



1. The intersection point of SMART between the motorway tunnel (left) and stormwater tunnel (right).
2. SMART Senior Management operations team discussing traffic operations at the Motorway Control Centre. (From left) Mr Mok Wan Seng, En Wan Azhar Wan Yeop, En Mohd Fuad Kamal Ariffin and En Ahmad Razlan Amir Hamzah.
3. SPLASH personnel on a routine inspection of raw water pumps at the Selangor river intake.



Water Supply

SPLASH continues to play a leading role in the supply of water to Selangor, being the concessionaire for the Sungai Selangor Phase 1 and Phase 3 treatment plants. These treatment plants, which have a combined treatment capacity of 2,000 million litres per day, supplies to more than 2 million consumers and commercial users.

The state of Selangor is working towards consolidating its water industry by planning to acquire all privatized water assets from various private owners. Negotiations are presently ongoing with the Selangor State Government with respect to the possible disposal of our interests in SPLASH as well as Gamuda Water.

Power

The Nam Theun I power concessionaire in Laos is hopeful of securing a more favourable tariff rate once the ongoing tariff renegotiations are completed by year end. Tariff renegotiations with Electricity Generating Authority of Thailand (EGAT) recommenced following the expiry of the Tariff MOU in June this year. Upon finalising a revised tariff agreement, the terms of the Power Purchase Agreement and the Concession Agreement will be finalised.

- Negotiations ongoing for possible disposal of SPLASH

Unified by one passion

This spirit of being one, of pulling together while focusing on the vision is the impetus that makes us work together to push the envelope, go one better and deliver. Unity provides the unwavering passion and commitment that continues to set the momentum for us to reach new heights, open up new horizons and seek out new challenges.



Property Development

In delivering creations that play a part in enriching lives, we are continuously setting the trend for a new age in quality lifestyles for the community. With unwavering passion, we are united to continue achieving even more through the collective effort of our team by combining ideas effectively and meeting the demanding contemporary lifestyle that has been highly sought after in the market.





Senior management team at Jade Hills.

Property Development

This division performed strongly during the year despite a generally weaker property market and higher inflation. Sales topped RM473 million, improving more than 25% over the previous year. The improved sales were underpinned by our key projects at Horizon Hills, Valencia and Kota Kemuning. The division's profitability also rose in tandem, accounting for about 32% of overall group pretax profits.

Despite the challenges ahead, the division targets to further improve its group sales in the coming year. This will be achieved by a combination of new projects coming on-stream as well as tapping on the resilient demand of some of our more matured developments. Our integrated mixed development in Hanoi is also expected to contribute positively to sales in the coming year as well as several years into the future.



Horizon Hills, Johor

To date, foreign purchasers account for the majority of sales. The development's strategic location within the Iskandar Development Region, coupled with its well-planned layout with a golf course and club facilities, individually gated and secured precincts, are all key attractions to potential purchasers.

The golf course and club house were officially opened in July this year to glowing reviews. The Ross Watson-designed golf course obtained excellent appraisals from both the golf media and prominent members of the golf fraternity. Membership to the highly rated Horizon Hills Golf and Country Club is exclusive to selected property purchasers only.

Covering 1,200 acres, Horizon Hills has a remaining Gross Development Value of RM2.4 billion over a 10-year period.

1. 80 per cent of houses of the Gateway in Horizon Hills have been completed to meet the overwhelming demand of Johor's property market.
2. Front view of the Ernesto Bedmar signature clubhouse and Horizon Hills golf course.
3. Horizon Hills golf course features a clever play of greens, lakes, hills and is nestled between houses.
4. Jade Hills senior management team, Mr Lim Swee Leong, Mr Choong Chee Yoong and Mr Sim Chai Chai, inspecting project plans at site.
5. Bird's eye view of the Jade Hills clubhouse and its surrounding landscaping.
6. Jade Hills Marketing & Sales team attending to customers at the sales gallery.
7. Botanic Resort Club, Klang's first 5-star resort club.



Bandar Botanic, Klang

This township with its botanical gardens concept is considered one of the premium developments in Klang. Bungalows, semi-detached and link homes launched during the year continue to be well received and taken up quickly. The expected completion of a dedicated interchange from the Shah Alam Expressway in 2009 will greatly enhance accessibility for the township's residents.

Bandar Botanic has a remaining Gross Development Value of RM1.6 billion over the next 8 years.

Valencia, Sungei Buloh

This exclusive up-market development continues to attract a high level of new expatriate residents to augment the sizeable expatriate community already residing within the township. Its matured status, coupled with its residents'-only golf course and club house and premium gated infrastructure makes this development highly sought-after. Recent launches include semi-detached homes and urban villas which have received good take-up rates.

Valencia has a remaining Gross Development Value of RM300 million over the next 2 years.

Jade Hills, Kajang

This 366-acre freehold development is expected to be well sought after when it is officially launched in the next few months. To date, there is strong indicative demand from both foreign and local buyers.

Jade Hills is inspired by the splendour of the four seasons, offering homes with avant-garde designs characterised by Oriental elegance. The seven lakes, natural streams and forest parkland as well communal spaces will complement the resort club for residents.

Jade Hills has a Gross Development Value of RM1.4 billion over the next 10 years.

• Six Malaysian projects ongoing

Kota Kemuning, Shah Alam

This mature township is a significant landmark in Shah Alam and is the standard bearer and price-leader for developments in the vicinity.

Its award-winning Kota Permai Golf and Country Club successfully staged the prestigious and recently-concluded Malaysian Open Golf tournament.

Sales of bungalows, semi-detached and link homes were all taken up within a short period of time. The development achieved total sales higher than the previous year.

Kota Kemuning has a remaining Gross Development Value of RM400 million over the next 3 years.



1. All matured. Kota Kemuning is today's standard bearer for property developments in Shah Alam.

2. Artist impression of Yen So Park, Hanoi in Vietnam that will feature a mixed development of parks, lakes, Grade 'A' office space, 4 and 5-star hotels and a convention centre.

Yen So Park, Hanoi

The division's maiden project in Vietnam secured its Investment Certificate in December last year. Infrastructure works are ongoing and the project is expected to generate its initial sales in the current financial year.

The project involves the redevelopment and transformation of an existing park into an international-class thematic park surrounded with integrated commercial and residential developments. Commercial components of the development include Grade 'A' office space, 4 and 5-star hotels, convention centre and shop offices.

Yen So Park has an estimated Gross Development Value of RM8 billion over a 10-year period.

Madge Mansions, Kuala Lumpur

Centrally located in the vicinity of the iconic Petronas Twin Towers, this premium 2-acre boutique development will only offer 50 exclusive low-rise condominium units. The project is targeted for launch by the end of 2008.

Madge Mansions has a Gross Development Value of RM240 million over a 3-year period.

• Hanoi development progressing on track

Prospects for 2008/2009

The group is expected to face a more challenging environment in the coming year. An uncertain global outlook, coupled with a slower economy and political uncertainties domestically, will pose challenges for all our core businesses.

On the overseas front, adverse economic conditions in Vietnam will have to be overcome whilst cost pressures remain in the Gulf States markets.

Despite these challenges, due to the group's foresight and consistent strategic focus over the years, we expect a satisfactory performance in the coming year.

Our healthy construction order book and strong portfolio of property projects will keep the group busy for the next several years. The many established projects in good locations within our property stable and our strong brand name should support sales.

Additionally, the concessions division is expected to continue generating good defensive earnings and provide regular cash-flows, further bolstering the group's strong financial standing.

And the group will continue to remain on the look-out for new projects, both domestically and in the overseas market, so that we can offer a competitive edge.

awards & achievements



International Recognition

- 10 'Million Man Hours Without A Lost Time Injury', 2008, *New Doha International Airport*
- Best Behaviour Program (PBS Program) 2007, Best Practice Award 2007, Professional of the Year 2007, *New Doha International Airport*
- Contractor of The Month, March 2008, September & October 2006, *New Doha International Airport*
- 2.5 'Million Man Hours Without A Lost Time Injury', 2006, *New Doha International Airport*
- Top Rated Residential Landed Properties - CONQUAS 21 Construction Quality Assessment, 2006, *Bandar Botanic, Harum Intisari Sdn Bhd*
- Corporate, Social and Environmental Responsibilities Award, 2004, *Kota Kemuning, Hicom-Gamuda Development Sdn Bhd*
- FIABCI Property Award of Distinction, Best Master Plan, 2003, *Bandar Botanic*
- Landscape Planning Award, International Award, 2003, *Kota Kemuning, Hicom-Gamuda Development Sdn Bhd*
- Air Quality Protection Model Award & Planning and Implementation Award, 2003, *New Asia Construction & Development Corporation-Gamuda Berhad, Joint Venture*
- American Business Initiative Directions' (BID) Quality Summit International Award 2002, Gold Category, *Kota Permai Golf & Country Club*
- Builder's Gold Medal Award, 1998, *Shah-Alam Expressway, Kesas Sdn Bhd*

Government of Malaysia

- CIDB MCIEA Special Awards 2007: Innovation and Environmental, *Stormwater Management and Road Tunnel (SMART)*
- Landscape Award 2005: Main Road/Protocol Road Category, *Sistem Penyuraian Trafik KL Barat (SPRINT Highway)*
- The KLSE Corporate Merit Award (Construction Sector) 2003, *Gamuda Berhad*
- Best Maintained Township & Landscape Community Hillpark Award, 2003, *Kota Kemuning, Hicom-Gamuda Development Sdn Bhd*
- 2.5 Million 'Man Hours Without A Loss Time Injury', 2002, *Sungai Selangor Water Supply Scheme Phase 3*
- The Malaysian Construction Industry Award, 2001, *Gamuda Berhad*

Professional Bodies

- Association of Consulting Engineers Malaysia, Engineering Award 2008 for SMART, *MMC-Gamuda Joint Venture*
- Association of Consulting Engineers Malaysia, Engineering Award 2006, *Harum Intisari Sdn Bhd*

- Malaysia Environmental and Social Reporting Award (MESRA), 2005, *Lingkar Trans Kota Sdn Bhd (LITRAK) and Sistem Penyuraian Trafik KL Barat Sdn Bhd (SPRINT Highway)*
- Urban Re-Development, Conservation and Rehabilitation Award, 2003, Kota Kemuning, *Hicom-Gamuda Development Sdn Bhd*
- National Landscape Award, 2004, *Harum Intisari Sdn Bhd*
- Planning, Innovation and Concept Award, 2000, Kota Kemuning, *Hicom-Gamuda Development Sdn Bhd*

Publications

- Euromoney Asia's Best Managed Companies, Best Managed Construction Company 2000 & 2008, *Gamuda Berhad*
- Finance Asia's Best Companies, 2002, *Gamuda Berhad*
- Forbes "Best Under A Billion 200 Companies", 2002 & 2005, *Gamuda Berhad*
- The 2000 Reuters Survey of Global Emerging Markets, *Gamuda Berhad*
- Top Golf Course, Most Scenic and Most Memorable Golf Course in Malaysia, 2005/2006, Best Maintained Golf Course in Malaysia 2005/2006, *Kota Permai Golf & Country Club*
- Most Scenic, Memorable and No. 1 Golf Course in Malaysia, 2001/2002, *Kota Permai Golf & Country Club*

ISO Certification

- Gamuda Berhad and Gamuda Engineering Sdn Bhd IMS OHSAS 18001:2007, MS ISO 1722:2005, MS ISO 14001: 2004
- Gamuda Berhad and Gamuda Engineering Sdn Bhd OHSAS 18001:2007
- Gamuda Berhad and Gamuda Engineering Sdn Bhd MS ISO 14001:2004
- Gamuda Berhad and Gamuda Engineering Sdn Bhd MS ISO 9002:1994
- Gamuda Berhad and Gamuda Engineering Sdn Bhd Upgraded to MS ISO 9001:2000
- Gamuda Land (Hicom-Gamuda Development, Valencia Development Sdn Bhd, Harum Intisari Sdn Bhd) MS ISO 9001:2000
- Lingkar Trans Kota Holdings Berhad (LITRAK) MS ISO 9002:1994
- Kesas Sdn Bhd MS ISO 9002:1994
- Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (SPLASH) MS ISO/IEC 17025:2005, OHSAS 18001:2007, IMS ISO 9001:2007
- Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (SPLASH) MS ISO/IEC 17025:2005
- GB Kuari Sdn Bhd MS ISO 9002:1994
- Megah Sewa Sdn Bhd MS ISO 9002:1994

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directors' profile



Tan Sri Dato' Ir Talha bin Haji Mohd Hashim

PSM, DPCM, DSDK, KMN, AMN, BCK, Dip C. Eng. (BTC), MM (AIM), C.Eng., P.Eng., FICE, FIEM, FIHT, MMIM, MACEM, Hon. FISM
Non-executive Chairman (non-independent)

Tan Sri Dato' Ir Talha has been on the Board as Chairman since 26 March 1992.

He is a professional engineer registered with the Board of Engineers, Malaysia; a chartered engineer registered with the Engineering Council, UK; a Fellow of the Institution of Engineers Malaysia; a Fellow of the Institution of Civil Engineers, UK and a Fellow of the Institution of Highways And Transportation, UK. Additionally, he is a Fellow of the Malaysian Institute of Directors and a member of the Malaysian Institute of Management and the Association of Consulting Engineers Malaysia.

A civil engineer, Tan Sri Dato' Ir Talha has worked for the Public Works Department (JKR) for 31 years between 1959 and 1990, where he last served for 5 years as Director-General. He was previously President of the Board of Engineers, Malaysia; Chairman of the Central Registration Committee of Government Contractors; Council Member of Universiti Teknologi Malaysia and Council Member of the Scientific and Research Institute of Malaysia. He is also a former member of the Board of Directors of the Malaysian Highway Authority.

Tan Sri Dato' Ir Talha's vast and diverse experience in engineering and infrastructure works, together with his experience as a Board member of other public listed companies, make him ideally placed to chair and guide the Board.

He holds a Diploma in Civil Engineering from Brighton Technical College, UK and a Master's degree in Management from Asian Institute of Management, Manila, Philippines. Age 73.

Board Committee membership

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

Other directorships of public companies

- | | |
|-------------------------------------|---------------------------------------|
| • Hume Industries (Malaysia) Berhad | • Phillip Mutual Berhad |
| • Sapura Technology Berhad | • APP Industries Berhad |
| • SHL Consolidated Berhad | • Universal Trustee (Malaysia) Berhad |
| • Sunway City Berhad | |



Dato' Lin Yun Ling

Group Managing Director

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

A civil engineer, he joined Gamuda in 1978 as a senior project manager. Altogether he brings to the Group more than 31 years of experience in civil engineering and construction. Over the years under his leadership, Gamuda expanded its business focus from construction into infrastructure and property development, all sectors in which the Group has dominant positions, both locally and internationally.

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

Dato' Lin holds a Bachelor of Science (Honours) degree in Civil Engineering from King's College, University of London, UK. Age 53.

Board Committee membership

- Member of the Remuneration Committee

Other directorships of public companies

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

Tan Sri Dato' Mohd Ramli bin Kushairi

Senior Independent Non-executive Director

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

Tan Sri Dato' Mohd Ramli retired from Government service where he held senior positions including Assistant Secretary at Bank Negara Malaysia, Assistant Secretary of the Tariff Advisory Board, Executive Secretary of the Federal Agricultural Marketing Authority and Managing Director of Kumpulan Fima Berhad, a Government-owned company then. He is a member of the Board of the Malaysia Productivity Corporation and the National Standards & Accreditation Council, where he also serves as Chairman of the Council's National Standards Committee. Additionally, he serves as a member of the Trustee Boards of Yayasan Tuanku Bainun and Yayasan Suluh Budiman Universiti Pendidikan Sultan Idris, a member of the International Advisory Board of the University of Hull, England; and Director of the Board of Universiti Teknologi Malaysia. He is a former Director of Meda Inc. Berhad and Sime Engineering Services Berhad.

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

He holds a Bachelor of Arts (Honours) degree in Social Science from the University of Hull, England, UK and did his post-graduate studies at King's College, University of London, UK. Age 72.

Board Committee membership

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

Other directorships of public companies

- South Malaysia Industries Berhad (Chairman)
- Masscorp Berhad



Raja Dato' Seri Eleena binti Raja Azlan Shah

Non-executive Director (non-independent)

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

She was called to the English Bar in 1985. Upon returning to Malaysia, she joined Messrs Skrine & Co and was called to the Malaysian Bar in 1986. She set up her own legal practice Messrs Raja Eleena, Siew, Ang & Associates in 1987 of which she is presently a senior partner.

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

Raja Dato' Seri Eleena is a Barrister-at-Law from Lincoln's Inn, London, UK. Age 48.

Board Committee membership

- None

Other directorships of public companies

- KAF-Seagroatt & Campbell Berhad



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

Non-executive Director (independent)

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

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

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

He holds a Ph.D. in Public Policy from University of Southern California, USA; a Master's in Business Administration from Ohio University, USA; a Bachelor of Arts (Honours) degree from University of Malaya; a Diploma in Public Administration from University of Malaya; a Certificate in Management Services (Excellent Grade) from Royal Institute of Public Administration, UK and a Certificate of Anatomy of Ship Finance from Cambridge Academy of Transport, Cambridge, UK. Age 62.

Board Committee membership

- None

Other directorships of public companies

- None

Raja Dato' Seri Abdul Aziz bin Raja Salim

Non-executive Director (independent)

Raja Dato' Seri Abdul Aziz has been on the Board since 22 October 2001.

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

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

He is an Honorary Fellow of the Malaysian Institute of Taxation; a Fellow of the Chartered Association of Certified Accountants, UK; a Fellow of CIMA, UK; a member of the Malaysian Institute of Accountants and a member of the Chartered Accountant (Malaysia). Age 70.

Board Committee membership

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

Other directorships of public companies

- Amanah Saham Mara Berhad
- Kenanga Unit Trust Berhad
- Kenanga Investment Bank Berhad
- K&N Kenanga Holdings Berhad
- Jerneh Insurance Berhad
- Tasek Corporation Berhad
- Matsushita Electric Company (M) Berhad
- PPB Group Berhad
- Southern Steel Berhad
- Camerlin Group Berhad
- Jerneh Asia Berhad



Dato' Ir Kamarul Zaman bin Mohd Ali

Executive Director

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

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

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

He holds a Bachelor of Science degree in Engineering from the Institute of Technology, Brighton, UK. Age 72.

Board Committee membership

- None

Other directorships of public companies

- Intan Utilities Bhd



Dato' Ir Haji Azmi bin Mat Nor

Executive Director

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

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

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

Dato' Ir 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 50.

Board Committee membership

- None

Other directorships of public companies

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

Ng Kee Leen

Executive Director

Mr Ng has been on the Board since 20 September 1986.

He has been with Gamuda since 1977 during which time he held various senior management positions. Mr Ng has extensive working experience in tender, finance and implementation of infrastructure projects. He is the President of the Master Builders Association of Malaysia (MBAM), the collective and recognised voice of the construction industry in Malaysia. He also serves as Council Member of the Building Industry Presidents' Council (BIPC) and Council Member of the ASEAN Constructors Federation (ACF).

He is responsible for the Group's expressway concession interests in Malaysia. Mr Ng's skills and vast experience, having worked for the Company for 30 years across a wide spectrum of businesses including infrastructure concession projects, trading and investments, enable him to contribute significantly to the Group's overall business and to the Board. His involvement as President of MBAM and Council Members of BIPC and ACF enable him to contribute on issues affecting the building and construction industries. Age 52.

Board Committee membership

- Member of the Audit Committee

Other directorships of public companies

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





Goon Heng Wah

Executive Director

Mr 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, Mr 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.

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

He holds a Bachelor of Engineering (Honours) degree from South Bank Polytechnic (now known as South Bank University), UK. Age 52.

Board Committee membership

- None

Other directorships of public companies

- Danau Permai Resort Berhad

Ir Ha Tiing Tai

Executive Director

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

A civil engineer, he has 30 years of experience in the engineering and construction sectors. Ir Ha has extensive experience in large-scale build-operate-transfer (BOT) projects from project inception to project financing and implementation, both in Malaysia and overseas.

As an Executive Director, Ir Ha plays a key role in the Group's engineering and construction business. It includes managing the Group's overseas projects in Taiwan and Indo China and more recently, the largest domestic build-and-design infrastructure project. Ir Ha's expertise and extensive experience gained particularly in large and complex projects enable him to contribute significantly to the Group's business and to the Board.

Ir Ha holds a Bachelor of Engineering (Honours) degree from University of Malaya. He is a professional engineer registered with the Board of Engineers, Malaysia; a chartered engineer registered with the Engineering Council, UK; a Fellow of the Institution of Engineers Malaysia; a member of the Institution of Civil Engineers, UK and a Fellow of the Institution of Highways And Transportation, UK. Age 54.

Board Committee membership

- None

Other directorships of public companies

- Danau Permai Resort Berhad





Saw Wah Theng

Executive Director

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

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

Mr Saw was admitted as an Associate of the Institute of Chartered Accountants (England and Wales) in 1985 and he is a member of the Malaysian Institute of Accountants. Age 51.

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

Wong Chin Yen

Non-executive Director (independent)

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

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

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

Ms Wong holds a Bachelor of Arts (Honours) degree in Law from Polytechnic of North London (now known as London Metropolitan University), UK and a Master's in Law from London School of Economics and Political Science. She is also a Barrister-at-Law from Middle Temple, London, UK. Age 48.

Board Committee membership

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

Other directorships of public companies

- None





Ir Chow Chee Wah

Alternate Director to Dato' Lin Yun Ling

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

A civil engineer, he has more than 26 years of working experience in the design of roads, expressways and buildings. He joined Gamuda as a project coordinator after working with engineering consultancy Sepakat Setia Perunding Sdn Bhd as Associate Director. In Gamuda, he held increasingly senior positions within the Group and he assumed the property development portfolio in 1996 in line with the Group's business diversification. Ir Chow heads the property development division as its managing director.

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

Ir Chow holds a Bachelor of Science (Honours) degree in Civil Engineering from University of London, UK. He is a member of the Institute of Engineers, Malaysia and a professional engineer registered with the Board of Engineers, Malaysia. Age 50.

Board Committee membership

- None

Other directorships of public companies

- Horizon Hills Resort Berhad

1. All the Directors are Malaysians.
2. Save as disclosed, none of the Directors has any family relationship with any Director and/or major shareholder of the Company.
3. None of the Directors has any conflict of interest with the Company.
4. None of the Directors has been convicted of any offence within the past 10 years other than traffic offences.

corporate data

Board of Directors

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

Audit Committee

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

Nomination Committee

- Y Bhg Tan Sri Dato' Ir Talha bin Haji Mohd Hashim
(Chairman)
- Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi
- Ms Wong Chin Yen

Remuneration Committee

- Y Bhg Tan Sri Dato' Ir Talha bin Haji Mohd Hashim
(Chairman)
- Y Bhg Dato' Lin Yun Ling
- Y M Raja Dato' Seri Abdul Aziz bin Raja Salim

Company Secretaries

- Ms Lim Soo Lye
- Ms Tee Yew Chin

Registered Office

78, Jalan SS22/21, Damansara Jaya
47400 Petaling Jaya, Selangor Darul Ehsan
Tel : 603-7726 9210
Fax : 603-7728 9811
E-mail : gbgpa@gamuda.com.my

Share Registrar

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 Board of Bursa Malaysia Securities Berhad
Stock Code: Gamuda
Stock No.: 5398

Website

www.gamuda.com.my

corporate structure as at 13 October 2008

Expressway Tolling & Management

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

Water Related

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

Construction

• Gamuda Engineering Sdn Bhd	100%
• Masterpave Sdn Bhd	100%
• Gammau Construction Sdn Bhd	100%
• Ganaz Bina Sdn Bhd	100%
• Gamuda (India) Private Limited	100%
• Gamuda (Bahrain) W.L.L.	100%
• Gamuda Saudi Arabia L.L.C.	100%
• Gamuda-WCT (India) Private Limited	70%
• MMC-Gamuda Joint Venture Sdn Bhd	50%

Trading

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

• Jade Homes Sdn Bhd	100%
• Harum Intisari Sdn Bhd	100%
• Madge Mansions Sdn Bhd	100%
• Gamuda Land Sdn Bhd	100%
• Gamuda Land Vietnam Limited Liability Company	100%
• Valencia Development Sdn Bhd	99%
• Gamuda-NamLong Development Limited Liability Company	70%
• Hicom-Gamuda Development Sdn Bhd	50%
• Horizon Hills Development Sdn Bhd	50%

Township & Golf Club Management

• Valencia Township Sdn Bhd	99%
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Property Maintenance

• Botanic Property Services Sdn Bhd	100%
• Rebung Property Services Sdn Bhd	99%
• HGD Property Services Sdn Bhd	50%
• Hazel Harmoni Sdn Bhd	50%

Golf Club & Clubhouse

• Bandar Botanic Resort Berhad	100%
• Jade Homes Resort Berhad (formerly known as Parkland Greenery Sdn Bhd and Jade Homes Resort Sdn Bhd)	100%
• Danau Permai Resort Berhad	50%
• Horizon Hills Resort Berhad	50%

Quarrying, Plant Hire & Others

• G. B. Kuari Sdn Bhd	100%
• Megah Management Services Sdn Bhd	100%
• Megah Sewa Sdn Bhd	100%
• Reka Strategi Sdn Bhd	100%
• Setara Hati Sdn Bhd	100%
• Idaman Lantas Sdn Bhd	100%
• Jiwa Rangkaian Sdn Bhd	100%
• GL (MM2H) Sdn Bhd (formerly known as Warna Sempurna Sdn Bhd)	100%
• Gamuda Paper Industries Sdn Bhd	95%
• GPI Trading Sdn Bhd	95%
• HGD Properties Sdn Bhd	50%
• Dyna Plastics Sdn Bhd	41%

Investment

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

Information Technology

• GIT Services Sdn Bhd	100%
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Landscaping

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

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Corporate social responsibility

As we place strong emphasis on growth, unity and passion in our daily work, we also apply this in all that we set out to do. At Gamuda, Corporate Social Responsibility is at the very heart of everything we do, and our priority lies in helping the community grow, uniting people and making a positive impact on society.

*Strict enforcement
of safety & health
is always ensured
at the worksite.*



At the workplace

As we reach out to the community, shareholders, customers and partners, it is with utmost importance that we as a company first inculcate good governance in all our premises. It is with this in mind that we set our Corporate Social Responsibility agenda.

Our human resource development strategy focuses on building self-confidence, leadership and personal and work competence. The Gamuda Training Centre was set up to meet the needs of our business model, organisational and management demands. Core areas of training include business leadership, personal leadership, people skills, business management, financial management, quality, safety and technical skills. Learning extends from formal classroom training to on-the-job, action based training, coaching and self-directed learning. We ensure that our employees are equipped, empowered and motivated to carry out their duties well and realize their full potential.

Health and safety is another key concern. Wherever we operate around the world and in every situation, we strive to maintain a work place that is safe and without risk to the health and welfare of all those involved in the project. We ensure that information and instruction are always clear and there is constant supervision on site.

A strong distinctive work culture, high levels of employee engagement, commitment and advocacy and sense of fulfillment are what we have established within the Gamuda group. We aim to become the employer of choice in our industry.

This was further strengthened with the launch of the Quality, Safety & Health and Environment Policy (QSHEP) on 2 January 2008. This policy is a big advancement forward in integrating three certifications for Quality, Safety, Health and Environment into one policy through Integrated Management System (IMS).

It empowers each department and division within the Group with access to a unified process, systems, procedures and materials that are measurable and expandable via Key Performance Indexes. The IMS enable Gamuda to replicate its values for all projects undertaken regardless if local or international.

The Quality, Safety & Health and Environment Policy (QSHEP)

In reinforcing our commitment to providing quality products and services and timely delivery of these products and services to our customers, shareholders and general public as well as our commitment to providing a safe and healthy working environment for our employees, we strongly adhere to QSHEP (Quality, Safety & Health and Environment Policy).

Our aim is to continuously improve our processes that deliver these products. This requires that:

- We understand and consistently respond to the needs and expectations of our customers.
- We manage our products and services systematically to enhance the value to our shareholders.
- We develop and inculcate a self-regulating mindset in all staff that will ensure the success of the company goals and QSHEP Management System.
- We continually improve our quality, safety & health and environmental processes that facilitate the effective management and control of these areas.
- We minimise safety & health risks through adoption of best practices.
- We prevent environmental impacts and manage resources through proper and effective implementation of our obligations.
- We identify and comply with the relevant safety & health and environmental legislations and regulations.
- We provide appropriate training for our employees and other related parties to improve awareness and knowledge of these requirements.
- We go all out to support charitable causes and welfare for the underprivileged and consistently help to provide for higher education opportunities through scholarship awards.



As education is the core to success, The Gamuda Scholarship Award Programme is designed to give back to the community.

For the Community

The aim of our community initiative is to accompany our operations with a positive return to the communities in which we work. CSR programmes are thus mainly responding to the needs of the people around us.

Scholarship awards and education sponsorships

Over the years, the Gamuda Group has consistently provided deserving individuals with higher education opportunities. We believe strongly that education is the foundation to one's personal development and growth. Since 1996, we have consistently helped provide higher education opportunities through our annual presentation of GAMUDA Scholarship Awards amounting to RM11 million for 125 scholars from local and foreign universities, LITRAK Scholarship Awards amounting to RM560,000 for 34 scholars from local universities and SPLASH Scholarship Awards amounting to RM216,000 for 12 scholars from local universities from 2000 – 2008. In 2004, the Group expanded its education programme through the GAMUDA Excellence Awards to reach out to more outstanding individuals. These cash awards are presented to Civil Engineering undergraduates in local public universities, who are outstanding with high academic achievement and possess strong leadership qualities. For this same purpose, road shows and recruitment exercises have also been organized to attract young graduates to join the industry.

The other components in our education programme include our Gamuda Staff and Employee's Children Scholarships and Staff Apprenticeship Programmes.

Construction skills training

As an industry leader, we took the initiative of ensuring a high standard and consistent level of skill is maintained by our construction workforce. This led to the establishment of the Gamuda Plant Operator School (GPOS) in 1996 as an in-house training academy which provided skills, certification and statutory requirements to staff. A year later, RM10,000,000 was injected into the academy to expand its services to the whole of Malaysia as a private and non-profit skills training academy in engineering and construction, offering skill competency training, youth apprenticeship programmes and awareness training for a wide range of machinery and equipment.

Since 1997, GPOS has invested over RM20,000,000 into its training courses and in August of 2008, GPOS achieved another milestone when it trained its 25,000th construction skills trainee. Approximately five percent of GPOS graduates have taken employment in the booming Middle Eastern and East European markets, as well as fast developing countries like Vietnam and other Indo-China countries.

GPOS remains the only non-profit training academy in Malaysia that is recognised and accredited by Construction Industry Development Board (CIDB) and Department of Occupational Safety & Health (DOSH) Malaysia, and an approved training centre by Master Builders Association of Malaysia (MBAM) and the Human Resource Development Council (HRDC).

Gamuda Learning Centre

In understanding that personal growth and professional development can only help our people be better employees, we are committed to providing our people with every opportunity to improve.

In 1995, we set up an in-house training centre that conducts yearly courses for mentoring and coaching for programmes such as:

- Managerial & Leadership
- Executive Development
- Personal Development
- Business Communication
- Construction Supervision
- IT Applications
- Finance

In recognising the need for training on-site personnel, we are happy to make a difference in running the largest, non-profit construction skills academy.



Gamuda Learning Centre also extends its training and development beyond Malaysia and into our international projects. Our training managers constantly travel to these projects to meet with training requirements.

To date, Gamuda Learning Centre has undertaken and conducted more than 1,250 training sessions and with over 10,000 participants since then.

New ideas, knowledge, shared values and commitment are the cornerstone to delivering the new solutions and ideas that give the Gamuda group its innovative edge.

Technical Supervisory Development

To further lift the quality and efficiency of our construction operations, our Construction Training Committee, consisting of experienced senior managers, has developed and facilitated a series of comprehensive technical training modules.

These modules are aimed at all levels of engineers, supervisors and surveyors. For an employee to fully realise their potential they should have all the necessary functional and technical competencies. Passing core modules is part of the requirements for promotion for technical staff.

These modules include:

- Drainage
- Pavement Works
- Construction Process
- Cost Control
- Temporary Works
- Earthworks
- Building Construction
- Water Treatment Work
- Piling
- Survey Works
- Soils & Materials Testing
- Safety & Traffic Management
- Quality & Contract

Charities and Welfare Support for the Underprivileged

Charities and welfare support for the underprivileged, the arts and educational institutions, the rehabilitation of community areas and parks, the provision of land and infrastructure for schools and enhancing indigenous skills are also among our benefactors.

Our contribution to the 'Golf for Nature 2005' has led to its adoption of a school, in a partnership approach with WWF Malaysia to aid the school in the development of outdoor learning stations, mini gardens and school greening activities, as part of their WWF-Malaysia Environmental Education Programme.

In Caring for the Environment

We strongly adhere to our philosophy of responsible conduct, as we are well aware that extensive infrastructure projects and large township developments often inevitably result in some amount of negative impact on the environment. Stemming from that philosophy, programmes to mitigate or minimise adverse impacts, including inconvenience to our community and existing users, are mandated and are standard operating practice.

Besides that, Gamuda also initiates environmental improvement programmes to provide a higher level of environmental quality than is naturally available, such as introducing lakes and wetland parks into our residential developments.

As an affirmation to the Group's good environmentally responsible practice, we have won many prestigious awards, locally and internationally.

calendar of events

AUGUST '07

2 August 2007

28 delegates from 10 African countries visited SPRINT's Highway Control Centre. The delegates who were on a study mission were given first hand knowledge on toll and highway operations.

3 August 2007

Gamuda was awarded with the 15 Years Gold Service Award by Master Builders Association Malaysia for playing various important roles as Council Member, Deputy Secretary General, Vice President and Deputy President.



9 August 2007

Stormwater Management & Road Tunnel (SMART) donates two custom-built First Responder Vehicles especially designed to meet requirements of the Fire & Rescue Department.



14 August 2007

Gamuda signed a principle agreement for the RM8 billion Yen So Park Development in Hanoi, Vietnam. The urban centre project comprises a convention centre, office towers, a lifestyle recreational club, an international 5-star hotel and community amenities that include a 250-acre botanical park.



18 August 2007

Gamuda held its 12th Annual Scholarship & Excellence Awards. 20 outstanding scholars received full scholarships to pursue a first degree in top local and private universities.

29 August 2007

LITRAK held its Scholarships Award and presented RM120,000 worth of scholarships to deserving local undergraduates to pursue higher education in conjunction with Merdeka Day. Free car flags and Merdeka Day stickers were also given away to road users at toll plazas.

SEPTEMBER '07

**8 September 2007**

During the Aiman Haiqal Charity Golf Tournament organised by LITRAK at Bukit Kemuning Golf & Country Club for Adik Aiman Haiqal who suffers from hearing disability, a total of RM30,000 was collected.

17 September 2007

LITRAK and Yamaha held its annual joint Road Safety Campaign. LITRAK co-sponsored the venue and space for the launching and the free inspection of the motorcycles. The event aimed to inculcate safe riding practices for motorcyclists by reminding them to use good helmets and to be extra cautious while riding their motorbikes.

17 – 21 September 2007

Gamuda, LITRAK and SPRINT participated in the 23rd World Road Congress & Exhibition in Paris, France. The event that was held at the Palais des Congres Paris saw more than 5000 participants and exhibitors from all over the world.

30 September 2007

LITRAK organized a Ramadhan Charity at Taman Putra Perdana for the orphans and less fortunate children. The Breaking of Fast event was held in co-operation with Taman Putra Perdana Mosque. LITRAK sponsored the Food & Beverage and 'duit raya' or festive tokens that were presented to the children.

OCTOBER '07

9 October 2007

LITRAK held a Road Safety Campaign in conjunction with Hari Raya Aidilfitri. Two young celebrities from Akademi Fantasia fame, Diddy and Dafi, officiated the event. Their message to youngsters was to be extra careful while on the road. There was also free distribution of Raya treats to road users during the event.

NOVEMBER '07

**3 November 2007**

The Gamuda Group held its Annual Dinner & Dance at the Grand Ballroom, Hilton Kuala Lumpur. The annual event marked the 31st year for the group.

14 – 15 November 2007

Gamuda participated as platinum sponsor for Tunku Abdul Rahman College's annual career fair. The Group also presented career talks to students and held Question and Answer sessions by industry experts.

16 November 2007

Gamuda was voted the No. 1 Construction Company in Asia by Euromoney magazine, the world's leading financial markets magazine. This is the second time Gamuda received the prestigious accolade.

DECEMBER '07

6 December 2007

Gamuda donated RM20,000 in support of heritage buildings through Badan Warisan Malaysia.

**11 December 2007**

Gamuda started work at the RM8 billion Yen So Park Project in Hanoi, Vietnam, after its groundbreaking ceremony. The mixed development project kicked off the Gamuda group's finest township development and infrastructure expertise in a single project.

14 December 2007

Gamuda held its 31st Annual General Meeting at the Kota Permai Golf & Country Club.

14 December 2007

MMC-Gamuda JV received the Letter of Award from the Government of Malaysia for the RM12.5 billion Electrified Double Tracking Project from Ipoh to Padang Besar.

16 December 2007

Stormwater Management & Road Tunnel (SMART) was lauded with two CIDB Malaysian Construction Industry Excellence Award under the category of Special Awards 2007: Innovation and Environmental.

JANUARY '08

8 January 2008

MMC-Gamuda Joint Venture for the Electrified Double Tracking project received site possession from the Government of Malaysia. The site possession signified the commencement of the RM12.5 billion project.

**13 – 15 January 2008**

Gamuda participated as the main sponsor for MATRADE Exhibition in Sharjah, United Arab Emirates. The exhibition highlighted Malaysia's top exports to the world economy with Gamuda as one of the leading group in Engineering and Construction.

**31 January 2008**

LITRAK held its Road Safety talk as part of its CSR activity to inculcate good road behavior among students in Manjalara High School, Kuala Lumpur. The event was held with co-operation from the Kuala Lumpur Traffic Police.

FEBRUARY '08



16 February 2008

LITRAK held a Chinese New Year charity program with orphans from 3 orphanages in Selangor. The guest of honour, YB Dato' Lee Hwa Beng presented festive treats to the children. They were also entertained to a clown and lion dance to usher in the New Lunar Year.



16 February 2008

Gamuda Land previewed its high-end residential development, Jade Hills in Kajang, in line with the Lunar New Year's Spring Festival.



18 February 2008

Kota Permai Golf and Country Club was voted the 'No. 1 Golf Course in Malaysia' by leading golf magazine, Golf Malaysia. Kota Permai Golf and Country Club received the recognition for two consecutive years.

MARCH '08

1 March 2008

Gamuda Berhad and Gamuda Engineering successfully passed SIRIM audits for the Integrated Management System (IMS) of Quality, Safety & Health, and Environment. The IMS signified a renewed commitment by the Group towards Quality, Safety & Health and Environment in all our daily processes and operations.



6 – 9 March 2008

On its 10th anniversary, Kota Permai Golf & Country Club was chosen to host the Maybank Malaysian Open Golf Championship 2008. The event was a first for the prestigious Ross Watson designed championship golf course.

21 – 30 March 2008

Gamuda Plant Operator School successfully trained its first batch of Vietnamese operators from the oil & gas industry. The 10-day course for Pedestrian Crane Operation consisted of 2-days of theory, 7-days of practical and 1-day of assessment.

27 March 2008

Newly appointed Minister of Natural Resources & Environment, YB Datuk Douglas Uggah Embas, made a working visit to SMART Motorway Control Centre, as part of his visit and tour to the Drainage and Irrigation Department of Malaysia.

29 March 2008

LITRAK continued its Road Safety talks with selected schools along the Damansara-Puchong Highway as part of its CSR activities to inculcate good road behavior among students. The event was held with co-operation from Expressway Mobile Police Vehicle.

APRIL '08

12 April 2008

Double honours awaited the Sinohydro-Gamuda-WCT Joint Venture team in Qatar when they were named contractor of the month for March 2008 by Overseas Bechtel Inc., as well as reaching 8,000,000 Man Hours without a Lost Time Injury.

MAY '08

14 May 2008

Stormwater Management & Road Tunnel (SMART) marked its 1st anniversary of operation of the SMART Expressway, the world's first dual-purpose stormwater tunnel and motorway.

16 May 2008

Gamuda and LITRAK contributed to the 'Tabung Kemanusiaan Sepang' for victims of the 12th May 2008 Sichuan province earthquake.

23 May 2008

SPLASH was officially certified with the Integrated Quality, Environment and Safety & Health Management System. The certification denotes SPLASH's work efficiency commitment and dedication towards maintaining a conducive working environment.

**25 May 2008**

Botanic Resort Club, the resident only club in Bandar Botanic celebrated its first anniversary after a successful year of operations.

JULY '08

8 July 2008

Gamuda and its joint venture partner, UEM Land launched the highly anticipated RM80 million Horizon Hills signature clubhouse and 18-hole championship golf course. The new Horizon Hills Golf & Country Club in Johor looks set to woo the southern property market as club membership is exclusive to home buyers.

11 July 2008

Sinohydro-Gamuda-WCT Joint Venture working on the New Doha International Airport Project, Qatar, achieved 10,000,000 Man Hours without a Lost Time Injury. The team is the first to achieve the landmark milestone.

25 July 2008

MMC-Gamuda Joint Venture signed a concession agreement with the Ministry of Transport, Malaysia in Putrajaya for Electrified Double Tracking Project from Ipoh to Padang Besar.

**26 July 2008**

The 13th Gamuda Scholarship Ceremony was held at the Kota Permai Golf & Country Club. 20 deserving Malaysians were given full scholarships to undertake courses in top local public and private universities as well as top foreign universities.

AUGUST '08

**15 August 2008**

Gamuda Plant Operator School achieved a milestone in having trained 25,000 trainees. The only private and non-profit construction industry academy lauded its 25,000th trainee in Kota Kemuning.

Corporate Governance

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Corporate Governance Statement

“Good governance for the continuity of the Company” – our Board

The sustainability of the Company’s future is contingent on a strong adherence to high standards of corporate governance. We are pleased to report how we have applied the main and supporting principles and best practices identified in the Malaysian Code on Corporate Governance (the Code) throughout the financial year ended 31 July 2008 (“2008” or the year).

This section on corporate governance contains information on the following:

1. The Board’s role
2. The Board balance and independence
3. Chairman, Managing Director and Senior Independent Director
4. Succession planning
5. Board appointments
6. Meetings and attendance
7. Information and training
8. Board performance evaluation
9. Re-election
10. Remuneration
11. Board committees
 - (a) Audit Committee – Members, Role and Work
 - (b) Remuneration Committee – Members, Role and Work
 - (c) Nomination Committee – Members, Role and Work
12. Accountability and audit
 - (a) Financial reporting
 - (b) Internal control
 - (c) Directors’ responsibility statement
13. Shareholder and investor relations
14. Constructive use of the AGM
15. Code of practice
16. Corporate social responsibility (CSR) reporting

1. The Board’s role

The Board recognises that there is value in each Board member’s knowledge and experience in providing effective oversight for the Company. The Board’s role includes providing effective leadership and setting of the Group’s strategic business directions. It assesses business opportunities and seeks to ensure that appropriate controls are in place to assess and manage risk. It is responsible for reviewing management’s performance and oversees senior management appointments and succession planning within the Company. The Board is responsible for setting the Company’s values and standards, ensuring the Company’s obligations to shareholders are met.

The Board has a formal schedule of matters which are reserved for its decision, including approval of the strategic direction of the Group and policy issues, approval of quarterly results and annual financial statements, major acquisitions and disposals, major capital expenditure, related party transactions, dividend policy, changes to membership of the Board and its committees and overall governance issues. Matters outside the scope of the formal schedule are decided by the Board committees and the management in accordance with delegated authorities approved by the Board.

2. The Board balance and independence

The Board comprises a Non-executive Chairman, a Managing Director, six other Executive Directors and five Non-executive Directors. Their biographies appear in the Profile of Directors and illustrate the Directors’ range of backgrounds and experiences. The Board believes that it has the right mix of skills, knowledge and experience around the Board table given the size and nature of business of the Company.

Corporate Governance Statement

Influence is balanced within the Board by virtue of six (6) Non-executive Directors whose skills and business experience are invaluable in constructively challenging and developing the Group's strategy and direction. No one individual or group has unrestricted powers of decision. The Board is satisfied that all of the Independent Non-executive Directors were independent throughout the year, being free from any relationship with the executive management which could result in any conflict or affect their independent judgment, and that they all remained independent in character and judgment. All Directors take decisions objectively and in the interest of the Company. The balance of skills and experience of the Board is continually reviewed through the annual Board performance evaluation.

3. Chairman, Managing Director and Senior Independent Director

There is a clear division of responsibilities between the Chairman and the Managing Director. The Chairman is primarily responsible for organising the business of the Board, setting its agenda and ensuring the effective running of the Board. He facilitates the contribution of the Non-executive Directors and the constructive relations between the Executive and Non-executive Directors. The Managing Director is primarily responsible for managing and supervising the day-to-day businesses of the Group and the development and implementation of strategy.

Tan Sri Dato' Mohd Ramli bin Kushairi is the Senior Independent Non-executive Director. He acts as a facilitator for communication between the shareholders and the Board and he ensures that the Board is aware of any shareholder concerns not resolved through the existing mechanisms for investor communication.

4. Succession planning

Ensuring that we have the right people running the Company is one of the Board's core governance duties. A review of management resources has been carried out annually in conjunction with the annual remuneration review. We have in place a career development plan including succession planning at all levels of management. The annual management evaluation process is key to performance improvement as well as the succession plan.

5. Board appointments

Appointments to the Board are the responsibility of the full Board on the recommendation of the Nomination Committee. There is a formal and transparent procedure for the appointment of new Directors, which is made against objective criteria. There have been no new appointments to the Board during 2008.

6. Meetings and attendance

Board meetings are scheduled to be held four times a year. Between meetings, the Directors can be in frequent contact to advance the Company's business and if necessary, additional Board meetings can be called.

The table below sets out the attendance record of each Director at scheduled Board meetings and Board committee meetings during the year.

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Number of meetings held	4	4	1	1
Number of meetings attended:				
Tan Sri Dato' Ir Talha bin Haji Mohd Hashim	4	-	1	0
Dato' Lin Yun Ling	3	-	1	-
Tan Sri Dato' Mohd Ramli bin Kushairi	4	4	-	1
Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	3	-	-	-
Raja Dato' Seri Eleena binti Raja Azlan Shah	3	-	-	-
Raja Dato' Seri Abdul Aziz bin Raja Salim	4	4	1	-
Dato' Ir Kamarul Zaman bin Mohd Ali	3	-	-	-
Dato' Ir Haji Azmi bin Mat Nor	2	-	-	-
Mr Ng Kee Leen	3	3	-	-
Mr Goon Heng Wah	4	-	-	-
Ir Ha Tiing Tai	4	-	-	-
Ms Wong Chin Yen	4	4	-	1
Mr Saw Wah Theng	4	-	-	-
Ir Chow Chee Wah, Alternate to Dato' Lin Yun Ling	4	-	-	-

- Indicates inapplicability, where a director is not a member of the committee.

Corporate Governance Statement

7. Information and training

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 are presented at every meeting, and minuted. These presentations help increase the Non-executive Directors' understanding of the business. The Non-executive Directors are encouraged to undertake site visits. During the year, the Company Secretary has provided updates to the Board on relevant governance matters and statutory changes, whilst the Audit Committee Chairman and/or the Finance Director regularly updates the Board on new accounting developments and internal control issues at Board meetings. The Directors are notified of any corporate announcements released to Bursa Malaysia Securities Berhad, investment in the Company's listed associate company and the period where the Directors are prohibited from dealing in shares of the Company due to the impending release of the quarterly financial results, for a whole calendar year and well in advance, before the start of each new calendar year.

Members of the Board are able to receive training and take independent professional advice, if necessary, at the Company's expense in furtherance of their duties. They also have direct access to the advice and services of the Company Secretary.

The training needs of the Board are regularly reviewed. The trainings are developed and tailored to the Directors' needs through an in-house programme. During the year, in-house training courses attended by the Directors collectively, included the following:

- 1) The Boardroom Affairs and its Functions
- 2) Controversies of Financial Reporting in Malaysia – an educational perspective

8. Board performance evaluation

The Board believes it is appropriate to undertake a regular performance evaluation. The Board has just completed its fourth such exercise. This exercise covered the performance and effectiveness of the Board, its committees and individual Directors, using an internal formal process of evaluation which approach is appropriately tailored. The Board has determined that this process is appropriate to enable first hand and full and honest input from individual Directors to be obtained each year.

9. Re-election

Under the Company's Articles of Association all Directors are required to go forward for re-election by shareholders at the Annual General Meeting (AGM) at intervals of no more than three years, together with all new Directors appointed since the previous AGM. The Companies Act, 1965 (Act) requires that all Directors aged 70 or above go forward for re-appointment each year. Retiring Directors may offer themselves for re-election or re-appointment. Each of these Directors who are due to go forward for re-election or re-appointment at this year's AGM have been identified on page 171.

10. Remuneration

Each Executive Director's remuneration package currently consists of basic salary, annual performance related bonus and incentive scheme, contribution to the national pension fund and benefits-in-kind such as private medical care, car allowance and fuel, Group's club membership and share options. The package is designed to support the Group's strategy and to provide an appropriate incentive to maximise individual and corporate performance, whilst ensuring that overall rewards are market competitive. The remuneration of the Non-executive Directors takes the form primarily of fees and share options, which are agreed by the executive members of the Board and approved by the shareholders. The fees are designed to attract experienced individuals and reflect the responsibilities of the role. The fees stated are in respect of all responsibilities undertaken by the Non-executive Directors, including membership of Board committees. The Company has in place directors' and officers' liability insurance. Further details of the Directors' remuneration are given on page 112.

Corporate Governance Statement

11. Board committees

The Board operates an Audit Committee, a Remuneration Committee and a Nomination Committee.

(a) Audit Committee

Members

Raja Dato' Seri Abdul Aziz bin Raja Salim (Chairman)
 Tan Sri Dato' Mohd Ramli bin Kushairi
 Ms Wong Chin Yen
 Mr Ng Kee Leen

The Committee was in place throughout 2008. With the exception of Mr Ng Kee Leen, all members of the Committee are Independent Non-executive Directors. The Committee is chaired by Raja Dato' Seri Abdul Aziz bin Raja Salim who is a member of the Malaysian Institute of Accountants (MIA) and has relevant experience of financial and accounting issues. By January 2009, the Audit Committee should be formed exclusively of Non-executive Directors, with a majority of them being Independent Directors.

Role

The role of the Committee, set out in its terms of reference, is shown in the Audit Committee Report on page 70.

Work

The Committee had four meetings during the year and on each occasion the Finance Director and senior members of the finance and internal audit functions were invited to attend the meeting. The external auditors attended one of the meetings and, in addition, met privately with the Independent Non-executive Directors at a separate meeting, without Company executives present.

The Committee has responsibility for scrutinising the integrity of financial information and the effectiveness of the Group's financial controls and the internal control and risk management systems. It reviews the audit plans presented by the internal and external auditors before the start of each audit cycle and agrees to the scope of the audit work. During the year, among others, the Committee reviewed the draft terms of reference of the Risk Management Committee and the proposed revised terms of reference of the Audit Committee to comply with the recent amendments to the Listing Requirements, prior to the Board's approval.

You will find a report from this committee on page 70 which describes its work at greater length.

(b) Remuneration Committee

Members

Tan Sri Dato' Ir Talha bin Haji Mohd Hashim (Chairman)
 Dato' Lin Yun Ling
 Raja Dato' Seri Abdul Aziz bin Raja Salim

The Committee was in place throughout 2008. The Chairman of the Company (Non-independent and non-executive) chairs the Committee. The Managing Director and one Independent Non-executive Director make up the other members of the Committee.

Role

The role of the Committee, set out in its terms of reference, includes:-

- Reviewing, recommending and advising the Board on the policy framework of all elements of the remuneration such as reward structure and fringe benefits and other terms of employment of Executive Directors and the Managing Director.
- Reviewing the history of and proposals for the remuneration package of each of the Company's committees.

Work

The Committee had one meeting during the year during which it undertook a review of the Directors' remuneration package. The Committee normally invites the Senior Group General Manager, Human Resources & Administration to attend its meetings.

The principal objective of the Committee has been to ensure that the overall remuneration package of the Directors are prudently set to attract, motivate and retain directors of the calibre required to ensure the continued success and development of the Group's businesses and thereby enhance shareholder value. The determination of the remuneration of the executive and non-executive Directors is a matter for the Board. No Director makes a decision relating to his or her own remuneration.

In deciding appropriate levels of the Directors' remuneration package for the year, the Committee relied on the information in the salary survey compiled under an informal Human Resources Networking Group (amongst the Construction & Property Development listed companies) for 2007/2008 of 5 comparator listed companies, Watson Wyatt Salary Survey 2007, Bursa Malaysia Top 100 Companies Directors' Remuneration Survey October 2007 conducted by Pricewaterhouse Coopers and BSKL Executives' Remuneration (Top Ranking Executives) report as published by Malaysian Business (September 2007 issue), for benchmarking purposes. The local construction industry is used as the primary pay comparator, as it is the appropriate marketplace for the Company's most senior executive and non-executive talents.

Corporate Governance Statement

(c) Nomination Committee

Members

Tan Sri Dato' Ir Talha bin Haji Mohd Hashim (Chairman)
 Tan Sri Dato' Mohd Ramli bin Kushairi
 Ms Wong Chin Yen

The Committee was in place throughout 2008. The Chairman of the Company (Non-independent and non-executive) chairs the Committee. The other two members of the Committee are Independent Non-executive Directors.

Role

The role of the Committee, set out in its terms of reference, includes:-

- Reviewing annually the Board's required mix of skills and experience and other qualities, including core competencies, which Non-executive Directors should bring to the Board.
- Recommending to the Board, candidates for all directorships and Directors to fill seats in the Audit, Nomination, Remuneration or other committees.
- Recommending suitable orientation, educational and training programmes to continuously train and equip the existing and new Directors.
- Assessing annually the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director based on the process implemented by the Board.

Work

The Committee had one meeting during the year during which it undertook an evaluation exercise on the performance of the Board, its committees and individual directors (2008 evaluation), identified suitable in-house training programmes for the Directors for the new financial year commencing 1 August 2008 for recommendation to the Board and undertook a review of all Directors who are due for re-election or re-appointment at the Company's AGM to determine whether or not to recommend their re-election or re-appointment.

The 2008 evaluation has taken the form of obtaining completed questionnaire (which has been revised this year) from all Board members, analysing the responses and providing the opportunity for Directors to comment on the existing Board processes and make recommendations for areas to develop. The process was administered by the Company Secretary and the results of the evaluation were presented to the full Board. It was agreed that the results of the evaluation confirmed the effectiveness of each Director's contribution, each committee, and of the Board as a whole. The evaluation has helped to identify and address important views held by the Directors as to the initiatives to further strengthen the effectiveness of the Board and the priorities going forward. For instance, a common theme arising from the 2008 evaluation was the need to set out the key items of project Key Performance Indicators (KPIs) to be used alongside financial measures to monitor the Company's performance and as a measure in the appraisal of the Board's performance.

12. Accountability and audit

(a) Financial reporting

The Group has a detailed budgeting system and a comprehensive 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 who 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.

(b) Internal control

The Board acknowledges its responsibility for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. There is an ongoing process for identifying, evaluating and managing significant risks across the Group.

The Audit Committee receives reports setting out key risk indicators of each business unit and considers possible control issues brought to its attention by early warning mechanisms which are embedded within the business units and reinforced by risk awareness training. The Audit Committee also receives reports from the internal audit function and, where appropriate, recommendations for improvement are considered. The Board's agenda includes consideration of risk maps and controls, and it receives reports thereon from the Audit Committee. The emphasis is on obtaining the relevant degree of assurance.

The work undertaken by the internal audit function and the Audit Committee helps to enable the Board to make the statement relating to internal control in the Statement on Internal Control.

Corporate Governance Statement

(c) Directors' responsibility statement

The Directors are required by the Act to prepare financial statements for each financial year which have been made out 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 results and cash flows of the Group and Company for the financial year.

In preparing the financial statements, the Directors have:

- applied appropriate accounting policies and applied them consistently;
- 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 in operational existence 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 responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

13. Shareholder and investor relations

The Board considers effective communication with shareholders and investors as extremely important.

The Company implements an active Investor Relations (IR) programme aimed at fostering high quality dialogue as well as building credibility and trust with the broad investment community. The Managing Director and/or the Senior Group General Manager, Investor Relations is primarily responsible for all IR activities.

Key IR activities 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 enquiries, catering to the numerous requests for private meetings for investors and analysts, and organising trips for investors to visit our overseas and domestic project sites. Through these channels, too, the Company has communicated to investors and shareholders the solid oneness of the Board and management, auguring well for the continuity of current and future business.

The following is a summary of all IR activities during 2008.

Type of Event	Investment Centre	No. of Meetings
Investor Conferences	Kuala Lumpur, Singapore, Hong Kong, London, New York, San Francisco	10 trips
Marketing Roadshows	Kuala Lumpur, Singapore, Hong Kong, London, Frankfurt, Paris	5 trips
Investor Briefings	Kuala Lumpur	4
Private meetings with investors/analysts	Kuala Lumpur	204
Teleconference Calls	Various	28

Communication with investors also takes place through the Quarterly Results Report, Annual Report and the Company's website at www.gamuda.com.my. In addition, the Company's AGM provides an important opportunity for communication with both institutional and private shareholders.

14. Constructive use of the AGM

Our meeting this year will be held on Tuesday, December 16th at the Kota Permai Golf & Country Club in Shah Alam. The counter for registration will open at 8.30 a.m. The Board regards the meeting as an opportunity to communicate directly with shareholders. Wherever possible, all Directors attend the meeting. As always, there will be opportunities for question-and-answer formally during the meeting and informally afterwards. Shareholders are invited to ask questions and are encouraged to attend the meeting, where they are able to meet the Directors. For investors who are unable to attend, the Company offers proxy-voting.

15. 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/ethics, which are applicable Group-wide including Group facilities overseas.

16. Corporate social responsibility (CSR) reporting

The Group's annual CSR Report is published on page 52.

Statement On Internal Control

1. Introduction

The Malaysian Code of Corporate Governance stipulates that the Board of Directors of listed companies should maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. Bursa Malaysia Listing Requirements, Paragraph 15.27(b) requires the Board of Directors of listed companies to include an Internal Control Statement in their Annual Reports about the state of internal control in their Companies.

2. Board's Responsibility

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

3. Risk Management

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

The project task force is responsible for assessing and evaluating the feasibility and risk impact that prospective investments would have on the Group. For ongoing business operations, risk assessment and evaluation is an integral part of the annual business planning and budgeting process. The Management of each business unit, in establishing its business objectives, is required to identify and document all possible risks that can affect their achievement taking into consideration the effectiveness of controls that are capable of mitigating such risks. By this process, each business unit's identified risks, the controls and processes for managing them are tabulated in a risk assessment report. Significant risks of business units are summarised into risk maps and presented annually to the Audit Committee for their consideration.

4. Key Internal Control Features

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

- Clearly defined operating structure, lines of responsibilities and delegated authority. Various Board and Management Committees have been established to assist the Board in discharging its duties. Among the committees are:
 - Audit Committee
 - Nomination Committee
 - Remuneration Committee
 - Budget Committee
 - ESOS Committee

Statement On Internal Control

- Feasibility study and risk impact on new investments / projects is evaluated by Project Task Force for Board's deliberation.
- Internal control activities have been established in all business units with clearly defined lines of responsibilities, authority limits for major capital expenditure, contract awards and other significant transactions, segregation of duties, performance monitoring and safeguarding of assets.
- Systematically documented Policies, Procedures and Standard Operating Procedures are in place to guide staff in their day-to-day work. These policies and procedures are reviewed regularly and updated when necessary.
- An annual budgetary process that requires business units to prepare budgets, business plans and control measures to mitigate identified risks for the forthcoming year. These budgets are deliberated by the Budget Committee before being presented to the Directors for approval.
- A comprehensive information system comprising budgets, key business indicators and performance results on operations are reported to Management and the Directors. The regular and comprehensive flow of information allows the Management and the Directors to review business unit's performance against budgets and performance indicators on monthly basis.
- An Integrated Management System, incorporating ISO 9001:2000, ISO 14001:2004, OHSAS 18001:2007 and MS 1722: Part 1: 2005 requirements has been established and implemented to continuously provide high quality, cost effective, reliable, safe and environmental friendly products and services.
- A Performance Management System whereby business objectives are clearly defined and targets are set for each individual employee. Employees' performances are monitored, appraised and rewarded according to the achievement of targets set.
- Training and development programmes are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their performance and job expectations.
- An adequately resourced Internal Audit Department which reports directly to the Audit Committee, conducts regular reviews on integrity and effectiveness of the Group's system of internal controls.
- Executive Directors and Senior Management conduct regular site visits and communicate with employees of different levels to have first-hand knowledge of significant operational matters and risks.
- Board representation in its associated companies. Information on the financial performance of these associated companies is provided regularly to the Management of the Company via Group management reporting procedures.
- In respect of joint ventures entered into by the Group, the Management of the joint ventures, which consist of representations from the Group and other joint venture partners are responsible to oversee the administration, operation, performance and Executive Management of the joint venture. Financial and operational information of these joint ventures are provided regularly to the Management of the Company.

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

5. Review of the Statement by External Auditors

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

This Statement is made in accordance with the resolution of the Board.

Audit Committee Report

The Board Audit Committee of Gamuda Berhad is pleased to present the Audit Committee Report for the year ended 31 July 2008.

Membership and Meetings

The Audit Committee was formed by the Board and currently the Audit Committee comprises four (4) Directors as follows:

- **YM Raja Dato' Seri Abdul Aziz bin Raja Salim**
Chairman / Independent Non-Executive Director
- **YBhg Tan Sri Dato' Mohd Ramli bin Kushairi**
Member / Senior Independent Non-Executive Director
- **Ms Wong Chin Yen**
Member / Independent Non-Executive Director
- **Mr Ng Kee Leen**
Member / Non-independent Executive Director

The Audit Committee met four (4) times during the financial year ended 31 July 2008. Meeting attendance record of the members is as follows:

Name of Directors	Attendance
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	4/4
YBhg Tan Sri Dato' Mohd Ramli bin Kushairi	4/4
Ms Wong Chin Yen	4/4
Mr Ng Kee Leen	3/4

Terms of Reference

Membership

The Audit Committee shall be appointed by the Board of Directors from amongst its Directors and shall consist of not less than three (3) members, the majority of whom shall be Independent Directors. The members of an Audit Committee shall elect a chairman from among their number who shall be an Independent Director. An Alternate Director must not 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 the Bursa Malaysia Securities Berhad (Bursa Malaysia).

In the event of any vacancy in the Audit Committee resulting in non-compliance with Bursa Malaysia's Listing Requirements on composition of the Audit Committee, the Board must fill the vacancy within three (3) 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 (3) years to determine whether the Audit Committee and 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 (4) times a year and will normally be attended by the Finance Director, Head of Internal Audit and representatives of the External Auditors. Other Board members and the Senior Management may attend meetings upon the invitation of the Audit Committee. At least once 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 (2).

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 full and unrestricted access to any information pertaining to the Group;
- iii. have direct communication channels with the External and Internal Auditors, as well as employees of the Group; and
- iv. be able to obtain independent professional or other advice if it deems 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. independence and objectivity of the External Auditors and their services.
- v. together with the External Auditors, the scope of their audit plan, their evaluation of the system of internal control and the audit reports on the financial statements.
- vi. the selection, remuneration and resignation or dismissal of the External Auditors.
- vii. the assistance given by employees of the Company and the Group to the External Auditors.
- viii. significant audit findings, reservations arising from the interim and final audits and any matters reported by the External Auditors.
- ix. the adequacy of the scope, function, competency and resources of Internal Audit function and authority necessary to carry out its duties.
- x. the Internal Audit programme, processes and results of the audit work, process of investigation undertaken and whether or not appropriate action is taken on the recommendations of the Internal Audit function.
- xi. any related party transaction and conflict of interest situation that may arise including any transaction, procedure or course of conduct concerning Management's integrity.
- xii. allocation of options during the year under the Employee Share Option Scheme (ESOS) is in accordance with the criteria determined by the ESOS Committee and in compliance with the ESOS by-laws.
- xiii. matters conveyed to the Board that have not been satisfactorily resolved resulting in a breach of the Listing Requirements are promptly reported to Bursa Malaysia.
- xiv. any other matters as may be directed by the Board from time to time.

Audit Committee Report

Summary of Audit Committee's Activities

During the financial year, the Audit Committee met four (4) times. Activities carried out by the Audit Committee included the deliberation and review of:

- i. the unaudited quarterly financial results / announcements of the Group prior to submission to the Board for consideration and approval;
- ii. the audit planning memorandum of the External Auditors in terms of 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 audited year-end financial results of the Group prior to submission to the Board for consideration and approval;
- v. the performance of the External Auditors and the recommendations to the Board on their reappointment and remuneration;
- vi. the Audit Committee Report and its recommendation to the Board for inclusion in the Annual Report;
- vii. the Statement on Internal Control and Statement of Corporate Governance and its recommendation to the Board for inclusion in the Annual Report;
- viii. the summaries of risk assessment results arising from risk evaluations conducted by the Management prior to their submission to the Board for their consideration;
- ix. the risk-based annual audit plan and resource requirement proposed by the Internal Auditors for the Group;
- x. the audit reports presented by the Internal Auditors on major findings, recommendations and Management's responses thereto;
- xi. the results of follow-up audits conducted by the Internal Auditors on the Management's implementation of audit recommendations;
- xii. related party transactions as required under the Bursa Malaysia's Listing Requirements to ascertain that transactions are conducted at arm's length prior to submission for the Board's consideration and, where appropriate, shareholders' approval;
- xiii. options allocation pursuant to the ESOS of the Company during the Financial Year under review that was verified by the Internal Auditors to ensure compliance with the ESOS by-laws and the criteria set out by the ESOS Committee.

Internal Audit Function and Activities

The Group's internal audit function, which is carried out by 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.

Throughout 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 their necessary action.

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

- i. 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 exist;
- ii. conducted follow-up reviews to determine the adequacy, effectiveness and timeliness of action taken by Management on audit recommendations and provided updates on their status to the Audit Committee;
- iii. prepared the annual audit plan for consideration by the Audit Committee;
- iv. reviewed the allocation of share options granted during the financial year were in accordance with the ESOS by-laws and the criteria set out by the ESOS Committee;
- v. reviewed related party transactions.

Additional Compliance Information

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 2008 was RM152,733.

2. Share Buy-back

The Company did not purchase any of its own shares during the financial year 2008.

3. Exercise of Options, Warrants or Convertible Securities

During the financial year 2008,

- i) 17,667,000 options were exercised in relation to the Employees Share Option Scheme.
- ii) 10,857,561 Warrants 2001/2007 were exercised and converted into ordinary shares.

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

Other than as disclosed in Note 39 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 2007.

5. Revaluation Policy on Landed Properties

The Group does not adopt a policy of regular revaluation.

6. Sanctions or Penalties

There were no material sanctions or penalties imposed by the relevant regulatory bodies on the Company or its subsidiaries, directors or management during the financial year 2008.

7. Utilisation of Proceeds Raised from the Bonds Issue and Rights Issue of Warrants

The status of utilisation of proceeds raised from the 3% Redeemable Unsecured Bonds 2000/2007* and Rights Issue of Warrants during the financial year 2008 was as follows:

Description	Approved Utilisation RM'000	Actual Utilised RM'000
Repayment of borrowings	115,000	115,000
Part payment for land acquisition	60,000	60,000
Working capital	100,700	100,700
Expenses of bonds issue	4,300	4,300
Investment in Syarikat Pengeluar Air Selangor Holdings Berhad (Holding company of SPLASH)	120,000	120,000
Total	400,000	400,000

* The RM400 million Bonds were fully repaid on 28 September 2007.

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Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 July 2008.

Principal activities

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

The principal activities of the subsidiaries are described in Note 17 to the financial statements.

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

Results

	Group RM'000	Company RM'000
Profit for the year	338,928	501,189
Attributable to:		
Equity holders of the Company	325,078	501,189
Minority interests	13,850	-
	338,928	501,189

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

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

Dividends

The amount of dividends declared and paid by the Company since 31 July 2007 were as follows:

	RM'000
In respect of the financial year ended 31 July 2008	
First interim dividend of 12.5% less 26% taxation paid on 30 January 2008	184,848
Second interim dividend of 12.5% less 26% taxation paid on 31 July 2008	185,464
	370,312

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

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 39 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 and warrants in the Company and its related corporations during the financial year were as follows:

	<----- Number of Ordinary Shares of RM1 Each ----->				
		Transferred Bought/ Exercise of ESOS/ Conversion of Warrants	Bonus issue	Transferred/ Sold	
	1 August 2007				31 July 2008
Gamuda Berhad					
Direct Holding					
Y Bhg Tan Sri Dato' Ir. Talha bin Haji Mohd Hashim	295,828	80,000	375,828	-	751,656
Y Bhg Dato' Lin Yun Ling	-	73,000,000	-	(70,000,000)	3,000,000
Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	40,000	60,000	60,000	(40,000)	120,000
YAM Raja Dato' Seri Eleena binti Raja Azlan Shah	100,000	-	100,000	-	200,000
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	60,000	-	20,000	(40,000)	40,000
Y Bhg Dato' Ir. Kamarul Zaman bin Mohd Ali	854,500	156,000	980,500	-	1,991,000
Y Bhg Dato' Ir. Haji Azmi bin Mat Nor	270,000	100,000	300,000	(670,000)	-
Ng Kee Leen	10,804,114	5,208,335	16,012,449	-	32,024,898
Goon Heng Wah	6,180,000	720,000	6,180,000	-	13,080,000
Ir. Ha Tiing Tai	11,007,938	-	10,007,938	(3,000,000)	18,015,876
Wong Chin Yen	40,000	40,000	-	(80,000)	-
Saw Wah Theng	525,000	-	400,000	(675,000)	250,000
Chow Chee Wah	89,000	-	89,000	(70,000)	108,000

	<----- Number of Ordinary Shares of RM1 Each ----->				
		Transferred Bought/ Exercise of ESOS/ Conversion of Warrants	Bonus issue	Transferred/ Sold	
	1 August 2007				31 July 2008
Gamuda Berhad					
Indirect Holding					
Y Bhg Tan Sri Dato' Ir. Talha bin Haji Mohd Hashim #	55,000	18,000	55,000	-	128,000
Y Bhg Dato' Lin Yun Ling ^	50,848,818	-	50,848,818	(70,000,000)	31,697,636
YAM Raja Dato' Seri Eleena binti Raja Azlan Shah *	79,500,000	-	79,000,000	(8,000,000)	150,500,000
Y Bhg Dato' Ir. Kamarul Zaman bin Mohd Ali #	398,815	-	398,815	-	797,630
Ng Kee Leen #	1,871,236	3,390,000	1,461,236	(4,200,000)	2,522,472
Goon Heng Wah #	2,552,016	-	2,552,016	-	5,104,032
Ir. Ha Tiing Tai #	10,100	2,010,000	15,100	(2,021,000)	14,200

^ Deemed interest through HSBC (Malaysia) Trustee Berhad

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

Deemed interest through spouse

Directors' Report

Directors' interests (cont'd)

Employees' share option scheme ("ESOS")

	<----- Number of Options ----->				31 July 2008
	1 August 2007	Bonus issue	Allotted	Exercised	
Y Bhg Tan Sri Dato' Ir. Talha bin Haji Mohd Hashim	80,000	-	-	(80,000)	-
Y Bhg Dato' Lin Yun Ling	1,500,000	1,500,000	-	(3,000,000)	-
Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi	100,000	100,000	-	-	200,000
Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	60,000	-	-	(60,000)	-
Y M Raja Dato' Seri Abdul Aziz bin Raja Salim	40,000	40,000	-	-	80,000
Y Bhg Dato' Ir. Kamarul Zaman bin Mohd Ali	378,000	387,000	135,000	(126,000)	774,000
Y Bhg Dato' Ir. Haji Azmi bin Mat Nor	202,000	102,000	-	(100,000)	204,000
Ng Kee Leen	900,000	-	-	(900,000)	-
Goon Heng Wah	360,000	360,000	-	(720,000)	-
Wong Chin Yen	60,000	60,000	-	(40,000)	80,000

The options to subscribe for ordinary shares in the Company is in force for a period of five years from 6 July 2006 to 5 July 2011. The ESOS was granted on 6 July 2006 at the exercise price of RM3.46 per ordinary share. Pursuant to the Company's bonus issue, the exercise price is now RM1.73 per ordinary share.

The salient features of the ESOS are disclosed in Note 26(c).

Warrants 2001/2007

	<----- Number of Warrants ----->			31 July 2008
	1 August 2007	Bought	Converted	
Direct Holding				
Ng Kee Leen	4,308,335	-	(4,308,335)	-
	<----- Number of Warrants ----->			31 July 2008
	1 August 2007	Bought	Converted	
Indirect Holding				
Ng Kee Leen #	1,896,100	1,372,700	(3,268,800)	-
Ir. Ha Tiing Tai #	-	5,000	(5,000)	-

Deemed interest through spouse

Each Warrant 2001/2007 entitled the registered holder to subscribe for one new share in the Company at a conversion price of RM3.75 each at any time within six and a half years, from the date of issue on 22 February 2001 until it expired on 21 August 2007.

Issue of shares

During the financial year, the Company increased its issued and paid up capital from RM981,528,493 to RM2,005,016,108 via the issuance of:

- 994,963,054 new ordinary shares of RM1.00 each pursuant to the Company's bonus issue on the basis of one bonus share for every existing share;
- 9,885,000 new ordinary shares of RM1.00 each for cash pursuant to the Company's ESOS at an exercise price of RM1.73 per ordinary share;
- 2,569,000 new ordinary shares of RM1.00 each for cash pursuant to the Company's ESOS at an exercise price of RM2.60 per ordinary share;
- 5,213,000 new ordinary shares of RM1.00 each for cash pursuant to the Company's ESOS at an exercise price of RM3.63 per ordinary share; and
- 10,857,561 new ordinary shares of RM1.00 each for cash pursuant to the conversion of Warrants 2001/2007 at a conversion price of RM3.75 each.

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

Directors' Report

Bonus issue

The bonus issue involved the issuance of 994,963,054 new ordinary shares of RM1.00 each, credited and fully paid-up on the basis of one bonus share for every existing share held by the shareholders whose names appeared in the Record of Depository on 25 October 2007.

Warrants

The Warrants 2001/2007 which were constituted by a Deed Poll dated 27 November 2000, may be converted at any time on and after 22 February 2001 until it expired on 21 August 2007. Each Warrant 2001/2007 carried the entitlement to subscribe for one new ordinary share of RM1.00 each in the Company at a conversion price of RM3.75 each, which was subject to adjustment in accordance with the provisions in the Deed Poll. Any Warrants 2001/2007 which was not converted at the date of maturity has lapsed and ceased to be valid for any purpose.

The shares arising from the conversion of Warrants 2001/2007 ranked pari passu in all respects with the ordinary shares of the Company except that they were not entitled to any rights, dividends or other distributions unless the conversion of Warrants 2001/2007 was effected before the book closure of the share registers for the determination of the entitlement to such rights or distributions.

The 452,620 units of Warrants 2001/2007 which remained unconverted, lapsed on 21 August 2007.

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 became effective for 5 years from 6 July 2006.

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 26.

Other statutory information

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

Directors' Report

Other statutory information (cont'd)

- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant events

The significant events are as disclosed in Note 40.

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 2008.

Y Bhg Tan Sri Dato' Ir. Talha Bin Haji Mohd Hashim
Chairman

Saw Wah Theng
Finance Director

Statement by Directors

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

We, Y Bhg Tan Sri Dato' Ir. Talha Bin Haji Mohd Hashim 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 84 to 162 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards 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 2008 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 8 October 2008.

Y Bhg Tan Sri Dato' Ir. Talha Bin Haji Mohd Hashim
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 84 to 162 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 2008)

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 balance sheets as at 31 July 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 84 to 162.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2008 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

Independent Auditors' Report

Report on other legal and regulatory requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of the subsidiaries of which we have not acted as auditors, which are indicated in Note 17 to the financial statements.
- (c) We are satisfied that the accounts 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 accounts of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

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

Ernst & Young

AF: 0039

Chartered Accountants

Kuala Lumpur

8 October 2008

George Koshy

No. 1846/07/09(J)

Chartered Accountant

Consolidated Income Statement

for the year ended 31 July 2008

	Note	2008 RM'000	2007 RM'000
Revenue	3	2,403,660	1,516,359
Other income		44,436	44,562
Construction contract costs recognised as contract expenses		(1,374,577)	(887,513)
Land and development costs		(306,864)	(249,295)
Changes in inventory of finished goods and work in progress		(3,393)	(10,297)
Purchases - raw materials		(79,056)	(20,875)
- trading materials		(121,599)	(50,199)
Production overheads		(43,883)	(34,264)
Staff costs	5	(74,572)	(58,207)
Depreciation		(12,022)	(12,323)
Other operating expenses		(109,828)	(70,592)
Profit from operations	4	322,302	167,356
Finance costs	7	(24,940)	(19,869)
Share of profits of associated companies		173,452	129,074
Profit before taxation		470,814	276,561
Taxation	8	(131,886)	(51,748)
Profit for the year		338,928	224,813
Attributable to:			
Equity holders of the Company		325,078	185,428
Minority interests		13,850	39,385
		338,928	224,813
Earnings per share (sen)			
Basic	9	16.27	10.86
Diluted	9	16.17	10.75
Net dividends per ordinary share (sen)	10	18	40

The accompanying notes form an integral part of the financial statements.

Consolidated Balance Sheet

as at 31 July 2008

	Note	2008 RM'000	2007 RM'000 (restated)
Assets			
Non-current assets			
Property, plant and equipment	11	288,130	294,151
Land held for property development	12(a)	519,277	548,443
Investment properties	13	3,288	3,348
Prepaid land lease payments	14	7,232	7,728
Motorway development expenditure	15	326,809	327,647
Concession and quarry rights	16	68,189	73,622
Associated companies	18	1,510,822	1,475,919
Other investments	20	733	733
Deferred tax assets	31	13,777	16,021
Receivables	22(b)	42,433	27,166
		2,780,690	2,774,778
Current assets			
Property development costs	12(b)	388,513	198,434
Inventories	21	110,122	140,495
Receivables	22(a)	1,624,370	888,085
Tax recoverable		4,996	31,421
Marketable securities	2.2(r)(iii)	20,000	25,000
Cash and bank balances	25	845,610	980,269
		2,993,611	2,263,704
Total assets		5,774,301	5,038,482
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital	26	2,005,016	981,528
Reserves		1,046,566	1,964,422
Shareholders' equity		3,051,582	2,945,950
Minority interests		45,901	48,433
Total equity		3,097,483	2,994,383
Non-current liabilities			
Other payables	30	28,736	56,706
Deferred tax liabilities	31	17,549	20,654
Long term borrowings	32	1,036,500	496,500
		1,082,785	573,860
Current liabilities			
Short term borrowings	33	782,253	738,123
Payables	34	778,489	700,367
Provision for liabilities	36	7,299	12,311
Tax payable		25,992	19,438
		1,594,033	1,470,239
Total liabilities		2,676,818	2,044,099
Total equity and liabilities		5,774,301	5,038,482

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 July 2008

Group	Note	Attributable to equity holders of the Company							Total equity RM'000	
		Share capital RM'000	Share premium RM'000	Option reserves RM'000	Non-distributable		Distributable			Minority interests RM'000
					Other reserves (Note 27) RM'000	Retained profits RM'000	Total RM'000			
At 1 August 2006		753,232	282,091	10,975	43,880	1,152,591	2,242,769	48,583	2,291,352	
Currency translation differences		-	-	-	(4,361)	-	(4,361)	2,650	(1,711)	
Share of capital reserve in an associated company		-	-	-	2,830	-	2,830	-	2,830	
Net income/(expense) recognised directly in equity		-	-	-	(1,531)	-	(1,531)	2,650	1,119	
Profit for the year		-	-	-	-	185,428	185,428	39,385	224,813	
Total recognised income and expense for the year		-	-	-	(1,531)	185,428	183,897	42,035	225,932	
Issue of ordinary shares pursuant to:										
Exercise of ESOS	26	42,482	110,817	-	-	-	153,299	-	153,299	
Conversion of warrants	26	185,814	542,938	-	-	-	728,752	-	728,752	
Share options granted under ESOS		-	-	9,431	-	-	9,431	-	9,431	
Share options exercised under ESOS		-	19,842	(13,952)	-	-	5,890	-	5,890	
Dividends	10	-	-	-	-	(378,088)	(378,088)	-	(378,088)	
Distribution of profit in unincorporated subsidiaries		-	-	-	-	-	-	(25,820)	(25,820)	
Dividend paid by subsidiaries to minority shareholders		-	-	-	-	-	-	(16,365)	(16,365)	
At 31 July 2007		981,528	955,688	6,454	42,349	959,931	2,945,950	48,433	2,994,383	

Consolidated Statement of Changes in Equity

Group	Note	Attributable to equity holders of the Company					Total	Minority interests	Total equity
		Share capital	Share premium	Option reserves	Other reserves (Note 27)	Retained profits			
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 August 2007		981,528	955,688	6,454	42,349	959,931	2,945,950	48,433	2,994,383
Currency translation differences		-	-	-	13,985	-	13,985	(13,561)	424
Share of capital reserve in an associated company		-	-	-	32,816	-	32,816	-	32,816
Net income/(expense) recognised directly in equity		-	-	-	46,801	-	46,801	(13,561)	33,240
Profit for the year		-	-	-	-	325,078	325,078	13,850	338,928
Total recognised income and expense for the year		-	-	-	46,801	325,078	371,879	289	372,168
Issue of ordinary shares pursuant to:									
Exercise of ESOS	26	17,667	30,675	-	-	-	48,342	-	48,342
Conversion of warrants	26	10,858	29,860	-	-	-	40,718	-	40,718
Bonus issue	26	994,963	(994,963)	-	-	-	-	-	-
Acquisition of shares in a subsidiary		-	-	-	-	-	-	4,694	4,694
Share options granted under ESOS		-	-	14,003	-	-	14,003	-	14,003
Share options exercised under ESOS		-	6,093	(5,091)	-	-	1,002	-	1,002
Dividends	10	-	-	-	-	(370,312)	(370,312)	-	(370,312)
Dividend paid by subsidiaries to minority shareholders		-	-	-	-	-	-	(7,515)	(7,515)
At 31 July 2008		2,005,016	27,353	15,366	89,150	914,697	3,051,582	45,901	3,097,483

The accompanying notes form an integral part of the financial statements.

Consolidated Cash Flow Statement

for the year ended 31 July 2008

	2008 RM'000	2007 RM'000
Cash flows from operating activities		
Profit before taxation	470,814	276,561
Adjustments for:		
Amortisation of concession and quarry rights	5,433	3,171
Amortisation of prepaid land lease payments	496	496
Amortisation of motorway development expenditure	838	-
Depreciation	12,022	12,323
Property, plant and equipment written off	8	165
Provision/(reversal of provision) for contracts	4,888	(4,734)
Provision for doubtful debts	44	22
(Reversal of provision)/provision for liabilities	(5,012)	12,161
Provision for retirement benefits	1,050	1,048
(Reversal of provision)/provision for short term accumulating compensated absences	(220)	131
Gain on disposal of property, plant and equipment	(319)	(6,382)
Share of associated companies' profits	(173,452)	(129,074)
Share based payments	14,003	9,431
Interest income	(24,623)	(21,731)
Interest expense	24,940	19,869
Operating profit before working capital changes	330,910	173,457
Increase in development properties	(117,222)	(222,510)
Decrease/(increase) in inventories	30,373	(29,992)
Increase in receivables	(711,549)	(43,383)
Increase in payables	44,516	180,510
Cash (used in)/generated from operations	(422,972)	58,082
Dividend received from associated companies	226,611	45,742
Income taxes paid	(99,768)	(50,002)
Interest paid	(24,940)	(19,869)
Retirement benefits paid	(82)	(99)
Net cash (used in)/generated from operating activities	(321,151)	33,854

Consolidated Cash Flow Statement

	2008 RM'000	2007 RM'000
Cash flows from investing activities		
Payment of motorway development expenditure	-	(31,697)
Purchase of land held for property development	(38,311)	(35,198)
Purchase of property, plant and equipment	(56,830)	(167,694)
Proceeds from disposal of property, plant and equipment	4,382	13,643
Investment in associated companies	(66,100)	(20,999)
Proceeds from disposal of marketable securities	5,000	-
Purchase of marketable securities	-	(25,000)
Proceeds from a minority shareholder for issuance of shares in a subsidiary	4,694	-
Interest received	24,623	21,731
Net cash used in investing activities	(122,542)	(245,214)
Cash flows from financing activities		
Net drawdown of short term borrowings	437,430	181,921
Repayment of bonds	(400,000)	-
Net drawdown of medium term notes	515,000	35,000
Drawdown of term loan	50,000	36,500
Proceeds from conversion of warrants	40,718	728,752
Net proceeds from exercise of ESOS	48,342	153,299
Cash distribution of profit to minority interests of unincorporated subsidiaries	-	(6,000)
Dividend paid to shareholders	(370,312)	(378,088)
Dividend paid by subsidiaries to minority interests	(7,515)	(16,365)
Net cash generated from financing activities	313,663	735,019
Net (decrease)/increase in cash and cash equivalents	(130,030)	523,659
Effects of exchange rate changes	(4,629)	(245)
Cash and cash equivalents at beginning of year	980,269	456,855
Cash and cash equivalents at end of year (Note 25)	845,610	980,269

The accompanying notes form an integral part of the financial statements.

Income Statement

for the year ended 31 July 2008

	Note	2008 RM'000	2007 RM'000
Revenue	3	882,393	573,817
Other income		65,450	23,919
Construction contract costs recognised as contract expenses		(203,158)	(151,978)
Staff costs	5	(28,008)	(21,096)
Depreciation		(1,668)	(1,289)
Other operating expenses		(41,068)	(31,714)
Profit from operations	4	673,941	391,659
Finance costs	7	(15,347)	(14,960)
Profit before taxation		658,594	376,699
Taxation	8	(157,405)	(116,224)
Profit for the year		501,189	260,475
Net dividends per ordinary share (sen)	10	18	40

The accompanying notes form an integral part of the financial statements.

Balance Sheet

as at 31 July 2008

	Note	2008 RM'000	2007 RM'000 (restated)
Assets			
Non-current assets			
Property, plant and equipment	11	43,525	44,128
Investment properties	13	11,613	11,764
Prepaid land lease payments	14	855	877
Subsidiaries	17	603,426	410,273
Associated companies	18	887,980	821,880
Jointly controlled entities	19	224,476	207,977
Other investments	20	733	733
Deferred tax assets	31	-	4,629
		1,772,608	1,502,261
Current assets			
Receivables	22(a)	108,411	106,747
Due from subsidiaries	24	1,565,564	1,097,533
Tax recoverable		1,203	20,267
Cash and bank balances	25	376,263	509,427
		2,051,441	1,733,974
Total assets		3,824,049	3,236,235
Equity and liabilities			
Equity attributable to equity holders of the Company			
Share capital	26	2,005,016	981,528
Reserves		493,052	1,281,598
Shareholders' equity		2,498,068	2,263,126
Non-current liabilities			
Other payables	30	2,743	2,525
Deferred tax liabilities	31	109	-
Long term borrowings	32	480,000	-
		482,852	2,525
Current liabilities			
Short term borrowings	33	433,722	690,623
Payables	34	82,553	94,406
Due to subsidiaries	35	326,854	185,555
		843,129	970,584
Total liabilities		1,325,981	973,109
Total equity and liabilities		3,824,049	3,236,235

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Equity

for the year ended 31 July 2008

Company	Note	Share capital RM'000	Non-distributable Share premium RM'000	Option reserves RM'000	Distributable Retained profits RM'000	Total RM'000
At 1 August 2006		753,232	282,091	10,975	437,069	1,483,367
Profit for the year, representing total recognised income and expense for the year		-	-	-	260,475	260,475
Issue of ordinary shares pursuant to:						
Exercise of ESOS	26	42,482	110,817	-	-	153,299
Conversion of warrants	26	185,814	542,938	-	-	728,752
Share options granted under ESOS		-	-	9,431	-	9,431
Share options exercised under ESOS		-	19,842	(13,952)	-	5,890
Dividends	10	-	-	-	(378,088)	(378,088)
At 31 July 2007		981,528	955,688	6,454	319,456	2,263,126
At 1 August 2007		981,528	955,688	6,454	319,456	2,263,126
Profit for the year, representing total recognised income and expense for the year		-	-	-	501,189	501,189
Issue of ordinary shares pursuant to:						
Exercise of ESOS	26	17,667	30,675	-	-	48,342
Conversion of warrants	26	10,858	29,860	-	-	40,718
Bonus issue	26	994,963	(994,963)	-	-	-
Share options granted under ESOS		-	-	14,003	-	14,003
Share options exercised under ESOS		-	6,093	(5,091)	-	1,002
Dividends	10	-	-	-	(370,312)	(370,312)
At 31 July 2008		2,005,016	27,353	15,366	450,333	2,498,068

The accompanying notes form an integral part of the financial statements.

Cash Flow Statement

for the year ended 31 July 2008

	2008 RM'000	2007 RM'000
Cash flows from operating activities		
Profit before taxation	658,594	376,699
Adjustments for:		
Appropriation of profits from unincorporated subsidiaries	(149,862)	(37,022)
Amortisation of prepaid land lease payments	22	22
Depreciation	1,668	1,289
Property, plant and equipment written off	1	-
Provision for retirement benefits	334	291
Provision for short term accumulating compensated absences	60	93
Gain on disposal of property, plant and equipment	(46)	(22)
Unrealised gains on foreign exchange	(18,300)	(781)
Share based payments	14,003	9,431
Dividend income	(475,492)	(386,693)
Interest income	(19,413)	(13,571)
Interest expense	15,347	14,960
Operating profit/(loss) before working capital changes	26,916	(35,304)
Increase in due from subsidiaries	(333,740)	(472,177)
Increase/(Decrease) in due to subsidiaries	147,295	(20,971)
Decrease in receivables	38,847	165,386
(Decrease)/Increase in payables	(11,977)	24,202
Cash used in operations	(132,659)	(338,864)
Dividend received	389,552	282,286
Income taxes paid	(75,192)	(31,169)
Interest paid	(15,347)	(14,960)
Retirement benefits paid	(52)	-
Net cash generated from/(used in) operating activities	166,302	(102,707)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,324)	(18,986)
Proceeds from disposal of property, plant and equipment	50	47
Investment in subsidiaries	(193,153)	(74,438)
Investment in associated companies	(66,100)	(20,999)
Investment in jointly controlled entities	(16,499)	(66,977)
Interest received	19,413	13,571
Net cash used in investing activities	(259,613)	(167,782)
Cash flows from financing activities		
Drawdown of medium term notes	480,000	-
Repayment of bonds	(400,000)	-
Net drawdown of revolving credit	161,399	207,120
Proceeds from conversion of warrants	40,718	728,752
Net proceeds from exercise of ESOS	48,342	153,299
Dividend paid to shareholders	(370,312)	(378,088)
Net cash (used in)/generated from financing activities	(39,853)	711,083
Net (decrease)/increase in cash and cash equivalents	(133,164)	440,594
Cash and cash equivalents at beginning of year	509,427	68,833
Cash and cash equivalents at end of year (Note 25)	376,263	509,427

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

- 31 July 2008

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of the Bursa Malaysia Securities. The registered office and principal place of business of the Company is located at 78, Jalan SS22/21, Damansara Jaya, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are that of investment holding and civil engineering construction. The principal activities of the subsidiaries are described in Note 17. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 8 October 2008.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared on a historical basis unless otherwise indicated in the accounting policies below. The financial statements also comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards ("FRS") in Malaysia. During the financial year, the Company had adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 August 2007, as disclosed in Note 2.3.

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 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

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

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

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company. When the reporting dates of the Company and certain subsidiaries are different, the subsidiaries have prepared, for consolidation purposes, additional financial statements as of the same date as the financial statements of the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. A joint venture is deemed to be a subsidiary when the Group has power to exercise control over the financial and operating policies so as to obtain benefits therefrom. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Notes to the Financial Statements

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(a) Subsidiaries and basis of consolidation (cont'd)

(ii) Basis of consolidation (cont'd)

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

(b) Associated companies

Associated companies are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting. Under the equity method of accounting, the Group's share of profits less losses of associated companies during the financial year is included in the consolidated income statement. Where there has been a change recognised directly in the equity of the associated companies, the Group recognises its share of such changes. The Group's interest in associated companies is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition reserves.

Unrealised gains on transactions between the Group and the associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are eliminated unless the cost cannot be recovered. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associated company. The associated company is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associated company.

Goodwill relating to an associated company is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associated company's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associated company's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any long-term interests that, in substance, form part of the Group's net investment in the associated company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

The most recent available audited financial statements of the associated companies are used by the Group. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

Notes to the Financial Statements

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(b) Associated companies (cont'd)

In the Company's separate financial statements, investments in associated companies are stated at cost less impairment losses.

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

(c) Jointly controlled entities

The Group has interests in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Investments in jointly controlled entities are accounted for in the consolidated financial statements using the proportionate consolidation method of accounting. The Group combines its share of each of the assets, liabilities, income and expenses of the joint ventures with the similar items, line by line, in its consolidated financial statements. The financial statements of the joint ventures are prepared for the same reporting dates as the parent company using consistent accounting policies. When the reporting dates of the parent company and certain jointly controlled entities are different, the jointly controlled entities have prepared, for consolidation purposes, additional financial statements as of the same date as the financial statements of the parent company.

The joint ventures are proportionately consolidated until the date on which the Group ceases to have joint control over the joint ventures.

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

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

(d) Concession and quarry rights

Concession and quarry rights arising from acquisition of subsidiaries are attributable to costs incurred which are related to arrangements whereby the Group is able to obtain economic benefits over future years. The useful lives of the concession and quarry rights are assessed to be finite. Concession and quarry rights with finite life are amortised on a straight-line basis over the estimated useful economic life of 30 years. Concession and quarry rights are stated at cost less accumulated amortisation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(j).

(e) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Notes to the Financial Statements

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(e) Property, plant and equipment and depreciation (cont'd)

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

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

Certain freehold land 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 residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

(f) 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 measured initially at cost, including transaction costs.

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 2.2(e).

Investment properties are derecognised when 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 gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

(g) Motorway development expenditure

Motorway development expenditure ("MDE") is stated at cost less accumulated amortisation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(j). MDE comprises construction and development expenditure (including interest and fee charges relating to financing of the construction and development of the Motorway) incurred by the Group in connection with the Concession. Upon completion of the construction works of the Motorway and commencement of tolling operations, at each balance sheet date, the cumulative actual expenditure incurred is amortised to the income statement based on the following formula:

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

The projected total toll revenue of the Concession is based on the "base case" traffic volumes projected by an independent professional firm of traffic consultants in a projection study commissioned by the Group, taking into account the toll rates as provided in the Concession Agreement. The effects of changes in the estimates are included in the amortisation for the year.

Notes to the Financial Statements

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(h) 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 2.2(j).

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

(ii) Property development costs

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

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

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

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

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

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

(i) Construction contracts

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

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will 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.

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

Notes to the Financial Statements

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(j) 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 balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows 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 considered impaired and 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 loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and 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. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

An impairment loss is recognised as an expense in the income statement in the period in which it arises, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

(k) Inventories

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

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

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

Notes to the Financial Statements

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(I) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (Note 2.2(f)); and
- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(ii) Finance Leases - the Group as lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for lease assets is consistent with that for depreciable property, plant and equipment as described in Note 2.2(e).

(iii) Finance Leases - the Group as lessor

Assets sold by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less provision for doubtful debts. The lease receivable is included in the balance sheet as an asset. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease.

Lease payments are apportioned between the earned carrying charges and the reduction of the outstanding asset. Unearned carrying charges, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an income in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Notes to the Financial Statements

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(l) Leases (cont'd)

(iv) Operating Leases - the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. 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.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(v) Operating Leases - the Group as lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease (Note (p)(vii)). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(m) Provisions for liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(n) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

Notes to the Financial Statements

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(o) 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

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(iii) Defined benefit plans

The Group operates an unfunded Retirement Benefit Scheme ("the Scheme") for its eligible employees. The Group's obligation under the Scheme, calculated using the Projected Unit Credit Method, is determined based on actuarial computations by independent actuaries, through which the amount of benefit that employees have earned in return for their service in the current and prior years is estimated. That benefit is discounted in order to determine its present value.

The rate used to discount post-employment benefit obligations is determined by reference to market yields at the balance sheet date. Actuarial gains and losses are recognised as income or expense over the expected average remaining working lives of the participating employees when the cumulative unrecognised actuarial gains or losses for the Scheme exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of plan assets. Past service costs are recognised immediately to the extent that the benefits are already vested, and otherwise are amortised on a straight-line basis over the average period until the amended benefits become vested.

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

Notes to the Financial Statements

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(p) Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

(i) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.2(i).

(ii) Development properties

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

(iii) Sale of goods and services

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

(iv) Supply of water and related services

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

(v) Interest income

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

(vi) Dividend income

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

(vii) Rental income

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

(q) 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

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(q) Foreign currencies (cont'd)

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operation, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the operation, as appropriate.

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 results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the date of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

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

	2008 RM	2007 RM
United States Dollar	3.26	3.47
Indian Rupee	0.08	0.09
New Taiwan Dollar	0.11	0.11
Qatari Riyal	0.90	0.95
Bahraini Dinar	8.68	9.22
100 Vietnam Dong	0.02	0.02

Notes to the Financial Statements

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(r) Financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) Other non-current investments

Non-current investments other than investments in subsidiaries, associated companies, joint ventures and investment properties are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.2(j).

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

(iii) Marketable securities

Marketable securities consist of investment in private debt securities at cost, and are carried at the lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in income statement.

(iv) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(v) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(vi) Interest-bearing loans and borrowings

Interest-bearing bank loans and borrowings, including the Medium Term Notes ("MTN"), are recorded at the face value of the loan amount, net of transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(vii) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

Notes to the Financial Statements

2. Significant accounting policies (cont'd)

2.2 Summary of significant accounting policies (cont'd)

(s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of that borrowing.

The amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate which is the average of the borrowing costs applicable to the Group's borrowings that are outstanding during the financial year.

All other borrowing costs are recognised as an expense in the income statement in the period in which they are incurred.

2.3 Changes in accounting policies and effects arising from adoption of new and revised FRSs

On 1 August 2007, the Group and the Company adopted the following mandatory FRSs:

FRS, amendments to FRS and interpretations	Effective for financial periods beginning on or after
FRS 117 - Leases	1 October 2006
FRS 124 - Related Party Transactions	1 October 2006
FRS 6 - Exploration for and Evaluation of Mineral Resources	1 January 2007
Amendment to FRS 119 ²⁰⁰⁴ - Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007
Amendments to FRS 121: The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
FRS 107 - Cash Flow Statements	1 July 2007
FRS 111 - Construction Contracts	1 July 2007
FRS 112 - Income Taxes	1 July 2007
FRS 118 - Revenue	1 July 2007
FRS 120 - Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134 - Interim Financial Reporting	1 July 2007
FRS 137 - Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
IC Interpretation 1: Changes in Existing Decommissioning, Restoration & Similar Liabilities	1 July 2007
IC Interpretation 2: Members' Shares in Co-operative Entities & Similar Instruments	1 July 2007
IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration & Environmental Rehabilitation Funds	1 July 2007
IC Interpretation 6: Liabilities arising from Participating in a Specific Market - Waste Electrical & Electronic Equipment	1 July 2007
IC Interpretation 7: Applying the Restatement Approach under IAS 29 ²⁰⁰⁴ Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretation 8: Scope of FRS 2	1 July 2007

FRS 6 and IC Interpretation 2, 5, 6 and 7 are not relevant to the Group and the Company's operation.

Notes to the Financial Statements

2. Significant accounting policies (cont'd)

2.3 Changes in accounting policies and effects arising from adoption of new and revised FRSs (cont'd)

The adoption of the above FRSs does not result in significant changes in accounting policies of the Group and the Company, or any significant impact on the financial results and financial position of the Group and the Company, other than the adoption of FRS 124 which gives rise to additional disclosures and the adoption of FRS 117 as discussed below:

(a) FRS 117: Leases

Prior to 1 August 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid land lease payments and are amortised on a straight-line basis over the lease term.

The Group and the Company have applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 August 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid land lease payments as allowed by the transitional provisions. The reclassification of leasehold land as prepaid land lease payments has been accounted for retrospectively and as disclosed in Note 2.3(c), certain comparatives have been restated. The effects on the balance sheets as at 31 July 2008 are set out in Note 2.3(b). There were no effects on the income statements for the year ended 31 July 2008.

(b) Summary of effects and changes arising from adoption of FRS 117

The following table provides the effects and changes arising from the adoption of FRS 117 to each of the line items in the balance sheets for the financial year ended 31 July 2008.

	Increase/(Decrease) FRS 117 RM'000
Group	
Property, plant and equipment	(7,232)
Prepaid land lease payments	7,232
Company	
Property, plant and equipment	(855)
Prepaid land lease payments	855

Notes to the Financial Statements

2. Significant accounting policies (cont'd)

2.3 Changes in accounting policies and effects arising from adoption of new and revised FRSs (cont'd)

(c) Restatement of comparatives

The following comparative amounts have been restated arising from the effects of adopting FRS 117:

	Previously stated RM'000	Increase/ (Decrease) RM'000	Restated RM'000
Group			
At 31 July 2007			
Property, plant and equipment	301,879	(7,728)	294,151
Prepaid land lease payments	-	7,728	7,728
Company			
At 31 July 2007			
Property, plant and equipment	45,005	(877)	44,128
Prepaid land lease payments	-	877	877

2.4 Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, FRS 139: Financial Instruments: Recognition and Measurement which is effective for financial periods beginning on or after 1 January 2010, has not been applied by the Group and the Company.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

2.5 Significant accounting estimates

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet 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 of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of the property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescences and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment is based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimate of useful lives and residual values of property, plant and equipment brought about by changes in factors mentioned above. The Group also performs annual review of the assumptions made on useful lives and residual values to ensure that they continue to be valid.

Notes to the Financial Statements

2. Significant accounting policies (contd.)

2.5 Significant accounting estimates and judgements (contd.)

(b) Amortisation of motorway development expenditure ("MDE")

The cost of MDE is amortised over the concession period by applying the formula in Note 2.2(g). The denominator of the formula includes projected total toll revenue for subsequent years and is based on the latest available base case traffic volume projections prepared by independent traffic consultants multiplied by the toll rates in accordance with the Concession Agreement. The assumptions to arrive at the traffic volume projections take into consideration the growth rate based on current market and economical conditions. Changes in the expected traffic volume could impact future amortisation charges.

(c) Amount due from/(to) customers for construction contracts and property development

The Group and the Company recognise contract or property development revenue and expenses in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that contract or property development costs incurred for work performed to date compared to the estimated total contract or property development costs.

Significant judgement is required in determining the stage of completion, the extent of the contract or property development costs incurred, the estimated total contract or property development revenue and costs, as well as the recoverability of the contracts or development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

Where the total actual revenue and cost incurred are different from the total estimated revenue and cost incurred, such differences will impact the contract profit or losses recognised.

(d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised and unrecognised tax losses, capital allowances and other deductible temporary differences of the Group and of the Company are as disclosed in Note 31.

(e) Impairment of investments

At balance sheet date, management determines whether the carrying amounts of its investments are impaired. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include the use of discounted cash flow analysis, considering the current market value indicators and recent arms-length market transactions. These estimates provide reasonable approximations to the computation of recoverable amounts.

In performing discounted cash flow analysis, discount rate and growth rates used reflect, amongst others, the maturity of the business development cycle as well as the industry growth potential. The discount rate applied to the respective cash flow projections range between 6.19% to 8.72% (2007: 6.19% to 7.55%). The growth rates used to forecast the projected cash flow for the following year approximate the performances of the respective investments based on the latest available management accounts. The growth rate used to extrapolate the cash flow beyond the following year reflect a progressive decline to a rate lower than industry average, however a minimum growth rate of 4% to 7% (2007: 4% to 7%) is maintained.

Based on management's review, no further adjustments for impairment is required for the investments of the Group and the Company during the current financial year.

Notes to the Financial Statements

2. Significant accounting policies (contd.)

2.5 Significant accounting estimates and judgements (contd.)

(f) Recoverability assessment of cost capitalised for Nam Theun 1 Project

The total costs incurred for Nam Theun 1 Project amounted to RM75,232,000 as at year end. This amount is recoverable upon the finalisation of the new tariff with Electricity Generating Authority of Thailand ("EGAT").

As disclosed in Note 40(a), the Group is still in the midst of negotiating a new tariff with EGAT. The directors are of the opinion that this amount is recoverable as the new tariff is expected to be concluded within the next financial year.

Significant judgement is required in the assessment of the expected outcome of the negotiation of the new tariff with EGAT, which have financial impact if the amount is not recoverable.

(g) Recoverability of amount due from customers

Included in amount due from customers is an amount due from Wayss & Freytag (Malaysia) Sdn Bhd to a jointly controlled entity, MMC-Gamuda JV ("Joint Venture") amounting to RM41,500,000. This represents the Group's share of the total of RM83,000,000 for the cost incurred to complete the works as a result of the termination of the contract as disclosed in Note 38(b). The Joint Venture is in the midst of proceeding with arbitration.

The directors are of the opinion that this amount is recoverable as the Joint Venture has a high probability of succeeding in its claims against the W&F after consulting external legal counsel.

Significant judgement is required in the assessment of the expected outcome of this legal case, which have financial impact if the amount is not recoverable.

3. Revenue

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Engineering and construction contracts	1,570,837	905,016	257,039	150,102
Sales of development properties	472,810	370,932	-	-
Quarry sales	47,145	26,200	-	-
Trading of construction materials	160,540	51,902	-	-
Sales of manufactured products	36,386	55,793	-	-
Supply of water and related services	96,721	91,036	-	-
Dividend income	-	-	475,492	386,693
Appropriation of profits from unincorporated subsidiaries	-	-	149,862	37,022
Others	19,221	15,480	-	-
	2,403,660	1,516,359	882,393	573,817

Notes to the Financial Statements

4. Profit from operations

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Profit from operations is stated after charging:				
Amortisation of prepaid land lease payments (Note 14)	496	496	22	22
Amortisation of motorway development expenditure (Note 15)	838	-	-	-
Amortisation of concession and quarry rights (Note 16)	5,433	3,171	-	-
Auditors' remuneration				
- Statutory audits				
- Group's auditors	331	325	67	67
- Other auditors	164	58	-	-
- Other services	68	73	50	55
Hire of plant and equipment	380	213	-	-
Non-executive directors' fees (Note 6)	485	335	334	244
Property, plant and equipment written off	8	165	1	-
Provision for contracts	4,888	-	-	-
Provision for liabilities (Note 36)	-	12,161	-	-
Provision for doubtful debts	44	22	-	-
Rental expense of land	572	485	51	51
Rental expense of premises	1,532	1,202	687	551
Net foreign exchange losses	15,049	-	-	-
Profit from operations is stated after crediting:				
Reversal of provision for contracts	-	4,734	-	-
Reversal of provision for liabilities (Note 36)	5,012	-	-	-
Gain on disposal of property, plant and equipment	319	6,382	46	22
Interest income	24,623	21,731	19,413	13,571
Rental income				
- Subsidiaries	-	-	672	672
- Others	936	955	264	289
Net foreign exchange gains	-	-	15,196	781

5. Staff costs

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Wages and salaries	105,206	77,750	5,742	4,629
Directors' salaries and emoluments (Note 6)	5,164	4,810	4,296	4,539
Short term accumulating compensated absences	(220)	131	60	93
Pension costs-defined contribution plans	3,961	5,686	704	922
Pension costs-defined benefit plans	917	915	201	158
Share options granted under ESOS	13,453	8,530	13,453	8,530
Social security costs	361	366	42	37
Other staff related expenses	14,658	35,873	3,510	2,188
	143,500	134,061	28,008	21,096
Less: Amount capitalised in qualifying assets:				
Property development costs (Note 12)	(7,703)	(7,299)	-	-
Costs of construction contracts (Note 23)	(61,225)	(68,555)	-	-
	74,572	58,207	28,008	21,096

Notes to the Financial Statements

6. Directors' remuneration

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Directors				
Executive:				
Salaries and other emoluments	3,373	2,967	2,701	2,733
Bonus	663	433	525	396
Pension costs-defined contribution plans	445	376	387	376
Pension costs-defined benefit plan	133	133	133	133
Share options granted under ESOS	550	901	550	901
Benefits-in-kind	67	153	49	130
	5,231	4,963	4,345	4,669
Non-executive:				
Fees	485	335	334	244
Benefits-in-kind	79	62	74	62
	564	397	408	306
Total	5,795	5,360	4,753	4,975
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 5)	5,164	4,810	4,296	4,539
Total non-executive directors' remuneration excluding benefits-in-kind (Note 4)	485	335	334	244
Total directors' remuneration excluding benefits-in-kind	5,649	5,145	4,630	4,783

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

	Number of Directors	
	2008 RM'000	2007 RM'000
Executive directors:		
RM350,001 – RM400,000	1	1
RM500,001 – RM550,000	-	3
RM550,001 – RM600,000	2	-
RM600,001 – RM650,000	1	3
RM700,001 – RM750,000	3	-
RM900,001 – RM950,000	-	1
RM1,200,001 – RM1,250,000	1	-
	8	8
Non-executive directors:		
RM1 – RM50,000	2	4
RM50,001 – RM100,000	3	1
RM150,001 – RM200,000	1	1
	6	6
Total	14	14

Notes to the Financial Statements

7. Finance costs

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Interest expense on:				
Bonds	-	12,000	-	12,000
Murabahah medium term notes	25,510	15,943	8,672	-
Revolving credits	20,649	13,768	6,675	-
Others	10,917	8,682	-	2,960
	57,076	50,393	15,347	14,960
Less: Amount capitalised in qualifying assets:				
Motorway development expenditure (Note 15)	-	(7,230)	-	-
Property development costs (Note 12)	(18,162)	(14,000)	-	-
Costs of construction contracts (Note 23)	(13,974)	(9,294)	-	-
	24,940	19,869	15,347	14,960

8. Taxation

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Income tax:				
Malaysian income tax	114,516	54,662	134,639	106,432
Under/(Over) provision in prior years	18,231	(732)	18,028	13,142
	132,747	53,930	152,667	119,574
Deferred tax (Note 31):				
Relating to origination and reversal of temporary differences	(400)	1,203	4,688	(1,848)
Relating to changes in tax rate	596	847	85	287
Over provision in prior years	(1,057)	(4,232)	(35)	(1,789)
	(861)	(2,182)	4,738	(3,350)
	131,886	51,748	157,405	116,224

Domestic current income tax is calculated at the Malaysian statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 25% effective year of assessment 2009. The computation of deferred tax as at 31 July 2008 has reflected this change.

The corporate tax for Year of Assessment 2008/2007 for companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for the said Year of Assessment are as follows:

Chargeable income	Rate
First RM500,000 (2007: RM500,000)	20%
Amount exceeding RM500,000 (2007: RM500,000)	26%

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Notes to the Financial Statements

8. 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:

	2008 RM'000	2007 RM'000
Group		
Profit before taxation	470,814	276,561
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	122,412	74,671
Tax incentive obtained from differential tax rate of 20%	(431)	(276)
Effect of different tax rates in other countries	(303)	1,502
Deferred tax recognised at different tax rate	37	(203)
Effect of changes in tax rates on opening balance of deferred tax	559	1,050
Effect of group unrealised expenses	(910)	(270)
Income not subject to tax	(6,380)	(3,671)
Expenses not deductible for tax purposes	14,939	9,972
Effects of share of profits of associate companies	(45,098)	(34,850)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(1,392)	(1,698)
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	31,279	10,485
Overprovision of deferred tax in prior years	(1,057)	(4,232)
Under/(Over) provision of income tax in prior years	18,231	(732)
Tax expense for the year	131,886	51,748
Company		
Profit before taxation	658,594	376,699
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	171,234	101,709
Deferred tax recognised at different tax rate	(93)	68
Effect of changes in tax rates on opening balance of deferred tax	178	219
Income not subject to tax	(38,696)	(2,520)
Expenses not deductible for tax purposes	6,789	5,395
Over provision of deferred tax in prior year	(35)	(1,789)
Under provision of income tax in prior years	18,028	13,142
Tax expense for the year	157,405	116,224

Tax savings during the financial year arising from:

	Group	
	2008 RM'000	2007 RM'000
Utilisation of current year tax losses	32	53
Utilisation of previously unrecognised tax losses	1,438	1,881

Notes to the Financial Statements

9. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2008	2007 (restated)
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	325,078	185,428
Weighted average number of ordinary shares in issue ('000)	1,997,925	1,707,818
Basic earnings per share (sen)	16.27	10.86

The weighted average number of ordinary shares has been adjusted retrospectively to apply the bonus issue disclosed in Note 26(a), as required by FRS 133: Earnings Per Share.

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the effects of dilutive potential ordinary shares from exercise of ESOS and conversion of Warrants. The adjusted weighted average number of ordinary shares is the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares which would be issued on the full conversion of the outstanding 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.

	2008	2007 (restated)
Profit for the year (RM'000)	325,078	185,428
Weighted average number of ordinary shares in issue ('000)	1,997,925	1,707,818
Adjusted for:		
Assumed shares issued from the exercise of ESOS ('000)	12,956	10,716
Assumed shares issued from the conversion of Warrants 2001/2007 ('000)	-	7,482
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	2,010,881	1,726,016
Fully diluted earnings per share (sen)	16.17	10.75

The weighted average number of ordinary shares has been adjusted retrospectively to apply the bonus issue disclosed in Note 26(a), as required by FRS 133: Earnings Per Share.

10. Dividends

	Amount		Net Dividends per Ordinary Share	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Dividends paid in respect of:-				
Financial year ended 31 July 2006:-				
- Final dividend of 9% less 27% taxation	-	54,439	-	6
Financial year ended 31 July 2007:-				
- First interim dividend of 23% less 27% taxation	-	158,850	-	17
- Second interim dividend of 23% less 27% taxation	-	164,799	-	17
Financial year ended 31 July 2008:-				
- First interim dividend of 12.5% less 26% taxation	184,848	-	9	-
- Second interim dividend of 12.5% less 26% taxation	185,464	-	9	-
	370,312	378,088	18	40

Notes to the Financial Statements

11. Property, plant and equipment

Group	Land and buildings * RM'000	Construction -in-progress RM'000	Other property, plant and equipment ** RM'000	Total RM'000
At 31 July 2008				
Valuation/Cost				
At 1 August 2007	57,776	12,903	387,265	457,944
Additions	2,100	-	54,730	56,830
Disposals	-	-	(7,517)	(7,517)
Write-offs	-	-	(247)	(247)
Exchange differences	-	-	(12,803)	(12,803)
At 31 July 2008	59,876	12,903	421,428	494,207
Representing:				
At cost	59,301	12,903	421,428	493,632
At valuation	575	-	-	575
	59,876	12,903	421,428	494,207
Accumulated depreciation				
At 1 August 2007	2,093	-	161,700	163,793
Charge for the year:				
Recognised in income statement	729	-	11,233	11,962
Capitalised in property development costs (Note 12)	-	-	5,380	5,380
Capitalised in construction costs (Note 23)	-	-	35,258	35,258
Disposals	-	-	(3,454)	(3,454)
Write-offs	-	-	(239)	(239)
Exchange differences	-	-	(6,623)	(6,623)
At 31 July 2008	2,822	-	203,255	206,077
Net carrying amount				
At 31 July 2008				
At cost	56,705	12,903	218,173	287,781
At valuation	349	-	-	349
	57,054	12,903	218,173	288,130

Notes to the Financial Statements

11. Property, plant and equipment (cont'd)

Group	Land and buildings * RM'000	Construction -in-progress RM'000	Other property, plant and equipment ** RM'000	Total RM'000
At 31 July 2007				
Valuation/Cost				
At 1 August 2006	34,240	14,228	268,191	316,659
Additions	30,043	-	137,651	167,694
Disposals	(7,832)	-	(9,037)	(16,869)
Write-offs	-	-	(432)	(432)
Reclassification	1,325	(1,325)	-	-
Exchange differences	-	-	(9,108)	(9,108)
At 31 July 2007	57,776	12,903	387,265	457,944
Representing:				
At cost	57,201	12,903	387,265	457,369
At valuation	575	-	-	575
	57,776	12,903	387,265	457,944
Accumulated depreciation				
At 1 August 2006	2,801	-	124,818	127,619
Charge for the year:				
Recognised in income statement	414	-	11,886	12,300
Capitalised in property development costs (Note 12)	-	-	550	550
Capitalised in construction costs (Note 23)	-	-	34,829	34,829
Disposals	(1,122)	-	(8,486)	(9,608)
Write-offs	-	-	(267)	(267)
Exchange differences	-	-	(1,630)	(1,630)
At 31 July 2007	2,093	-	161,700	163,793
Net carrying amount				
At 31 July 2007				
At cost	55,324	12,903	225,565	293,792
At valuation	359	-	-	359
	55,683	12,903	225,565	294,151

Notes to the Financial Statements

11. Property, plant and equipment (cont'd)

* Land and buildings

Group	Freehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2008			
Valuation/Cost			
At 1 August 2007	15,810	41,966	57,776
Additions	-	2,100	2,100
At 31 July 2008	15,810	44,066	59,876
Representing:			
At cost	15,810	43,491	59,301
At valuation	-	575	575
	15,810	44,066	59,876
Accumulated depreciation			
At 1 August 2007	-	2,093	2,093
Charge for the year	-	729	729
At 31 July 2008	-	2,822	2,822
Net carrying amount			
At 31 July 2008			
At cost	15,810	40,895	56,705
At valuation	-	349	349
	15,810	41,244	57,054
At 31 July 2007			
Valuation/Cost			
At 1 August 2006	18,105	16,135	34,240
Additions	1,238	28,805	30,043
Disposal	(3,533)	(4,299)	(7,832)
Reclassification	-	1,325	1,325
At 31 July 2007	15,810	41,966	57,776
Representing:			
At cost	15,810	41,391	57,201
At valuation	-	575	575
	15,810	41,966	57,776
Accumulated depreciation			
At 1 August 2006	-	2,801	2,801
Charge for the year	-	414	414
Disposal	-	(1,122)	(1,122)
At 31 July 2007	-	2,093	2,093
Net carrying amount			
At 31 July 2007			
At cost	15,810	39,514	55,324
At valuation	-	359	359
	15,810	39,873	55,683

Notes to the Financial Statements

11. Property, plant and equipment (cont'd)

** Other property, plant and equipment

Group	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant, machinery and golf, gym and club house equipment RM'000	Total RM'000
At 31 July 2008				
Cost				
At 1 August 2007	39,297	31,840	316,128	387,265
Additions	7,643	6,543	40,544	54,730
Disposals	(1,001)	(491)	(6,025)	(7,517)
Write-offs	(68)	(176)	(3)	(247)
Exchange differences	(744)	(13)	(12,046)	(12,803)
At 31 July 2008	45,127	37,703	338,598	421,428
Accumulated depreciation				
At 1 August 2007	19,345	23,224	119,131	161,700
Charge for the year:				
Recognised in income statement	1,589	1,821	7,823	11,233
Capitalised in property development costs (Note 12)	681	1,111	3,588	5,380
Capitalised in construction costs (Note 23)	2,346	1,353	31,559	35,258
Disposals	(782)	(291)	(2,381)	(3,454)
Write-offs	(65)	(174)	-	(239)
Exchange differences	(888)	(625)	(5,110)	(6,623)
At 31 July 2008	22,226	26,419	154,610	203,255
Net carrying amount				
At 31 July 2008	22,901	11,284	183,988	218,173
At 31 July 2007				
Cost				
At 1 August 2006	24,865	26,305	217,021	268,191
Additions	15,832	6,737	115,082	137,651
Disposals	(840)	(983)	(7,214)	(9,037)
Write-offs	(171)	(257)	(4)	(432)
Exchange differences	(389)	38	(8,757)	(9,108)
At 31 July 2007	39,297	31,840	316,128	387,265
Accumulated depreciation				
At 1 August 2006	16,990	21,492	86,336	124,818
Charge for the year:				
Recognised in income statement	1,387	1,702	8,797	11,886
Capitalised in property development costs (Note 12)	135	150	265	550
Capitalised in construction costs (Note 23)	1,713	953	32,163	34,829
Disposals	(810)	(790)	(6,886)	(8,486)
Write-offs	(14)	(251)	(2)	(267)
Exchange differences	(56)	(32)	(1,542)	(1,630)
At 31 July 2007	19,345	23,224	119,131	161,700
Net carrying amount				
At 31 July 2007	19,952	8,616	196,997	225,565

Notes to the Financial Statements

11. Property, plant and equipment (cont'd)

Company	Land and buildings * RM'000	Construction -in-progress RM'000	Other property, plant and equipment ** RM'000	Total RM'000
At 31 July 2008				
Valuation/Cost				
At 1 August 2007	13,122	12,903	40,177	66,202
Additions	-	-	3,324	3,324
Disposals	-	-	(402)	(402)
Write-offs	-	-	(148)	(148)
At 31 July 2008	13,122	12,903	42,951	68,976
Representing:				
At cost	12,848	12,903	42,951	68,702
At valuation	274	-	-	274
	13,122	12,903	42,951	68,976
Accumulated depreciation				
At 1 August 2007	606	-	21,468	22,074
Charge for the year:				
Recognised in income statement	61	-	1,456	1,517
Capitalised in construction costs (Note 23)	-	-	2,405	2,405
Disposals	-	-	(398)	(398)
Write-offs	-	-	(147)	(147)
At 31 July 2008	667	-	24,784	25,451
Net carrying amount				
At 31 July 2008				
At cost	12,263	12,903	18,167	43,333
At valuation	192	-	-	192
	12,455	12,903	18,167	43,525

Notes to the Financial Statements

11. Property, plant and equipment (cont'd)

Company	Land and buildings * RM'000	Construction -in-progress RM'000	Other property, plant and equipment ** RM'000	Total RM'000
At 31 July 2007				
Valuation/Cost				
At 1 August 2006	13,122	12,903	21,470	47,495
Additions	-	-	18,986	18,986
Disposals	-	-	(221)	(221)
Write-offs	-	-	(58)	(58)
At 31 July 2007	13,122	12,903	40,177	66,202
Representing:				
At cost	12,848	12,903	40,177	65,928
At valuation	274	-	-	274
	13,122	12,903	40,177	66,202
Accumulated depreciation				
At 1 August 2006	540	-	19,277	19,817
Charge for the year:				
Recognised in income statement	66	-	1,072	1,138
Capitalised in construction costs (Note 23)	-	-	1,373	1,373
Disposals	-	-	(196)	(196)
Write-offs	-	-	(58)	(58)
At 31 July 2007	606	-	21,468	22,074
Net carrying amount				
At 31 July 2007				
At cost	12,318	12,903	18,709	43,930
At valuation	198	-	-	198
	12,516	12,903	18,709	44,128

Notes to the Financial Statements

11. Property, plant and equipment (cont'd)

* Land and buildings

Company	Freehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2008			
Valuation/Cost			
At 1 August 2007/31 July 2008	9,655	3,467	13,122
Representing:			
At cost	9,655	3,193	12,848
At valuation	-	274	274
	9,655	3,467	13,122
Accumulated depreciation			
At 1 August 2007	-	606	606
Charge for the year	-	61	61
At 31 July 2008	-	667	667
Net carrying amount			
At 31 July 2008			
At cost	9,655	2,608	12,263
At valuation	-	192	192
	9,655	2,800	12,455
Valuation/Cost			
At 1 August 2006/31 July 2007	9,655	3,467	13,122
Representing:			
At cost	9,655	3,193	12,848
At valuation	-	274	274
	9,655	3,467	13,122
Accumulated depreciation			
At 1 August 2006	-	540	540
Charge for the year	-	66	66
At 31 July 2007	-	606	606
Net carrying amount			
At 31 July 2007			
At cost	9,655	2,663	12,318
At valuation	-	198	198
	9,655	2,861	12,516

Notes to the Financial Statements

11. Property, plant and equipment (cont'd)

** Other property, plant and equipment

Company	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant, machinery and golf, gym and club house equipment RM'000	Total RM'000
At 31 July 2008				
Cost				
At 1 August 2007	9,099	13,558	17,520	40,177
Additions	486	584	2,254	3,324
Disposals	(394)	(8)	-	(402)
Write-offs	-	(148)	-	(148)
At 31 July 2008	9,191	13,986	19,774	42,951
Accumulated depreciation				
At 1 August 2007	6,230	11,483	3,755	21,468
Charge for the year:				
Recognised in income statement	372	373	711	1,456
Capitalised in construction costs (Note 23)	476	349	1,580	2,405
Disposals	(390)	(8)	-	(398)
Write-offs	-	(147)	-	(147)
At 31 July 2008	6,688	12,050	6,046	24,784
Net carrying amount				
At 31 July 2008	2,503	1,936	13,728	18,167
At 31 July 2007				
Cost				
At 1 August 2006	6,865	11,801	2,804	21,470
Additions	2,447	1,823	14,716	18,986
Disposals	(213)	(8)	-	(221)
Write-offs	-	(58)	-	(58)
At 31 July 2007	9,099	13,558	17,520	40,177
Accumulated depreciation				
At 1 August 2006	5,623	10,852	2,802	19,277
Charge for the year:				
Recognised in income statement	470	526	76	1,072
Capitalised in construction costs (Note 23)	325	171	877	1,373
Disposals	(188)	(8)	-	(196)
Write-offs	-	(58)	-	(58)
At 31 July 2007	6,230	11,483	3,755	21,468
Net carrying amount				
At 31 July 2007	2,869	2,075	13,765	18,709

Notes to the Financial Statements

11. Property, plant and equipment (cont'd)

** Other property, plant and equipment (cont'd)

- (a) Included in property, plant and equipment of the Group and of the Company are fully depreciated property, plant and equipment which are still in use costing RM79,255,000 (2007: RM81,600,000) and RM13,783,000 (2007: RM12,489,000) respectively.
- (b) 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	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Freehold land and buildings	1,295	1,377	948	978
Long term leasehold buildings	777	805	610	633
Short term leasehold buildings	125	106	-	-
	2,197	2,288	1,558	1,611

12. Land held for property development and property development costs

(a) Land held for property development

	Freehold land RM'000	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
Group				
Cost				
At 1 August 2007	370,893	6,217	171,333	548,443
Additions	38,311	-	31,624	69,935
Transfer to property development costs (Note 12(b))	(27,785)	(2,750)	(68,566)	(99,101)
At 31 July 2008	381,419	3,467	134,391	519,277
Cost				
At 1 August 2006	200,611	26,014	224,724	451,349
Additions	234,989	-	16,537	251,526
Transfer to property development costs (Note 12(b))	(64,707)	(19,797)	(69,928)	(154,432)
At 31 July 2007	370,893	6,217	171,333	548,443

Notes to the Financial Statements

12. 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 2008				
Cumulative property development costs				
At 1 August 2007	136,461	26,769	435,738	598,968
Costs incurred during the year	40,200	-	396,852	437,052
Transfer from land held for property development (Note 12(a))	27,785	2,750	68,566	99,101
Reversal of completed projects	(53,013)	(3,309)	(433,157)	(489,479)
Unsold units transferred to inventories	(4,363)	(440)	(32,206)	(37,009)
At 31 July 2008	147,070	25,770	435,793	608,633

Cumulative costs recognised in income statement

At 1 August 2007	(76,450)	(3,903)	(320,181)	(400,534)
Recognised during the year	(46)	(6,935)	(302,084)	(309,065)
Reversal of completed projects	53,013	3,309	433,157	489,479
At 31 July 2008	(23,483)	(7,529)	(189,108)	(220,120)

Property development costs at 31 July 2008	123,587	18,241	246,685	388,513
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At 31 July 2007

Cumulative property development costs

At 1 August 2006	159,145	30,376	796,835	986,356
Costs incurred during the year	34,127	-	324,707	358,834
Transfer from land held for property development (Note 12(a))	64,707	19,797	69,928	154,432
Reversal of completed projects	(107,642)	(21,960)	(675,503)	(805,105)
Unsold units transferred to inventories	(13,876)	(1,444)	(80,229)	(95,549)
At 31 July 2007	136,461	26,769	435,738	598,968

Cumulative costs recognised in income statement

At 1 August 2006	(146,840)	(19,850)	(782,396)	(949,086)
Recognised during the year	(37,252)	(6,013)	(213,288)	(256,553)
Reversal of completed projects	107,642	21,960	675,503	805,105
At 31 July 2007	(76,450)	(3,903)	(320,181)	(400,534)

Property development costs at 31 July 2007	60,011	22,866	115,557	198,434
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Included in property development costs incurred during the year are:

	Group	
	2008 RM'000	2007 RM'000
Finance costs (Note 7)	18,162	14,000
Depreciation (Note 11)	5,380	550
Staff costs (Note 5)	7,703	7,299

Notes to the Financial Statements

13. Investment properties

Group	Freehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2008			
Cost			
At 1 August 2007/31 July 2008	1,508	2,294	3,802
Accumulated depreciation			
At 1 August 2007	-	454	454
Depreciation charge for the year	-	60	60
At 31 July 2008	-	514	514
Net carrying amount			
At 31 July 2008	1,508	1,780	3,288
Fair value			
At 31 July 2008	3,202	3,939	7,141
At 31 July 2007			
Cost			
At 1 August 2006/31 July 2007	1,508	2,294	3,802
Accumulated depreciation			
At 1 August 2006	-	431	431
Depreciation charge for the year	-	23	23
At 31 July 2007	-	454	454
Net carrying amount			
At 31 July 2007	1,508	1,840	3,348
Fair value			
At 31 July 2007	3,459	3,275	6,734

Notes to the Financial Statements

13. Investment properties (cont'd)

Company	Freehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2008			
Cost			
At 1 August 2007/31 July 2008	5,697	7,560	13,257
Accumulated depreciation			
At 1 August 2007	-	1,493	1,493
Depreciation charge for the year	-	151	151
At 31 July 2008	-	1,644	1,644
Net carrying amount			
At 31 July 2008	5,697	5,916	11,613
Fair value			
At 31 July 2008	6,426	8,081	14,507
At 31 July 2007			
Cost			
At 1 August 2006/31 July 2007	5,697	7,560	13,257
Accumulated depreciation			
At 1 August 2006	-	1,342	1,342
Depreciation charge for the year	-	151	151
At 31 July 2007	-	1,493	1,493
Net carrying amount			
At 31 July 2007	5,697	6,067	11,764
Fair value			
At 31 July 2007	7,222	7,211	14,433

Notes to the Financial Statements

14. Prepaid land lease payments

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At beginning of year	7,728	8,224	877	899
Amortisation for the year	(496)	(496)	(22)	(22)
At end of year	7,232	7,728	855	877
Analysed as:				
Long term leasehold land	198	204	102	106
Short term leasehold land	7,034	7,524	753	771
	7,232	7,728	855	877

15. Motorway development expenditure

	Group	
	2008 RM'000	2007 RM'000
Cost		
At beginning of year	327,647	295,950
Additions	-	31,697
At end of year	327,647	327,647
Accumulated amortisation		
At beginning of year	-	-
Amortisation for the year	838	-
At end of year	838	-
Net carrying amount		
At end of year	326,809	327,647

Borrowing costs capitalised in the previous financial year under motorway development expenditure of the Group amounted to RM7,230,000.

16. Concession and quarry rights

	Group	
	2008 RM'000	2007 RM'000
Cost		
At beginning/end of year	95,048	95,048
Accumulated amortisation		
At beginning of year	21,426	18,255
Amortisation for the year	5,433	3,171
At end of year	26,859	21,426
Net carrying amount		
At end of year	68,189	73,622

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.

Notes to the Financial Statements

17. Subsidiaries

	Company	
	2008 RM'000	2007 RM'000
Unquoted shares, at cost	619,716	426,563
Less: Accumulated impairment losses	(16,290)	(16,290)
	603,426	410,273

Name of Company	Paid-up Capital RM	Proportion of ownership		Principal Activities
		2008 %	2007 %	
Subsidiaries incorporated in Malaysia				
Gammau Construction Sdn. Bhd.	6,000,000	100	100	Dormant
Gamuda Engineering Sdn. Bhd.	2,250,000	100	100	Civil engineering and construction
Megah Landscape Sdn. Bhd.	500,000	100	100	Supply of landscaping materials and provision of landscaping services
Gamuda Land Sdn. Bhd.	2	100	100	Dormant
Gamuda Paper Industries Sdn. Bhd.	18,000,000	95	95	Rental of properties
GPI Trading Sdn. Bhd.	2	95	95	Ceased operations
Gamuda Trading Sdn. Bhd.	109,000	100	100	Trading of construction materials
Gamuda Water Sdn. Bhd.	2,000,000	80	80	Operation and maintenance of water treatment plants
G.B. Kuari Sdn. Bhd.	750,000	100	100	Operation of quarry, laying of road and manufacture of premix
Ganaz Bina Sdn. Bhd.	3,000,000	100	100	Civil engineering and construction
GIT Services Sdn. Bhd.	100,000	100	100	Information technology services and trading
Jade Homes Sdn. Bhd.	1,980,000	100	100	Property investment and development
Jade Homes Resort Sdn. Bhd. ^ (formerly known as Parkland Greenery Sdn. Bhd. and Jade Homes Resort Sdn. Bhd.)	2	100	-	Dormant
Harum Intisari Sdn. Bhd.	6,450,000	100	100	Property investment and development
Bandar Botanic Resort Berhad	1,000,000	100	100	Proprietor and operator of a clubhouse
Botanic Property Services Sdn. Bhd.	2	100	100	Property maintenance services
GL (MM2H) Sdn. Bhd. (formerly known as Warna Sempurna Sdn. Bhd.)	50,000	100	100	Dormant
Masterpave Sdn. Bhd.	2,500,000	100	100	Manufacture, supply and laying of road surfacing materials

Notes to the Financial Statements

17. Subsidiaries (cont'd)

Name of Company	Paid-up Capital RM	Proportion of ownership		Principal Activities
		2008 %	2007 %	
Subsidiaries incorporated in Malaysia (cont'd)				
Megah Capital Sdn. Bhd.	2	100	100	Investment holding and trading
Megah Management Services Sdn. Bhd.	50,000	100	100	Insurance agency
Megah Sewa Sdn. Bhd.	100,002	100	100	Hire and rental of plant and machinery
Valencia Development Sdn. Bhd.	5,370,000	99	99	Property development
Valencia Township Sdn. Bhd.	2	99	99	Management of township and golf club and related maintenance services
Rebung Property Services Sdn. Bhd. *	2	99	99	Property maintenance services
Madge Mansions Sdn. Bhd.	599,000	100	100	Property investment and development
Reka Strategi Sdn. Bhd. *	2	100	100	Dormant
Idaman Lantas Sdn. Bhd. *	2	100	100	Dormant
Setara Hati Sdn. Bhd. *	2	100	100	Dormant
Jiwa Rangkaian Sdn. Bhd.	2	100	100	Dormant
Subsidiary incorporated in British Virgin Islands				
Gamuda Overseas Investment Ltd.	US\$100,000	100	100	Investment holding
Subsidiary incorporated in Mauritius				
Gamuda (Offshore) Private Limited *	US\$1,000	100	100	Investment holding
Subsidiary incorporated in India				
Gamuda (India) Private Limited *	Rps100,000	100	100	Dormant
Held by Gamuda (Offshore) Private Limited:				
Gamuda - WCT (India) Private Limited *	Rps100,000	70	70	Civil engineering and construction
Subsidiary incorporated in Saudi Arabia				
Gamuda Saudi Arabia L.L.C. *	SR500,000	100	100	Construction
Subsidiary incorporated in the Kingdom of Bahrain				
Gamuda (Bahrain) W.L.L *	BD20,000	100	99.5	Civil engineering and construction

Notes to the Financial Statements

17. Subsidiaries (cont'd)

Name of Company	Paid-up Capital RM	Proportion of ownership		Principal Activities
		2008 %	2007 %	
Subsidiary incorporated in the Socialist Republic of Vietnam				
Gamuda-NamLong Development Limited Liability Company * ^	USD4,667,143	70	-	Investment in construction of villas for sale and lease
Gamuda Land Vietnam Limited Liability Company * ^	USD7,300,000	100	-	To undertake the Yen So Park Development Project in Hanoi, Socialist Republic of Vietnam
Unincorporated subsidiaries				
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

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

^ Newly incorporated subsidiaries during the financial year

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.	To undertake 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.	To undertake civil engineering construction of the Western Kuala Lumpur Traffic Dispersal Scheme

Both GKTJV and GMMJV are unincorporated joint ventures formed under a contractual agreement. Pursuant to FRS 131: Financial Reporting of Interests in Joint Ventures, both GKTJV and GMMJV are deemed to be the subsidiaries of Gamuda Berhad by virtue of its power to exercise control over the financial and operating policies of the economic activities of these entities.

Acquisition of shares in subsidiary companies

On 17 January 2008, Jade Homes Sdn. Bhd., a wholly-owned subsidiary of the Company acquired the entire issued and paid-up share capital of Jade Homes Resort Berhad (formerly known as Parkland Greenery Sdn. Bhd. and Jade Homes Resort Sdn. Bhd.) comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00.

During the financial year, the Company subscribed for the entire issued and paid-up share capital of Gamuda Land Vietnam Limited Liability Company comprising 7,300,000 ordinary shares of USD1 each for a cash consideration of USD7,300,000 (RM23,549,600).

During the financial year, the Company also subscribed for 70% of the issued and paid-up share capital of Gamuda-NamLong Development Limited Liability Company comprising 3,267,000 ordinary shares of USD1 each for a cash consideration of USD3,267,000 (RM10,953,338).

There have been no significant effects of the acquisitions of ordinary shares of these subsidiaries on the financial results of the Group from the date of acquisitions to 31 July 2008.

Notes to the Financial Statements

18. Associated companies

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unquoted shares, in Malaysia:				
At cost:				
- Ordinary shares	142,185	142,185	142,185	142,185
- Redeemable preference shares	547,625	547,625	547,625	547,625
	689,810	689,810	689,810	689,810
Group's share of post-acquisition reserves	64,805	177,604	-	-
Less: Accumulated impairment losses	(28,235)	(28,235)	(69,885)	(69,885)
	726,380	839,179	619,925	619,925
Unquoted shares, outside Malaysia:				
At cost:				
- Ordinary shares	11	11	-	-
- Redeemable preference shares	183,134	183,134	-	-
	183,145	183,145	-	-
Group's share of post-acquisition reserves	60,708	41,641	-	-
	243,853	224,786	-	-
	970,233	1,063,965	619,925	619,925
Quoted shares, outside Malaysia:				
At cost:				
- Ordinary shares	268,055	201,955	268,055	201,955
Group's share of post-acquisition capital reserves	85,775	52,959	-	-
Group's share of post-acquisition profits, net of dividends receivable	186,759	157,040	-	-
	540,589	411,954	268,055	201,955
	1,510,822	1,475,919	887,980	821,880
Market value:				
Quoted shares, in Malaysia	753,611	832,176	753,611	832,176

Notes to the Financial Statements

18. Associated companies (cont'd)

The Group's interests in the associated companies are analysed as follows:

Name of Company	Paid-up Capital RM	Proportion of ownership		Principal Activities
		2008 %	2007 %	
Associated companies incorporated in Malaysia				
Syarikat Pengeluar Air Selangor Holdings Berhad	172,300,000	40	40	Investment holding and provision of management services
Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd.	50,000,001	40	40	Concession holder of Sungai Selangor Water Supply Scheme Phases 1 and 3
Hicom-Gamuda Development Sdn. Bhd.	6,053,004	50	50	Property development
Danau Permai Resort Berhad *	5,500,000	50	50	Owner and operator of a golf club
Kota Kemuning Nursery & Landscaping Sdn. Bhd.	800,000	50	50	Supply of landscaping materials and provision of landscaping services
HGD Property Services Sdn. Bhd.	2	50	50	Property maintenance services
HGD Properties Sdn. Bhd.	2	50	50	Dormant
Kesas Holdings Berhad	470,914,840	30	30	Investment holding
Kesas Sdn. Bhd.	5,000,000	30	30	Concession holder of an expressway
Lingkar Trans Kota Holdings Berhad (Quoted shares in Malaysia)	494,329,618	46	43	Investment holding and provision of management services
Lingkar Trans Kota Sdn. Bhd.	50,000,000	46	43	Concession holder of an expressway
Penyenggaraan Litrak Sdn. Bhd.	2	46	43	Highway maintenance
Sukma Sinaran Sdn. Bhd.	2	46	43	Investment holding
Litrak Sdn. Bhd.	2	46	43	Dormant
Semarak Zaman Sdn. Bhd.	2	46	43	Dormant
Midawasa Sdn. Bhd.	1,000	46	43	Investment holding
Madang Permai Sdn. Bhd. *	5,000,000	36	36	Concession holder of an expressway
Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd.	11,540,000	53	52	Investment holding
Sistem Penyuraian Trafik KL Barat Sdn. Bhd.	50,000,000	53	52	Concession holder of an expressway
Held by Kesas Holdings Berhad, Lingkar Trans Kota Holdings Berhad and Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd.				
ETC Links Sdn. Bhd.	600,003	43	42	Rental of software and related equipment
Dyna Plastics Sdn. Bhd. *	48,001,720	41	41	Ceased operations

Notes to the Financial Statements

18. Associated companies (cont'd)

Name of Company	Paid-up Capital RM	Proportion of ownership		Principal Activities
		2008 %	2007 %	
Associated companies incorporated in Mauritius				
Held by Gamuda (Offshore) Private Limited:				
Suria Holding (O) Pvt. Ltd. * #	US\$13,909,096	50	50	Investment holding
Gamuda - WCT (Offshore) Private Limited * #	US\$13,484,429	50	50	Investment holding
Associated companies incorporated in India				
Held by Suria Holding (O) Pvt. Ltd.:				
Emas Expressway Private Limited *	Rps1,008,840,570	50	50	Concession holder of an expressway
Held by Gamuda - WCT (Offshore) Private Limited:				
Mapex Infrastructure Private Limited *	Rps1,695,999,270	50	50	Concession holder of an expressway

* Audited by firms other than Ernst & Young

Financial year end of 31 July

All associated companies have financial year end of 31 March, other than those marked with #. For the purpose of applying the equity method of accounting for associated companies with financial year end of 31 March, the last audited financial statements available and the management financial statements to the end of the accounting period of the associated companies have been used.

During the financial year, the Group acquired an additional 3.07% equity interest in Lingkar Trans Kota Holdings Berhad for a total cash consideration of RM66,100,000.

The summarised financial information of the associated companies are as follows:

	2008 RM'000	2007 RM'000
Assets and liabilities		
Current assets	943,028	803,789
Non-current assets	3,703,745	3,748,949
Total assets	4,646,773	4,552,738
Current liabilities	259,851	258,334
Non-current liabilities	2,959,763	2,892,470
Total liabilities	3,219,614	3,150,804
Results		
Revenue	657,023	616,342
Profit for the year	173,452	129,074

The goodwill, at cost, included within the Group's carrying amount of investment in associated companies amounts to RM83,663,000 (2007: RM73,985,000).

Notes to the Financial Statements

19. Jointly controlled entities

	Company	
	2008 RM'000	2007 RM'000
Unquoted shares, at cost	224,476	207,977

Details of the jointly controlled entities are as follows:

Name of jointly controlled entities	Proportion of ownership		Economic activity
	2008 %	2007 %	
Unincorporated in Malaysia			
Malaysia Mining Corporation Berhad - Gamuda Berhad Joint Venture ("MMC - Gamuda JV")	50	50	To 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	50	50	To undertake engineering, procurement and construction of the Electrified Double-Tracking from Ipoh to Padang Besar Project
Incorporated in Malaysia			
Projek Smart Holdings Sdn. Bhd.	50	50	Investment holding
Syarikat Mengurus Air Banjir & Terowong Sdn. Bhd.	50	50	Undertake, carry out and implement integrated Bypass Tunnel cum Motorway in Kuala Lumpur
MMC-Gamuda Joint Venture Sdn. Bhd.	50	50	Undertake, carry out and implement the Electrified Double-Tracking from Ipoh to Padang Besar Project
Horizon Hills Development Sdn. Bhd.	50	50	To undertake and carry out a mixed development mainly for residential purposes and a golf club in Johor Darul Takzim
Horizon Hills Resort Berhad	50	50	Proprietor and operator of a golf club
Unincorporated in Taiwan			
New Asia Construction & Development Corporation - Gamuda Berhad Joint Venture ("New Asia - Gamuda JV") *	50	50	To 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	To 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	To 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	To supply materials for the construction of the New Doha International Airport in the State of Qatar

* Audited by firms other than Ernst & Young

^ Audited by member firms of Ernst & Young Global in the respective countries

The financial statements have been prepared on a going concern basis as the Joint Venture partners have agreed to provide adequate financial support

Notes to the Financial Statements

19. Jointly controlled entities (cont'd)

The Group's aggregate share of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses of the jointly controlled entities, which are included in the consolidated financial statements is as follows:

	2008 RM'000	2007 RM'000
Assets and liabilities		
Current assets	1,522,549	604,338
Non-current assets	510,400	522,026
Total assets	2,032,949	1,126,364
Current liabilities	(1,717,131)	(758,315)
Non-current liabilities	(161,500)	(196,500)
Total liabilities	(1,878,631)	(954,815)
Results		
Revenue	1,267,984	889,929
Expenses, net	1,134,605	938,774

20. Other investments

	Group and Company 2008 RM'000	2007 RM'000
At cost		
Quoted shares, in Malaysia *	3	3
Unquoted shares, in Malaysia	50	50
Investment in transferable club memberships	683	683
	736	736
Accumulated impairment loss of investment in quoted shares, in Malaysia	(3)	(3)
	733	733
Market value		
Quoted shares, in Malaysia	10	-

* The shares has been suspended from trading since 2001 and resumed in trading effective from 2008.

21. Inventories

	Group 2008 RM'000	2007 RM'000
Cost:		
Raw materials	54,446	34,051
Finished goods	168	2,409
Crusher run and aggregates	2,022	1,190
Consumable stores and spares	4,975	6,218
Properties held for sale	41,287	87,478
	102,898	131,346
Net realisable value:		
Properties held for sale	7,224	9,149
	110,122	140,495

Notes to the Financial Statements

22. Receivables

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

		Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current	(a)	1,624,370	888,085	108,411	106,747
Non-current	(b)	42,433	27,166	-	-
		1,666,803	915,251	108,411	106,747
(a) Current					
Trade receivables					
Trade receivables	(i)	1,019,380	370,397	67,003	11,277
Associated companies		9,929	33,555	-	-
Joint ventures		11,196	6,240	-	744
Retention sums		110,875	57,140	-	13,826
Accrued billing		19,678	16,098	-	-
Due from customers on contracts (Note 23)		304,635	238,085	21,893	12,762
		1,475,693	721,515	88,896	38,609
Less: Provision for doubtful debts		(559)	(515)	-	-
		1,475,134	721,000	88,896	38,609
Other receivables					
Associated companies		54,359	62,536	116	318
Joint ventures		17,608	18,367	10,434	44,387
Deposits		9,623	19,565	780	406
Prepayments		10,714	12,343	7,133	6,131
Sundry receivables	(ii)	56,932	54,274	1,052	16,896
		149,236	167,085	19,515	68,138
		1,624,370	888,085	108,411	106,747

(i) Trade receivables

Included in the trade receivables, is an amount due from the Government of Malaysia ("GOM") on construction contract of the Stormwater Channel and Motorway Works as follows:

	Group	
	2008 RM'000	2007 RM'000
Amount due from the Government on:		
- Progress billings on construction contract	611,559	611,559
- Land acquisition costs	38,499	38,499
Interest receivable	650,058	650,058
	93,719	75,858
Total amount due from the Government	743,777	725,916
(Off set with): - SMARTSB MTN	(635,291)	(635,291)
- Interest payable on SMARTSB MTN	(93,719)	(75,858)
	14,767	14,767

Notes to the Financial Statements

22. Receivables (cont'd)

(a) Current (cont'd)

(i) Trade receivables (cont'd)

To acknowledge its debts due, the GOM shall, from time to time, issue a Facility Payment Certificate ("FPC"), in which a jointly controlled entity, Syarikat Mengurus Air Banjir & Terowong Sdn. Bhd. ("SMARTSB") can sell, assign or transfer to another person (provided that the GOM has consented to such sale, assignment or transfer and received notice of the same). As part of the terms of the FPC, the GOM unconditionally and irrevocably agree and undertake to pay SMARTSB or, if the FPC has been sold, transferred or assigned to another person, to such person, the Net Amount Due as stated in the FPC. The Net Amount Due shall upon assignment, transfer or sale be conclusive evidence of a debt due and payable by the GOM to the assignee and payment of monies under the FPC shall be made without deduction, set-off or adjustments on any account.

On 4 August 2004, SMARTSB entered into an agreement with the Primary Subscriber to issue Medium Term Notes ("SMARTSB MTN") to finance the construction and land acquisition costs relating to the Stormwater Channel. The SMARTSB MTN is to be issued from time to time upon terms and conditions as agreed with the Primary Subscriber, and upon the assignment of all SMARTSB's rights, interests, title and benefits in and to each of the FPC mentioned above to the Primary Subscriber. The SMARTSB MTN is a zero coupon note and is to be issued at a discount by SMARTSB.

The details of security arrangement in connection with the SMARTSB MTN are as follows:

1. Fixed and floating charge over all the assets and property of SMARTSB in relation to the Stormwater Channel Project.
2. An assignment of SMARTSB's rights, interests, title and benefits in and to each FPC and acknowledgement of the GOM to such assignment of FPC linked to the issuance of SMARTSB MTN.

As at the balance sheet date, SMARTSB has issued SMARTSB MTN with a nominal amount of RM827,062,000 (2007: RM827,062,000). The net proceeds received from the issuance of SMARTSB MTN have been used to off set against the amount due from the GOM.

The breakdown of SMARTSB MTN issued are as follows:

	Group	
	2008 RM'000	2007 RM'000
Principal amount:		
- Construction costs	596,792	596,792
- Land acquisition costs	38,499	38,499
Total off set against trade receivable	635,291	635,291
Yield to maturity	191,771	191,771
Nominal value	827,062	827,062

The Group's and the Company's normal trade credit term ranges from 14 to 90 days (2007: 14 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Notes to the Financial Statements

22. Receivables (cont'd)

(a) Current (cont'd)

(ii) Sundry receivables

The lease receivable included in sundry receivables is as follows:

	Group	
	2008 RM'000	2007 RM'000
Gross receivables	10,773	-
Less: Unearned carrying charges	(880)	-
	9,893	-
Minimum lease receivables:		
Not later than 1 year	3,413	-
Later than 1 year and not later than 5 years	7,360	-
	10,773	-
Less: Unearned carrying charges	(880)	-
	9,893	-
Present value of lease receivables:		
Not later than 1 year	3,017	-
Later than 1 year and not later than 5 years	6,876	-
	9,893	-

The tenure and the finance charge of the finance leases are 42 months and 5.85% respectively.

The non-trade amount due from joint ventures is in respect of advances for construction contracts and the amount is unsecured, interest free and repayable through contra with future progress billings.

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

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors, other than an amount due from the Government amounting to RM621,716,000 (2007: Nil).

(b) Non-current

		Group	
		2008 RM'000	2007 RM'000
Amount due from an associated company	(i)	25,039	27,166
Amount due from a third party	(ii)	17,394	-
		42,433	27,166

(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 is repayable in ten annual instalments commencing December 2006.

(ii) Amount due from a third party

During the year, a subsidiary of the Group disposed of a land to a third party. The amount due from a third party represents present value of future cash flows repayable to the subsidiary in three instalments commencing July 2009, analysed as follows:

	Group	
	2008 RM'000	2007 RM'000
Receivable within 1 year	20,445	-
Receivable later than 1 year and not later than 5 years	17,394	-
	37,839	-

Notes to the Financial Statements

23. Amount due from/(to) customers on contracts

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Construction contract costs incurred to date	4,779,201	7,029,414	1,201,180	2,064,704
Recognised profits less recognised losses	227,764	811,700	79,126	164,342
Progress billings received and receivable	(4,719,854)	(7,671,019)	(1,258,413)	(2,227,467)
	287,111	170,095	21,893	1,579
Represented by:				
Due from customers on contracts (Note 22)	304,635	238,085	21,893	12,762
Due to customers on contracts (Note 34)	(17,524)	(67,990)	-	(11,183)
	287,111	170,095	21,893	1,579

Included in amount due from/(to) customers on contracts is provision for contracts amounting to RM26,816,000 (2007: RM21,928,000).

The Group made an additional provision for contracts of RM4,888,000 during the current financial year in view of the expected increased costs from escalating material costs in relation to an overseas contract.

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Finance costs (Note 7)	13,974	9,294	-	-
Depreciation (Note 11)	35,258	34,829	2,405	1,373
Staff costs (Note 5)	61,225	68,555	-	-
Hire of plant and equipment	54,535	46,582	-	-
Rental of premises	14	20	-	-

24. Due from subsidiaries

	Company	
	2008 RM'000	2007 RM'000
Due from subsidiaries		
- trade	848,669	510,888
- non-trade	716,895	586,645
	1,565,564	1,097,533

Included in amount due from subsidiaries is an amount due from an unincorporated subsidiary of RM22,421,000 (2007: RM36,235,000).

The trade amounts due from subsidiaries have a normal credit term which ranges from 30 to 90 days (2007: 30 to 90 days).

The non-trade amounts due from subsidiaries are unsecured, interest free and are repayable on demand except for advances of RM182,820,000 (2007: RM5,895,000) given to subsidiaries which attracted interest of 6.0% to 7.0% (2007: 6.0% to 7.0%) per annum.

Notes to the Financial Statements

25. Cash and bank balances

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash on hand and at banks	240,790	276,381	11,542	14,030
Deposits with licensed banks	604,820	703,888	364,721	495,397
	845,610	980,269	376,263	509,427

Included in cash at banks of the Group is an amount of RM110,293,000 (2007: RM119,807,000) which are Housing Development Accounts held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

The weighted average effective interest rates as at balance sheet date were as follows:

	Group		Company	
	2008 %	2007 %	2008 %	2007 %
Licensed banks	3.31	3.47	3.41	3.57

The range of maturities of deposits as at balance sheet date were as follows:

	Group		Company	
	2008 Days	2007 Days	2008 Days	2007 Days
Licensed banks	1 - 365	1 - 365	1 - 35	1 - 90

26. Share capital

	Number of ordinary shares of RM1 each		Amount	
	2008 '000	2007 '000	2008 RM'000	2007 RM'000
Authorised:				
At beginning/end of year	3,000,000	2,000,000	3,000,000	2,000,000
Issued and fully paid:				
At beginning of year	981,528	753,232	981,528	753,232
Exercise of ESOS	17,667	42,482	17,667	42,482
Conversion of warrants	10,858	185,814	10,858	185,814
Bonus issue	994,963	-	994,963	-
At end of year	2,005,016	981,528	2,005,016	981,528

Notes to the Financial Statements

26. Share capital (cont'd)

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 RM981,528,493 (2007: RM753,232,144) to RM2,005,016,108 (2007: RM981,528,493) via the issuance of:
- (i) 994,963,054 (2007: Nil) new ordinary shares of RM1.00 each pursuant to the Company's bonus issue on the basis of one bonus share for every existing share;
 - (ii) 17,667,000 (2007: 42,482,000) new ordinary shares of RM1.00 each pursuant to the Company's ESOS; and
 - (iii) 10,857,561 (2007: 185,814,349) new ordinary shares of RM1.00 each pursuant to the conversion of Warrants 2001/2007.
- (b) The total number of warrants converted and expired during the year is as follows:

	Warrants 1996/2006		Warrants 2001/2007	
	2008 '000	2007 '000	2008 '000	2007 '000
At beginning of year	-	71,138	11,310	127,670
Converted	-	(69,454)	(10,858)	(116,360)
Expired	-	(1,684)	(452)	-
At end of year	-	-	-	11,310

The Warrants 1996/2006 and Warrants 2001/2007 lapsed on 29 December 2006 and 21 August 2007 respectively. Further details of the Warrants 2001/2007 are disclosed in the Directors' Report.

- (c) The Gamuda Berhad Employees' Share Options Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 5 July 2006. The ESOS was implemented on 6 July 2006.

The principal features of the ESOS are as follows:

- (i) Eligible employees are full-time monthly paid employees and Executive Directors of the Group (including contract and non-Malaysian employees with a minimum three years of contract of service) whose employment has been confirmed. The selection of eligible employee for participation in the ESOS shall be at the discretion of the Options Committee.
- (ii) The ESOS shall be in force for a period of 5 years from 6 July 2006 subject however to any extension or renewal for a further period of not exceeding 5 years commencing from the day after the date of expiration of the original 5 years period as may be approved by all relevant parties.
- (iii) The total number of shares to be offered shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time during the duration of the ESOS.
- (iv) The subscription price under the ESOS shall be the weighted average market price of the shares as shown in the Daily Official List issued by the Bursa Malaysia Securities Berhad for the 5 market days immediately preceding the date of offer of the options subject to a discount of not more than 10%, or at par value of the share, whichever is higher.
- (v) The aggregate number of shares to be offered to an eligible employee in accordance with the ESOS shall be determined at the discretion of the Options Committee after taking into consideration, amongst other factors, the position, performance, seniority and the length of service that the eligible employee has rendered and subject to the maximum allowable allotment of shares for each eligible employee.
- (vi) The number of shares under the ESOS which remained unexercised or the option price or both may be adjusted following any alteration in the capital structure of the Company during the option period, whether such alteration is by way of capitalisation of profits or reserves, right issues, consolidation of shares, sub-division of shares or reduction of capital or otherwise howsoever taking place, made by the Company.

Notes to the Financial Statements

26. Share capital (cont'd)

- (c) The Gamuda Berhad Employees' Share Options Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 5 July 2006. The ESOS was implemented on 6 July 2006. (cont'd)

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

- (vii) The options shall not carry any right to vote at any general meeting of the Company and a grantee shall not be entitled to any dividends, right or other entitlements on his unexercised options.
- (viii) The options granted under ESOS are not assignable.
- (ix) There is no restriction on the employee in exercising and selling their Gamuda Shares which were allotted and issued pursuant to the exercise of their options.

If the net proceeds from the disposal is less than the Exercise Value (being the Exercise Price multiplied by the number of Gamuda Shares sold), the entire net proceeds will be released to the employee.

However, if the net proceeds is more than the Exercise Value, an amount equivalent to the Exercise Value will be released to the employee. The balance proceeds not released to the employee will be placed in an interest bearing account for the benefit of the employee. The balance proceeds (being the net proceeds less Exercise Value) together with the attributable interest, if any, will be released to the employee over the period of the scheme at a rate of 20% per annum 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.
- (xii) Options to subscribe for ordinary shares of RM1.00 each under ESOS were granted in the following phases:

Grant date	Exercise price (before bonus issue) RM	Exercise price (after bonus issue) RM	Number of options (before bonus issue) '000	Number of options (after bonus issue) '000	Exercise period
6 July 2006	3.46	1.73	52,590	63,436	6 July 2006 - 5 July 2011
15 January 2007	5.20	2.60	9,290	14,052	15 January 2007 - 5 July 2011
8 August 2007	7.26	3.63	17,592	34,693	8 August 2007 - 5 July 2011
24 March 2008	-	2.98	-	11,852	24 March 2008 - 5 July 2011

- (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:

	2008 RM'000	2007 RM'000
Ordinary shares	17,667	42,482
Share premium	30,675	110,817
Aggregate proceeds received on shares issued	48,342	153,299
Aggregate fair value of ordinary shares at exercise date	81,613	155,630

Notes to the Financial Statements

26. Share capital (cont'd)

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

ESOS exercise price (after bonus issue)	Number of Share Options							Outstanding and exercisable at 31 July 2008 '000
	Outstanding at 1 August 2007 '000	<----- Movement during the year ----->					Resigned '000	
		Granted (before bonus issue) '000	Exercised (before bonus issue) '000	Bonus issue '000	Granted (after bonus issue) '000	Exercised (after bonus issue) '000		
RM1.73	13,019	-	(1,672)	10,846	-	(8,213)	(1,423)	12,557
RM2.60	5,255	-	(524)	4,852	-	(2,045)	(511)	7,027
RM3.63	-	17,592	(381)	17,101	-	(4,832)	(1,289)	28,191
RM2.98	-	-	-	-	11,852	-	-	11,852
	18,274	17,592	(2,577)	32,799	11,852	(15,090)	(3,223)	59,627
WAEP	3.96	7.26	4.38	2.85	2.98	2.46	2.63	2.98

	Number of Share Options				
ESOS exercise price	Outstanding at 1 August 2006 '000	<----- Movement during the year ----->			Outstanding and exercisable at 31 July 2007 '000
		Granted '000	Exercised '000	Resigned '000	
RM3.46	52,590	-	(38,855)	(716)	13,019
RM5.20	-	9,200	(3,627)	(318)	5,255
	52,590	9,200	(42,482)	(1,034)	18,274
WAEP	3.46	5.20	3.61	4.00	3.96

(f) The fair value of share options granted during the year was estimated by an external valuer using a binomial model, taking into account of the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

ESOS				
Option price, before bonus issue (RM)	3.46	5.20	7.26	-
Option price, after bonus issue (RM)	1.73	2.60	3.63	2.98
Fair value of share options, before bonus issue at the following grant dates:				
- 6 July 2006 (RM)	0.46	-	-	-
- 15 January 2007 (RM)	-	0.58	-	-
- 8 August 2007 (RM)	-	-	0.78	-
Fair value of share options, after bonus issue at the following grant dates:				
- 6 July 2006 (RM)	0.23	-	-	-
- 15 January 2007 (RM)	-	0.29	-	-
- 8 August 2007 (RM)	-	-	0.39	-
- 24 March 2008 (RM)	-	-	-	0.18
Weighted average share price (RM)	4.54	4.60	4.78	-
Expected volatility	30.00%	30.00%	30.00%	40.00%
Risk free rate (%)	4.22%	3.56%	3.43%	3.38%
Expected dividend yield (%)	3.2%	3.3%	5.0%	5.0%

The expected volatility is based on historical data and is not necessarily indicative of exercise patterns that may occur.

Notes to the Financial Statements

27. Other reserves (non-distributable)

	Group	
	2008 RM'000	2007 RM'000
Capital reserve		
At beginning of year	52,959	50,129
Movement in capital reserve in an associated company	32,816	2,830
At end of year	85,775	52,959
Foreign exchange reserve		
At beginning of year	(10,610)	(6,249)
Currency translation differences	13,985	(4,361)
At end of year	3,375	(10,610)
Total other reserves	89,150	42,349

28. Retained profits

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007. As at 31 July 2008, the Company has sufficient credit in the Section 108 balance to pay franked dividends out of its entire retained earnings.

29. Retirement benefit obligations

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its employees. Under the Scheme, eligible employees are entitled to retirement benefits of 2.5% on the last drawn monthly basic salary for each completed months of services on attainment of the retirement age of 55.

The amounts recognised in the balance sheet are determined as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Present value of unfunded defined benefit obligations	8,364	6,855	2,807	2,345
Unrecognised actuarial gains, net	113	654	-	180
Net liability	8,477	7,509	2,807	2,525
Analysed as:				
Current (Note 34)	168	137	64	-
Non-current:				
Later than 1 year but not later than 2 years	434	108	234	20
Later than 2 years but not later than 5 years	2,323	844	1,269	47
Later than 5 years	5,552	6,420	1,240	2,458
Amount included in other payables (Note 30)	8,309	7,372	2,743	2,525
	8,477	7,509	2,807	2,525

Notes to the Financial Statements

29. Retirement benefit obligations (cont'd)

The amounts recognised in the income statements are as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current service cost	416	425	-	163
Interest cost	477	410	175	128
Transitional asset	157	213	159	-
Total, included in staff costs (Notes 5 and 6)	1,050	1,048	334	291

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At beginning of year	7,509	6,560	2,525	2,234
Recognised in income statement	1,050	1,048	334	291
Contributions paid	(82)	(99)	(52)	-
At end of year	8,477	7,509	2,807	2,525

Principal actuarial assumptions used:

	2008 %	2007 %
Discount rate	6.3	6.3
Expected rate of salary increases	6.0	6.0
Price inflation	3.5	3.5

30. Other payables

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Advance membership fees (a)	4,427	1,334	-	-
Balance purchase consideration (b)	16,000	48,000	-	-
Retirement benefit obligations (Note 29)	8,309	7,372	2,743	2,525
	28,736	56,706	2,743	2,525

(a) Advance membership fees

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 on a fixed annualised basis over the duration of the membership.

(b) Balance purchase consideration

This is the balance purchase consideration for the purchase of freehold land for development by a subsidiary in the previous financial year. The conditions precedent have been fulfilled in the current financial year and the balance purchase consideration is payable in eight instalments over three years from the unconditional date.

Notes to the Financial Statements

31. Deferred tax

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At beginning of year	4,633	6,815	(4,629)	(1,279)
Recognised in income statement (Note 8)	(861)	(2,182)	4,738	(3,350)
At end of year	3,772	4,633	109	(4,629)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(13,777)	(16,021)	-	(4,629)
Deferred tax liabilities	17,549	20,654	109	-
	3,772	4,633	109	(4,629)

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:

	Accelerated capital allowances RM'000	Receivables RM'000	Others RM'000	Total RM'000
At 1 August 2007	21,651	10	-	21,661
Recognised in income statement	(803)	(10)	-	(813)
At 31 July 2008	20,848	-	-	20,848
At 1 August 2006	22,222	136	2	22,360
Recognised in income statement	(571)	(126)	(2)	(699)
At 31 July 2007	21,651	10	-	21,661

Deferred tax assets of the Group:

	Retirement benefit obligations RM'000	Provisions and accruals RM'000	Property development costs RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Others RM'000	Total RM'000
At 1 August 2007	(2,001)	(14,367)	(655)	(5)	-	(17,028)
Recognised in income statement	27	1,523	(1,603)	5	-	(48)
At 31 July 2008	(1,974)	(12,844)	(2,258)	-	-	(17,076)
At 1 August 2006	(2,530)	(10,160)	(2,702)	(152)	(1)	(15,545)
Recognised in income statement	529	(4,207)	2,047	147	1	(1,483)
At 31 July 2007	(2,001)	(14,367)	(655)	(5)	-	(17,028)

Notes to the Financial Statements

31. Deferred tax (cont'd)

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM'000	Receivables RM'000	Others RM'000	Total RM'000
At 1 August 2007	253	-	-	253
Recognised in income statement	2,314	-	-	2,314
At 31 July 2008	2,567	-	-	2,567
At 1 August 2006	1,482	142	(23)	1,601
Recognised in income statement	(1,229)	(142)	23	(1,348)
At 31 July 2007	253	-	-	253

Deferred tax assets of the Company:

	Retirement benefit obligations RM'000	Provisions and accruals RM'000	Total RM'000
At 1 August 2007	(657)	(4,225)	(4,882)
Recognised in income statement	(45)	2,469	2,424
At 31 July 2008	(702)	(1,756)	(2,458)
At 1 August 2006	(1,109)	(1,771)	(2,880)
Recognised in income statement	452	(2,454)	(2,002)
At 31 July 2007	(657)	(4,225)	(4,882)

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

	Group	
	2008 RM'000	2007 RM'000
Unused tax losses	144,026	26,125
Unabsorbed capital allowances	9,335	12,373
Unutilised reinvestment allowances	1,457	1,457
Other deductible temporary differences	1,673	1,586
	156,491	41,541

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Group are subject to no substantial changes in shareholdings of the Group and guidelines issued by the tax authority. The availability of unused tax losses of foreign jointly controlled entities has a utilisation period of 3 years as pre-determined by the tax legislations of the respective countries.

Notes to the Financial Statements

32. Long term borrowings

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Murabahah medium term notes ("MTN") (a)	850,000	335,000	480,000	-
Term loan (b)				
- secured	161,500	161,500	-	-
- unsecured	25,000	-	-	-
	1,036,500	496,500	480,000	-

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

The MTN are drawdown by the following entities:

		Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Gamuda Berhad	(i)	480,000	-	480,000	-
Harum Intisari Sdn. Bhd. ("HISB")	(ii)	300,000	300,000	-	-
Horizon Hills Developments Sdn. Bhd. ("HHDSB")	(iii)	70,000	35,000	-	-
		850,000	335,000	480,000	-

- (i) The MTN amounting to RM480 million was drawdown by the Company during the financial year. The first and second issuance of RM180 million and RM300 million MTN respectively with tenure of 5 years was completed on 24 January 2008 and 4 June 2008 respectively.

The amount drawdown, maturity date and yield as at issuance dates of the MTN are as follows:

	Amount drawdown RM'000	Maturity date	Yield at issuance date %
Issue No. 1	180,000	24.1.2013	4.59
Issue No. 2	300,000	04.6.2013	5.16
	480,000		

- (ii) The MTN amounting to RM300 million drawdown by a wholly-owned subsidiary, HISB, is secured by a corporate guarantee from the Company. The first and second issuance of RM200 million and RM100 million MTN respectively with tenure of 5 years were completed on 28 September 2005 and 17 March 2006 respectively.

The amount drawdown, maturity date and yield as at issuance dates of the MTN are as follows:

	Amount drawdown RM'000	Maturity date	Yield at issuance date %
Issue No. 1	200,000	28.9.2010	4.5
Issue No. 2	100,000	17.3.2011	5.0
	300,000		

Notes to the Financial Statements

32. Long term borrowings (cont'd)

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

- (iii) This represents the Group's share of the total of RM70 million drawdown by HHDSB.

The amount drawdown, maturity date and yield as at issuance dates of the MTN are as follows:

	Amount drawdown RM'000	Maturity date	Yield at issuance date %
Issue No. 1	35,000	14.6.2012	3.95
Issue No. 2	10,000	16.11.2012	4.35
Issue No. 3	15,000	10.5.2013	4.45
Issue No. 4	10,000	8.7.2011	5.50
	70,000		

The MTN is secured by an unconditional and irrevocable undertaking from the Company to provide equity contributions (in the form of redeemable preference shares and/or ordinary shares) substantially in the form and substance acceptable to the Lead Arranger and the Security Trustee to meet:

- any financial obligation of HHDSB under the Programme and the Kafalah Facility (inclusive of principal and profit payments and fees and expenses) of up to RM280 million in the event that HHDSB does not have sufficient funds to meet such obligations; and/or
- any cash flow deficit of the Project and the Financial Covenants of up to RM30 million in a manner proportionate to the Company's shareholding percentage in HHDSB.

(b) (i) Term loan - secured

The term loan is drawdown by a jointly controlled entity, Syarikat Mengurus Air Banjir & Terowong Sdn Bhd ("SMARTSB") in relation to the motorway development of the Stormwater Channel and Motorway Works ("Project").

The term loan shall be repaid over 28 semi-annual instalments commencing from 2011 over 14 years with yields ranging from 5.55% to 5.76% at issuance dates.

The loan is secured by the following:

- debentures to create a fixed and floating charge over all present and future assets of SMARTSB and Projek Smart Holdings Sdn. Bhd. ("PSHSB");
- assignment of Principal Contracts whereby SMARTSB has awarded Gamuda Berhad to undertake a specified scope of work in respect of the Project;
- assignment of Toll Revenue and Designated Accounts by SMARTSB including all its rights, interests, titles and benefits;
- Deed of Subordination whereby PSHSB has subordinated or agreed to subordinate all loan stocks held; and
- an undertaking from PSHSB and an undertaking from the shareholders of PSHSB to promptly provide funding for the Project as and when required to meet cost overruns during the construction and cash flow deficits during the operations.

The term loans were obtained on a non-recourse basis to the Group. The term loans are consolidated into the Group's borrowings as a result of the Group's policy of accounting for investments in jointly controlled entities using the proportionate consolidation method of accounting.

(ii) Term loan - unsecured

The Structured Commodity Financing-i ("Facility") of RM50 million was drawdown on 10 June 2008 for working capital purposes. This facility is repayable in eight quarterly instalments over two years.

Notes to the Financial Statements

33. Short term borrowings

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Secured:				
Bonds (a)	-	400,000	-	400,000
Revolving credits (b)	-	25,000	-	-
Commercial papers (c)	35,000	22,500	-	-
Unsecured:				
Term loan (Note 32(b)(ii))	25,000	-	-	-
Revolving credits (d)	722,253	290,623	433,722	290,623
	782,253	738,123	433,722	690,623

(a) Bonds

The RM400 million nominal amount of 3% Redeemable Unsecured Bonds 2000/2007 were issued with 166,297,668 detachable warrants to a primary subscriber and subsequently resold to the shareholders of the Company on the basis of one warrant for every four existing ordinary shares held at an offer price of 61sen per warrant. Each warrant entitles the registered holder to subscribe for one new share in the Company at any time on or before the expiry date at the end of six and half years following the date of issue on 22 February 2001 at an exercise price of RM3.75 per share. The exercise price is subject to adjustments from time to time in accordance with the conditions set out in the Deed Poll created on 22 February 2001.

The bonds carry a fixed coupon rate of 3% per annum payable semi annually in arrears. At the end of its tenure, the bonds will be redeemed at 100% nominal value together with interest accrued to the date of maturity on 28 September 2007. The Company has fully redeemed the RM400 million 3% Redeemable Unsecured Bonds 2000/2007 on 28 September 2007 upon its maturity.

(b) Revolving credits

Revolving credits of RM50 million was drawdown in the previous financial year by a jointly controlled entity, MMC - Gamuda JV and was secured against an assignment of contract proceeds between another jointly controlled entity, Syarikat Mengurus Air Banjir & Terowong Sdn. Bhd. ("SMARTSB") and MMC - Gamuda JV via irrevocable letter of instruction to SMARTSB to remit all proceeds to MMC - Gamuda JV's escrow account and was also secured by all insurance policies on the project. The Group's share of this borrowing was RM25 million. During the year, the revolving credits have been fully repaid by the jointly controlled entity.

(c) Commercial papers

The Commercial papers of RM35 million (2007: RM22.5 million) represents the share of the total of RM70 million (2007: RM45 million) drawdown by HHDSB. This share of borrowings is secured by an undertaking by the Company to assign all rights, titles, benefits and debentures security for the payment of the secured indebtedness.

(d) Revolving credits - unsecured

Included in revolving credits is the Group share of RM288,531,000 drawdown by a jointly controlled entity, MMC-Gamuda Joint Venture Sdn Bhd for the Electrified Double Tracking Railway Project in relation to design, construction, testing, commissioning and maintenance of the electrified double track from Ipoh to Padang Besar.

The revolving credit was obtained on a non-recourse basis to the Group.

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

	Group and Company	
	2008 %	2007 %
Bonds	-	6.00
Murabahah medium term notes	4.73	4.59
Revolving credits, denominated in		
- New Taiwan dollar	-	2.62
- US dollar	4.80	5.37
- Ringgit Malaysia	4.78	4.55
Commercial papers	4.05	3.77
Term loan	5.45	5.66

Notes to the Financial Statements

34. Payables

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Trade payables				
Trade payables	478,811	228,242	47,075	48,366
Due to associated companies	1,588	1,730	-	-
Due to joint ventures	7,870	3,580	7,870	3,580
Retention sums	60,767	65,168	-	959
Progress billing	16,420	49,056	-	-
Due to customers on contracts (Note 23)	17,524	67,990	-	11,183
	582,980	415,766	54,945	64,088
Other payables				
Retirement benefit obligations (Note 29)	168	137	64	-
Sundry payables	90,189	139,031	-	527
Accruals	104,485	99,439	27,066	29,791
Due to associated companies	189	8,579	-	-
Due to joint ventures	478	37,415	478	-
	195,509	284,601	27,608	30,318
	778,489	700,367	82,553	94,406

The normal trade credit term granted to the Group and the Company ranges from 30 to 90 days (2007: 30 to 90 days).

The amounts due to associated companies and joint ventures are in respect of advances received for construction contracts and the amounts are unsecured, interest free and repayable through contra with future progress billings.

Included in sundry payables of the current financial year is an amount of RM48,036,000 (2007: RM48,632,000) representing the balance purchase consideration for the purchase of freehold land for development by a subsidiary (Note 30(b)).

35. Due to subsidiaries

	Company	
	2008 RM'000	2007 RM'000
Due to subsidiaries		
- trade	26,616	79,727
- non-trade	300,238	105,828
	326,854	185,555

Included in amount due to subsidiaries is an amount due to an unincorporated subsidiary of RM5,576,000 (2007: RM14,504,000).

The trade amounts due to subsidiaries have a normal credit term which ranges from 30 to 90 days (2007: 30 to 90 days).

The non-trade amounts due to subsidiaries are unsecured, interest free and repayable on demand.

Notes to the Financial Statements

36. Provision for liabilities

Group	Provision for promotional costs RM'000 Note (a)	Provision for future development costs RM'000 Note (b)	Total RM'000
At 1 August 2007	3,407	8,904	12,311
Reversal for the year	(3,150)	(1,862)	(5,012)
At 31 July 2008	257	7,042	7,299
At 1 August 2006	150	-	150
Provision for the year	3,257	8,904	12,161
At 31 July 2007	3,407	8,904	12,311

(a) Provision for promotional costs

The Company is obliged to give rebates on the purchase price and refund the payment of interest on loan and stamp duty of the purchasers via various incentive schemes offered during the financial year.

(b) Provision for future development costs

Provision for future development costs is in respect of development projects undertaken by its subsidiaries. The provision is recognised for development costs expected to be incurred for the completed projects.

37. Commitments

	Group 2008 RM'000	2007 RM'000
Approved and contracted for: Property, plant and equipment	403	14,934

38. Contingent liabilities and material litigation

(a) Contingent liabilities (unsecured)

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Indemnities and guarantees given to trade suppliers for credit facilities granted to a subsidiary	-	-	9,600	2,088
Performance, retention sum and other guarantees				
- for subsidiary	-	-	-	305,000
- to third parties	1,013,329	516,477	562,180	446,183
	1,013,329	516,477	571,780	753,271

Notes to the Financial Statements

38. Contingent liabilities and material litigation (cont'd)

(b) Material litigation

On 23 January 2006, a jointly controlled entity, MMC-Gamuda JV ("Joint Venture") had terminated Wayss & Freytag (Malaysia) Sdn Bhd ("W&F") as the sub-contractor for the North Tunnel of the Stormwater Management and Road Tunnel Project due to a breach of contract. Following the termination, the Joint Venture demanded full payment of RM16,580,982 ("Guaranteed Sum") on the guarantee given by W&F as the performance bond ("Performance Bond").

On 26 January 2006, the Company was served with an Ex-parte Interim Injunction Order ("Interim Order") by the solicitors of W&F obtained pursuant to Kuala Lumpur High Court Civil Suit No. D-22-93-06 ("Civil Suit"). The Interim Order restrained the Company and MMC Engineering Berhad ("MMC Engineering") whether jointly or severally, from receiving monies under the Performance Bond issued by BNP Paribas Bank ("Bank") until the disposal of the suit or further order from the Court. Alternatively, it required the Company and MMC Engineering whether jointly or severally, within twelve days of receipt of the Interim Order to pay back to the Bank any monies which they received under the Performance Bond.

Under the Civil Suit, W&F sought to obtain against the Joint Venture, inter-alia, an injunction restraining the Joint Venture from receiving monies under the Performance Bond and for damages.

In response to the Interim Order, the Joint Venture had, on 26 January 2006, made an application to the High Court to set it aside. The High Court had, on 6 February 2006, ordered that the Interim Order be stayed pending the full and final disposal of W&F's claim and pending the said disposal, the Guaranteed Sum be placed with the Joint Venture's solicitors as stakeholder.

On 26 January 2007, the Interim Order was dismissed and discharged by the High Court. With the dismissal and discharge, the stakeholder released the Guaranteed Sum to the Joint Venture and the Joint Venture is now at liberty to utilise the said proceeds. On 6 February 2007, W&F filed an appeal against the dismissal.

On 26 May 2008, the High Court has set the Civil Suit for trial on 17 May 2010 and 18 May 2010.

The Group's share of this amount has been provided for in the financial statements.

39. 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	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Contract services rendered by SSP (E&M) Sdn. Bhd., a company in which a director, Y Bhg Tan Sri Dato' Ir. Talha bin Haji Mohd Hashim has interest	41	179	-	-
Contract services rendered by GLC Architect, a company in which a person connected with a director, Goon Heng Wah, has interest	139	512	-	-
Contract services rendered by a jointly controlled entity, MMC - Gamuda JV	-	-	-	112,221
Contract services rendered to a jointly controlled entity, Syarikat Mengurus Air Banjir & Terowong Sdn. Bhd.	-	-	-	(445,753)
Contract services rendered to Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd., an associated company	(36,414)	(29,255)	-	-
Gross dividends receivable from subsidiaries	-	-	(217,816)	(323,162)
Gross dividends receivable from associates	-	-	(257,676)	(63,531)
Rental received from subsidiaries	-	-	(672)	(672)
Interest receivable from subsidiaries	-	-	(12,607)	(10,430)

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

Notes to the Financial Statements

39. Significant related party transactions (cont'd)

(b) Compensation of key management personnel ("KMP"):

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

The remuneration of key management personnel during the year was as follows:

Total KMPs' remuneration

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Total	5,795	5,360	4,753	4,975

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

40. Significant events

- (a) On 18 December 2006, the Company announced the signing of a Memorandum of Understanding ("Tariff MoU") by the Company and Electricity Generating Public Company Limited ("EGCO") with Electricity Generating Authority of Thailand ("EGAT") to establish and record the parties' agreements on the key commercial terms under which a Power Purchase Agreement ("PPA") would be finalised for the future purchase of hydroelectric power to be generated by the Nam Theun 1 Project.

The PPA can only be concluded after the Government of Lao People's Democratic Republic has resolved the cost sharing issue in relation to the construction of the Ban Nabong Substation ("BNSS"). BNSS provides the vital transmission linkup between the Thailand power grid and three power projects in Laos including Nam Theun 1. However, the Tariff MOU has since lapsed in mid June 2008 due to the delay in the construction of BNSS. Hence, the project company is in the midst of negotiating a new tariff with EGAT which will take into account the increase in construction cost as a result of the higher material prices worldwide. The new tariff is expected to be concluded in the next financial year.

- (b) On 14 August 2007, the Company executed a Principal Agreement with the Hanoi People's Committee to undertake a project comprising the design, financing and construction of the Yen So Park Development ("Park Development"), the Sewerage Treatment Plant ("STP") and the development of a commercial and residential parcels within the Hanoi city zone ("Development") encompassing an area of approximately 500 acres. Construction works for the Park Development has commenced with the handover of its land. The project company is currently calling for tender to construct the works for the STP.
- (c) On 14 December 2007, MMC Corporation Berhad - Gamuda Berhad Joint Venture ("the Joint Venture"), a 50%-50% joint venture between the companies had received the Letter of Acceptance from the Government of Malaysia ("GOM") dated 13 December 2007, wherein the GOM has accepted the proposal by the Joint Venture to carry out the Electrified Double Tracking Project from Ipoh to Padang Besar on a design and build basis for a lump sum price of RM12.485 billion.

On 25 July 2008, the Joint Venture has also signed the contract of the project with the GOM.

Notes to the Financial Statements

41. Financial instruments

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Group operates within clearly defined guidelines that are approved by the Board.

(b) Interest rate risk

The Group's primary interest rate risk relates to deposits and interest-bearing debts. The investments in financial assets are mainly short term in nature and mostly have been placed in repositories and fixed deposits.

The Group manages its interest exposure on interest-bearing financial liabilities by maintaining a prudent mix of fixed and floating rate borrowings. The Group also regularly reviews its debt portfolio and such strategy enables it to source low interest funding from the market and achieve a certain level of protection against interest rate hike.

The information on the terms and maturity dates of borrowings and deposits are disclosed in their respective notes.

(c) Foreign exchange risk

The Group operates in India, Taiwan, Qatar, Bahrain and Vietnam and is exposed to Indian Rupee, New Taiwan Dollar, Qatari Riyal, Bahraini Dinar, United States Dollar and Vietnam Dong currencies. Foreign currency denominated assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies give rise to foreign exchange exposure.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the business is located.

Included in the following balance sheet captions of the Group as at balance sheet date are balances denominated in the following major foreign currencies:

Group	Vietnam Dong RM'000	Indian Rupee RM'000	New Taiwan Dollar RM'000	United States Dollar RM'000	Qatari Riyal RM'000	Bahraini Dinar RM'000	Total RM'000
At 31 July 2008:							
Cash, deposits and bank balances	25,986	5,449	3,328	86	54,229	30,497	119,575
Receivables	41,877	57,690	43,477	281	380,324	106,440	630,089
Payables	57,195	3,110	33,430	70	765,049	152,895	1,011,089
At 31 July 2007:							
Cash, deposits and bank balances	-	5,596	425	246	21,424	47,257	74,948
Receivables	-	3,854	72,923	195	298,911	34,827	410,710
Payables	-	3,896	15,653	86	126,454	59,577	205,666
Short term borrowings	-	-	21,180	-	-	-	21,180

The Company enters into forward foreign currency contracts to limit its exposure to potential changes in foreign exchange rates with respect to estimated receipts and payments denominated in foreign currency.

The details of the outstanding forward foreign currency contracts as at 31 July 2008 are as follows:

Forward Contracts	Contract amount	Maturity period
Forwards used to hedge receivable in USD	USD67,870,000	August 2008 - March 2010
Forwards used to hedge payables in Vietnam Dong	USD10,270,000	October 2008 - March 2009

Any exchange gains and losses on the forward contracts are recognised in the income statement.

Notes to the Financial Statements

41. Financial instruments (cont'd)

(d) Liquidity risk

The Group actively manages its debts maturity profile, operating cash flows and the availability of funding through an adequate amount of committed credit facilities, so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to fund the Group's operations.

(e) Credit Risk

Credit risks are controlled by the application of credit approvals, limits and monitoring procedures. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial asset, other than as disclosed in Note 22.

(f) Fair values

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximate their fair values except for the following:

		Group		Company	
	Note	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
At 31 July 2008					
Non-current assets					
Unquoted investment in subsidiaries	17	-	-	603,426	*
Unquoted investment in associated companies	18	970,233	*	619,925	*
Quoted investment in an associated company	18	540,589	753,611	268,055	753,611
Unquoted investment in jointly controlled entities	19	-	-	224,476	*
Other investments:					
- Unquoted	20	50	*	50	*
- Investment in transferable club memberships	20	683	700	683	700
		<u>733</u>		<u>733</u>	
Long term trade receivable	22(b)	42,433	38,921	-	-
At 31 July 2008					
Current assets					
Marketable securities		20,000	18,747	-	-
At 31 July 2007					
Non-current assets					
Unquoted investment in subsidiaries	17	-	-	410,273	*
Unquoted investment in associated companies	18	1,063,965	*	619,925	*
Quoted investment in an associated company	18	411,954	832,176	201,955	832,176
Unquoted investment in jointly controlled entities	19	-	-	207,977	*
Other investments:					
- Unquoted	20	50	*	50	*
- Investment in transferable club memberships	20	683	735	683	735
		<u>733</u>		<u>733</u>	

Notes to the Financial Statements

41. Financial instruments (cont'd)

(f) Fair values (cont'd)

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximate their fair values except for the following: (cont'd)

		Group		Company	
	Note	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
At 31 July 2007					
Non-current assets (cont'd)					
Long term trade receivable	22(b)	27,166	21,935	-	-
Current assets					
Marketable securities		25,000	26,397	-	-
At 31 July 2008					
Non-current liabilities					
Other long term liabilities					
- Medium Term Notes	32	850,000	834,826	480,000	465,567
- Term loan	32	186,500	176,584	-	-
Current liabilities					
Forward foreign currency contracts	41(c)	-	5,298	-	5,298
Non-current liabilities					
Other long term liabilities					
- Medium Term Notes	32	335,000	299,672	-	-
- Term loan	32	161,500	160,550	-	-

* It is not practical to estimate the fair value of the Group's non-current unquoted shares because of the lack of quoted market price and without incurring excessive costs.

The nominal/notional amount and net fair value of financial instruments not recognised in the balance sheets of the Group and of the Company as at the end of the financial year are:

		Group Nominal/ Notional Amount RM'000	Fair Value RM'000	Company Nominal/ Notional Amount RM'000	Fair Value RM'000
At 31 July 2008					
Contingent liabilities	38	1,013,329	**	571,780	**
At 31 July 2007					
Contingent liabilities	38	516,477	**	753,271	**

** It is not practical to estimate the fair value of contingent liabilities reliably due to the uncertainties of timing, quantum and eventual outcome.

Notes to the Financial Statements

41. Financial instruments (cont'd)

(f) Fair values (cont'd)

The methods and assumptions used by management to determine fair value of financial instrument other than those whose carrying amounts reasonably approximate their fair values are as follows:

- (i) Quoted investment in an associated company

The fair value of quoted shares is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

- (ii) Marketable securities

The fair value of the private debt securities is determined by reference to the market prices at the balance sheet date.

- (iii) Other receivables (non-current) and long term borrowings

Fair value has been determined using discounted estimated cash flows. The discount rates used are the current market incremental lending rates for similar types of borrowing.

- (iv) Forward foreign exchange contracts

The fair value of a forward foreign exchange contract is the amount that would be payable or receivable on termination of the outstanding position arising and is determined by reference to the difference between the contracted rate and forward exchange rate as at the balance sheet date applied to a contract of similar quantum and maturity profile.

42. Segment information

(a) Business Segments

The Group is organised on a worldwide basis into three major business segments:

- (i) Engineering and construction - the construction of highways and bridges, water treatment plants, dams and residential and commercial properties;
- (ii) Property development - the development of residential and commercial properties; and
- (iii) Water and expressway concessions - the management of water supply and the management and tolling of highway operations.

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

(b) Geographical Segments

Although the Group's three major business segments are managed on a worldwide basis, the Group operates principally in seven geographical areas of the world. In Malaysia, its home country, the Group's areas of operation are principally engineering and construction, property development, water concession and expressway concessions. Additionally, all of the Group's manufacturing and quarrying activities are also conducted in Malaysia.

The Group also operates in other countries:

- (i) India - expressway concessions and investment holding;
- (ii) Taiwan, Republic of China - construction of the Mass Rapid Transit System;
- (iii) Mauritius - investment holding;
- (iv) Qatar - construction and design works of highways and New Doha International Airport;
- (v) Bahrain - replacement of Sitra Causeway bridges with new structures; and
- (vi) Vietnam - construction of villas and development of Yen So Park.

Notes to the Financial Statements

42. Segment information (cont'd)

(a) Business Segments:

2008	Engineering and construction RM'000	Property development RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	1,825,161	472,810	105,689	-	2,403,660
Inter-segment sales	(26,203)	-	-	26,203	-
Total revenue	1,798,958	472,810	105,689	26,203	2,403,660
Result					
Profit from operations	142,896	123,575	57,177	(1,346)	322,302
Finance costs	(13,350)	(2,136)	(10,800)	1,346	(24,940)
Share of results of associated companies	-	30,755	142,697	-	173,452
Profit before taxation	129,546	152,194	189,074	-	470,814
Taxation					(131,886)
Profit for the year					338,928
Attributable to:					
Equity holders of the Company					325,078
Minority interests					13,850
					338,928
Assets and liabilities					
Segment assets	3,196,657	988,024	78,798	-	4,263,479
Investments in:					
- Associated companies	183,184	171,027	1,156,611	-	1,510,822
					5,774,301
Segment liabilities	1,977,311	644,919	54,588	-	2,676,818
Other information					
Capital expenditure	54,756	1,576	498	-	56,830
Depreciation	10,792	874	356	-	12,022
Non-cash expenses other than depreciation, amortisation and impairment losses	5,590	(4,874)	34	-	750

Notes to the Financial Statements

42. Segment information (cont'd)

(a) Business Segments: (cont'd)

2007	Engineering and construction RM'000	Property development RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Consolidated RM'000
Revenue					
External sales	1,053,178	370,932	92,249	-	1,516,359
Inter-segment sales	47,386	-	-	(47,386)	-
Total revenue	1,100,564	370,932	92,249	(47,386)	1,516,359
Result					
Profit from operations	51,884	75,327	41,744	(1,599)	167,356
Finance costs	(7,948)	(5,960)	(7,560)	1,599	(19,869)
Share of results of associated companies	-	19,678	109,396	-	129,074
Profit before taxation	43,936	89,045	143,580	-	276,561
Taxation					(51,748)
Profit for the year					224,813
Attributable to:					
Equity holders of the Company					185,428
Minority interests					39,385
					224,813
Assets and liabilities					
Segment assets	2,209,306	1,210,661	142,596	-	3,562,563
Investments in:					
- Associated companies	183,145	166,411	1,126,363	-	1,475,919
					5,038,482
Segment liabilities	1,400,867	637,975	5,257	-	2,044,099
Other information					
Capital expenditure	165,104	2,260	330	-	167,694
Depreciation	11,531	602	190	-	12,323
Non-cash expenses other than depreciation, amortisation and impairment losses	(3,682)	12,282	28	-	8,628

Notes to the Financial Statements

42. Segment information (cont'd)

(b) Geographical segments:

	Total revenue from external customers		Capital expenditure	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Malaysia	1,717,560	787,114	44,053	81,372
Outside Malaysia				
Taiwan, Republic of China	39,960	56,756	-	20
Qatar	433,970	573,150	9,183	74,144
Bahrain	194,205	99,339	3,381	12,158
Vietnam	17,965	-	213	-
	686,100	729,245	12,777	86,322
Consolidated	2,403,660	1,516,359	56,830	167,694

Statement of Directors' Interests

As at 13 October 2008

(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 options over shares in the Company and its related corporations.

SHARES HELD IN THE COMPANY

Name of Director	Direct	%	Deemed	%
Tan Sri Dato' Ir Talha bin Haji Mohd Hashim	751,656	0.04	128,000 *1	0.01
Dato' Lin Yun Ling	3,000,000	0.15	31,697,636 *2	1.58
Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	120,000	0.01	-	-
Raja Dato' Seri Eleena binti Raja Azlan Shah	200,000	0.01	150,500,000 *3	7.50
Raja Dato' Seri Abdul Aziz bin Raja Salim	40,000	*4	-	-
Dato' Ir Kamarul Zaman bin Mohd Ali	1,991,000	0.10	797,630 *1	0.04
Ng Kee Leen	32,024,898	1.60	2,522,472 *1	0.13
Goon Heng Wah	13,080,000	0.65	5,104,032 *1	0.25
Ha Tiing Tai	18,015,876	0.90	14,200 *1	*4
Saw Wah Theng	250,000	0.01	-	-
Chow Chee Wah	108,000	0.01	-	-
(Alternate Director to Dato' Lin Yun Ling)				

Notes:

*1 Through spouse

*2 Through HSBC (Malaysia) Trustee Berhad

*3 Through Generasi Setia (M) Sdn Bhd

*4 Less than 0.01%

SHARE OPTIONS HELD IN THE COMPANY

- Share Options held under the Gamuda Berhad Employees' Share Option Scheme

Name of Director	Number of Share Options Held
Tan Sri Dato' Mohd Ramli bin Kushairi	200,000
Raja Dato' Seri Abdul Aziz bin Raja Salim	80,000
Dato' Ir Kamarul Zaman bin Mohd Ali	774,000
Dato' Ir Haji Azmi bin Mat Nor	204,000
Wong Chin Yen	80,000

Shareholders' Information

As at 13 October 2008

SHARE CAPITAL

Authorised	:	RM3,000,000,000
Issued and fully paid	:	RM2,006,171,108
Type of shares	:	Ordinary shares of RM1.00 each
Voting rights	:	1 vote on a show of hands 1 vote per share on a poll
No. of shareholders	:	25,659

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	Number of shareholders	%	Number of shares held	%
Less than 100	251	0.98	4,486	0.00
100 – 1,000	4,923	19.19	4,514,285	0.23
1,001 – 10,000	15,974	62.25	68,219,654	3.40
10,001 – 100,000	3,707	14.45	108,559,608	5.41
100,001 – 100,308,554	803	3.13	1,683,873,075	83.93
100,308,555* and above	1	0.00	141,000,000	7.03
Total	25,659	100.00	2,006,171,108	100.00

Note:

* 5% of the issued share capital

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

Name of substantial shareholder	<---Number of shares held--->		%
	Direct interest	Deemed interest	
Platinum Investment Management Limited	171,995,600	-	8.57
Raja Dato' Seri Eleena binti Raja Azlan Shah	200,000	150,500,000 *	7.51
Generasi Setia (M) Sdn Bhd	150,500,000	-	7.50
Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	102,162,600	-	5.09

Note:

* Through Generasi Setia (M) Sdn Bhd

Shareholders' Information

As at 13 October 2008

Top 30 Shareholders

(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	Number of shares held	%
1	Generasi Setia (M) Sdn Bhd	141,000,000	7.03
2	Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	99,062,600	4.94
3	Cartaban Nominees (Asing) Sdn Bhd - State Street Australia Fund ATB1 for Platinum Asia Fund	81,594,300	4.07
4	Cartaban Nominees (Asing) Sdn Bhd - State Street Australia Fund Q4EQ for Platinum International Fund	62,675,700	3.12
5	HSBC Nominees (Asing) Sdn Bhd - Exempt Authorised Nominee for JPMorgan Chase Bank, National Association (U.S.A.)	62,005,900	3.09
6	Citigroup Nominees (Asing) Sdn Bhd - Exempt Authorised Nominee for Mellon Bank (Mellon)	58,758,000	2.93
7	Employees Provident Fund Board	55,396,600	2.76
8	Amanah Raya Nominees (Tempatan) Sdn Bhd - Amanah Saham Wawasan 2020	47,727,700	2.38
9	Lembaga Tabung Haji	45,028,400	2.24
10	HSBC Nominees (Asing) Sdn Bhd - Exempt Authorised Nominee for J.P. Morgan Bank Luxembourg S.A.	44,633,700	2.22
11	HSBC Nominees (Asing) Sdn Bhd - Exempt Authorised Nominee for HSBC Private Bank (Suisse) S.A.	37,185,000	1.85
12	HSBC Nominees (Tempatan) Sdn Bhd - Exempt Authorised Nominee for HSBC (Malaysia) Trustee Berhad	31,697,636	1.58
13	Ng Kee Leen	31,304,898	1.56
14	HSBC Nominees (Asing) Sdn Bhd - BNY Brussels for CG Nouvelle Asie	25,400,000	1.27
15	HSBC Nominees (Asing) Sdn Bhd - Exempt Authorised Nominee for Credit Suisse	25,175,600	1.25
16	HSBC Nominees (Asing) Sdn Bhd - Exempt Authorised Nominee for JPMorgan Chase Bank, National Association (U.K.)	24,385,902	1.22
17	Amanah Raya Nominees (Tempatan) Sdn Bhd - Amanah Saham Malaysia	18,342,600	0.91
18	Amanah Raya Nominees (Tempatan) Sdn Bhd - Amanah Saham Didik	15,950,600	0.80

Shareholders' Information

As at 13 October 2008

No.	Name	Number of shares held	%
19	Cartaban Nominees (Asing) Sdn Bhd - Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	15,478,100	0.77
20	Cartaban Nominees (Asing) Sdn Bhd - Exempt Authorised Nominee for Caceis Bank Luxembourg	14,550,238	0.73
21	Citigroup Nominees (Asing) Sdn Bhd - Exempt Authorised Nominee for Mellon Bank (ABNAMRO Mellon)	14,504,100	0.72
22	HSBC Nominees (Asing) Sdn Bhd - BNY Brussels for MLC Masterkey Unit Trust MLC-Platinum Global Fund	13,175,600	0.66
23	Citigroup Nominees (Asing) Sdn Bhd - CBNY for AGF Emerging Markets Fund	13,045,400	0.65
24	Goon Heng Wah	12,360,000	0.62
25	Ha Tiing Tai	12,295,876	0.61
26	Cartaban Nominees (Asing) Sdn Bhd - Investors Bank And Trust Company for Ishares MSCI Emerging Markets Index Fund	12,166,000	0.61
27	HSBC Nominees (Asing) Sdn Bhd - BNY Brussels for Mirae Asset Asia Pacific Infra Sector Equity Investment Trust 1	11,984,600	0.60
28	HSBC Nominees (Asing) Sdn Bhd - BBH And Co Boston for Vanguard Emerging Markets Stock Index Fund	11,467,288	0.57
29	Cartaban Nominees (Asing) Sdn Bhd - RBC Dexia Investor Services Bank for MMA Asie	11,387,800	0.57
30	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad	11,200,000	0.56
Total		1,060,940,138	52.89

List of Major Properties

Held as at 31 July 2008

Location	Tenure	Land Area	Description	Year of expiry	NBV (RM)	Approximate age of building (Years)	Date of valuation/ acquisition
No. 36/38, Jalan SS21/62 47400 Petaling Jaya Selangor	Freehold	286 sq m	2 blocks, 4 storey shoplot/office	-	1,019,000	14	1991
No. 30, Jalan SS2/44 47300 Petaling Jaya Selangor	Freehold	501 sq m	Bungalow/ staff quarters	-	328,600	22	1991
No. 39, Jalan SS22/23 47400 Petaling Jaya Selangor	Freehold	153 sq m	4 storey shoplot/office	-	602,080	14	1991
No. 55-61, Jalan SS22/23 47400 Petaling Jaya Selangor	Freehold	612 sq m	4 blocks, 4 storey shoplot/office	-	2,229,346	17	1992
No. 152, Jalan Gopeng 31350 Ipoh, Perak	Leasehold	164 sq m	3 storey shoplot/office	2078	178,994	22	1991
No. 158, Jalan Gopeng 31350 Ipoh, Perak	Leasehold	163 sq m	3 storey shoplot/office	2078	173,580	22	1991
PT 51683, Jalan Jelapang 30020 Ipoh, Perak	Leasehold	4,353 sq m	Industrial estate/workshop	2043	411,360	18	1991
PT 183485 Meru Industrial Estate Jelapang, 30020 Ipoh Perak	Leasehold	12,144 sq m	Industrial estate/store	2050	650,591	12	1991
Lot 195821, 195822, 195823, 195824, 195825, 195826, 195827, 46482 57417 all in the Mukim Kampar District of Kinta 31350 Ipoh, Perak	Leasehold	469,493 sq m	Granite hill, limestone hill and industrial land/quarry	2022	6,670,880	-	1991
HS (D) 54871, PT No. 56274 Mukim & Mukim & District of Kelang Selangor	Freehold	16,898 sq m	Industrial estate/workshop	-	7,842,901	-	1995
HS (D) 54871, PT No. 56274 Mukim & District of Kelang Selangor	Freehold	14,690 sq m	Commercial land	-	9,104,000	-	1996
No. 53, Jalan SS22/23 47400 Petaling Jaya Selangor	Freehold	153 sq m	4 storey shoplot/office	-	1,406,839	19	2006
No. 54-58, Jalan SS22/25 47400 Petaling Jaya Selangor	Freehold	460 sq m	3 blocks, 4 storey shoplot/office	-	4,883,630	16	2006

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 32nd Annual General Meeting of the Company will be held at Permai Room, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan on Tuesday, 16 December 2008 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 2008 and the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees of RM334,000 for the year ended 31 July 2008 (2007: RM269,000). **(Resolution 1)**
3. To re-elect the following Directors who retire pursuant to Article 95 of the Company's Articles of Association:-
 - a. Mr Goon Heng Wah **(Resolution 2)**
 - b. Ir Ha Tiing Tai **(Resolution 3)**
 - c. Ms Wong Chin Yen **(Resolution 4)**
4. To consider and, if thought fit, pass the following resolutions in accordance with Section 129 of the Companies Act, 1965:-
 - a. "THAT Y Bhg Tan Sri Dato' Ir Talha bin Haji Mohd Hashim, retiring pursuant to Section 129 of the Companies Act, 1965, be re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting." **(Resolution 5)**
 - b. "THAT Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi retiring pursuant to Section 129 of the Companies Act, 1965, be re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting." **(Resolution 6)**
 - c. "THAT Y Bhg Dato' Ir Kamarul Zaman bin Mohd Ali retiring pursuant to Section 129 of the Companies Act, 1965, be re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting." **(Resolution 7)**
 - d. "THAT Y M Raja Dato' Seri Abdul Aziz bin Raja Salim retiring pursuant to Section 129 of the Companies Act, 1965, be re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting." **(Resolution 8)**
5. To re-appoint Messrs Ernst & Young, the retiring Auditors and to authorise the Directors to fix their remuneration. **(Resolution 9)**
6. As Special Business:-
To consider and if thought fit, pass the following resolutions with or without modifications:

Ordinary Resolutions:-

a) Authority to Allot and Issue Shares

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval of Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

(Resolution 10)

b) Proposed Renewal of Share Buy-back Authority

“THAT subject to the provisions of the Companies Act, 1965, the Articles of Association of the Company, the requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of all relevant government and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of RM1.00 each of the Company (“Proposed Share Buy-back”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares to be purchased pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital for the time being of the Company and an amount not exceeding the retained profits and/or share premium of the Company be allocated by the Company for the Proposed Share Buy-back;

AND THAT at the discretion of the Directors, upon such purchase by the Company of its own shares, the purchased shares will be cancelled and/or retained as treasury shares and subsequently be cancelled, distributed as dividends or resold on Bursa Securities;

AND THAT the Directors be and are hereby empowered to do all acts and things and to enter into and execute all commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as the Directors may deem fit and expedient in order to implement, finalise and give full effect to the Proposed Share Buy-back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be required or imposed by any relevant authorities and/or any amendments, variations and/or modifications in the interest of the Company as may be approved by any relevant authorities if such approvals are required;

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 shall lapse, unless by ordinary resolution passed at the AGM, the authority is renewed either unconditionally or subject to conditions; or
- ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever occurs first, but not so as to prejudice the completion of the purchase of its own shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Listing Requirements of Bursa Securities or any other relevant authorities.”

(Resolution 11)

7. To transact any other business of which due notice shall have been given.

By Order of the Board

Lim Soo Lye

Tee Yew Chin

Company Secretaries

Petaling Jaya

17 November 2008

Notes:**1. Appointment of Proxy(ies)**

- a. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy or not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- b. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- c. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- d. Where an authorised nominee appoints two (2) proxies in respect of each securities account, the appointment shall be invalid unless the authorised nominee specifies the proportions of the shareholdings to be represented by each proxy.
- e. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
- f. In the case of a corporate member, the Form of Proxy shall be under its Common Seal or under the hand of its attorney.
- g. The Form of Proxy must be deposited at the Company's Registered Office situated at No. 78, Jalan SS22/21, Damansara Jaya, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.

2. Explanatory Notes on Special Business

- a. **Resolution 10**
The proposed Resolution 10 if passed, will empower the Directors to issue shares of the Company up to a maximum of 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next Annual General Meeting of the Company. The rationale for this resolution is to save cost and time for convening a general meeting.
- b. **Resolution 11**
Please refer to the Statement to Shareholders dated 17 November 2008 for further information.

Statement Accompanying Notice of Annual General Meeting

1. Date, Time and Venue of the 32nd AGM

The 32nd AGM of the Company will be held as follows:

On : Tuesday, 16 December 2008

At : 10.00 a.m.

At : Permai Room, Kota Permai Golf & Country Club

No. 1, Jalan 31/100A

Kota Kemuning, Section 31

40460 Shah Alam

Selangor Darul Ehsan

Malaysia

2. Directors who are standing for re-election/re-appointment at the 32nd AGM

The Directors retiring by rotation and standing for re-election pursuant to Article 95 of the Company's Articles of Association are:

- a. Mr Goon Heng Wah
- b. Ir Ha Tiing Tai
- c. Ms Wong Chin Yen

The Directors who are over the age of 70 and standing for re-appointment pursuant to Section 129 of the Companies Act, 1965 are:

- a. Y Bhg Tan Sri Dato' Ir Talha bin Haji Mohd Hashim
- b. Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi
- c. Y Bhg Dato' Ir Kamarul Zaman bin Mohd Ali
- d. Y M Raja Dato' Seri Abdul Aziz bin Raja Salim

The profiles of the above 7 Directors are presented in the "Directors' Profile" section on pages 40, 41, 43, 45 and 46, while the record of their attendances at Board Meetings held in the financial year ended 31 July 2008 are presented in the "Corporate Governance Statement" section on page 62. Their securities holdings in the Group are presented in the "Statement of Directors' Interests" section on page 163.

3. Board Meetings held in the financial year ended 31 July 2008

4 Board meetings were held during the financial year ended 31 July 2008. A record of the Directors' attendances at the Board Meetings is presented in the "Corporate Governance Statement" section on page 62.

Form of Proxy

A I/We _____ (FULL NAME IN CAPITALS)
of _____ (ADDRESS)
being a member/members of GAMUDA BERHAD, hereby appoint _____ (FULL NAME)
of _____ (ADDRESS)
or failing him/her, _____ (FULL NAME)
of _____ (ADDRESS)
or failing him/her, the Chairman of the Meeting as my/our *first proxy to attend and vote for me/us on my/our behalf at the 32nd Annual General Meeting of the Company to be held at Permai Room, Kota Permai Golf & Country Club, No.1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia on Tuesday, 16 December 2008 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 _____ (FULL NAME IN CAPITALS)
of _____ (ADDRESS)
being a member/members of GAMUDA BERHAD, hereby appoint _____ (FULL NAME)
of _____ (ADDRESS)
or failing him/her, _____ (FULL NAME)
of _____ (ADDRESS)
or failing him/her, the Chairman of the Meeting as my/our *second proxy to attend and vote for me/us on my/our behalf at the 32nd Annual General Meeting of the Company to be held at Permai Room, Kota Permai Golf & Country Club, No.1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia on Tuesday, 16 December 2008 at 10.00 a.m., and at any adjournment thereof.

The proportions of my/our shareholdings to be represented by my/our proxies are as follows:-

First Proxy **A** _____ %
Second Proxy **B** _____ %
100 %

In case of a vote by a show of hands, *First Proxy **A** / *Second Proxy **B** shall vote on my/our behalf.

My/our proxy shall vote as follows:-

(Please indicate with an "X" or "✓" in the space provided below how you wish your votes to be cast on the resolutions specified in the Notice of Annual General Meeting. If you do not do so, the proxy/proxies will vote, or abstain from voting on the resolutions as he/they may think fit.)

No.	Resolution	First Proxy A		Second Proxy B	
		For	Against	For	Against
1.	Approval of Directors' fees				
2.	Re-election of Mr Goon Heng Wah as Director				
3.	Re-election of Ir Ha Tiing Tai as Director				
4.	Re-election of Ms Wong Chin Yen as Director				
5.	Re-appointment of Y Bhg Tan Sri Dato' Ir Talha bin Haji Mohd Hashim as Director				
6.	Re-appointment of Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi as Director				
7.	Re-appointment of Y Bhg Dato' Ir Kamarul Zaman bin Mohd Ali as Director				
8.	Re-appointment of Y M Raja Dato' Seri Abdul Aziz bin Raja Salim as Director				
9.	Re-appointment of Auditors				
10.	Authority to Directors to allot and issue shares				
11.	Proposed renewal of share buy-back authority				

Signed this _____ day of _____ 2008

Number of shares held	CDS account no.

* Delete if inapplicable

Signature of Member and/or Common Seal

Notes:

1. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy or not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where an authorised nominee appoints two (2) proxies in respect of each securities account, the appointment shall be invalid unless the authorised nominee specifies the proportions of the shareholdings to be represented by each proxy.
5. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
6. In the case of a corporate member, the Form of Proxy shall be under its Common Seal or under the hand of its attorney.
7. This Form of Proxy must be deposited at the Company's Registered Office situated at No. 78, Jalan SS22/21, Damansara Jaya, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.

FOLD HERE

STAMP

Registered Office
Gamuda Berhad
No. 78, Jalan SS22/21
Damansara Jaya
47400 Petaling Jaya
Selangor Darul Ehsan
Malaysia

FOLD HERE

Gamuda offices in Malaysia

Gamuda Berhad (29579-T)

78, Jalan SS 22/21, Damansara Jaya
47400 Petaling Jaya, Selangor
Malaysia
Tel : 603-7726 9210
Fax : 603-7728 6571 / 9811
Website : www.gamuda.com.my
Email : gbgpa@gamuda.com.my

Gamuda Engineering Sdn Bhd (506869-K)

55-61, Jalan SS 22/23, Damansara Jaya
47400 Petaling Jaya, Selangor
Malaysia
Tel : 603-7729 8094
Fax : 603-7727 1112

Syarikat Mengurus Air Banjir & Terowong Sdn Bhd (599374-W) (SMART)

No. 67, Jalan 3/93
Taman Miharja off Jalan Cheras
55200 Kuala Lumpur
Malaysia
Tel : 603-9206 3000
Fax : 603-9282 4421
Website : www.smarttunnel.com.my
Email : info@smartjv.com.my

Lingkaran Trans Kota Sdn Bhd (353053-W) (LITRAK)

Kompleks Operasi LITRAK
KM19, Lebuhraya Damansara-Puchong
Jalan PJS 9, Bandar Sunway
47500 Petaling Jaya, Selangor
Malaysia
Tel : 603-7494 7000
Fax : 603-7494 7016
Website : www.litrak.com.my
Email : info@litrak.com.my

Sistem Penyuraian Trafik KL Barat Sdn Bhd (429797-P) (SPRINT)

Pejabat Operasi, KM3, Hubungan Damansara
Lebuhraya Sprint, Seksyen 17
46400 Petaling Jaya, Selangor
Malaysia
Tel : 603-7494 7000
Fax : 603-7494 7320
Website : www.sprint.com.my
Email : info@sprint.com.my

Kesas Sdn Bhd (275554-U)

1, Wisma Kesas, Lebuhraya Shah Alam
47500 Subang Jaya, Selangor
Malaysia
Tel : 603-5632 7088
Fax : 603-5632 6088
Website : www.kesas.com.my
Email : mm@kesas.com.my

Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (482346-K) (SPLASH)

34 & 36, Jalan SS 22/21, Damansara Jaya
47400 Petaling Jaya, Selangor
Malaysia
Tel : 603-7729 2928
Fax : 603-7726 1557
Website : www.splash.com.my
Email : info@splash.com.my

Gamuda Water Sdn Bhd (297031-H)

30, Jalan SS 22/21, Damansara Jaya
47400 Petaling Jaya, Selangor
Malaysia
Tel : 603-7727 4879
Fax : 603-7727 4921

Gamuda Land Sdn Bhd (573380-D)

56, Jalan SS22/25, Damansara Jaya
47400 Petaling Jaya, Selangor
Malaysia
Tel : 603-7491 3200
Fax : 603-7726 7679
Website : www.gamudaland.com.my

Hicom-Gamuda Development Sdn Bhd (285780-D)

1, Jalan Anggerik Vanilla X 31/X
Kota Kemuning, Seksyen 31,
40460 Shah Alam, Selangor
Malaysia
Tel : 603-5122 6100 / 7100/1055
Fax : 603-5122 1050
Website : www.kotakemuning.net
Email : khchew@hgd.com.my

Harum Intisari Sdn Bhd (491736-H)

1, Jalan Anggerik Vanilla X 31/X
Kota Kemuning, Seksyen 31,
40460 Shah Alam, Selangor
Malaysia
Tel : 603-5121 9299, 5121 7299
Fax : 603-5121 6299
Website : www.bandarbotanic.com.my

Valencia Development Sdn Bhd (474040-U)

4403 Main Road, 12th Mile
47000 Sungai Buloh, Selangor
Malaysia
Tel : 03-6156 0021
Fax : 03-6156 9871
Website : www.valencia.com.my

Kota Permai Golf & Country Club

1, Jalan 31/100A,
Kota Kemuning, Seksyen 31,
40460 Shah Alam, Selangor
Malaysia
Tel : 603-5122 3700
Fax : 603-5122 3701
Website : www.kotapermai.com.my
Email : kpgcc@kotapermai.com.my

Megah Sewa Sdn Bhd (425417-W)

16, Jalan Anggerik Mokara 31/48
Kota Kemuning Seksyen 31
40460 Shah Alam, Selangor
Malaysia
Tel : 605-5122 2213
Fax : 603-5122 2331
Email : megahsewa@po.jaring.my

MMC-Gamuda Joint Venture Sdn Bhd (414492-M)

52-58, Jalan SS22/21, Damansara Jaya
47400 Petaling Jaya, Selangor
Malaysia
Tel : 603-7494 2200
Fax : 603-7726 9950

Horizon Hills Development Sdn Bhd (691032-H) (formerly known as Arapesona Development Sdn Bhd)

No. 49, Jalan Bestari 1/5
Taman Nusa Bestari
81300 Johor Bahru, Johor
Malaysia
Tel : 607-511 2282
Fax : 607-511 6281
Website : www.horizonhills.com.my

Jade Homes Sdn Bhd (710233-K)

Property Gallery, Persiaran Jade Hills, Jade Hills
43000 Kajang, Selangor
Malaysia
Tel : 603-8737 0122
Fax : 603-8737 9262
Website : www.jadehills.com.my

Gamuda overseas offices

Sinohydro-Gamuda-WCT Joint Venture

P O Box 23948
Doha, Qatar
Tel : 974-437 5214
Fax : 974-437 3523

Gamuda-WCT Joint Venture

P O Box 23948
Doha, Qatar
Suite 19, 6th Floor
Al-Emadi Centre
68, Salwa Road
Doha, Qatar
Tel : 974-490 9561
Fax : 974-490 9562

Gamuda (India) Private Limited

607/59, Shakuntla Apartments
59, Nehru Place
New Delhi 110 019
India

Gamuda - WCT (India) Private Limited

Arihant Building
Unit No. 2B & 2C, 2nd Floor,
53A, Mirza 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.
Tel : 856-21-219491
Fax : 856-20-219492
Mobile Phone : 856-20-5599108

Gamuda Berhad (Bahrain branch office)

P O Box 1867, Manama
Kingdom of Bahrain
Tel : 973-17-735 686
Fax : 973-17-735 696

Gamuda Land Vietnam L.L.C.

Unit 6-02A Prime Center Building
53, Quang Trung Street
HaiBaTrung District
Hanoi, Vietnam
Tel : 844-944 5699
Fax : 844-944 5655

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
Tel : 848-290 5938
Fax : 848-290 5932

GAMUDA BERHAD (29579-T)

78, Jalan SS22/21,
Damansara Jaya,
47400 Petaling Jaya,
Selangor Darul Ehsan.

Tel : 603-7726 9210

Fax : 603-7728 9811

Email : gbgpa@gamuda.com.my

www.gamuda.com.my

