



**Enabling Communities**  
Annual Report 2012

# Enabling Communities

For every project we build, we have the community at heart.

Driven by a central belief that we are only as successful as the solutions we deliver, we are staunchly committed to build life-changing infrastructure projects that not only improve lives, but are also sustainable to benefit future generations.

And in enabling an eco-friendly living environment for the community, we leave no stones unturned to ensure that nature prevails in all that we do. Moving forward, we take stakeholders, business partners and employees on a rewarding journey that will change the way we live – for the better.

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## Cover pictures

### Top

Artist impression of a KVMRT elevated station

### Bottom left

Kota Kemuning, the award-winning integrated township in Shah Alam, epitomises the perfect balance between development and nature through meticulous master planning and creative design concepts that enable harmonious living

### Bottom centre

Upon completion, the Klang Valley Mass Rapid Transit (Sungai Buloh – Kajang Line) will support Greater Kuala Lumpur/ Klang Valley's aspiration to achieve a 50% public transport modal share by the year 2020 through increased coverage and capacity in urban rail travel

### Bottom right

The Electrified Double Track Project (Ipoh – Padang Besar) provides crucial connectivity and serves as a catalyst for economic advancement for suburban communities in Perak, Kedah, Penang and Perlis



## 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 property development.

## VALUES

**Innovative** in our concepts, products, services and delivery mechanism to provide the most viable solutions for our clients and stakeholders;

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

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

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

# 36<sup>th</sup>

## 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, 6 December 2012 at 10.00 am.



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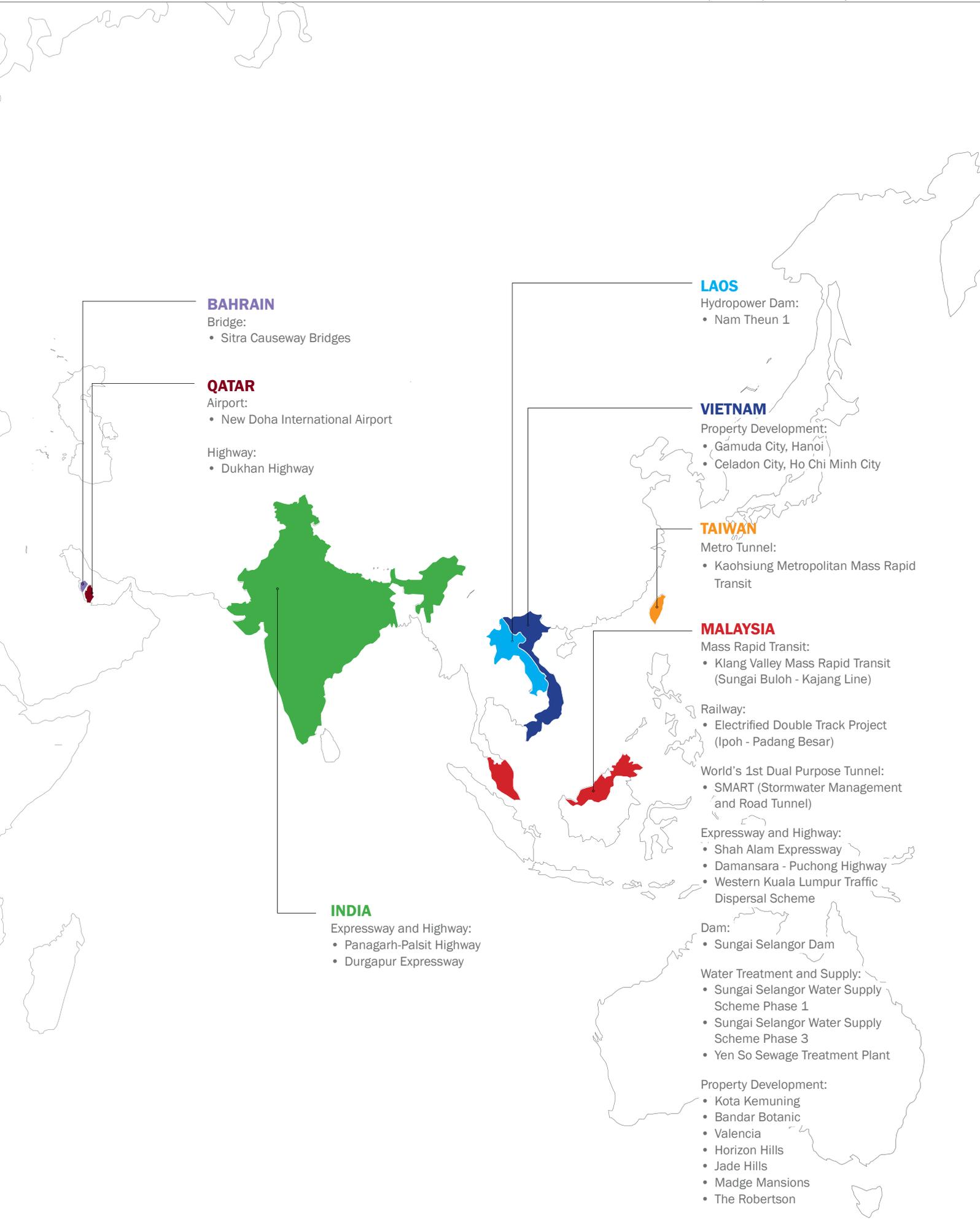
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# ON THE REGIONAL FRONT





**BAHRAIN**

- Bridge:
- Sitra Causeway Bridges

**QATAR**

- Airport:
- New Doha International Airport
- Highway:
- Dukhan Highway

**INDIA**

- Expressway and Highway:
- Panagarh-Palsit Highway
  - Durgapur Expressway

**LAOS**

- Hydropower Dam:
- Nam Theun 1

**VIETNAM**

- Property Development:
- Gamuda City, Hanoi
  - Celadon City, Ho Chi Minh City

**TAIWAN**

- Metro Tunnel:
- Kaohsiung Metropolitan Mass Rapid Transit

**MALAYSIA**

- Mass Rapid Transit:
- Klang Valley Mass Rapid Transit (Sungai Buloh - Kajang Line)
- Railway:
- Electrified Double Track Project (Ipoh - Padang Besar)
- World's 1st Dual Purpose Tunnel:
- SMART (Stormwater Management and Road Tunnel)
- Expressway and Highway:
- Shah Alam Expressway
  - Damansara - Puchong Highway
  - Western Kuala Lumpur Traffic Dispersal Scheme
- Dam:
- Sungai Selangor Dam
- Water Treatment and Supply:
- Sungai Selangor Water Supply Scheme Phase 1
  - Sungai Selangor Water Supply Scheme Phase 3
  - Yen So Sewage Treatment Plant
- Property Development:
- Kota Kemuning
  - Bandar Botanic
  - Valencia
  - Horizon Hills
  - Jade Hills
  - Madge Mansions
  - The Robertson



Upon full completion by mid-2017, the Klang Valley Mass Rapid Transit (Sungai Buloh – Kajang Line) (KVMRT, SBK Line) will form the backbone of Greater Kuala Lumpur's integrated urban rail system to provide relief for the long-standing traffic congestion problem plaguing densely populated suburbs and the city centre



## CONNECTIVITY

Providing seamless mobility for the community, we move people to places in the fastest and most convenient manner possible – every single day



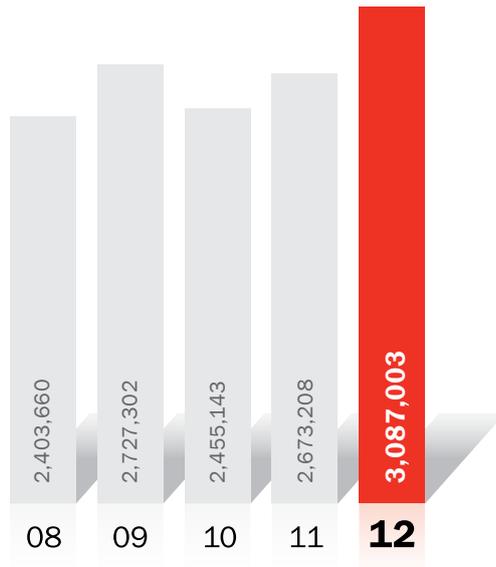
## PERFORMANCE REVIEW

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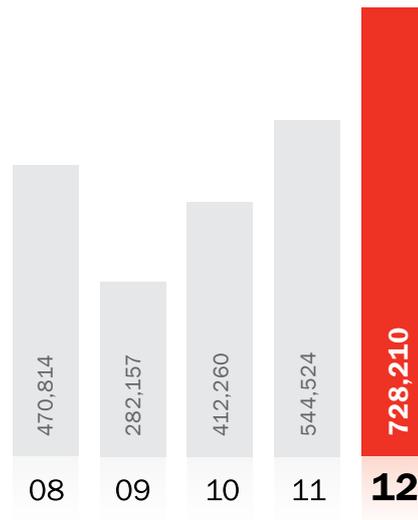
# FIVE-YEAR FINANCIAL HIGHLIGHTS

RM'000	2008	2009	2010	2011	2012
Revenue	2,403,660	2,727,302	2,455,143	2,673,208	3,087,003
Profit Before Tax	470,814	282,157	412,260	544,524	728,210
Profit Attributed to Shareholders	325,078	193,689	322,918	425,411	547,305
Total Assets	5,774,301	5,878,459	6,733,561	7,551,298	8,498,928
Shareholders' Equity	3,051,582	3,161,011	3,440,176	3,686,565	4,048,032
Total Number of Shares	2,005,016	2,009,257	2,025,888	2,064,824	2,079,413
<b>Sen Per Share</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Group Earnings Per Share (sen)	16	10	16	21	26
Net Tangible Assets Per Share (sen)	152	157	170	179	195

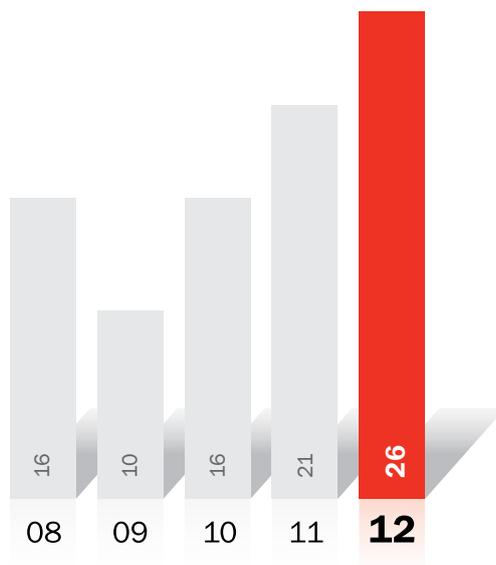
**Revenue (RM'000)**



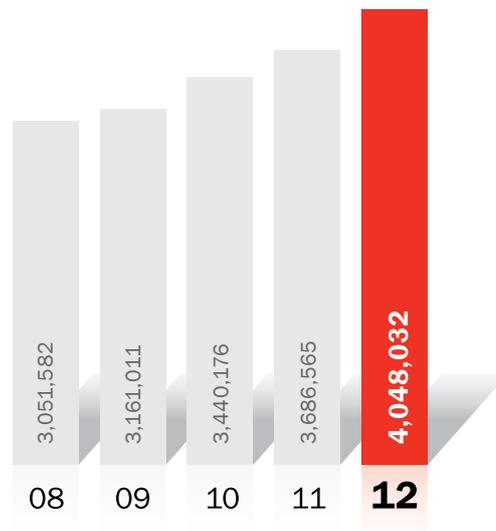
**Profit Before Tax (RM'000)**



**Group Earnings Per Share (sen)**



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



# CHAIRMAN'S PERSPECTIVE



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

On behalf of the Board of Directors, it gives me great pleasure to present the 22<sup>nd</sup> Annual Report and Audited Financial Statements of Gamuda Berhad for the financial year ended 31 July 2012 (FY2012).

FY2012 was indeed a year of major achievements for your company despite the global economy experiencing one of the most tumultuous and volatile years in recent history. The European debt crisis dominated most of the financial headlines during the year. Starting with Ireland and Portugal, it eventually spread to major European economies like Greece, Spain and Italy, requiring massive financial bailouts from the European Union. Several emergency measures were put in place to stem the crisis spreading further and to protect the Euro, which was in danger of collapsing. At the time of writing, the crisis appear to have abated but its underlying structural problems have yet to be fully addressed.

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

**“The year 2012 also started off on a modest note with growth for the first half year coming in at 5.1%.”**

The US economy, meanwhile, remained weak and directionless, with little evidence of a sustainable recovery. Fortunately, Asian economies continued to remain largely resilient despite some cooling off in the region’s two powerhouses, China and India. Our own domestic economy also weakened in late 2011, resulting in a modest growth of 5.1% for the year compared to 7.2% in 2010. The year 2012 also started off on a modest note with growth for the first half year coming in at 5.1%. The government now projects growth of between 4.5% - 5.0% for 2012 and between 4.5% - 5.5% for 2013.

Despite the weak global economy and European financial crisis, our Group achieved its best ever financial performance in FY2012, beating our record-breaking performance in FY2011. Both pre-tax and net profit levels were significantly higher in FY2012, driven by revenue and profit margin improvements in our construction division, and property division. For FY2012, group pre-tax profit rose 34% to RM728 million, whilst net profit increased a similar 29% to RM547 million. Turnover expanded by 15% to RM3.1 billion. The Board declared a total of 12 sen single tier dividends, per ordinary share compared with 3 sen less taxation and 9 sen single tier dividends per ordinary share in previous year.

As in previous years, earnings growth was driven primarily by the construction and properties divisions, whilst our concessions division continued to generate stable earnings and strong cash flows. Overall for the year, the construction, properties and concessions divisions contributed 31%, 39% and 30% to group pre-tax profits respectively.

The construction division saw revenues and profits dominated by further progress achieved on the five-year old Electrified Double Track Project (EDTP) which ended the financial year at the 86% completion stage. Our properties division achieved its third consecutive year of good performance with several of our property projects chalking up record levels of new sales. FY2012 also saw maiden contributions from both our Vietnamese projects to the group’s total new sales.

#### **ENGINEERING AND CONSTRUCTION**

FY2012 was a year during which our Engineering and Construction division enjoyed a string of successes by securing two leading roles in the Klang Valley Mass Rapid Transit (KVMRT) project. The KVMRT is the country’s largest ever infrastructure project – a comprehensive metro network designed to solve the city’s public transport problems. Comprising three separate lines serving a 20km radius footprint around the city centre, all three lines are envisaged to be operational by 2020. The first of the three lines, called the Sungai Buloh - Kajang Line (SBK Line) is presently under construction and is scheduled to be fully operational by July 2017.

**“Our properties division achieved its third consecutive year of good performance with several of our property projects chalking up record levels of new sales.”**

In Q3 of FY2012, the MMC-Gamuda JV was appointed the Project Delivery Partner (PDP) for the SBK Line. As PDP, the JV undertakes to deliver to the government a fully functional and operating railway system within the agreed target cost and completion date in return for a fee.

Also, in Q3 of FY2012, our JV won the international open tender for the underground works package of the SBK Line. Competition was stiff and our JV, being the only local tenderer, competed successfully against four large Asian contractors. Despite being offered the right to match the lowest successful tendered price, our JV did not have to utilise this option, having emerged outright as the best evaluated tenderer with the lowest price.

This RM8.28 billion “Design-and-Build” underground works package comprises the construction of 9.5km of twin-bored tunnels and seven underground stations in the city centre between Semantan and Maluri. Works have already commenced and activity levels are expected to build up in the coming months. Full completion of the works is expected by mid-2017.

In the coming year, the division will focus on the execution of the underground works and project management of the elevated works and systems works to ensure our obligations are fully met. At the same time, our project development team will continue to engage with MRT Corp (the Project Owner), SPAD (the Land Public Transport Commission) and various other Government agencies involved in the implementation of the project to expedite the scheduled roll-out of the second and third KVMRT lines by end of 2013.

In the meantime, works on the EDTP continue to progress well and is expected to complete by November 2014 as provided for under the contract.

#### **PROPERTY DEVELOPMENT**

Riding on the strong sales built up over the last couple of years, the property division achieved revenue and pre-tax profit growth of 51% and 91% respectively. The division also recorded new property sales totalling RM1.5 billion for the year, up 15% from the previous year. Although domestic property sales were slightly lower, total new sales were boosted by maiden contributions from our two new developments in Vietnam.

Our flagship development in Hanoi, Gamuda City, was launched in December 2011. Despite a generally weak market, the response was good and initial launches were very successful.

At Celadon City in Ho Chi Minh City, new sales continue to be somewhat sluggish. We believe buyers are adopting a wait-and-see approach as the township is still in its early stages of development. Notwithstanding this, the project took a major step forward when it concluded the en-bloc sale of a piece of retail mall land to AEON of Japan. We remain confident that buying interest will return when construction of the retail mall is completed and the township is further developed. Our plan is to build and sell completed apartments as the completed units will better demonstrate the project’s superior product designs and masterplan. In the meantime, we remain fully committed to completing construction of two residential tower blocks and common township facilities.

Domestically, the property market showed signs of gradual weakening since early 2012. Measures introduced by Bank Negara such as the 70% cap on loan values for a third mortgage, and computation of affordability based on net income instead of gross income, have had its impact of cooling the domestic market. Notwithstanding this, the division still achieved a level of domestic sales only slightly lower than the previous year.

#### INFRASTRUCTURE CONCESSIONS

As in the previous year, there has been very little progress made on the water consolidation exercise in the State. Both Federal and State Governments have been unable to resolve their differences in their respective approaches to consolidate the industry in Selangor. At the time of writing, there has been no new developments although the State Government has indicated that they will be presenting a new proposal for the consolidation of the Selangor water industry.

Our expressways division continued to achieve gradual traffic volume growth as in previous years. Compensation has been paid by the Government for deferred toll increases as provided for under the various highway concession agreements.

#### PROSPECTS FOR FINANCIAL YEAR 2013

The Board anticipates that the upcoming FY2013 and beyond will indeed be exciting years for the Group. With a sizeable construction order book, a steadily growing property division and stable concession earnings, total revenue build up for the next few years is expected to be good. The SBK Line alone is expected to generate significant construction activity and positive multiplier effects in the country over the next five years. The subsequent two new KVMRT lines which are expected to be rolled-out by late 2013 will further boost the sector and underpin strong domestic demand which will cushion our domestic economy from external uncertainties. Beyond the KVMRT project, there are numerous other infrastructure projects that the Government plans to implement, with particular emphasis on rail-related projects. Indeed, SPAD has identified rail-based projects totalling RM160 billion to be implemented up to 2020. Given our intense involvement and expertise in rail-based projects in the country, the Board remains confident that our Group will secure its fair share of these future projects.

Besides pursuing domestic projects, the Group also continues to seek out infrastructure opportunities in neighbouring countries like Indonesia, Vietnam and more recently Myanmar. These emerging countries are expected to spend heavily on infrastructure expansion and upgrades in the next decade, thereby presenting significant opportunities for reputable and established regional infrastructure groups like ourselves.

On the property front, the Group will continue to replace our near-completed developments with new projects. Our developments in Valencia and Kota Kemuning are expected to be completed within two years, and new developments such as Madge Mansions and The Robertson, and more recently the newly-acquired land parcel in Kelana Jaya will augment the division's portfolio of developments. To sustain medium to longer term growth, the property division will also endeavour to acquire new land bank to develop new townships.

In Vietnam, our developments are still in their infancy. The Group will continue to grow and nurture these developments and take all necessary steps to ensure the success of these developments. The Board remains confident that our investments in Vietnam will generate substantial returns as these developments mature.

On the whole, the property division is expected to post another strong year in FY2013, underpinned by a record level of unbilled sales and growing contributions from Vietnam.

Key risks for the Group include an unexpected economic downturn, significant changes in Government spending policies, unfavourable raw material price movements, unexpected problems or delays in the execution of the KVMRT project, or additional 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 are expected to remain strong into the coming year. The Board continues to be prudent in managing the balance sheet and projected net gearing levels are expected to remain comfortable.

On behalf of the Board of Directors, I wish to place on record our appreciation to all employees for their efforts, hard work, and contributions during the year. The last year has been particularly challenging for many of our staff, especially those involved in the KVMRT project. A special word of thanks goes to all of them who have contributed to getting this massive project off the ground in a relatively short space of time.

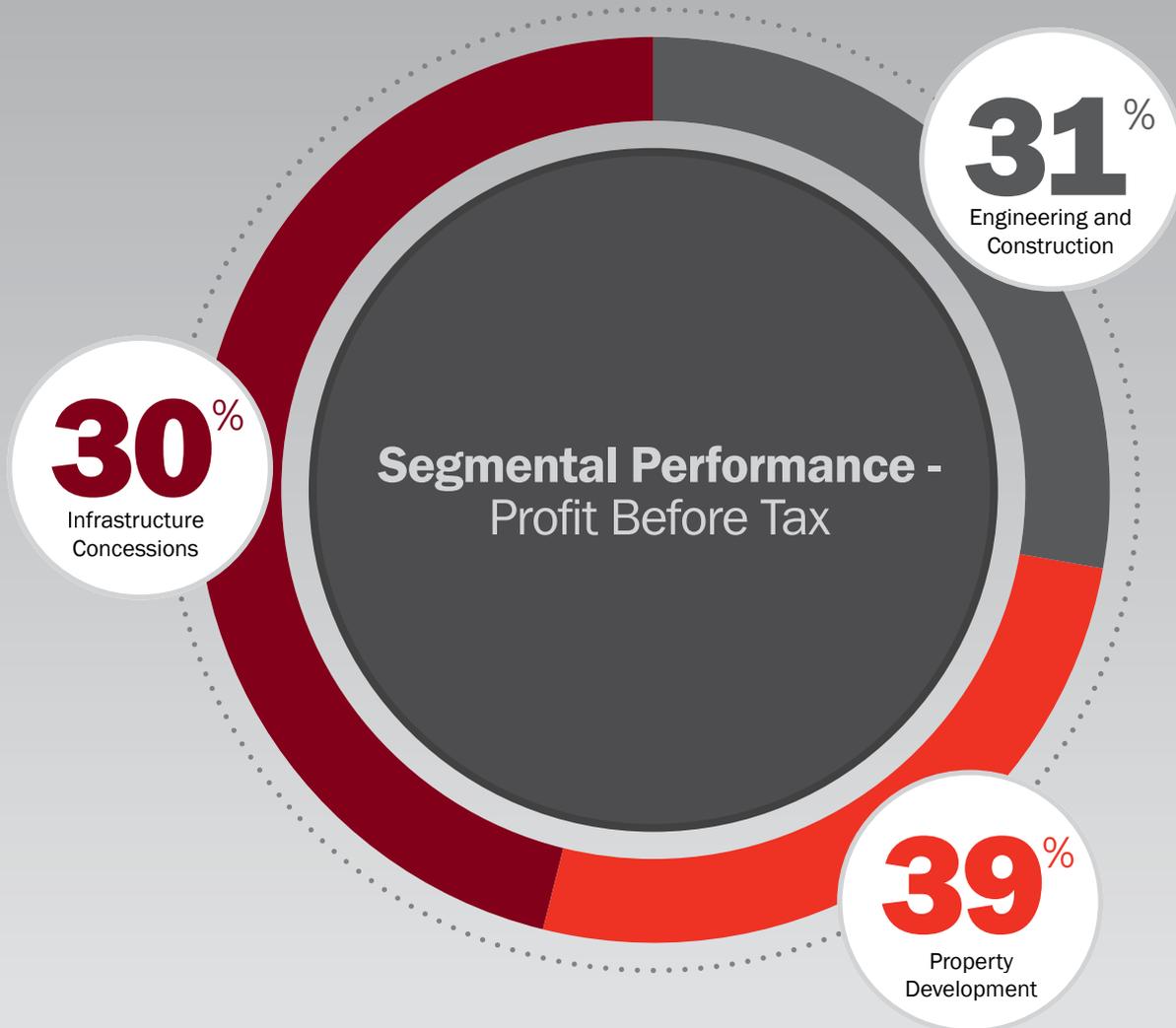
Our sincere thanks and appreciation also go out to clients, investors, bankers, customers and suppliers for their continued support, as well as the various local and overseas authorities and regulators for their invaluable guidance and assistance.

Finally, we wish to congratulate Dato' Ir Ha Tiing Tai who has been promoted to Deputy Group Managing Director. At the same time, we also wish to extend our warm welcome to Tunku Afwida binti Tunku A.Malek who joins the Board as Independent Non-executive Director. We wish to place on record our deepest thanks to Ms Wong Chin Yen who has left the Board. Last, but not least, my thanks goes to my fellow Board members for their invaluable contributions, advice and guidance.



# CORE BUSINESS

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







## ENGINEERING & CONSTRUCTION

Construction of the Northern Tunnel Portal in progress in Semantan for the Klang Valley Mass Rapid Transit (Sungai Buloh – Kajang Line) (KVMRT, SBK Line). Tunnel Boring Machines will be launched here for the 9.5km underground twin tunnel alignment

\* All pictures of the KVMRT, SBK Line project shown in this section were taken during the production period of this Annual Report

**“Together with our 50% partner MMC Corporation Berhad, the MMC-Gamuda JV won, through a keenly competed international open tender, the underground works package for RM8.28 billion.”**

The division delivered an outstanding performance in FY2012 for the second consecutive year. Revenues stayed relatively flat at RM1.9 billion as several projects were completed during the year. Pre-tax profit, however, surged 55% to RM222 million as significant margin improvements were achieved on the Electrified Double Track Project (EDTP). As a result of this strong performance, the division increased its share of group profits to 31% from 26% last year.

FY2012 also saw the division secure two major roles in the country’s single largest infrastructure project, the Klang Valley Mass Rapid Transit (KVMRT). This multi-billion Ringgit, three-line metro network, broke ground in July 2011, and has since commenced construction of the first of its three lines, the Sungai Buloh - Kajang Line (SBK Line). Together with our 50% partner MMC Corporation Berhad, the MMC-Gamuda JV won, through a keenly competed international open tender, the underground works package for RM8.28 billion. In addition, a separate JV was also appointed the Project Delivery Partner (PDP) for the SBK Line.

With these achievements, the division closed FY2012 with an unbilled construction order book of RM5.2 billion. This will keep the division busy over the next five years.

Prospects for securing more projects in the coming years remain bright as the Government has outlined plans to spend up to RM160 billion on various rail-related projects up to 2020. Planning works on the next two KVMRT lines for instance, are at an advanced stage and it is envisaged that contract awards for these lines could commence by end 2013. In addition to the domestic market, the division continues to seek out opportunities in new overseas markets such as Indonesia, Vietnam, and more recently, Myanmar.



*Demolition works at the Pasar Seni KVMRT station site was completed in September 2012. This future underground station will be integrated with the existing Pasar Seni LRT station*

### DOMESTIC PROJECTS

The KVMRT, SBK Line will be 51km in length, serving the North-West to South-East corridor of the Klang Valley. The elevated sections will run through highly densely populated neighbourhoods such as Kota Damansara, Bandar Utama, Taman Tun Dr Ismail, Sections 16 and 17 of Petaling Jaya and Pusat Bandar Damansara before going underground at Semantan. The underground section will cover a distance of 9.5km and will have seven stations located at KL Sentral, Pasar Seni, Merdeka, Bukit Bintang Sentral, Pasar Rakyat, Cochrane and Maluri before it emerges from underground to head on to Cheras and Balakong before terminating in Kajang. The entire SBK Line will have a total of 31 stations (inclusive of seven underground stations), of which 16 will enjoy Park and Ride facilities.

From a total of 85 works packages, 47 works packages worth around RM20 billion have been awarded to various contractors as at 18 October 2012, for advanced works, depots, elevated guideways and stations, and underground works. Meanwhile, tenders for system works such as telecommunications and track works are ongoing. The awards of the remaining packages are expected to be completed by end 2012.



Construction for the KVMRT viaduct guideway and other associated works in progress, located next to the Malaysia Civil Service Golf Club (commonly known as Kelab Golf Perkhidmatan Awam, KGPA) alongside the Western Kuala Lumpur Traffic Dispersion Scheme (SPRINT) Highway



*The Segmental Box Girder (SBG) Casting Yard in Sepang will be able to produce a total of 17,000 SBGs for the construction of the KVMRT's twin track. Each of these 11metres-wide SBGs weighs about 45 tonnes. The first delivery of SBGs is expected in January 2013, to be used for the V5 KVMRT package (from Taman Bukit Ria to Plaza Phoenix, Cheras)*

Construction works for KVMRT have commenced, with significant activities at V1 (Sungai Buloh – Kota Damansara), V4 (Seksyen 16 – Semantan), V5 (Taman Bukit Ria – Plaza Phoenix), V6 (Taman Suntex – Bandar Tun Hussein Onn) and V7 (Balakong - Saujana Impian). Site preparation and utility relocation works are advancing fast at these sites, with pier construction works in progress at V4, V5 and V6. The Centralised Labour Quarters at Sungai Buloh and Plaza Phoenix are being completed expeditiously, in time to house more than 7,000 KVMRT workers by Q2, 2013.

Works for the KVMRT underground package covering seven underground stations and two portals are proceeding fast. The redevelopment of Klang Bus Station that includes the demolition of Klang Bus Stand, Plaza Warisan and UO Superstore is in progress for the construction of Pasar Seni KVMRT station. Underground stations such as KL Sentral, Merdeka, Pasar Rakyat, Cochrane and Maluri have advanced into diaphragm wall construction for the station box. In preparation for the 9.5km tunnel drive in Q2, 2013, 10 tunnel boring machines have been procured.



Upon completion, the underground Merdeka KVMRT station will link to Malaysia's tallest building – the Warisan 100



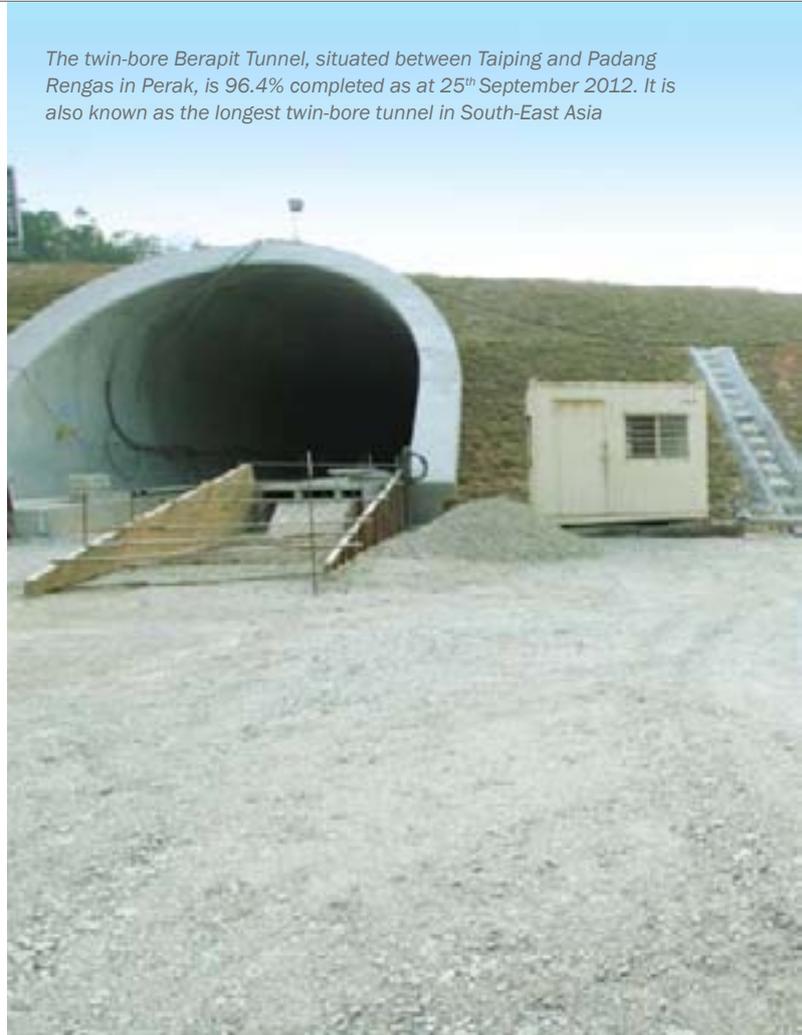
Construction works in progress in preparation for the Cochrane KVMRT station box, which will be integrated with the major redevelopment of Cochrane



Diaphragm wall construction equipment have been installed and ready to commence works at the KL Sentral KVMRT station site

The division's other major ongoing project, the EDTP, made further progress during the year, achieving 86% completion. Civil and structural works on this project have been substantially completed with track works and systems such as signalling and electrification well underway. Following the Government's approval of Extension of Time (EOT), the scheduled completion date for the main section of the works from Padang Besar to Ipoh (Spine line) is now June 2014, whereas the section of works from Bukit Mertajam to Butterworth (Spur line) is scheduled for completion in November 2014. We do not anticipate any difficulty in meeting these scheduled completion deadlines.

The twin-bore Berapit Tunnel, situated between Taiping and Padang Rengas in Perak, is 96.4% completed as at 25<sup>th</sup> September 2012. It is also known as the longest twin-bore tunnel in South-East Asia



KTM cargo trains are currently traversing on selected portions of the completed double track alignment, while awaiting full migration to the entire 329km stretch by end-2014. The picture depicts a cargo train running past the soon-to-be-completed Tasek KTMB station



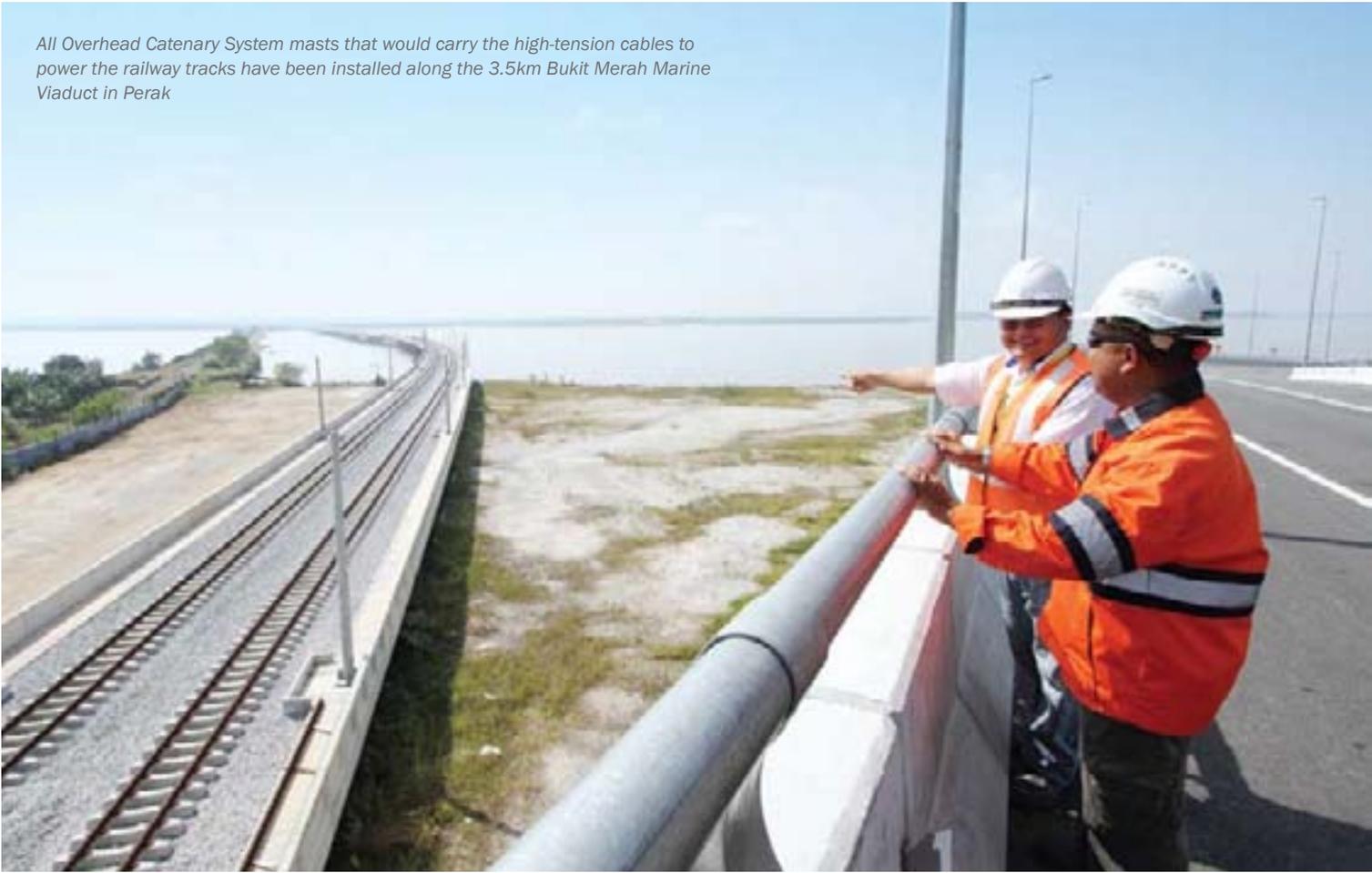
Each of the nine cross passages built along the 3.3km twin-bore Berapit Tunnel is equipped with telecommunication, safety and maintenance facilities to cater for emergencies and future upkeep



All new KTMB stations along the new double track are designed with a modern exterior and will be equipped with the latest station amenities for commuters' convenience. The picture shows the Bagan Serai KTMB station that has achieved substantial completion

All infrastructure and track works, as well as Overhead Catenary System mast installation along the tracks leading to the Bagan Serai KTMB station have been completed

All Overhead Catenary System masts that would carry the high-tension cables to power the railway tracks have been installed along the 3.5km Bukit Merah Marine Viaduct in Perak



A total of nine feeder stations will transform raw 132kv electricity tapped from the local TNB power grid into 25kv to power the trains' movements. The first completed and energised feeder station is pictured here at Lahat, Perak



Signaling and Control systems are currently being installed at the Bukit Mertajam Centralised Traffic Control (CTC) facility, which will oversee and manage all railway operations within the Ipoh - Padang Besar double track project area, whilst communicating and synchronising train movements with the existing CTC at KL Sentral

“In addition to the domestic market, the division continues to seek out opportunities in new overseas markets such as Indonesia, Vietnam, and more recently, Myanmar.”

## OVERSEAS PROJECTS

### QATAR

At the time of writing, the New Doha International Airport project in Qatar has now achieved substantial completion and the works are being handed over progressively to the client. The airport is scheduled for opening on 12 December 2012.

### VIETNAM

The Yen So Sewage Treatment Plant project in Hanoi has also achieved substantial completion. The project is expected to be handed over to the client by the end of 2012. The construction team there has demobilised and has been redeployed for our other ongoing projects.



*The Yen So Sewage Treatment Plant in Hanoi, which is currently in the final stages of handover, sits on a 23-acre piece of land, 7km south of the city*



*The grit chamber at the Yen So Sewage Treatment Plant (STP) removes grit carried in by the influent.*



*Sludge settled out from the Sequence Batch Reactor (SBR) tanks are sent for thickening and then to the anaerobic digester tanks (picture above) to be digested at a temperature of about 36°C for 20 days.*



From the grit chamber, wastewater in the STP enters the Main Inlet Pump Station to be sent for preliminary treatment works



Gas holding tanks in the STP, each of 2,500 cubic metres capacity store desulphurised methane gas derived from the sludge digestion process



Part of the UV-treated water is channelled to undergo Membrane Filtration to further improve its clarity to render it suitable for recycling within the STP for non-potable use





## PROPERTY DEVELOPMENT

Kota Kemuning residents enjoy shopping at the brand new Central Lake shops. Modern conveniences and public amenities such as retail shops, offices, neighbourhood schools and parks are key features master planned into all Gamuda Land townships intended to enhance the quality of life for the community

“The improved profit performance was primarily due to higher contributions from Bandar Botanic in Klang, and Horizon Hills in Iskandar, Johor.”

*Placing great emphasis on environmental architecture to meet the needs of a healthy community, much of the Horizon Hills township is dedicated to preserving the natural environment such as lushly landscaped parks and verdant green fields*



The division achieved yet another record-breaking performance for the third consecutive year. Buoyed by maiden sales from Vietnam, the division achieved total new sales of RM1.5 billion, up 15% from last year. Unbilled sales stood at RM1.2 billion at the end of FY2012.

Pre-tax profit for the division rose to a record RM286 million, an increase of 91% over last year. Similarly, revenue also rose 51% to RM1,067 million as higher billings were progressively booked from previous years' sales. Pre-tax margins also improved from 21% in FY2011 to 27% in FY2012.

The improved profit performance was primarily due to higher contributions from Bandar Botanic in Klang, and Horizon Hills in Iskandar, Johor. Likewise, higher new property sales were underpinned by strong demand at Bandar Botanic and Horizon Hills in Malaysia as well as maiden sales at Gamuda City and Celadon City in Vietnam. For FY2012, new property sales from Malaysia and Vietnam accounted for 75% and 25% of total sales respectively.

**MALAYSIA**

The domestic market started on a relatively strong note in the first half of FY2012 but weakened in the second half of financial year as several measures introduced by the Central Bank to cool down the market took effect. Among these new measures were a 70% cap on the Loan-to-Value ratio for a buyer's third property mortgage onwards, and the Responsible Finance Guidelines where the loan eligibility evaluation is computed based on a buyer's net income compared to gross income previously. These measures resulted in a pronounced slowdown in the higher-end segment of the market. However, demand for the mid and upper mid-range properties remains relatively resilient.

Notwithstanding this, the property market in Iskandar, Johor appears to be more resilient than the Klang Valley. The growing maturity of the Iskandar development, as well as improved accessibility following the recent opening of the Coastal Highway helped sustain strong interest from Singapore buyers. This is reflected in the record levels of sales being consistently achieved at Horizon Hills.

Land bank replenishment has always been a priority for the division. Given the sharp escalation in land prices in recent years, coupled with the unveiling of the Klang Valley Mass Rapid Transit (KVMRT) master plan, identifying and sourcing good land parcels have become even more challenging. In this respect, the division has recently acquired a small piece of freehold commercial land in Kelana Jaya. This 4.86 acre parcel costing RM95 million is planned to be developed into a mixed commercial development. Located in the matured neighbourhood of Kelana Jaya, this development is expected to generate a GDV of about RM630 million over 5 years starting in 2015. This development will also be the division's third niche development after Madge Mansions (a low-density luxury condominium) and The Robertson (city-centre mixed commercial/residential development).

In the meantime, the division continues to scout around for new township land to replenish the soon-to-be completed Valencia and Kota Kemuning projects. Given the several ongoing and upcoming developments, the division is in no particular hurry to add to its existing land bank and will patiently wait for the right opportunity, tagged at an attractive entry price before committing to any new developments.

## VIETNAM

In Hanoi, there has been good demand for Gamuda City's landed homes following its launch in December 2011. This 453-acre flagship development is envisaged to progressively transform southern Hanoi's property landscape in the coming years as it endeavours to create a brand new business district with office, commercial, retail and hotel components, complemented by a self-contained lifestyle residential township. Initial launches of Gamuda City's residential units were fully taken up within weeks, demonstrating the market's confidence in its vision and master plan.

Other elements of this urban redevelopment consist of the cleaning up of five lakes and the redevelopment of a public park. Both have now been largely completed, and once the newly-completed Sewage Treatment Plant is commissioned by year end, the lakes will be completely free of contaminated water and sludge. The multi-thematic and award-winning park surrounding the lakes is expected to be a national tourist attraction in the coming years. Gamuda is extremely proud to have been part of this environmental rejuvenation effort.

Our Celadon City development took a major step forward when it sold a piece of land for the development of a retail mall to AEON, one of Japan's leading retail mall operators. The sale, which resulted in a significant gain for the division, will see AEON developing their largest flagship retail mall in our township. When completed, this retail mall is expected to generate significant retail traffic to our township, and boost its market position substantially.

Sales of residential units at Ruby Precinct in Celadon City continue to be slow amidst a sluggish market. However, we remain highly confident in the prospects of this development as we sense that buyers will emerge once the township starts taking greater shape. As such, we have adopted a 'build then sell' strategy, and remain committed to the construction of two residential tower blocks, the club house, parks and other common facilities.

The property market outlook in Vietnam in the coming year remains mixed. At the macro level, economic fundamentals have improved significantly with inflation falling to the 6% level from 18% a year ago. This has allowed the Central Bank to start easing up on monetary policy, resulting in three interest rates cuts over the last year. The Dong has also stabilised at the current levels. However, property buyers have remained generally cautious, choosing to be extremely selective in their purchases. Landed properties have always been the preference among home buyers and this partly explains why Gamuda City has seen an encouraging response. Given these trends, we expect Gamuda City to sustain its brisk sales in the coming year.

At the end of FY2012, the division has a combined undeveloped land bank for Malaysia and Vietnam totalling 1,700 acres with a Gross Development Value (GDV) of RM22 billion over the next 15 years.

Consideration for safety and security is an important design aspect in all townships developed by Gamuda Land. Streets where drive-through traffic is minimised, allow children to safely learn how to ride a bicycle, as seen here at one of the cul-de-sac neighbourhoods in Ambang 2



### **BANDAR BOTANIC, KLANG**

This 1,200-acre wholly-owned development is now fully matured and maintains its position as one of the most sought-after premium property locations in Klang. With its signature Central Lake and landscaped parks totalling some 200 acres, its 'home in a garden' lifestyle concept continues to attract strong interest. Due to overwhelming response, the Botanic West and Ambang 2 launches are largely sold out and units are seeing rapid price appreciation as construction progresses. The opening of both phases of the highly-successful GM Klang (a comprehensive one-stop wholesale city), and a dedicated interchange providing direct access from the Shah Alam Expressway (SAE) have been instrumental in building the township's appeal as a shoppers' destination.

Bandar Botanic has a remaining Gross Development Value of RM750 million over the next 3 years.

### **HORIZON HILLS, JOHOR**

This 1,200-acre, seven-year-old freehold development, located at the heart of Iskandar Malaysia is being undertaken via a 50:50 joint venture with the UEM group. A low-density residential township, its features include a championship 18-hole designer golf course with a signature club house. Highly popular among neighbouring Singaporeans, key attractions include its easy accessibility, close proximity to Singapore, breathtaking landscapes, advanced security system and attractive pricing. The opening of both the Johor Premium Outlets in Kulajaya in December last year and Legoland in September this year, combined with two consecutive years of hosting the Iskandar Johor Open Golf Tournament at the Horizon Hills Golf & Country Club has captured tremendous interest among avid golfers as well as seasoned property investors to the Iskandar region, particularly in Horizon Hills.

Horizon Hills has a remaining Gross Development Value of RM4.9 billion over the next 15 years.

*Homeowners of the Golf Precinct have uninterrupted views of fairways 4 and 5. An ideal way to spend a relaxing weekend, residents of Horizon Hills often enjoy a healthy round of golf with friends on the sprawling 200-acre award-winning golf course*



*The newly-opened Oriental-themed clubhouse at Jade Hills is a favourite hangout at the township. Designed to host a variety of leisure and sporting activities, this modern amenity promotes a holistic lifestyle among health-conscious residents*



*The latest lifestyle shops by the lakeside in Kota Kemuning, is a hive of activity especially during weekends, where residents enjoy alfresco dining, while spending quality time with their families*



#### **JADE HILLS, KAJANG**

This 338-acre, wholly-owned freehold development is now in its fifth year of development and almost half-way through its development cycle. With ever-increasing annual sales since its launch, this development is shaping up to be another resounding township success story.

Key success factors include its unique Oriental-theme, organic master plan, lush greenery, wide product range, a host of green initiatives such as roof gardens and eco-friendly fittings. The recent inclusion of shop offices and service apartments, and the anticipated enhanced accessibility upon the completion of the KVMRT, SBK Line will transform Jade Hills into a truly complete township.

Jade Hills has a remaining Gross Development Value of RM1.2 billion over the next 6 years.

#### **KOTA KEMUNING, SHAH ALAM**

This 1,800-acre project is now in its 16<sup>th</sup> year of development. It is widely acknowledged to be one of the most successful self-contained developments in the Group. Highly matured with its award-winning golf course, properties within the township have consistently enjoyed superior price appreciation throughout the years. Latest addition to this thriving township is the recently-launched Biz Suites, set to be its new low density commercial landmark. These lifestyle offices cum retail suites are targeted at young professionals, entrepreneurs and small families.

Kota Kemuning has a remaining Gross Development Value of RM290 million over the next 7 years.

*The lakeside park adjacent to the new urban villa neighbourhood in Valencia's Garden Precinct is becoming a popular place for tai-chi and other recreation activities such as jogging, yoga and early morning strolls*



*Sitting on the fringe of the golden triangle, The Robertson's latest sales gallery and show unit is attracting a lot of attention from property investors and young professionals looking to secure an affordable property strategically located in the heart of Kuala Lumpur*



### **VALENCIA, SUNGAI BULOH**

This wholly-owned 280-acre development is a highly-regarded gated and guarded township that is well sought after by both the local and expatriate communities. Barely a year after its launch, the fully sold-out Mod Homes phase, which comprises three-storey link houses, were completed in early 2012. Mod Homes was the final phase for landed residential homes in Valencia. New phases will comprise affordable apartments, which are located outside the gated and guarded compound and are due to be launched in the coming year.

Valencia has a remaining Gross Development Value of RM60 million over the next 1 year.

### **MADGE MANSIONS, KUALA LUMPUR**

This wholly-owned development will offer the ultimate in super-condominium city living catering to the needs of discerning professionals and top executives. Located in the city's exclusive and prestigious Embassy District, construction work is now at an advanced stage. A Sales Gallery, complete with on-site Show Unit will be ready soon. Offering only 52 palatial units, sales and marketing efforts will be focused on a select and privileged segment of buyers.

Madge Mansions has a remaining Gross Development Value of RM250 million over the next 2 years.

### **THE ROBERTSON, KUALA LUMPUR**

This wholly-owned development is the division's first foray into a high-rise mixed commercial development in central Kuala Lumpur. Sandwiched between the bustling neighbourhoods of Bukit Bintang and Chinatown, this development will feature magazine-styled studio homes and numerous urban conveniences. Targeted at young professionals and small families, The Robertson will offer an affordable chic lifestyle in the heart of the city. The modern Sales Gallery that comes with a fully-furnished Show Unit is located at Jalan Pudu and will be ready for viewing in early 2013.

The Robertson has a Gross Development Value of RM670 million over the next 4 years.

*The Floating Pavilion is a key design feature in the impressive Traditional Park – one of the themed gardens in Yen So Park. This visual spectacle re-used much of the mature trees salvaged from the old park prior to its restoration. Soon to be opened, it will serve as a much-needed green lung for the surrounding community and residents of Gamuda City*

### GAMUDA CITY, HANOI

This wholly-owned flagship development had its maiden launch for the Gamuda Garden precinct in late 2011. Spanning 453 acres, this mixed development will comprise bustling business districts, commercial hubs, large retail complexes and a self-contained residential township, with an adjoining world-class urban recreation park. The park and the adjacent waste water treatment plant were completed prior to the launch.

The market's response to the initial launch has been good. Sales continue to be encouraging despite the prevailing uncertainties in the property market. An ambitious urban redevelopment project, Gamuda City is poised to achieve a strong market position in the coming years.

The project is easily accessible by the national trunk road or the city's ring road. To further enhance the land quality of the development with a strong and solid foundation, much effort in land surcharge and piled raft foundation works have been carried out.

Gamuda City has a remaining Gross Development Value of RM8.6 billion over the next 9 years.



*Indigenous terracotta bricks, elegantly curved eaves and a rich use of motifs and ornamentation distinguish the identity of the newly-completed Traditional Village, which serves as an architectural archetype of Vietnam's unique cultural past*



*A serene, yet visually arresting lakefront view of Central Park in Celadon City*



*Multi-functional exercise stations distributed throughout Celadon Park promotes a healthy lifestyle among the residents*



*Billowing trees and the breezy air make for an enjoyable walk along the neatly softscaped walkways of Yen So Park*

### **CELADON CITY, HO CHI MINH CITY**

This 60%-owned development had its maiden launch in early 2011 amidst a weak market. Initial sales have been sluggish as buyers adopted a wait-and-see approach to the development. A total of three show units for Block A of the Ruby Precinct have been completed. The entry by AEON of Japan into the township has significantly lifted the visibility of the development among the locals. It is envisaged that once AEON's largest flagship retail mall is completed, sales will improve significantly.

A key feature of this 200-acre development is its Central Park, a 40-acre green lung complete with fully landscaped gardens, serene lakes and jogging and cycling tracks. Set to be the largest green park in the city, Central Park is destined to be a vibrant centre of activity. Other components include small office buildings, sports complex, international schools, a medical centre and a cultural and entertainment centre.

Celadon City has a remaining Gross Development Value of RM4.7 billion over the next 8 years.





## INFRASTRUCTURE CONCESSIONS

Aerial view of the enhanced and widened Damansara - Puchong Highway (LDP) from the Bandar Utama Interchange (background) leading towards Damansara Perdana (foreground) and the Penchala Toll Plaza, interconnecting with Penchala Link of the Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT) Highway

## WATER SUPPLY

Regrettably, during the year, very little progress was made in consolidating Selangor's water industry despite several years of protracted negotiations. Although the Federal Government indicated several months ago that a fresh offer would be made to acquire our water assets, no such offer was forthcoming during the year.

It remains unclear when and how, this stalemate can be resolved. In the meantime, treated water continues to be produced by our 40% - associate company Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (SPLASH) and three other players - Puncak Niaga Sdn Bhd, Konsortium ABASS Sdn Bhd and Konsortium Air Selangor Bhd. The treated water is in turn purchased by Syarikat Bekalan Air Selangor Sdn Bhd (SYABAS), Selangor's sole distribution concessionaire, and distributed to consumers in Selangor and the Federal Territories of Kuala Lumpur and Putrajaya. The dispute between the Selangor State Government and SYABAS revolves around the implementation of a scheduled consumer tariff increase which has been frozen since 2008. The State Government has rejected the tariff hike claiming that SYABAS had failed to meet its obligations under its concession agreement.

The delay in implementing the scheduled tariff hike has resulted in SYABAS being unable to fully pay the water producers for the treated water supplied. This had impacted the cash flows of the water producers and raised the risk ratings of some of the outstanding water bonds of these producers. To stave off the risk of potential bond defaults, the Federal Government, through Acqua SPV (a special purpose vehicle) successfully acquired all of Selangor water industry bonds in exchange for new Federal bonds.

At the time of writing, the stalemate has escalated further. The State Government, in response to SYABAS' request for approval to commence water rationing, exercised its right to step-in to take over the management and operations of SYABAS. The Federal Government, however, has yet to approve the State's takeover of SYABAS.

“All these upgrades, improvements and enhancements are aimed at allowing motorists to cut travel times and enjoy smoother journeys by removing congested traffic lights intersections, and segregating mainline and local traffic streams.”



One of the three packages for the LDP 5 major upgrading initiative – Package B – involves upgrading works for Kepong-bound traffic on the Damansara - Puchong Highway (LDP) between Persiaran Surian and the Penchala Toll Plaza



### TOLLED HIGHWAYS

Our highways division performed within our expectations, registering steady traffic growth and generating significant cash flows for the group. Average weekday tollable traffic at the Damansara - Puchong Highway (LDP) increased 1.3% over the year to 481,000 vehicles. We are pleased to note that the initial drop in traffic due to the opening of the Section 1B of the South Klang Valley Expressway in mid-2010 has been fully regained. Likewise, the average weekday tollable traffic on the Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT) increased 5.6% during the year to 227,000 vehicles. This is despite tollable traffic on Jalan Damansara remaining flat throughout the year. SPRINT's overall traffic growth was therefore driven by higher traffic volumes on its Kerinchi and Penchala Links. Our other two highways, Shah Alam Expressway (SAE) and Stormwater Management and Road Tunnel (SMART) also chalked up modest traffic volume growths.

On the LDP, the RM133 million upgrading works at the Taman Tun Dr Ismail (TTDI) Interchange was completed in mid-2012. At about the same time, the TTDI Interchange underpass was also opened to traffic in April 2012. With these improvements, motorists travelling on SPRINT from Kuala Lumpur towards Bandar Utama, Kota Damansara and Kepong can now travel uninterrupted instead of being held back by a traffic light intersection before.

In addition, another major enhancement initiative comprising three separate packages collectively known as LDP 5 is now in the final stages of completion. Package B of this initiative involves the upgrading and improvement works for north-bound traffic on the LDP between Persiaran Surian and the Penchala Toll Plaza. A new two-lane viaduct from Bandar Utama to Penchala Toll Plaza has now been completed and opened to traffic. Package A, involving the construction of a new ramp towards Putrajaya and enhancement works in the vicinity of Puchong Intan and Puchong Perdana Interchanges, were completed and opened to traffic in December 2011. The final Package C, which is expected to complete in the third quarter of 2012, involves upgrading and improvement works between Petaling Jaya Toll Plaza to Puchong Jaya.

All these upgrades, improvements and enhancements are aimed at allowing motorists to cut travel times and enjoy smoother journeys by removing congested traffic lights intersections, and segregating mainline and local traffic streams. With the completion of these works, the LDP is now well equipped to handle even higher traffic volumes that will emanate from the completion of major developments such as Icon City in SS8 Petaling Jaya, Empire Damansara at Damansara Perdana and Paradigm Mall at Kelana Jaya.

In the next few years, motorists using LDP and SPRINT will also face some inconveniences as construction works for the KVMRT, SBK Line and the Light Rail Transit (LRT) extension projects go into full swing. We apologise in advance for these inconveniences and assure motorists that we will spare no efforts and take all steps necessary to minimise traffic disruption.

*Part of the RM133 million Taman Tun Dr Ismail Interchange upgrade, the new two-lane underpass leading towards Bandar Utama and Kepong was completed and opened to traffic in April 2012*



# 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)
- SMART, United Nations Scroll of Honour Award 2011, World Habitat Day



**MASTERPLAN**

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

**LANDSCAPE**

- Horizon Hills, Property Developer Category for Excellent Landscape Planning and Development, Malaysia Landscape Architecture Awards 2011, Institute of Landscape Architects Malaysia (ILAM)
- Yenso Park, Property Developer Category for Excellent Landscape Planning and Development, Malaysia Landscape Architecture Awards 2011, Institute of Landscape Architects Malaysia (ILAM)
- 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

**BUSINESS & MANAGEMENT**

- Gamuda Berhad, Asia's Best Managed Companies, Euromoney
- Gamuda Berhad, Best Managed Company and Strongest Commitment to Enhancing Shareholder Value, FinanceAsia





The employee-centric culture in Gamuda encourages interaction and networking amongst colleagues across ranks and business units to enable a more open, collaborative and engaging work environment



## PARTNERSHIPS

Forging meaningful and rewarding relationships with employees, business partners and the community, we value above all else, mutual respect, trust and understanding among each other



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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 74.

### **Board Committee membership**

- Chairman of the Audit Committee

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

- Kenanga Islamic Investors Berhad (formerly known as Kenanga Fund Management Berhad)
- Kenanga Investment Bank Berhad
- K&N Kenanga Holdings Berhad
- Panasonic Manufacturing Malaysia Berhad
- PPB Group Berhad
- Southern Steel 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.

A civil engineer, he joined Gamuda in 1978 as a senior project manager. He brings to the Group more than 34 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 57.

#### **Board Committee membership**

- Member of the Remuneration Committee

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

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



### **Dato' Ir Ha Tiing Tai**

*Deputy Group Managing Director*

Dato' Ir Ha has been on the Board since 1 February 1990. He was promoted to Deputy Group Managing Director on 1 June 2012.

A civil engineer, he has 35 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.

Dato' Ir Ha plays a key role in the Group's engineering and construction business. This 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), and Underground Works contractor, 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 particularly in large and complex projects enable him to contribute significantly to the Group's business and to the Board. He was appointed Vice President of the China Economic & Trade Promotion Agency in September 2010 on a 5-year term.

Dato' Ir Ha was nominated as a Fellow of The Institution of Structural Engineers, UK in September 2012 via the Eminent Persons' Route to Fellowship for individuals who have made noteworthy contribution to the profession of structural engineering and who occupy a prominent position.

He holds a Bachelor of Engineering (Honours) degree from University of Malaya. He is also 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 Fellow of the Institution of Civil Engineers, UK as well as a Fellow of the Institution of Highways And Transportation, UK. Age 58.

#### **Board Committee membership**

- None

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

- Danau Permai Resort 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 has served as a member of the National Standards & Accreditation Council, where he was also the 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 76.

#### **Board Committee membership**

- Chairman of the Remuneration Committee
- Chairman of the Nomination Committee
- Member of the Audit 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 66.

#### **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 Sultan 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 52.

**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 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 Sultan Azlan Shah.

He holds a Bachelor of Science degree in Engineering from the Institute of Technology, Brighton, UK. Age 76.

**Board Committee membership**

- None

**Other directorships of public companies**

- Intan Utilities Bhd



### **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 54.

#### **Board Committee membership**

- None

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

- Lingkaran Trans Kota Holdings Berhad
- Syarikat Pengeluar Air Selangor Holdings Berhad
- Kesas Holdings 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 56.

#### **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 was President of the Master Builders Association of Malaysia (MBAM), the collective and recognised voice of the construction industry in Malaysia, from 2008 to 2010 and was previously a Board member of the Construction Industry Development Board (CIDB), Council Member of the Building Industry Presidents' Council (BIPC) and Council Member of the ASEAN Constructors Federation (ACF).

He is presently a Board member of the International Federation of Asian and Western Pacific Contractors' Association (IFAWPCA), Vice President of Malaysian Service Providers Confederation (MSPC), member of the Malaysian Productivity Corporation (MPC) and Advisory Board member of Construction Labour Exchange Centre Berhad (CLAB). Dato' Ng was recently elected as a Fellow Class of the Chartered Institute of Building, UK (FCIOB).

He is responsible for the Group's expressway concession interests in Malaysia. His skills and vast experience, having worked for the Company for 34 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 CLAB, and Council Member of BIPC and ACF, enable him to contribute on issues affecting the building and construction industries. Age 56.

**Board Committee membership**

- None

**Other directorships of public companies**

- Lingkaran Trans Kota Holdings Berhad
- Kesas Holdings Berhad



**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 55.

**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



### **Tunku Afwida binti Tunku A. Malek**

*Non-executive Director (independent)*

A chartered accountant, Tunku Afwida joined the Board on 1 June 2012.

Tunku Afwida has had held senior roles in investment banks. Most recently, from 2006 until 2008, she was Chief Executive Officer (“CEO”) and Executive Director (“ED”) of Kenanga Investment Bank Berhad. Prior to that, from 2003 to 2006, she was CEO and ED of MIMB Investment Bank Berhad and from 1995 to 2003, she was ED/Chief Investment Officer of Commerce Asset Fund Managers Sdn Bhd. Tunku Afwida is currently a Director and shareholder of Benih Semaian Sdn Bhd, a funding advisory company.

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

Tunku Afwida holds a Bachelor of Science (Honours) degree in Economics and Accountancy from City University London, UK and qualified as a Chartered Accountant from the Institute of Chartered Accountants in England and Wales. Age 47.

#### **Board Committee membership**

- Member of the Audit Committee

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

- Cagamas 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 30 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 54.

#### **Board Committee membership**

- None

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

- Horizon Hills Resort Berhad

#### **Notes:**

- 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.

# 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 Dato' Ir Ha Tiing Tai (Deputy 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 T M Raja Dato' Seri Eleena binti Sultan Azlan Shah
- Y Bhg Dato' Seri Ir Kamarul Zaman bin Mohd Ali
- Y Bhg Dato' Haji Azmi bin Mat Nor
- Y Bhg Dato' Goon Heng Wah
- Y Bhg Dato' Ng Kee Leen
- Mr Saw Wah Theng
- Y M Tunku Afwida binti Tunku A.Malek
- 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
- Y M Tunku Afwida binti Tunku A.Malek

## NOMINATION COMMITTEE

- Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi (Chairman)
- 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

## SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

- Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi  
E-mail : mkramli@gamuda.com.my

## COMPANY SECRETARIES

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

## REGISTERED OFFICE

Menara Gamuda  
D-16-01, Block D, PJ Trade Centre  
No. 8, Jalan PJU 8/8A  
Bandar Damansara Perdana  
47820 Petaling Jaya  
Selangor Darul Ehsan  
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 3 October 2012

## 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	45%
• Madang Permai Sdn Bhd	36%
• Kesas Sdn Bhd	30%

## WATER RELATED

• Gamuda Water Sdn Bhd	80%
• Syarikat Mengurus Air Banjir & 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	50%
• MMC Gamuda KVMRT (T) Sdn Bhd (formerly known as Viable Synergy 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%
• Reka Strategi 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%
• 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	45%
• 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%



The Tunnelling Training Academy (TTA) is the world's first training school to produce highly skilled manpower for the tunnelling industry, in particular for the Klang Valley Mass Rapid Transit (KVMRT) project. The immediate target for TTA is to train 1,000 professional and skilled labour for the Sungai Buloh - Kajang Line (SBK Line) by the year 2014



## UPSKILLING

With the immense knowledge and experience gained from developing large scale, complex infrastructure projects, we sustain a dynamic and progressive human capital chain for the nation



## **CORPORATE RESPONSIBILITY**

Corporate Social Responsibility	<b>061</b>
Quality, Safety & Health and Environment (QSHE)	<b>062 - 064</b>
Human Capital Development	<b>065 - 068</b>
Community and Social Development	<b>069 - 085</b>

# CORPORATE SOCIAL RESPONSIBILITY

We see corporate social responsibility (CSR) as an essential part of our business activities and consistent with being a responsible organisation.

The Gamuda Group sees corporate social responsibility (CSR) as an important 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 areas.



## QUALITY, SAFETY & HEALTH AND ENVIRONMENT (QSHE)

A comprehensive Gamuda Management System has evolved from the previous Quality, Safety & Health and Environment system that has been successfully implemented to ensure that the 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.

### 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
- Committed to provide a safe and healthy work 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

### Quality Programmes & Achievements

Under our Quality Programmes, 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 programmes conducted.

Among the successful initiatives spearheaded by the respective project sites include the implementation of Electronic Document Management System, standardisation of Document Control System Procedures, execution of online system for Request for Inspection (RFI), as well as verification and record tracking during the construction stage. 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.

Results from periodic audits carried out among employees showed that staff members were aware of the quality guidelines and regulations that the Group had adopted. We also saw a significant reduction in non-conformance reports. These results attest to the successful training sessions conducted throughout the calendar year.

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 the Group's accreditations in 2011/2012 is as follows:

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

“...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 future improvement to take place.”

#### Safety & Health Programmes & Achievements

Occupational Safety & Health (OSH) Management System is an integral part of Gamuda’s operations and social responsibility. The Group places a high degree of emphasis on all aspects of safety and health associated with project works, in particular, the protection of employees and the public. Our approach to safety and health is to proactively identify hazards, assess associated risks and implement clearly defined and effective risk control measures.

Our experience of undertaking projects within Malaysia and other international countries with the recognised OHS Management System (OHSAS 18001 & MS1722) enables us to integrate those standards within the local legislative framework and to effectively comply with the requirements of the enforcing authorities.

Key factors that ensure our Safety & Health Management System is effectively implemented include:

- i. Proactive risk management approach applied at all project sites;
- ii. Empowering every employee to take ownership and responsibility on safety and health issues;
- iii. Involvement of top/senior management in effective planning, control and monitoring on the implementation of safety and health requirements; and
- iv. Ensuring sufficient allocation of resources to provide safety and health training for a wide range of supervisory and skills advancement in safety and health.

Training and communication on safety and health are given priority with an aim to enhance employee awareness and inculcate a safety and health culture throughout the organisation. One of the initiatives taken by the Project Delivery Partner (PDP) of the Klang Valley Mass Rapid Transit (Sungai Buloh - Kajang Line) (KVMRT, SBK Line) project is the establishment of a Safety, Health and Environment (SHE) Display Centre at the KVMRT Sungai Buloh Depot. It is the first SHE display centre in Malaysia implemented to raise the standard of SHE, particularly in the KVMRT project, to a level higher than normally practiced in the Malaysian construction industry. It provides a clearer understanding of SHE components, conveyed during induction trainings to senior management, consultants, sub-contractors and workers involved in the project. This is to ensure that good SHE performance is strictly maintained and achieved throughout the construction period of the KVMRT project.

Apart from that, continuous monitoring on safety and health performance is carried out through inspection, audit and consultation with relevant parties. Initiatives were taken to improve participation level of employees by involving them in safety and health-related activities such as inspection, audit and campaigns. Recognising safety and health contributions and innovation have been effective in motivating employees towards practicing competent safety and health work behaviour. Overall, the measures implemented have resulted in a significant reduction of work-related accidents due to greater awareness among stakeholders.

Continuous reviews on the OSH Management System and its approach are being carried out to meet our policy commitment, the requirements of our clients, and the relevant legal provisions. Key performance indicators on the achievement of safety and health targets are constantly being assessed and improved.

### Environmental Programmes & Achievements

Environmental management is an essential part of Gamuda's operations. The Group takes a strong stand towards environmental protection as it is our responsibility to ensure the projects we undertake comply with the existing environmental legal framework and do not jeopardise the environment we operate in. Starting from our early days of building rural roads to our latest major urban expressways and the mass rapid transit, we strive to conduct our business activities in a sustainable manner with minimal impact to the natural surroundings.

In line with our environment-conscious approach, a set of environment-centric programmes were executed during the financial year for all the projects we are working on. The programmes were implemented in a comprehensive manner, in concert with our joint venture partner, contractors and suppliers. The efforts include:

- Monitored project progress to maintain compliance with legal requirements;
- Introduced the 3R concept – Reduce, Reuse and Recycle for non-hazardous construction materials;
- Implemented control measures for water, air, noise, vibration, erosion and sedimentation; and
- Maintained site ecosystem and biodiversity.

Apart from the above programmes, environment-focused training was conducted on areas such as operational control, construction impact, waste management and legal requisites by the QSHE team. The training sessions aimed to enhance awareness and knowledge on environmental management and at the same time inculcate best practices among employees and contractors.

In keeping with established policies, constant reviews, monitoring and improvements on our delivery programme were carried out to ensure timeliness, minimal non-conformance and dissatisfaction among clients, the authorities, members of the public and stakeholders.

Recognising the importance of preserving the natural environment for our future generations, we also endeavour to safeguard the environment through a series of education and community-related activities such as the "Adopt a Tree & an Orphan for a Day" event – a one-day programme that fosters environmental conservation and appreciation among underprivileged children.

Internally, the Group has begun to endorse the use of environmentally-friendly products and construction materials in the course of our business operations. Other planned environmental initiatives include conserving natural resources through efficient use of water, electricity and paper to be implemented at all business premises.

Going forward, more comprehensive training programmes, workshops and seminars will be organised for employees and contractors echoing the gravity of our stand against environmental degradation. The most recent workshop held on sustainable construction was well received among the Group's employees.

## HUMAN CAPITAL DEVELOPMENT

### Nurturing Human Capital for the Nation

Gamuda Group takes a strong interest in nation building through the development of human capital for the dynamic engineering and construction industry – in line with our corporate mission to create sustainable development and enrich the community.

Steadfast in our pledge to nurture a dedicated pool of Malaysian experts, especially in the emerging field of tunnelling, we take the lead in the development of a range of initiatives aimed at sharing niche construction knowledge and technology, while cultivating new talents who will carry the local construction industry to new heights.

As the appointed Project Delivery Partner (PDP) and the main underground works contractor for the Klang Valley Mass Rapid Transit (Sungai Buloh – Kajang Line) (KVMRT, SBK Line), by the Government of Malaysia, we are honoured to be able to create an avenue for ambitious Malaysians to upskill their knowledge and in turn, move the entire industrial technology up the value chain.

A testament of our commitment towards innovation and continuous learning, we set up the world's first Tunnelling Training Academy to produce highly skilled manpower for the local tunnelling industry, in particular to ensure the successful implementation of the KVMRT project in Malaysia.

To-date, over RM110 million has been invested by the Group since 1995 to nurture a progressive community through training and advancement of skills.

Through the belief that social progress is an essential element of economic advancement, Gamuda Group also engages in a series of academic support, scholarships and tertiary institution partnership to encourage the personal development and self-sustenance of marginal groups comprising the needy and the underprivileged.

#### *Tunnelling Training Academy (TTA)*

TTA is the Group's latest initiative in training and developing a sustainable source of Malaysian workforce who are proficient in the specialised and highly sought after field of tunnel construction.

Consistent with the Government's aspirations for Malaysia to become a high-income nation by the year 2020 through the creation of niche employment opportunities in high technology industries, TTA is expected to produce an adequate supply of specialists, technicians and skilled labour to support the roll-out of the underground works for the KVMRT, as well as similar projects in other parts of the world which require tunnelling expertise.

At a cost of RM10 million for the setting up and execution of skilled, technical and specialist programmes, TTA aims to train 1,000 professional and skilled workers by year 2014 catering for the immediate phase involving the SBK Line. It will also accommodate for the training needs of additional workers required for future KVMRT lines that are part of the Klang Valley Urban Rail Development Plan.

*TTA, the world's first tunnelling school, aims to nurture a sustainable pool of skilled tunnelling workforce to cater to the manpower needs of the massive KVMRT project*



Where applicable, TTA will collaborate with the Construction Industry Development Board (CIDB) in the assessment and award of the relevant skills certificates for course participants.

The range of facilities available at TTA include indoor classrooms, on-site tunnel boring machine cutter wheel, shotcrete mould, testing unit for annular gap filling (grouting), testing unit for foam production, laboratory apparatus, as well as equipment and devices for tunnelling data acquisition and analysis, and erector simulator for tunnel segment ring building.

#### **Construction Training Centre (CTC)**

Working in tandem with the CIDB and *Institut-Institut Latihan Kemahiran*, CTC serves as a valuable training ground for young Malaysians who are keen to launch a career in the challenging construction industry. Due to the innovative nature of the large-scale infrastructure projects and the state-of-the-art technologies employed by the Group, having our own training centre 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.

In total, the CTC and TTA combined will be able to provide up to 4,000 training places per year.

#### **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 GPOS in 1997.

More than RM30 million has since been invested in this training academy, located in Kota Kemuning, Shah Alam. The school is accredited by CIDB, the Department of Occupational Safety and Health (DOSH), and the Human Resource Development Council (HRDC), and 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 began to offer more programmes on trade skills such as welding, bar-bending, and bricklaying, to meet the demands of the construction industry.

*The annual Gamuda Scholarship Award grants deserving Malaysian students the opportunity to pursue their tertiary education in established foreign and local universities*

Apart from skills training, GPOS also provides training and consultancy in environmental management and occupational safety and health for companies involved in manufacturing and production.

Since its inception, GPOS has today trained more than 30,000 skilled plant operators and heavy machinery operators.

Synergising various competency courses offered by GPOS, CTC and TTA, Gamuda's integrated human capital advancement blueprint will serve the overall manpower needs of the KVMRT project.

#### **Gamuda Scholarship Award**

A total of 303 eligible scholarship applications were received this year. To ensure only individuals who possess exceptional leadership abilities; exhibit a constant desire to challenge the status quo; achieved excellent academic results; and have a strong passion to succeed in their chosen fields of study are considered, a two-part candidate selection process was employed by the scholarship award committee.

The first part of the shortlisting procedure involved an interactive workshop based on written, oral and presentation finesse; followed by a one-on-one interview session with a three-member panel of external judges in the final round of selection.

A total of 18 outstanding and deserving students received their scholarship awards this year and joined the ranks of more than 270 Gamuda scholars, who received financial assistance for tertiary studies amounting to RM23.5 million since 1996 – inclusive of this year's RM2.5 million worth of scholarships.



The Gamuda annual scholarship award is part of Gamuda's integrated human capital development strategy that underlies the Group's long-term commitment to create a pool of motivated and highly-skilled Malaysians that will help spur the country's development into a first class nation by the year 2020.

Besides covering tuition fees and living expenses, the scholarship is a pathway for high-achievers to forge a bright future through detailed career development and guidance from the Gamuda Learning Centre – the training arm of Gamuda Berhad – and underscores the Group's continuous efforts in nurturing the best minds to boost its current and future development needs.

### *Gamuda Learning Centre (GLC)*

Continuous learning is one of the central cores of human capital development in Gamuda. Viewing employees as our partners of success, we strive to provide the best possible work environment that allows employees to develop meaningful and rewarding careers, while constantly engaged in knowledge and skills advancement.

An array of training courses for different levels and career guidance are offered to all employees of the Group through our dedicated training unit, the Gamuda Learning Centre (GLC).

In operation since 1995, GLC has since invested over RM15 million in staff training having concluded more than 1,700 training sessions for over 15,000 participants. These training sessions include in-house and external programmes covering management competence, engineering and niche technical know-how, quantity survey and construction supervisory skills.

### *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 initiative in 1996.

To-date, over 100 QS trainees from six batches between 1996 and 2006 have graduated from this programme. Including the current 7<sup>th</sup> QS intake in 2009, the overall commitment to this programme will reach 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 four-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 who wish to pursue an Advanced Diploma or Bachelor's (Honours) degree from any local or private university.

## COMMUNITY AND SOCIAL DEVELOPMENT

### CALENDAR OF EVENTS

3 October 2011

The Stormwater Management and Road Tunnel (SMART) project won the coveted United Nations Habitat Scroll of Honour Award 2011, held in conjunction with World Habitat Day. SMART Chief Operating Officer Mohd Fuad Kamal Ariffin accepted the prestigious award in the presence of UN representatives and the President of Mexico at Aguascalientes, Mexico. The award recognises the dual purpose tunnel's effectiveness in improving the living standards of Kuala Lumpur residents, while saving the city centre from severe flash floods.



SMART Chief Operating Officer, Mohd Fuad Kamal Ariffin (front standing second from right) receiving the Scroll of Honour Award 2011 from UN-Habitat Executive Director Dr Joan Clos (front standing third from left) in a presentation ceremony in Aguascalientes, Mexico

29 October 2011

A total of 227 Gamuda employees were awarded the Long Service Award, in conjunction with the Group's 35<sup>th</sup> Annual Dinner & Dance celebration held at the Sunway Resort Hotel & Spa. The awards were conferred to loyal staff members who served the Group for 10 years and above.

8 November 2011

MMC-Gamuda JV set up an Emergency Response Command Centre as part of its flood mitigation measures during the monsoon season for the Electrified Double Track Project (Ipoh – Padang Besar). The command centre took proactive measures in mitigating the possibility of floods in the northern part of Peninsular Malaysia, mainly along the project's alignment.



MMC-Gamuda JV Director Dato' Haji Azmi Mat Nor (third from right), and MMC-Gamuda JV Director, Dato' Mohd Nor Idrus (fourth from left) were briefed on the importance of safety vests during rescue missions by an Emergency Response Team (ERT) personnel after the media briefing session at Bukit Mertajam

### 8 November 2011

Being part of the broader public engagement campaign by MRT Corp to keep the public informed about the KVMRT, SBK Line project, the KVMRT Info Kiosk - a collaborative effort between MRT Corp and MMC-Gamuda JV, was launched.



The public were impressed with the “hawkeye” programme at the KVMRT Info Kiosks that displayed the actual view of the entire 51km alignment of the SBK Line and the exact locations of each of the KVMRT stations

### 29 November 2011

Five information centres for the KVMRT, SBK Line project, a shared initiative between MRT Corp and MMC-Gamuda JV, were opened at Kota Damansara, Taman Tun Dr Ismail, Bandar Tun Hussein Onn, Kajang and KL Sentral. Strategically located along the alignment, these info centres serve as one-stop resource hubs that provide the latest updates, as well as to receive crucial feedback from the public.



A dedicated 24-hour KVMRT hotline is set up as the official channel for complaints from stakeholders and the general public during the construction of the project. Each call is recorded and reported issues will be acted upon within a 24-hour window period to ensure prompt attention and fast turnaround time for each caller



### 15 December 2011

The world’s first tunnelling school – the Tunnelling Training Academy (TTA), was established by MMC-Gamuda JV to produce highly skilled manpower for the tunnelling industry, in particular for the KVMRT project in Malaysia. TTA was launched by the Perdana Leadership Foundation Honourary President Tun Dr. Mahathir bin Mohamad.

The TTA is consistent with the Government’s aspirations for Malaysia to become a high-income nation by 2020 through the creation of niche employment in high value-added industries

## February 2012

Valencia was voted the 5<sup>th</sup> Best 9-Hole Course in Course Poll 2011/2012, published in the February 2012 issue of Golf Malaysia Magazine.

## 1 February 2012

Gamuda Berhad relocated its headquarters from Damansara Jaya to Menara Gamuda in PJ Trade Centre, Damansara Perdana. The new office building is the new home for the corporate offices of Gamuda Berhad, Gamuda Engineering, Gamuda Trading and Gamuda Land.

## 14 – 16 February 2012

MMC-Gamuda JV took part in the International Construction Week (ICW) 2012 exhibition organised by the Construction Industry Development Board, Malaysia. Held at the Kuala Lumpur Convention Centre, the event opened its doors to policy makers, industry peers and visitors from around the world, showcasing Malaysian expertise in various fields of construction and engineering. Teams from SMART and LITRAK also participated to share their respective projects' achievements.



MMC-Gamuda JV Director Dato' Haji Azmi Mat Nor (left) explaining the functions of the Slurry Mixshield Tunnel Boring Machine to MRT Corp CEO Dato' Azhar Abdul Hamid (second from right) during International Construction Week 2012, held at the Kuala Lumpur Convention Centre. Looking on were MMC Gamuda KVMRT (PDP) General Managers for Project Management Mohammad Amjad Faruq (second from left) and Adil Putra Ahmad

## 20 March 2012

MMC Gamuda KVMRT (T) Sdn Bhd was awarded the single largest package for the KVMRT, SBK Line worth RM8.28 billion by MRT Corp in a competitive bid with four other tenderers.

## 21 March 2012

Minister of Transport Y.B. Dato' Seri Kong Cho Ha officiated the opening of Road Over Bridge (ROB) 8 at section N6 of the Electrified Double Track Project (Ipoh – Padang Besar) in Kamunting and witnessed the handover ceremony of six ROB's to the Public Works Department of the state of Perak for future maintenance.



Y.B. Dato' Seri Kong Cho Ha (second from left) officiated the opening of Road Over Bridge (ROB) 8 at Kamunting in section N6 of the Electrified Double Track Project (Ipoh – Padang Besar). He also witnessed the handover of six ROB's to the Perak state Public Works Department

23 March 2012

Kota Permai Golf and Country Club (KPGCC) won the Best Maintained Golf Course title for the ParGolf Awards 2011 – ahead of other local golf courses such as the Kuala Lumpur Golf and Country Club (KLGCC), The Mines Resort and Golf Club, Horizon Hills Golf and Country Club (HHGC) and the Glenmarie Golf and Country Club. The event was held at the Concorde Hotel in Shah Alam.



KPGCC Group General Manager (Club Operations) Tang Meng Loon (right) and KPGCC Senior Club Manager Sharudin Kamarudin (left) received the prestigious award from ParGolf Publisher Suzannah Gun Palmer (middle)

24 March 2012

Gamuda Land participated in the SMART Investment & International Property Expo held at Suntec City, Expo Hall in Singapore, featuring the breathtaking Horizon Hills township in Iskandar Malaysia. The two-day event generated sales amounting to almost RM5 million, mainly from Singaporean property investors and homemakers.



Crowds were keen to find out more about the 1,200-acre freehold Horizon Hills township at the SMART Investment & International Property Expo in Singapore



All winners of the Malaysia Landscape Architecture Awards 2011 sharing a group photograph with the National Landscape Department Director General LAr. Hj. Esa bin Ahmad (centre) and ILAM President LAr. Mohd Fadrillah bin Mohd Taib (third from right). Representing Yenso Park, Gamuda City was Gamuda Land Director for Vietnam Operations Cheong Ho Kuan (second from left), while Gamuda Land General Manager – Horizon Hills Abdul Sahak bin Safi (right) represented Horizon Hills, Johor

7 April 2012

Gamuda Land bagged two honours at the Malaysia Landscape Architecture Awards 2011 from the Institute of Landscape Architects Malaysia (ILAM) for the third consecutive year. The winning projects were Yen So Park in Gamuda City, Hanoi, and Horizon Hills in Iskandar Malaysia, Johor, clinching the ILAM Property Developer Awards in Landscape Planning & Development. The event was held at the Royale Chulan Hotel in Kuala Lumpur.



13 April 2012

MMC Gamuda KVMRT (PDP) Sdn Bhd held a media briefing for all major dailies in Malaysia highlighting the new Safety, Health and Environment (SHE) Display Centre at the KVMRT Sungai Buloh Depot. It is the first and only SHE Display Centre in Malaysia, built to educate works package contractors on internationally benchmarked SHE standards for the KVMRT project.

*MMC Gamuda KVMRT (PDP) General Manager Adil Putra (second from left) briefed the media on Safety, Health and Environment (SHE) requirements for the KVMRT project at the SHE Display Centre*

20 April 2012

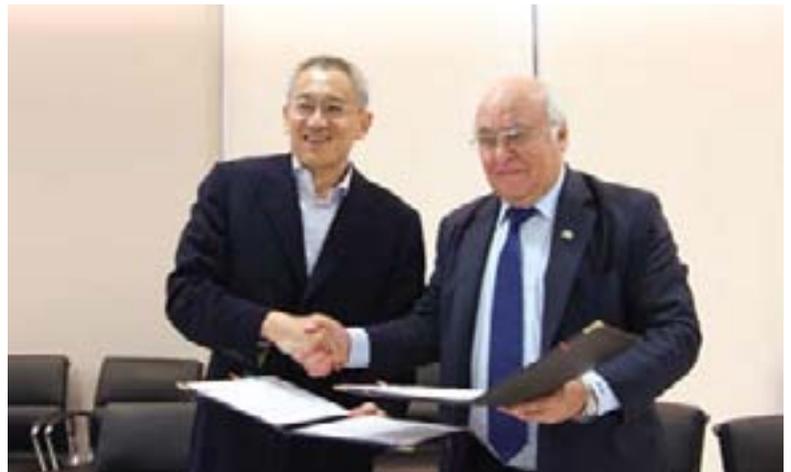
Gamuda Land took part in the iProperty.com Property Expo held at the Marina Bay Sands Expo Hall in Singapore, featuring Horizon Hills, a lush gated development with a private 18-hole Par 72 designer golf course in Iskandar Malaysia. The three-day property event raked in sales close to RM5 million.



*Located next to the newly-completed Coastal Highway that connects directly to the Second Link Expressway, Horizon Hills is just minutes away from Singapore, making it a prime property investment choice for Singaporeans and property investors*

23 April 2012

MMC-Gamuda JV signed a Sale & Purchase agreement with the world's largest tunnel boring machine maker Herrenknecht AG to procure six units of the world's first Variable Density Tunnel Boring Machine (VD TBM) at a cost of RM270 million for the underground works package of the KVMRT, SBK Line project. Representing MMC Gamuda KVMRT (T) Sdn Bhd in the agreement was Gamuda Berhad Group Managing Director Dato' Lin Yun Ling, and Herrenknecht AG was represented by its Founder and Chairman Dr Martin Herrenknecht. The first VD TBM is expected to arrive in Malaysia by early 2013.



*Gamuda Berhad Group Managing Director Dato' Lin Yun Ling (left), representing MMC Gamuda KVMRT (T) Sdn Bhd, signed the Sale & Purchase agreement with Herrenknecht AG Founder and Chairman Dr Martin Herrenknecht for the purchase of six units of Variable Density Tunnel Boring Machines for the tunnelling works of the KVMRT, SBK Line*

5 May 2012

Gamuda donated RM50,000 to The Institution of Engineers Malaysia's (IEM) building fund as part of efforts to support the engineering fraternity. A special cheque presentation ceremony was held during IEM's 53<sup>rd</sup> Annual Dinner and Awards Night at the Sime Darby Convention Centre.



Representing Gamuda Berhad for the cheque presentation ceremony during IEM's 53<sup>rd</sup> Annual Dinner and Awards Night was Gamuda Engineering Managing Director Chan Kong Wah (right), while IEM was represented by its President Ir. Vincent Chen Kim Kieong (left). Looking on were IEM's Chairman of Task Force on Fundraising YBhg Datuk Wira Ir. Md Sidek Ahmad (second from left) and IEM Past President and Co-Chairman of Task Force on Fundraising Ir. Prof. Dr. Gue See Sew

8 May 2012

Kota Permai Golf and Country Club (KPGCC) was recognised as one of Malaysia's top corporate brands in The BrandLaureate Awards 2011-2012, organised by The Asia Pacific Brands Foundation (APBF). The award strengthened KPGCC's brand positioning further as one of the most premier corporate golf clubs in Malaysia. The event was held at the Sunway Hotels & Resort Grand Ballroom in Petaling Jaya.



Kota Permai Golf and Country Club General Manager Tang Meng Loon (third from left) received the Best Brands in Corporate Branding – Sports-Golf Course 2011 - 2012 Award from BrandLaureate President Dr KK Johan (left), witnessed by Tan Sri (Dr) Mohammed Hashim bin Mohd Ali (rtd) (second from left), Datuk Jimmy Choo (fourth from left) and BrandLaureate CEO Chew Bee Peng

2 June 2012

MRT Corp CEO Dato' Azhar Abdul Hamid launched the KVMRT Information Truck (MIT) at the 1 Utama Shopping Centre. The MIT is equipped with a modern touch-screen panel that provides detailed photographic visual of the entire SBK Line in 360-degree panoramic view. The MIT is part of MRT Corp's efforts in reaching out to the public and to create greater awareness on the project among stakeholders.



SL1M-Gamuda trainees Nor Maizatul Hamimi binti Khirudin (left), Nurul Balqis binti Saidon (second from left) and Mohd Afiq Amsyar Bin Arifin (right) sharing a group shot with Minister in the Prime Minister's Department Yang Berbahagia Tan Sri Nor Mohamed Yakcop (third from right), Gamuda Berhad Executive Director Dato' Haji Azmi Mat Nor (second from right) and Gamuda Berhad Human Resources Manager Susheela Ramasamy during a booth visiting session by the minister after the briefing

27 June 2012

Gamuda Berhad took part in the Briefing & Dialogue Session for Skim Latihan 1Malaysia (SL1M) Participating Companies, which sought to share the programme's success stories and highlight Government incentives provided for participating firms. Intakes for the SL1M-Gamuda programme are currently ongoing for local graduates who wish to be groomed as high achievers, through a structured learning pathway designed to improve career marketability.

## COMMUNITY OUTREACH & EMPLOYEE ENGAGEMENT

We take a strong interest in Corporate Social Responsibility (CSR) as an integral part of our business philosophy – in line with our corporate mission to create sustainable developments and enrich the community.

Steadfast in our commitment to the philanthropic spirit, we strive to contribute to the society and the country's progress through our dynamic CSR drive that engages employees and improves the standard of living of the community via various outreach initiatives, including school sponsorships, continuous learning, road safety, environmental protection, and human capital development.

With a belief that social progress is an essential part of economic advancement, the Group engages in a series of academic support, school benefactions and road safety campaigns to encourage personal development, road safety awareness and self-sustenance of minority groups comprising the needy, underprivileged, physically and mentally challenged.

### COMMUNITY OUTREACH

#### Gamuda



Gamuda employees joined orphans from Rumah Kebajikan Rita in the “Adopt a Tree & an Orphan for a Day” event for an educational and fun outing at the Kuala Selangor Nature Park.



MMC Gamuda KVMRT (T) Sdn Bhd Manager Ho Jit Poe (second from right) together with his two sons were among 32 employees who visited mentally challenged and abandoned old folks at the PJ Caring Home during the “GSC Charity Drive: Appreciating our Senior Citizens & Movie Magic with a Child!” event. The Group's employees also accompanied children from Pusat Jagaan Kanak-Kanak Ragaventhirar in Seri Kembangan, to Cathay Cineplex e@Curve in Mutiara Damansara to catch the movie “Alvin and the Chipmunks 3.”



Jade Hills (left) and Bandar Botanic (right) invited its residents to celebrate a joyous Mid-Autumn Festival. The one-day event was filled with lots of entertaining activities for the whole family as our way of saying “thank you” to the communities for their support throughout the years.



Jade Hills hosted open houses for its select list of guests to experience firsthand the luxury of living in a bungalow within The Gardens precinct of the Oriental-themed township and the various modern conveniences it offers.



The Valencia Residents’ Association organised its annual Expat Christmas Party at the Valencia Clubhouse to celebrate the Yuletide. It was also an occasion where members of the community spent quality time with their families.



Bandar Botanic (left), Valencia (centre) and Horizon Hills hosted the Dragon Lunar New Year celebration at their respective townships, where residents enjoyed a variety of cultural performances and activities. In particular, 80 orphans from *Persatuan Kebajikan Berkat*, *Pusat Kebajikan Kalvari Junior*, *Pertubuhan Kebajikan Insan Istimewa*, *Amitabha Rumah Anak Yatim*, *Pertubuhan Kebajikan Shan De* and *Persatuan Kebajikan Caring Kulaijaya* in Johor were invited to join in the celebration at Horizon Hills. Donations amounting to almost RM16,000 were collected and channelled to the six orphanages.



To foster a close-knit community and nurture stronger relationships with residents, Jade Hills invited parents from the Australian International School and expatriate communities from the Country Heights and Gita Bayu townships for a small gathering during The Expat Family Fun Day.

### MMC-Gamuda Joint Venture (in collaboration with MRT Corp)



The KVMRT project team, in collaboration with MRT Corp, organised a colouring contest for young children from Genius-Aulad Kindergarten, as part of its community engagement programme. The contest was held at the KVMRT Info Centre in Bandar Tun Hussein Onn.

### Lingkar Trans Kota Sdn Bhd (LITRAK)



LITRAK continued its One Can Programme where staff members are encouraged to contribute daily consumables to be channeled to the underprivileged. This year, the donations were extended to *Rumah Amal Limpahan Kasih*, *Pusat Jagaan Suci Rohani* and *Pusat Jagaan Lambaian Kasih* in Kuala Lumpur.



A total of 30 orphans from *Pusat Jagaan Baitul Hidayah*, Puchong, were provided *duit raya* of RM150 each by LITRAK for a shopping spree to purchase new clothes and shoes for the *Hari Raya Aidilfitri* celebration.



In a three-prong approach, LITRAK and SPRINT celebrated *buka puasa* with the community where prizes for the winning entries of the Best Merdeka Slogan contest were given out; orphans from *Pusat Jagaan Baitul Hidayah* in Puchong received *duit raya*; and the road safety sticker campaign for primary school students was launched.



Sharing the joy of Hari Raya, 39 children from *Rumah Anak Yatim & Asnaf As-Solihin* in Banting, Selangor, were treated to a sumptuous feast as part of LITRAK's celebration for the arrival of *Syawal* with staff, management, associates and the community. Each child also received *duit raya* and a goody bag.



Ministry of Works Secretary General Datuk Himmat Singh (right) was invited to officiate LITRAK's Road Safety Campaign, themed "Selamatkan Nyawa Anda: Pakai Tali Pinggang Keledar Belakang" (Buckle Up: Assemble Your Rear Seatbelt). In conjunction with the occasion, Datuk Himmat Singh also gave away prizes to the winners of the Malaysian Highway Authority's 2011 essay writing competition and announced the appointment of "Agen Penyampai" (Presenting Agent) to help promote the road safety campaign organised by Persatuan Syarikat-syarikat Konsesi Lebuhraya Malaysia.



Spreading the joy of Deepavali, staff members of LITRAK spent a meaningful afternoon with the children from Pusat Jagaan Kanak-kanak Sayang in Kg. Tunku, Petaling Jaya, who were treated to an appetising lunch and received gifts for a heartwarming celebration.



LITRAK took 35 children from the House of Joy Care Centre in Puchong, for a fun outing to McDonald's for a delicious meal and gave away *ang pows* and goody bags, in conjunction with the Chinese New Year celebration. A donation of RM1,000 was extended to the childcare centre as a small token for repair works after the premises met with a fire incident last year.



The SMART DeCare road safety event was organised at Presint 7 in Putrajaya, a joint initiative between LITRAK and Perbadanan Putrajaya, where almost 150 students from S.K. Sri Hartamas, S.K. Bukit Lanjan and S.K. Bandar Sri Damansara (1) were given lessons on road safety precautions and had a preview of what it was like to drive a real vehicle by test driving on mini electric motorcars.



A total of 90 Year Six students from Kg. Sg. Penchala, Kg. Orang Asli Bukit Lanjan and Kg. Batu 14 in Puchong were given free weekly weekend tuitions for English, Mathematics and Science by experienced tutors to help with their studies.

### **Syarikat Mengurus Air Banjir & Terowong Sdn Bhd (SMART)**



A sharing session was held with the engineering team of the Armed Forces, in the presence of *Institut Kejuruteraan Tentera Darat* to explicate the many engineering innovations and advantages of the dual-purpose SMART tunnel.



A Road Safety Campaign was organised by SMART in conjunction with the *Hari Raya Aidilfitri* and *Merdeka* celebrations, where SMART tunnel users were given mini Malaysian flags and were reminded on the importance of practicing road safety measures, especially during the festive season.



SMART tunnel was one of the locations featured in a movie produced by Astro, entitled “*Misteri Jalan Lama.*” The SMART team joined the production crew’s film promotion activity held at Taman Tasik Titiwangsa, Kuala Lumpur.



SMART launched its first stamp collection that featured the “lenticular” concept. The inaugural collection was sold to the public as collector’s item.



Undergraduate students from Universiti Teknologi Malaysia in Skudai, Johor, had a glimpse of the functions and engineering accomplishments of SMART tunnel during an educational tour of the premises.

### Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (SPLASH)



In conjunction with World Water Day 2012, an open day was held at the Bukit Badong Water Treatment Plant to educate the public on standard water treatment processes and the importance of maintaining a sustainable source of potable water for the community.

**EMPLOYEE ENGAGEMENT**

Gamuda Berhad and MMC-Gamuda JV organised a joint *Hari Raya Open House* at the Sime Darby Convention Centre to celebrate *Hari Raya Aidilfitri* with invited guests, business associates and staff.



Staff members of Gamuda Land were treated to an all expense paid five-day four-night trip to Beijing, as part of the company's efforts in expressing appreciation towards employees for their hard work and dedication during the year.



In promoting greater engagement and networking amongst employees from different departments and business units, Gamuda Sports Club organised its first badminton match that saw avid players battled it out on the courts during the Gamuda Badminton Championships 2011 and Gamuda Badminton Team Championships 2012. Both tournaments were held at the Kota Permai Golf & Country Club, and winners were awarded with trophies and cash prizes.



It was a night to remember as the Group celebrated its 35<sup>th</sup> Anniversary Annual Dinner & Dance 2011 with 1,200 employees at the Sunway Resort Hotel & Spa. Besides a special appearance by famous comedian Phua Chu Kang and a sumptuous dinner, the occasion provided a good opportunity for staff members and management to catch up with one another.



With a sizeable number of employees of the Group being photography enthusiasts, the sports club organised a series of photography contests and professional workshops to enhance their photography knowledge and skills. The workshops were also a launch pad for those who were keen to pick up photography as a hobby. The picture shown on the left was the Special Prize Winner for the Gamuda Photography Contest 2011, titled “Sun Shining on Rice Terraces in Yuanyang, China.”



In a joint celebration of Chinese New Year and the Group's relocation to its new corporate headquarters in Damansara Perdana, staff members were treated to a delightful lunch and an action-packed lion and dragon dance.



In nurturing the spirit of camaraderie and enhance work-life balance among staff members, the Gamuda Bowling Championship 2012 was organised where teams competed against each other for trophies and cash prizes. The event was held at Cosmic Bowl in Mid Valley Megamall.



Paintball is fast gaining popularity as an exciting game among the Group's employees. Catering to popular demand, the Gamuda Paintball Championship 2012 was held in partnership with the Malaysian Paintball Academy in Petaling Jaya. The winning teams went home with medals and cash prizes.



In encouraging greater corporate social awareness towards the less fortunate, the sports club organised the "Walk-a-Hunt" event where staff members embarked on a puzzle-solving road trip, and registration fees collected from participating teams were donated to the Tara Bhavan Children's Home in Kampung Kasipillay, Kuala Lumpur.



Putting employees' spirit of adventure to the test, staff members from various business units and departments scaled the vertical limits of Mount Kinabalu in Sabah in a gruelling four-day three-night expedition. Most of them reached the peak and came back with an experience of a lifetime.



## **CORPORATE GOVERNANCE**

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# CORPORATE GOVERNANCE STATEMENT

The Board considers that the maintenance of high standards of corporate governance is central to achieving the Company's objective of maximising shareholder value.

## 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 2012 ("2012" 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. On 8 December 2011, Ms Wong Chin Yen retired as independent Non-executive Director at the conclusion of the Company's 35th Annual General Meeting (AGM), a position she had held since 1992. On 1 June 2012, Tunju Afwida binti Tunju A.Malek succeeded her in this role. At the same time, Dato' Ir. Ha Tiing Tai assumed the role of Deputy Group Managing Director. 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 GROUP MANAGING DIRECTOR

The roles of the Chairman and Group Managing Director are exercised by different individuals. Whilst the Chairman and Group 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 Group Managing Director to ensure an appropriate balance of responsibility and accountability. The Chairman's primary role is to lead and manage the Board. The Group 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. His role includes being 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.

Although currently the Board does not have a policy formalising its approach to boardroom diversity, in particular, the goal of achieving more woman participation on Board as recommended by the Malaysian Code on Corporate Governance 2012, the Board had through its Nomination Committee taken steps to ensure that women candidates were sought in its recently concluded recruitment exercise to fill a vacancy at the Board and Audit Committee.

## 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 2012. The Directors attended Board meetings whenever possible and their attendance during the year or before retirement is shown below.

### Board of Directors' Attendance

Director	Meetings attended	Percentage
Raja Dato' Seri Abdul Aziz bin Raja Salim	4 out of 4	100%
Dato' Lin Yun Ling	4 out of 4	100%
Dato' Ir Ha Tiing Tai	4 out of 4	100%
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 Sultan Azlan Shah	3 out of 4	75%
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' Goon Heng Wah	4 out of 4	100%
Dato' Ng Kee Leen	3 out of 4	75%
Mr Saw Wah Theng	4 out of 4	100%
Ms Wong Chin Yen (Retired on 8 December 2011)	1 out of 1	100%
Tunku Afwida binti Tunku A.Malek (Appointed on 1 June 2012)	1 out of 1	100%
Ir Chow Chee Wah, Alternate to Dato' Lin Yun Ling	3 out of 4	75%

**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 2012 held the following internal seminars for Board members, with attendance as shown below.

<b>Director</b>	<b>Competition Law 2010 : Key Features &amp; Implications</b>	<b>Corporate Governance Blueprint 2011</b>
Raja Dato' Seri Abdul Aziz bin Raja Salim <sup>(i)</sup>	×	×
Dato' Lin Yun Ling <sup>(ii)</sup>	×	×
Dato' Ir Ha Tiing Tai	✓	×
Tan Sri Dato' Mohd Ramli bin Kushairi <sup>(iii)</sup>	✓	×
Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	×	✓
Raja Dato' Seri Eleena binti Sultan Azlan Shah	✓	×
Dato' Seri Ir Kamarul Zaman bin Mohd Ali	✓	✓
Dato' Haji Azmi bin Mat Nor	×	✓
Dato' Goon Heng Wah	✓	✓
Dato' Ng Kee Leen	✓	✓
Mr Saw Wah Theng	✓	✓
Ms Wong Chin Yen (Retired on 8 December 2011)	×	×
Tunku Afwida binti Tunku A.Malek <sup>(iv)</sup> (Appointed on 1 June 2012)	×	×
Ir Chow Chee Wah <sup>(v)</sup> Alternate to Dato' Lin Yun Ling	×	×

(i) Raja Dato' Seri Abdul Aziz bin Raja Salim - Attended the external seminar on 'Implementation of Internal Capital Adequacy Assessment' on 23 November 2011 and successfully completed all modules of the 'Financial Institutions Directors' Education (FIDE) Core Programme for Directors' in March 2012.

(ii) Dato' Lin Yun Ling - Did not attend any training programme as he had to attend urgent and important meetings called on short notice on the same day as the internal seminars organised for the year.

(iii) Tan Sri Dato' Mohd Ramli bin Kushairi - Additionally, attended the external seminar on 'Internal Audit, Internal Control & Compliance Conference 2011- Nexus between Audit Committee (Board) and Internal Audit in Discharging Effective Governance' on 12 and 13 September 2011.

(iv) Tunku Afwida binti Tunku A.Malek - Attended the 'Mandatory Accreditation Programme for Directors of Public Listed Companies' on 27 and 28 October 2009.

(v) Ir Chow Chee Wah - Attended the external seminar on 'Strategic Planning and Sustainability' on 27 March 2012.

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.

#### 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 Directors completing a questionnaire. The questions sought views of the Directors concerning the performance of the Board, any committee of the Board and Director, and canvassed suggestions on areas to develop. It was concluded that the Board continues to operate in an effective manner and no material concerns arose from the review although a few initiatives for improvement were instigated.

#### 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. These enable the shareholders to decide on the election of the Company's Board, including independent non-executive directors who have served beyond the tenure of 9 years.

#### BOARD COMMITTEES

The Board governs through clearly identified Board committees to which powers are delegated. These are the Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee, which was recently formalised as a committee of the Board. 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
- Ms Wong Chin Yen (*until 8 December 2011*)
- Tunku Afwida binti Tunku A.Malek (*from 1 June 2012*)

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 2012. The attendance is shown below.

**Audit Committee Attendance**

	<b>Meetings attended</b>	<b>Percentage</b>
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%
Ms Wong Chin Yen <sup>(i)</sup>	1 out of 1	100%
Tunku Afwida binti Tunku A.Malek <sup>(ii)</sup>	1 out of 1	100%

(i) Ceased as member of the Audit Committee following her retirement from the Board on 8 December 2011.

(ii) Appointed to the Audit Committee on 1 June 2012.

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 two (2) separate meetings, 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 Audit Committee keeps under review the effectiveness of both internal and external audit as well as the independence and objectivity of the external auditors. The Audit Committee received a presentation from the external auditors on its audit strategy and the scope of work at the June meeting which it agreed.

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 (*Chairman*)
- Dato' Lin Yun Ling
- Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain

The Remuneration Committee 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 of the Non-executive Directors takes the form primarily of fees and share options, which are approved by the shareholders.

The Remuneration Committee, whilst establishing the appropriate levels of the Directors' remuneration package for 2012, 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 2012. The attendance is shown below.

#### Remuneration Committee Attendance

	Meetings attended	Percentage
Tan Sri Dato' Mohd Ramli bin Kushairi	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	1 out of 1	100%

#### NOMINATION COMMITTEE

##### Members of the Nomination Committee are:

- Ms Wong Chin Yen  
(Chairman until 8 December 2011)
- Tan Sri Dato' Mohd Ramli bin Kushairi  
(Chairman from 27 September 2012)
- Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain

The Nomination Committee comprises entirely of independent Non-executive Directors. 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.

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 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'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.

As part of the ongoing review of succession, the Nomination Committee was involved in the identification of a candidate for a position as independent non-executive Director to succeed Ms Wong Chin Yen. The process involved an assessment of the skills and experience required including the need to have relevant financial experience to serve the Board and the Audit Committee.

The Nomination Committee meets not less than once a year. Two Nomination Committee meetings were held in 2012. The attendance is shown below.

#### Nomination Committee Attendance

	Meetings attended	Percentage
Ms Wong Chin Yen <sup>(i)</sup>	0 out of 0	-
Tan Sri Dato' Mohd Ramli bin Kushairi <sup>(ii)</sup>	2 out of 2	100%
Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	2 out of 2	100%

(i) Ceased as Chairman and member of the Nomination Committee following her retirement from the Board on 8 December 2011.

(ii) Appointed as Chairman of the Nomination Committee on 27 September 2012.

#### RISK MANAGEMENT COMMITTEE

The Senior Independent Director and Executive Directors, together with the divisional managing directors and certain other Group functional heads meet at least twice a year as the Risk Management Committee under the chairmanship of the Group Managing Director. The Risk Management Committee's focus is on the Group's key risks or policy issues that could have an impact on the Group's viability and sustainability. The work of this committee forms an important part of the Group's control function and as such the Committee works closely with the Audit Committee.

## 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.

## 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 of considerable importance 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 implements an active IR programme aimed at fostering high quality relationships, as well as building up trust and credibility with the broad investment community. The Group Managing Director and/or the Senior Group General Manager, Investor Relations are primarily responsible for all IR activities.

During the year, Gamuda's representative on the Board of the Malaysian Investor Relations Association (MIRA) retired after having served as a founding member since its inception in 2007. Gamuda remains a Corporate Member of MIRA and continues to actively support its IR objectives.

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 2012.

Type of Event	Investment Centre	No of Meetings
Investor Conferences	Kuala Lumpur, Singapore, Hong Kong	9 trips
Marketing Roadshows	Singapore	1 trip
Investor Briefings	Kuala Lumpur	4
Project Site Visits	Johor, Ho Chi Minh City, Hanoi	4 trips
Teleconference Calls	Various	15
Private Meetings	Various	119

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.

Employment contracts and policies specify acceptable business practices and the Group's position on ethical issues.

#### 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.

- An Integrated Management System, incorporating ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 and MS 1722: Part 1: 2011 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. Y M Tunku Afwida binti Tunku A.Malek**  
Member / Independent Non-executive Director  
(Appointed with effect from 1 June 2012)
- 4. Ms Wong Chin Yen**  
Member / Independent Non-executive Director  
(Retired with effect from 8 December 2011)

## ATTENDANCE OF MEETINGS

During the financial year ended 31 July 2012, 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
Y M Tunku Afwida binti Tunku A.Malek	1/1
Ms Wong Chin Yen	1/1

## 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 1<sup>st</sup> 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 1<sup>st</sup> Schedule of the Accountants Act 1967; or
- iii. fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad (Bursa Malaysia).

In the event of any vacancy in the Audit Committee resulting in non-compliance with Bursa Malaysia's 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.

### 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 cognisance 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.
- 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 2012 was in compliance with the criteria set out in the ESOS by-laws and by the ESOS Committee.

#### **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;

## 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 2012 was RM 1,036,150.

# OTHER DISCLOSURES

## 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 2012 was RM115,007.

## 2 SHARE BUY-BACK

The Company did not purchase any of its own shares during the financial year 2012.

## 3 EXERCISE OF OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year 2012,

- (i) 12,889,000 options in relation to the Employees' Share Option Scheme were exercised.
- (ii) 1,699,511 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 2011.

## 5 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 2012.

## 6 INFORMATION IN RELATION TO EMPLOYEES' SHARE OPTION SCHEME

- (i) The Employees' Share Option Scheme (2006/2014) ("ESOS") is the only share scheme of the Company in existence during the financial year 2012.
- (ii) The total number of options granted, exercised and outstanding (as adjusted and based on the par value of RM1.00 per ordinary share) under the ESOS since its commencement up to 31 July 2012 are set out in the table below:

Description	Number of Options (Since commencement up to 31 July 2012)	
	Grand Total	Directors
(a) Granted *	187,700,000	17,494,000
(b) Exercised	113,899,000	10,917,000
(c) Outstanding	73,801,000	6,577,000

- (iii) Percentages of options applicable to Directors and Senior Management under the ESOS:

Directors and Senior Management	During the financial year 2012	Since commencement up to 31 July 2012
(a) Aggregate maximum allocation	36%	50%
(b) Actual granted	0.4%	14%

\* Net off resignation



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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 2012.

## Principal activities

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

The principal activities of the subsidiaries, associated companies and jointly controlled entities are described in Note 18, 19 and 20 to the financial statements respectively.

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	565,991	305,757
Attributable to:		
Owners of the Company	547,305	305,757
Non-controlling interests	18,686	-
	565,991	305,757

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 and 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 2011 were as follows:

<b>In respect of the financial year ended 31 July 2012:</b>	<b>RM'000</b>
First interim single tier dividend of 6 sen per share declared on 16 December 2011 and paid on 18 January 2012	124,102
Second interim single tier dividend of 6 sen per share declared on 28 June 2012 and paid on 30 July 2012	124,720
	248,822

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 Dato' Ir. Ha Tiing Tai  
Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi  
Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain  
YTM Raja Dato' Seri Eleena binti Sultan Azlan Shah  
Y Bhg Dato' Seri Ir. Kamarul Zaman bin Mohd Ali  
Y Bhg Dato' Haji Azmi bin Mat Nor  
Y Bhg Dato' Goon Heng Wah  
Y Bhg Dato' Ng Kee Leen  
Saw Wah Theng  
Ir. Chow Chee Wah (Alternate to Y Bhg Dato' Lin Yun Ling)  
YM Tunku Afwida binti Tunku A.Malek (appointed on 1 June 2012)  
Wong Chin Yen (retired on 8 December 2011)

### 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' REPORT

## 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 →			31 July 2012
	1 August 2011	Exercise of ESOS/ Bought	Sold	
<b>Gamuda Berhad</b>				
<b>Direct holding</b>				
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	80,000	-	-	80,000
Y Bhg Dato' Ir. Ha Tiing Tai	18,015,876	-	-	18,015,876
Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi	52,600	-	(30,000)	22,600
Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	70,000	30,000	-	100,000
YTM Raja Dato' Seri Eleena binti Sultan Azlan Shah	200,000	-	-	200,000
Y Bhg Dato' Seri Ir. Kamarul Zaman bin Mohd Ali	413,000	-	-	413,000
Y Bhg Dato' Haji Azmi bin Mat Nor	-	320,000	-	320,000
Y Bhg Dato' Goon Heng Wah	13,260,000	360,000	-	13,620,000
Y Bhg Dato' Ng Kee Leen	32,024,898	-	-	32,024,898
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
Y Bhg Dato' Ir. Ha Tiing Tai #	14,200	-	-	14,200
YTM Raja Dato' Seri Eleena binti Sultan Azlan Shah *	143,000,000	-	(11,800,000)	131,200,000
Y Bhg Dato' Seri Ir. Kamarul Zaman bin Mohd Ali #	2,407,630	-	-	2,407,630
Y Bhg Dato' Goon Heng Wah #	5,104,032	-	-	5,104,032
Y Bhg Dato' Ng Kee Leen #	522,472	-	-	522,472

^ Deemed interest through HSBC (Malaysia) Trustee Berhad

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

# Deemed interest through spouse

## DIRECTORS' REPORT

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

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

	Option price RM	Number of options			
		1 August 2011	Allotted	Exercised	31 July 2012
Y Bhg Dato' Lin Yun Ling	2.49	1,500,000	-	-	1,500,000
Y Bhg Dato' Ir. Ha Tiing Tai	2.49	900,000	-	-	900,000
Y Bhg Dato' Seri Ir. Kamarul Zaman bin Mohd Ali	2.49	432,000	-	-	432,000
	3.24	270,000	-	-	270,000
Y Bhg Dato' Haji Azmi bin Mat Nor	2.49	800,000	-	(320,000)	480,000
Y Bhg Dato' Goon Heng Wah	2.49	720,000	-	(360,000)	360,000
Y Bhg Dato' Ng Kee Leen	2.49	900,000	-	-	900,000
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

#### Warrants 2010/2015

	Number of warrants		
	1 August 2011	Sold	31 July 2012
<b>Direct holding</b>			
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	10,100	-	10,100
Y Bhg Dato' Ir. Ha Tiing Tai	2,278,400	-	2,278,400
YTM Raja Dato' Seri Eleena binti Sultan Azlan Shah	25,000	-	25,000
Y Bhg Dato' Haji Azmi bin Mat Nor	36,600	-	36,600
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
Y Bhg Dato' Ir. Ha Tiing Tai #	1,800	-	1,800
YTM Raja Dato' Seri Eleena binti Sultan Azlan Shah *	1,400,000	-	1,400,000
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

**DIRECTORS' REPORT**

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 RM2,064,824,000 to RM2,079,413,000 by way of:

- (a) The issuance of 12,889,000 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 1,700,000 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 warrant in accordance with the Deed Poll dated 15 April 2010 as disclosed in Note 28(b) to the financial statements.

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.

**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 65,000 ordinary shares of RM1.00 each. The names of the option holders granted options to subscribe for 65,000 or more ordinary shares of RM1.00 each during the financial year are as follows:-

<b>Name</b>	<b>Expiry date</b>	<b>Number of options</b>
Lai Tak Ming	5 July 2014	260,000
Tan Siew Pen	5 July 2014	184,000
Tham Yim Yok	5 July 2014	184,000
Ng Yoke Poh	5 July 2014	154,000
Hong Kok Siong	5 July 2014	140,000
Ng Guan Hoe	5 July 2014	140,000
Cheng Siang Yang	5 July 2014	100,000
Mangala Bhavani a/p R.Krishna Iyer	5 July 2014	100,000
Lee Onn Sheong	5 July 2014	100,000
Yeoh Hin Kok	5 July 2014	65,000

## DIRECTORS' REPORT

### Employees' share option scheme (cont'd.)

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

### Warrants 2010/2015

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 dated 15 April 2010. 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, 247,554,060 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.

### 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 that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values 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.
- (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.

## DIRECTORS' REPORT

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

(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 2012.

### Significant events

Significant events are as disclosed in Note 42 to the financial statements.

### 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 8 October 2012.

**YM Raja Dato' Seri Abdul Aziz bin Raja Salim**  
Chairman

**Saw Wah Theng**  
Finance Director

# STATEMENT BY DIRECTORS

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 113 to 249 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 2012 and of their financial performance and cash flows for the year then ended.

The information set out in Note 48 to the financial statements on page 250 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 8 October 2012.

YM Raja Dato' Seri Abdul Aziz bin Raja Salim  
Chairman

Saw Wah Theng  
Finance Director

# STATUTORY DECLARATION

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 113 to 250 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 8 October 2012 ]

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 2012 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 113 to 249.

### *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 2012 and of their financial performance and cash flows for the year then ended.

## INDEPENDENT AUDITORS' REPORT

To the members of Gamuda Berhad (Incorporated in Malaysia)

### 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.

### Other matters

The supplementary information set out in Note 48 on page 250 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

**Abraham Verghese A/L T.V. Abraham**  
No. 1664/10/14(J)  
Chartered Accountant

Kuala Lumpur, Malaysia  
8 October 2012

# CONSOLIDATED INCOME STATEMENT

For the year ended 31 July 2012

	Note	2012 RM'000	2011 RM'000
Revenue	4	3,087,003	2,673,208
Other income		45,671	43,087
Construction contract costs recognised as contract expenses		(1,508,123)	(1,443,876)
Land and development costs		(688,653)	(498,865)
Changes in inventory of finished goods and work in progress		2,348	(2,911)
Purchases - raw materials		(46,022)	(37,690)
- trading materials		(108,013)	(93,367)
Production overheads		(41,220)	(39,804)
Staff costs	5	(70,332)	(88,444)
Depreciation and amortisation		(23,703)	(19,227)
Other operating expenses		(64,487)	(111,237)
Profit from operations	7	584,469	380,874
Finance costs	8	(62,390)	(58,779)
Share of profits of associated companies		206,131	222,429
Profit before taxation		728,210	544,524
Taxation	9	(162,219)	(111,579)
Profit for the year		565,991	432,945
Profit attributable to:			
Owners of the Company		547,305	425,411
Non-controlling interests		18,686	7,534
		565,991	432,945
Earnings per share (sen)			
Basic	10	26.42	20.74
Diluted	10	25.56	19.80
Net dividends per ordinary share (sen)	11	12.0	11.3

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 2012

	2012 RM'000	2011 RM'000
Profit for the year	565,991	432,945
Other comprehensive income:		
Fair value loss on cash flow hedges	(1,471)	(2,277)
Foreign currency translation	38,864	(75,131)
Share of other comprehensive income of associates	(18,306)	23,115
Net asset accretion in an associated company arising from capital contribution	6,417	5,402
Other comprehensive income/(loss) for the year, net of tax	25,504	(48,891)
<b>Total comprehensive income for the year</b>	<b>591,495</b>	<b>384,054</b>
Total comprehensive income attributable to:		
Owners of the Company	570,997	383,499
Non-controlling interests	20,498	555
	<b>591,495</b>	<b>384,054</b>

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2012

	Note	2012 RM'000	2011 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	375,388	345,718
Land held for property development	13(a)	580,854	390,872
Investment properties	14	47,838	11,157
Prepaid land lease payments	15	4,447	4,872
Motorway development expenditure	16	318,807	323,357
Intangible assets	17	97,848	100,947
Interests in associated companies	19	1,660,337	1,619,630
Other investments	21	733	733
Deferred tax assets	33	23,473	19,280
Receivables	23(b)	160,020	189,100
		3,269,745	3,005,666
<b>Current assets</b>			
Property development costs	13(b)	1,886,442	1,400,788
Inventories	22	66,481	34,105
Receivables	23(a)	1,637,715	1,701,738
Tax recoverable		22,086	23,410
Investment securities	24	279,104	336,623
Cash and bank balances	27	1,337,355	1,048,968
		5,229,183	4,545,632
<b>Total assets</b>		<b>8,498,928</b>	<b>7,551,298</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	28	2,079,413	2,064,824
Reserves		1,968,619	1,621,741
Shareholders' equity		4,048,032	3,686,565
Non-controlling interests		220,839	200,341
<b>Total equity</b>		<b>4,268,871</b>	<b>3,886,906</b>
<b>Non-current liabilities</b>			
Payables	32(a)	166,337	80,811
Provision for liabilities	38	12,931	3,465
Deferred tax liabilities	33	84,626	86,307
Long term borrowings	34	855,373	1,323,480
Derivatives	32(b)	4,281	3,894
		1,123,548	1,497,957
<b>Current liabilities</b>			
Short term borrowings	35	1,326,968	626,179
Payables	36	1,727,034	1,515,993
Provision for liabilities	38	21,177	7,385
Tax payable		28,763	15,395
Derivatives	32(b)	2,567	1,483
		3,106,509	2,166,435
<b>Total liabilities</b>		<b>4,230,057</b>	<b>3,664,392</b>
<b>Total equity and liabilities</b>		<b>8,498,928</b>	<b>7,551,298</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 2012

Group	← Attributable to owners of the Company →						Non-controlling interests	Total equity
	← 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 2010</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	-	-	-	-	-	-	151,234	151,234
Dividends (Note 11)	-	-	-	-	(231,790)	(231,790)	-	(231,790)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(1,646)	(1,646)
Total transactions with owners	38,936	70,467	(8,133)	(138)	(231,790)	(130,658)	149,588	18,930
<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
<b>At 1 August 2011</b>	2,064,824	126,227	29,647	6,520	1,459,347	3,686,565	200,341	3,886,906
Total comprehensive income	-	-	-	23,692	547,305	570,997	20,498	591,495
<b>Transactions with owners:</b>								
Issue of ordinary shares pursuant to:								
Exercise of ESOS (Note 28)	12,889	19,326	-	-	-	32,215	-	32,215
Conversion of Warrants (Note 28)	1,700	2,993	-	(170)	-	4,523	-	4,523
Share options granted under ESOS	-	-	3,345	-	-	3,345	-	3,345
Share options exercised under ESOS	-	4,682	(5,473)	-	-	(791)	-	(791)
Dividends (Note 11)	-	-	-	-	(248,822)	(248,822)	-	(248,822)
Total transactions with owners	14,589	27,001	(2,128)	(170)	(248,822)	(209,530)	-	(209,530)
<b>At 31 July 2012</b>	2,079,413	153,228	27,519	30,042	1,757,830	4,048,032	220,839	4,268,871

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 2012

	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	728,210	544,524
Adjustments for:		
Amortisation of concession and quarry rights	3,099	3,098
Amortisation of prepaid land lease payments	425	425
Amortisation of motorway development expenditure	4,550	1,512
Depreciation	15,629	14,192
Property, plant and equipment written off	1,404	1,723
Net provision for contracts	-	22,939
Reversal of impairment loss on trade receivables	(251)	-
Net provision for liabilities	26,631	1,571
Provision for retirement benefits	2,896	5,407
Provision for short term accumulating compensated absences	305	408
Provision for foreseeable losses	2,016	-
Net (gain)/loss on disposal of property, plant and equipment	(4,247)	1,171
Share of profits from associated companies	(206,131)	(222,429)
Share based payments	3,345	6,217
Unrealised (gain)/loss on foreign exchange	(2,174)	31,466
Distribution from investment securities	(1,055)	(5,132)
Reversal of impairment loss on land	(20,896)	-
Interest income	(35,495)	(28,243)
Interest expense	62,390	58,779
Operating profit before working capital changes	580,651	437,628
Increase in development properties	(663,144)	(529,979)
(Increase)/decrease in inventories	(32,376)	45,633
Decrease/(increase) in receivables	174,883	(233,825)
Increase in payables	329,517	243,609
Cash generated from/(used in) operations	389,531	(36,934)
Income taxes paid	(153,252)	(109,609)
Interest paid	(113,091)	(79,124)
Retirement benefits paid	(5,182)	(2,663)
Net cash generated from/(used in) operating activities	118,006	(228,330)

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 July 2012

	2012 RM'000	2011 RM'000
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(82,952)	(116,739)
Proceeds from disposal of property, plant and equipment	22,149	23,590
Net cash outflow on acquisition of a subsidiary	-	(268,056)
Proceeds from disposal of investment securities	57,519	447,481
Capital repayment from an associated company	56,870	-
Distribution received from investment securities	1,055	5,132
Dividend received from associated companies	96,665	78,252
Interest received	35,495	28,243
Net cash generated from investing activities	186,801	197,903
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(220,806)	(315,685)
Drawdown of borrowings	404,727	475,335
Net proceeds from exercise of ESOS	32,215	93,380
Net proceeds from conversion of warrants	4,523	3,678
Dividend paid to shareholders	(248,822)	(323,065)
Dividend paid to non-controlling interests	-	(1,646)
Net cash used in financing activities	(28,163)	(68,003)
<b>Net increase/(decrease) in cash and cash equivalents</b>	276,644	(98,430)
<b>Effects of exchange rate changes</b>	11,743	(18,152)
<b>Cash and cash equivalents at beginning of year</b>	1,048,968	1,165,550
<b>Cash and cash equivalents at end of year (Note 27)</b>	1,337,355	1,048,968

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

# INCOME STATEMENT

For the year ended 31 July 2012

	Note	2012 RM'000	2011 RM'000
Revenue	4	453,674	400,133
Other income		48,323	36,992
Construction contract costs recognised as contract expenses		(3,114)	(39,860)
Staff costs	5	(20,601)	(25,925)
Depreciation		(5,238)	(2,268)
Other operating expenses		(40,079)	(12,230)
Profit from operations	7	432,965	356,842
Finance costs	8	(52,020)	(47,018)
Profit before taxation		380,945	309,824
Taxation	9	(75,188)	(61,425)
Profit for the year		305,757	248,399
Net dividends per ordinary share (sen)	11	12.0	11.3

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 2012

	<b>2012</b> <b>RM'000</b>	<b>2011</b> <b>RM'000</b>
Profit for the year	305,757	248,399
Other comprehensive income:		
Fair value loss on cash flow hedges	(1,471)	(2,277)
Foreign currency translation	(4,087)	8,754
Other comprehensive (loss)/income for the year, net of tax	(5,558)	6,477
Total comprehensive income for the year	300,199	254,876

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

# STATEMENT OF FINANCIAL POSITION

As at 31 July 2012

	Note	2012 RM'000	Restated 2011 RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	162,207	119,025
Investment properties	14	11,009	11,160
Investments in subsidiaries	18	2,250,556	2,249,956
Interests in associated companies	19	702,049	702,049
Interests in jointly controlled entities	20	254,476	244,601
Other investments	21	733	733
Deferred tax assets	33	5,551	5,235
Due from a subsidiary	26	517,843	292,549
Receivables	23(b)	-	22,754
		3,904,424	3,648,062
<b>Current assets</b>			
Receivables	23(a)	57,767	30,763
Due from subsidiaries	26	353,412	372,064
Investment securities	24	1,474	1,429
Cash and bank balances	27	128,442	71,706
		541,095	475,962
<b>Total assets</b>		<b>4,445,519</b>	<b>4,124,024</b>
<b>Equity and liabilities</b>			
Share capital	28	2,079,413	2,064,824
Reserves		618,397	542,317
<b>Shareholders' equity</b>		<b>2,697,810</b>	<b>2,607,141</b>
<b>Non-current liabilities</b>			
Payables	32(a)	1,233	4,544
Long term borrowings	34	320,000	800,000
Derivatives	32(b)	4,281	3,894
		325,514	808,438
<b>Current liabilities</b>			
Short term borrowings	35	1,189,742	495,422
Payables	36	56,512	53,098
Due to subsidiaries	37	168,304	151,283
Tax payable		5,070	7,159
Derivatives	32(b)	2,567	1,483
		1,422,195	708,445
<b>Total liabilities</b>		<b>1,747,709</b>	<b>1,516,883</b>
<b>Total equity and liabilities</b>		<b>4,445,519</b>	<b>4,124,024</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 2012

Company	Non-distributable			Distributable		Total RM'000
	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 2010</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)
Dividends (Note 11)	-	-	-	-	(231,790)	(231,790)
Total transactions with owners	38,936	70,467	(8,133)	(138)	(231,790)	(130,658)
<b>At 31 July 2011</b>	2,064,824	126,227	29,647	34,812	351,631	2,607,141
<b>At 1 August 2011</b>	2,064,824	126,227	29,647	34,812	351,631	2,607,141
Total comprehensive income	-	-	-	(5,558)	305,757	300,199
<b>Transactions with owners:</b>						
Issue of ordinary shares pursuant to:						
Exercise of ESOS (Note 28)	12,889	19,326	-	-	-	32,215
Conversion of Warrants (Note 28)	1,700	2,993	-	(170)	-	4,523
Share options granted under ESOS	-	-	3,345	-	-	3,345
Share options exercised under ESOS	-	4,682	(5,473)	-	-	(791)
Dividends (Note 11)	-	-	-	-	(248,822)	(248,822)
Total transactions with owners	14,589	27,001	(2,128)	(170)	(248,822)	(209,530)
<b>At 31 July 2012</b>	2,079,413	153,228	27,519	29,084	408,566	2,697,810

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 2012

	2012 RM'000	2011 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	380,945	309,824
Adjustments for:		
Appropriation of profits from jointly controlled entities	(63,306)	(117,338)
Depreciation	5,238	2,268
Provision for retirement benefits	469	434
Reversal of short term accumulating absences	(68)	(53)
Net loss/(gain) on disposal of property, plant and equipment	175	(800)
Property, plant and equipment written off	34	44
Unrealised loss/(gain) on foreign exchange	35,125	(9,841)
Loss on striking off a subsidiary	-	8
Share based payments	3,345	6,217
Dividend income	(387,216)	(242,935)
Distribution from investment securities	(1,015)	(1,837)
Reversal of impairment loss on land	(20,896)	-
Interest income	(27,600)	(15,425)
Interest expense	52,020	47,018
Operating loss before working capital changes	(22,750)	(22,416)
Increase in due from subsidiaries	(113,336)	(38,792)
Increase/(decrease) in due to subsidiaries	17,021	(57,664)
(Increase)/decrease in receivables	(3,302)	14,716
Increase in payables	790	18,598
Cash used in operations	(121,577)	(85,558)
Dividend received	325,586	195,943
Income taxes paid	(15,955)	(8,923)
Interest paid	(52,020)	(47,018)
Retirement benefits paid	(1,088)	(1,367)
Net cash generated from operating activities	134,946	53,077
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(60,634)	(101,146)
Proceeds from disposal of property, plant and equipment	3,261	4,977
Purchase of investment securities	(45)	-
Proceeds from disposal of investment securities	-	92,447
Net investment in subsidiaries	(600)	(296,429)
Interests in associated companies	-	(7,500)
Interests in jointly controlled entities	(9,875)	(125)
Distribution received from investment securities	1,015	1,837
Interest received	27,600	15,425
Net cash used in investing activities	(39,278)	(290,514)

## STATEMENT OF CASH FLOWS

For the year ended 31 July 2012

	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>		
Drawdown of borrowings	234,054	413,325
Repayment of borrowings	(59,084)	(93,129)
Net proceeds from exercise of ESOS	32,215	93,380
Net proceeds from conversion of warrants	4,523	3,678
Dividend paid to shareholders	(248,822)	(323,065)
Net cash (used in)/generated from financing activities	(37,114)	94,189
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>58,554</b>	<b>(143,248)</b>
<b>Effects of exchange rate changes</b>	<b>(1,818)</b>	<b>7,941</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>71,706</b>	<b>207,013</b>
<b>Cash and cash equivalents at end of year (Note 27)</b>	<b>128,442</b>	<b>71,706</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 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 Menara Gamuda, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 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, associated companies and jointly controlled entities are described in Note 18, 19 and 20 respectively. 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 8 October 2012.

## 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.

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 2011, the Group and the Company adopted the following amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2011 and 1 July 2011.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

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

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

##### 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
IC Interpretation 4	Determining Whether an Arrangement contains a lease
IC Interpretation 18	Transfers of Assets from Customers
Amendments to FRSs	'Improvements to FRSs (2010)'

##### 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

The adoption of the standards and interpretations above did not have any significant impact on the financial statements of the Group and of the Company except as disclosed below:

##### Amendments to FRS 7: Improving Disclosures about Financial Instruments

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2 and Level 3), by class, for all financial instruments recognised at fair value. A reconciliation between the beginning and ending balance for Level 3 fair value measurements is required. Any significant transfers between levels of the fair value hierarchy and the reasons for those transfers need to be disclosed. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 43. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 44(b).

#### 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:

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

FRS 124	Related Party Disclosures
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Disclosures - Transfers of Financial Assets
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**2. Summary of significant accounting policies (cont'd.)****2.3 Standards issued but not yet effective (cont'd.)****Effective for annual periods beginning on or after 1 July 2012:**

Amendments to FRS 101	Presentation of Items of Other Comprehensive Income
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**Effective for annual periods beginning on or after 1 January 2013:**

FRS 9	Financial Instruments
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investment in Associate and Joint Ventures
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 1	Government Loans
Amendments to FRSs	'Improvements to FRSs (2012)'
Amendments to FRS 10, FRS 11 and FRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

The directors expect that the adoption of the standards and interpretations above will have no significant impact on the financial statements in the period of initial application, except as disclosed below:

**Amendments to FRS 101: Presentation of Items of Other Comprehensive Income**

The amendments to FRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

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

#### 2.3 Standards issued but not yet effective (cont'd.)

##### **FRS 9 Financial Instruments**

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities.

##### **FRS 10 Consolidated financial statements**

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

##### **FRS 11 Joint Arrangements**

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-controlled Entities – Non-monetary Contributions by Venturers.

A joint arrangement can be either a joint venture or a joint operation.

FRS 11 requires a joint operator to recognise and measure the assets and liabilities (and recognise the related revenues and expenses) in relation to its interest in the arrangement in accordance with relevant FRSs applicable to particular assets, liabilities, revenues and expenses.

FRS 11 requires a joint venturer to recognise an investment and to account for that investment using the equity method in accordance with FRS 128 Investments in Associates and Joint Ventures, unless the entity is exempted from applying the equity method as specified in that standard.

##### **FRS 12 Disclosure of Interests in Other Entities**

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

##### **FRS 13 Fair Value Measurement**

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

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

#### 2.3 Standards issued but not yet effective (cont'd.)

##### **FRS 127 Separate Financial Statements**

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

##### **FRS 128 Investments in Associates and Joint Ventures**

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

##### **Malaysian Financial Reporting Standards (MFRS Framework)**

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework). This is in line with the need for convergence with International Financial Reporting Standards (IFRS) in 2012.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for two years and adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Company falls within the scope definition of Transitioning Entities and accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 July 2015. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

#### 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 intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full. Intragroup losses that indicate an impairment may require recognition in the consolidated financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

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

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

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.

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. The accounting policy for goodwill is set out in Note 2.9(a). 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 income statement, 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

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

#### 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.

#### 2.7 Associated companies

Associated companies are entities, not being a subsidiary or a joint venture, in which the Group has significant influence. An associated company 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 associated companies 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 associated companies. Goodwill relating to associated company is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associated company'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 associated company's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, 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 associated companies. The Group determines at each reporting date whether there is any objective evidence that the investment in the associated company is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated company and its carrying value and recognises the amount in profit or loss.

The financial statements of the associated companies 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 associated companies 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 2012

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

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

#### 2.9 Intangible assets (cont'd.)

##### a) Goodwill (cont'd.)

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 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.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

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

#### 2.10 Property, plant and equipment and depreciation (cont'd.)

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. 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 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

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

#### 2.11 Investment properties (cont'd.)

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. When an entity uses the cost model, transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

#### 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, plant and equipment, and accounted for in accordance with the policy stated under property, plant 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 profit or loss as incurred.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

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

#### 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 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 2012

### 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 on construction contracts 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 pre-tax 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

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

#### 2.15 Impairment of non-financial assets (cont'd.)

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.

#### 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.

**NOTES TO THE FINANCIAL STATEMENTS**

31 July 2012

**2. Summary of significant accounting policies (cont'd.)****2.17 Leases (cont'd.)****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 pre tax 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 2012

### 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.

**NOTES TO THE FINANCIAL STATEMENTS**

31 July 2012

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

**(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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

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

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

##### (iv) Share based compensation (cont'd.)

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 profits.

#### 2.21 Revenue recognition

Revenue and other income are 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 and other income are measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

##### a) Revenue

##### (i) Engineering and construction contracts

Revenue from engineering and 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. Sale of goods and services of the Group includes trading of construction materials and sales of manufactured products.

##### (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.

**NOTES TO THE FINANCIAL STATEMENTS**

31 July 2012

**2. Summary of significant accounting policies (cont'd.)****2.21 Revenue recognition (cont'd.)****a) Revenue (cont'd.)****(v) Dividend income**

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

**b) Other income****(i) Interest income**

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

**(ii) 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.

**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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

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

#### 2.22 Foreign currencies (cont'd.)

##### (ii) Foreign currency transactions (cont'd.)

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:

	<b>2012</b>	<b>2011</b>
	<b>RM</b>	<b>RM</b>
United States Dollar	3.183	2.967
Indian Rupee	0.058	0.068
New Taiwan Dollar	0.106	0.103
Qatari Riyal	0.875	0.815
Bahraini Dinar	8.574	7.885
100 Vietnam Dong	0.015	0.015

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

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

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

##### 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

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

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

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.

##### **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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

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

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

##### **Trade and other receivables and other financial assets carried at amortised cost (cont'd.)**

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.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

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

#### 2.27 Financial liabilities (cont'd.)

##### 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.

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 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

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

#### 2.28 Derivative financial instruments and hedge accounting (cont'd.)

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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

### 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 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

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**3. Significant accounting estimates and judgements (cont'd.)****(a) Depreciation and impairment of property, plant and equipment (cont'd)**

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 RM11,000,000 (2011: RM12,000,000) 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:

$$\left[ \frac{\text{Cumulative Actual Toll Revenue to date}}{\text{(Cumulative Actual Toll Revenue to date + Projected Total Toll Revenue for the remaining Concession)}} \times \text{Cumulative Actual MDE} \right] \text{ Less Accumulated amortisation at beginning of the financial year}$$

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.

The carrying amount of the Group's motorway development expenditure at the reporting date is disclosed in Note 16. A 5% difference in the projected total toll revenue for the remaining concession from management's estimates would result in approximately RM452,000 (2011: RM225,000) variance in the Group's profit for the year.

**(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.

The carrying amount of the Group's property development costs at the reporting date is disclosed in Note 13(b). A 5% difference in the estimated total property development cost would result in approximately 5% (2011: 5%) variance in the Group's profit for the year.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

### 3. Significant accounting estimates and judgements (cont'd.)

#### (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 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.

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 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).

#### (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 2012 is RM12,088,000 (2011: RM14,374,000) and RM1,545,000 (2011: RM2,164,000) respectively.

**NOTES TO THE FINANCIAL STATEMENTS**

31 July 2012

**3. Significant accounting estimates and judgements (cont'd.)****(h) Provision for development cost**

The Group recognises a provision for development cost in respect of development projects undertaken by its subsidiaries. In determining the provision, the Group has made assumptions in relation to the development cost incurred on the completed phases. As at 31 July 2012, the carrying amount of provision for development cost was RM24,210,000 (2011: RM9,330,000). Further details are provided in Note 38.

If the actual claims differ by 10% from management's estimates, the Group's provision for development cost will increase by RM2,421,000 (2011 : RM933,000)

**(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 RM41,525,000 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) Interests in associated companies**

At reporting date, included in the carrying amount of interests in associated companies, is the Group's share of receivables due from Syarikat Bekalan Air Selangor Sdn. Bhd. ("SYABAS") to Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd. ("SPLASH") which are outstanding amounting to RM569,278,000 (2011: RM417,015,000).

The slower recovery of receivables by SPLASH from SYABAS is primarily due to partial payments received from SYABAS. The directors of SPLASH are of the opinion that the amount will be fully settled by SYABAS within two years.

**(k) Timing of settlement of trade receivables**

Included in trade receivables is an amount due from an associated company, Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd. ("SPLASH") to a subsidiary, Gamuda Water Sdn. Bhd. ("Gamuda Water") amounting to RM193,091,000 (2011: RM160,310,000) for the supply of treated water.

Pursuant to the agreement with SPLASH, Gamuda Water's agreed trade credit term is 7 days from the date SPLASH receives its payment from Syarikat Bekalan Air Selangor Sdn. Bhd. ("SYABAS"). The slower recovery of debt by the Gamuda Water from SPLASH is primarily due to partial payments received by SPLASH from SYABAS.

The directors are of the opinion that this amount will be fully settled within two years.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 4. Revenue

Revenue of the Group and of the Company consists of the following:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Engineering and construction contracts	1,688,755	1,648,361	3,152	39,860
Sales of development properties	1,056,506	691,755	-	-
Quarry sales	43,447	43,371	-	-
Trading of construction materials	130,939	110,500	-	-
Sales of manufactured products	22,639	20,433	-	-
Supply of water and related services	101,126	108,940	-	-
Dividend income	-	-	387,216	242,935
Appropriation of profits from jointly controlled entities	-	-	63,306	117,338
Others	43,591	49,848	-	-
	3,087,003	2,673,208	453,674	400,133

## 5. Staff costs

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Wages and salaries	167,278	148,332	9,498	7,389
Directors' salaries and emoluments (Note 6)	8,131	7,828	5,682	5,598
Short term accumulating compensated absences	305	408	(68)	(53)
Pension costs-defined contribution plans	15,564	11,277	1,081	1,094
Pension costs-defined benefit plans	2,807	5,229	433	304
Share options granted under ESOS	3,011	5,597	3,208	5,780
Social security costs	1,452	976	50	48
Other staff related expenses	40,719	47,437	1,177	8,352
	239,267	227,084	21,061	28,512
Less: Amount capitalised in qualifying assets:				
Property development costs (Note 13)	(21,030)	(20,470)	-	-
Costs of construction contracts (Note 25)	(147,905)	(118,170)	(460)	(2,587)
	70,332	88,444	20,601	25,925

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**6. Directors' remuneration**

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Directors</b>				
Executive:				
Salaries and other emoluments	5,670	5,024	4,075	3,597
Bonus	1,413	1,406	1,006	1,006
Pension costs-defined contribution plans	625	600	428	428
Pension costs-defined benefit plan	89	178	36	130
Share options granted under ESOS	334	620	137	437
Benefits-in-kind	180	85	103	47
	8,311	7,913	5,785	5,645
Non-executive:				
Fees	392	360	392	360
Benefits-in-kind	74	74	74	74
	466	434	466	434
Total	8,777	8,347	6,251	6,079
<b>Analysis excluding benefits-in-kind:</b>				
Total executive directors' remuneration excluding benefits-in-kind (Note 5)	8,131	7,828	5,682	5,598
Total non-executive directors' remuneration excluding benefits-in-kind (Note 7)	392	360	392	360
Total directors' remuneration excluding benefits-in-kind	8,523	8,188	6,074	5,958

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 6. Directors' remuneration (cont'd.)

The number of directors of the Company whose total remuneration (including benefits-in-kind) during the year fall within the following bands are:

	<b>Number of Directors</b>	
	<b>2012</b>	<b>2011</b>
<hr/>		
Executive directors:		
RM400,001 – RM450,000	1	1
RM750,001 – RM800,000	-	2
RM850,001 – RM900,000	2	3
RM900,001 – RM950,000	-	1
RM950,001 – RM1,000,000	1	-
RM1,000,001 – RM1,050,000	1	-
RM1,400,001 – RM1,450,000	1	-
RM1,450,001 – RM1,500,000	1	-
RM1,800,001 – RM1,850,000	1	-
RM2,500,001 – RM2,550,000	-	1
	<hr/>	<hr/>
	8	8
<hr/>		
Non-executive directors:		
RM1 – RM50,000	2	2
RM50,001 – RM100,000	3	3
RM100,001 – RM150,000	-	1
RM200,001 – RM250,000	1	-
	<hr/>	<hr/>
	6	6
<hr/>		
Total	14	14
	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**7. Profit from operations**

The following items have been included in arriving at profit from operations:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Amortisation of prepaid land lease payments (Note 15)	425	425	-	-
Amortisation of motorway development expenditure (Note 16)	4,550	1,512	-	-
Amortisation of concession and quarry rights (Note 17)	3,099	3,098	-	-
Auditors' remuneration				
- Statutory audits				
- Group's auditors	520	520	90	90
- Other auditors	180	180	-	-
- Other services	115	194	69	194
Depreciation				
- Property, plant and equipment (Note 12)	15,588	14,158	5,087	2,117
- Investment properties (Note 14)	41	34	151	151
Non-executive directors' fees (Note 6)	392	360	392	360
Property, plant and equipment written off (Note 12)	1,404	1,723	34	44
Net (gain)/loss on disposal of property, plant and equipment	(4,247)	1,171	175	(800)
Provision for contracts	-	22,939	-	-
Net provision for liabilities (Note 38)	26,631	1,571	-	-
Provision for foreseeable losses (Note 13(b))	2,016	-	-	-
Reversal of impairment loss on land (Note 12)	(20,896)	-	(20,896)	-
Reversal of impairment loss on trade receivables (Note 23(a)(i))	(251)	-	-	-
Rental expense of land	621	514	-	-
Rental expense of premises	1,315	1,231	487	640
Net foreign exchange (gains)/losses	(146)	38,743	38,896	(16,389)
Professional fees	13,329	6,280	11,766	3,398
Distribution from investment securities	(1,055)	(5,132)	(1,015)	(1,837)
Interest income	(35,495)	(28,243)	(27,600)	(15,425)
Rental income				
- Subsidiaries	-	-	(1,347)	(676)
- Others	(1,021)	(300)	(861)	(300)

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 8. Finance costs

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Interest expense on:				
Murabahah medium term notes	40,542	50,880	40,542	40,542
Revolving credits	15,897	4,980	11,478	4,980
Term loan	52,326	17,630	-	-
Others	4,326	5,634	-	1,496
	113,091	79,124	52,020	47,018
Less: Amount capitalised in qualifying assets:				
Property development costs (Note 13)	(47,503)	(18,829)	-	-
Costs of construction contracts (Note 25)	(3,198)	(1,516)	-	-
	62,390	58,779	52,020	47,018

## 9. Taxation

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Income tax:				
Malaysian income tax	143,109	85,723	68,161	55,440
Foreign income tax	16,878	16,475	-	-
Under provision in prior years	7,957	6,103	7,335	6,496
	167,944	108,301	75,496	61,936
Deferred tax (Note 33):				
Relating to origination and reversal of temporary differences	(5,631)	3,242	(27)	(266)
(Over)/under provision in prior years	(94)	36	(281)	(245)
	(5,725)	3,278	(308)	(511)
	162,219	111,579	75,188	61,425

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (2011: 25%) of the estimated assessable profit for the year.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**9. Taxation (cont'd.)**

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:

	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
Profit before taxation	728,210	544,524
Taxation at Malaysian statutory tax rate of 25% (2011: 25%)	182,053	136,131
Effect of different tax rates in other countries	3,865	4,133
Income not subject to tax	(5,374)	(8,298)
Expenses not deductible for tax purposes	24,460	24,164
Effects of share of profits of associated companies	(51,533)	(55,607)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(71)	(574)
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	956	5,491
(Over)/under provision of deferred tax in prior years	(94)	36
Under provision of income tax in prior years	7,957	6,103
Tax expense for the year	162,219	111,579
	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Company</b>		
Profit before taxation	380,945	309,824
Taxation at Malaysian statutory tax rate of 25% (2011: 25%)	95,236	77,456
Income not subject to tax	(44,606)	(30,692)
Expenses not deductible for tax purposes	17,504	8,410
Overprovision of deferred tax in prior years	(281)	(245)
Underprovision of income tax in prior years	7,335	6,496
Tax expense for the year	75,188	61,425

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 9. Taxation (cont'd.)

Tax savings during the financial year arising from:

	Group	
	2012	2011
	RM'000	RM'000
Utilisation of previously unrecognised tax losses	41	450
Utilisation of previously unabsorbed capital allowances	30	124

## 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.

	2012	2011
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	547,305	425,411
Weighted average number of ordinary shares in issue ('000)	2,071,705	2,051,118
Basic earnings per share (sen)	26.42	20.74

## (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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**10. Earnings per share (cont'd.)****(b) Diluted (cont'd.)**

	<b>2012</b>	<b>2011</b>
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	547,305	425,411
Weighted average number of ordinary shares in issue ('000)	2,071,705	2,051,118
Adjusted for:		
Assumed shares issued from the exercise of ESOS ('000)*	15,553	24,958
Assumed shares issued from the conversion of Warrants 2010/2015 ('000)*	54,243	71,977
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	2,141,501	2,148,053
Fully diluted earnings per share (sen)	25.56	19.80

\* 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 1,969,000 ordinary shares and warrant holders converted the warrants to acquire 750 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**

	<b>Amount</b>		<b>Group and Company Net dividends per ordinary share</b>	
	<b>2012 RM'000</b>	<b>2011 RM'000</b>	<b>2012 sen</b>	<b>2011 sen</b>
<b>Dividends paid/payable in respect of:-</b>				
<b>Financial year ended 31 July 2012:-</b>				
- First interim single tier dividend of 6% per share	124,102	-	6.0	-
- Second interim single tier dividend of 6% per share	124,720	-	6.0	-
<b>Financial year ended 31 July 2011:-</b>				
- First interim dividend of 3% per share less 25% taxation and single tier dividend of 3% per share	-	107,951	-	5.3
- Second interim single tier dividend of 6% per share	-	123,839	-	6.0
	248,822	231,790	12.0	11.3

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

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 12. Property, plant and equipment

Group	Land and buildings *	Other property, plant and equipment **	Total RM'000
<b>At 31 July 2012</b>			
<b>Valuation/Cost</b>			
At 1 August 2011	281,498	323,752	605,250
Additions	50,990	31,962	82,952
Transfer to property development costs (Note 13(b))	(15,443)	-	(15,443)
Transfer to investment properties (Note 14)	(14,557)	-	(14,557)
Disposals	-	(63,530)	(63,530)
Write-offs	-	(6,579)	(6,579)
Exchange differences	61	4,863	4,924
At 31 July 2012	302,549	290,468	593,017
Representing:			
At cost	298,187	290,468	588,655
At valuation	4,362	-	4,362
	302,549	290,468	593,017
<b>Accumulated depreciation and impairment loss</b>			
At 1 August 2011	29,448	230,084	259,532
Charge for the year:			
Recognised in profit or loss (Note 7)	4,764	10,824	15,588
Capitalised in property development costs (Note 13(b))	-	143	143
Capitalised in construction costs (Note 25)	160	11,298	11,458
Disposals	-	(45,628)	(45,628)
Write-offs	-	(5,175)	(5,175)
Reversal of impairment loss (Note 7)	(20,896)	-	(20,896)
Exchange differences	5	2,602	2,607
At 31 July 2012	13,481	204,148	217,629
<b>Net carrying amount</b>			
At 31 July 2012			
At cost	285,885	86,320	372,205
At valuation	3,183	-	3,183
	289,068	86,320	375,388

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**12. Property, plant and equipment (cont'd.)**

<b>Group</b>	<b>Land and buildings *</b> RM'000	<b>Other property, plant and equipment **</b> RM'000	<b>Total</b> RM'000
<b>At 31 July 2011</b>			
<b>Valuation/Cost</b>			
At 1 August 2010	178,925	411,312	590,237
Additions	102,573	14,166	116,739
Acquisition of a subsidiary	-	10	10
Disposals	-	(82,191)	(82,191)
Write-offs	-	(9,679)	(9,679)
Exchange differences	-	(9,866)	(9,866)
At 31 July 2011	281,498	323,752	605,250
Representing:			
At cost	277,136	323,752	600,888
At valuation	4,362	-	4,362
	281,498	323,752	605,250
<b>Accumulated depreciation and impairment loss</b>			
At 1 August 2010	27,117	261,481	288,598
Charge for the year:			
Recognised in profit or loss (Note 7)	2,331	11,827	14,158
Capitalised in property development costs (Note 13(b))	-	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	29,448	230,084	259,532
<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 2012

## 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 2012</b>				
<b>Valuation/Cost</b>				
At 1 August 2011	70,033	1,349	210,116	281,498
Additions	-	4,407	46,583	50,990
Transfer to property development costs	(15,443)	-	-	(15,443)
Transfer to investment properties	(14,557)	-	-	(14,557)
Exchange differences	-	-	61	61
At 31 July 2012	40,033	5,756	256,760	302,549
Representing:				
At cost	38,696	5,756	253,735	298,187
At valuation	1,337	-	3,025	4,362
	40,033	5,756	256,760	302,549
<b>Accumulated depreciation and impairment loss</b>				
At 1 August 2011	20,896	463	8,089	29,448
Charge for the year:				
Recognised in profit or loss	-	70	4,694	4,764
Capitalised in construction costs	-	-	160	160
Reversal of impairment loss (Note 7)	(20,896)	-	-	(20,896)
Exchange differences	-	-	5	5
At 31 July 2012	-	533	12,948	13,481
<b>Net carrying amount</b>				
At 31 July 2012				
At cost	38,696	5,223	241,966	285,885
At valuation	1,337	-	1,846	3,183
	40,033	5,223	243,812	289,068

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**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 2011</b>				
<b>Valuation/Cost</b>				
At 1 August 2010	69,997	1,349	107,579	178,925
Additions	36	-	102,537	102,573
At 31 July 2011	70,033	1,349	210,116	281,498
Representing:				
At cost	68,696	1,349	207,091	277,136
At valuation	1,337	-	3,025	4,362
	70,033	1,349	210,116	281,498
<b>Accumulated depreciation and impairment loss</b>				
At 1 August 2010	20,896	441	5,780	27,117
Charge for the year	-	22	2,309	2,331
At 31 July 2011	20,896	463	8,089	29,448
<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

31 July 2012

## 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 2012</b>				
<b>Cost</b>				
At 1 August 2011	42,667	42,248	238,837	323,752
Additions	6,043	14,736	11,183	31,962
Disposals	(7,309)	(2,425)	(53,796)	(63,530)
Write-offs	(316)	(4,273)	(1,990)	(6,579)
Exchange differences	340	48	4,475	4,863
At 31 July 2012	41,425	50,334	198,709	290,468
<b>Accumulated depreciation</b>				
At 1 August 2011	31,564	33,713	164,807	230,084
Charge for the year:				
Recognised in profit or loss	629	3,292	6,903	10,824
Capitalised in property development costs	135	7	1	143
Capitalised in construction costs	963	2,198	8,137	11,298
Disposals	(4,663)	(1,604)	(39,361)	(45,628)
Write-offs	(268)	(3,736)	(1,171)	(5,175)
Exchange differences	269	129	2,204	2,602
At 31 July 2012	28,629	33,999	141,520	204,148
<b>Net carrying amount</b>				
At 31 July 2012	12,796	16,335	57,189	86,320

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**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 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	148	5	2	155
Capitalised in construction costs	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 2012

## 12. Property, plant and equipment (cont'd.)

Company	Land and buildings *	Other property, plant and equipment **	Total RM'000
	RM'000	RM'000	RM'000
<b>At 31 July 2012</b>			
<b>Valuation/Cost</b>			
At 1 August 2011	136,274	29,148	165,422
Additions	50,804	9,830	60,634
Disposals	(30,000)	(10,043)	(40,043)
Write-offs	-	(3,188)	(3,188)
Exchange difference	-	965	965
At 31 July 2012	157,078	26,712	183,790
Representing:			
At cost	153,676	26,712	180,388
At valuation	3,402	-	3,402
	157,078	26,712	183,790
<b>Accumulated depreciation and impairment loss</b>			
At 1 August 2011	22,521	23,876	46,397
Charge for the year:			
Recognised in profit or loss (Note 7)	2,999	2,088	5,087
Capitalised in construction costs (Note 25)	-	80	80
Disposals	-	(6,607)	(6,607)
Write-offs	-	(3,154)	(3,154)
Reversal of impairment loss (Note 7)	(20,896)	-	(20,896)
Exchange difference	-	676	676
At 31 July 2012	4,624	16,959	21,583
<b>Net carrying amount</b>			
At 31 July 2012			
At cost	150,061	9,753	159,814
At valuation	2,393	-	2,393
	152,454	9,753	162,207

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**12. Property, plant and equipment (cont'd.)**

<b>Company</b>	<b>Land and buildings *</b>	<b>Other property, plant and equipment **</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 31 July 2011</b>			
<b>Valuation/Cost</b>			
At 1 August 2010	35,667	42,908	78,575
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	136,274	29,148	165,422
Representing:			
At cost	132,872	29,148	162,020
At valuation	3,402	-	3,402
	136,274	29,148	165,422
<b>Accumulated depreciation and impairment loss</b>			
At 1 August 2010	22,088	29,888	51,976
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	22,521	23,876	46,397
<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 2012

## 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 2012</b>				
<b>Valuation/Cost</b>				
At 1 August 2011	30,780	1,202	104,292	136,274
Additions	-	4,409	46,395	50,804
Disposals	(30,000)	-	-	(30,000)
At 31 July 2012	780	5,611	150,687	157,078
Representing:				
At cost	-	5,611	148,065	153,676
At valuation	780	-	2,622	3,402
	780	5,611	150,687	157,078
<b>Accumulated depreciation and impairment loss</b>				
At 1 August 2011	20,896	413	1,212	22,521
Charge for the year	-	64	2,935	2,999
Reversal of impairment loss (Note 7)	(20,896)	-	-	(20,896)
At 31 July 2012	-	477	4,147	4,624
<b>Net carrying amount</b>				
At 31 July 2012				
At cost	-	5,134	144,927	150,061
At valuation	780	-	1,613	2,393
	780	5,134	146,540	152,454

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**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 2011</b>				
<b>Valuation/Cost</b>				
At 1 August 2010	30,780	1,202	3,685	35,667
Additions	-	-	100,607	100,607
At 31 July 2011	30,780	1,202	104,292	136,274
Representing:				
At cost	30,000	1,202	101,670	132,872
At valuation	780	-	2,622	3,402
	30,780	1,202	104,292	136,274
<b>Accumulated depreciation and impairment loss</b>				
At 1 August 2010	20,896	391	801	22,088
Charge for the year	-	22	411	433
At 31 July 2011	20,896	413	1,212	22,521
<b>Net carrying amount</b>				
At 31 July 2011				
At cost	9,104	789	101,418	111,311
At valuation	780	-	1,662	2,442
	9,884	789	103,080	113,753

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 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 2012</b>				
<b>Cost</b>				
At 1 August 2011	3,315	14,382	11,451	29,148
Additions	-	8,271	1,559	9,830
Disposals	(460)	(781)	(8,802)	(10,043)
Write-offs	(58)	(3,130)	-	(3,188)
Exchange difference	152	135	678	965
At 31 July 2012	2,949	18,877	4,886	26,712
<b>Accumulated depreciation</b>				
At 1 August 2011	2,902	12,753	8,221	23,876
Charge for the year:				
Recognised in profit or loss	101	1,664	323	2,088
Capitalised in construction costs	-	75	5	80
Disposals	(295)	(692)	(5,620)	(6,607)
Write-offs	(58)	(3,096)	-	(3,154)
Exchange difference	138	119	419	676
At 31 July 2012	2,788	10,823	3,348	16,959
<b>Net carrying amount</b>				
At 31 July 2012	161	8,054	1,538	9,753

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**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 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	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

- (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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 12. Property, plant and equipment (cont'd.)

- (i) 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Land and buildings	2,098	2,179	1,344	1,398

- (ii) The net carrying amount of property, plant and equipment pledged as securities for borrowings (Note 34(b)(i)) is RM1,034,000 (2011: RM812,000).
- (iii) During the year, the Company disposed freehold land with a carrying amount of RM9,104,000 to a subsidiary based on its current market value of RM30,000,000. Accordingly, impairment loss of RM20,896,000 which was recognised in prior years was reversed before the transfer. The impairment loss relates to sub-structure cost for building under construction which was discontinued. The Group now decided to construct a building using the existing sub-structure and hence the write back of those impaired costs as the sub-structure is still usable.

## 13. Land held for property development and property development costs

## (a) Land held for property development

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
<b>Group</b>				
<b>Cost</b>				
At 1 August 2011	156,069	142,953	91,850	390,872
Additions	11,000	-	25,364	36,364
Transfer from property development costs (Note 13(b))	10,427	143,160	49,115	202,702
Reversal of land costs (i)	(1,577)	-	-	(1,577)
Transfer to property development costs (Note 13(b))	(21,434)	(18,321)	(7,752)	(47,507)
At 31 July 2012	154,485	267,792	158,577	580,854
At 1 August 2010	186,862	718	90,699	278,279
Additions	-	-	14,206	14,206
Transfer from amount due from customers on contract	-	142,235	-	142,235
Transfer to property development costs (Note 13(b))	(30,793)	-	(13,055)	(43,848)
At 31 July 2011	156,069	142,953	91,850	390,872

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**13. Land held for property development and property development costs (cont'd.)****(a) Land held for property development (cont'd.)**

(i) Reversal of land cost relates to discount received for the acquisition of the land.

**(b) Property development costs**

	<b>Freehold land RM'000</b>	<b>Leasehold land RM'000</b>	<b>Development costs RM'000</b>	<b>Total RM'000</b>
<b>Group</b>				
<b>At 31 July 2012</b>				
<b>Cumulative property development costs</b>				
At 1 August 2011	366,832	519,391	949,089	1,835,312
Costs incurred during the year	1,896	169,219	846,767	1,017,882
Transfer from amount due from customers on contract	-	327,727	-	327,727
Transfer from property, plant and equipment (Note 12)	10,331	-	5,112	15,443
Transfer to land held for property development (Note 13(a))	(10,427)	(143,160)	(49,115)	(202,702)
Transfer from land held for property development (Note 13(a))	21,434	18,321	7,752	47,507
Reversal of completed projects	(66,207)	(1,385)	(554,656)	(622,248)
Transfer to inventories	(3,671)	(824)	(43,222)	(47,717)
Exchange differences	-	9,202	3,756	12,958
At 31 July 2012	320,188	898,491	1,165,483	2,384,162
<b>Cumulative costs recognised in profit or loss</b>				
At 1 August 2011	(78,043)	(751)	(355,730)	(434,524)
Recognised during the year	(60,357)	(41,061)	(580,699)	(682,117)
Reversal of completed projects	66,207	1,385	554,656	622,248
Provision for foreseeable losses (Note 7)	-	-	(2,016)	(2,016)
Exchange differences	-	(616)	(695)	(1,311)
At 31 July 2012	(72,193)	(41,043)	(384,484)	(497,720)
<b>Property development costs at 31 July 2012</b>	<b>247,995</b>	<b>857,448</b>	<b>780,999</b>	<b>1,886,442</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 13. Land held for property development and property development costs (cont'd.)

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

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
<b>Group</b>				
<b>At 31 July 2011</b>				
<b>Cumulative property development costs</b>				
At 1 August 2010	243,815	6,802	501,536	752,153
Costs incurred during the year	114,313	-	657,260	771,573
Transfer from amount due from customers on contract	-	83,535	-	83,535
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	(22,089)	(2,604)	(222,996)	(247,689)
Exchange differences	-	(15,515)	(23)	(15,538)
At 31 July 2011	366,832	519,391	949,089	1,835,312
<b>Cumulative costs recognised in profit or loss</b>				
At 1 August 2010	(35,695)	(967)	(164,135)	(200,797)
Recognised during the year	(64,437)	(2,388)	(414,591)	(481,416)
Reversal of completed projects	22,089	2,604	222,996	247,689
At 31 July 2011	(78,043)	(751)	(355,730)	(434,524)
<b>Property development costs at 31 July 2011</b>	<b>288,789</b>	<b>518,640</b>	<b>593,359</b>	<b>1,400,788</b>

Included in property development costs incurred during the year are:

	Group	
	2012 RM'000	2011 RM'000
Finance costs (Note 8)	47,503	18,829
Depreciation (Note 12)	143	155
Staff costs (Note 5)	21,030	20,470

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**13. Land held for property development and property development costs (cont'd.)****(b) Property development costs (cont'd.)**

Included in leasehold land under land held for property development and property development costs are beneficial rights on land pursuant to investment certificates issued by the Government of Socialist Republic of Vietnam, with carrying value of RM124,632,000 (2011: RM142,235,000) and RM428,865,000 (2011: RM83,535,000) 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 RM139,883,000 (2011: RM159,908,000) 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 RM400,111,000 (2011: RM488,826,000) has been pledged as a security for a term loan as disclosed in Note 34(b)(iii).

**14. Investment properties**

<b>Group</b>	<b>Land RM'000</b>	<b>Buildings RM'000</b>	<b>Construction -in-progress RM'000</b>	<b>Total RM'000</b>
<b>At 31 July 2012</b>				
<b>Cost</b>				
At 1 August 2011	1,096	2,006	8,587	11,689
Additions	2,058	525	19,582	22,165
Transfer from property, plant and equipment (Note 12)	6,817	-	7,740	14,557
Reclassification	-	28,169	(28,169)	-
At 31 July 2012	9,971	30,700	7,740	48,411
<b>Accumulated depreciation</b>				
At 1 August 2011	-	532	-	532
Charge for the year (Note 7)	-	41	-	41
At 31 July 2012	-	573	-	573
<b>Net carrying amount</b>				
At 31 July 2012	9,971	30,127	7,740	47,838
<b>Fair value</b>				
At 31 July 2012	13,912	35,298	7,740	56,950

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 14. Investment properties (cont'd.)

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
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	8,587	17,577

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**14. Investment properties (cont'd.)**

<b>Company</b>	<b>Land RM'000</b>	<b>Buildings RM'000</b>	<b>Total RM'000</b>
<b>At 31 July 2012</b>			
<b>Cost</b>			
At 1 August 2011/31 July 2012	5,697	7,560	13,257
<b>Accumulated depreciation</b>			
At 1 August 2011	-	2,097	2,097
Charge for the year (Note 7)	-	151	151
At 31 July 2012	-	2,248	2,248
<b>Net carrying amount</b>			
At 31 July 2012	5,697	5,312	11,009
<b>Fair value</b>			
At 31 July 2012	20,346	19,654	40,000
<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
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

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 2012

## 15. Prepaid land lease payments

	Group	
	2012	2011
	RM'000	RM'000
At beginning of year	4,872	5,297
Amortisation for the year (Note 7)	(425)	(425)
At end of year	4,447	4,872

## 16. Motorway development expenditure

	Group	
	2012	2011
	RM'000	RM'000
<b>Cost</b>		
At beginning/end of year	327,856	327,856
<b>Accumulated amortisation</b>		
At beginning of year	4,499	2,987
Amortisation for the year (Note 7)	4,550	1,512
At end of year	9,049	4,499
<b>Net carrying amount</b>		
At end of year	318,807	323,357

The motorway development expenditure is pledged as securities for borrowings (Note 34(b)(i)).

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**17. Intangible assets**

	<b>Goodwill RM'000</b>	<b>Concession and quarry rights RM'000</b>	<b>Total RM'000</b>
<b>Group</b>			
<b>At 31 July 2012</b>			
<b>Cost</b>			
At 1 August 2011/31 July 2012	41,396	95,048	136,444
<b>Accumulated amortisation</b>			
At 1 August 2011	-	35,497	35,497
Amortisation for the year (Note 7)	-	3,099	3,099
At 31 July 2012	-	38,596	38,596
<b>Net carrying amount</b>			
At 31 July 2012	41,396	56,452	97,848
<b>At 31 July 2011</b>			
<b>Cost</b>			
At 1 August 2010	-	95,048	95,048
Acquisition of a subsidiary	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 31 July 2011	41,396	59,551	100,947

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 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 pre-tax discount rate applied to the cash flow projections is 16% (2011: 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) Pre-tax 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	
	2012 RM'000	2011 RM'000
Unquoted shares, at cost	2,266,846	2,266,246
Less: Accumulated impairment losses	(16,290)	(16,290)
	2,250,556	2,249,956

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**18. Investments in subsidiaries (cont'd.)****(a) Capitalisation of current amount due from subsidiaries into redeemable preference shares**

The Company has converted the amounts due from the following subsidiaries totalling RM26,200,000 as full settlement to redeemable preference shares of RM1.00 each at premium of RM99.00 each as follows:

	<b>RM'000</b>
Gammau Construction Sdn. Bhd.	2,600
Gamuda Land (HCMC) Sdn. Bhd.	3,500
Idaman Lantas Sdn. Bhd.	5,000
Setara Hati Sdn. Bhd.	10,000
Madge Mansions Sdn. Bhd.	5,100
	26,200

**(b) Capital injection in subsidiaries**

The Company has injected additional capital in a wholly owned subsidiary, Gamuda Land Vietnam Limited Liability Company for a total cash consideration of USD32,189,000 (RM98,504,000) as contributed capital.

**(c) Redemption of redeemable preference shares in a subsidiary**

During the year, 1,239,000 redeemable preference shares of RM1.00 each at premium of RM99.00 each were redeemed by a wholly owned subsidiary, Megah Capital Sdn. Bhd. for a total cash consideration of RM123,900,000.

**(d) Striking off of a subsidiary**

During the year, Gamuda (Bahrain) W.L.L, a wholly owned subsidiary of the Company is in the midst of striking off. Accordingly, the cost of investment amounting RM204,000 has been recovered.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 18. Investments in subsidiaries (cont'd.)

Name of Company	Proportion of ownership		Principal activities
	2012 %	2011 %	
<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	Dormant
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

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**18. Investments in subsidiaries (cont'd.)**

Name of Company	Proportion of ownership		Principal activities
	2012 %	2011 %	
<b>Subsidiaries incorporated in Malaysia</b>			
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	Property investment and development
Gamuda Land (HCMC) Sdn. Bhd.	100	100	Property investment and development
<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>			
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	In the process of winding up

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 18. Investments in subsidiaries (cont'd.)

Name of Company	Proportion of ownership		Principal activities
	2012 %	2011 %	
<b>Subsidiary incorporated in the Kingdom of Bahrain</b>			
Gamuda (Bahrain) W.L.L	100	100	In the midst of striking off
<b>Subsidiaries incorporated in the Socialist Republic of Vietnam</b>			
Gamuda-NamLong 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, Sewage Treatment Plant and Gamuda City Development in Hanoi, Socialist Republic of Vietnam
Sai Gon Thuong Tin Tan Thang Investment Real Estate Joint Stock Company #*	60	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

# Directly held by a wholly-owned subsidiary, Gamuda Land (HCMC) Sdn. Bhd.

\* Audited by firms of auditors other than Ernst &amp; Young, Malaysia

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**18. Investments in subsidiaries (cont'd.)**

The details of the unincorporated subsidiaries are as follows:

<b>Entity</b>	<b>Joint venture partners</b>	<b>Economic activity</b>
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**

	<b>Group</b>		<b>Company</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares, in Malaysia:				
At cost:				
- Ordinary shares	142,185	142,185	142,185	142,185
- Redeemable preference shares	570,125	570,125	570,125	570,125
	712,310	712,310	712,310	712,310
Group's share of post-acquisition reserves net of dividends receivable	403,440	319,381	-	-
Less: Accumulated impairment losses	(28,235)	(28,235)	(69,885)	(69,885)
	1,087,515	1,003,456	642,425	642,425

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 19. Interests in associated companies (cont'd.)

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Unquoted shares, outside Malaysia:				
At cost:				
- Ordinary shares	11	11	-	-
- Redeemable preference shares	113,017	169,887	-	-
	113,028	169,898	-	-
Group's share of post-acquisition reserves	90,470	88,379	-	-
	203,498	258,277	-	-
	1,291,013	1,261,733	642,425	642,425
Quoted shares, in Malaysia:				
At cost:				
- Ordinary shares	59,624	59,624	59,624	59,624
Group's share of post-acquisition capital reserves	103,730	97,313	-	-
Group's share of post-acquisition profits, net of dividends receivable	205,970	200,960	-	-
	369,324	357,897	59,624	59,624
	1,660,337	1,619,630	702,049	702,049
Market value:				
Quoted shares, in Malaysia	966,241	860,413	966,241	860,413

**Redemption of redeemable preference shares in an associated company**

During the year, Gamuda - WCT (Offshore) Private Limited redeemed its redeemable preference shares for a total cash consideration of RM56,870,000.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**19. Interests 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
	2012 %	2011 %	
<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
Lingkaran 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	Dormant
Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd.	53	53	Investment holding; holding company to the concession holder of an expressway
<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

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**19. Interests in associated companies (cont'd.)**

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.

The summarised financial information of the associated companies, adjusted for Group's share are as follows:

	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets and liabilities</b>		
Current assets	766,285	1,035,283
Non-current assets	4,023,283	3,681,993
<b>Total assets</b>	<b>4,789,568</b>	<b>4,717,276</b>
<b>Liabilities</b>		
Current liabilities	(784,182)	(578,723)
Non-current liabilities	(2,345,049)	(2,518,923)
<b>Total liabilities</b>	<b>(3,129,231)</b>	<b>(3,097,646)</b>
<b>Results</b>		
Revenue	616,889	645,395
Profit for the year	206,131	222,429

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**20. Interests in jointly controlled entities**

	Company	
	2012 RM'000	2011 RM'000
Unquoted shares, at cost	254,476	244,601

**Subscription of shares**

During the year, the Company subscribed for 5,000,000 ordinary shares of RM1.00 each, representing 50% of the total issued and paid-up share capital of jointly controlled entity, MMC Gamuda KVMRT (T) Sdn. Bhd., for a total cash consideration of RM5,000,000.

During the year, the Company subscribed for additional 4,875,000 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 RM4,875,000.

During the year, the Company entered into a Joint Venture Agreement with MMC Corporation Berhad to form an unincorporated joint venture, MMC Gamuda KVMRT (UGW) Joint Venture (“UGW JV”) for the purpose of execution of the tunnelling, underground works and such other works in relation to the underground works package for the Klang Valley Mass Rapid Transit Project. As at reporting date, there is no capital contribution to UGW JV.

Details of the jointly controlled entities are as follows:

Name of jointly controlled entity	Proportion of ownership		Economic activity
	2012 %	2011 %	
<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	50	Undertake pre-qualifying and tendering of the tunnelling, underground works 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 2012

## 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
	2012 %	2011 %	
<b>Unincorporated in Malaysia</b>			
MMC Gamuda KVMRT (UGW) Joint Venture	50	-	Undertake the tunnelling, underground works 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	50	Undertake the role of a project delivery partner to deliver fully functional operating railway system for the Klang Valley Mass Rapid Transit Project
MMC Gamuda KVMRT (T) Sdn. Bhd. (formerly known as Viable Synergy Sdn. Bhd.)	50	50	Undertake the tunnelling, underground works and such other works in relation to the underground works package for the Klang Valley Mass Rapid Transit Project
<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

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**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
	2012 %	2011 %	
<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-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.

The summarised financial information of the jointly controlled entities, adjusted for Group's share are as follows:

	2012 RM'000	2011 RM'000
<b>Assets and liabilities</b>		
Current assets	2,299,758	1,947,018
Non-current assets	483,358	552,661
<b>Total assets</b>	<b>2,783,116</b>	<b>2,499,679</b>
Current liabilities	(2,127,797)	(1,881,710)
Non-current liabilities	(310,903)	(286,374)
<b>Total liabilities</b>	<b>(2,438,700)</b>	<b>(2,168,084)</b>
<b>Results</b>		
Revenue	1,607,953	1,225,415
Expenses, net	1,540,368	1,113,410

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 21. Other investments

	<b>Group and Company</b>	
	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At cost</b>		
Unquoted shares, in Malaysia	50	50
Investment in transferable club memberships	683	683
	<b>733</b>	<b>733</b>

The fair value of other investments are disclosed in Note 43.

## 22. Inventories

	<b>Group</b>	
	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cost:</b>		
Raw materials	1,130	518
Finished goods	-	578
Crusher run and aggregates	3,847	-
Consumable stores and spares	3,422	10,832
Properties held for sale	54,729	15,319
	<b>63,128</b>	<b>27,247</b>
<b>Net realisable value:</b>		
Properties held for sale	3,231	3,738
Crusher run and aggregates	122	3,120
	<b>3,353</b>	<b>6,858</b>
	<b>66,481</b>	<b>34,105</b>

During the year, the amount of inventories recognised as an expense was RM31,157,000 (2011: RM78,632,000).

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**23. Receivables**

Receivables of the Group and of the Company are analysed as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>(a) Current</b>				
Trade receivables				
Trade receivables (i)	671,128	655,667	27,595	20,380
Associated companies	142,761	207,930	-	-
Joint venture partners	6,190	20,241	-	-
Retention sums	86,371	59,997	26,334	-
Accrued billing	102,374	88,355	-	-
Due from customers on contracts (Note 25)	536,056	587,123	-	-
	1,544,880	1,619,313	53,929	20,380
Less: Allowance for impairment	(2,463)	(2,714)	-	-
	1,542,417	1,616,599	53,929	20,380
Other receivables				
Associated companies (ii)	169	116	52	115
Deposits	53,165	28,657	538	5,404
Prepayments	1,638	2,636	1,651	1,705
Sundry receivables (iii)	40,326	53,730	1,597	3,159
	95,298	85,139	3,838	10,383
	1,637,715	1,701,738	57,767	30,763

**(i) Trade receivables**

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2011: 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 2012

## 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	
	2012 RM'000	2011 RM'000
Neither past due nor impaired	620,742	595,148
1 to 30 days past due not impaired	8,780	30,307
31 to 60 days past due not impaired	3,789	7,415
61 to 90 days past due not impaired	689	2,192
91 to 120 days past due not impaired	5,698	5,810
More than 121 days past due not impaired	28,967	12,081
	47,923	57,805
Impaired	2,463	2,714
	671,128	655,667

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 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 RM47,923,000 (2011: RM57,805,000) that are past due at the reporting date but not impaired. The receivables that are past due but not impaired are unsecured in nature.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**23. Receivables (cont'd.)****(a) Current (cont'd.)****(i) Trade receivables (cont'd.)**Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	<b>Individually impaired</b>	
	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade receivables - nominal amounts	2,463	2,714
Less: allowance for impairment	(2,463)	(2,714)
	-	-

## Movement in allowance accounts:

	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	2,714	2,714
Reversal of impairment losses (Note 7)	(251)	-
At 31 December	2,463	2,714

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted in payments. These receivables are not secured by any collateral or credit enhancements.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 23. Receivables (cont'd.)

## (a) Current (cont'd.)

## (i) Trade receivables (cont'd.)

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	
	2012	2011
	RM'000	RM'000
Amount due from the Government on:		
- Progress billings on construction contract	38,372	193,914
- Land acquisition costs	-	21
	38,372	193,935
Interest receivable	6,487	44,458
Total amount due from the Government	44,859	238,393
(Off set with): - SMARTSB MTN	(36,727)	(192,290)
- Interest payable on SMARTSB MTN	(6,487)	(44,458)
	1,645	1,645

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**23. Receivables (cont'd.)****(a) Current (cont'd.)****(i) Trade receivables (cont'd.)**

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 RM86,501,000 (2011: RM248,751,000). 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:

	<b>Group</b>	
	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Principal amount:		
- Construction costs	36,727	192,269
- Land acquisition costs	-	21
Total off set against trade receivable	36,727	192,290
Unearned interests	6,524	56,461
Nominal value	43,251	248,751

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 23. Receivables (cont'd.)

## (a) Current (cont'd.)

## (ii) Due from associated companies

The non-trade amounts due from associated companies are unsecured, interest free and repayable on demand.

## (iii) Sundry receivables

Included in sundry receivables is an amount of lease receivable as follows:

	Group	
	2012	2011
	RM'000	RM'000
Gross receivables	-	2,004
Less: Unearned interests	-	(6)
	-	1,998
Minimum lease receivables:		
Not later than 1 year	-	2,004
Less: Unearned interests	-	(6)
	-	1,998
Present value of lease receivables:		
Not later than 1 year	-	1,998
Later than 1 year and not later than 5 years	-	-
	-	1,998

In the prior year, the remaining tenure and the finance charge of the finance leases are 12 months and 5.85% respectively. The lease receivable was fully settled during the year.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**23. Receivables (cont'd.)****(b) Non-current**

		Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Advances to subcontractors	(i)	-	95,372	-	-
Retention sums receivable after one year		51,201	57,127	-	22,754
Amount due from an associated company	(ii)	107,462	15,735	-	-
Amount due from a third party	(iii)	-	19,471	-	-
Other receivable		1,357	1,395	-	-
		160,020	189,100	-	22,754

**(i) Advances to subcontractors**

In prior year, advances to subcontractors are not expected to be recouped within the next twelve months. For the current year, the amount has been reclassified to current receivables.

**(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 due from an associated company is unsecured and repayable on demand, other than an amount of RM12,919,000 (2011: RM15,735,000) which is receivable in 3 (2011: 4) annual instalments from December 2013 to December 2015 (2011: December 2012 to December 2015).

**(iii) Amount due from a third party**

In prior year, the amount due from a third party represents present value of future cash flows repayable to a subsidiary in July 2013 and is secured against a bank guarantee. This amount has been settled during the financial year.

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 the following:

Group	2012 RM'000	2011 RM'000
Government of Malaysia	82,254	146,760
An associated company	206,010	176,045
A single debtor	92,505	-

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 23. Receivables (cont'd.)

The following table analyses the financial assets of the Group and of the Company in the statements of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

Group	Note	Fair value through profit or loss RM'000	Loans and receivables RM'000	Total RM'000
<b>At 31 July 2012</b>				
Investment securities	24	279,104	-	279,104
Current receivables	23(a)			
Trade receivables		-	668,665	668,665
Due from:				
Associated companies		-	142,930	142,930
Joint venture partners		-	6,190	6,190
Retention sums		-	86,371	86,371
Deposits		-	53,165	53,165
Sundry receivables		-	40,326	40,326
Non-current receivables	23(b)	-	160,020	160,020
Cash and bank balances	27	-	1,337,355	1,337,355
<b>Total financial assets</b>		279,104	2,495,022	2,774,126
<b>At 31 July 2011</b>				
Investment securities	24	336,623	-	336,623
Current receivables	23(a)			
Trade receivables		-	652,953	652,953
Due from:				
Associated companies		-	208,046	208,046
Joint venture partners		-	20,241	20,241
Retention sums		-	59,997	59,997
Deposits		-	28,657	28,657
Sundry receivables		-	53,730	53,730
Non-current receivables (excluding advances to subcontractors)	23(b)	-	93,728	93,728
Cash and bank balances	27	-	1,048,968	1,048,968
<b>Total financial assets</b>		336,623	2,166,320	2,502,943

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**23. Receivables (cont'd.)**

Company	Note	Fair value through profit or loss RM'000	Loans and receivables RM'000	Total RM'000
<b>At 31 July 2012</b>				
Investment securities	24	1,474	-	1,474
Current receivables	23(a)			
Trade receivables		-	27,595	27,595
Retention sums		-	26,334	26,334
Amount due from associated companies		-	52	52
Deposits		-	538	538
Sundry receivables		-	1,597	1,597
Due from subsidiaries	26	-	871,255	871,255
Cash and bank balances	27	-	128,442	128,442
<b>Total financial assets</b>		<b>1,474</b>	<b>1,055,813</b>	<b>1,057,287</b>
<b>At 31 July 2011</b>				
Investment securities	24	1,429	-	1,429
Current receivables	23(a)			
Trade receivables		-	20,380	20,380
Amount due from associated companies		-	115	115
Deposits		-	5,404	5,404
Sundry receivables		-	3,159	3,159
Non-current receivables	23(b)	-	22,754	22,754
Due from subsidiaries	26	-	664,613	664,613
Cash and bank balances	27	-	71,706	71,706
<b>Total financial assets</b>		<b>1,429</b>	<b>788,131</b>	<b>789,560</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 24. Investment securities

	2012 RM'000		2011 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				
Investment securities	279,104	279,104	336,623	336,623
<b>Company</b>				
<b>Current</b>				
Held for trading				
Investment securities	1,474	1,474	1,429	1,429

Investment securities represent funds placed with licensed fund managers. The portfolio of securities managed by the fund managers comprise of money market funds, commercial papers, government bonds and fixed deposits.

## 25. Amount due from/(to) customers on contracts

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Construction contract costs incurred to date	9,256,448	7,748,325	1,523,715	1,520,601
Recognised profits less recognised losses	677,721	433,680	52,267	52,229
Progress billings received and receivable	(9,874,580)	(8,204,923)	(1,587,717)	(1,575,233)
	59,589	(22,918)	(11,735)	(2,403)
Represented by:				
Due from customers on contracts (Note 23(a))	536,056	587,123	-	-
Due to customers on contracts (Note 36)	(476,467)	(610,041)	(11,735)	(2,403)
	59,589	(22,918)	(11,735)	(2,403)

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**25. Amount due from/(to) customers on contracts (cont'd.)**

The costs incurred to date on construction contracts include the following charges made during the financial year:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Finance costs (Note 8)	3,198	1,516	-	-
Depreciation (Note 12)	11,458	27,979	80	1,601
Staff costs (Note 5)	147,905	118,170	460	2,587
Hire of plant and equipment	2,741	18,596	-	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 RM376,421,000 (2011: RM461,582,000) which is pending issuance of investment certificates for property development in Hanoi, Vietnam as consideration for the construction works by GLVN. During the year, RM327,727,000 (2011: RM83,535,000) was transferred to leasehold land under property development costs and RMnil (2011: RM142,235,000) was transferred to leasehold land under land held for property development upon issuance of the investment certificates by the Government of Socialist Republic of Vietnam.

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 RM376,421,000 (2011: RM461,582,000).

**26. Due from subsidiaries**

	Company	
	2012 RM'000	Restated 2011 RM'000
<b>Non-current</b>		
Due from a subsidiary - non-trade	517,843	292,549
<b>Current</b>		
Due from subsidiaries		
- trade	13,902	96,679
- non-trade	339,510	275,385
	353,412	372,064

The trade amounts due from subsidiaries have a normal credit term which ranges from 30 to 90 days (2011: 30 to 90 days).

The non-trade amounts due from subsidiaries are unsecured, interest free and are repayable on demand except for advances of RM702,570,000 (2011: RM427,057,000) given to subsidiaries which bear interest at 4.55% to 5.1% (2011: 4.1% to 4.7%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 27. Cash and bank balances

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash on hand and at banks	61,412	50,694	4,500	8,333
Housing Development Accounts	439,361	290,553	-	-
Total cash on hand and at banks	500,773	341,247	4,500	8,333
Deposits with licensed banks	395,428	438,414	109,628	41,604
Investment in unit trusts	441,154	269,307	14,314	21,769
	1,337,355	1,048,968	128,442	71,706

Included in total cash on hand and at banks of the Group is an amount of RM439,361,000 (2011: RM290,553,000) 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.

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	
	2012 %	2011 %	2012 %	2011 %
Licensed banks				
Malaysia - RM	2.88	2.81	3.01	3.25
- USD	0.58	0.23	0.58	0.23
Qatar	2.50	2.52	-	3.40
Vietnam	12.02	12.75	-	-

The range of maturities of deposits as at reporting date were as follows:

	Group		Company	
	2012 Days	2011 Days	2012 Days	2011 Days
Licensed banks	2 - 356	1 - 270	1 - 33	21 - 184

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**28. Share capital**

	Number of ordinary shares of RM1 each		Amount	
	2012 '000	2011 '000	2012 RM'000	2011 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	2,064,824	2,025,888	2,064,824	2,025,888
Exercise of ESOS	12,889	37,553	12,889	37,553
Conversion of warrants	1,700	1,383	1,700	1,383
At end of year	2,079,413	2,064,824	2,079,413	2,064,824

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 RM2,064,824,000 to RM2,079,413,000 by way of:
- (i) Issuance of 12,889,000 new ordinary shares of RM1.00 each for cash arising from the exercise of options under the Company's ESOS; and
  - (ii) Issuance of 1,700,000 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 warrant 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 28. Share capital (cont'd.)

The total number of warrants converted during the year is as follows:

	Warrants 2010/2015	
	2012 '000	2011 '000
At beginning of year	249,254	250,637
Converted	(1,700)	(1,383)
At end of year	247,554	249,254

- (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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

### 28. Share capital (cont'd.)

The principal features of the ESOS are as follows: (cont'd.)

- (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 2012

## 28. Share capital (cont'd.)

The principal features of the ESOS are as follows (cont'd.):

- (xii) Options to subscribe for ordinary shares of RM1.00 each under ESOS were granted in the following phases:

	<b>Exercise price (before rights issue of warrants) RM</b>	<b>Exercise price (after rights issue of warrants) RM</b>	<b>Number of options '000</b>	<b>Exercise period</b>
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
12 August 2011	3.26	3.26	693	12 August 2011 - 5 July 2014
6 June 2012	3.37	3.37	734	6 June 2012 - 5 July 2014

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**28. Share capital (cont'd.)**

- (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:

	<b>2012</b> <b>RM'000</b>	<b>2011</b> <b>RM'000</b>
Ordinary shares	12,889	37,553
Share premium	19,326	55,827
Aggregate proceeds received on shares issued	32,215	93,380
Aggregate fair value of ordinary shares at exercise date	46,412	141,616

- (e) The number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year are as follows:

<b>ESOS</b> <b>exercise price</b>	<b>Number of share options</b>			<b>Outstanding and exercisable at 31 July 2012</b> <b>'000</b>
	<b>Outstanding at 1 August 2011</b> <b>'000</b>	<b>Movement during the year</b>	<b>Granted</b> <b>'000</b>	
RM1.54	3,179	-	(140)	3,039
RM2.32	3,023	-	(424)	2,599
RM3.24	23,958	-	(1,366)	22,592
RM2.66	5,672	-	(1,248)	4,424
RM2.04	2,968	-	(675)	2,293
RM1.73	2,705	-	(823)	1,882
RM2.42	2,367	-	(468)	1,899
RM2.49	39,748	-	(7,683)	32,065
RM3.33	1,643	-	(62)	1,581
RM3.26	-	693	-	693
RM3.37	-	734	-	734
	85,263	1,427	(12,889)	73,801
WAEP	2.65	3.32	2.50	2.68

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 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 2011 '000
	Outstanding at 1 August 2010 '000	Granted '000	Exercised '000	
RM1.54	6,267	-	(3,088)	3,179
RM2.32	6,000	-	(2,977)	3,023
RM3.24	29,624	-	(5,666)	23,958
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
	120,887	1,929	(37,553)	85,263
WAEP	2.58	3.33	2.49	2.65

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**28. Share capital (cont'd.)**

## (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 were 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.

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	3.26	3.37
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	-	-	-	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

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## 28. Share capital (cont'd.)

## ESOS (cont'd)

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	3.26	3.37
Fair value of share options, at the following grant dates and modification dates (RM):												
- 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	-	-
- Grant date	-	-	-	-	-	-	-	-	-	-	0.29	-
- Grant date	-	-	-	-	-	-	-	-	-	-	-	0.29
Weighted average share price (RM)												
- Grant date	3.52 <sup>^</sup>	5.20 <sup>^</sup>	7.20 <sup>^</sup>	2.98	2.33	1.97	2.87	2.80	2.72	3.34	3.26	3.26
- 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%	30.00%	30.00%
- 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%	*	*	*
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%	2.91%	3.00%
- 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 <sup>#</sup>	3.20%	3.20%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	4.00%	4.00%

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.

<sup>^</sup> Before bonus issue on 25 October 2007.

## NOTES TO THE FINANCIAL STATEMENTS

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**29. Other reserves (non-distributable)**

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Capital reserve</b>				
At beginning of year	97,313	91,911	-	-
Movement in capital reserve in an associated company	6,417	5,402	-	-
At end of year	103,730	97,313	-	-
<b>Foreign exchange reserve</b>				
At beginning of year	(110,342)	(65,305)	15,263	6,509
Foreign currency translation	38,864	(75,131)	(4,087)	8,754
Share of other comprehensive income of associates	(18,306)	23,115	-	-
Less: Non-controlling interests	(1,812)	6,979	-	-
At end of year	(91,596)	(110,342)	11,176	15,263
<b>Warrants reserve</b>				
At beginning of year	24,926	25,064	24,926	25,064
Conversion of warrants	(170)	(138)	(170)	(138)
At end of year	24,756	24,926	24,756	24,926
<b>Hedging reserve*</b>				
At beginning of year	(5,377)	(3,100)	(5,377)	(3,100)
Fair value loss on cash flow hedge	(1,471)	(2,277)	(1,471)	(2,277)
At end of year	(6,848)	(5,377)	(6,848)	(5,377)
<b>Total other reserves</b>	<b>30,042</b>	<b>6,520</b>	<b>29,084</b>	<b>34,812</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**

The Company may distribute dividends out of its entire retained earnings under the single tier system.

## NOTES TO THE FINANCIAL STATEMENTS

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**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.

The amounts recognised in the statement of financial position are determined as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Present value of unfunded defined benefit obligations	13,441	13,551	2,164	2,865
Actuarial (gain)/loss, net	(1,353)	823	(619)	(701)
<b>Net liability</b>	<b>12,088</b>	<b>14,374</b>	<b>1,545</b>	<b>2,164</b>
Analysed as:				
Current (Note 36)	1,081	4,152	312	943
Non-current:				
Later than 1 year but not later than 2 years	708	782	82	274
Later than 2 years but not later than 5 years	3,038	2,509	172	214
Later than 5 years	7,261	6,931	979	733
Amount included in payables (Note 32 (a))	11,007	10,222	1,233	1,221
	12,088	14,374	1,545	2,164

The amounts recognised in profit or loss are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Current service cost	2,052	5,210	184	203
Interest cost	822	692	240	192
Actuarial (loss)/gain recognised in the year	22	(495)	45	39
<b>Total, included in staff costs and directors' remuneration (Notes 5 and 6)</b>	<b>2,896</b>	<b>5,407</b>	<b>469</b>	<b>434</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**31. Retirement benefit obligations (cont'd.)**

Movements in the net liabilities in the current year were as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At beginning of year	14,374	11,630	2,164	3,097
Recognised in profit or loss	2,896	5,407	469	434
Contributions paid	(5,182)	(2,663)	(1,088)	(1,367)
At end of year	12,088	14,374	1,545	2,164

Principal actuarial assumptions used:

	2012 %	2011 %
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**

Non-current	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Advance membership fees	11,347	8,795	-	-
Retirement benefit obligations (Note 31)	11,007	10,222	1,233	1,221
Retention sums payable after one year	101,254	61,794	-	3,323
Amount due to a third party	42,729	-	-	-
	166,337	80,811	1,233	4,544

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. The current portion is disclosed in Note 36.

Amount due to a third party represents the present value of amount payable to a non-controlling interest of a subsidiary for land cost and services provided by the non-controlling interest. The amount is repayable in equal annual instalments commencing from 1 January 2016 to 31 December 2019.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 32. Payables and derivatives (cont'd.)

## (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 2012 was USD45,000,000, equivalent to RM143,222,000 (2011: USD45,000,000, equivalent to RM133,497,000). 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% (2011: 1.845% to 2.495%) per annum until the maturity of the loan.

## 33. Deferred tax (assets)/liabilities

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At beginning of year	67,027	(4,798)	(5,235)	(4,724)
Acquisition of a subsidiary	-	68,993	-	-
Recognised in opening retained earnings	-	(446)	-	-
Recognised in profit or loss (Note 9)	(5,725)	3,278	(308)	(511)
Exchange differences	(149)	-	(8)	-
At end of year	61,153	67,027	(5,551)	(5,235)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(23,473)	(19,280)	(5,551)	(5,235)
Deferred tax liabilities	84,626	86,307	-	-
	61,153	67,027	(5,551)	(5,235)

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 2011	(252)	21,250	68,993	89,991
Recognised in profit or loss	(2,838)	646	(4,274)	(6,466)
At 31 July 2012	(3,090)	21,896	64,719	83,525

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**33. Deferred tax (assets)/liabilities (cont'd.)****Deferred tax liabilities of the Group: (cont'd.)**

	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

**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 2011	(3,083)	(19,680)	(201)	(22,964)
Recognised in profit or loss	342	256	143	741
Exchange differences	-	(149)	-	(149)
At 31 July 2012	(2,741)	(19,573)	(58)	(22,372)
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)

**Deferred tax liabilities of the Company:**

	Accelerated capital allowances RM'000
At 1 August 2011	744
Recognised in profit or loss	62
Exchange differences	(8)
At 31 July 2012	798
At 1 August 2010	326
Recognised in profit or loss	418
At 31 July 2011	744

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 33. Deferred tax (assets)/liabilities (cont'd.)

## Deferred tax assets of the Company:

	Retirement benefit obligations RM'000	Provisions and accruals RM'000	Total RM'000
At 1 August 2011	(1,128)	(4,851)	(5,979)
Recognised in profit or loss	742	(1,112)	(370)
At 31 July 2012	(386)	(5,963)	(6,349)
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)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2012 RM'000	2011 RM'000
Unused tax losses	51,097	48,263
Unabsorbed capital allowances	14,908	14,044
Unutilised reinvestment allowances	1,457	1,457
Other deductible temporary differences	1,460	1,618
	68,922	65,382

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**34. Long term borrowings**

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Murabahah medium term notes ("MTN") (a)	394,771	849,513	320,000	800,000
Term loans				
- secured (b)	460,602	473,967	-	-
	855,373	1,323,480	320,000	800,000

**(a) Murabahah medium term notes ("MTN")**

The MTNs are drawdown by the following entities:

		Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Gamuda Berhad	(i)	320,000	800,000	320,000	800,000
Horizon Hills Development Sdn. Bhd. ("HHDSB")	(ii)	74,771	49,513	-	-
		394,771	849,513	320,000	800,000

(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 %
<b>Current (Note 35 (b))</b>				
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
	480,000			
<b>Non-current</b>				
Issue No. 3	320,000	01.4.2010	01.4.2015	5.25

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 34. Long term borrowings (cont'd.)

## (a) Murabahah medium term notes ("MTN") (cont'd.)

(ii) This represents the Group's share of the total RM200 million drawdown by HHDSB.

	Group	
	2012 RM'000	2011 RM'000
<b>Non-current</b>		
Murabahah medium term notes ("MTN")	75,000	50,000
Unamortised discounts and transaction costs	(229)	(487)
	74,771	49,513
<b>Current (Note 35 (b))</b>		
Murabahah medium term notes ("MTN")	25,000	50,000
Unamortised discounts and transaction costs	(72)	(83)
	24,928	49,917

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. 2	10,000	16.11.2007	16.11.2012	4.35
Issue No. 3	15,000	10.5.2008	10.5.2013	4.45
	25,000			
<b>Non-current</b>				
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
Issue No. 8	15,000	12.8.2011	12.8.2016	4.00
Issue No. 9	25,000	12.6.2012	12.6.2015	3.68
Issue No. 10	10,000	12.6.2012	14.6.2016	3.78
	75,000			

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**34. Long term borrowings (cont'd.)****(a) Murabahah medium term notes (“MTN”) (cont'd.)**

The MTN and Commercial Papers of HHDSB as disclosed in Note 34(a) and Note 35(a) 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:

1. 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
2. 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:

		<b>Group</b>	
		<b>2012</b>	<b>2011</b>
		<b>RM'000</b>	<b>RM'000</b>
Syarikat Mengurus Air Banjir & Terowong Sdn. Bhd. (“SMARTSB”)	(i)	158,270	160,693
Jade Homes Sdn. Bhd.	(ii)	111,754	158,644
Tan Thang Company	(iii)	190,578	154,630
		<b>460,602</b>	<b>473,967</b>

- (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;

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 34. Long term borrowings (cont'd.)

## (b) Term loans - secured (cont'd)

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.

Term loan is repayable as follows:

	Group	
	2012	2011
	RM'000	RM'000
Within one year (Note 35(c))	2,423	805
Between two to five years	39,567	30,685
More than five years	118,703	130,008
	160,693	161,498

- (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. The facility is secured by a charge over freehold land under development as disclosed in Note 13.

Term loan is repayable as follows:

	Group	
	2012	2011
	RM'000	RM'000
Within one year (Note 35(c))	44,520	44,520
Between two to five years	111,754	158,644
	156,274	203,164

- (iii) The term loan is drawdown by a subsidiary, Sai Gon Thuong Tin Tan Thang Investment Real Estate Joint Stock Company ("Tan Thang Company") which the long term borrowings represents the loan from Sacombank in Vietnam. The term loan is secured by leasehold land under development as disclosed in Note 13 and bore interest rate of 17.4% per annum.

Term loan is repayable as follows:

	Group	
	2012	2011
	RM'000	RM'000
Within one year (Note 35(c))	38,355	-
Between two to five years	190,578	154,630
	228,933	154,630

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**35. Short term borrowings**

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Secured:</b>				
Commercial papers (a)	25,000	35,000	-	-
MTN (b)	504,928	49,917	480,000	-
Banker acceptance	-	515	-	-
<b>Unsecured:</b>				
Term loans (c)	85,298	45,325	-	-
Revolving credits	711,742	495,422	709,742	495,422
	1,326,968	626,179	1,189,742	495,422

**(a) Commercial papers**

The Commercial Papers of RM25 million (2011: RM35 million) represents the Group's share of the total of RM50 million (2011: RM70 million) drawdown by HHDSB. The Commercial Papers is secured by the terms as disclosed in Note 34(a)(ii).

**(b) MTN**

The MTNs are drawdown by the following entities:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Gamuda Berhad (Note 34(a)(i))	480,000	-	480,000	-
HHDSB (Note 34(a)(ii))	24,928	49,917	-	-
	504,928	49,917	480,000	-

**(c) Term loans**

The term loans are drawdown by the following entities:

	Group	
	2012 RM'000	2011 RM'000
Jade Homes Sdn. Bhd. (Note 34(b)(ii))	44,520	44,520
SMARTSB (Note 34(b)(i))	2,423	805
Tan Thang Company (Note 34(b)(iii))	38,355	-
	85,298	45,325

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 35. Short term borrowings (cont'd.)

The weighted average effective interest rates for long term and short term borrowings (per annum) as at reporting date are as follows:

	Group		Company	
	2012 %	2011 %	2012 %	2011 %
Murabahah medium term notes	4.94	4.97	5.07	5.07
Revolving credits, denominated in				
- US dollar	1.85	1.77	1.85	1.77
- Ringgit Malaysia	3.88	-	-	-
Commercial papers	3.23	3.30	-	-
Banker's acceptance	-	3.50	-	-
Term loan	10.59	8.20	-	-

## 36. Payables

Payables of the Group and of the Company are analysed as follows:

## Current

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Trade payables</b>				
Trade payables	878,044	503,661	6,735	8,330
Due to associated companies	-	38	-	-
Due to joint venture partners	14,430	53,528	-	-
Retention sums	163,893	142,116	5,057	3,762
Progress billing	375	28,409	-	-
Due to customers on contracts (Note 25)	476,467	610,041	11,735	2,403
	1,533,209	1,337,793	23,527	14,495
<b>Other payables</b>				
Retirement benefit obligations (Note 31)	1,081	4,152	312	943
Sundry payables	20,504	40,983	5,020	2,144
Accruals	171,915	132,522	27,653	35,516
Advance membership fees	297	468	-	-
Due to associated companies	28	75	-	-
	193,825	178,200	32,985	38,603
	1,727,034	1,515,993	56,512	53,098

The normal trade credit term granted to the Group and the Company ranges from 30 to 90 days (2011: 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**36. Payables (cont'd.)**

The following table analyses the financial liabilities of the Group and of the Company in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis.

		Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Financial liabilities at amortised costs</b>					
Current payables	36				
Trade payables		878,044	503,661	6,735	8,330
Due to:					
Associated companies		28	113	-	-
Joint venture partners		14,430	53,528	-	-
Retention sums		163,893	142,116	5,057	3,762
Sundry payables		20,504	40,983	5,020	2,144
Accruals		171,915	132,522	27,653	35,516
Non-current payables	32(a)				
Retention sums		101,254	61,794	-	3,323
Amount due to a third party		42,729	-	-	-
Long term borrowings	34	855,373	1,323,480	320,000	800,000
Short term borrowings	35	1,326,968	626,179	1,189,742	495,422
Due to subsidiaries	37	-	-	168,304	151,283
		3,575,138	2,884,376	1,722,511	1,499,780

**37. Due to subsidiaries**

	Company	
	2012 RM'000	2011 RM'000
Due to subsidiaries		
- trade	60,742	103,262
- non-trade	107,562	48,021
	168,304	151,283

The trade amounts due to subsidiaries have a normal credit term which ranges from 30 to 90 days (2011: 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:

	<b>2012</b> <b>RM'000</b>	<b>2011</b> <b>RM'000</b>
Current	21,177	7,385
Non-current	12,931	3,465
	<b>34,108</b>	<b>10,850</b>

<b>Group</b>	<b>Provision for development costs Note (a) RM'000</b>	<b>Provision for club membership Note (b) RM'000</b>	<b>Total RM'000</b>
At 1 August 2011	9,330	1,520	10,850
Provision during the year	19,984	10,602	30,586
Utilisation during the year	(1,149)	(2,224)	(3,373)
Unused amounts reversed	(3,955)	-	(3,955)
At 31 July 2012	24,210	9,898	34,108
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

**(a) Provision for development costs**

Provision for development costs is in respect of development projects undertaken by its subsidiaries and a jointly controlled entity as they 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 development costs exceeded the amount necessary to cover the development costs. Accordingly, RM3,955,000 (2011: RM1,697,000) of the provision for development costs has been reversed.

**(b) Provision for club memberships**

Certain subsidiaries of the Group are obliged to offer club membership via incentive schemes offered.

## NOTES TO THE FINANCIAL STATEMENTS

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**39. Commitments****Capital commitments**

	Group	
	2012 RM'000	2011 RM'000
Approved and not contracted for:		
Property, plant and equipment	-	42,090
Approved and contracted for:		
Property, plant and equipment	170,436	-
Land	184,233	109,745
Others	105	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 RM161,211,000. 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 merits hearing of the arbitration proceedings commenced by both parties be heard over the period 4 July 2011 till 15 July 2011.

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 Joint Venture 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

### 40. Material litigations (cont'd.)

- (i) 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 Joint Venture does not need to pay W&F the amount of RM100,540,372 prior to the merits hearing.

The first tranche of the merits hearing was held from 18 July 2011 till 29 July 2011, and the second tranche was held from 7 December 2011 to 8 December 2011. The parties exchanged their closing submissions on 31 October 2011 and their reply closing submissions on 8 February 2012. The next stage in the arbitration proceedings will be the rendering of the award by the Tribunal.

On 13 November 2008, W&F had served a Writ of Summons and a Statement of Claim dated 31 October 2008 (“the Court Action”) against the Joint Venture claiming for amongst others, a declaration that the Joint Venture had breached 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 was granted an order of stay of proceedings of the Court Action by the Senior Assistant Registrar of the Court. On the same day, W&F filed an appeal to the High Court Judge against the said stay order.

On 30 October 2009, the Court dismissed W&F’s appeal against the Court’s earlier decision to stay the Court Action and fixed the Court Action for mention on 6 September 2010. Few mention dates were fixed subsequent to the mention on 6 September 2010 and the last of which was on 18 July 2012 where, the Court directed that in view of the existing order staying the court proceedings and the fact that the arbitral award is still pending, there will be no further mention date to be fixed in respect of the Court Action.

In the arbitration proceedings, the potential gain to the Joint Venture in succeeding in its claims could be up to RM80,405,000 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.

The Arbitral Tribunal has been constituted on 19 July 2010.

Hearing was held from 24 January 2012 to 7 February 2012.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

### 40. Material litigations (cont'd.)

- (ii) BAE's statement of claim was submitted on 10 February 2011. On 5 February 2012, the respective parties' claims were amended. BAE claims from the Respondents, jointly and severally, a total quantified sum of QAR148,025,109 (approximately RM129,477,000) comprising:-
- (a) QAR113,484,899 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 Respondents have submitted a counter claim of a total quantified sum of QAR63,176,493 (RM55,260,000) for breach of contract by BAE.

An Award is expected on or before 30 November 2012.

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 2012

## 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Professional services rendered by Raja Eleena, Siew Ang & Associates, a firm in which a director, YTM Raja Dato' Seri Eleena binti Sultan Azlan Shah has interest	1,202	1,170	-	-
Contract services rendered by GLC Architect, a company in which a person connected with a director, Y Bhg Dato' Goon Heng Wah, has interest	843	170	-	-
Contract services rendered to Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd., an associated company	(101,126)	(108,940)	-	-
Contract services rendered to MMC-Gamuda JV 2T	(37,853)	(45,505)	-	-
Sale of land to a subsidiary	-	-	(30,000)	-
Rental received from subsidiaries	-	-	(1,347)	(676)
Interest receivable from subsidiaries	-	-	(25,032)	(11,057)

In prior year, contract services amounting RM51,000 and RM1,150,000 were rendered by SSP (E&M) Sdn. Bhd. and Sepakat Setia Perunding Sdn. Bhd. respectively, companies in which a former director, Y. Bhg Tan Sri Dato' Ir. Talha bin Haji Mohd Hashim has interest.

During the year, the Company and its joint venture partner, MMC Corporation Berhad ("MMC") issued parent company guarantees to guarantee the due performance and obligations of MMC Gamuda KVMRT (T) Sdn Bhd ("Tunnel JV") in the underground works package of the Klang Valley Mass Rapid Transit Project. Tunnel JV is equally owned by MMC and Gamuda.

Work on this package has commenced. The parent company guarantees have not been called because Tunnel JV has performed and met its obligations in compliance with the terms of the contract.

The directors are of the opinion that the transactions above have been entered into in the normal course of business.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**41. Significant related party transactions (cont'd.)****(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	
	2012 RM’000	2011 RM’000	2012 RM’000	2011 RM’000
Total	8,777	8,347	6,251	6,079

For the details of Board of Directors’ remuneration, please refer to Note 6.

**42. Significant events****(a) Project Delivery Partner in respect of the implementation of the Klang Valley Mass Rapid Transit Project**

MMC Gamuda KVMRT (PDP) Sdn Bhd had on 10 February 2012 executed the Project Delivery Partner Agreement with Mass Rapid Transit Corporation Sdn Bhd in respect of the implementation of the project known as the Klang Valley Mass Rapid Transit Project - Sungai Buloh - Kajang Line. MMC Gamuda KVMRT (PDP) Sdn Bhd shall be responsible for delivering to the Owner the Project as a fully functional and operating railway system within the agreed target cost and completion date.

**(b) Underground Works Package of the Klang Valley Mass Rapid Transit Project**

On 19 April 2012, MMC Gamuda KVMRT (T) Sdn Bhd was awarded the Underground Works Package from Mass Rapid Transit Corporation Sdn Bhd for a contract price of RM8.28 billion. The Underground Works Package comprises the design and construction of a 9.5km twin bore tunnel and 7 underground stations.

## NOTES TO THE FINANCIAL STATEMENTS

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## 43. Fair value of financial instruments

**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 2012</b>					
<b>Financial assets:</b>					
Unquoted investments in subsidiaries	18	-	-	2,250,556	*
Unquoted interests in associated companies	19	1,291,013	*	642,425	*
Quoted investment in an associated company	19	369,324	966,241	59,624	966,241
Unquoted interests in jointly controlled entities	20	-	-	254,476	*
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)	51,201	49,665	-	-
Amount due from an associated company	23 (b)	107,462	107,539	-	-
<b>Financial liabilities:</b>					
Retention sums payable after one year	32(a)	101,254	88,589	-	-
Murabahah medium term notes	34	394,771	406,091	320,000	331,320
Term loan	34	460,602	453,492	-	-

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**43. Fair value of financial instruments (cont'd.)**

**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 (cont'd.)**

	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
Murabahah medium term notes	34	849,513	864,933	800,000	819,901
Term loan	34	473,967	471,096	-	-

\* 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 2012

### 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) 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.

**(iv) 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.

The fair value measurement hierarchies used to measure financial assets and financial liabilities carried at fair value in the statement of financial position as at 31 July 2012 are as follows:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- (c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**43. Fair value of financial instruments (cont'd.)**

	<b>Level 1 RM'000</b>
<b>At 31 July 2012</b>	
<b>Group</b>	
<b>Assets</b>	
Financial assets at fair value through profit and loss;	
Investment securities (Note 24)	279,104
<b>Company</b>	
<b>Assets</b>	
Financial assets at fair value through profit and loss;	
Investment securities (Note 24)	1,474

There were no material transfers between Level 1, Level 2 and Level 3 during the current financial year.

The Group and the Company do not have any financial instruments classified as Level 2 and Level 3 as at 31 July 2012.

**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, market 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 44. Financial risk management objectives and policies (cont'd.)

## (a) Credit risk (cont'd.)

**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.

**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 trade receivables at the reporting date are as follows:

	2012		Group		2011	
	RM'000	% of total	RM'000	% of total	RM'000	% of total
<b>By country:</b>						
Malaysia	758,489	92%	762,128	86%		
Middle East	53,637	7%	113,877	13%		
Vietnam	7,953	1%	7,833	1%		
	820,079	100%	883,838	100%		
<b>By industry sectors:</b>						
Engineering and construction	586,780	72%	639,406	73%		
Property development and club operations	133,121	16%	82,477	9%		
Water and expressway concessions	100,178	12%	161,955	18%		
	820,079	100%	883,838	100%		

For the purpose of the above analysis, the following are included:

	Group	
	2012 RM'000	2011 RM'000
Trade receivables	671,128	655,667
Amount due from associated companies - trade	142,761	207,930
Amount due from joint venture partners - trade	6,190	20,241
	820,079	883,838

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**44. Financial risk management objectives and policies (cont'd.)****(a) Credit risk (cont'd.)**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 61% (2011: 32%) 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. 79% (2011: 38%) of the Company's loans and borrowings will mature in less than one year at the reporting date.

**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.

	← 2012 →			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	
<b>Group</b>				
<b>Financial liabilities:</b>				
Trade and other payables	1,248,814	132,462	53,358	1,434,634
Loans and borrowings				
- Principal	1,352,040	736,899	118,703	2,207,642
- Interest	93,486	105,451	34,134	233,071
Derivatives - settled net	2,567	4,281	-	6,848
<b>Total undiscounted financial liabilities</b>	<b>2,696,907</b>	<b>979,093</b>	<b>206,195</b>	<b>3,882,195</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 44. Financial risk management objectives and policies (cont'd.)

## (b) Liquidity risk (cont'd.)

	← 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	872,923	85,012	-	957,935
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>1,564,669</b>	<b>1,361,577</b>	<b>166,388</b>	<b>3,092,634</b>
	← 2012 →			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>Company</b>				
<b>Financial liabilities:</b>				
Trade and other payables	56,200	-	-	56,200
Amount due to subsidiaries	168,304	-	-	168,304
Loans and borrowings				
- Principal	1,189,742	320,000	-	1,509,742
- Interest	45,258	26,600	-	71,858
<b>Total undiscounted financial liabilities</b>	<b>1,459,504</b>	<b>346,600</b>	<b>-</b>	<b>1,806,104</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 44. Financial risk management objectives and policies (cont'd.)

## (b) Liquidity risk (cont'd.)

	← 2011 →			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	
<b>Company</b>				
<b>Financial liabilities:</b>				
Trade and other payables	52,155	4,918	-	57,073
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>748,419</b>	<b>865,349</b>	<b>-</b>	<b>1,613,768</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 USD45,000,000, equivalent to RM143,222,000 (2011: USD45,000,000, equivalent to 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	6,848	2,567	4,281

The Group's hedging activities on the interest rate swaps are tested to be effective and during the year a net loss of RM1,471,000 (2011: RM2,277,000) was recognised in equity.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

### 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 55% (2011: 61%) 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 RM3,623,000 (2011: 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:

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**44. Financial risk management objectives and policies (cont'd.)****(e) Foreign currency risk (cont'd)**

<b>Group</b>	<b>Vietnam Dong RM'000</b>	<b>Indian Rupee RM'000</b>	<b>New Taiwan Dollar RM'000</b>	<b>United States Dollar RM'000</b>	<b>Qatari Riyal RM'000</b>	<b>Bahraini Dinar RM'000</b>	<b>Total RM'000</b>
<b>At 31 July 2012:</b>							
Cash, deposits and bank balances	67,726	4,976	790	3	10,631	714	84,840
Receivables	648,308	43,069	4,198	43,541	184,927	27,540	951,583
Payables	356,884	2,328	881	22	135,721	6,102	501,938
Borrowings	228,933	-	-	709,742	-	-	938,675
<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	845,120
Payables	135,208	910	857	293	130,481	10,286	278,035
Borrowings	154,630	-	-	495,422	-	-	650,052
<b>Company</b>							
<b>At 31 July 2012:</b>							
Cash, deposits and bank balances	-	-	598	-	3,890	714	5,202
Receivables	-	-	85	-	24	27,540	27,649
Payables	-	-	81	-	647	6,102	6,830
Borrowings	-	-	-	709,742	-	-	709,742
<b>At 31 July 2011:</b>							
Cash, deposits and bank balances	-	-	2,201	-	23,036	7,950	33,187
Receivables	-	-	-	-	123	20,809	20,932
Payables	-	-	66	-	7	10,286	10,359
Borrowings	-	-	-	495,422	-	-	495,422

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 2012

## 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	
			2012	2011	2012	2011
			RM'000	RM'000	RM'000	RM'000
VND/RM	- strengthened 5%	(2011: 5%)	43,276	36,563	-	-
	- weakened 5%	(2011: 5%)	(43,276)	(36,563)	-	-
USD/RM	- strengthened 5%	(2011: 5%)	(33,311)	(24,741)	(35,487)	(24,711)
	- weakened 5%	(2011: 5%)	33,311	24,741	35,487	24,711
BHD/RM	- strengthened 5%	(2011: 5%)	1,108	938	1,108	-
	- weakened 5%	(2011: 5%)	(1,108)	(938)	(1,108)	-
NTD/RM	- strengthened 5%	(2011: 5%)	205	443	30	-
	- weakened 5%	(2011: 5%)	(205)	(443)	(30)	-
QR/RM	- strengthened 5%	(2011: 5%)	2,992	4,986	163	-
	- weakened 5%	(2011: 5%)	(2,992)	(4,986)	(163)	-
INR/RM	- strengthened 5%	(2011: 5%)	2,286	2,708	-	-
	- weakened 5%	(2011: 5%)	(2,286)	(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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**45. Capital management (cont'd.)**

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Loans and borrowings	2,182,341	1,949,659	1,509,742	1,295,422
Less : Cash and bank balances	(1,337,355)	(1,048,968)	(128,442)	(71,706)
Net debt	844,986	900,691	1,381,300	1,223,716
Equity attributable to the owners of the parent	4,048,032	3,686,565	2,697,810	2,607,141
Non-controlling interests	220,839	200,341	-	-
Total capital	4,268,871	3,886,906	2,696,810	2,607,141
Gearing ratio	20%	23%	51%	47%

**46. Segment information**

The Group reporting is organised and managed in three 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 46. Segment information (cont'd.)

2012	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Note	Consolidated RM'000
<b>Revenue</b>						
External sales	1,898,163	1,066,933	121,907	-		3,087,003
Inter-segment sales	7,837	-	-	(7,837)	<b>A</b>	-
Total revenue	1,906,000	1,066,933	121,907	(7,837)		3,087,003
<b>Result</b>						
Profit from operations	236,377	294,064	56,055	(2,027)		584,469
Finance costs	(14,384)	(20,583)	(29,450)	2,027		(62,390)
Share of results of associated companies	-	12,683	193,448	-		206,131
Profit before taxation	221,993	286,164	220,053	-		728,210
Taxation						(162,219)
Profit for the year						565,991
<b>Assets and liabilities</b>						
Segment assets	2,391,346	3,896,567	550,678	-		6,838,591
Interests in associated companies	-	79,757	1,580,580	-		1,660,337
						8,498,928
Segment liabilities	2,924,925	1,082,900	222,232	-		4,230,057
<b>Other information</b>						
Depreciation and amortisation	11,860	3,950	7,893	-		23,703
Additions to non-current assets	100,698	40,204	579	-	<b>B</b>	141,481
Non-cash items other than depreciation and amortisation	10,880	(1,015)	66	-	<b>C</b>	9,931

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

## 46. Segment information (cont'd.)

2011	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Note	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>	-
Total revenue	1,858,651	704,561	126,321	(16,325)		2,673,208
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
Profit before taxation	143,324	149,935	251,265	-		544,524
Taxation						(111,579)
Profit for the year						432,945
<b>Assets and liabilities</b>						
Segment assets	1,904,967	3,376,758	649,943	-		5,931,668
Interests in associated companies	-	102,074	1,517,556	-		1,619,630
						7,551,298
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	23,955	532	-	<b>B</b>	139,532
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 2012

## 46. Segment information (cont'd.)

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	2012 RM'000	2011 RM'000
Property, plant and equipment	12	82,952	116,739
Investment properties	14	22,165	8,587
Land held for property development	13(a)	36,364	14,206
		141,481	139,532

C Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2012 RM'000	2011 RM'000
Property, plant and equipment written off	7	1,404	1,723
Reversal of impairment loss on land	7	(20,896)	-
Unrealised (gain)/loss on foreign exchange		(2,174)	31,466
Provisions		31,597	30,325
		9,931	63,514

## Geographical information

	Revenues		Non-current assets	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Malaysia	2,809,625	2,140,228	1,250,272	1,039,135
Outside Malaysia				
Mauritius	-	-	-	186
Qatar	38,776	149,273	42,229	53,860
Bahrain	3,152	39,860	-	24,701
Vietnam	235,449	343,847	194,853	147,194
	277,378	532,980	237,082	225,941
Consolidated	3,087,003	2,673,208	1,487,354	1,265,076

Included in Group's total revenue is the revenue from two external customers in construction and engineering segment of RM1,074,000,000 (2011: RM963,000,000) from Government of Malaysia and RM38,000,000 (2011: RM128,000,000) from Government of the State of Qatar.

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**46. Segment information (cont'd.)****Geographical information (cont'd.)**

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Property, plant and equipment	375,388	345,718
Land held for property development	580,854	390,872
Investment properties	47,838	11,157
Prepaid land lease payments	4,447	4,872
Motorway development expenditure	318,807	323,357
Receivables	160,020	189,100
	<b>1,487,354</b>	<b>1,265,076</b>

**47. Comparative information**

The following statement of financial position comparative figures have been reclassified to conform with current financial year's presentation.

<b>Company</b>	<b>As previously stated</b>	<b>Increase/ (decrease)</b>	<b>As</b>
<b>As at 31 July 2011</b>	<b>RM</b>	<b>RM</b>	<b>reclassified RM</b>
<b>Non-current</b>			
Due from a subsidiary	-	292,549	292,549
<b>Current</b>			
Due from subsidiaries	664,613	(292,549)	372,064

## NOTES TO THE FINANCIAL STATEMENTS

31 July 2012

**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 2012 and 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		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Total retained earnings of the Company and its subsidiaries				
Realised	1,355,893	986,449	439,536	335,445
Unrealised	(107,194)	(30,390)	(30,970)	16,186
	1,248,699	956,059	408,566	351,631
Total share of accumulated profits from jointly controlled entities				
Realised	69,433	152,886	-	-
Unrealised	(12,086)	1,880	-	-
	57,347	154,766	-	-
Total share of retained profits from associated companies				
Realised	1,067,987	745,036	-	-
Unrealised	(324,548)	(248,214)	-	-
	743,439	496,822	-	-
Add: Consolidation adjustments	(291,655)	(148,300)	-	-
Retained earnings as per financial statements	1,757,830	1,459,347	408,566	351,631

# STATEMENT OF DIRECTORS' INTERESTS

As at 3 October 2012  
(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	1.67
Dato' Ir Ha Tiing Tai	18,015,876	0.87	14,200*1	-
Tan Sri Dato' Mohd Ramli bin Kushairi	22,600	*4	-	-
Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	100,000	*4	-	-
Raja Dato' Seri Eleena binti Sultan Azlan Shah	200,000	0.01	130,900,000*3	6.29
Dato' Seri Ir Kamarul Zaman bin Mohd Ali	413,000	0.02	2,407,630*1	0.12
Dato' Haji Azmi bin Mat Nor	320,000	0.02	-	-
Dato' Goon Heng Wah	13,620,000	0.65	5,104,032*1	0.25
Dato' Ng Kee Leen	32,024,898	1.54	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	1.78
Dato' Ir Ha Tiing Tai	2,278,400	0.92	1,800*1	*4
Raja Dato' Seri Eleena binti Sultan Azlan Shah	25,000	0.01	1,400,000*3	0.57
Dato' Haji Azmi bin Mat Nor	36,600	0.01	-	-
Dato' Goon Heng Wah	1,648,300	0.67	651,400*1	0.26
Dato' Ng Kee Leen	4,016,500	1.62	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' Ir Ha Tiing Tai	900,000
Dato' Seri Ir Kamarul Zaman bin Mohd Ali	702,000
Dato' Haji Azmi bin Mat Nor	480,000
Dato' Goon Heng Wah	360,000
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 3 October 2012

## ORDINARY SHARES

Authorised	: RM3,000,000,000
Issued and fully paid	: RM2,081,026,816
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	: 22,235

## DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	Number of shareholders		Number of shares held	
		%		%
Less than 100	334	1.50	5,532	0.00
100 – 1,000	4,824	21.70	4,364,504	0.21
1,001 – 10,000	13,359	60.08	56,236,098	2.70
10,001 – 100,000	2,996	13.48	91,136,281	4.38
100,001 – 104,051,339	719	3.23	1,477,904,801	71.02
104,051,340* and above	3	0.01	451,379,600	21.69
<b>Total</b>	<b>22,235</b>	<b>100.00</b>	<b>2,081,026,816</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	-	8.29
Kumpulan Wang Persaraan (Diperbadankan)	160,389,700	-	7.71
Raja Dato' Seri Eleena binti Sultan Azlan Shah	200,000	130,900,000*	6.30
Generasi Setia (M) Sdn Bhd	130,900,000	-	6.29
Employees Provident Fund Board	117,884,000	-	5.66

### Note:

\* Through Generasi Setia (M) Sdn Bhd

## SHAREHOLDERS' &amp; WARRANTHOLDERS' INFORMATION

As at 3 October 2012

**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	8.29
2	Kumpulan Wang Persaraan (Diperbadankan)	157,440,700	7.57
3	Generasi Setia (M) Sdn Bhd	121,400,000	5.83
4	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	102,379,200	4.92
5	Lembaga Tabung Haji	81,977,500	3.94
6	Cartaban Nominees (Asing) Sdn Bhd - Exempt An for State Street Bank & Trust Company	61,062,210	2.93
7	Cartaban Nominees (Asing) Sdn Bhd - State Street Australia Fund ATB1 for Platinum Asia Fund	56,069,701	2.69
8	Amanahraya Trustees Berhad - Amanah Saham Wawasan 2020	52,623,270	2.53
9	Permodalan Nasional Berhad	35,086,100	1.69
10	HSBC Nominees (Tempatan) Sdn Bhd - Exempt An for HSBC (Malaysia) Trustee Berhad	34,697,636	1.67
11	HSBC Nominees (Asing) Sdn Bhd - BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	33,071,116	1.59
12	Dato' Ng Kee Leen	31,664,898	1.52
13	Amanahraya Trustees Berhad - AS 1Malaysia	29,899,200	1.44
14	Amanahraya Trustees Berhad - Amanah Saham Didik	27,447,700	1.32
15	Amanahraya Trustees Berhad - Amanah Saham Malaysia	23,000,000	1.11

## SHAREHOLDERS' &amp; WARRANTHOLDERS' INFORMATION

As at 3 October 2012

## Top 30 Shareholders (cont'd.)

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	Number of shares held	%
16	HSBC Nominees (Asing) Sdn Bhd - Exempt An for HSBC Private Bank (Suisse) S.A.	20,423,000	0.98
17	HSBC Nominees (Asing) Sdn Bhd - TNTC for Saudi Arabian Monetary Agency	18,926,100	0.91
18	Cartaban Nominees (Asing) Sdn Bhd - Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	18,842,200	0.91
19	HSBC Nominees (Asing) Sdn Bhd - BNY Lux for Invesco Funds	18,120,000	0.87
20	HSBC Nominees (Asing) Sdn Bhd - Fullerton Alpha	16,417,700	0.79
21	HSBC Nominees (Asing) Sdn Bhd - Exempt An for JPMorgan Chase Bank, National Association (U.A.E.)	16,258,492	0.78
22	Cartaban Nominees (Asing) Sdn Bhd - State Street London Fund OD75 for Ishares Public Limited Company	14,262,600	0.69
23	Dato' Goon Heng Wah	13,620,000	0.65
24	Pertubuhan Keselamatan Sosial	13,342,900	0.64
25	Dato' Ir Ha Tiing Tai	13,015,876	0.63
26	HSBC Nominees (Asing) Sdn Bhd - Exempt An for JPMorgan Chase Bank, National Association (U.S.A.)	12,676,100	0.61
27	HSBC Nominees (Asing) Sdn Bhd - Exempt An for JPMorgan Chase Bank, National Association (Norges BK Lend)	11,713,500	0.56
28	Amanahraya Trustees Berhad - Public Islamic Dividend Fund	10,964,700	0.53
29	Amanahraya Trustees Berhad - Public Islamic Select Enterprises Fund	10,752,600	0.52
30	HSBC Nominees (Asing) Sdn Bhd - BNY Brussels for Market Vectors – Vietnam ETF	10,567,191	0.51
<b>Total</b>		<b>1,240,261,090</b>	<b>59.62</b>

## SHAREHOLDERS' &amp; WARRANTHOLDERS' INFORMATION

As at 3 October 2012

**WARRANTS 2010/2015**

Type of securities	: Warrants
No. of warrants unexercised	: 247,553,305
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 } in the meeting of 1 vote per warrant on a poll } warrant holders
No. of warrant holders	: 9,480

**DISTRIBUTION OF WARRANTHOLDINGS**

<b>Size of warrant holdings</b>	<b>Number of warrant holders</b>	<b>%</b>	<b>Number of warrants held</b>	<b>%</b>
Less than 100	146	1.54	3,283	0.00
100 – 1,000	3,046	32.13	1,394,383	0.56
1,001 – 10,000	3,817	40.26	19,711,237	7.96
10,001 – 100,000	2,116	22.32	71,427,539	28.86
100,001 – 12,377,664	354	3.74	139,176,863	56.22
12,377,665* and above	1	0.01	15,840,000	6.40
<b>Total</b>	<b>9,480</b>	<b>100.00</b>	<b>247,553,305</b>	<b>100.00</b>

**Note:**

\* Denotes 5% of the total unexercised warrants

## SHAREHOLDERS' & WARRANTHOLDERS' INFORMATION

As at 3 October 2012

### 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	AIBB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chua Ma Yu	15,840,000	6.40
2	TA Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Heng Teng Kuang	7,246,600	2.93
3	HSBC Nominees (Tempatan) Sdn Bhd - Exempt An for HSBC (Malaysia) Trustee Berhad	4,403,100	1.78
4	Dato' Ng Kee Leen	3,971,500	1.60
5	Lee Muk Siong	3,890,150	1.57
6	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - MIDF Amanah Asset Management Berhad for Yayasan Sarawak	2,837,400	1.15
7	Amanahraya Trustees Berhad - MIDF Amanah Strategic Fund	2,800,000	1.13
8	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chia Siya Heng	2,097,800	0.85
9	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Fong Loong Tuck	1,900,000	0.77
10	Gan Yen Ling	1,759,500	0.71
11	Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Lam An	1,740,000	0.70
12	Dato' Ir Ha Tiing Tai	1,653,400	0.67
13	Amanahraya Trustees Berhad - MIDF Amanah Growth Fund	1,650,000	0.67
14	Dato' Goon Heng Wah	1,648,300	0.67
15	Cartaban Nominees (Asing) Sdn Bhd - Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	1,500,248	0.61

## SHAREHOLDERS' &amp; WARRANTHOLDERS' INFORMATION

As at 3 October 2012

**Top 30 Warrants 2010/2015 Holders (cont'd.)**

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

<b>No.</b>	<b>Name</b>	<b>Number of warrants held</b>	<b>%</b>
16	Generasi Setia (M) Sdn Bhd	1,400,000	0.57
17	Yap Kim Long	1,300,000	0.53
18	Ngan Kok Hai	1,296,000	0.52
19	Tan Lee Chin	1,272,000	0.51
20	RHB Capital Nominees (Tempatan) Sdn Bhd - Than Yen Heng	1,262,000	0.51
21	Yap Yuen Ching	1,165,300	0.47
22	Pertubuhan Keselamatan Sosial	1,042,400	0.42
23	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank for Low Keng Kok	1,041,000	0.42
24	Chin Yan Phin @ Chin Pik Phin	1,000,000	0.40
25	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank for Koh Cheng Keong	1,000,000	0.40
26	Heng Teng Kuang	981,400	0.40
27	Amanahraya Trustees Berhad - MIDF Amanah Islamic Fund	970,000	0.39
28	HSBC Nominees (Asing) Sdn Bhd - Exempt An for Credit Suisse	938,100	0.38
29	Lee Foong Ngoh	935,000	0.38
30	Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Kong Wah	932,500	0.38
<b>Total</b>		<b>71,473,698</b>	<b>28.89</b>

# LIST OF MAJOR PROPERTIES

Held as at 31 July 2012

No	Location	Description	Land Area	Tenure	Date of valuation/ acquisition	Year of expiry	Approximate age of building (Years)	NBV (RM)
1	Block D, PJ Trade Centre No.8, Jalan PJU 8/8A, Bandar Damansara Perdana 47820 Petaling Jaya Selangor Darul Ehsan	20 storey office tower	2,048 sq m	Leasehold	2011	2104	3	148,168,699
2	No. 36/38, Jalan SS21/62 47400 Petaling Jaya Selangor	2 blocks, 4 storey shoplot/office	286 sq m	Freehold	1991	-	18	967,000
3	No. 30, Jalan SS2/44 47300 Petaling Jaya Selangor	Bungalow	501 sq m	Freehold	1991	-	26	311,800
4	No. 39, Jalan SS22/23 47400 Petaling Jaya Selangor	4 storey shoplot/office	153 sq m	Freehold	2007	-	18	579,040
5	No. 55-61, Jalan SS22/23 47400 Petaling Jaya Selangor	4 blocks, 4 storey shoplot/office	612 sq m	Freehold	1992	-	21	5,043,620
6	No. 152, Jalan Gopeng 31350 Ipoh, Perak	3 storey shoplot/office	164 sq m	Leasehold	1991	2078	26	159,934
7	No. 158, Jalan Gopeng 31350 Ipoh, Perak	3 storey shoplot/office	163 sq m	Leasehold	1991	2078	26	158,722
8	PT 51683, Jalan Jelapang 30020 Ipoh, Perak	Industrial estate/workshop	4,353 sq m	Leasehold	1991	2043	22	367,648
9	PT 183485 Meru Industrial Estate Jelapang, 30020 Ipoh Perak	Industrial estate/store	12,144 sq m	Leasehold	1991	2050	16	586,779
10	Lot 195821, 195822, 195823, 195824, 195825, 195826, 195827, 46482 57417 all in the Mukim Kampar District of Kinta 31350 Ipoh, Perak	Granite hill, limestone hill and industrial land/quarry	469,493 sq m	Leasehold	1991	2022	-	4,473,363
11	HS (D) 54871, PT No. 56274 Mukim & Mukim & District of Kelang Selangor	Industrial estate/workshop	16,898 sq m	Freehold	1995	-	-	7,473,465
12	No. 53, Jalan SS22/23 47400 Petaling Jaya Selangor	4 storey shoplot/office	153 sq m	Freehold	2006	-	23	1,323,977
13	No. 54-58, Jalan SS22/25 47400 Petaling Jaya Selangor	3 blocks, 4 storey shoplot/office	460 sq m	Freehold	2006	-	20	4,580,837

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 36<sup>th</sup> Annual General Meeting (AGM) 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, 6 December 2012 at 10.00 a.m. for the purpose of transacting the following businesses:

## AGENDA

1. To receive the Audited Financial Statements for the year ended 31 July 2012 and the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees of RM391,935 for the year ended 31 July 2012 (2011: RM360,348). **(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 Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain **(Resolution 2)**
  - b. Y Bhg Dato' Haji Azmi bin Mat Nor **(Resolution 3)**
  - c. Mr Saw Wah Theng **(Resolution 4)**
4. To re-elect Y M Tunku Afwida binti Tunku A.Malek who retires pursuant to Article 101 of the Company's Articles of Association. **(Resolution 5)**
5. 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 6)**
  - 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 7)**
  - 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 8)**
6. To re-appoint Messrs Ernst & Young, the retiring Auditors and to authorise the Directors to fix their remuneration. **(Resolution 9)**
7. As Special Business:
 

To consider and, if thought fit, pass the following resolutions with or without modifications:

## NOTICE OF ANNUAL GENERAL MEETING

### Ordinary Resolutions:

#### a) Authority to Directors to Allot and Issue Shares

“THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised with full powers to allot and issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the issued share capital for the time being of the Company and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued.”

**(Resolution 10)**

#### b) 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;

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;

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;

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,

## NOTICE OF ANNUAL 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 11)****Special Resolution****c) Proposed Amendments to the Articles of Association of the Company**

“THAT the proposed amendments to the existing Articles of Association of the Company as set out in Part B of the Statement to Shareholders dated 8 November 2012 be and are hereby approved and adopted.

AND THAT the Directors be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the Proposed Amendments to the Articles of Association of the Company.”

**(Resolution 12)**

8. To transact any other business of which due notice shall have been given.

**GENERAL MEETING RECORD OF DEPOSITORS**

FURTHER NOTICE IS HEREBY GIVEN that for the purpose of determining a member’s eligibility to attend and vote at the 36<sup>th</sup> AGM, the Company shall obtain a General Meeting Record of Depositors as at 29 November 2012 from Bursa Malaysia Depository Sdn Bhd in accordance with Article 67 of the Company’s Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991. Only depositors whose names appear therein shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.

By Order of the Board

**Lim Soo Lye**  
**Tee Yew Chin**  
Company Secretaries

Petaling Jaya  
8 November 2012

**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 but not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- b. 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.
- 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. If more than one (1) proxy is appointed, the appointment shall be invalid unless the Authorised Nominee specifies the proportions of the shareholdings to be represented by each proxy.

## NOTICE OF ANNUAL GENERAL MEETING

- d. Where a member is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“Omnibus Account”), there is no limit to the number of proxies the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the number of shares 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 Menara Gamuda, D-16-01, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 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 Notes on Special Business

#### a. Resolution 10

The proposed Resolution 10 if passed, will empower the Directors to issue shares of the Company up to a maximum of 10% of the issued share capital of the Company for the time being, for any possible fund raising activities for the purposes of funding future investment projects, working capital, acquisitions and/or for strategic reasons. It is a new general mandate and is sought to provide flexibility and avoid any delay and cost in convening a general meeting to specifically approve such issuance of shares. The authorisation, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company. At this juncture, there is no decision to issue new shares. Should there be a decision to issue new shares after the authorisation is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

#### b. Resolution 11

Please refer to Part A of the Statement to Shareholders dated 8 November 2012 for further information.

#### c. Resolution 12

Please refer to Part B of the Statement to Shareholders dated 8 November 2012 for further information.

### 3. Statement Accompanying Notice of AGM

There is no individual standing for election (excluding re-election) as a Director at the forthcoming 36<sup>th</sup> AGM of the Company.

# ADMINISTRATIVE DETAILS

## **36<sup>th</sup> Annual General Meeting (AGM)**

Date : Thursday, 6 December 2012

Time : 10.00 a.m.

Place : Permai Room, Kota Permai Golf & Country Club, Kota Kemuning

### **Registration**

1. Registration will start at 8.15 a.m. at the First Floor of Kota Permai Golf & Country Club and will remain open until the conclusion of the AGM or such time as may be determined by the Chairman of the meeting.
2. Please read the signage to ascertain which registration table you should approach to register yourself for the meeting and join the queue accordingly.
3. Please produce your original identity card (IC) to the registration staff for verification. Please make sure you collect your IC thereafter.
4. You will be given an identification tag and no person will be allowed to enter the meeting room without the identification tag. There will be no replacement in the event that you lose or misplace the identification tag.
5. No person will be allowed to register on behalf of another person even with the original IC of that other person.
6. After registration, please leave the registration area immediately and proceed to Permai Room.

### **Door Gift**

1. The giving of door gift will close at 10.15 a.m. sharp.
2. Each person attending, whether as a shareholder or proxy, shall be eligible for one (1) door gift only. A shareholder who is attending as a shareholder and/or as proxy for another shareholder or more than one other shareholders shall be eligible for only one (1) door gift. A proxy who is attending as proxy for one or more than one shareholders shall be eligible for only one (1) door gift.

### **General Meeting Record of Depositors**

For the purpose of determining a member's eligibility to attend and vote at the 36<sup>th</sup> AGM, the Company shall obtain a General Meeting Record of Depositors as at 29 November 2012 from Bursa Malaysia Depository Sdn Bhd in accordance with Article 67 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991. Only depositors whose names appear therein shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.

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# FORM OF PROXY

"A" I/We ..... \*NRIC/\*Passport/\*Company No .....  
 (FULL NAME IN BLOCK LETTERS AS PER \*IDENTITY CARD/\*PASSPORT/\*CERTIFICATE OF INCORPORATION) (COMPULSORY)

of..... (ADDRESS)

telephone no. .... being a member/members of GAMUDA BERHAD, hereby appoint

..... \*NRIC No/\*Passport No .....  
 (FULL NAME OF A PROXY IN BLOCK LETTERS AS PER \*IDENTITY CARD/\*PASSPORT) (COMPULSORY)

of..... (ADDRESS)

or failing him/her ..... \*NRIC No/\*Passport No .....  
 (FULL NAME OF A PROXY IN BLOCK LETTERS AS PER \*IDENTITY CARD/\*PASSPORT) (COMPULSORY)

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 36<sup>th</sup> Annual General Meeting (AGM) 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, 6 December 2012 at 10.00 a.m. 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 ..... \*NRIC/\*Passport/\*Company No .....  
 (FULL NAME IN BLOCK LETTERS AS PER \*IDENTITY CARD/\*PASSPORT/\*CERTIFICATE OF INCORPORATION) (COMPULSORY)

of..... (ADDRESS)

telephone no. .... being a member/members of GAMUDA BERHAD, hereby appoint

..... \*NRIC No/\*Passport No .....  
 (FULL NAME OF A PROXY IN BLOCK LETTERS AS PER \*IDENTITY CARD/\*PASSPORT) (COMPULSORY)

of..... (ADDRESS)

or failing him/her ..... \*NRIC No/\*Passport No .....  
 (FULL NAME OF A PROXY IN BLOCK LETTERS AS PER \*IDENTITY CARD/\*PASSPORT) (COMPULSORY)

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 36<sup>th</sup> AGM 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, 6 December 2012 at 10.00 a.m. and at any adjournment thereof.

The proportion of my/our shareholdings to be represented by my/our proxies is as follows:-

First Proxy "A"	%
Second Proxy "B"	%
<hr style="width: 50%; margin: auto;"/>	
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" in the spaces below how you wish your vote to be cast. In the absence of such indication, the proxy/proxies will vote or abstain from voting as he/they may think fit.)

No.	Resolution	First Proxy "A"		Second Proxy "B"	
		For	Against	For	Against
1	Approval of Directors' fees				
2	Re-election of Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain as Director				
3	Re-election of Y Bhg Dato' Haji Azmi bin Mat Nor as Director				
4	Re-election of Mr Saw Wah Theng as Director				
5	Re-election of Y M Tunku Afwida binti Tunku A.Malek as Director				
6	Re-appointment of Y M Raja Dato' Seri Abdul Aziz bin Raja Salim as Director				
7	Re-appointment of Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi as Director				
8	Re-appointment of Y Bhg Dato' Seri Ir Kamarul Zaman bin Mohd Ali as Director				
9	Re-appointment of Auditors				
10	Authority to Directors to allot and issue shares				
11	Proposed renewal of share buy-back authority				
12	Proposed amendments to the Articles of Association of the Company				

Signed this ..... day of ..... 2012

<b>Number of shares held</b>	<b>CDS account no.</b>

Signature of Member and/or Common Seal

\* Delete if inapplicable

FOLD THIS FLAP FOR SEALING

**Notes:-**

1. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy but not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to 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. If more than one (1) proxy is appointed, the appointment shall be invalid unless the Authorised Nominee specifies the proportions of the shareholdings to be represented by each proxy.
4. Where a member is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the number of shares 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. The Form of Proxy must be deposited at the Company's Registered Office situated at Menara Gamuda, D-16-01, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 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.
8. For the purpose of determining a member's eligibility to attend and vote at the 36<sup>th</sup> AGM, the Company shall obtain a General Meeting Record of Depositors as at 29 November 2012 from Bursa Malaysia Depository Sdn Bhd in accordance with Article 67 of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991. Only depositors whose names appear therein shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the AGM.

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STAMP

Registered Office  
**Gamuda Berhad**

Menara Gamuda  
D-16-01, Block D, PJ Trade Centre  
No. 8, Jalan PJU 8/8A  
Bandar Damansara Perdana  
47820 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

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# GROUP DIRECTORY

## GAMUDA OFFICES IN MALAYSIA

### Gamuda Berhad (29579-T)

Menara Gamuda, Block D, PJ Trade Centre  
No. 8, Jalan PJU 8/8A  
Bandar Damansara Perdana  
47820 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603-7491 8288  
Fax : +603-7728 6571/9811  
Website : www.gamuda.com.my  
Email : gbgpa@gamuda.com.my

### Gamuda Engineering Sdn Bhd (506869-K)

Menara Gamuda, Block D, PJ Trade Centre  
No. 8, Jalan PJU 8/8A  
Bandar Damansara Perdana  
47820 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603-7491 8288  
Fax : +603-7728 6571

### Gamuda Trading Sdn Bhd (500664-X)

Menara Gamuda, Block D, PJ Trade Centre  
No. 8, Jalan PJU 8/8A  
Bandar Damansara Perdana  
47820 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603-7491 8288  
Fax : +603-7727 8988

### Gamuda Land Sdn Bhd (573380-D)

Menara Gamuda, Block D, PJ Trade Centre  
No. 8, Jalan PJU 8/8A  
Bandar Damansara Perdana  
47820 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603-7491 3200  
Fax : +603-7726 7679  
Website : www.gamudaland.com.my

### Syarikat Mengurus Air Banjar

#### & Terowong Sdn Bhd (599374-W) SMART

Kompleks Operasi dan  
Penyelenggaraan Lebuhraya SMART  
Jalan Davis, Off Bulatan Kampung Pandan  
50400 Kuala Lumpur, Malaysia  
Tel : 603-9284 9088  
Fax : 603-9284 6481  
Website : www.smarttunnel.com.my  
Email : info@smartco.com.my

### MMC Gamuda KVMRT (PDP) Sdn Bhd (927050-H)

Block A, Level 7, Menara Mustapha Kamal  
PJ Trade Centre  
No. 8, Jalan PJU 8/8A  
Bandar Damansara Perdana  
47820 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603-7494 2200  
Fax : +603-7722 2643  
Website : www.kvmrt.com.my

### MMC Gamuda KVMRT (T) Sdn Bhd (934628-H)

(Formerly known as Viable Synergy Sdn Bhd)  
Level 3A-3, Corporate Building (Block E)  
Pusat Komersial Southgate  
No.2, Jalan Dua, Off Jalan Chan Sow Lin  
55200 Kuala Lumpur, Malaysia  
Tel : +603-2385 8000  
Fax : +603-9921 0993  
Website : www.mymrt-underground.com.my

### MMC-Gamuda Joint Venture Sdn Bhd (414492-M)

Black A, Level 17, Menara Mustapha Kamal  
PJ Trade Centre, No. 8, Jalan PJU 8/8A  
Bandar Damansara Perdana  
47820 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603-7494 2200  
Fax : +603-7722 4640  
Website : www.2t.com.my

### Madge Mansions Sdn Bhd (740374-H)

Menara Gamuda, Block D, PJ Trade Centre  
No. 8, Jalan PJU 8/8A  
Bandar Damansara Perdana  
47820 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : +603-7491 3200  
Fax : +603-7726 7679  
Website : www.madgemansions.com

### Hicom-Gamuda Development Sdn Bhd (285780-D)

45, Jalan Anggerik Vanilla BF31/BF  
Kota Kemuning, Seksyen 31  
40460 Shah Alam  
Selangor Darul Ehsan, Malaysia  
Tel : +603-5122 1055/8200  
Fax : +603-5122 1050  
Website : www.kotakemuning.net

### Megah Sewa Sdn Bhd [425417-W]

16, Jalan Anggerik Mokara 31/48  
Kota Kemuning, Seksyen 31  
40460 Shah Alam  
Selangor Darul Ehsan, Malaysia  
Tel : +603-5122 2213  
Fax : +603-5122 2331

### Masterpava Sdn Bhd [168779-D]

16, Jalan Anggerik Mokara 31/48  
Kota Kemuning, Seksyen 31  
40460 Shah Alam  
Selangor Darul Ehsan, Malaysia  
Tel : +603-5122 2213  
Fax : +603-5121 5748

### Kesas Sdn Bhd (275554-U)

1, Wisma Kesas  
Lebuhraya Shah Alam  
47500 Subang Jaya  
Selangor Darul Ehsan, 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  
KM 19, Lebuhraya Damansara-Puchong  
Jalan PJS 9, Bandar Sunway  
47500 Petaling Jaya  
Selangor Darul Ehsan, 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  
Lebuhraya SPRINT, Seksyen 17  
46400 Petaling Jaya  
Selangor Darul Ehsan, 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 Darul Ehsan, 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 Darul Ehsan, Malaysia  
Tel : +603-7727 4879  
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### Valencia Development Sdn Bhd (474040-U)

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Website : www.valencia.com.my

### Harum Intisari Sdn Bhd (491736-H)

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Website : www.bandarbotanic.com.my

### Horizon Hills Development Sdn Bhd (691032-H)

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Website : www.horizonhills.com.my

### Jade Homes Sdn Bhd (710233-K)

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Website : www.jadehills.com.my

### Kota Permai Golf & Country Club

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## GAMUDA OVERSEAS OFFICES

### Sinohydro-Gamuda-WCT Joint Venture

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### Gamuda-WCT Joint Venture

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### Gamuda (India) Private Limited

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### Gamuda-WCT (India) Private Limited

Arihant Building  
Unit No. 2B & 2C, 2nd Floor  
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Kolkata 700016  
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### Mapex Infrastructure Private Limited

Arihant Building  
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Kolkata 700016  
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### Emas Expressway Private Limited

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