www.mudajaya.com

Mudajaya Group Berhad (605539-H)
No.17, Jalan Semangat, 46100 Petaling Jaya, Selangor Darul Ehsan.

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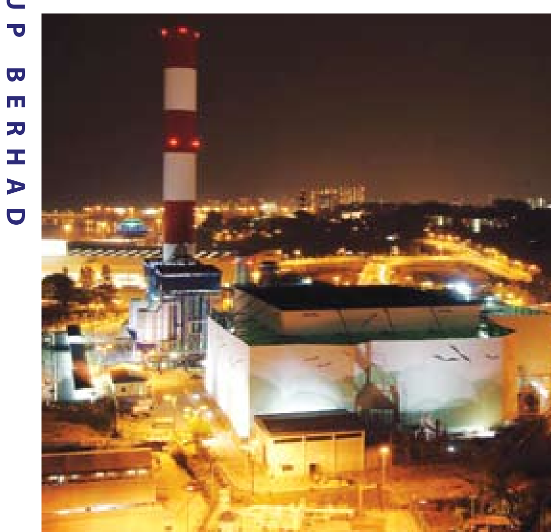
MUDAJAYA GROUP BERHAD

annual report 2008

MUDAJAYA GROUP BERHAD



Energy is our future

annual report 2008

Our vision is to be the preferred leader in the construction and property development industry. We strive to look beyond the expections and goals to stay ahead by integrating both technical excellence and commitment in building partnerships.

vision

MUDAJAYA GROUP BERHAD

annual report 2008

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Corporate Information

BOARD OF DIRECTORS

Mr. Ng Ying Loong
Managing Director

Mr. Wee Teck Nam
Executive Director

Mr. Anto A/L SF Joseph
Executive Director

Mr. Chung Tze Hien
Non-Independent Non-Executive Director

En. Aminodin bin Ismail
Non-Independent Non-Executive Director

Mr. Yee Swee Choon
Independent Non-Executive Director

Mr. Henry Choo Hon Fai
Independent Non-Executive Director

COMPANY SECRETARY

Mr. Chai Min Hon
(MIA 11926)

REGISTERED OFFICE

No. 17, Jalan Semangat
46100 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : (603) 7958 7899
Fax : (603) 7958 7900 / 7958 1296
E-mail : info@mudajaya.com
Website : http://www.mudajaya.com

REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : (603) 2721 2222
Fax : (603) 2721 2530 / 2531

AUDITORS

Ernst & Young
Chartered Accountants

PRINCIPAL BANKERS

AmBank (M) Berhad
HSBC Bank Malaysia Berhad
OCBC Bank (Malaysia) Berhad
CIMB Bank Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting of Mudajaya Group Berhad will be held at Banyan Room, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 16 June 2009 at 10.00 a.m. for the following purposes:-

AGENDA

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the audited financial statements for the year ended 31 December 2008 and the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of a final dividend of 7.5% under the single tier system for the year ended 31 December 2008. **(Resolution 2)**

3. To re-elect the following Directors who retire in accordance with Article 76 of the Company's Articles of Association:-

   Mr Wee Teck Nam **(Resolution 3)**
   Encik Aminodin bin Ismail **(Resolution 4)**

4. To approve the payment of Directors' fees for the year ended 31 December 2008. **(Resolution 5)**

5. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions:-

6. **Ordinary Resolution**

   Authority to Allot and Issue Shares **(Resolution 7)**

   "THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approval of all relevant regulatory authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting 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 to be issued pursuant to this resolution does not exceed ten per cent (10%) of the total issued and paid-up share capital of the Company for the time being and that the Directors be and are hereby further authorised to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad."

7. **Ordinary Resolution**

Proposed Renewal of Share Buy-Back Authority **(Resolution 8)**

"THAT subject to provisions of the Companies Act, 1965, the Articles of Association of the Company, the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other regulatory authorities, the Company be and is hereby authorised to utilise an amount not exceeding the audited retained profits and/or share premium account of the Company as at 31 December 2008 to purchase such number of ordinary shares of RM0.20 each of the Company ("Proposed Renewal of Share Buy-Back Authority") 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 and expedient in the interest of the Company provided that the aggregate number of shares to be purchased and/or held as treasury shares pursuant to this resolution does not exceed ten per cent (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase.

AND THAT such authority is subject to annual renewal and shall commence upon the passing of this resolution and shall remain in force until:-

(a) the conclusion of the next Annual General Meeting of the Company unless the authority is renewed either unconditionally or subject to conditions;

(b) the expiration of the period within which the next Annual General Meeting after the date it is required by law to be held; or

(c) revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting;

whichever is earlier, but shall not prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any other relevant authorities.

THAT authority be and is hereby given to the Directors of the Company to decide in their discretion either to retain the shares purchased by the Company as treasury shares or to cancel them or to retain part of the shares so purchased as treasury shares and cancel the remainder shares or to resell the shares or distribute the shares as dividends.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depository) Act, 1991 designated as Share Buy-Back Account(s) and the entering into any agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit in the interest of the Company."

8. To transact any other business of which due notice shall have been received.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of shareholders, a final dividend of 7.5% under the single tier system for the year ended 31 December 2008 will be paid on 6 July 2009 to depositors registered in the Records of Depositors at the close of business at 5.00 p.m. on 25 June 2009.

A depositor shall qualify for entitlement only in respect of: -

1. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 25 June 2009 in respect of ordinary transfers; and

2. Shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

CHAI MIN HON
Company Secretary

Petaling Jaya
26 May 2009

Notice of Annual General Meeting

(cont'd)

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy or proxies may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Each proxy appointed shall represent a minimum of one thousand (1,000) shares.

2. 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 in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

3. In the case of a corporate member, the Form of Proxy shall be under its Common Seal or under the hand of its attorney.

4. The Form of Proxy must be deposited at the Company's Registered Office situated at No. 17, Jalan Semangat, 46100 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.

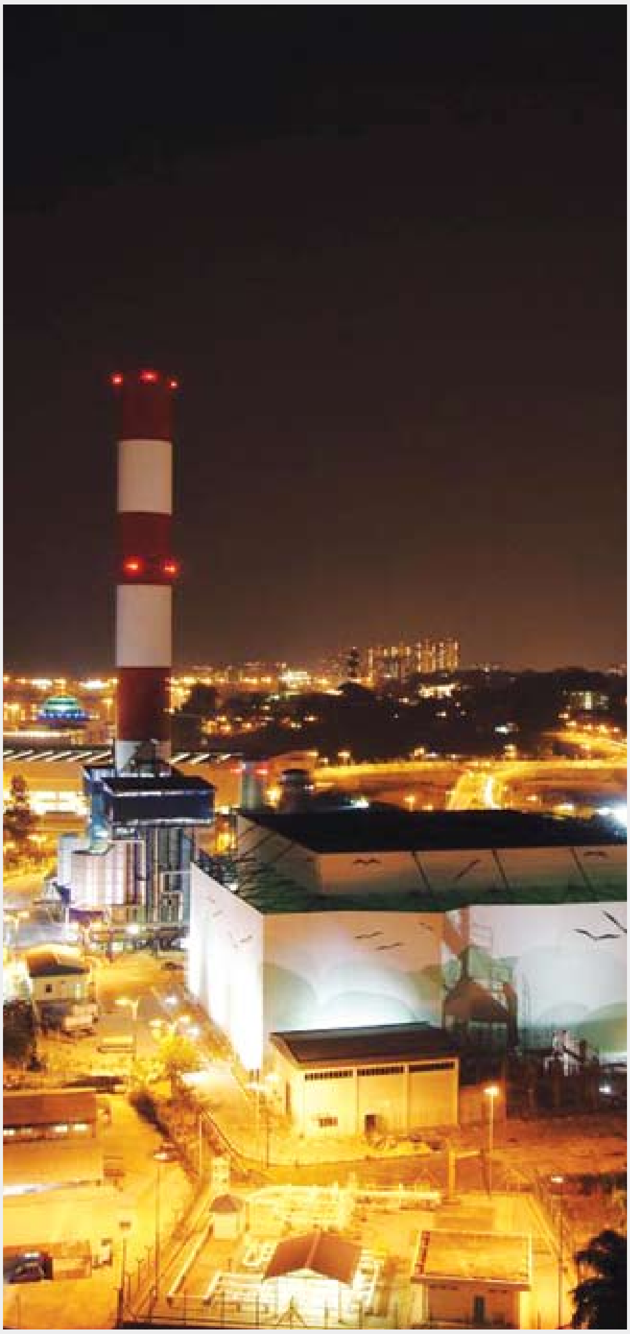
Explanatory Notes on Special Business:-

1. Resolution 7

   The proposed Resolution 7 is to empower the Directors to issue shares in the Company up to an aggregate amount not exceeding 10% of the total issued and paid-up share capital of the Company for the time being for such purposes as they 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.

2. Resolution 8

   The details on Resolution 8 on the Proposed Renewal of Share Buy-Back Authority are set out in the Statement to Shareholders dated 26 May 2009.



Pursuant to Paragraph 8.28(2) of the Listing Requirement of Bursa Securities

Further details of Directors standing for re-election

The profile of the Directors standing for re-election is presented on pages 11 to 12 of the Annual Report 2008.

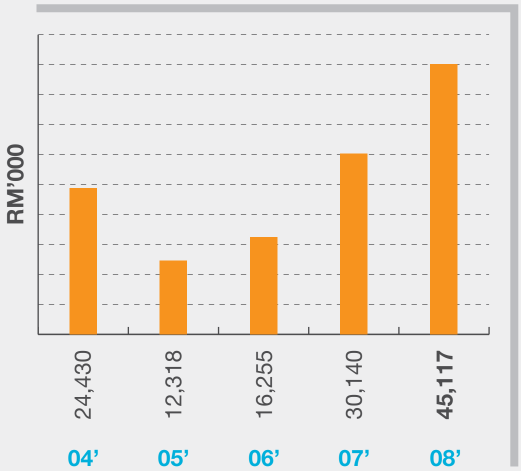
The details of the Directors' shareholdings in the Company are set out on page 33 of the Annual Report 2008.

Five Years Financial Highlights

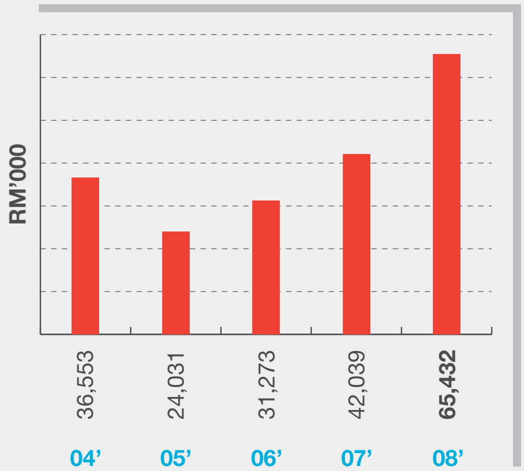
	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000
ASSETS					
Non-Current Assets	102,854	82,040	13,700	17,593	21,227
Current Assets	305,271	280,421	196,894	194,716	183,917
Total Assets	**408,125**	**362,461**	**210,594**	**212,309**	**205,144**
EQUITY AND LIABILITIES					
Capital And Reserves					
Share Capital	74,800	74,800	68,000	68,000	68,000
Reserves	196,960	158,220	81,447	72,882	65,905
Equity Attributable To Equity Holders Of The Company	271,760	233,020	149,447	140,882	133,905
Minority Interests	32,372	20,842	14,740	12,270	10,290
Total Equity	**304,132**	**253,862**	**164,187**	**153,152**	**144,195**
Liabilities					
Non-Current Liabilities	256	256	716	992	2,775
Current Liabilities	103,737	108,343	45,691	58,165	58,174
Total Liabilities	**103,993**	**108,599**	**46,407**	**59,157**	**60,949**
Total Equity And Liabilities	**408,125**	**362,461**	**210,594**	**212,309**	**205,144**
GROUP RESULTS					
Profit Before Tax And Minority Interest	65,432	42,039	31,273	24,031	36,553
Taxation	(8,185)	(5,874)	(12,248)	(9,307)	(9,874)
Minority Interest	(12,130)	(6,025)	(2,770)	(2,406)	(2,249)
Profit Attributable To Shareholders	45,117	30,140	16,255	12,318	24,430
SELECTED RATIOS					
Earnings Per Share (Sen)*	12.1	8.4	4.8	3.6	7.5
Gross Dividend Per Share (%)	16.5	16.0	14.0	12.0	12.0
Net Assets Per Share (RM)*	0.81	0.68	0.45	0.42	0.39
Return On Equity (%)	16.6	12.9	10.9	8.7	18.2
Gearing Ratio	-	-	-	-	-
Share Price (Year-End Closing) (RM)	1.13	3.94	1.41	1.13	1.29

* Comparatives have been restated to take into effect on the share split involving the subdivision of each of the existing ordinary shares of RM0.50 each in the Company into 5 ordinary shares of RM0.10 each ("Share Split"), followed by a share consolidation of every 2 ordinary shares of RM0.10 each in the Company after the Share Split, into 1 ordinary share of RM0.20 each ("Share Consolidation"). The Share Split and Share Consolidation were completed on 4 July 2008.

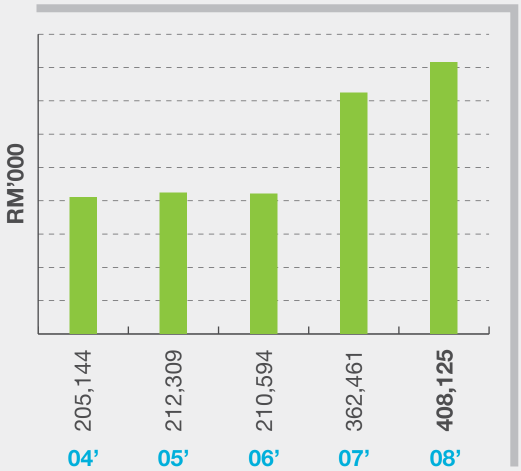
Profit Attributable to Shareholders



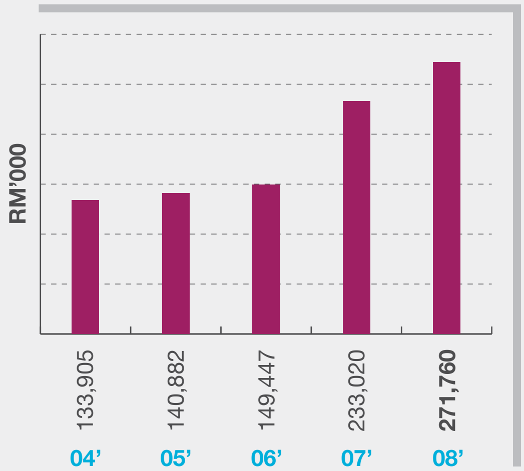
Profit Before Tax, Minority Interest and Exeptional Items



Total Assets



Shareholders' Funds



Directors' Profile

Mr. Ng Ying Loong
Managing Director
Member of Remuneration Committee

Mr. Ng, a Malaysian aged 55, was appointed as Managing Director of Mudajaya on 2 March 2004. He has been the Managing Director of Mudajaya Corporation Berhad ("MCB") since 1991. He graduated with a Bachelor of Science degree in Civil, Structural and Environmental Engineering from University College London, University of London, United Kingdom in 1977 and obtained a Master in Business Administration from Golden Gate University, San Francisco, U.S.A. in 1986. He is also a member of the Institution of Engineers Malaysia. He has more than 31 years of professional experience particularly in project management, contract planning and management and business development. He joined MCB in 1977 and served in various capacities including Project Engineer, Project Coordinator and Project Manager until 1988. Subsequently, he left MCB to join Pengurusan Lebuhraya Berhad as the Senior Regional Construction Manager and was promoted as the Acting Head of Construction Management Division in 1990. He was in charge of the construction management of the North-South Expressway Project, valued at RM4.3 billion. In 1991, he returned to MCB. He also served as a Director of Mulpha Land Berhad from 1998 to 2001 and as a Director of Mulpha International Bhd from 1995 to 2002.

Mr. Wee Teck Nam
Executive Director

Mr. Wee, a Malaysian aged 69, was appointed as Executive Director of Mudajaya on 2 March 2004. He is also an Executive Director of MCB. He graduated with a Bachelor Degree in Mechanical Engineering from University of Sydney, Australia in 1964. He worked for the Chemical Co. of Malaysia, a member of the ICI Malaysia Group for 9 years after graduation. He then gained extensive experience in general management as General Manager of Batu Arang Bricks and Tiles Bhd, Sim Lim Trading Sdn Bhd and as Senior Manager assisting the Managing Director of TDM Berhad overseeing the operations of 24,000 acres of palm oil estates and oil mills in Terengganu. In 1986 he joins Wormald International Ltd of Australia and built up its operations in Taiwan. He became the General Manager and Chief Executive Officer of Shanghai Allied Cement Ltd in 1994. This is a joint venture company between Hong Kong and China. He retired and returned to Malaysia in early 1999. He also served as a Director of Mulpha Land Berhad from October 1998 to August 2001 and a Director of Mulpha International Bhd from October 1998 to July 2002.

Mr. Anto A/L SF Joseph
Executive Director

Mr. Anto, a Malaysian aged 57, was appointed as Executive Director of Mudajaya on 2 March 2004. He has been an Executive Director of MCB since 1996. He graduated with a Bachelor of Technology, Civil from Indian Institute of Technology (IIT), Kanpur, India in 1977. He is a Professional Engineer registered with the Board of Engineers, Malaysia, Chartered Engineer, U.K. and is also a member of the Institution of Engineers, Malaysia and Institution of Highways and Transportation, U.K.. He has more than 32 years of professional experience particularly in infrastructure project management. Prior to joining MCB in 1993 as General Manager and Executive Director, he was attached to Jabatan Kerja Raya, Kelantan, as Development Engineer from 1977 to 1978 and Resident Engineer from 1980 to 1981. He was with Pernas Construction Sdn Bhd as Project Manager and Coordinator from 1981 to 1988 and Pengurusan Lebuhraya Berhad as Construction Manager from 1988 to 1989, Regional Construction Manager (for Central Region) from 1990 to 1992 and Senior Regional Construction Manager from 1992 to 1993.

Mr. Chung Tze Hien
Non-Independent Non-Executive Director

Mr. Chung, a Malaysian aged 59, was appointed as Non-Independent Non-Executive Director of Mudajaya on 16 June 2004. He graduated from the University of Otago, New Zealand with a Commerce Degree and later proceeded to qualify as an Associate Member of the Institute of Chartered Accountants of New Zealand and the Institute of Chartered Secretaries and Administrators (ICSA) of United Kingdom. Mr. Chung has worked for and held senior managerial positions in several public listed companies in Hong Kong, Singapore and Malaysia, involving a variety of industries and businesses. He is also an Executive Director of Mulpha International Berhad, a Director and Chairman of Mulpha Land Berhad and a Director of Greenfield Chemical Holdings Limited (Hong Kong) and Mulpha Australia Limited.

En. Aminodin bin Ismail
Non-Independent Non-Executive Director
Chairman of Nomination Committee
Member of Audit Committee

En. Aminodin, a Malaysian aged 42, was appointed as Non-Independent Non-Executive Director of Mudajaya on 2 March 2004. He graduated with a Degree in Accounting and Finance from Liverpool John Moores University, United Kingdom in 1990. He is also Fellow of the Association of Chartered Certified Accountants, United Kingdom. He has 5 years of merchant banking experience gained from working in Aseambankers Malaysia Berhad from 1991 to 1995 and BSN Merchant Bank Berhad from 1995 to 1997 where his work entailed providing corporate finance advisory services on proposal for listings, mergers, acquisitions and capital raisings. He left the merchant banking industry in 1997 to join Renong Berhad as Senior Finance Manager where he was primarily responsible for monitoring the performance of the subsidiaries and implementation of corporate exercises undertaken by companies within the Renong Group. He left Renong Berhad in July 1999. He was appointed to the Board of Directors of Jin Lin Wood Industries Berhad in 2000 as an Executive Director overseeing the finance function of the group of companies. He resigned from the Board of Directors of Jin Lin Wood Industries Berhad in April 2002. Currently, he sits on the Board of several private companies.

Mr. Yee Swee Choon
Independent Non-Executive Director
Chairman of Audit Committee
Member of Nomination and Remuneration Committees

Mr. Yee, a Malaysian aged 58, was appointed as Independent Non-Executive Director of Mudajaya on 2 March 2004. He is a Chartered Accountant, a Certified and Registered Financial Planner. He has over 29 years working experience in auditing, corporate planning and financial management which include 8 years as executive director in a public listed company. Presently, he runs his own personal financial planning and management advisory services practice. He is not a Director of any other public company.

Mr. Henry Choo Hon Fai
Independent Non-Executive Director
Chairman of Remuneration Committee
Member of Audit and Nomination Committees

Mr. Henry Choo, a Malaysian aged 37, was appointed as an Independent Non-Executive Director of Mudajaya on 2 March 2004. He started his career in 1994 as an Equity Research Analyst in Dao Heng Securities Ltd, Hong Kong. From 1996 to 2000, he was Director of Business Development at Fok Lee Sdn Bhd, a Specialist Contractor. From 2000 onwards he has been involved in Private Equity and Venture Capital, first with Intelligent Capital Sdn Bhd and subsequently with Artisan Encipta (M) Sdn Bhd. Presently, he is Chief Operating Officer of Atlantic Quantum Sdn Bhd, a strategic investment vehicle wholly owned by Khazanah Nasional Berhad and Executive Assistant to the Chairman of Silterra Malaysia Sdn Bhd, a role he has played since 2004. He graduated from La Trobe University, Melbourne, Australia with a Bachelor of Science degree (Computer Science). He is also a Director of Mulpha Land Berhad and Key Asic Berhad.

Other information on Directors

1. None of the Directors has any family relationship with any Director and/or major shareholder of the Company.
2. None of the Directors has any conflict of interest with the Company.
3. None of the Directors have any conviction for offences within the past ten (10) years.

Group Structure

Group Structure

MUDAJAYA GROUP BERHAD

MUDAJAYA GROUP BERHAD
(Investment holding)
Authorised Share Capital: RM250,000,000
Paid-up Share Capital: RM74,800,000

100%

MUDAJAYA CORPORATION BERHAD
(Civil engineering and building construction)
Authorised Share Capital: RM250,000,000
Paid-up Share Capital: RM30,150,000

100% **Mudajaya Power International Sdn Bhd**
(Civil engineering and building construction)
Authorised Share Capital: RM500,000
Paid-up Share Capital: RM200,000

100% **Angsana Fajar Sdn Bhd**
(Property development)
Authorised Share Capital: RM6,000,000
Paid-up Share Capital: RM5,383,000

100% **MJC Industries Sdn Bhd**
(Manufacturing of concrete products and building materials)
Authorised Share Capital: RM500,000
Paid-up Share Capital: RM300,000

100% **MJC Trading Sdn Bhd**
(Hiring of plant & machinery, and trading in construction related materials)
Authorised Share Capital: RM500,000
Paid-up Share Capital: RM300,000

100% **MJC Management Services Sdn Bhd**
(Property management)
Authorised Share Capital: RM100,000
Paid-up Share Capital: RM2

100% **MJC Plantations Sdn Bhd**
(Dormant)
Authorised Share Capital: RM100,000
Paid-up Share Capital: RM2

99.99% **MGB Enterprise Sdn Bhd**
(Dormant)
Authorised Share Capital: RM100,000
Paid-up Share Capital: RM10,000

70% **MJC City Development Sdn Bhd**
(Property management & development)
Authorised Share Capital: RM50,000,000
Paid-up Share Capital: RM10,000,000

51% **MJC Development Sdn Bhd**
(Property management and development and building construction)
Authorised Share Capital: RM5,000,000
Paid-up Share Capital: RM100,000

51% **MJC Precast Sdn Bhd**
(Manufacture of precast concrete and other related products)
Authorised Share Capital: RM500,000
Paid-up Share Capital: RM500,000

100% **MJC Quarry Sdn Bhd (fomerly known as Binamin MJC Quarry Sdn Bhd)**
(Quarry operations)
Authorised Share Capital: RM10,000,000
Paid-up Share Capital: RM2,000

100% **Great Hill International Ltd (Republic of Mauritius)**
(Has not commenced operations)
Authorised Share Capital: USD1,000,000
Paid-up Share Capital: USD2

100% **Mudajaya International Ltd (Republic of Mauritius)**
(Has not commenced operations)
Authorised Share Capital: # Stated Capital
Paid-up Share Capital: USD1

100% **Oracle International Co Ltd (Brunei Darussalam)**
(Has not commenced operations)
Authorised Share Capital: USD1,000,000
Paid-up Share Capital: USD1

80% **MIPP International Ltd (Republic of Mauritius)**
(Equipment procurement services)
Authorised Share Capital: # Stated capital
Paid-up Share Capital: USD50,000

100% **Mudajaya International Investment Ltd (Brunei Darussalam)**
(Has not commenced operations)
Authorised Share Capital: USD1,000,000
Paid-up Share Capital: USD100,000

100% **Mudajaya Construction (India) Private Limited (India)**
(Construction and related business)
Authorised Share Capital: INR500,000
Paid-up Share Capital: INR100,000

74% **Electric Power International Ltd (Republic of Mauritius)**
(Dormant)
Authorised Share Capital: #Stated capital
Paid-up Share Capital: USD50,000

75% **Mudajaya Middle East Ltd (Saudi Arabia)**
(Construction, property development and the provision of engineering and project management services in the Middle East region)
Authorised Share Capital: SAR500,000
Paid-up Share Capital: SAR500,000

NOTE:

The Stated Capital in relation to a class or classes of par value shares issued by a company means the total of all amount received by the Company in respect of the nominal paid up value (par value) of the shares and share premium (if any) paid to the company in relation to those shares. There is no ceiling on the number of shares that can be issued by the company.

The Board of Directors ("the Board") acknowledges the importance of good corporate governance and is committed to the establishment and implementation of a proper framework and controls that are in line with the principles and best practices as recommended by the Malaysian Code of Corporate Governance ("the Code"). The Board will continuously evaluate the status of the Group's corporate governance practices and procedures with a view to adopt and implement the Best Practices of the Code wherever applicable in the best interests of the shareholders of the Company.

Set out below is a statement of how the Company has applied the principles and complied with the best practices laid down in the Code.

BOARD OF DIRECTORS

The Board

The Board has the overall responsibility for corporate governance, strategic direction, development and control of the Company. The Board meets regularly during the financial year. Additional meetings are held as and when issues arise and are necessary to be dealt with in between the scheduled meetings. Board meetings bring an independent judgement on issues of strategy, performance, risks issues, resources and standards of conduct. Due notice is given for the meetings and matters to be dealt with.

Four (4) Board meetings were held during the financial year ended 31 December 2008. The attendance record of the Directors is presented below:-

Director	No. of meetings attended
Mr. Ng Ying Loong	4/4
Mr. Wee Teck Nam	4/4
Mr. Anto A/L SF Joseph	4/4
Mr. Chung Tze Hien	4/4
En. Aminodin bin Ismail	4/4
Mr. Yee Swee Choon	4/4
Mr. Henry Choo Hon Fai	4/4

Board Balance

The Board currently has seven (7) members, three (3) of whom are Executive Directors and four (4) are Non-Executive Directors. Out of the four (4) Non-Executive Directors, two (2) are Independent Directors. The Board has complied with Paragraph 15.02 of the Listing Requirements of Bursa Securities that at least two or one-third of the Board, whichever is the higher is independent directors. A brief profile of each Director is presented on pages 11 and 12.

The Directors are from diverse professional backgrounds with a wide range of business, technical and financial experience and knowledge.

The Board considers its current size adequate for the existing scope and nature of the Group's business operations. There is balance in the Board with the presence of the Independent Directors to exercise independence of judgement. The presence of independent non-executive directors is to provide autonomous and unbiased views of financial and business inputs for the interest of the Group. There is also an active and unrestricted participation of Independent Directors as well as Executive and Non-Executive Directors in the deliberations and decision making of the Board.

Supply of Information

All Directors are provided prior to each Board Meeting an agenda and a set of Board papers in sufficient time to enable the Directors to review and consider the items to be discussed at the Board meeting. The Board papers include, inter alia, the following: -

(a) quarterly progress report by the Executive Directors;
(b) quarterly and year-to-date financial reports; and
(c) minutes/decisions of meetings of the Committees of the Board.

Whenever necessary, Directors may also engage the services of independent professionals on specialised issues and in the furtherance of their duties at the Company's expense.

All Directors have access to the advice and services of the Company Secretary and management staff in carrying out their duties.

Appointments to the Board

The Nomination Committee reviews the composition of the Board annually and makes recommendations to the Board where necessary to ensure the Board comprises an appropriate mix of skills, experience and expertise. The Committee is responsible for making recommendations for any appointment to the Board. No nomination was received during the year.

Re-election

Article 76 of the Company's Articles of Association provide that at least one third (1/3) of the Directors are subject to retirement by rotation at each Annual General Meeting. Each retiring Director is eligible for re-election. Directors who are appointed to the Board during the year will have to retire and be subjected to re-election by shareholders at the next Annual General Meeting to be held following their appointments.

Directors' Training

All the Directors have attended the Mandatory Accreditation Programme organised by Bursa Securities. The Directors are aware that they should receive appropriate continuous training and they have attended various seminars, presentations and briefings in order to keep abreast with developments in the market place and with new statutory and regulatory requirements for the financial year ended 31 December 2008. The Board will continue to evaluate and determine the training needs of its Directors to enhance their skills and knowledge.

Board Committees

The following Board Committees were established to assist the Board in discharging its duties and responsibilities. The Committees listed below report all matters and recommendations of their meetings to the Board. The terms of reference of each Committee have been approved by the Board and, where applicable, comply with the recommendations of the Code.

(a) Audit Committee

Please refer to the Audit Committee Report on pages 24 to 26.

(b) Nomination Committee

The Nomination Committee comprises exclusively of Non-Executive Directors with En. Aminodin bin Ismail as Chairman and Mr. Yee Swee Choon and Mr. Henry Choo Hon Fai as members.

The main responsibilities of the Nomination Committee are as follows:-

(i) recommend new nominees to the Board as well as Board Committees and considering the Board's succession planning;

Board Committees (cont'd)

(b) Nomination Committee (cont'd)

(ii) assist the Board in annually reviewing the Board composition and balance as well as the required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and disclose the same in the Annual Report; and
(iii) assess the effectiveness of the Board and Board Committees and the contribution of each individual Director.

The decision on new appointment shall be the responsibility of the Board after considering recommendation by the Nomination Committee.

During the year, the Nomination Committee has held one (1) meeting and was attended by all its members.

(c) Remuneration Committee

The Remuneration Committee comprises mainly of Non-Executive Directors with Mr. Henry Choo Hon Fai as Chairman and Mr. Ng Ying Loong and Mr. Yee Swee Choon as members.

The main responsibilities of the Remuneration Committee are to recommend to the Board the following:-

(i) remuneration packages of each Director of the Company; and
(ii) incentive schemes for the management or other employees.

The Board determines the allowances of the Non-Executive Directors after considering the recommendation of Remuneration Committee.

During the year, the Remuneration Committee has held one (1) meeting and was attended by all its members.

DIRECTORS' REMUNERATION

The Company has adopted the objective as recommended by the Code to determine the remuneration of the Directors so as to ensure that the Company attracts, retains and motivates the Directors of the calibre needed to run the Group successfully. In the case of Executive Directors, the remuneration is structured so as to link rewards to corporate and individual performance. For Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by each Director.

The Remuneration Committee recommends to the Board the remuneration including fees for each Director of the Company. The Board reviews the remuneration of the Directors annually whereby the respective Directors are abstained from discussions and decisions on their own remuneration. Directors' fees are subject to the approval of the shareholders. Reasonable expenses incurred by the Directors in the course of carrying out their duties are reimbursed by the Company.

The details of the Directors' remuneration for the year ended 31 December 2008 and the remuneration bands analysis is as follows: -

	Executive (RM'000)	Non-Executive (RM'000)
Salaries and other emoluments	1,161	-
Bonus	128	-
Defined contribution plan	140	-
Estimated money value of benefits-in-kind	52	-
Fees	-	120
Other emoluments	-	8
Total	**1,481**	**128**

DIRECTORS' REMUNERATION (cont'd)

Range of remuneration (RM)	No. of Directors Executive	Non-Executive
Below 50,000	-	4
100,001 – 150,000	1	-
600,001 – 650,000	1	-
650,001 – 700,000	1	

SHAREHOLDERS AND INVESTORS

Shareholders' Communication and Investors Relation

The Board acknowledges the importance of effective communication and the need for shareholders and investors to be informed of all material business matters of the Company. Such information is disseminated through the following channels:-

- Annual Report
- Circulars/Statements to shareholders
- Various disclosures and announcements to Bursa Securities; and
- The Company's website at www.mudajaya.com

The main forum for dialogue with shareholders remains at General Meetings which encourage the shareholders to raise questions pertaining to the operations and financial matters of the Group.

Annual General Meeting and Extraordinary General Meetings

The Company's practice is to give adequate notice to shareholders of its general meetings. In addition, notices of general meetings with sufficient information of business to be dealt with are published in at least one national newspaper to provide for wider dissemination of such notice to increase awareness and to encourage shareholders' participation during the meeting. General meetings are a mean of direct communication and interaction between the Company and its shareholders. Shareholders are encouraged to attend the meetings and participate in the dialogue sessions.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and quarterly results announcement to shareholders, the Board aims to present a balanced, clear and comprehensive assessment of the Group's financial performance and prospects. The Board and the Audit Committee considers that in preparing the financial statements, the Group uses appropriate accounting policies and standards, consistently applied and supported by reasonable and prudent judgements and estimates.

Internal Control

The Board has overall responsibility for maintaining a sound and effective system of internal control covering not only financial controls but also operational and compliance controls as well as risk management to protect shareholders' investments and the Group's assets. This system has inherent limitations and can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The internal control system of the Group is supported by an established organisational structure with well-defined authority and responsibility lines, and which comprises of appropriate financial, operational and compliance controls. Kindly refer to the Statement on Internal Control on page 21 and 22.

Relationship with the Auditors

The role of Audit Committee in relation to the external auditors is presented in the Audit Committee Report on pages 24 to 26 of this Annual Report.

The Company has always maintained a formal and professional relationship with its internal and external auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The Audit Committee where and when necessary, discussed matters with the external auditors in the absence of the management.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act, 1965 to prepare financial statements which are in accordance with 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 cashflows of the Group and Company for the financial year then ended.

In preparing the financial statements, the Directors have: -

- adopted the appropriate accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured that applicable accounting standards have been followed, and any material discrepancies have been disclosed and explained in the financial statements.

The Directors are responsible for ensuring that the Group and Company keep proper accounting records to disclose with reasonable accuracy of the financial positions of the Group and Company which enable them to ensure that the financial statements comply with the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

The Directors have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to detect and prevent fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

Share Split and Share Consolidation

During the year, Mudajaya has completed a corporate exercise involving the subdivision of one existing ordinary share of RM0.50 into five new ordinary shares of RM0.10 each ("Split Share"), followed by a share consolidation of every two Split Shares into one ordinary share of RM0.20 each in the capital of the Company.

Resulting from the completion of the share split and share consolidation, the whole issued and paid up capital of RM74,800,000 comprising of 374,000,000 ordinary shares of RM0.20 each was granted listing on 4 July 2008.

The share split and share consolidation exercise is intended to increase the liquidity and marketability of the Company's shares, which will encourage a wider shareholder base and also to enhance shareholder value as it will enable Mudajaya's loyal shareholders to hold a larger number of ordinary shares while retaining their equity interest.

Share Buy-Back

As at 1 January 2008, the Company has a balance of 305,200 ordinary shares of RM0.50 each as treasury shares.

Pursuant to the share split and share consolidation as at 4 July 2008, Mudajaya's treasury shares stood at a total of 763,000 ordinary shares of RM0.20 each.

Share Buy-Back (cont'd)

During the financial year ended 31 December 2008, the Company repurchased 184,500 of its own shares from the open market of Bursa Securities for a total consideration of RM189,602.17. Details of the shares repurchased are as follows: -

2008 Month	No. of Shares purchased (Ordinary Shares of RM0.20 each)	Total Consideration* (RM)	Lowest Price paid per share (RM)	Highest Price paid per share (RM)	Average Price paid per share (RM)
October	174,500	180,334.21	0.97	1.10	1.04
November	10,000	9,267.96	0.92	0.92	0.92
	184,500	183,602.17			

*Includes transaction costs

All the 184,500 shares purchased by the Company during the financial year were retained as treasury shares. As at 31 December 2008, the cumulative total number of shares held as treasury shares was 947,500 shares. None of the treasury shares were resold or cancelled during the financial year.

Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued during the financial year.

American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

There were no ADR or GDR programmes sponsored by the Company during the financial year.

Sanctions/Penalties Imposed

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

Non-Audit Fees

There were no non-audit fees paid to external auditors during the financial year.

Variation in Results

There were no material variances between the result for the financial year and unaudited result previously announced.

Profit Guarantees

There were no profit guarantees given by the Company during the financial year.

Material Contracts

To the best of the Board's belief and knowledge, there were no material contracts involving the Group with any of the major shareholders or Directors in office during the financial year.

Revaluation of Landed Properties

There were no revaluations of landed properties during the financial year.

Recurrent Related Party Transactions

There were no material recurrent related party transactions of a revenue nature during the financial year.

Statement on Internal Control

Introduction

The Malaysian Code on Corporate Governance requires the Group to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. Paragraph 15.27(b) of the Listing Requirements of Bursa Securities requires the Board to include a statement in the Annual Report on the state of the Group's internal controls for the financial year under review in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies ("the Guidance") issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Securities. We set out below the Statement on Internal Control which has been prepared in accordance with the Guidance.

Board Responsibility

The Board of Directors acknowledges the responsibility for maintaining a sound system of internal control and for reviewing its adequacy and integrity for good corporate governance practice. The system of internal control, designed to safeguard shareholders' investments and the Group's assets, covers not only financial control but also operational and compliance controls and risk management. Such systems, however, are designed to manage rather than eliminate risks that may hinder the achievement of the Group's business objectives. Accordingly, the systems can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk Management

The Board recognises that all areas of the Group's business activities involve some degree of risk and is committed to ensure that an effective risk management process is put in place to manage those risks.

A risk management policy and framework has been drawn up to identify key risks, the likelihood of those risks occurring as well as any strategy to control or manage those risks affecting the business.

Key Elements of Internal Control

Other key elements of the Group's internal control system include the following:-

- clearly defined delegation of responsibilities, organisation structure and appropriate authority limits have been established by the Board of Directors for the Board Committees and management;

- internal policies and procedures are in places which are updated as and when necessary;

- reporting systems are in place which generate financial and other reports for the Board of Directors and management. Monthly management meetings are held during which the reports are discussed and the necessary action taken;

- annual business plans and budgets are prepared by all units within the Company and actual performance is reviewed against the budgets on a monthly basis;

- adequacy and effectiveness of the system of internal control is reviewed and assessed when deemed necessary by the Audit Committee ("AC") and the Board of Directors. The majority of AC's members are independent directors. The AC is assisted by Internal Audit Committee Members which carried out internal audit functions; and

- the internal audit functions as well as the Group's internal control procedures are reviewed annually by independent external consultants who are familiar with the construction and development industry.

Internal Audit

The internal audit functions of the Group are performed by the Internal Audit Committee Members. The Internal Audit Committee Members continually undertakes to review the system of controls, procedures and operations so as to provide reasonable assurance that the internal control system is sound, adequate and operating satisfactorily.

Monitoring and Review of the System of Internal Control

Overall, the system of internal control in 2008 was considered to be adequate and operating satisfactorily. The effectiveness of the system of internal control will be constantly reviewed and updated in response to changes in the operating environment.

The monitoring, review and reporting procedures and systems in place give reasonable assurance that the controls are adequate and appropriate to the Group's operations and that risks are at an acceptable level. Such procedures and systems, however, do not eliminate the possibility of human error, the deliberate circumvention of control procedures by employees and others and the occurrence of unforeseeable circumstances.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

CSR is becoming an important component of good business practice aimed at improving society and the environment. As a public listed company, Mudajaya remains committed to contribute to the social well-being of the society. The Group strives to be a responsible corporate citizen and is mindful that the Group is creating value for all its stakeholders and enhancing the long-term sustainability of the Group.

As part of the Group's social responsibilities, Mudajaya has been training undergraduates from local colleges and universities on a structured and one-off basis to provide them with basic and formal trainings in the construction and property development industries in Malaysia throughout our offices and project sites in Selangor, Kuala Lumpur, Negeri Sembilan and Sarawak.

Mudajaya has been awarding scholarships to many deserving and bright local undergraduates on a yearly basis since 1994. The Mudajaya Scholarship Awards are granted to worthy students pursuing in the fields of Civil Engineering, Quantity Surveying, Land Surveying, Housing, Building & Planning, M&E Engineering and also Science Studies.

Throughout the year, Mudajaya organised various technical in-house training and external courses for the staff. The Group believes in grooming its own talent and continuously improving and enhancing its pool of talented workforce. Mudajaya's aim is to attract, train and retain the right people that have the ability and motivation to perform and deliver par excellence performance.

The Group also supports the community by contributing to fund-raising and donation drives and responding to the plight of disaster victims locally and elsewhere. Mudajaya has made various contributions to charitable organisations nationwide such as Pusat Harian Kanak-Kanak Spastik Bandar Ipoh, The Heart Foundation of Malaysia etc. During the year, Mudajaya Group has :-

- Sponsored RM30,000 for the construction of the Tree Planting Event Landmark in conjunction with the Sarawak State Level Tree Planting Programme at Batu Kawah New Township Recreational Park.

- Contributed RM10,000 to the Society for the Severely Mentally Handicapped, Selangor and Federal Territory (SSMH) on 23 November 2008. Mudajaya staff has also participated by personally donating cash and purchasing of cash vouchers for the carnival.

- Contributed monetary aid and tents for the victims of the disaster stricken Sichuan Province, China during the global Sichuan Earthquake donation drive.

Taking initiative to help preserve and care for the environment, Mudajaya continue to educate its staff about environmental issues. Various programmes were being introduced to highlight environmental conservation awareness to the staff such as promoting the use of recycled office stationeries and conservation of the use of energy resources.

Mudajaya continues to place great importance on accountability and transparency in the disclosure of information to the stakeholders. The Group has established Investor Relations (IR) programmes that give stakeholders and investors invaluable insight into the Group. Visitors to the Group's website are also encouraged to submit their feedback so that its services to all stakeholders could be further improvised.

Objectives

In compliance with the Listing Requirements of Bursa Securities and Best Practices recommended by the Code, it is the objective of the Audit Committee to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices and to ensure the adequacy and effectiveness of the Group's internal control measure.

In addition, Audit Committee shall ensure consistency with Bursa Securities' commitments to encourage high standards of corporate disclosure and transparency. The Audit Committee also endeavours to adopt practices aimed at maintaining appropriate standards of corporate responsibility, integrity and accountability to the Company's shareholders.

TERMS OF REFERENCE

Constitution

The Audit Committee ("the Committee") was established pursuant to a resolution of the Board of Directors passed on 29 March 2004. The directors appointed to the Committee are as follows: -

Mr. Yee Swee Choon (Chairman)	-	Independent Non-Executive Director
En. Aminodin bin Ismail (Member)	-	Non-Independent Non-Executive Director
Mr. Henry Choo Hon Fai (Member)	-	Independent Non-Executive Director

Membership

The Committee shall be appointed by the Board from amongst its Directors of the Company. The Committee comprises not less than three (3) member and all the audit committee must be non-executive directors with a majority of them independent directors. One of the members of the Committee who is an Independent Director shall be appointed Chairman of the Committee by members of the Committee.

Meetings

Meetings of the Committee shall be held not less than four (4) times a year. The external auditors may request a meeting if they consider that one is necessary and shall have the right to appear and be heard at any meeting of the Committee. The Chairman shall convene a meeting whenever any member of the Committee requests for a meeting. Written notice of the meeting together with the agenda shall be given to the members of the Committee and external auditor where applicable. Minutes of each Committee meeting are to be prepared and distributed to all members of the Committee and Board of Directors.

The quorum for a meeting of the Committee shall be two (2) provided always that the majority of members present must be independent directors.

The Company Secretary or his assistant shall be the Secretary of the Committee.

Rights

The Committee is authorised by the Board of Directors: -

(a) to investigate any matter within its terms of reference;
(b) to have the resources which are required to perform its duties;
(c) to have full and unrestricted access to any information pertaining to the Company;
(d) to have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
(e) to obtain independent professional or other advice; and
(f) to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Duties and Responsibilities

The functions of the Committee shall include the following: -

(a) to consider the appointment of external auditors, their terms of appointment and reference and any questions of resignation or dismissal;
(b) to review with the external auditors their audit plan, scope and nature of audits;
(c) to review the quarterly and annual financial statements before submission to the Board, focusing particularly on:
  - any changes in or implementation of major accounting policy changes;
  - significant and unusual events;
  - the going concern assumption; and
  - compliance with accounting standards and other legal requirements;

(d) to review and assess the adequacy and effectiveness of the systems of internal control and accounting procedures by reviewing the external auditors' management letters and management responses;
(e) to hear from and discuss with the external auditors any problem and reservation arising from their interim and final audits or any other matter that the external auditors may wish to highlight;
(f) to review the internal audit programme, consider the findings of internal audit and steps taken by management in response to such findings and ensure co-ordination between the internal and external auditors;
(g) to review any related party transaction and conflict of interest situation that may arise within the Company or Group to ensure that such transactions are undertaken on the Group's normal commercial terms and that the internal control procedures relating to such transactions are adequate;
(h) to undertake such other responsibilities as may be delegated by the Board of Directors from time to time; and
(i) to report to the Board of Directors its activities and findings.

Attendance at Meetings

During the financial year ended 31 December 2008, the Committee held five (5) meetings. The details of attendance of the Committee members are as follows: -

Committee Member	No. of meetings attended
Mr. Yee Swee Choon	5/5
En. Aminodin bin Ismail	5/5
Mr. Henry Choo Hon Fai	5/5

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the financial year ended 31 December 2008 in the discharge of its duties and responsibilities: -

- review the unaudited quarterly financial results of the Group and its explanatory notes thereon prior to recommendation for the Board of Directors' consideration and approval with particular focus on compliance with accounting standards and regulatory requirements and the Group's accounting policies and practices;

- review the annual report and audited financial statements of the Group prior to submission for the Board of Directors for their consideration and approval;

- review the Internal Audit Reports and accessing the Internal Auditor's findings and the management's responses thereto and thereafter, making the necessary recommendations or changes to the Board of Directors;

- review the Statement on Internal Control and Statement on Corporate Governance for inclusion in the Annual Report; and

- review the Company's compliance with the Listing Requirements of Bursa Securities and the applicable approved accounting standards issued by Malaysian Accounting Standards Board.

INTERNAL AUDIT FUNCTION

The internal audit function of the Company is performed by the Internal Audit Committee Members set up with the principal objective of regular review of systems of internal controls, procedures and operations so as to provide reasonable assurance that the internal control system is sound, adequate and operating satisfactorily.

The attainment of such objective involves the following major activities being carried out by the Internal Audit Committee Members: -

(a) review and appraise the adequacy, effectiveness and reliability of the internal control systems, policies and procedures;
(b) monitor the adequacy, reliability, integrity, security and timeliness of management information systems;
(c) determine the extent of compliance with relevant laws, codes, standards, regulations, policies, plans and procedures; and
(d) identify and recommend solutions for identified potential problems; and review and verify the means used to safeguard assets.

STATEMENT VERIFYING ALLOCATION OF OPTIONS

There were no share schemes for employees established during the financial year ended 31 December 2008.

Dear Valued Shareholders

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and financial statements of Mudajaya Group Berhad ("Mudajaya" or "the Company") for the financial year ended 31 December 2008.

FINANCIAL RESULTS

For the financial year under review, Mudajaya generated total revenue of RM422.4 million, as compared to RM274.0 million in the previous financial year. Mudajaya's profit after taxation rose 58% to RM57.2 million for the financial year ended 31 December 2008 from the previous year record of RM36.2 million.

As at 31 December 2008, the Group's net assets stood at RM304.1 million whilst the net asset per share was RM0.73. The Group continues to operate under healthy financial position with net current assets of RM201.5 million and Cash and bank balances of RM69.8 million with zero gearing.

REVIEW OF OPERATIONS

Year 2008 is a robust year for Mudajaya, as we expanded our market internationally to increase our construction activities and revenue.

Construction

The Group's construction operations are spearheaded by its 100%-owned subsidiary, Mudajaya Corporation Berhad ("MCB").

The revenue gained from the construction sector has increased to RM282.3 million in the current financial year under review as compared to RM139.2 million recorded in the previous financial year, a significant increase of 103%. The profit before taxation for this segment improved considerably to RM60.6 million in the current financial year as compared to RM31.3 million achieved in the previous financial year, a growth of 93%. The construction division of the Group continues to perform well due to its innovation of providing optimization of resources such as plant, labour and material while maintaining the commitment to deliver quality work within the contractual time frame.

We have secured the following new contracts during the year, some of which have contributed to the better performance of the Group:-

- Construction and completion of a Low-Cost Hotel Building (220 Rooms) known as Tune Hotel at the Low Cost Carrier Terminal (LCCT) in Sepang, Selangor Darul Ehsan valued at RM22.2 million. The 9-months project has been completed in early 2009, 37 days ahead of schedule.

- Design and build construction project for the privatisation of the Kuala Lumpur – Kuala Selangor Expressway (KLKSE) Package 1 – Assam Jawa to Kundang and for Package 2 – Kundang to Taman Rimba Templer amounting to RM958.0 million.

- Design and build for Spur Line Guideway Extension and Operation and Maintenance Storage Facility including One Set 3-Car Train in KLIA for RM45.2 million.

Managing Director's Statement

(cont'd)

Subsequent to the year ended 31 December 2008, we have secured an EP Contract by RKM for the setting up of Unit 2, 3 and 4 ("collectively known as "EP Contract-Phase 2") of the 4 x 360 MW IPP Plant Project in Chhattisgarh, India, for a total consideration of USD721.41 million (approximately RM2.64 billion) through an international competitive bidding exercise.

Other than the new contracts secured, following are some of the on-going projects:-

- Coal-fired Power plant at Chhattisgarh, India - Equipment Procurement contract (Phase 1)
- Crest Jalan Sultan Ismail – Construction of Service Apartments & Office Blocks
- Batu Kawah New Township – Construction projects
- Lebuhraya Kemuning - Shah Alam (Package II) – Completing in June 2009
- Kapar Water Mitigation Project
- Highway at Chhattisgarh, India – Rehabilitation & upgrading road works

Property Development

Our main project, Batu Kawah New Township in Kuching, Sarawak continued to enjoy high demand due to its increasing vibrancy, accessibility, amenities and infrastructure. This self-contained township is undertaken via our 70%-owned subsidiary, MJC City Development Sdn. Bhd. ("MJCC").

MJCC's sales performance exceeded expectations despite the soft property market. MJCC successfully sold 99% and 97% of the 4-storey walk-up apartments (known as Courtyard Sanctuary) and the high-rise condominium (known as Upper Sanctuary) respectively. The gated semi-detached homes (known as MJC Mutiara) also registered commendable sales of 93%. MJCC has officially launched the SkyVilla Condominium project in March 2008, comprises of 699 units of luxury condominium and registered 68% sale as at 31 December 2008.

Angsana Fajar Sdn Bhd, a wholly-owned subsidiary of MCB, purchased 4,269 square meters of land in the Corporate Business Park of Mutiara Damanasara, Petaling Jaya to develop a 16-storey office building.

Manufacturing

The manufacturing division consists of production and sales of ready-mixed concrete and pre-cast concrete beams via our 100%-owned subsidiary, MJC Industries Sdn. Bhd. and 51%-owned subsidiary, MJC Precast Sdn. Bhd. The ready-mixed concrete operation has been providing an integral support to the core construction and property development activities of the Group.

The manufacturing division registered a strong growth of 49% in revenue with profit before taxation increased by 32% in the current financial year as compared to the previous financial year.

The major precast concrete beam contracts secured in 2008 were:-

- Design and build construction project for the privatisation of the Kuala Lumpur – Kuala Selangor Expressway (KLKSE) Package 1 – Assam Jawa to Kundang and for Package 2 – Kundang to Taman Rimba Templer

Manufacturing (cont'd)

- The proposed Ipoh-Lumut Link Road and Diamond Interchange for the modification of non-stop through traffic between Ipoh (S) and Jelapang (Package 5).
- Bridge Girders - Pulau Udar Kecil, Sepangar Bay, Sabah.

The manufacturing and sales of pre-cast concrete beams continued to thrive despite challenging conditions during the year mainly due to the escalating prices of raw materials affecting the industry.

Trading

The trading division is undertaken by our 100%-owned subsidiary, MJC Trading Sdn. Bhd.

Trading division continued to play a crucial role in ensuring reliable, cost effective and efficient supply of construction and building materials for the Group's construction and property development operations. Even though revenue for the trading division increased by 128%, nevertheless profit before taxation has decreased by 9% in 2008 as compared to the previous year, mainly due to the volatility of the raw material prices.

CORPORATE DEVELOPMENT

During the financial year, the Group has made significant progress on the IPP Project in the State of Chhattisgarh, India.

The IPP Project is a coal-based thermal power station consist of 4 generating units with a nominal capacity of 360 MW each, to be set up in two phases, comprising Phase 1 (Unit 1 of the generating units) and Phase 2 (Unit-2, 3 and 4 of the generating units). The development for Phase 1 is on track and is targeted to be completed by the second half of year 2011, whereas the development for Phase 2 has commenced since February 2009 and is expected to be completed in a period of 3 years.

R.K.M Powergen Private Limited ("RKM") the special purpose vehicle for the IPP Project has on 2 January 2009 entered into a loan syndication agreement for financing facilities of INR11.9 billion (equivalent to approximately RM847.28 million) for Phase 1 of the IPP Project with several financial institutions in India.

On 2 January 2009, RKM was offered financing facilities by Power Finance Corporation Limited, India for a total amount of INR12.5 billion (approximately RM890.0 million) to part finance Phase 2 of the IPP Project.

Other than the IPP project as mentioned above, Mudajaya has also explored other business opportunities, both locally and overseas. We are leveraging on our financial strength and track records and have focused in certain niche sectors particularly in the power plant sector, which may potentially generate higher profit margin.

Towards the end of year 2008, the Group has established a 75%-owned subsidiary, Mudajaya Middle East Ltd in Riyadh, Kingdom of Saudi Arabia to embark on business opportunities and to undertake projects in the Middle East region.

PROSPECTS OF THE COMPANY

Moving forward, the Group is continually seeking to secure profitable projects to enhance shareholders' value. The Group's excellent track record in its 44 years of experience in the construction industry couple with a strong and professional management team plus its healthy financial position will provide the Group with competitive advantages to secure and undertake new major projects.

On the overseas frontier, the Group's venture in the IPP Project in India will substantially strengthen the Group's presence in India and will put the Group as a power player in the industry. A steady long-term stream of recurring income is expected to commence upon the commercial operations of the power plant.

Currently, the Group is also exploring various business opportunities in India, Middle East, Indonesia and other parts of the world to secure projects, particularly in the power and construction sectors.

Against this outlook and barring unforeseen circumstances, the Board is determine and optimistic that it will be able to further improve on its performance in 2009.

DIVIDEND

The first interim dividend of 4% or RM0.02 per ordinary share of RM0.50 each net of 26% taxation amounted to RM2.2 million for the financial year ended 31 December 2008 were declared on 16 May 2008 and were paid on 16 July 2008. A second interim dividend of 5% or RM0.01 per ordinary share of RM0.20 each less 26% income tax of RM2.76 million was declared on 26 August 2008 and was subsequently paid on 5 November 2008.

In addition, the Board of Directors has also recommended the declaration of a final dividend under the single tier system of 7.5% or RM0.015 per ordinary share of RM0.20 each in respect of financial year ended 31 December 2008, subject to the shareholders' approval at the forthcoming Sixth Annual General Meeting.

APPRECIATION

I would like to express my sincere gratitude and appreciation to all the directors, members of the management and staff for their loyalty, commitment and dedication. Lastly, I would also like to take this opportunity to thank our shareholders, financiers, suppliers, contractors and clients, who have continuously given their unwavering support to us over the years.

Thank you.

Ng Ying Loong
Managing Director

26 May 2009

Financial Statements

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 December 2008.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Profit for the year	57,247	9,771
Attributable to:		
Equity holders of the Company	45,117	9,771
Minority interests	12,130	-
	57,247	9,771

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

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 paid by the Company since 31 December 2007 were as follows:

	RM'000
In respect of the financial year ended 31 December 2007 as reported in the directors' report of that year.	
Final dividend of 8% less 26% taxation, on 149,294,800 ordinary shares of RM0.50 each, approved by shareholder on 18 June 2008 and paid on 3 July 2008.	4,419
In respect of the financial year ended 31 December 2008:	
First interim dividend of 4% less 26% taxation, on 149,294,800 ordinary shares of RM0.50 each, declared on 16 May 2008 and paid on 16 July 2008.	2,210
Second interim dividend of 5% less 26% taxation, on 373,119,500 ordinary shares of RM0.20 each, declared on 26 August 2008 and paid on 5 November 2008.	2,761
	9,390

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2008, of 7.5% under the single tier system, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2009.

The number of ordinary shares for proposal of dividend is uncertain at the date of this financial statement as the Company is engaged in share buy back activity.

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:

Ng Ying Loong
Wee Teck Nam
Anto A/L S.F. Joseph
Chung Tze Hien
Aminodin bin Ismail
Yee Swee Choon
Henry Choo Hon Fai

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 the acquisition of shares in or debentures of the Company or any other body corporate.

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 or the fixed salary of a full time employee of the Company as shown in Note 8 to the financial statements or the fixed salary of a full time employee) 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 27 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 in the Company during the financial year were as follows:

	Number of ordinary shares of				
	RM0.50 each		RM0.20 each		
	As at 1.1.2008	Acquired/ Sold	Adjustment for share split and shares consolidation 3.7.2008	Acquired/ Sold	As at 31.12.2008
The Company					
Direct interest					
Ng Ying Loong	1,626,000	-	2,439,000	-	4,065,000
Anto A/L S.F. Joseph	650,000	-	975,000	-	1,625,000
Wee Teck Nam	390,000	-	585,000	-	975,000
Yee Swee Choon	61,500	-	92,250	-	153,750
Indirect interest					
Ng Ying Loong	40,028,000	-	60,042,000	-	100,070,000
Wee Teck Nam	40,024,000	-	60,036,000	-	100,060,000
Yee Swee Choon	5,000	-	7,500	-	12,500

Ng Ying Loong and Wee Teck Nam by virtue of their interest in shares in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

SHARE SPLIT AND SHARES CONSOLIDATION

At the Annual General Meeting held on 18 June 2008, the shareholders of the Company approved the subdivision of the Company's existing 149,600,000 ordinary shares of RM0.50 each into 748,000,000 ordinary shares of RM0.10 each ("Share Split"), followed by a share consolidation of every 2 ordinary shares of RM0.10 each after the Share Split, into 1 ordinary share of RM0.20 each ("Shares Consolidation"). The Share Split and Shares Consolidation were effected on 3 July 2008 and were completed with the listing and quotation of the new ordinary shares on the Main Board of Bursa Malaysia Securities Berhad on 4 July 2008.

TREASURY SHARES

During the financial year, the Company repurchased 184,500 of its issued ordinary shares from the open market at an average price of RM1.03 per share. The total consideration paid for the repurchase including transaction costs was RM190,000. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 31 December 2008, the Company held as treasury shares a total of 947,500 of its 374,000,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM1,000,000 and further relevant details are disclosed in Note 23(b) to the financial statements.

OTHER STATUTORY INFORMATION

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(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.

OTHER STATUTORY INFORMATION (CONT'D)

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SUBSEQUENT EVENTS

Subsequent events are disclosed in Note 30 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 March 2009.

Ng Ying Loong

Wee Teck Nam

Statement by Directors

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

We, Ng Ying Loong and Wee Teck Nam, being two of the directors of Mudajaya Group Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 39 to 79 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 December 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 25 March 2009.

Ng Ying Loong

Wee Teck Nam

Statutory Declaration

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

I, Loi Kent Liak, being the officer primarily responsible for the financial management of Mudajaya Group Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 39 to 79 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 Loi Kent Liak at Petaling Jaya in the
State of Selangor Darul Ehsan on 25 March 2009

Loi Kent Liak

Before me,

Soong Foong Chee
No. B. 158

Independent Auditors' Report

to the members of Mudajaya Group Berhad (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Mudajaya Group Berhad, which comprise the balance sheets as at 31 December 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 39 to 79.

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 applicable 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 Company'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 Company'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 applicable 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 December 2008 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174 (3) of the Act.

OTHER MATTERS

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

Lee Seng Huat
No. 2518/12/09(J)
Chartered Accountant

Kuala Lumpur, Malaysia
25 March 2009

Income Statements

For the year ended 31 December 2008

	Note	Group		Company	
		2008	**2007**	**2008**	**2007**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	3	**422,382**	273,981	**13,568**	11,005
Cost of sales	4	**(338,687)**	(216,700)	**-**	-
Gross profit		**83,695**	57,281	**13,568**	11,005
Other income	5	**3,142**	6,469	**3**	16
Administrative expenses		**(21,864)**	(21,877)	**(324)**	(304)
Operating profit	6	**64,973**	41,873	**13,247**	10,717
Share of results of associates		**459**	166	**-**	-
Profit before tax		**65,432**	42,039	**13,247**	10,717
Income tax expense	9	**(8,185)**	(5,874)	**(3,476)**	(2,971)
Profit for the year		**57,247**	36,165	**9,771**	7,746
Attributable to:					
Equity holders of the Company		**45,117**	30,140	**9,771**	7,746
Minority interests		**12,130**	6,025	**-**	-
		57,247	36,165	**9,771**	7,746
Earning per share attributable to equity holders of the Company (sen):					
Basic, for profit for the year	10	**12.1**	8.4		

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

Balance Sheets

as at 31 December 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	**11,880**	12,592	**-**	-
Investments in subsidiaries	13	**-**	-	**60,299**	60,299
Investments in associates	14	**90,872**	69,346	**-**	-
Other investments	15	**102**	102	**-**	-
		102,854	82,040	**60,299**	60,299
Current assets					
Property development costs	16	**78,997**	35,499	**-**	-
Inventories	17	**15,251**	16,378	**-**	-
Trade and other receivables	18	**141,248**	143,777	**77,613**	77,420
Cash and bank balances	19	**69,775**	84,767	**22**	35
		305,271	280,421	**77,635**	77,455
TOTAL ASSETS		**408,125**	362,461	**137,934**	137,754
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the company					
Share capital	23	**74,800**	74,800	**74,800**	74,800
Share premium		**63,114**	63,114	**63,114**	63,114
Treasury shares	23	**(1,000)**	(811)	**(1,000)**	(811)
Capital reserve	24	**4,900**	4,900	**-**	-
Foreign currency translation reserve		**(2,956)**	(246)	**-**	-
Retained earnings	25	**126,990**	91,263	**848**	467
		271,760	233,020	**137,762**	137,570
Minority interests		**32,372**	20,842	**-**	-
Total equity		**304,132**	253,862	**137,762**	137,570
Non-current liability					
Deferred taxation	22	**256**	256	**-**	-
Current liabilities					
Trade and other payables	21	**100,514**	107,169	**172**	180
Current tax payable		**3,223**	1,174	**-**	4
		103,737	108,343	**172**	184
Total liabilities		**103,993**	108,599	**172**	184
TOTAL EQUITY AND LIABILITIES		**408,125**	362,461	**137,934**	137,754

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2008

		Attributable to equity holders of the Company							Minority interests	Total equity
			Non-distributable				Distributable			
	Note	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	RM'000	RM'000
At 1 January 2007		68,000	10,106	4,900	(2,320)	-	68,761	149,447	14,740	164,187
Profit for the year		-	-	-	-	-	30,140	30,140	6,025	36,165
Foreign currency translation, representing net expense recognised directly in equity		-	-	-	-	(246)	-	(246)	-	(246)
Total recognised income and expense for the year		-	-	-	-	(246)	30,140	29,894	6,025	35,919
Issue of ordinary shares		6,800	49,329	-	-	-	-	56,129	-	56,129
Treasury shares:										
Purchased	23(b)	-	-	-	(2,112)	-	-	(2,112)	-	(2,112)
Sold		-	3,679	-	3,621	-	-	7,300	-	7,300
Dividends	11	-	-	-	-	-	(7,638)	(7,638)	-	(7,638)
Subscription of shares in a subsidiary		-	-	-	-	-	-	-	77	77
At 31 December 2007		74,800	63,114	4,900	(811)	(246)	91,263	233,020	20,842	253,862
At 1 January 2008		**74,800**	**63,114**	**4,900**	**(811)**	**(246)**	**91,263**	**233,020**	**20,842**	**253,862**
Profit for the year		**-**	**-**	**-**	**-**	**-**	**45,117**	**45,117**	**12,130**	**57,247**
Foreign currency translation, representing net income recognised directly in equity		**-**	**-**	**-**	**-**	**3,202**	**-**	**3,202**	**-**	**3,202**
Total recognised income and expense for the year		**-**	**-**	**-**	**-**	**3,202**	**45,117**	**48,319**	**12,130**	**60,449**
Treasury shares:										
Purchased	**23(b)**	**-**	**-**	**-**	**(189)**	**-**	**-**	**(189)**	**-**	**(189)**
Dividends	**11**	**-**	**-**	**-**	**-**	**-**	**(9,390)**	**(9,390)**	**(600)**	**(9,990)**
At 31 December 2008		**74,800**	**63,114**	**4,900**	**(1,000)**	**2,956**	**126,990**	**271,760**	**32,372**	**304,132**

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

Company Statement of Changes in Equity

For the year ended 31 December 2008

		← Non-distributable		→	Distributable	
	Note	Shares capital RM'000	Share premium RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2007		68,000	10,106	(2,320)	359	76,145
Profit for the year, representing total recognised income and expense for the year		-	-	-	7,746	7,746
Issue of ordinary shares		6,800	49,329	-	-	56,129
Treasury shares:						
Purchased	23(b)	-	-	(2,112)	-	(2,112)
Sold		-	3,679	3,621	-	7,300
Dividends	11	-	-	-	(7,638)	(7,638)
At 31 December 2007		74,800	63,114	(811)	467	137,570
At 1 January 2008		**74,800**	**63,114**	**(811)**	**467**	**137,570**
Profit for the year, representing total recognised income and expense for the year		**-**	**-**	**-**	**9,771**	**9,771**
Treasury shares:						
Purchased	**23(b)**	**-**	**-**	**(189)**	**-**	**(189)**
Dividends	**11**	**-**	**-**	**-**	**(9,390)**	**(9,390)**
At 31 December 2008		**74,800**	**63,114**	**(1,000)**	**848**	**137,762**

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

Cash Flow Statements

For the year ended 31 December 2008

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**65,432**	42,039	**13,247**	10,717
Adjustments for:				
Interest income	**(1,775)**	(1,908)	**(3)**	(16)
Dividend income	**-**	-	**(13,568)**	(11,005)
Depreciation of property, plant and equipment	**3,196**	3,715	**-**	-
Gain on disposal of property, plant and equipment	**(329)**	(945)	**-**	-
Loss on disposal of other investments	**-**	7	**-**	-
Provision for doubtful debts	**399**	-	**-**	-
Reversal of provision for doubtful debts	**-**	(1,096)	**-**	-
Unrealised loss/(gain) on foreign exchange	**1,234**	(1,193)	**-**	-
Share of results of associates	**(459)**	(166)	**-**	-
Operating profit/(loss) before working capital changes	**67,698**	40,453	**(324)**	(304)
Property development costs	**(52,438)**	13,265	**-**	-
Inventories	**10,067**	775	**-**	-
Trade and other receivables	**3,134**	(57,365)	**(190)**	(61,448)
Trade and other payables	**(4,687)**	64,749	**(8)**	(13)
Cash generated from/(used in) operations	**23,774**	61,877	**(522)**	(61,765)
Taxes paid	**(7,171)**	(7,623)	**(1)**	(2)
Taxes refunded	**490**	229	**46**	11
Net cash generated from/(used in) operating activities	**17,093**	54,483	**(477)**	(61,756)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	**(2,623)**	(3,359)	**-**	-
Proceeds from disposal of property, plant and equipment	**468**	1,563	**-**	-
Proceed from disposal of other investment	**-**	25	**-**	-
Additional investment in an associate	**(21,526)**	(69,346)	**-**	-
Interest received	**1,775**	1,908	**3**	16
Dividend received	**-**	-	**10,040**	8,034
Net cash (used in)/generated from investing activities	**(21,906)**	(69,209)	**10,043**	8,050

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds received from issuance of shares to minority interest	**-**	77	**-**	-
Purchase of treasury shares	**(189)**	(2,112)	**(189)**	(2,112)
Proceeds from issuance of ordinary shares	**-**	56,129	**-**	56,129
Proceeds from disposal of treasury shares	**-**	7,300	**-**	7,300
Dividends paid	**(9,990)**	(7,638)	**(9,390)**	(7,638)
Net cash (used in)/generated from financing activities	**(10,179)**	53,756	**(9,579)**	53,679
NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES	**(14,992)**	39,030	**(13)**	(27)
CASH AND BANK BALANCES AT BEGINNING OF YEAR	**84,767**	45,737	**35**	62
CASH AND BANK BALANCES AT END OF YEAR (NOTE 19)	**69,775**	84,767	**22**	35

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

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office and principal business of the Company is located at 17, Jalan Semangat, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 13. There have been no significant changes in the nature of the principal 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 25 March 2009.

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 disclosed in significant accounting policies, and comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. At the beginning of the current financial year, the Group and the Company have adopted new and revised Financial Reporting Standards ("FRSs") and IC Interpretations which are mandatory for financial periods beginning on or after 1 July 2007 as described fully 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 the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as 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. 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.

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)

Acquisition of subsidiaries are accounted for using the purchase method except for certain business combinations which were acquired prior to 1 January 2006 were accounted for using the merger method in accordance with FRS 122_{2004}: Business Combinations, the generally accepted accounting principles prevailing at that time. The Group has taken advantage of exemption provided by FRS 3: Business Combinations to apply this standard prospectively. Accordingly, business combinations entered into prior to the effective dates have not been restated to comply with this standard.

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.

Acquisitions of subsidiaries that meet the conditions of a merger are accounted for using the merger method. Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been affected throughout the current and previous year. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. In the consolidated financial statements, the cost of the merger is eliminated against the nominal value of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitabie reserve. Any share premium, capital redemption reserve and other reserves which are attributable to share capital of the merged enterprises, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

(b) Associates

Associates 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 associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(b) Associates (cont'd)

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. 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 associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

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

Goodwill relating to an associate 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 associate's identifiable asset, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. 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.

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

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

(c) Jointly controlled assets

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control such that significant operating and financial decisions require the consent of more than one venturer. The Group is involved in a jointly controlled asset ("JCA").

A JCA is a joint venture in which the venturers have joint control over the assets contributed to or acquired for the purposes of the joint venture. JCA does not involve the establishment of a corporation, partnership or other entity. This includes situations where the participants derive benefit from the joint activity through share of the results of the operations. The Group's proportionate interests in the assets, liabilities, revenues, expenses and cash flows of JCA are incorporated into the Group's financial statements under the appropriate headings.

(d) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

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

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

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2%
Factory	10%
Plant, machinery and equipment	20%
Office equipment, furniture and fittings	20%
Motor vehicles	20%

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.

(e) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(f) Construction contracts

Construction contracts work-in-progress are stated at cost plus attributable profits less foreseeable losses and progress biliings. Cost includes sub-contract charges, materials, labour and attributable overhead expenses.

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

(g) Impairment of non-financial assets

The carrying amounts of assets, other than construction contract assets, property development costs, inventories and deferred tax assets 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 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.

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. An impairment loss is recognised in profit or loss in the period in which it arises.

An impairment loss for an asset 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 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 is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(h) Inventories

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

Cost of raw materials and finished goods is determined on a weighted average or first-in-first-out basis, as appropriate, according to the category of inventories concerned. The cost of raw materials comprises costs of purchase. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is 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.

(i) 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 bank balances

For the purposes of the cash flow statements, cash and bank balances include cash on hand and at bank and deposits at call which have an insignificant risk of changes in value, net of outstanding bank overdrafts, if any.

(ii) Other non-current investments

Non-current investments other than investments in subsidiaries, associates and jointly controlled entities are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in profit or loss.

(iii) Marketable securities

Marketable securities 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. Increases or decreases in the carrying amount of marketable securities are recognised in profit or loss. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

(iv) Trade receivables

Trade 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 as at the balance sheet date.

(v) Trade payables

Trade payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(i) Financial instruments (cont'd)

(vi) 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 a 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.

The consideration paid, including attributable transaction costs on repurchased ordinary shares of the Company that have not been cancelled, are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

(j) 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. 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 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 as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised 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.

(k) Provisions

Provisions 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, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(l) 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. 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 empioyee 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").

(m) Foreign currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

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. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Summary of significant accounting policies (cont'd)

(m) Foreign currencies (cont'd)

(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 dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

(n) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.2(d).

(ii) Construction contracts

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

(iii) Sale of goods

Revenue is recognised net of sales taxes and discounts upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(iv) Rental income

Rental income from investment property 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.

(v) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(vi) Dividend income

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

(vii) Management fees

Management fees are recognised when services are rendered.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

On 1 January 2008, the Group and the Company adopted the following new and revised FRSs, amendments to FRSs and IC Interpretations:

FRS 107: Cash Flow Statements
FRS 111: Construction Contracts
FRS 112: Income Taxes
FRS 118: Revenue
FRS 120: Accounting for Government Grants and Disclosure of Government Assistance
FRS 134: Interim Financial Reporting
FRS 137: Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 119_{2004}:Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosure
Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates
- Net Investment In a Foreign Operation
IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6: Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7: Applying the Restatement Approach to FRS 129 Financial Accounting in Hyper inflationary Economies
IC Interpretation 8: Scope of FRS 2

The adoption of the above new and revised FRSs and IC Interpretations did not have any significant impact on the financial statements of the Group and of the Company.

2.4 Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following FRSs, and IC Interpretations were in issue but not yet effective and have not been applied by the Group and the Company:

FRS, amendments to FRS and interpretations	Effective for financial periods beginning on or after
FRS 7: Financial Instruments: Disclosure	1 January 2010
FRS 8: Operating Segments	1 July 2009
FRS 139 : Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010

The new FRSs and interpretations above are expected to have no significant impact on the financial statements of the Group and of the Company upon their initial application except for the changes in disclosures arising from the adoption of FRS 7 and FRS 8.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

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:

(i) Property development costs and construction contracts

The Group recognises property development and construction contracts revenue and expenses in the income statement using the stage of completion method. The stage of completion is determined by the proportion of costs incurred for the work performed to date over the estimated total costs.

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

Details of the property development costs and construction contracts are disclosed in Note 16 and Note 20 respectively.

(ii) Depreciation of plant, machinery and equipment

The cost of plant and machinery for the manufacture of building materials is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant, machinery and equipment to be within 3 to 5 years. These are common life expectancies applied in the industry of building materials manufacturing. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. However, management believes that no reasonable probable change in the above key assumptions would cause a material impact to the future depreciation charges.

3. REVENUE

	Group		Company	
	2008 RM'000	**2007 RM'000**	**2008 RM'000**	**2007 RM'000**
Construction contracts	**283,188**	139,530	**-**	-
Sale of development properties	**25,356**	73,137	**-**	-
Sale of construction materials	**113,838**	61,314	**-**	-
Dividend income from subsidiaries	**-**	-	**13,568**	11,005
	422,382	273,981	**13,568**	11,005

4. COST OF SALES

	Group	
	2008 RM'000	2007 RM'000
Construction contract costs	215,286	103,164
Property development costs (Note 16)	20,350	61,514
Cost of inventories sold	103,051	52,022
	338,687	216,700

5. OTHER INCOME

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Interest income	1,775	1,908	3	16
Rental of land and buildings	124	125	-	-
Rental of plant and machinery	-	125	-	-
Miscellaneous	1,243	4,311	-	-
	3,142	6,469	3	16

6. OPERATING PROFIT

The following amounts have been included in arriving at operating profit:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Employee benefits expenses (Note 7)	9,882	6,576	-	-
Non-executive directors' remuneration (Note 8)	128	127	128	127
Auditors' remuneration	100	66	18	15
Depreciation of property, plant and equipment (Note 12)	3,196	3,715	-	-
Provision for doubtful debts	399	-	-	-
Reversal of provision for doubtful debts	-	(1,096)	-	-
Rental expense for:				
- land and buildings	330	333	-	-
- plant and machineries	2,278	2,653	-	-
Loss on disposal of other investments	-	7	-	-
Gain on disposal of property, plant and equipment	(329)	(945)	-	-
Rental of plant and machinery	-	(125)	-	-
Rental of land and building	(125)	(125)	-	-
Unrealised loss/(gain) on foreign exchange	1,234	(1,193)	-	-

7. EMPLOYEE BENEFITS EXPENSE

	Group	
	2008 RM'000	2007 RM'000
Wages and salaries	8,836	5,629
Social security contributions	46	38
Contributions to defined contribution plan	741	602
Other benefits	259	307
	9,882	6,576

Included in employee benefits expenses of the Group are executive directors' remuneration amounting to RM2,422,000 (2007: RM2,414,000) as further disclosed in Note 8.

8. DIRECTORS' REMUNERATION

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Executive directors' remuneration (Note 7):				
Other emoluments	**2,422**	2,414	**-**	-
Non-executive directors' remuneration (Note 6):				
Fees	**120**	120	**120**	120
Other emoluments	**8**	7	**8**	7
	128	127	**128**	127
Total directors' remuneration (Note 27)	**2,550**	2,541	**128**	127
Estimated money value of benefits-in-kind	**82**	86	**-**	-
Total directors' remuneration including benefits-in-kind	**2,632**	2,627	**128**	127

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Executive:				
Saiaries and other emolument	**1,161**	1,185	**-**	-
Bonus	**128**	67	**-**	-
Defined contribution plan	**140**	120	**-**	-
Estimated money value of benefits-in-kind	**52**	52	**-**	-
	1,481	1,424	**-**	-

8. Directors' remuneration (cont'd)

	Group		Company	
	2008 RM'000	**2007 RM'000**	**2008 RM'000**	**2007 RM'000**
Non-executive:				
Fees	**120**	120	**120**	120
Other emolument	**8**	7	**8**	7
	128	127	**128**	127
	1,609	1,551	**128**	127

The number of directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of directors	
	2008	**2007**
Executive directors:		
RM100,001 - RM150,000	**1**	-
RM150,001 - RM200,000	**-**	1
RM300,001 - RM350,000	**-**	-
RM350,001 - RM400,000	**-**	-
RM450,001 - RM500,000	**-**	-
RM500,001 - RM550,000	**-**	-
RM550,001 - RM600,000	**-**	-
RM600,001 - RM650,000	**1**	2
RM650,001 - RM700,000	**1**	-
Non-executive directors:		
Below RM50,000	**4**	4

9. INCOME TAX EXPENSE

	Group		Company	
	2008 RM'000	**2007 RM'000**	**2008 RM'000**	**2007 RM'000**
Current income tax:				
Malaysian income tax	**8,419**	6,186	**3,528**	2,971
(Over)/under provision in prior years	**(234)**	148	**(52)**	-
	8,185	6,334	**3,476**	2,971
Deferred taxation (Note 22):				
Relating to origination and reversal of temporary differences	**(14)**	(4)	**-**	-
Relating to changes in tax rates	**14**	13	**-**	-
Overprovision in prior years	**-**	(469)	**-**	-
	-	(460)	**-**	-
Total tax expenses	**8,185**	5,874	**3,476**	2,971

9. INCOME TAX EXPENSE (CONT'D)

Domestic 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 December 2008 has reflected these changes.

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

A reconciliation of income tax expense applicable to profit before tax 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 tax	**65,432**	42,039
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	**17,012**	11,351
Effect of changes in tax rates on opening balance of deferred tax	**14**	13
Effect of income subject to tax rate of 20% (2007: 20%)	**(43)**	(92)
Income not subject to tax	**(9,161)**	(5,868)
Expenses not deductible for tax purposes	**639**	827
Utilisation of current year's reinvestment allowances	**(84)**	(67)
Utilisation of previously unrecognised and unutilised reinvestment allowances	**(62)**	(69)
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	**104**	100
Overprovision of deferred tax in prior years	**-**	(469)
(Over)/under provision of tax expense in prior years	**(234)**	148
Income tax expense for the year	**8,185**	5,874
Company		
Profit before tax	**13,247**	10,717
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	**3,444**	2,894
Expenses not deductible for tax purposes	**84**	77
Overprovision of tax expense in prior years	**(52)**	-
Income tax expense for the year	**3,476**	2,971

10. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing 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 held by the Company, excluding treasury shares held by the Company.

	Group	
	2008 RM'000	2007 RM'000 (restated)
Profit attributable to ordinary equity holders of the Company	**45,117**	30,140
Weighted average number of ordinary shares of RM0.20 each in issue*	**373,192**	358,078

	Group	
	2008 sen	2007 sen
Basic earning per share for profit for the year	**12.1**	8.4

* Adjusted pursuant to the Share Split and Shares Consolidation on 3 July 2008

There is no diluted earnings per share as the Company does not have any dilutive potential ordinary shares.

11. DIVIDENDS

	Dividends in respect of year		Dividends recognised in year	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Recognised during the year:				
Final dividend for 2007: 8% less 26% taxation, on 149,294,800 ordinary shares of RM0.50 each (4 sen per ordinary share)	**-**	4,419	**4,419**	-
Final dividend for 2006: 6% less 27% taxation, on 149,519,300 ordinary shares of RM0.50 each (3 sen per ordinary share)	**-**	-	**-**	3,274
First interim dividend for 2008: 4% less 26% taxation, on 149,294,800 ordinary shares of RM0.50 each (2 sen per ordinary share)	**2,210**	-	**2,210**	-
First interim dividend for 2007: 4% less 27% taxation, on 149,519,300 ordinary shares of RM0.50 each (2 sen per ordinary share)	**-**	2,184	**-**	2,184

11. DIVIDENDS (CONT'D)

	Dividends in respect of year		Dividends recognised in year	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Second interim dividend for 2008: 5% less 26% taxation, on 373,119,500 ordinary shares of RM0.20 each (1 sen per ordinary share)	2,761	-	2,761	-
Second interim dividend for 2007: 4% less 27% taxation, on 149,294,800 ordinary shares of RM0.50 each (2 sen per ordinary share)	-	2,180	-	2,180
	4,971	8,783	9,390	7,638

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2008, of 7.5% under the single tier system, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2009.

The number of ordinary shares for proposal of dividend is uncertain at the date of this financial statement as the Company is engaged in share buy back activity.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Building RM'000	Factory RM'000	Plant, machinery and equipment RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Group							
At 31 December 2008							
Cost							
At 1 January 2008	5,707	1,899	3,633	41,805	2,353	6,685	62,082
Additions	-	-	-	226	248	2,149	2,623
Disposals	-	-	-	(855)	(23)	(1,533)	(2,411)
At 31 December 2008	5,707	1,899	3,633	41,176	2,578	7,301	62,294
Accumulated depreciation							
At 1 January 2008	-	12	2,693	39,143	2,224	5,418	49,490
Depreciation charge for the year (Note 6)	-	31	298	2,033	84	750	3,196
Disposals	-	-	-	(855)	(17)	(1,400)	(2,272)
At 31 December 2008	-	43	2,991	40,321	2,291	4,768	50,414
Net carrying amount							
At 31 December 2008	5,707	1,856	642	855	287	2,533	11,880

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM'000	Building RM'000	Factory RM'000	Plant, machinery and equipment RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
Group (cont'd)							
At 31 December 2007							
Cost							
At 1 January 2007	5,707	170	3,633	43,609	2,290	6,639	62,048
Additions	-	1,899	-	837	63	560	3,359
Disposals	-	(170)	-	(2,641)	-	(514)	(3,325)
At 31 December 2007	5,707	1,899	3,633	41,805	2,353	6,685	62,082
Accumulated depreciation							
At 1 January 2007	-	22	2,330	38,727	2,151	5,252	48,482
Depreciation charge for the year (Note 6)	-	16	363	2,607	73	656	3,715
Disposals	-	(26)	-	(2,191)	-	(490)	(2,707)
At 31 December 2007	-	12	2,693	39,143	2,224	5,418	49,490
Net carrying amount							
At 31 December 2007	5,707	1,887	940	2,662	129	1,267	12,592

13. INVESTMENTS IN SUBSIDIARIES

	Company 2008 RM'000	Company 2007 RM'000
Unquoted shares at cost	**60,299**	60,299

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest 2008 %	Effective equity interest 2007 %
Held by the Company:				
Mudajaya Corporation Berhad ("MCB")	Malaysia	Civil engineering and building construction	**100**	100

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest 2008 %	Effective equity interest 2007 %
Held through MCB:				
Mudajaya Power International Sdn. Bhd.	Malaysia	Civil engineering and building construction	**100**	100
Angsana Fajar Sdn. Bhd.	Malaysia	Property development	**100**	100
MJC City Development Sdn. Bhd.	Malaysia	Property management and development	**70**	70
MJC Development Sdn. Bhd.	Malaysia	Property management and development and building construction	**51**	51
MJC Industries Sdn. Bhd.	Malaysia	Manufacture of concrete products and building materials	**100**	100
MJC Precast Sdn. Bhd.	Malaysia	Manufacture of precast concrete and other related products	**51**	51
MJC Trading Sdn. Bhd.	Malaysia	Hire of plant and machinery and trading in construction related materials	**100**	100
Great Hill International Ltd.	Republic of Mauritius	Has not commenced operations	**100**	100
Mudajaya International Ltd. *	Republic of Mauritius	Has not commenced operations	**100**	100
Oracle International Co., Ltd.	Negara Brunei Darussalam	Has not commenced operations	**100**	100
MJC Plantations Sdn. Bhd.	Malaysia	Dormant	**100**	100
MJC Management Services Sdn. Bhd.	Malaysia	Property management	**100**	100
MIPP International Ltd ("MIPP")	Republic of Mauritius	Equipment Procurement services	**80**	80
Mudajaya International Investment Ltd ("MIIL")	Negara Brunei Darussalam	Has not commenced operations	**100**	100
Electric Power International Ltd	Republic of Mauritius	Dormant	**74**	74
Held through MIIL:				
Mudajaya Construction (India) Private Limited	India	Construction and related business	**100**	-

* Audited by affiliate of Ernst & Young

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Acquisition of subsidiary

On 14 August 2008, Mudajaya International Investment Ltd ("MIIL"), acquired 10,000 ordinary shares of Rs10 each in Mudajaya Construction (India) Private Limited ("MCI"), a company incorporated in India, representing the entire issued and paid-up share capital of MCI for a total consideration of Rs100,000, thereby resulting in MCI becoming a wholly-owned subsidiary.

14. INVESTMENTS IN ASSOCIATES

	Group	
	2008 RM'000	**2007 RM'000**
Unquoted shares, at cost		
- in India	**90,872**	69,346
- in Malaysia	**1**	1
Share of post-acquisition reserves	**(1)**	(1)
	90,872	69,346

The Group's interests in the associates is analysed as follows:

Share of net assets	**22,287**	18,850
Premium on acquisition	**68,585**	50,496
	90,872	69,346

Details of associates are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest 2008 %	Effective equity interest 2007 %
Held through a subsidiary:				
Binamin Quarry Sdn. Bhd.	Malaysia	Investment holding	**-**	40
MJC Quarry Sdn. Bhd. (formerly known as Binamin MJC Quarry Sdn. Bhd.) ("MJC Quarry")	Malaysia	Quarry operations	**70**	70
R.K.M. Powergen Private Limited ("RKM")	India	Power plant operations	**26**	26

On 23 December 2008, MCB acquired the remaining 30% equity interest, represented by 1,002 ordinary shares in MJC Quarry, for a total cash consideration of RM1,002. The sale was completed subsequent to the financial year end, resulting in MJC Quarry becoming a wholly owned subsidiary.

On the same day, MCB disposed of its entire equity interest in Binamin Quarry Sdn. Bhd. for a total cash consideration of RM400 to Binamin Holdings Sdn. Bhd.

14. INVESTMENTS IN ASSOCIATES (CONT'D)

During the financial year, pursuant to the Shareholders Agreement dated 8 February 2008, MCB subscribed for additional 3,857,113 ordinary shares in RKM for cash consideration of RM21,525,000.

The financial statements of RKM has a financial year end of 31 March to conform with its holding company's financial year end. For the purpose of applying the equity method of accounting, the financial statements of RKM for the year ended 31 March 2008 have been used and appropriate adjustments have been made for the effects of significant transactions between 31 December 2008 and that date.

The summarised financial statements of the associates are as follows:

	2008 RM'000	2007 RM'000
Assets and liabilities		
Current assets	**30,548**	27,843
Non-current assets	**3,990**	4,074
Total assets	**34,538**	31,917
Current liabilities	**(8,082)**	(11,033)
Non-current liabilities	**(4,169)**	(2,034)
Total liabilities	**(12,251)**	(13,067)
Results		
Revenue	**675**	345
Profit for the year	**459**	166

15. OTHER INVESTMENTS

	Group	
	2008 RM'000	2007 RM'000
At cost:		
Club memberships	**32**	32
Unquoted preference shares	**70**	70
Unquoted shares	**1,000**	1,000
	1,102	1,102
Less: Accumulated impairment losses	**(1,000)**	(1,000)
	102	102

16. PROPERTY DEVELOPMENT COSTS

	Group	
	2008 RM'000	2007 RM'000
Cumulative property development costs		
At 1 January:	**43,905**	43,671
Leasehold land	**191,314**	143,299
Development costs	**235,219**	186,970
Costs incurred during the year:		
Freehold land	**15,195**	-
Leasehold land	**-**	234
Development costs	**57,593**	58,921
Unsold units transferred to inventories	**(8,940)**	(10,906)
	63,848	48,249
At 31 December	**299,067**	235,219
Cumulative costs recognised in income statement:		
At 1 January	**(199,720)**	(138,206)
Recognised during the year (Note 4)	**(20,350)**	(61,514)
At 31 December	**(220,070)**	(199,720)
Property development costs at 31 December	**78,997**	35,499

The leasehold land under development of a subsidiary belongs to a third party and is developed by the subsidiary pursuant to the Development Agreement and the Supplemental Agreement entered into on 22 July 1996 and 23 July 1996 respectively, between the subsidiary and a third party. The Development Agreement and the Supplemental Agreement provide interalia for the payment in kind in return for the land contributed by the third party.

17. INVENTORIES

	Group	
	2008 RM'000	2007 RM'000
Cost		
Properties held for sale	**10,996**	12,959
Raw materials	**4,255**	3,419
	15,251	16,378

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Trade receivables				
Third parties	**97,445**	89,110	**-**	-
Subsidiary	**-**	-	**77,608**	77,418
Accrued billings in respect of property development costs	**332**	24,226	**-**	-
Retention sum (Note 20)	**19,170**	13,258	**-**	-
	116,947	126,594	**77,608**	77,418
Less: Provision for doubtful debts				
Third parties	**(3,663)**	(3,264)	**-**	-
Trade receivables, net	**113,284**	123,330	**77,608**	77,418
Other receivables				
Associates	**1,913**	2,111	**-**	-
Deposits	**798**	583	**2**	2
Prepayments	**551**	873	**-**	-
Other receivables	**23,451**	16,174	**-**	-
Tax recoverable	**1,251**	706	**3**	-
	27,964	20,447	**5**	2
	141,248	143,777	**77,613**	77,420

(a) Credit risk

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

(b) Amount due from subsidiary

The amount due from subsidiary is unsecured, interest free and repayable on demand.

(c) Amount due from an associate

	Group	
	2008 RM'000	2007 RM'000
Amount due from an associate	**4,956**	5,612
Share of post acquisition losses in excess of cost of investment	**(3,043)**	(3,501)
	1,913	2,111

The amount due from the associate is unsecured, interest free and repayable on demand.

Further details on related party transactions are disclosed in Note 27.

Other information on financial risks of other receivables are disclosed in Note 28.

19. CASH AND BANK BALANCES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash on hand and at banks	**6,539**	19,501	**22**	35
Deposits with other financial institutions	**63,236**	65,266	**-**	-
	69,775	84,767	**22**	35

Other financial institutions are licensed investment bank and asset management companies in Malaysia.

Deposits placed with licensed investment bank and asset management companies are in the form of units placed in money market funds. These deposits are on call and/or repo basis and bear a weighted average interest rate between 3.00% to 3.51% (2007: 2.30% to 3.36%) per annum.

Included in the cash at banks of the Group in the previous financial year is an amount of RM16,342 held in a trust account in accordance with Regulation 12 of the Housing Developers (Housing Development Account) Regulations 1991.

20. DUE TO CUSTOMERS ON CONTRACTS

	Group	
	2008 RM'000	2007 RM'000
Construction costs incurred todate	**1,274,995**	1,175,991
Attributable profits	**216,224**	175,075
	1,491,219	1,351,066
Less: Progress billings	**(1,515,111)**	(1,379,175)
Due to customers on contracts	**(23,892)**	(28,109)
Retention sum on contract, included within trade receivables (Note 18)	**19,170**	13,258

Construction contracts revenue and costs are disclosed in Note 3 and Note 4 respectively.

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

	Group	
	2008 RM'000	2007 RM'000
Hire of plant and machinery	**136**	230
Rental expense for land and buildings	**273**	175

21. TRADE AND OTHER PAYABLES

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Trade payables					
Third parties	(a)	**55,154**	64,749	**-**	-
Other payables					
Deposits		**129**	144	**-**	-
Accruals		**1,369**	1,914	**172**	180
Other payables		**4,466**	8,284	**-**	-
Related party	(b)	**-**	7	**-**	-
Deferred income	(c)	**15,504**	3,962	**-**	-
Due to customers on contracts	20	**23,892**	28,109	**-**	-
		45,360	42,420	**172**	180
		100,514	107,169	**172**	180

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 7 to 90 days.

(b) Amount due to related party

Amount due to related party in the previous financial year was unsecured, interest free and was repayable on demand.

(c) Deferred income

Deferred income represents the unrealised gain on the Equipment Procurement contract between MIPP and RKM. This unrealised gain is eliminated to the extent of the Group's interest in RKM and will be credited to the income statement on a proportionate basis when the related asset in RKM is put to use or when it is sold to a third party.

Other information on financial risks of other payables are disclosed in Note 28.

22. DEFERRED TAXATION

	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
At 1 January	**256**	716	**-**	-
Recognised in income statement (Note 9)	**-**	(460)	**-**	-
At 31 December	**256**	256	**-**	-

The deferred tax liabilities was provided in respect of property, plant and equipment.

22. DEFERRED TAXATION (CONT'D)

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

	2008 RM'000	2007 RM'000
Unutilised tax losses	67	-
Unutilised reinvestment allowances	-	240
Other deductible differences	832	496
	899	736

The availability of the unused tax losses for offsetting against future taxable profits of the respective subsidiaries is subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority.

23. SHARE CAPITAL AND TREASURY SHARES

	Number of shares '000	Amount RM'000
Authorised share capital:		
At 1 January 2007/ 31 December 2007		
- Ordinary shares of RM0.50 each	500,000	250,000
At 1 January 2008		
- Ordinary shares of RM0.50 each	500,000	250,000
Share Split and Shares Consolidation	750,000	-
At 31 December 2008		
- Ordinary shares of RM0.20 each	1,250,000	250,000

	Number of Ordinary Shares		Amount			
	Share capital (issued and fully paid) '000	Treasury share '000	Share capital (issued and fully paid) RM'000	Share premium RM'000	Total share capital and share premium RM'000	Treasury share RM'000
1 January 2007	136,000	(2,132)	68,000	10,106	78,106	(2,320)
Ordinary shares issued during the year:						
Issued for cash	13,600	-	6,800	50,320	57,120	-
Transaction cost	-	-	-	(991)	(991)	(14)
Treasury shares:						
Purchased	-	(873)	-	-	-	(2,098)
Sold	-	2,700	-	3,679	3,679	3,621
At 31 December 2007	149,600	(305)	74,800	63,114	137,914	(811)

23. SHARE CAPITAL AND TREASURY SHARES (CONT'D)

	Number of Ordinary Shares		Amount			
	Share capital (issued and fully paid) '000	Treasury share '000	Share capital (issued and fully paid) RM'000	Share premium RM'000	Total share capital and share premium RM'000	Treasury share RM'000
1 January 2008	149,600	(305)	74,800	63,114	137,914	(811)
Share Split and Shares Consolidation	224,400	(458)	-	-	-	-
Treasury shares:						
Purchased	-	(185)	-	-	-	(189)
At 31 December 2008	374,000	(948)	74,800	63,114	137,914	(1,000)

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) Split of shares

On 3 July 2008, the Company subdivided its existing 149,600,000 ordinary shares of RM0.50 each into 748,000,000 ordinary shares of RM0.10 each ("Share Split"), followed by a share consolidation of every 2 ordinary shares of RM0.10 each after the Share Split, into 1 ordinary share of RM0.20 each ("Shares Consolidation"). The Share Split and Shares Consolidation were effected on 3 July 2008 and were completed with the listing and quotation of the new ordinary shares on the Main Board of Bursa Malaysia Securities Berhad on 4 July 2008.

(b) Treasury shares

This amount relates to the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance.

The shareholders of the Company, by a special resolution passed in a general meeting held on 18 June 2008, renewed their approval for the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 184,500 (2007: 872,600) of its issued ordinary shares from the open market at an average price of RM1.03 (2007: RM2.42) per share. The total consideration paid for the repurchase was RM190,000 (2007: RM2,112,000) comprising consideration paid amounting to RM188,000 (2007: RM2,098,000) and transaction costs of RM2,000 (2007: RM14,000). The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Of the total 374,000,000 (2007: 149,600,000) issued and fully paid ordinary shares as at 31 December 2008, 947,500 (2007: 305,200) are held as treasury shares by the Company. As at 31 December 2008, the number of outstanding ordinary shares in issue after the setoff is therefore 373,052,500 (2007: 149,294,800) ordinary shares of RM0.20 (2007: RM0.50) each.

24. CAPITAL RESERVE

	Group	
	2008 RM'000	2007 RM'000
At 1 January and at 31 December	**4,900**	4,900

This reserve represents the bonus issue of shares through capitalisation of retained earnings, in proportion to the shareholding of the Group.

25. RETAINED EARNINGS

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 balance under Section 108 of the Income Tax Act, 1967 ("108 balance") and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

As at 31 December 2008, the Company no longer has any balances under the 108 balance and may distribute dividends out of its entire retained earnings as at 31 December 2008 under the single tier system.

26. CONTINGENT LIABILITIES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unsecured:				
Guarantees given to third parties in respect of construction projects	**-**	4,555	**-**	-
Corporate guarantees given to banks in respect of banking facilities utilised by subsidiaries	**-**	-	**307,004**	119,372
	-	4,555	**307,004**	119,372

27. RELATED PARTY DISCLOSURES

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial year:

27. RELATED PARTY DISCLOSURES (CONT'D)

	2008 RM'000	2007 RM'000
Rental payable to Mulpha Properties Sdn. Bhd., a related company of an associated investor	**297**	293
Construction contract billings receivable from Leisure Farm Corporation Sdn Bhd, a related company of an associated investor	**(452)**	(515)
Progress billing recognised on construction contract with RKM, an associate	**72,959**	24,198
Construction contract billings receivable from Redmax Sdn. Bhd., a joint venture partner	**-**	(11,663)

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(b) Compensation of key management personnel

The remuneration of key management personnel, who are also the directors of the Group and of the Company during the year was as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Directors' remuneration (Note 8):				
Salaries and other emolument	**1,974**	2,050	**8**	7
Fees	**120**	120	**120**	120
Bonus	**210**	139	**-**	-
Defined contribution plan	**246**	232	**-**	-
	2,550	2,541	**128**	127

28. 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 risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers.

28. FINANCIAL INSTRUMENTS (CONT'D)

(c) Foreign currency risk

The Group has foreign operations in India and Republic of Mauritius and is exposed to the fluctuation in the exchange rate of Indian Rupees and United States Dollar ("USD'). However, the foreign currency exposures are kept to an acceptable level.

Subsidiaries in Negara Brunei Darussalam has not commenced operations as at year end. The Group maintains foreign currency in Indian Rupees, USD, Euro Dollar and Singapore Dollar for the subsidiaries and is exposed to the fluctuation of the currencies.

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

	Net financial assets held in non-functional currencies					
	Indian Rupees RM'000	Singapore Dollar RM'000	USD RM'000	Euro Dollar RM'000	Brunei Dollar RM'000	Total RM'000
Functional currency of group companies						
At 31 December 2008						
Trade receivables	**933**	**-**	**-**	**-**	**-**	**933**
Other receivables	**1,322**	**-**	**-**	**-**	**-**	**1,322**
Cash and bank balances	**970**	**6,447**	**9**	**5,083**	**68**	**12,577**
	3,225	**6,447**	**9**	**5,083**	**68**	**14,832**
At 31 December 2007						
Trade receivables	939	-	-	-	-	939
Other receivables	727	-	-	-	-	727
Cash and bank balances	923	70	16	-	-	1,009
	2,589	70	16	-	-	2,675

(d) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments and adequate banking facilities to meet its working capital requirements.

(e) Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

28. FINANCIAL INSTRUMENTS (CONT'D)

(e) Credit risk (cont'd)

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, marketable securities and non-current investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

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 assets.

(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:

	Note	Group Carrying amount RM'000	Group Fair value RM'000	Company Carrying amount RM'000	Company Fair value RM'000
At 31 December 2008					
Investment in subsidiaries	13	**-**	**-**	**60,299**	*****
Investment in associates	14	**90,872**	*****	**-**	**-**
Non-current unquoted shares and club memberships	15	**102**	*****	**-**	**-**
At 31 December 2007					
Investment in subsidiaries	13	-	-	60,299	*
Investment in associates	14	69,346	*	-	-
Non-current unquoted shares and club memberships	15	102	*	-	-

* It is not practicable to estimate the fair value of these assets because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

The nominal/notional amounts 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:

	Note	Group Nominal/ notional amount RM'000	Group Net fair value RM'000	Company Nominal/ notional amount RM'000	Company Net fair value RM'000
At 31 December 2008					
Contingent liabilities	26	**-**	**-**	**307,004**	**^**
At 31 December 2007					
Contingent liabilities	26	4,555	^	119,372	^

^ It is not practicable to estimate the fair value of contingent liabilities reliably due to the uncertainties of timing, costs and eventual outcome.

29. SEGMENT INFORMATION

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(b) Business segments

The Group comprises the following business segments:

(i) Construction - undertaking civil engineering, constructions works and engineering and equipment procurement provider;

(ii) Property development - the development of residential and commercial properties;

(iii) Trading and plant hiring - trading in construction materials and hire of plants; and

(iv) Manufacturing - manufacturing of construction related products.

(c) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's four business segments operate in four geographical areas:

(i) Malaysia - the operations in this area are principally civil engineering and construction of highways and buildings, property development, manufacturing, trading and investment holding.

(ii) India - the operations in this area are principally civil engineering and construction of highways.

(iii) Republic of Mauritius and Negara Brunei Darussalam - the operations in this area are principally equipment procurement services.

(d) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

29. SEGMENT INFORMATION (CONT'D)

(b) Business segments

The following tables provide analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Construction RM'000	Property development RM'000	Manufacturing RM'000	Trading and plant hiring RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
31 December 2008							
Revenue							
External sales	282,254	25,356	51,056	62,782	934	-	422,382
Inter-segment sales	40,818	-	-	1,249	-	(42,067)	-
Total revenue	323,072	25,356	51,056	64,031	934	(42,067)	422,382
Result							
Segment results	60,599	3,976	751	282	(254)	-	65,354
Unallocated corporate expenses	-	-	-	-	(381)		(381)
							64,973
Share of results of associates							459
Profit before tax							65,432
Income tax expense	(7,065)	(980)	(116)	(57)	33	-	(8,185)
Net profit for the year							57,247
Minority interests							(12,130)
							45,117
Assets							
Segment assets	159,091	110,830	22,313	72	23,696	-	316,002
Investment in associates	90,872						90,872
Unallocated assets							1,251
Total assets							408,125
Liabilities							
Segment liabilities	85,854	636	8,252	5,567	205	-	100,514
Unallocated liabilities							3,479
Total liabilities							103,993
Other segment information							
Capital expenditure	2,046	12	565	-	-	-	2,623
Depreciation	1,968	60	1,168	-	-	-	3,196

29. SEGMENT INFORMATION (CONT'D)

(b) Business segments (cont'd)

	Construction RM'000	Property development RM'000	Manufacturing RM'000	Trading and plant hiring RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
31 December 2007							
Revenue							
External sales	139,172	73,137	34,178	27,136	358	-	273,981
Inter-segment sales	41,808	-	-	904	-	(42,712)	-
Total revenue	180,980	73,137	34,178	28,040	358	(42,712)	273,981
Result							
Segment results	31,330	8,815	571	309	1,157	-	42,182
Unallocated corporate expenses	-	-	-	-	(309)	-	(309)
							41,873
Share of results of associates							166
Profit before tax							42,039
Income tax expense	(3,224)	(2,502)	(52)	(72)	(24)	-	(5,874)
Net profit for the year							36,165
Minority interests							(6,025)
							30,140
Assets							
Segment assets	175,750	88,896	23,566	44	4,153	-	292,409
Investment in associates	69,346	-	-	-	-	-	69,346
Unallocated assets							706
Total assets							362,461
Liabilities							
Segment liabilities	94,593	2,831	5,180	4,288	277	-	107,169
Unallocated liabilities							1,430
Total liabilities							108,599
Other segment information							
Capital expenditure	598	1,908	853	-	-	-	3,359
Depreciation	2,458	46	1,211	-	-	-	3,715

29. SEGMENT INFORMATION (CONT'D)

(c) Geographical segments

The Group operates in Malaysia, India, Republic of Mauritius and Negara Brunei Darussalam. In Malaysia, the Group's areas of operation are principally civil engineering and construction of highways and buildings and property development. Other operations include manufacturing and trading. In India, the main operation is civil engineering and construction of highways. The subsidiary in Republic of Mauritius and office in Negara Brunei Darussalam provide equipment procurement services.

	Total revenue from external customers		Segment assets		Capital expenditure	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Malaysia	**337,226**	244,416	**264,671**	230,567	**2,620**	3,359
India	**12,197**	5,367	**3,508**	5,699	**-**	-
Republic of Mauritius	**72,959**	24,198	**28,087**	55,917	**3**	-
Negara Brunei Darussalam	**-**	-	**19,736**	226	**-**	-
Consolidated	**422,382**	273,981	**316,002**	292,409	**2,623**	3,359

30. SUBSEQUENT EVENTS

(i) Subscription of shares in a new subsidiary

On 11 March 2009, the Company announced that MCB, had on 7 March 2009, subscribed for 75% equity interest in Mudajaya Middle East Ltd ("MME"), a company incorporated in the Kingdom of Saudi Arabia. This issued and paid up share capital of MME is Saudi Arabia Riyals ("SAR") 500,000 represented by 5,000 shares of SAR100 each.

(ii) Award of equipment procurement contract - Phase II to MIPP

On 20 February 2009, MIPP entered into an Equipment Procurement Contract with RKM for the setting up of Phase II of the 4 X 360 MW Coal Based Independent Power Plant Project in Chhattisgarh, India ("the IPP Project"), for a total consideration of USD721.41 million (approximately RM2.64 billion) after an international competitive bidding exercise.

Analysis of Shareholdings

as at 27 April 2009

Authorised Share Capital	:	1,250,000,000 ordinary shares of RM0.20 each
Issued and Fully Paid-Up Share Capital	:	374,000,000 ordinary shares of RM0.20 each
Voting Rights	:	1 vote per shareholder on a show of hands / 1 vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares held	%
Less than 100	10	0.78	430	0.00
100-1,000	132	10.36	40,270	0.01
1,001-10,000	714	56.00	2,913,400	0.78
10,001-100,000	299	23.45	8,745,950	2.35
100,001-18,624,154*	116	9.10	99,041,800	26.59
18,624,155 and above**	4	0.31	261,741,250	70.27
Total	**1,275**	**100.00**	**372,483,100#**	**100.00**

* Less than 5% of issued holdings

** 5% and above of issued holdings

\# Excludes shares bought back of 1,516,900

30 LARGEST SHAREHOLDERS

(without aggregating securities from different securities accounts belonging to the same person)

Name of Shareholders	Number of Shares held	%
1. CIMB Group Nominees (Tempatan) Sdn Bhd for Dataran Sentral (M) Sdn Bhd	100,060,000	26.86
2. Mulpha Infrastructure Holdings Sdn Bhd	87,520,250	23.50
3. Lembaga Tabung Haji	37,400,000	10.04
4. United Flagship Sdn Bhd	36,761,000	9.87
5. Amanah Raya Nominees (Tempatan) Sdn Bhd Public Islamic Opportunities Fund	6,857,250	1.84
6. HSBC Nominees (Asing) Sdn Bhd Exempt An for Clariden Leu Ag	6,055,100	1.63
7. Citigroup Nominees (Asing) Sdn Bhd UBS Ag Singapore for Celadon Green Limited	5,000,000	1.34
8. Cartaban Nominees (Asing) Sdn Bhd Sun Hung Kai Investment Services Ltd for Top Champ Assets Limited	4,883,250	1.31
9. AmSec Nominees (Tempatan) Sdn Bhd AmTrustee Berhad for HLG Strategic Fund	4,352,000	1.17
10. CimSec Nominees (Tempatan) Sdn Bhd CIMB for Ng Ying Loong	4,065,000	1.09
11. Amanah Raya Nominees (Tempatan) Sdn Bhd Public Islamic Dividend Fund	2,874,500	0.77
12. AIBB Nominees (Asing) Sdn Bhd Sun Hung Kai Investment Services Limited for Long Set Investments Ltd	2,500,000	0.67
13. Mayban Nominees (Tempatan) Sdn Bhd Mayban Life Assurance Berhad (Prem Equity Fund)	2,450,000	0.66

30 LARGEST SHAREHOLDERS (CONTD.)

	Name of Shareholders	Number of Shares held	%
14.	HSBC Nominees (Asing) Sdn Bhd BBH and Co Boston for Somerset Growth Fund (Bermuda) Ltd.	2,350,000	0.63
15.	Sinar Dian Sdn Bhd	2,303,500	0.62
16.	Amanah Raya Nominees (Tempatan) Sdn Bhd Public Islamic Select Treasures Fund	2,065,000	0.55
17.	Tan Ai Tong	2,021,300	0.54
18.	Hong Leong Assurance Berhad as Beneficial Owner (Unitlinked GF)	2,000,000	0.54
19.	Mayban Nominees (Tempatan) Sdn Bhd Mayban General Assurance Berhad (Insurance Fund)	1,797,500	0.48
20.	CimSec Nominees (Tempatan) Sdn Bhd CIMB for Anto A/L SF Joseph	1,625,000	0.44
21.	Mayban Nominees (Tempatan) Sdn Bhd Etiqa Insurance Berhad (Life Par Fund)	1,575,000	0.42
22.	Mayban Nominees (Tempatan) Sdn Bhd Etiqa Insurance Berhad (Life Annuity Fund)	1,575,000	0.42
23.	Mayban Nominees (Tempatan) Sdn Bhd Etiqa Insurance Berhad (Shareholders' Fund)	1,537,250	0.41
24.	AIBB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Siew Wah	1,534,750	0.41
25.	SJ Sec Nominees (Tempatan) Sdn Bhd CIMB Bank for Brahmal A/L Vasudevan	1,500,000	0.40
26.	Mayban Nominees (Tempatan) Sdn Bhd Mayban General Assurance Berhad (Shareholders' Fund)	1,382,500	0.37
27.	Mayban Nominees (Tempatan) Sdn Bhd Etiqa Insurance Berhad (Life Non-Par Fund)	1,320,000	0.35
28.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Singular Asia Flexible Fund	1,284,000	0.34
29.	Brahmal A/L Vasudevan	1,200,000	0.32
30.	HLG Nominee (Asing) Sdn Bhd Exempt An for DBS Bank (Hong Kong) Limited	1,200,000	0.32
	Total	**329,049,150**	**88.31**

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Name of Substantial Shareholders	Direct Number of Shares held	Direct %	Indirect Number of Shares held	Indirect %
1.	Dataran Sentral (M) Sdn Bhd	100,060,000	26.86	-	-
2.	Mulpha Infrastructure Holdings Sdn. Bhd. (formerly known as Tiararibu (M) Sdn Bhd)	87,520,250	23.50	-	-
3.	United Flagship Sdn Bhd	36,761,000	9.87	-	-
4.	Lembaga Tabung Haji	37,400,000	10.04	-	-
5.	Winners Spectrum Construction Sdn Bhd	10,000	0.00	100,060,000	26.86
6.	First Positive Sdn Bhd	-	-	100,060,000	26.86
7.	Mulpha International Bhd	-	-	87,520,250	23.50
8.	Nautical Investments Ltd	-	-	58,799,000	15.79
9.	Ng Ying Loong	4,065,000	1.09	100,070,000	26.87
10.	Wee Teck Nam	975,000	0.26	100,060,000	26.86
11.	Law Chin Wat	-	-	58,799,000	15.79
12.	Dato' Mohd Zakhir Siddiqy bin Sidek	-	-	36,761,000	9.87

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS

	Name of Directors	Direct Number of Shares held	Direct %	Indirect Number of Shares held	Indirect %
1.	Ng Ying Loong	4,065,000	1.09	100,070,000	26.87
2.	Wee Teck Nam	975,000	0.26	100,060,000	26.86
3.	Anto A/L SF Joseph	1,625,000	0.44	-	-
4.	Chung Tze Hien	-	-	-	-
5.	Aminodin bin Ismail	-	-	-	-
6.	Yee Swee Choon	153,750	0.04	12,500	0.00
7.	Henry Choo Hon Fai	-	-	-	-

Properties of the Group

as at 31 December 2008

	Location	Year of acquisition	Tenure	Age of building	Land area / built up area (sq.m)	Description	Net book value RM'000
1.	Lot No. 31 Mukim Ijok Jalan Bukit Badong Daerah Kuala Selangor	2004	Freehold	N/A	20,234	Agriculture land	1,650
2.	Lot No. 32 & 33 Mukim Ijok Jalan Bukit Badong Daerah Kuala Selangor	1998	Freehold	9	40,486 / 2,480	Industrial land with factory	4,341
3.	Villa Angsana Condominium(1) 56, Off Jalan Ipoh 51000 Kuala Lumpur	1999	Freehold	8	1,165	Six (6) units of Condominiums	2,055
4.	Lot No PT1230(2) Presint 9 Bandar Putrajaya District of Putrajaya Wilayah Persekutuan	2005	Freehold	4	285	One (1) unit of 2 ½ storey semi-detached house	725
5.	MN19-7, Menara Nilam(2) Ampang, Mukim Ampang Daerah Ulu Langat Selangor	2005	Lease expiring on 18.01.2103	5	169	One (1) unit of apartment	302
6.	No 29, Jalan Raja Udang 16(2) Pantai Sepang Putra 43950 Sepang Selangor	2005	Freehold	6	143	One (1) unit of double storey terrace house	99

Notes:

(1) Remaining units available for sale and the built-up area range from 102.9 sq.m to 260.9 sq.m with selling prices range from RM182,820 to RM535,000.

(2) Contra unit received from client and is available for sale.

FORM OF PROXY

MUDAJAYA GROUP BERHAD (605539-H)
(Incorporated in Malaysia)

No. of shares held	
CDS Account No.	

I/We (full name in capital letters) ____________________

of (full address) ____________________

being a member/members of Mudajaya Group Berhad, hereby appoint (full name in capital letters) ____________________

____

of (full address) ____________________

or failing him/her (full name in capital letters) ____________________

of (full address) ____________________

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Sixth Annual General Meeting of the Company to be held at Banyan Room, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 16 June 2009 at 10.00 a.m. and any adjournment thereof.

My/Our proxy is to vote as indicated by an "X" in the appropriate space below. In the absence of specific directions, the proxy shall vote or abstain at his/her discretion.

No.	Resolutions	For	Against
1.	To receive and adopt the audited financial statements for the year ended 31 December 2008		
2.	To approve the payment of a final dividend		
3.	To re-elect Mr. Wee Teck Nam as Director		
4.	To re-elect En. Aminodin bin Ismail as Director		
5.	To approve the payment of Directors' fees		
6.	To re-appoint Messrs. Ernst & Young as Auditors		
7.	To approve the Authority to Allot and Issue Shares		
8.	To approve the Renewal of Share Buy-Back Authority		

Signed this ______________ day of ______________ 2009.

____

Signature of shareholder(s) and/or Common Seal

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy or proxies may but need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Each proxy appointed shall represent a minimum of one thousand (1,000) shares.

2. 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 in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

3. In the case of a corporate member, the Form of Proxy shall be under its Common Seal or under the hand of its attorney.

4. The Form of Proxy must be deposited at the Company's Registered Office situated at No. 17, Jalan Semangat, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty-eight (48) hours before the time set for holding the meeting or at any adjournment thereof.

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AFFIX
STAMP
HERE

The Company Secretary
MUDAJAYA GROUP BERHAD
No. 17, Jalan Semangat
46100 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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