) on the composition of the Audit Committee, the Board must fill the vacancy within three months.

The Board of Directors must review the term of office and performance of the Audit Committee and each of its members at least once every three years to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference.

### Meetings and Minutes

#### Meetings

Meetings shall be held not less than four times a year and the Finance Director, Head of Internal Audit and representatives of the External Auditors will be invited to assist the Audit Committee. Other Board members and Senior Management may attend meetings upon the invitation of the Audit Committee. At least twice a year, the Audit Committee shall meet with the External Auditors without any executive officer of the Group being present. Additional meetings may be held upon request by any Audit Committee member, the Management, Internal or External Auditors.

#### Quorum

A quorum shall consist of a majority of Independent Directors and shall not be less than two.

#### Secretary

The Company Secretary shall act as secretary of the Audit Committee.

#### Reporting Procedure

The minutes of each meeting shall be distributed to the Audit Committee members and to all Board members. Key issues discussed are reported by the Chairman of the Audit Committee to the Board.

#### Authority and Duties

##### Authority

In carrying out their duties and responsibilities, the Audit Committee shall:

- i. have the authority to investigate any matter within its terms of reference;
- ii. have the resources which are required to perform its duties;
- iii. have full and unrestricted access to any information pertaining to the Group;
- iv. have direct communication channels with the External and Internal Auditors, as well as employees of the Group;
- v. be able to obtain independent professional or other advice it deems necessary; and
- vi. be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

## Audit Committee Report

### Duties

The duties of the Audit Committee shall include a review of the following:

- i. the effectiveness of management information system and other systems of internal control within the Company and the Group;
- ii. the Management's compliance with laws, regulations, established policies, plans and procedures;
- iii. with the assistance of the Management, the quarterly financial results and year-end financial statements prior to deliberation and approval by the Board, focusing particularly on:
  - a. changes in major accounting policies;
  - b. significant and unusual events;
  - c. the going concern assumption;
  - d. compliance with accounting standards and other legal requirements;
- iv. the independence and objectivity of the External Auditors and their services;
- v. together with the External Auditors, the scope of their audit plan, their evaluation of the system of internal control and the audit reports on the financial statements;
- vi. the selection, remuneration and resignation or dismissal of the External Auditors;
- vii. the assistance given by the employees of the Company to the External Auditors;
- viii. significant audit findings and reservations arising from the interim and final audits reported by the External Auditors together with their Management Letter and Management's response, where applicable;
- ix. the adequacy of the scope, function, competency and resources of the Internal Audit function and whether or not it has the necessary authority to carry out its duties;
- x. the Internal Audit programme, processes and results of the audit work, process or investigation undertaken and whether or not appropriate action is taken on the recommendations of the Internal Audit function;
- xi. any appraisal or assessment of the performance of members of the Internal Audit function;
- xii. the appointment or termination of senior staff members of the Internal Audit function and take cognizance of resignations of Internal Audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;
- xiii. any related party transaction and conflict of interests situation that may arise including any transaction, procedure or course of conduct that raises questions of Management's integrity;
- xiv. the allocation of options during the Year under the Company's Employees Share Option Scheme (ESOS) to verify whether it is in accordance with the criteria determined by the ESOS Committee and in compliance with the ESOS by-laws;
- xv. matters conveyed to the Board that have not been satisfactorily resolved resulting in a breach of the Listing Requirements are promptly reported to Bursa Securities; and
- xvi. any other matters as may be directed by the Board from time to time.

### Summary of Audit Committee's Activities

During the financial year, the Audit Committee met five times. Activities carried out by the Audit Committee included the deliberation and review of:

- i. the Group's quarterly and year-end financial results prior to submission to the Board for consideration and approval;
- ii. the audit planning memorandum of the External Auditors in a meeting to discuss their audit strategy, audit focus and resources prior to commencement of their annual audit;
- iii. matters arising from the audit of the Group in a meeting with the External Auditors without the presence of any executive officer of the Group;
- iv. the performance of the External Auditors and the recommendations to the Board on their reappointment and remuneration;
- v. the Audit Committee Report and its recommendation to the Board for inclusion in the Annual Report;
- vi. the Statement on Internal Control and Statement of Corporate Governance and its recommendation to the Board for inclusion in the Annual Report;
- vii. the summaries of risk assessment results arising from risk evaluations conducted by the Management prior to their submission to the Board for their consideration and approval;
- viii. the risk-based annual audit plan and resource requirement proposed by the Internal Auditors for the Group;
- ix. the audit reports presented by the Internal Auditors on major findings, recommendations and Management's responses thereto;
- x. the results of follow-up audits conducted by the Internal Auditors on the Management's implementation of audit recommendations;
- xi. related party transactions as required under the Listing Requirements to ascertain that the transactions are conducted at arm's length prior to submission for the Board's consideration and, where appropriate, shareholders' approval; and
- xii. share option allocations pursuant to the ESOS of the Company during the financial year under review that had been verified by the Internal Auditors. The Audit Committee was satisfied that the allocation of share options pursuant to the ESOS during the financial year ended 31 July 2011 was in compliance with the criteria set out in the ESOS by-laws and by the ESOS Committee.

## Audit Committee Report

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### Internal Audit Function and Activities

The Internal Audit function of the Company is performed in-house by its Internal Audit Department. The Internal Audit Department reports directly to the Audit Committee. The Internal Audit Department adopts a risk-based audit approach when preparing its annual audit plan which is approved by the Audit Committee. The annual audit plan covers the business units and projects of the Group.

The principal role of the Internal Audit Department is to provide independent and objective reports on the effectiveness of the system of internal controls within the business units and projects of the Group.

During the year, the Internal Audit Department has undertaken independent audit assignments on business units and projects of the Group in accordance with the approved annual audit plan. The resultant audit reports were presented to the Audit Committee for deliberation and forwarded to the Management for the necessary corrective actions to be taken.

A summary of the Internal Audit activities during the financial period is as follows:

- i. prepared its annual audit plan for consideration by the Audit Committee;
- ii. performed operational audits on business units and projects of the Group to ascertain the adequacy and integrity of their system of internal controls and made recommendations for improvement where weaknesses were found;
- iii. conducted follow-up reviews to determine the adequacy, effectiveness and timeliness of action taken by the Management on audit recommendations and provided updates on their status to the Audit Committee;
- iv. reviewed related party transactions; and
- v. reviewed the allocations of share options pursuant to the ESOS during the financial year to verify whether they were in accordance with the criteria set out in the ESOS by-laws and by the ESOS Committee.

Total cost incurred for the Internal Audit Department for the financial year ended 31 July 2011 was RM931,370.

## Additional Compliance Information

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### 1 Non-audit Fees

The amount of non-audit fees paid by the Company and its subsidiaries to the external auditors and their affiliated company/firm for the financial year 2011 was RM194,000.

### 2 Share Buy-back

The Company did not purchase any of its own shares during the financial year 2011.

### 3 Exercise of Options, Warrants or Convertible Securities

During the financial year 2011,

- i) 37,553,000 options in relation to the Employees' Share Option Scheme were exercised.
- ii) 1,382,724 Warrants 2010/2015 were exercised and converted into ordinary shares.

### 4 Material Contracts Involving Directors'/Major Shareholders' Interests

Other than as disclosed in Note 41 of the Financial Statements, there were no material contracts entered into by the Company or its subsidiaries involving Directors' and major shareholders' interests since 1 August 2010.

### 5 Revaluation Policy on Landed Properties

The Group does not adopt a policy of regular revaluation.

### 6 Sanctions or Penalties

There were no material sanctions or penalties imposed by the relevant regulatory bodies on the Company or its subsidiaries, directors or management during the financial year 2011.



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## Financial Statements

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## Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 July 2011.

### Principal activities

The principal activities of the Company are that of investment holding and civil engineering construction.

The principal activities of the subsidiaries are described in Note 18 to the financial statements.

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

### Results

	Group RM'000	Company RM'000
Profit for the year	432,945	248,399
Attributable to:		
Owners of the Company	425,411	248,399
Non-controlling interests	7,534	-
	432,945	248,399

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity.

In the opinion of the directors, the results of the operations of the Group during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the effects arising from the changes in accounting policies due to the adoption of IC Interpretation 12: Service Concession Arrangements ("IC 12") which has resulted in an increase in the Group's profit for the year by RM42,609,000 as disclosed in Note 2.2 to the financial statements.

In the opinion of the directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

### Dividends

The amount of dividends declared and paid by the Company since 31 July 2010 were as follows:

<b>In respect of the financial year ended 31 July 2011</b>	<b>RM'000</b>
First interim dividend of 3 sen per share less 25% taxation and single tier dividend of 3 sen per share declared on 17 December 2010 and paid on 28 January 2011	107,951
Second interim single tier dividend of 6 sen per share declared on 23 June 2011 and paid on 28 July 2011	123,839
	231,790

The directors do not recommend the payment of any final dividend in respect of the current financial year.

## Directors' Report

### Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

YM Raja Dato' Seri Abdul Aziz bin Raja Salim  
 Y Bhg Dato' Lin Yun Ling  
 Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi  
 Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain  
 YAM Raja Dato' Seri Eleena binti Raja Azlan Shah  
 Y Bhg Dato' Seri Ir. Kamarul Zaman bin Mohd Ali  
 Y Bhg Dato' Haji Azmi bin Mat Nor  
 Y Bhg Dato' Ir. Ha Tiing Tai  
 Y Bhg Dato' Goon Heng Wah  
 Y Bhg Dato' Ng Kee Leen  
 Wong Chin Yen  
 Saw Wah Theng  
 Ir. Chow Chee Wah (Alternate to Y Bhg Dato' Lin Yun Ling)  
 Y Bhg Tan Sri Dato' Ir. Talha bin Haji Mohd Hashim (Retired on 9 December 2010)

### Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted pursuant to the Employees' Share Option Scheme ("ESOS").

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 6 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 41 to the financial statements.

### Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares, options over shares and warrants in the Company and its related corporations during the financial year were as follows:

	← Number of ordinary shares of RM1 each →			
	1 August 2010	Exercise of ESOS/ Conversion of warrants	Sold	31 July 2011
<b>Gamuda Berhad</b>				
<b>Direct holding</b>				
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	80,000	-	-	80,000
Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi	20,000	182,600	(150,000)	52,600
Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	70,000	-	-	70,000
YAM Raja Dato' Seri Eleena binti Raja Azlan Shah	200,000	-	-	200,000

## Directors' Report

### Directors' interests (cont'd.)

	← Number of ordinary shares of RM1 each →			
	1 August 2010	Exercise of ESOS/ Conversion of warrants	Sold	31 July 2011
<b>Gamuda Berhad</b>				
<b>Direct holding (cont'd.)</b>				
Y Bhg Dato' Seri Ir. Kamarul Zaman bin Mohd Ali	153,000	360,000	(100,000)	413,000
Y Bhg Dato' Haji Azmi bin Mat Nor	239,000	-	(239,000)	-
Y Bhg Dato' Ir. Ha Tiing Tai	18,015,876	-	-	18,015,876
Y Bhg Dato' Goon Heng Wah	13,080,000	180,000	-	13,260,000
Y Bhg Dato' Ng Kee Leen	32,024,898	-	-	32,024,898
Wong Chin Yen	-	40,000	(40,000) <sup>®</sup>	-
Saw Wah Theng	325,000	-	-	325,000
Ir. Chow Chee Wah	108,000	-	-	108,000
<b>Indirect holding</b>				
Y Bhg Dato' Lin Yun Ling ^	34,697,636	-	-	34,697,636
YAM Raja Dato' Seri Eleena binti Raja Azlan Shah *	149,500,000	-	(6,500,000)	143,000,000
Y Bhg Dato' Seri Ir. Kamarul Zaman bin Mohd Ali #	2,417,630	-	(10,000)	2,407,630
Y Bhg Dato' Ir. Ha Tiing Tai #	14,200	-	-	14,200
Y Bhg Dato' Goon Heng Wah #	5,104,032	-	-	5,104,032
Y Bhg Dato' Ng Kee Leen #	1,522,472	-	(1,000,000)	522,472

^ Deemed interest through HSBC (Malaysia) Trustee Berhad

\* Deemed interest through Generasi Setia (M) Sdn. Bhd.

# Deemed interest through spouse

® Transferred out

### Employees' share option scheme ("ESOS")

	Option price RM	← Number of options →			
		1 August 2010	Allotted	Exercised	31 July 2011
Y Bhg Dato' Lin Yun Ling	2.49*	1,500,000	-	-	1,500,000
Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi	1.54*	180,000	-	(180,000)	-
Y Bhg Dato' Seri Ir. Kamarul Zaman bin Mohd Ali	1.54*	252,000	-	(252,000)	-
	2.49*	540,000	-	(108,000)	432,000
	3.24*	270,000	-	-	270,000
Y Bhg Dato' Haji Azmi bin Mat Nor	2.49*	800,000	-	-	800,000
Y Bhg Dato' Ir. Ha Tiing Tai	2.49*	900,000	-	-	900,000
Y Bhg Dato' Goon Heng Wah	2.49*	900,000	-	(180,000)	720,000
Y Bhg Dato' Ng Kee Leen	2.49*	900,000	-	-	900,000
Wong Chin Yen	1.54*	40,000	-	(40,000)	-
Saw Wah Theng	2.49*	900,000	-	-	900,000
Ir. Chow Chee Wah	1.73*	35,000	-	-	35,000
	2.49*	800,000	-	-	800,000

\* Adjusted on 3 May 2010 pursuant to the Rights Issue of Warrants

## Directors' Report

### Directors' interests (cont'd.)

#### Warrants 2010/2015

	← Number of warrants →		
	1 August 2010	Sold/ Exercised	31 July 2011
<b>Direct holding</b>			
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	10,100	-	10,100
Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi	2,600	(2,600)	-
Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	9,000	(9,000)	-
YAM Raja Dato' Seri Eleena binti Raja Azlan Shah	25,000	-	25,000
Y Bhg Dato' Haji Azmi bin Mat Nor	36,600	-	36,600
Y Bhg Dato' Ir. Ha Tiing Tai	2,278,400	-	2,278,400
Y Bhg Dato' Goon Heng Wah	1,648,300	-	1,648,300
Y Bhg Dato' Ng Kee Leen	4,016,500	-	4,016,500
Saw Wah Theng	47,375	-	47,375
Ir. Chow Chee Wah	20,200	-	20,200
<b>Indirect holding</b>			
Y Bhg Dato' Lin Yun Ling ^	4,403,100	-	4,403,100
YAM Raja Dato' Seri Eleena binti Raja Azlan Shah *	9,000,000	(7,600,000)	1,400,000
Y Bhg Dato' Ir. Ha Tiing Tai #	1,800	-	1,800
Y Bhg Dato' Goon Heng Wah #	651,400	-	651,400
Y Bhg Dato' Ng Kee Leen #	197,100	-	197,100

^ Deemed interest through HSBC (Malaysia) Trustee Berhad

\* Deemed interest through Generasi Setia (M) Sdn. Bhd.

# Deemed interest through spouse

Each Warrant 2010/2015 entitled the registered holder to subscribe for one new share in the Company at the exercise price of RM2.66 each at any time within five years, from the date of issue on 26 May 2010 until it expires on 25 May 2015.

Other than as disclosed above, none of the Directors in office at the end of the financial year had any interest in shares, options over shares or warrants of the Company or its related corporations during the financial year.

### Issue of shares

During the financial year, the Company increased its issued and paid up capital from RM2,025,887,831 to RM2,064,823,555 by way of:

- (a) The issuance of 37,553,000 new ordinary shares of RM1.00 each for cash arising from the exercise of options under the Company's ESOS at the option prices as disclosed in Note 28(e) to the financial statements; and
- (b) The issuance of 1,382,724 new ordinary shares of RM1.00 each for cash arising from the exercise of Warrants 2010/2015 at the exercise price of RM2.66 per share in accordance with the Deed Poll dated 15 April 2010.

The ordinary shares issued from the exercise of options and Warrants 2010/2015 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, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new shares.

## Directors' Report

### Employees' share option scheme

The Gamuda Berhad Employees' Share Option Scheme ("ESOS") was approved by shareholders at the Extraordinary General Meeting held on 5 July 2006 and is effective for 5 years from 6 July 2006 to 5 July 2011 ("Expiry Date"). On 22 December 2009, the Expiry Date was subsequently extended to 5 July 2014, pursuant to By-law 17.3 of the ESOS.

The principal features of the ESOS, details of share options exercised during the financial year and outstanding at the end of the financial year are disclosed in Note 28(c) and Note 28(e).

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders, other than directors, who have been granted options to subscribe for less than 48,000 ordinary shares of RM1.00 each. The names of the option holders granted options to subscribe for 48,000 or more ordinary shares of RM1.00 each during the financial year are as follows:-

Name	Expiry date	Number of options
Loh Hoi Lee	5 July 2014	210,000
Leong Tuck Fatt	5 July 2014	147,000
Sim Kia Joo	5 July 2014	87,000
Wong Tuck Wai	5 July 2014	77,000
Koo Kok Seng	5 July 2014	75,000
Chang Nam Onn	5 July 2014	58,000
Edwin A/L Kolandasamy	5 July 2014	58,000
Rajakobu A/L Muniandy	5 July 2014	58,000
Chow Chee Fan	5 July 2014	49,000
George Jason A/L Arokiam	5 July 2014	48,000

Details of options granted to directors are disclosed in the section of Directors' interests in this report.

### Warrants 2010/2015

Each Warrant 2010/2015 entitles the registered holder to subscribe for one (1) new ordinary share in the Company at any time on or after 26 May 2010 to 25 May 2015, at an exercise price of RM2.66 in accordance with the Deed Poll. Any Warrant 2010/2015 not exercised by the date of maturity will lapse thereafter and cease to be valid for all purposes. As at the reporting date, 249,253,566 Warrants 2010/2015 remained unexercised.

The ordinary shares issued from the exercise of Warrants 2010/2015 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, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of Warrants 2010/2015.

The Warrants 2010/2015 are constituted by a Deed Poll dated 15 April 2010.

### Other statutory information

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and adequate provision had been made for doubtful debts, and
  - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent, and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

## Directors' Report

### Other statutory information (cont'd.)

- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.
- (g) The Company has been granted exemption by the Companies Commission of Malaysia for its three subsidiaries, Gamuda-Nam Long Development Limited Liability Company and Sai Gon Thuong Tin Tan Thang Investment Real Estate Joint Stock Company with December financial year end and Gamuda Land Vietnam Limited Liability Company with June financial year end from having to comply with Section 168(1)(b) of the Companies Act, 1965 to adopt a financial year end which coincides with that of its holding company for the financial year ended 31 July 2011.

### Significant events

The significant events are as disclosed in Note 42.

### Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 18 October 2011.

YM Raja Dato' Seri Abdul Aziz bin Raja Salim  
Chairman

Saw Wah Theng  
Finance Director

## Statement by Directors

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### Pursuant to Section 169(15) of the Companies Act, 1965

We, YM Raja Dato' Seri Abdul Aziz bin Raja Salim and Saw Wah Theng, being two of the directors of Gamuda Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 89 to 197 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2011 and of their financial performance and cash flows for the year then ended.

The information set out in Note 48 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 18 October 2011.

YM Raja Dato' Seri Abdul Aziz bin Raja Salim  
Chairman

Saw Wah Theng  
Finance Director

## Statutory Declaration

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### Pursuant to Section 169(16) of the Companies Act, 1965

I, Saw Wah Theng, being the director primarily responsible for the financial management of Gamuda Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 89 to 198 are in my opinion 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 by the     )  
abovenamed Saw Wah Theng                     )  
at Petaling Jaya in Selangor Darul             )  
Ehsan on 18 October 2011.                     )

Saw Wah Theng

Before me,

Faridah bt. Sulaiman (No: B228)  
Commissioner of Oaths

# Independent Auditors' Report

To the members of Gamuda Berhad (Incorporated in Malaysia)

## Report on the financial statements

We have audited the financial statements of Gamuda Berhad, which comprise the statements of financial position as at 31 July 2011 of the Group and of the Company, and the income statements, the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 89 to 197.

### *Directors' responsibility for the financial statements*

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2011 and of their financial performance and cash flows for the year then ended.

## Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- (a) In our opinion, 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.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 18 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company 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.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

## Independent Auditors' Report

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To the members of Gamuda Berhad (Incorporated in Malaysia)

### Other matters

The supplementary information set out in Note 48 on page 198 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young  
AF: 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
18 October 2011

Abraham Verghese  
No. 1664/10/12(J)  
Chartered Accountant

# Consolidated Income Statement

For the year ended 31 July 2011

	Note	2011 RM'000	(Restated) 2010 RM'000
Revenue	4	2,673,208	2,455,143
Other income		43,087	42,193
Construction contract costs recognised as contract expenses		(1,443,876)	(1,580,125)
Land and development costs		(498,865)	(363,348)
Changes in inventory of finished goods and work in progress		(2,911)	(8,595)
Purchases – raw materials		(37,690)	(19,973)
– trading materials		(93,367)	(19,260)
Production overheads		(39,804)	(40,866)
Staff costs	5	(88,444)	(84,380)
Depreciation & Amortisation		(19,227)	(19,626)
Other operating expenses		(111,237)	(101,311)
<b>Profit from operations</b>	7	<b>380,874</b>	<b>259,852</b>
Finance costs	8	(58,779)	(43,813)
Share of profits of associated companies		222,429	196,221
<b>Profit before taxation</b>		<b>544,524</b>	<b>412,260</b>
Taxation	9	(111,579)	(80,547)
<b>Profit for the year</b>		<b>432,945</b>	<b>331,713</b>
<b>Profit attributable to:</b>			
Owners of the Company		425,411	322,918
Non-controlling interests		7,534	8,795
		<b>432,945</b>	<b>331,713</b>
<b>Earnings per share (sen)</b>			
Basic	10	20.74	16.00
Diluted	10	19.80	15.67
<b>Net dividends per ordinary share (sen)</b>	11	<b>11.3</b>	<b>9.0</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## Consolidated Statement of Comprehensive Income

For the year ended 31 July 2011

	2011 RM'000	(Restated) 2010 RM'000
Profit for the year	432,945	331,713
Other comprehensive income:		
Fair value loss on cash flow hedges	(2,277)	-
Foreign currency translation	(52,016)	(84,517)
Net asset accretion in an associate arising from capital contribution	5,402	3,072
Other comprehensive income for the year, net of tax	(48,891)	(81,445)
Total comprehensive income for the year	384,054	250,268
Total comprehensive income attributable to:		
Owners of the Company	383,499	244,234
Non-controlling interests	555	6,034
	384,054	250,268

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Consolidated Statement of Financial Position

As at 31 July 2011

	Note	2011 RM'000	(Restated) 2010 RM'000	(Restated) As at 1.8.2009 RM'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	12	345,718	301,639	365,349
Land held for property development	13(a)	390,872	278,279	482,678
Investment properties	14	11,157	2,604	2,648
Prepaid land lease payments	15	4,872	5,297	5,720
Motorway development expenditure	16	323,357	324,869	326,271
Intangible assets	17	100,947	62,649	65,747
Interests in associated companies	19	1,619,630	1,493,166	1,427,106
Other investments	21	733	733	733
Deferred tax assets	33	19,280	21,824	23,114
Receivables	23(b)	189,100	214,284	101,822
		3,005,666	2,705,344	2,801,188
<b>Current assets</b>				
Property development costs	13(b)	1,400,788	551,357	440,186
Inventories	22	34,105	79,738	101,082
Receivables	23(a)	1,701,738	1,432,816	1,397,618
Tax recoverable		23,410	14,652	24,114
Investment securities	24	336,623	784,104	100,668
Cash and bank balances	27	1,048,968	1,165,550	1,154,029
		4,545,632	4,028,217	3,217,697
<b>Total assets</b>		<b>7,551,298</b>	<b>6,733,561</b>	<b>6,018,885</b>
<b>Equity and liabilities</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	28	2,064,824	2,025,888	2,009,257
Reserves		1,621,741	1,414,288	1,292,180
Shareholders' equity		3,686,565	3,440,176	3,301,437
Non-controlling interests		200,341	50,198	46,763
<b>Total equity</b>		<b>3,886,906</b>	<b>3,490,374</b>	<b>3,348,200</b>
<b>Non-current liabilities</b>				
Payables	32(a)	80,811	71,203	63,503
Provision for liabilities	38	3,465	5,581	9,202
Deferred tax liabilities	33	86,307	17,026	17,083
Long term borrowings	34	1,323,480	1,278,736	1,210,500
Derivatives	32(b)	3,894	-	-
		1,497,957	1,372,546	1,300,288
<b>Current liabilities</b>				
Short term borrowings	35	626,179	511,273	328,165
Payables	36	1,515,993	1,346,719	1,024,790
Provision for liabilities	38	7,385	4,704	2,624
Tax payable		15,395	7,945	14,818
Derivatives	32(b)	1,483	-	-
		2,166,435	1,870,641	1,370,397
<b>Total liabilities</b>		<b>3,664,392</b>	<b>3,243,187</b>	<b>2,670,685</b>
<b>Total equity and liabilities</b>		<b>7,551,298</b>	<b>6,733,561</b>	<b>6,018,885</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Consolidated Statement of Changes in Equity

For the year ended 31 July 2011

Group	← Attributable to owners of the Company →							Non-controlling interests RM'000	Total equity RM'000
	← Non-distributable →				Distributable				
	Share capital RM'000	Share premium RM'000	Option reserves RM'000	Other reserves (Note 29) RM'000	Retained profits RM'000	Total RM'000			
<b>At 1 August 2009</b>	2,009,257	31,989	26,679	105,290	987,796	3,161,011	46,763	3,207,774	
Effects of adopting IC 12 (Note 2.2)	-	-	-	-	140,426	140,426	-	140,426	
<b>At 1 August 2009 (restated)</b>	2,009,257	31,989	26,679	105,290	1,128,222	3,301,437	46,763	3,348,200	
Total comprehensive income	-	-	-	(78,684)	322,918	244,234	6,034	250,268	
<b>Transactions with owners:</b>									
Issuance of warrants	-	-	-	25,231	-	25,231	-	25,231	
Issue of ordinary shares pursuant to:									
Exercise of ESOS (Note 28)	14,961	15,901	-	-	-	30,862	-	30,862	
Conversion of Warrants (Note 28)	1,670	2,939	-	(167)	-	4,442	-	4,442	
Share options granted under ESOS	-	-	18,416	-	-	18,416	-	18,416	
Share options exercised under ESOS	-	6,105	(7,315)	-	-	(1,210)	-	(1,210)	
Expenses relating to rights issue of warrants	-	(1,174)	-	-	-	(1,174)	-	(1,174)	
Acquisition of additional interest from non-controlling shareholders	-	-	-	-	-	-	(2,599)	(2,599)	
Dividends (Note 11)	-	-	-	-	(182,062)	(182,062)	-	(182,062)	
<b>Total transactions with owners</b>	<b>16,631</b>	<b>23,771</b>	<b>11,101</b>	<b>25,064</b>	<b>(182,062)</b>	<b>(105,495)</b>	<b>(2,599)</b>	<b>(108,094)</b>	
<b>At 31 July 2010</b>	2,025,888	55,760	37,780	51,670	1,269,078	3,440,176	50,198	3,490,374	
<b>At 1 August 2010</b>	2,025,888	55,760	37,780	51,670	1,086,427	3,257,525	50,198	3,307,723	
Effects of adopting:									
IC 12 (Note 2.2)	-	-	-	-	182,651	182,651	-	182,651	
FRS 139 (Note 2.2)	-	-	-	(3,100)	(3,352)	(6,452)	-	(6,452)	
<b>At 1 August 2010 (restated)</b>	2,025,888	55,760	37,780	48,570	1,265,726	3,433,724	50,198	3,483,922	
Total comprehensive income	-	-	-	(41,912)	425,411	383,499	555	384,054	
<b>Transactions with owners:</b>									
Issue of ordinary shares pursuant to:									
Exercise of ESOS (Note 28)	37,553	55,827	-	-	-	93,380	-	93,380	
Conversion of Warrants (Note 28)	1,383	2,433	-	(138)	-	3,678	-	3,678	
Share options granted under ESOS	-	-	6,217	-	-	6,217	-	6,217	
Share options exercised under ESOS	-	12,207	(14,350)	-	-	(2,143)	-	(2,143)	
Acquisition of a subsidiary (Note 18)	-	-	-	-	-	-	151,234	151,234	
Dividends (Note 11)	-	-	-	-	(231,790)	(231,790)	-	(231,790)	
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(1,646)	(1,646)	
<b>Total transactions with owners</b>	<b>38,936</b>	<b>70,467</b>	<b>(8,133)</b>	<b>(138)</b>	<b>(231,790)</b>	<b>(130,658)</b>	<b>149,588</b>	<b>18,930</b>	
<b>At 31 July 2011</b>	2,064,824	126,227	29,647	6,520	1,459,347	3,686,565	200,341	3,886,906	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Consolidated Statement of Cash Flows

For the year ended 31 July 2011

	2011 RM'000	(Restated) 2010 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	544,524	412,260
Adjustments for:		
Amortisation of concession and quarry rights	3,098	3,098
Amortisation of prepaid land lease payments	425	423
Amortisation of motorway development expenditure	1,512	1,402
Depreciation	14,192	14,703
Property, plant and equipment written off	1,723	167
Net provision for contracts	22,939	11,940
Provision for doubtful debts	-	27
Provision for liabilities	1,571	-
Provision for retirement benefits	5,407	3,669
Provision for short term accumulating compensated absences	408	703
Loss on disposal of property, plant and equipment	1,171	2,625
Share of profits from associated companies	(222,429)	(196,221)
Share based payments	6,217	18,416
Unrealised loss on foreign exchange	31,466	53,316
Distribution from investment management funds	(5,132)	(6,873)
Gain on acquisition of additional interests in a subsidiary	-	(1,599)
Interest income	(28,243)	(22,043)
Interest expense	58,779	43,813
Operating profit before working capital changes	437,628	339,826
(Increase)/decrease in development properties	(529,979)	117,268
Decrease in inventories	45,633	21,344
Increase in receivables	(233,825)	(163,569)
Increase in payables	243,609	266,010
Cash (used in)/generated from operations	(36,934)	580,879
Income taxes paid	(109,609)	(76,725)
Interest paid	(79,124)	(85,608)
Retirement benefits paid	(2,663)	(2,495)
Net cash (used in)/generated from operating activities	(228,330)	416,051
<b>Cash flows from investing activities</b>		
Purchase of land held for property development	-	(10,000)
Purchase of property, plant and equipment	(116,739)	(15,903)
Proceeds from disposal of property, plant and equipment	23,590	11,636
Net cash outflow on acquisition of a subsidiary	(268,056)	-
Proceeds from disposal of investment securities	447,481	-
Purchase of short term investments	-	(683,436)
Capital repayment from an associated company	-	13,247
Acquisition of additional interest from minority interest	-	(1,000)
Distribution received from investment management funds	5,132	6,873
Dividend received from associated companies	78,252	106,389
Interest received	28,243	22,043
Net cash generated from/(used in) investing activities	197,903	(550,151)

## Consolidated Statement of Cash Flows

For the year ended 31 July 2011

	2011 RM'000	(Restated) 2010 RM'000
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(315,685)	(92,935)
Drawdown of borrowings	475,335	344,279
Net proceeds from issuance of warrants	-	25,231
Net proceeds from exercise of ESOS	93,380	30,862
Net proceeds from conversion of warrants	3,678	4,442
Expenses relating to rights issue of warrants	-	(1,174)
Dividend paid to shareholders	(323,065)	(151,192)
Dividend paid to non-controlling interests	(1,646)	-
Net cash (used in)/generated from financing activities	(68,003)	159,513
<b>Net (decrease)/increase in cash and cash equivalents</b>	(98,430)	25,413
<b>Effects of exchange rate changes</b>	(18,152)	(13,892)
<b>Cash and cash equivalents at beginning of year</b>	1,165,550	1,154,029
<b>Cash and cash equivalents at end of year (Note 27)</b>	1,048,968	1,165,550

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Income Statement

For the year ended 31 July 2011

	Note	2011 RM'000	2010 RM'000
Revenue	4	400,133	290,951
Other income		36,992	25,988
Construction contract costs recognised as contract expenses		(39,860)	(100,298)
Staff costs	5	(25,925)	(34,760)
Depreciation		(2,268)	(3,158)
Other operating expenses		(12,230)	(18,631)
Profit from operations	7	356,842	160,092
Finance costs	8	(47,018)	(39,354)
Profit before taxation		309,824	120,738
Taxation	9	(61,425)	(23,249)
Profit for the year		248,399	97,489
Net dividends per ordinary share (sen)	11	11.3	9.0

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## Statement of Comprehensive Income

For the year ended 31 July 2011

	2011 RM'000	2010 RM'000
Profit for the year	248,399	97,489
Other comprehensive income:		
Fair value loss on cash flow hedges	(2,277)	-
Foreign currency translation	8,754	6,258
Other comprehensive income for the year, net of tax	6,477	6,258
Total comprehensive income for the year	254,876	103,747

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Statement of Financial Position

As at 31 July 2011

	Note	2011 RM'000	(Restated) 2010 RM'000	(Restated) As at 1.8.2009 RM'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	12	119,025	26,599	29,893
Investment properties	14	11,160	11,311	11,462
Prepaid land lease payments	15	-	-	-
Investments in subsidiaries	18	2,249,956	1,001,535	654,450
Interests in associated companies	19	702,049	694,549	694,549
Interests in jointly controlled entities	20	244,601	244,476	224,476
Other investments	21	733	733	733
Deferred tax assets	33	5,235	4,724	3,092
Receivables	23(b)	22,754	27,392	60,949
		3,355,513	2,011,319	1,679,604
<b>Current assets</b>				
Receivables	23(a)	30,763	45,440	66,714
Due from subsidiaries	26	664,613	1,462,793	1,237,523
Tax recoverable		-	-	11,641
Investment securities	24	1,429	93,876	59,150
Cash and bank balances	27	71,706	207,013	455,606
		768,511	1,809,122	1,830,634
<b>Total assets</b>		<b>4,124,024</b>	<b>3,820,441</b>	<b>3,510,238</b>
<b>Equity and liabilities</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	28	2,064,824	2,025,888	2,009,257
Reserves		542,317	463,645	482,024
<b>Shareholders' equity</b>		<b>2,607,141</b>	<b>2,489,533</b>	<b>2,491,281</b>
<b>Non-current liabilities</b>				
Payables	32(a)	4,544	5,469	3,055
Long term borrowings	34	800,000	800,000	480,000
Derivatives	32(b)	3,894	-	-
		808,438	805,469	483,055
<b>Current liabilities</b>				
Short term borrowings	35	495,422	175,230	268,165
Payables	36	53,098	143,856	132,761
Due to subsidiaries	37	151,283	205,215	134,976
Tax payable		7,159	1,138	-
Derivatives	32(b)	1,483	-	-
		708,445	525,439	535,902
<b>Total liabilities</b>		<b>1,516,883</b>	<b>1,330,908</b>	<b>1,018,957</b>
<b>Total equity and liabilities</b>		<b>4,124,024</b>	<b>3,820,441</b>	<b>3,510,238</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Statement of Changes in Equity

For the year ended 31 July 2011

Company	← Non-distributable →				Distributable	Total
	Share capital RM'000	Share premium RM'000	Option reserves RM'000	Other reserves (Note 29) RM'000	Retained profits (Note 30) RM'000	
<b>At 1 August 2009</b>	2,009,257	31,989	26,679	251	423,105	2,491,281
Total comprehensive income	-	-	-	6,258	97,489	103,747
<b>Transactions with owners:</b>						
Issuance of warrants	-	-	-	25,231	-	25,231
Issue of ordinary shares pursuant to:						
Exercise of ESOS (Note 28)	14,961	15,901	-	-	-	30,862
Conversion of Warrants (Note 28)	1,670	2,939	-	(167)	-	4,442
Share options granted under ESOS	-	-	18,416	-	-	18,416
Share options exercised under ESOS	-	6,105	(7,315)	-	-	(1,210)
Expenses relates to right issue of warrants	-	(1,174)	-	-	-	(1,174)
Dividends (Note 11)	-	-	-	-	(182,062)	(182,062)
<b>Total transactions with owners</b>	<b>16,631</b>	<b>23,771</b>	<b>11,101</b>	<b>25,064</b>	<b>(182,062)</b>	<b>(105,495)</b>
<b>At 31 July 2010</b>	<b>2,025,888</b>	<b>55,760</b>	<b>37,780</b>	<b>31,573</b>	<b>338,532</b>	<b>2,489,533</b>
<b>At 1 August 2010</b>	2,025,888	55,760	37,780	31,573	338,532	2,489,533
Effects of adopting FRS 139 (Note 2.2)	-	-	-	(3,100)	(3,510)	(6,610)
<b>At 1 August 2010 (restated)</b>	2,025,888	55,760	37,780	28,473	335,022	2,482,923
Total comprehensive income	-	-	-	6,477	248,399	254,876
<b>Transactions with owners:</b>						
Issue of ordinary shares pursuant to:						
Exercise of ESOS (Note 28)	37,553	55,827	-	-	-	93,380
Conversion of Warrants (Note 28)	1,383	2,433	-	(138)	-	3,678
Share options granted under ESOS	-	-	6,217	-	-	6,217
Share options exercised under ESOS	-	12,207	(14,350)	-	-	(2,143)
Expenses relates to right issue of warrants	-	-	-	-	-	-
Dividends (Note 11)	-	-	-	-	(231,790)	(231,790)
<b>Total transactions with owners</b>	<b>38,936</b>	<b>70,467</b>	<b>(8,133)</b>	<b>(138)</b>	<b>(231,790)</b>	<b>(130,658)</b>
<b>At 31 July 2011</b>	<b>2,064,824</b>	<b>126,227</b>	<b>29,647</b>	<b>34,812</b>	<b>351,631</b>	<b>2,607,141</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Statement of Cash Flows

For the year ended 31 July 2011

	2011 RM'000	2010 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	309,824	120,738
Adjustments for:		
Appropriation of profits from jointly controlled entities	(117,338)	(40,281)
Depreciation	2,268	3,158
Provision for retirement benefits	434	310
(Reversal of)/provision for short term accumulating absences	(53)	312
Gain on disposal of property, plant and equipment	(800)	(604)
Property, plant and equipment written off	44	88
Unrealised (gain)/loss on foreign exchange	(9,841)	22,616
Loss on striking off a subsidiary	8	-
Share based payments	6,217	18,416
Dividend income	(242,935)	(148,132)
Distribution from investment management funds	(1,837)	(3,379)
Interest income	(15,425)	(19,260)
Interest expense	47,018	39,354
Operating loss before working capital changes	(22,416)	(6,664)
Decrease/(increase) in due from subsidiaries	8,200	(255,190)
(Decrease)/increase in due to subsidiaries	(57,664)	70,239
Decrease in receivables	14,716	108,803
Increase in payables	18,598	28,812
Cash used in operations	(38,566)	(54,000)
Dividend received	195,943	136,363
Income taxes paid	(55,915)	(42,972)
Interest paid	(47,018)	(39,354)
Retirement benefits paid	(1,367)	(307)
Net cash generated from/(used in) operating activities	53,077	(270)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(101,146)	(4,544)
Proceeds from disposal of property, plant and equipment	4,977	664
Proceeds from disposal of investment securities	92,447	-
Purchase of investment securities	-	(34,726)
Investment in subsidiaries	(296,429)	(347,085)
Interests in associated companies	(7,500)	-
Interests in jointly controlled entities	(125)	(20,000)
Distribution received from investment management funds	1,837	3,379
Interest received	15,425	19,260
Net cash used in investing activities	(290,514)	(383,052)

## Statement of Cash Flows

For the year ended 31 July 2011

	2011 RM'000	2010 RM'000
<b>Cash flows from financing activities</b>		
Drawdown of borrowings	413,325	320,000
Repayment of borrowings	(93,129)	(92,935)
Net proceeds from issuance of warrants	-	25,231
Net proceeds from exercise of ESOS	93,380	30,862
Net proceeds from exercise of warrants	3,678	4,442
Expenses relating to rights issue of warrants	-	(1,174)
Dividend paid to shareholders	(323,065)	(151,192)
<b>Net cash generated from financing activities</b>	<b>94,189</b>	<b>135,234</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(143,248)</b>	<b>(248,088)</b>
<b>Effects of exchange rate changes</b>	<b>7,941</b>	<b>(505)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>207,013</b>	<b>455,606</b>
<b>Cash and cash equivalents at end of year (Note 27)</b>	<b>71,706</b>	<b>207,013</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Notes to the Financial Statements

31 July 2011

## 1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company is located at 78, Jalan SS 22/21, Damansara Jaya, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are that of investment holding and civil engineering construction. The principal activities of the subsidiaries are described in Note 18. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 October 2011.

## 2. Summary of significant accounting policies

### 2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 August 2010 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 August 2010, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010, 31 March 2010 and 1 July 2010:

#### FRSs, Amendments to FRSs and Interpretations

##### Effective for annual periods beginning on or after 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives
Amendments to FRSs	'Improvements to FRSs (2009)'
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

##### Effective for annual periods beginning on or after 1 March 2010:

Amendments to FRS 132	Classification of Rights Issues
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## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.2 Changes in accounting policies (cont'd.)

##### FRSs, Amendments to FRSs and Interpretations (cont'd.)

##### Effective for annual periods beginning on or after 1 July 2010:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (amended)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

##### FRS 7 Financial Instruments: Disclosures

Prior to 1 August 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 July 2011.

##### FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as two linked statements. However, subsidiaries that do not have any movement in their statement of comprehensive income, are allowed to opt for single statement presentation.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital (see Note 45).

The revised FRS 101 was adopted retrospectively by the Group and the Company.

## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.2 Changes in accounting policies (cont'd.)

##### **FRS 3 Business Combinations (revised)**

The revised FRS 3 introduces a number of changes to the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Changes in significant accounting policies resulting from the early adoption of the revised FRS 3 include:

- Transaction costs would no longer be capitalised as part of the cost of acquisition but will be expensed immediately;
- Consideration contingent on future events are recognised at fair value on the acquisition date and any changes in the amount of consideration to be paid will no longer be adjusted against goodwill but recognised in profit or loss;
- The Group elects, for each acquisition of a business, whether to measure non-controlling interest (previously described as minority interests) at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, and this impacts the amount of goodwill recognised; and
- When a business is acquired in stages, the previously held equity interests in the acquiree are re-measured to fair value at the acquisition date with any corresponding gain or loss recognised in profit or loss, and this impacts the amount of goodwill recognised.

According to its transitional provisions, the revised FRS 3 has been applied prospectively. Assets and liabilities that arose from business combinations whose acquisition dates are before 1 August 2010 are not adjusted.

##### **FRS 127 Consolidated and Separate Financial Statements (amended)**

Changes in significant accounting policies resulting from the adoption of the revised FRS 127 include:

- A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss.
- Losses incurred by a subsidiary are allocated to the non-controlling interest even if the losses exceed the non-controlling interest in the subsidiary's equity, and
- When control over a subsidiary is lost, any interest retained is measured at fair value with the corresponding gain or loss recognised in profit or loss.

According to its transitional provisions, the revised FRS 127 has been applied prospectively, and does not impact the Group's consolidated financial statements in respect of transactions with non-controlling interest, attribution of losses to non-controlling interest, and disposal of subsidiaries before 1 August 2010. The changes will affect future transactions with non-controlling interest.

##### **FRS 139 Financial Instruments: Recognition and Measurement**

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 August 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 August 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

##### ***Derivative financial instruments and hedge accounting***

Prior to 1 August 2010, derivatives were not recognised in the financial statements. Under FRS 139, such derivative financial instruments are initially recognised at their fair values on the date on which a derivative contract is entered into, and are subsequently remeasured at fair value on each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gain or losses arising from changes in fair value on derivatives during the year but do not qualify for hedge accounting and the ineffective portion of an effective hedge, are taken directly to profit or loss.

## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.2 Changes in accounting policies (cont'd.)

##### FRS 139 Financial Instruments: Recognition and Measurement (cont'd.)

The following are effects arising from the above changes in accounting policies:

	Increase/(decrease)	
	As at 31 July 2011 RM'000	As at 1 August 2010 RM'000
<b>Group</b>		
<b>Statements of financial position</b>		
Interest in associated companies	(8,500)	(4,195)
Deferred tax assets	451	446
Receivables (non-current)	(5,306)	(7,077)
Long term borrowings	(412)	(886)
Payables (non-current)	(4,201)	(6,588)
Derivatives financial liabilities	5,377	3,100
Reserves	(5,377)	(3,100)
Retained profits	(8,742)	(3,352)
<b>Company</b>		
<b>Statements of financial position</b>		
Receivables	(2,776)	(4,057)
Payables	(374)	(547)
Derivative liabilities	5,377	3,100
Reserves	5,377	(3,100)
Retained profits	(2,402)	(3,510)

	Increase/(decrease)	
	Group 2011 RM'000	Company 2011 RM'000
<b>Statements of comprehensive income</b>		
Interest income	1,539	1,281
Finance expenses	2,629	173
Share of results of associates	(4,305)	-
Profit before tax from continuing operations	(5,395)	1,108
Income tax expense	(5)	-
Profit net of tax	(5,390)	1,108
Other comprehensive income for the year, net of tax	(2,277)	(2,277)

## Notes to the Financial Statements

31 July 2011

## 2. Summary of significant accounting policies (cont'd.)

## 2.2 Changes in accounting policies (cont'd.)

**FRS 139 Financial Instruments: Recognition and Measurement (cont'd.)**

The following are effects arising from the above changes in accounting policies: (cont'd.)

	Group Increase/ (decrease)
	2011 Sen per share
Earnings per share	
Basic	(0.26)
Diluted	(0.25)

**Amendments to FRS 117 Leases**

Prior to 1 August 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represented prepaid lease payments and were amortised on a straight-line basis over the lease term.

The amendments to FRS 117 Leases clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases. The Group and the Company have applied this change in accounting policy retrospectively and certain comparatives have been restated.

The following are effects to the statements of financial position as at 31 July 2011 arising from the above change in accounting policy:

	Group	Company
	2011 RM'000	2011 RM'000
Increase/(decrease) in:		
Property, plant and equipment	886	789
Prepaid land lease payments	(886)	(789)

The following comparatives have been restated:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
<b>Consolidated statement of financial position</b>			
<b>31 July 2010</b>			
Property, plant and equipment	300,731	908	301,639
Prepaid land lease payments	6,205	(908)	5,297
<b>1 August 2009</b>			
Property, plant and equipment	364,419	930	365,349
Prepaid land lease payments	6,650	(930)	5,720

## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.2 Changes in accounting policies (cont'd.)

##### Amendments to FRS 117 Leases (cont'd.)

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
<b>Statement of financial position</b>			
<b>31 July 2010</b>			
Property, plant and equipment	25,788	811	26,599
Prepaid land lease payments	811	(811)	-
<b>1 August 2009</b>			
Property, plant and equipment	29,060	833	29,893
Prepaid land lease payments	833	(833)	-

##### IC Interpretation 12 Service Concession Arrangements

The new IC Interpretation 12 applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. Consideration given by the grantor to the operator may be rights to a financial asset or an intangible asset. The operator shall recognise a financial asset model to the extent that it has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services. The operator shall recognise an intangible asset to the extent that it receives a right (a license) to charge users of the public service.

For financial asset model, the amount due from grantor is accounted as receivable under FRS 139, and requires interest calculated using the effective interest method to be recognised in profit or loss. Intangible asset with a finite useful life shall be amortised on a systematic basis over its useful life.

Where the operator has contractual obligations to maintain and restore infrastructure that it must fulfill as a condition of its licence, these obligations are recognised and measured at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period.

Pursuant to IC Interpretation 12, the Group has applied the Interpretation retrospectively.

The following are effects arising from the above changes in accounting policies:

	Group Increase/ (decrease)
	2011 RM'000
<b>Consolidated statement of financial position</b>	
Interests in associated companies	225,260
Retained profits	225,260
<b>Consolidated statement of comprehensive income</b>	
Share of results of associates	42,609
Profit before tax	42,609
Profit for the year	42,609

## Notes to the Financial Statements

31 July 2011

## 2. Summary of significant accounting policies (cont'd.)

## 2.2 Changes in accounting policies (cont'd.)

**IC Interpretation 12: Service Concession Arrangements (cont'd.)**

The following are effects arising from the above changes in accounting policies: (cont'd.)

	Group Increase/ (decrease)
	2011 Sen per share
Earnings per share	
Basic	2.08
Diluted	1.98

The following comparatives have been restated:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
<b>Consolidated statement of financial position</b>			
<b>31 July 2010</b>			
Interests in associated companies	1,310,515	182,651	1,493,166
Retained profits	1,086,427	182,651	1,269,078
<b>1 August 2009</b>			
Interests in associated companies	1,286,680	140,426	1,427,106
Retained profits	987,796	140,426	1,128,222
<b>Consolidated statement of comprehensive income</b>			
<b>31 July 2010</b>			
Share of results of associates	153,996	42,225	196,221
Profit before tax	370,035	42,225	412,260
Profit for the year	289,488	42,225	331,713
Profit attributable to equity holders of the Company	280,693	42,225	322,918

## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.3 Standards issued but not yet effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but not yet effective:

##### FRSs, Amendments to FRSs and Interpretations

###### Effective for annual periods beginning on or after 1 January 2011:

Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRSs	'Improvements to FRSs (2010)'
IC Interpretation 4	Determining Whether An Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers

###### Effective for annual periods beginning on or after 1 July 2011:

Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

###### Effective for annual periods beginning on or after 1 January 2012:

IC Interpretation 15	Agreements for the Construction of Real Estate
FRS 124	Related Party Disclosures

Except for the changes in accounting policies arising from the adoption of IC Interpretation 15, as well as the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of IC Interpretation 15 are described below.

##### IC Interpretation 15 Agreements for the Construction of Real Estate

This Interpretation clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the Interpretation provides guidance on how to determine whether an agreement is within the scope of FRS 111 Construction Contracts or FRS 118 Revenue.

The Group currently recognises revenue arising from property development projects using the stage of completion method. Upon the adoption of IC Interpretation 15, the Group may be required to change its accounting policy.

#### 2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. When the reporting dates of the parent and of the subsidiary are different, the subsidiary prepares additional financial statements as of the same date as that of the parent for consolidation purposes. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intragroup balances, income and expenses and unrealised gains and losses resulting from intragroup transactions are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.4 Basis of consolidation (cont'd.)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

#### 2.5 Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

#### 2.6 Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

#### 2.7 Associates

Associates are entities, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.8 Joint venture

The Group has interests in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group recognises its interest in joint venture using proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture with the similar items, line by line, in its consolidated financial statements. The joint venture is proportionately consolidated from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint venture.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intragroup balances, income and expenses and unrealised gains and losses on transactions between the Group and its jointly controlled entity.

The financial statements of the joint venture are prepared as of the same reporting date as the Company. When the reporting dates of the Company and a joint venture are different, the joint venture prepares additional financial statements as of the same date as that of the Company for consolidation purposes. Where necessary, adjustments are made to bring the accounting policies into line with those of the Group.

In the Company's separate financial statements, its interests in jointly controlled entities are stated at cost less impairment losses.

On disposal of such interests, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

#### 2.9 Intangible assets

##### a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.22.

##### b) Other intangible assets

Other intangible assets of the Group comprise of motorway development expenditure and concession and quarry rights.

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.10 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Construction-in-progress are stated at cost and not depreciated as these assets are not yet available for use. Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost or valuation of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2%
Plant, machinery and golf, gym and club house equipment	12% - 33%
Office equipment, furniture and fittings	10% - 33%
Motor vehicles	12% - 25%

Certain land and buildings of the Group and of the Company have not been revalued since they were first revalued in 1991. The directors have not adopted a policy of regular revaluation of such assets. As permitted under the transitional provision of FRS116<sub>2004</sub>: Property, Plant and Equipment, these assets continue to be stated at their 1991 valuation less accumulated depreciation and impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.15.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

#### 2.11 Investment properties

Investment properties consist of land and buildings which are held either to earn rental income or for capital appreciation or for both. Such properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses. The depreciation policy for investment properties is consistent with that for depreciable property, plant and equipment as described in Note 2.10. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.15.

Investment property under construction ("IPUC") is measured at fair value (when the fair value is reliably determinable). When assessing whether the fair value of IPUC can be determined reliably the company considers, among other things:

1. Construction of the asset in a developed liquid market.
2. Signing of a construction contract with the contractor.
3. Obtaining the required building & letting permits.
4. The percentage of rentable area that has been pre-leased to tenants.

IPUC for which fair value cannot be determined reliably is measured at cost less impairment.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying amount of the investment property at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.10 up to the date of change in use.

## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.12 Service concession arrangements

The Group recognises revenue from the construction and upgrading of the infrastructure in accordance with its accounting policy for construction contracts set out in Note 2.14. Where the Group performs more than one service under the arrangement, consideration received or receivable is allocated to the components by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Group recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction services. Financial assets are accounted for in accordance with the accounting policy set out in Note 2.23.

The Group recognises the consideration receivable as an intangible asset to the extent that it receives a right to charge users of the public service. Intangible assets are accounted for in accordance with the accounting policy set out in Note 2.9.

Subsequent costs and expenditures related to infrastructure and equipment arising from the Group's commitments to the concession contracts or that increase future revenue are recognised as additions to the intangible asset and are stated at cost. Capital expenditures necessary to support the Group's operation as a whole are recognised as property and equipment, and accounted for in accordance with the policy stated under property and equipment in Note 2.10. When the Group has contractual obligations that it must fulfill as a condition of its license to: a) maintain the infrastructure to a specified standard or, b) to restore the infrastructure when the infrastructure has deteriorated below a specified condition, it recognises and measures these contractual obligations in accordance with the accounting policy for provisions in Note 2.18. Repairs and maintenance and other expenses that are routine in nature are expensed and recognised in the profit or loss as incurred.

#### 2.13 Land held for property development and property development costs

##### (i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.15.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

##### (ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.14 Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

#### 2.15 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than construction contract assets, property development costs, deferred tax assets and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

#### 2.16 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the weighted average cost method. The cost of raw materials includes the cost of purchase and other direct charges. The cost of finished goods and work-in-progress comprise raw materials, direct labour, other direct costs and appropriate proportions of production overheads. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.17 Leases

##### (a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

##### (b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.21.

#### 2.18 Provisions

Provisions for liabilities are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

#### 2.19 Income taxes

##### (a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

##### (b) Deferred tax

Deferred tax is provided for using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.19 Income taxes (cont'd.)

##### (b) Deferred tax (cont'd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### 2.20 Employee benefits

##### (i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

##### (ii) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

##### (iii) Defined benefit plans

The Group operates an unfunded Retirement Benefit Scheme ("the Scheme") for its eligible employees. The costs of providing benefits under defined benefit plans are determined using the projected unit credit actuarial valuation method. Actuarial gains or losses are recognised as income or expense when the net cumulative unrecognised actuarial gains and losses for each individual plan at the end of the previous reporting year exceeded 10% of the defined benefit obligation at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plans.

The past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service cost is recognised immediately.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognised, reduced by past service cost not yet recognised. If such aggregate is negative, the asset is measured at the lower of such aggregate or the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.20 Employee benefits (cont'd.)

##### (iv) Share based compensation

The Gamuda Berhad Employees' Share Option Scheme ("ESOS"), an equity-settled, share based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share options reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings.

#### 2.21 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

##### (i) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.14.

##### (ii) Development properties

Revenue from sale of development properties is accounted for by the stage of completion method in respect of all building units that have been sold. The stage of completion is determined by reference to the costs incurred to date to the total estimated costs where the outcome of the projects can be reliably estimated. All anticipated losses are fully provided for.

##### (iii) Sale of goods and services

Revenue relating to the sale of goods is recognised net of sales taxes and discounts upon the transfer of risks and rewards. Revenue from services rendered is recognised net of service taxes and discount as and when the services are performed.

##### (iv) Supply of water and related services

Revenue from management, operation and maintenance of dams and water treatment facilities are recognised net of discounts as and when the services are performed.

##### (v) Interest income

Interest is recognised on a time proportion basis that reflects the effective yield on the asset.

##### (vi) Dividend income

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

##### (vii) Rental income

Rental income is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.22 Foreign currencies

##### (i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

##### (ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

##### (iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

The principal exchange rates used for every unit of foreign currency ruling at the reporting date are as follows:

	2011 RM	2010 RM
United States Dollar	2.967	3.186
Indian Rupee	0.068	0.067
New Taiwan Dollar	0.103	0.100
Qatari Riyal	0.815	0.876
Bahraini Dinar	7.885	8.482
100 Vietnam Dong	0.015	0.016

## Notes to the Financial Statements

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31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.23 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

##### (a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

##### (b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

##### (c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.23 Financial assets (cont'd.)

##### (d) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

#### 2.24 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

##### (a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.24 Impairment of financial assets (cont'd.)

##### (b) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

#### 2.25 Cash and cash equivalents

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

#### 2.26 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

#### 2.27 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

##### (a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

##### (b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.27 Financial liabilities (cont'd.)

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### 2.28 Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as interest rate swaps to hedge its interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value at each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting and the ineffective portion of an effective hedge, are taken directly to the profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges, when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- Cash flow hedges, when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Group has entered into cash flow hedges and met the strict criteria for hedge accounting. The hedges are accounted for as follows:

#### Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income into cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss as other operating expenses.

Amounts recognised in other comprehensive income previously are reclassified from equity to profit or loss when the hedged transaction affects profit or loss, such as when the hedged interest income or interest expense is recognised or when a forecast sale occurs. Where the hedged item is a non-financial asset or a non-financial liability, the amounts recognised previously in other comprehensive income are removed and included in the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remain in equity until the forecast transaction or firm commitment affects profit or loss.

To manage its risks, particularly interest rate risks, the Group has entered into a few interest rate swap arrangements.

The Group did not enter into any fair value hedge or net investment hedge as at the end of this financial year.

## Notes to the Financial Statements

31 July 2011

### 2. Summary of significant accounting policies (cont'd.)

#### 2.28 Derivative financial instruments and hedge accounting (cont'd.)

##### Cash flow hedges (cont'd.)

Derivative instruments that are not a designated and effective hedging instrument are classified as current or non-current or separated into a current and non-current portion based on an assessment of the facts and circumstances.

- Where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistent with the cash flows of the host contract.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if a reliable allocation can be made.

#### 2.29 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

### 3. Significant accounting estimates and judgements

#### Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### (a) Depreciation and impairment of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of the property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescences and legal or other limits on the use of the relevant assets.

In addition, the estimation of the useful lives of property, plant and equipment is based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimate of useful lives and residual values of property, plant and equipment brought about by changes in factors mentioned above. The Group also performs annual review of the assumptions made on useful lives and residual values to ensure that they continue to be valid.

The carrying amount of the Group's property, plant and equipment at the reporting date is disclosed in Note 12. A 5% difference in the expected useful lives of these assets from management's estimates would result in approximately 4% (2010: 4%) variance in the Group's profit for the year.

The Group also carried out impairment test, which required the estimation of the value-in-use of certain property, plant and equipment.

##### (b) Amortisation of motorway development expenditure ("MDE")

The cost of MDE is amortised over the concession period by applying the following formula:

$$\left( \frac{\text{Cumulative Actual Toll Revenue to date}}{\text{[Cumulative Actual Toll Revenue to date + Projected Total Toll Revenue for the remaining Concession]}} \times \text{Cumulative Actual MDE} \right) \text{ Less Accumulated amortisation at beginning of the financial year}$$

## Notes to the Financial Statements

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### 3. Significant accounting estimates and judgements (cont'd.)

#### (b) Amortisation of motorway development expenditure ("MDE") (cont'd.)

The denominator of the formula includes projected total toll revenue for subsequent years and is based on the latest available base case traffic volume projections prepared by independent traffic consultants multiplied by the toll rates in accordance with the Concession Agreement. The assumptions to arrive at the traffic volume projections take into consideration the growth rate based on current market and economical conditions. Changes in the expected traffic volume could impact future amortisation charges.

#### (c) Amount due from/(to) customers for construction contracts and property development

The Group and the Company recognise contract or property development revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that contract or property development costs incurred for work performed to date compared to the estimated total contract or property development costs.

Significant judgement is involved in determining the stage of completion, the extent of the contract or property development costs incurred, the estimated total contract or property development revenue and costs, as well as the recoverability of the contracts or development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

Where the total actual revenue and cost incurred are different from the total estimated revenue and cost incurred, such differences will impact the contract profit or losses recognised.

#### (d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised and unrecognised tax losses, capital allowances and other deductible temporary differences of the Group and of the Company are as disclosed in Note 33.

#### (e) Impairment of investments

At reporting date, management determines whether the carrying amounts of its investments are impaired. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include the use of discounted cash flow analysis, considering the current market value indicators and recent arms-length market transactions. These estimates provide reasonable approximations to the computation of recoverable amounts.

In performing discounted cash flow analysis, discount rate and growth rates used reflect, amongst others, the maturity of the business development cycle as well as the industry growth potential. The discount rates applied to the respective cash flow projections range between 4.5% to 20% (2010: 6.19% to 9.17% ). The growth rates used to forecast the projected cash flow for the following year approximate the performances of the respective investments based on the latest available management accounts. The growth rate used to extrapolate the cash flow beyond the following year reflects a progressive decline to a rate lower than industry average, however a minimum growth rate of 4% to 7% (2010: 4% to 7%) is maintained.

Based on management's review, no further adjustments for impairment is required for the investments of the Group and the Company during the current financial year.

#### (f) Share-based payments to employees

The cost of providing share-based payments to employees and directors is charged to the profit or loss over the vesting period of the related share options. The cost is based on the fair value of the options and the number of options expected to vest. The fair value of each option is determined using the binomial model valued by an independent valuer.

The valuation of these share based payments requires judgements to be made in respect of the fair value of the options and the number of options to be vested. Details of assumptions made in respect of the share based payment scheme are disclosed in Note 28(f).

## Notes to the Financial Statements

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### 3. Significant accounting estimates and judgements (cont'd.)

#### (g) Defined benefit pension plans

The cost of defined benefit pension plans as well as the present value of the pension obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return of assets, future salary increases, mortality rates and future pension increases. The net employee liability of the Group and the Company as at 31 July 2011 is RM14,374,000 (2010: RM11,630,000) and RM2,164,000 (2010: RM3,097,000) respectively.

#### (h) Provision for liabilities

The Group recognises a provision for liabilities in respect of development projects undertaken by its subsidiaries. In determining the provision, the Group has made assumptions in relation to the expected cost to be incurred on the completed phases and the expected timing of those costs. As at 31 July 2011, the carrying amount of provision for liabilities was RM10,850,000 (2010: RM10,285,000). Further details are provided in Note 38.

#### (i) Recoverability of amount due from customers – MMC-Gamuda JV

Included in amount due from customers is an amount due from Wayss & Freytag (Malaysia) Sdn. Bhd. ("W&F") to a jointly controlled entity, MMC-Gamuda JV ("Joint Venture") amounting to RM41,424,500 which is subject to arbitration. This represents the Group's share of the total of RM83,050,000 for the cost incurred to complete the works as a result of the termination of the contract as disclosed in Note 40.

Significant judgement is involved in the assessment of the expected outcome of this legal case. However, the directors are confident, based on external legal counsel's consultation, that this amount is recoverable as the Joint Venture has a high probability of succeeding in its claims against the W&F. Hence, no provision has been made.

#### (j) Recoverability of amount due from an associate – Gamuda Water Sdn Bhd

Included in current receivables is an amount due from an associated company, Syarikat Pengeluar Air Selangor Sdn. Bhd. ("SPLASH") to a subsidiary, Gamuda Water Sdn Bhd amounting to RM160,310,000 (2010: RM96,512,000).

The slower recovery of debt by Gamuda Water Sdn. Bhd. from SPLASH is primarily due to the delay in the finalisation of the restructuring of the water industry as proposed by the relevant authorities.

The directors are of the opinion that this amount is recoverable from the associated company.

## Notes to the Financial Statements

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## 4. Revenue

Revenue of the Group and of the Company consists of the following:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Engineering and construction contracts	1,648,361	1,645,368	39,860	102,538
Sales of development properties	691,755	513,879	-	-
Quarry sales	43,371	51,530	-	-
Trading of construction materials	110,500	48,481	-	-
Sales of manufactured products	20,433	41,059	-	-
Supply of water and related services	108,940	108,795	-	-
Dividend income	-	-	242,935	148,132
Appropriation of profits from jointly controlled entities	-	-	117,338	40,281
Others	49,848	46,031	-	-
	2,673,208	2,455,143	400,133	290,951

## 5. Staff costs

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Wages and salaries	148,332	136,953	7,389	14,077
Directors' salaries and emoluments (Note 6)	7,828	7,562	5,598	5,477
Short term accumulating compensated absences	408	703	(53)	312
Pension costs-defined contribution plans	11,277	10,820	1,094	818
Pension costs-defined benefit plans	5,229	3,423	304	108
Share options granted under ESOS	5,597	17,022	5,780	17,426
Social security costs	976	820	48	47
Other staff related expenses	47,437	27,805	8,352	3,682
	227,084	205,108	28,512	41,947
Less: Amount capitalised in qualifying assets:				
Property development costs (Note 13)	(20,470)	(8,186)	-	-
Costs of construction contracts (Note 25)	(118,170)	(112,542)	(2,587)	(7,187)
	88,444	84,380	25,925	34,760

## Notes to the Financial Statements

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### 6. Directors' remuneration

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Directors</b>				
Executive:				
Salaries and other emoluments	5,024	4,632	3,597	3,333
Bonus	1,406	718	1,006	518
Pension costs-defined contribution plans	600	572	428	434
Pension costs-defined benefit plan	178	246	130	202
Share options granted under ESOS	620	1,394	437	990
Benefits-in-kind	85	244	47	131
	7,913	7,806	5,645	5,608
Non-executive:				
Fees	412	363	412	363
Benefits-in-kind	35	60	35	60
	447	423	447	423
<b>Total</b>	<b>8,360</b>	<b>8,229</b>	<b>6,092</b>	<b>6,031</b>
<b>Analysis excluding benefits-in-kind:</b>				
Total Executive Directors' remuneration excluding benefits-in-kind (Note 5)	7,828	7,562	5,598	5,477
Total Non-executive Directors' remuneration excluding benefits-in-kind (Note 7)	412	363	412	363
<b>Total directors' remuneration excluding benefits-in-kind</b>	<b>8,240</b>	<b>7,925</b>	<b>6,010</b>	<b>5,840</b>

The number of Directors of the Company whose total remuneration (including benefits-in-kind) during the year fall within the following bands are:

	Number of Directors	
	2011	2010
Executive Directors:		
RM350,001 - RM400,000	-	1
RM400,001 - RM450,000	1	-
RM650,001 - RM700,000	-	3
RM750,001 - RM800,000	2	2
RM800,001 - RM900,000	3	-
RM900,001 - RM950,000	1	-
RM950,001 - RM1,000,000	-	1
RM1,400,001 - RM1,450,000	-	1
RM2,500,001 - RM2,550,000	1	-
	8	8
Non-executive Directors:		
RM1 - RM50,000	2	2
RM50,001 - RM100,000	3	3
RM101,001 - RM150,000	1	-
RM150,001 - RM200,000	-	1
	6	6
<b>Total</b>	<b>14</b>	<b>14</b>

## Notes to the Financial Statements

31 July 2011

## 7. Profit from operations

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit from operations is stated after charging:				
Amortisation of prepaid land lease payments (Note 15)	425	423	-	-
Amortisation of motorway development expenditure (Note 16)	1,512	1,402	-	-
Amortisation of concession and quarry rights (Note 17)	3,098	3,098	-	-
Auditors' remuneration				
- Statutory audits				
- Group's auditors	520	343	90	75
- Other auditors	180	180	-	-
- Other services	194	164	194	164
Depreciation				
- Property, plant and equipment (Note 12)	14,158	14,659	2,117	3,007
- Investment properties (Note 14)	34	44	151	151
Non-executive Directors' fees (Note 6)	412	363	412	363
Property, plant and equipment written off (Note 12)	1,723	167	44	88
Net loss on disposal of property, plant and equipment	1,171	2,625	-	-
Net provision for contracts	22,939	11,940	-	-
Net provision for liabilities (Note 38)	1,571	-	-	-
Provision for doubtful debts	-	27	-	-
Rental expense of land	514	603	-	-
Rental expense of premises	1,231	2,425	640	611
Net foreign exchange losses	38,743	30,775	-	6,973
Professional fees	6,280	2,731	3,398	709
Profit from operations is stated after crediting:				
Net gain on disposal of property, plant and equipment	-	-	800	604
Distribution from investment management funds	5,132	6,873	1,837	3,379
Interest income	28,243	22,043	15,425	19,260
Rental income				
- Subsidiaries	-	-	676	675
- Others	300	959	300	286
Gain on acquisition of additional interests in a subsidiary	-	1,599	-	-
Net foreign exchange gain	-	-	16,389	-

## 8. Finance costs

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest expense on:				
Murabahah medium term notes	50,880	48,820	40,542	29,342
Revolving credits	4,980	13,039	4,980	10,012
Term loan	17,630	20,721	-	-
Others	5,634	471	1,496	-
	79,124	83,051	47,018	39,354
Less: Amount capitalised in qualifying assets:				
Property development costs (Note 13)	(18,829)	(30,544)	-	-
Costs of construction contracts (Note 25)	(1,516)	(8,694)	-	-
	58,779	43,813	47,018	39,354

## Notes to the Financial Statements

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### 9. Taxation

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Income tax:				
Malaysian income tax	85,723	51,736	55,440	18,558
Foreign income tax	16,475	11,690	-	-
Under provision in prior years	6,103	15,888	6,496	6,323
	108,301	79,314	61,936	24,881
Deferred tax (Note 33):				
Relating to origination and reversal of temporary differences	3,242	2,067	(266)	(267)
Under/(over) provision in prior years	36	(834)	(245)	(1,365)
	3,278	1,233	(511)	(1,632)
	111,579	80,547	61,425	23,249

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	2011 RM'000	2010 RM'000
<b>Group</b>		
Profit before taxation	544,524	412,260
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	136,131	103,065
Effect of different tax rates in other countries	4,133	4,635
Income not subject to tax	(8,298)	(7,417)
Expenses not deductible for tax purposes	24,164	15,535
Effects of share of profits of associated companies	(55,607)	(49,055)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(574)	(5,181)
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	5,491	3,911
Under/(over) provision of deferred tax in prior years	36	(834)
Underprovision of income tax in prior years	6,103	15,888
Tax expense for the year	111,579	80,547

## Notes to the Financial Statements

31 July 2011

## 9. Taxation (cont'd.)

Company	2011 RM'000	2010 RM'000
Profit before taxation	309,824	120,738
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	77,456	30,185
Income not subject to tax	(30,692)	(19,799)
Expenses not deductible for tax purposes	8,410	7,905
Overprovision of deferred tax in prior years	(245)	(1,365)
Underprovision of income tax in prior years	6,496	6,323
Tax expense for the year	61,425	23,249

Tax savings during the financial year arising from:

	Group	
	2011 RM'000	2010 RM'000
Utilisation of previously unrecognised tax losses	450	5,087
Utilisation of previously unabsorbed capital allowances	124	94

## 10. Earnings per share

## (a) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2011	2010
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	425,411	322,918
Weighted average number of ordinary shares in issue ('000)	2,051,118	2,017,754
Basic earnings per share (sen)	20.74	16.00

## Notes to the Financial Statements

31 July 2011

### 10. Earnings per share (cont'd.)

#### (b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the effects of dilutive potential ordinary shares from exercise of ESOS and exercise of Warrants 2010/2015. The adjusted weighted average number of ordinary shares is the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares which would be issued on conversion of all dilutive potential ordinary shares from exercise of ESOS and Warrants 2010/2015 into ordinary shares. The ESOS and Warrants 2010/2015 are deemed to have been converted into ordinary shares at the date of the issue of the ESOS and Warrants 2010/2015.

	2011	2010
Profit for the year (RM'000)	425,411	322,918
Weighted average number of ordinary shares in issue ('000)	2,051,118	2,017,754
Adjusted for:		
Assumed shares issued from the exercise of ESOS ('000)*	24,958	16,249
Assumed shares issued from the conversion of Warrants 2011/2015 ('000)*	71,977	26,914
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	2,148,053	2,060,917
Fully diluted earnings per share (sen)	19.80	15.67

\* Assume a portion of shares issued from exercise of ESOS/warrants when average market price exceeds the exercise price.

Since the end of the financial year, employees have exercised the options to acquire 725,000 ordinary shares and converted the warrants to acquire 425 ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of the financial statements.

### 11. Dividends

	Amount		Net dividends per ordinary share	
	2011 RM'000	2010 RM'000	2011 sen	2010 sen
<b>Dividends paid/payable in respect of:-</b>				
<b>Financial year ended 31 July 2010:-</b>				
- First interim dividend of 6% less 25% taxation	-	90,787	-	4.5
- Second interim dividend of 6% less 25% taxation	-	91,275	-	4.5
<b>Financial year ended 31 July 2011:-</b>				
- First interim dividend of 3% less 25% taxation and single tier dividend of 3%	107,951	-	5.3	-
- Second interim single tier dividend of 6%	123,839	-	6.0	-
	231,790	182,062	11.3	9.0

The directors do not recommend the payment of any final dividend in respect of the current financial year.

## Notes to the Financial Statements

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## 12. Property, plant and equipment

Group	Land and buildings* RM'000	Other property, plant and equipment** RM'000	Total RM'000
<b>At 31 July 2011</b>			
<b>Valuation/Cost</b>			
At 1 August 2010			
As previously stated	156,680	411,312	567,992
Effects of adopting the amendments to FRS 117	1,349	-	1,349
As restated	158,029	411,312	569,341
Additions	102,573	14,166	116,739
Acquisition of a subsidiary (Note 18(a))	-	10	10
Disposals	-	(82,191)	(82,191)
Write-offs	-	(9,679)	(9,679)
Exchange differences	-	(9,866)	(9,866)
At 31 July 2011	260,602	323,752	584,354
Representing:			
At cost	256,240	323,752	579,992
At valuation	4,362	-	4,362
	260,602	323,752	584,354
<b>Accumulated depreciation</b>			
At 1 August 2010			
As previously stated	5,780	261,481	267,261
Effects of adopting the amendments to FRS 117	441	-	441
As restated	6,221	261,481	267,702
Charge for the year:			
Recognised in profit or loss (Note 7)	2,331	11,827	14,158
Capitalised in property development costs (Note 13)	-	155	155
Capitalised in construction costs (Note 25)	-	27,979	27,979
Disposals	-	(57,430)	(57,430)
Write-offs	-	(7,956)	(7,956)
Exchange differences	-	(5,972)	(5,972)
At 31 July 2011	8,552	230,084	238,636
<b>Net carrying amount</b>			
At 31 July 2011			
At cost	248,810	93,668	342,478
At valuation	3,240	-	3,240
	252,050	93,668	345,718

## Notes to the Financial Statements

31 July 2011

### 12. Property, plant and equipment (cont'd.)

Group	Land and buildings* RM'000	Other property, plant and equipment** RM'000	Total RM'000
<b>At 31 July 2010</b>			
<b>Valuation/Cost</b>			
At 1 August 2009			
As previously stated	155,957	462,143	618,100
Effects of adopting the amendments to FRS 117	1,349	-	1,349
As restated	157,306	462,143	619,449
Additions	723	15,180	15,903
Disposals	-	(42,083)	(42,083)
Write-offs	-	(1,361)	(1,361)
Exchange differences	-	(22,567)	(22,567)
At 31 July 2010	158,029	411,312	569,341
Representing:			
At cost	153,667	411,312	564,979
At valuation	4,362	-	4,362
	158,029	411,312	569,341
<b>Accumulated depreciation</b>			
At 1 August 2009			
As previously stated	4,326	249,355	253,681
Effects of adopting the amendments to FRS 117	419	-	419
As restated	4,745	249,355	254,100
Charge for the year:			
Recognised in profit or loss (Note 7)	1,476	13,183	14,659
Capitalised in property development costs (Note 13)	-	169	169
Capitalised in construction costs (Note 25)	-	39,547	39,547
Disposals	-	(27,822)	(27,822)
Write-offs	-	(1,194)	(1,194)
Exchange differences	-	(11,757)	(11,757)
At 31 July 2010	6,221	261,481	267,702
<b>Net carrying amount</b>			
At 31 July 2010			
At cost			
As previously stated	147,603	149,831	297,434
Effects of adopting the amendments to FRS 117	908	-	908
As restated	148,511	149,831	298,342
At valuation	3,297	-	3,297
	151,808	149,831	301,639

## Notes to the Financial Statements

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## 12. Property, plant and equipment (cont'd.)

\* Land and buildings

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
<b>At 31 July 2011</b>				
<b>Valuation/Cost</b>				
At 1 August 2010				
As previously stated	49,101	-	107,579	156,680
Effects of adopting the amendments to FRS 117	-	1,349	-	1,349
As restated	49,101	1,349	107,579	158,029
Additions	36	-	102,537	102,573
At 31 July 2011	49,137	1,349	210,116	260,602
Representing:				
At cost	47,800	1,349	207,091	256,240
At valuation	1,337	-	3,025	4,362
	49,137	1,349	210,116	260,602
<b>Accumulated depreciation</b>				
At 1 August 2010				
As previously stated	-	-	5,780	5,780
Effects of adopting the amendments to FRS 117	-	441	-	441
As restated	-	441	5,780	6,221
Change for the year	-	22	2,309	2,331
At 31 July 2011	-	463	8,089	8,552
<b>Net carrying amount</b>				
At 31 July 2011				
At cost	47,800	886	200,124	248,810
At valuation	1,337	-	1,903	3,240
	49,137	886	202,027	252,050

## Notes to the Financial Statements

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### 12. Property, plant and equipment (cont'd.)

\* Land and buildings (cont'd.)

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
<b>At 31 July 2010</b>				
<b>Valuation/Cost</b>				
At 1 August 2009				
As previously stated	49,101	-	106,856	155,957
Effects of adopting the amendments to FRS 117	-	1,349	-	1,349
As restated	49,101	1,349	106,856	157,306
Additions	-	-	723	723
At 31 July 2010	49,101	1,349	107,579	158,029
Representing:				
At cost	47,764	1,349	104,554	153,667
At valuation	1,337	-	3,025	4,362
	49,101	1,349	107,579	158,029
<b>Accumulated depreciation</b>				
At 1 August 2009				
As previously stated	-	-	4,326	4,326
Effects of adopting the amendments to FRS 117	-	419	-	419
As restated	-	419	4,326	4,745
Change for the year	-	22	1,454	1,476
At 31 July 2010	-	441	5,780	6,221
<b>Net carrying amount</b>				
At 31 July 2010				
At cost	47,764	908	99,839	148,511
At valuation	1,337	-	1,960	3,297
	49,101	908	101,799	151,808

## Notes to the Financial Statements

31 July 2011

## 12. Property, plant and equipment (cont'd.)

\*\* Other property, plant and equipment

Group	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Total RM'000
<b>At 31 July 2011</b>				
<b>Cost</b>				
At 1 August 2010	48,351	46,144	316,817	411,312
Additions	1,601	3,068	9,497	14,166
Acquisition of a subsidiary	-	10	-	10
Disposals	(6,184)	(2,624)	(73,383)	(82,191)
Write-offs	(534)	(3,028)	(6,117)	(9,679)
Exchange differences	(567)	(1,322)	(7,977)	(9,866)
At 31 July 2011	42,667	42,248	238,837	323,752
<b>Accumulated depreciation</b>				
At 1 August 2010	29,408	26,638	205,435	261,481
Charge for the year:				
Recognised in profit or loss	875	9,685	1,267	11,827
Capitalised in property development costs (Note 13)	148	5	2	155
Capitalised in construction costs (Note 25)	6,429	2,293	19,257	27,979
Disposals	(4,656)	(1,707)	(51,067)	(57,430)
Write-offs	(296)	(2,564)	(5,096)	(7,956)
Exchange differences	(344)	(637)	(4,991)	(5,972)
At 31 July 2011	31,564	33,713	164,807	230,084
<b>Net carrying amount</b>				
At 31 July 2011	11,103	8,535	74,030	93,668

## Notes to the Financial Statements

31 July 2011

### 12. Property, plant and equipment (cont'd.)

\*\* Other property, plant and equipment (cont'd.)

Group	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Total RM'000
<b>At 31 July 2010</b>				
<b>Cost</b>				
At 1 August 2009	50,894	39,254	371,995	462,143
Additions	1,915	8,844	4,421	15,180
Disposals	(2,963)	(205)	(38,915)	(42,083)
Write-offs	(145)	(940)	(276)	(1,361)
Exchange differences	(1,350)	(809)	(20,408)	(22,567)
At 31 July 2010	48,351	46,144	316,817	411,312
<b>Accumulated depreciation</b>				
At 1 August 2009	25,797	31,158	192,400	249,355
Charge for the year:				
Recognised in profit or loss	989	1,993	10,201	13,183
Capitalised in property development costs (Note 13)	143	22	4	169
Capitalised in construction costs (Note 25)	6,612	3,121	29,814	39,547
Disposals	(3,309)	(8,412)	(16,101)	(27,822)
Write-offs	(75)	(935)	(184)	(1,194)
Exchange differences	(749)	(309)	(10,699)	(11,757)
At 31 July 2010	29,408	26,638	205,435	261,481
<b>Net carrying amount</b>				
At 31 July 2010	18,943	19,506	111,382	149,831

## Notes to the Financial Statements

31 July 2011

## 12. Property, plant and equipment (cont'd.)

Company	Land and buildings* RM'000	Other property, plant and equipment** RM'000	Total RM'000
<b>At 31 July 2011</b>			
<b>Valuation/Cost</b>			
At 1 August 2010			
As previously stated	13,569	42,908	56,477
Effects of adopting the amendments to FRS 117	1,202	-	1,202
As restated	14,771	42,908	57,679
Additions	100,607	539	101,146
Disposals	-	(12,354)	(12,354)
Write-offs	-	(266)	(266)
Exchange difference	-	(1,679)	(1,679)
At 31 July 2011	115,378	29,148	144,526
Representing:			
At cost	111,976	29,148	141,124
At valuation	3,402	-	3,402
	115,378	29,148	144,526
<b>Accumulated depreciation</b>			
At 1 August 2010			
As previously stated	801	29,888	30,689
Effects of adopting the amendments to FRS 117	391	-	391
As restated	1,192	29,888	31,080
Charge for the year:			
Recognised in profit or loss (Note 7)	433	1,684	2,117
Capitalised in construction costs (Note 25)	-	1,601	1,601
Disposals	-	(8,177)	(8,177)
Write-offs	-	(222)	(222)
Exchange difference	-	(898)	(898)
At 31 July 2011	1,625	23,876	25,501
<b>Net carrying amount</b>			
At 31 July 2011			
At cost	111,311	5,272	116,583
At valuation	2,442	-	2,442
	113,753	5,272	119,025

## Notes to the Financial Statements

31 July 2011

### 12. Property, plant and equipment (cont'd.)

Company	Land and buildings* RM'000	Other property, plant and equipment** RM'000	Total RM'000
<b>At 31 July 2010</b>			
<b>Valuation/Cost</b>			
At 1 August 2009			
As previously stated	13,122	44,787	57,909
Effects of adopting the amendments to FRS 117	1,202	-	1,202
As restated	14,324	44,787	59,111
Additions	447	4,097	4,544
Disposals	-	(2,471)	(2,471)
Write-offs	-	(934)	(934)
Exchange difference	-	(2,571)	(2,571)
At 31 July 2010	14,771	42,908	57,679
Representing:			
At cost	11,369	42,908	54,277
At valuation	3,402	-	3,402
	14,771	42,908	57,679
<b>Accumulated depreciation</b>			
At 1 August 2009			
As previously stated	734	28,115	28,849
Effects of adopting the amendments to FRS 117	369	-	369
As restated	1,103	28,115	29,218
Charge for the year:			
Recognised in profit or loss (Note 7)	89	2,918	3,007
Capitalised in construction costs (Note 25)	-	3,132	3,132
Disposals	-	(2,411)	(2,411)
Write-offs	-	(846)	(846)
Exchange difference	-	(1,020)	(1,020)
At 31 July 2010	1,192	29,888	31,080
<b>Net carrying amount</b>			
At 31 July 2010			
At cost			
As previously stated	10,278	13,020	23,298
Effects of adopting the amendments to FRS 117	811	-	811
As restated	11,089	13,020	24,109
At valuation	2,490	-	2,490
	13,579	13,020	26,599

## Notes to the Financial Statements

31 July 2011

## 12. Property, plant and equipment (cont'd.)

\* Land and buildings

Company	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
<b>At 31 July 2011</b>				
<b>Valuation/Cost</b>				
At 1 August 2010				
As previously stated	9,763	-	3,806	13,569
Effects of adopting the amendments to FRS 117	-	1,202	-	1,202
As restated	9,763	1,202	3,806	14,771
Additions	-	-	100,607	100,607
At 31 July 2011	9,763	1,202	104,413	115,378
Representing:				
At cost	8,983	1,202	101,791	111,976
At valuation	780	-	2,622	3,402
	9,763	1,202	104,413	115,378
<b>Accumulated depreciation</b>				
At 1 August 2010				
As previously stated	-	-	801	801
Effects of adopting the amendments to FRS 117	-	391	-	391
As restated	-	391	801	1,192
Change for the year	-	22	411	433
At 31 July 2011	-	413	1,212	1,625
<b>Net carrying amount</b>				
At 31 July 2011				
At cost	8,983	789	101,539	111,311
At valuation	780	-	1,662	2,442
	9,763	789	103,201	113,753

## Notes to the Financial Statements

31 July 2011

### 12. Property, plant and equipment (cont'd.)

\* Land and buildings (cont'd.)

Company	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
<b>At 31 July 2010</b>				
<b>Valuation/Cost</b>				
At 1 August 2009				
As previously stated	9,763	-	3,359	13,122
Effects of adopting the amendments to FRS 117	-	1,202	-	1,202
As restated	9,763	1,202	3,359	14,324
Additions	-	-	447	447
At 31 July 2010	9,763	1,202	3,806	14,771
Representing:				
At cost	8,983	1,202	1,184	11,369
At valuation	780	-	2,622	3,402
	9,763	1,202	3,806	14,771
<b>Accumulated depreciation</b>				
At 1 August 2009				
As previously stated	-	-	734	734
Effects of adopting the amendments to FRS 117	-	369	-	369
As restated	-	369	734	1,103
Change for the year	-	22	67	89
At 31 July 2010	-	391	801	1,192
<b>Net carrying amount</b>				
At 31 July 2010				
At cost	8,983	811	1,295	11,089
At valuation	780	-	1,710	2,490
	9,763	811	3,005	13,579

## Notes to the Financial Statements

31 July 2011

## 12. Property, plant and equipment (cont'd.)

\*\* Other property, plant and equipment

Company	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Total RM'000
<b>At 31 July 2011</b>				
<b>Cost</b>				
At 1 August 2010	6,136	15,027	21,745	42,908
Additions	74	122	343	539
Disposals	(2,690)	(467)	(9,197)	(12,354)
Write-offs	-	(147)	(119)	(266)
Exchange difference	(205)	(153)	(1,321)	(1,679)
At 31 July 2011	3,315	14,382	11,451	29,148
<b>Accumulated depreciation</b>				
At 1 August 2010	4,799	12,728	12,361	29,888
Charge for the year:				
Recognised in profit or loss	119	412	1,153	1,684
Capitalised in construction costs (Note 25)	296	181	1,124	1,601
Disposals	(2,179)	(317)	(5,681)	(8,177)
Write-offs	-	(146)	(76)	(222)
Exchange difference	(133)	(105)	(660)	(898)
At 31 July 2011	2,902	12,753	8,221	23,876
<b>Net carrying amount</b>				
At 31 July 2011	413	1,629	3,230	5,272

## Notes to the Financial Statements

31 July 2011

### 12. Property, plant and equipment (cont'd.)

\*\* Other property, plant and equipment (cont'd.)

Company	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Total RM'000
<b>At 31 July 2010</b>				
<b>Cost</b>				
At 1 August 2009	7,618	14,309	22,860	44,787
Additions	1,347	1,732	1,018	4,097
Disposals	(2,408)	(63)	-	(2,471)
Write-offs	(51)	(711)	(172)	(934)
Exchange difference	(370)	(240)	(1,961)	(2,571)
At 31 July 2010	6,136	15,027	21,745	42,908
<b>Accumulated depreciation</b>				
At 1 August 2009	5,317	12,686	10,112	28,115
Charge for the year:				
Recognised in profit or loss	1,484	623	811	2,918
Capitalised in construction costs (Note 25)	589	316	2,227	3,132
Disposals	(2,352)	(59)	-	(2,411)
Write-offs	(51)	(711)	(84)	(846)
Exchange difference	(188)	(127)	(705)	(1,020)
At 31 July 2010	4,799	12,728	12,361	29,888
<b>Net carrying amount</b>				
At 31 July 2010	1,337	2,299	9,384	13,020

- (i) Certain land and buildings of the Group and of the Company have not been revalued since they were first revalued in 1991. The directors have not adopted a policy of regular revaluation of such assets. As permitted under the transitional provision of FRS116<sub>2004</sub>: Property, Plant and Equipment, these assets continue to be stated at their 1991 valuation less accumulated depreciation and impairment losses.

Had the revalued land and buildings been carried at historical cost less accumulated depreciation, the net book value of the land and buildings that would have been included in the financial statements of the Group and of the Company are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Land and buildings	2,179	2,260	1,398	1,452

- (ii) The net carrying amount of property, plant and equipment pledged as securities for borrowings (Note 34(b)(i)) is RM812,000 (2010: RM627,000).

## Notes to the Financial Statements

31 July 2011

## 13. Land held for property development and property development costs

## (a) Land held for property development

Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
<b>Cost</b>				
At 1 August 2010	187,552	718	90,009	278,279
Additions	-	142,235	14,206	156,441
Transfer to property development costs (Note 13(b))	(30,793)	-	(13,055)	(43,848)
<b>At 31 July 2011</b>	<b>156,759</b>	<b>142,953</b>	<b>91,160</b>	<b>390,872</b>
<b>Cost</b>				
At 1 August 2009	357,627	718	124,333	482,678
Additions	10,000	-	13,511	23,511
Reversal (i)	(16,995)	-	-	(16,995)
Transfer to property development costs (Note 13(b))	(163,080)	-	(47,835)	(210,915)
<b>At 31 July 2010</b>	<b>187,552</b>	<b>718</b>	<b>90,009</b>	<b>278,279</b>

(i) Reversal of land held for development is attributable to the termination of a sale and purchase agreement on a freehold land.

## (b) Property development costs

Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
<b>At 31 July 2011</b>				
<b>Cumulative property development costs</b>				
At 1 August 2010	268,752	6,802	737,958	1,013,512
Costs incurred during the year	108,493	83,535	594,954	786,982
Acquisition of a subsidiary	-	447,173	257	447,430
Transfer from land held for property development (Note 13(a))	30,793	-	13,055	43,848
Reversal of completed projects	(46,106)	(6,166)	(300,843)	(353,115)
Exchange differences	-	(15,516)	(24)	(15,540)
<b>At 31 July 2011</b>	<b>361,932</b>	<b>515,828</b>	<b>1,045,357</b>	<b>1,923,117</b>
<b>Cumulative costs recognised in profit or loss</b>				
At 1 August 2010	(60,632)	(965)	(400,558)	(462,155)
Recognised during the year	(56,592)	-	(356,697)	(413,289)
Reversal of completed projects	46,106	6,166	300,843	353,115
<b>At 31 July 2011</b>	<b>(71,118)</b>	<b>5,201</b>	<b>(456,412)</b>	<b>(522,329)</b>
<b>Property development costs at 31 July 2011</b>	<b>290,814</b>	<b>521,029</b>	<b>588,945</b>	<b>1,400,788</b>

## Notes to the Financial Statements

31 July 2011

### 13. Land held for property development and property development costs (cont'd.)

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

Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
<b>At 31 July 2010</b>				
<b>Cumulative property development costs</b>				
At 1 August 2009	124,052	17,105	530,685	671,842
Costs incurred during the year	-	-	263,866	263,866
Transfer from land held for property development (Note 13(a))	163,080	-	47,835	210,915
Reversal of completed projects	(11,759)	(10,303)	(84,083)	(106,145)
Unsold units transferred to inventories	(6,621)	-	(20,345)	(26,966)
<b>At 31 July 2010</b>	<b>268,752</b>	<b>6,802</b>	<b>737,958</b>	<b>1,013,512</b>
<b>Cumulative costs recognised in profit or loss</b>				
At 1 August 2009	(10,818)	(1,892)	(218,946)	(231,656)
Recognised during the year	(61,573)	(9,376)	(265,695)	(336,644)
Reversal of completed projects	11,759	10,303	84,083	106,145
<b>At 31 July 2010</b>	<b>(60,632)</b>	<b>(965)</b>	<b>(400,558)</b>	<b>(462,155)</b>
<b>Property development costs at 31 July 2010</b>	<b>208,120</b>	<b>5,837</b>	<b>337,400</b>	<b>551,357</b>

Included in property development costs incurred during the year are:

	Group	
	2011 RM'000	2010 RM'000
Finance costs (Note 8)	18,829	30,544
Depreciation (Note 12)	155	169
Staff costs (Note 5)	20,470	8,186

Included in leasehold land under land held for property development and property development costs are beneficial rights on land pursuant to an investment certificate issued by the Government of Socialist Republic of Vietnam, with carrying value of RM142,235,000 (2010: Nil) and RM83,535,000 (2010: Nil) respectively. The Group plans to develop the leasehold land under land held for property development over the next 10 years.

Freehold land of the Group with a carrying value of RM159,908,296 (2010: RM175,255,956) has been pledged as securities for loan facility as set out in Note 34(b)(ii).

The leasehold land under development of the Group with a carrying value of RM488,826,000 (2010: RM Nil) has been pledged as a security for a term loan as disclosed in Note 34(b)(iii).

## Notes to the Financial Statements

31 July 2011

## 14. Investment properties

Group	Land RM'000	Buildings RM'000	Construction- in-progress RM'000	Total RM'000
<b>At 31 July 2011</b>				
<b>Cost</b>				
At 1 August 2010	1,096	2,006	-	3,102
Additions	-	-	8,587	8,587
At 31 July 2011	1,096	2,006	8,587	11,689
<b>Accumulated depreciation</b>				
At 1 August 2010	-	498	-	498
Depreciation charge for the year (Note 7)	-	34	-	34
At 31 July 2011	-	532	-	532
<b>Net carrying amount</b>				
At 31 July 2011	1,096	1,474	8,587	11,157
<b>Fair value</b>				
At 31 July 2011	3,598	5,392	8,599	17,586

Group	Land RM'000	Buildings RM'000	Total RM'000
<b>At 31 July 2010</b>			
<b>Cost</b>			
At 1 August 2009/31 July 2010		1,096	3,102
<b>Accumulated depreciation</b>			
At 1 August 2009		-	454
Depreciation charge for the year (Note 7)		-	44
At 31 July 2010		-	498
<b>Net carrying amount</b>			
At 31 July 2010		1,096	2,604
<b>Fair value</b>			
At 31 July 2010		3,590	8,703

## Notes to the Financial Statements

31 July 2011

### 14. Investment properties (cont'd.)

Company	Land RM'000	Buildings RM'000	Total RM'000
<b>At 31 July 2011</b>			
<b>Cost</b>			
At 1 August 2010/31 July 2011	5,697	7,560	13,257
<b>Accumulated depreciation</b>			
At 1 August 2010	-	1,946	1,946
Depreciation charge for the year (Note 7)	-	151	151
At 31 July 2011	-	2,097	2,097
<b>Net carrying amount</b>			
At 31 July 2011	5,697	5,463	11,160
<b>Fair value</b>			
At 31 July 2011	14,351	16,598	30,949
<b>At 31 July 2010</b>			
<b>Cost</b>			
At 1 August 2009/31 July 2010	5,697	7,560	13,257
<b>Accumulated depreciation</b>			
At 1 August 2009	-	1,795	1,795
Depreciation charge for the year (Note 7)	-	151	151
At 31 July 2010	-	1,946	1,946
<b>Net carrying amount</b>			
At 31 July 2010	5,697	5,614	11,311
<b>Fair value</b>			
At 31 July 2010	12,709	15,395	28,104

Fair value of investment properties was estimated by the directors based on internal appraisal of market values of comparable properties, instead of a valuation by an independent professional valuer.

## Notes to the Financial Statements

31 July 2011

## 15. Prepaid land lease payments

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At beginning of year				
As previously stated	6,205	6,650	811	833
Effects of adopting the amendments to FRS 117	(908)	(930)	(811)	(833)
As restated	5,297	5,720	-	-
Amortisation for the year (Note 7)	(425)	(423)	-	-
At end of year	4,872	5,297	-	-

## 16. Motorway development expenditure

	Group	
	2011 RM'000	2010 RM'000
<b>Cost</b>		
At beginning/end of year	327,647	327,647
<b>Accumulated amortisation</b>		
At beginning of year	2,778	1,376
Amortisation for the year (Note 7)	1,512	1,402
At end of year	4,290	2,778
<b>Net carrying amount</b>		
At end of year	323,357	324,869

The motorway development expenditure is pledged as securities for borrowings (Note 34(b)(i)).

## Notes to the Financial Statements

31 July 2011

### 17. Intangible assets

Group	Goodwill RM'000	Concession and quarry rights RM'000	Total RM'000
<b>At 31 July 2011</b>			
<b>Cost</b>			
At 1 August 2010	-	95,048	95,048
Acquisition of a subsidiary (Note 18(a))	41,396	-	41,396
At 31 July 2011	41,396	95,048	136,444
<b>Accumulated amortisation</b>			
At 1 August 2010	-	32,399	32,399
Amortisation for the year (Note 7)	-	3,098	3,098
At 31 July 2011	-	35,497	35,497
<b>Net carrying amount</b>			
At end of year	41,396	59,551	100,947
<b>At 31 July 2010</b>			
<b>Cost</b>			
At beginning/end of year	-	95,048	95,048
<b>Accumulated amortisation</b>			
At 1 August 2009	-	29,301	29,301
Amortisation for the year (Note 7)	-	3,098	3,098
At 31 July 2010	-	32,399	32,399
<b>Net carrying amount</b>			
At end of year	-	62,649	62,649

## Notes to the Financial Statements

31 July 2011

### 17. Intangible assets (cont'd.)

#### (a) Goodwill

##### Impairment testing of goodwill

Goodwill arising from business combinations has been allocated to property segment for impairment testing as follows:

The recoverable amounts of the property segment have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pretax discount rate applied to the cash flow projections is 20%.

The calculations of value in use for the property segment are most sensitive to the following assumptions:

(i) Budgeted gross margin

Gross margins are based on average values achieved by property segment within the Group in the past adjusted for expected efficiency improvements, market and economic conditions, internal resource efficiency and the expected stages of completion of property development projects, where applicable.

(ii) Pretax discount rate

Discount rates reflect the current market assessment of the risks specific to property segment.

#### (b) Concession and quarry rights

The concession and quarry rights are attributable to the acquisition of Gamuda Water Sdn. Bhd. and G.B. Kuari Sdn. Bhd. respectively, which have been granted the rights to operate and maintain the water treatment plants of Sungai Selangor Water Supply Scheme Phase 3 and the quarry for a period of 30 years ending Year 2031 and Year 2022 respectively.

### 18. Investments in subsidiaries

	Company	
	2011 RM'000	2010 RM'000
Unquoted shares, at cost	2,266,246	1,017,825
Less: Accumulated impairment losses	(16,290)	(16,290)
	2,249,956	1,001,535

#### (a) Acquisition of a subsidiary

On 17 September 2010, Gamuda Land (HCMC) Sdn. Bhd., a wholly owned subsidiary of Gamuda Berhad, completed the acquisition of 60% equity interest in Sai Gon Thuong Tin Tan Thang Investment Real Estate Joint Stock Company ("Tan Thang Company") for a total cash consideration of RM268,247,000 (USD82,740,000). Upon the acquisition, Tan Thang Company became a subsidiary of the Group.

Tan Thang Company has the rights for the investment and construction of a parcel of land located at Son Ky Ward, Tan Phu District, Ho Chi Minh City, Vietnam, measuring approximately 825,216.5 square metres.

The Group has elected to measure the non-controlling interest in Tan Thang Company at the proportionate share of the acquiree's net identifiable assets.

## Notes to the Financial Statements

31 July 2011

### 18. Investments in subsidiaries (cont'd.)

#### (a) Acquisition of a subsidiary (cont'd.)

The fair values of the identifiable assets and liabilities of Tan Thang Company as at the date of acquisition were:

	Fair value RM'000
Property, plant and equipment	10
Property development costs	447,430
Receivables	170
Cash and bank balances	191
	447,801
Payables	(723)
Deferred tax liabilities	(68,993)
	(69,716)
<b>Net identifiable assets</b>	<b>378,085</b>
Non-controlling interest	(151,234)
Goodwill arising on acquisition	41,396
	268,247
Total consideration	268,247

The effect of the acquisition on cash flows is as follows:

	RM'000
Consideration settled in cash	268,247
Less: Cash and cash equivalents of subsidiary acquired	(191)
	268,056
Net cash outflow on acquisition	268,056

From the date of acquisition, Tan Thang Company has resulted in a decrease of net profit of the Group by RM7,039,000. If the combination had taken place at the beginning of the year, the profit net of tax for the Group would have been RM431,537,000.

The goodwill of RM41,396,000 is created by the existence of a deferred taxation liability that the Group considered to be in excess of its fair value.

#### (b) Striking off of a dormant subsidiary

On 25 March 2011, Gamuda (India) Private Limited, a wholly owned subsidiary of Gamuda Berhad has been struck off from the Register of Companies pursuant to the Easy Exit Scheme, 2011 under section 560 of the Companies Act, 1956 in India. Hence, cost of investment amounting RM8,000 has been written off.

## Notes to the Financial Statements

31 July 2011

### 18. Investments in subsidiaries (cont'd.)

#### (c) Capitalisation of current amount due from subsidiaries into redeemable preference shares

The Company has converted the amount due from the following subsidiaries totalling RM952,000,000 as full settlement for redeemable preference shares of RM1.00 each at premium of RM99.00 each as follows:

	RM'000
Gamuda Engineering Sdn. Bhd.	337,000
Idaman Lantas Sdn. Bhd.	33,000
Madge Mansion Sdn. Bhd.	6,600
Megah Capital Sdn. Bhd.	289,000
Gamuda Land (HCMC) Sdn. Bhd.	286,400
	952,000

#### (d) Capital injection in subsidiaries

(i) The Company has injected additional capital in the following subsidiaries for a total cash consideration of RM173,229,000 as redeemable preference shares of RM1.00 each at premium of RM99.00 each as follows:-

	RM'000
Gamuda Engineering Sdn. Bhd.	31,000
Harum Intisari Sdn. Bhd.	142,229
	173,229

(ii) The Company has injected additional capital in a wholly owned subsidiary, Gamuda Land Vietnam Limited Liability Company for a total cash consideration of USD40,090,000 (RM123,200,000) as contributed capital.

## Notes to the Financial Statements

31 July 2011

### 18. Investments in subsidiaries (cont'd.)

Name of Company	Proportion of ownership		Principal activities
	2011 %	2010 %	
<b>Subsidiaries incorporated in Malaysia</b>			
Gammau Construction Sdn. Bhd.	100	100	Property investment and holding
Gamuda Engineering Sdn. Bhd.	100	100	Civil engineering and construction
Ganaz Bina Sdn. Bhd.	100	100	Civil engineering and construction
G.B. Kuari Sdn. Bhd.	100	100	Operation of quarry, laying of road and manufacture of premix
Gamuda Land Sdn. Bhd.	100	100	Dormant
Gamuda Paper Industries Sdn. Bhd.	95	95	Rental of properties
GPI Trading Sdn. Bhd.	95	95	Ceased operation
Gamuda Trading Sdn. Bhd.	100	100	Trading of construction materials
Gamuda Water Sdn. Bhd.	80	80	Operation and maintenance of water treatment plants
GIT Services Sdn. Bhd.	100	100	Information technology services
Jade Homes Sdn. Bhd.	100	100	Property investment and development
Megah Landscape Sdn. Bhd.	100	100	Supply of landscaping materials and provision of landscaping services
Jade Homes Resort Berhad	100	100	Proprietor and operator of a clubhouse
Jade Homes Property Services Sdn Bhd *	100	100	Property maintenance services
Harum Intisari Sdn. Bhd.	100	100	Property investment and development
Bandar Botanic Resort Berhad	100	100	Proprietor and operator of a clubhouse
Botanic Property Services Sdn. Bhd.	100	100	Property maintenance services
GL (MM2H) Sdn. Bhd. *	100	100	Agent of "Malaysia My Second Home" Programme
Masterpave Sdn. Bhd.	100	100	Manufacture, supply and laying of road surfacing materials
Megah Capital Sdn. Bhd.	100	100	Investment holding and trading
Megah Management Services Sdn. Bhd.	100	100	Insurance agency
Megah Sewa Sdn. Bhd.	100	100	Hire and rental of plant and machinery
Valencia Development Sdn. Bhd.	100	100	Property investment and development
Valencia Township Sdn. Bhd.	100	100	Management of township and golf club and related maintenance services
Rebung Property Services Sdn. Bhd. *	100	100	Property maintenance and management services
Madge Mansions Sdn. Bhd.	100	100	Property investment and development
Reka Strategi Sdn. Bhd. *	100	100	Dormant
Idaman Lantas Sdn. Bhd. *	100	100	Property investment and development
Setara Hati Sdn. Bhd. *	100	100	Dormant
Gamuda Land (HCMC) Sdn. Bhd.	100	100	Property investment and development

## Notes to the Financial Statements

31 July 2011

## 18. Investments in subsidiaries (cont'd.)

Name of Company	Proportion of ownership		Principal activities
	2011 %	2010 %	
<b>Subsidiary incorporated in British Virgin Islands</b>			
Gamuda Overseas Investment Ltd.	100	100	Investment holding
<b>Subsidiary incorporated in Mauritius</b>			
Gamuda (Offshore) Private Limited *	100	100	Investment holding
<b>Subsidiary incorporated in India</b>			
Gamuda (India) Private Limited ^	-	100	Struck-off
Held by Gamuda (Offshore) Private Limited: Gamuda-WCT (India) Private Limited *	70	70	Civil engineering and construction
<b>Subsidiary incorporated in Saudi Arabia</b>			
Gamuda Saudi Arabia L.L.C. ®	100	100	Construction
<b>Subsidiary incorporated in the Kingdom of Bahrain</b>			
Gamuda (Bahrain) W.L.L. *	100	100	Civil engineering and construction
<b>Subsidiaries incorporated in the Socialist Republic of Vietnam</b>			
Gamuda-Nam Long Development Limited Liability Company *	70	70	Construction of villas for sale and lease
Gamuda Land Vietnam Limited Liability Company *	100	100	Undertakes the Yen So Park and Gamuda City Development in Hanoi, Socialist Republic of Vietnam
Sai Gon Thuong Tin Tan Thang Investment Real Estate Joint Stock Company #*	60	-	Undertakes development of Celadon City in Ho Chi Minh City, Socialist Republic of Vietnam
<b>Unincorporated subsidiaries in Malaysia</b>			
Gamuda Berhad – Kumpulan Darul Ehsan Berhad – The Sweet Water Alliance Sdn. Bhd. Joint Venture (“GKTJV”)	70	70	Civil engineering and construction
Gamuda Berhad – Mujur Minat Sdn. Bhd. Joint Venture (“GMMJV”)	70	70	Civil engineering and construction

® In the process of winding up

# Directly held by a wholly-owned subsidiary, Gamuda Land (HCMC) Sdn. Bhd.

\* Audited by firms of auditors other than Ernst &amp; Young, Malaysia

^ Struck off from the Register of Companies Commission of India on 25 March 2011

## Notes to the Financial Statements

31 July 2011

### 18. Investments in subsidiaries (cont'd.)

The details of the unincorporated subsidiaries are as follows:

Entity	Joint venture partners	Economic activity
GKTJV	Gamuda Berhad, Kumpulan Darul Ehsan Berhad and The Sweet Water Alliance Sdn. Bhd.	Undertakes civil engineering construction of the dam and water treatment facilities of Sungai Selangor Water Supply Scheme Phase 3
GMMJV	Gamuda Berhad and Mujur Minat Sdn. Bhd.	Undertakes civil engineering construction of the Western Kuala Lumpur Traffic Dispersal Scheme

Both GKTJV and GMMJV are unincorporated joint ventures formed under a contractual agreement. Pursuant to FRS 131: Financial Reporting of Interests in Joint Ventures, both GKTJV and GMMJV are deemed to be subsidiaries of Gamuda Berhad by virtue of its power to exercise control over the financial and operating policies of the economic activities of these entities.

### 19. Interests in associated companies

	Group		Company	
	2011 RM'000	(Restated) 2010 RM'000	2011 RM'000	2010 RM'000
Unquoted shares, in Malaysia:				
At cost:				
- Ordinary shares	142,185	142,185	142,185	142,185
- Redeemable preference shares	570,125	562,625	570,125	562,625
	712,310	704,810	712,310	704,810
Group's share of post-acquisition reserves net of dividends receivable	319,381	229,841	-	-
Less: Accumulated impairment losses	(28,235)	(28,235)	(69,885)	(69,885)
	1,003,456	906,416	642,425	634,925
Unquoted shares, outside Malaysia:				
At cost:				
- Ordinary shares	11	11	-	-
- Redeemable preference shares	169,887	169,887	-	-
	169,898	169,898	-	-
Group's share of post-acquisition reserves	88,379	88,794	-	-
	258,277	258,692	-	-
	1,261,733	1,165,108	642,425	634,925
Quoted shares, in Malaysia:				
At cost:				
- Ordinary shares	59,624	59,624	59,624	59,624
Group's share of post-acquisition capital reserves	97,313	91,911	-	-
Group's share of post-acquisition profits, net of dividends receivable	200,960	176,523	-	-
	357,897	328,058	59,624	59,624
	1,619,630	1,493,166	702,049	694,549
Market value:				
Quoted shares, in Malaysia	860,413	733,882	860,413	733,882

## Notes to the Financial Statements

31 July 2011

## 19. Investments in associated companies (cont'd.)

The Group's interests in the associated companies are analysed as follows:

Name of Company	Proportion of ownership		Principal activities
	2011 %	2010 %	
<b>Associated companies incorporated in Malaysia</b>			
Syarikat Pengeluar Air Selangor Holdings Berhad	40	40	Investment holding and provision of management services; holding company to the concession holder of Sungai Selangor Water Supply Scheme Phase 1 and 3
Hicom-Gamuda Development Sdn. Bhd.	50	50	Property development
Kesas Holdings Berhad	30	30	Investment holding; holding company to the concession holder of an expressway
Lingkarans Trans Kota Holdings Berhad (Quoted shares in Malaysia)	46	46	Investment holding and provision of management services; holding company to the concession holder of an expressway
Madang Permai Sdn. Bhd. *	36	36	Concession holder of an expressway
Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd.	53	53	Investment holding; holding company to the concession holder of an expressway
Dyna Plastics Sdn. Bhd. *	41	41	In winding-up
<b>Associated companies incorporated in Mauritius</b>			
Held by Gamuda (Offshore) Private Limited:			
Suria Holding (O) Pvt. Ltd. * #	50	50	Investment holding; holding company to the concession holder of an expressway
Gamuda-WCT (Offshore) Private Limited * #	50	50	Investment holding; holding company to the concession holder of an expressway

\* Audited by firms other than Ernst & Young, Malaysia

# Financial year end of 31 July

All associated companies have financial year end of 31 March, other than those marked with #. For the purpose of applying the equity method of accounting for associated companies with financial year end of 31 March, the last audited financial statements available and the management financial statements to the end of the accounting period of the associated companies have been used.

Pursuant to FRS 128: Investments in Associates, Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("SPRINT"), Hicom-Gamuda Development Sdn. Bhd., Suria Holding (O) Pvt. Ltd. and Gamuda-WCT (Offshore) Private Limited are deemed to be associates of Gamuda Berhad as the Company has significant influence in the financial and operating policy decisions of these associates but not control over those policies.

## Notes to the Financial Statements

31 July 2011

### 19. Investments in associated companies (cont'd.)

The summarised financial information of the associated companies, adjusted for Group's share are as follows:

	2011 RM'000	2010 RM'000
<b>Assets and liabilities</b>		
Current assets	1,035,283	934,957
Non-current assets	3,681,993	3,665,795
<b>Total assets</b>	<b>4,717,276</b>	<b>4,600,752</b>
Current liabilities	(578,723)	(487,674)
Non-current liabilities	(2,725,537)	(2,895,608)
<b>Total liabilities</b>	<b>(3,304,260)</b>	<b>(3,383,282)</b>
<b>Results</b>		
Revenue	734,048	705,283
Profit for the year	222,429	196,221

During the year, the Company subscribed additional 75,000 preference shares of RM100.00 each of SPRINT for a total cash consideration of RM7,500,000.

### 20. Interests in jointly controlled entities

	Company	
	2011 RM'000	2010 RM'000
Unquoted shares, at cost	244,601	244,476

During the year, the Company subscribed for 125,000 ordinary shares of RM1.00 each, representing 50% of the total issued and paid-up share capital of jointly controlled entity, MMC Gamuda KVMRT (PDP) Sdn. Bhd., for a total cash consideration of RM125,000.

During the financial year, the Company entered into a Joint Venture Agreement with MMC Corporation Berhad to form an unincorporated joint venture for the purpose of pre-qualifying and tendering for the tunnelling, underground and such other works in relation to the underground works package for the Klang Valley Mass Rapid Transit Project.

## Notes to the Financial Statements

31 July 2011

## 20. Interests in jointly controlled entities (cont'd.)

Details of the jointly controlled entities are as follows:

Name of jointly controlled entity	Proportion of ownership		Economic activity
	2011 %	2010 %	
<b>Unincorporated in Malaysia</b>			
Malaysia Mining Corporation Berhad – Gamuda Berhad Joint Venture ("MMC - Gamuda JV")	50	50	Undertake engineering, procurement and construction of an integrated Bypass Tunnel cum Motorway in Kuala Lumpur
Malaysia Mining Corporation Berhad – Gamuda Berhad Joint Venture Electrified Double Track Project ("MMC – Gamuda JV 2T")	50	50	Undertake engineering, procurement and construction of the Electrified Double-Tracking from Ipoh to Padang Besar Project
MMC-Gamuda KVMRT (T) Joint Venture	50	-	Undertake pre-qualifying and tendering of the tunnelling, underground and such other works in relation to the underground works package for the Klang Valley Mass Rapid Transit Project
<b>Incorporated in Malaysia</b>			
Projek Smart Holdings Sdn. Bhd.	50	50	Undertake, carry out and implement integrated Bypass Tunnel cum Motorway in Kuala Lumpur
MMC-Gamuda Joint Venture Sdn. Bhd.	50	50	Undertake, carry out and implement the Electrified Double-Tracking from Ipoh to Padang Besar Project
Horizon Hills Development Sdn. Bhd.	50	50	Undertake and carry out a mixed development mainly for residential purposes and a golf club in Johor Darul Takzim
MMC Gamuda KVMRT (PDP) Sdn. Bhd.	50	-	Undertake, construct, maintain and manage/ execute any Mass Rapid Transit ("MRT") project in Malaysia or elsewhere and to carry out all related works thereto
<b>Unincorporated in Taiwan</b>			
New Asia Construction & Development Corporation – Gamuda Berhad Joint Venture ("New Asia – Gamuda JV") *	50	50	Undertake civil engineering construction of the Orange Line Package CO4 of the Kaohsiung Metropolitan Mass Rapid Transit System in Kaohsiung, Taiwan, Republic of China
<b>Unincorporated in Qatar</b>			
Sinohydro Corporation – Gamuda Berhad – WCT Engineering Berhad Joint Venture ("Sinohydro – Gamuda – WCT JV") ^	51	51	Design and construct the airfield facilities, tunnel and detention ponds of the New Doha International Airport in the State of Qatar
Gamuda Berhad – WCT Engineering Berhad Joint Venture ("Gamuda – WCT JV") ^ #	51	51	Undertake civil engineering construction of a new highway from the town of Shahaniya to the existing Zekreet interchange near the Dukhan industrial area in the State of Qatar
Gamuda Berhad – WCT Bahrain Berhad Joint Venture ("Gamuda – WCT Bahrain JV") ^	51	51	Supply materials for the construction of the New Doha International Airport in the State of Qatar

\* Audited by firms other than Ernst & Young

^ Audited by member firms of Ernst & Young Global in the respective countries

# The financial statements have been prepared on a going concern basis as the Joint Venture partners have agreed to provide adequate financial support

Pursuant to FRS 131: Interests in Jointly Ventures, Sinohydro-Gamuda-WCT JV, Gamuda-WCT JV and Gamuda Berhad-WCT Bahrain JV are deemed to be jointly controlled entities of Gamuda Berhad as the parties involved are undertaking economic activities that are subject to joint control.

## Notes to the Financial Statements

31 July 2011

### 20. Interests in jointly controlled entities (cont'd.)

The summarised financial information of the jointly controlled entities, adjusted for Group's share are as follows:

	2011 RM'000	2010 RM'000
<b>Assets and liabilities</b>		
Current assets	1,947,018	1,720,163
Non-current assets	552,661	458,059
<b>Total assets</b>	<b>2,499,679</b>	<b>2,178,222</b>
Current liabilities	(1,881,710)	(1,744,358)
Non-current liabilities	(286,374)	(261,500)
<b>Total liabilities</b>	<b>(2,168,084)</b>	<b>(2,005,858)</b>
<b>Results</b>		
Revenue	1,225,415	1,392,741
Expenses, net	1,113,410	1,292,456

### 21. Other investments

	Group and Company	
	2011 RM'000	2010 RM'000
<b>At cost</b>		
Unquoted shares, in Malaysia	50	50
Investment in transferable club memberships	683	683
	<b>733</b>	<b>733</b>

### 22. Inventories

	Group	
	2011 RM'000	2010 RM'000
<b>Cost:</b>		
Raw materials	518	19,571
Finished goods	578	475
Consumable stores and spares	10,832	6,990
Properties held for sale	15,319	44,160
	<b>27,247</b>	<b>71,196</b>
<b>Net realisable value:</b>		
Properties held for sale	3,738	6,258
Crusher run and aggregates	3,120	2,284
	<b>6,858</b>	<b>8,542</b>
	<b>34,105</b>	<b>79,738</b>

During the year, the amount of inventories recognised as an expense was RM78,632,000 (2010: RM47,560,000).

## Notes to the Financial Statements

31 July 2011

## 23. Receivables

Receivables of the Group and of the Company are analysed as follows:

		Group		Company	
		2011 RM'000	(Restated) 2010 RM'000	2011 RM'000	(Restated) 2010 RM'000
Current	(a)	1,701,738	1,432,816	30,763	45,440
Non-current	(b)	189,100	214,284	22,754	27,392
		1,890,838	1,647,100	53,517	72,832
Less:					
Accrued billings		(88,355)	(61,645)	-	-
Amount due from customers on contract (Note 25)		(587,123)	(411,155)	-	-
Prepayments		(2,636)	(22,059)	(1,705)	(3,938)
Advances to subcontractors		(95,372)	(83,500)	-	-
Add:					
Amount due from subsidiaries (Note 26)		-	-	664,613	1,462,793
Cash and bank balances (Note 27)		1,048,968	1,165,550	71,706	207,013
<b>Total loans and receivables</b>		<b>2,166,320</b>	<b>2,234,291</b>	<b>788,131</b>	<b>1,738,700</b>
<b>(a) Current</b>					
Trade receivables					
Trade receivables	(i)	655,667	536,947	20,380	9,841
Associated companies		207,930	145,103	-	-
Joint ventures partners		20,241	23,207	-	-
Retention sums		59,997	60,757	-	27,392
Accrued billing		88,355	61,645	-	-
Due from customers on contracts (Note 25)		587,123	411,155	-	-
		1,619,313	1,238,814	20,380	37,233
Less: Allowance for impairment		(2,714)	(2,714)	-	-
		1,616,599	1,236,100	20,380	37,233
Other receivables					
Associated companies		116	115	115	49
Joint ventures partners		-	6,017	-	-
Deposits	(ii)	28,657	87,181	5,404	711
Prepayments		2,636	22,059	1,705	3,938
Sundry receivables	(iii)	53,730	81,344	3,159	3,509
		85,139	196,716	10,383	8,207
		1,701,738	1,432,816	30,763	45,440

**(i) Trade receivables**

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2010: 14 to 90 days) terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

## Notes to the Financial Statements

31 July 2011

### 23. Receivables (cont'd.)

#### (a) Current (cont'd.)

##### (i) Trade receivables (cont'd.)

###### Ageing analysis of trade receivables

The Company's trade receivables are neither past due nor impaired. The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2011 RM'000	2010 RM'000
Neither past due nor impaired	595,148	492,628
1 to 30 days past due not impaired	30,307	10,064
31 to 60 days past due not impaired	7,415	5,750
61 to 90 days past due not impaired	2,192	5,400
91 to 120 days past due not impaired	5,810	5,353
More than 121 days past due not impaired	12,081	15,038
Impaired	57,805 2,714	41,605 2,714
	<b>655,667</b>	<b>536,947</b>

###### Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

###### Receivables that are past due but not impaired

The Group has trade receivables amounting to RM57,805,000 (2010: RM41,605,000) that are past due at the reporting date but not impaired. The receivables that are past due but not impaired are unsecured in nature.

Included in the trade receivables, is an amount due from the Government of Malaysia ("GOM") on construction contract on tunnel portion of the Stormwater Channel and Motorway Works as follows:

	Group	
	2011 RM'000	2010 RM'000
Amount due from the Government on:		
- Progress billings on construction contract	193,914	337,969
- Land acquisition costs	21	21
Interest receivable	193,935 44,458	337,990 73,383
Total amount due from the Government	238,393	411,373
(Off set with): - SMARTSB MTN	(192,290)	(323,223)
- Interest payable on SMARTSB MTN	(44,458)	(73,383)
	<b>1,645</b>	<b>14,767</b>

## Notes to the Financial Statements

31 July 2011

## 23. Receivables (cont'd.)

## (a) Current (cont'd.)

## (i) Trade receivables (cont'd.)

The manner and time of payment of these costs shall be the same as the manner and the time for the repayment of the MTN by SMARTSB to the Principal Subscriber as may be certified by the GOM in the Facility Payment Certificate, as mentioned below.

To acknowledge its debts due, the GOM shall, from time to time, issue a Facility Payment Certificate ("FPC"), in which a jointly controlled entity, Syarikat Mengurus Air Banjir & Terowong Sdn. Bhd. ("SMARTSB") can sell, assign or transfer to another person (provided that the GOM has consented to such sale, assignment or transfer and received notice of the same). As part of the terms of the FPC, the GOM unconditionally and irrevocably agree and undertake to pay SMARTSB or, if the FPC has been sold, transferred or assigned to another person, to such person, the Net Amount Due as stated in the FPC. The Net Amount Due shall upon assignment, transfer or sale be conclusive evidence of a debt due and payable by the GOM to the assignee and payment of monies under the FPC shall be made without deduction, set-off or adjustments on any account.

On 4 August 2004, SMARTSB entered into an agreement with the Primary Subscriber to issue Medium Term Notes ("SMARTSB MTN") to finance the construction and land acquisition costs relating to the Stormwater Channel. The SMARTSB MTN is to be issued from time to time upon terms and conditions as agreed with the Primary Subscriber, and upon the assignment of all SMARTSB's rights, interests, title and benefits in and to each of the FPC mentioned above to the Primary Subscriber. The SMARTSB MTN is a zero coupon note and is to be issued at a discount by SMARTSB.

The details of security arrangement in connection with the SMARTSB MTN are as follows:

1. Fixed and floating charge over all the assets and property of SMARTSB in relation to the Stormwater Channel Project.
2. An assignment of SMARTSB's rights, interests, title and benefits in and to each FPC and acknowledgement of the GOM to such assignment of FPC linked to the issuance of SMARTSB MTN.

As at the reporting date, SMARTSB has issued SMARTSB MTN with a nominal amount of RM248,751,000 (2010: RM426,179,000). The net proceeds received from the issuance of SMARTSB MTN have been used to off set against the amount due from the GOM.

The breakdown of SMARTSB MTN issued are as follows:

	Group	
	2011 RM'000	2010 RM'000
Principal amount:		
- Construction costs	192,269	323,202
- Land acquisition costs	21	21
Total off set against trade receivable	192,290	323,223
Unearned interests	56,461	102,956
Nominal value	248,751	426,179

## (ii) Deposits

Included in deposits is an amount of RM Nil (2010: RM55,067,000) paid for acquisition of shares.

## Notes to the Financial Statements

31 July 2011

### 23. Receivables (cont'd.)

#### (a) Current (cont'd.)

##### (iii) Sundry receivables

Included in sundry receivables is an amount of lease receivable as follows:

	Group	
	2011 RM'000	2010 RM'000
Gross receivables	2,004	3,312
Less: Unearned interests	(6)	(103)
	1,998	3,209
Minimum lease receivables:		
Not later than 1 year	2,004	3,125
Later than 1 year and not later than 5 years	-	187
	2,004	3,312
Less: Unearned interests	(6)	(103)
	1,998	3,209
Present value of lease receivables:		
Not later than 1 year	1,998	3,023
Later than 1 year and not later than 5 years	-	186
	1,998	3,209

The tenure and the finance charge of the finance leases are 12 months (2010: 24 months) and 5.85% (2010: 5.85%) respectively.

The non-trade amount due from joint ventures is in respect of advances for construction contracts and the amount is unsecured, interest free and repayable through contra with future progress billings.

The non-trade amounts due from associated companies are unsecured, interest free and repayable on demand.

## Notes to the Financial Statements

31 July 2011

## 23. Receivables (cont'd.)

## (b) Non-current

		Group		Company	
		2011 RM'000	(Restated) 2010 RM'000	2011 RM'000	(Restated) 2010 RM'000
Advances to subcontractors	(i)	95,372	83,500	-	-
Retention sums receivable after one year		57,127	91,456	22,754	27,392
Amount due from an associated company	(ii)	15,735	20,784	-	-
Amount due from a third party	(iii)	19,471	18,544	-	-
Other receivable		1,395	-	-	-
		189,100	214,284	22,754	27,392

## (i) Advances to subcontractors

Advances to subcontractors are not expected to be recouped within the next twelve months.

## (ii) Amount due from an associated company

The amount due from an associated company to a subsidiary of the Group is in respect of the supply of bulk quantity of treated water supplied to the associated company. The amount is repayable in ten annual instalments commencing December 2006.

## (iii) Amount due from a third party

The amount due from a third party represents present value of future cash flows repayable to the subsidiary in July 2013 and is secured.

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors, other than an amount due from the Government of Malaysia amounting to RM146,760,000 (2010: RM81,310,000).

## 24. Investment securities

	2011 RM'000		2010 RM'000	
	Carrying amount	Market value of quoted investments	Carrying amount*	Market value of quoted investments
<b>Group</b>				
<b>Current</b>				
Held for trading				
Private debt securities (quoted)	-	-	20,000	20,000
Investment management funds	336,623	336,623	764,104	764,834
	336,623	336,623	784,104	784,834
<b>Company</b>				
<b>Current</b>				
Held for trading				
Investment management funds	1,429	1,429	93,876	93,876

\* Prior to 1 January 2010, the current investments were carried at lower of cost and market value, determined on aggregate basis.

Investment management funds represent funds placed with licensed fund managers. The portfolio of securities managed by the fund managers comprises of money market funds, commercial papers, government bonds and fixed deposits.

## Notes to the Financial Statements

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### 25. Amount due from/(to) customers on contracts

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Construction contract costs incurred to date	7,748,325	7,701,064	1,520,601	1,480,043
Recognised profits less recognised losses	433,680	315,307	52,229	52,229
Progress billings received and receivable	(8,204,923)	(8,211,591)	(1,575,233)	(1,534,905)
	(22,918)	(195,220)	(2,403)	(2,633)
Represented by:				
Due from customers on contracts (Note 23(a))	587,123	411,155	-	-
Due to customers on contracts (Note 36)	(610,041)	(606,375)	(2,403)	(2,633)
	(22,918)	(195,220)	(2,403)	(2,633)

The costs incurred to date on construction contracts include the following charges made during the financial year:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Finance costs (Note 8)	1,516	8,694	-	-
Depreciation (Note 12)	27,979	39,547	1,601	3,132
Staff costs (Note 5)	118,170	112,542	2,587	7,187
Hire of plant and equipment	18,596	41,858	17,157	-

Included in amount due from customers on contract is an amount due from the Government of Socialist Republic of Vietnam to a subsidiary, Gamuda Land Vietnam Limited Liability Company ("GLVN") amounting to RM461,582,000 (2010: RM343,505,000) which is pending issuance of investment certificates for property development in Hanoi, Vietnam as consideration for the construction works by GLVN.

The directors do not foresee any issue in obtaining the investment certificates and therefore are of the opinion that this amount is recoverable.

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors, other than an amount due from the Government of Socialist Republic of Vietnam amounting to RM461,582,000 (2010: RM343,505,000).

### 26. Due from subsidiaries

	Company	
	2011 RM'000	2010 RM'000
Due from subsidiaries		
- trade	96,679	623,542
- non-trade	567,934	839,251
	664,613	1,462,793

The trade amounts due from subsidiaries have a normal credit term which ranges from 30 to 90 days (2010: 30 to 90 days).

The non-trade amounts due from subsidiaries are unsecured, interest free and are repayable on demand except for advances of RM427,057,000 (2010: RM61,456,000) given to subsidiaries which bear interest at 4.1% to 4.7% (2010: 6.0% to 7.0%) per annum.

## Notes to the Financial Statements

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## 27. Cash and bank balances

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash on hand and at banks	492,310	304,458	30,245	70,819
Deposits with licensed banks	287,351	837,121	19,692	124,388
Investment in unit trusts	269,307	23,971	21,769	11,806
	1,048,968	1,165,550	71,706	207,013

Included in cash at banks of the Group is an amount of RM290,553,124 (2010: RM170,043,000) which are Housing Development Accounts held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

Included in deposits with licensed banks of the Group is an amount of deposits of RM Nil (2010: RM213,180,000) held pursuant to an Escrow Agreement entered with a third party and is restricted from use in other operations.

The investment in unit trusts is a scheme that invests in fixed deposit placements which allows prompt redemption at any time.

The weighted average effective interest rates of deposits as at reporting date was as follows:

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Licensed banks				
Malaysia – RM	2.81	2.79	3.25	2.68
– USD	0.23	-	0.23	-
Qatar	2.52	2.67	3.40	3.40
Vietnam	12.75	9.67	-	-
Bahrain	-	0.43	-	0.68

The range of maturities of deposits as at reporting date were as follows:

	Group		Company	
	2011 Days	2010 Days	2011 Days	2010 Days
Licensed banks	1 – 270	3 – 192	21 – 184	21 – 184

## Notes to the Financial Statements

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### 28. Share capital

	Number of ordinary shares of RM1 each		Amount	
	2011 '000	2010 '000	2011 RM'000	2010 RM'000
<b>Authorised:</b>				
At beginning/end of year	3,000,000	3,000,000	3,000,000	3,000,000
<b>Issued and fully paid:</b>				
At beginning of year	2,025,888	2,009,257	2,025,888	2,009,257
Exercise of ESOS	37,553	14,961	37,553	14,961
Conversion of warrants	1,383	1,670	1,383	1,670
At end of year	2,064,824	2,025,888	2,064,824	2,025,888

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

- (a) During the financial year, the Company increased its issued and paid-up share capital from RM2,025,887,831 to RM2,064,823,555 by way of:
- Issuance of 37,553,000 new ordinary shares of RM1.00 each for cash arising from the exercise of options under the Company's ESOS; and
  - Issuance of 1,382,724 new ordinary shares of RM1.00 each for cash arising from the exercise of Warrants 2010/2015 at the exercise price of RM2.66 per share in accordance with the Deed Poll dated 15 April 2010.
- (b) On 26 May 2010, the Company allotted and issued 252,306,013 new Warrants 2010/2015 at an issue price of RM0.10 each on the basis of 1 Warrant 2010/2015 for every 8 existing ordinary shares held in the Company on 30 April 2010. Each Warrant 2010/2015 entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 26 May 2010 to 25 May 2015, at an exercise price of RM2.66 in accordance with the Deed Poll. Any Warrant 2010/2015 not exercised by the date of maturity will lapse thereafter and cease to be valid for all purposes.

The total number of warrants converted and expired during the year is as follows:

	Warrants 2010/2015	
	2011 '000	2010 '000
Allotted during the year	250,636	252,306
Converted	(1,383)	(1,670)
At end of year	249,253	250,636

## Notes to the Financial Statements

31 July 2011

### 28. Share capital (cont'd.)

- (c) The Gamuda Berhad Employees' Share Option Scheme ("ESOS") was approved by shareholders at the Extraordinary General Meeting held on 5 July 2006 and became effective for 5 years from 6 July 2006 to 5 July 2011 ("Expiry Date"). The Expiry Date was subsequently extended to 5 July 2014 on 22 December 2009 pursuant to By-law 17.3 of the ESOS.

The principal features of the ESOS are as follows:

- (i) Eligible employees are full-time monthly paid employees and Executive Directors of the Group (including contract and non-Malaysian employees with a minimum three years of contract of service) whose employment has been confirmed. The selection of eligible employee for participation in the ESOS shall be at the discretion of the Options Committee.
- (ii) The ESOS shall be in force for a period of 5 years from 6 July 2006 subject however to any extension or renewal for a further period of not exceeding 5 years commencing from the day after the date of expiration of the original 5 years period as may be approved by all relevant parties.
- (iii) The total number of shares to be offered shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time during the duration of the ESOS.
- (iv) The subscription price under the ESOS shall be the weighted average market price of the shares as shown in the Daily Official List issued by the Bursa Malaysia Securities Berhad for the 5 market days immediately preceding the date of offer of the options subject to a discount of not more than 10%, or at par value of the share, whichever is higher.
- (v) The aggregate number of shares to be offered to an eligible employee in accordance with the ESOS shall be determined at the discretion of the Options Committee after taking into consideration, amongst other factors, the position, performance, seniority and the length of service that the eligible employee has rendered and subject to the maximum allowable allotment of shares for each eligible employee.
- (vi) The number of shares under the ESOS which remained unexercised or the option price or both may be adjusted following any alteration in the capital structure of the Company during the option period, whether such alteration is by way of capitalisation of profits or reserves, right issues, consolidation of shares, sub-division of shares or reduction of capital or otherwise howsoever taking place, made by the Company.
- (vii) The options shall not carry any right to vote at any general meeting of the Company and a grantee shall not be entitled to any dividends, right or other entitlements on his unexercised options.
- (viii) The options granted under ESOS are not assignable.
- (ix) There is no restriction on the employee in exercising and selling their Gamuda Shares which were allotted and issued pursuant to the exercise of their options.

If the net proceeds from the disposal is less than the Exercise Value (being the Exercise Price multiplied by the number of Gamuda Shares sold), the entire net proceeds will be released to the employee.

However, if the net proceeds is more than the Exercise Value, an amount equivalent to the Exercise Value will be released to the employee. The balance proceeds not released to the employee will be placed in an interest bearing account for the benefit of the employee. The balance proceeds (being the net proceeds less Exercise Value) together with the attributable interest, if any, will be released to the employee over the period of the scheme in accordance with Gamuda's ESOS By-Law on each anniversary of the effective date of the scheme.

- (x) The new shares allotted upon any exercise of the option shall rank pari passu in all respects with the then existing issued and paid-up ordinary shares of the Company except that the new shares so issued will not rank for any dividends, rights, allotments and/or other distributions, the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments or other distributions) of which is prior to the date of allotment of the new shares.
- (xi) The employees to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

## Notes to the Financial Statements

31 July 2011

### 28. Share capital (cont'd.)

- (c) (xii) Options to subscribe for ordinary shares of RM1.00 each under ESOS were granted in the following phases:

	Exercise price (before rights issue of warrants) RM	Exercise price (after rights issue of warrants) RM	Number of options '000	Exercise period
6 July 2006	1.73	1.54	63,436	6 July 2006 – 5 July 2014
15 January 2007	2.60	2.32	14,064	15 January 2007 – 5 July 2014
8 August 2007	3.63	3.24	34,856	8 August 2007 – 5 July 2014
24 March 2008	2.98	2.66	11,852	24 March 2008 – 5 July 2014
1 July 2008	2.29	2.04	7,239	1 July 2008 – 5 July 2014
15 January 2009	1.94	1.73	8,009	15 January 2009 – 5 July 2014
15 July 2009	2.72	2.42	4,111	15 July 2009 – 5 July 2014
17 March 2010	2.79	2.49	5,129	17 March 2010 – 5 July 2014
19 March 2010	2.79	2.49	51,542	19 March 2010 – 5 July 2014
8 August 2010	3.33	3.33	1,929	8 August 2010 – 5 July 2014

- (d) Breakdown of aggregate proceeds received from share options exercised during the financial year and the fair value, at exercise date, of ordinary shares issued are as follows:

	2011 RM'000	2010 RM'000
Ordinary shares	37,553	14,961
Share premium	55,827	15,901
<b>Aggregate proceeds received on shares issued</b>	<b>93,380</b>	<b>30,862</b>
<b>Aggregate fair value of ordinary shares at exercise date</b>	<b>141,616</b>	<b>47,386</b>

- (e) The number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year are as follows:

ESOS exercise price	← Number of share options →			Outstanding and exercisable at 31 July 2011 '000
	Outstanding at 1 August 2010 '000	Granted '000	Exercised '000	
RM1.54	6,267	-	(3,088)	3,179
RM2.32	5,988	-	(2,977)	3,011
RM3.24	29,461	-	(5,666)	23,795
RM2.66	11,207	-	(5,535)	5,672
RM2.04	4,752	-	(1,784)	2,968
RM1.73	4,312	-	(1,607)	2,705
RM2.42	3,710	-	(1,343)	2,367
RM2.49	55,015	-	(15,267)	39,748
RM3.33	-	1,929	(286)	1,643
	<b>120,712</b>	<b>1,929</b>	<b>(37,553)</b>	<b>85,088</b>
<b>WAEP</b>	<b>2.62</b>	<b>3.33</b>	<b>2.49</b>	<b>2.61</b>

## Notes to the Financial Statements

31 July 2011

## 28. Share capital (cont'd.)

- (e) The number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year are as follows: (cont'd.)

ESOS exercise price	Number of share options			Outstanding and exercisable at 31 July 2010 '000
	Outstanding at 1 August 2009 '000	Granted '000	Exercised '000	
RM1.73	11,457		(3,518)	
RM1.54*		-	(1,672)	6,267
RM2.60	7,802		(775)	
RM2.32*		-	(1,039)	5,988
RM3.63	29,480		-	
RM3.24*		-	(19)	29,461
RM2.98	11,852		(254)	
RM2.66*		-	(391)	11,207
RM2.29	6,982		(1,943)	
RM2.04*		-	(287)	4,752
RM1.94	7,318		(2,473)	
RM1.73*		-	(533)	4,312
RM2.72	4,111		(177)	
RM2.42*		-	(224)	3,710
RM2.79	-	56,671	(51)	
RM2.49*		-	(1,605)	55,015
	79,002	56,671	(14,961)	120,712
WAEP	2.88	2.79	2.06	2.62

\* Adjustments to option price following the completion of the Rights Issue of Warrants in accordance with By-law.

- (f) Fair value of share options granted

The fair value of share options granted during the year was estimated by an external valuer using a binomial model, taking into account of the terms and conditions upon which the options were granted. In the previous year, the modifications made to the share options are as follows:

- (i) extension of Expiry Date to 5 July 2014, pursuant to By-law 17.3 of the ESOS effective on 22 December 2009.
- (ii) price adjustment, pursuant to the Rights Issue of Warrants effective on 3 May 2010.

## Notes to the Financial Statements

31 July 2011

### 28. Share capital (cont'd.)

(f) Fair value of share options granted (cont'd.)

The fair value of share options measured at the respective date and the assumptions are as follows:

	ESOS									
Option price, before rights issue of warrants (RM)	1.73	2.60	3.63	2.98	2.29	1.94	2.72	2.79	2.79	*
Option price, after rights issue of warrants (RM)	1.54	2.32	3.24	2.66	2.04	1.73	2.42	2.49	2.49	3.33
Fair value of share options, at the following grant dates and modification dates (RM):										
- Grant date	0.23	-	-	-	-	-	-	-	-	-
- 22 December 2009	0.93	-	-	-	-	-	-	-	-	-
- 3 May 2010	1.39	-	-	-	-	-	-	-	-	-
- Grant date	-	0.29	-	-	-	-	-	-	-	-
- 22 December 2009	-	0.34	-	-	-	-	-	-	-	-
- 3 May 2010	-	0.61	-	-	-	-	-	-	-	-
- Grant date	-	-	0.39	-	-	-	-	-	-	-
- 22 December 2009	-	-	0.16	-	-	-	-	-	-	-
- 3 May 2010	-	-	0.27	-	-	-	-	-	-	-
- Grant date	-	-	-	0.18	-	-	-	-	-	-
- 22 December 2009	-	-	-	0.29	-	-	-	-	-	-
- 3 May 2010	-	-	-	0.42	-	-	-	-	-	-
- Grant date	-	-	-	-	0.27	-	-	-	-	-
- 22 December 2009	-	-	-	-	0.37	-	-	-	-	-
- 3 May 2010	-	-	-	-	0.89	-	-	-	-	-
- Grant date	-	-	-	-	-	0.46	-	-	-	-
- 22 December 2009	-	-	-	-	-	0.72	-	-	-	-
- 3 May 2010	-	-	-	-	-	1.20	-	-	-	-
- Grant date	-	-	-	-	-	-	0.64	-	-	-
- 22 December 2009	-	-	-	-	-	-	0.32	-	-	-
- 3 May 2010	-	-	-	-	-	-	0.50	-	-	-
- Grant date	-	-	-	-	-	-	-	0.38	-	-
- 3 May 2010	-	-	-	-	-	-	-	0.43	-	-
- Grant date	-	-	-	-	-	-	-	-	0.31	-
- 3 May 2010	-	-	-	-	-	-	-	-	0.43	-
- Grant date	-	-	-	-	-	-	-	-	-	0.39
Weighted average share price (RM)										
- grant date	3.52^	5.20^	7.20^	2.98	2.33	1.97	2.87	2.80	2.72	3.34
- 22 December 2009	2.66	2.66	2.66	2.66	2.66	2.66	2.66	*	*	*
- 3 May 2010	2.92	2.92	2.92	2.92	2.92	2.92	2.92	2.92	2.92	*
Expected volatility										
- grant date	30.00%	30.00%	30.00%	40.00%	40.00%	45.00%	45.00%	45.00%	45.00%	40.00%
- 22 December 2009	30.00%	30.00%	30.00%	40.00%	40.00%	45.00%	45.00%	*	*	*
- 3 May 2010	30.00%	30.00%	30.00%	40.00%	40.00%	45.00%	45.00%	45.00%	45.00%	*

## Notes to the Financial Statements

31 July 2011

## 28. Share capital (cont'd.)

(f) Fair value of share options granted (cont'd.)

The fair value of share options measured at the respective date and the assumptions are as follows: (cont'd.)

	ESOS									
Option price, before rights issue of warrants (RM)	1.73	2.60	3.63	2.98	2.29	1.94	2.72	2.79	2.79	*
Option price, after rights issue of warrants (RM)	1.54	2.32	3.24	2.66	2.04	1.73	2.42	2.49	2.49	3.33
Risk free rate										
– grant date	4.22%	3.56%	3.43%	3.38%	3.79%	2.76%	2.01%	2.66%	2.67%	2.91%
– 22 December 2009	3.65%	3.65%	3.65%	3.65%	3.65%	3.65%	3.65%	*	*	*
– 3 May 2010	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%	*
Expected dividend yield #	3.20%	3.20%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

The expected volatility is based on historical data and is not necessarily indicative of exercise patterns that may occur.

\* Share options are granted after modification on extension of Expiry Date.

# Expected dividend yield is assumed to be the same for all dates.

^ Before bonus issue on 25 October 2007.

## 29. Other reserves (non-distributable)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Capital reserve</b>				
At beginning of year	91,911	88,839	-	-
Movement in capital reserve in an associated company	5,402	3,072	-	-
At end of year	97,313	91,911	-	-
<b>Foreign exchange reserve</b>				
At beginning of year	(65,305)	16,451	6,509	251
Currency translation differences	(45,037)	(81,756)	8,754	6,258
At end of year	(110,342)	(65,305)	15,263	6,509
<b>Warrants reserve</b>				
At beginning of year	25,064	-	25,064	-
Issuance of warrants	-	25,231	-	25,231
Conversion of warrants	(138)	(167)	(138)	(167)
At end of year	24,926	25,064	24,926	25,064

## Notes to the Financial Statements

31 July 2011

### 29. Other reserves (non-distributable) (cont'd.)

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Hedging reserve*</b>				
At beginning of year	-	-	-	-
Effects of adopting FRS 139	(3,100)	-	(3,100)	-
	(3,100)	-	(3,100)	-
Fair value loss on cash flow hedge	(2,277)	-	(2,277)	-
At end of year	(5,377)	-	(5,377)	-
<b>Total other reserves</b>	<b>6,520</b>	<b>51,670</b>	<b>34,812</b>	<b>31,573</b>

#### \* Hedging reserve

Hedging reserve represents the effective portion of the gain or loss on hedging instruments in the Company's cash flow hedge.

### 30. Retained profits

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the Section 108 balance as at 31 July 2010. Accordingly, the Company may utilise the credit in the Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007. As at 31 July 2010, the Company has sufficient credit in the 108 balance to pay franked dividends out of its entire retained earnings.

The Company elected for the irrevocable option to disregard the Section 108 balance during the year. As at 31 July 2011, the Company utilised its credit in its 108 balance to pay franked dividends amounting to RM46,265,000 out of its retained earnings. The remaining dividend payments of RM185,525,000 were distributed under the single tier system.

The Company may distribute dividends out of its entire retained earnings as at 31 July 2011 under the single tier system.

### 31. Retirement benefit obligations

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its employees. Under the Scheme, eligible employees are entitled to retirement benefits of 2.5% on the last drawn monthly basic salary for each completed months of services on attainment of the retirement age of 55.

## Notes to the Financial Statements

31 July 2011

## 31. Retirement benefit obligations (cont'd.)

The amounts recognised in the statement of financial position are determined as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Present value of unfunded defined benefit obligations	13,551	11,302	2,865	3,837
Actuarial gain/(loss), net	823	328	[701]	[740]
<b>Net liability</b>	<b>14,374</b>	<b>11,630</b>	<b>2,164</b>	<b>3,097</b>
Analysed as:				
Current (Note 36)	4,152	1,774	943	1,325
Non-current:				
Later than 1 year but not later than 2 years	782	1,410	274	854
Later than 2 years but not later than 5 years	2,509	2,283	214	324
Later than 5 years	6,931	6,163	733	594
Amount included in other payables (Note 32)	10,222	9,856	1,221	1,772
	14,374	11,630	2,164	3,097

The amounts recognised in the profit or loss are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current service cost	5,210	2,959	203	218
Interest cost	692	339	192	218
Actuarial (gain)/loss recognised in the year	(495)	371	39	(126)
<b>Total, included in staff costs and directors' remuneration (Notes 5 and 6)</b>	<b>5,407</b>	<b>3,669</b>	<b>434</b>	<b>310</b>

Movements in the net liabilities in the current year were as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At beginning of year	11,630	10,456	3,097	3,094
Recognised in profit or loss	5,407	3,669	434	310
Contributions paid	(2,663)	(2,495)	(1,367)	(307)
<b>At end of year</b>	<b>14,374</b>	<b>11,630</b>	<b>2,164</b>	<b>3,097</b>

## Notes to the Financial Statements

31 July 2011

### 31. Retirement benefit obligations (cont'd.)

Principal actuarial assumptions used:

	2011 %	2010 %
Discount rate	6.1	6.1
Expected rate of salary increases		
– Up to age 39	8.0	8.0
– Ages 40 and above	6.0	6.0
Price inflation	3.5	3.5

### 32. Payables and derivatives

#### (a) Payables

	Group		Company	
	2011 RM'000	(Restated) 2010 RM'000	2011 RM'000	(Restated) 2010 RM'000
Advance membership fees	8,795	7,328	–	–
Retirement benefit obligations (Note 31)	10,222	9,856	1,221	1,772
Retention sums payable after one year	61,794	54,019	3,323	3,697
	80,811	71,203	4,544	5,469

Advance membership fees received are in connection with the provision of services by way of golfing, sporting and other recreational facilities. The advance membership fees are recognised as income over the tenure of the membership period which expires in 2058 to 2070.

#### (b) Derivatives

Derivatives represent effective hedges of interest rate swaps. The interest rate swaps are interest rate arrangements entered into to partially hedge a loan obtained by the Company. The contract amount of loan being hedged as at 31 July 2011 was RM133,497,000 (2010: RM143,370,000). The loan was drawdown in November 2009 and is subjected to floating interest rate. The Company had, in November 2009, entered into interest rate swaps agreement which entitled the Company to pay fixed interest rates ranging from 1.845% to 2.495% (2010: 1.845% to 2.495%) per annum until the maturity of the loan.

### 33. Deferred tax

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At beginning of year	(4,798)	(6,031)	(4,724)	(3,092)
Acquisition of a subsidiary	68,993	–	–	–
Recognised in opening retained earnings	(446)	–	–	–
Recognised in profit or loss (Note 9)	3,278	1,233	(511)	(1,632)
At end of year	67,027	(4,798)	(5,235)	(4,724)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(19,280)	(21,824)	(5,235)	(4,724)
Deferred tax liabilities	86,307	17,026	–	–
	67,027	(4,798)	(5,235)	(4,724)

## Notes to the Financial Statements

31 July 2011

## 33. Deferred tax (cont'd.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

## Deferred tax liabilities of the Group:

	Receivables RM'000	Accelerated capital allowances RM'000	Land RM'000	Total RM'000
At 1 August 2010	-	21,332	-	21,332
Acquisition of a subsidiary	-	-	68,993	68,993
Recognised in opening retained earnings	(24)	-	-	(24)
Recognised in profit or loss	(228)	(82)	-	(310)
At 31 July 2011	(252)	21,250	68,993	89,991
At 1 August 2009	-	20,551	-	20,551
Recognised in profit or loss	-	781	-	781
At 31 July 2010	-	21,332	-	21,332

## Deferred tax assets of the Group:

	Retirement benefit obligations RM'000	Provisions and accruals RM'000	Property development costs RM'000	Total RM'000
At 1 August 2010	(2,639)	(19,788)	(3,703)	(26,130)
Recognised in opening retained earnings	-	(422)	-	(422)
Recognised in profit or loss	(444)	530	3,502	3,588
At 31 July 2011	(3,083)	(19,680)	(201)	(22,964)
At 1 August 2009	(2,218)	(21,260)	(3,104)	(26,582)
Recognised in profit or loss	(421)	1,472	(599)	452
At 31 July 2010	(2,639)	(19,788)	(3,703)	(26,130)

## Deferred tax liabilities of the Company:

	Accelerated capital allowances RM'000
At 1 August 2010	326
Recognised in profit or loss	418
At 31 July 2011	744
At 1 August 2009	1,042
Recognised in profit or loss	(716)
At 31 July 2010	326

## Notes to the Financial Statements

31 July 2011

### 33. Deferred tax (cont'd.)

#### Deferred tax assets of the Company:

	Retirement benefit obligations RM'000	Provisions and accruals RM'000	Total RM'000
At 1 August 2010	(774)	(4,276)	(5,050)
Recognised in profit or loss	(354)	(575)	(929)
At 31 July 2011	(1,128)	(4,851)	(5,979)
At 1 August 2009	(773)	(3,361)	(4,134)
Recognised in profit or loss	(1)	(915)	(916)
At 31 July 2010	(774)	(4,276)	(5,050)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2011 RM'000	2010 RM'000
Unused tax losses	133,768	114,690
Unabsorbed capital allowances	11,583	11,058
Unutilised reinvestment allowances	1,457	1,457
Other deductible temporary differences	661	596
	147,469	127,801

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Group are subject to no substantial changes in shareholdings of the Group and guidelines issued by the tax authority. The availability of unused tax losses of foreign jointly controlled entities has a utilisation period of 3 years as pre-determined by the tax legislations of the respective countries.

### 34. Long term borrowings

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Murabahah medium term notes ("MTN") (a)	849,513	900,000	800,000	800,000
Term loans – secured (b)	473,967	378,736	–	–
	1,323,480	1,278,736	800,000	800,000

## Notes to the Financial Statements

31 July 2011

## 34. Long term borrowings (cont'd.)

## (a) Murabahah medium term notes ("MTN")

The MTN are drawdown by the following entities:

		Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Gamuda Berhad	(i)	800,000	800,000	800,000	800,000
Horizon Hills Developments Sdn. Bhd. ("HHDSB")	(ii)	49,513	100,000	-	-
		<b>849,513</b>	<b>900,000</b>	<b>800,000</b>	<b>800,000</b>

(i) The MTN amounting to RM800 million was drawdown by the Company in three tranches.

The amount drawdown, maturity date and yield as at issuance dates of the MTN are as follows:

	Amount drawdown RM'000	Issuance date	Maturity date	Yield at issuance date %
Issue No. 1	180,000	24.1.2008	24.1.2013	4.59
Issue No. 2	300,000	04.6.2008	04.6.2013	5.16
Issue No. 3	320,000	01.4.2010	01.4.2015	5.25
	<b>800,000</b>			

(ii) This represents the Group's share of the total RM200 million drawdown by HHDSB.

	Group	
	2011 RM'000	2010 RM'000
<b>Non-current</b>		
Murabahah medium term notes ("MTN")	50,000	100,000
Unamortised discounts and transaction costs	(487)	-
	<b>49,513</b>	<b>100,000</b>
<b>Current (Note 35(b))</b>		
Murabahah medium term notes ("MTN")	50,000	300,000
Unamortised discounts and transaction costs	(83)	-
	<b>49,917</b>	<b>300,000</b>

## Notes to the Financial Statements

31 July 2011

### 34. Long term borrowings (cont'd.)

#### (a) Murabahah medium term notes ("MTN") (cont'd.)

(ii) The amount drawdown, maturity date and yield as at issuance dates of the MTN are as follows:

	Amount drawdown RM'000	Issuance date	Maturity date	Yield at issuance date %
<b>Current</b>				
Issue No. 1	35,000	14.6.2007	14.6.2012	3.95
Issue No. 5	15,000	12.8.2008	12.8.2011	4.50
	50,000			
<b>Non-current</b>				
Issue No. 2	10,000	16.11.2007	16.11.2012	4.35
Issue No. 3	15,000	10.5.2008	10.5.2013	4.45
Issue No. 6	15,000	12.12.2008	12.12.2013	4.30
Issue No. 7	10,000	8.7.2011	8.7.2014	3.90
	50,000			

The MTN and CP of HHDSB as disclosed in Note 34(a) and Note 35 are secured by an unconditional and irrevocable undertaking from the Company to provide equity contributions (in the form of redeemable preference shares and/or ordinary shares) substantially in the form and substance acceptable to the Lead Arranger and the Security Trustee to meet:

- any financial obligation of HHDSB under the Programme and the Kafalah Facility (inclusive of principal and profit payments and fees and expenses) of up to RM280 million in the event that HHDSB does not have sufficient funds to meet such obligations; and/or
- any cash flow deficit of the Project and the Financial Covenants of up to RM30 million in a manner proportionate to the Company's shareholding percentage in HHDSB.

#### (b) Term loans – secured

The term loans are drawdown by the following entities:

		Group	
		2011 RM'000	2010 RM'000
Syarikat Mengurus Air Banjar & Terowong Sdn. Bhd. ("SMARTSB")	(i)	160,693	161,500
Jade Homes Sdn. Bhd.	(ii)	158,644	217,236
Tan Thang Company	(iii)	154,630	-
		473,967	378,736

## Notes to the Financial Statements

31 July 2011

### 34. Long term borrowings (cont'd.)

#### (b) Term loans – secured (cont'd.)

- (i) The term loan was drawdown by a jointly controlled entity, Syarikat Mengurus Air Banjir & Terowong Sdn. Bhd. ("SMARTSB") in relation to the motorway development of the Stormwater Channel and Motorway Works ("Project").

The term loan shall be repaid over 28 semi-annual instalments commencing from 2011 over 14 years with yields ranging from 5.55% to 5.76% at issuance dates.

The loan is secured by the following:

1. debentures to create a fixed and floating charge over all present and future assets of SMARTSB and Projek Smart Holdings Sdn. Bhd. ("PSHSB");
2. assignment of Principal Contracts whereby SMARTSB has awarded Gamuda Berhad to undertake a specified scope of work in respect of the Project;
3. assignment of Toll Revenue and Designated Accounts by SMARTSB including all its rights, interests, titles and benefits;
4. Deed of Subordination whereby PSHSB has subordinated or agreed to subordinate all loan stocks held; and
5. an undertaking from PSHSB and an undertaking from the shareholders of PSHSB to promptly provide funding for the Project as and when required to meet cost overruns during the construction and cash flow deficits during the operations.

The term loan was obtained on a non-recourse basis to the Group.

- (ii) The term loan was drawdown by a subsidiary, Jade Homes Sdn. Bhd. for the purpose of repayment of shareholders' advances for cost incurred in relation to land costs, infrastructure, earth works and land conversion premium on the Jade Hills project.

Term loan is repayable as follows:

	Group	
	2011 RM'000	2010 RM'000
Within one year (Note 35(c))	44,520	1,043
Between two to five years	158,644	217,236
	203,164	218,279

The facility is secured by a charge over freehold land under development as disclosed in Note 13.

- (iii) The term loan was drawdown by a subsidiary, Tan Thang Company. The loan is repayable within 24 months since the first disbursement date on 31 August 2010 and bears interest at 17.4% per annum. The facility is secured by a charge over leasehold land under development as disclosed in Note 13.

## Notes to the Financial Statements

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### 35. Short term borrowings

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
<b>Secured:</b>				
Commercial papers (a)	35,000	35,000	-	-
MTN (b)	49,917	300,000	-	-
Banker acceptance	515	-	-	-
<b>Unsecured:</b>				
Term loan (c)	45,325	1,043	-	-
Revolving credits	495,422	175,230	495,422	175,230
	<b>626,179</b>	<b>511,273</b>	<b>495,422</b>	<b>175,230</b>

#### (a) Commercial papers

The Commercial Papers of RM35 million (2010: RM35 million) represents the Group's share of the total of RM70 million (2010: RM70 million) drawdown by HHDSB. The Commercial Papers is secured by the terms as disclosed in Note 34(a)(ii).

#### (b) MTN

The MTN are drawdown by the following entities:

	Group	
	2011 RM'000	2010 RM'000
HHDSB (Note 34(a)(ii))	49,917	-
Harum Intisari Sdn. Bhd. ("HISB")	-	300,000
	<b>49,917</b>	<b>300,000</b>

In prior year, the MTN amounting to RM300 million drawdown by a wholly-owned subsidiary, HISB, is secured by a corporate guarantee from the Company. The first and second issuance of RM200 million and RM100 million MTN respectively with tenure of 5 years were completed on 28 September 2005 and 17 March 2006 respectively. The whole amount was fully repaid during the year.

The amount drawdown, maturity date and yield as at issuance dates of HISB's MTN are as follows:

	Amount drawdown RM'000	Issuance date	Maturity date	Yield at issuance date %
Issue No. 1	200,000	28.9.2005	28.9.2010	4.5
Issue No. 2	100,000	17.3.2006	17.3.2011	5.0
	<b>300,000</b>			

## Notes to the Financial Statements

31 July 2011

## 35. Short term borrowings (cont'd.)

## (c) Term loans

The term loans are drawdown by the following entities:

	Group	
	2011 RM'000	2010 RM'000
Jade Homes Sdn. Bhd. (Note 34(b)(ii))	44,520	1,043
SMARTSB (Note 34(b)(i))	805	-
	45,325	1,043

The weighted average effective interest rates for long term and short term borrowings (per annum) as at reporting date are as follows:

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Murabahah medium term notes	4.97	4.95	5.07	5.07
Revolving credits, denominated in				
– US dollar	1.77	1.70	1.77	1.70
Commercial papers	2.94	2.94	-	-
Banker's acceptance	3.50	-	-	-
Term loan	6.42	4.40	-	-

## 36. Payables

Payables of the Group and of the Company are analysed as follows:

	Group		Company	
	2011 RM'000	(Restated) 2010 RM'000	2011 RM'000	(Restated) 2010 RM'000
Current	1,515,993	1,346,719	53,098	143,856
Non-current (Note 32)	80,811	71,203	4,544	5,469
	1,596,804	1,417,922	57,642	149,325
Less:				
Due to associate companies	(38)	(29)	-	-
Due to joint venture partners	(53,528)	(20,618)	-	(5,656)
Progress billing	(28,409)	(18,739)	-	-
Due to customers on contracts (Note 25)	(610,041)	(606,375)	(2,403)	(2,633)
Retirement benefit obligations (Note 31)	(14,374)	(11,630)	(2,164)	(3,097)
Add:				
Long term borrowings (Note 34)	1,323,480	1,278,736	800,000	800,000
Short term borrowings (Note 35)	626,179	511,273	495,422	175,230
Due to subsidiaries (Note 37)	-	-	151,283	205,215
Total financial liabilities carried at amortised costs	2,840,073	2,550,540	1,499,780	1,318,384

## Notes to the Financial Statements

31 July 2011

### 36. Payables (cont'd.)

Payables of the Group and of the Company are analysed as follows: (cont'd.)

	Group		Company	
	2011 RM'000	(Restated) 2010 RM'000	2011 RM'000	(Restated) 2010 RM'000
<b>Current</b>				
<b>Trade payables</b>				
Trade payables	503,661	390,730	8,330	2,264
Due to associated companies	38	29	-	-
Due to joint venture partners	53,528	20,618	-	5,656
Retention sums	142,116	68,560	3,762	3,795
Progress billing	28,409	18,739	-	-
Due to customers on contracts (Note 25)	610,041	606,375	2,403	2,633
	1,337,793	1,105,051	14,495	14,348
<b>Other payables</b>				
Retirement benefit obligations (Note 31)	4,152	1,774	943	1,325
Sundry payables	40,983	35,132	-	-
Accruals	132,990	110,526	37,660	36,908
Dividends payable	-	91,275	-	91,275
Due to associated companies	75	227	-	-
Due to joint venture partners	-	2,734	-	-
	178,200	241,668	38,603	129,508
	1,515,993	1,346,719	53,098	143,856

The normal trade credit term granted to the Group and the Company ranges from 30 to 90 days (2010: 30 to 90 days).

The amounts due to associated companies and joint ventures are in respect of advances received for construction contracts and the amounts are unsecured, interest free and repayable through contra with future progress billings.

Included in sundry payables of the current financial year is an amount of RM Nil (2010: RM4,977,000) representing the balance purchase consideration for the purchase of freehold land for development by a subsidiary.

### 37. Due to subsidiaries

	Company	
	2011 RM'000	2010 RM'000
Due to subsidiaries		
- trade	103,262	44,235
- non-trade	48,021	160,980
	151,283	205,215

The trade amounts due to subsidiaries have a normal credit term which ranges from 30 to 90 days (2010: 30 to 90 days).

The non-trade amounts due to subsidiaries are unsecured, interest free and repayable on demand.

## Notes to the Financial Statements

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## 38. Provision for liabilities

Provision for liabilities of the Group is analysed as follows:

	2011 RM'000	(Restated) 2010 RM'000
Current	7,385	4,704
Non-current	3,465	5,581
	10,850	10,285

Group	Provision for promotional costs Note (a) RM'000	Provision for development costs Note (b) RM'000	Provision for club membership Note (c) RM'000	Total RM'000
At 1 August 2010	–	10,285	–	10,285
Provision during the year	–	1,284	1,984	3,268
Utilisation during the year	–	(542)	(464)	(1,006)
Unused amounts reversed	–	(1,697)	–	(1,697)
At 31 July 2011	–	9,330	1,520	10,850
At 1 August 2009	222	11,604	–	11,826
Utilisation during the year	(222)	(1,319)	–	(1,541)
At 31 July 2010	–	10,285	–	10,285

**(a) Provision for promotional costs**

A wholly-owned subsidiary of the Group is obliged to give rebates on the purchase price and refund the payment of interest on loan and stamp duty of the purchasers via various incentive schemes offered during the financial year.

**(b) Provision for development costs**

Provision for development costs is in respect of development projects undertaken by its subsidiaries. The provision is recognised for development costs expected to be incurred for the completed projects.

A wholly-owned subsidiary of the Group recognised provision for development costs as it had a present obligation as a result of a past event and it was probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

During the financial year, based on the earlier estimation and development experience, management concluded that the provision for future development costs exceeded the amount necessary to cover the development costs. Accordingly, RM1,697,000 (2010: Nil) of the future development costs has been reversed.

**(c) Provision for club memberships**

A wholly-owned subsidiary of the Group is obliged to offer club membership via incentive schemes offered.

## Notes to the Financial Statements

31 July 2011

### 39. Commitments

#### Capital Commitments

	Group	
	2011 RM'000	2010 RM'000
Approved and not contracted for:		
Property, plant and equipment	42,090	-
Approved and contracted for:		
Property, plant and equipment	-	4,595
Land	109,745	208,105
Investment	-	213,180
Others	2,825	-

### 40. Material litigations

- (i) On 23 January 2006, a jointly controlled entity, MMC-Gamuda JV ("Joint Venture") had terminated Wayss & Freytag (Malaysia) Sdn. Bhd. ("W&F") as the sub-contractor for the North Tunnel of the Stormwater Management and Road Tunnel Project due to a breach of contract in accordance with the sub-contract dated 16 April 2003 ("Sub-Contract").

Following the termination of the Sub-Contract and in accordance with the terms and conditions of the Sub-Contract, both the Joint Venture and W&F submitted various claims against each other to the Dispute Adjudication Board ("DAB") for adjudication. The Joint Venture's total claim against W&F was for a sum of RM161,312,000. W&F's total claim against the Joint Venture was for a sum of RM153,818,000.

According to the DAB's decision on the various claims submitted, the Joint Venture is to pay W&F a net sum of RM102,367,000. Under the terms of the Sub-Contract, any party who is dissatisfied with the decisions of the DAB may issue a Notice of Dissatisfaction and require the matter to be referred to arbitration. The Joint Venture had issued several Notices of Dissatisfaction against the DAB's decisions.

On 17 December 2008, the Joint Venture issued a Notice of Arbitration to commence arbitration proceedings against W&F for the sum of RM154,775,000 for breach of the Sub-Contract. In turn, W&F on 15 January 2009 issued a Notice of Arbitration to commence arbitration proceedings against the Joint Venture in respect of their claims amounting to RM151,279,000.

A preliminary meeting between the Arbitral Tribunal members and the parties' respective solicitors was held on 17 September 2009 where the Arbitral Tribunal has directed that the arbitration proceedings commence by both parties be heard together over the period 4 July 2011 till 15 July 2011.

Subsequently, by mutual agreement of the parties and with the concurrence of the Arbitral Tribunal, the first tranche of the hearing was held from 18 July 2011 till 29 July 2011, and the second tranche of the arbitration hearing is fixed to be held on 7 December 2011 to 9 December 2011. The earlier reserved dates for the hearing from 1 August 2011 to 5 August 2011 were not required. The parties will be exchanging their closing submissions by 31 October 2011 (as extended by the Tribunal from 15 October 2011). Upon conclusion of the second tranche, the parties will be exchanging their reply closing submissions by 31 January 2012.

On 13 November 2008, W&F had served a Writ of Summons and a Statement of Claim ("the Court Action") against the Joint Venture for a declaration that the Joint Venture is in breach of the Sub-Contract by failing to make payment of RM102,367,000 awarded by the DAB to W&F.

On 1 June 2009, the Joint Venture obtained a Stay of Proceedings on the Court Action from the Senior Assistant Registrar of the Court. On the same day, W&F filed an appeal to the High Court Judge against the Stay of Proceedings on the Court Action.

On 30 October 2009, the Court dismissed W&F's appeal against the Court's earlier decision to stay the Court Action. The Court Action was previously fixed for mention on 22 October 2010, pending the arbitration between the Joint Venture and W&F. On 22 October 2010, the Court fixed for further mention on 3 August 2011. The next mention date is 12 December 2011.

## Notes to the Financial Statements

31 July 2011

### 40. Material litigations (cont'd.)

- (i) Separately, on 14 October 2010, W&F applied to the Arbitral Tribunal for its decision on 3 preliminary issues. The main issue raised by W&F is whether the JV is obliged to comply with the DAB's decisions by forthwith paying to W&F the amount of RM100,540,372 (as awarded by the DAB) and interest.

The Arbitral Tribunal heard the parties on the preliminary issues on 16 February 2011. The Arbitral Tribunal has in its letter dated 7 March 2011 concluded that it does not have jurisdiction to entertain the preliminary issues raised by W&F. Consequently, the JV does not need to pay W&F the amount of RM100,540,372.

In the arbitration proceedings, the potential gain to the Joint Venture in succeeding in its claims could be up to RM140,604,000 and the potential loss from losing to W&F's claim for wrongful termination could be up to RM120,422,000.

In the Court Action, the potential loss could range up to RM102,367,000.

- (ii) Bahrain Asphalt Establishment B.S.C (Closed) ("BAE") had on 4 March 2010 served a Request For Arbitration against Gamuda Berhad ("Company") (as the 1st Respondent), WCT Berhad (as the 2nd Respondent) and Gamuda-WCT Joint Venture, Qatar ("the JV") (as the 3rd Respondent), to refer certain alleged disputes to arbitration in Qatar. The Company's and WCT Berhad's interests in the JV are in the proportions of 51% and 49% respectively.

BAE was appointed as the sub-contractor for the works known as the granular sub-base and flexible pavement works ("Sub-contract Works") for the JV's project known as "Dukhan Highway From Shahaniya to Zekreet" which involves the construction of a 43 km new highway from Shahaniya to Zekreet in Qatar.

BAE's statement of claim was submitted on 10 February 2011, BAE claims from the Respondents, jointly and severally, a total quantified sum of QAR144,718,370 (approximately RM117,771,809) comprising:-

- (a) QAR110,178,160 for alleged prolongation, escalation, collateral and associated costs for 728 days' delay in completion of the Sub-contract works;
- (b) QAR13,400,205 for alleged Gabbro Aggregate overcharge/wrongful deductions;
- (c) QAR964,970 for alleged wrongful deduction for supply of bitumen;
- (d) QAR9,187,663 for alleged wrongful deductions from payments due to the Claimant for the supply of dune sand;
- (e) QAR5,923,081 for alleged incorrect measurement of the subcontract works for the purpose of payment;
- (f) QAR5,064,291 for retention money allegedly owed to BAE;

and further unquantified sums for legal costs, arbitration costs and interest (collectively referred to as "the Claims").

The Arbitral Tribunal has been constituted on 19 July 2010.

On 5 May 2011, the Respondents have submitted a counter claim of a total quantified sum of QAR34,940,773.34 (RM28,434,801) for breach of contract by BAE.

The Company is of the opinion that there are significant technical difficulties for BAE to overcome in pursuing its claims against the Respondents in the Request for Arbitration.

## Notes to the Financial Statements

31 July 2011

### 41. Significant related party transactions

- (a) In addition to transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Contract services rendered by SSP (E&M) Sdn. Bhd., a company in which a former director, Y Bhg Tan Sri Dato' Ir. Talha bin Haji Mohd Hashim has interest	51	76	-	-
Contract services rendered by Sepakat Setia Perunding Sdn. Bhd., a company in which a former director, Y Bhg Tan Sri Dato' Ir. Talha bin Haji Mohd Hashim has interest	1,150	2,423	-	-
Contract services rendered by GLC Architect, a company in which a person connected with a director, Y Bhg Dato' Goon Heng Wah, has interest	170	454	-	-
Contract services rendered to Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd., an associated company	(108,940)	(108,795)	-	-
Contract services rendered to MMC-Gamuda JV 2T	(45,505)	(44,618)	-	-
Rental received from subsidiaries	-	-	(676)	(675)
Interest receivable from subsidiaries	-	-	(11,057)	(6,691)

The directors are of the opinion that the transactions above have been entered into in the normal course of business.

### (b) Compensation of key management personnel ("KMP"):

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity either directly or indirectly.

The remuneration of key management personnel during the year was as follows:

#### Total KMPs' remuneration

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total	8,360	8,229	6,092	6,031

For the details of Board of Directors' remuneration, please refer to Note 6.

## Notes to the Financial Statements

31 July 2011

### 42. Significant events

#### (a) Sale of Syarikat Pengeluar Air Selangor Holdings Berhad

Syarikat Pengeluar Air Sungai Selangor Sdn Bhd ("SPLASH") has on 21 July 2009 accepted the offer from Selangor State Government ("SSG") to purchase the water-related assets and operations of SPLASH ("transaction") for an estimated gross price of RM2,975,000,000 under the terms and conditions as set out in SSG's Third Letter of Offer dated 15 July 2009 ("the Acceptance"). The Acceptance is also conditional upon the following:-

- (i) approvals from the relevant authorities or any other approvals/consents as may be required to complete the Transaction;
- (ii) execution of all necessary legal documents including a supplemental agreement between Sungai Harmoni Sdn. Bhd. and/or Gamuda Water Sdn. Bhd. ["Operator(s)"] and SPLASH/SSG/SSG'S nominee to incorporate necessary amendments to the respective operations and maintenance ("O&M") Agreement(s) dated 24 January 2000 to reflect SSG's commitment to continue to retain and not to terminate the services of the Operators;
- (iii) the settlement of the offer price on a one lump sum cash basis within an agreed timeframe; and
- (iv) the Transaction is to be accomplished via a sale of shares of Syarikat Pengeluar Air Selangor Holdings Berhad, the holding company of SPLASH, to SSG or its nominee as opposed to a sale of assets to facilitate a less complicated consolidation of operations in the Selangor water industry and to accomplish a more efficient transition of the O&M contracts to SSG or its nominee.

However, the offer dated 15 July 2009 had lapsed on 30 November 2009.

On 24 March 2010, SPLASH made an offer of RM10,750,000,000 to take over water assets and operations of the water services industry of the Selangor State/Federal Territory. The offer was submitted to the Federal Government ("FG") and SSG.

On 20 April 2010, SPLASH submitted a 're-aligned offer' to the FG and the SSG which is basically the same offer as the one dated 24 March 2010 except that the water assets purchased by SPLASH are now sold to Pengurusan Aset Air Berhad, and then leased back for operations. SPLASH will become 'asset light', and thus, 're-aligned' within the spirit of the Water Services Industry Act 2006.

On 17 May 2010, the FG wrote to inform SPLASH that they will be making new offers to all water players. As such the FG will not be considering SPLASH's offer as yet in order to allow new offers to be made to SPLASH and the other water players in Selangor.

On 2 July 2010, SPLASH wrote to the FG and the SSG to inform that they have yet to receive any new offer with respect to their letter dated 17 May 2010. In turn, SPLASH stated that its current offer to the FG and the SSG will remain good until 31 December 2010.

On 6 January 2011, a conditional offer ("Offer") was made by the SSG to acquire all the voting shares in SPLASH at a cash offer price of RM5.95 per share.

On 28 January 2011, SPLASH replied that it was unable to accept the Offer as it undervalued the company and is also well below the previous offer made by the SSG to SPLASH dated 15 July 2009, which SPLASH had then accepted in good faith.

Acqua SPV Bhd, a wholly owned subsidiary of Pengurusan Aset Air Bhd (PAAB) has acquired all of SPLASH's bonds and is in the midst of restructuring them to ease SPLASH's immediate debt commitments.

As at today, there has been no new development on this matter.

#### (b) Acquisition of land

During the year, Idaman Lantas Sdn. Bhd., a wholly-owned subsidiary of the Company has completed the acquisition of the parcels of land for development in Kuala Lumpur for a cash consideration of RM105,080,000.

#### (c) Acquisition of building

During the year, the Company has completed the acquisition of 37 units of office lots located at PJ Trade Centre, for a cash consideration of RM100,603,000.

## Notes to the Financial Statements

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### 43. Fair value of financial instruments

#### A. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Note	Group		Company	
		Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
<b>At 31 July 2011</b>					
<b>Financial assets:</b>					
Unquoted investments in subsidiaries	18	-	-	2,249,956	*
Unquoted interests in associated companies	19	1,261,733	*	642,425	*
Quoted investment in an associated company	19	357,897	860,413	59,624	860,413
Unquoted interests in jointly controlled entities	20	-	-	244,601	*
Other investments:	21				
- Unquoted		50	*	50	*
- Investment in transferable club memberships		683	1,000	683	1,000
Retention sums receivable after one year	23(b)	57,127	58,412	22,754	24,038
Amount due from an associated company	23(b)	15,735	16,160	-	-
Amount due from a third party	23(b)	19,471	19,594	-	-
<b>Financial liabilities:</b>					
Retention sums payable after one year	32(a)	61,794	52,049	3,323	3,244
Medium term notes	34	849,513	864,933	800,000	819,901
Term loan	34	473,967	471,096	-	-
<b>At 31 July 2010</b>					
Unquoted investments in subsidiaries	18	-	-	1,001,535	*
Unquoted interests in associated companies	19	1,165,108	*	634,925	*
Quoted investment in an associated company	19	328,058	733,882	59,624	733,882
Unquoted interests in jointly controlled entities	20	-	-	244,476	*
Other investments:	21				
- Unquoted		50	*	50	*
- Investment in transferable club memberships		683	735	683	735
Investment securities	24	784,104	784,834	93,876	93,876
<b>Financial liabilities:</b>					
Interest rate swaps		-	3,100	-	3,100
Forward foreign currency contracts		-	522	-	-
Medium term notes	34	900,000	901,271	800,000	801,188
Term loan	34	378,736	377,418	-	-

\* It is not practical to estimate the fair value of the Group's and the Company's non-current unquoted investments because of the lack of quoted market price and without incurring excessive costs.

## Notes to the Financial Statements

31 July 2011

### 43. Fair value of financial instruments (cont'd.)

The following methods and assumptions are used to estimate fair values of the following classes of financial instruments:

- (i) Quoted investment in an associated company and short term investments  
Fair value is determined directly by reference to their published market bid price at the reporting date.
- (ii) Non-current receivables and non-current borrowings  
The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or borrowing arrangements as the reporting date.
- (iii) Forward foreign exchange contracts  
In prior year, the fair value of a forward foreign exchange contract is the amount that would be payable or receivable on termination of the outstanding position arising and is determined by reference to the difference between the contracted rate and forward exchange rate as at the reporting date applied to a contract of similar quantum and maturity profile.
- (v) Interest rate swaps  
In prior year, the fair value of an interest rate swap is the amount that would be payable or receivable upon termination of the position at the reporting date, and is calculated as the difference between present value of the estimated future cash flows at the contracted rate compared to that calculated at the market rate at the reporting date.
- (vi) Current receivables, cash and bank balances and current payables  
The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.
- (vii) Current borrowings  
The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.
- (viii) Investment securities  
Fair value is determined directly by reference to their published market bid price at the reporting date.

### 44. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Group operates within clearly defined guidelines that are approved by the Board.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

#### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

#### *Exposure to credit risk*

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 23.

## Notes to the Financial Statements

31 July 2011

### 44. Financial risk management objectives and policies (cont'd.)

#### (a) Credit risk (cont'd.)

##### *Credit risk concentration profile*

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables at the reporting date are as follows:

	Group			
	2011		2010	
	RM'000	% of total	RM'000	% of total
<b>By country:</b>				
Malaysia	554,198	85%	456,080	85%
Middle East	93,636	14%	79,695	15%
Vietnam	7,833	1%	1,172	0%
	655,667	100%	536,947	100%
<b>By industry sectors:</b>				
Engineering and Construction	571,545	87%	446,705	83%
Property development and club operations	82,477	13%	88,597	17%
Water and expressway concessions	1,645	0%	1,645	0%
	655,667	100%	536,947	100%

##### Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 23. Deposits with banks and other financial institutions and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

##### Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 23.

#### (b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by bank borrowings.

At the reporting date, approximately 32% (2010: 29%) of the Group's loans and borrowings (Note 35) will mature in less than one year based on the carrying amount reflected in the financial statements. 38% (2010: 18%) of the Company's loans and borrowings will mature in less than one year at the reporting date.

## Notes to the Financial Statements

31 July 2011

## 44. Financial risk management objectives and policies (cont'd.)

## (b) Liquidity risk (cont'd.)

*Analysis of financial instruments by remaining contractual maturities*

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	← 2011 →			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>Group</b>				
<b>Financial liabilities:</b>				
Trade and other payables	1,515,993	85,012	–	1,601,005
Loans and borrowings				
– Principal	626,262	1,166,494	157,475	1,950,231
– Interest	64,001	106,177	8,913	179,091
Derivatives – settled net	1,483	3,894	–	5,377
<b>Total undiscounted financial liabilities</b>	<b>2,207,739</b>	<b>1,361,577</b>	<b>166,388</b>	<b>3,735,704</b>
<b>Company</b>				
<b>Financial liabilities:</b>				
Trade and other payables	53,098	4,918	–	58,016
Amount due to subsidiaries	151,283	–	–	151,283
Loans and borrowings				
– Principal	495,422	800,000	–	1,295,422
– Interest	49,559	60,431	–	109,990
<b>Total undiscounted financial liabilities</b>	<b>749,362</b>	<b>865,349</b>	<b>–</b>	<b>1,614,711</b>

*Hedging activities*

The Group and the Company entered into interest rate swaps to hedge the cash flow risk in relation to the floating interest rate on certain USD denominated borrowings. The interest rate swaps with contract value of RM133,497,000 are settled every quarterly.

The following table indicates the periods in which the cash flows are expected to occur for cash flow hedges:

	Contractual cash flows RM'000	Within 1 year RM'000	1 – 3 years RM'000
Net cash outflows	5,377	1,483	3,894

The Group's hedging activities on the interest rate swaps are tested to be effective and during the year a net loss of RM2,277,000 was recognised in equity.

## Notes to the Financial Statements

31 July 2011

### 44. Financial risk management objectives and policies (cont'd.)

#### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. To manage this mix in a cost-efficient manner, the Group enters into interest rate swaps. At the reporting date, after taking into account the effect of an interest rate swap, approximately 61% (2010: 76%) of the Group's borrowings are at fixed rates of interest.

#### Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM1,416,000 higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

#### (d) Market price risk

Market price risk is the risk that the fair value or the future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to market price risk arising from its investment in management fund. These instruments are classified as held for trading financial assets. The Group does not have exposure to commodity price risk.

As at reporting date, the Group does not have significant market price exposure.

#### (e) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Transactions in foreign operation are mainly denominated in the functional currency of the country it operates, and other foreign currency transactions are kept to an acceptable level. The Group's revenue that are denominated in foreign currencies are as disclosed in Note 46.

Included in the following statements of financial position captions of the Group as at the reporting date are balances denominated in the following major foreign currencies:

Group	Vietnam Dong RM'000	Indian Rupee RM'000	New Taiwan Dollar RM'000	United States Dollar RM'000	Qatari Riyal RM'000	Bahraini Dinar RM'000	Total RM'000
<b>At 31 July 2011:</b>							
Cash, deposits and bank balances	156,228	5,698	2,332	3	34,783	8,234	207,278
Receivables	573,642	47,543	7,385	315	195,426	20,809	1,070,890
Payables	135,208	910	857	293	130,481	10,286	278,035
<b>At 31 July 2010:</b>							
Cash, deposits and bank balances	264,440	5,513	1,963	1	103,755	60,109	435,781
Receivables	444,587	51,124	8,126	106	328,139	66,714	898,796
Payables	204,198	2,796	9,481	78	206,844	49,360	472,757

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including India, Qatar, Bahrain and Vietnam. The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the business is located.

## Notes to the Financial Statements

31 July 2011

## 44. Financial risk management objectives and policies (cont'd.)

## (e) Foreign currency risk (cont'd.)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the VND, USD, BHD, NTD, QR and INR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Profit for the year	
	Group	Company
	2011 RM'000	2011 RM'000
VND/RM – strengthened 5% (2010: 5%)	36,563	–
– weakened 5% (2010: 5%)	(36,563)	–
USD/RM – strengthened 5% (2010: 5%)	(24,741)	(24,771)
– weakened 5% (2010: 5%)	24,741	24,771
BHD/RM – strengthened 5% (2010: 5%)	938	–
– weakened 5% (2010: 5%)	(938)	–
NTD/RM – strengthened 5% (2010: 5%)	443	–
– weakened 5% (2010: 5%)	(443)	–
QR/RM – strengthened 5% (2010: 5%)	4,986	–
– weakened 5% (2010: 5%)	(4,986)	–
INR/RM – strengthened 5% (2010: 5%)	2,708	–
– weakened 5% (2010: 5%)	(2,708)	–

## 45. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The capital management approaches remain unchanged for the current and previous years.

The Group monitors and maintains a prudent level of gearing ratio, which is net debt divided by total capital, to optimise shareholders value and to ensure compliance under debt covenants.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group includes within net debt, loans and borrowings less cash and bank balances. Capital includes equity attributable to the owners of the parent and non controlling interests.

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Loans and borrowings	1,949,659	1,790,009	1,295,422	975,230
Less: Cash and bank balances	(1,048,968)	(1,165,550)	(71,706)	(207,013)
Net debt	900,691	624,459	1,223,716	768,217
Equity attributable to the owners of the parent	3,886,565	3,440,176	2,607,141	2,489,533
Non-controlling interests	200,341	50,198	–	–
Total capital	3,886,906	3,490,374	2,607,141	2,489,533
Gearing ratio	23%	18%	47%	31%

## Notes to the Financial Statements

31 July 2011

### 46. Segment information

The Group reporting is organised and managed in three (3) major business units. The segments are organised and managed to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

- (i) Engineering and construction – the construction of highways and bridges, airfield facilities, railway, water treatment plants, dams, general and trading services related to construction activities;
- (ii) Property development and club operations – the development of residential and commercial properties and club operations; and
- (iii) Water and expressway concessions – the management of water supply and the management and tolling of highway operations.

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

The Group's chief operating decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

2011	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Notes	Consolidated RM'000
Revenue						
External sales	1,842,326	704,561	126,321	-		2,673,208
Inter-segment sales	16,325	-	-	(16,325)	<b>A</b>	-
<b>Total revenue</b>	<b>1,858,651</b>	<b>704,561</b>	<b>126,321</b>	<b>(16,325)</b>		<b>2,673,208</b>
Result						
Profit from operations	163,854	154,494	62,526	-		380,874
Finance costs	(20,530)	(13,800)	(24,449)	-		(58,779)
Share of results of associated companies	-	9,241	213,188	-		222,429
<b>Profit before taxation</b>	<b>143,324</b>	<b>149,935</b>	<b>251,265</b>	<b>-</b>		<b>544,524</b>
Taxation						(111,579)
<b>Profit for the year</b>						<b>432,945</b>
<b>Assets and liabilities</b>						
Segment assets	1,904,967	3,376,758	649,943	-		5,931,668
Interests in associated companies	-	258,236	1,361,394	-		1,619,630
						<b>7,551,298</b>
Segment liabilities	2,509,081	921,811	233,500	-		3,664,392
<b>Other information</b>						
Depreciation and amortisation	10,602	3,763	4,862	-		19,227
Additions to non-current assets	115,045	157,603	532	-	<b>B</b>	273,180
Non-cash items other than depreciation and amortisation	59,742	3,682	90	-	<b>C</b>	63,514

## Notes to the Financial Statements

31 July 2011

## 46. Segment information (cont'd.)

2010	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Notes	Consolidated RM'000
<b>Revenue</b>						
External sales	1,793,877	526,356	134,910	-		2,455,143
Inter-segment sales	24,210	-	-	(24,210)	<b>A</b>	-
<b>Total revenue</b>	<b>1,818,087</b>	<b>526,356</b>	<b>134,910</b>	<b>(24,210)</b>		<b>2,455,143</b>
<b>Result</b>						
Profit from operations	99,903	90,258	69,691	-		259,852
Finance costs	(19,995)	(14,163)	(9,655)	-		(43,813)
Share of results of associated companies	-	12,059	184,162	-		196,221
<b>Profit before taxation</b>	<b>79,908</b>	<b>88,154</b>	<b>244,198</b>	<b>-</b>		<b>412,260</b>
Taxation						(80,547)
<b>Profit for the year</b>						<b>331,713</b>
<b>Assets and liabilities</b>						
Segment assets	2,318,305	2,384,552	537,538	-		5,240,395
Interests in associated companies	-	124,333	1,368,833	-		1,493,166
						<b>6,733,561</b>
Segment liabilities	2,074,883	985,396	182,908	-		<b>3,243,187</b>
<b>Other information</b>						
Depreciation and amortisation	11,338	2,999	5,289	-		19,626
Additions to non-current assets	12,269	26,795	350	-	<b>B</b>	39,414
Non-cash items other than depreciation and amortisation	68,744	2,605	72	-	<b>C</b>	71,421

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Additions to non-current assets consist of:

	Note	2011 RM'000	2010 RM'000
Property, plant and equipment	12	116,739	15,903
Land held for property development	13(a)	156,441	23,511
		<b>273,180</b>	<b>39,414</b>

## Notes to the Financial Statements

31 July 2011

### 46. Segment information (cont'd.)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd.)

C Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2011 RM'000	2010 RM'000
Property, plant and equipment written off	7	1,723	167
Unrealised loss on foreign exchange		31,466	53,316
Gain on acquisition	7	-	1,599
Provisions		30,325	16,339
		63,514	71,421

### Geographical information

	Revenues		Non-current assets	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Malaysia	2,140,228	1,821,800	1,039,135	1,037,718
Outside Malaysia				
Taiwan, Republic of China	-	2,316	-	-
Mauritius	-	-	186	216
Qatar	149,273	283,424	53,860	56,570
Bahrain	39,860	94,016	24,701	27,393
Vietnam	343,847	253,587	147,194	5,075
	532,980	633,343	225,941	89,254
Consolidated	2,673,208	2,455,143	1,265,076	1,126,972

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	2011 RM'000	2010 RM'000
Property, plant and equipment	345,718	301,639
Land held for property development	390,872	278,279
Investment properties	11,157	2,604
Prepaid land lease payments	4,872	5,297
Motorway development expenditure	323,357	324,869
Receivables	189,100	214,284
	1,265,076	1,126,972

Included in the Group total revenue is the revenue from two external customers in construction and engineering segment of RM963,000,000 (2010: RM1,245,000,000) from Government of Malaysia and RM128,000,000 (2010: RM273,000,000) from Government of the State of Qatar.

## Notes to the Financial Statements

31 July 2011

## 47. Comparative information

The following statement of financial position comparative figures have been reclassified to conform with current financial year's presentation:

Group	As previously stated RM	Increase/ (decrease) RM	As reclassified RM
<b>As at 31 July 2010</b>			
Non-current receivables	39,328	174,956	214,284
Current receivables	1,607,772	(174,956)	1,432,816
Non-current provision for liabilities	-	5,581	5,581
Current provision for liabilities	10,285	(5,581)	4,704
Non-current payables	17,184	54,019	71,203
Current payables	1,400,738	(54,019)	1,346,719
<b>As at 1 August 2009</b>			
Non-current receivables	40,306	61,516	101,822
Current receivables	1,459,134	(61,516)	1,397,618
Non-current provision for liabilities	-	9,202	9,202
Current provision for liabilities	11,826	(9,202)	2,624
Non-current payables	15,651	47,852	63,503
Current payables	1,072,642	(47,852)	1,024,790
<b>Company</b>			
<b>As at 31 July 2010</b>			
Non-current receivables	-	27,392	27,392
Current receivables	72,832	(27,392)	45,440
Non-current payables	1,772	3,697	5,469
Current payables	147,553	(3,697)	143,856
<b>As at 31 July 2009</b>			
Non-current receivables	-	60,949	60,949
Current receivables	127,663	(60,949)	66,714

## Notes to the Financial Statements

31 July 2011

### 48. Supplementary information – breakdown of retained profits into realised and unrealised

The breakdown of the retained profits of the Group and of the Company as at 31 July 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group RM'000	Company RM'000
Total retained earnings of the Company and its subsidiaries		
Realised	986,449	335,445
Unrealised	(30,390)	16,186
	956,059	351,631
Total share of accumulated losses from jointly controlled entity		
Realised	152,886	-
Unrealised	1,880	-
	154,766	-
Total share of retained profits from associated companies		
Realised	745,036	-
Unrealised	(248,214)	-
	496,822	-
Add: Consolidation adjustments	(148,300)	-
Retained earnings as per financial statements	1,459,347	351,631

# Statement of Directors' Interests

As at 7 October 2011  
(As shown in the Register of Directors' Shareholdings)

Other than disclosed below, there is no other Director of the Company who has interest in the shares, warrants and options over shares in the Company and its related corporations.

## Shares held in the Company

Name of Director	Direct	%	Deemed	%
Raja Dato' Seri Abdul Aziz bin Raja Salim	80,000	*4	-	-
Dato' Lin Yun Ling	-	-	34,697,636*2	1.68
Tan Sri Dato' Mohd Ramli bin Kushairi	52,600	*4	-	-
Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	70,000	*4	-	-
Raja Dato' Seri Eleena binti Raja Azlan Shah	200,000	0.01	143,000,000*3	6.92
Dato' Seri Ir Kamarul Zaman bin Mohd Ali	413,000	0.02	2,407,630*1	0.12
Dato' Ir Ha Tiing Tai	18,015,876	0.87	14,200*1	*4
Dato' Goon Heng Wah	13,260,000	0.64	5,104,032*1	0.25
Dato' Ng Kee Leen	32,024,898	1.55	522,472*1	0.03
Saw Wah Theng	325,000	0.02	-	-
Chow Chee Wah (Alternate to Dato' Lin Yun Ling)	108,000	0.01	-	-

## Warrants 2010/2015 held in the Company

Name of Director	Direct	%	Deemed	%
Raja Dato' Seri Abdul Aziz bin Raja Salim	10,100	*4	-	-
Dato' Lin Yun Ling	-	-	4,403,100*2	1.77
Raja Dato' Seri Eleena binti Raja Azlan Shah	25,000	0.01	1,400,000*3	0.56
Dato' Haji Azmi bin Mat Nor	36,600	0.01	-	-
Dato' Ir Ha Tiing Tai	2,278,400	0.91	1,800*1	*4
Dato' Goon Heng Wah	1,648,300	0.66	651,400*1	0.26
Dato' Ng Kee Leen	4,016,500	1.61	197,100*1	0.08
Saw Wah Theng	47,375	0.02	-	-
Chow Chee Wah (Alternate to Dato' Lin Yun Ling)	20,200	0.01	-	-

### Notes:

\*1 Through spouse

\*2 Through HSBC (Malaysia) Trustee Berhad

\*3 Through Generasi Setia (M) Sdn Bhd

\*4 Less than 0.01%

## Share options held in the Company

- Share options held under the Gamuda Berhad Employees' Share Option Scheme

Name of Director	Number of Share Options Held
Dato' Lin Yun Ling	1,500,000
Dato' Seri Ir Kamarul Zaman bin Mohd Ali	702,000
Dato' Haji Azmi bin Mat Nor	800,000
Dato' Ir Ha Tiing Tai	900,000
Dato' Goon Heng Wah	720,000
Dato' Ng Kee Leen	900,000
Saw Wah Theng	900,000
Chow Chee Wah (Alternate to Dato' Lin Yun Ling)	835,000

## Shareholders' & Warrantholders' Information

As at 7 October 2011

### Ordinary shares

Authorised	:	RM3,000,000,000
Issued and fully paid	:	RM2,065,493,980
Type of shares	:	Ordinary shares of RM1.00 each
Voting rights	:	1 vote per shareholder on a show of hands 1 vote per share on a poll
No. of shareholders	:	25,838

### Distribution of Shareholdings

Size of shareholdings	Number of shareholders	%	Number of shares held	%
Less than 100	302	1.17	5,083	0.00
100 – 1,000	5,374	20.80	4,896,805	0.24
1,001 – 10,000	15,830	61.27	67,278,001	3.26
10,001 – 100,000	3,576	13.84	106,297,159	5.14
100,001 – 103,274,698	752	2.91	1,316,491,032	63.74
103,274,699* and above	4	0.01	570,525,900	27.62
<b>Total</b>	<b>25,838</b>	<b>100.00</b>	<b>2,065,493,980</b>	<b>100.00</b>

#### Note:

\* Denotes 5% of the issued capital

### Substantial Shareholders

(As shown in the Register of Substantial Shareholders)

Name of substantial shareholder	← Number of shares held →		%
	Direct	Deemed	
Amanahraya Trustees Berhad – Skim Amanah Saham Bumiputera	172,538,900	-	8.35
Kumpulan Wang Persaraan (Diperbadankan)	167,765,500	-	8.12
Raja Dato' Seri Eleena binti Raja Azlan Shah	200,000	143,000,000*	6.93
Generasi Setia (M) Sdn Bhd	143,000,000	-	6.92
Employees Provident Fund Board	131,042,100	-	6.34

#### Note:

\* Through Generasi Setia (M) Sdn Bhd

## Shareholders' & Warrantholders' Information

As at 7 October 2011

### Top 30 Shareholders

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	Number of shares held	%
1	Amanahraya Trustees Berhad – Skim Amanah Saham Bumiputera	172,538,900	8.35
2	Kumpulan Wang Persaraan (Diperbadankan)	159,065,500	7.70
3	Generasi Setia (M) Sdn Bhd	133,500,000	6.46
4	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	105,421,500	5.10
5	Lembaga Tabung Haji	87,795,400	4.25
6	Cartaban Nominees (Asing) Sdn Bhd – State Street Australia Fund ATB1 for Platinum Asia Fund	57,451,701	2.78
7	Amanahraya Trustees Berhad – Amanah Saham Wawasan 2020	56,717,570	2.75
8	Cartaban Nominees (Asing) Sdn Bhd – Exempt An for State Street Bank & Trust Company	54,651,710	2.65
9	Amanahraya Trustees Berhad – Amanah Saham Malaysia	50,348,000	2.44
10	Permodalan Nasional Berhad	43,870,300	2.12
11	HSBC Nominees (Asing) Sdn Bhd – BNY Lux for Invesco Funds	36,920,000	1.79
12	HSBC Nominees (Tempatan) Sdn Bhd – Exempt An for HSBC (Malaysia) Trustee Berhad	34,697,636	1.68
13	Valuecap Sdn Bhd	31,832,500	1.54
14	Dato' Ng Kee Leen	31,664,898	1.53
15	Amanahraya Trustees Berhad – AS 1Malaysia	29,899,200	1.45
16	Amanahraya Trustees Berhad – Amanah Saham Didik	29,855,600	1.45
17	HSBC Nominees (Asing) Sdn Bhd – BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	28,709,716	1.39
18	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (Norges BK Lend)	23,619,200	1.14
19	HSBC Nominees (Asing) Sdn Bhd – Exempt An for HSBC Private Bank (Suisse) S.A.	17,861,300	0.86
20	Cartaban Nominees (Asing) Sdn Bhd – Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	16,841,300	0.82
21	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (U.A.E.)	15,247,492	0.74
22	Cartaban Nominees (Asing) Sdn Bhd – State Street London Fund OD75 for Ishares Public Limited Company	13,064,800	0.63

## Shareholders' & Warrantholders' Information

As at 7 October 2011

### Top 30 Shareholders (cont'd.)

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	Number of shares held	%
23	Citigroup Nominees (Tempatan) Sdn Bhd – Exempt An for Prudential Fund Management Berhad	13,044,263	0.63
24	Dato' Ir Ha Tiing Tai	13,015,876	0.63
25	Dato' Goon Heng Wah	12,540,000	0.61
26	Pertubuhan Keselamatan Sosial	11,368,600	0.55
27	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (BVI)	10,800,000	0.52
28	ABB Nominee (Tempatan) Sdn Bhd – Pledged Securities Account for Generasi Setia (M) Sdn Bhd	9,500,000	0.46
29	HSBC Nominees (Asing) Sdn Bhd – BNY Brussels for Market Vectors – Vietnam ETF	9,393,887	0.45
30	Amanahraya Trustees Berhad – Public Islamic Dividend Fund	8,499,800	0.41
	<b>Total</b>	<b>1,319,736,649</b>	<b>63.88</b>

## Shareholders' & Warrantheolders' Information

As at 7 October 2011

### Warrants 2010/2015

Type of securities	:	Warrants
No. of warrants unexercised	:	249,253,141
Exercise period	:	26/05/2010 – 25/05/2015
Exercise price	:	RM2.66 each warrant
Exercise rights	:	Each warrant entitles the holder to subscribe for one (1) new ordinary share of RM1.00 in the Company at any time during the exercise period
Voting rights	:	1 vote per warrant holder on a show of hands 1 vote per warrant on a poll
No. of warrant holders	:	10,616

} in the meeting of warrant holders

### Distribution of Warrant Holdings

Size of Warrant Holdings	Number of warrant holders	%	Number of warrants held	%
Less than 100	136	1.28	3,061	0.00
100 – 1,000	3,433	32.34	1,575,790	0.63
1,001 – 10,000	4,364	41.11	22,300,651	8.95
10,001 – 100,000	2,342	22.06	79,358,913	31.84
100,001 – 12,462,656	341	3.21	146,014,726	58.58
12,462,657* and above	-	-	-	-
<b>Total</b>	<b>10,616</b>	<b>100.00</b>	<b>249,253,141</b>	<b>100.00</b>

#### Note:

\* Denotes 5% of the total unexercised warrants

## Shareholders' & Warrantholders' Information

As at 7 October 2011

### Top 30 Warrants 2010/2015 Holders

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	Number of warrants held	%
1	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad – MIDF Amanah Asset Management Berhad for Renesas Semiconductor (M) Sdn Bhd	7,190,000	2.88
2	TA Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Heng Teng Kuang	6,218,600	2.49
3	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad – MIDF Amanah Asset Management Berhad for Yayasan Sarawak	4,837,400	1.94
4	HSBC Nominees (Tempatan) Sdn Bhd – Exempt An for HSBC (Malaysia) Trustee Berhad	4,403,100	1.77
5	Dato' Ng Kee Leen	3,971,500	1.59
6	Amanahraya Trustees Berhad – MIDF Amanah Strategic Fund	3,600,000	1.44
7	Lee Muk Siong	3,296,550	1.32
8	AIBB Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Chua Ma Yu	2,500,000	1.00
9	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad – MIDF Amanah Asset Management Berhad for International Islamic University Retirement Benefit Fund	2,500,000	1.00
10	Amanahraya Trustees Berhad – MIDF Amanah Growth Fund	2,000,000	0.80
11	RHB Capital Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Fong Loong Tuck	1,900,000	0.76
12	Amanahraya Trustees Berhad – MIDF Amanah Islamic Fund	1,704,000	0.68
13	Dato' Ir Ha Tiing Tai	1,653,400	0.66
14	Dato' Goon Heng Wah	1,558,300	0.63
15	Cartaban Nominees (Asing) Sdn Bhd – Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	1,500,248	0.60
16	Gan Yen Ling	1,482,500	0.59
17	Generasi Setia (M) Sdn Bhd	1,400,000	0.56
18	HSBC Nominees (Asing) Sdn Bhd – Exempt An for HSBC Private Bank (Suisse) S.A.	1,396,250	0.56
19	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad – MIDF Amanah Asset Management Berhad for International Islamic University Malaysia	1,350,000	0.54
20	OSK Nominees (Tempatan) Sdn Berhad – Pledged Securities Account for Southern Integrated City Sdn. Bhd.	1,333,800	0.54
21	Lin Hai Chat	1,181,500	0.47
22	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad – MIDF Amanah Asset Management Berhad for Perbadanan Bekalan Air Pulau Pinang Sdn Bhd	1,119,200	0.45
23	Pertubuhan Keselamatan Sosial	1,042,400	0.42

## Shareholders' & Warrantholders' Information

As at 7 October 2011

### Top 30 Warrants 2010/2015 Holders (cont'd.)

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	Number of warrants held	%
24	CIMSEC Nominees (Tempatan) Sdn Bhd – CIMB Bank for Low Keng Kok	1,041,000	0.42
25	Lim Chin Sean	1,030,000	0.41
26	CIMSEC Nominees (Tempatan) Sdn Bhd – CIMB Bank for Koh Cheng Keong	1,000,000	0.40
27	Heng Teng Kuang	981,400	0.39
28	Ngan Kok Hai	965,000	0.39
29	Lee Foong Ngoh	935,000	0.38
30	Mayban Securities Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Tan Lam An	929,400	0.37
<b>Total</b>		<b>66,020,548</b>	<b>26.45</b>

## List of Major Properties

Held as at 31 July 2011

Location	Tenure	Land Area	Description	Year of expiry	NBV (RM)	Approximate age of building (Years)	Date of valuation/ acquisition
Block D, PJ Trade Centre No. 8, Jalan PJJ 8/8A, Bandar Damansara Perdana 47820 Petaling Jaya Selangor Darul Ehsan	Leasehold	2,048 sq m	20-storey office tower	2104	100,268,046	2	2011
No. 36/38, Jalan SS21/62 47400 Petaling Jaya Selangor	Freehold	286 sq m	2 blocks, 4-storey shoplot/ office	-	980,000	17	1991
No. 30, Jalan SS2/44 47300 Petaling Jaya Selangor	Freehold	501 sq m	Bungalow/ staff quarters	-	316,000	25	1991
No. 39, Jalan SS22/23 47400 Petaling Jaya Selangor	Freehold	153 sq m	4-storey shoplot/ office	-	584,800	17	2007
No. 55-61, Jalan SS22/23 47400 Petaling Jaya Selangor	Freehold	612 sq m	4 blocks, 4-storey shoplot/ office	-	5,137,400	20	1992
No. 152, Jalan Gopeng 31350 Ipoh, Perak	Leasehold	164 sq m	3-storey shoplot/ office	2078	164,699	25	1991
No. 158, Jalan Gopeng 31350 Ipoh, Perak	Leasehold	163 sq m	3-storey shoplot/ office	2078	162,437	25	1991
PT 51683, Jalan Jelapang 30020 Ipoh, Perak	Leasehold	4,353 sq m	Industrial estate/workshop	2043	378,575	21	1991
PT 183485 Meru Industrial Estate Jelapang, 30020 Ipoh Perak	Leasehold	12,144 sq m	Industrial estate/store	2050	602,732	15	1991
Lot 195821, 195822, 195823, 195824, 195825, 195826, 195827, 46482 57417 all in the Mukim Kampar District of Kinta 31350 Ipoh, Perak	Leasehold	469,493 sq m	Granite hill, limestone hill and industrial land/quarry	2022	5,128,065	-	1991
HS (D) 54871, PT No. 56274 Mukim & Mukim & District of Kelang Selangor	Freehold	16,898 sq m workshop	Industrial estate/workshop	-	7,565,823	-	1995
HS (D) 52561, PT No. 53932 Mukim & District of Kelang Selangor	Freehold	14,690 sq m	Commercial land	-	9,104,000	-	1996
No. 53, Jalan SS22/23 47400 Petaling Jaya Selangor	Freehold	153 sq m	4-storey shoplot/ office	-	1,344,693	22	2006
No. 54-58, Jalan SS22/25 47400 Petaling Jaya Selangor	Freehold	460 sq m	3 blocks, 4-storey shoplot/ office	-	4,656,535	19	2006

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 35th Annual General Meeting of the Company will be held at Permai Room, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan on Thursday, 8 December 2011 at 10.00 am for the purpose of transacting the following businesses:

## AGENDA

1. To receive the Audited Financial Statements for the year ended 31 July 2011 and the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees of RM360,348 for the year ended 31 July 2011 (2010: RM363,000). (Resolution 1)
3. To re-elect the following Directors who retire pursuant to Article 95 of the Company's Articles of Association:
  - a. Y Bhg Dato' Ir Ha Tiing Tai (Resolution 2)
  - b. Y Bhg Dato' Goon Heng Wah (Resolution 3)
4. To consider and, if thought fit, pass the following resolutions in accordance with Section 129 of the Companies Act, 1965:
  - a. "THAT Y M Raja Dato' Seri Abdul Aziz bin Raja Salim retiring pursuant to Section 129 of the Companies Act, 1965, be re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting." (Resolution 4)
  - b. "THAT Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi retiring pursuant to Section 129 of the Companies Act, 1965, be re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting." (Resolution 5)
  - c. "THAT Y Bhg Dato' Seri Ir Kamarul Zaman bin Mohd Ali retiring pursuant to Section 129 of the Companies Act, 1965, be re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting." (Resolution 6)
5. To re-appoint Messrs Ernst & Young, the retiring Auditors and to authorise the Directors to fix their remuneration. (Resolution 7)
6. As Special Business:

To consider and, if thought fit, pass the following ordinary resolution with or without modifications:

### Proposed Renewal of Share Buy-back Authority

"THAT subject to the provisions of the Companies Act, 1965, the Articles of Association of the Company, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and the approvals of all relevant government and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of RM1.00 each of the Company ("Proposed Share Buy-back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares to be purchased pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital for the time being of the Company and an amount not exceeding the retained profits and/or share premium of the Company be allocated by the Company for the Proposed Share Buy-back;

AND THAT at the discretion of the Directors, upon such purchase by the Company of its own shares, the purchased shares will be cancelled and/or retained as treasury shares and subsequently be cancelled, distributed as dividends or resold on Bursa Securities;

AND THAT the Directors be and are hereby empowered to do all acts and things and to enter into and execute all commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as the Directors may deem fit and expedient in order to implement, finalise and give full effect to the Proposed Share Buy-back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be required or imposed by any relevant authorities and/or any amendments, variations and/or modifications in the interest of the Company as may be approved by any relevant authorities if such approvals are required;

## Notice of Annual General Meeting

AND THAT the authority hereby given shall commence immediately upon the passing of this resolution and shall continue in force until:

- i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by ordinary resolution passed at the AGM, the authority is renewed either unconditionally or subject to conditions; or
- ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase of its own shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of Bursa Securities Main Market Listing Requirements or any other relevant authorities."

(Resolution 8)

7. To transact any other business of which due notice shall have been given.

By Order of the Board

**Lim Soo Lye**  
**Tee Yew Chin**  
Company Secretaries

Petaling Jaya  
11 November 2011

### Notes:

#### 1. Appointment of Proxy(ies)

- a. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy or not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- b. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- c. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- d. Where an authorised nominee appoints two (2) proxies in respect of each securities account, the appointment shall be invalid unless the authorised nominee specifies the proportions of the shareholdings to be represented by each proxy.
- e. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
- f. In the case of a corporate member, the Form of Proxy shall be under its Common Seal or under the hand of its attorney.
- g. The Form of Proxy must be deposited at the Company's Registered Office situated at No. 78, Jalan SS 22/21, Damansara Jaya, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.

#### 2. Explanatory Note on Special Business - Resolution 8

Please refer to the Statement to Shareholders dated 11 November 2011 for further information.

#### 3. Statement Accompanying Notice of Annual General Meeting

There is no individual standing for election (excluding re-election) as a Director at the forthcoming 35th AGM of the Company.

# Form of Proxy

A. I/We \_\_\_\_\_ (FULL NAME IN CAPITALS)  
of \_\_\_\_\_ (ADDRESS)  
being a member/members of GAMUDA BERHAD, hereby appoint \_\_\_\_\_ (FULL NAME)  
of \_\_\_\_\_ (ADDRESS)  
or failing him/her, \_\_\_\_\_ (FULL NAME)  
of \_\_\_\_\_ (ADDRESS)

or failing him/her, the Chairman of the Meeting as my/our \*first proxy to attend and vote for me/us on my/our behalf at the 35th Annual General Meeting of the Company to be held at Permai Room, Kota Permai Golf & Country Club, No.1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 8 December 2011 at 10.00 am, and at any adjournment thereof.

Where it is desired to appoint a second proxy, this section must also be completed. Otherwise it should be deleted.

B. I/We \_\_\_\_\_ (FULL NAME IN CAPITALS)  
of \_\_\_\_\_ (ADDRESS)  
being a member/members of GAMUDA BERHAD, hereby appoint \_\_\_\_\_ (FULL NAME)  
of \_\_\_\_\_ (ADDRESS)  
or failing him/her, \_\_\_\_\_ (FULL NAME)  
of \_\_\_\_\_ (ADDRESS)

or failing him/her, the Chairman of the Meeting as my/our \*second proxy to attend and vote for me/us on my/our behalf at the 35th Annual General Meeting of the Company to be held at Permai Room, Kota Permai Golf & Country Club, No.1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia on Thursday, 8 December 2011 at 10.00 am, and at any adjournment thereof.

The proportions of my/our shareholdings to be represented by my/our proxies are as follows: -

First Proxy A	%
Second Proxy B	%
	100%

In case of a vote by a show of hands, \*First Proxy A / \*Second Proxy B shall vote on my/our behalf.

My/our proxy shall vote as follows:-

(Please indicate with an "X" or "√" in the space provided below how you wish your votes to be cast on the resolutions specified in the Notice of Annual General Meeting. If you do not do so, the proxy/proxies will vote, or abstain from voting on the resolutions as he/they may think fit.)

\*Delete if inapplicable

No.	Resolution	First Proxy A		Second Proxy B	
		For	Against	For	Against
1.	Approval of Directors' fees				
2.	Re-election of Y Bhg Dato' Ir Ha Tiing Tai as Director				
3.	Re-election of Y Bhg Dato' Goon Heng Wah as Director				
4.	Re-appointment of Y M Raja Dato' Seri Abdul Aziz bin Raja Salim as Director				
5.	Re-appointment of Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi as Director				
6.	Re-appointment of Y Bhg Dato' Seri Ir Kamarul Zaman bin Mohd Ali as Director				
7.	Re-appointment of Auditors				
8.	Proposed renewal of share buy-back authority				

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

\_\_\_\_\_  
Signature of Member and/or Common Seal

Number of shares held	CDS account no.

**Notes:-**

1. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy or not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where an authorised nominee appoints two (2) proxies in respect of each securities account, the appointment shall be invalid unless the authorised nominee specifies the proportions of the shareholdings to be represented by each proxy.
5. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
6. In the case of a corporate member, the Form of Proxy shall be under its Common Seal or under the hand of its attorney.
7. This Form of Proxy must be deposited at the Company's Registered Office situated at No. 78, Jalan SS 22/21, Damansara Jaya, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.

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STAMP

Registered Office  
**Gamuda Berhad**

No. 78, Jalan SS 22/21  
Damansara Jaya  
47400 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

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## Gamuda offices in Malaysia

### Gamuda Berhad (29579-T)

78, Jalan SS 22/21, Damansara Jaya  
47400 Petaling Jaya, Selangor  
Malaysia  
Tel : 603-7491 8288  
Fax : 603-7728 6571, 7728 9811  
Website : www.gamuda.com.my  
Email : gbgpa@gamuda.com.my

### Gamuda Engineering Sdn Bhd (506869-K)

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47400 Petaling Jaya, Selangor  
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Fax : 603-7727 1112

### Megah Sewa Sdn Bhd (425417-W)

16, Jalan Anggerik Mokara 31/48,  
Kota Kemuning, Seksyen 31,  
40460 Shah Alam, Selangor  
Malaysia  
Tel : 603-5122 2213  
Fax : 603-5122 2331

### Masterpave Sdn Bhd (168779-D)

16, Jalan Anggerik Mokara 31/48,  
Kota Kemuning, Seksyen 31,  
40460 Shah Alam, Selangor  
Malaysia  
Tel : 603-5122 2213  
Fax : 603-5121 5748

### Kesas Sdn Bhd (275554-U)

1, Wisma Kesas, Lebu Raya Shah Alam,  
47500 Subang Jaya, Selangor  
Malaysia  
Tel : 603-5632 7088  
Fax : 603-5632 6088  
Website : www.kesas.com.my  
Email : mm@kesas.com.my

### Lingkar Trans Kota Sdn Bhd (353053-W) LITRAK

Kompleks Operasi LITRAK  
KM19, Lebu Raya Damansara-Puchong  
Jalan PJS 9, Bandar Sunway  
47500 Petaling Jaya, Selangor  
Malaysia  
Tel : 603-7494 7000  
Fax : 603-7494 7016  
Website : www.litrak.com.my  
Email : info@litrak.com.my

### Sistem Penyuraian Trafik KL Barat Sdn Bhd (429797-P) SPRINT

Pejabat Operasi, KM3, Hubungan Damansara  
Lebu Raya SPRINT, Seksyen 17,  
46400 Petaling Jaya, Selangor  
Malaysia  
Tel : 603-7494 7000  
Fax : 603-7494 7320  
Website : www.sprint.com.my  
Email : info@sprint.com.my

### Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (482346-K) SPLASH

34 & 36, Jalan SS 22/21, Damansara Jaya  
47400 Petaling Jaya, Selangor  
Malaysia  
Tel : 603-7729 2928  
Fax : 603-7726 1557  
Website : www.splash.com.my  
Email : info@splash.com.my

### Gamuda Water Sdn Bhd (297031-H)

36, Jalan SS 22/21, Damansara Jaya  
47400 Petaling Jaya, Selangor  
Malaysia  
Tel : 603-7727 4879  
Fax : 603-7727 4921

### Syarikat Mengurus Air Banjir & Terowong Sdn Bhd (599374-W) SMART

Kompleks Operasi & Penyelenggaraan  
Lebu Raya SMART  
Jalan Davis Off Bulatan Kg Pandan  
50400 Kuala Lumpur  
Tel : 603-9284 9088  
Fax : 603-9284 6481  
Website : www.smarttunnel.com.my  
Email : info@smartjv.com.my

### MMC-Gamuda Joint Venture Sdn Bhd (414492-M)

52-58, Jalan SS 22/21, Damansara Jaya  
47400 Petaling Jaya, Selangor  
Malaysia  
Tel : 603-7494 2200  
Fax : 603-7726 9950  
Website : www.2t.com.my

### MMC Gamuda KVMRT (PDP) Sdn Bhd (927050-H) (Formerly known as Premier Lotus Sdn Bhd)

65-67, Jalan SS 22/23, Damansara Jaya  
47400 Petaling Jaya, Selangor,  
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Tel : 603-7494 5900  
Fax : 603-7725 6524

### Gamuda Land Sdn Bhd (573380-D)

56, Jalan SS 22/25, Damansara Jaya  
47400 Petaling Jaya, Selangor  
Malaysia  
Tel : 603-7491 3200  
Fax : 603-7726 7679  
Website : www.gamudaland.com.my

### Hicom-Gamuda Development Sdn Bhd (285780-D)

1, Jalan Anggerik Vanilla X 31/X,  
Kota Kemuning, Seksyen 31  
40460 Shah Alam, Selangor  
Malaysia  
Tel : 603-5122 6100 / 7100 / 1055  
Fax : 603-5122 1050  
Website : www.kotakemuning.net

### Valencia Development Sdn Bhd (474040-U)

4403 Main Road, 12th Mile  
47000 Sungai Buloh, Selangor  
Malaysia  
Tel : 603-6156 0021  
Fax : 603-6156 9871  
Website : www.valencia.com.my

### Harum Intisari Sdn Bhd (491736-H)

No. 1, Jalan Kasuarina 7,  
Bandar Botanik  
41200 Klang, Selangor  
Malaysia  
Tel : 603-3324 6300  
Fax : 603-3324 8310  
Website : www.bandarbotanic.com.my

### Horizon Hills Development Sdn Bhd (691032-H)

No. 49, Jalan Bestari 1/5,  
Taman Nusa Bestari  
81300 Johor Bahru, Johor  
Malaysia  
Tel : 607-511 2282  
Fax : 607-511 6281  
Website : www.horizonhills.com.my

### Jade Homes Sdn Bhd (710233-K)

Property Gallery, Pensiiran Jade Hills, Jade Hills  
43000 Kajang, Selangor  
Tel : 603-8737 0122  
Fax : 603-8737 9262  
Website : www.jadehills.com.my

### Madge Mansions Sdn Bhd (740374-H)

56, Jalan SS 22/25, Damansara Jaya  
47400 Petaling Jaya, Selangor  
Malaysia  
Tel : 603-7491 3200  
Fax : 603-7726 7646  
Website : www.madgemansions.com

### Kota Permai Golf & Country Club

1, Jalan 31/100A,  
Kota Kemuning, Seksyen 31  
40460 Shah Alam, Selangor  
Malaysia  
Tel : 603-5122 3700  
Fax : 603-5122 3701  
Website : www.kotapermai.com.my  
Email : kpgcc@kotapermai.com.my

## Gamuda overseas offices

### Sinohydro-Gamuda-WCT Joint Venture

P.O Box 23948  
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68, Salwa Road  
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Tel : 974-437 5214  
Fax : 974-437 4523

### Gamuda-WCT Joint Venture

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68, Salwa Road  
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Tel : 974-437 5214  
Fax : 974-437 4523

### Gamuda Berhad (Bahrain branch office)

P.O Box 1867, Manama  
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Fax : 973-17-735 696

### Gamuda (India) Private Limited

607/59, Shakuntla Apartments  
59, Nehru Place  
New Delhi 110 019  
India

### Gamuda-WCT (India) Private Limited

Arihant Building  
Unit No. 2B & 2C, 2nd Floor,  
53A Mirza Khalib Street  
Kolkata 700016  
India

### Mapex Infrastructure Private Limited

Arihant Building  
2nd Floor,  
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Kolkata 700016  
India

### Emas Expressway Private Limited

Arihant Building  
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53A Mirza Khalib Street  
Kolkata 700016  
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### Gamuda Berhad (Taiwan Office)

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Fax : 886-7-3329 829

### Gamuda Berhad (Laos representative office)

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Ban Khounta Thong  
Sikkout District  
Vientiane, Lao PDR  
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### Gamuda Land Vietnam L.L.C

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Hoang Mai District  
Hanoi City  
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Fax : 844-3-944 5655  
Website : www.yensopark.com.vn

### Gamuda-Nam Long Development L.L.C

Unit 1105, 11th Floor, Citilight Tower  
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Fax : 848-6-2905932

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