

ANNUAL REPORT 2014

WORKING TOGETHER FOR A BETTER TOMORROW





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, 4 December 2014
at 10.00 am.**

COVER RATIONALE

Innovation is at the heart of all our endeavours. Inspired by the increasingly urbanised, diverse and rapidly growing community that we live in, we continuously look forward to creative solutions that drive our nation forward. After almost four decades, we remain steadfast in our mission to build a better tomorrow and enrich lives for many decades to come.

VISION

We aim to lead the region in innovative breakthrough solutions for large scale public infrastructure and property development.

MISSION

We reliably deliver innovative world-class infrastructure and premier lifestyle properties for our customers through our core businesses in infrastructure development and construction, operation of infrastructure facilities and property development.

VALUES

TAKE PERSONAL OWNERSHIP:
A-card holders must take charge and deliver

WALK THE TALK:
show the right values and be a role model

ADOPT OPEN, HONEST COMMUNICATION:
for effective decisions and results

DEMONSTRATE REAL TEAMWORK:
break silos, work together across divisions

DEVELOP OUR PEOPLE:
through mentoring and understudy for all-round skills development

CONTENTS

06 OUR JOURNEY

Corporate Profile
Group Awards & Achievements
Corporate Milestones
In the News
On the Regional Front
Chairman's Perspective
Prospect for Financial Year 2015

20 PERFORMANCE REVIEW

Group Financial Highlights
Five-Year Financial Highlights
Share Price Information
Group Quarterly Financial Performance
Group Segmental Performance
Financial Calendar
Bond & Credit Ratings

28 OPERATIONS REVIEW

Core Business
Engineering and Construction
Property Development
Infrastructure Concessions

66 CORPORATE INFORMATION

Group Organisation Structure
Board of Directors
Directors' Profile
Corporate Data
Corporate Structure

82 CORPORATE RESPONSIBILITY

Marketplace
Workplace
Environment
Community
Calendar of Events

120 CORPORATE GOVERNANCE

Corporate Governance Statement
Statement on Risk Management and Internal Control
Audit Committee Report
Other Disclosures

137 FINANCIAL STATEMENTS & OTHERS

Directors' Report
Statement by Directors
Statutory Declaration
Independent Auditors' Report
Consolidated Income Statement
Consolidated Statement of Comprehensive Income
Consolidated Statement of Financial Position
Consolidated Statement of Changes in Equity
Consolidated Statement of Cash Flows
Income Statement
Statement of Comprehensive Income
Statement of Financial Position
Statement of Changes in Equity
Statement of Cash Flows
Notes to the Financial Statements
Supplementary Information
Statement of Directors' Interests
Shareholders' & Warranholders' Information
List of Major Properties



PAGE

30





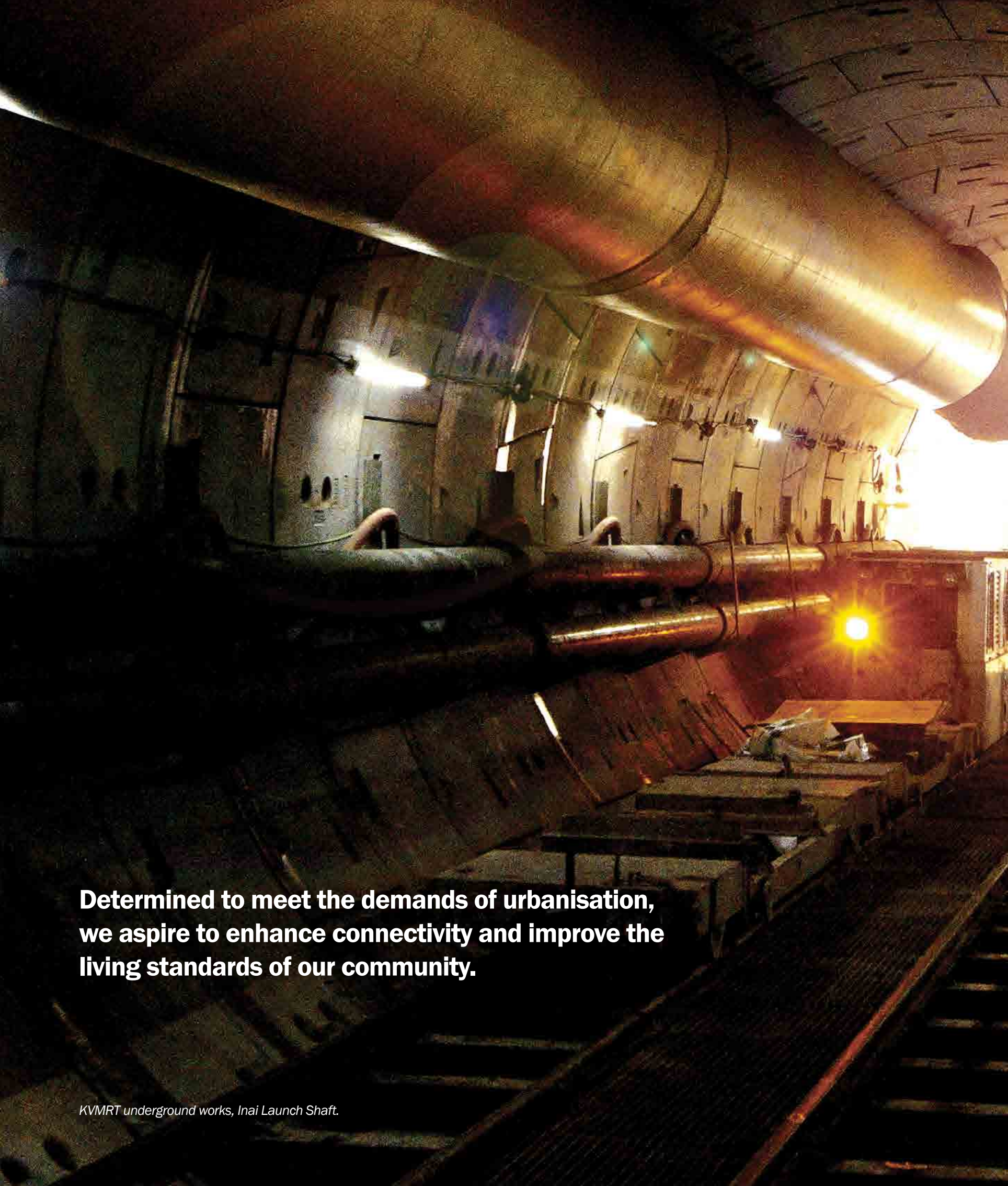
PAGE

54



PAGE

62



**Determined to meet the demands of urbanisation,
we aspire to enhance connectivity and improve the
living standards of our community.**

KVMRT underground works, Inai Launch Shaft.



1. Completed MRT guideway at KVMRT Elevated Package V4 along the SPRINT Highway.
2. The 329km Electrified Double Track Project (Ipoh-Padang Besar), which links suburbs and major cities in the four northern states of Perak, Penang, Kedah and Perlis, was fully completed in November 2014.
3. The SMART Ronda team manages traffic in the SMART motorway tunnel 24 hours a day.
4. Valencia is Malaysia's only residential development that offers a private residents-only golf course and clubhouse in a luxurious resort-style setting.

Corporate Profile



Founded in 1976, Gamuda has grown from a construction-based enterprise to become Malaysia's leading infrastructure and property developer.

Leveraging on our core competencies in engineering and construction, property and township development, as well as infrastructure concessions, Gamuda has built some of the most iconic award-winning infrastructure solutions that have transformed communities in Malaysia, Southeast Asia and the Middle East regions.

Constantly expanding on our horizon and capabilities, we have grown from a bridge, road and marine engineering specialist to become Malaysia's largest infrastructure construction and property development company by market capitalisation in Bursa Malaysia today, pioneering engineering innovation and delivery strategy in the industry.

A strategic progression from our infrastructure expertise, Gamuda ventured into property development through Gamuda Land, renowned as a leading property developer in the country with significant presence in key growth areas in Greater Kuala Lumpur, Selangor, and Iskandar Malaysia, as well as Vietnam.

The name behind Malaysia's foremost award-winning townships, Gamuda Land's strong track record of building holistic, sustainable communities for the last two decades has created a following of discerning homebuyers who have come to appreciate its world-class quality and innovative masterplanning.

To date, Gamuda Land has built more than 14,000 homes in our integrated lifestyle townships and boutique developments.

Helping to realise Malaysia's infrastructure blueprint remains our primary agenda, which led Gamuda to be among the biggest infrastructure concessionaires in the country.

We operate and maintain 230km of urban highways that serve more than two million road users each day. We also treat and supply potable water for more than two million residents in Selangor, and the Federal Territories of Kuala Lumpur and Putrajaya.

Moving forward, we will continue to provide more breakthrough engineering solutions and innovative property products to enrich and improve the lives of the communities we operate in.

TODAY, GAMUDA GARNERS A MARKET CAPITALISATION OF RM11 BILLION (AS AT 31 JULY 2014), PLACING US AS THE LARGEST ENGINEERING AND CONSTRUCTION COMPANY ON BURSA MALAYSIA.



Future Semantan MRT Station for Klang Valley Mass Rapid Transit (Sungai Buloh - Kajang Line).



New Doha International Airport (NDIA), Qatar.



Horizon Hills, Iskandar Malaysia, Johor.

Group Awards & Achievements



GAMUDA BERHAD

- Highest Profit Growth Company (Construction), The Edge Billion Ringgit Club Awards 2014 & 2013
- MBAM Honorary Builder – Master Builders Association Malaysia Awards 2014
- Overall Best Managed Company in Malaysia – Mid Cap, Asia Money Awards 2013
- Best Performing Stock (Construction), The Edge Billion Ringgit Club Awards 2013
- Gamuda Berhad, Property & Construction Sector, Malaysia's 100 Leading Graduate Employers 2012
- Asia's Best Managed Companies, Euromoney
- Best Under a Billion 200 Companies, Forbes Global
- Gamuda Berhad, Best Managed Company and Strongest Commitment to Enhancing Shareholder Value, FinanceAsia
- Kaohsiung MRT, Air Quality Protection Model Award, The Environmental Bureau of Kaohsiung Country Government, Republic of China

MMC-GAMUDA JOINT VENTURE

- Electrified Double Track Project (EDTP) (Ipoh – Padang Besar), Construction Category, National Occupational Safety and Health (OSH) Excellence Award 2012
- SMART, United Nations Scroll of Honour Award, World Habitat Day
- SMART, Specialised Project (Purpose Built) Category, Runner Up, FIABCI Prix d'Excellence Awards, International Real Estate Federation (FIABCI)
- SMART, Best International Project, British Construction Industry Award
- SMART, Design & Construction Excellence Award, Institution of Engineers Malaysia
- SMART, Special Award for National Contribution, Malaysia Property Award, International Real Estate Federation (FIABCI), Malaysian Chapter
- SMART, Best Contractor Award, CIDB Malaysian Construction Industry Excellence Award
- SMART, Special Award for Innovation, CIDB Malaysian Construction Industry Excellence Award
- SMART, Special Award for Environment, CIDB Malaysian Construction Industry Excellence Award

GAMUDA LAND

- Gamuda Land, The Edge Malaysia Top Property Developers Awards, The Edge Malaysia Property Excellence Awards (2012 – 2014)
- Horizon Hills & Bandar Botanic (2014), Bandar Botanic & Kota Kemuning (2013), Kota Kemuning & Horizon Hills (2012), The Edge Malaysia - PEPS Value Creation Excellence Award, The Edge Malaysia Property Excellence Awards
- Horizon Hills, Jade Hills, Valencia & Yen So Park, Property Developer Category for Excellent Landscape Planning & Development, Malaysia Landscape Architecture Awards, Institute of Landscape Architects Malaysia (ILAM)
- Kota Kemuning Hillpark, Landscape Community Park Award, Selangor State Government
- Bandar Botanic, Engineering Awards, Association of Consulting Engineers Malaysia
- Kota Kemuning, Planning, Innovation and Concept Award, Malaysian Institute of Planners
- Bandar Botanic, Best Master Plan, International Real Estate Federation FIABCI Property Award of Distinction
- Kota Kemuning, Best Maintained Township Award, Ministry of Housing and Local Government
- Kota Kemuning Wetlands Park, Urban Re-development, Conservation and Rehabilitation Award, Malaysian Institute of Planners
- Kota Kemuning, Bandar Botanic, Valencia, Horizon Hills, Jade Hills, Top Rated on CONQUAS for Landed Residential and Institutional Buildings, BCA of Singapore



Corporate Milestones

1976

Gamuda was born

Gamuda was incorporated as a private limited company on 6 October 1976, in Ipoh, Perak.

1992

Listed on KLSE

Gamuda was listed on the Main Board of the Kuala Lumpur Stock Exchange on 10 August 1992.

1994

First privatised project won through tender

The Shah Alam Expressway (SAE) was Gamuda's first large-scale privatised infrastructure project won through competitive bidding.

First integrated township development

In the Klang Valley, Kota Kemuning marked Gamuda Land's maiden entry into the property development industry. As one of Malaysia's first integrated township, Kota Kemuning set the benchmark as a sustainable township which caters to the continuous growth of its community.

1996

First intra-urban highway in the Klang Valley

The 40km Damansara-Puchong Highway (LDP), one of the busiest intra-urban highways in the Klang Valley, boasting numerous engineering feats such as the iconic cable-stayed bridge over the Federal Highway Interchange, was built.

1998

First resort inspired development with a private residents-only golf course

The 280-acre Valencia development in Sungai Buloh, Selangor, is Malaysia's first residential development that offers a private residents-only 9-hole golf course. Today, the luxurious lifestyle development is a flourishing gated and guarded community with a large expatriate following.

1999

First tunnelling experience

The 26.5km Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT), comprising a network of links to relieve congestion in key populated areas in western Kuala Lumpur, was built. One of the most notable engineering achievements in the construction of SPRINT was tunnelling via drill and blast method through Kiara Hills, which was laden with hard rock and granite, with minimal impact to the natural terrain.

First integrated township with "home in the garden" concept

The 1,242-acre Bandar Botanic set the benchmark in Klang Valley with its award-winning masterplan featuring Malaysia's first waterfront parkland township complete with a comprehensive range of facilities and amenities.

2000

First foray into water treatment and supply

The Sungai Selangor Water Supply Scheme Phase 3 (SSP 3) was built amid the critical potable water supply situation in Selangor. The project yields an additional combined water treatment capacity of 1,050 million litres of water daily to serve residents and businesses in northern Selangor and the Federal Territory.

2001

First overseas venture

The Panagarh-Palsit Highway and Durgapur Expressway projects in West Bengal, India, bore testament to Gamuda's strength as a Build-Operate-Transfer contractor in the international arena.

2002

World's first dual-purpose tunnel

The international award-winning Stormwater Management and Road Tunnel (SMART) project was built to tackle the devastating monsoon floods that hit Kuala Lumpur, while relieving traffic congestion in the city centre. SMART propelled Gamuda as the foremost tunnelling expert in the world with comprehensive hands-on knowledge on the highly challenging tropical karstic limestone geological formation.

First Malaysian company to build MRT in Taiwan

The Kaohsiung Metropolitan Mass Rapid Transit project in Kaohsiung, Taiwan, further entrenched Gamuda's tunnelling footprint in Asia by being the first Malaysian construction group to penetrate the Taiwan urban mass rapid transit construction industry. Gamuda was involved in Package CO4, one of 11 civil required complex tunnelling and underground station construction works carried out under live traffic conditions.

2005

First highway infrastructure project in the Middle East

The Dukhan Highway project was of national significance to Qatar as part of the country's road modernisation initiative to gear up for the 2022 FIFA Football World Cup. The mega project starts one kilometre to the eastern town of Shahaniya and continues to the Zekreet interchange neighbouring the Dukhan industrial area. The completed highway brings immense travelling convenience to residents and enhanced logistics coordination for the commercial district.

First international airport

Being one of Gamuda's most illustrious and challenging forays in the global construction arena, the New Doha International Airport project in Qatar was Gamuda's best overseas work of art yet. Leading a consortium of experienced builders, Gamuda worked seamlessly with project manager Bechtel, the global leader in engineering, construction and project management that carries an impeccable track record of "Zero Accident" policy.



2006

First property development in Iskandar Malaysia

The gated-and-guarded Horizon Hills residential township is a highly successful development situated in the heart of the thriving Iskandar region of Johor. Comprising expansive gold-view residences and an international championship golf course, Horizon Hills counts among the most prestigious property developments in Johor.

Strengthening presence in the Middle East

Gamuda took on the highly challenging job to replace the more than three decades old bridges and causeway in the capital of Bahrain. Backed by years of civil engineering know-how and extensive traffic management expertise, Gamuda built two major marine bridges under challenging environment.

2007

First international property development foray

For the next 10 years, the 453-acre Gamuda City mixed development will unfold into a thriving mega township within the buzzing metropolitan of Hanoi, Vietnam. As a fully integrated commercial and residential project, Gamuda City is a major urban redevelopment project which will transform and elevate the living standards of its residents and surrounding communities.

2008

Expanding Malaysia's inter-state rail network

The 329km Electrified Double Track Project (Ipoh - Padang Besar) is a brown field project that will strengthen the national rail company's ability to provide speedier and more efficient inter-city travel and logistics solutions. Linking the four northern states of Perak, Kedah, Penang and Perlis, it is among the country's largest rail infrastructure undertaking to-date.

2010

Second development footprint in Vietnam

The 200-acre Celadon City is the first self-sustainable township development in Ho Chi Minh City and features the largest green sanctuary in the bustling city. The 40-acre Central Park is the cornerstone of the resort lifestyle development, which interweaves landscaped parklands with beautiful foliage and water bodies.

2011

First Project Delivery Partner in Malaysia

The Klang Valley Mass Rapid Transit (Sungai Buloh - Kajang Line) (KVMRT, SBK Line) project is Malaysia's latest initiative to relieve the worsening traffic gridlock in the Greater Kuala Lumpur. The largest public infrastructure development in Malaysia to-date, the project is built under the Project Delivery Partner model, the first of its kind in the country. Expected to serve a corridor with an estimated population of 1.2 million residents, the KVMRT SBK Line will be completed in year 2017.

World's first tunnelling training academy

The world's first Tunnelling Training Academy (TTA) was established in Kota Kemuning, Malaysia, to nurture specialists, technicians and skilled labour for the roll-out of the Klang Valley Mass Rapid Transit (Sungai Buloh - Kajang Line) project and other tunnelling projects in the future. TTA will be a catalyst for the creation of sustainable value-added employment opportunities for local talents.

2012

Innovating the world's first Variable Density Tunnel Boring Machine

Partnering the world's largest tunnel boring machine manufacturer, Herrennecht AG, we innovated the world's first Variable Density Tunnel Boring Machine (VD TBM) to tackle the highly challenging tropical karstic limestone geology for the underground works of the Klang Valley Mass Rapid Transit (Sungai Buloh - Kajang Line) (KVMRT, SBK Line) project. The VD TBM is one of the key components in clinching the underground works tender for the KVMRT, SBK Line. Upon completion by the year 2017, the 9.5km twin underground tunnels of the KVMRT SBK Line will link seven underground stations running from KL Sentral to Maluri.

2013

PM launched the world's first VD TBM for KVMRT underground work

The 6th Prime Minister of Malaysia Dato' Sri Mohd Najib bin Tun Abdul Razak launched the fully-assembled Variable Density Tunnel Boring Machine (VD TBM) at the Cochrane Launch Shaft, heralding the start of tunnelling works for the Klang Valley Mass Rapid Transit (Sungai Buloh - Kajang Line) (KVMRT, SBK Line).

2014

Completion of Malaysia's northern inter-state rail network

The 329km Electrified Double Track Project (Ipoh - Padang Besar) which links Ipoh in Perak to the northern end of the country at Padang Besar in Perlis has substantially completed. The section from Padang Besar to Ipoh (Spine Line) was completed and handed over ahead of schedule. The remaining section from Bukit Mertajam to Butterworth (Spur Line) will be fully completed by November 2014.



In the News

Gamuda named the best mid-sized company in M'sia

PETALING JAYA: Gamuda Bhd has added another feather in its cap after bagging the coveted "Best Managed Company in Malaysia - Medium Cap" Award from Asiamoney during the Asiamoney Awards 2013 recently.

A well-known name in the Malaysian construction industry, Gamuda was accorded the prestigious title in Hong Kong last week based on the group's foresight, innovative engineering solutions and exceptional project management expertise that positioned it as the leading expert in rail construction and tunnelling in the country.

Gamuda's record-breaking engineering milestones include the design and construction of the world-renowned stormwater management and road tunnel (SMART Tunnel), the electrified double-track project (Iphoh - Padang Besar) and the latest Klang Valley Mass Rapid Transit, Sungai Buloh - Kajang Line.

"They deserve the good fortune because of their foresight in engineering capabilities," said an analyst, as cited in *Asiamoney PLUS*, the leading online resource on Asian financial markets and sister publication of *Asiamoney* monthly magazine.



Gamuda deputy group MD Datuk Paul Ha Tieng Tai (left) receiving the winning plaque for Best Managed Company in Malaysia (Medium-Cap) from Asiamoney editor Richard Morrow.

According to Maybank IB Research in its latest report for Gamuda's fourth quarter results ended July 31, the company chalked up its third consecutive record recurring net profit of RM630mil, representing a year-on-year rise of 15%.

Gamuda's unbilled construction order books stands at RM3.5bil as at end financial year 2013.

The company was awarded similar accolades in the past by *Asiamoney*, *FinanceAsia* and *Euromoney*.

Each year, *Asiamoney* awards

each Pacific regional growth award to the most profitable and profitable companies in the region. The award is given to the most profitable and profitable companies in the region.

New machinery makes headway

Specialised ground anchor drilling machine

Modified bored piling machine

Rolling road blocks

Surface miner

MMC-Gamuda's tunnel boring machine up for award

On easier ground

By MENG YEW CHOONG
mengyewchoong@theedgeline.com.my

FTIR nearly two years of quality excavation machines. The pair of tunnel boring machines (TBM) that will be used to dig the Klang Valley's inaugural mass rapid transit (MRT) line are finally leaving the world's most difficult tunnelling terrain: highly weathered limestone.

Not only that, but the two new machines, a pair of tunnel boring machines (TBM) that will be used to dig the Klang Valley's inaugural mass rapid transit (MRT) line are finally leaving the world's most difficult tunnelling terrain: highly weathered limestone.

Rapid works on all fronts

Sungai Buloh-Kajang MRT line advancing at full speed

The Klang Valley Mass Rapid Transit (MRT) line is advancing at full speed. The Klang Valley Mass Rapid Transit (MRT) line is advancing at full speed.

Gamuda on track with MRT project

Company draws up comprehensive plan to ensure success

By THE EDGELINE
theedgeline@theedgeline.com.my

GAMUDA Bhd group-owned subsidiary Gamuda Rail has drawn up a comprehensive plan to ensure the success of the Klang Valley Mass Rapid Transit (MRT) project.

The plan for the MRT project is to ensure the success of the Klang Valley Mass Rapid Transit (MRT) project. The plan for the MRT project is to ensure the success of the Klang Valley Mass Rapid Transit (MRT) project.

Technology value chain is developed and managed by Gamuda

PPP model for MRT project

PPP model for MRT project

PPP model for MRT project

What lies beneath

What lies beneath is a maze of pipes, or in the case, the orange cone does, indicates that along the MRT, workers on the road are always on hand to keep a keen eye out for any sign of subsidence.

What lies beneath is a maze of pipes, or in the case, the orange cone does, indicates that along the MRT, workers on the road are always on hand to keep a keen eye out for any sign of subsidence.

Maintaining a smooth flow

Maintaining a smooth flow

Maintaining a smooth flow

More than just

More than just

More than just

More than just



...tunneling works...
...MMC-Gamuda...
...50% of the job...
...by year-end...

Keeping KVMRT project firmly on track

...MMC-Gamuda...
...KVMRT project...
...on track...

More comfort, convenience

...MRT...
...comfort...
...convenience...

The future is down under

...MRT...
...future...
...down under...

Tunneling works on track

MMC-Gamuda expects to finish 50% of the job by year-end

By SHARIDAN M ALI
sharidan@theira.com.my

KUALA LUMPUR: The tunneling portion of the Sungai Buloh-Kajang mass rapid transit (MRT) line will be 50% complete by the year-end.

Gamuda Bhd group managing director Datuk Lin Yun Ling said that as of September, the MMC Corp Bhd-Gamuda joint venture (JV) had completed 39% of the tunneling works.

The RM8.3bil tunneling works awarded to the two companies represent the most expensive portion of the first MRT line.

Besides the tunneling job, the JV is also responsible for the entire RM2.1bil project, overseeing it as the project delivery partner.

Lin, who spoke to the media after former prime minister Tun Dr Mahathir Mohamad's visit to the underground site of the Cochrane station in Cheras, said the project was



From left: Che Khalib, Dr Mahathir and Lin speaking to the media.



Works on elevated and underground sections under way

...works on elevated...
...and underground...
...sections under way...

Property, water and expressway divisions lift Gamuda earnings

BY CHARLOTTE COOKE

KUALA LUMPUR: Engineering, property and infrastructure giant Gamuda Bhd's net profit jumped 20% to RM205.8 million in its fourth quarter ended July (Q4FY14). Boosted by higher contributions from its property, water and expressway divisions.

Revenue in the quarter fell 7.6% to RM502 million from RM549.9 million in Q4FY13, but earnings per share rose to 33¢ from 28¢ in the same period a year ago due to a 10% increase in the number of shares in issue.

Gamuda said the drop in revenue was due to the substantial completion of the electrified double-tracking railway project.

For its full-year (FY14) results, the group posted a net profit of RM719.4 million, up 35% from RM532.9 million a year ago due to higher contributions from its construction and property divisions.

Revenue in FY14, however, was down 10% to RM2.2 billion, compared with RM2.4 billion in FY13.

MRT starts work on first span

Crossing to link Rubber Research Institute to Sungai Buloh Industrial Park

BY YANNIS GRIGAS

KUALA LUMPUR: The first span of the special crossing for the Sungai Buloh-Kajang MRT line was launched on Monday.

The special crossing is one of the 21 special spans that will be constructed across the elevated section of the MRT Sungai Buloh-Kajang Line.

And with construction of the MRT Sungai Buloh-Kajang Line set to start in 2016, with 10% of the work completed, the project is well on its way to becoming a reality.

The special crossing was launched on Monday at the Rubber Research Institute site in Sungai Buloh. The crossing is a 210m-long steel truss bridge that will be constructed across the elevated section of the MRT Sungai Buloh-Kajang Line.

And with construction of the MRT Sungai Buloh-Kajang Line set to start in 2016, with 10% of the work completed, the project is well on its way to becoming a reality.

Drill ladies, drill

Female tunnel engineers break new ground, literally

BY LIN YUN LING

KUALA LUMPUR: After barely a month of work, the women of the MMC-Gamuda JV have broken new ground, literally.

The women, who are part of the JV's tunneling team, have broken through the ground to start the construction of the first MRT tunnel.

The women, who are part of the JV's tunneling team, have broken through the ground to start the construction of the first MRT tunnel.



Female tunnel engineers break new ground, literally.

a scholarship

...scholarship...
...for the Klang Valley MRT (KVMRT) project...
...scholarship...

Better living quarters for MRT workers

NO MORE 'KONGSI': 13,000 being housed in four Centralised Labour Quarters

BY CHEN CHEN

KUALA LUMPUR: The introduction of the Centralised Labour Quarters (CLQ) for the Klang Valley MRT (KVMRT) project has been a game-changer for workers.

The CLQs will house 13,000 workers in four centralised labour quarters, providing them with better living conditions and amenities.

The CLQs will house 13,000 workers in four centralised labour quarters, providing them with better living conditions and amenities.

MRT starts work on first span

Crossing to link Rubber Research Institute to Sungai Buloh Industrial Park

BY YANNIS GRIGAS

KUALA LUMPUR: The first span of the special crossing for the Sungai Buloh-Kajang MRT line was launched on Monday.

The special crossing is one of the 21 special spans that will be constructed across the elevated section of the MRT Sungai Buloh-Kajang Line.

And with construction of the MRT Sungai Buloh-Kajang Line set to start in 2016, with 10% of the work completed, the project is well on its way to becoming a reality.

Drill ladies, drill

Female tunnel engineers break new ground, literally

BY LIN YUN LING

KUALA LUMPUR: After barely a month of work, the women of the MMC-Gamuda JV have broken new ground, literally.

The women, who are part of the JV's tunneling team, have broken through the ground to start the construction of the first MRT tunnel.

The women, who are part of the JV's tunneling team, have broken through the ground to start the construction of the first MRT tunnel.



Female tunnel engineers break new ground, literally.

ON THE REGIONAL FRONT



BAHRAIN

Bridge:

- Sitra Causeway Bridges



INDIA

Expressway and Highway:

- Panagarh-Palsit Highway
- Durgapur Expressway



TAIWAN

Metro Tunnel:

- Kaohsiung Metropolitan Mass Rapid Transit

QATAR

Airport:

- New Doha International Airport

Highway:

- Dukhan Highway

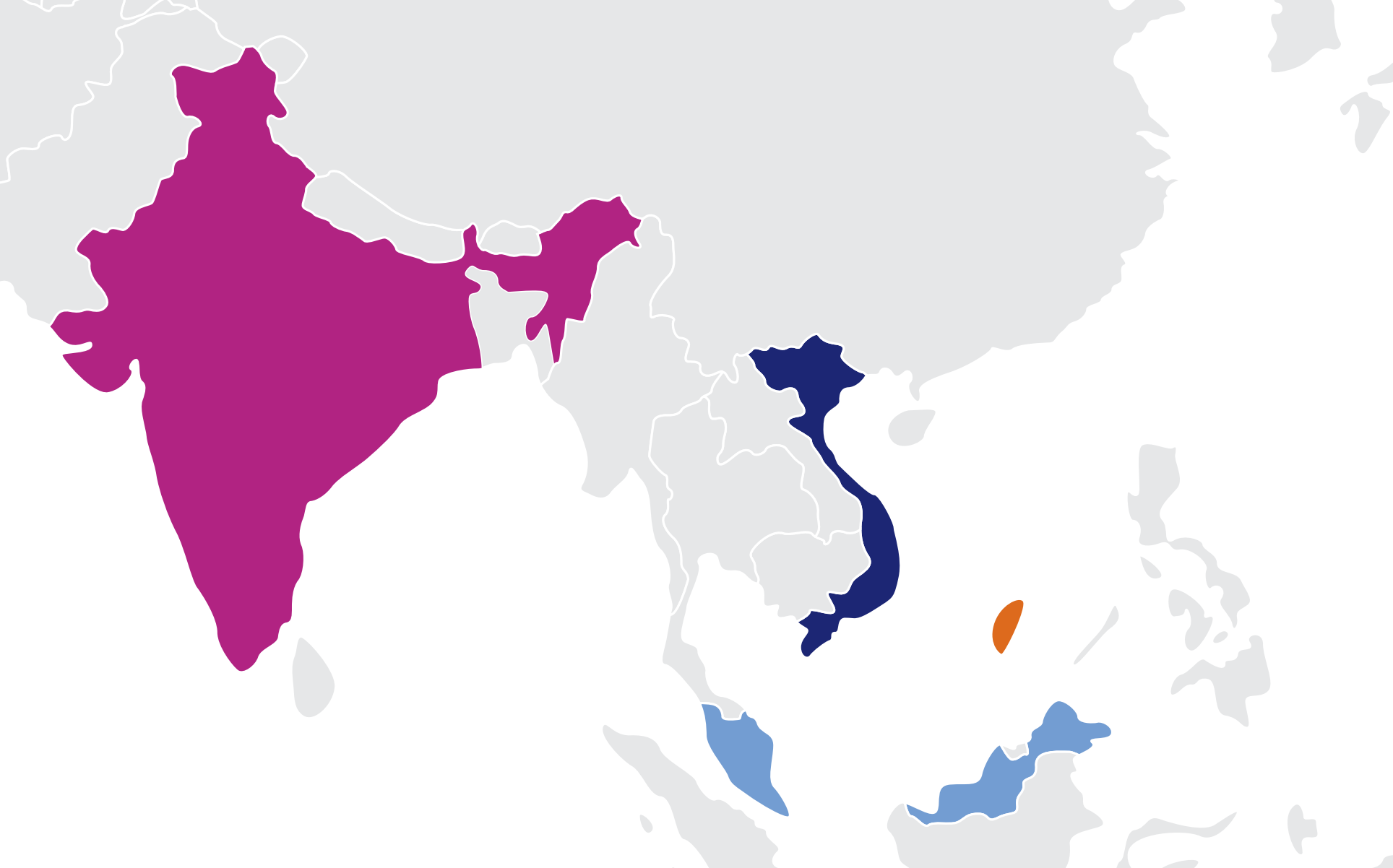
VIETNAM

Property Development:

- Gamuda City, Hanoi
- Celadon City, Ho Chi Minh City

Sewage Treatment:

- Yen So Sewage Treatment Plant



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

Property Development:

- Kota Kemuning
- Valencia
- Bandar Botanic
- Horizon Hills
- Jade Hills
- Madge Mansions
- The Robertson
- Kelana Jaya Development
- Rawang Development
- Tg. Dua Belas Development

Chairman's Perspective



Dear Valued Shareholders,

Before I present the Annual Report and Audited Accounts of Gamuda Berhad for the financial year ended 31 July 2014, I would like to thank you for the privilege to serve as Gamuda's new Chairman and to be a part of this Group's successes moving forward.

I am pleased to report that this year saw the Group sustaining its growth momentum from the last financial year and progressing well in its delivery of projects translating to financial and strategic growth for the organisation.



Y Bhg Dato' Mohammed Hussein
Chairman, Gamuda Berhad

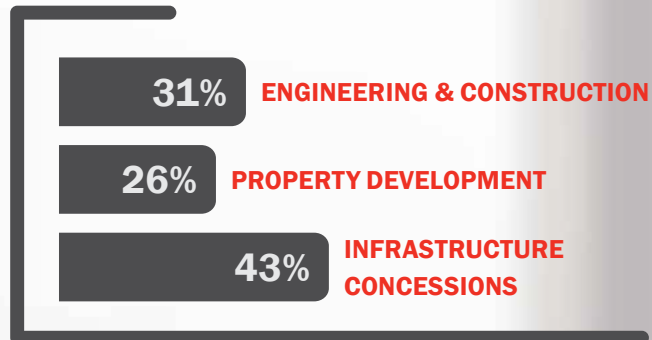
Chairman's Perspective



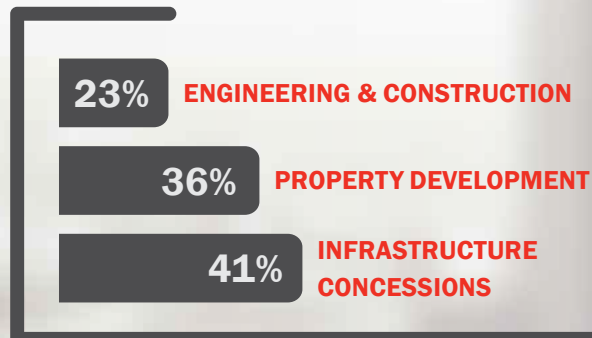
PROFIT BEFORE TAXATION (PBT)

CONTRIBUTION BY DIVISION

FY2014



FY2013



BUSINESS ENVIRONMENT

FY2014 has been an excellent year for us despite the uncertainties reigning over the global economy. We had weathered well as Malaysia's economic fundamentals are strong enough to withstand major global impacts and we foresee the nation's economy will continue to be on track for sustainable long-term growth.

The projects under the ETP continues to keep the construction industry busy and this momentum will continue on for the next decade. Real GDP growth of 4.7% was realised in 2013 due to strong domestic demand backed by growth-enabling policies which have helped raise the GDP growth above the Treasury's 2014 Budget forecast of between 5.5% - 6.0%. We foresee these policies will continue to spur the economic growth of the nation amidst an improving global economy.

On the financial front, the Group adopted the new Financial Reporting Standard (FRS) 11 Joint Arrangements, where the Group is now forbidden from recognising its share of revenue of joint venture companies. The effect of the new FRS is that a substantial portion of Group revenue is unreported as significant amount of activities are carried out by the joint venture companies.

The Group's core revenue sustained to RM2.23 billion for the 12 months ended 31 July 2014, compared to RM2.24 billion year-on-year. Had the share of joint venture companies' revenue been included, the Group's revenue increased 19% to RM4.64 billion. PBT was RM852 million compared to RM656 million in 2013.

Total dividend payout to shareholders was 12 sen single tier dividend for FY2014, totalling RM277 million, similar to FY 2013, when the total dividend payout was RM262 million.

The improved PBT performance is mainly due to the Group's better results from its activities and overall encouraging business environment. All three divisions achieved their targets according to their respective growth plans for the financial year.

Engineering and construction made up 31% of the Group's PBT with property development making up 26% and infrastructure concessions the remaining 43%.

For FY2013, the breakdown was 23%, 36% and 41% respectively.

ENGINEERING & CONSTRUCTION DIVISION

The construction division achieved another record-earnings year from the work progress of one of the three Klang Valley Mass Rapid Transit (KVMRT) lines, which it holds two key roles in partnership with MMC Corporation Berhad (MMC) and the substantial completion of the Electrified Double Track Project (EDTP) from Ipoh to Padang Besar.

From the KVMRT Sungai Buloh - Kajang Line (SBK Line) Project Delivery Partner (PDP) front, construction achieved significant progress as works on elevated viaducts and stations picked up pace. Besides foundation works and pier construction, Segmental Box Girders (SBGs) are being launched to form the elevated guideway of the twin rail tracks. The designs for the systems works continue to progress well. Cumulative progress as at August 2014 was 52% completion. The project is on target for Phase 1 completion in December 2016 and full completion by July 2017, with no significant cost overruns thus far. As at end August 2014, eight remaining packages have yet to be awarded and these are for furniture, signage, LED lighting and commercial telecommunications.

As for the underground works package, five out of 10 TBMs completed their drives. As at end August 2014, two TBMs are

Chairman's Perspective



The improved PBT performance is due to the Group's better results from all its activities and overall encouraging business environment. All three divisions achieved their targets according to their respective growth plans for the financial year.



PBT for infrastructure concessions was **RM367 million** representing **43%** of the Group's PBT, an increase of **35%** from previous financial year.



Cumulative progress for KVMRT (UG) at the end of August 2014 was **67%** completion.

still tunnelling between Muzium Negara MRT Station to Pasar Seni MRT Station, two between Tun Razak Exchange (TRX) MRT Station and Pudu Launch Shaft, and one TBM is mining between Pudu Launch Shaft to Merdeka MRT Station and will terminate at Pasar Seni MRT Station in January 2015. The final breakthrough will be by the TBM which will mine from Pudu Launch Shaft and terminate in Pasar Seni MRT Station. This will conclude the completion of the entire tunnelling works. Cumulative progress at the end of August 2014 was 67% completion.

A very significant milestone was also achieved in the middle of the year when tunnelling of the risky karstic limestone formation was successfully completed without any major problem. The remaining tunnelling works are now concentrated in the relatively straightforward Kenny Hill formation. The entire tunnelling works are expected to be completed in early 2015.

The EDTP's cumulative progress at the end of August 2014 was 99% completion with full completion by November 2014. The Padang Besar to Ipoh (Spine Line) was completed and handed over to the client on time. Civil works and track works for the

Bukit Mertajam to Butterworth (Spur Line) are substantially completed with only the systems installation nearing completion.

PROPERTY DEVELOPMENT DIVISION

The property division has achieved its sales target of RM1.8 billion, a 3% increase from the previous financial year. Unbilled sales at the end of FY2014 was RM1.7 billion. Revenue for the property division increased 23% while PBT decreased 3% mainly due to the impairment of goodwill amounting to RM41 million related to Celadon City, Ho Chi Minh City, Vietnam, due to the current financial performance of the project falling short of expectations. Without the one-time impairment, PBT would have improved by 15%.

In Malaysia, Jade Hills in Kajang, Madge Mansions and The Robertson in Kuala Lumpur, Horizon Hills in Iskandar Malaysia, Johor and ongoing projects at Bandar Botanic in Klang continue to enjoy brisk sales and take-up rates. As for Vietnam's Gamuda City in Hanoi and Celadon City in Ho Chi Minh City, the first batch of residential landed properties and the second block of apartments were handed over to buyers in April 2014, respectively. Sales for

Celadon City picked up after the successful opening of Japan's AEON retail mall in January 2014.

INFRASTRUCTURE CONCESSIONS DIVISION

This division's contribution remains stable for the financial year. PBT was RM367 million representing 43% of Group's PBT, an increase of 35% from previous financial year. The increase is mainly due to the gain on remeasurement of previously held interest in Kesas Holdings Berhad ("Kesas Holdings") immediately before obtaining control of RM194 million and impairment of premium paid on water concession assets and goodwill of RM146 million. Without the one-time gain and impairment, the PBT would have improved by 17%.

Earlier this year, we had made offers to the remaining shareholders of Kesas Holdings, holding Company of Kesas Sdn Bhd - the concession holder of Shah Alam Expressway, namely, Perbadanan Kemajuan Negeri Selangor ("PKNS"), Permodalan Nasional Berhad ("PNB") and Amcorp Properties Berhad ("Amcorp Properties"), to acquire their entire equity interest, collectively representing 70% equity interest in Kesas Holdings. On March 2014, we have successfully acquired Amcorp

Chairman's Perspective



Properties' 20% equity interest and followed by PNB's 20% equity interest in June 2014 for a total consideration of RM570 million. The Company now holds 70% equity interest in Kesas Holdings with the remaining 30% held by PKNS.

The water saga continues for Syarikat Pengeluar Air Selangor Holdings Berhad ("Splash Holdings") in this financial year. During this FY, an offer of RM250.6 million was made to purchase 100% equity in Splash Holdings by the Selangor State Government. If accepted, this offer would result in a huge divestment loss of RM920 million to the Company as the amount offered is below 10% of Splash Holdings' Net Asset Value (NAV). Splash Holdings' NAV at 31 December 2013 was RM2.54 billion. The impasse reached its peak when the State Government sought the Federal Government's approval to push for the enforcement of the Water Services Industry Act 2006 ("WASIA"), which empowers the Federal Government to direct the Suruhanjaya Perkhidmatan Air Negara ("SPAN") to assume control of the property, business and affairs of Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (Splash) and to carry on Splash's business and affairs if it was in the national interest to do so. Having obtained independent legal advice, the Directors are of the opinion that even if the Federal Government invokes WASIA based on the request of the State Government, SPAN would only assume control of the property, business and

affairs of Splash. Under such circumstances, if at all happens, SPAN does not take ownership of the property, business and affairs of Splash. The Group is currently working with both the Federal and State Government to come up with an acceptable 'win-win' solution for all parties. We foresee that negotiations will continue into the next financial year.

PROSPECT FOR FINANCIAL YEAR 2015

With a sustained recovery in the global economy led by the USA, Malaysian economy is on track to experience positive economic growth over the next few years with domestic demand leading the way although the Group is cognisant of the key risks it faces due to the following factors; introduction of Malaysia's new Goods & Services Tax in April 2015, unfavourable raw material price movements, cooling domestic liquidity conditions to address household debts and Vietnam's cautious economic climate.

We anticipate the Government to announce the implementation of KVMRT Line 2 by the end of 2014, and MMC-Gamuda's role as PDP to be finalised. Other projects that are of interest to the Group are the High-Speed Rail link between Kuala Lumpur and Singapore, the southern Electrified Double Track Project from Gemas to Johor Bahru, the East Coast Rail Route, KVMRT Line 3 and Penang Integrated Transport System.

The property division is proceeding with planning for its 5-acre high

rise development in Kelana Jaya, two parcels of land in Rawang South measuring 724 acres at Kuang and 89 acres at Kundang which will be developed into comprehensive integrated townships comprising of residential and commercial properties. The estimated GDV for these new projects are RM5.8 billion and the development will span 18 years. In its effort to increase its land bank, the Group had on 31 July 2014, entered into a Share Sale Agreement with Salak Park Sdn Bhd for the acquisition of the entire equity interest in Salak Land Development Sdn Bhd, the company which owns a 1,530 acres plot of land located in Selangor along the Expressway Lingkaran Tengah (ELITE Highway) for a total cash consideration of RM784.33 million. The division continues to focus on acquiring more land banks and have allocated a budget of RM1.5 billion for this task.

FY2014 sees the Group continuing its effort in developing Malaysian talents and upskilling the workforce in the construction industry. The Group's Tunnelling Training Academy (TTA) was identified by New Delhi Metro Corporation to train its engineers in the latest tunnelling technology and skills. On the corporate front, the Group has launched a series of improved benefits for working women in support of TalentCorp's initiative to retain women in the workforce. Running into its 19th year, the Gamuda Scholarship Award Programme 2014 attracted more than 800 applicants. To date, 280 scholarships have been awarded worth RM25.3 million. This programme aims to provide young Malaysian talents with financial aid to pursue tertiary studies in any reputable local/ local foreign/ foreign universities.

Gamuda's continued success owes a great deal to the efforts of its very talented workforce. On behalf of the board of directors, I would like to thank the employees for their contribution and commitment to ensure that the Group delivers on its promises. I would also like to thank the shareholders, business partners, clients, suppliers and other stakeholders for their trust and support to the Group.

THANK YOU.



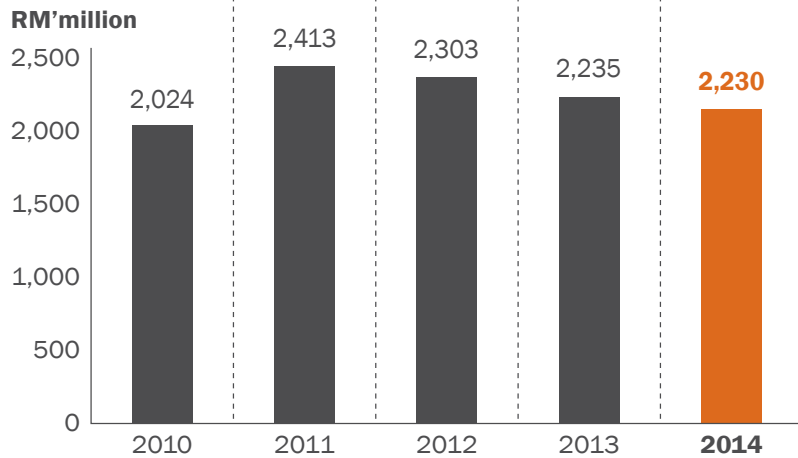
PERFORMANCE REVIEW

Group Financial Highlights	21
Five-Year Financial Highlights	22
Share Price Information	23
Group Quarterly Financial Performance	24
Group Segmental Performance	25
Financial Calendar	26
Bond & Credit Ratings	27

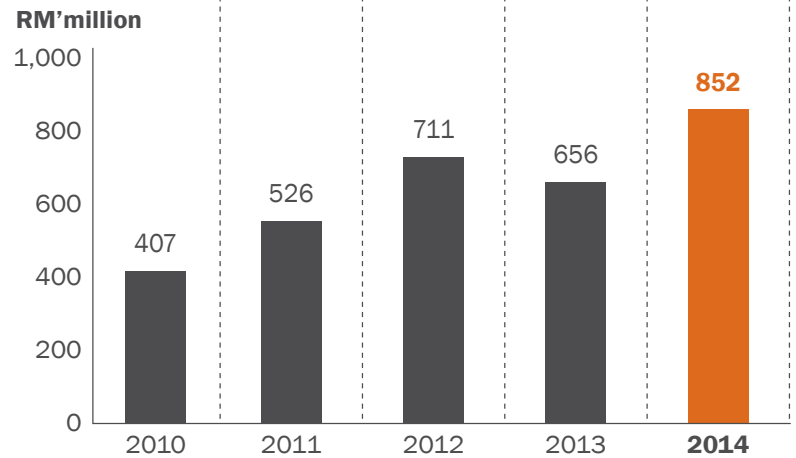
Group Financial Highlights



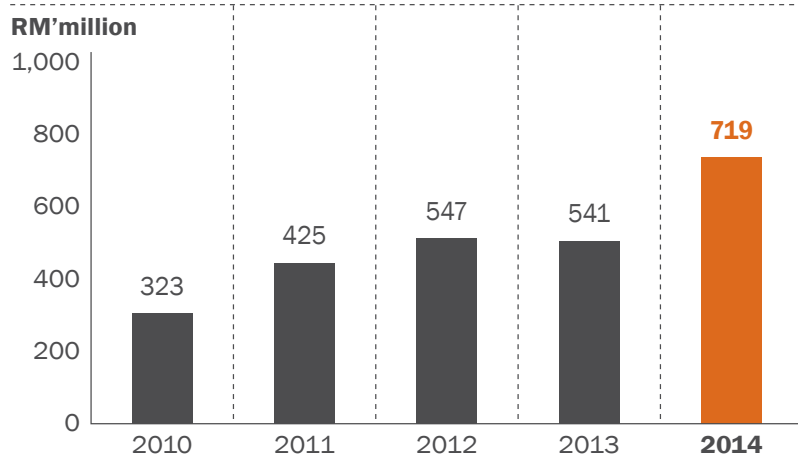
REVENUE RM2,230 million



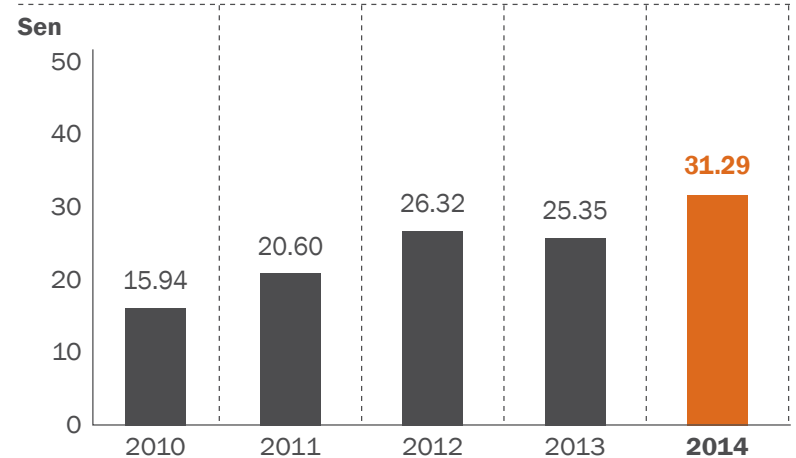
PROFIT BEFORE TAXATION RM852 million



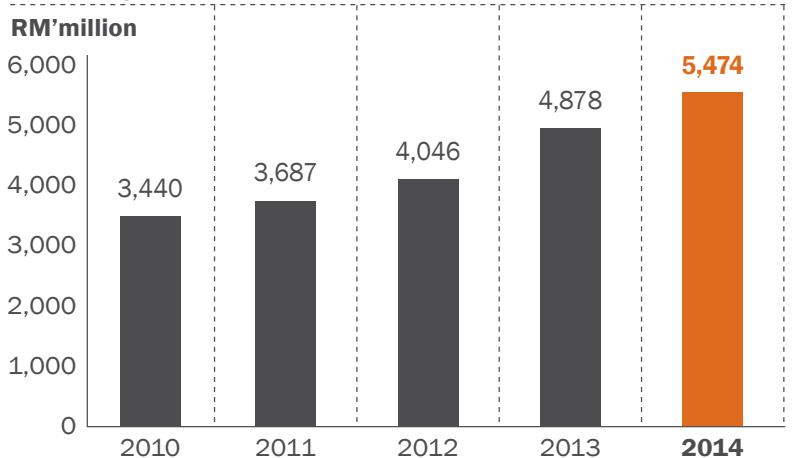
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS RM719 million



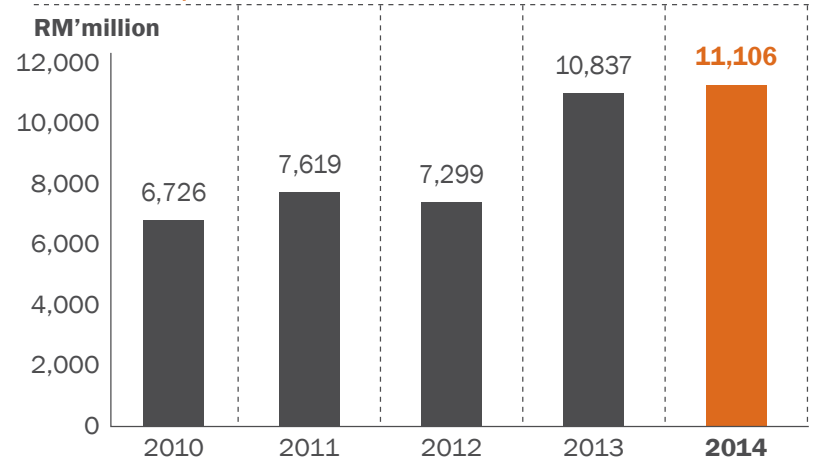
BASIC EARNINGS PER SHARE 31.29sen



OWNERS' EQUITY RM5,474 million



MARKET CAPITALISATION RM11,106 million



Five-Year Financial Highlights



RM852mil profit before taxation

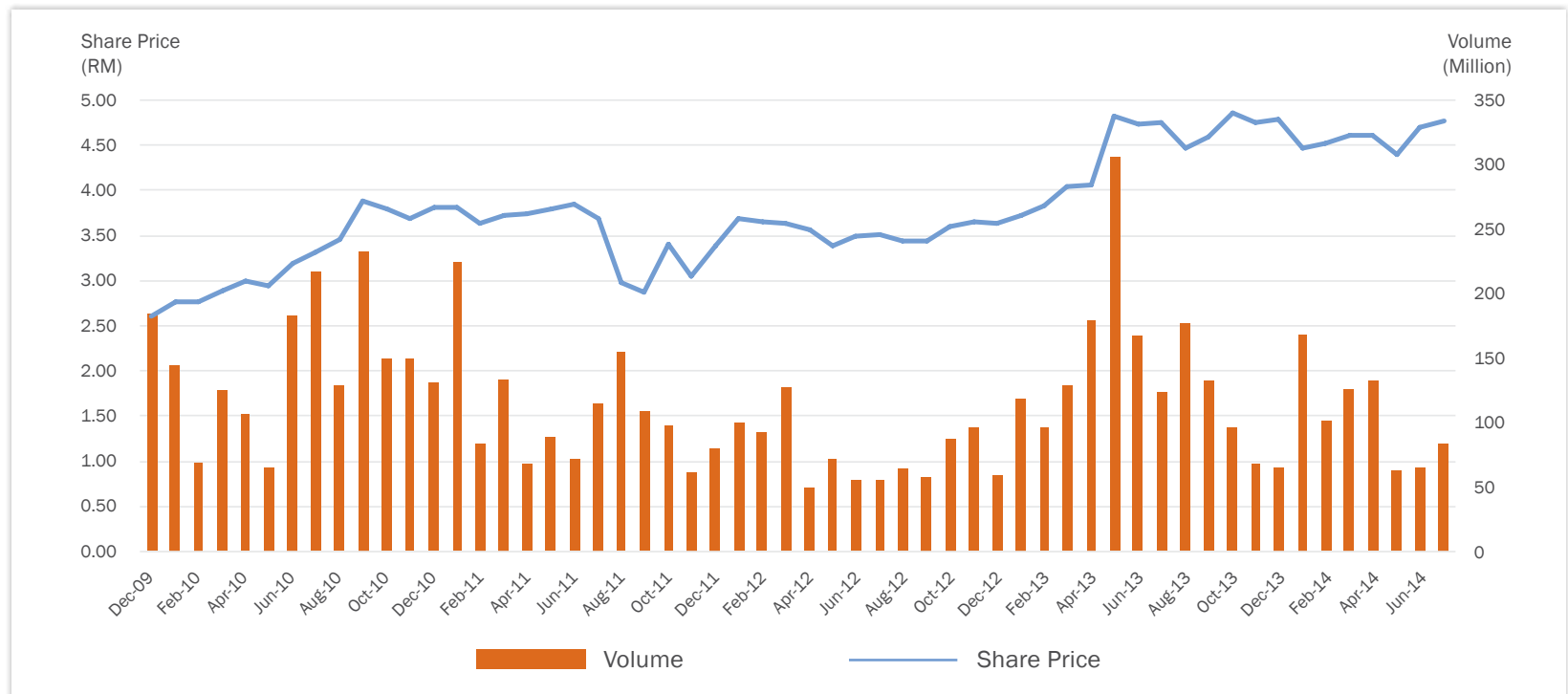
	2010	2011	2012	2013	2014
FINANCIAL RESULTS (RM' Million)					
Revenue as reported	2,024	2,413	2,303	2,235	2,230
Share of joint ventures' revenue (N1)	431	260	784	1,648	2,406
Total revenue	2,455	2,673	3,087	3,883	4,636
Profit before taxation	407	526	711	656	852
Profit after taxation	332	433	566	550	735
Profit attributable to equity holders	323	425	547	541	719
FINANCIAL POSITION (RM' Million)					
Total cash & bank balances and investment securities	1,087	993	1,005	1,306	920
Total assets	5,976	6,374	7,428	8,436	10,353
Total net assets	3,490	3,887	4,267	5,104	6,162
Total borrowings	1,755	1,654	1,895	1,973	2,531
Share capital	2,026	2,065	2,079	2,277	2,323
Owners' equity	3,440	3,687	4,046	4,878	5,474
FINANCIAL RATIOS					
Basic earnings per share (sen)	15.94	20.60	26.32	25.35	31.29
Return on equity (%)	9	12	14	11	13
Return on total assets (%)	6	7	8	7	7
Share price at year end (RM)	3.32	3.69	3.51	4.76	4.78
Price earnings ratio (times)	21	18	13	19	15
Gross dividend per share (sen)	12	12	12	12	12
Net dividend per share (sen)	9	11.25	12	12	12
Gross dividend yield (%)	4	3	3	3	3
Net assets per share attributable to equity holders (RM)	1.70	1.79	1.95	2.14	2.36
Net gearing ratio (times)	0.19	0.17	0.21	0.13	0.26
Market capitalisation (RM' million)	6,726	7,619	7,299	10,837	11,106

N1: Pursuant to the New Financial Reporting Standard (FRS) 11 Joint Arrangements, the revenue of joint venture companies is excluded from Group's revenue in the audited financial statements.

Share Price Information



STOCK EXCHANGE LISTING	BURSA MALAYSIA SECURITIES BERHAD
TRADING NAME	GAMUDA
STOCK CODE	5398



	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14
High	4.82	4.67	4.93	4.91	4.82	4.79	4.65	4.70	4.68	4.61	4.73	4.93
Low	4.12	4.45	4.60	4.70	4.49	4.10	4.25	4.28	4.45	4.40	4.42	4.68
Volume (Million)	176	133	96	68	65	169	100	126	132	63	65	84

Group Quarterly Financial Performance



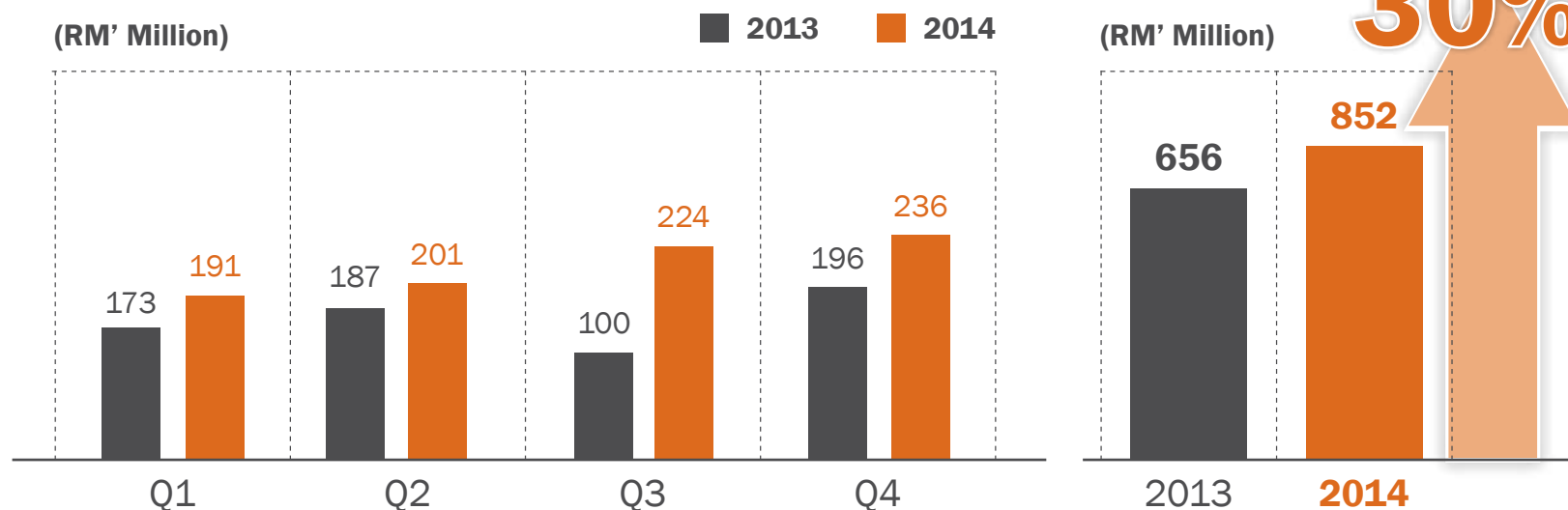
2014

RM' Million	First Quarter Oct-13	Second Quarter Jan-14	Third Quarter Apr-14	Fourth Quarter Jul-14	2014 YTD
For the period ended					
Revenue	486	518	634	592	2,230
Profit before taxation	191	201	224	236	852
Profit after taxation	166	175	181	213	735
Profit attributable to equity holders	165	170	178	206	719
Basic earnings per share (sen)	7.25	7.41	7.74	8.89	31.29
Dividend per share - single tier (sen)	6.00	-	6.00	-	12.00
Net assets per share attributable to equity holders (RM)	2.21	2.25	2.32	2.36	2.36

2013

RM' Million	First Quarter Oct-12	Second Quarter Jan-13	Third Quarter Apr-13	Fourth Quarter Jul-13	2013 YTD
For the period ended					
Revenue	453	500	641	641	2,235
Profit before taxation	173	187	100	196	656
Profit after taxation	148	161	72	169	550
Profit attributable to equity holders	146	157	71	167	541
Basic earnings per share (sen)	6.99	7.52	3.37	7.45	25.35
Dividend per share - single tier (sen)	6.00	-	6.00	-	12.00
Net assets per share attributable to equity holders (RM)	2.01	2.03	2.08	2.14	2.14

PROFIT BEFORE TAXATION

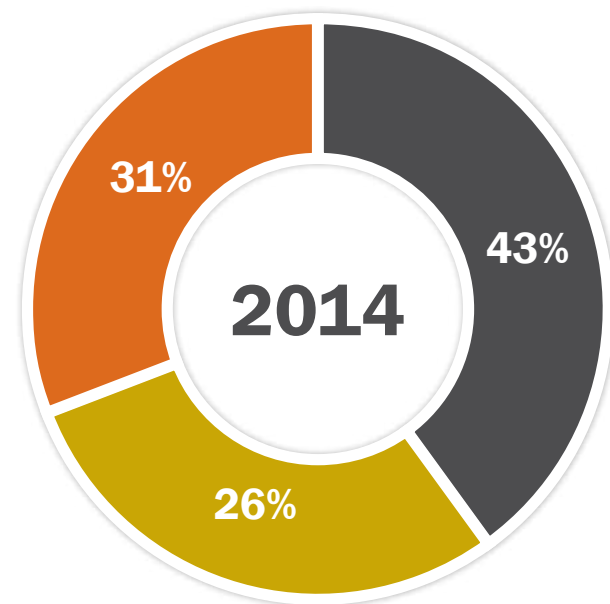
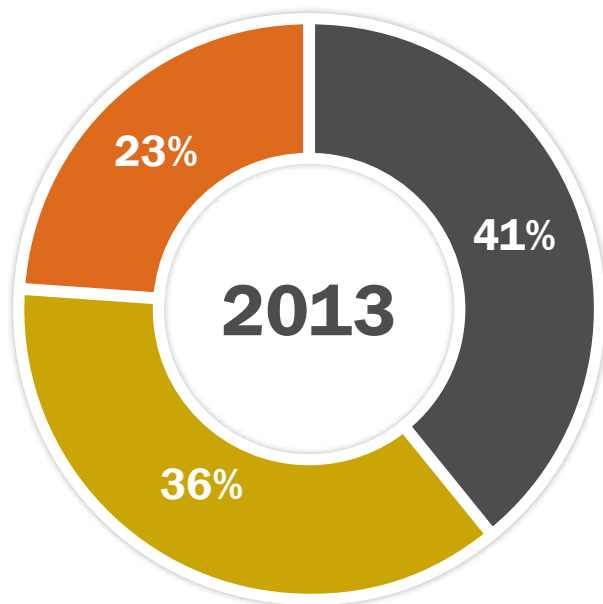


Group Segmental Performance



RM' Million	2010	2011	2012	2013	2014
OPERATING REVENUE					
Engineering and Construction	1,474	1,682	1,272	1,409	1,180
Property Development	441	622	930	725	895
Water and Expressway Concessions	109	109	101	101	155
	2,024	2,413	2,303	2,235	2,230
PROFIT BEFORE TAXATION					
Engineering and Construction	83	135	225	152	260
Property Development	81	144	266	233	225
Water and Expressway Concessions	243	247	220	271	367
	407	526	711	656	852

PROFIT BEFORE TAXATION



● Engineering and Construction

● Property Development

● Water and Expressway Concessions

Financial Calendar



DIVIDENDS

First Interim Single Tier Dividend of 6.00 sen

Announcement : 17 December 2013
 Entitlement : 13 January 2014
 Payment : 28 January 2014

Second Interim Single Tier Dividend of 6.00 sen

Announcement : 26 June 2014
 Entitlement : 14 July 2014
 Payment : 23 July 2014

ANNOUNCEMENT OF GROUP RESULTS

Tuesday

17 December 2013

**RESULTS FOR 1ST QUARTER ENDED
 31 OCTOBER 2013**

Thursday

26 June 2014

**RESULTS FOR 3RD QUARTER ENDED
 30 APRIL 2014**

Thursday

27 March 2014

**RESULTS FOR 2ND QUARTER ENDED
 31 JANUARY 2014**

Monday

29 September 2014

**RESULTS FOR 4TH QUARTER ENDED
 31 JULY 2014**

ANNUAL GENERAL MEETING

Friday

7 November 2014

NOTICE OF ANNUAL GENERAL MEETING

Thursday

4 December 2014

38TH ANNUAL GENERAL MEETING

EXTRAORDINARY GENERAL MEETING

Thursday

4 December 2014

Bond & Credit Ratings



LOCAL RATING

GAMUDA BERHAD

YEAR	2014
RATING AGENCY	RAM RATING SERVICES BERHAD
RATING	AA3/STABLE/P1
OUTLOOK	STABLE
PROGRAMME	<p>(i) RM800 million Islamic Medium-Term Notes Programme (2013/2038) and RM100 million Islamic Commercial Papers Programme (2013/2020) with a combined limit of RM800 million.</p> <p>(ii) RM800 million Islamic Medium-Term Notes Programme (2008/2028) and RM100 million Islamic Commercial Papers Programme (2008/2015) with a combined limit of RM800 million.</p> <p>(iii) RM5 billion Islamic Medium-Term Notes Programme (30 years) and RM2 billion Islamic Commercial Papers Programme (7 years) with a combined limit of RM5 billion.</p>



OPERATIONS REVIEW

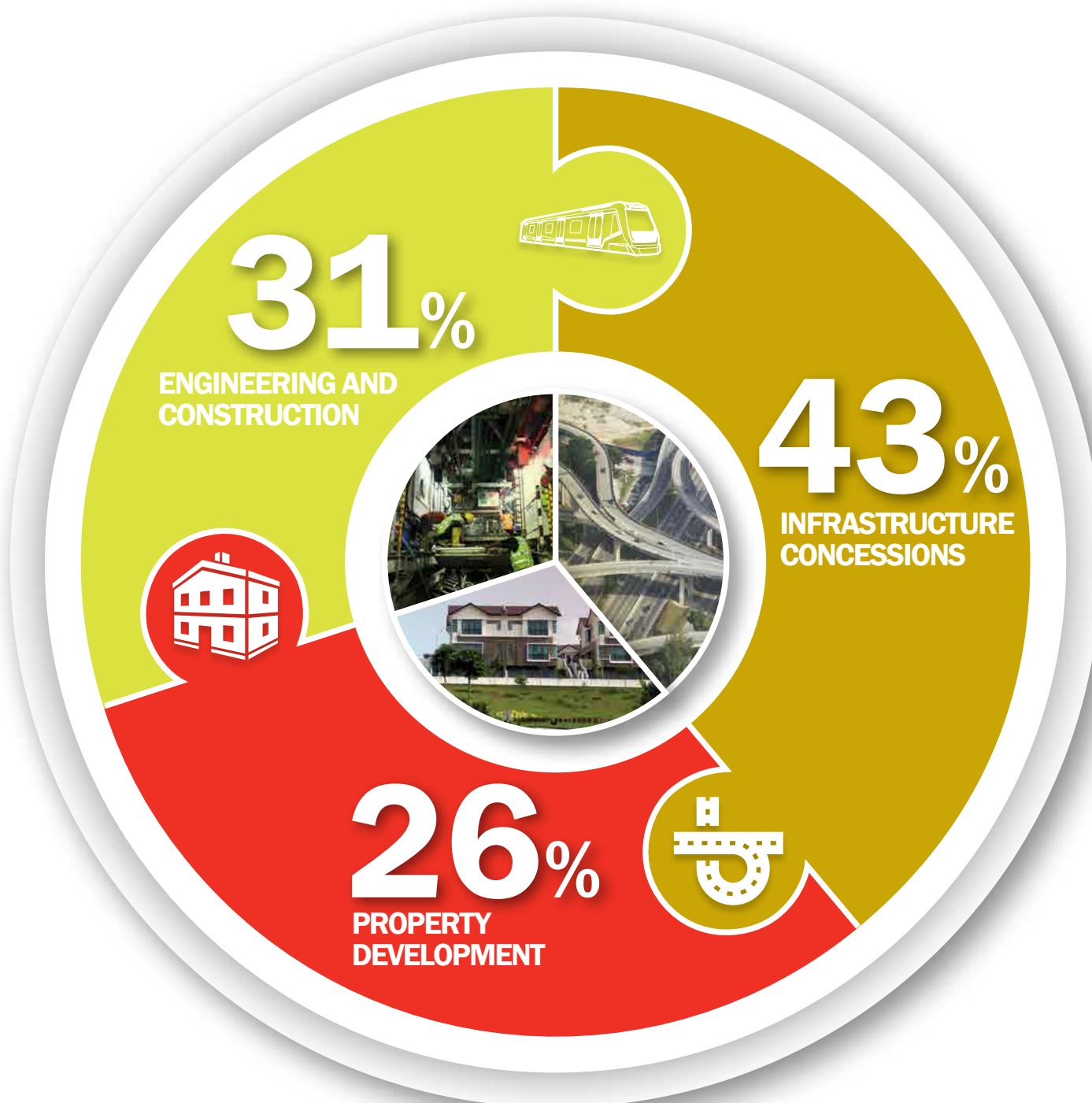
Core Business	29
Engineering and Construction	30 - 53
Property Development	54 - 61
Infrastructure Concessions	62 - 65

Core Business



The core business activities of the Group are Engineering and Construction, Property Development and Infrastructure Concessions.

Segmental Performance - Profit Before Taxation



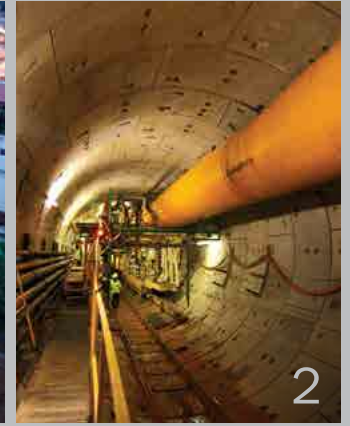


With better connectivity, comes economic progress and enhanced livability.

Cochrane MRT Station

**All pictures of the Klang Valley Mass Rapid Transit, Sungai Buloh to Kajang Line project shown in this section were taken as at September 2014, during the production of this Annual Report.*

ENGINEERING AND CONSTRUCTION

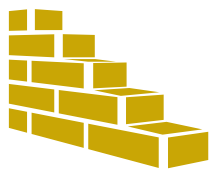


1. Portal, concreting and formwork for the future Semantan MRT Station in progress.
2. Picture shows the back gantry of the Inai 2 Variable Density TBM advancing towards the Pudu Launch Shaft in Jalan Pudu. The TBM completed its journey in October 2014.
3. Ongoing excavation and reinforced concrete works at the Maluri Portal, a transition structure that links the underground tunnel and the elevated viaduct.
4. Picture shows the completed twin-bore Berapit Tunnel in Taiping, Perak. It is one of the engineering landmarks of the Electrified Double Track Project (Ipoh-Padang Besar).

Engineering and Construction



The SBK Line is one of the three integrated urban rail lines planned within Greater Kuala Lumpur and is targeted to ease traffic congestion and serve as a sustainable transportation alternative for the growing population in the Klang Valley.



Cumulative progress as at end August 2014 was

52%
completion



The division's PBT of **RM260** million, was a **71%** improvement from FY2013.

This division recorded another year of strong earnings with the focus on Malaysia's largest public infrastructure project to date, the Klang Valley Mass Rapid Transit (Sungai Buloh – Kajang Line) (KVMRT, SBK Line). The SBK Line is one of the three integrated urban rail lines planned within Greater Kuala Lumpur and is targeted to ease traffic congestion and serve as a sustainable transportation alternative for the growing population in the Klang Valley. The Group holds two key roles in this project in partnership with MMC i.e. the Project Delivery Partner (PDP) and Underground Works Package Contractor.

In spite of a decline in revenue to RM1.18 billion from RM1.41 billion year-on-year due to substantial completion of the Electrified Double Track Project, PBT for the division increased from RM152 million to RM260 million in the same period.

The division's PBT of RM260 million, was a 71% improvement from FY2013 due to higher work progress from the KVMRT project and without last year's arbitral awards rendered by the Arbitral Tribunals in favour of the Group's subcontractors of RM110.7 million.

KVMRT (PDP)

Construction achieved significant progress as works on elevated viaducts and stations picked up pace. As at August 2014, construction of the guideway at Sg. Buloh, pier construction at Kota Damansara, Cheras and Kajang, launching of Segmental Box Girders (SBGs) at Taman Tun Dr. Ismail, beam launching at Section 16 and parapet installation at V6 & V7 are progressing well. Overall track laying is also progressing well. The Sg. Buloh Depot is currently more than 60% completed with most of the buildings constructed. Works trains (diesel locomotives) have been delivered and will be deployed for construction use.

Besides foundation works and pier construction, SBGs are being launched to form the elevated guideway of the twin rail tracks. All civil and systems works packages have been awarded. Systems works are into the final design stages. Cumulative progress as at end August 2014 was 52% completion. The project is on target for Phase 1 completion in December 2016 and full completion by July 2017, with no significant cost overruns thus far. As at end August 2014, eight

remaining packages have yet to be awarded and these are for furniture, signage, LED lighting and commercial telecommunications.

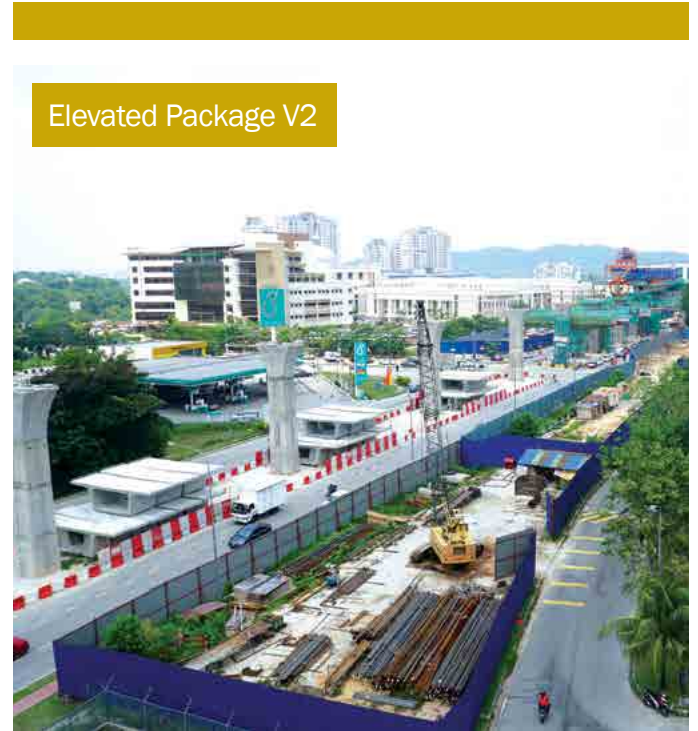
There were two significant construction safety related incidents during the year which required management's intervention. The first incident involved construction material falling onto and damaging a passing vehicle. The second and more serious incident which was widely reported in the media, unfortunately claimed the lives of three construction workers when a section of MRT guideway under construction fell from the piers onto the ground. These incidents were a result of safety guidelines and proper work procedures not being followed by the respective contractors. Subsequently, the PDP has taken steps to reinforce site safety education and accountability, further tightened work procedures and made available an additional 60 supervisors for safety policing to enforce our "Zero Tolerance" policy on safety breaches and prevent a similar recurrence.

Engineering and Construction



Sungai Buloh Depot

Aerial view of advanced completion stage of the Sungai Buloh Depot, together with the tracks, rolling stock building and electric stabling yard that is able to accommodate 66 trains of 4 cars. Located beside the depot is Malaysia's largest Centralised Labour Quarters (CLQ) catering to more than 9,000 workers (for V1 - V4).



Elevated Package V2

Ongoing MRT guideway construction at the future Kota Damansara MRT Station in front of Tropicana Medical Centre, along Persiaran Surian.



Elevated Package V1

Advanced stage of MRT guideway construction from the Sungai Buloh Depot, along Jalan Sungai Buloh.

Engineering and Construction



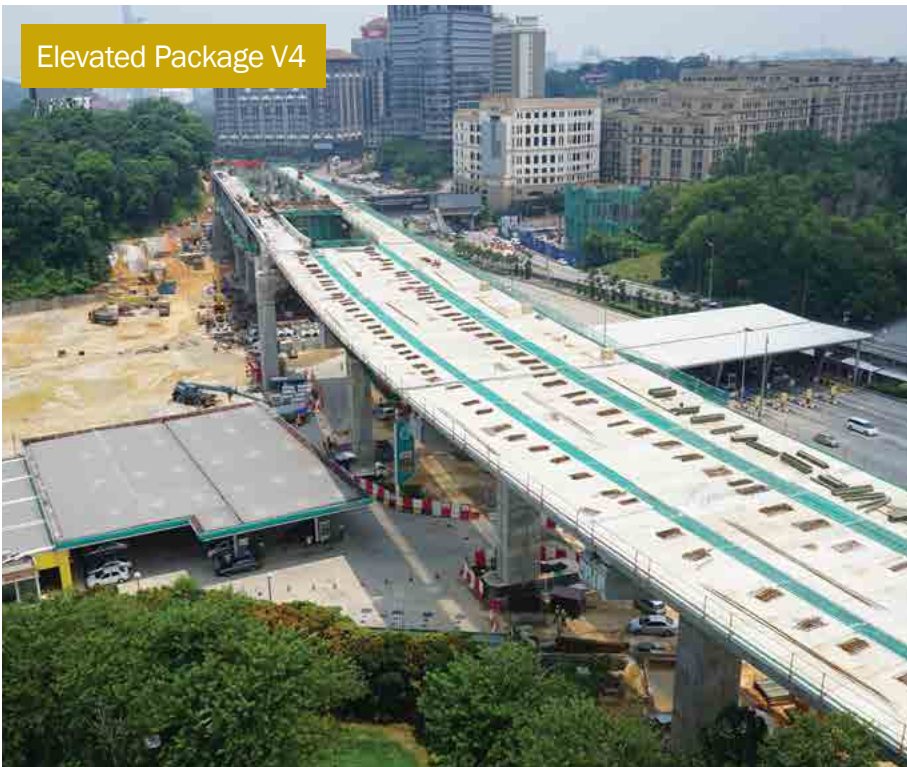
Elevated Package V2



Advanced stage of concreting and formworks for the future Kwasa Sentral MRT Station in the former Rubber Research Institute area.

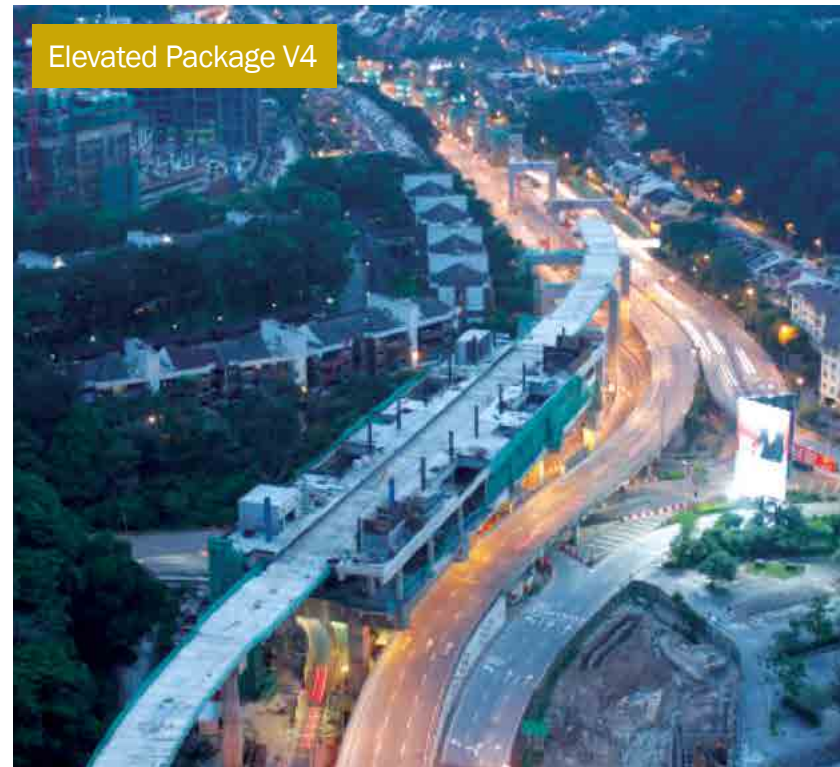


Elevated Package V4



Construction of the station's concourse and platform levels is fast progressing for Phileo Damansara MRT Station at Section 16, along SPRINT Highway.

Elevated Package V4



Concreting and formworks for the future Pusat Bandar Damansara (PBD) MRT Park n Ride Station in progress, at the busy intersection of Ma'arof Interchange along SPRINT Highway.

Engineering and Construction



Challenging construction of MRT biggest pier heads located at the intersection of Jalan Damansara and LDP Highway (beside Taman Tun Dr Ismail, TTDI).



Parapet installation in progress for the completed MRT guideway along Jalan Damansara, passing Sinaran TTDI condominium at TTDI as the alignment heads towards TTDI MRT Station.



Beam launching and portal rebar works in progress for the future Semantan MRT Station, located along Jalan Semantan. Comprehensive traffic management plan was implemented to accommodate construction works amidst heavy traffic.

Engineering and Construction



Elevated Package V5



Completed MRT guideway with parapet wall installed along Jalan Cheras.

Elevated Package V6



Six out of eight spans were completed for the concourse level of the future Taman Suntex MRT Station, along the Cheras-Kajang (Grand Saga) Highway.

Engineering and Construction



Elevated Package V5

Installation of noise barrier in progress along the completed MRT guideway, near Flat Sri Sabah at Jalan Cheras.



Elevated Package V7

Construction of the platform level in progress for the future Taman Koperasi Cuepacs MRT Station, along the Cheras-Kajang (Grand Saga) Highway.



Elevated Package V7

Ongoing MRT guideway construction using segmental lifter for the 236m special span across the Cheras-Kajang (Grand Saga) Highway, near the Bukit Dukung R&R.

Engineering and Construction



Elevated Package V8



Construction works for concourse level in progress at the future Sungai Kantan MRT Park n Ride Station at Jalan Cheras-Kajang (near KPJ Kajang Hospital).



Multi-Storey Park & Ride (MSPR) 1



Advanced construction of the multi-storey park-and-ride building for the Sungai Buloh MRT Station which will integrate with KTM Komuter Sungai Buloh Station. The parking facility is expected to be completed within the second quarter of 2015.



Engineering and Construction



Elevated Package V8

Ongoing concourse T-beam and pier head construction at the future Bandar Kajang MRT Station, as the alignment runs along the Kajang Stadium.



Kajang Depot

Building foundation, concreting and structural formwork in progress for the 60-acre Kajang Depot.



Kajang Depot

MRT guideway construction in progress for special span crossing the Cheras-Kajang (Grand Saga) Highway, leading towards the Kajang Depot and CLQ for V7 and V8.

Engineering and Construction



**9 JANUARY
2014**

Breakthrough of the world's first Variable Density Tunnel Boring Machine (VD TBM) at the TRX MRT Station.

KVMRT (UG)

For the underground works package, five out of 10 TBMs completed their drives. As at end of August 2014, two TBMs are still tunnelling between Muzium Negara MRT Station to Pasar Seni MRT Station, two between Tun Razak Exchange (TRX) MRT Station and Pudu Launch Shaft, and one TBM is mining between Pudu Launch Shaft to Merdeka MRT Station and will terminate at Pasar Seni MRT Station in January 2015. The final breakthrough will be by the TBM which will mine from Pudu Launch Shaft and terminate in Pasar Seni MRT Station. This will conclude the completion of the entire tunnelling works.

On 24 December 2013, the Underground Tunnelling team achieved their first Earth Pressure Balance Tunnel Boring Machine (EPB TBM) breakthrough at the Muzium Negara MRT Station. The machine was launched from Semantan Portal in June 2013. Subsequently, on 9 January 2014, the team achieved another milestone with the breakthrough of the world's first Variable

Density Tunnel Boring Machine (VD TBM) at the TRX MRT Station. This breakthrough marked the completion of the first section of the twin tunnels from Cochrane Launch Shaft to TRX MRT Station. Two subsequent breakthroughs were experienced during this financial year making a total of four breakthroughs by VD TBMs.

Cumulative progress as at end August 2014 was 67% completion. A very significant milestone was also achieved in the June 2014 when tunnelling of the risky karstic limestone formation under the Bukit Bintang area was successfully completed without any major problems. The remaining tunnelling works are now concentrated in the relatively straightforward Kenny Hill formation. The construction of the seven underground stations is progressing smoothly with major works centred on the construction of the superstructures of the multi-level stations such as the station box and floor slabs. The entire tunnelling works are expected to be completed in early 2015.

The names of the 31 stations have been approved by the Prime Minister's Department.



Stesen Sungai Buloh
Stesen Kampung Selamat
Stesen Kwasa Damansara
Stesen Kwasa Sentral
Stesen Kota Damansara
Stesen Surian
Stesen Mutiara Damansara
Stesen Bandar Utama
Stesen TTDI
Stesen Phileo Damansara
Stesen Pusat Bandar Damansara (PBD)
Stesen Semantan
Stesen Muzium Negara (To/Ke KL Sentral)
Stesen Pasar Seni
Stesen Merdeka
Stesen Bukit Bintang



Stesen Tun Razak Exchange (TRX)
Stesen Cochrane
Stesen Maluri
Stesen Taman Pertama
Stesen Taman Midah
Stesen Taman Mutiara
Stesen Taman Connaught
Stesen Taman Suntex
Stesen Sri Raya
Stesen Bandar Tun Hussein Onn
Stesen Bukit Dukung
Stesen Taman Koperasi Cuepacs
Stesen Sungai Kantan
Stesen Bandar Kajang
Stesen Kajang

Engineering and Construction



1. Semantan Portal



1. Two units of Earth Pressure Balance TBMs are tunnelling their way towards the future Pasar Seni MRT Station and are expected to reach their destination by January 2015.
2. To-date, a total of 11,500 units of pre-cast tunnel lining segments have been produced and 7,935 units have been delivered to construct the twin underground tunnels of SBK Line.

2. Semantan Portal



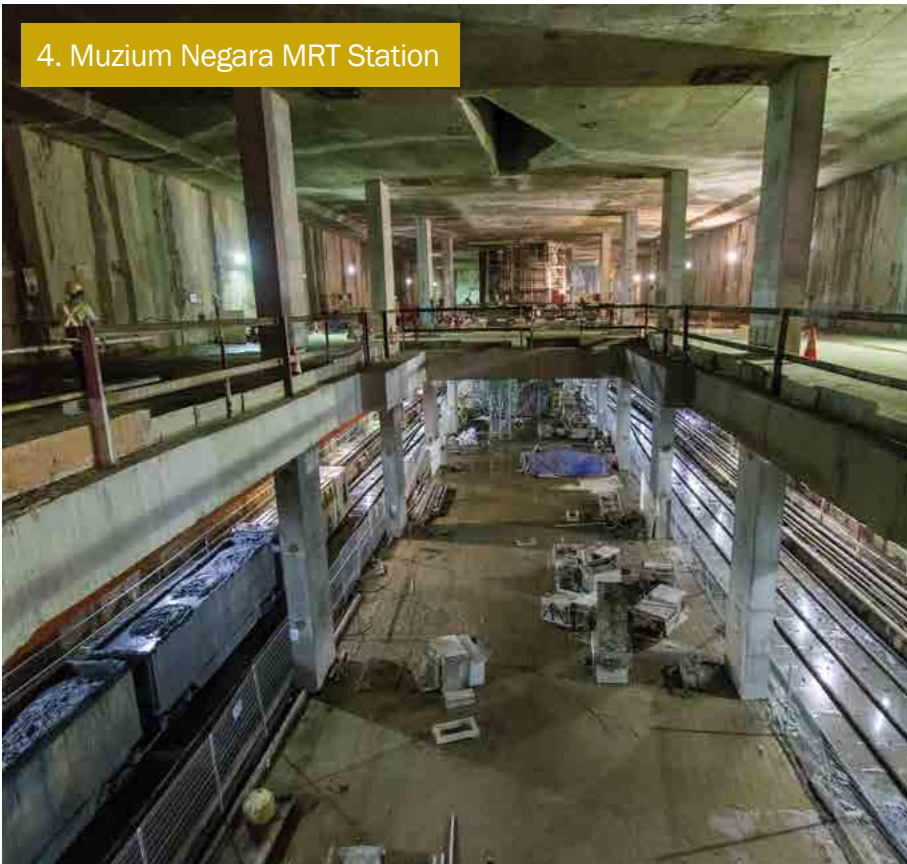
Engineering and Construction



3. Muzium Negara MRT Station



4. Muzium Negara MRT Station



5. Pasar Seni MRT Station



Engineering and Construction



6. Pasar Seni MRT Station



3. *Picture shows the two tunnels at the station's platform level where two units of Earth Pressure Balance TBMs after passing Muzium Negara MRT Station from the Semantan Portal are mining towards the Pasar Seni MRT Station, where they are expected to reach by January 2015.*
4. *The floor and roof slabs at the main concourse of the station are fully completed. Construction of internal structures such as the station platform, liftcore walls, and emergency staircases, are ongoing.*
5. *The outline of the station is already visible as the floor slabs at Level 1 (site of the former UO Superstore) are already completed. Ongoing works include casting of concrete slab for the station platform and demolition of the basement car park of the former Plaza Warisan.*
6. *Reinforced concrete slabs for the roof and intermediate levels have been completed.*

Engineering and Construction



7. Merdeka MRT Station



8. Merdeka MRT Station

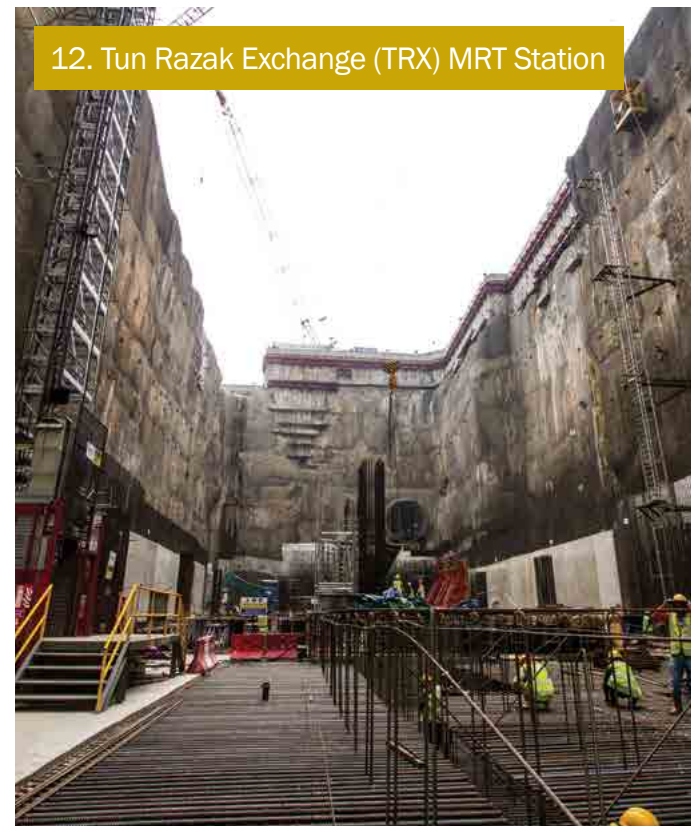
7. Reinforced concrete slab casting for the lower concourse and plant room construction at the station.
8. Aerial view of the station box showing the upper strata of the six-layer strutting that secures the station's diaphragm walls.

Two units of Earth Pressure Balance TBMs from the Pudu Launch Shaft will pass Merdeka MRT Station before continuing their journey towards their final destination – the Pasar Seni MRT Station, where they will complete the entire tunnelling works linking Semantan Portal and the Maluri Portal by early 2015.

9. Elevated view of the station box showing the completed roof slab and construction of the station's entrance from BB Plaza and Yayasan Selangor.

Two units of Variable Density TBMs (Inai 1 and 2) successfully completed the high-risk karstic limestone tunnelling for SBK Line after mining through the challenging Kenny Hills-karstic limestone interface in front of Pavilion shopping mall in July 2014. The TBMs have since tunnelled past Bukit Bintang MRT Station and will reach the Pudu Launch Shaft in October 2014.

10. Excavation for the four-storey Bukit Bintang MRT Station will reach a depth of 33.2m, almost the height of an 11-storey building.
11. Excavation and controlled rock-blasting work for the deepest underground station of the SBK Line is nearing tail-end. Construction work for the station box has commenced.
12. Construction at the lowest level of the six-storey MRT station are progressing fast.



12. Tun Razak Exchange (TRX) MRT Station



Engineering and Construction



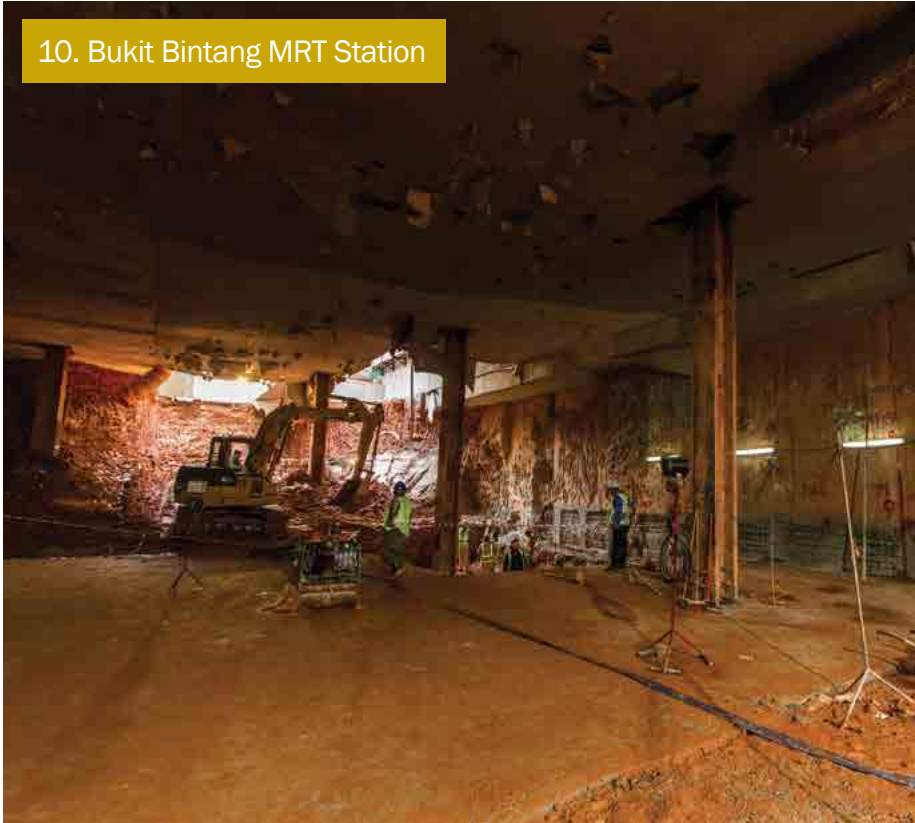
9. Bukit Bintang MRT Station



11. Tun Razak Exchange (TRX) MRT Station



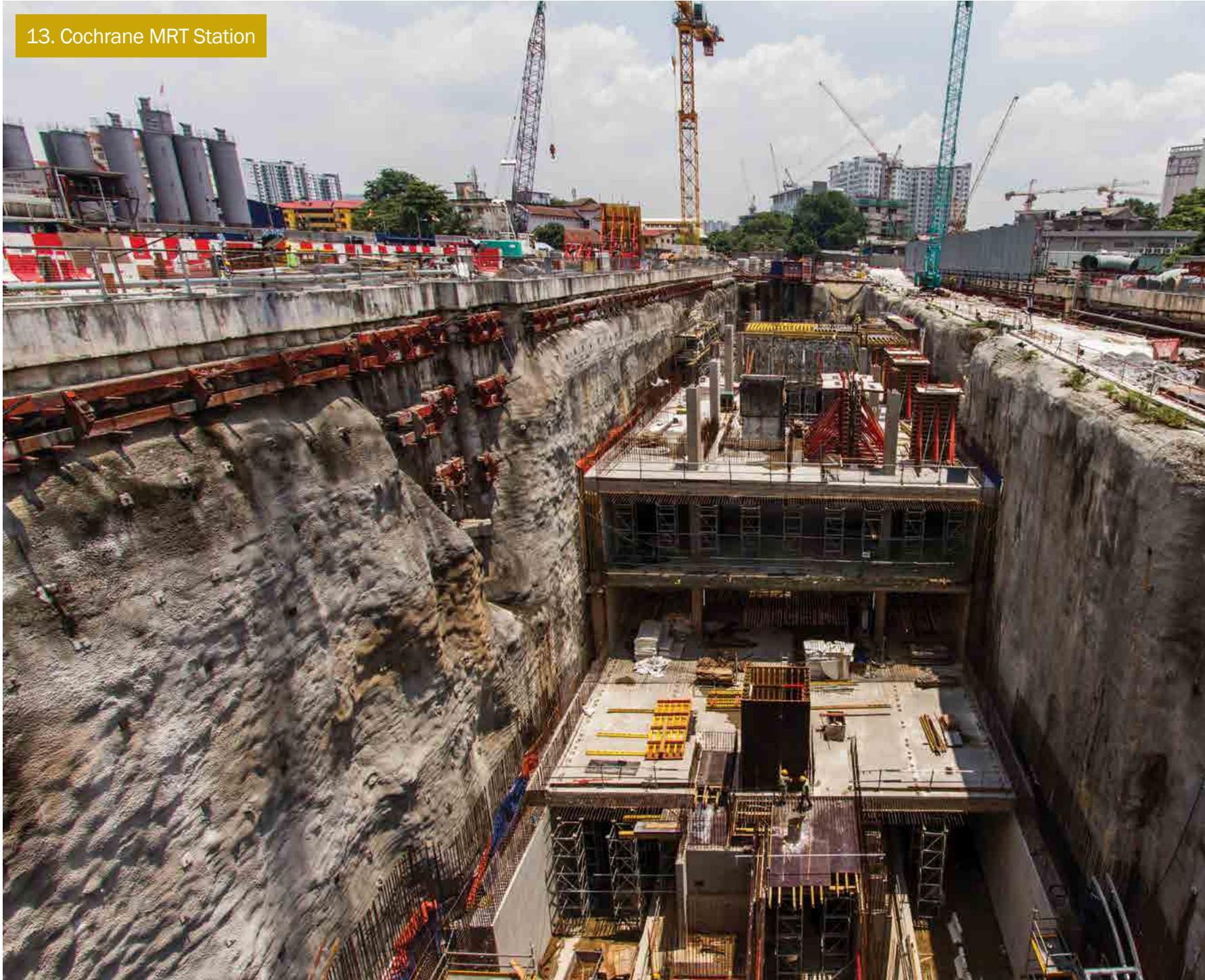
10. Bukit Bintang MRT Station



Engineering and Construction



13. Cochrane MRT Station



13. *Elevated view of the advanced stage of construction for the four-storey station. Concreting work for the internal structures such as upper plant room wall, lower level perimeter walls, liftcore and raiser wall, is moving at a fast pace.*
14. *Internal structures in the intermediate storeys such as escalators are already in place.*
15. *The twin tunnels linking Cochrane MRT Station with the subsequent Maluri MRT Station and Cochrane MRT Station with the preceding Tun Razak Exchange (TRX) MRT Station are already fully completed.*

Engineering and Construction



14. Cochrane MRT Station



15. Cochrane MRT Station



Engineering and Construction



16. Maluri Portal



17. Maluri MRT Station



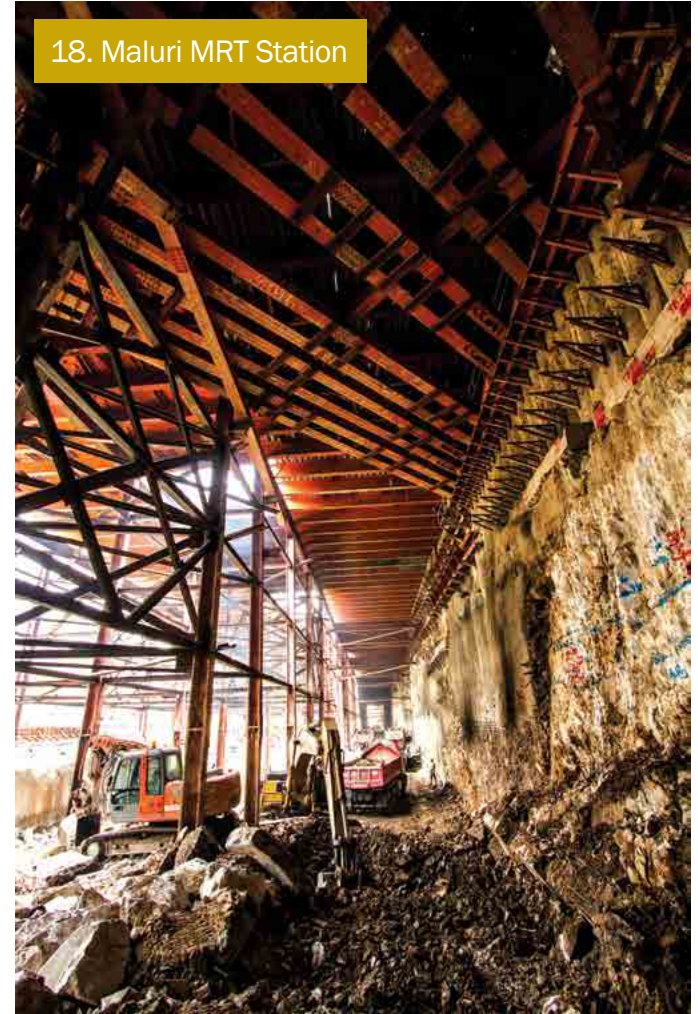
19. Maluri Portal



20. Maluri Portal



Engineering and Construction



18. Maluri MRT Station



16. Aerial view of the near completion stage for the transition structure between the underground tunnels and the elevated MRT guideway.
17. Preparations at the station box's concourse level for reinforced concrete slab casting.
18. Controlled rock blasting, excavation, shotcreting, strutting, ground anchor and king post bracing works taking place underneath the metro decking at Jalan Cheras.
19. Installation of second layer strutting, reinforced concrete work and slab casting progressing at the portal.
20. Two units of Variable Density TBMs mining from the Cochrane MRT Station reached the Maluri Portal in April 2014.

Engineering and Construction



21. Inai Launch Shaft



22. Inai Launch Shaft



23. Pudu Launch Shaft

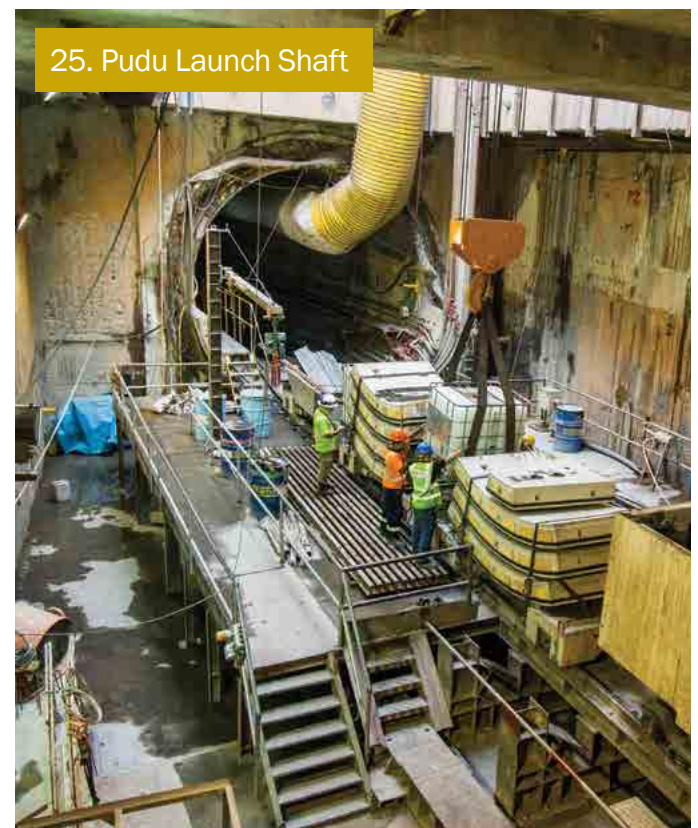


Engineering and Construction



24. Pudu Launch Shaft

21. SBK Line underground works employees performing tertiary grouting works on the completed tunnel section that heads toward the Pudu Launch Shaft.
 22. Inside the Inai 2 Variable Density TBM, launched from the Inai Launch Shaft and on its way to complete its journey at the Pudu Launch Shaft in October 2014.
 23. Aerial view of the Pudu Launch Shaft, preparing for the arrival of two units of Variable Density TBMs from the Inai Launch Shaft in October 2014.
 24. Picture shows workers in the Pudu 2 Earth Pressure Balance TBM preparing to load pre-cast tunnel lining segments to be sent to the segment erector. The TBM is mining towards the Pasar Seni MRT Station and is expected to breakthrough the station box by early 2015.
- Pudu 1, on the other hand, is expected to reach Pasar Seni MRT Station for the final breakthrough by January 2015 and conclude the entire tunnelling works for SBK Line.*
25. Picture shows neatly stacked pre-cast tunnel lining segments ready to be transported to the Pudu 2 Earth Pressure Balance TBM, currently building the tunnel towards the Pasar Seni MRT Station.



25. Pudu Launch Shaft

Engineering and Construction



CERTIFICATE OF PRACTICAL COMPLETION for the Padang Besar to Ipoh (Spine Line) was issued on 1 July 2014.

EDTP

The 329km Electrified Double Track Project (EDTP) will be fully completed by November 2014. The Certificate of Practical Completion for the Padang Besar to Ipoh (Spine Line) was issued on 1 July 2014 signalling the

completion of that line and hand-over to the client which was on schedule. Civil works and track works for the Bukit Mertajam to Butterworth (Spur Line) are substantially completed with only the systems installation nearing completion.



An inner view of the royal station in Kuala Kangsar, Perak. It is one of the major stations that consist of 300m length of platform as compared with other stations, 150m.

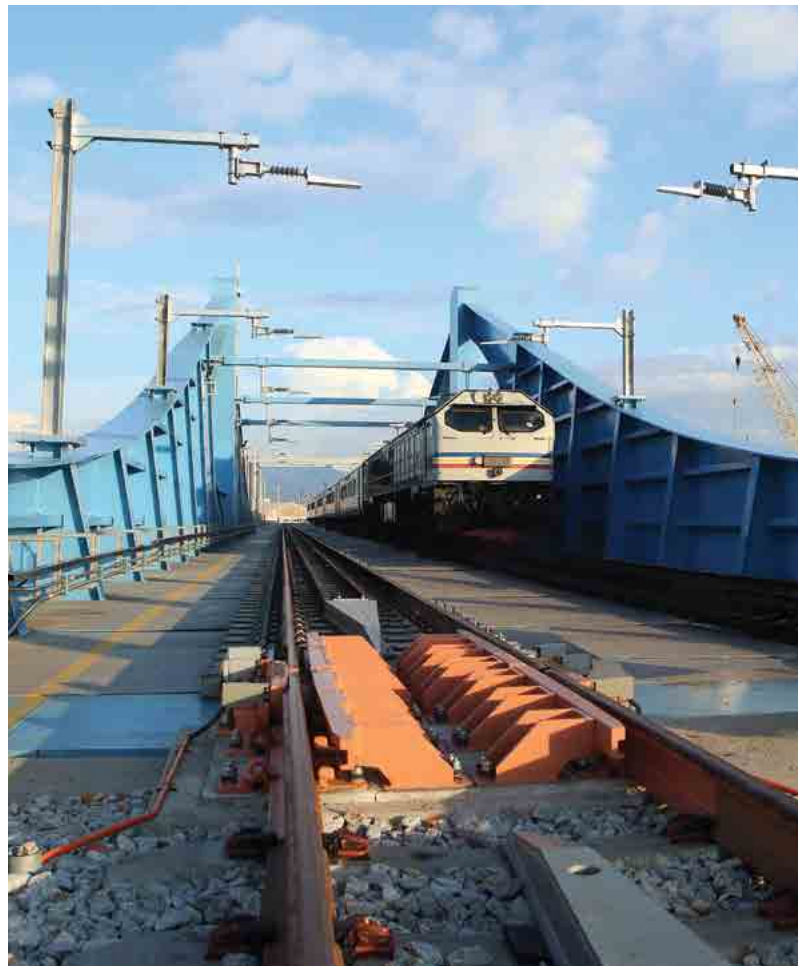


Interior of the 3.4km twin-bore tunnel in Bukit Berapit, Perak. The tunnel is completed with the installation of overhead electrification wiring and tracks.



This completed 3.3km double track railway Bukit Merah Marine Viaduct, Perak, is replacing the existing single track railway causeway crossing Bukit Merah Lake.

Engineering and Construction



The newly completed 282m Prai Swing Bridge, Penang, is taking over the existing 50-year-old single-track railway bridge which was built in 1960s. This swing bridge will be electrohydraulic driven, with a 90m-mid span which is able to rotate and swing.

PROSPECTS

The Group is optimistic that the implementation of the KVMRT Line 2 by the Government will be announced by end of 2014 and that MMC–Gamuda’s role as the PDP will be finalised.

Other projects which the Group is also in the midst of pursuing include the High-Speed Rail link between Kuala Lumpur and Singapore, the southern Electrified Double Track Project from Gemas to Johor Bahru, the East Coast Rail Route, KVMRT Line 3 and Penang Integrated Transport System.



Picture shows the completed northern Centralised Traffic Control (CTC) located in Bukit Mertajam, Penang. It controls the railway signalling that centralised the train operations according to the railway system designated along the northern Electrified Double Track Project (Ipoh – Padang Besar).



One of the completed royal stations in Anak Bukit, Kedah.



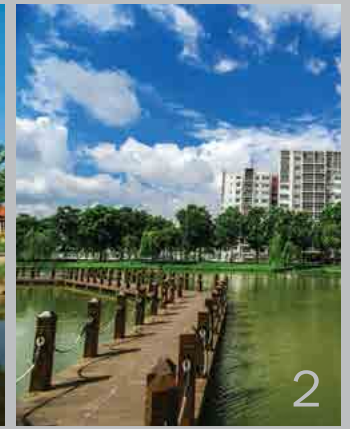
The completed 343m Larut Tunnel in Perak.

An aerial photograph showing a lush green golf course with several sand traps and a clubhouse in the center. The course is surrounded by dense tropical vegetation, including palm trees. In the background, a residential development with numerous houses and buildings is visible under a bright, hazy sky. The overall scene depicts a well-maintained and integrated community environment.

**Creating sustainable developments,
delivering innovation and quality to
enrich the communities we serve.**

Kota Kemuning in Shah Alam, Malaysia

PROPERTY DEVELOPMENT



THE EDGE MALAYSIA *Top Property Developers Awards 2014*

THE EDGE - PEPS
Value Creation Excellence
Award 2014 | Residential

1. Kota Kemuning is a self-contained mixed development township centred on resort and golf course living.
2. Celadon City is home to Ho Chi Minh's largest and most beautiful residential park.
3. Horizon Hills is the first undulating development in Iskandar, Malaysia, Johor, and features a 200-acre designer golf course.
4. Jade Hills contains 12 thematic gardens surrounded by landscaped walkways and lifestyle recreational facilities.

Property Development



The Kelana Jaya project will be the first in Petaling Jaya to offer its residents a 1km jogging track on its 5-acre podium outdoor park.

The division achieved its targeted sales of RM1.8 billion during this financial year amidst a challenging macro environment. Revenue was increased 23% from the previous financial year.



As at the end of **FY2014**, the division has an undeveloped land bank totalling **3,103 acres in Malaysia** and **592 acres in Vietnam**.

In Malaysia, the Government continues its pre-emptive policies to prevent household debts from becoming a source of systemic risk as property purchases are a major contributor to the household balance sheet. In the 2014 Budget, the Government raised the Real Property Gains Tax (RPGT) and the minimum price of properties that can be purchased by foreigners. These measures are aimed at curbing speculation and ensuring that property prices grow in line with its fundamentals.

Ongoing projects at Bandar Botanic in Klang, Jade Hills in Kajang, Madge Mansions and The Robertson in Kuala Lumpur and Horizon Hills in Iskandar Malaysia, Johor continue to achieve good take up rates. The Robertson achieved 80% take up rate for Phase 1 within the first week of launch.

In Vietnam, the first batch of residential landed properties in Gamuda City, Hanoi and the second block of apartments in

Celadon City, Ho Chi Minh City were handed over to buyers in April 2014. Sales for the latter picked up with the successful opening of Japan's AEON retail mall in January 2014.

Also during this financial year, Yen So Park in Gamuda City was officially opened to public. The official launch was witnessed by Y Bhg Dato' Seri Najib Tun Razak and Mr. Pham Quang Nghi, Party Secretary of Bureau Committee of Communist Party, Hanoi Communist Party.

PROSPECTS

The division is working on the master plans for the two acquired land parcels in the Klang Valley, the 724 acres at Kuang and 89 acres at Kundang which are expected to generate a GDV of RM4.7 billion and RM515 million respectively. Also in the development stage is a 4.86-acre SOHO development in Kelana Jaya which is expected to generate a GDV of RM628 million and is targeted to be launched in the next financial year.

In its effort to increase its land bank, the Group had on 31 July 2014, entered into a Share Sale Agreement with Salak Park Sdn Bhd for the acquisition of the entire equity interest in Salak Land Development Sdn Bhd, the company which owns a 1,530 acres plot of land located in Selangor along the Expressway Lingkar Tengah (ELITE Highway) for a total cash consideration of RM784.33 million. The Proposed Acquisition is expected to contribute positively to the future earnings and thereby improve shareholders' value over the medium to long-term.

As at the end of FY2014, the division has an undeveloped land bank totalling 3,103 acres in Malaysia and 592 acres in Vietnam with a combined Gross Development Value (GDV) of RM43 billion. The Group has allocated RM1.5 billion to expand its land bank in the next financial year.

Property Development



Upon completion, Gamuda Walk will be the new lifestyle hotspot for Kota Kemuning and its neighbouring residents.

KOTA KEMUNING, SHAH ALAM, SELANGOR

The first township built by the Group, Kota Kemuning is in its 19th year of development. Launched in 1995, this joint venture project was the first gated and guarded development in Malaysia. This 1,800-acre development which comprises of 8,676 units of bungalows, semi-detached and link homes, condominiums, townhouses and apartments as well as 1,367 units of commercial lots, semi-detached industrial and terraced factories will be home to its first retail mall Gamuda Walk, due to launch by end 2014.

Kota Kemuning has a remaining GDV of RM113 million.

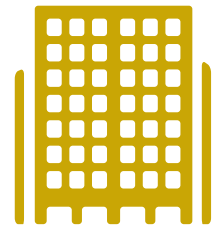


Children enjoying the vast green landscape of Valencia.

VALENCIA, SUNGAI BULOH, SELANGOR

This 280-acre upscale residential development is a favourite among expatriates. Located near the Forest Research Institute of Malaysia, the township comes with an exclusive residents-only golf course and serviced by a 28,000 sq ft clubhouse that offers an Olympic-sized swimming pool, gym, spa, tennis court, international and local cuisine restaurants.

Valencia completed its last phase of development this year.



KOTA KEMUNING
1,800-acre
development.

VALENCIA
comes with
an exclusive
residents-only
golf course and
serviced by a
28,000 sq ft
clubhouse.

Property Development



Nearing completion, the multiple award-winning Bandar Botanic remains the most sought-after address in Klang.

BANDAR BOTANIC, KLANG, SELANGOR

Located in Klang, Selangor, this 1,200-acre wholly owned integrated township development has fully matured. Since its launch in 2001, it is home to 9,262 residences and 893 commercial lots. The total GDV for this development is RM4.4 billion. This township features a signature Central Lake and landscape parks which forms the centre of attraction for the development. Catalysts to the success of this township are the one-stop wholesale city GM Klang and a dedicated interchange which provides direct access from the Shah Alam Expressway.

During this financial year, GM Klang's Tower 2 was launched with a take up rate of 93%. Bandar Botanic has a remaining GDV of RM274 million.



Nestled in the midst of coveted Embassy Row residences, Madge Mansions is redefining the elegance of luxury.

MADGE MANSIONS, KUALA LUMPUR

Located off Jalan U-Thant in the heart of the city, this luxurious mansion development offers owners an exclusive lifestyle within the city with dedicated concierge service, gymnasium and landscaped gardens. Limited to 52 spacious duplex units with a total GDV of RM262 million spread within three 10-storey blocks, this development has enjoyed encouraging sales since its soft launch in the previous financial year.

Property Development



Sprawling across over 300 acres, Jade Hills township is still the benchmark for epitome of finer living in Kajang.

JADE HILLS, KAJANG, SELANGOR

The 338-acre development is running into its eighth year from launch. The concept of this township is based on an oriental theme with abundance of greenery coupled with eco-friendly amenities and features such as roof gardens and recyclable materials.

Jade Hills has a remaining GDV of RM1.1 billion.



BANDAR BOTANIC

Since its launched in 2001, it is home to 9,262 residences and 893 commercial lots.

MADGE MANSIONS

52 spacious duplex units with a total GDV of RM262 million.

JADE HILLS

has a remaining GDV of RM1.1 billion.

Property Development



Surrounded by a tropical garden, D'Suites Condominium is the latest signature project located at the Horizon Hills.

HORIZON HILLS
1,200-acre
integrated freehold
development.



THE ROBERTSON
is connected
between two MRT
stations, two LRT
stations and a
Monorail station.

HORIZON HILLS, ISKANDAR MALAYSIA, JOHOR

Located in the heart of Iskandar Malaysia, Johor, this 1,200-acre integrated freehold development is positioned as a 'One with Nature' development. The key attraction is an 18-hole championship golf course surrounded by lush greenery.

The exclusive lifestyle concept offered is desired by many international property purchasers and Malaysians who work across the Straits of Johor. Due to its close proximity to our neighbouring country, Horizon Hills is fast becoming the preferred lifestyle township for those who work beyond Malaysian shores but wish to live in spacious and affordable homes.

Horizon Hills is a 50:50 joint venture development with UEM Sunrise and has a remaining GDV of RM4.2 billion.



The Robertson will change the pulse center of Kuala Lumpur City Business District when it is completed in year 2018.

THE ROBERTSON, KUALA LUMPUR

This development marks the Group's first foray into high-rise mixed development. Strategically located in the city centre, sitting on three acres of prime freehold land and conveniently connected between two MRT stations, two LRT stations and a Monorail station, it is poised to be the next talk of the town development. The Robertson features residential suites ranging from 527 sq ft to 807 sq ft, 3-storey shop lots and commercial lots with club facilities at the podium and roof top levels.

The Robertson has an estimated remaining GDV of RM526 million.

Property Development



Since its inception, Gamuda City has innovatively transformed a dilapidated Yen So Park to a garden township.

GAMUDA CITY, HANOI, VIETNAM

Launched in 2011, this 480-acre township development is a self-contained township comprising 4,326 units of terrace and semi-detached homes, villas, apartments and commercial lots surrounded by five large lakes within an adjoining world-class recreational park that was built as an urban renewal project.

This project is touted to be the most ambitious urban renewal development in Vietnam with a remaining GDV of RM6.9 billion.



Having the most expansive public urban park in Ho Chi Minh, Celadon City is fast becoming the most preferred township in Vietnam.

CELADON CITY, HO CHI MINH CITY, VIETNAM

Located within Ho Chi Minh City, this 39.5-acre development is set apart from the aging residential developments in the city. It offers home owners an eco-modern lifestyle where residents can experience an integrated contemporary lifestyle fused with lush greenery, waterfront lakes and practical open spaces.

On January 2014, AEON Mall Tan Phu Celadon which is located in the residential complex of Celadon City, opened its door to the public. The first 10 days of soft opening saw around 30,000 people on weekdays and 70,000 on weekends thronging the newly opened mall.

The Group anticipates that the take up rate of the residential units will increase with the new retail mall now opened, driving more awareness and traffic to the development. Celadon City has a remaining GDV of RM4.7 billion.

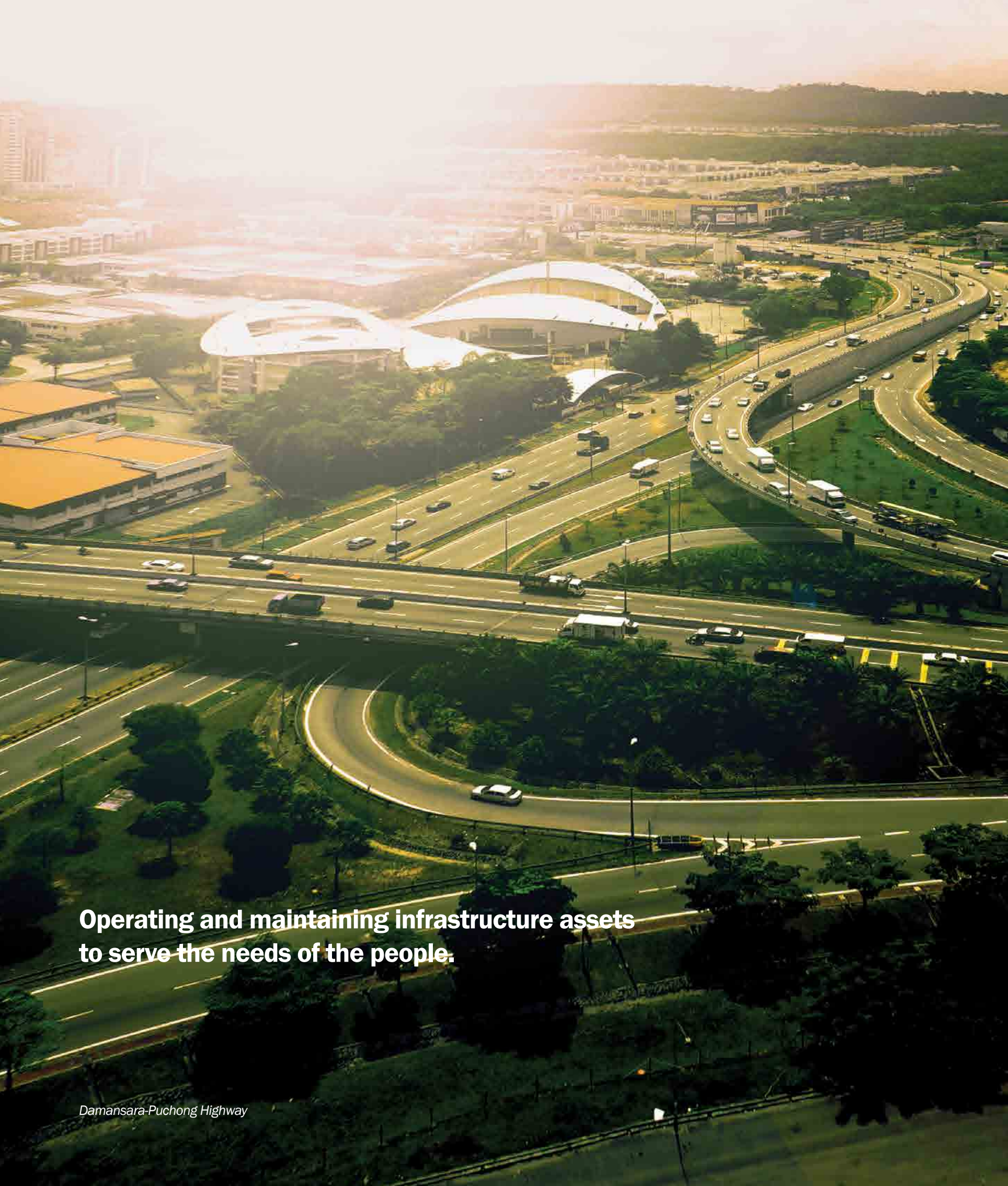


GAMUDA CITY

480-acre township development.

CELADON CITY

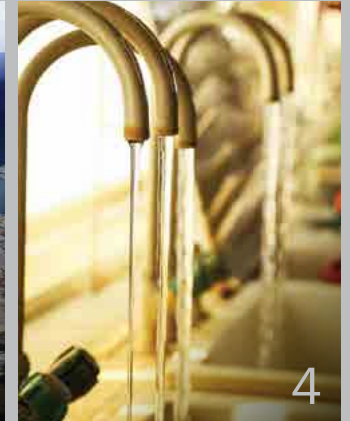
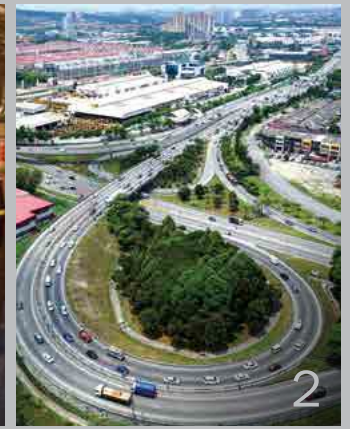
The newly launched AEON Mall Tan Phu Celadon in Celadon City attracted almost 100,000 visitors on the first 10 days of soft opening.



**Operating and maintaining infrastructure assets
to serve the needs of the people.**

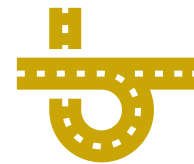
Damansara-Puchong Highway

INFRASTRUCTURE CONCESSIONS



1. The dual purpose Stormwater Management and Road Tunnel (SMART) was designed to mitigate floods and alleviate congestion in Kuala Lumpur.
2. Interweaved with the Shah Alam Expressway, SPRINT Highway and the North-South Expressway, Lebuhraya Damansara-Puchong brings critical connectivity to areas in Sunway, Puchong to Damansara.
3. The Sungai Selangor Dam is a 110m-high rockfill dam, designed to store and regulate a maximum capacity of 235 million cubic metres of water. It is built as part of the Sungai Selangor Water Supply Scheme Phase 3 project.
4. We treat and supply up to 2000 ml (million liters per day) of potable water for residents in Selangor and the Federal Territories of Kuala Lumpur and Putrajaya.

Infrastructure Concessions



The infrastructure division achieved a PBT of RM367 million, an increase of 35% over the previous year due to our increased stake in KESAS.



Gamuda's stake in Kesas Holdings has increased to 70% after the successful acquisitions of 40% equity interest from Amcorp Properties Bhd and Permodalan Nasional Bhd.

EXPRESSWAYS

Highways division continue to perform steadily. During this financial year, the Company had made offers to the remaining shareholders of Kesas Holdings Berhad ("Kesas Holdings") namely, Perbadanan Kemajuan Negeri Selangor ("PKNS"), Permodalan Nasional Berhad ("PNB") and Amcorp Properties Berhad ("Amcorp Properties"), to acquire their entire equity interest, collectively representing 70% equity interest in Kesas Holdings. Kesas Holdings is the holding company of Kesas Sdn Bhd, the concession holder of Shah Alam Expressway.

On March and June 2014, the Company had completed the acquisition of Amcorp Properties,



The Company now holds **70%** equity interest in Kesas Holdings.



Average weekday tollable traffic at LDP increased from 497,000 vehicles to **501,000** vehicles.

20% equity interest and PNB's 20% equity interest in Kesas Holdings respectively, for RM570 million. The Company now holds 70% equity interest in Kesas Holdings with the remaining 30% held by PKNS.

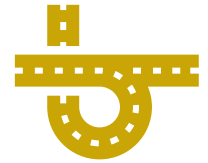
As for the other three tolled highways, namely Damansara-Puchong Highway (LDP), Western Kuala Lumpur Traffic Dispersal System (SPRINT) and the Stormwater Management and Road Tunnel (SMART), contributions to the earnings continue to grow steadily.

For LDP, the average weekday tollable traffic increased from 497,000 vehicles to 501,000 vehicles representing a 1% increase in tollable traffic from

previous year. For SPRINT, tollable traffic increased from 237,000 vehicles to 248,000 vehicles this financial year representing a 4.6% growth rate from previous year. Traffic volumes for SMART has increased to 40,000 vehicles per day.

The toll increases due on LDP and SPRINT Highways continued to be deferred with the Government of Malaysia compensating both Lingkaran Trans Kota Sdn Bhd (LITRAK) and Sistem Penyuraian Trafik Barat Sdn Bhd in accordance with the provisions of the Concession Agreement. There is a scheduled toll hike in 2015 which would help boost revenue for SPRINT. Meanwhile, LDP is expected to see a toll increase in 2016.

Infrastructure Concessions



The Puchong Selatan toll plaza continues to see strong traffic growth as it is a crucial gateway to Putrajaya and Cyberjaya.



The water aeration process increases the oxygen level to eliminate bad odour from raw water.

WATER SUPPLY

The water impasse continues for Syarikat Pengeluar Air Selangor Holdings Berhad (“Splash Holdings”) in this financial year. On 26 February 2014, the Company has received an offer of RM250.6 million from Kumpulan Darul Ehsan Berhad (KDEB), an entity wholly-owned by the Selangor State Government to purchase 100% equity interest in Splash Holdings which is the holding company for Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (Splash), the concession holder of Sungai Selangor Water Supply Scheme Phase 1 and 3. The Company was constrained to accept the offer because if accepted, this offer would result in a huge divestment loss of RM920 million as the amount offered is below 10% of

Splash Holdings’ Net Asset Value (NAV). Splash Holdings’ NAV at 31 December 2013 was RM2.54 billion. The offer was therefore not accepted by the Company. The Company had then informed KDEB that it was however, amenable to accepting an offer to acquire the equity of Splash Holdings upon mutually agreed terms on a ‘willing buyer – willing seller’ basis.

Meanwhile, Splash received a letter from Lembaga Urus Air Selangor (LUAS) informing Splash that its existing license to extract raw water expiring 30 June 2014 will not be renewed resulting in Splash filing an application in the Kuala Lumpur High Court for leave to issue Judicial Review proceedings against LUAS’s decision. The High Court Judge granted leave to Splash to issue

Judicial Review proceedings and a stay order against LUAS’s decision on 20 June 2014.

The impasse reached its peak when the State Government sought Federal Government’s approval to invoke Section 114 of WASIA to take over the operation of Splash. The Group is currently working with both Federal and State Government to come up with an acceptable ‘win-win’ solution for all parties and foresee the negotiations will continue in the next financial year.

The Group foresee further continuous steady growth and earnings from both the highways and water supply divisions.



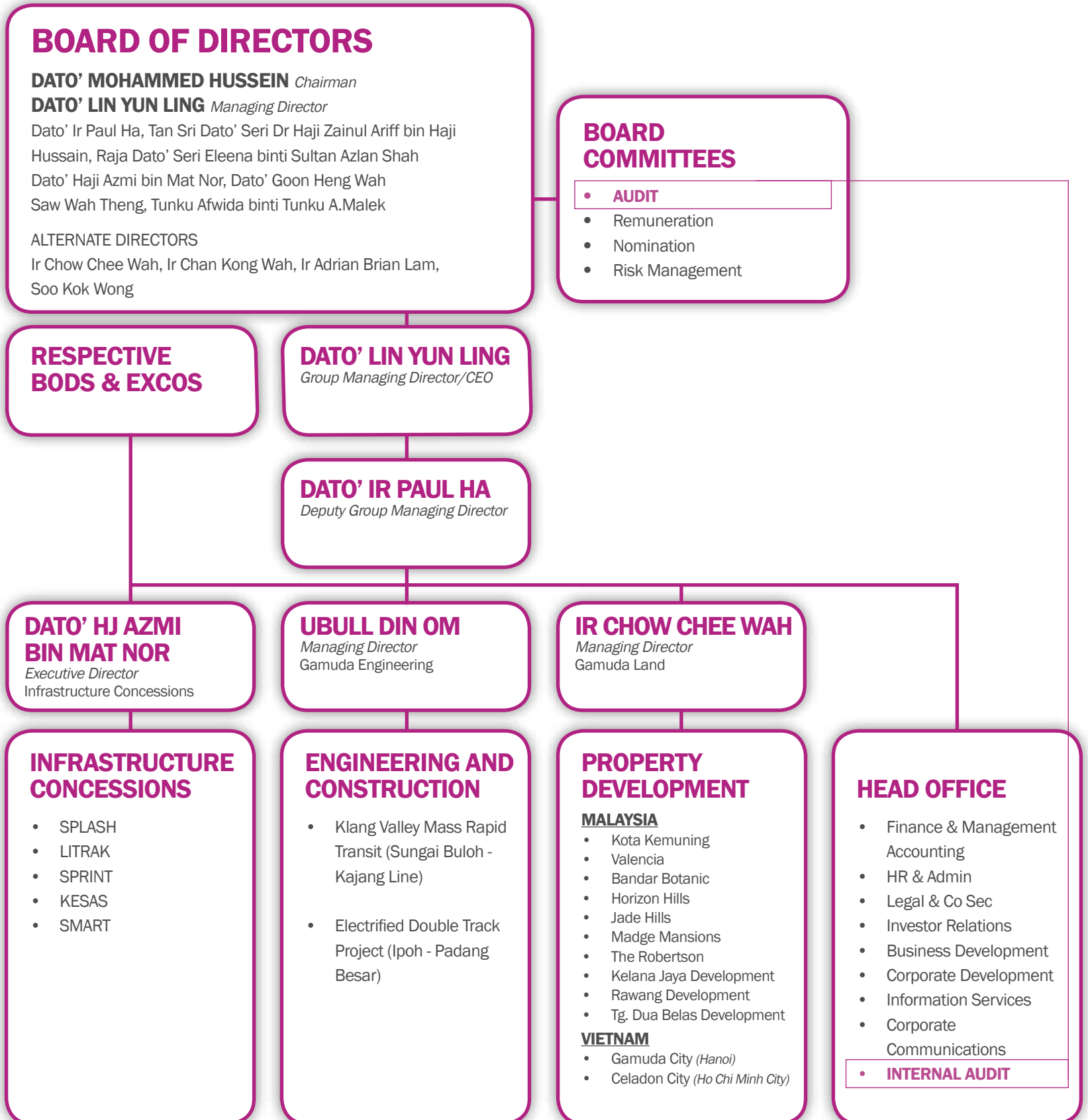
The Group foresee further continuous **STEADY GROWTH** and earnings from both the highway, and water supply divisions.



CORPORATE INFORMATION

Group Organisation Structure	67
Board of Directors	68 - 69
Directors' Profile	70 - 77
Corporate Data	78
Corporate Structure	79

Group Organisation Structure



Board of Directors



1 DATO' MOHAMMED HUSSEIN
Non-executive Chairman (independent)

2 DATO' LIN YUN LING
Group Managing Director

3 DATO' IR HA TIING TAI
Deputy Group Managing Director

4 TAN SRI DATO' SERI DR HAJI ZAINUL ARIFF BIN HAJI HUSSAIN
Senior Independent Non-executive Director

5 RAJA DATO' SERI ELEENA BINTI SULTAN AZLAN SHAH
Non-executive Director (non-independent)

6 DATO' GOON HENG WAH
Executive Director

7 SAW WAH THENG
Executive Director

Board of Directors



**8 DATO' HAJI AZMI
BIN MAT NOR**
Executive Director

**9 TUNKU AFWIDA
BINTI TUNKU A.MALEK**
Non-executive Director (independent)

10 IR CHOW CHEE WAH
Alternate Director to Dato' Lin Yun Ling

11 IR ADRIAN BRIAN LAM
Alternate Director to Dato' Ir Ha Tiing Tai

12 IR CHAN KONG WAH
Alternate Director to Dato' Goon Heng Wah

13 SOO KOK WONG
Alternate Director to Saw Wah Theng

Directors' Profile



DATO' MOHAMMED HUSSEIN

Non-executive Chairman (independent)

BOARD COMMITTEE MEMBERSHIP

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

OTHER DIRECTORSHIPS OF PUBLIC COMPANIES

- Bank of America Malaysia Berhad
- Hap Seng Consolidated Berhad
- Danajamin Nasional Berhad
- CapitaCommercial Trust Management Limited

He holds a Bachelor of Commerce (Accounting) degree from the University of Newcastle, Australia and had attended the Harvard Business School Advanced Management Programme in Boston, USA. Age 64.

Dato' Mohammed Hussein has been on the Board as Chairman since 12 December 2013.

Previously, he was with the Malayan Banking Berhad ("Maybank") Group for 31 years, during which time he held senior management positions including as Head of Corporate Banking, Head of Commercial Banking, Head of Malaysian Operations, Managing Director of Aseambankers Malaysia Berhad and Executive Director (Business Group). Prior to his retirement from the Maybank Group in January 2008, he was the Deputy President/Executive Director/Chief Financial Officer. Presently, as well as being the Non-executive Chairman of Danajamin Nasional Berhad, Quill Capita Management Sdn Bhd and Malaysia Commercial Development Fund Pte Ltd, he is also a member of the Corporate Debt Restructuring Committee sponsored by Bank Negara Malaysia to facilitate the resolution and restructuring of major corporate debts.

Having worked in predominantly banking and financial roles, Dato' Mohammed Hussein's experiences enable him to bring highly valued advice to the Board and make him ideally suited to chair the Board as well as the Audit and Remuneration Committees.

Directors' Profile



DATO' LIN YUN LING

Group Managing Director

BOARD COMMITTEE MEMBERSHIP

- Member of the Remuneration Committee

OTHER DIRECTORSHIPS OF PUBLIC COMPANIES

- Lingkaran Trans Kota Holdings Berhad

Dato' Lin holds a Bachelor of Science (Honours) degree in Civil Engineering from King's College, University of London, UK. Age 59.

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 36 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 visions have been and will continue to be crucial in leading the Group into the future.

Directors' Profile



DATO' IR HA TIING TAI

Deputy Group Managing Director

BOARD COMMITTEE MEMBERSHIP

- None

OTHER DIRECTORSHIPS OF PUBLIC COMPANIES

- Danau Permai Resort Berhad

Dato' Ir Ha holds a Bachelor of Engineering (Honours) degree from University of Malaya. He is a Professional Engineer registered with the Board of Engineers, Malaysia; a Chartered Structural Engineer and a Chartered Engineer registered with the Engineering Councils, UK; a Fellow of the Institution of Engineers Malaysia; a Fellow of The Institution of Civil Engineers, UK; a Fellow of the Institution of Structural Engineers, UK and a Fellow of the Institution of Highways And Transportation, UK. Age 60.

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

As Deputy Group Managing Director, Dato' Ir Ha assists the Group Managing Director in managing the Group's local and international engineering and construction, property development and infrastructure concession business divisions. Currently, through the Company's role as Project Delivery Partner (PDP), and Underground Works contractor, he also manages the implementation of the massive Klang Valley MRT Project.

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 also appointed Vice President of the China Economic & Trade Promotion Agency in September 2010 on a 5-year term.

TAN SRI DATO' SERI DR HAJI ZAINUL ARIFF BIN HAJI HUSSAIN

Senior Independent Non-executive Director

BOARD COMMITTEE MEMBERSHIP

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

OTHER DIRECTORSHIPS OF PUBLIC COMPANIES

- FSBM Holdings Berhad (Chairman)

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. He has also been awarded Honorary Doctorate of Public Administration by Universiti Putra Malaysia and Honorary Doctorate of Public Management by Universiti Malaysia Perlis. Age 68.

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 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, former Director of MISC Berhad and Global Maritime Ventures Berhad, and former Chairman of the Boards of Universiti Putra Malaysia and Universiti Malaysia Perlis. He is currently the Chairman of the Board of Governors of Cyberjaya University College of Medical Sciences.

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 is also the current Senior Independent Director for communication between the shareholders and the Board.

Directors' Profile



RAJA DATO' SERI ELEENA BINTI SULTAN AZLAN SHAH

Non-executive Director (non-independent)

BOARD COMMITTEE MEMBERSHIP

- None

OTHER DIRECTORSHIPS OF PUBLIC COMPANIES

- KAF-Seagroatt & Campbell Berhad

Raja Dato' Seri Eleena is a Barrister-at-Law from Lincoln's Inn, London, UK. Age 54.

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 a major shareholder of Gamuda through her interest in Generasi Setia (M) Sdn Bhd.

DATO' HAJI AZMI BIN MAT NOR

Executive Director

BOARD COMMITTEE MEMBERSHIP

- None

OTHER DIRECTORSHIPS OF PUBLIC COMPANIES

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

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 56.

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 of JKR Kuala Lumpur (Road Branch).

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.

Directors' Profile



DATO' GOON HENG WAH

Executive Director

BOARD COMMITTEE MEMBERSHIP

- None

OTHER DIRECTORSHIPS OF PUBLIC COMPANIES

- Danau Permai Resort Berhad

He holds a Bachelor of Engineering (Honours) degree from South Bank University, UK. Age 58.

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, amongst which is the ongoing Klang Valley MRT Project.

Dato' Goon also 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 infrastructure project mobilisation and implementation.

SAW WAH THENG

Executive Director

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
- Syarikat Pengeluar Air Selangor Holdings Berhad

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 57.

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.

Directors' Profile



TUNKU AFWIDA BINTI TUNKU A.MALEK

Non-executive Director (independent)

BOARD COMMITTEE MEMBERSHIP

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

OTHER DIRECTORSHIPS OF PUBLIC COMPANIES

- Export-Import Bank of Malaysia Berhad
- PUC Founder (MSC) Berhad

Tunku Afwida holds a Bachelor of Science (Honours) degree in Economics and Accountancy from City University London, UK; qualified as a Chartered Accountant from the Institute of Chartered Accountants in England and Wales and is a member of the Malaysian Institute of Accountants. Age 49.

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

Tunku Afwida has had held senior roles in investment banks. 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.

IR CHOW CHEE WAH

Alternate Director to Dato’ Lin Yun Ling

BOARD COMMITTEE MEMBERSHIP

- None

OTHER DIRECTORSHIPS OF PUBLIC COMPANIES

- Horizon Hills Resort Berhad

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 56.

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 32 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.

Directors' Profile



IR ADRIAN BRIAN LAM

Alternate Director to Dato' Ir Ha Tiing Tai

BOARD COMMITTEE MEMBERSHIP

- None

OTHER DIRECTORSHIPS OF PUBLIC COMPANIES

- None

He holds a Bachelor of Engineering degree from Monash University, Australia. He is a Professional Engineer registered with the Board of Engineers, Malaysia and a member of the Institution of Engineers Malaysia. Age 57.

A civil engineer, Ir Adrian joined the Board as Alternate Director to Dato' Ir Ha Tiing Tai on 8 March 2013.

He has over 30 years of experience in civil engineering works. He was Associate Director/Chief Highway Engineer of engineering consultancy Sepakat Setia Perunding Sdn Bhd prior to joining the Company in 1995. He has

remarkable experience in the design and technical aspects of construction, fortified by his considerable number of years of experience working within the Group. Ir Adrian presently heads the Design and Technical Services Division of the Company.

IR CHAN KONG WAH

Alternate Director to Dato' Goon Heng Wah

BOARD COMMITTEE MEMBERSHIP

- None

OTHER DIRECTORSHIPS OF PUBLIC COMPANIES

- None

Ir Chan holds a Bachelor of Science (Engineering) degree from University of London, King's College, UK. He is a Professional Engineer registered with the Board of Engineers, Malaysia; a member of the Institution of Engineers Malaysia and a Chartered Engineer of The Institution of Civil Engineers, UK. Age 58.

A civil engineer, Ir Chan joined the Board as Alternate Director to Dato' Goon Heng Wah on 8 March 2013.

He has 36 years of experience in civil engineering works. He was Head of Facility, Engineering Division of Pengurusan LRT, Kuala Lumpur prior to joining the Company in 1995. Ir Chan was previously the Managing Director of Gamuda Engineering Sdn Bhd. He is highly experienced in managing the construction of highways, airports and water supply schemes in Malaysia, the United Kingdom, Middle East and India. He is also involved in the Electrified Double-tracking Railway Project from Ipoh to Padang Besar and the Klang Valley MRT Project in Malaysia.

Directors' Profile



SOO KOK WONG

Alternate Director to Saw Wah Theng

BOARD COMMITTEE MEMBERSHIP

- None

OTHER DIRECTORSHIPS OF PUBLIC COMPANIES

- None

Mr Soo is a Fellow member of the Association of Chartered Certified Accountants (ACCA), UK and a member of the Malaysian Institute of Accountants. Age 44.

A chartered accountant, Mr Soo joined the Board as Alternate Director to Saw Wah Theng on 8 March 2013.

He was attached to a major accounting firm in Malaysia prior to joining the Company in 1996. He has vast experience in accounting, tax, audit, finance, treasury and budgetary control and presently heads the Company's Financial Management and Accounting Department.

NOTES:

- 1 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.
- 2 None of the Directors has any family relationship with any Director and/or major shareholder of the Company.

Corporate Data



Board of Directors

Y Bhg Dato' Mohammed Hussein
(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' Seri Dr Haji Zainul Ariff bin Haji Hussain

Y T M Raja Dato' Seri Eleena binti Sultan Azlan Shah

Y Bhg Dato' Haji Azmi bin Mat Nor

Y Bhg Dato' Goon Heng Wah

Mr Saw Wah Theng

Y M Tunku Afwida binti Tunku A.Malek

Ir Chow Chee Wah
(Alternate to Y Bhg Dato' Lin Yun Ling)

Ir Adrian Brian Lam
(Alternate to Y Bhg Dato' Ir Ha Tiing Tai)

Ir Chan Kong Wah
(Alternate to Y Bhg Dato' Goon Heng Wah)

Mr Soo Kok Wong
(Alternate to Mr Saw Wah Theng)

Audit Committee

Y Bhg Dato' Mohammed Hussein (Chairman)

Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain

Y M Tunku Afwida binti Tunku A.Malek

Nomination Committee

Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain (Chairman)

Y Bhg Dato' Mohammed Hussein

Y M Tunku Afwida binti Tunku A.Malek

Remuneration Committee

Y Bhg Dato' Mohammed Hussein (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' Seri Dr Haji Zainul Ariff bin Haji Hussain
E-mail : zainulariff@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

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

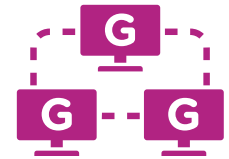
Main Market of Bursa Malaysia Securities Berhad
Stock Code : Gamuda
Stock No : 5398

Website

www.gamuda.com.my

Corporate Structure

As at 2 October 2014



Expressway Tolling & Management

Kesas Sdn Bhd	70%
Sistem Penyuraian	53%
Trafik KL Barat Sdn Bhd	
Syarikat Mengurus	50%
Air Banjir & Terowong Sdn Bhd	
Mapex Infrastructure Private Limited	50%
Emas Expressway Private Limited	50%
Lingkar Trans Kota Sdn Bhd	45%

Water Related

Gamuda Water Sdn Bhd	80%
Syarikat Pengeluar	40%
Air Sungai Selangor Sdn Bhd	

Construction

Gamuda Engineering Sdn Bhd	100%
Masterpave Sdn Bhd	100%
Ganaz Bina Sdn Bhd	100%
Gamuda Saudi Arabia L.L.C.	100%
Gamuda-WCT (India) Private Limited	70%
MMC-Gamuda Joint Venture Sdn Bhd	50%
MMC Gamuda	50%
KVMRT (PDP) Sdn Bhd	
MMC Gamuda	50%
KVMRT (T) Sdn Bhd	

Trading

Gamuda Trading Sdn Bhd	100%
------------------------	------

Property/Township

Infrastructure Development

Gamuda Land Sdn Bhd	100%
Jade Homes Sdn Bhd	100%
Harum Intisari Sdn Bhd	100%
Madge Mansions Sdn Bhd	100%
Valencia Development Sdn Bhd	100%
Gamuda Land Vietnam Limited Liability Company	100%

Gamuda Land (HCMC) Sdn Bhd	100%
Idaman Robertson Sdn Bhd	100%
Setara Hati Sdn Bhd	100%
Reka Strategi Sdn Bhd	100%
Temasek Eksklusif Sdn Bhd	100%
Dinamik Atlantik Sdn Bhd	100%
Lifestyle Heritage Sdn Bhd	100%
Semarak Kuasa 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%
Gamuda GM Klang Sdn Bhd	50%
Gamuda GM Sdn Bhd	50%

Property Management & Maintenance

Botanic Property Services Sdn Bhd	100%
Rebung Property Services Sdn Bhd	100%
Jade Homes Property Services Sdn Bhd	100%
Valencia Township 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%
GIT Services Sdn Bhd	100%
Gamuda Paper Industries Sdn Bhd	95%
GPI Trading Sdn Bhd	95%
Dyna Plastics Sdn Bhd	41%
Madang Permai Sdn Bhd	36%

Investment

Gamuda Overseas Investment Ltd	100%
Megah Capital Sdn Bhd	100%
Gamuda (Offshore) Private Limited	100%
Gammau Construction Sdn Bhd	100%
Kesas Holdings Berhad	70%
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%
Lingkar Trans Kota Holdings Berhad	45%
Syarikat Pengeluar Air Selangor Holdings Berhad	40%

Landscaping

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



**Transforming lives through
knowledge and skills development.**

NURTURING OUR NEXT GENERATION



1. LITRAK Group Deepavali Charity Event for children at the Rumah Kanak-Kanak Kasih Sayang.
2. Families of Gamuda Berhad participated in the Drawing Competition where winners' artworks were featured in Gamuda's corporate calendar.
3. Delhi Metro engineers performing shotcrete process as part of the Tunnel Training Academy (TTA) training module.
4. Among the 15 jubilant recipients of Gamuda Scholarship Award 2014.



CORPORATE RESPONSIBILITY

Marketplace	83 - 88
Workplace	89 - 101
Environment	102 - 108
Community	109 - 110
Calendar of Events	111 - 119

Marketplace



Ethical leadership and accountability stay at the top of our agenda in all our dealings with the broad community, to instil confidence and trust in our solutions, products and services.

In line with this approach, the Group places emphasis on ethical and transparent procurement, environmental preservation, product stewardship and responsible engagement that is pervasive across all divisions and subsidiaries.

Further reference to Gamuda's best corporate governance practices and approach to risk management is available in the Corporate Governance section, pertaining to the Corporate Governance Statement and the Statement on Risk Management and Internal Control.

Procurement Policy

• GROUP PROCUREMENT POLICIES AND PROCEDURES (G3P)

The G3P was established to govern and standardise all procurement activities within the Group that encompass works, equipment, supplies and services for all projects undertaken by the Group. The application of G3P is mandatory for Gamuda and its Group of Companies and all its employees engaged in all procurement activities, whether directly or indirectly.

Among the G3P's founding objectives are:

- To streamline and centralise Gamuda Group Procurement Policies and Procedures;
- To create standard procedure in all procurement practices and processes to be followed within Gamuda;
- To ensure efficient, transparent and ethical procurement practices;
- To achieve Best Value for Money without compromising on quality, delivery and other price and non-price factors and taking into consideration of all legal, financial, commercial and technical aspects;
- To ensure the activities throughout the procurement process are conducted in an impartial, reliable and economic manner; and
- To conduct procurement activities effectively by demonstrating the highest standard of integrity and professionalism.

Marketplace



The G3P was established to govern and standardise all procurement activities within the Group that encompass works, equipment, supplies and services for all projects undertaken by the Group.



Employees of Gamuda are required to adhere and comply with the Gamuda Procurement Codes of Conduct (GPCC) at all times.

Procurement procedures that fall under the G3P include:

- a. Procurement of sub-contract works
- b. Procurement of equipment and material supplies
- c. Procurement of consultant services
- d. Approved vendor list

- **GAMUDA PROCUREMENT CODES OF CONDUCT (GPCC)**

Employees of Gamuda are required to adhere and comply with the Gamuda Procurement Codes of Conduct (GPCC) at all times. Employees engaged in any form of procurement activities are strictly required to execute their duties in the best interest of the Group.

The following are the GPCC in relation to procurement activities to be adhered and complied with by all employees:

Code 1 : Implementation and Enforceability

The Group's management is responsible to ensure that G3P is uniformly implemented throughout the respective company and its subsidiaries in relation to all projects. The recommended disciplinary action will be taken against any of the offences committed.

Code 2 : Confidentiality

Confidentiality of information shall be observed at all times including technical information (particularly with regard to Gamuda projects, financial data, commercial data, strategies, manuals, professional documents, operating procedures and tenders related information).

Confidentiality is to be observed for all information provided by the tendering companies including technical and commercial analysis documents.

Code 3 : Segregation of Duties

To the extent that it is applicable, no employee is allowed to perform more than one of the following duties at any one time:

- a. Appointed as a Member of Tender Opening Committee (TOC)
- b. Appointed as a Member of Technical Evaluation Committee (TEC)
- c. Appointed as a Member of Financial Evaluation Committee (FEC)
- d. Appointed as a Member of Legal Evaluation Committee (LEC), and
- e. Appointed as a Member of Commercial Evaluation Committee (CEC)

Marketplace



In certain occasion, the TEC, FEC and LEC could be joined as one evaluation team in performing evaluation of technical and financial know as Technical-Financial-Legal Evaluation Committee (TFLEC). In such occasion, the TFEC shall ensure that every duty is clearly segregated so that no conflict of interest can arise and that the exposure of risk on malpractices could be totally eliminated.

Code 4 : Clear and Fair Contract

All employees engaged in procurement activities should be honest and shall observe impartiality towards any tenders or bids including the provision for fair contractual terms and conditions. The Group reserves the right to conduct audit on any contractor and consultant to verify the said application for participation in any procurement activities.

Code 5 : Conflict of Interest

All employees involved in procurement activities shall avoid themselves from any form of conflict of interest; such conflicts are likely to have adverse effects on actions and decisions made by such persons.

Code 6 : Declaration of Interest

All employees are duty bound to declare and disclose to the respective senior management of Gamuda of any material fact or relationship that could be reasonably presumed to cause and/or create a conflict of interest, failing which the respective senior management shall reserve the right to take disciplinary action against the employee.

Code 7 : Free Competition

All procurements shall be conducted in accordance with the rules of free competition. The invitation of competitive bids is one of the basic principles in the quest for quality competitiveness. As such invitation to tender or quote shall be made in accordance to the rules and regulations as stipulated in this G3P to promote healthy competition.

Code 8 : Equal Treatments on Contractor

All employees shall apply equal treatment to contractor or consultant through these guidelines:

- a. To select contractor and consultant who has shown the ability to meet

the requirement such as special skills, related experience, good track record, production capacity and possess sound financial capacity;

- b. Not to select bidder who has expressed no interest to bid or work with Gamuda;
- c. Not to disclose the identity of other bidders to any bidder;
- d. The same tender or bidding documents including addendum and clarification, whether printed or in electronic form shall be issued to all contractors or consultants.

Code 9 : Contracts

All contractual commitments, expressed or implied shall be evident by way of a written document which shall accurately reflect the outcomes of award or negotiation and that consent had been reached, which shall be in line with the contractual terms and conditions as advised and agreed by Gamuda.

Marketplace



Code 10 : Bribery and Corruption

All employees shall decline all forms of bribery and corruption. Particular attention shall be given to this guideline during the procurement process.

In the event an employee was made an offer or was given an attempted bribe from any individual, contractor or consultant, the solicited employee should immediately lodge a report of the incident to his/her respective senior management including the Head of Internal Audit. The legal provision with regards to bribery in Malaysia is stipulated under the Malaysian Anti-Corruption Commission Act 2009 (Act 694).

Code 11 : Entertainment

All employees are not permitted to accept offers for any kind of social entertainment or trips for leisure sponsored by any individual, contractor, consultant, agent or proxy of the individual, contractor or consultant given with the intention to seek any benefit to the individual, contractor or consultant.

Code 12 : Gratuities

Employees of Gamuda are not obliged to any individual, contractor or consultant in the course of procurement activities and shall not participate in any transaction which the Employee may personally benefit.

This include acceptance of any gifts, benefits, compensation or consideration as an inducement or reward in one lump sum of over a series of payment of cash or non-cash from an individual, agent or proxy of the contractor or consultant for doing or refraining from doing or to show favouritism or disapproval to any contractor or consultant.

Code 13 : Reporting Irregular Business Dealing

Any employee having knowledge of any irregular business dealings between any employee and individual, contractor or consultant including acceptance of bribes, practice of cronyism, owning stakes (directly or indirectly) in individual,

contractor or consultant's company or any kind of inappropriate behaviours or arrangements that are seen not to be in accordance with G3P, is responsible to report and bring the matter directly to the attention of the respective senior management, including the Head of Internal Audit.

Code 14 : Contacts and Visits to Contractor or Potential Contractor

Unauthorised communication and engagement including e-mail, telephone conversation, visit or in whatsoever manner between an employee and contractor or consultant during the procurement process are not allowed, unless authorised by the Procurement Committee and approved by the Management Committee.

Code 15 : Use of Property Belonging to Gamuda Group of Companies

No property owned by Gamuda shall be used to give an undue advantage to any employee or contractor or consultant, which may be presented as personal use or for own benefit. The properties shall include but not limited to industrial tools, technical know-how, strategic information, technologies, business strategies and development projects.

• GAMUDA TRADING

Our market practices are reflected by our in-house independent trading entity, called Gamuda Trading, which acts as a third party to introduce potential vendors and suppliers for the Group's projects and construction undertakings to ensure strict compliance with specified standards as stated in official agreements and contracts.

It also functions as a supervising arm that pre-selects qualified vendors to be proposed to the Material Review Board (MRB) of Gamuda Land, where procurement of property development materials continuously undergo stringent reviews to minimise long-term impact to the environment.

Marketplace



We take pride in the distinction of achieving the highest CONQUAS score in Southeast Asia for landed properties.

Product Stewardship

Quality delivery forms the foundation of our success and underpins our commitment to ensure stakeholder and client satisfaction. Each year, we endeavour to reach a higher degree of excellence by improving in the path of sustainability, in sync with our values as a socially responsible company.

- **CONSTRUCTION QUALITY ASSESSMENT SYSTEM (CONQUAS)**

Besides the Four Pillars of Quality, namely: Quality Design; Community and Amenities; Healthy Lifestyle; and Safety and Security; Gamuda Land adheres to world class quality standards in the construction of our property products, governed by the internationally recognised assessment system, called CONQUAS.

We take pride in the distinction of achieving the highest CONQUAS score in Southeast

Asia for landed properties, as we strive to achieve higher CONQUAS scores year after year.

Moving forward, we aim to benchmark our property products' quality against the Quality Assessment System in Construction (QLASSIC), an independent method of quantifying and evaluating quality in workmanship and construction based on approved standards.

This is part of our journey towards achieving Green Building Index (GBI) standards, as we build momentum in our green building initiatives.

The Robertson, a three-acre commercial development located in the heart of Kuala Lumpur, has achieved a provisional GBI Gold Rating and will be the first of Gamuda Land's projects to obtain a QLASSIC score once completed.



CONPAS recognises good worksite management practices that will help in improving the efficiency of the progress at site.

Contractor Performance Assessment System (CONPAS)

Conceptualised by MRT Corp and the Project Delivery Partner (PDP), the CONPAS was introduced with the intention to evaluate, motivate, leverage and encourage self-improvement of the Work Package Contractors' (WPCs) standards in the delivery of the nation's largest public infrastructure project – the Klang Valley Mass Rapid Transit (KVMRT) project.

The performance system is a multi-perspective, yet simple to understand, comprehensive, fair and direct method of assessment to consistently benchmark the performance of each WPC involved in KVMRT.

By promoting CONPAS awareness amongst the WPCs, their performance will be constantly reviewed and reflected in their ranking against other WPCs. The scoring system is based on progress; Safety, Health & Environment (SHE); quality of works; project management; public engagement (stakeholder

Marketplace



management, managing public complaints via the centralised Complaint Management System); and submission efficiency.

A high CONPAS score denotes that the WPC is focused, committed, competent and resource-capable, and thus functions as a stimulus for further improvement.

Responsible Stakeholder Engagement



The Company have organised **21** engagement programmes at various MRT elevated package worksites.



Student Visits from Melaka Polytechnic at MRT Info Centre Taman Tun Dr Ismail on 9 January 2014

• REGULAR ENGAGEMENT SESSIONS

In an effort to keep stakeholders updated with the latest KVMRT work plans and works to be carried out, regular engagement sessions were initiated to ensure timely and effective dissemination of project and construction-related information to the residents living within the KVMRT construction worksites vicinity.

For the KVMRT SBK Line project, engagement sessions are organised or jointly arranged by the WPCs, Project Management Department of PDP and the Public Relations Department of PDP, in consultation with the project owner, MRT Corporation Sdn Bhd (MRT Corp).

Stakeholders to be engaged are identified by the respective WPCs three months in advance before commencement of construction activities.

The requirement for stakeholder engagement is determined by proximity (distance) to active construction works, and the type of construction works that will be carried out. KVMRT stakeholders are categorised into three clusters, as follows:

- I. Sensitive areas
(ie. hospitals, schools, places of worship, etc.)
- II. High profile areas with existing issues
(ie. Bangsar, Mutiara Damansara, etc.)
- III. Close proximity to KVMRT alignment areas
(ie. 10 Semantan, Pinggiran Zaaba, etc.)

For FY2014, we organised a total of 21 engagement programmes at various KVMRT elevated package worksites to follow-up and address concerns on issues related to the implementation of the project.

These continuous engagements have enhanced mutual collaboration with stakeholders and allowed the project team to gain insights from stakeholders to further improve our approach towards safety, traffic congestion, quality of works and the environment.

Besides actual worksites and community halls, engagement programmes were also held at venues such as MRT Information Centres or at the MRT Corp head office.

• COMPLAINT MANAGEMENT SYSTEM (CMS)

Affected stakeholders of the elevated and underground works of the KVMRT are provided with access to the 24-hour MRT Hotline, where complaints resolution are governed by a strict Standard Operating Procedure (SOP) and are reviewed by the PDP and reported to MRT Corp on a monthly basis.

Besides serving as a tool to gauge public satisfaction, the CMS is also used to evaluate the quality of work of WPCs, and to identify and rectify potential SHE risks at MRT worksites.

Workplace



The Group will continue to reinforce and enhance its Occupational Safety and Health (OSH) Management System at all stages by empowering each employee to undertake safety and health ownership as we strongly believe that safety and health is everyone's responsibility.

As the leading engineering and construction, property development and infrastructure concessions Group in the country, Gamuda views Human Capital Development as one of the main thrusts in driving Malaysia towards becoming a high income and developed nation.

Steadfast in our belief that talents are our biggest asset and priority, strategies and investments are structured to meet our business goals to ensure workplace safety; improve productivity and performance; nurture existing talent pool in the Group; drive cultural and values change; and build strong leadership capabilities among our people.

Besides providing a motivated and safe workplace for our people, we ensure sustainability in meeting the Group's growing demand of talents through our core human capital development strategy, called the 4R Plan (Recruit, Retain, Replenish and Renew) to optimally cultivate our valued employees.

Occupational Safety & Health (OSH)

The Group Safety and Health department drives various safety and health initiatives and defines the framework that exemplifies the Group's effort to continuously enhance safety and health performance and build a culture where people understand the importance of their role in making Gamuda and all our project sites a safe place to work.

The Safety & Health department at the headquarters and various project sites also drive strategies and initiate improvements to ensure occupational risk is minimised to practicable levels with an aim to safeguard the wellbeing of our employees, business partners and the public.

The Group will continue to reinforce and enhance its Occupational Safety and Health (OSH) Management System at all stages by empowering each employee to undertake safety and health ownership as we strongly believe that safety and health is everyone's responsibility.

OCCUPATIONAL SAFETY & HEALTH (OSH) MANAGEMENT SYSTEM

Gamuda has obtained certification on OHSAS 18001 and MS 1722 Occupational Management System standards since January 2008.

A robust OSH Management System is being implemented throughout the organisation and at all the projects that we undertake. We established OSH-related Procedures, Specific OSH Plan, Safe Work Instruction and relevant guidelines to ensure the OSH Management system are well structured and communicated to all parties.

Periodical review of our Management System documentation is in place to ensure its requirements meet current business needs and are geared towards continual improvement.



Gamuda views
HUMAN CAPITAL
Development as one of the main thrusts in driving Malaysia towards becoming a high income and developed nation.

Workplace



OSH PROMOTION AT THE WORKPLACE

The Group is committed to support our employees in reducing health risk and maintaining good physical and mental well-being through implementation of various OSH workplace programmes.

With this in mind, several measures have been instituted to improve workplace condition and minimise occupational risk.

Some of our OSH promotion activities and initiatives include:

1. Continuous OSH inspection and walkabout
2. Effective SHE committee at the corporate and project levels
3. OSH communication through bulletins, OSH Alerts, Notice Board updates and meetings
4. Comprehensive audit programme
5. OSH Management System Review to evaluate the effectiveness of our current OSH Management System and to propose ways for continual improvement
6. OSH promotion campaigns such as workers' welfare facilities enhancement, staff flexi-wellness programme, Gamuda Health Day, Monthly SHE Campaign and interaction programmes with neighbouring communities to enhance awareness on OSH
7. Training programmes to improve employees' knowledge and competency on OSH and to ensure the integration of OSH as part of the Group's work culture

SAFETY & HEALTH PERFORMANCE

Our OSH Performance is measured through Incident Rates, Frequency Rates and Severity Rates and other significant measurement criteria, in line with international standards. Continuous analysis is conducted to identify contributing factors of workplace incidents and improved solutions are implemented to prevent recurrence. Lessons learnt from incidents



OUR OSH PERFORMANCE is measured through Incident Rates, Frequency Rates and Severity Rates and other significant measurement criteria.

are embedded into OSH technical standards enhancement and are shared throughout the Group's divisions through internal platforms.

In our endeavour to recognise safety and health contributions and innovations within the Group and among our business associates, a Reward and Award system is introduced to motivate staff members and contractors to adopt a safety and health-oriented mindset in their daily operations.

The focus on stringent implementation of safety and health measures and staff awareness enhancement has resulted in an overall reduction of occupational mishaps throughout the Group.

Various commendable OSH awards have been received among our projects, which include:

- Electrified Double Track Project (EDTP) (Ipoh – Padang Besar) winning the National Occupational Safety & Health (OSH) Excellence Award 2012;



MMC-Gamuda Joint Venture (MGJV) Director Y Bhg Dato' Mohd Nor Idrus, MGJV Director Y Bhg Dato' Haji Azmi Mat Nor and MMC Corporation Berhad Director Y Bhg Dato' Hj. Hasni Harun were present to receive the National OSH Excellent Award 2012.

- New Doha International Airport Project achieving 25 Million "Man-hours without a Lost Time Injury"; as well as other recognitions received from local authorities on Man-hours and Zero Fatality.

Workplace



Among the improvements on safety measures instituted at worksites, include the Zero Tolerance Programme, implemented by the PDP for the Klang Valley Mass Rapid Transit (Sungai Buloh-Kajang Line) project.

CONTINUAL IMPROVEMENT

Driven by our objective to consistently implement corrective and preventive measures at the workplace to mitigate risk of unwanted incidents, we emphasise continuous OSH training and coaching to ensure all personnel are equipped with the right knowledge and competency to carry out their duties.

This is due in part to advances in construction technology, which require our workers to gain new skills and understanding in OSH to enable them to execute their work in a safe and efficient manner, particularly in high-risk construction activities.

Among the improvements on safety measures instituted at worksites include the Zero Tolerance Programme, implemented by the PDP for the KVMRT (Sungai Buloh-Kajang Line) project to streamline checks and approvals, while strengthening safety protocols for all high-risk construction activities.

We view consistency in OSH implementation at the work front as the key to achieve long-term success in reducing OSH incidents. Senior leaders within the organisation have taken a serious approach on the need for visible OSH leadership at every level and this mindset is cascaded down to all employees of the Group.

Human Capital Development

Ensuring talent growth and retention to support the Group's current and future business needs remain the core strategy of our integrated human capital development blueprint – simply coded as the 4R Plan which is summarised as follows:

Recruit	Acquiring the best talents
Retain	Preserving our talent pool
Replenish	Diversifying the skillsets and capabilities of our workforce
Renew	Refresh our culture and values reflective of today's challenges

We strongly belief in nurturing a sustainable and competent workforce equipped with diverse skills and capabilities to continuously position the Group as the industry leader in Malaysia and beyond for many years to come.

RECRUIT

Talent acquisition process is the first step in acquiring the right skills and knowledge to fit the needs of the various business divisions of the Group.

While sourcing for key experienced talent is critical to kick start some of our key business initiatives, growing from within is our strategy of choice. By bringing in young talent and growing them, we are able to groom and shape them the Gamuda way and in addition imbue them with the values and beliefs that characterise our Group.



We strongly belief in nurturing a sustainable and competent workforce equipped with DIVERSE SKILLS AND CAPABILITIES.

Workplace



A total of 15 deserving recipients were selected for Gamuda Scholarship Award this year. They will be exposed to array of trainings and various experiences upon graduation.

In line with our ongoing talent recruitment drive, we provide a rewarding career proposition to potential Gamudians and ensure they continue to contribute to the success of the Group in the long term.

- **DIRECT RECRUITMENT**

To ensure that we reach out to the widest audience possible to create awareness on new and existing positions within the Group, we actively pursue recruitment activities through various channels, namely:

1. Online job portals
2. Graduate recruitment roadshows
3. Gamuda corporate website
4. Third party talent agency

- **GAMUDA GRADUATE PROGRAMME (GGP)**

We established a high-flying graduates hiring programme

where the best minds and top-of-the-class graduates are hired and developed through a fast-track career regime so that one day, these talents will assume key leadership positions within the Group.

With this in mind, the Gamuda Graduate Programme (GGP) is designed as a 24-month comprehensive programme tailored to fast-track the professional development of young graduates through formal training, job rotations and business familiarisation initiatives across the Group.

Through this programme, graduates gain first-hand exposure in vital management know-how, sharpen competencies in their chosen field, and undergo a structured training process to enhance learning outcomes.

- **GAMUDA SCHOLARSHIP AWARD PROGRAMME**

The next generation of Malaysian graduates represents the key to transforming our nation into a high-performing economy, driven by knowledge-intensive and innovation-led activities. Thus delivering on talent is integral to the success of Gamuda.

In line with our ambition to develop well-rounded and capable individuals to drive the Group's growth, the Gamuda Scholarship Award Programme was created to provide young deserving students the opportunity to complete their tertiary studies, while honing their inner development to become future leaders of the Group.

The scholarship award not only provides financial assistance, but also experiential learning activities such as training and development workshops conducted during semester breaks, internship programmes, mentoring initiatives and networking opportunities, to mould our scholars into well-learned individuals with good values.

Besides activities that accelerate personal and professional development, the scholarship award also comes with a buddy for each Gamuda scholar to help them walk through their university years, while maintaining contact with the company. All these are targeted at helping the young achieve a solid foundation before they enter the workforce.

Aligned with the Group's agenda to inculcate talents with leadership skills and to practice good values such as taking ownership and working as a team, this is the first year where Gamuda's past scholars were involved throughout the entire scholar selection process.

In our drive to incorporate greater diversity and inclusion in the organisation, the scholar selection committee has made a conscious effort in encouraging more women to be trained in the field of engineering, particularly civil engineering.

Workplace



This year, a total of 15 scholars, out of more than 800 applicants, were selected as recipients of the scholarship awards. To-date, Gamuda has awarded 280 scholarships to deserving young Malaysians, worth RM25.3 million.

Greater emphasis will be placed on encouraging more women students who are pursuing engineering courses to apply for the Gamuda Scholarship in an effort to build a bigger core team of capable women in management positions, especially in the engineering field.

This is in addition to the cadre of competent female engineers who are already playing significant roles in the Group's operations.

This year, a total of 15 scholars, out of more than 800 applicants, were selected as recipients of the scholarship awards. To-date, Gamuda has awarded 280 scholarships to deserving young Malaysians, worth RM25.3 million.

- **SKIM LATIHAN 1MALAYSIA (SL1M-GAMUDA)**

The SL1M-Gamuda programme is a bridging programme providing training and apprenticeship to young under-employed graduates. We want to help these young graduates achieve their potential.

Since incorporation of the programme into Gamuda's integrated human capital development strategy, we have trained a total of eight batches of SL1M-Gamuda trainees as at October 2014, totalling 166 graduates. Batch Nine training runs from July 2014 to January 2015 adding to a cumulative total of 180 graduates.



SL1M trainees sharing a group shot with Minister in the Prime Minister's Department Y Bhg Tan Sri Nor Mohamed Yakcop, Gamuda Berhad Executive Director Y Bhg Dato' Haji Azmi Mat Nor and Gamuda Berhad Human Resource Manager Susheela Ramasamy.

Batches (Batch 6 and 7) are currently undergoing training with us. A total of 49 graduate trainees from the seven SL1M-Gamuda programmes are now gainfully employed by Gamuda and its subsidiaries.

Overall, almost 40% of all graduate trainees under the SL1M-Gamuda programme have been up-skilled and are charting career progress within the Group, while the rest have found gainful employment in the marketplace.

- **INTERNSHIP**

Gamuda's structured internship programme for undergraduates from both local and foreign universities serve two functions. Firstly, interns

Workplace



As at end July 2014, the overall **TURNOVER RATE** of the Group is **LESS THAN 10%**



The minimum retirement age for Gamuda employees is **60 YEARS OLD**

are given the opportunity to fulfill their academic requirements through valuable work exposure in public infrastructure projects. Secondly, it provides the Group with a ready pool of promising undergraduates who are ready to serve in the near future. All interns are provided with a competitive monthly stipend during the tenure of their internships.

Retain

HIGH EMPLOYEE RETENTION

As a testimony of our success in our retention strategies, as at end July 2014, the overall turnover rate of the Group was less than 10%, considered to be among the lowest in the industry. Many employees of the Group are long serving and have grown up with the Group having gained many and varied experiences with us.

- **HIGHLY COMPETITIVE REMUNERATION**

Ensuring the talents we recruit are well-rewarded is the main priority in our talent retention strategy. Set amidst a shortage of talents in the construction industry and to attract top-tier talents to join the Group, we have made a concerted effort in structuring our remuneration and compensation package to be among the most competitive in our industry.

Top construction-related and specialised positions are remunerated in the top quartile of their grades, while general and support skills, as well as fresh graduate entry level pays are placed among the highest within the industry.

- **INNOVATIVE AND RELEVANT EMPLOYEE BENEFITS**

Besides providing a collaborative, open and honest work culture for Gamudians, we also deliver a range of attractive employee benefits that are among the best and most innovative in the industry. The key is to make these benefits relevant and meaningful to the different groups

of employees. We also seek to make our benefits structure more egalitarian and to reduce the gap between the levels.

- **WORK-LIFE INTEGRATION**

Assimilating work with life and vice versa is the driving philosophy behind Gamuda's engaging work environment where fulfillment is the key to talent retention.

To ensure greater personal satisfaction and effectiveness, we designed a suite of flexible work arrangements and benefits to suit different individual needs.

The umbrella of employee-centric benefits, known as "Flexi-Benefits", is detailed as follows:

Flexi-Benefits

Gamuda recognises the importance of evolving our benefits to individualise and match the unique needs of each of our employees and have taken progressive steps in this direction.

The newly-revamped suite of Flexi-Benefits mark a first for Gamuda and the construction industry to introduce a more liberalised form of employee benefits that allows every employee the freedom to exercise discretion and ownership in utilising their benefits to best meet their specific needs.

a. Flexi-wellness

The flexible incentive scheme was designed to encourage employees to adopt a holistic health management approach to lead vibrant and productive lives. Under the scheme, employees are allowed to utilise their fixed annual entitlements to account for a host of health and wellness-related activities of their choice.

Through this scheme, we aim to encourage employees to shift their mindset from illness management to holistic preventive

Workplace



healthcare. Aimed at promoting healthy living, we reward our employees by enabling the unused medical entitlement to cover expenses in wellness-related activities, categorised as follows:

Physical wellness:

Sports and fitness activities to maintain good physical health through exercises such as gym and swimming classes, martial arts and golf lessons.

Spiritual wellness:

Yoga and meditation to establish inner peace and harmony in life.

Emotional wellness:

Music and art lessons to induce positive thoughts and feelings.

b. Flexi Work Arrangement (FWA)

With the growing challenges employees face in managing the demands of work and family, we have adopted a flexible work arrangement to enable greater personal and professional effectiveness.

FWA gives employees the option of a staggered work hour structure, flexible place of work and variable number of hours

worked through pre-agreed arrangement with their respective managers.

c. Flexible Retirement Plans

In compliance with the Minimum Retirement Age Act 2012, the minimum retirement age for Gamuda employees is 60 years old. As a gesture of appreciation for the long-serving employees of the Group, Gamudians who are retiring are extended a tax-free retirement gratuity, determined based on the number of years served.

In the interest of flexibility in retirement, employees may opt for early retirement at the ages 50 and 55, respectively. Early retirement requests are on a voluntary and mutually agreed basis.

• GAMUDA SPORTS CLUB

The Gamuda Sports Club was initiated with three specific goals of promoting holistic health, network and relationship building, and meaning in life through sports activities. It seeks to be an effective avenue to stay healthy holistically and network with employees across the Group, irrespective of rank, work location or job function. Employees within the Group are by default registered members of the club and are



Staff enjoying themselves in Sports Club's trip to Chiang Mai, Thailand.

entitled to attend a variety of sports sessions and tournaments such as badminton, bowling, futsal, paintball, golf, basketball and marathon.

Besides sports activities, the club also organises annual trips and social activities such as team building adventures, photography contests, treasure hunts, and charitable activities on volunteer basis to instill the habit of helping the less fortunate.

Notably, the sports club subsidises 50% of Gamudians' monthly gym membership at a nearby fitness operator to promote a healthy and fit culture.

• EMPLOYEE WELFARE

In addition to Flexi-Benefits, employees of the Group are also entitled for exclusive perks to lessen the burden of increasing cost of living and encourage continuous learning among Gamudians.

Employee education assistance

To encourage personal and career growth among the employees and advance the human capital of the Group, we provide support to Gamudians in pursuit of academic advancement through financial assistance schemes.

Workplace



Group picture of the Long Service Award 2014 recipients after receiving token of appreciation from the Group for their endless contributions.

These schemes cover sponsorships for academic qualifications such as diplomas or first degrees, study loans and non-paid study leave.

Exclusive property purchase rebates

To assist employees in home ownership for properties built by Gamuda Land, our employees enjoy Staff Purchase Scheme rebates on property purchase, and waiver in service charges as applicable.

Toll rebates

We provide staff a 50% reimbursement of their monthly toll expenses incurred at the Damansara-Puchong Highway (LDP), Shah Alam Expressway (SAE), Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT Expressway) and the Stormwater Management and Road Tunnel (SMART Tunnel).

- **GAMUDA LONG SERVICE AWARDS**

As a gesture of appreciation for the commitment of employees who have made significant contributions to the Group throughout the years, the annual Gamuda Long Service Awards is conferred to employees who have served the Group for 10 continuous years or more.

Beyond serving as a formal recognition of the significant number of years in service for employees, the award serves to inspire Gamudians to stay motivated, continue learning and keep up efforts in expanding our personal growth.

An average of 100 Long Service Awards ranging from 10 to 35 years are conferred to our loyal employees every year.

Workplace



REPLENISH

To strengthen gender and racial diversity and instill inclusion as part of our corporate culture, we are committed to provide equal opportunities, appreciate differences and embrace uniqueness among all employees to drive effective teamwork within the Group.

GENDER DIVERSITY

In our aim to harness greater diversity in our talent pool, we have substantially enhanced our benefits package where women no longer need to sacrifice their professional career for family life.



Gamuda values the differences in each staff and leverages on their strengths and expertise.



Children of the staff are well taken care of too.

- **WOMEN@WORK**

We take pride in going the extra mile to provide more family-oriented benefits to help women fulfill the demands of motherhood and develop their career with peace of mind.

The benefits package targeted at our female employees include:

Childcare subsidy

Based on eligibility and entitlement, a subsidy of RM120 is provided to cover the cost of childcare services.

Childcare leave

A maximum of 10 working days per year is allowed as paid leave to personally care for children who are hospitalised or deemed hospitalised.

Extended maternity leave

Female employees may now enjoy 90 days of maternity leave to continue caring for their newborn. Employees may choose between 60 days (full pay) + 30 days (half pay) with full rest, or 90 days (full pay) with Flexi Work Arrangement for the last 30 days.

Support facilities for mothers

Provision of stork parking facility for expecting mothers at the office car park, a nursing room and crèche facility for young children in the headquarters of Gamuda (to be implemented by end-2014).

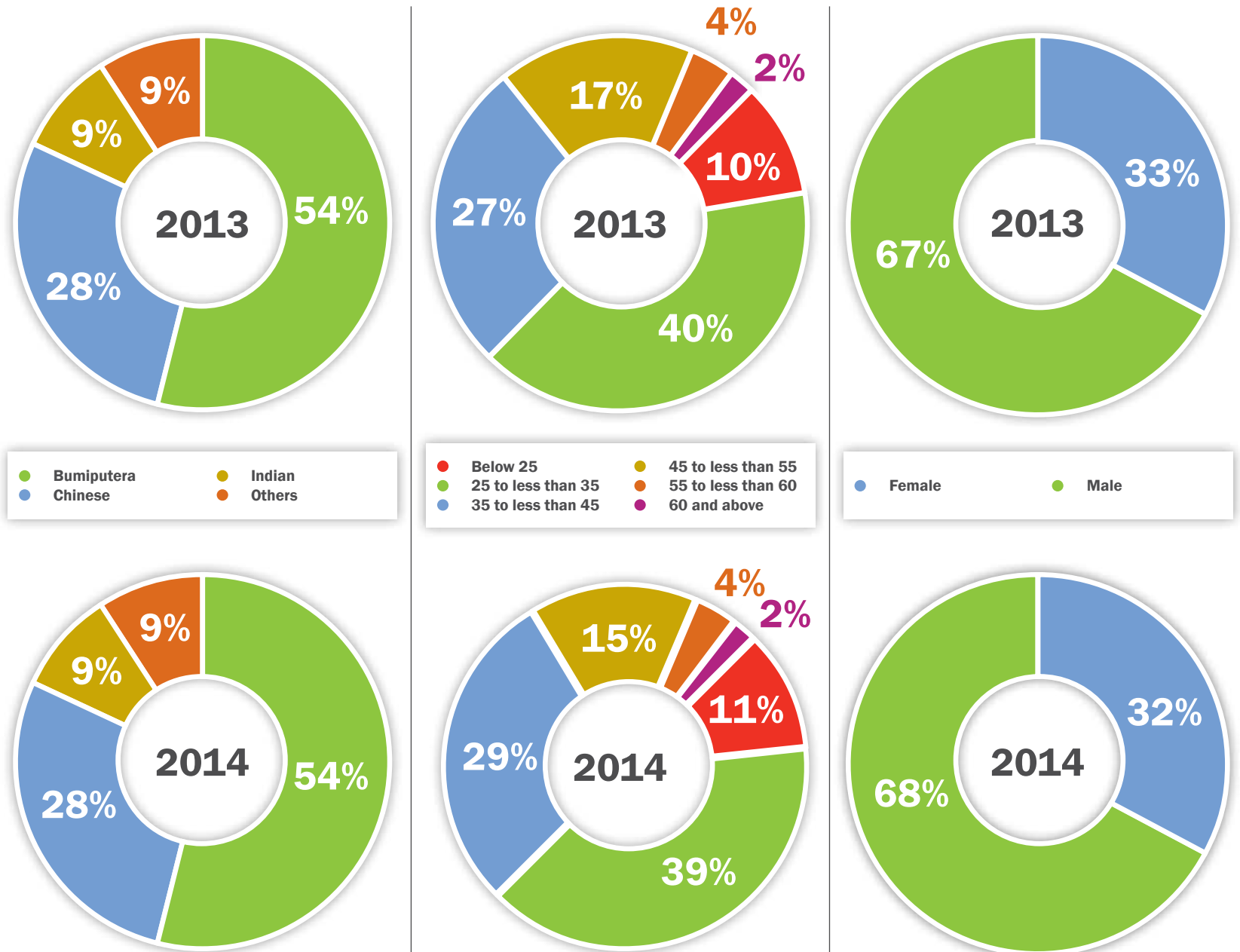
Other benefits include:

- Additional pre-post natal support
- Vaccination for young children
- Family hospitalisation insurance support on a co-sharing basis

Workplace



THE GROUP'S STAFF COMPOSITION AND DEMOGRAPHICS (YEAR 2013 - 2014) *



Race
Our employee race ratio is reflective of our national population demographics.

Age
We are on the right track to build the next generation of Gamudians and imbue them with the right Gamuda values, as 50% of our enlarged pool of employees fall under the 35 years age group. The majority age of Gamudians is 33 years old.

Gender
In a male-dominated industry, we are gradually shifting to find better gender balance in our workforce. More female engineers and construction personnel are encouraged to join the Group.

* Information refers to Gamuda Group and Subsidiaries and excludes associate companies.

Workplace



RENEW

We acknowledge that in order to build a stronger leadership pipeline, the skills, capabilities and knowledge of our employees need to be constantly renewed to meet the current and future demands of the Group's business. Additionally, emphasis has been put to renewing the culture and values of the Group, the glue that gels people together, the 'how we do things here'. Efforts were made to build greater openness, a more collaborative environment, learning from mistakes and failures, more empowerment and engagement.

To-date, more than 89,000 man-days have been dedicated to both formal and informal training within the organisation. The development strategy employed by the Group to optimise Gamudians' learning and development is the 70:20:10 rule.

This core of our development strategy employs a three-prong strategy, namely: On-the-job (OTJ) training (70%), mentoring and guided learning (20%) and formal training (10%).

OTJ Training comprises workplace assignments, projects, on-site and off-site exposures (local and abroad), and Performance Management System (PMS) evaluations which consists of a regular feedback mechanism, tailored career development plan and one-to-one discussions. Gamuda has a structured Understudy Programme that seeks to enable key competencies to be systematically transferred from seniors to the younger staff members.

Mentoring and networking (employee engagement) include mentoring and coaching sessions, latest updates and resource sharing via our internal portal, gatherings, and embedded learning opportunities. Individuals get personalised learning opportunities through a nurturing one-one relationship with a coach or a mentor.



Understudy Programme Launch and networking session between staff and senior managements.



Gamuda Learning Centre (GLC) is the dedicated in-house training arm.

Formal training is executed based on our 4S Core Development Programme (Self, Staff, Situation, Strategic) and the General Development curriculum, which amongst others, cover English language competency, SHO certification, Contract Administration, and multi-channel learning through e-learning, site visits, expat sharing and talks, and information on specialised field practices in MyGamuda, our dedicated internal staff portal.

- **GAMUDA LEARNING CENTRE (GLC)**

Established since 1995, Gamuda Learning Centre (GLC) is the dedicated in-house training arm of the Group where staff are guided and exposed to a variety of training modules targeted at personal and professional development.

GLC has invested over RM15 million in staff training with more than 1,700 training sessions conducted for over 15,000 participants.

For FY2013-2014, we have invested approximately RM1.8 million in formal training courses which included 404 training sessions, attended by a total of 3,148 employees.

Workplace



Coaching and mentoring is a two-way learning partnership designed to help accelerate personal and professional growth for employees in the Group.

These training sessions include in-house and external courses covering Management and Leadership; Personal Development; Business Communication; Contract Administration; Finance; Information Technology Applications; Quality, Safety, Health & Environment; among others.

- **COACHING AND MENTORING PROGRAMME**

Coaching and mentoring is a two-way learning partnership designed to help accelerate personal and professional growth for employees in the Group.

At Gamuda, every employee has a right to a mentor, to provide them with guidance on career and personal development aimed at expanding professional network, increase self-awareness and confidence, gain new perspectives and exposures, and to be a role model for the next generation.

To-date, there are a total of 799 pairs of registered mentoring partners in the Group.

In addition, to enable our managers to be good coaches and mentors, 210 managerial employees in Gamuda have completed the Coaching and Mentoring workshop.



Speed mentoring event held on 21 February 2014 at Menara Gamuda.

- **EMPLOYEE ENGAGEMENT**

Engagement sessions with top management

It is an effective way to gauge the 'pulse' of the Group, inculcate a sense of belonging and gather crucial feedback from all employees.

Besides networking and hearing employees' concerns, top management ensures that follow-up actions are taken by the respective parties after each dialogue or townhall meeting.

The top management has emphasised the importance of engaging with all employees in face-to-face interaction and townhall meetings.

Over the past year, a total of seven townhall and dialogue sessions were held for employees at various levels.

Workplace



List of dialogues and townhall meetings:

No.	Date	Target Group
1	Jul 2013	Senior Management
2	Nov 2013	Group Revamp committees
3	Jan 2014	Management Team
4	May 2014	Working mothers
5	Jun 2014	Gen Y staff
6	Sep 2014	Potential staff and HODs
7	Oct 2014	Senior Management dialogue



Fruitful engagement session with Group MD Dato' Lin to communicate with the Gen Ys and to understand their perspective working in Gamuda.

• **MYGAMUDA PORTAL**

On the digital front, we embarked on a social networking initiative that emulate a “Facebook-like” online community to connect employees on the basis of common and professional interests, breaking barriers of distance, job function and grades.

The internal staff portal, called MyGamuda, is accessed by an average of 743 employees monthly and has since become a one-stop online resource for the latest announcements and happenings.



Home page of MyGamuda Portal.

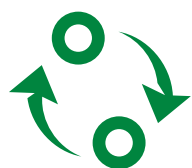


Our Gamuda Toastmasters have achieved success in recent competitions.

Environment



Gamuda is committed to incorporate the principle of sustainability into all our solutions and drive social and environmental preservation with long-term interest in the communities we work in. With this in mind, we strive to continuously innovate on our operations to address environmental challenges and integrate sustainability through steps that go beyond regulatory obligations.



REDUCE

In achieving this goal, we have obtained the ISO 14001 Environmental Management Certification since 2008 and fully comply with all environmental requirements as prescribed by the management system.

Our green efforts are entrenched in the daily operations of the Group through a concerted measure to reduce our carbon footprint by elevating energy efficiency, reduce wastage and recycle materials on a consistent basis.

Some of the programmes and events organised to enhance employee awareness on environmental conservation include SHE inductions and trainings, annual Gamuda Environment Day, resource management, as well as SHE campaigns and reward programmes.



REUSE



RECYCLE

Resources and Waste Management

Gamuda practices comprehensive approach in reducing our impact on the environment by means of looking at all aspects of our businesses, how we interact with and appreciate Mother Nature, and how we integrate new solutions to create a meaningful and sustainable improvement in the environment.

3R - REDUCE, REUSE, RECYCLE

Workplace recycling is a continuous effort undertaken by Gamuda to instil the practice of resource conservation among staff members.

Dedicated “3R” (Reduce, Reuse and Recycle) bins for paper, glass and aluminium, and plastics are stationed at the lift lobby of each floor in Menara Gamuda, PJ Trade Centre, to provide greater convenience among staff members to dispose recyclable materials.

Wastes collected from 3R bins will be brought to the main waste chamber for collection by the appointed recycling contractor. All proceeds from the sale of recyclable materials are channelled to charitable bodies.



Types of recycled materials at Menara Gamuda.

Environment



Other than the headquarters, Gamuda also implements the 3R practice at its project worksites.

Through the adoption of 3R practice, we have incrementally reduced our environmental footprint by conserving energy, water and paper consumption.

We have successfully reduced electricity usage by 9% and paper consumption by 40% in Gamuda's headquarters between year 2012 and 2013 through the collective efforts and commitment of top management and staff.

SHE CORNER

Apart from 3R practice, the SHE Committee in Gamuda's head office organised the SHE Reward Programme, where staff members and the respective departments are rewarded for their pro-green efforts.

One of the activities organised under the SHE Reward Programme was the SHE Corner campaign, where each department in the Group were tasked to compete in showcasing the most creative, practical and effective ways to increase awareness on environmental preservation and use of recyclable materials.

GREEN HABITS

Besides programmes and campaigns, staff members of the Group are also highly encouraged to practice "Good Green" habits in managing use of resources in the office, including:

1. Use double-sided or used paper for printing
2. Minimise printing of physical copies
3. Use used paper for internal notes and memos
4. Switch off office lights during lunch hour
5. Reuse used envelopes for inter-department/business division mails

Environmental Programmes and Achievements

The Gamuda Environment Day is the main environmental event of

the year for the Group. For year 2014, the theme of the event was "Consume Less, Conserve More", to encourages Gamudians to make a conscious effort in reducing resources consumption, while conserving the environment.

This year's Gamuda Environment Day events line-up was divided into outdoor and indoor activities. For the outdoors, a group visit to the Forest Research Institute Malaysia (FRIM) in Kepong was organised, where staff and family members took part in activities that encourage the appreciation of Nature and the need to preserve the environment for our young. Some of the activities held include nature trekking, canopy walks, treasure hunt, photo and colouring contests.

Indoor activities held during Gamuda Environment Day include poster design competition,



Outdoor activity at FRIM, Kepong.

Pictures show examples of SHE corner participated by the staff to promote the significance information related to safety, health and environment.

Environment



Video Screening at Menara Gamuda

awareness drive and a video screening, entitled “A World Without Water” to highlight the importance of water conservation.

QUALITY, SAFETY & HEALTH AND ENVIRONMENT (QSHE) REPORT

The sustained success of Gamuda is a result of our commitment to meet the QSHE needs and expectations of our employees, customers, and stakeholders, over the long term in a holistic manner.

Our staunch belief in managing a sustainable business model, by practicing the highest QSHE standards, is achieved by harmonising Nature with our business operations. Ultimately, we aim to deliver a sustainable

future for the community and our future generations.

QSHE POLICY STATEMENT

Gamuda’s QSHE Policy stipulates the Group’s ambition to constantly uphold QSHE values in all our undertakings, while at the same time ensure the delivery of cost-effective and value-added solutions, services and products to our clients and stakeholders.

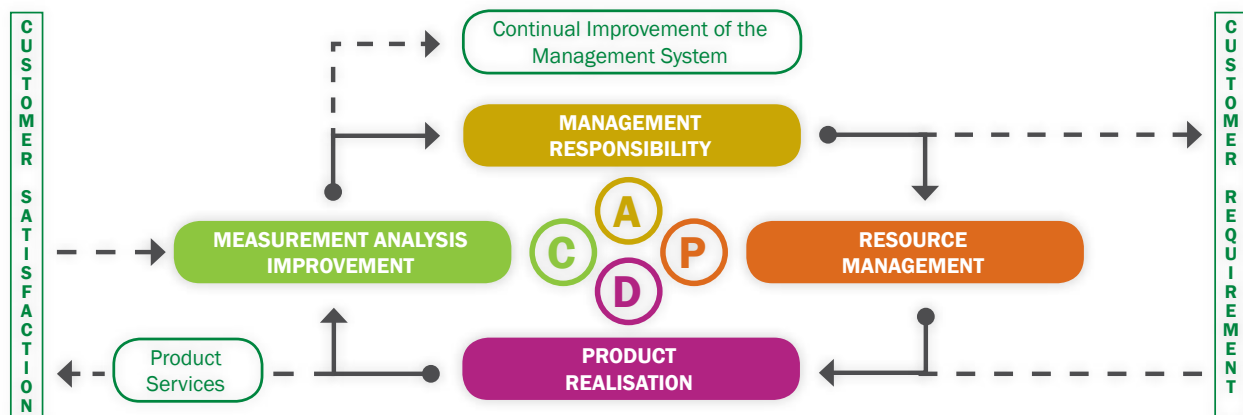
We strive to:

- Understand and consistently respond to the needs and expectations of our customers.
- Systematically manage and enhance the value of our solutions, services and products for our stakeholders.
- Develop and inculcate a self-regulating mindset among all staff to accomplish the company’s business objectives, while fulfilling

the demands of our QSHE Management System.

- Constantly improve our QSHE processes to facilitate the effective management and control in the areas of quality, safety & health and the environment.
- Minimise safety & health risks in all our operations through the adoption of best practices.
- Prevent environmental impact and manage resources efficiently through the effective implementation of our obligations.
- Identify and comply with all relevant safety & health, and environmental legislations and regulations.
- Provide appropriate training to all our employees and related parties to improve awareness and knowledge of QSHE requirements.

GAMUDA’S QSHE MODEL



Environment



CERTIFICATION

Gamuda first obtained our ISO 9001 Quality Management System certification in 1997. In line with the Group's commitment to provide a safe and healthy work environment for all our employees including those under our care, and support an environmentally-responsible approach to our businesses, the Group went a step further to accomplish the ISO 14001 Environmental Management System and the OHSAS 18001 Occupational Health and Safety Management System, in the year 2008.

The following is the list of certifications achieved by registered companies under the Group:

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

MANAGEMENT AND LEADERSHIP COMMITMENT

Gamuda's commitment to QSHE is seen in the heavy involvement of our top management in QSHE management review meetings, SHE committee meetings, and in organising annual Group events such as the Gamuda Environment Day and Gamuda Health Day.

The Group believes that QSHE is everyone's responsibility, and places emphasis on developing QSHE awareness at all levels. Our top management establishes the Group's QSHE direction and policy, while senior management ensures that business processes and systems are formulated to be in-line with established policy. Our middle management ensures procedures of business systems are implemented accordingly and that every employee is aware of their role in contributing to the Group's QSHE excellence.

The Group's QSHE performance is reviewed on an annual basis by top and senior management, and shortcomings are discussed with improvement actions executed upon to result in continual improvements to the QSHE Management System.

QUALITY ASSURANCE, QUALITY CONTROL AND MONITORING

Quality assurance and quality control is an integral part of our QSHE system to ensure that specific product requirements and standards are met.

Our quality assurance processes serve to provide confidence to our customers that their requirements are met, while our quality control processes ensure that the final delivered product conforms to and meets all required specifications.

Our quality assurance, quality control and monitoring processes include the following:

- Multiple levels of inspection and testing with clearly identified "Hold" points
- Corrective and preventive actions and measures
- Streamlined internal audit checks to ensure procedures are implemented in an effective manner
- Established QSHE targets as one of the primary Key Performance Indicator (KPI) criteria
- Continuous monitoring and analysis of customer satisfaction

Accreditations as at 2013/2014



ISO 9001:2008



OHSAS 18001:2007



MS 1722:2005



ISO 14001:2004



ISO/IEC 17025:2005

Environment



The Group prides itself in being
A LEADER
in innovative engineering solutions and methodology.

CONTINUAL IMPROVEMENT

In our effort to ensure continual improvement of QSHE measures at all levels, we seek to constantly learn from past experiences, analyse feedback from employees and clients, value-add references from internal audit findings, and improve ICT performance in our business operations.

Among the notable QSHE improvements made within the Group are:

- Adoption of advanced electronic-based document management system to ensure efficient documents review, creation, approval and retrieval.
- Implementation of the Contractor's Performance Assessment System (COMPAS). COMPAS is conceptualised to evaluate, motivate, leverage and encourage self-improvement of the Work Package Contractors' (WPC) delivery standards in the KVMRT project.
- Development of QSHE e-Library. The e-Library is an online collection of useful documents comprising works of our talents from past and current projects; international and local delivery and QSHE standards; legal requirements; best practice guidelines; and more. The e-Library and its contents are accessible to all Group staff as a means of easy online reference, anytime and anywhere within the Group's premises.

INNOVATIVE ENGINEERING ACHIEVEMENTS

The Group prides itself in being a leader in innovative engineering solutions and methodology. The ongoing KVMRT SBK Line project presents many engineering challenges, which the Group has successfully overcome through in-depth learning, close examination of past experiences and creative ideas.

Some of our innovative engineering achievements include:

- Variable Density Tunnel Boring Machine (VD TBM) – the first of its kind in the world multi-mode tunnel boring machine specially designed to safely tunnel through the highly unpredictable karstic limestone ground formation of Kuala Lumpur.



Breakthrough of the first VD TBM at Tun Razak Exchange (TRX) MRT station.

- Mobile traffic management system – a lorry-mounted crash attenuator for traffic management, instead of reliance on flagmen for traffic diversion.
- Modified height bored piling machine – a machine that allows piling work to be carried out in areas with limited headroom, such as underneath high tension electric cables.
- Modified height ground anchor drilling machine – a machine that allows drilling work to be carried out in areas with limited headroom, such as inside an existing basement.
- Surface miner – the first mining machine to be used in Malaysia to increase excavation speed and productivity for hard ground surfaces.

Environment



LITRAK and Media Karangraf - Face Mask and Goodie Bags giveaways.



Media walkabout on the drainage system for Merdeka and Pasar Seni MRT Stations by MGKT.



MGKT Project Director Satpal S.Bhogal briefed the staff on the importance of safety at worksite area.

Environment



Cheque presentation to the winners of SHE Corner in conjunction with Gamuda Health Day 2013.



First Emergency Drill organised by MGKT to conduct practical training for the Emergency Response Team.



Open Day at Merdeka MRT Station.



Engagement Session with Taman Sri Raya community.

Community



As part of our community enrichment initiative, we believe in giving our future generation of young Malaysians a shot at achieving their fullest potential through education and training.

The main programmes that help achieve the dual role of uplifting our community and reinforcing our talent development strategy, besides the Gamuda Scholarship Award, the SL1M-Gamuda, and the internship programmes, are:

- **TUNNELLING TRAINING ACADEMY (TTA)**

TTA is an offset programme for the KVMRT project, consistent with the Government's aspirations to transform Malaysia into a high income knowledge-based economy by the year 2020.

Besides serving as a valuable training ground for young Malaysians to pursue a rewarding career in the internationally high demand field of tunnelling, one of TTA's founding objectives is to train a sustainable pool of Malaysian specialists, technicians and skilled labour to support the rollout of the KVMRT, and similar projects around the world.

Based in Kota Kemuning, the first-in-the-world tunnelling academy, built with an initial investment of RM10 million, bears testament to Gamuda's accumulated expertise from projects that involved tunnelling, such as the Electrified Double Track Project (Ipoh – Padang Besar), Stormwater Management and Road Tunnel (SMART), Kaohsiung Metropolitan Mass Rapid Transit (KMRT), and the Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT Expressway).



TTA has achieved a milestone when it opened its doors to train engineers from Delhi Metro Rail Corporation Limited (DMRC). It is an international recognition for the critical and high demand skill training offered by the academy.

Today, TTA is on track to train up to 1,000 professional and skilled tunnelling workers by the year 2015. To-date, the academy has trained a total of 518 tunnelling personnel, including the first batch of 10 engineers from the Delhi Metro Rail Corporation (DMRC).

Some of the training facilities available at TTA include an actual size tunnel boring machine cutting wheel, shotcrete mould, testing unit

for annular gap filling and grouting, testing unit for foam production, erector simulator, lab equipment, and safety gears.

TTA currently offers a total of 19 training modules covering Technical, Skill and Specialist training. Moving forward, new courses, such as the Tunnel Boring Machine Operator module, are being developed and are expected to be rolled out by end 2014.

Community



Trainees from GPOS are being taught of the techniques and safety measurement in handling tower crane.

• GAMUDA PLANT OPERATOR SCHOOL (GPOS)

GPOS is Gamuda's contribution to nation building through infrastructure and people development. Established in April 1997, GPOS is a non-profit training centre dedicated to the upgrading of competencies and skills in the construction industry.

Officially opened in 1999, it is the largest and the only one-stop training centre for plant operation training in Malaysia.

The school was set up with four main objectives, namely to:

- Upgrade the knowledge, skill and work performance of existing plant operators
- Groom and develop a pool of new plant operators to meet the needs of the Group and the industry

- Establish skill standards and inculcate good safety practises, proper plant maintenance techniques and other requirements to be observed by plant operators at worksites
- Contribute to the Government's aspiration to improve skill standards and to ensure a ready supply of skilled workers in the construction industry

A total of RM31 million has been invested into this key initiative, which includes a state-of-the-art training facility covering over 36,000m² of land.

GPOS is equipped with comprehensive training equipment and facilities including a wide range of dedicated plants (various models and makes), practical training field, training classrooms, a workshop, a canteen and a hostel for outstation participants.

Courses offered by GPOS are accredited by the Construction Industry Development Board (CIDB) and the Department of Occupational Safety and Health (DOSH); and are recognised by the Master Builders Association of Malaysia (MBAM), Human Resources Development Council (HRDC) and the National Institute of Occupational Safety and Health (NIOSH).

• CONSTRUCTION TRAINING CENTRE (CTC)

CTC is a non-profit organisation set up to facilitate the training of skilled labour and equip sub-contractors and industry players with internationally benchmarked construction skills adopted from best practices in Australia, Europe and Singapore.

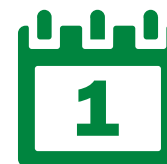
In line with the Government's aspiration to reduce dependency on foreign labour, CTC serves as a training ground for aspiring young Malaysians who wish to develop a rewarding career in the challenging construction industry.

Among the comprehensive facilities available at CTC include practical training site, classrooms, administration office, experienced instructors, construction and building materials and machinery.

Courses covering wet trade skills offered by CTC include concreting, bar-bending, and formwork. Efforts are underway to offer new courses on bricklaying, plastering, and tiling.

CTC training modules and accreditation are carried out in collaboration with CIDB and its training arm – Akademi Binaan Malaysia.

Calendar of Events



13 AUGUST 2013

Gamuda Walk, the first community mall in Kota Kemuning, was launched as part of Gamuda Land's innovative lifestyle solution. Inspired by modern designs, Gamuda Walk consists of a three-storey retail mall that caters to the needs of the growing community in Kota Kemuning.



2 SEPTEMBER 2013

It was a night to remember when Gamuda bagged two awards from The Edge Billion Ringgit Club 2013; Best Managed Company in Malaysia – Medium Cap and Highest Profit Growth Company (Construction). Gamuda Berhad Deputy Managing Director Y Bhg Dato' Paul Ha Tiing Tai received both the awards from the Prime Minister of Malaysia Y Bhg Dato' Seri Najib Tun Razak.



SEPTEMBER 2013

Eaton International School was launched in the commercial precinct of the Jade Hills township. The campus is able to accommodate a total of 400 students.

Calendar of Events



23 SEPTEMBER 2013

In a knowledge exchange worksite programme, MRT Jakarta team visited Muzium Negara MRT Station worksite and MRT Information Centre to gain more insight on the concept of the KVMRT project and how it can be implemented back in their home country.



26 SEPTEMBER 2013

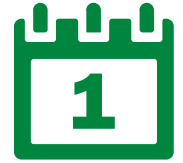
Gamuda Berhad was named “Best Managed Company in Malaysia – Medium Cap” Award from Asiamoney during the Asiamoney Awards 2013. Gamuda Deputy Group Managing Director Y Bhg Dato’ Ir Paul Ha Tiing Tai received the award from the Editor of Asiamoney Mr Richard Morrow.



10 OCTOBER 2013

Y Bhg Tun Dr Mahathir Mohamad visited the Cochrane underground site with an exclusive tour around the launch shaft, tunnel and the Variable Density Tunnel Boring Machine (VD TBM). Tun Mahathir was accompanied by Gamuda Berhad Group Managing Director Dato’ Lin Yun Ling, MMC Corporation Berhad Group Managing Director Dato’ Sri Che Khalib Mohamad Noh, MMC Corporation Berhad Chairman Y Bhg Tan Sri’ Dato’ Wira Syed Abdul Jabbar Syed Hassan and MMC Gamuda KVMRT (T) Sdn Bhd (MGKT) Project Director Satpal S. Bhogal.

Calendar of Events



12 NOVEMBER 2013

The signing ceremony for the Klang Valley MRT Offset Programme was held between MGKT and Mass Rapid Transit Corporation Sdn Bhd (MRT Corp) witnessed by the Malaysian Industry-Government Group for High Technology (MIGHT). MGKT was represented by Gamuda Berhad Deputy Managing Director Y Bhg Dato' Ir Paul Ha Tiing and MRT Corp by its CEO Y Bhg Dato' Wira Azhar Abdul Hamid. This offset programme serves as an overall added benefit to the Malaysia economy that is designed to address seven areas of interests; design and development, human capital development, global market access, local works packages, investment, parts and component manufacturing and transfer of technology.



11 DECEMBER 2013

The KVMRT team conducted an engagement session with 30 residents of Taman Sri Raya and the Semenyih assemblymen. The KVMRT team conducted this engagement session to further improve relationship with residents staying near the MRT alignment.



24 DECEMBER 2013

The Earth Pressure Balance Tunnel Boring Machine (EPB TBM) made its first breakthrough at the Muzium Negara MRT Station from Semantan Portal. This 1.47km distance was completed without any major disruption from the Semantan Portal.

Calendar of Events



9 JANUARY 2014

Tunnelling works for the MRT reached a major milestone with the breakthrough of the world's first VD TBM for KVMRT, SBK Line project at the Tun Razak Exchange (TRX) MRT Station. This marked the completion of the first section of twin tunnels from Cochrane Launch Shaft to TRX MRT Station.



9 JANUARY 2014

Kota Permai Golf & Country Club (KPGCC) and Horizon Hills Golf & Country Club were honoured the first and second place for the Hospitality Asia Platinum Award (HAPA) Golf Excellence – Exhilarating Experience category by the HAPA Malaysia 2013 – 2015 series. The awards were presented by Guinness Anchor Berhad Managing Director Bruce Dallas and was received by Gamuda Land Group General Manager of Club Operations & Township Tang Meng Loon.

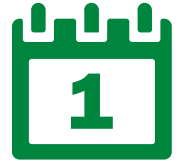


24 JANUARY 2014

MMC Gamuda KVMRT (T) Sdn Bhd (MGKT) organised an open day event at the Merdeka underground station's construction site to share on the construction work progress with the nearby stakeholders.

The open day is part of MGKT's efforts to foster stronger relationship with the stakeholders. Among those present were the teachers from SJK (C) Jalan Davidson and Victoria Institution and officials from Olympic Council of Malaysia and Young Women Council Association. During the open day, they were briefed on the work activities at the Merdeka worksite by the Construction Manager Yusni Shahadan.

Calendar of Events



21 MARCH 2014

MGKT organised its very first Emergency Drill at Cochrane worksite to conduct practical training for the Emergency Response Team (ERT) in the event of actual emergency situation that might happen. This Emergency Drill focused on ERT's response plans and its timeliness as well as preparedness for an unexpected incident at construction site.



4 APRIL 2014

The official opening of the 323-hectare urban renewal project in Hanoi, Vietnam, called Yen So Park was held at Gamuda City. The event was attended by the Malaysian and Vietnamese Government, as well as the Hanoi authorities. Those present include The Malaysian Prime Minister Y Bhg Dato' Seri Najib Tun Razak, the Malaysian ambassador to Vietnam Y Bhg Dato' Azmil Zabidi, Malaysian cabinet ministers, the Hanoi Communist Party's Party Secretary Pham Quang Nghi, and the Hanoi's People Committee Chairman Nguyen The Thao.



24 APRIL 2014

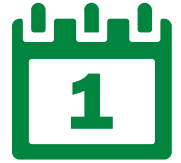
MRT tunnelling works reached a new milestone with the arrival of the fifth TBM at the Maluri Portal in Cheras. With this breakthrough, the twin tunnels between the TRX MRT Station and the Maluri Portal have been completed.



25 APRIL 2014

Kota Permai Golf & Country Club (KPGCC) was named the Best Maintained Golf Course in ParGolf Awards 2013, for the fourth consecutive year. Gamuda Berhad Executive Director Y Bhg Dato' Goon Heng Wah received the award from Tourism Malaysia Director of Industry Development Saidi Bundan at the Saujana Hotel.

Calendar of Events



5 JUNE 2014

MMC-Gamuda JV and Delhi Metro Rail Corporation (DMRC) inked a strategic MoA for engineers from Delhi Metro to develop their tunnelling competency by undertaking customised theoretical and practical tunnelling training courses at the Tunnelling Training Academy (TTA).

1 JULY 2014

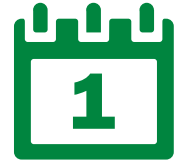
The Electrified Double Track Project (Ipoh - Padang Besar) has reached another major milestone with the completion of the Spine Line that links Ipoh to Padang Besar. The project is expected to be fully completed by November 2014.



8 JULY 2014

MGKT organised a media walkabout at the Merdeka and Pasar Seni MRT Station worksites, in light of recurrent flooding in the area. The walkabout highlighted the proper management and maintenance of the drainage system in the area by MGKT, which would not have contributed to the flooding.

Calendar of Events



Community Outreach

29 AUGUST 2013

A total of 16 deserving students received their Gamuda Scholarship Awards worth a total of RM2.5 million to pursue their undergraduate studies at selected universities. This annual scholarship award was initiated in year 1996 as part of Gamuda's integrated human capital development initiatives in developing pool of talents that will help to move the nation up the value chain.



30 AUGUST 2013

In conjunction with the Merdeka celebration 2013 themed 'My Sovereign Malaysia, My Native Land', SMART distributed Touch 'n Go cards and National flags to all motorists at the Sg Besi Toll Plaza.

DECEMBER 2013

Gamuda, in collaboration with the United Nations Children's Fund (UNICEF), donated contributions from its employees to the victims of Typhoon Haiyan.



7 NOVEMBER 2013

MGKT Project Director Satpal S. Bhogal launched its Centralised Labour Quarters (CLQ) in Cochrane. The introduction of this CLQ concept marked MGKT's commitment in providing comfortable living quarters and other basic facilities for its underground and tunnelling workers.

24 JANUARY 2014

MGKT organised an Open Day at the Merdeka MRT station worksite. Among those present include teachers from SJK (C) Jalan Davidson and Victoria Institution, and officials from the Olympic Council of Malaysia and the Young Women Council Association.

Calendar of Events



Employee Engagement



20 OCTOBER 2013

A total of 50 Gamudians took part in a white river rafting trip at Slim River, Perak. Organised by the Gamuda Sports Club, the character-building activity inculcated the importance of teamwork among staff.



14 NOVEMBER 2013

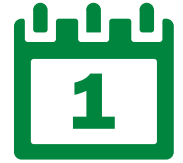
Gamuda Health Day 2013 is an annual event organised with an aim to raise awareness on the importance of health and well-being among staff members was attended by 400 employees who participated in various health screenings, talks and a blood donation drive.

26 FEBRUARY 2014

In an effort to spread safety awareness among staff, MGKT's Safety, Health & Environmental (SHE) Department rolled out a series of safety campaigns to be implemented at all underground worksites.



Calendar of Events



3 – 4 & 10 – 11 MAY 2014

SMART organised two teambuilding programmes in Jeram Besu, Pahang, to enhance staff bonding and teamwork among its employees.



8 – 11 MAY 2014

Gamudians went on a 4-day trip to Chiang Mai, Thailand as part of the Sports Club annual vacation. Among the activities organised include elephant rides and sightseeing to famous tourist locations.



31 MAY 2014

A total of 86 staff and family members visited FRIM in Kepong, in conjunction with Gamuda Environment Day 2014. The objectives of this outdoor activity were to strengthen the relationship and interaction between Gamuda staffs through various interactive programmes related to the nature and at the same time to inculcate love of the nature among younger generations. Among the activities that have been carried out were nature trekking, canopy walk, treasure hunt, photo contest, and colouring contest.



21 – 22 JUNE 2014

It was an annual tournament for many Gamudians to participate in Gamuda Badminton Tournament held in KPGCC. This yearly tournament does not only inculcate healthy lifestyle among staff, but it also helps to build good rapport among staff from different departments and divisions.



CORPORATE GOVERNANCE

Corporate Governance Statement	121 - 129
Statement on Risk Management and Internal Control	130 - 131
Audit Committee Report	132 - 135
Other Disclosures	136

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 been guided by the Malaysian Code on Corporate Governance 2012 ("2012 Code") in seeking to achieve the highest standards of business integrity, ethics and professionalism in all our activities. It has taken steps to bring its approach into line with the 2012 Code where it was appropriate to do so. This Statement explains the key features of the Company's governance structure and how the Company has throughout the financial year ended 31 July 2014 ("2014" or "the year") fulfilled its governance responsibilities.

LEADERSHIP

The role of the Board

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. 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.

During the year, the Company welcomed Dato' Mohammed Hussein, the new Chairman, to the Board.

Board balance and independence

The Company is governed by a Board of Directors and the members have the necessary skills and experience to effectively monitor and direct the business. The Board is

made up of nine Directors of whom four are Non-executive Directors (three of them are independent) and five are Executive Directors.

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

The independence of each Independent Director was reviewed as part of the Board's annual performance evaluation. The Board concluded that each remained independent in character and judgement. The Board also recommends the retention of Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain as an Independent Director although he has served more than 9 years.

Roles of the 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. There is also a Senior Independent Director whose role is separately defined.

Corporate Governance Statement



Role of the Senior Independent Director

Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain is the nominated Senior Independent Director following Tan Sri Dato' Mohd Ramli bin Kushairi's retirement from the Board on 5 December 2013. His role includes being available to shareholders if they have concerns that cannot be resolved through the existing mechanisms for investor communication.

Diversity on the Board

Although currently the Board does not have a formal policy on boardroom diversity, in particular, the goal of achieving more women participation on Board as recommended by the 2012 Code, the Board is committed to ensuring directors of the Company possess a broad balance of skills, knowledge, experience, independence and diversity, including gender diversity. This is demonstrated by the current composition of 2 women at Board level.

EFFECTIVENESS

Board charter

As at the date of this Statement, the Board has not adopted a Board charter. The Board believes that the Directors' handbook, which sets out the roles, duties and responsibilities of directors and the broader issues of directors' ethics, amongst others, collectively with the various policies, procedures and practices that have been in place for a long time, the Company's Articles of Association and statutory and regulatory requirements, have effectively encapsulated the essence of the suggested contents of a Board charter.

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.

Board meetings

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.

Seven Board meetings were held in 2014. The Directors attended Board meetings whenever possible and their attendance during the year is shown below.

Board of Directors attendance

Director	Meetings attended	Percentage
Dato' Mohammed Hussein <i>(Appointed on 12 December 2013)</i>	5 out of 5	100%
Dato' Lin Yun Ling	6 out of 7	85%
Dato' Ir Ha Tiing Tai	5 out of 7	71%
Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	7 out of 7	100%
Raja Dato' Seri Eleena binti Sultan Azlan Shah	5 out of 7	71%
Dato' Haji Azmi bin Mat Nor	6 out of 7	85%
Dato' Goon Heng Wah	7 out of 7	100%
Mr Saw Wah Theng	7 out of 7	100%
Tunku Afwida binti Tunku A.Malek	5 out of 7	71%
Raja Dato' Seri Abdul Aziz bin Raja Salim <i>(Retired on 5 December 2013)</i>	2 out of 2	100%
Tan Sri Dato' Mohd Ramli bin Kushairi <i>(Retired on 5 December 2013)</i>	2 out of 2	100%
Dato' Seri Ir Kamarul Zaman bin Mohd Ali <i>(Retired on 5 December 2013)</i>	2 out of 2	100%
Dato' Ng Kee Leen <i>(Retired on 5 December 2013)</i>	1 out of 2	50%

Corporate Governance Statement



Board commitment

Recognising the substantial time commitment required of directors, it is expected that directors will serve on the boards of other companies only to the extent that such services do not detract from the directors' ability to devote the necessary time and attention to the Company.

The Board is satisfied with the level of time committed by its members in discharging their duties and roles as directors of the Company. All the directors have complied with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") on the limit of five directorships in public listed companies.

Information and professional development

The regular updating of Directors' skills and knowledge is

encouraged. The Non-executive Directors periodically visit different Group project sites and are provided with briefings and information to assist them in performing their duties. During the year, 2 Non-executive Directors visited the Group's project in Hanoi and 2 Non-executive Directors, including the new Chairman, visited the Group's Electrified Double-tracking Railway project in the northern region.

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 2014 held the following internal seminars/trainings for Board members, with attendance as shown below.

Director	The New Landscape For Global Political Risk Management	Corporate Disclosure Guide	Understanding & Awareness of the Goods And Services Tax (GST)
Dato' Mohammed Hussein * <i>(Appointed on 12 December 2013)</i>	√	√	×
Dato' Lin Yun Ling	√	√	√
Dato' Ir Ha Tiing Tai	√	√	√
Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	√	√	√
Raja Dato' Seri Eleena binti Sultan Azlan Shah	√	√	×
Dato' Haji Azmi bin Mat Nor	√	√	√
Dato' Goon Heng Wah	√	√	√
Mr Saw Wah Theng	√	√	√
Tunku Afwida binti Tunku A.Malek	×	×	√
Ir Chow Chee Wah <i>Alternate to Dato' Lin Yun Ling</i>	√	√	√
Ir Adrian Brian Lam <i>Alternate to Dato' Ir Ha Tiing Tai</i>	√	√	√
Ir Chan Kong Wah <i>Alternate to Dato' Goon Heng Wah</i>	×	√	√
Mr Soo Kok Wong <i>Alternate to Mr Saw Wah Theng</i>	√	√	√

* Dato' Mohammed Hussein - Additionally, attended 'Managing Stakeholders' Expectations In The Fast Changing Business Trends Towards Value Creation' on 18 February 2014.

Corporate Governance Statement



Throughout their period in office, the Directors are continually updated on the Group's businesses and the regulatory changes and developments relevant to the 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 documented, 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 better understand the key issues facing the businesses. These sessions are in addition to the written briefings presented at each Board meeting.

Board 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, committees of the Board and Director, and canvassed suggestions on areas to develop or improve on. It was concluded that the Board continues to operate in an effective manner and the Directors demonstrated an appropriate commitment to their roles.

Re-election and Retirement

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

In accordance with the 2012 Code, each Independent Non-executive Director who has served for more than 9 years is required to stand for annual re-election so as to be retained as an Independent Non-executive Director. Nonetheless, the Board has established a policy that the mandatory retirement age of Directors shall be 75 years.

Board committees

The Board governs through clearly identified Board committees to which powers are delegated and where terms of reference are clear. These are the Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee.

The Board is kept well informed of the work of these committees. The Chairman of each committee reports to the Board on matters considered, and any significant issue that may 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 until 5 December 2013)
- Tan Sri Dato' Mohd Ramli bin Kushairi
(until 5 December 2013)
- Dato' Mohammed Hussein
(Chairman from 12 December 2013)
- Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain
(from 12 December 2013)
- Tunku Afwida binti Tunku A.Malek

Corporate Governance Statement



Chaired by Dato' Mohammed Hussein, the Audit Committee comprises entirely of Independent Directors. Tunku Afwida binti Tunku A.Malek is a member of the Malaysian Institute of Accountants (MIA).

The Audit Committee meets not less than four times a year. Four Audit Committee meetings were held in 2014. The attendance is shown below.

Audit Committee attendance

	Meetings attended	Percentage
Raja Dato' Seri Abdul Aziz bin Raja Salim ⁽ⁱ⁾	1 out of 1	100%
Tan Sri Dato' Mohd Ramli bin Kushairi ⁽ⁱⁱ⁾	1 out of 1	100%
Dato' Mohammed Hussein ⁽ⁱⁱⁱ⁾	3 out of 3	100%
Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain ^(iv)	3 out of 3	100%
Tunku Afwida binti Tunku A.Malek	4 out of 4	100%

(i) Ceased as Chairman of the Audit Committee following his retirement from the Board on 5 December 2013.

(ii) Ceased as member of the Audit Committee following his retirement from the Board on 5 December 2013.

(iii) Appointed as Chairman of the Audit Committee on 12 December 2013.

(iv) Appointed to the Audit Committee on 12 December 2013.

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, at the invitation of the Audit Committee, the external auditors attended two (2) Audit Committee meetings and also met privately with the Audit Committee at two (2) meetings, without the presence of the Executive Directors. The private meeting is the forum used by the Independent Directors to discuss the performance of the Group, its management and their ongoing stewardship of shareholders' interests. The Independent 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. Written assurance was received from the external auditors confirming their independence in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants. 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 until 5 December 2013)
- Dato' Mohammed Hussein
(Chairman from 12 December 2013)
- 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, and Group's club membership. The remuneration of the Non-executive Directors takes the form primarily of fees, which is approved by the shareholders.

Corporate Governance Statement



The Remuneration Committee, whilst establishing the appropriate levels of the Directors' remuneration package for 2014, 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. 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 2014. The attendance is shown below.

Remuneration Committee attendance

	Meetings attended	Percentage
Tan Sri Dato' Mohd Ramli bin Kushairi ⁽ⁱ⁾	0 out of 0	-
Dato' Mohammed Hussein ⁽ⁱⁱ⁾	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%

(i) Ceased as Chairman of the Remuneration Committee following his retirement from the Board on 5 December 2013.

(ii) Appointed as Chairman of the Remuneration Committee on 12 December 2013.

Nomination Committee

Members of the Nomination Committee are:

- Tan Sri Dato' Mohd Ramli bin Kushairi
(Chairman until 5 December 2013)
- Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain
(Chairman from 12 December 2013)
- Dato' Mohammed Hussein
(from 12 December 2013)
- Tunku Afwida binti Tunku A.Malek
(from 26 June 2014)

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 the individual Director. The Nomination Committee carried out a performance evaluation for the year and is satisfied that the evaluation has helped to identify and address initiatives to further strengthen the effectiveness of the Board and set priorities going forward.

The Nomination Committee had identified suitable training programmes for the Directors for the new financial year and reviewed all Directors who are due for re-election or re-appointment at the Company's AGM.

Corporate Governance Statement



The Nomination Committee meets not less than once a year. Five Nomination Committee meetings was held in 2014. The attendance is shown below.

Nomination Committee attendance

	Meetings attended	Percentage
Tan Sri Dato' Mohd Ramli bin Kushairi ⁽ⁱ⁾	3 out of 3	100%
Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain ⁽ⁱⁱ⁾	5 out of 5	100%
Dato' Mohammed Hussein ⁽ⁱⁱⁱ⁾	2 out of 2	100%
Tunku Afwida binti Tunku A.Malek ^(iv)	0 out of 0	-

(i) Ceased as Chairman of the Nomination Committee following his retirement from the Board on 5 December 2013.

(ii) Appointed as Chairman of the Nomination Committee on 12 December 2013.

(iii) Appointed to the Nomination Committee on 12 December 2013.

(iv) Appointed to the Nomination Committee on 26 June 2014.

Risk Management Committee

In addition to the regular monthly and quarterly management reviews of project and business operations, an Independent Director and Executive Directors, together with the divisional managing directors and certain other Group functional heads meet at least once 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.

ACCOUNTABILITY, RISK MANAGEMENT AND INTERNAL CONTROL

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 and Risk Management Committee, reports received from the external auditors and any other related matters which have come to its attention.

Financial reporting

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

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

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

Corporate Governance Statement



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.

Disclosure practice

The Board recognises the importance of prompt and timely dissemination of accurate and sufficient information concerning the Company and its Group to shareholders, investors and other stakeholders to enable them to make an informed decision.

The Company's practice is to release all announcements, material and price sensitive information in a timely manner to Bursa Securities as required under the Main Market Listing Requirements of Bursa Securities as well

as to release the Company's updates to the market and community through the Company's website, media releases and other appropriate channels.

The Group Managing Director and/or the Finance Director evaluate(s) the release of all major communications to investors or Bursa Securities.

RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

Relations with shareholders and investors

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 effective IR policies and programmes.

The Company has 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.

Gamuda remains a Corporate Member of the Malaysian Investor Relations Association (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 roadshows, 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.

Notable observations during 2014 include the high level of investor interest in visiting our MRT project sites (both elevated and underground) in order to get insights into the construction of this world-class project.

Corporate Governance Statement



Other observations include the common concerns expressed by several investors and the investment community over the developments in the Selangor water restructuring exercise, particularly in relation to the potential threat by the government to invoke Section 114 of the Water Services Industry Act 2006 (“WASIA”) to take over the operations of our water unit acronymed as Splash.

The following is a summary of all IR activities during 2014.

Type of Event	Investment Centre	No. of Meeting
Investor Conferences	Kuala Lumpur, Singapore, Hong Kong	7 trips
Investor Briefings	Kuala Lumpur	4
Project Site Visits	Kuala Lumpur, Johor, Ho Chi Minh City	18 trips
Teleconference Calls	Various	12
Private Meetings	Various	102

Electronic communication

Broader shareholder communication also takes place via our corporate website at www.gamuda.com.my as well as through the Annual Report, AGM and Extraordinary General Meeting.

There is 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.

Annual General Meeting

The Board seeks to encourage shareholder attendance at its AGM. 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 the meeting.

ETHICS

Code of practice

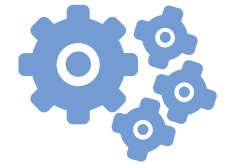
The Board is committed to ensuring that all its business activities operate with the highest standards of business ethics and integrity as summarised in the Company’s written code on business practices, which are applicable Group-wide including Group operations overseas. There is a Whistleblowing reporting 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 Risk Management and Internal Control



BOARD'S RESPONSIBILITY

The Board of Gamuda Berhad (the Group and the Company) affirms the overall responsibility for maintaining a sound system of risk management and internal control so as to safeguard shareholders' interests and the Group's assets. The system of risk management and internal control is designed to manage, but may not totally eliminate the risk of failure to achieve business objectives. Accordingly, such systems can only provide reasonable and not absolute assurance against material error, misstatement or losses. The Board confirms that there is an ongoing 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 this Statement for inclusion in Annual Report. The process is regularly reviewed by the Board and is in accordance with the Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers (SRMICG).

RISK MANAGEMENT

The risk management framework, which is embedded in the management systems of the Group, 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

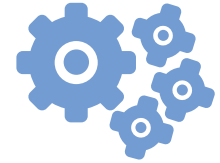
managing them are tabulated in a risk assessment report. Significant risks of business units have been presented to the Risk Management Committee for their deliberation.

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
 - Risk Management 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 employees 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.

Statement on Risk Management and Internal Control



- 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 relevant employees. 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 regular management reports and presentations at Board meetings.
- 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 and performance of the joint venture. Financial and operational reports of these joint ventures are provided regularly to the Management of the Company.

The Group Managing Director and the Finance Director have provided the Board with assurance that the Group risk management and internal control system is operating adequately and effectively. 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 review and take measures to strengthen the risk management and control environment.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on the Statement in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000, 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' and Recommended Practice Guide 5 (Revised), 'Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report'. They have reported to the Board that nothing has come to their attention that causes them to believe the Statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by Paragraph 41 and 42 of SRMICG, nor is the Statement factually inaccurate.

This Statement is made in accordance with the resolution of the Board dated 29 September 2014.

Audit Committee Report



MEMBERSHIP

The current composition of the Audit Committee is as follows:

1. Y BHG DATO' MOHAMMED HUSSEIN

Chairman / Independent Non-executive Director
(Appointed with effect from 12 December 2013 replacing Y M Raja Dato' Seri Abdul Aziz bin Raja Salim)

2. Y BHG TAN SRI DATO' SERI DR HAJI ZAINUL ARIFF BIN HAJI HUSSAIN

Member / Independent Non-executive Director
(Appointed with effect from 12 December 2013 replacing Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi)

3. Y M TUNKU AFWIDA BINTI TUNKU A.MALEK

Member / Independent Non-executive Director

4. Y M RAJA DATO' SERI ABDUL AZIZ BIN RAJA SALIM

Independent Non-executive Director
(Retired with effect from 5 December 2013)

5. Y BHG TAN SRI DATO' MOHD RAMLI BIN KUSHAIRI

Independent Non-executive Director
(Retired with effect from 5 December 2013)

ATTENDANCE OF MEETINGS

During the financial year ended 31 July 2014, the Audit Committee met four times. The meeting attendance of the Committee members is as follows:

Name of Directors	Attendance
Y Bhg Dato' Mohammed Hussein	3/3
Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	3/3
Y M Tunku Afwida binti Tunku A.Malek	4/4
Y M Raja Dato' Seri Abdul Aziz bin Raja Salim	1/1
Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi	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 1st Schedule of the Accountants Act 1967; or
 - b. must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- iii. 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.

Audit Committee Report



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;

Audit Committee Report



- vii. the assistance given by the employees of the Company to the External Auditors;
- viii. significant audit findings and reservations arising from the interim and final audits reported by the External Auditors together with their Management Letter and Management's response, where applicable;
- ix. the adequacy of the scope, function, competency and resources of the Internal Audit function and whether or not it has the necessary authority to carry out its duties;
- x. the Internal Audit programme, processes and results of the audit work, process or investigation undertaken and whether or not appropriate action is taken on the recommendations of the Internal Audit function;
- xi. any appraisal or assessment of the performance of members of the Internal Audit function;
- xii. the appointment or termination of senior staff members of the Internal Audit function and take cognizance of resignations of Internal Audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;
- xiii. any related party transaction and conflict of interests situation that may arise including any transaction, procedure or course of conduct that raises questions of Management's integrity;
- xiv. the allocation of options during the year under the Company's Employees Share Option Scheme (ESOS) to verify whether it is in accordance with the criteria determined by the ESOS Committee and in compliance with the ESOS by-laws;
- xv. matters conveyed to the Board that have not been satisfactorily resolved resulting in a breach of the Listing Requirements are promptly reported to Bursa Securities; and
- xvi. any other matters as may be directed by the Board from time to time.

SUMMARY OF AUDIT COMMITTEE'S ACTIVITIES

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

- i. the Group's quarterly and year-end financial results prior to submission to the Board for consideration and approval;
- ii. the audit planning memorandum of the External Auditors in a meeting to discuss their audit strategy, audit focus and resources prior to commencement of their annual audit;
- iii. matters arising from the audit of the Group in a meeting with the External Auditors without the presence of any executive officer of the Group;
- iv. the performance of the External Auditors and the recommendations to the Board on their reappointment and remuneration;
- v. the Audit Committee Report and its recommendation to the Board for inclusion in the Annual Report;
- vi. the Statement on Internal Control and Statement of Corporate Governance and its recommendation to the Board for inclusion in the Annual Report;
- vii. the risk-based annual audit plan and resource requirement proposed by the Internal Auditors for the Group;
- viii. the audit reports presented by the Internal Auditors on major findings, recommendations and Management's responses thereto;
- ix. the results of follow-up audits conducted by the Internal Auditors on the Management's implementation of audit recommendations;

Audit Committee Report



- x. 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
- xi. 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 2014 was in compliance with the criteria set out in the ESOS by-laws and by the ESOS Committee.

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 2014 was RM1,009,770.

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 2014 was RM93,500.

2. SHARE BUY-BACK

The Company did not purchase any of its own shares during the financial year 2014.

3. EXERCISE OF OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year 2014,

- i. 36,101,000 options in relation to the Employees' Share Option Scheme were exercised.
- ii. 10,612,226 Warrants 2010/2015 were exercised and converted into ordinary shares.

4. MATERIAL CONTRACTS INVOLVING DIRECTORS'/MAJOR SHAREHOLDERS' INTERESTS

Other than as disclosed in Note 42 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 2013.

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 2014.

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 2014 and it expired on 5 July 2014.
- 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 2014 are set out in the table below:-

Description	Number of Options (Since commencement up to 31 July 2014)	
	Grand Total	Directors
(a) Granted*	225,853,000	21,962,000
(b) Exercised	209,920,000	3,685,000
(c) Outstanding	15,933,000	0

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

Directors and Senior Management	During the financial year 2014	Since commencement up to 31 July 2014
(a) Aggregate maximum allocation	38%	50%
(b) Actual granted	-	12%

* Net off resignation.



FINANCIAL STATEMENTS & OTHERS

Directors' Report	138 - 144
Statement by Directors	145
Statutory Declaration	145
Independent Auditors' Report	146 - 147
Consolidated Income Statement	148
Consolidated Statement of Comprehensive Income	149
Consolidated Statement of Financial Position	150 - 151
Consolidated Statement of Changes in Equity	152 - 153
Consolidated Statement of Cash Flows	154 - 155
Income Statement	156
Statement of Comprehensive Income	157
Statement of Financial Position	158 - 159
Statement of Changes in Equity	160
Statement of Cash Flows	161 - 162
Notes to the Financial Statements	163 - 326
Supplementary Information	327

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 2014.

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 joint arrangements are described in Notes 18, 19 and 20 to the financial statements respectively.

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

Results

	Group RM'000	Company RM'000
Profit for the year	735,083	620,657
Attributable to:		
Owners of the Company	719,398	620,657
Non-controlling interests	15,685	-
	<u>735,083</u>	<u>620,657</u>

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 other than the gain on remeasurement of previously held interest in Kesas Holdings Berhad immediately before obtaining control, and impairment of premium paid on water concession assets and goodwill as further disclosed in Notes 18, 19 and 17 to the financial statements respectively.

Directors' Report

Dividends

The amount of dividends declared and paid by the Company since 31 July 2013 were as follows:

In respect of the financial year ended 31 July 2014:	RM'000
First interim single tier dividend of 6 sen per share declared on 17 December 2013 and paid on 28 January 2014	137,993
Second interim single tier dividend of 6 sen per share declared on 26 June 2014 and paid on 23 July 2014	<u>139,395</u>
	<u>277,388</u>

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

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:

Y Bhg Dato' Mohammed bin Haji Che Hussein (appointed on 12 December 2013)
 Y Bhg Dato' Lin Yun Ling
 Y Bhg Dato' Ir. Ha Tiing Tai
 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' Haji Azmi bin Mat Nor
 Y Bhg Dato' Goon Heng Wah
 Saw Wah Theng
 YM Tunku Afwida binti Tunku A.Malek
 Ir. Chow Chee Wah (alternate to Y Bhg Dato' Lin Yun Ling)
 Ir. Adrian Brian Lam (alternate to Y Bhg Dato' Ir. Ha Tiing Tai)
 Ir. Chan Kong Wah (alternate to Y Bhg Dato' Goon Heng Wah)
 Soo Kok Wong (alternate to Saw Wah Theng)
 YM Raja Dato' Seri Abdul Aziz bin Raja Salim (retired on 5 December 2013)
 Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi (retired on 5 December 2013)
 Y Bhg Dato' Seri Ir. Kamarul Zaman bin Mohd Ali (retired on 5 December 2013)
 Y Bhg Dato' Ng Kee Leen (retired on 5 December 2013)

Directors' Report

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 42 to the financial statements.

Directors' interests

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

	Number of ordinary shares of RM1 each			
	1 August 2013	Exercise of ESOS/ Conversion of warrants/ Bought	Sold	31 July 2014
Gamuda Berhad				
Direct holding				
Y Bhg Dato' Lin Yun Ling	67,632,636	2,867,364	-	70,500,000
Y Bhg Dato' Ir. Ha Tiing Tai	18,015,876	1,260,000	-	19,275,876
Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	120,000	-	-	120,000
YTM Raja Dato' Seri Eleena binti Sultan Azlan Shah	200,000	-	-	200,000
Y Bhg Dato' Haji Azmi bin Mat Nor	480,000	-	-	480,000
Y Bhg Dato' Goon Heng Wah	13,980,000	-	-	13,980,000
Saw Wah Theng	557,400	200,000	-	757,400
Ir. Chow Chee Wah	600,000	185,000	(350,000)	435,000
Ir. Adrian Brian Lam	300,000	519,000	(650,000)	169,000
Ir. Chan Kong Wah	560,000	-	(160,000)	400,000
Soo Kok Wong	70,000	21,000	-	91,000
Indirect holding				
Y Bhg Dato' Ir. Ha Tiing Tai #	14,200	-	-	14,200
YTM Raja Dato' Seri Eleena binti Sultan Azlan Shah *	126,000,000	-	(1,000,000)	125,000,000
Y Bhg Dato' Goon Heng Wah #	5,104,032	-	-	5,104,032

* 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 2013	Allotted	Exercised	31 July 2014
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)	-
	3.46	360,000	-	(360,000)	-
Saw Wah Theng	2.49	200,000	-	(200,000)	-
Ir. Chow Chee Wah	2.49	185,000	-	(185,000)	-
Ir. Adrian Brian Lam	2.49	350,000	-	(350,000)	-
	3.24	130,000	-	(130,000)	-
	3.46	39,000	-	(39,000)	-
Soo Kok Wong	3.46	21,000	-	(21,000)	-

Warrants 2010/2015

	1 August 2013	Number of warrants		31 July 2014
		Bought	Converted/ Sold	
Direct holding				
Y Bhg Dato' Lin Yun Ling	4,403,100	-	(1,367,364)	3,035,736
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
Saw Wah Theng	47,375	-	-	47,375
Ir. Chow Chee Wah	20,200	-	-	20,200
Ir. Chan Kong Wah	480,000	250,000	(50,000)	680,000
Soo Kok Wong	224,800	-	-	224,800
Indirect holding				
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

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

Deemed interest through spouse

Other than as disclosed above, none of the other 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.

Directors' Report

Issue of shares

During the financial year, the Company increased its issued and paid-up share capital from RM2,276,644,253 to RM2,323,357,479 by way of:

- (a) The issuance of 36,101,000 new ordinary shares of RM1.00 each for cash arising from the exercise of options under the Company's ESOS at the exercise prices as disclosed in Note 29(e) to the financial statements; and
- (b) The issuance of 10,612,226 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 29(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.

On 5 July 2014, the ESOS had expired and the remaining unexercised ESOS options had lapsed. On 29 September 2014, the Company proposed to implement a new ESOS, subject to relevant approvals being obtained.

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 29(c) and Note 29(e) to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of options, other than directors, who have been granted options to subscribe for less than 32,000 ordinary shares of RM1.00 each. The names of the option holders granted options to subscribe for 32,000 ordinary shares of RM1.00 each during the financial year are as follows:

Name	Expiry date	Number of options
Yazid bin Kasbolah	5 July 2014	32,000
Cheah Nan Chow	5 July 2014	32,000
Chew Swee Chua	5 July 2014	32,000
Tan Soon Leong	5 July 2014	32,000
Teoh Jun Cheat	5 July 2014	32,000
Yeow Lian Huat	5 July 2014	32,000

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

Directors' 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, 83,735,642 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 all known bad debts have been written off 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) the amount written off for any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company 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.
- (e) 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.

Directors' Report

Other statutory information (cont'd.)

- (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 four subsidiaries 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 2014 as follows:
- (i) 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;
 - (ii) Gamuda Land Vietnam Limited Liability Company with June financial year end; and
 - (iii) Gamuda - WCT (India) Private Limited with March financial year end.
- (h) The Company's newly acquired subsidiary, Kesas Holdings Berhad, is exempted 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 2014.

Significant events

Significant events are as disclosed in Note 43 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 2014.

Y Bhg Dato' Mohammed bin Haji Che Hussein
Chairman

Saw Wah Theng
Finance Director

Statement by Directors

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

We, Y Bhg Dato' Mohammed bin Haji Che Hussein 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 148 to 326 are drawn up in accordance with Financial Reporting Standards and the requirements of 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 2014 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 327 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 and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 8 October 2014.

Y Bhg Dato' Mohammed bin Haji Che Hussein
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 148 to 327 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 2014

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 2014 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 information, as set out on pages 148 to 326.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is 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 give a true and fair view of the financial position of the Group and of the Company as at 31 July 2014 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 28 to the financial statements which describes the uncertainty relating to Selangor State Government's effort to consolidate the various entities involved in the treatment, supply and distribution of water in the state of Selangor and its consequent effects, if any, on the Group's interest in its associated company, Syarikat Pengeluar Air Selangor Holdings Berhad.

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 ("Act"), 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 327 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 2014

Consolidated Income Statement

For the year ended 31 July 2014

	Note	2014 RM'000	2013 (restated) RM'000
Revenue	4	2,229,572	2,235,435
Other income		67,692	61,144
Gain on remeasurement of previously held interest in Kesas Holdings Berhad immediately before obtaining control	7	194,203	-
Construction contract costs recognised as contract expenses		(764,614)	(986,265)
Land and development costs		(609,846)	(478,809)
Changes in inventory of finished goods and work in progress		(3,864)	1,572
Purchases			
- raw materials		(43,011)	(37,885)
- trading materials		(122,083)	(101,126)
Production overheads		(35,093)	(42,572)
Staff costs	5	(105,876)	(98,408)
Depreciation and amortisation		(26,579)	(21,993)
Impairment of premium paid on water concession assets and goodwill	7	(187,062)	-
Arbitral awards and other costs	7	-	(110,700)
Other operating expenses		(105,099)	(74,811)
Profit from operations	7	488,340	345,582
Finance costs	8	(66,439)	(51,351)
Share of profits of associated companies		243,672	241,206
Share of profits of joint ventures		186,072	121,009
Profit before taxation		851,645	656,446
Taxation	9	(116,562)	(106,863)
Profit for the year		735,083	549,583
Profit attributable to:			
Owners of the Company		719,398	540,923
Non-controlling interests		15,685	8,660
		735,083	549,583
Earnings per share attributable to owners of the Company (sen)			
Basic	10(a)	31.29	25.35
Diluted	10(b)	30.81	24.84
Net dividends per ordinary share (sen)	11	12.0	12.0

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 2014

	2014 RM'000	2013 (restated) RM'000
Profit for the year	735,083	549,583
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Fair value gain on cash flow hedges	2,497	2,448
Foreign currency translation	19,040	31,192
Share of other comprehensive loss of associated companies	(16,969)	(26,154)
Net asset accretion in an associated company arising from capital contribution	4,575	8,217
	9,143	15,703
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Remeasurement gains on defined benefit plan	173	-
Other comprehensive income for the year, net of tax	9,316	15,703
Total comprehensive income for the year	744,399	565,286
Total comprehensive income attributable to:		
Owners of the Company	730,185	558,081
Non-controlling interests	14,214	7,205
	744,399	565,286

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

Consolidated Statement of Financial Position

As at 31 July 2014

		As at 31.7.2014	As at 31.7.2013 (restated)	As at 1.8.2012 (restated)
	Note	RM'000	RM'000	RM'000
Assets				
Non-current assets				
Property, plant and equipment	12	284,885	299,539	292,433
Land held for property development	13(a)	882,569	1,048,735	575,823
Investment properties	14	98,040	59,322	47,838
Prepaid land lease payments	15	3,595	4,020	4,447
Expressway development expenditure	16	1,755,349	-	-
Intangible assets	17	-	94,750	97,848
Interests in associated companies	19	631,413	1,803,201	1,660,337
Interests in joint arrangements	20	602,134	473,390	342,091
Other investments	21	890	733	733
Deferred tax assets	34	26,231	46,384	22,058
Receivables	23(b)	357,954	206,690	154,891
		<u>4,643,060</u>	<u>4,036,764</u>	<u>3,198,499</u>
Current assets				
Property development costs	13(b)	1,652,156	1,799,608	1,768,761
Inventories	22	295,076	94,880	66,203
Receivables	23(a)	1,817,010	1,155,645	1,369,060
Tax recoverable		31,433	43,095	20,695
Investment securities	24	37,721	429,529	279,104
Cash and bank balances	27	882,031	876,554	725,660
		<u>4,715,427</u>	<u>4,399,311</u>	<u>4,229,483</u>
Asset held for sale reclassified from interests in associated companies	28	994,306	-	-
		<u>5,709,733</u>	<u>4,399,311</u>	<u>4,229,483</u>
Total assets		<u>10,352,793</u>	<u>8,436,075</u>	<u>7,427,982</u>

Consolidated Statement of Financial Position

As at 31 July 2014

	Note	As at 31.7.2014 RM'000	As at 31.7.2013 (restated) RM'000	As at 1.8.2012 (restated) RM'000
Equity and liabilities				
Equity attributable to owners of the Company				
Share capital	29	2,323,357	2,276,644	2,079,412
Reserves		3,150,935	2,601,362	1,966,341
Owners' equity		5,474,292	4,878,006	4,045,753
Non-controlling interests		687,395	226,087	220,839
Total equity		6,161,687	5,104,093	4,266,592
Non-current liabilities				
Payables	33(a)	259,460	141,936	127,538
Provision for liabilities	39	2,685	5,028	12,931
Deferred tax liabilities	34	390,956	81,124	82,818
Long term borrowings	35	1,738,572	1,513,067	803,836
Derivatives	33(b)	-	1,755	4,281
		2,391,673	1,742,910	1,031,404
Current liabilities				
Short term borrowings	36	792,159	459,705	1,091,112
Payables	37	930,222	1,067,952	1,001,870
Provision for liabilities	39	29,096	30,356	12,247
Tax payable		46,053	28,414	22,190
Derivatives	33(b)	1,903	2,645	2,567
		1,799,433	1,589,072	2,129,986
Total liabilities		4,191,106	3,331,982	3,161,390
Total equity and liabilities		10,352,793	8,436,075	7,427,982

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 2014

Group	← Attributable to owners of the Company →						Non-controlling interests	Total equity
	← Non-distributable →			→ Distributable				
	Share capital	Share premium	Option reserves	Other reserves (Note 30)	Retained profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 August 2012 (previously stated)	2,079,412	153,228	27,519	30,043	1,757,830	4,048,032	220,839	4,268,871
Effects of adopting FRS 119	-	-	-	-	(2,279)	(2,279)	-	(2,279)
At 1 August 2012 (restated)	2,079,412	153,228	27,519	30,043	1,755,551	4,045,753	220,839	4,266,592
Total comprehensive income	-	-	-	17,158	540,923	558,081	7,205	565,286
Transactions with owners:								
Issue of ordinary shares pursuant to:								
Exercise of ESOS (Note 29(d))	44,026	78,890	-	-	-	122,916	-	122,916
Conversion of Warrants (Notes 29 and 30)	153,206	269,643	-	(15,321)	-	407,528	-	407,528
Share options granted under ESOS	-	-	6,144	-	-	6,144	-	6,144
Share options exercised under ESOS	-	15,710	(16,218)	-	-	(508)	-	(508)
Dividends (Note 11)	-	-	-	-	(261,908)	(261,908)	-	(261,908)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,957)	(1,957)
Total transactions with owners	197,232	364,243	(10,074)	(15,321)	(261,908)	274,172	(1,957)	272,215
At 31 July 2013 (restated)	2,276,644	517,471	17,445	31,880	2,034,566	4,878,006	226,087	5,104,093

Consolidated Statement of Changes in Equity

For the year ended 31 July 2014

Group	← Attributable to owners of the Company →						Non-controlling interests	Total equity
	← Non-distributable →			→ Distributable				
	Share capital	Share premium	Option reserves	Other reserves (Note 30)	Retained profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 August 2013 (restated)	2,276,644	517,471	17,445	31,880	2,034,566	4,878,006	226,087	5,104,093
Total comprehensive income	-	-	-	10,614	719,571	730,185	14,214	744,399
Transactions with owners:								
Issue of ordinary shares pursuant to:								
Exercise of ESOS (Note 29(d))	36,101	78,008	-	-	-	114,109	-	114,109
Conversion of Warrants (Notes 29 and 30)	10,612	18,677	-	(1,061)	-	28,228	-	28,228
Transfer from options reserves to retained profits	-	-	(6,425)	-	6,425	-	-	-
Share options granted under ESOS	-	-	1,152	-	-	1,152	-	1,152
Share options exercised under ESOS	-	12,172	(12,172)	-	-	-	-	-
Issue of shares by a subsidiary to non-controlling interests	-	-	-	-	-	-	12,094	12,094
Acquisition of a subsidiary (Note 18(f))	-	-	-	-	-	-	435,000	435,000
Dividends (Note 11)	-	-	-	-	(277,388)	(277,388)	-	(277,388)
Total transactions with owners	46,713	108,857	(17,445)	(1,061)	(270,963)	(133,899)	447,094	313,195
At 31 July 2014	2,323,357	626,328	-	41,433	2,483,174	5,474,292	687,395	6,161,687

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 2014

	2014 RM'000	2013 (restated) RM'000
Cash flows from operating activities		
Profit before taxation	851,645	656,446
Adjustments for:		
Amortisation of concession and quarry rights	3,098	3,098
Amortisation of prepaid land lease payments	425	427
Amortisation of expressway development expenditure	5,474	-
Depreciation		
- Property, plant and equipment	16,875	17,847
- Investment properties	707	621
Property, plant and equipment written off	147	264
Impairment of premium paid on water concession assets and goodwill	187,062	-
Net provision for liabilities	7,209	17,020
Provision for retirement benefits	2,225	2,829
Provision for short term accumulating compensated absences	467	638
Provision for foreseeable losses	-	11,779
Net gain on disposal of property, plant and equipment	(2,000)	(3,620)
Share of profits from associated companies	(243,672)	(241,206)
Share of profits from joint ventures	(186,072)	(121,009)
Gain on remeasurement of previously held interest in Kesas Holdings Berhad immediately before obtaining control	(194,203)	-
Share options granted under ESOS	1,152	6,144
Unrealised (gain)/loss on foreign exchange	(3,905)	10,531
Distribution from investment securities	(20,331)	(5,783)
Interest income	(28,451)	(24,420)
Interest expense	66,439	51,351
Operating profit before working capital changes	464,291	382,957
Decrease/(increase) in development properties	88,277	(546,401)
Decrease/(increase) in inventories	41,775	(14,267)
(Increase)/decrease in receivables	(797,733)	176,738
(Decrease)/increase in payables	(20,356)	49,102
Cash (used in)/generated from operations	(223,746)	48,129
Income taxes paid	(102,256)	(124,807)
Interest paid	(107,043)	(94,518)
Retirement benefits paid	(1,932)	(517)
Net cash used in operating activities	(434,977)	(171,713)

Consolidated Statement of Cash Flows

For the year ended 31 July 2014

	2014 RM'000	2013 (restated) RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,637)	(34,719)
Expenditure on investment properties	(34,216)	(12,105)
Proceeds from disposal of property, plant and equipment	9,692	11,207
Net proceeds from disposal/(purchase) of investment securities	391,808	(150,425)
Capital repayment from an associated company	5,469	19,565
Acquisition of additional interest in a joint venture	(11,250)	-
Acquisition of additional interest in an associated company	(280,000)	-
Net cash outflow on acquisition of a subsidiary	(32,133)	-
Distribution received from investment securities	20,331	5,783
Dividend received from associated companies	52,110	77,609
Dividend received from a joint venture	71,000	-
Interest received	28,451	24,420
Net cash generated from/(used in) investing activities	<u>204,625</u>	<u>(58,665)</u>
Cash flows from financing activities		
Repayment of borrowings	(510,385)	(242,750)
Drawdown of borrowings	868,486	356,767
Net proceeds from exercise of ESOS	114,109	122,916
Net proceeds from conversion of warrants	28,228	407,528
Issuance of shares by a subsidiary to non-controlling interests	12,094	-
Dividend paid to shareholders	(277,388)	(261,908)
Dividend paid to non-controlling interests	-	(1,957)
Net cash generated from financing activities	<u>235,144</u>	<u>380,596</u>
Net increase in cash and cash equivalents	4,792	150,218
Effects of exchange rate changes	685	676
Cash and cash equivalents at beginning of year	876,554	725,660
Cash and cash equivalents at end of year (Note 27)	<u>882,031</u>	<u>876,554</u>

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

Income Statement

For the year ended 31 July 2014

		2014	2013
	Note	RM'000	(restated) RM'000
Revenue	4	878,237	258,900
Other income		93,454	60,156
Staff costs	5	(30,085)	(31,458)
Depreciation		(7,727)	(7,446)
Impairment of premium paid on water concession assets	7	(165,625)	-
Other operating expenses		(27,465)	(33,426)
Profit from operations	7	740,789	246,726
Finance costs	8	(63,886)	(54,344)
Profit before taxation		676,903	192,382
Taxation	9	(56,246)	(21,399)
Profit for the year		620,657	170,983
Net dividends per ordinary share (sen)	11	12.0	12.0

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

Statement of Comprehensive Income

For the year ended 31 July 2014

	2014 RM'000	2013 (restated) RM'000
Profit for the year	620,657	170,983
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Fair value gain on cash flow hedges	2,497	2,448
Foreign currency translation	1,091	(592)
	<u>3,588</u>	<u>1,856</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Remeasurement gains on defined benefit plan	28	-
Other comprehensive income for the year, net of tax	<u>3,616</u>	<u>1,856</u>
Total comprehensive income for the year	<u>624,273</u>	<u>172,839</u>

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

Statement of Financial Position

As at 31 July 2014

	Note	As at 31.7.2014 RM'000	As at 31.7.2013 (restated) RM'000	As at 1.8.2012 (restated) RM'000
Assets				
Non-current assets				
Property, plant and equipment	12	159,156	163,545	162,207
Investment properties	14	10,728	10,858	11,009
Investments in subsidiaries	18	3,314,207	2,657,027	2,250,556
Interests in associated companies	19	300,364	702,049	702,049
Interests in joint arrangements	20	254,476	254,476	254,476
Other investments	21	733	733	733
Deferred tax assets	34	2,380	23,656	5,748
Due from a subsidiary	26	723,930	622,437	517,843
		<u>4,765,974</u>	<u>4,434,781</u>	<u>3,904,621</u>
Current assets				
Receivables	23(a)	491,256	57,300	57,767
Due from subsidiaries	26	500,105	290,049	353,412
Investment securities	24	-	113,146	1,474
Cash and bank balances	27	31,946	125,587	128,442
		<u>1,023,307</u>	<u>586,082</u>	<u>541,095</u>
Asset held for sale reclassified from interests in associated companies	28	160,000	-	-
		<u>1,183,307</u>	<u>586,082</u>	<u>541,095</u>
Total assets		<u>5,949,281</u>	<u>5,020,863</u>	<u>4,445,716</u>

Statement of Financial Position

As at 31 July 2014

	Note	As at 31.7.2014 RM'000	As at 31.7.2013 (restated) RM'000	As at 1.8.2012 (restated) RM'000
Equity and liabilities				
Share capital	29	2,323,357	2,276,644	2,079,412
Reserves		1,311,248	867,587	617,808
Owners' equity		3,634,605	3,144,231	2,697,220
Non-current liabilities				
Payables	33(a)	1,906	2,027	2,020
Long term borrowings	35	1,493,103	1,168,614	501,505
Derivatives	33(b)	-	1,755	4,281
		1,495,009	1,172,396	507,806
Current liabilities				
Short term borrowings	36	479,295	415,185	1,008,237
Payables	37	71,317	62,426	56,512
Due to subsidiaries	38	230,385	207,268	168,304
Tax payable		36,767	16,712	5,070
Derivatives	33(b)	1,903	2,645	2,567
		819,667	704,236	1,240,690
Total liabilities		2,314,676	1,876,632	1,748,496
Total equity and liabilities		5,949,281	5,020,863	4,445,716

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 2014

Company	Non-distributable			Distributable		Total RM'000
	Share capital RM'000	Share premium RM'000	Option reserves RM'000	Other reserves (Note 30) RM'000	Retained profits (Note 31) RM'000	
At 1 August 2012 (previously stated)	2,079,412	153,228	27,519	29,085	408,566	2,697,810
Effects of adopting FRS 119 At 1 August 2012 (restated)	-	-	-	-	(590)	(590)
	2,079,412	153,228	27,519	29,085	407,976	2,697,220
Total comprehensive income	-	-	-	1,856	170,983	172,839
Transactions with owners:						
Issue of ordinary shares pursuant to:						
Exercise of ESOS (Note 29(d))	44,026	78,890	-	-	-	122,916
Conversion of Warrants (Notes 29 and 30)	153,206	269,643	-	(15,321)	-	407,528
Share options granted under ESOS	-	-	6,144	-	-	6,144
Share options exercised under ESOS	-	15,710	(16,218)	-	-	(508)
Dividends (Note 11)	-	-	-	-	(261,908)	(261,908)
Total transactions with owners	197,232	364,243	(10,074)	(15,321)	(261,908)	274,172
At 31 July 2013 (restated)	2,276,644	517,471	17,445	15,620	317,051	3,144,231
At 1 August 2013 (restated)	2,276,644	517,471	17,445	15,620	317,051	3,144,231
Total comprehensive income	-	-	-	3,588	620,685	624,273
Transactions with owners:						
Issue of ordinary shares pursuant to:						
Exercise of ESOS (Note 29(d))	36,101	78,008	-	-	-	114,109
Conversion of Warrants (Notes 29 and 30)	10,612	18,677	-	(1,061)	-	28,228
Transfer from options reserves to retained profits	-	-	(6,425)	-	6,425	-
Share options granted under ESOS	-	-	1,152	-	-	1,152
Share options exercised under ESOS	-	12,172	(12,172)	-	-	-
Dividends (Note 11)	-	-	-	-	(277,388)	(277,388)
Total transactions with owners	46,713	108,857	(17,445)	(1,061)	(270,963)	(133,899)
At 31 July 2014	2,323,357	626,328	-	18,147	666,773	3,634,605

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 2014

	2014 RM'000	2013 (restated) RM'000
Cash flows from operating activities		
Profit before taxation	676,903	192,382
Adjustments for:		
Appropriation of profits from joint operations	(191,065)	(37,067)
Depreciation		
- Property, plant and equipment	7,574	7,295
- Investment properties	153	151
Provision/(reversal) for retirement benefits	695	(305)
Provision of short term accumulating absences	21	159
Net loss/(gain) on disposal of property, plant and equipment	1	(202)
Property, plant and equipment written off	1	3
Unrealised (gain)/loss on foreign exchange	(21,049)	19,812
Share based payments	1,152	6,144
Dividend income	(687,172)	(221,833)
Distribution from investment securities	(2,337)	(3,033)
Interest income	(78,749)	(48,391)
Interest expense	63,886	54,344
Impairment of premium paid on water concession assets	165,625	-
Operating loss before working capital changes	(64,361)	(30,541)
(Increase)/decrease in due from subsidiaries	(118,838)	66,032
Increase/(decrease) in due to subsidiaries	21,476	(31,231)
Increase in receivables	(433,956)	(15)
Decrease in payables	(14,947)	(10,985)
Cash (used in)/generated from operations	(610,626)	(6,740)
Dividend received	679,990	207,532
Income taxes paid	(7,836)	(13,363)
Interest paid	(40,492)	(41,458)
Retirement benefits paid	(788)	-
Net cash generated from operating activities	20,248	145,971
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,261)	(8,665)
Expenditure on investment properties	(23)	-
Proceeds from disposal of property, plant and equipment	71	205
Net proceeds from disposal/(purchase) of investment securities	113,146	(111,672)
Net investment in subsidiaries	(581,120)	(406,471)
Distribution received from investment securities	2,337	3,033
Interest received	78,749	48,391
Net cash used in investing activities	(390,101)	(475,179)

Statement of Cash Flows

For the year ended 31 July 2014

	2014	2013
	RM'000	(restated) RM'000
Cash flows from financing activities		
Drawdown of borrowings	821,926	685,000
Repayment of borrowings	(410,663)	(627,263)
Net proceeds from exercise of ESOS	114,109	122,916
Net proceeds from conversion of warrants	28,228	407,528
Dividend paid to shareholders	(277,388)	(261,908)
Net cash generated from financing activities	<u>276,212</u>	<u>326,273</u>
Net decrease in cash and cash equivalents	(93,641)	(2,935)
Effects of exchange rate changes	-	80
Cash and cash equivalents at beginning of year	<u>125,587</u>	<u>128,442</u>
Cash and cash equivalents at end of year (Note 27)	<u>31,946</u>	<u>125,587</u>

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

Notes to the Financial Statements

31 July 2014

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 joint arrangements are described in Notes 18, 19 and 20 respectively. There were 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 2014.

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 ("FRSs") and the requirements of 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 2013, the Group and the Company adopted the following FRSs, amended FRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2013.

Effective for annual periods beginning on or after 1 January 2013:

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

Notes to the Financial Statements

31 July 2014

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

2.2 Changes in accounting policies (cont'd.)

Effective for annual periods beginning on or after 1 January 2013 (cont'd.):

FRS 127	Separate Financial Statements
FRS 128	Investment in Associates and Joint Ventures
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 1	Government Loans
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
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
Amendments to FRS 101	Presentation of Financial Statements (Improvements to FRSs (2012))
Amendments to FRS 116	Property, Plant and Equipment (Improvements to FRSs (2012))
Amendments to FRS 132	Financial Instruments: Presentation (Improvements to FRSs (2012))
Amendments to FRS 134	Interim Financial Reporting (Improvements to FRSs (2012))
Amendments to IC Interpretation 2	Members' shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))

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.

The classification of joint arrangements under FRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under FRS 11, joint arrangements are classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Notes to the Financial Statements

31 July 2014

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

2.2 Changes in accounting policies (cont'd.)

FRS 11 Joint Arrangements (cont'd.)

FRS 11 removes the option to account for jointly controlled entities (“JCE”) using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

FRS 11 has been applied in accordance with the relevant transitional provisions set out in FRS 11. The initial investment as at 1 August 2012 for the purposes of applying the equity method is measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated. The opening consolidated statements of financial position of the earliest comparative period presented (1 August 2012) and the comparative figures have been accordingly restated.

As the Group previously opted for proportionate consolidation of its JCE, the application of FRS 11 results in a change in accounting policy to equity method of accounting for the Group’s joint ventures.

The above change in accounting policy has affected the amounts reported in the Group’s consolidated financial statements, as shown in Note 2.2(i) to Note 2.2(iii) below.

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. FRS 13 defines fair value as an exit price. As a result of the guidance in FRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. FRS 13 also requires additional disclosures.

Application of FRS 13 has not materially impacted the fair value measurement of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

Amendments to FRS 101 Presentation of Items of Other Comprehensive Income

The amendments to FRS 101 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified (“recycled”) to profit or loss at a future point in time (eg. net loss or gain on available-for-sale financial assets) have to be presented separately from items that will not be reclassified (eg. revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group’s financial position or performance.

Notes to the Financial Statements

31 July 2014

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

2.2 Changes in accounting policies (cont'd.)

FRS 119 Employee Benefits

On 1 August 2013, the Group adopted the amended FRS 119 Employee Benefits. For defined benefit plans, the amended FRS 119 requires all actuarial gains and losses to be recognised in other comprehensive income and unvested past service costs previously recognised over the average vesting period to be recognised immediately in profit or loss when incurred.

Prior to adoption of the amended FRS 119, the Group and the Company recognised actuarial gains and losses as income or expense when the net cumulative unrecognised actuarial gains and losses for each individual plan, at the end of the previous period, exceeded 10% of the higher of the defined benefit obligation and the fair value of the plan assets and recognised unvested past service costs as an expense on a straight-line basis over the average vesting period until the benefits become vested. Upon adoption of the amended FRS 119, the Group and the Company changed their accounting policy to recognise all actuarial gains and losses in other comprehensive income and all past service costs in profit or loss in the period they occur.

The amended FRS 119 replaced the interest cost and expected return on plan assets with the concept of net interest on defined benefit liability or asset which is calculated by multiplying the net balance sheet defined benefit liability or asset by the discount rate used to measure the employee benefit obligation, each as at the beginning of the annual period.

The changes in accounting policies have been applied retrospectively except for the sensitivity disclosures for the defined benefit obligation for the comparative period (year ended 31 July 2013) as provided under the permitted exceptions of FRS 119 (revised). The effects of the adoption of the amended FRS 119 on the Group's and the Company's financial statements are as shown in Note 2.2(i) to Note 2.2(iii) below.

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 Investment 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.

Notes to the Financial Statements

31 July 2014

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

2.2 Changes in accounting policies (cont'd.)

(i) **Impact of the application of the changes in FRS 11 and FRS 119 on net assets and equity of the Group and the Company as at 1 August 2012 and 31 July 2013**

	1 August 2012 as previously reported RM'000	FRS 11 adjustments RM'000	FRS 119 adjustments RM'000	1 August 2012 as restated RM'000
Group				
Assets				
Non-current assets				
Property, plant and equipment	375,388	(82,955)	-	292,433
Land held for property development	580,854	(5,031)	-	575,823
Investment properties	47,838	-	-	47,838
Prepaid land lease payments	4,447	-	-	4,447
Expressway development expenditure	318,807	(318,807)	-	-
Intangible assets	97,848	-	-	97,848
Interests in associated companies	1,660,337	-	-	1,660,337
Interests in joint arrangements	-	342,091	-	342,091
Other investments	733	-	-	733
Deferred tax assets	23,473	(2,175)	760	22,058
Receivables	160,020	(5,129)	-	154,891
	<u>3,269,745</u>			<u>3,198,499</u>
Current assets				
Property development costs	1,886,442	(117,681)	-	1,768,761
Inventories	66,481	(278)	-	66,203
Receivables	1,637,715	(268,655)	-	1,369,060
Tax recoverable	22,086	(1,391)	-	20,695
Investment securities	279,104	-	-	279,104
Cash and bank balances	1,337,355	(611,695)	-	725,660
	<u>5,229,183</u>			<u>4,229,483</u>
Total assets	<u>8,498,928</u>			<u>7,427,982</u>

Notes to the Financial Statements

31 July 2014

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

2.2 Changes in accounting policies (cont'd.)

(i) **Impact of the application of the changes in FRS 11 and FRS 119 on net assets and equity of the Group and the Company as at 1 August 2012 and 31 July 2013 (cont'd.)**

	1 August 2012 as previously reported RM'000	FRS 11 adjustments RM'000	FRS 119 adjustments RM'000	1 August 2012 as restated RM'000
Group				
Equity and liabilities				
Equity attributable to owners of the Company				
Share capital	2,079,412	-	-	2,079,412
Reserves	1,968,620	-	(2,279)	1,966,341
Owners' equity	4,048,032			4,045,753
Non-controlling interests	220,839	-	-	220,839
Total equity	4,268,871			4,266,592
Non-current liabilities				
Payables	166,337	(41,838)	3,039	127,538
Provision for liabilities	12,931	-	-	12,931
Deferred tax liabilities	84,626	(1,808)	-	82,818
Long term borrowings	1,036,878	(233,042)	-	803,836
Derivatives	4,281	-	-	4,281
	<u>1,305,053</u>			<u>1,031,404</u>
Current liabilities				
Short term borrowings	1,145,463	(54,351)	-	1,091,112
Payables	1,727,034	(725,164)	-	1,001,870
Provision for liabilities	21,177	(8,930)	-	12,247
Tax payable	28,763	(6,573)	-	22,190
Derivatives	2,567	-	-	2,567
	<u>2,925,004</u>			<u>2,129,986</u>
Total liabilities	4,230,057			3,161,390
Total equity and liabilities	8,498,928			7,427,982

Notes to the Financial Statements

31 July 2014

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

2.2 Changes in accounting policies (cont'd.)

(i) **Impact of the application of the changes in FRS 11 and FRS 119 on net assets and equity of the Group and the Company as at 1 August 2012 and 31 July 2013 (cont'd.)**

	31 July 2013 as previously reported RM'000	FRS 11 adjustments RM'000	FRS 119 adjustments RM'000	31 July 2013 as restated RM'000
Group				
Assets				
Non-current assets				
Property, plant and equipment	395,050	(95,511)	-	299,539
Land held for property development	1,101,703	(52,968)	-	1,048,735
Investment properties	66,822	(7,500)	-	59,322
Prepaid land lease payments	4,020	-	-	4,020
Expressway development expenditure	316,440	(316,440)	-	-
Intangible assets	94,750	-	-	94,750
Interests in associated companies	1,803,201	-	-	1,803,201
Interests in joint arrangements	-	473,390	-	473,390
Other investments	733	-	-	733
Deferred tax assets	49,854	(4,388)	918	46,384
Receivables	260,044	(53,354)	-	206,690
	<u>4,092,617</u>			<u>4,036,764</u>
Current assets				
Property development costs	1,912,009	(112,401)	-	1,799,608
Inventories	96,266	(1,386)	-	94,880
Receivables	1,915,986	(760,341)	-	1,155,645
Tax recoverable	47,155	(4,060)	-	43,095
Investment securities	514,922	(85,393)	-	429,529
Cash and bank balances	1,230,210	(353,656)	-	876,554
	<u>5,716,548</u>			<u>4,399,311</u>
Total assets	<u>9,809,165</u>			<u>8,436,075</u>

Notes to the Financial Statements

31 July 2014

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

2.2 Changes in accounting policies (cont'd.)

(i) **Impact of the application of the changes in FRS 11 and FRS 119 on net assets and equity of the Group and the Company as at 1 August 2012 and 31 July 2013 (cont'd.)**

	31 July 2013 as previously reported RM'000	FRS 11 adjustments RM'000	FRS 119 adjustments RM'000	31 July 2013 as restated RM'000
Group				
Equity and liabilities				
Equity attributable to owners of the Company				
Share capital	2,276,644	-	-	2,276,644
Reserves	2,604,117	-	(2,755)	2,601,362
Owners' equity	4,880,761			4,878,006
Non-controlling interests	226,087	-	-	226,087
Total equity	5,106,848			5,104,093
Non-current liabilities				
Payables	414,282	(276,019)	3,673	141,936
Provision for liabilities	5,028	-	-	5,028
Deferred tax liabilities	83,228	(2,104)	-	81,124
Long term borrowings	1,717,265	(204,198)	-	1,513,067
Derivatives	1,755	-	-	1,755
	<u>2,221,558</u>			<u>1,742,910</u>
Current liabilities				
Short term borrowings	741,435	(281,730)	-	459,705
Payables	1,657,338	(589,386)	-	1,067,952
Provision for liabilities	44,078	(13,722)	-	30,356
Tax payable	35,263	(6,849)	-	28,414
Derivatives	2,645	-	-	2,645
	<u>2,480,759</u>			<u>1,589,072</u>
Total liabilities	4,702,317			3,331,982
Total equity and liabilities	9,809,165			8,436,075

Notes to the Financial Statements

31 July 2014

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

2.2 Changes in accounting policies (cont'd.)

- (i) **Impact of the application of the changes in FRS 11 and FRS 119 on net assets and equity of the Group and the Company as at 1 August 2012 and 31 July 2013 (cont'd.)**

	1 August 2012 as previously reported RM'000	FRS 119 adjustments RM'000	1 August 2012 as restated RM'000
Company			
Assets			
Non-current assets			
Property, plant and equipment	162,207	-	162,207
Investment properties	11,009	-	11,009
Investments in subsidiaries	2,250,556	-	2,250,556
Interests in associated companies	702,049	-	702,049
Interests in joint arrangements	254,476	-	254,476
Other investments	733	-	733
Deferred tax assets	5,551	197	5,748
Due from a subsidiary	517,843	-	517,843
	<u>3,904,424</u>		<u>3,904,621</u>
Current assets			
Receivables	57,767	-	57,767
Due from subsidiaries	353,412	-	353,412
Investment securities	1,474	-	1,474
Cash and bank balances	128,442	-	128,442
	<u>541,095</u>		<u>541,095</u>
Total assets	<u>4,445,519</u>		<u>4,445,716</u>

Notes to the Financial Statements

31 July 2014

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

2.2 Changes in accounting policies (cont'd.)

(i) **Impact of the application of the changes in FRS 11 and FRS 119 on net assets and equity of the Group and the Company as at 1 August 2012 and 31 July 2013 (cont'd.)**

	1 August 2012 as previously reported RM'000	FRS 119 adjustments RM'000	1 August 2012 as restated RM'000
Company			
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	2,079,412	-	2,079,412
Reserves	618,398	(590)	617,808
Owners' equity	<u>2,697,810</u>		<u>2,697,220</u>
Non-current liabilities			
Payables	1,233	787	2,020
Long term borrowings	501,505	-	501,505
Derivatives	4,281	-	4,281
	<u>507,019</u>		<u>507,806</u>
Current liabilities			
Short term borrowings	1,008,237	-	1,008,237
Payables	56,512	-	56,512
Due to subsidiaries	168,304	-	168,304
Tax payable	5,070	-	5,070
Derivatives	2,567	-	2,567
	<u>1,240,690</u>		<u>1,240,690</u>
Total liabilities	<u>1,747,709</u>		<u>1,748,496</u>
Total equity and liabilities	<u>4,445,519</u>		<u>4,445,716</u>

Notes to the Financial Statements

31 July 2014

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

2.2 Changes in accounting policies (cont'd.)

(i) **Impact of the application of the changes in FRS 11 and FRS 119 on net assets and equity of the Group and the Company as at 1 August 2012 and 31 July 2013 (cont'd.)**

	31 July 2013 as previously reported RM'000	FRS 119 adjustments RM'000	31 July 2013 as restated RM'000
Company			
Assets			
Non-current assets			
Property, plant and equipment	163,545	-	163,545
Investment properties	10,858	-	10,858
Investments in subsidiaries	2,657,027	-	2,657,027
Interests in associated companies	702,049	-	702,049
Interests in joint arrangements	254,476	-	254,476
Other investments	733	-	733
Deferred tax assets	23,470	186	23,656
Due from a subsidiary	622,437	-	622,437
	<u>4,434,595</u>		<u>4,434,781</u>
Current assets			
Receivables	57,300	-	57,300
Due from subsidiaries	290,049	-	290,049
Investment securities	113,146	-	113,146
Cash and bank balances	125,587	-	125,587
	<u>586,082</u>		<u>586,082</u>
Total assets	<u>5,020,677</u>		<u>5,020,863</u>

Notes to the Financial Statements

31 July 2014

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

2.2 Changes in accounting policies (cont'd.)

- (i) **Impact of the application of the changes in FRS 11 and FRS 119 on net assets and equity of the Group and the Company as at 1 August 2012 and 31 July 2013 (cont'd.)**

	31 July 2013 as previously reported RM'000	FRS 119 adjustments RM'000	31 July 2013 as restated RM'000
Company			
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	2,276,644	-	2,276,644
Reserves	868,145	(558)	867,587
Owners' equity	<u>3,144,789</u>		<u>3,144,231</u>
Non-current liabilities			
Payables	1,283	744	2,027
Long term borrowings	1,168,614	-	1,168,614
Derivatives	1,755	-	1,755
	<u>1,171,652</u>		<u>1,172,396</u>
Current liabilities			
Short term borrowings	415,185	-	415,185
Payables	62,426	-	62,426
Due to subsidiaries	207,268	-	207,268
Tax payable	16,712	-	16,712
Derivatives	2,645	-	2,645
	<u>704,236</u>		<u>704,236</u>
Total liabilities	<u>1,875,888</u>		<u>1,876,632</u>
Total equity and liabilities	<u>5,020,677</u>		<u>5,020,863</u>

Notes to the Financial Statements

31 July 2014

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

2.2 Changes in accounting policies (cont'd.)

(ii) Impact of the application of the changes in FRS 11 and FRS 119 on profit of the Group and the Company for the year

	31 July 2013 as previously reported RM'000	FRS 11 adjustments RM'000	FRS 119 adjustments RM'000	31 July 2013 as restated RM'000
Group				
Revenue	3,883,120	(1,647,685)	-	2,235,435
Other income	64,479	(3,335)	-	61,144
Construction contract costs recognised as contract expenses	(2,271,570)	1,285,305	-	(986,265)
Land and development costs	(648,866)	170,057	-	(478,809)
Changes in inventory of finished goods and work in progress	1,572	-	-	1,572
Purchases				
- raw materials	(37,885)	-	-	(37,885)
- trading materials	(108,896)	7,770	-	(101,126)
Production overheads	(42,572)	-	-	(42,572)
Staff costs	(103,706)	5,932	(634)	(98,408)
Depreciation and amortisation	(26,487)	4,494	-	(21,993)
Arbitral awards and other costs	(110,700)	-	-	(110,700)
Other operating expenses	(86,302)	11,491	-	(74,811)
Finance costs	(60,768)	9,417	-	(51,351)
Share of profits of associated companies	241,206	-	-	241,206
Share of profits of joint ventures	-	121,009	-	121,009
Taxation	(142,566)	35,545	158	(106,863)
Profit for the year	<u>550,059</u>			<u>549,583</u>

Notes to the Financial Statements

31 July 2014

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

2.2 Changes in accounting policies (cont'd.)

(ii) Impact of the application of the changes in FRS 11 and FRS 119 on profit of the Group and the Company for the year (cont'd.)

	31 July 2013 as previously reported RM'000	FRS 11 adjustments RM'000	FRS 119 adjustments RM'000	31 July 2013 as restated RM'000
Company				
Revenue	258,900	-	-	258,900
Other income	60,156	-	-	60,156
Staff costs	(31,501)	-	43	(31,458)
Depreciation and amortisation	(7,446)	-	-	(7,446)
Other operating expenses	(33,426)	-	-	(33,426)
Finance costs	(54,344)	-	-	(54,344)
Taxation	(21,388)	-	(11)	(21,399)
Profit for the year	<u>170,951</u>			<u>170,983</u>

Notes to the Financial Statements

31 July 2014

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

2.2 Changes in accounting policies (cont'd.)

(iii) Impact of the application of the changes in FRS 11 and FRS 119 on cash flows of the Group and the Company for the year

	31 July 2013 as previously reported RM'000	FRS 11 adjustments RM'000	FRS 119 adjustments RM'000	31 July 2013 as restated RM'000
Group				
Net cash used in operating activities	(489,528)	317,181	634	(171,713)
Net cash used in investing activities	(144,911)	86,246	-	(58,665)
Net cash generated from financing activities	526,618	(146,022)	-	380,596
Net (decrease)/increase in cash and cash equivalents	<u>(107,821)</u>			<u>150,218</u>
Company				
Net cash generated from operating activities	145,971	-	-	145,971
Net cash used in investing activities	(475,179)	-	-	(475,179)
Net cash generated from financing activities	326,273	-	-	326,273
Net decrease in cash and cash equivalents	<u>(2,935)</u>			<u>(2,935)</u>

Notes to the Financial Statements

31 July 2014

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

2.3 Standards and interpretations 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 2014:

Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
FRS 136	Recoverable Amount Disclosures for Non-Financial Assets (Amendments to FRS 136)
FRS 139	Novation of Derivatives and Continuation of Hedge Accounting (Amendments to FRS 139)
IC Interpretation 21	Levies

Effective for annual periods beginning on or after 1 July 2014:

Amendments to FRS 119	Defined Benefit Plans: Employee Contributions
Amendments to FRSs	Annual Improvements to FRSs 2010 - 2012 Cycle
Amendments to FRSs	Annual Improvements to FRSs 2011 - 2013 Cycle

Effective for annual periods beginning on or after 1 January 2016:

FRS 14	Regulatory Deferral Accounts
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation

Effective date to be announced:

FRS 9	Financial Instruments (IFRS 9 as issued by IASB in November 2009)
	Financial Instruments (IFRS 9 as issued by IASB in October 2010)
	Financial Instruments (Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139)

Notes to the Financial Statements

31 July 2014

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

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

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:

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 standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

Amendments to FRS 116 and FRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to FRS 116 and FRS 138 establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The amendments to FRS 116 prohibit revenue-based depreciation because revenue does not, as a matter of principle, reflect the way in which an item of property, plant and equipment is used or consumed. Revenue is affected by other inputs and processes, selling activities and changes in sales volumes and prices. The amendments to FRS 138 introduce a rebuttable presumption that an amortisation method based on revenue generated by an activity that includes the use of an intangible asset is inappropriate for the same reasons as the amendments to FRS 116 and can be overcome only in certain limited circumstances.

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 five years and adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

The Group and the Company fall 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 2018. 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.

Notes to the Financial Statements

31 July 2014

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

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the 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. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

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.

Notes to the Financial Statements

31 July 2014

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

2.4 Basis of consolidation (cont'd.)

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

2.5 Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Notes to the Financial Statements

31 July 2014

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

2.5 Business combinations (cont'd.)

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.9(a).

2.6 Subsidiaries

A subsidiary is an entity over which the Company controls and the policy to determine the criteria for control is in accordance with Note 2.4.

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

2.7 Investments in associated companies and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

On acquisition of an investment in an associated company or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's or joint venture's profit or loss for the period in which the investment is acquired.

Notes to the Financial Statements

31 July 2014

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

2.7 Investments in associated companies and joint ventures (cont'd.)

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates and joint ventures 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.

After application of the equity method, the Group applies FRS 139 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with FRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Company's separate financial statements, investments in associates and joint ventures are accounted for 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 2014

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

2.8 Investments in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group as a joint operator recognises in relation to its interest in a joint operation:

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operation;
- (iv) its share of the revenue from the sale of the output by the joint operation; and
- (v) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the FRSs applicable to the particular assets, liabilities, revenues and expenses.

Profits and losses resulting from transactions between the Group and its joint operation are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the joint operation.

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 2014

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) Expressway development expenditure

Expressway development expenditure (“EDE”) comprises development and upgrading expenditure (including interest charges relating to financing of the development) incurred in connection with the concession. EDE is classified as an intangible asset and is measured on initial recognition at cost. Following initial recognition, EDE is carried at cost less accumulated amortisation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.15.

Assets under construction included in EDE are not depreciated as these assets are not yet available for use.

EDE is amortised to the profit or loss on commencement of tolling operations over the concession period based on the following formula:

$$\left(\frac{\text{Current Year Actual Toll Revenue}}{\text{Current Year Actual Toll Revenue plus Projected Toll Revenue for the remaining concession period}} \times \text{Opening Net Carrying Amount of EDE plus Current Year Additions} \right)$$

Periodic traffic studies are performed by an independent traffic consultant in order to support the projected toll revenue for the remaining concession period. The latest traffic study was performed in 2013.

Notes to the Financial Statements

31 July 2014

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

2.9 Intangible assets (cont'd.)

(c) Other intangible assets

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

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

Other intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the other 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 other 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.

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.

Notes to the Financial Statements

31 July 2014

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

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

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 FRS116₂₀₀₄: 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.

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.

Notes to the Financial Statements

31 July 2014

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

2.11 Investment properties (cont'd.)

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 recognized 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 2014

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.

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.

(ii) Property development costs

Where the financial outcome of a development activity can be estimated reliably, 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 estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that are likely to be recoverable. Property development costs are recognised as expenses 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 2014

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

2.14 Construction contracts

Where the financial 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 determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Where the financial outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only 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 2014

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 2014

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

Notes to the Financial Statements

31 July 2014

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

2.19 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

- 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.

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 2014

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 net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise service costs, net interest on the net defined benefit liability or asset and remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Notes to the Financial Statements

31 July 2014

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

2.20 Employee benefits (cont'd.)

(iii) Defined benefit plans (cont'd.)

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss. Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

The amount recognised in the consolidated statements of financial position represents the present value of the defined benefit obligations adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the net total of any unrecognised actuarial losses and past service costs, and the present value of any economic benefits in the form of refunds or reductions in 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.

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.

Notes to the Financial Statements

31 July 2014

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

2.21 Revenue and other income 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 and other income 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 the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

(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.

(v) Toll concession revenue

Toll concession revenue are recognised on cash basis when customers pass through the highway toll booths.

Notes to the Financial Statements

31 July 2014

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

2.21 Revenue and other income recognition (cont'd.)

(a) Revenue (cont'd.)

(vi) Government compensation

Pursuant to the concession awarded by the Government, the Government reserves its rights to restructure or to restrict the imposition of unit toll rate increases by the Group. The Government shall compensate the Group for any reduction in toll concession revenue as a consequence of such restructure or restriction imposed, subject to negotiation and other consideration that the Government may deem fit.

The amount of Government compensation are recognised in profit or loss when the right to receive payment is established.

(vii) 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.

Notes to the Financial Statements

31 July 2014

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

2.22 Foreign currencies (cont'd.)

(ii) Foreign currency transactions

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

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

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

(iii) Foreign operations

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

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

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

	2014	2013
	RM	RM
United States Dollar	3.186	3.235
Indian Rupee	0.053	0.054
New Taiwan Dollar	0.106	0.108
Qatari Riyal	0.876	0.889
Bahraini Dinar	8.497	8.630
100 Vietnam Dong	0.015	0.015

Notes to the Financial Statements

31 July 2014

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

2.23 Financial assets

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

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

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

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

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

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

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

(b) Loans and receivables

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

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

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

Notes to the Financial Statements

31 July 2014

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

2.23 Financial assets (cont'd.)

(b) Loans and receivables (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.

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

Notes to the Financial Statements

31 July 2014

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

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 are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Notes to the Financial Statements

31 July 2014

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

2.27 Financial liabilities (cont'd.)

(b) Other financial liabilities (cont'd.)

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 2014

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.

Notes to the Financial Statements

31 July 2014

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

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

Cash flow hedges (cont'd.)

- Embedded derivatives that are not closely related to the host contract are classified consistent with the cash flows of the host contract.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if a reliable allocation can be made.

2.29 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.30 Deferred revenue

Deferred revenue comprise the following:

(a) Advance maintenance fees and licence fees

Fees received from third parties to upkeep the inter-change at the expressway and for the exclusive rights to design, construct, operate and manage ancillary facilities along the expressway, are recognised in profit or loss on a straight line basis over the remaining concession period.

(b) Government compensation

Compensation received from the Government of Malaysia ("Government") for the imposition of revised toll rates lower than those as provided for in the Concession Agreement, which is taken to profit or loss over the period the compensation relates.

2.31 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes to the Financial Statements

31 July 2014

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

2.31 Fair value measurement (cont'd.)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.32 Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the sale will be withdrawn. Management must be committed to the sale expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is:

- A component of the Group that is a CGU or a group of CGUs;
- Classified as held for sale or distribution or already disposed in such a way; or
- A major line of business or major geographical area.

Notes to the Financial Statements

31 July 2014

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

2.33 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and any accumulated impairment losses. The land use rights are amortised over their lease terms.

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.

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 RM23,700,000 (2013: RM24,220,000) 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.

Notes to the Financial Statements

31 July 2014

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

(b) Amortisation of expressway development expenditure (“EDE”)

The cost of EDE is amortised over the concession period by applying the formula as disclosed in Note 2.9(b).

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 expressway 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 RM274,000 (2013: Not applicable) 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 bear 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 increase/decrease the Group’s profit for the year by RM39,162,000 (2013: RM27,659,000).

The carrying amount of the Group’s amount due from/(to) customers for construction contracts at the reporting date is disclosed in Note 25. A 5% difference in the estimated total contract cost would increase/decrease the Group’s profit for the year by RM47,527,000 (2013: RM58,914,000).

(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 34.

Notes to the Financial Statements

31 July 2014

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

(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 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 29(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 at the reporting date is disclosed in Note 32.

(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. The carrying amount of provision for development cost at the reporting is disclosed in Note 39.

If the actual claims differ by 10% from management's estimates, the Group's profit for the year will increase/decrease by RM2,795,600 (2013: RM2,732,700).

Notes to the Financial Statements

31 July 2014

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

(i) Timing of settlement of trade receivables in an associated company

Included in the carrying amount of interests in associated companies is the Group's share of receivables due substantially from Syarikat Bekalan Air Selangor Sdn. Bhd. ("Syabas") to Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd. ("Splash"), an associated company, amounting to RM994,075,000 (2013: RM843,484,000).

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

(j) Timing of settlement of trade receivables in a subsidiary

Included in trade receivables is an amount due from an associated company, Splash to a subsidiary, Gamuda Water Sdn. Bhd. ("GWSB") amounting to RM305,538,000 (2013: RM243,415,000) for the supply of treated water.

Pursuant to the agreement with Splash, GWSB's agreed trade credit term is 7 days from the date Splash receives its payment from Syabas. The slower recovery of debt by GWSB 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.

(k) Impairment of intangible assets

Goodwill and concession and quarry rights are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill, and concession and quarry rights are allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable pre-tax discount rate in order to calculate the present value of those cash flows. Further details of the carrying value and key assumptions applied in the impairment assessment of goodwill, and concession and quarry rights are disclosed in Note 17.

Based on management's review, the impairment of RM91,652,000 is required for the intangible assets of the Group during the current financial year as further disclosed in Note 17.

Notes to the Financial Statements

31 July 2014

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

(l) Impairment of investment in a subsidiary

At reporting date, management determines whether the carrying amounts of its investments in subsidiaries are impaired. This involves measuring the recoverable amounts by applying the method as disclosed in Note 3(e).

Based on management's review, an impairment of RM70,215,000 is required for the Company's investment in a subsidiary during the current financial year as further disclosed in Note 18(e).

(m) Impairment of interests in associated companies

At reporting date, management determines whether the carrying amounts of its interests in associated companies are impaired. This involves measuring the recoverable amounts by applying the method as disclosed in Note 3(e).

Based on management's review, an impairment of RM95,410,000 is required for the Group's and the Company's interest in an associated company during the current financial year as further disclosed in Note 19(c).

Notes to the Financial Statements

31 July 2014

4. Revenue

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

	Group		Company	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Engineering and construction contracts	992,430	1,222,585	-	-
Sales of development properties	887,777	720,182	-	-
Quarry sales	34,063	35,225	-	-
Trading of construction materials	113,335	120,122	-	-
Sales of manufactured products	25,420	12,286	-	-
Supply of water and related services	133,689	100,634	-	-
Toll concession revenue	20,168	-	-	-
Dividend income	-	-	687,172	221,833
Appropriation of profits from joint operations	-	-	191,065	37,067
Others	22,690	24,401	-	-
	<u>2,229,572</u>	<u>2,235,435</u>	<u>878,237</u>	<u>258,900</u>

Supplementary information on revenue of the Group inclusive of the Group's share of revenue of joint ventures are as follows:

	2014 RM'000	2013 RM'000
Revenue of the Group	2,229,572	2,235,435
Share of revenue of joint ventures:		
Engineering and construction	1,977,071	1,340,528
Property development and club operations	411,486	289,330
Water and expressway concessions	18,309	17,827
	<u>4,636,438</u>	<u>3,883,120</u>

Notes to the Financial Statements

31 July 2014

5. Staff costs

	Group		Company	
	2014	2013 (restated)	2014	2013 (restated)
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	116,615	88,886	11,461	9,397
Bonus	29,997	21,644	3,372	2,641
Directors' salaries and emoluments (Note 6)	11,215	11,954	6,894	7,591
Short term accumulating compensated absences	467	638	21	159
Pension costs-defined contribution plans	15,967	12,572	1,725	1,520
Pension costs-defined benefit plans	2,215	2,764	685	(305)
Share options granted under ESOS	1,152	5,965	1,152	5,987
Social security costs	1,239	628	67	61
Other staff related expenses	38,670	23,173	4,708	4,407
	<u>217,537</u>	<u>168,224</u>	<u>30,085</u>	<u>31,458</u>
Less: Amount capitalised in qualifying assets:				
Property development costs (Note 13(b))	(23,484)	(24,256)	-	-
Costs of construction contracts (Note 25)	(88,177)	(45,560)	-	-
	<u>105,876</u>	<u>98,408</u>	<u>30,085</u>	<u>31,458</u>

Notes to the Financial Statements

31 July 2014

6. Directors' remuneration

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Directors				
Executive:				
Salaries	6,978	6,828	4,244	4,235
Bonus	2,515	3,199	1,618	2,194
Pension costs-defined contribution plans ("EPF")	1,417	1,376	856	825
Pension costs-defined benefit plans	10	65	10	-
Share options granted under ESOS	-	179	-	157
Other emoluments				
- Allowances	295	307	166	180
- Benefits-in-kind	188	214	40	91
	<u>11,403</u>	<u>12,168</u>	<u>6,934</u>	<u>7,682</u>
Non-executive:				
Fees	414	470	414	470
Other emoluments				
- Allowances	134	104	134	104
- Benefits-in-kind	7	7	7	7
	<u>555</u>	<u>581</u>	<u>555</u>	<u>581</u>
Total	<u>11,958</u>	<u>12,749</u>	<u>7,489</u>	<u>8,263</u>
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 5)	11,215	11,954	6,894	7,591
Total non-executive directors' remuneration excluding benefits-in-kind (Note 7)	548	574	548	574
Total directors' remuneration excluding benefits-in-kind	<u>11,763</u>	<u>12,528</u>	<u>7,442</u>	<u>8,165</u>

- (a) On 5 December 2013, three directors retired as non-executive directors and one director retired as executive director of the Company (2013: One executive director resigned and was reappointed as a non-executive director).
- (b) On 12 December 2013, there was one director being appointed as the non-executive chairman (2013: Three alternate directors being appointed).

Notes to the Financial Statements

31 July 2014

6. Directors' remuneration (cont'd.)

The details of the remuneration paid by the Group and the Company to each director who served during the financial years ended 31 July 2014 and 31 July 2013 are as follows:

2014	Salaries, bonus and EPF RM'000	Fees RM'000	Defined benefits plans paid RM'000	Other emoluments* RM'000	Total RM'000
Directors					
Executive:					
Y Bhg Dato' Lin Yun Ling	2,464	-	-	56	2,520
Y Bhg Dato' Ir. Ha Tiing Tai	1,545	-	-	52	1,597
Y Bhg Dato' Haji Azmi bin Mat Nor	1,185	-	290	53	1,528
Y Bhg Dato' Goon Heng Wah	1,210	-	-	42	1,252
Saw Wah Theng	979	-	278	40	1,297
Ir. Chow Chee Wah	903	-	293	58	1,254
Ir. Adrian Brian Lam	730	-	-	39	769
Ir. Chan Kong Wah	989	-	-	58	1,047
Soo Kok Wong	520	-	-	16	536
Y Bhg Dato' Seri Ir. Kamarul Zaman bin Mohd Ali #	385	-	-	69	454
	10,910	-	861	483	12,254
Non-executive:					
Y Bhg Dato' Mohammed bin Haji Che Hussein ^	-	86	-	34	120
Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	-	79	-	16	95
YTM Raja Dato' Seri Eleena binti Sultan Azlan Shah	-	60	-	5	65
YM Tunku Afwida binti Tunku A.Malek	-	90	-	9	99
YM Raja Dato' Seri Abdul Aziz bin Raja Salim #	-	47	-	67	114
Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi #	-	31	-	9	40
Y Bhg Dato' Ng Kee Leen #	-	21	-	1	22
	-	414	-	141	555

Notes to the Financial Statements

31 July 2014

6. Directors' remuneration (cont'd.)

The details of the remuneration paid by the Group and the Company to each director who served during the financial years ended 31 July 2014 and 31 July 2013 are as follows (cont'd.):

2013	Salaries, bonus and EPF RM'000	Fees RM'000	Defined benefit plans paid RM'000	Other emoluments* RM'000	Total RM'000
Directors					
Executive:					
Y Bhg Dato' Lin Yun Ling	2,338	-	-	58	2,396
Y Bhg Dato' Ir. Ha Tiing Tai	1,499	-	-	50	1,549
Y Bhg Dato' Seri Ir. Kamarul Zaman bin Mohd Ali	385	-	-	69	454
Y Bhg Dato' Haji Azmi bin Mat Nor	1,192	-	-	53	1,245
Y Bhg Dato' Goon Heng Wah	1,105	-	-	41	1,146
Y Bhg Dato' Ng Kee Leen **	910	-	-	66	976
Saw Wah Theng	926	-	-	40	966
Ir. Chow Chee Wah	861	-	-	36	897
Ir. Adrian Brian Lam	721	-	-	41	762
Ir. Chan Kong Wah	990	-	-	51	1,041
Soo Kok Wong	476	-	-	16	492
	11,403	-	-	521	11,924
Non-executive:					
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	-	135	-	60	195
Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	-	60	-	12	72
YTM Raja Dato' Seri Eleena binti Sultan Azlan Shah	-	60	-	7	67
YM Tunku Afwida binti Tunku A.Malek	-	90	-	12	102
Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi	-	90	-	15	105
Y Bhg Dato' Ng Kee Leen **	-	35	-	5	40
	-	470	-	111	581

* Included in other emolument are allowances and benefits-in-kind.

This represents the remuneration paid to this Director until his retirement on 5 December 2013.

^ This represents the remuneration paid to this Director subsequent to his appointment as Non-Executive Chairman on 12 December 2013.

** This represents the remuneration paid to this Director subsequent to his redesignation as Non-Executive Director on 1 January 2013.

Notes to the Financial Statements

31 July 2014

7. Profit from operations

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

	Group		Company	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Amortisation of prepaid land lease payments (Note 15)	425	427	-	-
Amortisation of expressway development expenditure (Note 16)	5,474	-	-	-
Amortisation of concession and quarry rights (Note 17)	3,098	3,098	-	-
Auditors' remuneration				
- Statutory audits				
- Group's auditors	530	372	102	100
- Other auditors	90	118	-	-
- Other services	94	80	36	35
Depreciation				
- Property, plant and equipment (Note 12)	16,875	17,847	7,574	7,295
- Investment properties (Note 14)	707	621	153	151
Non-executive directors' fees (Note 6)	548	574	548	574
Property, plant and equipment written off (Note 12)	147	264	1	3
Net (gain)/loss on disposal of property, plant and equipment	(2,000)	(3,620)	1	(202)
Net provision for liabilities (Note 39)	7,209	17,020	-	-
Provision for foreseeable losses (Note 13(b))	-	11,779	-	-
Rental expense of land	149	670	-	-
Rental expense of premises	885	1,101	214	214
Hire of plant and equipment	6,937	1,129	-	-
Net foreign exchange losses/(gains)	21,152	8,151	(4,417)	20,165
Professional fees	3,412	3,966	1,575	1,343
Gain on remeasurement of previously held interest in Kesas Holdings Berhad immediately before obtaining control (Note 18(f))	(194,203)	-	-	-
Distribution from investment securities	(20,331)	(5,783)	(2,337)	(3,033)
Interest income	(17,002)	(24,114)	(78,749)	(48,391)
Unwinding of discount				
- Notional interest income	(11,449)	(306)	-	-
Rental income				
- Subsidiaries	-	-	(3,791)	(3,605)
- Others	(3,325)	(3,599)	(1,270)	(928)

Notes to the Financial Statements

31 July 2014

7. Profit from operations (cont'd.)

The following items have been included in arriving at profit from operations (cont'd.):

	Group		Company	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Impairment of:				
- Premium paid on water concession assets in an associated company (Note 19(c))	95,410	-	95,410	-
- Concession and quarry rights, and goodwill (Note 17)	91,652	-	-	-
- Investment in a subsidiary (Note 18(e))	-	-	70,215	-
	<u>187,062</u>	<u>-</u>	<u>165,625</u>	<u>-</u>
Arbitral awards and other costs include:				
Stormwater Management and Road Tunnel				
- Arbitral award including cost incurred to complete the works not recovered and expensed off (Note 41)	-	92,562	-	-
Dukhan Highway				
- Arbitral award	-	18,138	-	-
	<u>-</u>	<u>110,700</u>	<u>-</u>	<u>-</u>

8. Finance costs

	Group		Company	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
Murabahah medium term notes	53,071	39,858	53,071	39,858
Revolving credits	2,201	5,975	2,201	5,975
Term loan	44,269	45,658	8,614	8,507
Unwinding of discount				
- Notional interest expense	1,597	380	-	-
Others	5,905	2,647	-	4
	<u>107,043</u>	<u>94,518</u>	<u>63,886</u>	<u>54,344</u>
Less:				
Amount capitalised in qualifying assets:				
Property development costs (Note 13(b))	(37,913)	(40,522)	-	-
Costs of construction contracts (Note 25)	(2,691)	(2,645)	-	-
	<u>66,439</u>	<u>51,351</u>	<u>63,886</u>	<u>54,344</u>

Notes to the Financial Statements

31 July 2014

9. Taxation

	Group		Company	
	2014	2013 (restated)	2014	2013 (restated)
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Malaysian income tax	127,336	120,052	58,859	33,249
Foreign income tax	242	1,489	175	-
(Over)/under provision in prior years	(25,432)	11,669	(23,787)	6,055
	<u>102,146</u>	<u>133,210</u>	<u>35,247</u>	<u>39,304</u>
Deferred tax (Note 34):				
Relating to origination and reversal of temporary differences	(3,600)	(30,451)	(1,479)	(20,871)
Under provision in prior years	18,016	4,104	22,478	2,966
	<u>14,416</u>	<u>(26,347)</u>	<u>20,999</u>	<u>(17,905)</u>
	<u>116,562</u>	<u>106,863</u>	<u>56,246</u>	<u>21,399</u>

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 24% from the current year's tax rate of 25%, effective Year of Assessment 2016. The effect of the change in future tax rate to deferred tax of the Group and the Company is determined not to be significant.

Taxation for other jurisdictions is calculated at the rates prevailing in respective jurisdictions.

Notes to the Financial Statements

31 July 2014

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:

	2014 RM'000	2013 (restated) RM'000
Group		
Profit before taxation	851,645	656,446
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	212,911	164,112
Effect of different tax rates in other countries	802	(1,572)
Income not subject to tax	(53,975)	(1,617)
Expenses not deductible for tax purposes	71,362	21,505
Effects of share of profits of associated companies and joint ventures	(107,436)	(90,554)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(963)	(1,170)
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	1,277	386
Under provision of deferred tax in prior years	18,016	4,104
(Over)/under provision of income tax in prior years	(25,432)	11,669
Tax expense for the year	116,562	106,863
Company		
Profit before taxation	676,903	192,382
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	169,226	48,096
Income not subject to tax	(173,120)	(48,930)
Expenses not deductible for tax purposes	61,449	13,212
Under provision of deferred tax in prior years	22,478	2,966
(Over)/under provision of income tax in prior years	(23,787)	6,055
Tax expense for the year	56,246	21,399

Notes to the Financial Statements

31 July 2014

9. Taxation (cont'd.)

Tax savings during the financial year arising from:

	2014	Group 2013 (restated)
	RM'000	RM'000
Utilisation of previously unrecognised tax losses	641	1,138
Utilisation of previously unabsorbed capital allowances	322	32

10. Earnings per share attributable to owners of the Company

(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.

	2014	2013 (restated)
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	719,398	540,923
Weighted average number of ordinary shares in issue ('000)	2,299,315	2,133,795
Basic earnings per share (sen)	31.29	25.35

(b) Diluted

Diluted 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 plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from exercise of ESOS and Warrants into ordinary shares. The ESOS and Warrants are deemed to have been converted into ordinary shares at the date of the issue of the ESOS and Warrants.

Notes to the Financial Statements

31 July 2014

10. Earnings per share attributable to owners of the Company (cont'd.)

(b) Diluted (cont'd.)

	2014	2013 (restated)
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	719,398	540,923
Weighted average number of ordinary shares in issue ('000)	2,299,315	2,133,795
Adjusted for:		
Assumed shares issued from the exercise of ESOS ('000) *	-	12,953
Assumed shares issued from the conversion of Warrants 2010/2015 ('000) *	35,524	30,812
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	2,334,839	2,177,560
Fully diluted earnings per share (sen)	30.81	24.84

* Assume a portion of shares issued from exercise of ESOS and Warrants when average market price exceeds the exercise price. On 5 July 2014, the ESOS had expired and the remaining unexercised ESOS options had lapsed.

Since the end of the financial year, warrant holders converted the warrants to acquire 635,600 ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of the financial statements.

11. Dividends

	Amount		Group and Company Net dividends per ordinary share	
	2014 RM'000	2013 RM'000	2014 sen	2013 sen
Dividends paid in respect of:-				
Financial year ended 31 July 2014:-				
- First interim single tier dividend of 6% per share	137,993	-	6.0	-
- Second interim single tier dividend of 6% per share	139,395	-	6.0	-
Financial year ended 31 July 2013:-				
- First interim single tier dividend of 6% per share	-	125,337	-	6.0
- Second interim single tier dividend of 6% per share	-	136,571	-	6.0
	277,388	261,908	12.0	12.0

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 2014

12. Property, plant and equipment

Group	Land and buildings*	Other property, plant and equipment**	Total RM'000
	RM'000	RM'000	RM'000
At 31 July 2014			
Valuation/Cost			
At 1 August 2013 (restated)	243,568	256,392	499,960
Additions	1,321	15,316	16,637
Acquisition of a subsidiary (Note 18(f))	8,076	9,209	17,285
Disposals	-	(28,980)	(28,980)
Write-offs	-	(10,665)	(10,665)
Transfer to investment properties (Note 14)	(5,858)	-	(5,858)
Exchange differences	(121)	(331)	(452)
At 31 July 2014	246,986	240,941	487,927
Representing:			
At cost	243,481	240,941	484,422
At valuation	3,505	-	3,505
	246,986	240,941	487,927
Accumulated depreciation and impairment loss			
At 1 August 2013 (restated)	17,759	182,662	200,421
Charge for the year:			
Recognised in profit or loss (Note 7)	5,333	11,542	16,875
Capitalised in construction costs (Note 25)	-	5,923	5,923
Acquisition of a subsidiary (Note 18(f))	5,494	7,110	12,604
Disposals	-	(21,288)	(21,288)
Write-offs	-	(10,518)	(10,518)
Transfer to investment properties (Note 14)	(649)	-	(649)
Exchange differences	(23)	(303)	(326)
At 31 July 2014	27,914	175,128	203,042
Net carrying amount			
At 31 July 2014			
At cost	217,267	65,813	283,080
At valuation	1,805	-	1,805
	219,072	65,813	284,885

Notes to the Financial Statements

31 July 2014

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

Group (cont'd.)	Land and buildings*	Other property, plant and equipment**	Total RM'000
	RM'000	RM'000	RM'000
At 31 July 2013 (restated)			
Valuation/Cost			
At 1 August 2012 (restated)	230,869	262,076	492,945
Additions	6,413	28,306	34,719
Transfer from property development costs (Note 13(b))	6,132	-	6,132
Disposals	-	(30,594)	(30,594)
Write-offs	-	(3,080)	(3,080)
Exchange differences	154	(316)	(162)
At 31 July 2013 (restated)	243,568	256,392	499,960
Representing:			
At cost	240,063	256,392	496,455
At valuation	3,505	-	3,505
	243,568	256,392	499,960
Accumulated depreciation and impairment loss			
At 1 August 2012 (restated)	11,397	189,115	200,512
Charge for the year:			
Recognised in profit or loss (Note 7)	6,320	11,527	17,847
Capitalised in property development costs (Note 13(b))	-	80	80
Capitalised in construction costs (Note 25)	-	7,992	7,992
Disposals	-	(23,007)	(23,007)
Write-offs	-	(2,816)	(2,816)
Exchange differences	42	(229)	(187)
At 31 July 2013 (restated)	17,759	182,662	200,421
Net carrying amount			
At 31 July 2013 (restated)			
At cost	222,989	73,730	296,719
At valuation	2,820	-	2,820
	225,809	73,730	299,539

Notes to the Financial Statements

31 July 2014

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
At 31 July 2014				
Valuation/Cost				
At 1 August 2013 (restated)	15,568	5,756	222,244	243,568
Additions	-	-	1,321	1,321
Acquisition of a subsidiary	-	-	8,076	8,076
Transfer to investment properties	(1,650)	-	(4,208)	(5,858)
Exchange differences	-	-	(121)	(121)
At 31 July 2014	<u>13,918</u>	<u>5,756</u>	<u>227,312</u>	<u>246,986</u>
Representing:				
At cost	13,918	4,407	225,156	243,481
At valuation	-	1,349	2,156	3,505
	<u>13,918</u>	<u>5,756</u>	<u>227,312</u>	<u>246,986</u>
Accumulated depreciation and impairment loss				
At 1 August 2013 (restated)	-	604	17,155	17,759
Charge for the year:				
Recognised in profit or loss	-	70	5,263	5,333
Acquisition of a subsidiary	-	-	5,494	5,494
Transfer to investment properties	-	-	(649)	(649)
Exchange differences	-	-	(23)	(23)
At 31 July 2014	<u>-</u>	<u>674</u>	<u>27,240</u>	<u>27,914</u>
Net carrying amount				
At 31 July 2014				
At cost	13,918	4,264	199,085	217,267
At valuation	-	818	987	1,805
	<u>13,918</u>	<u>5,082</u>	<u>200,072</u>	<u>219,072</u>

Notes to the Financial Statements

31 July 2014

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
At 31 July 2013 (restated)				
Valuation/Cost				
At 1 August 2012 (restated)	15,171	5,756	209,942	230,869
Additions	397	-	6,016	6,413
Transfer from property development costs	-	-	6,132	6,132
Exchange differences	-	-	154	154
At 31 July 2013 (restated)	15,568	5,756	222,244	243,568
Representing:				
At cost	15,568	4,407	220,088	240,063
At valuation	-	1,349	2,156	3,505
	15,568	5,756	222,244	243,568
Accumulated depreciation and impairment loss				
At 1 August 2012 (restated)	-	533	10,864	11,397
Charge for the year:				
Recognised in profit or loss	-	71	6,249	6,320
Exchange differences	-	-	42	42
At 31 July 2013 (restated)	-	604	17,155	17,759
Net carrying amount				
At 31 July 2013 (restated)				
At cost	15,568	4,322	203,099	222,989
At valuation	-	830	1,990	2,820
	15,568	5,152	205,089	225,809

Notes to the Financial Statements

31 July 2014

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
At 31 July 2014				
Cost				
At 1 August 2013 (restated)	27,333	53,879	175,180	256,392
Additions	1,104	2,860	11,352	15,316
Acquisition of a subsidiary	5,872	3,337	-	9,209
Disposals	(3,963)	(746)	(24,271)	(28,980)
Write-offs	(1,557)	(6,206)	(2,902)	(10,665)
Exchange differences	(16)	(199)	(116)	(331)
At 31 July 2014	28,773	52,925	159,243	240,941
Accumulated depreciation				
At 1 August 2013 (restated)	20,600	34,820	127,242	182,662
Charge for the year:				
Recognised in profit or loss	276	5,997	5,269	11,542
Capitalised in construction costs	508	409	5,006	5,923
Acquisition of a subsidiary	4,200	2,910	-	7,110
Disposals	(2,804)	(713)	(17,771)	(21,288)
Write-offs	(1,465)	(6,188)	(2,865)	(10,518)
Exchange differences	(15)	(194)	(94)	(303)
At 31 July 2014	21,300	37,041	116,787	175,128
Net carrying amount				
At 31 July 2014	7,473	15,884	42,456	65,813

Notes to the Financial Statements

31 July 2014

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
At 31 July 2013 (restated)				
Cost				
At 1 August 2012 (restated)	27,829	41,553	192,694	262,076
Additions	2,453	13,684	12,169	28,306
Disposals	(2,825)	(512)	(27,257)	(30,594)
Write-offs	(114)	(859)	(2,107)	(3,080)
Exchange differences	(10)	13	(319)	(316)
At 31 July 2013 (restated)	27,333	53,879	175,180	256,392
Accumulated depreciation				
At 1 August 2012 (restated)	22,111	29,219	137,785	189,115
Charge for the year:				
Recognised in profit or loss	293	6,291	4,943	11,527
Capitalised in property development costs	72	7	1	80
Capitalised in construction costs	551	638	6,803	7,992
Disposals	(2,311)	(479)	(20,217)	(23,007)
Write-offs	(108)	(846)	(1,862)	(2,816)
Exchange differences	(8)	(10)	(211)	(229)
At 31 July 2013 (restated)	20,600	34,820	127,242	182,662
Net carrying amount				
At 31 July 2013 (restated)	6,733	19,059	47,938	73,730

Notes to the Financial Statements

31 July 2014

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

Company	Land and buildings*	Other property, plant and equipment**	Total
	RM'000	RM'000	RM'000
At 31 July 2014			
Valuation/Cost			
At 1 August 2013	159,841	31,659	191,500
Additions	1,781	1,480	3,261
Disposals	-	(1,384)	(1,384)
Write-offs	-	(8,090)	(8,090)
Exchange difference	-	(20)	(20)
At 31 July 2014	161,622	23,645	185,267
Representing:			
At cost	158,220	23,645	181,865
At valuation	3,402	-	3,402
	161,622	23,645	185,267
Accumulated depreciation and impairment loss			
At 1 August 2013	7,755	20,200	27,955
Charge for the year:			
Recognised in profit or loss (Note 7)	3,173	4,401	7,574
Capitalised in construction costs (Note 25)	-	4	4
Disposals	-	(1,314)	(1,314)
Write-offs	-	(8,089)	(8,089)
Exchange difference	-	(19)	(19)
At 31 July 2014	10,928	15,183	26,111
Net carrying amount			
At 31 July 2014			
At cost	148,371	8,462	156,833
At valuation	2,323	-	2,323
	150,694	8,462	159,156

Notes to the Financial Statements

31 July 2014

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

Company (cont'd.)	Land and buildings*	Other property, plant and equipment**	Total
	RM'000	RM'000	RM'000
At 31 July 2013			
Valuation/Cost			
At 1 August 2012	157,078	26,712	183,790
Additions	2,763	5,902	8,665
Disposals	-	(698)	(698)
Write-offs	-	(265)	(265)
Exchange difference	-	8	8
At 31 July 2013	159,841	31,659	191,500
Representing:			
At cost	156,439	31,659	188,098
At valuation	3,402	-	3,402
	159,841	31,659	191,500
Accumulated depreciation and impairment loss			
At 1 August 2012	4,624	16,959	21,583
Charge for the year:			
Recognised in profit or loss (Note 7)	3,131	4,164	7,295
Capitalised in construction costs (Note 25)	-	27	27
Disposals	-	(695)	(695)
Write-offs	-	(262)	(262)
Exchange difference	-	7	7
At 31 July 2013	7,755	20,200	27,955
Net carrying amount			
At 31 July 2013			
At cost	149,741	11,459	161,200
At valuation	2,345	-	2,345
	152,086	11,459	163,545

Notes to the Financial Statements

31 July 2014

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
At 31 July 2014				
Valuation/Cost				
At 1 August 2013	780	5,611	153,450	159,841
Additions	-	-	1,781	1,781
At 31 July 2014	780	5,611	155,231	161,622
Representing:				
At cost	-	4,407	153,813	158,220
At valuation	780	1,204	1,418	3,402
	780	5,611	155,231	161,622
Accumulated depreciation and impairment loss				
At 1 August 2013	-	545	7,210	7,755
Charge for the year	-	68	3,105	3,173
At 31 July 2014	-	613	10,315	10,928
Net carrying amount				
At 31 July 2014				
At cost	-	4,262	144,109	148,371
At valuation	780	736	807	2,323
	780	4,998	144,916	150,694

Notes to the Financial Statements

31 July 2014

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
At 31 July 2013				
Valuation/Cost				
At 1 August 2012	780	5,611	150,687	157,078
Additions	-	-	2,763	2,763
At 31 July 2013	780	5,611	153,450	159,841
Representing:				
At cost	-	4,407	152,032	156,439
At valuation	780	1,204	1,418	3,402
	780	5,611	153,450	159,841
Accumulated depreciation and impairment loss				
At 1 August 2012	-	477	4,147	4,624
Charge for the year	-	68	3,063	3,131
At 31 July 2013	-	545	7,210	7,755
Net carrying amount				
At 31 July 2013				
At cost	-	4,312	145,429	149,741
At valuation	780	754	811	2,345
	780	5,066	146,240	152,086

Notes to the Financial Statements

31 July 2014

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
At 31 July 2014				
Cost				
At 1 August 2013	2,356	24,656	4,647	31,659
Additions	-	1,480	-	1,480
Disposals	(1,381)	(3)	-	(1,384)
Write-offs	(9)	(5,443)	(2,638)	(8,090)
Exchange difference	(1)	(12)	(7)	(20)
At 31 July 2014	965	20,678	2,002	23,645
Accumulated depreciation				
At 1 August 2013	2,218	14,572	3,410	20,200
Charge for the year:				
Recognised in profit or loss	31	4,056	314	4,401
Capitalised in construction costs	-	3	1	4
Disposals	(1,313)	(1)	-	(1,314)
Write-offs	(9)	(5,442)	(2,638)	(8,089)
Exchange difference	(1)	(12)	(6)	(19)
At 31 July 2014	926	13,176	1,081	15,183
Net carrying amount				
At 31 July 2014	39	7,502	921	8,462

Notes to the Financial Statements

31 July 2014

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
At 31 July 2013				
Cost				
At 1 August 2012	2,949	18,877	4,886	26,712
Additions	35	5,856	11	5,902
Disposals	(621)	(77)	-	(698)
Write-offs	(7)	(5)	(253)	(265)
Exchange difference	-	5	3	8
At 31 July 2013	2,356	24,656	4,647	31,659
Accumulated depreciation				
At 1 August 2012	2,788	10,823	3,348	16,959
Charge for the year:				
Recognised in profit or loss	58	3,794	312	4,164
Capitalised in construction costs	-	26	1	27
Disposals	(621)	(74)	-	(695)
Write-offs	(7)	(2)	(253)	(262)
Exchange difference	-	5	2	7
At 31 July 2013	2,218	14,572	3,410	20,200
Net carrying amount				
At 31 July 2013	138	10,084	1,237	11,459

Notes to the Financial Statements

31 July 2014

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

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 FRS116₂₀₀₄: Property, Plant and Equipment, these assets continue to be stated at their 1991 valuation less accumulated depreciation and impairment losses.

Had the revalued land and buildings been carried at historical cost less accumulated depreciation, the net book value of the land and buildings that would have been included in the financial statements of the Group and of the Company are as follows:

	Group		Company	
	2014	2013 (restated)	2014	2013 (restated)
	RM'000	RM'000	RM'000	RM'000
Land and buildings	1,708	1,787	1,239	1,290

13. Land held for property development and property development costs

(a) Land held for property development

Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
At 31 July 2014				
Cost				
At 1 August 2013 (restated)	116,842	726,194	205,699	1,048,735
Additions	-	46,627	9,203	55,830
Transfer from property development costs (Note 13(b))	6,983	-	4,251	11,234
Transfer to property development costs (Note 13(b))	(4,189)	(170,121)	(54,308)	(228,618)
Exchange differences	-	(2,384)	(2,228)	(4,612)
At 31 July 2014	119,636	600,316	162,617	882,569
At 31 July 2013 (restated)				
Cost				
At 1 August 2012 (restated)	149,454	267,792	158,577	575,823
Additions	-	-	3,952	3,952
Transfer from property development costs (Note 13(b))	3,479	139,827	88,354	231,660
Transfer from amount due from customers on contract	-	319,318	-	319,318
Transfer to property development costs (Note 13(b))	(36,091)	-	(44,928)	(81,019)
Exchange differences	-	(743)	(256)	(999)
At 31 July 2013 (restated)	116,842	726,194	205,699	1,048,735

Notes to the Financial Statements

31 July 2014

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

(b) Property development costs

Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
At 31 July 2014				
Cumulative property development costs				
At 1 August 2013 (restated)	351,272	757,004	2,175,405	3,283,681
Costs incurred during the year	-	9,363	406,877	416,240
Transfer to land held for property development (Note 13(a))	(6,983)	-	(4,251)	(11,234)
Transfer from land held for property development (Note 13(a))	4,189	170,121	54,308	228,618
Reversal of completed projects	(27,875)	-	(246,271)	(274,146)
Transfer to inventories	(852)	-	(241,119)	(241,971)
Exchange differences	-	(3,035)	(20,908)	(23,943)
At 31 July 2014	319,751	933,453	2,124,041	3,377,245
Cumulative costs recognised in profit or loss				
At 1 August 2013 (restated)	(43,643)	(43,642)	(1,396,788)	(1,484,073)
Recognised during the year	(36,477)	(8,566)	(484,810)	(529,853)
Reversal of completed projects	27,875	-	246,271	274,146
Exchange differences	-	298	14,393	14,691
At 31 July 2014	(52,245)	(51,910)	(1,620,934)	(1,725,089)
Property development costs at 31 July 2014	267,506	881,543	503,107	1,652,156

Notes to the Financial Statements

31 July 2014

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

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

Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
At 31 July 2013 (restated)				
Cumulative property development costs				
At 1 August 2012 (restated)	272,492	898,491	2,107,750	3,278,733
Costs incurred during the year	101,357	8,228	626,863	736,448
Transfer to land held for property development (Note 13(a))	(3,479)	(139,827)	(88,354)	(231,660)
Transfer from land held for property development (Note 13(a))	36,091	-	44,928	81,019
Reversal of completed projects	(55,189)	-	(452,422)	(507,611)
Transfer to inventories	-	(8,897)	(48,577)	(57,474)
Transfer to property, plant and equipment (Note 12)	-	-	(6,132)	(6,132)
Exchange differences	-	(991)	(8,651)	(9,642)
At 31 July 2013 (restated)	351,272	757,004	2,175,405	3,283,681
Cumulative costs recognised in profit or loss				
At 1 August 2012 (restated)	(46,407)	(41,043)	(1,422,522)	(1,509,972)
Recognised during the year	(52,425)	(2,692)	(420,313)	(475,430)
Reversal of completed projects	55,189	-	452,422	507,611
Provision for foreseeable losses (Note 7)	-	-	(11,779)	(11,779)
Exchange differences	-	93	5,404	5,497
At 31 July 2013 (restated)	(43,643)	(43,642)	(1,396,788)	(1,484,073)
Property development costs at 31 July 2013 (restated)	307,629	713,362	778,617	1,799,608

Notes to the Financial Statements

31 July 2014

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

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

Included in property development costs incurred during the year are:

	2014	Group 2013 (restated)
	RM'000	RM'000
Finance costs (Note 8)	37,913	40,522
Depreciation (Note 12)	-	80
Staff costs (Note 5)	23,484	24,256

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 RM385,402,000 (2013: RM553,412,000) and RM264,904,000 (2013: RM319,403,000) respectively. The Group plans to develop the leasehold land under land held for property development over the next 12 years.

Freehold land of the Group with a carrying value of RM123,427,000 (2013: RM132,209,000) has been pledged as securities for loan facility as set out in Note 35(b)(i).

The leasehold land under development of the Group with a carrying value of RM314,575,000 (2013: RM315,217,000) has been pledged as a security for a term loan as disclosed in Note 35(b)(ii).

14. Investment properties

Group	Freehold land RM'000	Buildings RM'000	Construction -in-progress RM'000	Total RM'000
At 31 July 2014				
Cost				
At 1 August 2013 (restated)	9,341	31,200	19,975	60,516
Additions	-	23	34,193	34,216
Transfer from property, plant and equipment (Note 12)	1,650	4,208	-	5,858
At 31 July 2014	10,991	35,431	54,168	100,590

Notes to the Financial Statements

31 July 2014

14. Investment properties (cont'd.)

Group	Freehold land RM'000	Buildings RM'000	Construction -in-progress RM'000	Total RM'000
At 31 July 2014 (cont'd.)				
Accumulated depreciation				
At 1 August 2013 (restated)	-	1,194	-	1,194
Charge for the year (Note 7)	-	707	-	707
Transfer from property, plant and equipment (Note 12)	-	649	-	649
At 31 July 2014	-	2,550	-	2,550
Net carrying amount				
At 31 July 2014	10,991	32,881	54,168	98,040
Fair value				
At 31 July 2014	22,160	62,533	54,168	138,861
At 31 July 2013 (restated)				
Cost				
At 1 August 2012 (restated)	9,341	31,200	7,870	48,411
Additions	-	-	12,105	12,105
At 31 July 2013 (restated)	9,341	31,200	19,975	60,516
Accumulated depreciation				
At 1 August 2012 (restated)	-	573	-	573
Charge for the year (Note 7)	-	621	-	621
At 31 July 2013 (restated)	-	1,194	-	1,194
Net carrying amount				
At 31 July 2013 (restated)	9,341	30,006	19,975	59,322
Fair value				
At 31 July 2013	13,935	45,924	19,975	79,834

Notes to the Financial Statements

31 July 2014

14. Investment properties (cont'd.)

Company	Freehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2014			
Cost			
At 1 August 2013	5,697	7,560	13,257
Addition	-	23	23
At 31 July 2014	5,697	7,583	13,280
Accumulated depreciation			
At 1 August 2013	-	2,399	2,399
Charge for the year (Note 7)	-	153	153
At 31 July 2014	-	2,552	2,552
Net carrying amount			
At 31 July 2014	5,697	5,031	10,728
Fair value			
At 31 July 2014	20,457	19,953	40,010
At 31 July 2013			
Cost			
At 1 August 2012/31 July 2013	5,697	7,560	13,257
Accumulated depreciation			
At 1 August 2012	-	2,248	2,248
Charge for the year (Note 7)	-	151	151
At 31 July 2013	-	2,399	2,399
Net carrying amount			
At 31 July 2013	5,697	5,161	10,858
Fair value			
At 31 July 2013	20,457	19,553	40,010

Fair value of investment properties was estimated by the directors based on internal appraisal of market values of comparable properties.

Other details of fair value of investment properties are further disclosed in Note 44.

Notes to the Financial Statements

31 July 2014

15. Prepaid land lease payments

	Group	
	2014	2013
	RM'000	RM'000
At beginning of year	4,020	4,447
Amortisation for the year (Note 7)	(425)	(427)
At end of year	3,595	4,020

16. Expressway development expenditure

	Group	
	2014	2013
	RM'000	(restated) RM'000
Cost		
At beginning of year	-	-
Acquisition of a subsidiary (Note 18(f))	1,760,823	-
At end of year	1,760,823	-
Accumulated amortisation		
At beginning of year	-	-
Amortisation for the year (Note 7)	5,474	-
At end of year	5,474	-
Net carrying amount		
At end of year	1,755,349	-

The expressway development expenditure is pledged as securities for borrowings (Note 36(b) and (c)).

Notes to the Financial Statements

31 July 2014

17. Intangible assets

	Goodwill RM'000	Concession and quarry rights RM'000	Total RM'000
Group			
At 31 July 2014			
Cost			
At 1 August 2013 / 31 July 2014	41,396	95,048	136,444
Accumulated amortisation and impairment			
At 1 August 2013	-	41,694	41,694
Amortisation for the year (Note 7)	-	3,098	3,098
Impairment loss (Note 7)	41,396	50,256	91,652
At 31 July 2014	41,396	95,048	136,444
Net carrying amount			
At 31 July 2014	-	-	-
At 31 July 2013			
Cost			
At 1 August 2012 / 31 July 2013	41,396	95,048	136,444
Accumulated amortisation			
At 1 August 2012	-	38,596	38,596
Amortisation for the year (Note 7)	-	3,098	3,098
At 31 July 2013	-	41,694	41,694
Net carrying amount			
At 31 July 2013	41,396	53,354	94,750

Notes to the Financial Statements

31 July 2014

17. Intangible assets (cont'd.)

(a) Goodwill

Impairment testing of goodwill

Goodwill arising from business combinations has been allocated to property segment.

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 14% (2013: 14%).

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.

As at reporting date, goodwill amounted to RM41,396,000 arising from the acquisition of the Company's 60% interest in Celadon City, Ho Chi Minh City, Vietnam was impaired due to the current financial performance of the project falling short of expectations.

(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.

As at reporting date, concession and quarry rights amounted to RM50,256,000 comprising mainly of premium paid for the rights to operate and maintain the water treatment plants of Sungai Selangor Water Supply Scheme Phase 3 was impaired due to the uncertainty arising from the Selangor State Government's consolidation of the water industry in Selangor as disclosed in Note 28.

Notes to the Financial Statements

31 July 2014

18. Investments in subsidiaries

	Company	
	2014	2013
	RM'000	RM'000
Redeemable unsecured loan stocks	1,200,000	400,000
Unquoted shares, at cost	2,184,422	2,273,317
Less: Accumulated impairment losses	(70,215)	(16,290)
	3,314,207	2,657,027

(a) Subscription of redeemable unsecured loan stocks

The Company had subscribed for RM800,000,000, redeemable unsecured loan stocks (“RULS”) in a wholly owned subsidiary, Megah Capital Sdn. Bhd. The RULS comprise two tranches of RM400,000,000 each and is unsecured, non-transferable and redeemable at par on the maturity date in year 2018 and 2019 respectively. The interest is 4.75% and 5.15% per annum, payable semi-annually respectively.

(b) Capitalisation of amount due from subsidiaries into redeemable preference shares

The Company has converted the amounts due from the following subsidiaries amounting to RM43,770,000 for 437,700 redeemable preference shares of RM1.00 each at premium of RM99.00 as follows:

	RM'000
Idaman Robertson Sdn. Bhd. (formerly known as Idaman Lantas Sdn. Bhd.)	13,000
Madge Mansions Sdn. Bhd.	3,900
Reka Strategi Sdn. Bhd.	4,300
Gamuda Land (HCMC) Sdn. Bhd.	22,570
	43,770

(c) Capital injection in subsidiaries

The Company has injected additional capital into the following subsidiaries during the year:

	RM'000
Gamuda Land Vietnam Limited Liability Company	29,260
Gamuda Land Sdn. Bhd.	11,250
Temasek Ekklusif Sdn. Bhd.	100
	40,610

Notes to the Financial Statements

31 July 2014

18. Investments in subsidiaries (cont'd.)

(d) Redemption of redeemable preference shares (“RPS”) held by the Company in subsidiaries

During the year, wholly owned subsidiaries, Valencia Development Sdn. Bhd. and Gamuda Engineering Sdn. Bhd. have redeemed 270,000 and 8,412,600 RPS held by the Company of RM1.00 each at premium of RM99.00 for cash consideration of RM27,000,000 and RM841,260,000 respectively.

(e) Impairment of investment in a subsidiary

The amount, representing the premium paid by the Company for the rights to operate and maintain the water treatment plants of Sungai Selangor Water Supply Scheme Phase 3, was impaired due to the uncertainty arising from the Selangor State Government’s consolidation of the water industry in Selangor as disclosed in Note 28.

(f) Acquisition during the year

On 31 March 2014, the Company completed the acquisition of Amcorp Properties Berhad’s 20% equity interest in Kesas Holdings Berhad (“Kesas”) for a purchase consideration of RM280,000,000. Consequently, the Company’s proportion of ownership in Kesas had increased to 50%.

On 30 June 2014, the Company completed the acquisition of Permodalan Nasional Berhad’s 20% equity interest in Kesas for a purchase consideration of RM290,000,000. Consequently, the Company’s proportion of ownership in Kesas had further increased to 70%, whereby Kesas became a subsidiary of the Company upon obtaining control.

The gain on remeasurement of previously held interest of 50% immediately before obtaining control is as follows:

	RM’000
Fair value of previously held interest	725,000
Less: Cost of investment in previously held interest	(421,274)
Less: Pre-acquisition reserves	(109,523)
Gain on remeasurement of previously held interest (Note 7)	<u>194,203</u>

Notes to the Financial Statements

31 July 2014

18. Investments in subsidiaries (cont'd.)

(f) Acquisition during the year (cont'd.)

The fair value of the identifiable assets and liabilities of Kesas at the date of acquisition is as follows:

	Fair value recognised on acquisition RM'000	Carrying amount RM'000
Assets		
Non-current assets		
Property, plant and equipment (Note 12)	4,681	4,681
Expressway development expenditure (Note 16)	1,760,823	919,651
	<u>1,765,504</u>	<u>924,332</u>
Current assets		
Receivables	23,523	23,523
Cash and bank balances	257,867	257,867
	<u>281,390</u>	<u>281,390</u>
Total assets	<u>2,046,894</u>	<u>1,205,722</u>
Liabilities		
Non-current liabilities		
Payables	67,092	67,092
Deferred tax liabilities (Note 34)	316,855	114,973
	<u>383,947</u>	<u>182,065</u>
Current liabilities		
Short term borrowings	208,113	208,113
Payables	4,689	4,689
Tax payable	145	145
	<u>212,947</u>	<u>212,947</u>
Total liabilities	<u>596,894</u>	<u>395,012</u>

Notes to the Financial Statements

31 July 2014

18. Investments in subsidiaries (cont'd.)

(f) Acquisition during the year (cont'd.)

The fair value of the identifiable assets and liabilities of Kesas at the date of acquisition is as follows (cont'd.):

	Group 2014 RM'000
Fair value of net identifiable assets	1,450,000
Less: Non-controlling interests	(435,000)
Group's interest in fair value of net identifiable assets	<u>1,015,000</u>
Less: Fair value of previously held interest	(725,000)
Cost of acquisition satisfied by cash	<u>290,000</u>

The cash outflows on acquisition is as follows:

	Group 2014 RM'000
Cost of acquisition satisfied by cash	290,000
Less: Cash and cash equivalents of subsidiary acquired	(257,867)
Net cash outflow on acquisition	<u>32,133</u>

From the date of acquisition, Kesas had contributed RM11,687,000 to the Group's profit net of tax.

Notes to the Financial Statements

31 July 2014

18. Investments in subsidiaries (cont'd.)

(g) Interests in subsidiaries

The Company's interests in the subsidiaries are analysed as follows:

Name of Company	Proportion of ownership		Principal activities
	2014 %	2013 %	
Subsidiaries incorporated in Malaysia			
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	Investment holding company
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. ("GWSB")	80	80	Operation and maintenance of water treatment plants
GIT Services Sdn. Bhd.	100	100	Information technology services

Notes to the Financial Statements

31 July 2014

18. Investments in subsidiaries (cont'd.)

(g) Interests in subsidiaries (cont'd.)

The Company's interests in the subsidiaries are analysed as follows (cont'd.):

Name of Company	Proportion of ownership		Principal activities
	2014 %	2013 %	
Subsidiaries incorporated in Malaysia			
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 2014

18. Investments in subsidiaries (cont'd.)

(g) Interests in subsidiaries (cont'd.)

The Company's interests in the subsidiaries are analysed as follows (cont'd.):

Name of Company	Proportion of ownership		Principal activities
	2014 %	2013 %	
Subsidiaries incorporated in Malaysia			
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	Property investment and development
Idaman Robertson Sdn. Bhd. (formerly known as 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
Temasek Eksklusif Sdn. Bhd.	100	100	Property investment and development
Dinamik Atlantik Sdn. Bhd.	100	-	Property investment and development
Lifestyle Heritage Sdn. Bhd.	100	-	Property investment and development

Notes to the Financial Statements

31 July 2014

18. Investments in subsidiaries (cont'd.)

(g) Interests in subsidiaries (cont'd.)

The Company's interests in the subsidiaries are analysed as follows (cont'd.):

Name of Company	Proportion of ownership		Principal activities
	2014 %	2013 %	
Subsidiaries incorporated in Malaysia			
Kesas Holdings Berhad ("Kesas") (Note 18(f)) ^ #	70	-	Investment holding; holding company to the concession holder of an expressway
Kesas Sdn. Bhd.	70	-	Design, construction and maintenance of Shah Alam Expressway, and development and management of toll operations
Subsidiary incorporated in British Virgin Islands			
Gamuda Overseas Investment Ltd.	100	100	Investment holding
Subsidiary incorporated in Mauritius			
Gamuda (Offshore) Private Limited *	100	100	Investment holding
Subsidiary incorporated in India			
Held by Gamuda (Offshore) Private Limited:			
Gamuda - WCT (India) Private Limited * #	70	70	Civil engineering and construction
Subsidiary incorporated in Saudi Arabia			
Gamuda Saudi Arabia L.L.C.	100	100	In the process of winding up

Notes to the Financial Statements

31 July 2014

18. Investments in subsidiaries (cont'd.)

(g) Interests in subsidiaries (cont'd.)

The Company's interests in the subsidiaries are analysed as follows (cont'd.):

Name of Company	Proportion of ownership		Principal activities
	2014 %	2013 %	
Subsidiaries incorporated in the Socialist Republic of Vietnam			
Gamuda-Nam Long Development Limited Liability Company * #	70	70	Construction of villas for sale and lease
Gamuda Land Vietnam Limited Liability Company * #	100	100	Undertakes the Yen So Park, 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 ("TTJSC") @ * #	60	60	Undertakes development of Celadon City in Ho Chi Minh City, Socialist Republic of Vietnam
Unincorporated subsidiaries in Malaysia			
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 & Young, Malaysia

^ In prior year, the subsidiary was an associated company of the Company

Financial year end which does not coincide with that of its holding company

Notes to the Financial Statements

31 July 2014

18. Investments in subsidiaries (cont'd.)

(g) Interests in subsidiaries (cont'd.)

For the purpose of consolidating the subsidiaries with different financial year ends, the last audited financial statements available and the management financial statements to the end of the accounting period of the subsidiaries have been used.

The details of the unincorporated subsidiaries are as follows:

Entity	Joint venture partners	Economic activity
GKTJV	Gamuda Berhad, Kumpulan Darul Ehsan Berhad and The Sweet Water Alliance Sdn. Bhd.	Undertakes civil engineering construction of the dam and water treatment facilities of Sungai Selangor Water Supply Scheme Phase 3
GMMJV	Gamuda Berhad and Mujur Minat Sdn. Bhd.	Undertakes civil engineering construction of the Western Kuala Lumpur Traffic Dispersal Scheme

Both GKTJV and GMMJV are unincorporated joint ventures formed under a contractual agreement. Pursuant to FRS 10: Consolidated Financial Statements, both GKTJV and GMMJV are deemed to be subsidiaries of Gamuda Berhad by virtue of its exposure or rights to variable returns from its investment with these entities and the power that give it the current ability to direct the relevant activities to affect its returns from these entities.

Notes to the Financial Statements

31 July 2014

18. Investments in subsidiaries (cont'd.)

(h) Non-controlling interests (“NCI”) in subsidiaries

The summarised financial information of the subsidiaries that has non-controlling interests which are material to the Company before intra-group elimination are as follows:

	GWSB		Kesas ^		TTJSC		Other individually immaterial subsidiaries		Total	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
NCI percentage of ownership interest and voting interest (%)	20	20	30	-	40	40				
Carrying amount of NCI	64,032	49,900	438,506	-	164,321	154,878	20,536	21,309	687,395	226,087
Profit/(loss) allocated to NCI	14,129	9,487	3,506	-	(2,651)	(1,297)	(770)	(985)	14,214	7,205
Summarised statements of financial position										
Non-current assets	159,513	157,542	1,762,820	-	508,579	566,063	192,853	196,996	2,623,765	920,601
Current assets	176,328	102,579	299,001	-	388,934	305,203	60,840	63,164	925,103	470,946
Non-current liabilities	(591)	(495)	(468,531)	-	(334,867)	(386,608)	-	-	(803,989)	(387,103)
Current liabilities	(15,090)	(10,127)	(131,603)	-	(151,843)	(97,463)	(186,753)	(207,565)	(485,289)	(315,155)
Net assets	320,160	249,499	1,461,687	-	410,803	387,195	66,940	52,595	2,259,590	689,289

Notes to the Financial Statements

31 July 2014

18. Investments in subsidiaries (cont'd.)

(h) Non-controlling interests (“NCI”) in subsidiaries (cont'd.)

The summarised financial information of the subsidiaries that has non-controlling interests which are material to the Company before intra-group elimination are as follows (cont'd.):

	GWSB		Kesas ^		TTJSC		Other individually immaterial subsidiaries		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Summarised statements of comprehensive income										
Revenue	133,689	100,634	240,362	-	65,131	13,711	600	385	439,782	114,730
Profit/(loss) for the year	70,646	47,434	125,933	-	(3,677)	(2,198)	583	271	193,485	45,507
Total comprehensive income/(expense)	70,646	47,434	125,933	-	(6,628)	(3,243)	583	271	190,534	44,462
Summarised statements of cash flows										
Cash flows generated from/(used in) operating activities	3,916	5,157	17,743	-	22,420	(99,727)	15,983	(24,759)	60,062	(119,329)
Cash flows generated from/(used in) investing activities	403	(5,286)	(5,048)	-	106	951	549	693	(3,990)	(3,642)
Cash flows (used in) /generated from financing activities	-	-	-	-	(18,387)	71,773	-	(6,719)	(18,387)	65,054
Net increase/(decrease) in cash and cash equivalents	4,319	(129)	12,695	-	4,139	(27,003)	16,532	(30,785)	37,685	(57,917)

^ In prior year, the subsidiary was an associated company of the Company.

Notes to the Financial Statements

31 July 2014

19. Interests in associated companies

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unquoted shares, in Malaysia:				
At cost:				
- Ordinary shares	72,604	142,185	72,604	142,185
- Redeemable preference shares	425,350	570,125	425,350	570,125
	497,954	712,310	497,954	712,310
Group's share of post-acquisition reserves, net of dividends receivable	609,404	530,169	-	-
Less: Accumulated impairment losses	(97,214)	(28,235)	(97,214)	(69,885)
	1,010,144	1,214,244	400,740	642,425
Less: Reclassified to asset held for sale (Note 28)	(994,306)	-	(160,000)	-
	15,838	1,214,244	240,740	642,425
Unquoted shares, outside Malaysia:				
At cost:				
- Ordinary shares	11	11	-	-
- Redeemable preference shares	88,007	93,452	-	-
	88,018	93,463	-	-
Group's share of post-acquisition reserves	102,706	101,299	-	-
	190,724	194,762	-	-
	206,562	1,409,006	240,740	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	116,522	111,947	-	-
Group's share of post-acquisition reserves, net of dividends receivable	248,705	222,624	-	-
	424,851	394,195	59,624	59,624
	631,413	1,803,201	300,364	702,049
Market value:				
Quoted shares, in Malaysia	883,419	1,012,250	883,419	1,012,250

Notes to the Financial Statements

31 July 2014

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

(a) Redemption of redeemable preferences shares (“RPS”) held by the Company in an associated company

During the year, Hicom-Gamuda Development Sdn. Bhd. has redeemed 50,000 RPS held by the Company of RM1.00 each at premium of RM99.00 for cash consideration of RM5,000,000.

(b) Redemption of redeemable preferences shares (“RPS”) held by Gamuda (Offshore) Private Limited in an associated company

During the year, Suria Holding (O) Pvt. Ltd. has redeemed RPS held by Gamuda (Offshore) Private Limited for a total cash consideration of RM5,469,000 (2013: RM19,565,000).

(c) Impairment of interest in an associated company

Included in accumulated impairment losses is RM95,410,000, representing the premium paid by the Group and the Company for the rights to operate and maintain the water treatment plants of Sungai Selangor Water Supply Scheme Phase 3, which was impaired due to the uncertainty arising from the Selangor State Government’s consolidation of the water industry in Selangor as disclosed in Note 28.

(d) Interests in associated companies

The Group’s interests in the associated companies are analysed as follows:

Name of Company	Proportion of ownership		Principal activities
	2014 %	2013 %	
Associated companies incorporated in Malaysia			
Syarikat Pengeluar Air Selangor Holdings Berhad (“Splash Holdings”)	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 (“Kesas”) ^	-	30	Investment holding; holding company to the concession holder of an expressway
Lingkar Trans Kota Holdings Berhad ® (“Litrak”) (Quoted shares in Malaysia)	45	46	Investment holding and provision of management services; holding company to the concession holder of an expressway

Notes to the Financial Statements

31 July 2014

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

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

The Group's interests in the associated companies are analysed as follows (cont'd.):

Name of Company	Proportion of ownership		Principal activities
	2014 %	2013 %	
Associated companies incorporated in Malaysia			
Madang Permai Sdn. Bhd. *	36	36	Dormant
Sistem Penyuraian Trafik KL Barat Holdings Sdn.Bhd. @	52	52	Investment holding; holding company to the concession holder of an expressway
Associated companies incorporated in Mauritius			
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

@ Dilution of interest pursuant to issuance of ESOS in Litrak

^ Subsequent to the acquisition of additional equity interest, Kesas became a subsidiary of the Company as disclosed in Note 18(f)

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.

Notes to the Financial Statements

31 July 2014

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

(e) Summarised financial information of material associated companies

The summarised financial information of the material associated companies which are accounted for using the equity method are as follows:

	Kesas ^		Litrak		Other individually immaterial associates		Total	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Summarised statements of financial position								
Non-current assets	-	875,741	1,815,149	1,881,719	2,084,661	6,845,844	3,899,810	9,603,304
Current assets	-	389,187	407,393	408,163	586,996	981,110	994,389	1,778,460
Non-current liabilities	-	(278,802)	(1,573,123)	(1,616,201)	(1,343,745)	(3,391,304)	(2,916,868)	(5,286,307)
Current liabilities	-	(292,112)	(101,826)	(183,987)	(705,356)	(1,445,978)	(807,182)	(1,922,077)
Net assets	-	694,014	547,593	489,694	622,556	2,989,672	1,170,149	4,173,380
Summarised statements of comprehensive income								
Results								
Revenue	-	329,586	374,432	371,204	789,640	684,558	1,164,072	1,385,348
Profit for the year	-	168,073	144,869	124,333	332,438	330,216	477,307	622,622
Reconciliation of net assets to carrying amount as at 31 July 2014								
Group's share of net assets	-	208,259	308,329	282,247	206,562	1,200,748	514,891	1,691,254
Group's share of post-acquisition capital reserve	-	-	116,522	111,947	-	-	116,522	111,947
Carrying amount in the statement of financial position	-	208,259	424,851	394,194	206,562	1,200,748	631,413	1,803,201
Group's share of profit for the year	42,538	50,422	65,191	55,763	135,943	135,021	243,672	241,206
Other information - Group's share of dividend	-	-	39,110	39,110	13,000	38,499	52,110	77,609

^ Subsequent to the acquisition of additional equity interest, Kesas became a subsidiary of the Company as disclosed in Note 18(f).

Pursuant to FRS 128: Investment in Associates and Joint Ventures, Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd., Hicom-Gamuda Development Sdn. Bhd., Suria Holding (O) Pvt. Ltd. and Gamuda - WCT (Offshore) Private Limited are deemed to be associates of Gamuda Berhad as the Company has significant influence in the financial and operating policy decisions of these associates but not control over those policies.

Notes to the Financial Statements

31 July 2014

20. Interests in joint arrangements

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unquoted shares, at cost	602,134	473,390	254,476	254,476

Details of the joint arrangements are as follows:

Name of joint operations	Proportion of ownership		Economic activity
	2014 %	2013 %	
Unincorporated in Malaysia			
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
MMC Gamuda KVMRT (UGW) Joint Venture	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

Notes to the Financial Statements

31 July 2014

20. Interests in joint arrangements (cont'd.)

Name of joint operations	Proportion of ownership		Economic activity
	2014 %	2013 %	
Unincorporated in Taiwan			
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
Unincorporated in Qatar			
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
Name of joint ventures			
Incorporated in Malaysia			
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 implement the Electrified Double-Tracking from Ipoh to Padang Besar Project

Notes to the Financial Statements

31 July 2014

20. Interests in joint arrangements (cont'd.)

Name of joint ventures (cont'd.)	Proportion of ownership		Economic activity
	2014 %	2013 %	
Horizon Hills Development Sdn. Bhd. ("Horizon Hills")	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. ("KVMRT (PDP)")	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.	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
Held by Gamuda Land Sdn. Bhd.: Gamuda GM Sdn. Bhd. (formerly known as Ambang Dedikasi Sdn. Bhd.)	50	50	Operating and building management of Tower 1 of Idaman Robertson Project, a 9-level commercial complex to be operated as a wholesale center
Gamuda GM Klang Sdn. Bhd. (formerly known as Precinct Blossom Sdn. Bhd.)	50	50	Developer and operator of a wholesale hub in Bandar Botanic, Klang

* 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 11: Joint Arrangements, Sinohydro-Gamuda-WCT JV, Gamuda-WCT JV and Gamuda-WCT Bahrain JV are deemed to be joint operations of Gamuda Berhad as the parties involved are undertaking economic activities that are subject to joint control.

Notes to the Financial Statements

31 July 2014

20. Interests in joint arrangements (cont'd.)

The summarised financial information of the material joint arrangements which are accounted for using the equity method are as follows:

	KVMRT (PDP)		Horizon Hills		Other individually immaterial joint ventures		Total	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Summarised statements of financial position								
Non-current assets	24,876	14,086	151,677	144,578	683,723	783,243	860,276	941,907
Current assets	824,617	525,513	986,118	825,342	629,043	2,124,797	2,439,778	3,475,652
Non-current liabilities	(249,344)	(62,642)	(93,588)	(125,087)	(374,741)	(783,514)	(717,673)	(971,243)
Current liabilities	(547,919)	(402,677)	(362,616)	(405,247)	(467,579)	(1,691,612)	(1,378,114)	(2,499,536)
Net assets	52,230	74,280	681,591	439,586	470,446	432,914	1,204,267	946,780
Summarised statements of comprehensive income								
Results								
Revenue	2,884,422	1,353,742	811,065	578,687	3,106,307	1,534,492	6,801,794	3,466,921
Profit for the year	119,950	61,466	241,966	160,234	10,228	20,318	372,144	242,018
Reconciliation of net assets to carrying amount as at 31 July 2014								
Group's share of net assets	26,115	37,140	340,796	219,793	245,365	226,599	612,276	483,532
Elimination of unrealised profits	-	-	-	-	(10,142)	(10,142)	(10,142)	(10,142)
Carrying amount in the statement of financial position	26,115	37,140	340,796	219,793	235,223	216,457	602,134	473,390
Group's share of profit for the year	59,975	30,733	120,983	80,117	5,114	10,159	186,072	121,009
Other information - Group's share of dividend	71,000	-	-	-	-	-	71,000	-

Notes to the Financial Statements

31 July 2014

21. Other investments

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At cost				
Unquoted shares, in Malaysia	50	50	50	50
Investment in transferable club memberships	840	683	683	683
	<u>890</u>	<u>733</u>	<u>733</u>	<u>733</u>

The fair value of other investments are disclosed in Note 44.

22. Inventories

	Group	
	2014 RM'000	2013 (restated) RM'000
Cost:		
Raw materials	1,896	1,384
Crusher run and aggregates	7,012	5,801
Consumable stores and spares	2,173	1,723
Properties held for sale	283,911	84,934
	<u>294,992</u>	<u>93,842</u>
Net realisable value:		
Properties held for sale	84	546
Crusher run and aggregates	-	492
	<u>84</u>	<u>1,038</u>
	<u>295,076</u>	<u>94,880</u>

During the year, the amount of inventories recognised as an expense was RM42,866,000 (2013: RM30,080,000).

Notes to the Financial Statements

31 July 2014

23. Receivables

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

		Group		Company	
		2014	2013 (restated)	2014	2013
		RM'000	RM'000	RM'000	RM'000
(a) Current					
Trade					
Trade receivables	(i)				
Third parties		328,571	292,867	27,262	27,774
Associated companies		187,713	130,435	-	-
Joint venture partners		115	67	-	-
Joint ventures		292,007	204,601	42,246	-
Retention sums		79,696	61,947	26,084	26,512
Accrued billings		314,774	86,380	-	-
Due from customers on contracts (Note 25)		100,539	275,168	-	-
		<u>1,303,415</u>	<u>1,051,465</u>	<u>95,592</u>	<u>54,286</u>
Less: Allowance for impairment		(147)	(166)	-	-
		<u>1,303,268</u>	<u>1,051,299</u>	<u>95,592</u>	<u>54,286</u>
Non-trade					
Associated companies	(ii)	561	78	389	126
Deposits		468,287	72,549	392,989	548
Prepayments		4,482	5,782	1,687	1,511
Sundry receivables		40,412	25,937	599	829
		<u>513,742</u>	<u>104,346</u>	<u>395,664</u>	<u>3,014</u>
		<u>1,817,010</u>	<u>1,155,645</u>	<u>491,256</u>	<u>57,300</u>

Notes to the Financial Statements

31 July 2014

23. Receivables (cont'd.)

(a) Current (cont'd.)

(i) Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2013: 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.

Ageing analysis of trade receivables

The Company's trade receivables are more than 121 days past due but not impaired. The ageing analysis of the Group's trade receivables is as follows:

	2014	Group 2013 (restated)
	RM'000	RM'000
Neither past due nor impaired	683,914	508,882
1 to 30 days past due not impaired	81,274	70,544
31 to 60 days past due not impaired	7,978	11,126
61 to 90 days past due not impaired	5,601	2,669
91 to 120 days past due not impaired	189	536
More than 121 days past due not impaired	29,303	34,047
	124,345	118,922
Impaired	147	166
	<u>808,406</u>	<u>627,970</u>

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 and the Company have trade receivables amounting to RM124,345,000 (2013: RM118,922,000) and RM27,262,000 (2013: RM27,774,000) respectively that are past due at the reporting date but not impaired. The receivables are related to customers with on-going transactions and/or progressive payments, and unsecured in nature.

Notes to the Financial Statements

31 July 2014

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:

	Individually impaired	
	2014	2013
	RM'000	RM'000
Trade receivables - nominal amounts	147	166
Less: allowance for impairment	(147)	(166)
	<u>-</u>	<u>-</u>
Movement in allowance accounts:		
At 1 August	166	2,463
Allowance for impairment written off	(19)	(2,297)
At 31 July	<u>147</u>	<u>166</u>

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.

(ii) Due from associated companies

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

(b) Non-current

		Group	
		2014	2013
		RM'000	(restated)
		RM'000	RM'000
Trade receivables		104,359	-
Advances to subcontractors		47,520	14,368
Retention sums		8,774	40,110
Due from an associated company	(i)	155,104	150,700
Loan to a joint venture by a subsidiary	(ii)	41,500	-
Other receivable		697	1,512
		<u>357,954</u>	<u>206,690</u>

Notes to the Financial Statements

31 July 2014

23. Receivables (cont'd.)

(b) Non-current (cont'd.)

(i) 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 RM5,184,000 (2013: RM9,284,000) which is receivable in one (2013: 2) annual instalment in December 2015 (2013: December 2014 to December 2015).

(ii) Loan to a joint venture by a subsidiary

This represents the loan given to Gamuda GM Klang Sdn. Bhd., a joint venture, by Megah Capital Sdn. Bhd., a subsidiary of the Company. The loan is unsecured and repayable in 5 years or such other day mutually agreed upon. The interest of the loan is charged at 4.95% per annum.

Other details of fair value of non-current receivables are further disclosed in Note 44.

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 of RM305,538,000 (2013: RM243,415,000) due from an associated company, Splash.

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.

	Note	Held for trading/ Fair value through profit or loss RM'000	Loans and receivables RM'000	Total RM'000
Group				
At 31 July 2014				
Investment securities	24	37,721	-	37,721
Current receivables	23(a)			
Trade receivables				
Third parties		-	328,571	328,571
Associated companies		-	187,713	187,713
Joint venture partners		-	115	115
Joint ventures		-	292,007	292,007
Retention sums		-	79,696	79,696
Deposits		-	468,287	468,287
Sundry receivables		-	40,412	40,412
Non-current receivables	23(b)	-	357,954	357,954
Cash and bank balances	27	82,781	799,250	882,031
Total financial assets		120,502	2,554,005	2,674,507

Notes to the Financial Statements

31 July 2014

23. Receivables (cont'd.)

	Note	Held for trading/ Fair value through profit or loss RM'000	Loans and receivables RM'000	Total RM'000
Group				
At 31 July 2013 (restated)				
Investment securities	24	429,529	-	429,529
Current receivables	23(a)			
Trade receivables				
Third parties		-	292,867	292,867
Associated companies		-	130,513	130,513
Joint venture partners		-	67	67
Joint ventures		-	204,601	204,601
Retention sums		-	61,947	61,947
Deposits		-	72,549	72,549
Sundry receivables		-	25,937	25,937
Non-current receivables	23(b)	-	206,690	206,690
Cash and bank balances	27	23,991	852,563	876,554
Total financial assets		453,520	1,847,734	2,301,254
Company				
At 31 July 2014				
Investment securities	24	-	-	-
Current receivables	23(a)			
Trade receivables				
Third parties		-	27,262	27,262
Associated companies		-	389	389
Retention sums		-	26,084	26,084
Deposits		-	392,989	392,989
Sundry receivables		-	599	599
Due from subsidiaries	26	-	1,224,035	1,224,035
Cash and bank balances	27	24,520	7,426	31,946
Total financial assets		24,520	1,678,784	1,703,304

Notes to the Financial Statements

31 July 2014

23. Receivables (cont'd.)

	Note	Held for trading/ Fair value through profit or loss RM'000	Loans and receivables RM'000	Total RM'000
Company				
At 31 July 2013				
Investment securities	24	113,146	-	113,146
Current receivables	23(a)			
Trade receivables				
Third parties		-	27,774	27,774
Associated companies		-	126	126
Retention sums		-	26,512	26,512
Deposits		-	548	548
Sundry receivables		-	829	829
Due from subsidiaries	26	-	912,486	912,486
Cash and bank balances	27	4,976	120,611	125,587
Total financial assets		118,122	1,088,886	1,207,008

Included in deposits of the Group is RM392,200,000 being partial payment of the purchase consideration for the acquisition of Salak Land Development Sdn. Bhd. of RM784,300,000 as further disclosed in Note 43.

24. Investment securities

	2014		2013 (restated)	
	RM'000	Fair value	RM'000	Fair value
	Carrying amount	of quoted investments	Carrying amount	of quoted investments
Group				
Current				
Held for trading investment securities	37,721	37,721	429,529	429,529
Company				
Current				
Held for trading investment securities	-	-	113,146	113,146

Notes to the Financial Statements

31 July 2014

24. Investment securities (cont'd.)

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.

Other details of fair value of investment securities are further disclosed in Note 44.

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

	Group		Company	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Construction contract costs incurred to date	9,999,275	8,901,335	1,525,257	1,524,490
Recognised profits less recognised losses	1,108,675	803,054	52,267	52,267
Progress billings received and receivable	(11,056,662)	(9,535,153)	(1,587,717)	(1,587,717)
	51,288	169,236	(10,193)	(10,960)

Represented by:

Due from customers on contracts (Note 23(a))	100,539	275,168	-	-
Due to customers on contracts (Note 37)	(49,251)	(105,932)	(10,193)	(10,960)
	51,288	169,236	(10,193)	(10,960)

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

	Group		Company	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Finance costs (Note 8)	2,691	2,645	-	-
Depreciation (Note 12)	5,923	7,992	4	27
Staff costs (Note 5)	88,177	45,560	-	-
Rental of premises	7,122	3,157	-	-
Hire of plant and equipment	587	599	-	-

Notes to the Financial Statements

31 July 2014

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

Included in amount due from customers on contract is an amount due from the Government of Socialist Republic of Vietnam ("GOVT") to a subsidiary, Gamuda Land Vietnam Limited Liability Company ("GLVN") amounting to RM17,586,000 (2013: RM66,738,000) which is pending issuance of investment certificates for property development in Hanoi, Vietnam as consideration for the construction works by GLVN.

The directors do not foresee any issue in obtaining the investment certificates and therefore are of the opinion that this amount is recoverable.

26. Due from subsidiaries

	Company	
	2014	2013
	RM'000	RM'000
Non-current		
Due from a subsidiary - non-trade	723,930	622,437
Current		
Due from subsidiaries		
- trade	11,482	12,290
- non-trade	488,623	277,759
	<u>500,105</u>	<u>290,049</u>

The trade amounts due from subsidiaries have a normal credit term which ranges from 30 to 90 days (2013: 30 to 90 days).

The non-trade amounts due from subsidiaries are unsecured, interest free and are repayable on demand except for advances of RM650,336,000 (2013: RM633,563,000) given to subsidiaries which bear interest at 4.50% to 5.15% (2013: 4.50% to 5.10%) per annum.

Notes to the Financial Statements

31 July 2014

27. Cash and bank balances

	Group		Company	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	84,472	44,996	2,612	4,394
Housing Development Accounts	234,716	404,291	-	-
Total cash on hand and at banks	319,188	449,287	2,612	4,394
Deposits with licensed banks	480,062	403,276	4,814	116,217
Investment in unit trusts	82,781	23,991	24,520	4,976
	882,031	876,554	31,946	125,587

Included in total cash on hand and at banks of the Group and of the Company are interest bearing balances amounting to RM313,541,000 (2013: RM423,595,000) and RM1,294,000 (2013: RM759,000) respectively.

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	
	2014	2013 (restated)	2014	2013
	%	%	%	%
Licensed banks				
Malaysia - RM	3.18	2.89	3.20	2.91
- USD	0.27	0.22	0.15	0.28
Qatar	-	0.20	-	-
India	8.95	9.05	-	-
Vietnam	6.21	8.90	-	-

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

	Group		Company	
	2014	2013 (restated)	2014	2013
	Days	Days	Days	Days
Licensed banks	2 - 90	2 - 90	1 - 35	1 - 35

Notes to the Financial Statements

31 July 2014

28. Asset classified as held for sale

On 26 February 2014, the Company received an offer from Kumpulan Darul Ehsan Berhad (“KDEB”), an entity wholly-owned by the Selangor State Government, to purchase 100% equity interest in Syarikat Pengeluar Air Selangor Holdings Berhad (“Splash Holdings”). Splash Holdings is the holding company of Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd. (“Splash”) - the concession holder of Sungai Selangor Water Supply Scheme Phase 1 and 3. The Company has a 40% equity interest in Splash Holdings and the carrying amounts of investment in Splash Holdings in the Group’s and the Company’s financial statements as at 31 July 2014 was RM994,306,000 and RM160,000,000 respectively. The offer was part of the Selangor State Government’s effort to consolidate the various entities involved in the treatment, supply and distribution of water in the state of Selangor.

On 10 March 2014, the Company informed KDEB that it was constrained from accepting the said offer due to the adverse financial consequences on the Company. The net offer of RM250,600,000 for Splash Holdings when compared to its net asset value (“NAV”) of RM2,540,000,000 as at 31 December 2013 will result in a huge divestment loss of RM920,000,000 to the Company. The offer of RM250,600,000 is below 10% of Splash Holdings’ NAV. The offer is therefore not equitable nor reasonable for acceptance by the Company.

The Company informed KDEB that it is however, amenable to accepting an offer by KDEB to acquire its equity interest in Splash Holdings upon mutually agreed terms on a ‘willing buyer – willing seller’ basis, based on the following conditions which were already included in KDEB’s earlier offers and accepted by the Company:

- (a) Payment of Splash Holdings’ NAV (as agreed by KDEB in its letter of offer dated 20 February 2013 page 6 item 2(vi) and the State’s offer dated 15 July 2009 page 2 item 6); and
- (b) The retention of the operations and maintenance operators of Splash (Gamuda Water Sdn. Bhd. and Sungai Harmoni Sdn. Bhd.) at existing terms (as agreed by the State in its letter of offer dated 15 July 2009 page 2 item 4).

The Company’s rejection of the offer prompted threats by the State Government to push for the enforcement of the Water Services Industry Act 2006 (“WASIA”), which empowers the Federal Government to direct the Suruhanjaya Perkhidmatan Air Negara (“SPAN”) to assume control of the property, business and affairs of Splash and to carry on Splash’s business and affairs if it was in the national interest to do so. Having obtained independent legal advice, the Directors are of the opinion that even if the Federal Government invoke WASIA based on the request of the State Government, SPAN would only assume control of the property, business and affairs of Splash. Under such circumstances, if at all happens, SPAN does not take ownership of the property, business and affairs of Splash.

The management believes that it has reasonable grounds to sell Splash Holdings at NAV due to the following reasons:

- (i) The NAV of Splash Holdings mainly comprises Splash’s receivables arising from water tariffs billed pursuant to its water supply concession agreement amounted to RM2,200,000,000 as at 31 December 2013. In the event of termination or expropriation of Splash’s water supply concession, Splash as an entity will remain. Termination or expropriation therefore does not affect Splash’s right to recover those receivables. The offer from KDEB of RM250,600,000 for 100% equity in Splash Holdings is inferior as it is below 10% of Splash Holding’s NAV and the offer does not address the recovery of receivables; and
- (ii) There are precedents of take overs of water assets by Pengurusan Aset Air Berhad (“PAAB”) based on NAV in 6 states – Melaka, Negeri Sembilan, Johor, Perlis, Penang and Perak. PAAB is a company set up by the Federal Government to restructure the water services industry in the country.

Arising from the above developments, the carrying amount of interest in Splash Holdings is classified as asset held for sale in the Group’s and Company’s financial statements as at 31 July 2014.

Notes to the Financial Statements

31 July 2014

29. Share capital

	Number of ordinary shares of RM1 each		Amount	
	2014 '000	2013 '000	2014 RM'000	2013 RM'000
Authorised:				
At beginning/end of year	3,000,000	3,000,000	3,000,000	3,000,000
Issued and fully paid:				
At beginning of year	2,276,644	2,079,412	2,276,644	2,079,412
Exercise of ESOS	36,101	44,026	36,101	44,026
Conversion of warrants	10,612	153,206	10,612	153,206
At end of year	2,323,357	2,276,644	2,323,357	2,276,644

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 RM2,276,644,253 to RM2,323,357,479 by way of:
- (i) Issuance of 36,101,000 new ordinary shares of RM1.00 each for cash arising from the exercise of options under the Company's ESOS; and
 - (ii) Issuance of 10,612,226 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.

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

	Warrants 2010/2015	
	2014 '000	2013 '000
At beginning of year	94,348	247,554
Converted	(10,612)	(153,206)
At end of year	83,736	94,348

Notes to the Financial Statements

31 July 2014

29. Share capital (cont'd.)

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

On 5 July 2014, the ESOS had expired and all unexercised ESOS had lapsed. The Company proposes to undertake the new ESOS, subject to relevant approvals being obtained.

The principal features of the ESOS were 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 2014

29. Share capital (cont'd.)

(c) (cont'd.)

The principal features of the ESOS were 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 2014

29. Share capital (cont'd.)

(c) (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:

	Exercise price (before rights issue of warrants) RM	Exercise price (after rights issue of warrants) RM	Number of options '000	Exercise period
6 July 2006	1.73	1.54	63,436	6 July 2006 - 5 July 2014
15 January 2007	2.60	2.32	14,064	15 January 2007 - 5 July 2014
8 August 2007	3.63	3.24	34,856	8 August 2007 - 5 July 2014
24 March 2008	2.98	2.66	11,852	24 March 2008 - 5 July 2014
1 July 2008	2.29	2.04	7,239	1 July 2008 - 5 July 2014
15 January 2009	1.94	1.73	8,009	15 January 2009 - 5 July 2014
15 July 2009	2.72	2.42	4,111	15 July 2009 - 5 July 2014
17 March 2010	2.79	2.49	5,129	17 March 2010 - 5 July 2014
19 March 2010	2.79	2.49	51,542	19 March 2010 - 5 July 2014
8 August 2010	*	3.33	1,929	8 August 2010 - 5 July 2014
12 August 2011	*	3.26	693	12 August 2011 - 5 July 2014
6 June 2012	*	3.37	734	6 June 2012 - 5 July 2014
23 October 2012	*	3.46	15,678	23 October 2012 - 5 July 2014
2 January 2013	*	3.61	2,946	2 January 2013 - 5 July 2014
28 August 2013	*	4.38	3,635	28 August 2013 - 5 July 2014

* Not applicable

Notes to the Financial Statements

31 July 2014

29. 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:

	2014 RM'000	2013 RM'000
Ordinary shares	36,101	44,026
Share premium	78,008	78,890
Aggregate proceeds received on shares issued	<u>114,109</u>	<u>122,916</u>
Aggregate fair value of ordinary shares at exercise date	<u>168,221</u>	<u>193,205</u>

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

ESOS exercise price	← Number of share options →				Outstanding and exercisable at 31 July 2014 '000
	Outstanding at 1 August 2013 '000	Movement during the year			
		Granted '000	Exercised '000	Lapsed '000	
RM1.54	2,651	-	(142)	(2,509)	-
RM2.32	1,396	-	(284)	(1,112)	-
RM3.24	12,417	-	(7,899)	(4,518)	-
RM2.66	2,264	-	(785)	(1,479)	-
RM2.04	1,253	-	(300)	(953)	-
RM1.73	927	-	(185)	(742)	-
RM2.42	982	-	(344)	(638)	-
RM2.49	12,281	-	(9,966)	(2,315)	-
RM3.33	958	-	(382)	(576)	-
RM3.26	280	-	(280)	-	-
RM3.37	537	-	(537)	-	-
RM3.46	10,326	-	(9,885)	(441)	-
RM3.61	2,127	-	(2,099)	(28)	-
RM4.38	-	3,635	(3,013)	(622)	-
	<u>48,399</u>	<u>3,635</u>	<u>(36,101)</u>	<u>(15,933)</u>	<u>-</u>
WAEP	2.89	4.38	3.16	2.62	0.00

Notes to the Financial Statements

31 July 2014

29. Share capital (cont'd.)

(e) (cont'd.)

ESOS exercise price	Outstanding at 1 August 2012 '000	Movement during the year			Outstanding and exercisable at 31 July 2013 '000
		Granted '000	Exercised '000	Lapsed '000	
RM1.54	3,039	-	(388)	-	2,651
RM2.32	2,599	-	(1,203)	-	1,396
RM3.24	22,592	-	(10,175)	-	12,417
RM2.66	4,424	-	(2,160)	-	2,264
RM2.04	2,293	-	(1,040)	-	1,253
RM1.73	1,882	-	(955)	-	927
RM2.42	1,899	-	(917)	-	982
RM2.49	32,065	-	(19,784)	-	12,281
RM3.33	1,581	-	(623)	-	958
RM3.26	693	-	(413)	-	280
RM3.37	734	-	(197)	-	537
RM3.46	-	15,678	(5,352)	-	10,326
RM3.61	-	2,946	(819)	-	2,127
	73,801	18,624	(44,026)	-	48,399
WAEP	2.68	3.48	2.79	-	2.89

Notes to the Financial Statements

31 July 2014

29. Share capital (cont'd.)

(f) Fair value of share options granted (cont'd.)

The fair value of share options measured at the respective date and the assumptions are as follows (cont'd.):

	ESOS (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	3.46	3.61	4.38	
Weighted average share price (RM)																
- Grant date	3.52 [^]	5.20 [^]	7.20 [^]	2.98	2.33	1.97	2.87	2.80	2.72	3.34	3.26	3.26	3.95	3.95	4.66	
- 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%	24.00%	24.00%	24.00%	
- 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%	2.97%	2.91%	2.91%	
- 22 December 2009	3.65%	3.65%	3.65%	3.65%	3.65%	3.65%	3.65%	*	*	*	*	*	*	*	*	
- 3 May 2010	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%	*	*	*	*	*	*	
Expected dividend yield#	3.20%	3.20%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	4.00%	4.00%	4.00%	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.

[^] Before bonus issue on 25 October 2007.

Notes to the Financial Statements

31 July 2014

30. Other reserves (non-distributable)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Capital reserve				
At beginning of year	111,947	103,730	-	-
Movement in capital reserve in an associated company	4,575	8,217	-	-
At end of year	116,522	111,947	-	-
Foreign exchange reserve				
At beginning of year	(85,103)	(91,596)	10,584	11,176
Foreign currency translation	19,040	31,192	1,091	(592)
Share of other comprehensive loss of associated companies	(16,969)	(26,154)	-	-
Less: Non-controlling interests	1,471	1,455	-	-
At end of year	(81,561)	(85,103)	11,675	10,584
Warrants reserve				
At beginning of year	9,436	24,757	9,436	24,757
Conversion of warrants	(1,061)	(15,321)	(1,061)	(15,321)
At end of year	8,375	9,436	8,375	9,436
Hedging reserve*				
At beginning of year	(4,400)	(6,848)	(4,400)	(6,848)
Fair value gain on cash flow hedges	2,497	2,448	2,497	2,448
At end of year	(1,903)	(4,400)	(1,903)	(4,400)
Total other reserves	41,433	31,880	18,147	15,620

* Hedging reserve

Hedging reserve represents the effective portion of the gain or loss on hedging instruments in the Company's cash flow hedge.

31. Retained profits

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

Notes to the Financial Statements

31 July 2014

32. 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 to 60.

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

	Group		Company	
	2014 RM'000	2013 (restated) RM'000	2014 RM'000	2013 (restated) RM'000
Present value of unfunded defined benefit obligations, representing net liability	18,174	17,439	1,906	2,027
Analysed as:				
Current (Note 37)	6	272	-	-
Non-current:				
Later than 1 year but not later than 2 years	7	51	-	-
Later than 2 years but not later than 5 years	139	264	-	-
Later than 5 years	18,022	16,852	1,906	2,027
Amount included in payables (Note 33(a))	18,168	17,167	1,906	2,027
	18,174	17,439	1,906	2,027

The amounts recognised in profit or loss are as follows:

	Group		Company	
	2014 RM'000	2013 (restated) RM'000	2014 RM'000	2013 (restated) RM'000
Current service cost	1,332	2,161	594	186
Interest cost	893	668	101	(491)
Total, included in staff costs and directors' remuneration (Notes 5 and 6)	2,225	2,829	695	(305)

Notes to the Financial Statements

31 July 2014

32. Retirement benefit obligations (cont'd.)

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

	Group		Company	
	2014	2013 (restated)	2014	2013 (restated)
	RM'000	RM'000	RM'000	RM'000
At beginning of year	17,439	15,127	2,027	2,332
Recognised in profit or loss	2,225	2,829	695	(305)
Acquisition of a subsidiary	615	-	-	-
Contributions paid	(1,932)	(517)	(788)	-
Remeasurement gains on defined benefit plan	(173)	-	(28)	-
At end of year	18,174	17,439	1,906	2,027

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

	Increase/ (decrease)	2014 RM'000	Increase/ (decrease)	2013 RM'000
Discount rate	+1%	(2,320)	+1%	(1,567)
	-1%	2,320	-1%	1,567
Expected rate of salary increases	+1%	2,580	+1%	1,920
	-1%	(2,580)	-1%	(1,920)

Principal actuarial assumptions used:

	2014	2013 (restated)
	%	%
Discount rate	5.5	5.3
Expected rate of salary increases	6.0 - 10.0	6.0 - 10.0

The average duration of the defined benefit plan obligation at the end of the reporting year is 13 years.

Notes to the Financial Statements

31 July 2014

33. Payables and derivatives

(a) Payables

	Group		Company	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Non-current				
Advance membership fees	18,878	13,797	-	-
Deferred income	66,660	-	-	-
Retirement benefit obligations (Note 32)	18,168	17,167	1,906	2,027
Retention sums	70,460	58,440	-	-
Due to a third party	85,294	52,532	-	-
	<u>259,460</u>	<u>141,936</u>	<u>1,906</u>	<u>2,027</u>

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 37.

Deferred income comprises advance maintenance fees and licence fees, and government compensation.

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.

(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 contracted amount of loan being hedged as at 31 July 2014 was USD45,000,000, equivalent to RM143,366,000 (2013: USD45,000,000, equivalent to RM145,584,000). 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% (2013: 1.845% to 2.495%) per annum until the maturity of the loan.

Notes to the Financial Statements

31 July 2014

34. Deferred tax (assets)/liabilities

	Group		Company	
	2014	2013 (restated)	2014	2013 (restated)
	RM'000	RM'000	RM'000	RM'000
At beginning of year	34,740	60,760	(23,656)	(5,748)
Recognised in profit or loss (Note 9)	14,416	(26,347)	20,999	(17,905)
Acquisition of a subsidiary (Note 18(f))	316,855	-	-	-
Exchange differences	(1,286)	327	277	(3)
At end of year	364,725	34,740	(2,380)	(23,656)

Presented after appropriate offsetting as follows:

Deferred tax assets	(26,231)	(46,384)	(2,380)	(23,656)
Deferred tax liabilities	390,956	81,124	-	-
	364,725	34,740	(2,380)	(23,656)

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 allowances RM'000	Fair value adjustment on Accelerated capital development expenditure	Land RM'000	Total RM'000
			RM'000		
At 1 August 2013 (restated)	(6,167)	22,108	-	64,379	80,320
Recognised in profit or loss	2,423	(3,877)	-	(1,089)	(2,543)
Acquisition of a subsidiary	-	210,910	201,882	-	412,792
Exchange differences	-	(1,286)	-	-	(1,286)
At 31 July 2014	(3,744)	227,855	201,882	63,290	489,283
At 1 August 2012 (restated)	(3,090)	20,144	-	64,719	81,773
Recognised in profit or loss	(3,077)	1,637	-	(340)	(1,780)
Exchange differences	-	327	-	-	327
At 31 July 2013 (restated)	(6,167)	22,108	-	64,379	80,320

Notes to the Financial Statements

31 July 2014

34. Deferred tax (assets)/liabilities (cont'd.)

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 2013 (restated)	(4,078)	(41,472)	(30)	(45,580)
Recognised in profit or loss	(1,155)	18,086	28	16,959
Acquisition of a subsidiary	(144)	(95,793)	-	(95,937)
At 31 July 2014	(5,377)	(119,179)	(2)	(124,558)
At 1 August 2012 (restated)	(3,501)	(17,454)	(58)	(21,013)
Recognised in profit or loss	(577)	(24,018)	28	(24,567)
At 31 July 2013 (restated)	(4,078)	(41,472)	(30)	(45,580)

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM'000
At 1 August 2013 (restated)	2,789
Recognised in profit or loss	1,673
Exchange differences	277
At 31 July 2014	4,739
At 1 August 2012 (restated)	798
Recognised in profit or loss	1,994
Exchange differences	(3)
At 31 July 2013 (restated)	2,789

Deferred tax assets of the Company:

	Retirement benefit obligations RM'000	Provisions and accruals RM'000	Total RM'000
At 1 August 2013 (restated)	(506)	(25,939)	(26,445)
Recognised in profit or loss	156	19,170	19,326
At 31 July 2014	(350)	(6,769)	(7,119)
At 1 August 2012 (restated)	(583)	(5,963)	(6,546)
Recognised in profit or loss	77	(19,976)	(19,899)
At 31 July 2013 (restated)	(506)	(25,939)	(26,445)

Notes to the Financial Statements

31 July 2014

34. Deferred tax (assets)/liabilities (cont'd.)

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

	Group	
	2014	2013 (restated)
	RM'000	RM'000
Unused tax losses	45,900	49,760
Unabsorbed capital allowances	17,586	12,470
Unutilised reinvestment allowances	1,457	1,457
Other deductible temporary differences	1,296	1,296
	<u>66,239</u>	<u>64,983</u>

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.

35. Long term borrowings

	Group		Company	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Murabahah medium term notes ("MTN") (a)	1,200,000	720,000	1,200,000	720,000
Term loans				
- secured (b)	245,469	344,453	-	-
- unsecured (c)	293,103	448,614	293,103	448,614
	<u>1,738,572</u>	<u>1,513,067</u>	<u>1,493,103</u>	<u>1,168,614</u>

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

The MTNs are drawdown by the following entity:

	Group		Company	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Gamuda Berhad	1,200,000	720,000	1,200,000	720,000

Notes to the Financial Statements

31 July 2014

35. Long term borrowings (cont'd.)

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

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 %
Non-current				
Issue No. 4	400,000	21.3.2013	21.3.2018	4.17
Issue No. 5	400,000	28.10.2013	26.10.2018	4.22
Issue No. 6	400,000	13.3.2014	13.3.2019	4.62
	<u>1,200,000</u>			
Current				
Issue No. 3 (Note 36(d))	<u>320,000</u>	01.4.2010	01.4.2015	5.25

(b) Term loans - secured

The term loans are drawdown by the following entities:

		Group 2014 RM'000	2013 (restated) RM'000
Jade Homes Sdn. Bhd.	(i)	28,673	70,425
Tan Thang Company	(ii)	216,796	274,028
		<u>245,469</u>	<u>344,453</u>

- (i) 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 2014 RM'000	2013 RM'000
Within one year (Note 36(a))	44,520	44,520
Between two to five years	28,673	70,425
	<u>73,193</u>	<u>114,945</u>

Notes to the Financial Statements

31 July 2014

35. Long term borrowings (cont'd.)

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

- (ii) The term loan is drawdown by a subsidiary, Sai Gon Thuong Tin Tan Thang Investment Real Estate Joint Stock Company (“Tan Thang Company”) from the facility obtained from Sacombank in Vietnam. The term loan is secured by leasehold land under development as disclosed in Note 13 and bore interest rate ranging from 11.4% to 12.2% (2013: 12.4% to 15.0%) per annum.

Term loan is repayable as follows:

	Group	
	2014	2013
	RM'000	RM'000
Within one year (Note 36(a))	60,231	-
Between two to five years	216,796	274,028
	<u>277,027</u>	<u>274,028</u>

(c) Term loans - unsecured

The term loans were drawdown by Gamuda Berhad to finance present and future investments for the furtherance of the Group’s businesses, investment in Redeemable Preference Shares & other type of shares in subsidiaries, the Group’s working capital and capital expenditure requirements, and to refinance other existing credit facilities of the Group. The term loans mature five years from the date of first loan drawdown. The interests of the term loans are charged at 1.90% (2013: 1.92% to 2.06%) per annum.

Term loan is repayable as follows:

	Group and Company	
	2014	2013
	RM'000	RM'000
Within one year (Note 36(a))	-	54,465
Between two to five years	293,103	448,614
	<u>293,103</u>	<u>503,079</u>

Notes to the Financial Statements

31 July 2014

36. Short term borrowings

	Group		Company	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Secured:				
Term loan (a)	104,751	44,520	-	-
Government support loan (b)	108,113	-	-	-
Bithaman Ajil Islamic Debt Securities (“BaIDS”) (c)	100,000	-	-	-
Unsecured:				
MTN (d)	320,000	-	320,000	-
Term loan (a)	-	54,465	-	54,465
Revolving credits	159,295	360,720	159,295	360,720
	<u>792,159</u>	<u>459,705</u>	<u>479,295</u>	<u>415,185</u>

(a) Term loans

The term loans are drawdown by the following entities:

	Group		Company	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Jade Homes Sdn. Bhd. (Note 35(b)(i))	44,520	44,520	-	-
Tan Thang Company (Note 35(b)(ii))	60,231	-	-	-
Gamuda Berhad (Note 35(c))	-	54,465	-	54,465
	<u>104,751</u>	<u>98,985</u>	<u>-</u>	<u>54,465</u>

Notes to the Financial Statements

31 July 2014

36. Short term borrowings (cont'd.)

(a) Term loans (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	
	2014	2013 (restated)	2014	2013
	%	%	%	%
MTN	4.53	4.65	4.53	4.65
Revolving credits				
- US Dollar	1.05	1.45	1.05	1.45
Term loan				
- US Dollar	1.90	1.97	1.90	1.97
- Vietnam Dong	12.22	14.87	-	-
- Ringgit Malaysia	4.77	4.42	-	-
BalDS	7.50	-	-	-
Government support loan	8.00	-	-	-

(b) Government support loan

The Government support loan was drawdown by a subsidiary, Kesas, in relation to construction costs on the Shah Alam Expressway project. The loan was initially repayable in 4 equal and consecutive installments, commencing 30 April 2008 with final repayment on 30 April 2014. The said loan is interest-free for the period from the first drawdown to 31 December 1998 and thereafter bears interest at a fixed interest rate of 8.00% per annum.

On 14 August 2009, the Government had agreed to the proposal of Kesas for a further rescheduling of the loan to eight equal annual installments beginning 29 November 2010 to 29 November 2017.

(c) BalDS

Pursuant to a Trust Deed between Kesas and Malaysian Trustees Berhad dated 11 October 2002, Kesas had issued RM800,000,000 secured BalDS based on the Islamic financing principle of Al-Bai' Bithaman Ajil.

The primary BalDS comprise 9 tranches, with total proceeds and redemption value of RM800,000,000, maturing annually from year 2006 to year 2014.

The secondary BalDS are non-detachable from the primary BalDS and represents the profit element attributable to the BalDS. The secondary BalDS have a redemption value of RM555,842,500 and are paid half yearly at approximately RM17,645,000. The margin of the profit element to the primary BalDS ranges from 5.75% to 8.10% per annum.

Notes to the Financial Statements

31 July 2014

36. Short term borrowings (cont'd.)

(c) BaIDS (cont'd.)

The profit element on BaIDS are recognised as borrowing costs over the tenure of the BaIDS's tranches and are charged to profit or loss as an expense in the period they are incurred.

(d) MTN

The MTNs are drawdown by the following entity:

	Group		Company	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Gamuda Berhad (Note 35(a))	320,000	-	320,000	-

37. Payables

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

Current

	Group		Company	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Trade				
Trade payables	586,714	687,801	5,890	6,757
Due to joint venture partners	612	963	-	-
Retention sums	117,132	136,095	1,908	3,163
Progress billings	2,881	1,715	-	-
Due to customers on contracts (Note 25)	49,251	105,932	10,193	10,960
	756,590	932,506	17,991	20,880
Non-trade				
Retirement benefit obligations (Note 32)	6	272	-	-
Sundry payables	90,539	86,419	10,063	9,402
Accruals	83,087	48,755	43,263	32,144
	173,632	135,446	53,326	41,546
	930,222	1,067,952	71,317	62,426

Notes to the Financial Statements

31 July 2014

37. Payables (cont'd.)

The normal trade credit term granted to the Group and the Company ranges from 30 to 90 days (2013: 30 to 90 days).

The amounts due to joint venture partners are in respect of advances received for construction contracts and the amounts are unsecured, interest free and repayable through contra with future progress billings.

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	
		2014	2013 (restated)	2014	2013
		RM'000	RM'000	RM'000	RM'000
Financial liabilities at amortised costs					
Current payables	37				
Trade payables		586,714	687,801	5,890	6,757
Due to joint venture partners		612	963	-	-
Retention sums		117,132	136,095	1,908	3,163
Sundry payables		90,539	86,419	10,063	9,402
Accruals		83,087	48,755	43,263	32,144
Non-current payables	33(a)				
Retention sums		70,460	58,440	-	-
Due to a third party		85,294	52,532	-	-
Long term borrowings	35	1,738,572	1,513,067	1,493,103	1,168,614
Short term borrowings	36	792,159	459,705	479,295	415,185
Due to subsidiaries	38	-	-	230,385	207,268
		<u>3,564,569</u>	<u>3,043,777</u>	<u>2,263,907</u>	<u>1,842,533</u>

38. Due to subsidiaries

	Company	
	2014	2013
	RM'000	RM'000
Due to subsidiaries		
- trade	14,261	25,216
- non-trade	216,124	182,052
	<u>230,385</u>	<u>207,268</u>

Notes to the Financial Statements

31 July 2014

38. Due to subsidiaries (cont'd.)

The trade amounts due to subsidiaries have a normal credit term which ranges from 30 to 90 days (2013: 30 to 90 days).

The non-trade amounts due to subsidiaries are unsecured, interest free and repayable on demand.

39. Provision for liabilities

Provision for liabilities of the Group is analysed as follows:

	2014 RM'000	2013 (restated) RM'000
Current	29,096	30,356
Non-current	2,685	5,028
	31,781	35,384

Group	Provision for development costs Note (a) RM'000	Provision for club membership Note (b) RM'000	Total RM'000
At 1 August 2013 (restated)	27,327	8,057	35,384
Provision during the year	7,607	1,956	9,563
Utilisation during the year	(4,624)	(6,188)	(10,812)
Unused amounts reversed	(2,354)	-	(2,354)
At 31 July 2014	27,956	3,825	31,781
At 1 August 2012 (restated)	17,645	7,534	25,179
Provision during the year	12,337	5,712	18,049
Utilisation during the year	(1,626)	(5,189)	(6,815)
Unused amounts reversed	(1,029)	-	(1,029)
At 31 July 2013 (restated)	27,327	8,057	35,384

Notes to the Financial Statements

31 July 2014

39. Provision for liabilities (cont'd.)

(a) Provision for development costs

Provision for development costs is in respect of development projects undertaken by its subsidiaries 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, RM2,354,000 (2013: RM1,029,000) of the provision for development costs has been reversed.

(b) Provision for club membership

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

40. Commitments

Capital commitments

	2014	Group 2013 (restated)
	RM'000	RM'000
Approved and contracted for:		
Land for property development	1,041,793	599,964
Property, plant and equipment	16,049	76,860
Investment property	19,700	53,900
Others	-	211

41. Material litigations

- (i) The arbitral award (“the Award”) in respect of the arbitration between Wayss & Freytag (Malaysia) Sdn. Bhd. (“W&F”) and MMC-Gamuda Joint Venture (“JV”) was issued by the arbitral tribunal (“Tribunal”) on 16 April 2013.

In the Award, the Tribunal determined that the W&F’s claims against the JV succeeded in substantial part and dismissed the JV’s claims against W&F. The Tribunal thus awarded the following reliefs to W&F:

Notes to the Financial Statements

31 July 2014

41. Material litigations (cont'd.)

(i) (cont'd.)

1. That the JV pays to W&F the sum of RM96,297,000;
2. That the JV pays to W&F interest at a simple rate of 4% per annum on the sum of RM96,297,000 from date of termination (23 January 2006) to date of the Award (amounting to RM28,247,000);
3. That JV pays to W&F interest at the simple rate of 5% per annum on the sum of RM96,297,000 from the date of the Award until payment in full; and
4. That the JV pays to W&F costs of RM9,000,000.

Following the request for some clerical corrections made by both parties, the Tribunal issued a corrective award on 30 May 2013 (the "Corrective Award") as follows:

1. The amount awarded to W&F has increased to RM97,574,000;
2. The amount of interest payable from the date of termination to date of the Award amounting to RM28,230,000;
3. The post award interest at the simple rate of 5% per annum from the date of the Award until payment in full is to be imposed on the sum of RM97,574,000; and
4. That the JV pays to W&F costs of RM9,000,000.

On 23 May 2013, the JV filed an application for a reference to the High Court in Kuala Lumpur on questions of law arising out of the Award and on determination of the said questions, for the Award to be set aside (JV's Section 42 Application). The JV's Section 42 application was registered as Kuala Lumpur High Court Originating Summons No. 24C(ARB)-2-05/2013.

On 14 June 2013, a copy of W&F's application for, inter alia, recognition and enforcement of the Award under Section 38 of the Arbitration Act 2005 (W&F's Enforcement Application) was served on the JV. W&F's Enforcement Application was registered as Kuala Lumpur High Court Originating Summons No. 24NCC(ARB)-26-06/2013.

In addition to the application made on 23 May 2013, on 4 July 2013, the JV filed another application to set aside the Award under Section 37 of the Arbitration Act 2005 whereby Mr. Yusof Holmes was named as the 2nd Defendant (JV's Section 37 Application). The JV's Section 37 Application was registered as Kuala Lumpur High Court Originating Summons No. 24C(ARB)-3-07/2013. This application was made on the basis that there has been, inter alia, a breach of Mr. Holmes' statutory duty under the Arbitration Act 2005 and that the Award is in conflict with the public policy in Malaysia.

Notes to the Financial Statements

31 July 2014

41. Material litigations (cont'd.)

(i) (cont'd.)

On 21 August 2013, Mr. Holmes filed a notice of application to stay the JV's Section 37 Application (Holmes' Stay Application) pending the final disposal or conclusion of the following criminal proceedings against Mr. Holmes:

1. Penang Sessions Court (1) Case No: 62(R)-141-6/2013; and
2. Kuala Lumpur Sessions Court Case No: 62R-005-07-2013

On 6 September 2013, W&F filed an application under Order 15 rule 5(1) of the Rules of Court 2012 to bifurcate the JV's Section 37 Application against W&F and against Mr. Holmes (W&F's Order 15 Application).

The JV's Section 42 Application was heard before the Honourable Dato' Mary Lim Thiam Suan on 7 November 2013. Judgement was reserved.

On 9 June 2014, the learned Judge dismissed the JV's Section 42 Application with costs of RM75,000 to be paid to W&F. Following the dismissal of the JV's Section 42 Application, the learned Judge gave the following directions in respect of the JV's Section 37 Application:

1. Holmes' Stay Application and W&F's Order 15 Application are fixed for hearing on 30 June 2014; and
2. Further directions for the management of the JV's Section 37 Application will be provided after the abovementioned interlocutory applications have been disposed of.

The hearing of Holmes' Stay Application and W&F's Order 15 Application was postponed to 4 July 2014 and decision was fixed for 10 July 2014. On 10 July 2014, Holmes' Stay Application was dismissed with costs in the cause and in view of the dismissal of Holmes' Stay Application, W&F decided to withdraw the Order 15 Application.

On 24 July 2014, Mr. Holmes filed a notice of application to strike out the JV's Section 37 Application against him and for him to be removed as a party in the proceedings ("Holmes' Striking Out Application"). Holmes' Striking Out Application was heard before the Honourable Dato' Mary Lim Thiam Suan on 2 September 2014. On 17 September 2014, the learned Judge allowed Holmes' Striking Out Application.

The court has fixed the JV's Section 37 Application and W&F's Enforcement Application for hearing on 20 October 2014.

Notes to the Financial Statements

31 July 2014

42. 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	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Professional services rendered by Raja Eleena, Siew Ang & Associates firm in which a director, YTM Raja Dato' Seri Eleena binti Sultan Azlan Shah, has interest	2,063	610	-	-
Contract services rendered by GLC Architect, a company in which a person connected with a director, Y Bhg Dato' Goon Heng Wah, has interest	490	989	-	-
Sales of land to a joint venture	-	(28,344)	-	-
Contract services rendered to an associated company, Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd.	(133,689)	(100,634)	-	-
Rental received from subsidiaries	-	-	(3,791)	(3,605)
Interest receivable from subsidiaries	-	-	(75,120)	(46,444)

Notes to the Financial Statements

31 July 2014

42. Significant related party transactions (cont'd.)

(a) (cont'd.)

In prior 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 the Company.

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.

(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	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Total	11,215	11,954	6,894	7,591

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

Notes to the Financial Statements

31 July 2014

43. Significant events

- (i) On 26 February 2014, the Company received an offer from Kumpulan Darul Ehsan Berhad (“KDEB”), an entity wholly-owned by the Selangor State Government, to purchase 100% equity interest in Splash Holdings. Splash Holdings is the holding company of Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd. (“Splash”) - the concession holder of Sungai Selangor Water Supply Scheme Phase 1 and 3. The Company has a 40% equity interest in Splash Holdings and the carrying amounts of investment in Splash Holdings in the Group’s and the Company’s financial statements as at 31 July 2014 was RM994,306,000 and RM160,000,000 respectively. The offer was part of the Selangor State Government’s effort to consolidate the various entities involved in the treatment, supply and distribution of water in the state of Selangor.

On 10 March 2014, the Company informed KDEB that it was constrained from accepting the said offer due to the adverse financial consequences on the Company. The net offer of RM250,600,000 for Splash Holdings when compared to its net asset value (“NAV”) of RM2,540,000,000 as at 31 December 2013 will result in a huge divestment loss of RM920,000,000 to the Company. The offer of RM250,600,000 is below 10% of Splash Holdings’ NAV. The offer is therefore not equitable nor reasonable for acceptance by the Company.

The Company informed KDEB that it is however, amenable to accepting an offer by KDEB to acquire its equity interest in Splash Holdings upon mutually agreed terms on a ‘willing buyer – willing seller’ basis, based on the following conditions which were already included in KDEB’s earlier offers and accepted by the Company:

- (a) Payment of Splash Holdings’ NAV (as agreed by KDEB in its letter of offer dated 20 February 2013 page 6 item 2(vi) and the State’s offer dated 15 July 2009 page 2 item 6); and
- (b) The retention of the operations and maintenance operators of Splash (Gamuda Water Sdn. Bhd. and Sungai Harmoni Sdn. Bhd.) at existing terms (as agreed by the State in its letter of offer dated 15 July 2009 page 2 item 4).

The Company’s rejection of the offer prompted threats by the State Government to push for the enforcement of the Water Services Industry Act 2006 (“WASIA”), which empowers the Federal Government to direct the Suruhanjaya Perkhidmatan Air Negara (“SPAN”) to assume control of the property, business and affairs of Splash and to carry on Splash’s business and affairs if it was in the national interest to do so. Having obtained independent legal advice, the Directors are of the opinion that even if the Federal Government invoke WASIA based on the request of the State Government, SPAN would only assume control of the property, business and affairs of Splash. Under such circumstances, if at all happens, SPAN does not take ownership of the property, business and affairs of Splash.

Notes to the Financial Statements

31 July 2014

43. Significant events (cont'd.)

(i) (cont'd.)

The management believes that it has reasonable grounds to sell Splash Holdings at NAV due to the following reasons:

- (aa) The NAV of Splash Holdings mainly comprises Splash's receivables arising from water tariffs billed pursuant to its water supply concession agreement amounted to RM2,200,000,000 as at 31 December 2013. In the event of termination or expropriation of Splash's water supply concession, Splash as an entity will remain. Termination or expropriation therefore does not affect Splash's right to recover those receivables. The offer from KDEB of RM250,600,000 for 100% equity in Splash Holdings is inferior as it is below 10% of Splash Holding's NAV and the offer does not address the recovery of receivables; and
- (bb) There are precedents of take overs of water assets by Pengurusan Aset Air Berhad ("PAAB") based on NAV in 6 states – Melaka, Negeri Sembilan, Johor, Perlis, Penang and Perak. PAAB is a company set up by the Federal Government to restructure the water services industry in the country.

On 6 March 2014, Splash received a letter from Lembaga Urus Air Selangor ("LUAS") informing Splash that its existing license to extract raw water expiring on 30 June 2014 will not be renewed after its expiry ("LUAS's Decision"). On 24 April 2014, Splash filed an application in the Kuala Lumpur High Court for leave to issue Judicial Review proceedings ("JR proceedings") against LUAS's Decision. On 20 June 2014, the High Court Judge granted leave to Splash to issue JR proceedings and a stay order against LUAS's Decision.

As at reporting date, there are no recent developments but management is anticipating discussions to commence with the Selangor State Government.

- (ii) On 31 July 2014, the Company had entered into a Share Sale Agreement with Salak Park Sdn. Bhd. ("Salak Park") for the acquisition of 10,800,000 ordinary shares of RM1.00 each, representing the entire equity interest in Salak Land Development Sdn. Bhd. ("Salak Land") for a total cash consideration of RM784,328,031. Salak Land holds a piece of leasehold land, adjacent to the Expressway Lingkaran Tengah between kilometre 24 and 26.4, measuring approximately 619 hectares. The land is classified as an agricultural land with lease tenure expiring on 6 October 2093. The land is intended to be developed into a contemporary comprehensive township comprising residential and commercial properties.

The Company has made payments of RM392,200,000 or 50% of the total purchase consideration to Salak Park. This amount has been recognised as a deposit as disclosed in Note 23. The balance of purchase consideration is payable on the completion date, where the receipt of approval of conversion of the land from agricultural to residential use from the relevant authorities is integral to determine the completion date.

As at 31 July 2014, the approval has yet to be obtained from the relevant authorities.

Notes to the Financial Statements

31 July 2014

44. 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
At 31 July 2014					
Financial assets:					
Unquoted investment in subsidiaries	18	-	-	3,314,207	*
Unquoted interests in associated companies	19	206,562	*	240,740	*
Quoted investment in an associated company	19	424,851	883,419	59,624	883,419
Unquoted interests in joint arrangements	20	602,134	*	254,476	*
Other investments:	21				
- Unquoted		50	*	50	*
- Investment in transferable club memberships		840	1,800	683	1,400
Retention sums	23(b)	8,774	8,803	-	-
Loan to a joint venture by a subsidiary	23(b)	41,500	42,320	-	-
Financial liabilities:					
Retention sums	33(a)	70,460	74,054	-	-
Long term borrowings:					
- Murabahah medium term notes	35	1,200,000	1,201,944	1,200,000	1,201,944
- Term loan	35	538,572	537,331	293,103	293,065

Notes to the Financial Statements

31 July 2014

44. 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
At 31 July 2013 (restated)					
Financial assets:					
Unquoted investment in subsidiaries	18	-	-	2,657,027	*
Unquoted interests in associated companies	19	1,409,006	*	642,425	*
Quoted investment in an associated company	19	394,195	1,012,250	59,624	1,012,250
Unquoted interests in joint arrangements	20	473,390	*	254,476	*
Other investments:	21				
- Unquoted		50	*	50	*
- Investment in transferable club memberships		683	1,000	683	1,000
Retention sums	23(b)	40,110	40,166	-	-
Financial liabilities:					
Retention sums	33(a)	58,440	58,053	-	-
Long term borrowings:					
- Murabahah medium term notes	35	720,000	721,070	720,000	721,070
- Term loan	35	793,067	770,024	448,614	447,631

* 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 2014

44. 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) Cash and bank balances, current receivables and current payables

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities:

	Fair value measurement using			
	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant un- observable inputs (Level 3) RM'000
Group				
31 July 2014				
Assets for which fair values are disclosed				
Investment properties (Note 14)	168,485	-	168,485	-
Interests in associated companies (Note 19)	883,419	883,419	-	-
Other investments (Note 21):				
- Investment in transferable club memberships	1,800	-	1,800	-

Notes to the Financial Statements

31 July 2014

44. Fair value of financial instruments (cont'd.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities (cont'd.):

	Fair value measurement using			
	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant un- observable inputs (Level 3) RM'000
Group (cont'd.)				
31 July 2014				
Assets for which fair values are disclosed (cont'd.)				
Receivables (Non-current) (Note 23(b)):				
- Retention sums	8,803	-	8,803	-
- Loan to a joint venture	42,320	-	42,320	-
Assets measured at fair value				
Receivables (Non-current) (Note 23(b)):				
- Due from an associated company	155,104	-	155,104	-
Investment securities (Note 24):	37,721	37,721	-	-
Liabilities for which fair values are disclosed				
Payables (Non-current) (Note 33(a)):				
- Retention sums	74,054	-	74,054	-
Long term borrowings (Note 35):				
- Murabahah medium terms notes	1,201,944	-	1,201,944	-
- Term loan	537,331	-	537,331	-

Notes to the Financial Statements

31 July 2014

44. Fair value of financial instruments (cont'd.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities (cont'd.):

	Fair value measurement using			
	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant un- observable inputs (Level 3) RM'000
Group (cont'd.)				
31 July 2013 (restated)				
Assets for which fair values are disclosed				
Investment properties (Note 14)	79,834	-	79,834	-
Interests in associated companies (Note 19)	1,012,250	1,012,250	-	-
Other investments (Note 21):				
- Investment in transferable club memberships	1,000	-	1,000	-
Receivables (Non-current) (Note 23(b)):				
- Retention sums	40,166	-	40,166	-
Assets measured at fair value				
Receivables (Non-current) (Note 23(b)):				
- Due from an associated company	150,700	-	150,700	-
Investment securities (Note 24):	429,529	429,529	-	-
Liabilities for which fair values are disclosed				
Payables (Non-current) (Note 33(a)):				
- Retention sums	58,053	-	58,053	-
Long term borrowings (Note 35):				
- Murabahah medium terms notes	721,070	-	721,070	-
- Term loan	770,024	-	770,024	-

Notes to the Financial Statements

31 July 2014

44. Fair value of financial instruments (cont'd.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities (cont'd.):

	Fair value measurement using			
	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant un- observable inputs (Level 3) RM'000
Company				
31 July 2014				
Assets for which fair values are disclosed				
Investment properties (Note 14)	40,010	-	40,010	-
Interests in associated companies (Note 19)	883,419	883,419	-	-
Other investments (Note 21):				
- Investment in transferable club memberships	1,400	-	1,400	-
Liabilities for which fair values are disclosed				
Long term borrowings (Note 35):				
- Murabahah medium terms notes	1,201,944	-	1,201,944	-
- Term loan	293,065	-	293,065	-
31 July 2013				
Assets for which fair values are disclosed				
Investment properties (Note 14)	40,010	-	40,010	-
Interests in associated companies (Note 19)	1,012,250	1,012,250	-	-
Other investments (Note 21):				
- Investment in transferable club memberships	1,000	-	1,000	-
Investment securities (Note 24):	113,146	113,146	-	-
Liabilities for which fair values are disclosed				
Long term borrowings (Note 35):				
- Murabahah medium terms notes	721,070	-	721,070	-
- Term loan	447,631	-	447,631	-

There have been no transfers between Level 1 and Level 2 during the year.

Notes to the Financial Statements

31 July 2014

45. 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.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 23.

Notes to the Financial Statements

31 July 2014

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

(a) Credit risk (cont'd.)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	2014		Group 2013 (restated)	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	713,018	88%	563,936	90%
Middle East	168	0%	7,789	1%
Vietnam	57,947	7%	18,557	3%
India	37,273	5%	37,688	6%
	<u>808,406</u>	<u>100%</u>	<u>627,970</u>	<u>100%</u>
By industry sectors:				
Engineering and construction	542,580	67%	358,104	57%
Property development and club operations	114,991	14%	177,027	28%
Water and expressway concessions	150,835	19%	92,839	15%
	<u>808,406</u>	<u>100%</u>	<u>627,970</u>	<u>100%</u>

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

	Group	
	2014 RM'000	2013 (restated) RM'000
Trade receivables	328,571	292,867
Due from associated companies - trade	187,713	130,435
Due from joint venture partners - trade	115	67
Due from joint ventures - trade	292,007	204,601
	<u>808,406</u>	<u>627,970</u>

Notes to the Financial Statements

31 July 2014

45. 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 31% (2013: 23%) of the Group's loans and borrowings (Note 36) will mature in less than one year based on the carrying amount reflected in the financial statements. Approximately 24% (2013: 26%) of the company's loans and borrowings will mature in less than one year at the reporting date.

Notes to the Financial Statements

31 July 2014

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

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	← 2014 →			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	
Group				
Financial liabilities:				
Trade and other payables	878,084	164,163	-	1,042,247
Loans and borrowings				
- Principal	792,159	1,738,572	-	2,530,731
- Interest	123,587	214,913	-	338,500
Derivatives - settled net	1,903	-	-	1,903
Total undiscounted financial liabilities	<u>1,795,733</u>	<u>2,117,648</u>	<u>-</u>	<u>3,913,381</u>
	← 2013 (restated) →			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
Financial liabilities:				
Trade and other payables	960,033	105,475	-	1,065,508
Loans and borrowings				
- Principal	459,704	1,513,068	-	1,972,772
- Interest	85,157	138,471	-	223,628
Derivatives - settled net	2,645	1,755	-	4,400
Total undiscounted financial liabilities	<u>1,507,539</u>	<u>1,758,769</u>	<u>-</u>	<u>3,266,308</u>

Notes to the Financial Statements

31 July 2014

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

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	← 2014 →			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Company				
Financial liabilities:				
Trade and other payables	61,124	-	-	61,124
Due to subsidiaries	230,385	-	-	230,385
Loans and borrowings				
- Principal	479,295	1,493,103	-	1,972,398
- Interest	70,477	178,429	-	248,906
Derivatives - settled net	1,903	-	-	1,903
Total undiscounted financial liabilities	843,184	1,671,532	-	2,514,716
	← 2013 →			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Company				
Financial liabilities:				
Trade and other payables	51,466	-	-	51,466
Due to subsidiaries	207,268	-	-	207,268
Loans and borrowings				
- Principal	415,185	1,168,614	-	1,583,799
- Interest	48,167	91,509	-	139,676
Derivatives - settled net	2,645	1,755	-	4,400
Total undiscounted financial liabilities	724,731	1,261,878	-	1,986,609

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 RM143,366,000 (2013: USD45,584,000, equivalent to RM143,222,000) are settled every quarterly.

Notes to the Financial Statements

31 July 2014

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

(b) Liquidity risk (cont'd.)

Hedging activities (cont'd.)

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	1,903	1,903	-

The Group's hedging activities on the interest rate swaps are tested to be effective and during the year a net gain of RM2,497,000 (2013: gain of RM2,448,000) was recognised in equity.

(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 70% (2013: 44%) of the Group's borrowings are at fixed rates of interest.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM1,424,000 (2013: RM2,080,000) 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.

Notes to the Financial Statements

31 July 2014

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

(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 47.

Included in the following statements of financial position captions of the Group and of the Company as at the reporting date are balances denominated in the following major foreign currencies:

	Vietnam Dong RM'000	Indian Rupee RM'000	New Taiwan Dollar RM'000	United States Dollar RM'000	Qatari Riyal RM'000	Bahraini Dinar RM'000	Total RM'000
Group							
At 31 July 2014:							
Cash, deposits and bank balances	48,398	2,154	405	2,561	1,981	230	55,729
Receivables	797,369	39,496	-	40,191	110,755	53,384	1,041,195
Payables	268,369	2,015	9,293	2,040	66,623	12,912	361,252
Borrowings	277,027	-	-	452,398	-	-	729,425
At 31 July 2013:							
Cash, deposits and bank balances	31,796	4,344	682	2	10,078	135	47,037
Receivables	9,838	40,105	87	595	93,153	54,237	198,015
Payables	333,053	2,041	6,587	707	77,807	15,132	435,327
Borrowings	274,026	-	-	863,779	-	-	1,137,805
Company							
At 31 July 2014:							
Cash, deposits and bank balances	-	-	405	406	48	230	1,089
Receivables	-	-	-	-	9	53,384	53,393
Payables	-	-	9,293	-	-	12,912	22,205
Borrowings	-	-	-	452,398	-	-	452,398
At 31 July 2013:							
Cash, deposits and bank balances	-	-	484	-	198	135	817
Receivables	-	-	87	-	9	54,237	54,333
Payables	-	-	6,389	-	814	15,132	22,335
Borrowings	-	-	-	863,799	-	-	863,799

Notes to the Financial Statements

31 July 2014

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

(e) Foreign currency risk (cont'd.)

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.

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	
		2014	2013	2014	2013
			(restated)		
		RM'000	RM'000	RM'000	RM'000
VND/RM	strengthened 5%	15,019	(28,272)	-	-
	weakened 5%	(15,019)	28,272	-	-
USD/RM	strengthened 5%	(20,584)	(43,194)	(22,600)	(43,190)
	weakened 5%	20,584	43,194	22,600	43,190
BHD/RM	strengthened 5%	2,035	1,962	2,035	1,962
	weakened 5%	(2,035)	(1,962)	(2,035)	(1,962)
NTD/RM	strengthened 5%	(444)	(291)	(444)	(291)
	weakened 5%	444	291	444	291
QR/RM	strengthened 5%	2,306	1,271	3	(30)
	weakened 5%	(2,306)	(1,271)	(3)	30
INR/RM	strengthened 5%	1,982	2,120	-	-
	weakened 5%	(1,982)	(2,120)	-	-

46. 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 net gearing ratio, which is net debt divided by total capital, to optimise shareholders value and to ensure compliance under debt covenants.

Notes to the Financial Statements

31 July 2014

46. Capital management (cont'd.)

The Group includes within net debt, loans and borrowings less cash and bank balances and investment securities. Capital includes equity attributable to the owners of the parent and non controlling interests.

	Group		Company	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Loans and borrowings	2,530,731	1,972,772	1,583,799	1,583,799
Less: Cash and bank balances	(882,031)	(876,554)	(31,946)	(125,587)
Investment securities	(37,721)	(429,529)	-	(113,146)
Net debt	1,610,979	666,689	1,551,853	1,345,066
Equity attributable to the owners of the Company	5,474,292	4,878,006	3,634,605	3,144,231
Non-controlling interests	687,395	226,087	-	-
Total capital	6,161,687	5,104,093	3,634,605	3,144,231
Net gearing ratio	26%	13%	43%	43%

47. 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, tunnel, 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.

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 2014

47. Segment information (cont'd.)

2014	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	3,157,208	1,306,632	172,598	-		4,636,438
Less: Share of revenue of joint ventures	(1,977,071)	(411,486)	(18,309)	-		(2,406,866)
	1,180,137	895,146	154,289	-		2,229,572
Inter-segment sales	10,709	-	-	(10,709)	A	-
Total revenue	1,190,846	895,146	154,289	(10,709)		2,229,572
Result						
Profit from operations	229,590	111,905	146,845	-		488,340
Finance costs	(33,749)	(13,884)	(18,806)	-		(66,439)
Share of profits of associated companies	-	5,611	238,061	-		243,672
Share of profits of joint ventures	63,926	121,661	485	-		186,072
Profit before taxation	259,767	225,293	366,585	-		851,645
Taxation						(116,562)
Profit for the year						735,083

Notes to the Financial Statements

31 July 2014

47. Segment information (cont'd.)

2014	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
Assets and liabilities						
Segment assets excluding interests in associate companies and joint arrangements	2,479,444	3,859,690	1,556,364	1,223,748		9,119,246
Interests in associated companies	53,008	423,818	154,587	-		631,413
Interests in joint arrangements	245,932	356,202	-	-		602,134
						<u>10,352,793</u>
Segment liabilities	2,924,999	774,854	410,380	80,873		<u>4,191,106</u>
Other information						
Depreciation and amortisation	19,218	3,912	3,449	-		26,579
Additions to non-current assets	12,471	94,035	177	-	B	106,683
Non-cash items other than depreciation and amortisation	8,569	37,123	652	-	C	46,344

Notes to the Financial Statements

31 July 2014

47. Segment information (cont'd.)

2013 (restated)	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	2,749,325	1,015,335	118,460	-		3,883,120
Less: Share of revenue of joint ventures	(1,340,528)	(289,330)	(17,827)	-		(1,647,685)
	1,408,797	726,005	100,633	-		2,235,435
Inter-segment sales	10,824	-	-	(10,824)	A	-
Total revenue	1,419,621	726,005	100,633	(10,824)		2,235,435
Result						
Profit from operations	119,816	172,831	52,935	-		345,582
Finance costs	(10,444)	(22,801)	(18,106)	-		(51,351)
Share of profits of associated companies	-	2,515	238,691	-		241,206
Share of profits/(losses) of joint ventures	42,979	80,114	(2,084)	-		121,009
Profit before taxation	152,351	232,659	271,436	-		656,446
Taxation						(106,863)
Profit for the year						549,583

Notes to the Financial Statements

31 July 2014

47. Segment information (cont'd.)

2013 (restated)	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
Assets and liabilities						
Segment assets excluding interests in associated companies and joint arrangements	1,041,960	4,514,887	602,637	-		6,159,484
Interests in associated companies	-	59,772	1,743,429	-		1,803,201
Interests in joint arrangements	246,819	226,571	-	-		473,390
						<u>8,436,075</u>
Segment liabilities	2,093,820	1,047,218	190,944	-		<u>3,331,982</u>
Other information						
Depreciation and amortisation	13,437	5,368	3,188	-		21,993
Additions to non-current assets	23,978	26,631	167	-	B	50,776
Non-cash items other than depreciation and amortisation	12,657	29,684	89	-	C	42,430

Notes to the Financial Statements

31 July 2014

47. 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	2014 RM'000	2013 (restated) RM'000
Property, plant and equipment	12	16,637	34,719
Investment properties	14	34,216	12,105
Land held for property development	13(a)	55,830	3,952
		<u>106,683</u>	<u>50,776</u>

C Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2014 RM'000	2013 (restated) RM'000
Property, plant and equipment written off	7	147	264
Unrealised (gain)/loss on foreign exchange		(3,905)	10,531
Provisions		50,102	31,635
		<u>46,344</u>	<u>42,430</u>

Notes to the Financial Statements

31 July 2014

47. Segment information (cont'd.)

Geographical information

	Revenues		Non-current assets	
	2014	2013 (restated)	2014	2013 (restated)
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,035,549	2,090,605	3,019,848	707,081
Outside Malaysia				
Qatar	9,089	103,327	555	41,077
Vietnam	182,055	41,503	361,803	870,148
Taiwan	2,879	-	-	-
Mauritius	-	-	186	-
	194,023	144,830	362,544	911,225
Consolidated	2,229,572	2,235,435	3,382,392	1,618,306

Notes to the Financial Statements

31 July 2014

47. Segment information (cont'd.)

Included in Group's total revenue is the revenue from the following parties:

	2014	2013
	RM'000	(restated)
	RM'000	RM'000
Government of State of Qatar	9,089	103,327

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	2014	2013
	RM'000	(restated)
	RM'000	RM'000
Property, plant and equipment	284,885	299,539
Land held for property development	882,569	1,048,735
Investment properties	98,040	59,322
Prepaid land lease payments	3,595	4,020
Expressway development expenditure	1,755,349	-
Receivables	357,954	206,690
	<u>3,382,392</u>	<u>1,618,306</u>

Notes to the Financial Statements

31 July 2014

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 2014 and 31 July 2013 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	
	2014	2013 (restated)	2014	2013
	RM'000	RM'000	RM'000	RM'000
Total retained profits of the Company and its subsidiaries				
Realised	1,850,351	1,334,005	655,054	310,945
Unrealised	(75,485)	(38,521)	11,719	6,106
	<u>1,774,866</u>	<u>1,295,484</u>	<u>666,773</u>	<u>317,051</u>
Total share of accumulated profits from joint ventures				
Realised	330,330	221,591	-	-
Unrealised	(114)	12,338	-	-
	<u>330,216</u>	<u>233,929</u>	<u>-</u>	<u>-</u>
Total share of retained profits from associated companies				
Realised	1,318,278	1,306,995	-	-
Unrealised	(342,038)	(377,129)	-	-
	<u>976,240</u>	<u>929,866</u>	<u>-</u>	<u>-</u>
Add: Consolidation adjustments	(598,148)	(424,713)	-	-
Retained profits as per financial statements	<u>2,483,174</u>	<u>2,034,566</u>	<u>666,773</u>	<u>317,051</u>

Statement of Directors' Interests

As at 2 October 2014

(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 and warrants of the Company and its related corporations.

SHARES HELD IN THE COMPANY

Name of Director	Direct	%	Deemed	%
Dato' Lin Yun Ling	70,500,000	3.03	-	-
Dato' Ir Ha Tiing Tai	19,275,876	0.83	14,200 ^{*1}	^{*3}
Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	120,000	0.01	-	-
Raja Dato' Seri Eleena binti Sultan Azlan Shah	200,000	0.01	123,500,000 ^{*2}	5.31
Dato' Haji Azmi bin Mat Nor	480,000	0.02	-	-
Dato' Goon Heng Wah	13,980,000	0.60	5,104,032 ^{*1}	0.22
Saw Wah Theng	757,400	0.03	-	-
Chow Chee Wah (Alternate to Dato' Lin Yun Ling)	435,000	0.02	-	-
Adrian Brian Lam (Alternate to Dato' Ir Ha Tiing Tai)	169,000	0.01	-	-
Chan Kong Wah (Alternate to Dato' Goon Heng Wah)	400,000	0.02	-	-
Soo Kok Wong (Alternate to Saw Wah Theng)	91,000	^{*3}	-	-

WARRANTS 2010/2015 HELD IN THE COMPANY

Name of Director	Direct	%	Deemed	%
Dato' Lin Yun Ling	3,035,736	3.65	-	-
Dato' Ir Ha Tiing Tai	2,278,400	2.74	1,800 ^{*1}	^{*3}
Raja Dato' Seri Eleena binti Sultan Azlan Shah	25,000	0.03	1,400,000 ^{*2}	1.68
Dato' Haji Azmi bin Mat Nor	36,600	0.04	-	-
Dato' Goon Heng Wah	1,648,300	1.98	651,400 ^{*1}	0.78
Saw Wah Theng	47,375	0.06	-	-
Chow Chee Wah (Alternate to Dato' Lin Yun Ling)	20,200	0.02	-	-
Chan Kong Wah (Alternate to Dato' Goon Heng Wah)	680,000	0.82	-	-
Soo Kok Wong (Alternate to Saw Wah Theng)	224,800	0.27	-	-

Notes:

^{*1} Through spouse

^{*2} Through Generasi Setia (M) Sdn Bhd

^{*3} Less than 0.01%

Shareholders' & Warrantholders' Information

As at 2 October 2014

ORDINARY SHARES

Authorised	:	RM3,000,000,000
Issued and fully paid	:	RM2,323,993,079
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	:	13,743

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	Number of shareholders	%	Number of shares held	%
Less than 100	357	2.59	5,427	0.00
100 – 1,000	3,156	22.96	2,701,388	0.11
1,001 – 10,000	7,484	54.46	30,649,493	1.32
10,001 – 100,000	1,925	14.01	59,852,531	2.58
100,001 – 116,199,652	581	4.23	186,080,707	8.01
116,199,653* and above	240	1.75	2,044,703,533	87.98
Total	13,743	100.00	2,323,933,079	100.00

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	197,000,000	-	8.48
Employees Provident Fund Board	178,182,405	-	7.67
Kumpulan Wang Persaraan (Diperbadankan)	139,702,100	-	6.01
Raja Dato' Seri Eleena binti Sultan Azlan Shah	200,000	123,500,000*	5.32
Generasi Setia (M) Sdn Bhd	123,500,000	-	5.31

Note:

* Through Generasi Setia (M) Sdn Bhd

Shareholders' & Warrantholders' Information

As at 2 October 2014

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	198,400,000	8.54
2	Kumpulan Wang Persaraan (Diperbadankan)	118,891,200	5.12
3	Generasi Setia (M) Sdn Bhd	115,500,000	4.97
4	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	105,841,905	4.55
5	Amanahraya Trustees Berhad - Amanah Saham Wawasan 2020	76,082,570	3.27
6	Dato' Lin Yun Ling	70,500,000	3.03
7	DB (Malaysia) Nominee (Asing) Sdn Bhd - State Street Australia Fund ATB1 for Platinum Asia Fund	56,050,951	2.41
8	Cartaban Nominees (Tempatan) Sdn Bhd - Exempt An for Eastspring Investments Berhad	49,457,263	2.13
9	Permodalan Nasional Berhad	48,675,400	2.09
10	Cartaban Nominees (Asing) Sdn Bhd - Exempt An for State Street Bank & Trust Company	48,588,410	2.09
11	Lembaga Tabung Haji	46,752,200	2.01
12	Amanahraya Trustees Berhad - Amanah Saham Malaysia	40,000,000	1.72
13	Amanahraya Trustees Berhad - AS 1Malaysia	39,048,000	1.68
14	HSBC Nominees (Asing) Sdn Bhd - BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	37,265,216	1.60
15	HSBC Nominees (Asing) Sdn Bhd - Exempt An for JPMorgan Chase Bank, National Association (U.A.E.)	28,674,392	1.23
16	Cartaban Nominees (Asing) Sdn Bhd - GIC Private Limited for Government of Singapore (C)	26,051,300	1.12

Shareholders' & Warrantheolders' Information

As at 2 October 2014

Top 30 Shareholders (cont'd.)

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	Number of shares held	%
17	Amanahraya Trustees Berhad - Amanah Saham Didik	25,901,300	1.11
18	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad	25,204,900	1.08
19	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt An for AIA Bhd	24,225,508	1.04
20	AMSEC Nominees (Tempatan) Sdn Bhd - AmTrustee Berhad for CIMB Islamic Dali Equity Growth Fund	23,943,700	1.03
21	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Nomura)	21,650,000	0.93
22	HSBC Nominees (Asing) Sdn Bhd - Exempt An for JPMorgan Chase Bank, National Association (Norges BK Lend)	21,530,000	0.93
23	Citigroup Nominees (Asing) Sdn Bhd - CBNY for United Nations Joint Staff Pension Fund	21,230,000	0.91
24	Maybank Nominees (Tempatan) Sdn Bhd - Maybank Trustees Berhad for Public Ittikal Fund	19,000,000	0.82
25	HSBC Nominees (Asing) Sdn Bhd - BNY Brussels for Market Vectors – Vietnam ETF	18,648,690	0.80
26	HSBC Nominees (Asing) Sdn Bhd - Exempt An for JPMorgan Chase Bank, National Association (Norges BK)	18,451,300	0.79
27	Amanahraya Trustees Berhad - Public Islamic Dividend Fund	18,014,100	0.78
28	HSBC Nominees (Asing) Sdn Bhd - Exempt An for JPMorgan Chase Bank, National Association (Netherlands)	16,806,000	0.72
29	HSBC Nominees (Asing) Sdn Bhd - Exempt An for JPMorgan Chase Bank, National Association (U.S.A.)	15,845,905	0.68
30	Dato' Ng Kee Leen	14,774,298	0.64
Total		1,391,004,508	59.82

Shareholders' & Warranholders' Information

As at 2 October 2014

WARRANTS 2010/2015

Type of securities	:	Warrants	
No. of warrants unexercised	:	83,100,042	
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 on a show of hands 1 vote per warrant on a poll	in the meeting of warranholders
No. of warranholders	:	3,656	

DISTRIBUTION OF WARRANTHOLDINGS

Size of warranholdings	Number of warranholders	%	Number of warrants held	%
Less than 100	158	4.32	3,615	0.00
100 – 1,000	1,898	51.91	822,258	0.99
1,001 – 10,000	1,121	30.66	4,494,567	5.41
10,001 – 100,000	389	10.64	12,181,465	14.66
100,001 – 4,155,001	77	2.11	22,908,108	27.57
4,155,002* and above	13	0.36	42,690,029	51.37
Total	3,656	100.00	83,100,042	100.00

Note:

* Denotes 5% of the total unexercised warrants

Shareholders' & Warrantheolders' Information

As at 2 October 2014

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	Dato' Ng Kee Leen	17,864,590	21.50
2	Heng Teng Kuang	5,213,400	6.27
3	Dato' Lin Yun Ling	3,035,736	3.65
4	TA Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Heng Teng Kuang	2,877,100	3.46
5	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chia Siya Heng	2,362,700	2.84
6	Su Ming Keat	1,656,000	1.99
7	Dato' Ir Ha Tiing Tai	1,653,400	1.99
8	Dato' Goon Heng Wah	1,648,300	1.98
9	Generasi Setia (M) Sdn Bhd	1,400,000	1.68
10	Cheah Poh Keng	1,387,100	1.67
11	Cartaban Nominees (Asing) Sdn Bhd - GIC Private Limited for Government of Singapore (C)	1,346,203	1.62
12	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Fong Loong Tuck	1,150,500	1.38
13	UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Exempt An for UOB Kay Hian Pte Ltd	1,095,000	1.32
14	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Low Keng Kok	970,000	1.17
15	Lee Foong Ngoh	857,000	1.03
16	HSBC Nominees (Asing) Sdn Bhd - Exempt An for Credit Suisse	800,000	0.96
17	Shang Yong @ Chung Koon Yee	687,700	0.83

Shareholders' & Warrantheolders' Information

As at 2 October 2014

Top 30 Warrants 2010/2015 Holders (cont'd.)

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	Number of warrants held	%
18	Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Kong Wah	680,000	0.82
19	Gan Lu Ter	653,900	0.79
20	Lim Chin Ann	651,400	0.78
21	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank for Koh Cheng Keong	650,000	0.78
22	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Ha Tiing Tai	625,000	0.75
23	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Low Wen Yun	611,100	0.74
24	Cartaban Nominees (Asing) Sdn Bhd - GIC Private Limited for Monetary Authority of Singapore	579,458	0.70
25	Chan Yong Foo @ Chan Kuan Nam	500,000	0.60
26	Fong Moh Cheek @ Fong Mow Kit	500,000	0.60
27	RHB Nominees (Asing) Sdn Bhd - Maybank Kim Eng Securities Pte Ltd for Exquisite Holdings Limited	500,000	0.60
28	Gan Wee Peng	470,000	0.57
29	UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Imran Ho Bin Abdullah	470,000	0.57
30	Gan Yen Ling	420,000	0.51
Total		53,315,587	64.15

List of Major Properties

Held as at 31 July 2014

No.	Location	Description	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/ Menara Gamuda	2,048 sq m	Leasehold	2011	2104	5	146,543,128
2	No. 30, Jalan SS2/44 47300 Petaling Jaya Selangor	Bungalow / staff quarters	501 sq m	Freehold	1991	-	28	303,400
3	No. 36/38, Jalan SS21/62 47400 Petaling Jaya Selangor	2 blocks, 4 storey shoplot/office	286 sq m	Freehold	1991	-	20	941,001
4	No. 39, Jalan SS22/23 47400 Petaling Jaya Selangor	4 storey shoplot/office	153 sq m	Freehold	2007	-	20	567,520
5	No. 53, Jalan SS22/23 47400 Petaling Jaya Selangor	4 storey shoplot/office	153 sq m	Freehold	2006	-	25	1,282,547
6	No. 55-61, Jalan SS22/23 47400 Petaling Jaya Selangor	4 blocks, 4 storey shoplot/office	612 sq m	Freehold	1992	-	23	4,908,935
7	No. 54-58, Jalan SS22/25 47400 Petaling Jaya Selangor	3 blocks, 4 storey shoplot/office	460 sq m	Freehold	2006	-	22	4,557,087
8	HS (D) 54871, PT No. 56274 Mukim & Mukim & District of Kelang Selangor	Industrial estate/ workshop	16,898 sq m	Freehold	1995	-	-	7,288,746
9	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	-	4,322,052
10	PT 183485 Meru Industrial Estate Jelapang, 30020 Ipoh Perak	Industrial estate/workshop	12,144 sq m	Leasehold	1991	2050	18	554,873
11	PT 51683, Jalan Jelapang 30020 Ipoh, Perak	Industrial estate/workshop	4,353 sq m	Leasehold	1991	2043	24	368,296
12	No. 152, Jalan Gopeng 31350 Ipoh, Perak	3 storey shoplot/office	164 sq m	Leasehold	1991	2078	28	150,404
13	No. 158, Jalan Gopeng 31350 Ipoh, Perak	3 storey shoplot/office	163 sq m	Leasehold	1991	2078	28	151,295

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 38th 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, 4 December 2014 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 2014 and the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees of RM413,952 for the year ended 31 July 2014 (2013: RM470,000). **(Resolution 1)**
3. To re-elect the following Directors who retire pursuant to Article 95 of the Company's Articles of Association: -
 - a. Y Bhg Dato' Haji Azmi bin Mat Nor **(Resolution 2)**
 - b. Y Bhg Dato' Goon Heng Wah **(Resolution 3)**
 - c. Y M Tunku Afwida binti Tunku A.Malek **(Resolution 4)**
4. To re-elect Y Bhg Dato' Mohammed bin Haji Che Hussein who retires pursuant to Article 101 of the Company's Articles of Association. **(Resolution 5)**
5. To re-appoint Messrs Ernst & Young, the retiring Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**
6. As Special Business: -

To consider and, if thought fit, pass the following ordinary resolutions with or without modifications:

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 7)

Notice of Annual General Meeting

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 8)

c. **Continuing in Office as Independent Non-Executive Director**

“THAT approval be and is hereby given for Y Bhg Tan Sri Dato’ Seri Dr Haji Zainul Ariff bin Haji Hussain who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as Independent Non-Executive Director of the Company.”

(Resolution 9)

7. 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 38th AGM, the Company shall obtain a General Meeting Record of Depositors as at 28 November 2014 from Bursa Malaysia Depository Sdn Bhd and 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

7 November 2014

Notice of Annual General Meeting

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 appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- c. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. If more than one (1) proxy is appointed, the appointments shall be invalid unless the Authorised Nominee specifies the proportions of the shareholdings to be represented by each proxy.
- 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 appointments 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 7

The proposed Resolution 7 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 renewed 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.

The Company did not issue any new shares under the general mandate which was approved at its 37th AGM held on 5 December 2013.

b. Resolution 8

Please refer to the Statement to Shareholders dated 7 November 2014 for further information.

c. Resolution 9

The Malaysian Code on Corporate Governance 2012 prescribes that approval of shareholders be sought in the event that the Company intends to retain as an independent director, a person who has served in that capacity for more than 9 years.

The Board has assessed and recommended that Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain who has served as Independent Non-Executive Director of the Company for more than 9 years, to continue to act as Independent Non-Executive Director, subject to shareholders' approval at the forthcoming AGM of the Company. Key justifications for his continuance as Independent Non-Executive Director are as follows:

- i. He fulfils the independent director criteria set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and therefore, is able to bring independent and objective judgement to the Board.
- ii. His relevant experience and expertise as set out in his profile on page 72 of the Annual Report enables him to provide the Board with pertinent and a diverse set of expertise, skills and competence and thus all matters tabled to the Board for consideration are well reviewed and deliberated.
- iii. His long service and association with the Company enhances his knowledge and understanding of the business operations of the Group which enable him to contribute actively and effectively during deliberations at Board meetings.

3. Statement Accompanying Notice of AGM

There is no individual standing for election (excluding re-election) as a Director at the 38th AGM of the Company.

Administrative Details

38th Annual General Meeting (“AGM”)

Date : Thursday, 4 December 2014

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 Ground 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 registered attendee, whether as a shareholder or proxy or both or as proxy for multiple shareholders, shall be eligible for **one (1) door gift only**.

General Meeting Record of Depositors

For the purpose of determining a member’s eligibility to attend and vote at the 38th AGM, the Company shall obtain a General Meeting Record of Depositors as at 28 November 2014 from Bursa Malaysia Depository Sdn Bhd and 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.

This page has been intentionally left blank.

This page has been intentionally left blank.

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 38th 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, 4 December 2014 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 38th 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, 4 December 2014 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”	%
<u>100</u>	<u>%</u>

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 Dato’ Haji Azmi bin Mat Nor as Director				
3	Re-election of Y Bhg Dato’ Goon Heng Wah as Director				
4	Re-election of Y M Tunku Afwida binti Tunku A.Malek as Director				
5	Re-election of Y Bhg Dato’ Mohammed bin Haji Che Hussein as Director				
6	Re-appointment of Auditors				
7	Authority to Directors to allot and issue shares				
8	Proposed renewal of share buy-back authority				
9	Approval for Y Bhg Tan Sri Dato’ Seri Dr Haji Zainul Ariff bin Haji Hussain to continue to act as an Independent Non-Executive Director				

Signed thisday of 2014

Signature of Member and/or Common Seal

Number of shares held	CDS account no.

* 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 appointments 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 appointments 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 appointments 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 38th AGM, the Company shall obtain a General Meeting Record of Depositors as at 28 November 2014 from Bursa Malaysia Depository Sdn Bhd and 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.

FOLD HERE

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

STAMP

FOLD HERE

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
T : +603-7491 8288
F : +603-7728 6571/9811
W : www.gamuda.com.my
E : gcc@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
T : +603-7491 8288
F : +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
T : +603-7491 8288
F : +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
T : +603-7491 3200
F : +603-7726 7679
W : www.gamudaland.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
T : +603-7494 2200
F : +603-7722 2643
W : www.kvmrt.com.my

MMC Gamuda KVMRT (T) Sdn Bhd (934628-H)

Level 3A-3, Corporate Building (Block E)
Pusat Komersial Southgate
No. 2, Jalan Dua, Off Jalan Chan Sow Lin
55200 Kuala Lumpur, Malaysia
T : +603-2385 8000
F : +603-9221 0073
W : www.mymrt-underground.com.my

MMC-Gamuda Joint Venture Sdn Bhd (414492-M)

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
T : +603-7494 2200
F : +603-7722 4640
W : www.2t.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
T : 603-9284 9088
F : 603-9284 6481
W : www.smarttunnel.com.my
E : info@smartco.com.my

Megah Sewa Sdn Bhd (425417-W)

16, Jalan Anggerik Mokara 31/48, Kota Kemuning,
Seksyen 31, 40460 Shah Alam, Malaysia.
T : +603-5122 2213
F : +603-5122 2331

Masterpave Sdn Bhd (168779-D)

16, Jalan Anggerik Mokara 31/48, Kota Kemuning,
Seksyen 31, 40460 Shah Alam, Malaysia.
T : +603-5122 2213
F : +603-5121 5748

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
T : +603-7491 3200
F : +603-7726 7679
W : www.madgemansions.com.my

Hicom-Gamuda Development Sdn Bhd (285780-D)

45, Jalan Anggerik Vanilla BF31/BF,
Kota Kemuning, Seksyen 31,
40460 Shah Alam, Selangor Darul Ehsan, Malaysia
T : +603-5122 1055
F : +603-5122 1050
W : www.kotakemuning.net

Setara Hati Sdn Bhd (598122-P)

Menara Gamuda, Block D, PJ Trade Centre,
No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana,
47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia
T : +603-7491 3200
F : +603-7726 7679
W : www.gamudawalk.com.my

Valencia Development Sdn Bhd (474040-U)

4403 Main Road, 12th Mile,
47000 Sungai Buloh, Selangor Darul Ehsan, Malaysia
T : +603-6156 0021
F : +603-6140 3841
W : www.valencia.com.my

Harum Intisari Sdn Bhd (491736-H)

No. 1, Jalan Kasuarina 7KS/7, Bandar Botanic,
41200 Klang, Selangor Darul Ehsan, Malaysia
T : +603-3325 2888
F : +603-3325 2881
W : www.bandarbotanic.com.my

Horizon Hills Development Sdn Bhd (691032-H)

No. 35, Jalan Hijauan 3, Horizon Hills,
79100 Nusajaya, Johor Darul Takzim, Malaysia
T : +607-2349282
F : +607-2349290
W : www.horizonhills.com.my

Jade Homes Sdn Bhd (710233-K)

20-G Jalan Jade Hills Utama 1/1, Commerce Village,
Jade Hills, 43000 Kajang, Selangor Darul Ehsan, Malaysia
T : +603-8737 0122
F : +603-8737 9262
W : www.jadehills.com.my

Idaman Robertson Sdn Bhd (598112-X)

No.119 Jalan Pudu., 55100 Kuala Lumpur
T : +603-2148 6668
F : +603-2143 8881
W : www.therobertson.com.my

Kota Permai Golf & Country Club

1, Jalan 31/100A, Kota Kemuning, Seksyen 31
40460 Shah Alam, Selangor Darul Ehsan, Malaysia
T : +603-5122 3700
F : +603-5122 3701
W : www.kotapermai.com.my
E : kpgcc@kotapermai.com.my

Gamuda GM Klang Sdn Bhd (1020512-U)

Unit 10-7-1, 7th Floor, Queen's Avenue,
Block 10, Jalan Shelly, 55100 Kuala Lumpur
T : +603-9206 6333
F : +603-9206 6222

Kesas Sdn Bhd (275554-U)

1, Wisma Kesas, Lebuhraya Shah Alam,
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
T : +603-5632 7088
F : +603-5632 6088
W : www.kesas.com.my
E : mm@kesas.com.my

Lingkar Trans Kota Sdn Bhd (353053-W) LITRAK

Kompleks Operasi LITRAK,
KM19, Lebuhraya Damansara-Puchong
Jalan PJS 9, Bandar Sunway, 47500 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
T : +603-7494 7000
F : +603-7494 7016
W : www.litrak.com.my
E : feedbacks@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
T : +603-7494 7000
F : +603-7494 7320
W : www.sprint.com.my

Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (482346-K)

SPLASH
34 & 36, Jalan SS22/21, Damansara Jaya,
47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
T : +603-7729 2928
F : +603-7726 1557
W : www.splash.com.my
E : info@splash.com.my

Gamuda Water Sdn Bhd (297031-H)

36, Jalan SS22/21, Damansara Jaya, 47400 Petaling Jaya,
Selangor Darul Ehsan, Malaysia.
T : +603-7727 4879
F : +603-7727 4921

GAMUDA OVERSEAS OFFICES

Sinohydro-Gamuda-WCT Joint Venture

Room 3, Mezzanine Floor, Al Rufaa Tower, Al Meena Street
P.O. Box 23948, Doha Qatar
T : 974-5584 5469
F : 974-4437 4523

Gamuda-WCT Joint Venture

Room 3, Mezzanine Floor, Al Rufaa Tower, Al Meena Street
P.O. Box 23948, Doha Qatar
T : 974-5584 5469
F : 974-4437 4523

Gamuda-WCT (India) Private Limited

Arihant Building, Unit No. 2B & 2C, 2nd Floor,
53A Mirza Ghalib Street, Kolkata 700016, India

Mapex Infrastructure Private Limited

Arihant Building, 2nd Floor, 53A Mirza Ghalib Street,
Kolkata 700016, India

Emas Expressway Private Limited

Arihant Building, 2nd Floor, 53A Mirza Ghalib Street
Kolkata 700016, India

Gamuda Berhad (Laos representative Office)

P.O Box 11330, 70/201 Luang Prabang Road,
Ban Khounta Thong, Sikkout District, Vientiane, Lao PDR
T : 856-21-219491
F : 856-20-219492
HP: 856-20-5599108

Gamuda Land Vietnam L.L.C

KM1.5 Phap Van, Yen So Park, Yen So Ward,
Hoang Mai District, Hanoi, Vietnam
T : 844-3-944 5699
F : 844-3-944 7723
W : www.gamudacity.com

Gamuda-Nam Long Development L.L.C

Unit 1105, 11th Floor, Citilight Tower,
45, Vo Thi Sau Street, District 1, Ho Chi Minh City, Vietnam
T : 848-6-290 5938
F : 848-6-290 5932

Saigon Thuong Tin Tan Thang Investment Real Estate Joint Stock Co

68, N1 Street, Son Ky Ward, Tan Phu District,
Ho Chi Minh City, Vietnam
T : 848-8-6252 9999
F : 848-8-6267 3906
W : www.celadoncity.com.vn

www.gamuda.com.my



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
Email : gcc@gamuda.com.my