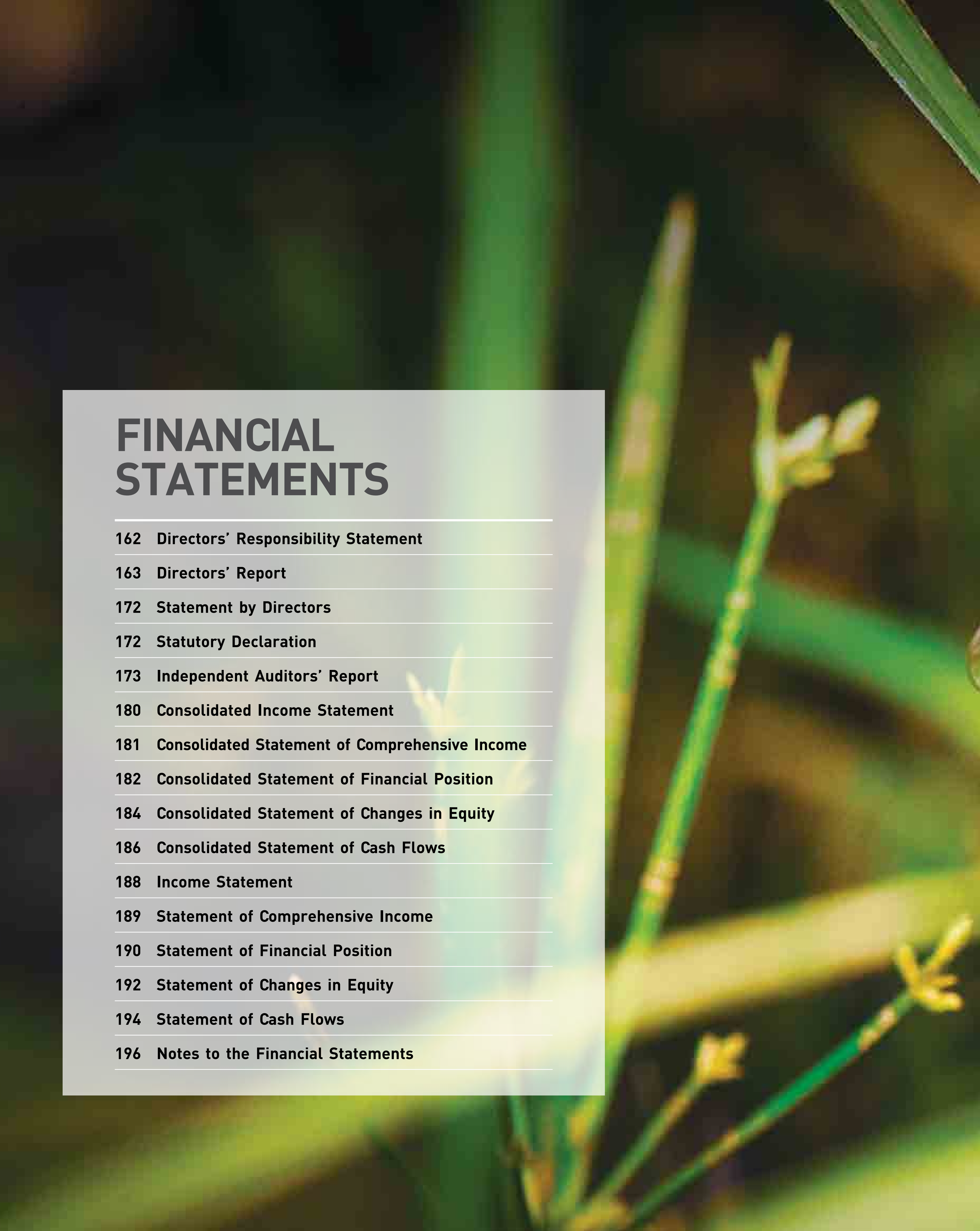
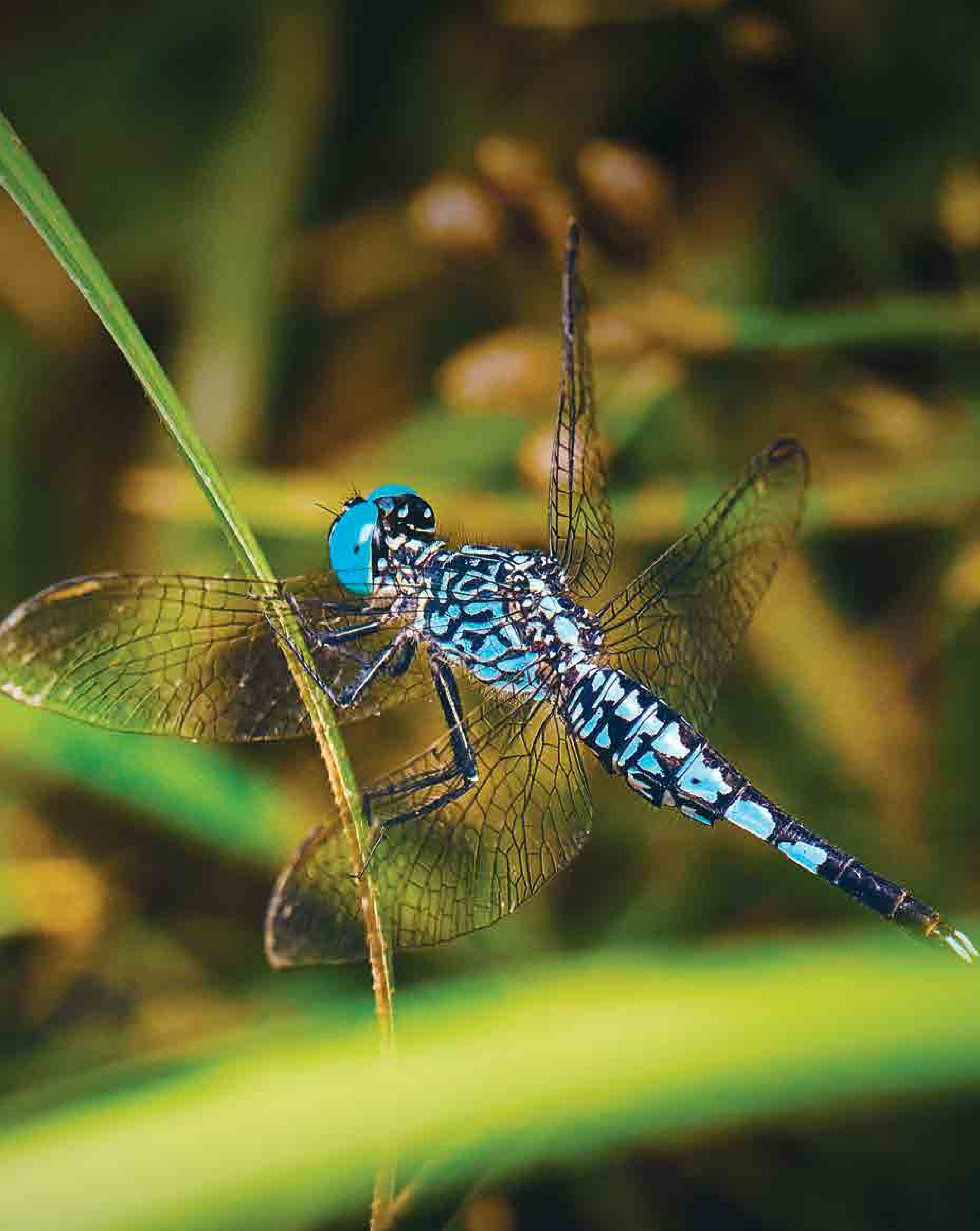


FINANCIAL STATEMENTS



Directors' Responsibility Statement

In respect of Audited Financial Statements for the financial year ended 31 July 2019

The Directors are required by the Companies Act, 2016 ("Act") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to prepare the financial statements for each financial year in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and requirements of the Act in Malaysia.

The Directors are responsible to ensure that the audited financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and the Company for the financial year. Where there are new accounting standards or policies that become effective during the year, the impact of these new treatments would be stated in the notes to the financial statements, accordingly.

In preparing the financial statements, the Directors have:

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

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

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

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 July 2019.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries, associated companies and joint arrangements are described in Notes 17, 18 and 19 to the financial statements respectively.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	758,195	1,228,654
Attributable to:		
Owners of the Company	706,113	1,228,654
Non-controlling interests	52,082	–
	758,195	1,228,654

There was no material transfer 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 other than as disclosed in the financial statements.

DIVIDENDS

The amount of dividends paid by the Company since 31 July 2018 were as follows:

	RM'000
In respect of the financial year ended 31 July 2019:	
First interim dividend of 6 sen per ordinary share declared on 14 December 2018 and paid on 25 January 2019	148,083
Second interim dividend of 6 sen per ordinary share declared on 27 June 2019 and paid on 6 August 2019	148,272
	296,355

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

Directors' Report (Cont'd.)

DIRECTORS OF THE COMPANY

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

Y Bhg Dato' Mohammed bin Haji Che Hussein	
Y Bhg Dato' Lin Yun Ling*	
Y Bhg Dato' Ir. Ha Tiing Tai*	
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	
Y Bhg Tan Sri Dato' Setia Haji Ambrin bin Buang	(Appointed w.e.f. 28.09.2018)
YM Tunku Afwida binti Tunku A.Malek	
Puan Nazli binti Mohd Khir Johari	
Encik Mohammed Rashdan bin Mohd Yusof	(Appointed w.e.f. 28.09.2018)
(alternate to Y Bhg Dato' Lin Yun Ling)	
Y Bhg Dato' Ubull a/l Din Om*	
(alternate to Y Bhg Dato' Ir Ha Tiing Tai)	

* Directors of the Company and certain subsidiary(ies)

DIRECTORS OF THE SUBSIDIARIES

The names of the directors of the Company's subsidiary(ies) since the beginning of the financial year to the date of this report, excluding those who are already listed above are:

Adil Putra bin Ahmad
Andrew Edward Kesik
Azmi bin Mohamad
Caroline Baker
Chan Kong Wah
Chew Wee Hwang
Chua Chong Num
Chua Kheng Sun
Dato' Chow Chee Wah
Dato' Goon Heng Wah
Dato' Haji Abdul Sahak bin Safi
Dato' Haji Azmi bin Mat Nor
Dato' Mohd Azizi bin Mohd Zain

DIRECTORS OF THE SUBSIDIARIES (CONT'D.)

The names of the directors of the Company's subsidiary(ies) since the beginning of the financial year to the date of this report, excluding those who are already listed above are: (cont'd.)

Dato' Noordin bin Alaudin	
Dato' Seri Ir. Kamarul Zaman bin Mohd Ali	
Datuk Hasmi bin Hasnan	
Devananda Naraidoo	
Dr. Ooi Lean Hock	
Foong Vooi Lin	
Goh Chee Young	
Hajah Norita binti Mohd Sidek	
Khor Thiam Chay	
Liang Kai Chong	
Looi Hong Weei	
Low Kim Teik	
Mohamed Reza bin Abdul Rahim	
Mohd Roslan bin Sarip	
Ng Hau Wei	
Ng Kit Cheong	
Ngan Chee Meng	
Rishi Kumar Emrit	
Saw Wah Theng	
Sazally bin Saidi	
Sim Kwong Yong	
Soo Kok Wong	
Szeto Wai Loong	
Tan Ek Khai	
Tan Sri Datuk Ooi Kee Liang	
Tang Meng Loon	
Tariq Syed Usman	
Teh Teck Seong	
Vaneeta Bickoo Brelu-Brelu	
Wong Mun Keong	
Wong Ping Eng	
Wong Tsien Loong	
Yap Peng Loong	
Yeoh Hin Kok	
Yew Yee Weng	
Khoo Kay Chong	(Resigned w.e.f. 22.02.2019)
Goh Khir Chaye	(Resigned w.e.f. 01.08.2019)
Dato' Mohamad Imran bin Ismail	(Resigned w.e.f. 18.07.2019)
Nor Azlina binti Amran	(Resigned w.e.f. 15.05.2019)

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) 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 40 to the financial statements.

Directors' benefits are as disclosed in Note 6 to the financial statements.

The Company maintains a liability insurance for the directors and officers of the Company and its subsidiaries throughout the financial year, which provides insurance cover of RM50,000,000. The amount of insurance premium paid by the Company for the financial year ended 31 July 2019 was RM70,500.

DIRECTORS' INTERESTS

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

	← Number of ordinary shares			→
Gamuda Berhad	**1 August 2018/Date of appointment**	**Bought**	**Sold**	**31 July 2019**
Direct holding				
Y Bhg Dato' Lin Yun Ling	75,035,736	–	–	75,035,736
Y Bhg Dato' Ir. Ha Tiing Tai	26,936,276	–	–	26,936,276
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	225,000	–	–	225,000
Mohammed Rashdan bin Mohd Yusof	450,000	–	–	450,000
Y Bhg Tan Sri Dato' Setia Haji Ambrin bin Buang	4,000	–	–	4,000
Indirect holding				
Y Bhg Dato' Ir. Ha Tiing Tai#	16,000	70,000	–	86,000
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah*	118,000,000	–	–	118,000,000

* Deemed interest through Generasi Setia (M) Sdn. Bhd.
# Deemed interest through spouse/son

Employees' Share Option Scheme ("ESOS")

		← Number of ordinary shares			→
		1 August 2018/Date of appointment	**Granted**	**Exercised**	**31 July 2019**
Y Bhg Dato' Lin Yun Ling	4.46	1,500,000	–	–	1,500,000
Y Bhg Dato' Ubull a/l Din Om	4.46	325,000	–	–	325,000
	3.84	325,000	–	–	325,000
	4.78	65,000	–	–	65,000
Mohammed Rashdan bin Mohd Yusof	3.38	1,600,000	–	–	1,600,000

Directors' Report (Cont'd.)

DIRECTORS' INTERESTS (CONT'D.)

Warrants 2016/2021

	Number of warrants			
	1 August 2018/ Date of appointment	Bought	Sold	31 July 2019
Direct holding				
Y Bhg Dato' Lin Yun Ling	12,883,600	–	–	12,883,600
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	40,300	–	–	40,300
Mohammed Rashdan bin Mohd Yusof	550,000	–	–	550,000
Indirect holding				
Y Bhg Dato' Ir. Ha Tiing Tai#	2,800	10,000	–	12,800
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah*	17,800,000	–	(5,800,000)	12,000,000

* Deemed interest through Generasi Setia (M) Sdn. Bhd.
# Deemed interest through spouse/son

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

ISSUE OF SHARES

During the financial year, the total number of issued and paid-up ordinary shares of the Company has been increased from 2,467,991,951 to 2,472,322,033 by way of:

(a) issuance of 3,228,000 new ordinary shares for cash arising from the exercise of options under the Company's ESOS as disclosed in Note 26(c) to the financial statements; and

(b) issuance of 1,102,082 new ordinary shares for cash arising from the exercise of Warrants 2016/2021 at the exercise price of RM4.05 per warrant in accordance with the Deed Poll dated 22 January 2016 as disclosed in Note 26(c) to the financial statements.

The ordinary shares issued from the exercise of ESOS and Warrants 2016/2021 shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of ESOS and Warrants 2016/2021.

EMPLOYEES' SHARE OPTION SCHEME

The Gamuda Berhad Employees' Share Option Scheme ("ESOS") was approved by shareholders at the Extraordinary General Meeting held on 4 December 2014 and is effective for 5 years from 10 April 2015 to 9 April 2020.

The principal features of the ESOS, details of share options exercised during the financial year and outstanding at the end of the financial year are disclosed in Note 26(e) and Note 26(g) to the financial statements.

WARRANTS 2016/2021

On 7 March 2016, the Company allotted and issued 400,984,509 new Warrants 2016/2021 ("Warrants") at an issue price of RM0.25 per Warrant on the basis of 1 Warrant for every 6 existing ordinary shares held in the Company ("Rights Issue of Warrants").

The Warrants are valid for exercise for a period of 5 years from its issue date and will expire on 6 March 2021. During this period, each Warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 7 March 2016 to 6 March 2021, at an exercise price of RM4.05 per Warrant in accordance with the Deed Poll dated 22 January 2016. Any Warrants not exercised by its expiry date will lapse thereafter and cease to be valid for all purposes. As at the reporting date, 387,698,000 Warrants remained unexercised.

Directors' Report (Cont'd.)

OTHER STATUTORY INFORMATION

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate allowance 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 the Group and the Company might be expected so to realise.

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

(i) the amount written off for any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

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

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

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

(e) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(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.

OTHER STATUTORY INFORMATION (CONT'D.)

(g) The Company has been granted exemption by the Companies Commission of Malaysia for its three subsidiaries from having to comply with Section 247(3) of the Companies Act 2016 to adopt a financial year end which coincides with that of its holding company for the financial year ended 31 July 2019 as follows:

(i) Gamuda Land Vietnam Limited Liability Company and Gamuda Land (HCMC) Joint Stock Company with June financial year end; and

(ii) Gamuda - WCT (India) Private Limited with March financial year end.

SIGNIFICANT EVENTS

Significant events are as disclosed in Note 41 to the financial statements.

SUBSEQUENT EVENTS

Subsequent event is as disclosed in Note 46 to the financial statements.

AUDITORS AND AUDITORS' REMUNERATION

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

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Ernst & Young	1,541	280
Other auditors	104	24
	1,645	304

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Group and the Company have agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young during the financial year nor since the end of the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 8 October 2019.

Dato' Mohammed bin Haji Che Hussein
Chairman

Dato' Ir. Ha Tiing Tai
Deputy Group Managing Director

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Dato' Mohammed bin Haji Che Hussein and Dato' Ir. Ha Tiing Tai, being two of the directors of Gamuda Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 180 to 381 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2019 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 8 October 2019.

Dato' Mohammed bin Haji Che Hussein
Chairman

Dato' Ir. Ha Tiing Tai
Deputy Group Managing Director

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Soo Kok Wong, being the officer primarily responsible for the financial management of Gamuda Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 180 to 381 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 Soo Kok Wong
at Petaling Jaya in Selangor Darul Ehsan
on 8 October 2019.

Soo Kok Wong

Before me,
Chin Chia Man (No. B449)
Commissioner for Oaths

Independent Auditors' Report

to the members of Gamuda Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Gamuda Berhad, which comprise the statements of financial position as at 31 July 2019 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 180 to 381.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 July 2019, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis For Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including international Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent Auditors' Report (Cont'd.)

to the members of Gamuda Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key Audit Matters (cont'd.)

1. *Revenue and cost of sales from property development activities*

A significant proportion of the Group's revenues and profits are derived from property development contracts which span more than one accounting period. For the financial year ended 31 July 2019, property development revenue of RM2,121,863,000 and cost of sales of RM1,622,430,000 accounted for approximately 46% and 48% of the Group's revenue and cost of sales respectively. The Group has determined that certain performance obligations in relation to property development activities are satisfied over time and thus recognises revenue from this activity over time.

The amount of revenue and profit recognised from property development activities are dependent on, amongst others, the extent of costs incurred to the total estimated costs of construction to derive the percentage-of-completion; the actual number of units sold and the estimated total revenue for each of the respective projects.

We identified revenue and cost of sales from property development activities as areas requiring audit focus as significant management's judgement and estimates are involved in estimating the total property development costs which include the common infrastructure costs (which is used to determine gross profit margin of property development activities undertaken by the Group).

In addressing this area of focus, we performed, amongst others, the following procedures:

i. Obtained an understanding of the internal controls over the accuracy and timing of revenue recognised in the financial statements, including controls performed by management in estimating the total property development cost including the provisions and allocations of low cost housing and common infrastructure costs over the life of township development, profit margin and percentage-of-completion of property development activities;

ii. Performed detailed procedures, for individually significant projects, on the contractual terms and conditions and their relationship to revenue and costs incurred. These procedures include, perusing the terms and conditions stipulated in the sales and purchase agreements entered into with customers and construction agreements including letters of award entered into with main and sub-contractors. We evaluated the determination of percentage-of-completion by examining supporting evidence such as contractors' progress claims and suppliers' invoices;

iii. Observed the progress of the property development phases by performing site visit and examined physical progress reports. We have also discussed the status of on-going property development phases with management, finance personnel and project officials;

iv. Challenged the estimates used for budgeted gross development value for significant ongoing projects by comparing the selling price of the similar projects in the market;

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key Audit Matters (cont'd.)

1. *Revenue and cost of sales from property development activities (cont'd.)*

   In addressing this area of focus, we performed, amongst others, the following procedures: (cont'd.)

   v. Evaluated the assumptions applied in estimating the total property development costs for each property development phase by examining documentary evidence such as letters of award issued to contractors to support the budgeted gross development cost. We also considered the historical accuracy of management's forecasts for the similar property development projects within the Group in evaluating the estimated total property development costs; and

   vi. Reviewed management's workings on the computation of percentage-of-completion.

   The Group's disclosure on property development costs recognised is included in Note 13(b) to the financial statements.

2. *Revenue and cost of sales from construction contracts*

   A significant proportion of the Group's revenues and profits are derived from construction contracts which span more than one accounting period. For the financial year ended 31 July 2019, construction contracts revenue of RM1,686,398,000 and contract costs of RM1,301,331,000 in respect of the construction contracts accounted for approximately 37% and 39% of the Group's total revenue and cost of sales respectively. The Group has determined that certain performance obligations in relation to construction activities are satisfied over time and thus recognises revenue from this activity over time.

   We identified construction contract revenue and cost of sales as areas requiring special audit consideration as these areas involved significant management's judgement and estimates. In particular, we focused on the following areas:

   i. Judgement and estimates made in the determination of whether variations in contract works should be included in the contract revenue; and

   ii. Estimates made in respect of the total estimated contract costs (which forms part of the computation of percentage-of-completion for the construction contracts).

   In addressing this area of focus, we performed, amongst others, the following procedures:

   i. Read the contract to obtain an understanding of the specific terms and conditions;

   ii. Obtained an understanding of the relevant internal controls over the accuracy and timing of revenue recognised in the financial statements, including controls performed by the management in estimating variation orders, claims, total contract costs, profit margin and percentage-of-completion of the contract;

   iii. Observed the progress of the constructions by performing site visit and examined physical progress reports. We have also discussed the status of on-going constructions with management, finance personnel and project officials;

Independent Auditors' Report (Cont'd.)

to the members of Gamuda Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key Audit Matters (cont'd.)

2. *Revenue and cost of sales from construction contracts (cont'd.)*

   In addressing this area of focus, we performed, amongst others, the following procedures: (cont'd.)

   iv. Agreed the amounts to approved variation order forms with respect to variations in contract works and claims for costs not included in the contract price;

   v. Evaluated the assumptions applied in the determination of percentage-of-completion in light of supporting evidence such as letters of award, approved purchase orders, sub-contractors' claims and invoices; and

   vi. Reviewed management's workings on the computation of percentage-of-completion.

   The Group's disclosure on contract assets/liabilities is included in Note 22 to the financial statements.

3. *Impairment of expressway development expenditure ("EDE") in a joint venture – Projek Smart Holdings Sdn. Bhd. ("SMART Holdings")*

   As at 31 July 2019, the carrying amount of the Group's interest in a joint venture, SMART Holdings was RM44,323,000. The Group's share of SMART Holdings losses for the current year amounted to RM3,240,000 which was mainly attributed to the continued decline in traffic volume of the expressway managed by SMART Holdings.

   The continued decline in traffic volume of the expressway reported by the Group's joint venture, SMART Holdings, indicated that the carrying amount of the interest in SMART Holdings and EDE in SMART Holdings may be impaired. Accordingly, the Group performed an impairment test of the investment in joint venture by estimating the recoverable amount using value-in-use ("VIU") with the involvement of an independent traffic consultant. Estimating the VIU involves estimating the future cash inflows and outflows that will be derived from the cash generating units, and discounting them at an appropriate rate.

   This impairment review is based on assumptions that are highly judgmental, in particular, the assumptions on the revenue growth rate, gross profit margin, terminal growth rate and discount rate. Accordingly, we identify this area as a matter requiring audit focus.

   In addressing this area of audit focus, we evaluated the management's assumptions on the expected traffic volume and discount rate by performing the following:

   i. Obtained an understanding of the relevant internal controls over estimating the recoverable amount of the expressway development expenditure in SMART Holdings;

   ii. Considered the objectivity, independence, expertise and experience of the independent traffic consultant engaged by the Group;

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key Audit Matters (cont'd.)

3. *Impairment of expressway development expenditure ("EDE'') in a joint venture – Projek Smart Holdings Sdn. Bhd. ("SMART Holdings") (cont'd.)*

   In addressing this area of audit focus, we evaluated the management's assumptions on the expected traffic volume and discount rate by performing the following: (cont'd.)

   iii. Obtained an understanding of the methodology adopted by management in estimating the recoverable amount and assessed whether such methodologies are consistent with those used in the industry, and

   iv. Assessed the appropriateness of the discount rate used to determine the present value of the cash flows and whether the rate used reflects the current market assessments of the time value of money and the risks specific to the asset is the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive from the asset.

   The aforementioned impairment review does not give rise to any impairment loss to the financial statements of the Group and of the Company for the year ended 31 July 2019.

   The Group's disclosure on interests in joint ventures is included in Note 19 to the financial statements.

Information Other than the Financial Statements and Auditor's Report

The directors of the Company are responsible for the other information. The other information comprises the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Report (Cont'd.)

to the members of Gamuda Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Responsibilities of Directors for the Financial Statements (cont'd.)

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd.)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 17 to the financial statements.

OTHER MATTERS

The report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 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

Tan Shium Jye
No. 02991/05/2020 J
Chartered Accountant

Kuala Lumpur, Malaysia
8 October 2019

Consolidated Income Statement

For the financial year ended 31 July 2019

	Note	2019 RM'000	2018 RM'000 (Restated)
Revenue	4	**4,565,062**	4,216,551
Other income		**217,544**	187,990
Construction contract costs recognised as contract expenses		**(1,325,861)**	(1,238,615)
Land and development costs		**(1,626,259)**	(1,373,354)
Highway maintenance and toll operations		**(32,907)**	(32,896)
Changes in inventory of finished goods and work in progress		**(9,905)**	(7,506)
Purchases – raw and trading materials		**(261,338)**	(266,851)
Production overheads		**(92,531)**	(86,955)
Staff costs	5	**(253,045)**	(248,251)
Depreciation and amortisation		**(192,128)**	(176,480)
Other operating expenses		**(299,328)**	(268,069)
Profit from operations	7	**689,304**	705,564
Finance costs	8	**(91,931)**	(91,152)
Share of profits/(losses) of associated companies		**126,634**	(96,303)
Share of profits of joint ventures		**184,842**	228,556
Profit before tax		**908,849**	746,665
Income tax expense	9	**(150,654)**	(166,013)
Profit for the year		**758,195**	580,652
Profit attributable to:			
Owners of the Company		**706,113**	530,178
Non-controlling interests		**52,082**	50,474
		758,195	580,652
Earnings per share attributable to owners of the Company (sen)			
Basic	10(a)	**28.60**	21.56
Diluted	10(b)	**28.60**	21.54
Net dividends per ordinary share (sen)	11	**12.0**	12.0
Profit attributable to owners of the Company can be analysed as follows:			
Core profit		**706,113**	834,657
Less: One-off items			
– Loss on disposal of Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd. ("SPLASH SB")		**–**	(300,051)
– Impairment of Gamuda Water Sdn. Bhd.'s trade receivables		**–**	(4,428)
Profit as reported		**706,113**	530,178

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 July 2019

	2019 RM'000	2018 RM'000 (Restated)
Profit for the year	**758,195**	580,652
Other comprehensive income/(loss):		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Foreign currency translation	**30,433**	(204,382)
Share of associated companies' foreign currency translation	**295**	(19,667)
Net asset accretion in an associated company arising from capital contribution	**6,080**	3,251
	36,808	(220,798)
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:		
Fair value remeasurement on defined benefit plan	**(3,185)**	–
Income tax effect	**89**	–
	(3,096)	–
Total comprehensive income for the year	**791,907**	359,854
Total comprehensive income attributable to:		
Owners of the Company	**739,671**	311,103
Non-controlling interests	**52,236**	48,751
	791,907	359,854

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

Consolidated Statement of Financial Position

As at 31 July 2019

	Note	2019 RM'000	2018 RM'000 (Restated)	1.8.2017 RM'000 (Restated)
Assets				
Non-current assets				
Property, plant and equipment	12	**1,155,510**	1,009,191	617,250
Land held for property development	13(a)	**2,919,183**	2,655,137	2,889,276
Investment properties	14	**432,815**	363,886	309,593
Land use rights	15	**1,470**	1,895	2,320
Expressway development expenditure	16	**1,306,472**	1,421,203	1,545,042
Interests in associated companies	18	**970,789**	1,773,824	1,976,423
Interests in joint arrangements	19	**1,201,555**	1,000,538	932,628
Other investments	20	**812**	812	812
Deferred tax assets	31	**40,924**	41,401	76,252
Receivables	21(b)	**1,074,294**	1,005,967	964,511
		9,103,824	9,273,854	9,314,107
Current assets				
Property development costs	13(b)	**1,886,996**	2,083,015	2,212,492
Inventories	13(c)	**774,933**	491,758	228,163
Receivables	21(a)	**1,938,030**	1,842,188	2,063,504
Contract assets	22	**1,604,295**	1,276,378	792,436
Tax recoverable		**34,158**	42,293	13,475
Investment securities	23	**396,664**	384,271	462,400
Cash and bank balances	25	**1,452,272**	1,238,634	579,728
		8,087,348	7,358,537	6,352,198
Total assets		**17,191,172**	16,632,391	15,666,305

Consolidated Statement of Financial Position (Cont'd.)

As at 31 July 2019

	Note	2019 RM'000	2018 RM'000 (Restated)	1.8.2017 RM'000 (Restated)
Equity and liabilities				
Equity attributable to owners of the Company				
Share capital	26	**3,469,729**	3,452,940	3,372,368
Reserves		**4,601,578**	4,143,685	4,116,107
Owners' equity		**8,071,307**	7,596,625	7,488,475
Non-controlling interests		**399,317**	383,681	369,130
Total equity		**8,470,624**	7,980,306	7,857,605
Non-current liabilities				
Payables	30(a)	**197,982**	143,396	130,265
Contract liabilities	22	**60,305**	66,810	69,300
Provision for liabilities	36	**29,978**	27,936	14,968
Deferred tax liabilities	31	**375,794**	407,319	424,460
Long term Islamic debts	32	**1,975,000**	2,465,000	2,455,000
Long term borrowings	33	**982,741**	1,784,964	2,159,646
		3,621,800	4,895,425	5,253,639
Current liabilities				
Payables	30(b)	**1,844,392**	1,629,297	1,382,526
Contract liabilities	22	**932,520**	540,734	431,868
Provision for liabilities	36	**76,645**	54,831	45,181
Short term Islamic debts	32	**690,000**	890,000	490,000
Short term borrowings	33	**1,495,917**	596,736	138,647
Tax payable		**59,274**	45,062	66,839
		5,098,748	3,756,660	2,555,061
Total liabilities		**8,720,548**	8,652,085	7,808,700
Total equity and liabilities		**17,191,172**	16,632,391	15,666,305

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 July 2019

Group	Attributable to owners of the Company — Non-distributable: Share capital (Note 26) RM'000	Option reserves RM'000	Other reserves (Note 27) RM'000	Distributable: Retained profits (Note 28) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 August 2018 (as previously stated)	3,452,940	57,733	305,494	3,751,678	7,567,845	383,681	7,951,526
Effect of adoption of MFRS	-	-	-	28,780	28,780	-	28,780
At 1 August 2018 (as restated)	3,452,940	57,733	305,494	3,780,458	7,596,625	383,681	7,980,306
Total comprehensive income	-	-	36,654	703,017	739,671	52,236	791,907
Transactions with owners:							
Issuance of ordinary shares pursuant to:							
Exercise of ESOS (Note 26(f))	8,800	-	-	-	8,800	-	8,800
Conversion of Warrants (Notes 26 and 27)	4,739	-	(274)	-	4,465	-	4,465
Share options granted under ESOS	-	18,101	-	-	18,101	-	18,101
Share options exercised under ESOS	3,250	(3,250)	-	-	-	-	-
Dividends paid by a subsidiary to non-controlling interests	-	-	-	-	-	(36,600)	(36,600)
Dividends paid to shareholders (Note 11)	-	-	-	(148,083)	(148,083)	-	(148,083)
Dividends payable to shareholders (Note 11)	-	-	-	(148,272)	(148,272)	-	(148,272)
Total transactions with owners At 31 July 2019	16,789	14,851	(274)	(296,355)	(264,989)	(36,600)	(301,589)
At 31 July 2019	3,469,729	72,584	341,874	4,187,120	8,071,307	399,317	8,470,624

Consolidated Statement of Changes in Equity (Cont'd.)

For the financial year ended 31 July 2019

	Attributable to owners of the Company						
	Non-distributable			Distributable			
Group	Share capital (Note 26) RM'000	Option reserves RM'000	Other reserves (Note 27) RM'000	Retained profits (Note 28) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 August 2017 (as previously stated)	3,372,368	44,794	525,606	3,533,222	7,475,990	369,130	7,845,120
Effect of adoption of MFRS	-	-	-	12,485	12,485	-	12,485
At 1 August 2018 (as restated)	3,372,368	44,794	525,606	3,545,707	7,488,475	369,130	7,857,605
Total comprehensive income	-	-	(219,075)	530,178	311,103	48,751	359,854
Transactions with owners:							
Issuance of ordinary shares pursuant to:							
Exercise of ESOS (Note 26(f))	53,790	-	-	-	53,790	-	53,790
Conversion of Warrants (Notes 26 and 27)	17,836	-	(1,037)	-	16,799	-	16,799
Share options granted under ESOS	-	21,885	-	-	21,885	-	21,885
Share options exercised under ESOS	8,946	(8,946)	-	-	-	-	-
Dividends paid by a subsidiary to non-controlling interests	-	-	-	-	-	(34,200)	(34,200)
Dividends paid to shareholders (Note 11)	-	-	-	(295,427)	(295,427)	-	(295,427)
Total transactions with owners At 31 July 2018 (restated)	80,572	12,939	(1,037)	(295,427)	(202,953)	(34,200)	(237,153)
At 31 July 2018 (restated)	**3,452,940**	**57,733**	**305,494**	**3,780,458**	**7,596,625**	**383,681**	**7,980,306**

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

Consolidated Statement of Cash Flows

For the financial year ended 31 July 2019

	2019 RM'000	2018 RM'000 (Restated)
Cash flows from operating activities		
Profit before tax	**908,849**	746,665
Adjustments for:		
Amortisation:		
– Land use rights	**425**	425
– Expressway development expenditure	**127,982**	126,689
Depreciation:		
– Property, plant and equipment	**56,594**	42,693
– Investment properties	**7,127**	6,673
Provision for:		
– Liabilities	**4,490**	4,003
– Retirement benefits obligations	**7,472**	5,470
– Short term accumulating compensated absences	**1,324**	1,860
Property, plant and equipment written off	**31**	117
Net (gain)/loss on:		
– Disposal of property, plant and equipment	**(510)**	(3,514)
– Disposal of investment properties	**(24,055)**	(2,443)
– Unrealised foreign exchange	**31**	(370)
– Fair value on derivatives	**(2,957)**	(1,495)
Share of (profits)/losses from:		
– Associated companies	**(126,634)**	96,303
– Joint ventures	**(184,842)**	(228,556)
Impairment loss on:		
– Trade receivables	**38,963**	63,311
– Discount provided on settlement scheme	**–**	70,056
Share options granted under ESOS	**18,101**	21,885
Distribution from investment securities:		
– Islamic	**(8,773)**	(12,481)
– Non-Islamic	**(4,868)**	(3,828)
Profit rate from Islamic fixed deposits	**(9,553)**	(5,535)
Interest income from non-Islamic fixed deposits	**(69,546)**	(28,911)
Net unwinding of discount	**(43,059)**	(77,322)
Finance costs	**81,330**	88,768
Operating profit before working capital changes	**777,922**	910,463
(Increase)/decrease in:		
– Land held for property development	**(171,756)**	(160,937)
– Property development costs	**152,493**	295,560
– Receivables	**(80,046)**	(360,949)
– Inventories	**89,359**	128,466
Increase in payables	**154,334**	349,494
Cash generated from operations	**922,306**	1,162,097
Income taxes paid	**(159,973)**	(198,901)
Finance costs paid	**(275,838)**	(237,676)
Retirement benefits paid	**(1,772)**	(743)
Net cash generated from operating activities	**484,723**	724,777

Consolidated Statement of Cash Flows (Cont'd.)

For the financial year ended 31 July 2019

	2019 RM'000	2018 RM'000 (Restated)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(253,790)**	(453,248)
Additions to:		
– Land held for property development expenditures	**(229,227)**	(222,086)
– Investment properties expenditures	**(88,522)**	(54,074)
– Expressway development expenditures	**(13,251)**	(2,850)
Proceeds from:		
– Disposal of property, plant and equipment	**793**	4,400
– Disposal of investment properties	**63,622**	3,442
Net (purchase)/proceeds from disposal of investment securities	**(12,393)**	78,129
Capital repayment from an associated company	**159,996**	–
(Additional)/redemption of interest in joint ventures	**(187,156)**	56,438
Placement of deposits with tenure more than 3 months	**(109,582)**	(181,315)
Dividend received from:		
– Associated companies	**776,048**	89,881
– Joint ventures	**175,800**	88,000
Distribution received from investment securities:		
– Islamic	**8,773**	12,481
– Non-Islamic	**4,868**	3,828
Profit rate received from Islamic fixed deposits	**9,553**	5,535
Interest income received from non-Islamic fixed deposits	**69,546**	28,911
Net cash generated from/(used in) investing activities	**375,078**	(542,528)
Cash flows from financing activities		
Net (repayment)/drawdown of borrowings and debts	**(594,357)**	575,637
Proceeds from:		
– Exercise of ESOS	**8,800**	53,790
– Conversion of warrants	**4,465**	16,799
Dividends paid to:		
– Shareholders	**(148,083)**	(295,427)
– Non-controlling interests	**(36,600)**	(34,200)
Net cash (used in)/generated from financing activities	**(765,775)**	316,599
Net increase in cash and cash equivalents	**94,026**	498,848
Effects of exchange rate changes	**10,029**	(21,257)
Cash and cash equivalents at beginning of year	**977,068**	499,477
Cash and cash equivalents at end of year (Note 25)	**1,081,123**	977,068

Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

	2019 RM'000	2018 RM'000 (Restated)
At 1 August 2018/2017	**5,736,700**	**5,243,293**
Repayment of borrowings and debts	**(1,243,066)**	**(777,522)**
Drawdown of borrowings and debts	**648,709**	**1,353,159**
Effects of exchange rate changes	**1,315**	**(82,230)**
At 31 July	**5,143,658**	**5,736,700**

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

Income Statement

For the financial year ended 31 July 2019

	Note	2019 RM'000	2018 RM'000
Revenue	4	**2,420,370**	1,603,102
Other income		**215,112**	167,697
Construction contract costs recognised as contract expenses		**(1,144,640)**	(1,152,144)
Staff costs	5	**(71,314)**	(74,425)
Depreciation		**(7,212)**	(7,034)
Other operating expenses		**(39,537)**	(61,115)
Profit from operations	7	**1,372,779**	476,081
Finance costs	8	**(120,976)**	(100,316)
Profit before tax		**1,251,803**	375,765
Income tax expense	9	**(23,149)**	(53,209)
Profit for the year		**1,228,654**	322,556
Net dividends per ordinary share (sen)	11	**12.0**	12.0

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

Statement of Comprehensive Income

For the financial year ended 31 July 2019

	2019 RM'000	2018 RM'000
Profit for the year	**1,228,654**	322,556
Other comprehensive (loss)/income:		
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:		
Foreign currency translation	**(1,179)**	(7,324)
Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods:		
Fair value remeasurement on defined benefit plan	**(558)**	–
Income tax effect	**134**	–
Other comprehensive loss for the year, net of tax	**(1,603)**	(7,324)
Total comprehensive income for the year	**1,227,051**	315,232

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

Statement of Financial Position

As at 31 July 2019

	Note	2019 RM'000	2018 RM'000	1.8.2017 RM'000
Assets				
Non-current assets				
Property, plant and equipment	12	**281,491**	302,416	179,102
Investment properties	14	**9,965**	10,120	10,272
Investments in subsidiaries	17	**4,526,481**	4,638,316	4,078,297
Interests in associated companies	18	**253,218**	413,214	415,714
Interests in joint arrangements	19	**177,627**	177,627	177,627
Other investments	20	**733**	733	733
Deferred tax assets	31	**2,228**	-	16,423
Receivables	21(b)	**88,970**	200,435	21,536
Due from subsidiaries	24	**844,703**	594,080	618,091
		6,185,416	6,336,941	5,517,795
Current assets				
Inventories	13(c)	**1,952**	4,692	14,509
Receivables	21(a)	**895,020**	718,632	932,350
Contract assets	22	**19,425**	21,492	54,666
Due from subsidiaries	24	**2,030,013**	1,069,512	961,847
Investment securities	23	**340,371**	21,504	19,072
Cash and bank balances	25	**65,184**	79,233	28,136
		3,351,965	1,915,065	2,010,580
Total assets		**9,537,381**	8,252,006	7,528,375

Statement of Financial Position (Cont'd.)

As at 31 July 2019

	Note	2019 RM'000	2018 RM'000	1.8.2017 RM'000
Equity and liabilities				
Share capital	26	**3,469,729**	3,452,940	3,372,368
Reserves		**2,445,274**	1,500,001	1,468,294
Owners' equity		**5,915,003**	4,952,941	4,840,662
Non-current liabilities				
Payables	30(a)	**67,789**	33,574	38,439
Deferred tax liabilities	31	**-**	3,929	-
Long term Islamic debts	32	**1,300,000**	1,500,000	1,400,000
		1,367,789	1,537,503	1,438,439
Current liabilities				
Payables	30(b)	**380,160**	317,060	333,799
Contract liabilities	22	**790,073**	429,037	377,434
Due to subsidiaries	35	**168,449**	62,040	55,991
Short term Islamic debts	32	**300,000**	800,000	400,000
Short term borrowings	33	**600,298**	150,000	55,647
Tax payable		**15,609**	3,425	26,403
		2,254,589	1,761,562	1,249,274
Total liabilities		**3,622,378**	3,299,065	2,687,713
Total equity and liabilities		**9,537,381**	8,252,006	7,528,375

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

Statement of Changes In Equity

For the financial year ended 31 July 2019

	← Non-distributable		→	Distributable	
	Share capital RM'000	Option reserves RM'000	Other reserves (Note 27) RM'000	Retained profits (Note 28) RM'000	Total RM'000
Company					
At 1 August 2018	3,452,940	57,733	102,667	1,339,601	4,952,941
Total comprehensive (loss)/income	–	–	(1,179)	1,228,230	1,227,051
Transactions with owners:					
Issue of ordinary shares pursuant to:					
Exercise of ESOS (Note 26(f))	8,800	–	–	–	8,800
Conversion of Warrants (Notes 26 and 27)	4,739	–	(274)	–	4,465
Share options granted under ESOS	–	18,101	–	–	18,101
Share options exercised under ESOS	3,250	(3,250)	–	–	–
Dividends paid to shareholders (Note 11)	–	–	–	(148,083)	(148,083)
Dividends payable to shareholders (Note 11)	–	–	–	(148,272)	(148,272)
Total transactions with owners	16,789	14,851	(274)	(296,355)	(264,989)
At 31 July 2019	**3,469,729**	**72,584**	**101,214**	**2,271,476**	**5,915,003**

Statement of Changes In Equity (Cont'd.)

For the financial year ended 31 July 2019

	Non-distributable			Distributable	
	Share capital RM'000	Option reserves RM'000	Other reserves (Note 27) RM'000	Retained profits (Note 28) RM'000	Total RM'000
Company					
At 1 August 2017	3,372,368	44,794	111,028	1,312,472	4,840,662
Total comprehensive (loss)/income	–	–	(7,324)	322,556	315,232
Transactions with owners:					
Issue of ordinary shares pursuant to:					
Exercise of ESOS (Note 26(f))	53,790	–	–	–	53,790
Conversion of Warrants (Notes 26 and 27)	17,836	–	(1,037)	–	16,799
Share options granted under ESOS	–	21,885	–	–	21,885
Share options exercised under ESOS	8,946	(8,946)	–	–	–
Dividends paid to shareholders (Note 11)	–	–	–	(295,427)	(295,427)
Total transactions with owners	80,572	12,939	(1,037)	(295,427)	(202,953)
At 31 July 2018	3,452,940	57,733	102,667	1,339,601	4,952,941

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

Statement of Cash Flows

For the financial year ended 31 July 2019

	2019 RM'000	2018 RM'000
Cash flows from operating activities		
Profit before taxation	**1,251,803**	375,765
Adjustments for:		
Depreciation:		
– Property, plant and equipment	**7,057**	6,882
– Investment properties	**155**	152
Provision for:		
– Retirement benefits obligations	**771**	816
– Short term accumulating compensated absences	**332**	440
Property, plant and equipment written off	**7**	–
Net (gain)/loss on:		
– Disposal of property, plant and equipment	**(280)**	(2,869)
– Unrealised foreign exchange	**(32,550)**	43,144
Impairment losses on trade receivables	**38,311**	61,772
Share options granted under ESOS	**18,101**	21,885
Dividend income from:		
– Subsidiaries	**(166,288)**	(88,125)
– Associated companies	**(771,518)**	(57,514)
– Joint ventures	**(175,800)**	(88,000)
Distribution from investment securities:		
– Islamic	**(736)**	(816)
– Non-Islamic	**(1,980)**	(761)
Profit rate from Islamic fixed deposits	**(1,815)**	(984)
Interest income from:		
– Non-Islamic fixed deposits	**(954)**	(981)
– Subsidiaries	**(153,716)**	(127,492)
Net unwinding of discount	**(37,793)**	(4,264)
Finance costs	**117,829**	98,279
Operating profits before working capital changes	**90,936**	237,329
(Increase)/decrease in:		
– Due from subsidiaries	**(1,065,410)**	(77,605)
– Receivables	**(101,167)**	11,347
– Inventories	**2,740**	9,817
Increase/(decrease) in payables	**383,919**	(64,943)
Cash (used in)/generated from operations	**(688,982)**	115,945
Dividend received	**1,113,606**	233,639
Income taxes paid	**(16,988)**	(55,834)
Finance costs paid	**(117,829)**	(66,370)
Retirement benefit obligations paid	**–**	(331)
Net cash generated from operating activities	**289,807**	227,049

Statement of Cash Flows (Cont'd.)

For the financial year ended 31 July 2019

	2019 RM'000	2018 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	**(32,000)**	(136,845)
Proceeds from disposal of property, plant and equipment	**385**	5,934
Net purchase of investment securities	**(318,867)**	(2,432)
Additional investment in subsidiaries	**(688,165)**	(610,335)
Capital repayment from:		
– Subsidiaries	**–**	50,316
– An associated company	**159,996**	–
Proceeds on redemption of:		
– Loan stocks by a subsidiary	**800,000**	–
– Redeemable preference shares by a joint venture	**–**	2,500
Distribution received from investment securities:		
– Islamic	**736**	816
– Non-Islamic	**1,980**	761
Profit rate received from Islamic fixed deposits	**1,815**	984
Interest income received from:		
– Non-Islamic fixed deposits	**954**	981
– Subsidiaries	**153,716**	127,492
Net cash generated from/(used in) investing activities	**80,550**	(559,828)
Cash flows from financing activities		
Net (repayment)/drawdown of borrowings and debts	**(249,821)**	609,006
Proceeds from:		
– Exercise of ESOS	**8,800**	53,790
– Conversion of warrants	**4,465**	16,799
Dividend paid to shareholders	**(148,083)**	(295,427)
Net cash (used in)/generated from financing activities	**(384,639)**	384,168
Net (decrease)/increase in cash and cash equivalents	**(14,282)**	51,389
Effects of exchange rate changes	**233**	(292)
Cash and cash equivalents at beginning of year	**79,233**	28,136
Cash and cash equivalents at end of year (Note 25)	**65,184**	79,233

Reconciliation of liabilities arising from financing activities:

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes.

	2019 RM'000	2018 RM'000
At 1 August 2018/2017	**2,450,000**	1,855,647
Repayment of borrowings and debts	**(1,169,744)**	(440,994)
Drawdown of borrowings and debts	**919,923**	1,050,000
Effects of exchange rate changes	**119**	(14,653)
At 31 July	**2,200,298**	2,450,000

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

Notes to the Financial Statements
– 31 July 2019

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company is located at Menara Gamuda, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are that of investment holding and civil engineering construction. The principal activities of the subsidiaries, associated companies and joint arrangements are described in Notes 17, 18 and 19 respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 8 October 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements for the year ended 31 July 2019 are the Group's and Company's first financial statements prepared in accordance with MFRS. The Group and the Company have applied MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards.

For periods up to and including the year ended 31 July 2018, the Group and the Company prepared their financial statements in accordance with Financial Reporting Standards ("FRS").

The financial statements provide comparative information in respect of the previous period. In addition, the Group and the Company present additional statements of financial position as at 1 August 2017 due to the retrospective application of accounting policies as a result of the first-time adoption of MFRS.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 MFRS 1 – *First-time adoption of Malaysian Financial Reporting Standards* ("MFRS 1")

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the MFRS framework. The MFRS framework has been applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141: *Agriculture* and IC Interpretation 15: *Agreements for the Construction of Real Estate,* including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities are allowed to defer adoption of the new MFRS framework. The adoption is mandatory for Transitioning Entities for annual periods beginning on or after 1 January 2018. The Group falls within the scope of Transitioning Entities and has opted to defer adoption of the new MFRS framework. Accordingly, the Group is required to prepare financial statements, using the MFRS framework in its first MFRS financial statements for the financial year ended 31 July 2019.

In preparing their opening MFRS statements of financial position as at 1 August 2018 (which is also the date of transition), the Group and the Company have adjusted the amounts previously reported in the financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's and Company's financial statements are disclosed below:

(a) Business combinations

MFRS 1 provides the option to apply MFRS 3 – *Business Combinations*, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition:

(i) The classification of former business combinations under FRS is maintained;

(ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and

(iii) The carrying amount of goodwill recognised under FRS is not adjusted.

(b) Borrowing costs

MFRS 1 provides the option to apply MFRS 123 - *Borrowing Costs*, prospectively from the date of transition or from a specified date prior to the date of transition. This provides relief from full retrospective application of MFRS 123 which would require restatement of borrowing costs component capitalised prior to the date of transition.

The Group has elected to apply MFRS 123 prospectively from the date of transition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 MFRS 1 – *First-time adoption of Malaysian Financial Reporting Standards* ("MFRS 1") (cont'd.)

(c) Revenue from contracts with customers

Under FRS, the Group applied FRS 111 – *Construction Contracts*, FRS 118 - *Revenue and related Interpretations*. MFRS 15 - *Revenue from contracts with customers* establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. MFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

In applying MFRS 15 retrospectively, the Group applied the following practical expedients:

(i) For completed contracts, contracts that begin and end within the same annual reporting period were not restated;

(ii) For completed contracts that have variable consideration, rather than estimating variable consideration amounts in the comparative reporting periods, transaction price at the date the contract was completed was used;

(iii) For contracts that were modified before the beginning of the earliest period presented, an entity need not retrospectively restate the contract for those contract modifications. Instead, an entity shall reflect the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented when identifying the satisfied and unsatisfied performance obligations; determining the transaction price; and allocating the transaction price to the satisfied and unsatisfied performance obligations; and

(iv) For all reporting period presented before the date of initial application, the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the revenue is expected to be recognised are not disclosed.

At the date of transition to MFRS, MFRS 15 has been applied retrospectively to the following:

(i) Sale of development properties

Under FRS, revenue for property development activities is recognised based on percentage of completion method. However, under MFRS 15, this method shall be conditional upon the Group having no alternative use for the property and an enforceable right to payment for work completed to date. FRSIC Consensus 23 Application of MFRS 15 - *Revenue from Contracts with Customers* on Sale of Residential Properties issued by the Malaysian Institute of Accountants ("MIA"), allows sales of residential properties in Malaysia, to be recognised based on percentage of completion method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 MFRS 1 – *First-time adoption of Malaysian Financial Reporting Standards* ("MFRS 1") (cont'd.)

(c) Revenue from contracts with customers (cont'd.)

At the date of transition to MFRS, MFRS 15 has been applied retrospectively to the following: (cont'd.)

(i) Sale of development properties (cont'd.)

The Group is in the business of developing residential and commercial properties. The Group recognised revenue from the sale of development properties under construction using the percentage of completion method for contracts where the legal terms were such that the construction represented the continuous transfer of work in progress to the purchaser. Under MFRS 15, for most of its residential and commercial developments, performance obligations for the sale of development properties are satisfied over time where the Group is restricted contractually from directing the properties for another use as they are being developed and have an enforceable right to payment for performance completed to date.

(ii) Multiple promises from the sale of development properties

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. Under the previous FRS, the Group accounted for the bundled sales as one deliverable and recognises revenue over time. Under the current MFRS 15, revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. The sale of development properties and the multiple promises are separate deliverables of bundled sales. The transaction price will be allocated to each performance obligation based on the standalone selling prices. If these are not directly observable, they are estimated based on expected cost plus margin. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(iii) Significant financing component from the sale of development properties

Under MFRS 15, it requires the recognition of the financing component relating to the sale of property units under the deferred payment schemes. This would result in the recognition of interest income using the effective interest method over the term of the deferment.

(iv) Cost incurred in fulfilling a contract from sale of development properties

Under the previous FRS, the Group expensed off sales commissions and free legal fees as these costs do not qualify for recognition as an asset under any of the other accounting standards. However, the sales commissions and free legal fees relate directly to contracts and are expected to be recovered in future for the services to be provided. Accordingly, under the current MFRS 15, these costs are eligible for capitalisation and recognised as assets. These costs is expensed off to the cost of sales and net of revenue respectively when the performance obligation is satisfied.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 MFRS 1 – *First-time adoption of Malaysian Financial Reporting Standards* ("MFRS 1") (cont'd.)

(c) Revenue from contracts with customers (cont'd.)

At the date of transition to MFRS, MFRS 15 has been applied retrospectively to the following: (cont'd.)

(v) Recognition of provision for foreseeable losses for low cost/affordable housing and public infrastructure

Under the previous FRS, the Group recognised upfront the provision for foreseeable losses for anticipated losses to be incurred on the development of involuntary low cost housing as required by approving authorities. The application of the above was in accordance to FRSIC Consensus 17 – *Development of Affordable Housing ("FRSIC 17")* issued by Malaysian Institute of Accountants ("MIA").

As for the public infrastructure, under the previous FRS, the Group recognised the costs as and when incurred.

On 7 March 2018, MIA withdrew FRSIC 17 and stated that FRSIC 17 is no longer relevant for the adoption of MFRS framework. The Group is of the view that the expected costs for infrastructure attributable to a project should be accrued progressively as and when the inventories are constructed. The same treatment would apply for the cost incurred in excess of the net realisable value of the low cost/affordable houses which is to be included in the measurement of premium housing progressively as it relates to the obligation to the local government authorities. Accordingly, the initial full provision for foreseeable losses recognised based on the previous FRS is no longer applicable.

(vi) Entrance fee for club membership

Entrance fees represent 20% of the total membership fees. These entrance fees are non-refundable. Prior to the adoption of MFRS 15, entrance fees were taken up as income upon activation of the club membership.

Under MFRS 15, no revenue should be recognised upon receipt of an upfront fee, even if it is non-refundable, as the fee does not relate to the satisfaction of a performance obligation.

Non-refundable upfront fees are included in the transaction price and allocated to the performance obligation (i.e. access to club facilities over the term of the club membership) in the contract. Revenue is recognised when the performance obligations are satisfied.

Under MFRS 15, the membership fees (including entrance fees) are recognised as revenue over the term of the club membership.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 MFRS 1 – *First-time adoption of Malaysian Financial Reporting Standards* ("MFRS 1") (cont'd.)

(c) Revenue from contracts with customers (cont'd.)

The effects of the adoption of MFRS 15 on the financial statements are as follows:

Consolidated income statement
For the financial year ended 31 July 2018

	As previously stated RM'000	Effect of adoption of MFRS 15 RM'000	As restated RM'000
Revenue	4,227,060	(10,509)	4,216,551
Other income	185,267	2,723	187,990
Construction contract costs recognised as contract expenses	(1,238,615)	–	(1,238,615)
Land and development costs	(1,369,031)	(4,323)	(1,373,354)
Highway maintenance and toll operations	(32,896)	–	(32,896)
Changes in inventory of finished goods and work in progress	(7,506)	–	(7,506)
Purchases – raw and trading materials	(266,851)	–	(266,851)
Production overheads	(86,955)	–	(86,955)
Staff costs	(249,115)	864	(248,251)
Depreciation and amortisation	(176,480)	–	(176,480)
Operating expenses	(288,246)	20,177	(268,069)
Profit from operations	696,632	8,932	705,564
Finance costs	(96,070)	4,918	(91,152)
Share of loss of associated companies	(96,303)	–	(96,303)
Share of profit of joint ventures	225,043	3,513	228,556
Profit before taxation	729,302	17,363	746,665
Income tax expenses	(164,945)	(1,068)	(166,013)
Profit for the year	564,357	16,295	580,652
Profit attributable to:-			
Owners of the Company	513,883	16,295	530,178
Non-controlling interests	50,474	–	50,474
	564,357	16,295	580,652
Earning per share attributable to Owners of the Company (sen)			
Basic	20.89		21.56
Diluted	20.88		21.54

Notes to the Financial Statements (Cont'd.)

– 31 July 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 MFRS 1 – *First-time adoption of Malaysian Financial Reporting Standards* ("MFRS 1") (cont'd.)

(c) Revenue from contracts with customers (cont'd.)

The effects of the adoption of MFRS 15 on the financial statements are as follows: (cont'd.)

Consolidated statement of financial position
As at 31 July 2018

	As previously stated RM'000	Effect of adoption of MFRS 15 RM'000	As restated RM'000
Assets			
Non-current assets			
Property, plant and equipment	1,009,191	–	1,009,191
Land held for property development	2,783,457	(128,320)	2,655,137
Investment properties	363,578	308	363,886
Land use rights	1,895	–	1,895
Expressway development expenditure	1,421,203	–	1,421,203
Interests in associated companies	1,773,824	–	1,773,824
Interests in joint arrangements	1,002,187	(1,649)	1,000,538
Other investments	812	–	812
Deferred tax assets	39,219	2,182	41,401
Receivables	1,005,967	–	1,005,967
	9,401,333	(127,479)	9,273,854
Current assets			
Property development costs	2,175,988	(92,973)	2,083,015
Inventories	491,758	–	491,758
Receivables	3,104,930	(1,262,742)	1,842,188
Contract assets	–	1,276,378	1,276,378
Tax recoverable	42,293	–	42,293
Investment securities	384,271	–	384,271
Cash and bank balances	1,238,634	–	1,238,634
	7,437,874	(79,337)	7,358,537
Total assets	16,839,207	(206,816)	16,632,391

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 MFRS 1 – *First-time adoption of Malaysian Financial Reporting Standards* ("MFRS 1") (cont'd.)

(c) Revenue from contracts with customers (cont'd.)

The effects of the adoption of MFRS 15 on the financial statements are as follows: (cont'd.)

Consolidated statement of financial position
As at 31 July 2018 (cont'd.)

	As previously stated RM'000	Effect of adoption of MFRS 15 RM'000	As restated RM'000
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	3,452,940	–	3,452,940
Reserves	4,114,905	28,780	4,143,685
Owners' equity	7,567,845	28,780	7,596,625
Non-controlling interests	383,681	–	383,681
Total equity	7,951,526	28,780	7,980,306
Non-current liabilities			
Payables	205,185	(61,789)	143,396
Contract liabilities	–	66,810	66,810
Provision for liabilities	258,705	(230,769)	27,936
Deferred tax liabilities	400,672	6,647	407,319
Long term Islamic debts	2,465,000	–	2,465,000
Long term borrowings	1,784,964	–	1,784,964
	5,114,526	(219,101)	4,895,425
Current liabilities			
Payables	2,170,031	(540,734)	1,629,297
Contract liabilities	–	540,734	540,734
Provision for liabilities	71,326	(16,495)	54,831
Short term Islamic debts	890,000	–	890,000
Short term borrowings	596,736	–	596,736
Tax payable	45,062	–	45,062
	3,773,155	(16,495)	3,756,660
Total liabilities	8,887,681	(235,596)	8,652,085
Total equity and liabilities	16,839,207	(206,816)	16,632,391

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 MFRS 1 – *First-time adoption of Malaysian Financial Reporting Standards* ("MFRS 1") (cont'd.)

(c) Revenue from contracts with customers (cont'd.)

The effects of the adoption of MFRS 15 on the financial statements are as follows: (cont'd.)

Consolidated statement of financial position
As at 31 July 2017

	As previously stated RM'000	Effect of adoption of MFRS 15 RM'000	As restated RM'000
Assets			
Non-current assets			
Property, plant and equipment	617,250	–	617,250
Land held for property development	2,907,537	(18,261)	2,889,276
Investment properties	309,599	(6)	309,593
Land use rights	2,320	–	2,320
Expressway development expenditure	1,545,042	–	1,545,042
Interests in associated companies	1,976,423	–	1,976,423
Interests in joint arrangements	937,790	(5,162)	932,628
Other investments	812	–	812
Deferred tax assets	74,369	1,883	76,252
Receivables	964,511	–	964,511
	9,335,653	(21,546)	9,314,107
Current assets			
Property development costs	2,305,261	(92,769)	2,212,492
Inventories	228,163	–	228,163
Receivables	2,845,496	(781,992)	2,063,504
Contract assets	–	792,436	792,436
Tax recoverable	13,475	–	13,475
Investment securities	462,400	–	462,400
Cash and bank balances	579,728	–	579,728
	6,434,523	(82,325)	6,352,198
Total assets	15,770,176	(103,871)	15,666,305

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 MFRS 1 – *First-time adoption of Malaysian Financial Reporting Standards* ("MFRS 1") (cont'd.)

(c) Revenue from contracts with customers (cont'd.)

The effects of the adoption of MFRS 15 on the financial statements are as follows: (cont'd.)

Consolidated statement of financial position
As at 31 July 2017 (cont'd.)

	As previously stated RM'000	Effect of adoption of MFRS 15 RM'000	As restated RM'000
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	3,372,368	–	3,372,368
Reserves	4,103,622	12,485	4,116,107
Owners' equity	7,475,990	12,485	7,488,475
Non-controlling interests	369,130	–	369,130
Total equity	7,845,120	12,485	7,857,605
Non-current liabilities			
Payables	194,545	(64,280)	130,265
Contract liabilities	–	69,300	69,300
Provision for liabilities	130,097	(115,129)	14,968
Deferred tax liabilities	419,181	5,279	424,460
Long term Islamic debts	2,455,000	–	2,455,000
Long term borrowings	2,159,646	–	2,159,646
	5,358,469	(104,830)	5,253,639
Current liabilities			
Payables	1,814,292	(431,766)	1,382,526
Contract liabilities	–	431,868	431,868
Provision for liabilities	56,809	(11,628)	45,181
Short term Islamic debts	490,000	–	490,000
Short term borrowings	138,647	–	138,647
Tax payable	66,839	–	66,839
	2,566,587	(11,526)	2,555,061
Total liabilities	7,925,056	(116,356)	7,808,700
Total equity and liabilities	15,770,176	(103,871)	15,666,305

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 MFRS 1 – *First-time adoption of Malaysian Financial Reporting Standards* ("MFRS 1") (cont'd.)

(d) Financial instruments

MFRS 1 allows for the exemption from the requirements to restate comparative information for MFRS 9 *Financial Instruments*. Accordingly, the Group and the Company have applied the requirements of FRS in place of the requirements of MFRS 9 to comparative information about items within the scope of MFRS 9.

(i) Classification and measurement

The classification and measurement requirements of MFRS 9 did not have a significant impact on the Group and the Company. The Group and the Company continued measuring at fair value all financial assets previously held at fair value under FRS 139, with the exception of the below:

- Trade and other receivables previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as debt instruments at amortised cost.

(ii) Impairment of financial assets

The Group's accounting for impairment of financial assets, has been replaced from the incurred loss approach to the forward-looking expected credit loss ("ECL") approach. ECL approach is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The MFRS's simplified approach is applied for contract assets and trade and other receivables, and the Group has calculated ECL based on lifetime expected credit losses. The simplified approach excludes tracking of changes in credit risk.

There is no significant impact to the Group upon adoption of MFRS 9 *Financial Instruments*.

(e) Estimates

The estimates as at 1 August 2018 and 31 July 2019 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 August 2018, the date of transition to MFRS and as of 31 July 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards and interpretations issued but not yet effective

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

Effective for annual periods beginning on or after 1 January 2019:

MFRS 16	Leases
Amendments to MFRS 3	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 11	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 112	Annual Improvements to MFRS Standard 2015-2017 Cycle
Amendments to MFRS 119	Plan amendment, Curtailment or Settlement
Amendments to MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatment

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

Effective for annual periods beginning on or after 1 January 2020:

Amendments to MFRS 101	Presentation of Financial Statements (Definition of Material)
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Material)

Effective for annual periods beginning on or after 1 January 2021:

MFRS 17	Insurance Contracts

Deferred:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

The directors expect that the adoption of the above standards will have no significant impact to the financial statements in the period of initial application except for those discussed below.

(a) MFRS 16: Leases

MFRS 16 will replace MFRS 117: Leases, IC Interpretation 4: Determining whether an Arrangement contains a Lease, IC Interpretation 115: Operating Lease-Incentives and IC Interpretation 127: Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions), less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

Either a full or modified retrospective transition approach is required for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies MFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group is currently assessing the impact of adopting MFRS 16 and expects to fully comply with the requirement for the financial year ending 31 July 2020.

The Group and the Company are in the midst of assessing the impact of the application of this standard on their existing operating leases. Whilst the Group and the Company expect to recognise certain of these leases as right-to-use assets, this is not expected to have significant impact on the overall results and financial positions of the Group and of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(b) Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

– gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and

– gains and losses resulting from transactions involving the sale or contribution of assets to an associate of a joint venture that constitute a business is recognised in full.

As the amendments eliminate ambiguity in the wording of the standard, the directors of the Company do not expect the amendments to have any impact on the Group's and the Company's financial statements.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement(s) with the other vote holders of the investee;

(ii) Rights arising from other contractual arrangements; and

(iii) The Group's voting rights and potential voting rights.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of consolidation (cont'd.)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Business combinations and goodwill (cont'd.)

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.6 Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 Investment in associates and joint ventures (cont'd.)

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.7 Investment in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group and the Company as joint operators recognise in relation to their interests in joint operations:

(i) their assets, including their shares of any assets held jointly;

(ii) their liabilities, including their shares of any liabilities incurred jointly;

(iii) their revenue from the sale of their shares of the output arising from the joint operations;

(iv) their shares of the revenue from the sale of the output by the joint operations; and

(v) their expenses, including their shares of any expenses incurred jointly.

The Group and the Company account for the assets, liabilities, revenues and expenses relating to its interest in joint operations in accordance with the FRSs applicable to the particular assets, liabilities, revenues and expenses.

Profits and losses resulting from transactions between the Group and its joint operation are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the joint operation.

2.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

(a) Expressway development expenditure

Expressway development expenditure ("EDE") comprises development and upgrading expenditure (including interest charges relating to financing of the development of the expressway) incurred in connection with the concession. EDE is classified as an intangible asset and is measured on initial recognition at cost. Following initial recognition, EDE is carried at cost less accumulated amortisation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.13.

Assets under construction included in EDE are not depreciated as these assets are not yet available for use.

Notes to the Financial Statements (Cont'd.)

– 31 July 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.8 Intangible assets (cont'd.)

(a) Expressway development expenditure (cont'd.)

EDE is amortised upon commencement of tolling operations over the concession period based on the following formula:

Amortisation of EDE is included in profit or loss.

$$\left(\frac{\text{Actual Traffic Volume For The Year}}{\text{Actual Traffic Volume For The Year Plus Projected Traffic Volume To Completion}} \times \text{Opening Net Carrying Amount Of EDE Plus Current Year Additions} \right)$$

Periodic traffic studies are performed by an independent traffic consultant in order to support the projected toll revenue for the remaining concession period. The projection was based on the latest available traffic study.

(b) Other intangible assets

Other intangible assets acquired separately are measured initially at cost. Following initial acquisition, other intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Other intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the other intangible asset may be impaired. The amortisation period and the amortisation method for other intangible assets with finite useful lives are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on other intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.8 Intangible assets (cont'd.)

(b) Other intangible assets (cont'd.)

Other intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Other intangible assets of the Group comprise of quarry rights.

The quarry rights are attributable to G.B. Kuari Sdn. Bhd. which have been granted the rights to operate quarry for a period of 30 years ending year 2022.

2.9 Property, plant and equipment and depreciation

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

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Freehold land has an unlimited useful life and therefore is not depreciated. Construction in progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, at the following annual rates:

Buildings	2% – 13%
Plant and machinery	5% – 33%
Office equipment, furniture and fittings	10% – 33%
Motor vehicles	12% – 25%

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.13.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.10 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee or internal appraisals by the directors.

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

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in MFRS 15.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment, set out in Note 2.9 up to the date of change in use.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.11 Service concession arrangements

The Group recognises revenue from the construction and upgrading of the infrastructure in accordance with its accounting policy for construction contracts set out in Note 2.12. Where the Group performs more than one service under the arrangement, consideration received or receivable is allocated to the components by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Group recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction services. Financial assets are accounted for in accordance with the accounting policy set out in Note 2.21.

The Group recognises the consideration receivable as an intangible asset to the extent that it receives a right to charge users of the public service. Intangible assets are accounted for in accordance with the accounting policy set out in Note 2.8.

Subsequent costs and expenditures related to infrastructure and equipment arising from the Group's commitments to the concession contracts or that increase future revenue are recognised as additions to the intangible asset and are stated at cost. Capital expenditures necessary to support the Group's operation as a whole are recognised as property, plant and equipment, and accounted for in accordance with the policy stated under property, plant and equipment in Note 2.9. When the Group has contractual obligations that it must fulfil as a condition of its license to: a) maintain the infrastructure to a specified standard or, b) to restore the infrastructure when the infrastructure has deteriorated below a specified condition, it recognises and measures these contractual obligations in accordance with the accounting policy for provisions in Note 2.16. Repairs and maintenance and other expenses that are routine in nature are expensed to profit or loss as incurred.

2.12 Construction contracts

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.12 Construction contracts (cont'd.)

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

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as contract assets within trade receivables. When progress billings exceed costs incurred on construction contracts plus recognised profits (less recognised losses), the balance is classified as contract labilities within trade payables.

2.13 Impairment of non-financial assets

The Group assesses, the carrying amounts of the Group's non-financial assets, other than land held for property development, property development costs, deferred tax assets and inventories, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

Goodwill is tested for impairment annually as at 31 July and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.14 Inventories

Inventories are stated at the lower of cost or net realisable value, cost being determined on the weighted average basis.

(a) Land held for property development

Land held for property development (classified within non-current assets) comprise land banks which are in the process of being prepared for development but have not been launched, or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.13.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.14 Inventories (cont'd.)

(b) Property development cost

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.

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

Where the financial outcome of a development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that are likely to be recoverable. Property development costs are recognised as expenses in the period in which they are incurred.

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

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

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

(c) Completed properties

Costs comprise costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

(d) Raw materials, panels and work in progress

The cost of raw materials includes the cost of purchase and other direct charges. The costs of panels and work-in-progress comprise of raw materials, direct labour, other direct costs and appropriate proportions of production overheads. Cost of inventories are accounted for using the weighted average cost method.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.15 Leases

(a) Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

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

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

(b) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The accounting policy for rental income is set out in Note 2.19(b)(ii).

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.17 Taxes

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.17 Taxes (cont'd.)

(b) Deferred tax (cont'd.)

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.17 Taxes (cont'd.)

(c) Goods and Services Tax ("GST") and Sales and Service Tax ("SST")

The net amount of GST or SST being the difference between output and input of GST or SST, payable to or receivable from the respective authorities at the reporting date, is included in other payables or other receivables in the statements of financial position.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

Revenue is recognised net of SST charged to customers. Expenses and assets are recognised inclusive of SST. The amount payable to taxation authority is included as payables in the statement of financial position.

The effective date for SST in Malaysia is on 1 September 2018. Prior to this date, Malaysia was under the GST regime.

2.18 Employee benefits

(a) Short term benefits

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

(b) Defined contribution plans

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

(c) Defined benefit plans

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.18 Employee benefits (cont'd.)

(c) Defined benefit plans (cont'd.)

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise service costs, net interest on the net defined benefit liability or asset and remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The amount recognised in the consolidated statements of financial position represents the present value of the defined benefit obligations adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the net total of any unrecognised actuarial losses and past service costs, and the present value of any economic benefits in the form of refunds or reductions in future contributions to the plan.

(d) Share based compensation

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.18 Employee benefits (cont'd.)

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

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

2.19 Revenue from contracts with customers and other income recognition

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Other income is recognised to the extent that they are probable that the economic benefits associated with the transaction will flow to the Group and the other income can be reliably measured. Revenue and other income are measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue and other income are recognised:

(a) Revenue recognition from contracts with customers

(i) Engineering and construction contracts

Revenue from engineering and construction contracts is accounted for by the stage of completion method as described in Note 2.12.

(ii) Property development

Property development contracts with customers may include multiple promises to customers and are accounted for as separate performance obligations. Transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost-plus margin.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to-date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.19 Revenue from contracts with customers and other income recognition (cont'd.)

(a) Revenue recognition from contracts with customers (cont'd.)

(ii) Property development (cont'd.)

This is generally established when:

- the promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and
- the Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payments.

If control of the asset is transferred over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, the Group recognises the revenue at a point of time to the sale of completed properties and properties under contract of sale when the control of the properties has been transferred to the customers and it is probable that the Group will collect the consideration it is entitled to.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.

(iii) Sale of goods and services

Revenue relating to the sale of goods is recognised net of discounts upon the transfer of risks and rewards. Revenue from services rendered is recognised net of service taxes and discount as and when the services are performed. Sale of goods and services of the Group includes trading of construction materials and sales of manufactured products.

(iv) Supply of water and related services

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.19 Revenue from contracts with customers and other income recognition (cont'd.)

(a) Revenue recognition from contracts with customers (cont'd.)

(v) Toll concession revenue

Toll revenue includes toll collection and Government compensation. Toll collection is accounted for as and when toll is chargeable for the usage of the Highway.

The amount of Government compensation are recognised in profit or loss for the year after taking into consideration the effects of the concession arrangement.

(vi) Dividend income

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

(vii) Club membership entrance fees and annual fees

Membership entrance fees from members represent 20% of the membership fees whereas membership annual fees represent the remaining 80% of the membership fees. The membership fees are received upfront and recognised on a straight-line basis over the tenure of the membership.

(b) Other income

(i) Interest income

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

(ii) Rental income

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

2.20 Foreign currencies

(a) Functional and presentation currency

The Group's consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.20 Foreign currencies (cont'd.)

(b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(c) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.20 Foreign currencies (cont'd.)

(c) Group companies (cont'd.)

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

	2019 RM	2018 RM
United States Dollar	**4.126**	4.065
Indian Rupee	**0.060**	0.059
New Taiwan Dollar	**0.132**	0.132
Qatari Riyal	**1.125**	1.106
Bahraini Dinar	**10.918**	10.686
100 Vietnam Dong	**0.018**	0.018
Australian Dollar	**2.847**	3.016
Singapore Dollar	**3.015**	2.985

2.21 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.21 Financial assets (cont'd.)

Initial recognition and measurement (cont'd.)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and loans to associates included under other non-current financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.21 Financial assets (cont'd.)

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.21 Financial assets (cont'd.)

Financial assets at fair value through profit or loss (cont'd.)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

– The rights to receive cash flows from the asset have expired; or

– The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

  (a) the Group has transferred substantially all the risks and rewards of the asset, or

  (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.22 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.23 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.24 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.25 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.25 Financial liabilities (Cont'd.)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade and other payables, Islamic debts and borrowings.

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

After initial recognition of loans and borrowings, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.25 Financial liabilities (cont'd.)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.26 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

Initial recognition and subsequent measurement (cont'd.)

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

To manage its risks, particularly interest rate risks and foreign currency risk, the Group has entered into cross-currency interest rate swap arrangements with financial institutions.

The Group did not enter into any fair value hedge or net investment hedge as at the end of this financial year.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

Initial recognition and subsequent measurement (cont'd.)

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

Derivative instruments that are not a designated and effective hedging instrument are classified as current or non-current or separated into a current and non-current portion based on an assessment of the facts and circumstances.

- Where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.
- Embedded derivatives that are not closely related to the host contract are classified consistent with the cash flows of the host contract.
- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistent with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and non-current portion only if a reliable allocation can be made.

2.27 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.28 Deferred revenue

Deferred revenue comprise the following:

(a) Advance maintenance fees and license fees

Fees received from third parties to upkeep the inter-change at the expressway and for the exclusive rights to design, construct, operate and manage ancillary facilities along the expressway, are recognised in profit or loss on a straight line basis over the remaining concession period.

(b) Government compensation

Compensation received from the Government for the imposition of revised toll rates lower than those as provided for in the respective Concession Agreements, which is taken to profit or loss over the period the compensation relates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.29 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(a) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(b) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(c) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.30 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and any accumulated impairment losses. The land use rights are amortised over their lease terms.

2.31 Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue or other income when the Group performs the contract.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In the process of applying the Group's accounting policies, management did not make any significant judgement which may have significant effect on the amount recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Contract assets/(liabilities) for construction contracts and property development

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

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

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

Key sources of estimation uncertainty (cont'd.)

(a) Contract assets/(liabilities) for construction contracts and property development (cont'd.)

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

The carrying amount of the Group's property development costs at the reporting date is disclosed in Note 13(b). A 5% difference in the estimated total property development cost would increase/decrease the Group's profit for the year by RM91,205,000 (2018: RM76,637,000).

The carrying amount of the Group's contract assets/(liabilities) for construction contracts at the reporting date is disclosed in Note 22. A 5% difference in the estimated total contract cost would increase/decrease the Group's profit for the year by RM82,824,000 (2018: RM77,853,000).

(b) Deferred tax assets

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

(c) Provision for development cost

The Group recognises a provision for development cost in respect of development projects undertaken by its subsidiaries. In determining the provision, the Group has made assumptions in relation to the development cost incurred on the completed phases. The carrying amount of provision for development cost at the reporting date is disclosed in Note 36(a).

If the actual claims differ by 5% from management's estimates, the Group's profit for the year will increase/decrease by RM3,107,000 (2018: RM2,563,000).

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

Key sources of estimation uncertainty (cont'd.)

(d) Provision for affordable housing

Provision for affordable housing is recognised for anticipated losses to be incurred for the development of low cost housing under the requirements of the local Government attributable to a premium housing project. The Group is of the view that the expected costs should be accrued progressively as and when the premium housing is constructed. The provision for affordable housing represents the shortfall between the cost of constructing affordable housing and the economic benefits expected to be received from the purchasers of affordable housing in the development of affordable housing on involuntary basis. This provision is capitalised in the form of common costs for development of premium housing based on the following conditions:

- The master and building plans is approved;
- The developer commenced development; and
- Sales of the affordable housing are controlled, whereby eligibility of buyers is dictated by the authority and the developer has no ability to impose selling price higher than what the authority dictates.

In determining the provision for affordable housing, estimates and assumptions are made by the Group on the structure and construction costs in constructing the affordable housing. In making those judgements, the Group evaluates the provisions based on past experience.

The carrying amount of the Group's provision for affordable housing as at reporting date is disclosed in Note 36(b).

(e) Impairment of investments in subsidiaries, associated companies and joint ventures

The Group and the Company assess at each reporting date whether the carrying amounts of its investments in subsidiaries, associated companies and joint ventures are impaired. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include the use of discounted cash flow analysis, considering the current market value indicators and recent arms-length market transactions. These estimates provide reasonable approximations to the computation of recoverable amounts.

In performing discounted cash flow analysis, discount rate and growth rates used reflect, amongst others, the maturity of the business development cycle as well as the industry growth potential. The growth rates used to forecast the projected cash flow for the following year approximate the performances of the respective investments based on the latest available management accounts.

Notes to the Financial Statements (Cont'd.)

– 31 July 2019

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

Key sources of estimation uncertainty (cont'd.)

(f) Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

4. REVENUE

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

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
Engineering and construction contracts	**1,686,398**	1,655,031	**1,306,752**	1,369,463
Sales of development properties	**2,121,863**	1,774,959	**–**	–
Quarry sales	**28,170**	44,939	**–**	–
Trading of construction materials	**163,880**	169,211	**–**	–
Sales of manufactured products	**43,998**	39,924	**–**	–
Supply of water and related services	**170,297**	167,392	**–**	–
Toll concession revenue	**308,982**	328,258	**–**	–
Dividend income from subsidiaries	**–**	–	**166,288**	88,125
Dividend income from associates	**–**	–	**771,518**	57,514
Dividend income from joint ventures	**–**	–	**175,800**	88,000
Others	**41,474**	36,837	**12**	–
	4,565,062	4,216,551	**2,420,370**	1,603,102
Timing of revenue recognition:				
– At a point in time	**1,210,550**	785,803	**1,113,618**	233,639
– Over time	**3,354,512**	3,430,748	**1,306,752**	1,369,463
	4,565,062	4,216,551	**2,420,370**	1,603,102

Supplementary information on revenue of the Group inclusive of the Group's share of revenue of joint ventures are as follows:

	2019 RM'000	2018 RM'000 (Restated)
Revenue of the Group	**4,565,062**	4,216,551
Share of revenue of joint ventures:		
– Engineering and construction contracts	**2,198,418**	2,140,996
– Property development and club operations	**400,403**	778,919
– Water and expressway concessions	**17,315**	16,170
	7,181,198	7,152,636

Notes to the Financial Statements (Cont'd.)
– 31 July 2019

5. STAFF COSTS

	Group		Company	
	2019 RM'000	**2018 RM'000 (Restated)**	**2019 RM'000**	**2018 RM'000**
Wages and salaries:	**332,726**	278,005	**140,227**	122,275
– Company	**23,047**	22,727	**23,047**	22,727
– Joint operations	**117,180**	99,548	**117,180**	99,548
– Subsidiaries	**192,499**	155,730	**–**	–
Bonus	**23,116**	34,295	**5,381**	4,383
Directors' remuneration (Note 6)	**15,842**	18,354	**14,533**	13,557
Short term accumulating compensated absences	**1,324**	1,860	**332**	440
Defined contribution plans	**25,781**	22,106	**4,667**	3,600
Provision for retirement benefit obligations	**7,305**	5,417	**643**	796
Share options granted under ESOS	**17,609**	21,294	**17,609**	21,294
Social security costs	**3,267**	2,797	**138**	123
Other staff related expenses	**44,937**	57,330	**4,379**	10,094
	471,907	441,458	**187,909**	176,562
Less: Amount capitalised in qualifying assets:				
Property development costs (Note 13(b))	**(39,255)**	(37,145)	**–**	–
Investment properties (Note 14)	**(2,785)**	(1,801)	**–**	–
Costs of contract assets from construction (Note 22(a))	**(164,807)**	(142,116)	**(116,595)**	(102,137)
Less: Amount classified as highway maintenance and toll operations	**(12,015)**	(12,145)	**–**	–
	253,045	248,251	**71,314**	74,425

6. DIRECTORS' REMUNERATION

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Directors				
Executive:				
Salaries	**13,143**	12,122	**12,055**	8,863
Bonus	**–**	2,919	**–**	2,282
Defined contribution plans	**1,871**	2,238	**1,727**	1,632
Provision for retirement benefit obligations	**167**	53	**128**	20
Share options granted under ESOS	**492**	591	**492**	591
Other emoluments				
– Allowances	**169**	431	**131**	169
– Benefits-in-kind	**1,258**	1,132	**829**	724
	17,100	19,486	**15,362**	14,281
Non-executive:				
Fees	**774**	590	**774**	590
Other emoluments				
– Allowances	**172**	156	**172**	156
– Benefits-in-kind	**98**	47	**98**	47
	1,044	793	**1,044**	793
Total	**18,144**	20,279	**16,406**	15,074
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 5)	**15,842**	18,354	**14,533**	13,557
Total non-executive directors' remuneration excluding benefits-in-kind (Note 7)	**946**	746	**946**	746
Total directors' remuneration excluding benefits-in-kind	**16,788**	19,100	**15,479**	14,303

Notes to the Financial Statements (Cont'd.)
– 31 July 2019

6. DIRECTORS' REMUNERATION (CONT'D.)

The details of the remuneration paid by the Group and the Company to each director who served during the financial years ended 31 July 2019 and 31 July 2018 are as follows:

2019	Salaries, bonus and EPF RM'000	Fees RM'000	Other emoluments* RM'000	Total RM'000
Directors				
Executive:				
Y Bhg Dato' Lin Yun Ling	5,852	–	225	6,077
Encik Mohammed Rashdan bin Mohd Yusof#	4,093	–	151	4,244
Y Bhg Dato' Ir. Ha Tiing Tai	3,245	–	215	3,460
Y Bhg Dato' Goon Heng Wah^	262	–	165	427
Y Bhg Dato' Haji Azmi bin Mat Nor^	294	–	140	434
Mr Saw Wah Theng^	247	–	130	377
Y Bhg Dato' Ubull a/l Din Om	676	–	54	730
Y Bhg Dato' Ir. Chow Chee Wah^	132	–	151	283
Ir. Chan Kong Wah^	130	–	122	252
Mr Soo Kok Wong^	83	–	74	157
	15,014	–	1,427	16,441
Non-executive:				
Y Bhg Dato' Mohammed bin Haji Che Hussein	–	211	174	385
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	–	130	22	152
Y Bhg Tan Sri Dato' Setia Haji Ambrin bin Buang#	–	109	16	125
YM Tunku Afwida binti Tunku A.Malek	–	164	32	196
Puan Nazli binti Mohd Khir Johari	–	160	26	186
	–	774	270	1,044

Appointed w.e.f. 28 September 2018

^ Resigned w.e.f. 28 September 2018

6. DIRECTORS' REMUNERATION (CONT'D.)

The details of the remuneration paid by the Group and the Company to each director who served during the financial years ended 31 July 2019 and 31 July 2018 are as follows: (cont'd.)

2018	Salaries, bonus and EPF RM'000	Fees RM'000	Other emoluments* RM'000	Total RM'000
Directors				
Executive:				
Y Bhg Dato' Lin Yun Ling	5,268	–	237	5,505
Y Bhg Dato' Ir. Ha Tiing Tai	2,978	–	254	3,232
Y Bhg Dato' Goon Heng Wah	2,418	–	138	2,556
Y Bhg Dato' Haji Azmi bin Mat Nor	1,700	–	129	1,829
Mr Saw Wah Theng	1,481	–	162	1,643
Y Bhg Dato' Ubull a/l Din Om	799	–	271	1,070
Y Bhg Dato' Ir. Chow Chee Wah	1,010	–	137	1,147
Ir. Chan Kong Wah	993	–	133	1,126
Mr Soo Kok Wong	632	–	102	734
	17,279	–	1,563	18,842
Non-executive:				
Y Bhg Dato' Mohammed bin Haji Che Hussein	–	215	141	356
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	–	105	14	119
YM Tunku Afwida binti Tunku A.Malek	–	135	26	161
Puan Nazli binti Mohd Khir Johari	–	135	22	157
	–	590	203	793

* Included in other emoluments are allowances and benefits-in-kind.

Notes to the Financial Statements (Cont'd.)

– 31 July 2019

7. PROFIT FROM OPERATIONS

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

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
Amortisation:				
– Land use rights (Note 15)	**425**	425	**–**	–
– Expressway development expenditure (Note 16)	**127,982**	126,689	**–**	–
Auditors' remuneration:				
– Statutory audits:				
– Group's auditors	**1,541**	1,324	**280**	266
– Other auditors	**104**	50	**24**	31
– Other services	**146**	198	**140**	53
Investment properties (Note 14):				
– Depreciation	**7,127**	6,673	**155**	152
– Net gain on disposal	**(24,055)**	(2,443)	**–**	–
Non-executive directors' remuneration (Note 6)	**946**	746	**946**	746
Property, plant and equipment (Note 12):				
– Depreciation	**56,594**	42,693	**7,057**	6,882
– Written off	**31**	117	**7**	–
– Net gain on disposal	**(510)**	(3,514)	**(280)**	(2,869)
Net provision for liabilities (Note 36)	**4,490**	4,003	**–**	–
Rental expense:				
– Land	**2,359**	2,355	**–**	–
– Premises	**991**	1,036	**34**	487
Hire of plant and equipment	**3,698**	278	**–**	–
Loss/(gain) of foreign exchange:				
– Realised	**1,126**	(1,815)	**(3,312)**	(4,367)
– Unrealised	**31**	(370)	**(32,550)**	43,144
Professional fees	**13,765**	5,605	**10,518**	1,359
Rental income:				
– Subsidiaries	**–**	–	**(5,285)**	(5,250)
– Others	**(28,698)**	(22,312)	**(1,340)**	(1,298)
Impairment loss on trade receivables (Note 21(a))	**38,963**	63,311	**38,311**	61,772

7. PROFIT FROM OPERATIONS (CONT'D.)

The following items have been included in arriving at profit from operations: (cont'd.)

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
Discount provided on settlement scheme	**–**	70,056	**–**	–
Less: Reversal on fair value adjustment	**–**	(62,772)	**–**	–
	–	7,284	**–**	–
Share of profits/(losses) of associated companies	**126,634**	203,748	**–**	–
Less: Impairment loss on investment in an associate-SPLASH Holdings	**–**	(300,051)	**–**	–
	126,634	(96,303)	**–**	–
Share of profits of joint ventures	**184,842**	228,556	**–**	–
Fair value gain on embedded derivatives	**(2,957)**	(1,495)	**–**	–
Distribution from investment securities:				
– Islamic	**(8,773)**	(12,481)	**(736)**	(816)
– Non-Islamic	**(4,868)**	(3,828)	**(1,980)**	(761)
Profit rate from Islamic fixed deposits	**(9,553)**	(5,535)	**(1,815)**	(984)
Interest income arising from:				
– Non-Islamic fixed deposits	**(69,546)**	(28,911)	**(954)**	(981)
– Significant financing component	**(2,133)**	(3,308)	**–**	–
– Subsidiaries	**–**	–	**(153,716)**	(127,492)
Unwinding of discount:				
– Notional interest income	**(53,660)**	(16,934)	**(40,940)**	(6,301)

Notes to the Financial Statements (Cont'd.)

– 31 July 2019

8. FINANCE COSTS

	Group		Company	
	2019 RM'000	**2018 RM'000 (Restated)**	**2019 RM'000**	**2018 RM'000**
Profit rate on Islamic medium term notes	**136,907**	147,521	**88,920**	97,255
Interest expense on:				
– Commercial papers	**7,176**	188	**7,176**	188
– Revolving credits	**31,601**	5,728	**21,733**	836
– Term loans	**97,341**	83,370	**–**	–
Unwinding of discount				
– Notional interest expense	**10,601**	2,384	**3,147**	2,037
Others	**728**	870	**–**	–
	284,354	240,061	**120,976**	100,316
Less:				
Interest expense capitalised into:				
– Contract assets and liabilities (Note 22(a))	**(5,556)**	(4,760)	**–**	–
– Property development costs (Note 13(b))	**(185,450)**	(143,487)	**–**	–
– Investment properties (Note 14)	**(1,417)**	(662)	**–**	–
	91,931	91,152	**120,976**	100,316

9. INCOME TAX EXPENSE

	Group		Company	
	2019 RM'000	**2018 RM'000 (Restated)**	**2019 RM'000**	**2018 RM'000**
Income tax:				
Malaysian income tax	**115,608**	133,267	**25,553**	35,501
Foreign income tax	**38,263**	17,726	**25**	3
Under/(over) provision in prior years	**28,449**	(6,084)	**3,594**	(2,647)
	182,320	144,909	**29,172**	32,857
Deferred tax (Note 31):				
Relating to origination and reversal of temporary differences	**(11,702)**	11,392	**(5,146)**	19,850
(Over)/under provision in prior years	**(19,964)**	9,712	**(877)**	502
	(31,666)	21,104	**(6,023)**	20,352
	150,654	166,013	**23,149**	53,209

9. INCOME TAX EXPENSE (CONT'D.)

Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% (2018: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in 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:

	2019 RM'000	2018 RM'000 (Restated)
Group		
Profit before tax	**908,849**	746,665
Taxation at Malaysian statutory tax rate of 24% (2018: 24%)	**218,124**	179,200
Effect of different tax rates in other countries	**170**	(7,042)
Income not subject to tax	**(39,012)**	(23,096)
Expenses not deductible for tax purposes	**24,361**	34,845
Effects of tax on share of profits of associated companies and joint ventures	**(74,754)**	(31,741)
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	**(9,326)**	(1,714)
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	**22,606**	11,933
Under/(over) provision of income tax in prior years	**28,449**	(6,084)
(Over)/under provision of deferred tax in prior years	**(19,964)**	9,712
Income tax expense for the year	**150,654**	166,013

	2019 RM'000	2018 RM'000
Company		
Profit before tax	**1,251,803**	375,765
Taxation at Malaysian statutory tax rate of 24% (2018: 24%)	**300,433**	90,184
Effect of different tax rates in other countries	**10,717**	(2,282)
Income not subject to tax	**(300,238)**	(56,505)
Expenses not deductible for tax purposes	**9,520**	23,957
Under/(over) provision of income tax in prior years	**3,594**	(2,647)
(Over)/under provision of deferred tax in prior years	**(877)**	502
Income tax expense for the year	**23,149**	53,209

9. INCOME TAX EXPENSE (CONT'D.)

Tax savings during the financial year arising from:

	Group	
	2019 RM'000	2018 RM'000
Utilisation of previously unrecognised tax losses	**(3,077)**	(1,714)
Utilisation of previously unabsorbed capital allowances	**(4,720)**	–
Utilisation of previously unrecognised other deductible temporary differences	**(1,529)**	–
	(9,326)	(1,714)

Details of deferred tax assets not recognised are stated in Note 31 to the financial statements.

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic

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

	2019	2018 (Restated)
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	**706,113**	530,178
Weighted average number of ordinary shares in issue ('000)	**2,468,613**	2,459,548
Basic earnings per share (sen)	**28.60**	21.56

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (CONT'D.)

(b) Diluted

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from exercise of ESOS and Warrants into ordinary shares. The ESOS and Warrants are deemed to have been converted into ordinary shares at the date of the issue of the ESOS and Warrants.

	2019	2018 (Restated)
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	**706,113**	530,178
Weighted average number of ordinary shares in issue ('000)	**2,468,613**	2,459,548
Adjusted for:		
Assumed shares issued from the exercise of ESOS ('000)	**476**	2,057
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	**2,469,089**	2,461,605
Fully diluted earnings per share (sen)	**28.60**	21.54

The unexercised ESOS has dilutive effect on the earnings per share when the ESOS's exercise price is lower than the market price per ordinary share at the reporting date.

186,927,000 (2018: 126,153,000) share options granted to employees under the existing ESOS have not been included in the calculation of diluted earnings per share because the options are anti-dilutive (ESOS exercise price is higher than market share price).

11. DIVIDENDS

	Group and Company			
	Amount		Net dividends per ordinary share	
	2019 RM'000	2018 RM'000	2019 sen	2018 sen
Dividends recognised in respect of financial year ended 31 July 2019				
– First interim dividend declared on 14 December 2018 and paid on 25 January 2019	**148,083**	–	**6.0**	–
– Second interim dividend declared on 27 June 2019 and paid on 6 August 2019	**148,272***	–	**6.0**	–
Dividends recognised in respect of financial year ended 31 July 2018				
– First interim dividend declared on 15 December 2017 and paid on 25 January 2018	**–**	147,347	**–**	6.0
– Second interim dividend declared on 27 June 2018 and paid on 28 July 2018	**–**	148,080	**–**	6.0
	296,355	295,427	**12.0**	12.0

* On 27 June 2019, the Directors declared a second interim dividend in respect of the financial year ended 31 July 2019 of 6 sen per share paid on 6 August 2019 amounted to RM148,272,000.

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

Notes to the Financial Statements (Cont'd.)
– 31 July 2019

12. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings* RM'000	Other property, plant and equipment** RM'000	Construction in-progress RM'000	Total RM'000
At 31 July 2019				
Cost				
At 1 August 2018	525,516	494,125	258,185	1,277,826
Additions	4,960	128,376	120,454	253,790
Disposals	–	(8,462)	–	(8,462)
Write-offs	–	(1,719)	–	(1,719)
Reclassification upon completion	138,739	163,296	(302,035)	–
Exchange differences	2,120	208	(78)	2,250
At 31 July 2019	671,335	775,824	76,526	1,523,685
Accumulated depreciation and impairment loss				
At 1 August 2018	72,197	196,438	–	268,635
Recognised in profit or loss (Note 7)	18,827	37,767	–	56,594
Capitalised in contract assets from construction (Note 22(a))	–	52,625	–	52,625
Disposals	–	(8,179)	–	(8,179)
Write-offs	–	(1,688)	–	(1,688)
Exchange differences	(27)	215	–	188
At 31 July 2019	90,997	277,178	–	368,175
Net carrying amount				
At 31 July 2019	580,338	498,646	76,526	1,155,510

Included in the additions to property, plant and equipment are mainly as follows:

	RM'000
Industrial Building System ("IBS") factory, plant and machinery	136,256
Other plant and machinery	50,991
Sales gallery and sports centre	57,718
Vehicles, office equipment, furniture and fittings	8,825
	253,790

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

Group	Land and buildings* RM'000	Other property, plant and equipment** RM'000	Construction in-progress RM'000	Total RM'000
At 31 July 2018				
Cost				
At 1 August 2017	454,347	352,346	67,687	874,380
Additions	60,256	177,580	215,412	453,248
Disposals	(76)	(23,795)	–	(23,871)
Write-offs	(72)	(14,141)	–	(14,213)
Transfer to investment property (Note 14)	–	–	(650)	(650)
Reclassification upon completion	20,850	3,151	(24,001)	–
Exchange differences	(9,789)	(1,016)	(263)	(11,068)
At 31 July 2018	525,516	494,125	258,185	1,277,826
Accumulated depreciation and impairment loss				
At 1 August 2017	56,590	200,540	–	257,130
Recognised in profit or loss (Note 7)	16,615	26,078	–	42,693
Capitalised in contract assets from construction (Note 22(a))	–	7,612	–	7,612
Disposals	(17)	(22,968)	–	(22,985)
Write-offs	(16)	(14,080)	–	(14,096)
Exchange differences	(975)	(744)	–	(1,719)
At 31 July 2018	72,197	196,438	–	268,635
Net carrying amount				
At 31 July 2018	453,319	297,687	258,185	1,009,191

Included in the additions to property, plant and equipment are mainly as follows:

	RM'000
Industrial Building System ("IBS") factory, plant and machinery	195,427
Other plant and machinery	165,260
Sales gallery and sports centre	63,189
Vehicles, office equipment, furniture and fittings	29,372
	453,248

Notes to the Financial Statements (Cont'd.)
– 31 July 2019

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

* Land and buildings

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2019				
Cost				
At 1 August 2018	95,853	22,816	406,847	525,516
Additions	–	–	4,960	4,960
Reclassification upon completion	–	–	138,739	138,739
Exchange differences	–	214	1,906	2,120
At 31 July 2019	95,853	23,030	552,452	671,335
Accumulated depreciation and impairment loss				
At 1 August 2018	–	1,300	70,897	72,197
Recognised in profit or loss	–	197	18,630	18,827
Exchange differences	–	5	(32)	(27)
At 31 July 2019	–	1,502	89,495	90,997
Net carrying amount				
At 31 July 2019	95,853	21,528	462,957	580,338

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

* Land and buildings (cont'd.)

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2018				
Cost				
At 1 August 2017	95,853	25,999	332,495	454,347
Additions	–	–	60,256	60,256
Disposals	–	–	(76)	(76)
Write-offs	–	–	(72)	(72)
Reclassification upon completion	–	–	20,850	20,850
Exchange differences	–	(3,183)	(6,606)	(9,789)
At 31 July 2018	95,853	22,816	406,847	525,516
Accumulated depreciation and impairment loss				
At 1 August 2017	–	1,163	55,427	56,590
Recognised in profit or loss	–	155	16,460	16,615
Disposals	–	–	(17)	(17)
Write-offs	–	–	(16)	(16)
Exchange differences	–	(18)	(957)	(975)
At 31 July 2018	–	1,300	70,897	72,197
Net carrying amount				
At 31 July 2018	95,853	21,516	335,950	453,319

Notes to the Financial Statements (Cont'd.)
– 31 July 2019

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

** Other property, plant and equipment

Group	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Total RM'000
At 31 July 2019				
Cost				
At 1 August 2018	44,406	97,531	352,188	494,125
Additions	2,858	17,857	107,661	128,376
Disposals	(1,083)	(4,506)	(2,873)	(8,462)
Write-offs	–	(723)	(996)	(1,719)
Reclassification upon completion	–	15,048	148,248	163,296
Exchange differences	15	154	39	208
At 31 July 2019	46,196	125,361	604,267	775,824
Accumulated depreciation and impairment loss				
At 1 August 2018	21,606	66,945	107,887	196,438
Recognised in profit or loss	3,048	16,964	17,755	37,767
Capitalised in contract assets from construction	1,699	831	50,095	52,625
Disposals	(1,141)	(4,331)	(2,707)	(8,179)
Write-offs	–	(698)	(990)	(1,688)
Exchange differences	53	20	142	215
At 31 July 2019	25,265	79,731	172,182	277,178
Net carrying amount				
At 31 July 2019	20,931	45,630	432,085	498,646

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

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

Group	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Total RM'000
At 31 July 2018				
Cost				
At 1 August 2017	30,634	86,162	235,550	352,346
Additions	15,652	14,372	147,556	177,580
Disposals	(1,737)	(3,541)	(18,517)	(23,795)
Write-offs	(82)	(1,815)	(12,244)	(14,141)
Reclassification upon completion	–	3,151	–	3,151
Exchange differences	(61)	(798)	(157)	(1,016)
At 31 July 2018	44,406	97,531	352,188	494,125
Accumulated depreciation and impairment loss				
At 1 August 2017	19,019	59,796	121,725	200,540
Recognised in profit or loss	2,668	12,502	10,908	26,078
Capitalised in contract assets from construction	1,448	374	5,790	7,612
Disposals	(1,404)	(3,442)	(18,122)	(22,968)
Write-offs	(82)	(1,716)	(12,282)	(14,080)
Exchange differences	(43)	(569)	(132)	(744)
At 31 July 2018	21,606	66,945	107,887	196,438
Net carrying amount				
At 31 July 2018	22,800	30,586	244,301	297,687

Notes to the Financial Statements (Cont'd.)

– 31 July 2019

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

Company	Land and buildings* RM'000	Other property, plant and equipment** RM'000	Construction in-progress RM'000	Total RM'000
At 31 July 2019				
Cost				
At 1 August 2018	165,015	84,530	121,888	371,433
Additions	–	5,474	26,526	32,000
Disposals	–	(6,380)	–	(6,380)
Write-offs	–	(1,180)	–	(1,180)
Reclassification upon completion	–	131,227	(131,227)	–
Exchange differences	–	70	–	70
At 31 July 2019	165,015	213,741	17,187	395,943
Accumulated depreciation and impairment loss				
At 1 August 2018	23,641	45,376	–	69,017
Recognised in profit or loss (Note 7)	3,242	3,815	–	7,057
Capitalised in contract assets from construction (Note 22(a))	–	45,763	–	45,763
Disposals	–	(6,275)	–	(6,275)
Write-offs	–	(1,173)	–	(1,173)
Exchange differences	–	63	–	63
At 31 July 2019	26,883	87,569	–	114,452
Net carrying amount				
At 31 July 2019	138,132	126,172	17,187	281,491

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

Company	Land and buildings* RM'000	Other property, plant and equipment** RM'000	Construction in-progress RM'000	Total RM'000
At 31 July 2018				
Cost				
At 1 August 2017	161,838	88,039	3,151	253,028
Additions	3,177	11,780	121,888	136,845
Disposals	–	(18,169)	–	(18,169)
Write-offs	–	(47)	–	(47)
Reclassification upon completion	–	3,151	(3,151)	–
Exchange differences	–	(224)	–	(224)
At 31 July 2018	165,015	84,530	121,888	371,433
Accumulated depreciation and impairment loss				
At 1 August 2017	20,454	53,472	–	73,926
Recognised in profit or loss (Note 7)	3,187	3,695	–	6,882
Capitalised in contract assets from construction (Note 22(a))	–	3,562	–	3,562
Disposals	–	(15,104)	–	(15,104)
Write-offs	–	(47)	–	(47)
Exchange differences	–	(202)	–	(202)
At 31 July 2018	23,641	45,376	–	69,017
Net carrying amount				
At 31 July 2018	141,374	39,154	121,888	302,416

Notes to the Financial Statements (Cont'd.)
– 31 July 2019

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

* Land and buildings

Company	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2019				
Cost				
At 1 August 2018/31 July 2019	**659**	**5,611**	**158,745**	**165,015**
Accumulated depreciation and impairment loss				
At 1 August 2018	**–**	**885**	**22,756**	**23,641**
Charge for the year	**–**	**68**	**3,174**	**3,242**
At 31 July 2019	**–**	**953**	**25,930**	**26,883**
Net carrying amount				
At 31 July 2019	**659**	**4,658**	**132,815**	**138,132**
At 31 July 2018				
Cost				
At 1 August 2017	659	5,611	155,568	161,838
Additions	–	–	3,177	3,177
At 31 July 2018	659	5,611	158,745	165,015
Accumulated depreciation and impairment loss				
At 1 August 2017	–	817	19,637	20,454
Charge for the year	–	68	3,119	3,187
At 31 July 2018	–	885	22,756	23,641
Net carrying amount				
At 31 July 2018	659	4,726	135,989	141,374

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

** Other property, plant and equipment

Company	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Total RM'000
At 31 July 2019				
Cost				
At 1 August 2018	1,720	40,520	42,290	84,530
Additions	182	1,298	3,994	5,474
Disposals	(759)	(3,804)	(1,817)	(6,380)
Write-offs	–	(189)	(991)	(1,180)
Reclassification upon completion	–	–	131,227	131,227
Exchange differences	9	29	32	70
At 31 July 2019	1,152	37,854	174,735	213,741
Accumulated depreciation				
At 1 August 2018	1,558	30,934	12,884	45,376
Recognised in profit or loss	9	3,806	–	3,815
Capitalised in contract assets from construction	15	190	45,558	45,763
Disposals	(684)	(3,834)	(1,757)	(6,275)
Write-offs	–	(186)	(987)	(1,173)
Exchange differences	9	26	28	63
At 31 July 2019	907	30,936	55,726	87,569
Net carrying amount				
At 31 July 2019	245	6,918	119,009	126,172

Notes to the Financial Statements (Cont'd.)

– 31 July 2019

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

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

Company	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Total RM'000
At 31 July 2018				
Cost				
At 1 August 2017	2,695	34,461	50,883	88,039
Additions	6	4,463	7,311	11,780
Disposals	(944)	(1,419)	(15,806)	(18,169)
Write-offs	–	(47)	–	(47)
Reclassification upon completion	–	3,151	–	3,151
Exchange differences	(37)	(89)	(98)	(224)
At 31 July 2018	1,720	40,520	42,290	84,530
Accumulated depreciation				
At 1 August 2017	2,347	27,674	23,451	53,472
Recognised in profit or loss	74	3,280	341	3,695
Capitalised in contract assets from construction	–	252	3,310	3,562
Disposals	(807)	(166)	(14,131)	(15,104)
Write-offs	–	(47)	–	(47)
Exchange differences	(56)	(59)	(87)	(202)
At 31 July 2018	1,558	30,934	12,884	45,376
Net carrying amount				
At 31 July 2018	162	9,586	29,406	39,154

13. INVENTORIES

	Note	Group 2019 RM'000	Group 2018 RM'000 (Restated)
Non-current			
Land held for property development	(a)	**2,919,183**	2,655,137
Current			
Property development cost	(b)	**1,886,996**	2,083,015
Other inventories	(c)	**774,933**	491,758
		2,661,929	2,574,773
Total inventories		**5,581,112**	5,229,910

13. INVENTORIES (CONT'D.)

(a) Land held for property development

Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
At 31 July 2019				
Cost				
At 1 August 2018 (as previously stated)	**40,084**	**2,111,354**	**632,019**	**2,783,457**
Effect of adoption of MFRS 15	**–**	**–**	**(128,320)**	**(128,320)**
At 1 August 2018 (as restated)	**40,084**	**2,111,354**	**503,699**	**2,655,137**
Cost incurred during the year	**–**	**12,370**	**388,613**	**400,983**
Transfer to property development costs (Note 13(b))	**–**	**(113,854)**	**(25,055)**	**(138,909)**
Transfer to investment properties (Note 14)	**–**	**(4,595)**	**–**	**(4,595)**
Exchange differences	**–**	**6,567**	**–**	**6,567**
At 31 July 2019	**40,084**	**2,011,842**	**867,257**	**2,919,183**
At 31 July 2018 (restated)				
Cost				
At 1 August 2017 (as previously stated)	55,100	2,487,887	364,550	2,907,537
Effect of adoption of MFRS 15	–	–	(18,261)	(18,261)
At 1 August 2017 (as restated)	55,100	2,487,887	346,289	2,889,276
Cost incurred during the year	–	62,037	320,986	383,023
Transfer to property development costs (Note 13(b))	(15,016)	(379,834)	(160,073)	(554,923)
Transfer to investment properties (Note 14)	–	(14,119)	–	(14,119)
Exchange differences	–	(44,617)	(3,503)	(48,120)
At 31 July 2018 (as restated)	40,084	2,111,354	503,699	2,655,137

13. INVENTORIES (CONT'D.)

(b) Property development costs

Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
At 31 July 2019				
Cumulative property development costs				
At 1 August 2018 (as previously stated)	157,912	2,289,394	3,527,188	5,974,494
Effect of adoption of MFRS 15	–	–	(85,119)	(85,119)
At 1 August 2018 (as restated)	157,912	2,289,394	3,442,069	5,889,375
Costs incurred during the year	–	27,448	1,487,744	1,515,192
Transfer from land held for property development (Note 13(a))	–	113,854	25,055	138,909
Transfer to investment property (Note 14)	(770)	(4,909)	(15,537)	(21,216)
Reversal of completed projects	(25,378)	(4,416)	(380,861)	(410,655)
Transfer to completed inventories	(27,063)	(65,301)	(280,170)	(372,534)
Exchange differences	–	18,571	41,305	59,876
At 31 July 2019	104,701	2,374,641	4,319,605	6,798,947
Cumulative costs recognised in profit or loss				
At 1 August 2018 (as previously stated)	52,061	922,851	2,823,594	3,798,506
Effect of adoption of MFRS 15	–	–	7,854	7,854
At 1 August 2018 (as restated)	52,061	922,851	2,831,448	3,806,360
Recognised during the year	13,980	318,372	1,137,676	1,470,028
Reversal of completed projects	(25,378)	(4,416)	(380,861)	(410,655)
Exchange differences	–	8,123	38,095	46,218
At 31 July 2019	40,663	1,244,930	3,626,358	4,911,951
Property development costs at 31 July 2019	64,038	1,129,711	693,247	1,886,996

Notes to the Financial Statements (Cont'd.)
– 31 July 2019

13. INVENTORIES (CONT'D.)

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

Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
At 31 July 2018 (restated)				
Cumulative property development costs				
At 1 August 2017 (as previously stated)	395,770	2,033,111	3,355,307	5,784,188
Effect of adoption of MFRS 15	–	–	(89,238)	(89,238)
At 1 August 2017 (as restated)	395,770	2,033,111	3,266,069	5,694,950
Costs incurred during the year	–	935	1,002,639	1,003,574
Transfer from land held for property development (Note 13(a))	15,016	379,834	160,073	554,923
Reversal of completed projects	(147,244)	–	(515,435)	(662,679)
Transfer to completed inventories	(88,770)	(39,387)	(263,904)	(392,061)
Exchange differences	(16,860)	(85,099)	(207,373)	(309,332)
At 31 July 2018 (as restated)	157,912	2,289,394	3,442,069	5,889,375
Cumulative costs recognised in profit or loss				
At 1 August 2017 (as previously stated)	122,942	731,766	2,624,219	3,478,927
Effect of adoption of MFRS 15	–	–	3,531	3,531
At 1 August 2017 (as restated)	122,942	731,766	2,627,750	3,482,458
Recognised during the year	77,929	223,235	886,561	1,187,725
Reversal of completed projects	(147,244)	–	(515,435)	(662,679)
Exchange differences	(1,566)	(32,150)	(167,428)	(201,144)
At 31 July 2018 (as restated)	52,061	922,851	2,831,448	3,806,360
Property development costs as at 31 July 2018 (as restated)	105,851	1,366,543	610,621	2,083,015

13. INVENTORIES (CONT'D.)

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

Included in land held for development and property development costs incurred during the year are:

	Group	
	2019 RM'000	**2018 RM'000**
Staff costs (Note 5)	**39,255**	37,145
Finance costs (Note 8)	**185,450**	143,487

Freehold land of the Group with a carrying value of RM64,520,000 (2018: RM72,696,000) has been pledged as securities for loan facility as set out in Note 33(c)(i).

The leasehold lands under development of the Group with a carrying value of RM303,714,000 (2018: RM1,160,592,000) has been pledged as securities for term loans as disclosed in Note 33(a)(ii), Note 33(a)(iii) and Note 33(c)(i).

(c) Other inventories

	Group	
	2019 RM'000	**2018 RM'000**
Completed properties – properties held for sale	**706,405**	472,586
Prefabricated concrete panels	**40,445**	–
Crusher run and aggregates	**9,656**	5,841
Consumables, spares and materials	**18,427**	13,331
	774,933	491,758

During the financial year, the amount of inventories recognised as an expense by the Group was RM308,403,000 (2018: RM278,451,000).

	Company	
	2019 RM'000	**2018 RM'000**
Consumables and spares	**1,952**	4,692

Notes to the Financial Statements (Cont'd.)
– 31 July 2019

14. INVESTMENT PROPERTIES

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Construction in-progress RM'000	Total RM'000
At 31 July 2019					
Cost					
At 1 August 2018 (as previously stated)	25,261	63,627	222,480	72,934	384,302
Effect of adoption of MFRS 15	–	–	–	308	308
At 1 August 2018 (as restated)	25,261	63,627	222,480	73,242	384,610
Additions	–	2,870	397	85,255	88,522
Transfer from land held for property development (Note 13(a))	–	4,595	–	–	4,595
Transfer from property development costs (Note 13(b))	770	4,909	–	15,537	21,216
Disposals	(4,638)	–	(36,870)	–	(41,508)
Reclassification upon completion	–	–	21,856	(21,856)	–
Exchange differences	–	379	972	119	1,470
At 31 July 2019	21,393	76,380	208,835	152,297	458,905
Accumulated depreciation					
At 1 August 2018	–	1,931	18,783	10	20,724
Charge for the year (Note 7)	–	1,066	6,061	–	7,127
Disposals	–	–	(1,941)	–	(1,941)
Exchange differences	–	365	(175)	(10)	180
At 31 July 2019	–	3,362	22,728	–	26,090
Net carrying amount					
At 31 July 2019	21,393	73,018	186,107	152,297	432,815
Fair value					
At 31 July 2019	40,627	79,352	299,780	152,297	572,056

14. INVESTMENT PROPERTIES (CONT'D.)

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Construction in-progress RM'000	Total RM'000
At 31 July 2018 (restated)					
Cost					
At 1 August 2017 (as previously stated)	25,577	51,422	203,801	43,516	324,316
Effect of adoption of MFRS 15	–	–	–	(6)	(6)
At 1 August 2017 (as restated)	25,577	51,422	203,801	43,510	324,310
Additions	–	–	6,874	47,200	54,074
Transfer from property, plant and equipment (Note 12)	–	–	650	–	650
Transfer from land held for property development (Note 13(a))	–	14,119	–	–	14,119
Disposals	(316)	–	(860)	–	(1,176)
Reclassification upon completion	–	–	16,863	(16,863)	–
Exchange differences	–	(1,914)	(4,848)	(605)	(7,367)
At 31 July 2018 (as restated)	25,261	63,627	222,480	73,242	384,610
Accumulated depreciation					
At 1 August 2017	–	1,128	13,589	–	14,717
Charge for the year (Note 7)	–	900	5,763	10	6,673
Disposals	–	–	(177)	–	(177)
Exchange differences	–	(97)	(392)	–	(489)
At 31 July 2018	–	1,931	18,783	10	20,724
Net carrying amount					
At 31 July 2018 (as restated)	25,261	61,696	203,697	73,232	363,886
Fair value					
At 31 July 2018	63,184	68,732	320,431	73,232	525,579

Notes to the Financial Statements (Cont'd.)
– 31 July 2019

14. INVESTMENT PROPERTIES (CONT'D.)

Company	Freehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2019			
Cost			
At 1 August 2018/31 July 2019	**5,697**	**7,583**	**13,280**
Accumulated depreciation			
At 1 August 2018	**–**	**3,160**	**3,160**
Charge for the year (Note 7)	**–**	**155**	**155**
At 31 July 2019	**–**	**3,315**	**3,315**
Net carrying amount			
At 31 July 2019	**5,697**	**4,268**	**9,965**
Fair value			
At 31 July 2019	**37,243**	**16,901**	**54,144**
At 31 July 2018			
Cost			
At 1 August 2017/31 July 2018	5,697	7,583	13,280
Accumulated depreciation			
At 1 August 2017	–	3,008	3,008
Charge for the year (Note 7)	–	152	152
At 31 July 2018	–	3,160	3,160
Net carrying amount			
At 31 July 2018	5,697	4,423	10,120
Fair value			
At 31 July 2018	31,221	15,896	47,117

14. INVESTMENT PROPERTIES (CONT'D.)

The following are recognised in profit or loss in respect of investment properties:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Rental income	**17,728**	15,433	**1,164**	1,112
Direct operating expenses	**(7,189)**	(7,235)	**(71)**	(90)

Included in investment properties incurred during the year are:

	Group	
	2019 RM'000	2018 RM'000
Staff costs (Note 5)	**2,785**	1,801
Finance costs (Note 8)	**1,417**	662

Fair value of investment properties was estimated by the directors based on internal appraisal of market values of comparable properties or based on valuation performed by an independent professional valuer.

Other details of fair value of investment properties are further disclosed in Note 42.

15. LAND USE RIGHTS

	Group	
	2019 RM'000	2018 RM'000
At 1 August 2018/2017	**1,895**	2,320
Amortisation for the year (Note 7)	**(425)**	(425)
At 31 July	**1,470**	1,895

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16. EXPRESSWAY DEVELOPMENT EXPENDITURE

	Group	
	2019 RM'000	**2018 RM'000**
Cost		
At 1 August 2018/2017	**1,838,282**	1,835,432
Additions	**13,251**	2,850
At 31 July	**1,851,533**	1,838,282
Accumulated amortisation		
At 1 August 2018/2017	**417,079**	290,390
Amortisation for the year (Note 7)	**127,982**	126,689
At 31 July	**545,061**	417,079
Net carrying amount		
At 31 July	**1,306,472**	1,421,203

The expressway development expenditure is pledged as securities for borrowings as disclosed in Note 32(b).

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2019 RM'000	**2018 RM'000**
Redeemable unsecured loan stocks	**400,000**	1,200,000
Unquoted shares, at cost	**4,196,696**	3,508,531
Less: Accumulated impairment losses	**(70,215)**	(70,215)
	4,526,481	4,638,316

Current financial year

(a) Capital injection in subsidiaries

The Company subscribed to new ordinary shares in the following subsidiaries during the financial year:

	RM'000
Bandar Serai Development Sdn. Bhd.	55,000
Dinamik Atlantik Sdn. Bhd.	60,000
Gamuda Industrial Building System Sdn. Bhd.	28,165
Gamuda Land (Botanic) Sdn. Bhd.	100,000
Gamuda Land (Kemuning) Sdn. Bhd.	45,000
High Park Development Sdn. Bhd.	80,000
Jade Homes Sdn. Bhd.	320,000
	688,165

(b) Redemption of redeemable unsecured loan stocks

During the financial year, Megah Capital Sdn. Bhd., a wholly-owned subsidiary of the Company has redeemed the redeemable unsecured loan stocks, amounting to RM800 million.

Notes to the Financial Statements (Cont'd.)
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17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Previous financial year

(a) Capital injection in subsidiaries

The Company subscribed to new ordinary shares in the following subsidiaries in previous financial year:

	RM'000
Gammau Construction Sdn. Bhd.	6,500
Gamuda Industrial Building System Sdn. Bhd.	93,335
Gamuda Land Sdn. Bhd.	5,250
Megah Capital Sdn. Bhd.	500,000
	605,085

(b) Redemption of shares

The Company redeemed ordinary shares of the following subsidiaries in previous financial year:

	RM'000
Ganaz Bina Sdn. Bhd.	(30,116)
Idaman Robertson Sdn. Bhd.	(20,200)
	(50,316)

(c) Bonus issue of new ordinary shares

Gamuda Engineering Sdn. Bhd., a wholly owned subsidiary of the Company had issued a bonus issue of 5,250,000 new ordinary shares and allotted to the Company by way of capitalising an amount of up to RM5,250,000 out of the retained earnings on 14 November 2017.

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) Interests in subsidiaries

The Company's interests in the subsidiaries are analysed as follows:

Name of company	Proportion of ownership 2019 %	2018 %	Principal activities
Subsidiaries incorporated in Malaysia			
Gammau Construction Sdn. Bhd.	**100**	100	Property investment
Gamuda Engineering Sdn. Bhd.	**100**	100	Civil engineering and building construction
Gamuda Geo Sdn. Bhd.*	**100**	100	Sub-structure and geotechnical works
Gamuda Building Ventures Sdn. Bhd.* *(formerly known as Imbangan Integrasi Sdn. Bhd.)*	**100**	–	Building construction
Gamuda Tunnel Engineering Sdn. Bhd.* *(formerly known as Megah Integrasi Sdn. Bhd.)*	**100**	–	Undertake tunneling works
Gamuda M&E Sdn. Bhd.*	**100**	100	Provision and maintenance of mechanical and electrical services
GME-CI (GIBS2) Joint Venture*	**55**	55	Undertake the Mechanical and Electrical works of new Gamuda Industrial Building System ("GIBS")
GME-CI (Serai) Joint Venture*	**55**	55	Undertake the Mechanical and Electrical works of Gamuda Gardens
GME-CI (HKL) Joint Venture*	**55**	–	Undertake construction works for the "Hospital Kuala Lumpur Car Park" project
GME-CI (T12TP) Joint Venture*	**55**	–	Undertake construction works for the project "Gamuda Cove Toll Plaza"
Ganaz Bina Sdn. Bhd.	**100**	100	Dormant
Gamuda Land Sdn. Bhd.	**100**	100	Property investment and holding company
Gamuda Land Leisure Sdn. Bhd.*	**100**	100	Theme park operator
Gamuda Paper Industries Sdn. Bhd.	**95**	95	Rental of properties
GPI Trading Sdn. Bhd.	**95**	95	Dormant

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) Interests in subsidiaries (cont'd.)

The Company's interests in the subsidiaries are analysed as follows: (cont'd.)

Name of company	Proportion of ownership 2019 %	2018 %	Principal activities
Subsidiaries incorporated in Malaysia (Cont'd.)			
Gamuda Water Sdn. Bhd. ("Gamuda Water")	**80**	80	Management, operation and maintenance of dams and water treatment facilities and the treatment, production and supply of water
Gamuda Industrial Building System Sdn. Bhd.	**100**	100	Manufacturing and installation of prefabricated concrete panels for construction of buildings
Jade Homes Sdn. Bhd.	**100**	100	Property development of Jade Hills
Gamuda Parks Sdn. Bhd. *(formerly known as Megah Landscape Sdn. Bhd.)*	**100**	100	Supplying and planting of landscaping materials and provision of landscaping services for property development
Jade Homes Resort Berhad	**100**	100	Proprietor and operator of a clubhouse
Jade Homes Property Services Sdn. Bhd.*	**100**	100	Property maintenance services
Gamuda Land (Botanic) Sdn. Bhd.	**100**	100	Property development of Bandar Botanic and Kundang Estates
Bandar Botanic Resort Berhad	**100**	100	Proprietor and operator of a clubhouse
Botanic Property Services Sdn. Bhd.*	**100**	100	Property maintenance services
Masterpave Sdn. Bhd.	**100**	100	Road surfacing works, manufacture and supply of concrete, beams and surfacing materials
Megah Capital Sdn. Bhd. ("Megah Capital")	**100**	100	Investment holding and trading
Megah Management Services Sdn. Bhd.	**100**	100	Insurance agent
Megah Sewa Sdn. Bhd.	**100**	100	Hiring, distribution and repairing plant, machinery and equipment

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) Interests in subsidiaries (cont'd.)

The Company's interests in the subsidiaries are analysed as follows: (cont'd.)

Name of company	Proportion of ownership 2019 %	2018 %	Principal activities
Subsidiaries incorporated in Malaysia (Cont'd.)			
Valencia Development Sdn. Bhd.*	**100**	100	Property development of Valencia
Valencia Township Sdn. Bhd.*	**100**	100	Management of a gated residential townships including a clubhouse, golf course and other common properties, services and facilities contained therein
Gamuda Land Property Services Sdn. Bhd.*	**100**	100	Provision of property maintenance and management services
Madge Mansions Sdn. Bhd.	**100**	100	Property development of Madge Mansions
Highpark Development Sdn. Bhd.	**100**	100	Property development of HighPark Suites
Idaman Robertson Sdn. Bhd.	**100**	100	Property development of The Robertson
Gamuda Land (Kemuning) Sdn. Bhd. ("GL Kemuning")	**100**	100	Property development of twentyfive.7
Gamuda Land (HCMC) Sdn. Bhd.	**100**	100	Property investment
Bandar Serai Development Sdn. Bhd. ("Bandar Serai")	**100**	100	Property development of Gamuda Gardens
Dinamik Atlantik Sdn. Bhd.	**100**	100	Property development of Bukit Bantayan Residences
Lifestyle Heritage Sdn. Bhd.*	**100**	100	Dormant
Gamuda Land (T12) Sdn. Bhd.	**100**	100	Property development of Gamuda Cove
Kesas Holdings Berhad ("KESAS Holdings")	**70**	70	Investment holding; holding company to the concession holder of an expressway

Notes to the Financial Statements (Cont'd.)
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17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) Interests in subsidiaries (cont'd.)

The Company's interests in the subsidiaries are analysed as follows: (cont'd.)

Name of company	Proportion of ownership 2019 %	2018 %	Principal activities
Subsidiaries incorporated in Malaysia (Cont'd.)			
Kesas Sdn. Bhd.	**70**	70	Design, construction and maintenance of Shah Alam Expressway, and development and management of toll operations
G.B. Kuari Sdn. Bhd.	**100**	100	Quarrying, manufacturing of premix and laying of road operations
Gamuda Trading Sdn. Bhd.	**100**	100	Trading of construction materials
Gamuda Naim Engineering and Construction (GNEC) Sdn. Bhd.	**65**	65	Undertake civil engineering and building construction of Pan Borneo Highway project in Kuching, Sarawak
SRS Consortium Sdn. Bhd.	**60**	60	Undertake the role of project delivery partner for the implementation of an alternative transport master plan compromising different public transport components in Penang and the provision of new reclamation sites
Intensif Inovatif Sdn Bhd*	**100**	–	Property related businesses
Subsidiary incorporated in British Virgin Islands			
Gamuda Overseas Investment Ltd.*	**100**	100	Investment holding
Subsidiary incorporated in Mauritius			
Gamuda (Offshore) Private Limited*	**100**	100	Investment holding
Subsidiary incorporated in India			
Held by Gamuda (Offshore) Private Limited:			
Gamuda - WCT (India) Private Limited*#	**70**	70	Civil engineering

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) Interests in subsidiaries (cont'd.)

The Company's interests in the subsidiaries are analysed as follows: (cont'd.)

Name of company	Proportion of ownership 2019 %	2018 %	Principal activities
Subsidiaries incorporated in the Socialist Republic of Vietnam			
Gamuda Land Vietnam Limited Liability Company ("GLVN")#^	**100**	100	Undertakes the Yen So Park, sewage treatment plant and Gamuda City Development in Hanoi, Socialist Republic of Vietnam
Held by Gamuda Land (HCMC) Sdn. Bhd.: Gamuda Land (HCMC) Joint Stock Company ("HCMCJSC") #^	**100**	100	Undertakes development of Celadon City in Ho Chi Minh City, Socialist Republic of Vietnam
Subsidiary incorporated in Singapore			
Gamuda (Singapore) Pte. Ltd. ("GB Singapore")^	**100**	100	Investment holding
Subsidiary incorporated in Australia			
Gamuda (Australia) Pty Ltd ("GB Australia")^	**100**	100	Property development of 661 Chapel St., Melbourne
Gamuda Engineering (Australia) Pty Ltd	**100**	–	Civil engineering and construction

* Audited by firms of auditors other than Ernst & Young, Malaysia
\# Financial year end which does not coincide with that of its holding company
^ Audited by member firms of Ernst & Young Global in the respective countries

For the purpose of consolidating the subsidiaries with different financial year ends, the audited financial statements of the subsidiaries for the financial period from 1 August 2018 to 31 July 2019 have been used for consolidation for the Group's financial statements.

Notes to the Financial Statements (Cont'd.)

– 31 July 2019

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(e) Non-controlling interests ("NCI") in subsidiaries

The summarised financial information of the subsidiaries that have non-controlling interests which are material to the Company before intra-group elimination are as follows:

	Gamuda Water		KESAS Holdings		Other individually immaterial subsidiaries		Total	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
NCI percentage of ownership interest and voting interest (%)	**20**	20	**30**	30	**–**	–	**–**	–
Dividend paid to NCI	**–**	–	**(36,600)**	(34,200)	**–**	–	**(36,600)**	(34,200)
Carrying amount of NCI	**128,330**	114,639	**237,169**	244,524	**33,818**	24,518	**399,317**	383,681
Total comprehensive income allocated to NCI	**13,691**	13,781	**29,245**	33,053	**9,300**	1,917	**52,236**	48,751
Summarised statements of financial position								
Non-current assets	**695,266**	520,220	**1,314,746**	1,430,026	**29,704**	45,970	**2,039,716**	1,996,216
Current assets	**97,581**	153,537	**313,253**	356,288	**275,160**	238,255	**685,994**	748,080
Non-current liabilities	**(1,536)**	(1,381)	**(720,939)**	(844,431)	**(2,913)**	(1,266)	**(725,388)**	(847,078)
Current liabilities	**(149,663)**	(99,183)	**(116,496)**	(126,804)	**(197,584)**	(206,988)	**(463,743)**	(432,975)
Net assets	**641,648**	573,193	**790,564**	815,079	**104,367**	75,971	**1,536,579**	1,464,243
Summarised statements of comprehensive income								
Revenue	**170,297**	167,392	**308,982**	328,258	**287,426**	255,225	**766,705**	750,875
Profit for the year	**68,423**	68,904	**142,141**	110,175	**26,621**	10,827	**237,185**	189,906
Total comprehensive income/(loss)	**68,455**	68,904	**142,039**	110,175	**28,396**	10,827	**238,890**	189,906
Summarised statements of cash flows								
Cash flows (used in)/generated from operating activities	**(5,872)**	3,743	**193,641**	198,152	**30,589**	110,279	**218,358**	312,174
Cash flows (used in)/generated from investing activities	**(172)**	(3,277)	**194,272**	555	**(11,496)**	(159,946)	**182,604**	(162,668)
Cash flows (used in)/generated from financing activities	**–**	–	**(212,000)**	(204,000)	**(16,000)**	51,000	**(228,000)**	(153,000)
Net (decrease)/increase in cash and cash equivalents	**(6,044)**	466	**175,913**	(5,293)	**3,093**	1,333	**172,962**	(3,494)

18. INTERESTS IN ASSOCIATED COMPANIES

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
Unquoted shares, in Malaysia:				
At cost:				
– Ordinary shares	**3,304**	71,300	**3,304**	71,300
– Redeemable preference shares	**190,290**	282,290	**190,290**	282,290
	193,594	353,590	**193,594**	353,590
Group's share of post-acquisition reserve, net of dividends receivable	**147,657**	1,125,744	**–**	–
Less: Accumulated impairment losses	**–**	(300,051)	**–**	–
	341,251	1,179,283	**193,594**	353,590
Unquoted shares, outside Malaysia:				
At cost:				
– Ordinary shares	**11**	11	**–**	–
– Redeemable preference shares	**36,991**	36,991	**–**	–
	37,002	37,002	**–**	–
Group's share of post-acquisition reserve, net of dividends receivable	**51,228**	74,219	**–**	–
	88,230	111,221	**–**	–
Total unquoted shares	**429,481**	1,290,504	**193,594**	353,590
Quoted shares, in Malaysia:				
At cost:				
– Ordinary shares	**59,624**	59,624	**59,624**	59,624
Group's share of post-acquisition capital reserves	**148,700**	142,620	**–**	–
Group's share of post-acquisition reserve, net of dividends receivable	**332,984**	281,076	**–**	–
	541,308	483,320	**59,624**	59,624
Total	**970,789**	1,773,824	**253,218**	413,214
Market value:				
Quoted shares, in Malaysia	**1,058,264**	1,035,258	**1,058,264**	1,035,258

18. INTERESTS IN ASSOCIATED COMPANIES (CONT'D.)

(a) Current financial year

Capital reduction of ordinary shares ("OS") and redemption of redeemable preferences shares ("RPS") held by the Company in an associated company

During the financial year, Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH Holdings") has redeemed 67,996 ordinary shares and 920,000 RPS held by the Company for cash consideration of RM159,996,000 (2018: Nil).

(b) Interest in associated companies

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

Name of company	Proportion of ownership 2019 %	2018 %	Principal activities
Associated companies			
Incorporated in Malaysia			
Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH Holdings")	**40**	40	Investment holding and provision of management services; holding company to the concession holder of Sungai Selangor Water Supply Scheme Phase 1 and 3
Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd. ("SPRINT Holdings")	**52**	52	Investment holding; holding company to the concession holder of an expressway – SPRINT Highway
Lingkaran Trans Kota Holdings Berhad ("LITRAK Holdings") (Quoted shares in Malaysia)	**44**	44	Investment holding and provision of management services; holding company to the concession holder of an expressway – Damansara – Puchong Highway ("LDP")
Naim Gamuda (NAGA) JV Sdn. Bhd. ("NAGA")	**30**	30	Civil engineering and construction

18. INTERESTS IN ASSOCIATED COMPANIES (CONT'D.)

(b) Interest in associated companies (cont'd.)

The Group's and the Company's interests in the associated companies are analysed as follows: (cont'd.)

Name of company	Proportion of ownership 2019 %	2018 %	Principal activities
Associated companies			
Unincorporated in Malaysia			
Naim Engineering Sdn. Bhd. – Gamuda Berhad JV ("Naim-GB JV")	**30**	30	Civil engineering and construction
Held by Gamuda Engineering Sdn. Bhd.:			
Lim Hoo Seng – Gamuda Engineering Joint Venture	**30**	30	Civil engineering and construction
Associated companies			
Incorporated in Mauritius			
Held by Gamuda (Offshore) Private Limited:			
Suria Holding (O) Pvt. Ltd.*#	**50**	50	Investment holding; holding company to the concession holder of Durgapur Expressway, India
Gamuda – WCT (Offshore) Private Limited*#	**50**	50	Investment holding; holding company to the concession holder of Panagarh – Palsit, India

* Audited by firms other than Ernst & Young, Malaysia
\# Financial year end of 31 July

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

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18. INTERESTS IN ASSOCIATED COMPANIES (CONT'D.)

(c) Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH Holdings")

In previous financial year, the Group's 40%-owned associated company, Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH Holdings") had accepted the offer by Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor") in respect of Air Selangor's proposed purchase of a 100% equity in Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd. ("SPLASH SB"). SPLASH SB, the concession holder of the Sungai Selangor Water Supply Scheme Phase 1 and 3, is a wholly-owned subsidiary of SPLASH Holdings.

SPLASH Holdings had on 28 September 2018 entered into a conditional share purchase agreement ("SPA") with Air Selangor, as disclosed in the Note 41(a) to the financial statements.

The proposed acquisition of SPLASH SB by Air Selangor consist of:

- 50,000,000 ordinary shares in SPLASH SB ("SPLASH Shares"), being 100% of the issued and paid up ordinary share capital of SPLASH SB; and
- 350,000,000 Redeemable Unsecured Loan Stocks issued by SPLASH SB to SPLASH Holdings ("SPLASH RULS"), being 100% of SPLASH RULS.

for a combined total purchase consideration of RM2.55 billion, which shall be paid in the following manner:

- an upfront payment of RM1.9 billion; and
- the balance purchase price of RM650 million to be settled in 9 annual instalments, with an interest of 5.25% per annum.

The upfront payment of RM1.9 billion was received on April 2019 upon the completion of all condition precedents prescribed in the share purchase agreement. Hence, Gamuda has disposed of its effective 40% equity stake in SPLASH SB via SPLASH Holdings and SPLASH SB had ceased to be the associated company.

18. INTERESTS IN ASSOCIATED COMPANIES (CONT'D.)

(d) Summarised financial information of material associated companies

The summarised financial information of the material associated companies which are accounted for using the equity method are as follows:

	SPLASH Holdings		LITRAK Holdings		SPRINT Holdings		Other individually immaterial associates		Total	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Summarised statements of financial position										
Non-current assets	**650,000**	5,754,722	**1,409,613**	1,495,864	**1,390,193**	1,460,554	**46,689**	115,524	**3,496,495**	8,826,664
Current assets	**16,175**	446,518	**680,711**	691,119	**491,886**	364,661	**521,313**	455,945	**1,710,085**	1,958,243
Non-current liabilities	**-**	(2,009,805)	**(788,978)**	(994,757)	**(773,845)**	(1,434,526)	**(1,402)**	(4,759)	**(1,564,225)**	(4,443,847)
Current liabilities	**(22)**	(1,413,192)	**(266,758)**	(290,811)	**(889,925)**	(191,114)	**(359,148)**	(253,833)	**(1,515,853)**	(2,148,950)
Net assets	**666,153**	2,778,243	**1,034,588**	901,415	**218,309**	199,575	**207,452**	312,877	**2,126,502**	4,192,110
Summarised statements of comprehensive income										
Results										
Revenue	**-**	529,719	**518,048**	520,797	**235,987**	214,254	**363,484**	409,594	**1,117,519**	1,674,364
Profit/(Loss) for the year	**72,911**	(498,587)	**251,140**	229,295	**18,737**	(8,505)	**(32,771)**	13,394	**310,017**	(264,403)
Reconciliation of net assets to carrying amount as at year end										
Group's share of net assets	**266,461**	1,111,297	**450,770**	392,783	**65,493**	59,872	**97,528**	119,335	**880,252**	1,683,287
Fair value on acquisition in excess of net assets	**-**	-	**90,537**	90,537	**-**	-	**-**	-	**90,537**	90,537
Carrying amount in the statements of financial position	**266,461**	1,111,297	**541,307**	483,320	**65,493**	59,872	**97,528**	119,335	**970,789**	1,773,824
Group's net share of profit/(loss) for the year	**29,164**	(199,435)	**109,422**	99,927	**5,621**	(2,552)	**(17,573)**	5,757	**126,634**	(96,303)
Other information – Group's share of dividend	**714,005**	-	**57,514**	57,514	**-**	-	**4,529**	32,367	**776,048**	89,881

19. INTERESTS IN JOINT ARRANGEMENTS

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
Unquoted shares at cost:				
– Malaysia	**355,603**	336,978	**289,627**	289,627
– Outside Malaysia	**7,538**	1,508	**–**	–
Advances to joint ventures	**278,292**	115,790	**–**	–
Group's share of post-acquisition reserves, net of dividends receivable	**658,574**	644,714	**–**	–
Less: Accumulated impairment losses	**(98,452)**	(98,452)	**(112,000)**	(112,000)
	1,201,555	1,000,538	**177,627**	177,627

(a) Current financial year

Additional investment in a joint arrangement

(i) Gamuda Land Sdn. Bhd., a wholly-owned subsidiary of the Company subscribed 18,625,000 new ordinary shares for a cash consideration of RM18,625,000 in Gamuda GM Klang Sdn. Bhd., a 50% joint venture to finance the working capital for its wholesale business.

(ii) Gamuda (Singapore) Pte. Ltd., a wholly-owned subsidiary of the Company subscribed for 2,000,000 new ordinary shares for a cash consideration of RM6,030,000 (SGD2,000,000) in Anchorvale Pte. Ltd., a 50% joint venture of the Group to carry out the development project on the land parcel at Anchorvale Crescent site earmarked for executive condominium development.

Advances to joint venture

Gamuda (Singapore) Pte. Ltd., a wholly-owned subsidiary of the Company advanced a cash consideration of RM162,502,000 (SGD53,803,000) in Anchorvale Pte. Ltd., a 50% joint venture of the Group to carry out the development project on the land parcel at Anchorvale Crescent site earmarked for executive condominium development.

Advances to joint venture are unsecured and non-interest bearing. The advances would be repayable to joint venture partners at the discretion of the joint ventures.

19. INTERESTS IN JOINT ARRANGEMENTS (CONT'D.)

(b) Previous financial year

Additional investment in a joint arrangement

Gamuda Land Sdn. Bhd., a wholly-owned subsidiary of the Company subscribed 5,250,000 ordinary shares for a cash consideration of RM5,250,000 in Gamuda GM Sdn. Bhd., a 50% joint venture to finance the commercial complex in Tower 1, purchased from Idaman Robertson Sdn. Bhd..

Repayment of advance by a joint venture

GEM Homes Pte. Ltd., a 50% joint venture of the Group had repaid an amount of RM59,188,000 to its holding company, Gamuda (Singapore) Pte. Ltd..

Redemption of redeemable preferences shares ("RPS") held by the Company in a joint venture

Hicom-Gamuda Development Sdn. Bhd. has redeemed 25,000 RPS held by the Company for cash consideration of RM2,500,000.

(c) Details of the joint arrangements are as follows:

	Proportion of ownership		
Name of joint operations	2019 %	2018 %	Economic activities
Unincorporated in Malaysia			
Malaysia Mining Corporation Berhad – Gamuda Berhad Joint Venture Electrified Double Track Project ("MMC - Gamuda JV 2T")	**50**	50	Undertake engineering, procurement, and construction of the Electrified Double – Tracking from Ipoh to Padang Besar Project
MMC – Gamuda KVMRT (UGW) Joint Venture	**50**	50	Undertake the tunnelling, undergound works and such other works in relation to the underground works package for the Klang Valley Mass Rapid Transit Project Sungai Buloh – Kajang Line ("KVMRT Line 1") and Klang Valley Mass Rapid Transit Project Sungai Buloh – Serdang – Putrajaya Line ("KVMRT Line 2")

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19. INTERESTS IN JOINT ARRANGEMENTS (CONT'D.)

(c) Details of the joint arrangements are as follows: (cont'd.)

Name of joint operations	Proportion of ownership 2019 %	2018 %	Economic activities
Unincorporated in Malaysia (Cont'd.)			
Held by Gamuda Engineering Sdn. Bhd.:			
Lim Hoo Seng – Gamuda Engineering (Stonor 3) Joint Venture*	**50**	50	Undertake the construction works for the high rise residential project at Jalan Stonor
Lim Hoo Seng – Gamuda Engineering (SCM) Joint Venture*	**50**	50	Undertake the construction works for expansion of the existing Setia City Mall located at Setia Alam, Selangor
Gamuda Engineering – Lim Hoo Seng (GEMS) Joint Venture*	**50**	–	Undertake the construction works for IOI Resort City project
Held by Masterpave Sdn. Bhd.:			
Wai Fong – Masterpave (SSP UG) Joint Venture*	**55**	–	Undertake the concrete works for KVMRT Line 2
Unincorporated in Taiwan			
Dong-Pi Gamuda Joint Venture^	**70**	–	Undertakes civil engineering and construction works for Marine Bridge Project in Taiwan
Unincorporated in Qatar			
Sinohydro Corporation – Gamuda Berhad – WCT Engineering Berhad Joint Venture ("Sinohydro – Gamuda – WCT JV")^	**51**	51	Design and construct the airfield facilities, tunnel and detention ponds of the New Doha International Airport in the State of Qatar
Gamuda Berhad – WCT Engineering Berhad Joint Venture ("Gamuda – WCT JV")^	**51**	51	Undertake civil engineering construction of a new highway from the town of Shahaniya to the existing Zekreet interchange near the Dukhan industrial area in the State of Qatar

19. INTERESTS IN JOINT ARRANGEMENTS (CONT'D.)

(c) Details of the joint arrangements are as follows: (cont'd.)

Name of joint ventures	Proportion of ownership 2019 %	Proportion of ownership 2018 %	Economic activities
Incorporated in Malaysia			
Projek SMART Holdings Sdn. Bhd. ("SMART Holdings")	**50**	50	Undertake, carry out and implement the Stormwater Management and Road Tunnel Project ("SMART")
MMC – Gamuda Joint Venture Sdn. Bhd.	**50**	50	Undertake, carry out and implement the Electrified Double – Tracking from Ipoh to Padang Besar Project
Horizon Hills Development Sdn. Bhd. ("Horizon Hills")	**50**	50	Property development of Horizon Hills
Horizon Hills Resort Berhad	**50**	50	Undertake the management of a club and golf course
Horizon Hills Property Services Sdn. Bhd.	**50**	50	Undertake the management and maintenance of the properties
MMC Gamuda KVMRT (PDP) Sdn. Bhd. ("KVMRT (PDP)")	**50**	50	Undertake the role of a project delivery partner to deliver fully functional operating railway system for KVMRT Line 1
MMC Gamuda KVMRT (PDP SSP) Sdn. Bhd. ("KVMRT (PDP SSP)")	**50**	50	Undertake the role of a project delivery partner to deliver fully functional operating railway system for KVMRT Line 2
MMC Gamuda KVMRT (T) Sdn. Bhd.	**50**	50	Undertake the tunnelling, underground works and such other works in relation to the underground works package for KVMRT Line 1 and KVMRT Line 2
Hicom-Gamuda Development Sdn. Bhd.	**50**	50	Property development of Kota Kemuning

19. INTERESTS IN JOINT ARRANGEMENTS (CONT'D.)

(c) Details of the joint arrangements are as follows: (cont'd.)

Name of joint ventures	Proportion of ownership 2019 %	Proportion of ownership 2018 %	Economic activities
Incorporated in Malaysia (cont'd.)			
Held by Gamuda Land Sdn. Bhd.:			
Gamuda GM Sdn. Bhd.#	**50**	50	Operating and building management of Tower 1 of The Robertson Suites, Bukit Bintang commercial complex
Gamuda GM Klang Sdn. Bhd.#	**50**	50	Developer and operator of a wholesale hub in GM Klang Wholesale City located at Bandar Botanic, Klang
MRCB Gamuda Sdn. Bhd.*	**50**	50	Dormant
Incorporated in Singapore			
Held by Gamuda (Singapore) Pte. Ltd.:			
GEM Homes Pte. Ltd.^#	**50**	50	Property development of GEM Residences in Singapore
Anchorvale Pte. Ltd.^#	**50**	50	Property development of Anchorvale in Singapore

* Audited by firms other than Ernst & Young
^ Audited by member firms of Ernst & Young Global in the respective countries
# Financial year end of 31 July

All joint arrangements have financial year end of 31 March/31 December, other than those marked with #.

For the purpose of applying equity method for the joint ventures with financial year end of 31 December, the last audited financial statements available and the management financial statements to 31 July of the joint ventures have been used.

Pursuant to MFRS 11: Joint Arrangements, Sinohydro-Gamuda-WCT JV and Gamuda-WCT JV are deemed to be joint operations of Gamuda Berhad as the parties involved are undertaking economic activities that are subject to joint control.

19. INTERESTS IN JOINT ARRANGEMENTS (CONT'D.)

The summarised financial information of the material joint ventures which are accounted for using the equity method are as follows:

	Horizon Hills RM'000	GEMS Homes RM'000	Anchorvale RM'000	KVMRT (PDP SSP) (Line 2) RM'000	KVMRT (T) (Line 1 & 2) (Underground) RM'000	SMART Holdings RM'000	Other individually immaterial joint ventures RM'000	Total RM'000
2019								
Summarised statements of financial position								
Non-current assets	207,328	-	-	429,408	765,611	386,731	396,859	2,185,937
Current assets	1,546,861	860,408	1,160,031	813,493	1,498,033	61,254	686,540	6,626,620
Non-current liabilities	(191,602)	(67,874)	(804,162)	(400,424)	(8,936)	(329,797)	(278,974)	(2,081,769)
Current liabilities	(770,347)	(299,094)	(20,148)	(604,709)	(2,131,326)	(29,542)	(472,512)	(4,327,678)
Net assets	792,240	493,440	335,721	237,768	123,382	88,646	331,913	2,403,110
The above amounts of assets and liabilities include the following:								
Cash and cash equivalents	242,583	43,008	558	8,979	73,072	51,533	316,422	736,155
Current financial liabilities (excluding trade and other payables and provision)	(92,664)	(292,757)	-	-	-	-	(20,980)	(406,401)
Non-current financial liabilities (excluding trade and other payables and provision)	(145,833)	-	(804,162)	-	-	(319,497)	(82,020)	(1,351,512)
Summarised statements of comprehensive income								
Results								
Revenue	302,337	456,568	-	3,432,273	3,102,557	34,630	327,599	7,655,964
Profit/(loss) for the year	80,214	70,192	(777)	213,214	(56,899)	(6,481)	70,221	369,684
The above profit for the year includes the following:								
Depreciation and amortisation	(2,923)	-	-	(3,236)	(11,529)	(11,333)	(8,244)	(37,265)
Interest income	11,716	1,292	122	3,726	-	1,743	6,235	24,834
Income tax expense	(25,386)	(4,943)	-	(59,834)	(11,092)	-	(28,355)	(129,610)
Finance costs	(6,756)	-	-	-	(39,977)	(18,042)	(8,651)	(73,426)

Notes to the Financial Statements (Cont'd.)
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19. INTERESTS IN JOINT ARRANGEMENTS (CONT'D.)

The summarised financial information of the material joint ventures which are accounted for using the equity method are as follows: (cont'd.)

	Horizon Hills RM'000	GEMS Homes RM'000	KVMRT (PDP SSP) (Line 2) RM'000	KVMRT (T) (Line 1 & 2) (Underground) RM'000	SMART Holdings RM'000	Other individually immaterial joint ventures RM'000	Total RM'000
2018							
Summarised statements of financial position							
Non-current assets	201,353	10,285	203,965	1,062,669	397,459	601,969	2,477,700
Current assets	1,140,838	1,057,901	901,568	1,824,458	51,322	783,678	5,759,765
Non-current liabilities	(285,439)	(589,827)	(202,329)	(292,571)	(334,505)	(442,779)	(2,147,450)
Current liabilities	(244,698)	(58,968)	(773,648)	(2,414,275)	(19,149)	(578,141)	(4,088,879)
Net assets	812,054	419,391	129,556	180,281	95,127	364,727	2,001,136
The above amounts of assets and liabilities include the following:							
Cash and cash equivalents	168,146	173,459	18,932	50,117	43,488	268,844	722,986
Current financial liabilities (excluding trade and other payables and provision)	–	–	(57,800)	(199,834)	–	(15,000)	(272,634)
Non-current financial liabilities (excluding trade and other payables and provision)	(250,000)	(530,532)	–	–	(324,205)	(125,628)	(1,230,365)
Summarised statements of comprehensive income							
Results							
Revenue	333,071	1,203,711	2,261,882	3,400,698	32,340	1,195,997	8,427,699
Profit/(loss) for the year	96,173	139,471	90,379	84,518	(5,734)	52,305	457,112
The above profit for the year includes the following:							
Depreciation and amortisation	(2,366)	–	(3,236)	(10,352)	(9,407)	(10,040)	(35,401)
Interest income	12,547	1,382	3,134	22,216	1,897	5,343	46,519
Income tax (expense)/credit	(32,366)	(37,049)	(26,858)	(21,212)	12	(6,610)	(124,083)
Finance costs	(6,775)	–	(409)	(9,231)	(18,341)	(16,467)	(51,223)

19. INTERESTS IN JOINT ARRANGEMENTS (CONT'D.)

The summarised financial information of the material joint ventures which are accounted for using the equity method are as follows: (cont'd.)

	Horizon Hills RM'000	GEMS Homes RM'000	Anchorvale RM'000	KVMRT (PDP SSP) (Line 2) RM'000	KVMRT (T) (Line 1 & 2) (Underground) RM'000	SMART Holdings RM'000	Other individually immaterial joint ventures RM'000	Total RM'000
2019								
Reconciliation of net assets to carrying amount as at year end								
Group's share of net assets	**396,120**	**246,720**	**167,860**	**118,884**	**61,691**	**44,323**	**165,957**	**1,201,555**
Group's share of profit/(loss) for the year	**40,107**	**35,096**	**(388)**	**106,607**	**(28,450)**	**(3,240)**	**35,110**	**184,842**
Other information – Group's share of dividend	**50,000**	**–**	**–**	**52,500**	**–**	**–**	**73,300**	**175,800**

	Horizon Hills RM'000	GEMS Homes RM'000	KVMRT (PDP SSP) (Line 2) RM'000	KVMRT (T) (Line 1 & 2) (Underground) RM'000	SMART Holdings RM'000	Other individually immaterial joint ventures RM'000	Total RM'000
2018							
Reconciliation of net assets to carrying amount as at year end							
Group's share of net assets	406,027	209,696	64,777	90,141	47,563	182,334	1,000,538
Group's share of profit/(loss) for the year	48,087	69,736	45,189	42,259	(2,867)	26,152	228,556
Other information – Group's share of dividend	50,000	–	6,500	–	–	31,500	88,000

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20. OTHER INVESTMENTS

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Unquoted shares, in Malaysia	**50**	50	**50**	50
Investment in transferable club memberships	**762**	762	**683**	683
	812	812	**733**	733

The fair value of other investments are disclosed in Note 42.

21. RECEIVABLES

	Note	Group 2019 RM'000	Group 2018 RM'000 (Restated)	Company 2019 RM'000	Company 2018 RM'000
Current	(a)				
Trade		**1,880,471**	1,734,305	**953,467**	732,549
Less: Allowance for impairment		**(127,436)**	(88,408)	**(126,568)**	(86,766)
		1,753,035	1,645,897	**826,899**	645,783
Non-trade		**184,995**	196,291	**68,121**	72,849
		1,938,030	1,842,188	**895,020**	718,632
Non-current	(b)				
Trade		**1,049,433**	976,707	**88,970**	200,435
Non-trade		**24,861**	29,260	**–**	–
		1,074,294	1,005,967	**88,970**	200,435
Total receivables		**3,012,324**	2,848,155	**983,990**	919,067

21. RECEIVABLES (CONT'D.)

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

	Note	Group 2019 RM'000	Group 2018 RM'000 (Restated)	Company 2019 RM'000	Company 2018 RM'000
(a) Current					
Trade					
Third parties		**858,113**	759,018	**37,865**	28,172
Associated companies	(i)	**20,023**	147,684	**–**	–
Joint venture partners		**12,859**	15,539	**3,434**	14,142
Joint ventures	(ii)	**676,811**	430,931	**673,053**	381,144
Advances to subcontractors		**171,751**	224,890	**130,899**	214,225
Retention sums		**119,150**	100,294	**108,216**	94,866
Stakeholder funds		**21,764**	55,949	**–**	–
		1,880,471	1,734,305	**953,467**	732,549
Less: Allowance for impairment		**(127,436)**	(88,408)	**(126,568)**	(86,766)
		1,753,035	1,645,897	**826,899**	645,783
Non-trade					
Associated companies	(i)	**607**	2,860	**218**	548
Joint ventures	(ii)	**36,118**	84,360	**11,321**	33,606
Deposits		**18,552**	12,578	**4,328**	1,460
Prepayments		**31,572**	43,105	**9,217**	4,532
Sundry receivables		**98,146**	53,388	**43,037**	32,703
		184,995	196,291	**68,121**	72,849
		1,938,030	1,842,188	**895,020**	718,632

Notes to the Financial Statements (Cont'd.)
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21. RECEIVABLES (CONT'D.)

(a) Current (cont'd.)

Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2018: 14 to 90 days) terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables are as follows:

	Group	
	2019 RM'000	**2018 RM'000 (Restated)**
Neither past due nor impaired	**1,548,887**	1,377,154
1 to 30 days past due not impaired	**72,302**	40,284
31 to 60 days past due not impaired	**20,828**	41,492
61 to 90 days past due not impaired	**13,874**	43,633
91 to 120 days past due not impaired	**7,024**	11,570
More than 120 days past due not impaired	**90,120**	131,764
	204,148	268,743
Impaired	**127,436**	88,408
	1,880,471	1,734,305

	Company	
	2019 RM'000	**2018 RM'000**
Neither past due nor impaired	**807,586**	609,824
1 to 30 days past due not impaired	**19,313**	530
More than 120 days past due not impaired	**–**	35,429
	19,313	35,959
Impaired	**126,568**	86,766
	953,467	732,549

21. RECEIVABLES (CONT'D.)

(a) Current (cont'd.)

Trade receivables (cont'd.)

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. None of the Group's and Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

The Group and the Company have trade receivables amounting to RM204,148,000 (2018: RM268,743,000) and RM19,313,000 (2018: RM35,959,000) respectively that are past due at the reporting date but not impaired. The receivables are related to customers with on-going transactions and/or progressive payments, and unsecured in nature.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for grouping of various customer segments with similar loss patterns (i.e. by geographical region, product type, customer type and rating, and coverage by credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and for more than one year and forecasts of future economic conditions. Generally, rent and other trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed above.

Receivables that are impaired

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

	Group Individually impaired	
	2019 RM'000	**2018 RM'000**
Trade receivables – nominal amounts	**127,436**	88,408
Less: Allowance for impairment	**(127,436)**	(88,408)
	–	–
Movement in allowance accounts:		
At 1 August 2018/2017	**88,408**	26,628
Charge for the year (Note 7)	**38,963**	63,311
Exchange difference	**65**	(1,531)
At 31 July	**127,436**	88,408

21. RECEIVABLES (CONT'D.)

(a) Current (cont'd.)

Trade receivables (cont'd.)

Receivables that are impaired (cont'd.)

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

	Company Individually impaired	
	2019 RM'000	**2018 RM'000**
Trade receivables – nominal amounts	**126,568**	86,766
Less: Allowance for impairment	**(126,568)**	(86,766)
	–	–
Movement in allowance accounts:		
At 1 August 2018/2017	**86,766**	26,525
Charge for the year (Note 7)	**38,311**	61,772
Exchange difference	**1,491**	(1,531)
At 31 July	**126,568**	86,766

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

Included in trade receivables is an amount of RM771,191,000 (2018: RM649,317,000) for the supply of bulk quantity of treated water to SPLASH SB (owned by Pengurusan Air Selangor Sdn. Bhd.) by Gamuda Water Sdn. Bhd.. The directors do not foresee any issue in recovering the receivable amount.

21. RECEIVABLES (CONT'D.)

(a) Current (cont'd.)

Trade receivables (cont'd.)

Receivables that are impaired (cont'd.)

During the financial year, the Group's 80%-owned Gamuda Water Sdn Bhd, signed the debt settlement agreement and a new operations and maintenance agreement for Sungai Selangor Water Treatment Works Phase 3. Subsequently, in September 2019, the 10% of upfront payment was received and the balance shall be settled in 9 equal annual instalments. The directors do not foresee any issue in recovering the receivable amount.

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors, other than an amount of RM771,191,000 (2018: RM649,317,000) due from SPLASH SB.

(b) Non-current

		Group		Company	
	Note	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
Trade					
Third parties		**973,866**	207,895	**88,970**	4,113
Associated companies	(i)	**–**	533,622	**–**	–
Joint ventures	(ii)	**70,521**	98,184	**–**	62,356
Retention sums		**23**	136,566	**–**	133,966
Stakeholder funds		**5,023**	440	**–**	–
		1,049,433	976,707	**88,970**	200,435
Non-trade					
Joint ventures	(ii)	**12,352**	21,976	**–**	–
Deposits		**10,839**	5,747	**–**	–
Sundry receivables		**–**	8	**–**	–
Prepayments		**1,670**	1,529	**–**	–
		24,861	29,260	**–**	–
		1,074,294	1,005,967	**88,970**	200,435

Notes to the Financial Statements (Cont'd.)
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21. RECEIVABLES (CONT'D.)

(i) Due from associated companies

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current				
Trade	**20,023**	147,684	**–**	–
Non-trade	**607**	2,860	**218**	548
	20,630	150,544	**218**	548
Non-current				
Trade	**–**	533,622	**–**	–
	20,630	684,166	**218**	548

Following the disposal of SPLASH SB to Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor") in the previous year, Gamuda Water's trade receivables amounting RM771,191,000 is now undertaken by Air Selangor and reclassified into Trade Receivables - Third parties.

The amount due from associated companies are unsecured, interest free and repayable on demand.

21. RECEIVABLES (CONT'D.)

(ii) Due from joint venture

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
Current				
Trade	**676,811**	430,931	**673,053**	381,144
Non-trade	**36,118**	84,360	**11,321**	33,606
	712,929	515,291	**684,374**	414,750
Non-current				
Trade	**70,521**	98,184	**–**	62,356
Non-trade	**12,352**	21,976	**–**	–
	82,873	120,160	**–**	62,356
	795,802	635,451	**684,374**	477,106

Current

Included in the trade receivables of the Group and Company is an amount of RM646,410,000 due from its 50% owned joint venture, MMC Gamuda KVMRT (T) Sdn. Bhd. ("MGKT"). MGKT is the underground works contractor for KVMRT Line 2.

Included in the non-trade receivables of the Group and Company are amounts due from joint ventures which are unsecured, interest free and repayable on demand.

Non-current

Included in the trade receivables of the Group is an amount due from the sale of lands to a joint venture, Gamuda GM Klang Sdn. Bhd. ("GMKSB"), by Gamuda Land (Botanic) Sdn. Bhd., a subsidiary of the Company. The amount of RM67,084,000 (2018: RM83,250,000) is unsecured, non-interest bearing and repayable in 2 tranches on 27 April 2023 and 27 April 2024 respectively.

Included in the non-trade receivables of the Group represents a loan amounting to RM12,352,000 (2018: RM21,976,000), given to GMKSB by Megah Capital Sdn. Bhd., a subsidiary of the Company. The loan is unsecured and repayable in 5 years or such other day mutually agreed upon. The interest of the loan is charged at 5.20% (2018: 5.08%) per annum.

Other details of fair value of non-current receivables are further disclosed in Note 42.

21. RECEIVABLES (CONT'D.)

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

Group	Note	Fair value through profit or loss RM'000	Financial assets at amortised cost RM'000	Total RM'000
At 31 July 2019				
Investment securities	23	**396,664**	**–**	**396,664**
Current receivables	21(a)			
Third parties		**–**	**858,113**	**858,113**
Associated companies		**–**	**20,630**	**20,630**
Joint venture partners		**–**	**12,859**	**12,859**
Joint ventures		**–**	**712,929**	**712,929**
Retention sums		**–**	**119,150**	**119,150**
Stakeholder funds		**–**	**21,764**	**21,764**
Deposits		**–**	**18,552**	**18,552**
Sundry receivables		**–**	**98,146**	**98,146**
Non-current receivables	21(b)			
Third parties		**–**	**973,866**	**973,866**
Joint ventures		**–**	**82,873**	**82,873**
Retention sums		**–**	**23**	**23**
Stakeholder funds		**–**	**5,023**	**5,023**
Deposits		**–**	**10,839**	**10,839**
Contract assets	22	**–**	**1,604,295**	**1,604,295**
Cash and bank balances	25	**–**	**1,452,272**	**1,452,272**
Total financial assets		**396,664**	**5,991,334**	**6,387,998**

21. RECEIVABLES (CONT'D.)

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

Group	Note	Fair value through profit or loss RM'000	Financial assets at amortised cost RM'000	Total RM'000
At 31 July 2018				
Investment securities	23	384,271	–	384,271
Current receivables	21(a)			
Third parties		–	759,018	759,018
Associated companies		–	150,544	150,544
Joint venture partners		–	15,539	15,539
Joint ventures		–	515,291	515,291
Retention sums		–	100,294	100,294
Stakeholder funds		–	55,949	55,949
Deposits		–	12,578	12,578
Sundry receivables		–	53,388	53,388
Non-current receivables	21(b)			
Third parties		–	207,895	207,895
Associated companies		–	533,622	533,622
Joint ventures		–	120,160	120,160
Retention sums		–	136,566	136,566
Stakeholder funds		–	440	440
Deposits		–	5,747	5,747
Sundry receivables		–	8	8
Contract assets	22	–	1,276,378	1,276,378
Cash and bank balances	25	–	1,238,634	1,238,634
Total financial assets		384,271	5,182,051	5,566,322

21. RECEIVABLES (CONT'D.)

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

Company	Note	Fair value through profit or loss RM'000	Financial assets at amortised cost RM'000	Total RM'000
At 31 July 2019				
Investment securities	23	**340,371**	**–**	**340,371**
Current receivables	21(a)			
Third parties		**–**	**37,865**	**37,865**
Associated companies		**–**	**218**	**218**
Joint venture partners		**–**	**3,434**	**3,434**
Joint ventures		**–**	**684,374**	**684,374**
Retention sums		**–**	**108,216**	**108,216**
Deposits		**–**	**4,328**	**4,328**
Sundry receivables		**–**	**43,037**	**43,037**
Non-current receivables	21(b)			
Third parties		**–**	**88,970**	**88,970**
Due from subsidiaries	24	**–**	**2,874,716**	**2,874,716**
Contract assets	22	**–**	**19,425**	**19,425**
Cash and bank balances	25	**–**	**65,184**	**65,184**
Total financial assets		**340,371**	**3,929,767**	**4,270,138**

21. RECEIVABLES (CONT'D.)

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

Company	Note	Fair value through profit or loss RM'000	Financial assets at amortised cost RM'000	Total RM'000
At 31 July 2018				
Investment securities	23	21,504	–	21,504
Current receivables	21(a)			
Third parties		–	28,172	28,172
Associated companies		–	548	548
Joint venture partners		–	14,142	14,142
Joint ventures		–	414,750	414,750
Retention sums		–	94,866	94,866
Deposits		–	1,460	1,460
Sundry receivables		–	32,703	32,703
Non-current receivables	21(b)			
Third parties		–	4,113	4,113
Joint ventures		–	62,356	62,356
Retention sums		–	133,966	133,966
Due from subsidiaries	24	–	1,663,592	1,663,592
Contract assets	22	–	21,492	21,492
Cash and bank balances	25	–	79,233	79,233
Total financial assets		21,504	2,551,393	2,572,897

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– 31 July 2019

22. CONTRACT ASSETS/(LIABILITIES)

	Note	Group 2019 RM'000	Group 2018 RM'000 (Restated)	Company 2019 RM'000	Company 2018 RM'000
Contract assets:					
Construction	(a)	**369,396**	556,880	**19,425**	21,492
Property development	(b)	**1,234,899**	719,498	**–**	–
		1,604,295	1,276,378	**19,425**	21,492
Analysed as:					
Current		**1,604,295**	1,276,378	**19,425**	21,492
Contract liabilities:					
Construction	(a)	**(906,933)**	(524,860)	**(790,073)**	(429,037)
Property development	(b)	**(24,408)**	(14,645)	**–**	–
Deferred revenue	(c)	**(61,484)**	(68,039)	**–**	–
		(992,825)	(607,544)	**(790,073)**	(429,037)
Analysed as:					
Current		**(932,520)**	(540,734)	**(790,073)**	(429,037)
Non-current		**(60,305)**	(66,810)	**–**	–
		(992,825)	(607,544)	**(790,073)**	(429,037)

22. CONTRACT ASSETS/(LIABILITIES) (CONT'D.)

(a) Contract assets/(liabilities) from construction

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
Construction contract costs incurred to date	**14,626,198**	12,976,788	**11,397,844**	11,144,752
Recognised profits less recognised losses	**1,775,344**	1,378,411	**1,439,743**	1,293,467
Progress billings received and receivables	**(16,939,079)**	(14,323,179)	**(13,608,235)**	(12,845,764)
	(537,537)	32,020	**(770,648)**	(407,545)
Represented by:				
Contract assets	**369,396**	556,880	**19,425**	21,492
Contract liabilities	**(906,933)**	(524,860)	**(790,073)**	(429,037)
	(537,537)	32,020	**(770,648)**	(407,545)
Analysed as:				
Contract assets				
Due within 1 year	**369,396**	556,880	**19,425**	21,492
Contract liabilities				
Due within 1 year	**(906,933)**	(524,860)	**(790,073)**	(429,037)

22. CONTRACT ASSETS/(LIABILITIES) (CONT'D.)

(a) Contract assets/(liabilities) from construction (cont'd.)

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

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
Finance costs (Note 8)	**5,556**	4,760	**–**	–
Depreciation (Note 12)	**52,625**	7,612	**45,763**	3,562
Staff costs (Note 5)	**164,807**	142,116	**116,595**	102,137
Rental of premises	**33**	31	**–**	–
Hire of plant and equipment	**2,448**	2,148	**–**	–

Included in contract assets from construction is an amount due from the Government of Socialist Republic of Vietnam ("GOVT") to a subsidiary, Gamuda Land Vietnam Limited Liability Company ("GLVN") amounting to RM188,049,000 (2018: RM185,157,000).

(b) Contract assets/(liabilities) from property development

	Group	
	2019 RM'000	2018 RM'000 (Restated)
Contract assets	**1,234,899**	719,498
– Accrued billings	**1,219,432**	705,862
– Others	**15,467**	13,636
Contract liabilities	**(24,408)**	(14,645)
– Progress billings	**(21,769)**	–
– Others	**(2,639)**	(14,645)
	1,210,491	704,853

22. CONTRACT ASSETS/(LIABILITIES) (CONT'D.)

(b) Contract assets/(liabilities) from property development (cont'd.)

Others relating to cost of obtaining contracts or consideration payable to customers are recognised to profit or loss when performance obligations are satisfied for the respective financial years.

	Group	
	2019 RM'000	**2018 RM'000 (Restated)**
At beginning of the year	**704,853**	339,460
Consideration payable to customers	**16,589**	20,975
Revenue recognised during the year	**2,121,863**	1,774,959
Interest income relating to significant financing component	**2,133**	3,308
Progress billings during the year	**(1,634,947)**	(1,433,849)
At end of the year	**1,210,491**	704,853
Analysed as:		
Contract assets		
Due within 1 year	**1,234,899**	719,498
Contract liabilities		
Due within 1 year	**(24,408)**	(14,645)

Unsatisfied performance obligations:

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially satisfied) as at the reporting date, are as follows:

	Group
	2019 RM'000
Within 1 year	**1,279,199**
Between 1 – 4 year	**907,091**
	2,186,290

22. CONTRACT ASSETS/(LIABILITIES) (CONT'D.)

(c) Contract liabilities from deferred revenue

	Note	Group 2019 RM'000	Group 2018 RM'000 (Restated)
Advance membership	(i)	**(25,402)**	(26,315)
Expressway Development Expenditure	(ii)	**(36,082)**	(41,724)
		(61,484)	(68,039)
Analysed as:			
Due within 1 year		**(1,179)**	(1,229)
Due after 1 year		**(60,305)**	(66,810)
		(61,484)	(68,039)

(i) Advance membership

Advance membership fees received are in connection with the provision of services by way of sporting and other recreational facilities. The advance membership fees are recognised as income over the tenure of the membership period which expires on 30 November 2066 and 30 September 2070 for Bandar Botanic Resort Berhad and Jade Homes Resort Berhad respectively.

	Group 2019 RM'000	Group 2018 RM'000 (Restated)
Analysed as:		
Due within 1 year	**(1,179)**	(1,229)
Due after 1 year	**(24,223)**	(25,086)
	(25,402)	(26,315)

22. CONTRACT ASSETS/(LIABILITIES) (CONT'D.)

(c) Contract liabilities from deferred revenue (cont'd.)

(ii) Expressway Development Expenditure

Deferred revenue comprises advance maintenance fees, licence fees, and government compensation in relation to Kesas Sdn. Bhd.. Compensation received from the Government of Malaysia for the imposition of revised toll rates lower than those as provided for in the Concession Agreement, which is taken to profit or loss over the period the compensation relates.

	Advance license fees RM'000	Advance maintenance fees RM'000	Government compensations RM'000	Total RM'000
Group				
At 31 July 2019				
At 1 August 2018	**(3,299)**	**(1,626)**	**(36,799)**	**(41,724)**
Amount recognised				
– As revenue	**–**	**–**	**4,300**	**4,300**
– As other income	**1,066**	**276**	**–**	**1,342**
	(2,233)	**(1,350)**	**(32,499)**	**(36,082)**
Analysed as:				
Due after 1 year	**(2,233)**	**(1,350)**	**(32,499)**	**(36,082)**
At 31 July 2018				
At 1 August 2017	(4,365)	(1,913)	(37,499)	(43,777)
Amount recognised				
– As revenue	–	–	700	700
– As other income	1,066	287	–	1,353
	(3,299)	(1,626)	(36,799)	(41,724)
Analysed as:				
Due after 1 year	(3,299)	(1,626)	(36,799)	(41,724)

23. INVESTMENT SECURITIES

	2019		2018	
	Carrying amount RM'000	Fair value of quoted investments RM'000	Carrying amount RM'000	Fair value of quoted investments RM'000
Group				
Current				
Portfolios:				
Held as fixed deposit placements				
– Islamic	**225,813**	**225,813**	265,278	265,278
– Non-islamic	**149,383**	**149,383**	54,379	54,379
Others				
– Islamic	**1**	**1**	10,648	10,648
– Non-islamic	**21,467**	**21,467**	53,966	53,966
	396,664	**396,664**	384,271	384,271
Company				
Current				
Portfolios:				
Held as fixed deposit placements				
– Islamic	**198,885**	**198,885**	5,480	5,480
– Non-islamic	**141,396**	**141,396**	16,018	16,018
Others				
– Islamic	**1**	**1**	1	1
– Non-islamic	**89**	**89**	5	5
	340,371	**340,371**	21,504	21,504

Investment securities represent funds placed with licensed fund managers. The portfolio of securities managed by the fund managers comprise of money market funds, commercial papers, government bonds and fixed deposits. Investment securities held as fixed deposit placements allow prompt redemption at any time.

Other details of fair value of investment securities are further disclosed in Note 42.

24. DUE FROM SUBSIDIARIES

	Company	
	2019 RM'000	**2018 RM'000**
Non-current		
Due from subsidiaries		
– Non-trade	**844,703**	594,080
Current		
Due from subsidiaries		
– Trade	**–**	829
– Non-trade	**2,030,013**	1,068,683
	2,030,013	1,069,512
	2,874,716	1,663,592

The trade amounts due from subsidiaries have a normal credit term which ranges from 30 to 90 days (2018: 30 to 90 days).

The non-trade amounts due from subsidiaries are unsecured, interest free and are repayable on demand except for advances of RM2,467,918,000 (2018: RM1,125,328,000) given to subsidiaries which bear interest at 4.35% to 5.32% (2018: 4.55% to 5.18%) per annum.

25. CASH AND BANK BALANCES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Cash on hand and at banks	**167,587**	217,358	**59,634**	38,461
Housing Development Accounts				
– Islamic	**99,213**	46,739	**–**	–
– Non-Islamic	**37,209**	36,992	**–**	–
	304,009	301,089	**59,634**	38,461
Deposits with licensed banks with				
– Tenures of less than 3 months				
– Islamic	**247,116**	156,148	**5,550**	1,296
– Non-Islamic	**529,998**	519,831	**–**	39,476
– Tenures of more than 3 months				
– Islamic	**11,019**	7,535	**–**	–
– Non-Islamic	**360,130**	254,031	**–**	–
Total cash and bank balances	**1,452,272**	1,238,634	**65,184**	79,233

For the purpose of statements of cash flows, cash and cash equivalents comprise the following as at reporting date:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Total cash and bank balances	**1,452,272**	1,238,634	**65,184**	79,233
Less: Deposits with tenures of more than 3 months	**(371,149)**	(261,566)	**–**	–
Total cash and cash equivalents	**1,081,123**	977,068	**65,184**	79,233

Included in total cash and at banks balances of the Group and of the Company are interest bearing balances amounting to RM1,403,474,000 (2018: RM1,137,102,000) and RM59,146,000 (2018: RM67,231,000) respectively.

Housing Development Accounts held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore, restricted from use in other operations.

25. CASH AND BANK BALANCES (CONT'D.)

The weighted average effective interest rates of deposits as at reporting date were as follows:

	Group		Company	
	2019 %	**2018 %**	**2019 %**	**2018 %**
Licensed banks				
Malaysia – RM	**2.98**	3.00	**2.80**	3.15
– USD	**–**	1.05	**–**	1.05
India	**6.99**	6.68	**–**	–
Australia	**1.46**	1.75	**–**	–
Singapore	**–**	0.65	**–**	–
Vietnam	**5.91**	5.59	**–**	–

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

	Group		Company	
	2019 Days	**2018 Days**	**2019 Days**	**2018 Days**
Licensed banks	**1 – 365**	1 – 365	**1 – 7**	7 – 31

Notes to the Financial Statements (Cont'd.)

– 31 July 2019

26. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2019 '000	2018 '000	2019 RM'000	2018 RM'000
Issued and fully paid:				
At 1 August 2018/2017	**2,467,992**	2,450,745	**3,452,940**	3,372,368
Exercise of ESOS	**3,228**	13,099	**8,800**	53,790
Conversion of warrants	**1,102**	4,148	**4,739**	17,836
Share options exercised under ESOS	**–**	–	**3,250**	8,946
At 31 July	**2,472,322**	2,467,992	**3,469,729**	3,452,940

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) Under Companies Act 2016 in Malaysia, which came into effect on 31 January 2017, the concept of authorised share capital is no longer applicable.

(b) In accordance with Section 74 of the Companies Act 2016 in Malaysia, the Company's shares no longer have a par or nominal value with effect from 31 January 2017.

Pursuant to Section 618 of the Companies Act 2016 in Malaysia, the amount standing to the credit of the Company's share premium account of RM997,407,000 became part of the Company's share capital. There is no impact on the number of shares in issue or the relative entitlement of any members of the Company as a result of this transition.

(c) During the financial year, the Company increased its issued and paid-up share capital from RM3,452,940,000 to RM3,469,729,000 by way of:

(i) issuance of 3,228,000 new ordinary shares for cash arising from the exercise of options under the Company's ESOS; and

(ii) issuance of 1,102,082 new ordinary shares for cash arising from the exercise of Warrants 2016/2021 at the exercise price of RM4.05 per warrant in accordance with the Deed Poll dated 22 January 2016.

26. SHARE CAPITAL (CONT'D.)

(d) On 7 March 2016, the Company allotted and issued 400,984,509 new Warrants 2016/2021 ("Warrants") at an issue price of RM0.25 per Warrant on the basis of 1 Warrant for every 6 existing ordinary shares held in the Company ("Rights Issue of Warrants"). The Warrants are valid for exercise for a period of 5 years from its issue date and will expire on 6 March 2021. During this period, each Warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 7 March 2016 to 6 March 2021, at an exercise price of RM4.05 per Warrant in accordance with the Deed Poll dated 22 January 2016. Any Warrants not exercised by its expiry date will lapse thereafter and cease to be valid for all purposes.

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

	Warrants 2016/2021	
	2019 '000	**2018 '000**
At 1 August 2018/2017	**388,800**	392,948
Converted	**(1,102)**	(4,148)
At 31 July	**387,698**	388,800

(e) The Gamuda Berhad Employees' Share Option Scheme ("ESOS") was approved by the shareholders at the Extraordinary General Meeting held on 4 December 2014 and became effective on 10 April 2015. With effect from 10 April 2015, the Company issued options under the new ESOS for the eligible executive directors and employees of Gamuda Berhad and its subsidiaries.

The principal features of the ESOS were as follows:

(i) Full-time and confirmed employees within Gamuda Group and executive directors of Gamuda ("eligible person") are eligible to participate in the ESOS. Participation, however, is subject to the discretion of the Option Committee.

(ii) The ESOS shall be in force for a period of 5 years from 10 April 2015 provided that before the final year of the ESOS, the Option Committee may extend for up to another 5 years the duration of ESOS commencing from the expiration of the original 5 years. The duration of the ESOS shall not be more than 10 years from its effective date.

(iii) The total number of new shares to be allotted under the ESOS shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time during the duration of the ESOS.

26. SHARE CAPITAL (CONT'D.)

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

(iv) The subscription price for the new shares under the ESOS shall be the volume weighted average market price of the shares as quoted on the Main Market of Bursa Malaysia Securities Berhad for the 5 market days immediately preceding the date of offer of the options, or at par value of the share, whichever is higher.

(v) The aggregate number of shares to be offered to an eligible person shall be determined at the discretion of the Option Committee after taking into consideration, amongst other factors, the position, performance, seniority and the length of service that the eligible person has rendered and subject to the maximum allowable allotment of shares for each eligible person.

(vi) The number of shares comprised in the ESOS options which remained unexercised or the exercise prices or both may be adjusted following any alteration in the capital structure of the Company during the option period, whether such alteration is by way of capitalisation of profits or reserves, right issues, consolidation of shares, sub-division of shares or reduction of capital or otherwise howsoever taking place.

(vii) The options shall not carry any right to vote at any general meeting of the Company and a grantee shall not be entitled to any dividends, right or other entitlements on his unexercised options.

(viii) The options granted under ESOS are not assignable.

(ix) There is no restriction on the grantee in exercising their ESOS options or selling their Gamuda Shares allotted and issued pursuant to the exercise of their options.

Upon a sale of the Gamuda shares, if the net proceeds from the disposal is less than the Exercise Value (being the Exercise Price multiplied by the number of Gamuda Shares sold), the entire net proceeds will be released to the grantee.

However, if the net proceeds is more than the Exercise Value, an amount equivalent to the Exercise Value will be released to the grantee. The balance proceeds not released to the grantee will be placed in an interest bearing account for the benefit of the grantee. The balance proceeds (being the net proceeds less Exercise Value) together with the attributable interest, if any, will be released to the grantee over the period of the scheme in accordance with Gamuda's ESOS By-Law on each anniversary of the scheme.

(x) The new shares allotted upon any exercise of the options shall rank pari passu in all respects with the then existing issued and paid-up ordinary shares of the Company except that the new shares so issued will not be entitled for any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new shares.

26. SHARE CAPITAL (CONT'D.)

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

(xi) No grantee shall participate at any time in more than one ESOS implemented by any company within the Gamuda Group.

(xii) Options to subscribe for ordinary shares under the ESOS were granted on the following dates:

Grant date	Exercise price RM	Number of options '000	Exercise period
10 April 2015	4.46	69,947	10 April 2015 – 9 April 2020
24 November 2015	3.84	74,351	24 November 2015 – 9 April 2020
3 June 2016	4.78	44,815	3 June 2016 – 9 April 2020
8 November 2016	4.88	5,963	8 November 2016 – 9 April 2020
13 June 2017	5.36	13,349	13 June 2017 – 9 April 2020
28 November 2017	4.65	8,324	28 November 2017 – 9 April 2020
6 June 2018	3.38	14,670	6 June 2018 – 9 April 2020
18 December 2018	2.30	5,561	18 December 2018 – 9 April 2020
10 June 2019	3.44	8,504	10 June 2019 – 9 April 2020
		245,484	

(f) Breakdown of aggregate proceeds received from share options exercised during the financial year and the fair value, at exercise date, of ordinary shares issued are as follow:

	2019 RM'000	2018 RM'000
Ordinary shares	**3,228**	13,099
Share premium	**5,572**	40,691
Aggregate proceeds received on shares issued	**8,800**	53,790
Aggregate fair value of ordinary shares at exercise date	**11,872**	64,494

26. SHARE CAPITAL (CONT'D.)

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

	Number of share options Movement during the year			
ESOS exercise price	Outstanding and exercisable at 1 August 2018 '000	Granted '000	Exercised '000	Outstanding and exercisable at 31 July 2019 '000
RM4.46	**56,855**	**–**	**–**	**56,855**
RM3.84	**39,663**	**–**	**(108)**	**39,555**
RM4.78	**43,036**	**–**	**–**	**43,036**
RM4.88	**5,665**	**–**	**–**	**5,665**
RM5.36	**13,349**	**–**	**–**	**13,349**
RM4.65	**8,278**	**–**	**–**	**8,278**
RM3.38	**14,670**	**–**	**(855)**	**13,815**
RM2.30	**–**	**5,561**	**(2,014)**	**3,547**
RM3.44	**–**	**8,504**	**(251)**	**8,253**
	181,516	**14,065**	**(3,228)**	**192,353**
WAEP	**4.40**	**2.99**	**2.73**	**4.33**

	Number of share options Movement during the year			
ESOS exercise price	Outstanding and exercisable at 1 August 2017 '000	Granted '000	Exercised '000	Outstanding and exercisable at 31 July 2018 '000
RM4.46	61,297	–	(4,442)	56,855
RM3.84	47,544	–	(7,881)	39,663
RM4.78	43,640	–	(604)	43,036
RM4.88	5,791	–	(126)	5,665
RM5.36	13,349	–	–	13,349
RM4.65	–	8,324	(46)	8,278
RM3.38	–	14,670	–	14,670
	171,621	22,994	(13,099)	181,516
WAEP	4.45	3.84	4.11	4.40

26. SHARE CAPITAL (CONT'D.)

(h) Fair value of share options granted

The fair value of the share options granted under the ESOS is estimated at grant date using a binomial option pricing model, taking into account the terms and conditions upon which the instruments were granted.

The fair value of share options measured at the respective date and the assumptions are as follows:

	ESOS								
BATCH	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
Exercise price, after rights issue of warrants (RM)	4.46	3.84	4.78	4.88	5.36	4.65	3.38	2.30	3.44
Fair value of share options, at the following grant dates and modification dates (RM)									
– Grant date	0.41	0.38	–	–	–	–	–	–	–
– 12 February 2016	0.35	0.59	–	–	–	–	–	–	–
– Grant date	–	–	0.43	0.40	0.44	0.49	0.45	0.25	0.34
Weighted average share price (RM)									
– Grant date	5.19	4.50	4.86	4.90	5.38	4.65	3.38	2.20	3.39
– 12 February 2016	4.43	4.43	–	–	–	–	–	–	–
Expected volatility									
– Grant date	19.00%	23.00%	23.00%	20.00%	20.00%	20.00%	20.00%	30.00%	30.00%
– 12 February 2016	23.00%	23.00%	–	–	–	–	–	–	–
Risk free rate									
– Grant date	3.22%	3.24%	3.03%	2.97%	3.08%	2.94%	3.45%	3.46%	3.16%
– 12 February 2016	3.25%	3.25%	–	–	–	–	–	–	–
Expected dividend yield#	3.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

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

Expected dividend yield is assumed to be the same for all dates.

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27. OTHER RESERVES (NON-DISTRIBUTABLE)

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Capital reserve				
At 1 August 2018/2017	**141,069**	137,818	**–**	–
Movement in capital reserve in an associated company	**6,080**	3,251	**–**	–
At 31 July	**147,149**	141,069	**–**	–
Foreign exchange reserve				
At 1 August 2018/2017	**67,226**	289,552	**5,468**	12,792
Foreign currency translation	**30,433**	(204,382)	**(1,179)**	(7,324)
Share of associated companies' foreign currency translation	**295**	(19,667)	**–**	–
Non-controlling interests	**(154)**	1,723	**–**	–
At 31 July	**97,800**	67,226	**4,289**	5,468
Warrants reserve				
At 1 August 2018/2017	**97,199**	98,236	**97,199**	98,236
Conversion of warrants	**(274)**	(1,037)	**(274)**	(1,037)
At 31 July	**96,925**	97,199	**96,925**	97,199
Total other reserves	**341,874**	305,494	**101,214**	102,667

28. RETAINED PROFITS

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

29. RETIREMENT BENEFIT OBLIGATIONS

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its employees. Under the Scheme, eligible employees are entitled to retirement benefits of 2.5% on the last drawn monthly basic salary for each completed months of services on attainment of the retirement age of 60.

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

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Present value of unfunded defined benefit obligations, representing net liability	**52,260**	43,367	**5,394**	4,065
Analysed as:				
Current (Note 30(b))	**2,578**	2,150	**340**	331
Non-current:				
More than one year and less than two years	**4,330**	2,382	**148**	44
More than two years and less than five years	**3,629**	9,108	**180**	722
Five years or more	**41,723**	29,727	**4,726**	2,968
Amount included in payables (Note 30(a))	**49,682**	41,217	**5,054**	3,734
Total	**52,260**	43,367	**5,394**	4,065

The amounts recognised in profit or loss are determined as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current service cost	**5,072**	3,574	**531**	626
Interest cost	**2,400**	1,896	**240**	190
Total, included in staff costs and directors' remuneration (Notes 5 and 6)	**7,472**	5,470	**771**	816

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29. RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

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

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
At 1 August 2018/2017	**43,367**	38,680	**4,065**	3,580
Recognised in profit or loss	**7,472**	5,470	**771**	816
Effect of re-measurement loss in other comprehensive income	**3,185**	–	**558**	–
Contributions paid	**(1,772)**	(743)	**–**	(331)
Exchange differences	**8**	(40)	**–**	–
At 31 July	**52,260**	43,367	**5,394**	4,065

The sensitivity analysis on the present value of the retirement benefit obligations below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

Group	Increase/ (decrease)	2019 RM'000	Increase/ (decrease)	2018 RM'000
Discount rate	**+1%**	**(5,345)**	+1%	(3,425)
	-1%	**6,384**	-1%	4,067
Expected rate of salary increases	**+1%**	**6,744**	+1%	3,959
	-1%	**(5,746)**	-1%	(3,401)

Principal actuarial assumptions used:

	2019 %	**2018 %**
Discount rate	**5.2**	5.3
Expected rate of salary increases	**7.0 – 11.0**	7.0 – 11.0

The average duration of the defined benefit plan obligation at the end of the reporting year is 12 years (2018: 13 years).

30. PAYABLES

		Group		Company	
		2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
Non-current	(a)				
Trade		**143,851**	100,064	**62,735**	29,840
Non-trade		**54,131**	43,332	**5,054**	3,734
		197,982	143,396	**67,789**	33,574
Current	(b)				
Trade		**1,319,004**	1,300,592	**166,828**	246,965
Non-trade		**525,388**	328,705	**213,332**	70,095
		1,844,392	1,629,297	**380,160**	317,060
Total payables		**2,042,374**	1,772,693	**447,949**	350,634

(a) Non-current

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
Trade				
Retention sums	**143,851**	100,064	**62,735**	29,840
Non-trade				
Retirement benefit obligations (Note 29)	**49,682**	41,217	**5,054**	3,734
Sundry payables	**1,289**	899	**–**	–
Accruals	**3,160**	1,216	**–**	–
	54,131	43,332	**5,054**	3,734
	197,982	143,396	**67,789**	33,574

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30. PAYABLES (CONT'D.)

(b) Current

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
Trade				
Trade payables	**536,272**	617,665	**15,492**	47,819
Joint venture partners	**19,047**	108	**160**	–
Retention sums	**138,767**	133,533	**8,565**	9,396
Accruals	**624,918**	549,286	**142,611**	189,750
	1,319,004	1,300,592	**166,828**	246,965
Non-trade				
Associated companies	**47**	212	**–**	–
Retirement benefit obligations (Note 29)	**2,578**	2,150	**340**	331
Sundry payables	**176,974**	143,309	**11,028**	15,251
Dividend payables	**148,272**	–	**148,272**	–
Accruals	**197,517**	183,034	**53,692**	54,513
	525,388	328,705	**213,332**	70,095
	1,844,392	1,629,297	**380,160**	317,060

The normal trade credit term granted to the Group and the Company ranges from 30 to 90 days (2018: 30 to 90 days).

The amounts due to associated companies and joint venture partners are unsecured, interest free and repayable on demand.

30. PAYABLES (CONT'D.)

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

		Group		Company	
	Note	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
Financial liabilities at amortised costs					
Current payables	30(b)				
Trade payables		**536,272**	617,665	**15,492**	47,819
Associated companies		**47**	212	**–**	–
Joint venture partners		**19,047**	108	**160**	–
Retention sums		**138,767**	133,533	**8,565**	9,396
Sundry payables		**176,974**	143,309	**11,028**	15,251
Dividend payables		**148,272**	–	**148,272**	–
Accruals		**822,435**	732,320	**196,303**	244,263
Non-current payables	30(a)				
Retention sums		**143,851**	100,064	**62,735**	29,840
Sundry payables		**1,289**	899	**–**	–
Accruals		**3,160**	1,216	**–**	–
Contract liabilities	22	**992,825**	607,544	**790,073**	429,037
Long term Islamic debts	32	**1,975,000**	2,465,000	**1,300,000**	1,500,000
Long term borrowings	33	**982,741**	1,784,964	**–**	–
Short term Islamic debts	32	**690,000**	890,000	**300,000**	800,000
Short term borrowings	33	**1,495,917**	596,736	**600,298**	150,000
Due to subsidiaries	35	**–**	–	**168,449**	62,040
		8,126,597	8,073,570	**3,601,375**	3,287,646

Notes to the Financial Statements (Cont'd.)
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31. DEFERRED TAX LIABILITIES/(ASSETS)

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
At 1 August 2018/2017 (as previously stated)	**361,453**	344,812	**3,929**	(16,423)
Effect of adoption of MFRS 15	**4,465**	3,396	**–**	–
At 1 August 2018/2017 (as restated)	**365,918**	348,208	**3,929**	(16,423)
Recognised in profit or loss (Note 9)	**(31,666)**	21,104	**(6,023)**	20,352
Recognised in other comprehensive income	**(89)**	–	**(134)**	–
Exchange differences	**707**	(3,394)	**–**	–
At 31 July	**334,870**	365,918	**(2,228)**	3,929
Presented after appropriate offsetting as follows:				
Deferred tax assets	**(40,924)**	(41,401)	**(2,228)**	–
Deferred tax liabilities	**375,794**	407,319	**–**	3,929
	334,870	365,918	**(2,228)**	3,929

31. DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D.)

Deferred tax liabilities of the Group:

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Receivables RM'000	Accelerated capital allowances RM'000	Fair value adjustment on expressway development expenditure RM'000	Land RM'000	Total RM'000
At 1 August 2018 (as previously stated)	55,748	189,343	156,248	17,575	418,914
Effect of adoption of MFRS 15	6,647	–	–	–	6,647
At 1 August 2018 (as restated)	62,395	189,343	156,248	17,575	425,561
Recognised in profit or loss	22,509	(26,836)	(14,036)	(10,092)	(28,455)
Recognised in other comprehensive income	–	–	–	–	–
Exchange differences	(599)	627	–	–	28
At 31 July 2019	84,305	163,134	142,212	7,483	397,134
At 1 August 2017 (as previously stated)	53,429	178,804	170,192	31,715	434,140
Effect of adoption of MFRS 15	5,279	–	–	–	5,279
At 1 August 2017 (as restated)	58,708	178,804	170,192	31,715	439,419
Recognised in profit or loss	7,910	10,539	(13,944)	(14,140)	(9,635)
Exchange differences	(4,223)	–	–	–	(4,223)
At 31 July 2018 (as restated)	62,395	189,343	156,248	17,575	425,561

Notes to the Financial Statements (Cont'd.)
– 31 July 2019

31. DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (cont'd.)

Deferred tax assets of the Group:

	Unutilised tax losses RM'000	Unutilised capital allowances RM'000	Retirement benefit obligations RM'000	Provisions and accruals RM'000	Total RM'000
At 1 August 2018 (as previously stated)	(6,521)	(4,649)	(8,391)	(37,900)	(57,461)
Effect of adoption of MFRS 15	–	–	–	(2,182)	(2,182)
At 1 August 2018 (as restated)	(6,521)	(4,649)	(8,391)	(40,082)	(59,643)
Recognised in profit or loss	7,714	(1,354)	(1,406)	(8,165)	(3,211)
Recognised in other comprehensive income	–	–	(89)	–	(89)
Exchange differences	(5,195)	(970)	42	6,802	679
At 31 July 2019	(4,002)	(6,973)	(9,844)	(41,445)	(62,264)
At 1 August 2017 (as previously stated)	(13,790)	(5,271)	(8,136)	(62,131)	(89,328)
Effect of adoption of MFRS 15	–	–	–	(1,883)	(1,883)
At 1 August 2017 (as restated)	(13,790)	(5,271)	(8,136)	(64,014)	(91,211)
Recognised in profit or loss	6,446	621	(255)	23,927	30,739
Exchange differences	823	1	–	5	829
At 31 July 2018 (as restated)	(6,521)	(4,649)	(8,391)	(40,082)	(59,643)

31. DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (cont'd.)

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM'000
At 1 August 2018	**13,264**
Recognised in profit or loss	**(5,021)**
At 31 July 2019	**8,243**
At 1 August 2017	–
Recognised in profit or loss	13,264
At 31 July 2018	13,264

Deferred tax asset of the Company:

	Accelerated capital allowances RM'000	Property, plant and equipment RM'000	Retirement benefit obligations RM'000	Provisions and accruals RM'000	Total RM'000
At 1 August 2018	**–**	**(5,344)**	**(975)**	**(3,016)**	**(9,335)**
Recognised in profit or loss	**–**	**(1,019)**	**(185)**	**202**	**(1,002)**
Recognised in other comprehensive income	**–**	**–**	**(134)**	**–**	**(134)**
At 31 July 2019	**–**	**(6,363)**	**(1,294)**	**(2,814)**	**(10,471)**
At 1 August 2017	(8,042)	(5,031)	(859)	(2,491)	(16,423)
Recognised in profit or loss	8,042	(313)	(116)	(525)	7,088
At 31 July 2018	–	(5,344)	(975)	(3,016)	(9,335)

Notes to the Financial Statements (Cont'd.)

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31. DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D.)

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

	Group	
	2019 RM'000	2018 RM'000
Unutilised tax losses	**125,094**	65,732
Unabsorbed capital allowances	**90,927**	88,141
Other deductible temporary differences	**137**	6,950
	216,158	160,823

The availability of the unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Group are subject to no substantial changes in shareholdings of the Group and guidelines issued by the tax authority.

Effective from YA 2019, unused tax losses and unutilised capital allowances are allowed to be carried forward for a maximum period of seven years.

32. ISLAMIC DEBTS

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Non-current					
Medium term notes					
– secured	(b)	**375,000**	465,000	**–**	–
– unsecured	(a)	**1,600,000**	2,000,000	**1,300,000**	1,500,000
		1,975,000	2,465,000	**1,300,000**	1,500,000
Current					
Medium term notes					
– secured	(b)	**90,000**	90,000	**–**	–
– unsecured	(a)	**600,000**	800,000	**300,000**	800,000
		690,000	890,000	**300,000**	800,000
Total Islamic debts		**2,665,000**	3,355,000	**1,600,000**	2,300,000

32. ISLAMIC DEBTS (CONT'D.)

Medium term notes ("MTNs")

The MTNs are drawdown by:

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Gamuda Berhad	(a)	**1,600,000**	2,300,000	**1,600,000**	2,300,000
Bandar Serai Development Sdn. Bhd. ("Bandar Serai")	(a)	**600,000**	500,000	**–**	–
Kesas Sdn. Bhd.	(b)	**465,000**	555,000	**–**	–
		2,665,000	3,355,000	**1,600,000**	2,300,000

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

(a) Murabahah MTN – unsecured

(i) Gamuda Berhad

	Amount drawdown RM'000	Issuance date	Maturity date	Yield at issuance date %
Current				
Issue No. 7	300,000	13.03.2015	13.03.2020	4.55
Non-current				
Issue No. 8	300,000	25.04.2016	23.04.2021	4.62
Issue No. 9	500,000	23.11.2017	23.11.2022	4.83
Issue No.10	400,000	16.03.2018	16.03.2023	4.79
Issue No.11	100,000	27.11.2018	27.11.2023	4.79
	1,300,000			
	1,600,000			

Issue No.1 to No.6 were redeemed upon maturity in previous years.

32. ISLAMIC DEBTS (CONT'D.)

Medium term notes ("MTNs") (cont'd.)

The amount drawdown, maturity date and yield as at issuance dates of the MTNs are as follows: (cont'd.)

(a) Murabahah MTN – unsecured (cont'd.)

(ii) Bandar Serai

	Amount drawdown RM'000	Issuance date	Maturity date	Yield at issuance date %
Current				
Tranche Issue No. 1	300,000	20.11.2014	20.11.2019	4.62
Non-current				
Tranche Issue No. 2	200,000	27.10.2015	27.10.2020	4.78
Tranche Issue No. 3	100,000	28.08.2018	28.08.2023	4.69
	300,000			
	600,000			

The Islamic MTNs were drawdown by Bandar Serai, a subsidiary of the Company for the purpose of financing the acquisition of leasehold land for Gamuda Gardens project in Rawang, Selangor. The facilities are unconditionally guaranteed by the Company.

(b) Sukuk Musharakah Medium Term Notes ("Sukuk") – secured

	Group	
	2019 RM'000	2018 RM'000
Primary Sukuk	**465,000**	555,000
Secondary Sukuk	**188,184**	188,184
	653,184	743,184
Less: Unamortised profit element	**(49,072)**	(71,509)
	604,112	671,675
Less: Accumulated profit element charged to profit or loss	**(139,112)**	(116,675)
	465,000	555,000

32. ISLAMIC DEBTS (CONT'D.)

Medium term notes ("MTNs") (cont'd.)

(b) Sukuk Musharakah Medium Term Notes ("Sukuk") – secured (cont'd.)

The remaining maturities of the borrowings are as follows:

	Group	
	2019 RM'000	**2018 RM'000**
Less than one year	**90,000**	90,000
More than one year and less than two years	**90,000**	90,000
More than two years and less than five years	**285,000**	270,000
Five years or more	**–**	105,000
	465,000	555,000

On 2 October 2014, Kesas Sdn. Bhd. had issued its Islamic MTNs with an aggregate nominal amount of RM735 million. The Sukuk is constituted by a Sukuk Musharakah Trust Deed dated 2 October 2014. The Sukuk were issued in 8 series, with maturities from October 2016 to October 2023. The profit margin ranges from 4.47% to 4.85% (2018: 4.38% to 4.85%) per annum.

The Sukuk was issued to fully redeem its previously issued bonds (BaIDS), government support loan and redeemable convertible unsecured loan stock (''RCULS'').

The borrowings are secured by the following:

(i) whole or any part of the undertakings, revenues, rights and all the assets and properties of the subsidiary (both present and future);

(ii) subject to any necessary authorisation under Section 7 of the Federal Roads (Private Management) Act 1984, all the rights to demand, collect and retain toll as more particularly stated in Clause 2.1(c) (Grant of Concession) of the Concession Agreement;

(iii) all the subsidiary's rights, title and benefits in respect of other contracts entered or to be entered by the subsidiary in relation to the operation and maintenance of the Expressway and proceeds received thereunder; and

(iv) all the subsidiary's rights, interests, title and benefits in respect of the Designated Accounts.

32. ISLAMIC DEBTS (CONT'D.)

Medium term notes ("MTNs") (cont'd.)

(b) Sukuk Musharakah Medium Term Notes ("Sukuk") – secured (cont'd.)

In accordance with Clause 13.2(t) of the Sukuk Musharakah Trust Deed, no declaration or distribution of dividend ("Distribution") is allowed unless all of the following conditions have been complied with:

(i) no Dissolution Event has occurred or would occur following such payment or distribution of the Distributions;

(ii) the Projected Financial Service Cover Ratios ("FSCR") as calculated on each Distribution Date shall not fall below two point two five (2.25) times after such payment of the Distributions and for the purposes of testing the compliance of the projected FSCR, the subsidiary shall submit a Compliance Certificate duly signed by a director of the subsidiary in relation to the compliance of the Projected FSCR to the Facility Agent and the Sukuk Trustee;

(iii) the balance standing to the credit of the FSCR Account after such payment of the Distributions will not be less than the minimum required balance; and

(iv) such Distribution, in the reasonable opinion of the Sukuk Trustee would not have a material adverse effect.

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

	Group		Company	
	2019 %	2018 %	2019 %	2018 %
MTNs	**4.70**	4.62	**4.72**	4.61

33. BORROWINGS

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Non-current					
Term loans					
– secured	(a)	**486,353**	735,617	**–**	–
– unsecured	(b)	**433,128**	967,717	**–**	–
		919,481	1,703,334	**–**	–
Revolving credits					
– secured	(c)	**63,260**	81,630	**–**	–
		982,741	1,784,964	**–**	–
Current					
Secured					
Term loans	(a)	**209,282**	137,781	**–**	–
Revolving credits	(c)	**5,036**	2,167	**–**	–
		214,318	139,948	**–**	–
Unsecured					
Term loans	(b)	**533,152**	142,942	**–**	–
Revolving credits	(c)	**598,447**	213,846	**450,298**	50,000
Commercial papers		**150,000**	100,000	**150,000**	100,000
		1,281,599	456,788	**600,298**	150,000
		1,495,917	596,736	**600,298**	150,000
Total borrowings		**2,478,658**	2,381,700	**600,298**	150,000

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33. BORROWINGS (CONT'D.)

(a) Term loans – secured

The term loans are drawdown by:

	Note	Group 2019 RM'000	Group 2018 RM'000
Gamuda Land Vietnam Limited Liability Company ("GLVN")	(i)	**–**	178,156
Gamuda Land (HCMC) Joint Stock Company ("HCMCJSC")	(ii)	**254,874**	334,611
Gamuda Land (Kemuning) Sdn. Bhd. ("GL Kemuning")	(iii)	**440,761**	360,631
		695,635	873,398

(i) On 1 March 2016, GLVN, a subsidiary of the Company had drawdown the term loan for the purpose of repayment of primary loan from Gamuda Berhad, and to finance the working capital of Gamuda City project. The term loan bore interest rate ranging from 4.00% to 7.58% (2018: 4.43% to 4.54%) per annum. The term loan has been fully repaid during the financial year.

The term loan is secured by leasehold land under development as disclosed in Note 13.

(ii) On 30 March 2016, HCMCJSC, a subsidiary of the Company had drawdown the term loan for the purpose of financing the working capital of the Celadon City project. The term loan bore interest rate ranging from 4.09% to 5.23% (2018: 4.09% to 5.23%) per annum.

The term loan is secured by leasehold land under development as disclosed in Note 13.

(iii) On 30 June 2016, GL Kemuning, a subsidiary of the Company had drawdown the term loan for the purpose of part financing the acquisition of a leasehold land. On 17 November 2017, the Company has drawdown bridging loans for the purpose of part financing of project development. The term loan and the bridging loan bore interest rate of 4.41% (2018: 4.52%) and a range of 4.41% to 4.61% (2018: 4.57% to 4.59%) per annum respectively.

The term loan is secured by leasehold land under development as disclosed in Note 13.

33. BORROWINGS (CONT'D.)

(a) Term loans – secured (cont'd.)

Term loans are repayable as follows:

	Group	
	2019 RM'000	**2018 RM'000**
Less than one year	**209,282**	137,781
Later than one year but not later than two years	**74,630**	330,189
More than two years and less than five years	**382,457**	405,428
Five years or more	**29,266**	–
	695,635	873,398

(b) Term loans - unsecured

The term loans are drawndown by:

		Group	
	Note	**2019 RM'000**	**2018 RM'000**
Gamuda (Australia) Pty. Ltd. ("GB Australia")	(i)	**–**	113,096
Gamuda (Singapore) Pte. Ltd. ("GB Singapore")	(ii)	**150,750**	179,076
Megah Capital Sdn. Bhd. ("Megah Capital")	(iii)	**815,530**	818,487
		966,280	1,110,659

(i) On 16 June 2016, GB Australia, a subsidiary had drawdown the term loan for the purpose of part financing the construction of a residential property development. The term loan is unconditionally guaranteed by the Company and bore interest rate of 2.91% (2018: 2.91%) per annum. GB Australia has fully repaid the term loan during the financial year.

(ii) On 26 September 2016, GB Singapore, a subsidiary of the Company had drawdown the term loan from Malayan Banking Berhad in Singapore, to finance the working capital of GEM Residences project. The term loan is secured by a corporate guarantee of Gamuda Berhad and bore interest rate of 3.43% (2018: 2.65%) per annum.

33. BORROWINGS (CONT'D.)

(b) Term loans - unsecured (cont'd.)

(iii) On 16 July 2015, as disclosed in Note 34, Megah Capital had swapped its term loan of USD100,000,000 at floating USD interest rate of LIBOR plus 1.30% per annum through cross currency interest rate swap into RM379,500,000 at fixed rate of 4.58% per annum.

On 30 October 2016 and 21 March 2017, as disclosed in Note 34, Megah Capital had swapped its term loans of USD50,000,000 and USD50,000,000 respectively, at floating USD interest rate through cross currency interest rate swap into RM207,000,000 and RM221,500,000 at fixed rate of 4.33% and 4.48% per annum, respectively.

The term loans mature five years from the date of first drawdown and is subject to offsetting arrangements as disclosed in Note 42.

Term loans are repayable as follows:

	Group	
	2019 RM'000	**2018 RM'000**
Less than one year	**533,152**	142,942
Later than one year but not later than two years	**–**	530,732
More than two years and less than five years	**433,128**	436,985
	966,280	1,110,659

(c) Revolving credits

The revolving credits are drawdown by:

		Group	
	Note	**2019 RM'000**	**2018 RM'000**
Secured			
Jade Homes Sdn. Bhd. ("Jade Homes")	(i)	**68,296**	83,797

33. BORROWINGS (CONT'D.)

(c) Revolving credits (cont'd.)

Revolving credits are repayable as follows:

	Group	
	2019 RM'000	**2018 RM'000**
Less than one year	**5,036**	2,167
Later than one year but not later than two years	**20,040**	20,040
More than two years and less than five years	**43,220**	60,120
Five years or more	**–**	1,470
	68,296	83,797

(i) On 1 August 2016, Jade Homes, a subsidiary of the Company has drawdown the revolving credit from Public Bank Berhad for the development cost of Phase CP3, Phase 5A and the construction of an international school. The revolving credit is secured with vacant development land and bore interest rate of 4.58% (2018: 4.63%) per annum.

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Unsecured				
Gamuda Berhad	**450,298**	50,000	**450,298**	50,000
Gamuda Naim Engineering and Construction (GNEC) Sdn. Bhd.	**118,000**	134,000	**–**	–
GB Singapore	**30,149**	29,846	**–**	–
	598,447	213,846	**450,298**	50,000

33. BORROWINGS (CONT'D.)

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

	Group		Company	
	2019 %	**2018 %**	**2019 %**	**2018 %**
Commercial papers	**3.43**	4.03	**3.43**	4.03
Revolving credits				
– Ringgit Malaysia	**4.17**	4.22	**3.94**	4.18
– Singapore Dollar	**3.35**	2.64	**–**	–
– US Dollar	**3.90**	–	**3.90**	–
Term loans				
– US Dollar	**2.78**	2.39	**–**	–
– Vietnam Dong	**5.70**	4.65	**–**	–
– Ringgit Malaysia	**4.41**	4.53	**–**	–
– Australian Dollar	**–**	2.91	**–**	–
– Singapore Dollar	**3.43**	2.65	**–**	–

34. DERIVATIVE LIABILITIES

	Group	
	2019 RM'000	**2018 RM'000**
Cross currency interest rate swaps	**(7,530)**	(10,487)

The Group uses cross currency interest rate swap to manage some of the transaction exposure.

These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

The Group had obtained existing loans denominated in United States Dollar ("USD") amounting to USD200,000,000 ("USD loan") and at the same time entered into a cross currency interest rate swap ("CCIRS"). The CCIRS is to hedge against interest rate and foreign exchange movements for the USD loan. This facility has been accounted for as embedded derivative and measured at fair value through profit or loss.

Contract amount	CCIRS	Maturity
	The Group:	
(a) USD100,000,000 (RM379,500,000)	(i) Pays fixed RM interest rate of 4.58% per annum on the RM contract amount in exchange for receiving floating USD interest rate of 1-month LIBOR plus 1.30% per annum on the USD contract amount; and	16 July 2020
	(ii) Receives USD in exchange for paying RM at a predetermined rate of RM3.795 to USD1.000; according to the scheduled principal and interest repayment.	16 July 2020

Effectively, the Group had swapped the USD100,000,000 loan at floating USD interest rate of LIBOR plus 1.30% per annum into RM379,500,000 loan at RM fixed interest rate of 4.58% per annum.

34. DERIVATIVE LIABILITIES (CONT'D.)

Contract amount	CCIRS	Maturity
	The Group:	
(b) USD50,000,000 (RM207,000,000)	(i) Pays fixed RM interest rate of 4.33% per annum on the RM contract amount in exchange for receiving floating USD interest rate on the USD contract amount; and	29 Oct 2021
	(ii) Receives USD in exchange for paying RM at a predetermined rate of RM4.14 to USD1.000; according to the scheduled principal and interest repayment.	29 Oct 2021

Effectively, the Group had swapped the USD50,000,000 loan to RM207,000,000 loan at RM fixed interest rate of 4.33% per annum.

Contract amount	CCIRS	Maturity
	The Group:	
(c) USD50,000,000 (RM221,500,000)	(i) Pays RM fixed interest rate of 4.48% per annum on the RM contract amount in exchange for receiving floating USD interest rate on the USD contract amount; and	29 Oct 2021
	(ii) Receives USD in exchange for paying RM at a predetermined rate of RM4.43 to USD1.000; according to the scheduled principal and interest repayment.	29 Oct 2021

Effectively, the Group had swapped the USD50,000,000 loan to RM221,500,000 loan at RM fixed interest rate of 4.48% per annum.

Derivatives are neither past due nor impaired and are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

During the financial year, the Group recognised a gain of RM2,957,000 (2018: RM1,495,000) arising from fair value changes of derivative. The fair value changes are attributable to changes in interest rate and foreign exchange rate. The Group's USD loan and CCIRS's offset arrangement and the method and assumptions applied in determining the fair values of derivatives are disclosed in Note 42.

35. DUE TO SUBSIDIARIES

	Company	
	2019 RM'000	**2018 RM'000**
Current		
Due to subsidiaries		
– trade	**128,214**	30,226
– non-trade	**40,235**	31,814
	168,449	62,040

The trade amounts due to subsidiaries have a normal credit term which ranges from 30 to 90 days (2018: 30 to 90 days).

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

36. PROVISION FOR LIABILITIES

Provision for liabilities of the Group is analysed as follows:

	Group	
	2019 RM'000	**2018 RM'000 (Restated)**
Current	**76,645**	54,831
Non-current	**29,978**	27,936
	106,623	82,767

Notes to the Financial Statements (Cont'd.)
– 31 July 2019

36. PROVISION FOR LIABILITIES (CONT'D.)

Group	Provision for development costs Note (a) RM'000	Provision for affordable housing Note (b) RM'000	Provision for club membership Note (c) RM'000	Provision for heavy repairs Note (d) RM'000	Total RM'000
At 1 August 2018 (as previously stated)	**37,039**	**271,890**	**2,071**	**19,031**	**330,031**
Effect of adoption of MFRS 15	**14,222**	**(261,486)**	**–**	**–**	**(247,264)**
At 1 August 2018 (as restated)	**51,261**	**10,404**	**2,071**	**19,031**	**82,767**
Provision during the year	**24,149**	**33,738**	**490**	**4,680**	**63,057**
Utilisation during the year	**(5,058)**	**(20,022)**	**(541)**	**(4,680)**	**(30,301)**
Unused amount reversed	**(8,220)**	**–**	**(680)**	**–**	**(8,900)**
Exchange differences	**–**	**–**	**–**	**–**	**–**
At 31 July 2019	**62,132**	**24,120**	**1,340**	**19,031**	**106,623**
At 1 August 2017 (as previously stated)	30,378	134,589	2,908	19,031	186,906
Effect of adoption of MFRS 15	790	(127,547)	–	–	(126,757)
At 1 August 2017 (as restated)	31,168	7,042	2,908	19,031	60,149
Provision during the year	27,757	31,788	971	4,680	65,196
Utilisation during the year	(1,160)	(27,185)	(160)	(4,680)	(33,185)
Unused amount reversed	(6,504)	(1,241)	(1,648)	–	(9,393)
Exchange differences	–	–	–	–	–
At 31 July 2018 (as restated)	51,261	10,404	2,071	19,031	82,767

Recognised in profit or loss during the financial year: (Note 7)

	2019 RM'000	2018 RM'000
Net provision for club membership	**(190)**	(677)
Provision for heavy repairs	**4,680**	4,680
	4,490	4,003

36. PROVISION FOR LIABILITIES (CONT'D.)

(a) Provision for development costs

Provision for development costs is in respect of development projects undertaken by its subsidiaries as they had a present obligation as a result of a past event and it was probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(b) Provision for affordable housing

The provision for affordable housing represents the present obligation for construction of low cost houses.

(c) Provision for club membership

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

(d) Provision for heavy repairs

Provision for heavy repairs relate to the estimated costs of the contractual obligations to maintain and restore the highway infrastructure to a specified standard of serviceability.

37. COMMITMENTS

(a) Capital commitments

	Group	
	2019 RM'000	2018 RM'000
Approved and contracted for:		
Property, plant and equipment	**308,078**	1,075,530

Notes to the Financial Statements (Cont'd.)

– 31 July 2019

37. COMMITMENTS (CONT'D.)

(b) Operating lease commitments – as lessee

The Group has entered into leases on certain premises, plant and equipment. These leases have an average tenure of between two and five years with no renewal option or contingent rent provision included in the contracts.

Future minimum rentals payable under non-cancellable operating leases (excluding land use rights) at the reporting date are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Not later than 1 year	**3,880**	4,129	**3**	6
Later than 1 year but not later than 5 years	**3,018**	9,845	**398**	369
Later than 5 years	**1,540**	5,320	**–**	–
	8,438	19,294	**401**	375

(c) Operating lease commitments – as lessor

The Group has entered into commercial property leases on its premises. These non-cancellable leases have remaining lease terms of between two and five years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases (excluding land use rights) at the reporting date are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Not later than 1 year	**16,298**	6,465	**145**	130
Later than 1 year but not later than 5 years	**12,352**	2,024	**6,480**	7,067
Later than 5 years	**48**	–	**–**	–
	28,698	8,489	**6,625**	7,197

38. GUARANTEES

(a) The Company and its joint venture partner, MMC Corporation Berhad ("MMC"), issued parent company guarantees to guarantee the due performance and obligations of MMC - Gamuda KVMRT (T) Sdn. Bhd. ("Tunnel JV") in the underground works packages of the Klang Valley Mass Rapid Transit Project Sungai Buloh - Kajang Line ("KVMRT Line 1") and Klang Valley Mass Rapid Transit Project Sungai Buloh – Serdang - Putrajaya Line ("KVMRT Line 2"). Tunnel JV is equally owned by MMC and the Company.

(b) The Company and its joint venture partner, MMC, have also issued parent company guarantees to guarantee the due performance and obligations of MMC – Gamuda KVMRT (PDP SSP) Sdn. Bhd. ("PDP SSP") as the Project Delivery Partner ("PDP") of KVMRT Line 2. PDP SSP is equally owned by MMC and the Company.

(c) The Company and its partner, WCT Holdings Berhad formed a 51%: 49% joint venture ("GWJV") to undertake the design and to construct the airfield facilities, tunnel and detention ponds of the New Doha International Airport Project in the state of Qatar. Pursuant to the conditions of contract, GWJV is required to issue a performance bond of QAR336 million (approximately RM378 million at the prevailing exchange rate on 31 July 2019) to the client to guarantee the due performance and obligations of GWJV in the project. In January 2014, GWJV was issued with the initial acceptance certificate signifying the completion of the project, pending issuance of the final acceptance certificate upon expiry of the maintenance period in January 2015. The airport commenced operations in April 2014.

On 3 October 2019, the final acceptance certificate was issued and the performance bond is expected to be returned before end of October 2019.

The guarantees issued by the Company for the contracts in (a) and (b) have not been crystallised because Tunnel JV and PDP SSP have been performed and met their obligations in compliance with the terms of the contract.

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

39. MATERIAL LITIGATIONS

(a) Accolade Sdn. Bhd. claim against MMC Gamuda KVMRT (PDP) Sdn. Bhd.

On 27 June 2016, Gamuda Berhad announced that its jointly controlled entity, MMC Gamuda KVMRT (PDP) Sdn. Bhd. ("PDP") had, on 24 June 2016, been served with a writ and statement of claim filed by Accolade Land Sdn. Bhd. ("Accolade") against Mass Rapid Transit Corporation Sdn. Bhd. ("MRT Corp"), PDP and other parties.

The suit is premised on an alleged breach of an alleged contract between Accolade and MRT Corp relating to the acquisition of land belonging to Accolade by MRT Corp for the Klang Valley Mass Rapid Transit project.

39. MATERIAL LITIGATIONS (CONT'D.)

(a) Accolade Sdn. Bhd. claim against MMC Gamuda KVMRT (PDP) Sdn. Bhd. (cont'd.)

Accolade is claiming, jointly and severally against the defendants, damages in the sum of RM303,534,000 with interest and costs.

On 5 August 2016, the PDP filed an application to strike out the Accolade's Writ and Statement of Claim on the premise that it disclosed no reasonable cause of action, is scandalous, frivolous and vexatious and amounts to an abuse of process ("PDP's 1st Striking Out Application"). On 15 September 2016, the PDP filed an application to strike out parts of Accolade's Amended Reply to the PDP's Defence on the premise that they are scandalous, frivolous and vexatious and amounts to an abuse of process ("PDP's 2nd Striking Out Application"). The PDP's 1st Striking out Application and 2nd Striking Out Application were heard before the Judge on 23 November 2016 and 28 February 2017. On 20 April 2017, the Judge allowed the PDP's 1st Striking Out Application. As a result of the Judge's decision the PDP's 2nd Striking Out Application was struck out as the same has become academic. On 16 May 2017, Accolade filed a Notice of Appeal against the decision of the Judge. On 25 April 2019, Accolade withdrew its appeal against PDP.

(b) Tenaga National Berhad claim against Gamuda Water Sdn. Bhd.

On 9 March 2018, Gamuda Berhad announced that its 80% owned subsidiary, Gamuda Water Sdn. Bhd. ("Gamuda Water") had received four writs of summons filed by Tenaga National Berhad ("TNB"). The suits were premised on the failure by Gamuda Water in paying electricity bills amounted to RM39,512,000. On 18 May 2018, upon the application of Gamuda Water, the Court granted an order to consolidate all four writs. Gamuda Water filed an application for stay of proceedings ("Stay Application") on 12 June 2018. On 19 July 2018, TNB served on Gamuda Water its application for summary judgment ("Summary Judgment"). The hearing date for the Stay Application and the Summary judgment are fixed on 15 August 2019. On 15 August 2019, TNB withdrew the suits against Gamuda Water.

(c) Third party suits by Sungai Harmoni Sdn. Bhd. ("SHSB") against Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd. ("SPLASH SB") in respect of the suits filed by Tenaga Nasional Berhad ("TNB") against SHSB

On 2 April 2018, Gamuda Berhad announced that Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd. (a 40% associate company) ("SPLASH SB") was served with two third party notices ("Third Party Suits") by Sungai Harmoni Sdn. Bhd. ("SHSB") in respect of the two suits filed by TNB against SHSB for outstanding electricity charges. In the Third-Party Suits, SHSB was claiming against SPLASH SB (1) the sum of RM621,576,000 for the supply of treated water (less the indemnified sum claimed by TNB in the two suits) and an indemnification sum of RM8,015,000 against TNB's claim together with interest and cost, and (2) an indemnification sum of RM27,693,000 against TNB's claim together with interest and cost. On 26 April 2018, SPLASH SB served on SHSB its application to stay the proceedings of the Third Party Suits ("Stay Application"). On 31 July 2018, the court allowed the Stay Application. As at 24 April 2019, SPLASH SB ceases to be an associated company of Gamuda Berhad upon completion of the Share Purchase Agreement dated 28 September 2018, between Syarikat Pengeluar Air Selangor Holdings Berhad and Pengurusan Air Selangor Sdn. Bhd..

39. MATERIAL LITIGATIONS (CONT'D.)

(d) Emrail Sdn. Bhd. claims against MMC-Gamuda Joint Venture Sdn. Bhd.

On 29 October 2018, Gamuda Berhad announced that its 50% jointly controlled entity, MMC-Gamuda Joint Venture Sdn Bhd ("MGJV") had been served with the Notice by Emrail Sdn Bhd ("Emrail") in respect of an alleged dispute and differences arising out of the Conditions of Contract dated 23 December 2010 for the Construction, Completion, Testing, Commissioning and Maintenance of Track Works for the Electrified Double Track Project between Ipoh and Padang Besar.

On 6 December 2018, MGJV has notified the Company that they have filed an Originating Summons at the Kuala Lumpur High Court to seek for a declaration, among others, that the Notice is invalidly issued and Emrail is not entitled to commence arbitration proceedings against MGJV. Emrail had withdrawn the Notice against MGJV and consequently, on 16 May 2019, MGJV withdrew its Originating Summons filed at the Kuala Lumpur High Court.

40. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Professional services rendered by Raja Eleena, Siew Ang & Associates, a firm in which a director, YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah, has interest	**816**	1,254	**–**	–
Rental received from subsidiaries	**–**	–	**(5,285)**	(5,250)
Interest receivable from subsidiaries	**–**	–	**(153,716)**	(127,492)

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

40. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

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

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

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

Total KMPs' remuneration

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Total	**15,842**	18,354	**14,533**	13,268

The details of Board of Directors' remuneration are disclosed in Note 6.

41. SIGNIFICANT EVENTS

(a) Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH Holdings") - Share purchase agreement with Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor")

The Group's 40%-owned associated company, SPLASH Holdings had on 28 September 2018 entered into a conditional share purchase agreement with Air Selangor in respect of Air Selangor's purchase of 100% equity in SPLASH SB. SPLASH SB, the concession holder of the Sungai Selangor Water Supply Scheme Phase 1 and 3 is a wholly-owned subsidiary of SPLASH Holdings.

The acquisition of SPLASH SB by Air Selangor consist of:

- 50,000,000 ordinary shares in SPLASH SB ("SPLASH Shares"), being 100% of the issued and paid up ordinary share capital of SPLASH SB;
- 350,000,000 Redeemable Unsecured Loan Stocks issued by SPLASH SB to SPLASH Holdings ("SPLASH RULS"), being 100% of SPLASH RULS,

for a combined total purchase consideration of RM2.55 billion, which shall paid in the following manner:

- an upfront payment of RM1.9 billion;
- the balance purchase price of RM650 million to be settled in 9 annual instalments, with an interest of 5.25% per annum.

The upfront payment of RM1.9 billion was received in April 2019 upon the completion of all condition precedents prescribed in the share purchase agreement. Hence, Gamuda had disposed of its effective 40% equity stake in SPLASH SB via SPLASH Holdings.

41. SIGNIFICANT EVENTS (CONT'D.)

(b) Gamuda Water – New operations and maintenance agreement ("OMA") of the Sungai Selangor Water Treatment Plant Phase 3 ("SSP 3")

The Group's 80%-owned subsidiary, Gamuda Water Sdn. Bhd. ("Gamuda Water") had accepted Air Selangor's offer to:

- settle Gamuda Water's outstanding receivables arising from its existing operations and maintenance of the Sungai Selangor Water Treatment Plant Phase 3 ("SSP 3") at an amount equal to 90% of the outstanding receivables as at a date to be mutually agreed by all parties. 10% of the settlement sum shall be paid upfront and the balance shall be settled in 9 equal annual instalments; and
- enter into a new operations and maintenance agreement ("OMA") to replace the existing OMA for the continued operation and maintenance of SSP 3. The rates in the new OMA represent an approximately 2 sen/m^3 reduction to the rates in the existing OMA.

On 24 May 2019, Gamuda Water, 80% owned by Gamuda, and Air Selangor signed a debt settlement agreement and a new operations & maintenance agreement for the Sungai Selangor Water Treatment Plant Phase 3. The 10% of upfront payment was received in September 2019 and the balance shall be settled in 9 equal annual instalments.

(c) Proposal of New Warrants

On 14 December 2018 the Company proposed to undertake the following proposals:

a) a renounceable rights issue of warrants in Gamuda ("Warrant(s) F") on the basis of one (1) Warrant F at an issue price of RM0.25 per Warrant F for every four (4) existing ordinary shares in Gamuda ("Gamuda Share(s)") held on an entitlement date to be determined later ("Proposed Rights Issue of Warrants"); and

b) an establishment of a dividend reinvestment plan that provides the shareholders of Gamuda with an option to elect to reinvest their cash dividends in new Gamuda Shares.

collectively referred to as the "Proposals".

The application was made pursuant to the press statement dated 23 February 2019 from the Prime Minister's Office which states that the Government of Malaysia has commenced negotiation with the Company to acquire the four tolled highways in which the Company has a majority stake ("Proposed Acquisition").

On 27 February 2019, Bursa Malaysia Securities Berhad ("Bursa Securities") approved the Company's application for the listing and quotation for the Warrants F and new Gamuda Shares to be issued arising from the exercise of the Warrants F.

On 15 March 2019, the Company submitted an application to Bursa Securities to seek a 6-month extension to issue the circular to shareholders in relation to the Proposals.

41. SIGNIFICANT EVENTS (CONT'D.)

(c) Proposed of New Warrants (cont'd.)

As the Proposed Acquisition would result in a cash injection into Gamuda Group, the Company would need time to re-evaluate the cash flow requirements of the Gamuda Group moving forward in a holistic manner.

On 21 March 2019, Bursa Securities granted the Company extension of time until 19 September 2019 for the issuance of the circular to shareholders. As the requisite approvals for the Proposed Acquisition have not been obtained, Bursa Securities further granted the Company on 6 September 2019:

i) extension of time to 31 December 2019 for Gamuda to issue the circular in relation to the Proposals to its shareholders; and

ii) extension of time to 26 February 2020, to complete the implementation of the Proposed Rights Issue of Warrants.

(d) Proposed offers received from MOF in Toll Highway companies

On 21 June 2019, KESAS Holdings Berhad ("KESAS Holdings"), Gamuda's 70% owned subsidiary, received a Letter of Offer from MOF in respect of its offer to acquire all the securities (including all ordinary shares, preference shares and loan stocks) of KESAS Sdn. Bhd. ("KESAS Offer"). KESAS is a wholly owned subsidiary of KESAS Holdings.

Simultaneously, each of the following associated companies and a joint venture company of Gamuda had on 21 June 2019, received a Letter of Offer from MOF for the following acquisitions:

(a) Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("SPRINT Holdings"), Gamuda's 52% associated company, received a Letter of Offer from MOF in respect of its offer to acquire all the securities (including all ordinary shares, preference shares and loan stocks) of Sistem Penyuraian Trafik KL Barat Sdn. Bhd. ("SPRINT Offer"). SPRINT is a wholly-owned subsidiary of SPRINT Holdings;

(b) Lingkaran Trans Kota Holdings Berhad ("LITRAK Holdings"), Gamuda's 44% associated company, received a Letter of Offer from MOF in respect of its offer to acquire all the securities (including all ordinary shares, preference shares and loan stocks) of Lingkaran Trans Kota Sdn. Bhd. ("LITRAK Offer"). LITRAK is a wholly-owned subsidiary of LITRAK Holdings; and

(c) Projek SMART Holdings Sdn. Bhd. ("SMART Holdings"), Gamuda's 50% owned joint venture company received a Letter of Offer from MOF in respect of its offer to acquire all the securities (including all ordinary shares, preference shares and loan stocks) of Syarikat Mengurus Air Banjir & Terowong Sdn. Bhd. ("SMART Offer"). SMART is a wholly-owned subsidiary of SMART Holdings.

(KESAS, SPRINT, LITRAK and SMART shall collectively be referred to as the "Expressway Concession Companies" and each a "Expressway Concession Company", and KESAS Holdings, SPRINT Holdings, LITRAK Holdings and SMART Holdings shall collectively be referred to as the "Concession Holding Companies" and each a "Concession Holding Company").

41. SIGNIFICANT EVENTS (CONT'D.)

(d) Proposed offers received from MOF in Toll Highway companies (cont'd.)

The purchase considerations are as follows:

KESAS Offer	SPRINT Offer	LITRAK Offer	SMART Offer
Cash consideration payable on completion equivalent to RM1,377 million less any outstanding Indebtedness as at completion	Cash consideration payable on completion equivalent to RM1,984 million less any outstanding Indebtedness as at completion	Cash consideration payable on completion equivalent to RM2,470 million less any outstanding Indebtedness as at completion	Cash consideration payable on completion equivalent to RM369 million less any outstanding Indebtedness as at completion
Any cash balance retained by each Expressway Consession Company as at completion shall be for the benefit of their respective Concession Holding Companies.			

Gamuda Berhad's board and all concession companies' board have accepted the offers as at the date of the report. The Group is expected to receive RM2.36 billion from the sale of its stakes in the four highways upon completion of the disposal of the Expressway Concession Companies.

Each Concession Holding Company shall negotiate and finalise the definitive agreements with MOF by 30 August 2019 or such other date as may be mutually agreed ("Cut-Off Date"), subject to the following:

(i) The results of the due diligence exercise being satisfactory to MOF; and

(ii) The approval of Cabinet of Malaysia.

Upon finalisation of the definitive agreements, each Consession Holding Company needs to fulfil the following conditions precedent ("Conditions Precedent") by 29 November 2019 or such other date as may be mutually agreed:

(i) The requisite shareholders' approval for the disposal of respective Expressways Concession Company; and

(ii) The approval or consent of the creditors of the Concession Holding Companies and/or Expressways Concession Companies, where applicable.

The proposed offer is inter-conditional upon each other.

On 29 August 2019, MOF and each of the Concession Holding Company had mutually agreed to extend the Cut-Off Date for the finalisation of the respective definitive agreement from 30 August 2019 to 31 October 2019. Other terms of the offers from MOF remained unchanged.

(e) Award of construction contract for Marine Bridge project in Taiwan

On 28 March 2019, the Company and Taiwan's Dong-Pi Construction Co. Ltd. have been awarded the construction contract amounting to RM521.75 million (NT$3.95 billion) from Taiwan stated-owned petroleum, natural gas, and gasoline company, CPC Corporation, for the Marine Bridge project at Guan Tang, Taoyuan in Taiwan. The job will be undertaken via an unincorporated joint venture in which the Company and Dong-Pi will hold 70% and 30% respectively.

Notes to the Financial Statements (Cont'd.)
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42. FAIR VALUE

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

		Group		Company	
	Note	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets:					
Current receivables	21	**1,862,143**	**1,862,143**	**881,472**	**881,472**
Non-current receivables	21	**1,072,624**	**1,072,624**	**88,970**	**88,970**
Due from subsidiaries	24	**–**	**–**	**2,874,716**	**2,874,716**
Contract assets	22	**1,604,295**	**1,604,295**	**19,425**	**19,425**
Cash and bank balances	25	**1,452,272**	**1,452,272**	**65,184**	**65,184**
Financial liabilities:					
Current payables	30	**(1,841,814)**	**(1,841,814)**	**(379,820)**	**(379,820)**
Non-current payables	30	**(148,300)**	**(148,300)**	**(62,735)**	**(62,735)**
Due to subsidiaries	35	**–**	**–**	**(168,449)**	**(168,449)**
Contract liabilities	22	**(992,825)**	**(992,825)**	**(790,073)**	**(790,073)**
Islamic debts:					
– Medium term notes	32	**(2,665,000)**	**(2,666,042)**	**(1,600,000)**	**(1,600,000)**
Borrowings:					
– Term loans	33	**(1,661,915)**	**(1,661,915)**	**–**	**–**
– Revolving credits	33	**(666,743)**	**(666,743)**	**(450,298)**	**(450,298)**
– Commercial papers	33	**(150,000)**	**(150,000)**	**(150,000)**	**(150,000)**

42. FAIR VALUE (CONT'D.)

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (cont'd.)

		Group		Company	
	Note	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial assets:					
Current receivables	21	1,662,601	1,662,601	586,641	586,641
Non-current receivables	21	1,004,438	1,004,438	200,435	200,435
Due from subsidiaries	24	–	–	1,663,592	1,663,592
Contract assets	22	1,276,378	1,276,378	21,492	21,492
Cash and bank balances	25	1,238,634	1,238,634	79,233	79,233
Financial liabilities:					
Current payables	30	(1,627,147)	(1,627,147)	(316,729)	(316,729)
Non-current payables	30	(102,179)	(102,179)	(29,840)	(29,840)
Due to subsidiaries	35	–	–	(62,040)	(62,040)
Contract liabilities	22	(607,544)	(607,544)	(429,037)	(429,037)
Islamic debts:					
– Medium term notes	32	(3,355,000)	(3,356,896)	(2,300,000)	(2,308,174)
Borrowings:					
– Term loans	33	(1,984,057)	(1,984,057)	–	–
– Revolving credits	33	(297,643)	(297,643)	(50,000)	(50,000)
– Commercial papers	33	(100,000)	(100,000)	(100,000)	(100,000)

42. FAIR VALUE (CONT'D.)

The following methods and assumptions are used to estimate fair values of the following classes of financial instruments:

(i) Non-current receivables, borrowings and subordinate debts

The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate/profit rate for similar types of lending or borrowing arrangements or Islamic debts at the reporting date.

(ii) Cash and bank balances, current receivables and current payables

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

(iii) Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the party guaranteed were to default.

Fair value hierarchy

The Group's and the Company's financial instruments are analysed in a three level fair value hierarchy based on the significance of inputs.

The three level of fair value measurement hierarchy are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date

Level 2: Input other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Input for the asset or liability that are not based on observable market data (unobservable input)

42. FAIR VALUE (CONT'D.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities:

			Fair value measurement using		
Group	**Note**	**Total RM'000**	**Quoted prices in active markets (Level 1) RM'000**	**Significant observable inputs (Level 2) RM'000**	**Significant unobservable inputs (Level 3) RM'000**
31 July 2019					
Assets not carried at fair values but for which fair values are disclosed					
Investment properties	14	**572,056**	**–**	**–**	**572,056**
Quoted interest in an associated company	18	**1,058,264**	**1,058,264**	**–**	**–**
Assets measured at fair value					
Other investments:					
– Investment in transferable club memberships	20	**762**	**–**	**762**	**–**
Investment securities	23	**396,664**	**396,664**	**–**	**–**
Liability measured at fair value					
Derivative liabilities	34	**(7,530)**	**–**	**(7,530)**	**–**
31 July 2018					
Assets not carried at fair values but for which fair values are disclosed					
Investment properties	14	525,579	–	–	525,579
Quoted interest in an associated company	18	1,035,258	1,035,258	–	–
Assets measured at fair value					
Other investments:					
– Investment in transferable club memberships	20	762	–	762	–
Unquoted interest in an associated company – SPLASH Holdings	18	1,111,297	1,111,297	–	–
Investment securities	23	384,271	384,271	–	–
Liability measured at fair value					
Derivative liabilities	34	(10,487)	–	(10,487)	–

42. FAIR VALUE (CONT'D.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities: (cont'd.)

		Fair value measurement using			
Company	**Note**	**Total RM'000**	**Quoted prices in active markets (Level 1) RM'000**	**Significant observable inputs (Level 2) RM'000**	**Significant unobservable inputs (Level 3) RM'000**
31 July 2019					
Assets not carried at fair values but for which fair values are disclosed					
Investment properties	14	**54,144**	**–**	**–**	**54,144**
Quoted interests in an associated company	18	**1,058,264**	**1,058,264**	**–**	**–**
Assets measured at fair value					
Other investments					
– Investment in transferable club memberships	20	**683**	**–**	**683**	**–**
Investment securities	23	**340,371**	**340,371**	**–**	**–**
31 July 2018					
Assets not carried at fair values but for which fair values are disclosed					
Investment properties	14	47,117	–	–	47,117
Quoted interests in an associated company		1,035,258	1,035,258	–	–
Assets measured at fair value					
Other investments:					
– Investment in transferable club memberships	20	683	–	683	–
Investment securities	23	21,504	21,504	–	–

There have been no transfers between Level 1, Level 2 and Level 3 during the year.

42. FAIR VALUE (CONT'D.)

Financial instruments subject to offsetting arrangements

The Group entered into a Cross Currency Interest Rate Swap ("CCIRS") to hedge against foreign currency and interest rate movements for term loans which have an arrangement to settle simultaneously on due dates at a net basis.

The Group's borrowings and derivatives that are off-set are as follows:

	Gross carrying amount RM'000	Gross amounts offset RM'000	Net amounts RM'000
As at 31 July 2019			
Derivatives (Note 34)	**(7,530)**	**7,530**	**–**
Borrowings (Note 33(b))	**(808,000)**	**(7,530)**	**(815,530)**
As at 31 July 2018			
Derivatives (Note 34)	(10,487)	10,487	–
Borrowings (Note 33(b))	(808,000)	(10,487)	(818,487)

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, market risk and foreign currency risk.

The Group operates within clearly defined guidelines that are approved by the Board.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored.

An impairment analysis is performed at each reporting date using provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 21. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, except amounts due from associated companies and joint ventures as disclosed in Note 21. The directors do not foresee any issue in recovering the receivable amount.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. The Group invests only on quoted debt securities with very low credit risk.

The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 July 2019 and 2018 is the carrying amount as illustrated in Note 43(a) except for derivative financial instruments. The Group's maximum exposure relating to financial derivative instruments is noted in the liquidity table below.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2019		2018	
Company	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	**2,141,669**	**86%**	1,730,145	82%
Vietnam	**322,890**	**13%**	341,290	16%
India	**19,997**	**1%**	31,963	2%
Others	**201**	**0%**	1,067	0%
	2,484,757	**100%**	2,104,465	100%
By industry sectors:				
Engineering and construction	**889,917**	**36%**	626,228	30%
Property development and club operations	**691,945**	**28%**	589,643	28%
Water and expressway concessions	**902,895**	**36%**	888,594	42%
	2,484,757	**100%**	2,104,465	100%

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

	Group	
	2019 RM'000	2018 RM'000
Trade receivables – third parties	**1,704,543**	878,505
Due from associated companies – trade	**20,023**	681,306
Due from joint venture partners – trade	**12,859**	15,539
Due from joint ventures – trade	**747,332**	529,115
	2,484,757	2,104,465

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by bank borrowings.

At the reporting date, approximately 42% (2018: 26%) of the Group's subordinate debts and borrowings (Note 32 and 33) will mature in less than one year based on the carrying amount reflected in the financial statements. Approximately 41% (2018: 39%) of the Company's subordinate debts and borrowings (Note 32 and 33) will mature in less than one year at the reporting date.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2019			
Group	**On demand or within one year RM'000**	**One to five years RM'000**	**Over five years RM'000**	**Total RM'000**
Financial liabilities:				
Trade and other payables	**1,841,814**	**148,300**	**–**	**1,990,114**
Islamic debts	**690,000**	**1,975,000**	**–**	**2,665,000**
Borrowings				
– Principal	**1,495,917**	**953,476**	**29,265**	**2,478,658**
– Interest	**189,364**	**263,251**	**376**	**452,991**
Total undiscounted financial liabilities	**4,217,095**	**3,340,027**	**29,641**	**7,586,763**

	2018			
Group	**On demand or within one year RM'000**	**One to five years RM'000**	**Over five years RM'000**	**Total RM'000**
Financial liabilities:				
Trade and other payables	1,627,147	102,179	–	1,729,326
Islamic debts	890,000	2,360,000	105,000	3,355,000
Borrowings				
– Principal	596,736	1,774,855	1,470	2,373,061
– Interest	228,851	375,296	1,067	605,214
Total undiscounted financial liabilities	3,342,734	4,612,330	107,537	8,062,601

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	2019			
Company	**On demand or within one year RM'000**	**One to five years RM'000**	**Over five years RM'000**	**Total RM'000**
Financial liabilities:				
Trade and other payables	**379,820**	**62,735**	**–**	**442,555**
Due to subsidiaries	**168,449**	**–**	**–**	**168,449**
Islamic debts	**300,000**	**1,300,000**	**–**	**1,600,000**
Borrowings				
– Principal	**600,298**	**–**	**–**	**600,298**
– Interest	**74,713**	**132,896**	**–**	**207,609**
Total undiscounted financial liabilities	**1,523,280**	**1,495,631**	**–**	**3,018,911**

	2018			
Company	**On demand or within one year RM'000**	**One to five years RM'000**	**Over five years RM'000**	**Total RM'000**
Financial liabilities:				
Trade and other payables	316,729	29,840	–	346,569
Due to subsidiaries	62,040	–	–	62,040
Islamic debts	800,000	1,500,000	–	2,300,000
Borrowings				
– Principal	150,000	–	–	150,000
– Interest	92,655	182,585	–	275,240
Total undiscounted financial liabilities	1,421,424	1,712,425	–	3,133,849

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. At the reporting date, approximately 71% (2018: 74%) of the Group's borrowings are at fixed rates of interest.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM2,875,000 (2018: RM2,784,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Market price risk

Market price risk is the risk that the fair value or the future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to market price risk arising from its investment in management fund. These instruments are classified as held for trading financial assets. The Group does not have exposure to commodity price risk.

Sensitivity analysis for market price risk

As at reporting date, if the quoted prices of the investment securities had been 5% higher/lower, with all other variables held constant, the Group and the Company's profit for the year would have been RM19,833,200 (2018: RM19,210,000) and RM17,018,600 (2018: RM1,075,000) higher/lower.

(e) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Transactions in foreign operation are mainly denominated in the functional currency of the country it operates, and other foreign currency transactions are kept to an acceptable level. The Group's revenue that are denominated in foreign currencies are as disclosed in Note 43.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(e) Foreign currency risk (cont'd.)

Included in the following statements of financial position captions of the Group and of the Company as at the reporting date are balances denominated in the following major foreign currencies:

Group	Vietnam Dong RM'000	Indian Rupee RM'000	United States Dollar RM'000	Qatari Riyal RM'000	Bahraini Dinar RM'000	Singapore Dollar RM'000	Australian Dollar RM'000	Total RM'000
At 31 July 2019								
Cash and bank balances	**826,930**	**42,075**	**1,052**	**4,536**	**434**	**563**	**16,977**	**892,567**
Receivables	**1,349,163**	**23,534**	**90**	**13,330**	**5**	**68**	**1,809**	**1,387,999**
Investment	**–**	**–**	**–**	**–**	**–**	**414,581**	**–**	**414,581**
Payables	**(631,817)**	**(1,477)**	**(51)**	**(13,721)**	**(14,401)**	**(140)**	**(3,039)**	**(664,646)**
Borrowings	**(254,874)**	**–**	**–**	**–**	**–**	**(180,900)**	**–**	**(435,774)**
At 31 July 2018								
Cash and bank balances	654,006	15,523	187	8,282	1,365	69,903	76,993	826,259
Receivables	1,005,746	33,042	7	50,846	37,489	23	1,097	1,128,250
Investment	–	–	–	–	–	204,554	–	204,554
Payables	(408,391)	(1,526)	(98)	(51,200)	(10,298)	(141)	(18,116)	(489,770)
Borrowings	(512,768)	–	–	–	–	(208,922)	(113,096)	(834,786)

Company	United States Dollar RM'000	Qatari Riyal RM'000	Bahraini Dinar RM'000	Singapore Dollar RM'000	Total RM'000
At 31 July 2019:					
Cash and bank balances	**1,019**	**4,536**	**434**	**356**	**6,345**
Receivables	**–**	**13,330**	**5**	**68**	**13,403**
Payables	**–**	**(13,721)**	**(14,401)**	**(116)**	**(28,238)**
At 31 July 2018:					
Cash and bank balances	187	8,282	1,365	1,229	11,063
Receivables	–	50,846	37,489	23	88,358
Payables	–	(51,200)	(10,298)	(44)	(61,542)

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including India, Qatar, Bahrain, Vietnam, Singapore and Australia. The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the business is located.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(e) Foreign currency risk (cont'd.)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the VND, USD, BHD, QR, INR, SGD and AUD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

			Total comprehensive income for the year			
			Group		Company	
			Increase/(decrease)		Increase/(decrease)	
			2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
VND/RM	strengthened 5%	(2018: 5%)	**64,470**	36,930	**–**	–
	weakened 5%	(2018: 5%)	**(64,470)**	(36,930)	**–**	–
USD/RM	strengthened 5%	(2018: 5%)	**55**	5	**51**	9
	weakened 5%	(2018: 5%)	**(55)**	(5)	**(51)**	(9)
BHD/RM	strengthened 5%	(2018: 5%)	**(698)**	1,428	**(698)**	1,428
	weakened 5%	(2018: 5%)	**698**	(1,428)	**698**	(1,428)
QR/RM	strengthened 5%	(2018: 5%)	**208**	396	**208**	396
	weakened 5%	(2018: 5%)	**(208)**	(396)	**(208)**	(396)
INR/RM	strengthened 5%	(2018: 5%)	**3,206**	2,352	**–**	–
	weakened 5%	(2018: 5%)	**(3,206)**	(2,352)	**–**	–
SGD/RM	strengthened 5%	(2018: 5%)	**11,709**	3,271	**15**	60
	weakened 5%	(2018: 5%)	**(11,709)**	(3,271)	**(15)**	(60)
AUD/RM	strengthened 5%	(2018: 5%)	**787**	(2,656)	**–**	–
	weakened 5%	(2018: 5%)	**(787)**	2,656	**–**	–

44. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The capital management approaches remain unchanged for the current and previous years.

The Group monitors and maintains a prudent level of net gearing ratio, which is net debt divided by total capital, to optimise shareholders value and to ensure compliance under debt covenants.

The Group includes within net debt, subordinate debts and borrowings less cash and bank balances and investment securities. Capital includes equity attributable to the owners of the parent and non-controlling interests.

44. CAPITAL MANAGEMENT (CONT'D.)

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Islamic debts	**2,665,000**	3,355,000	**1,600,000**	2,300,000
Borrowings	**2,478,658**	2,381,700	**600,298**	150,000
Less: Cash and bank balances	**(1,452,272)**	(1,238,634)	**(65,184)**	(79,233)
Investment securities	**(396,664)**	(384,271)	**(340,371)**	(21,504)
Net debt	**3,294,722**	4,113,795	**1,794,743**	2,349,263
Equity attributable to the owners of the Company	**8,071,307**	7,596,625	**5,915,003**	4,952,941
Non-controlling interests	**399,317**	383,681	**–**	–
Total capital	**8,470,624**	7,980,306	**5,915,003**	4,952,941
Net gearing ratio	**39%**	52%	**30%**	47%

45. SEGMENT INFORMATION

The Group reporting is organised and managed in three major business units. The segments are organised and managed to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

(i) Engineering and construction – the construction of highways and bridges, airfield facilities, railway, tunnel, water treatment plants, dams, general and trading services related to construction activities;

(ii) Property development and club operations – the development of residential and commercial properties and club operations; and

(iii) Water and expressway concessions – the management of water supply and tolling of highway operations.

The Group's chief operating decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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45. SEGMENT INFORMATION (CONT'D.)

	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Note	Consolidated RM'000
2019						
Revenue						
Revenue as reported	1,939,326	2,146,457	479,279	–		4,565,062
Share of revenue of joint ventures	2,198,418	400,403	17,315	–		2,616,136
	4,137,744	2,546,860	496,594	–		7,181,198
Inter-segment sales	494,819	–	–	(494,819)	A	–
Total revenue	4,632,563	2,546,860	496,594	(494,819)		7,181,198
Result						
Profit from operations	178,303	282,868	228,133	–		689,304
Finance costs	(21,592)	(42,651)	(27,688)	–		(91,931)
Share of profits of associated companies	20,207	–	106,427	–		126,634
Share of profits of joint ventures	105,935	82,148	(3,241)	–		184,842
Profit before tax	282,853	322,365	303,631	–		908,849
Income tax expense						(150,654)
Profit for the year						758,195

45. SEGMENT INFORMATION (CONT'D.)

	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Note	Consolidated RM'000
2019 (cont'd.)						
Assets and liabilities						
Segment assets excluding interests in associated companies and joint arrangements	3,272,814	9,265,085	2,480,929	–		15,018,828
Interests in associated companies	9,297	–	961,492	–		970,789
Interests in joint arrangements	236,229	921,003	44,323	–		1,201,555
						17,191,172
Segment liabilities						
Other liabilities	(1,969,079)	(1,138,124)	(469,687)	–		(3,576,890)
Borrowings	(777,122)	(3,846,941)	(519,595)	–		(5,143,658)
						(8,720,548)
Other information						
Depreciation and amortisation	38,586	24,443	129,099	–		192,128
Additions to non-current assets	191,455	550,913	14,178	–	B	756,546
Non-cash items other than depreciation and amortisation	42,482	1,698	5,174	–	C	49,354

Notes to the Financial Statements (Cont'd.)
– 31 July 2019

45. SEGMENT INFORMATION (CONT'D.)

	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Note	Consolidated RM'000
2018						
(Restated)						
Revenue						
Revenue as reported	1,924,558	1,796,342	495,651	–		4,216,551
Share of revenue of joint ventures	2,140,996	778,919	16,170	–		2,936,085
	4,065,554	2,575,261	511,821	–		7,152,636
Inter-segment sales	438,071	–	–	(438,071)	A	–
Total revenue	4,503,625	2,575,261	511,821	(438,071)		7,152,636
Result						
Profit from operations	252,543	200,302	252,719	–		705,564
Finance costs	(10,917)	(43,662)	(36,573)	–		(91,152)
Share of profits of associated companies	1,411	–	(97,714)	–		(96,303)
Share of profits of joint ventures	124,456	106,967	(2,867)	–		228,556
Profit before tax*	367,493	263,607	115,565	–		746,665
Income tax expense						(166,013)
Profit for the year						580,652
Core profit before tax	367,493	263,607	422,900	–		1,054,000
Less: Loss on disposal of SPLASH SB	–	–	(300,051)	–		(300,051)
Impairment of Gamuda Water's trade receivables	–	–	(7,284)	–		(7,284)
* Profit before tax as reported	367,493	263,607	115,565	–		746,665

45. SEGMENT INFORMATION (CONT'D.)

	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Note	Consolidated RM'000
2018 (cont'd.)						
(Restated)						
Assets and liabilities						
Segment assets excluding interests in associated companies and joint arrangements	2,963,140	8,386,233	2,508,656	–		13,858,029
Interests in associated companies	8,115	–	1,765,709	–		1,773,824
Interests in joint arrangements	256,095	696,880	47,563	–		1,000,538
						16,632,391
Segment liabilities						
Other liabilities	(1,703,646)	(700,945)	(510,794)	–		(2,915,385)
Borrowings	(687,370)	(4,494,330)	(555,000)	–		(5,736,700)
						(8,652,085)
Other information						
Depreciation and amortisation	28,014	20,768	127,698	–		176,480
Additions to non-current assets	389,271	609,356	4,313	–	B	1,002,940
Non-cash items other than depreciation and amortisation	67,159	1,979	75,259	–	C	144,397

45. SEGMENT INFORMATION (CONT'D.)

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Additions to non-current assets consist of:

	Note	2019 RM'000	2018 RM'000 (Restated)
Property, plant and equipment	12	**253,790**	453,248
Investment properties	14	**88,522**	54,074
Land held for property development	13(a)	**400,983**	383,023
Expressway development expenditure	16	**13,251**	2,850
		756,546	893,195

Additions to non-current assets excludes interest in associated companies and interests in joint arrangements.

C Other material non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:

	2019 RM'000	2018 RM'000
Property, plant and equipment written off	**31**	117
Unrealised loss/(gain) on foreign exchange	**31**	(370)
Net fair value gains on derivatives	**(2,957)**	(1,495)
Provisions	**52,249**	76,089
Discounts on receivables arising from settlement scheme	**–**	70,056
	49,354	144,397

45. SEGMENT INFORMATION (CONT'D.)

Geographical information

	Revenues		Non-current assets	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000 (Restated)
Malaysia	**3,188,593**	3,234,127	**6,230,678**	5,664,800
Outside Malaysia				
– Vietnam	**1,356,879**	807,496	**700,254**	819,924
– Others	**19,590**	174,928	**548**	14,768
	1,376,469	982,424	**700,802**	834,692
Consolidated	**4,565,062**	4,216,551	**6,931,480**	6,499,492
Share of revenue of joint ventures				
– Malaysia	**2,387,852**	2,334,463		
– Singapore	**228,284**	601,622		
Total revenue	**7,181,198**	7,152,636		

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	2019 RM'000	2018 RM'000 (Restated)
Property, plant and equipment	**1,155,510**	1,009,191
Land held for property development	**2,919,183**	2,655,137
Investment properties	**432,815**	363,886
Land use rights	**1,470**	1,895
Expressway development expenditure	**1,306,472**	1,421,203
Other investments	**812**	812
Deferred tax assets	**40,924**	41,401
Receivables	**1,074,294**	1,005,967
	6,931,480	6,499,492

46. SUBSEQUENT EVENT

Gamuda Berhad acquires 50% stake in Australia's Martinus Rail Pty. Ltd.

In September 2019, the Group has agreed to invest a 50% stake in Martinus Rail Pty. Ltd. to accelerate its expansion into Australia's infrastructure construction market.

The acquisition will give the Group an immediate presence in the construction market in Australia, apart from the two offices in Melbourne and Sydney set up recently. We intend to leverage on Martinus Rail's expertise and know-how to tender more than AUD20 billion of the construction projects over next year or so.

List of Major Properties

Held as at 31 July 2019

No	Location	Tenure	Usage	Area	Year of Valuation/ Acquisition	Year of expiry	Approximate age of building (Years)	NBV (RM'000)
1	Block D, PJ Trade Centre No.8, Jalan PJU 8/8A Bandar Damansara Perdana 47820 Petaling Jaya Selangor	Leasehold	20 storey office tower/ Menara Gamuda	2,048 sq m	2011	2104	10	131,411
2	No. 30, Jalan SS2/44 47300 Petaling Jaya Selangor	Freehold	Bungalow	501 sq m	1991	–	33	282
3	No. 36/38, Jalan SS21/62 47400 Petaling Jaya Selangor	Freehold	2 blocks, 4 storey shoplot/office	286 sq m	1991	–	25	876
4	No. 39, Jalan SS22/23 47400 Petaling Jaya Selangor	Freehold	4 storey shoplot/office	153 sq m	2007	–	25	539
5	No. 53, Jalan SS22/23 47400 Petaling Jaya Selangor	Freehold	4 storey shoplot/office	153 sq m	2006	–	30	1,179
6	No. 55-61, Jalan SS22/23 47400 Petaling Jaya Selangor	Freehold	4 blocks, 4 storey shoplot/office	612 sq m	1992	–	28	7,474
7	No. 54-58, Jalan SS22/25 47400 Petaling Jaya Selangor	Freehold	3 blocks, 4 storey shoplot/office	460 sq m	2006	–	27	4,165
8	HS (D) 54871 PT No. 56274 Mukim & District of Kelang Selangor	Freehold	Industrial estate/workshop	16,898 sq m	1995	–	–	6,827

No	Location	Tenure	Usage	Area	Year of Valuation/ Acquisition	Year of expiry	Approximate age of building (Years)	NBV (RM'000)
9	Lot 66100, Geran 331933 Mukim of Tanjung Duabelas District of Kuala Langat Selangor	Freehold	Industrial Land/ Industrial Building System ("IBS") factory	66 acres	2016	–	1	225,672
10	Lot 195821, 195822 195823, 195824, 195825 195826, 195827, 46482 57417 all in the Mukim of Kampar District of Kinta 31350 Ipoh, Perak	Leasehold	Granite hill, limestone hill and industrial land/quarry	469,493 sq m	1991	2022	–	1,469
11	PT 183485 Meru Industrial Estate Jelapang, 30020 Ipoh, Perak	Leasehold	Industrial estate/ store	12,144 sq m	1991	2050	23	475
12	PT 51683, Jalan Jelapang 30020 Ipoh, Perak	Leasehold	Industrial estate/ workshop	4,353 sq m	1991	2043	29	307
13	No. 152, Jalan Gopeng 31350 Ipoh, Perak	Leasehold	3 storey shoplot/office	164 sq m	1991	2078	33	127
14	No. 158, Jalan Gopeng 31350 Ipoh, Perak	Leasehold	3 storey shoplot/office	163 sq m	1991	2078	33	133

Analysis of Securities of Company

As at 1 October 2019

ANALYSIS OF SHAREHOLDINGS

Total Number of Issued Shares	:	2,473,020,033 ordinary shares
Type of shares	:	Ordinary shares
Voting rights	:	1 vote per share on a poll
No. of shareholders	:	18,035

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Holdings	%
Less than 100	383	2.12	6,315	*
100 – 1,000	4,678	25.94	3,527,838	0.14
1,001 – 10,000	9,620	53.34	40,416,312	1.64
10,001 – 100,000	2,514	13.94	77,663,831	3.14
100,001 – 123,651,000 (less than 5% of issued shares)	838	4.65	1,948,324,032	78.78
123,651,001 and above (5% and above of issued shares)	2	0.01	403,081,705	16.30
Total	**18,035**	**100.00**	**2,473,020,033**	**100.00**

SUBSTANTIAL SHAREHOLDERS

(as per Register of Substantial Shareholders and exclude bare trustee)

	Direct Interest		Indirect Interest	
Name of Substantial Shareholder	No. of Shares	%	No. of Shares	%
Employees Provident Fund Board	309,265,305	12.51	–	–
Kumpulan Wang Persaraan (Diperbadankan)	176,826,834	7.15	–	–

Note:

* Negligible

DIRECTORS' INTEREST IN ORDINARY SHARES OF THE COMPANY

(as per Register of Directors' Shareholdings)

Name of Director	Direct Interest No. of Shares	Direct Interest %	Indirect Interest No. of Shares	Indirect Interest %
Dato' Mohammed Hussein	–	–	–	–
Dato' Lin Yun Ling	75,035,736	3.03	–	–
Dato' Ir Ha Tiing Tai	26,936,276*3	1.09	86,000*1	*5
Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	225,000	0.01	116,000,000*2	4.69
Tan Sri Dato' Setia Haji Ambrin bin Buang	4,000	*5	–	–
Tunku Afwida binti Tunku A.Malek	–	–	–	–
Nazli binti Mohd Khir Johari	–	–	–	–
Dato' Ubull Din Om (Alternate to Dato' Ir Ha Tiing Tai)	–	–	–	–
Mohammed Rashdan bin Mohd Yusof (Alternate to Dato' Lin Yun Ling)	450,000*4	0.02	–	–

Notes:

*1 Through son
*2 Through Generasi Setia (M) Sdn Bhd
*3 Held in own name and in nominee name
*4 Held in nominee name
*5 Negligible

Analysis of Securities of Company (Cont'd.)
As at 1 October 2019

TOP 30 SHAREHOLDERS AS PER RECORD OF DEPOSITORS
(without aggregating the securities from different securities accounts belonging to the same Depositors)

No.	Name	No. of Shares Held	%
1	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	245,986,505	9.95
2	Kumpulan Wang Persaraan (Diperbadankan)	157,095,200	6.35
3	Amanahraya Trustees Berhad – Amanah Saham Bumiputera	105,780,400	4.28
4	Generasi Setia (M) Sdn Bhd	102,500,000	4.14
5	Urusharta Jamaah Sdn Bhd	90,495,000	3.66
6	Dato' Lin Yun Ling	75,035,736	3.03
7	Amanahraya Trustees Berhad – Amanah Saham Malaysia 2 – Wawasan	70,000,000	2.83
8	Citigroup Nominees (Tempatan) Sdn Bhd – Exempt An for AIA Bhd	59,870,600	2.42
9	Amanahraya Trustees Berhad – Amanah Saham Malaysia 3	55,792,800	2.26
10	Amanahraya Trustees Berhad – Amanah Saham Malaysia	53,179,700	2.15
11	Amanahraya Trustees Berhad – Amanah Saham Bumiputera 3 – Didik	49,113,600	1.98
12	Cartaban Nominees (Asing) Sdn Bhd – GIC Private Limited for Government of Singapore (C)	43,475,200	1.76
13	Permodalan Nasional Berhad	38,639,500	1.56
14	Citigroup Nominees (Asing) Sdn Bhd – Exempt An for Citibank New York (Norges Bank 1)	36,354,275	1.47
15	HSBC Nominees (Asing) Sdn Bhd – JPMCB NA for Vanguard Total International Stock Index Fund	35,628,617	1.44
16	Amanahraya Trustees Berhad – Amanah Saham Bumiputera 2	33,500,000	1.35
17	Cartaban Nominees (Asing) Sdn Bhd – Exempt An for State Street Bank & Trust Company (WEST CLT OD67)	33,357,400	1.35
18	HSBC Nominees (Asing) Sdn Bhd – JPMCB NA for Vanguard Emerging Markets Stock Index Fund	33,208,617	1.34

TOP 30 SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONT'D.)

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

No.	Name	No. of Shares Held	%
19	Ng Kee Leen	28,001,560	1.13
20	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board (NOMURA)	26,628,000	1.08
21	Maybank Nominees (Tempatan) Sdn Bhd – Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)	26,000,000	1.05
22	Citigroup Nominees (Tempatan) Sdn Bhd – Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	21,821,700	0.88
23	Dato' Ir. Ha Tiing Tai	21,311,276	0.86
24	Cartaban Nominees (Tempatan) Sdn Bhd – PAMB for Prulink Equity Fund	20,023,963	0.81
25	Amanahraya Trustees Berhad – Public Islamic Dividend Fund	18,596,100	0.75
26	Citigroup Nominees (Asing) Sdn Bhd – Exempt An for Citibank New York (Norges Bank 14)	18,361,400	0.74
27	Amanahraya Trustees Berhad – Public Ittikal Sequel Fund	17,476,100	0.71
28	Dato' Goon Heng Wah	15,628,300	0.63
29	Citigroup Nominees (Asing) Sdn Bhd – UBS AG	14,707,180	0.59
30	Citigroup Nominees (Asing) Sdn Bhd – CBNY for Dimensional Emerging Markets Value Fund	14,210,500	0.57
	Total	**1,561,779,229**	**63.12**

SHARE OPTIONS HELD BY DIRECTORS OF THE COMPANY

(Share Options held under the Gamuda Berhad Employees' Share Option Scheme)

Name of Director	No. of Share Options Held
Dato' Lin Yun Ling	1,500,000
Dato' Ubull Din Om (Alternate to Dato' Ir Ha Tiing Tai)	715,000
Mohammed Rashdan bin Mohd Yusof (Alternate to Dato' Lin Yun Ling)	1,600,000

Analysis of Securities of Company (Cont'd.)

As at 1 October 2019

ANALYSIS OF WARRANT HOLDINGS

WARRANTS 2016/2021 ("WARRANTS")

No. of Warrants unexercised	: 387,698,531
Exercise price	: RM4.05
Expiry date	: 6 March 2021
Voting rights at a meeting of Warrant Holders	: 1 vote per warrant holder on a show of hands 1 vote per warrant on a poll
No. of Warrant Holders	: 6,424

DISTRIBUTION OF WARRANT HOLDINGS

Size of Holdings	No. of Holders	%	No. of Holdings	%
Less than 100	78	1.22	3,880	*
100 – 1,000	1,877	29.22	923,749	0.24
1,001 – 10,000	2,342	36.46	12,069,542	3.11
10,001 – 100,000	1,755	27.32	64,320,885	16.59
100,001 – 19,384,925 (less than 5% of total Warrants unexercised)	371	5.76	171,255,875	44.17
19,384,926 and above (5% and above of total Warrants unexercised	1	0.02	139,124,600	35.89
Total	**6,424**	**100.00**	**387,698,531**	**100.00**

Note:

* Negligible

DIRECTORS' INTEREST IN WARRANTS

(as per Register of Directors' Warrant Holdings)

	Direct Interest		Indirect Interest	
Name of Director	No. of Warrants	%	No. of Warrants	%
Dato' Mohammed Hussein	–	–	–	–
Dato' Lin Yun Ling	12,883,600	3.32	–	–
Dato' Ir Ha Tiing Tai	–	–	12,800*1	*4
Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	40,300	0.01	12,000,000*2	3.10
Tan Sri Dato' Setia Haji Ambrin bin Buang	–	–	–	–
Tunku Afwida binti Tunku A.Malek	–	–	–	–
Nazli binti Mohd Khir Johari	–	–	–	–
Dato' Ubull Din Om (Alternate to Dato' Ir Ha Tiing Tai)	–	–	–	–
Mohammed Rashdan bin Mohd Yusof (Alternate to Dato' Lin Yun Ling)	550,000*3	0.14	–	–

Notes:

*1 Through son
*2 Through Generasi Setia (M) Sdn Bhd
*3 Held in nominee name
*4 Negligible

Analysis of Securities of Company (Cont'd.)

As at 1 October 2019

TOP 30 WARRANT HOLDERS AS PER RECORD OF DEPOSITORS

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

No.	Name	No. of Warrants Held	%
1	Urusharta Jamaah Sdn Bhd	139,124,600	35.88
2	Dato' Lin Yun Ling	12,883,600	3.32
3	Generasi Setia (M) Sdn Bhd	12,000,000	3.10
4	Ng Kee Leen	9,411,000	2.43
5	TA Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Heng Teng Kuang	6,150,000	1.59
6	Citigroup Nominees (Tempatan) Sdn Bhd – Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	4,534,150	1.17
7	HLB Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Wong Yee Hui	4,300,000	1.11
8	Liew Yann Min	3,166,300	0.82
9	Heng Teng Kuang	2,953,023	0.76
10	Dato' Goon Heng Wah	2,741,600	0.71
11	Abd Azis bin Mohamad	2,600,000	0.67
12	Gan Lu Ter	2,563,500	0.66
13	CGS-CIMB Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Daniel Lim Hwa Yew (MY1618)	2,254,000	0.58
14	Dai Shek Hung	1,824,100	0.47
15	Wilfred Koh Seng Han	1,601,200	0.41
16	Su Ming Keat	1,561,367	0.40
17	Soong Chee Keong	1,400,000	0.36
18	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Tong Kim Eng (E-SPG)	1,322,000	0.34
19	Cimsec Nominees (Tempatan) Sdn Bhd – CIMB for Lim Chee Meng (PB)	1,221,700	0.32
20	Seow Kah Heng	1,200,000	0.31

TOP 30 WARRANT HOLDERS AS PER RECORD OF DEPOSITORS (CONT'D.)

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

No.	Name	No. of Warrants Held	%
21	Lee Foong Ngoh	1,179,833	0.30
22	Yeoh Siew Leng	1,152,300	0.30
23	HLB Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Oh Kim Sun	1,150,000	0.30
24	Maybank Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Wong Ping Yoong	1,088,000	0.28
25	Cheong Ho Kuan	1,085,000	0.28
26	Kintan Equity Sdn Bhd	1,000,000	0.26
27	Lim Chin Ann	1,000,000	0.26
28	RHB Capital Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Oh Kim Sun (CEB)	1,000,000	0.26
29	Susy Ding	1,000,000	0.26
30	Low Chu Mooi	880,000	0.23
	Total	**225,347,273**	**58.14**

Issued Share Capital

Date/ Year of Allotment	No. of Shares Allotted	Description	Cummulative No. of Issued Shares
06.10.1976	2	Cash – Subscribers' shares	2
26.12.1976	199,998	Cash	200,000
10.10.1977	200,000	Cash	400,000
30.07.1981	100,000	Cash	500,000
21.07.1984	500,000	Bonus Issue on the basis of 1 new ordinary share for every 1 existing ordinary share held	1,000,000
24.07.1985	250,000	Cash	1,250,000
29.07.1985	500,000	Issued as consideration for the acquisition of several companies	1,750,000
31.07.1986	750,000	Cash	2,500,000
30.07.1987	750,000	Bonus Issue in the proportion of 3 new ordinary shares for every 10 existing ordinary shares held	3,250,000
30.07.1988	1,750,000	Bonus Issue in the proportion of 7 new ordinary shares for every 10 existing ordinary shares held	5,000,000
30.07.1990	3,000,000	Bonus Issue in the proportion of 3 new ordinary shares for every 5 existing ordinary shares held	8,000,000
29.04.1992	11,000,000	Bonus Issue in the proportion of 1,375 new ordinary shares for every 1,000 existing ordinary shares held	19,000,000
29.04.1992	23,976,667	Issued as consideration for the acquisition of Gammau Construction Sdn Bhd and Ganaz Bina Sdn Bhd	42,976,667
05.06.1992	19,086,333	Right Issue in the proportion of 2,386 new ordinary shares for every 1,000 existing ordinary shares held	62,063,000
18.01.1995	20,687,667	Bonus Issue in the proportion of 1 new ordinary share for every 3 existing ordinary shares held	82,750,667
20.03.1995	7,757,875	Rights Issue in the proportion of 1 new ordinary share for every 8 existing ordinary shares held	90,508,542
24.01.1996 – 26.12.1996	24,547,169	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1995/2000	115,055,711

Date/ Year of Allotment	No. of Shares Allotted	Description	Cummulative No. of Issued Shares
16.01.1997	153,407,614	Bonus Issue in the proportion of 4 new ordinary shares for every 3 existing ordinary shares held	268,463,325
12.03.1997	19,175,951	Rights Issue in the proportion of 1 new ordinary share for every 6 existing ordinary shares held	287,639,276
20.01.1997 – 24.11.1997	2,057,133	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1995/2000	289,696,409
22.10.1998 – 31.12.1998	99,000	Issued pursuant to exercise of options under ESOS	289,795,409
07.01.1999 – 30.12.1999	15,979,428	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1995/2000	305,774,837
05.01.2000 – 16.07.2000	37,201,999	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1995/2000	342,976,836
03.03.2000	322,213,836	Bonus Issue in the proportion of 1 new ordinary share for every 1 existing ordinary share held	665,190,672
31.01.2001 – 19.12.2001	807,000	Issued pursuant to exercise of options under ESOS	665,997,672
02.01.2002 – 27.12.2002	8,646,002	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1996/2006 and 2001/2007	674,643,674
13.01.2003 – 31.12.2003	51,251,218	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1996/2006 and 2001/2007	725,894,892
07.01.2004 – 23.12.2004	13,209,252	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2001/2007	739,104,144
05.01.2005 – 29.12.2005	14,128,000	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2001/2007	753,232,144
26.10.2006 – 29.12.2006	37,982,965	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1996/2006 and 2001/2007	791,215,109
08.01.2007 – 28.12.2007	207,268,945	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1996/2006 and 2001/2007	998,484,054
25.10.2007	994,963,054	Bonus Issue on the basis of 1 new ordinary share for every 1 existing ordinary share held	1,993,447,108
09.01.2008 – 19.12.2008	12,736,000	Issued pursuant to exercise of options under ESOS	2,006,183,108
23.01.2009 – 22.12.2009	10,589,000	Issued pursuant to exercise of options under ESOS	2,016,772,108

Issued Share Capital (Cont'd.)

Date/ Year of Allotment	No. of Shares Allotted	Description	Cummulative No. of Issued Shares
11.01.2010 – 29.12.2010	29,439,485	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,046,211,593
04.01.2011 – 30.12.2011	21,563,311	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,067,774,904
03.01.2012 – 31.12.2012	18,690,762	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,086,465,666
07.01.2013 – 30.12.2013	205,859,001	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,292,324,667
06.01.2014 – 29.12.2014	49,464,512	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,341,789,179
06.01.2015 – 22.06.2015	64,115,876	Conversion of Warrants 2010/2015	2,405,905,055
07.01.2016 – 28.12.2016	18,193,855	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2016/2021	2,424,098,910
05.01.2017 – 29.12.2017	31,451,816	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2016/2021	2,455,550,726
08.01.2018 – 07.09.2018	12,498,225	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2016/2021	2,468,048,951
18.01.2019 - 18.10.2019	5,358,082	Issued prusuant to exerecise of optons under ESOS & Conversion of Warrants 2016/2021	2,473,407,033

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Third Annual General Meeting of Gamuda Berhad ("Company") will be held at Permai Room, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan on Thursday, 5 December 2019 at 10.00 a.m. for the purpose of transacting the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 July 2019 together with the Reports of the Directors and Auditors thereon. **[Please refer to Explanatory Note No. 3 (a)]**

2. To approve the payment of Directors' fees for the financial year ended 31 July 2019. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' remuneration (excluding Directors' fees) of up to an amount of RM320,000/- for the period from 6 December 2019 until the next annual general meeting of the Company to be held in 2020. **(Ordinary Resolution 2)**

4. To re-elect the following Directors of the Company who are retiring by rotation in accordance with Clause 95 of the Constitution of the Company and, who being eligible, offer themselves for re-election:-

   a. YBhg Dato' Lin Yun Ling **(Ordinary Resolution 3)**
   b. YM Tunku Afwida binti Tunku A.Malek **(Ordinary Resolution 4)**
   c. Puan Nazli binti Mohd Khir Johari **(Ordinary Resolution 5)**

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

As Special Business:-

To consider and, if thought fit, to pass with or without modification(s), the following resolutions:

6. **Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016** **(Ordinary Resolution 7)**

   "THAT subject always to the Companies Act 2016, the Constitution of the Company and the approvals of the relevant governmental regulatory authorities (if required), the Directors of the Company be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company, from time to time, and upon such terms and conditions and for such purposes as the Directors of the Company 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 percent (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of, and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company."

7. **Proposed Renewal of Share Buy-back Authority** **(Ordinary Resolution 8)**

"THAT subject to the provisions of the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant governmental regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of the Company ("Proposed Share Buy-back") as may be determined by the Directors of the Company, from time to time, through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of ordinary shares to be purchased pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being of the Company and an amount not exceeding the retained profits of the Company be and is hereby allocated by the Company for the Proposed Share Buy-back.

THAT at the absolute discretion of the Directors of the Company, upon such purchase by the Company of its own shares, the purchased shares shall be cancelled and/or retained as treasury shares and subsequently be cancelled, distributed as dividends or resold on Bursa Malaysia Securities Berhad and/or in any other manner as prescribed by the Companies Act 2016.

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

AND THAT the authority hereby given shall commence immediately upon the passing of this resolution and shall continue to be in force until:

i. the conclusion of the next annual general meeting ("AGM") of the Company at which time it will lapse, unless by ordinary resolution passed at the AGM, the authority is renewed either unconditionally or subject to conditions; or

ii. the expiration of the period within which the next AGM after that date is required by law to be held; or

iii. revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever occurs first, but not so as to prejudice the completion of the purchase of its own shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad or any other relevant authorities."

8. **Special Resolution** **(Special Resolution)**
   Proposed Adoption of New Constitution of the Company

   "THAT approval be and is hereby given for the Company to revoke its existing Memorandum and Articles of Association with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Appendix II of the Statement/Circular to Shareholders dated 8 November 2019 be and is hereby adopted as the Constitution of the Company with immediate effect **("Proposed New Constitution")**.

   AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed New Constitution with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by any relevant authorities."

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

BY ORDER OF THE BOARD

LIM SOO LYE (LS0006461)
PANG SIOK TIENG (MAICSA 7020782)
Company Secretaries

Petaling Jaya
8 November 2019

Notice of Annual General Meeting (Cont'd.)

Notes:

1. **General Meeting Record of Depositors**

   For purposes of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Clause 67 of the Constitution of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 28 November 2019 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at this meeting or appoint a proxy or proxies to attend and/or vote on his/her behalf.

2. **Proxy**

   a. A Member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy but not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without any restriction as to the qualification of the proxy.

   b. Where a Member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

   c. Where a Member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. If more than one (1) proxy is appointed, the appointment shall be invalid unless the Authorised Nominee specifies the proportions of the shareholdings to be represented by each proxy.

   d. Where a Member is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the number of ordinary shares to be represented by each proxy.

   e. If the appointor is a corporation, the Form of Proxy shall be under the corporation's seal or under the hand of an officer or attorney duly authorised.

   f. The Form of Proxy must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, before 10.00 a.m. on 3 December 2019 or not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

   g. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by poll.

3. **Explanatory Notes**

   a. **Audited Financial Statements**

   The Audited Financial Statements are for discussion only as they do not require shareholders' approval pursuant to the provision of Section 340(1)(a) of the Companies Act 2016 ("CA 2016"). Hence, this matter will not be put for voting.

   b. **Ordinary Resolutions 1 & 2**

   Section 230(1) of the CA 2016 provides that the 'fees' of the directors and 'any benefits' payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at this meeting for the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company under Resolutions 1 and 2.

i. Directors' Fees

Having considered the positioning of the Directors' fees over the past three (3) financial years ("FY") from 2016 to 2018, the Board has approved the proposed revision to the fees of the Non-Executive Directors (including Independent Non-Executive Directors but excluding the Independent Non-Executive Chairman) as set out in the right column of the table below:

Directors' Fees (as approved at AGMs)	FY2016	FY2017	FY2018	Proposed for FY2019 (approval sought at 43rd AGM)
Independent Non-Executive Chairman	RM175,000 per annum	RM175,000 per annum	RM215,000 per annum	RM210,833 per annum
Independent Non-Executive Director	RM125,000 per annum	RM135,000 per annum	RM135,000 per annum	RM160,000 per annum/ RM164,167 per annum*/ RM109,417 per annum#
Non-Executive Director	RM95,000 per annum	RM105,000 per annum	RM105,000 per annum	RM130,000 per annum

* Re-designation of Audit Committee Chairman during the financial year under review
\# Appointment of a new Independent Non-Executive Director during the year under review

There was no revision in the Director's fee of the Independent Non-Executive Chairman for this financial year since his fee has been revised in the last financial year ended 31 July 2018.

The above proposal is made upon benchmarking against various companies across the industries with either similar market capitalisation, revenue or profit before tax and with peer companies in the construction and property industries. Based on the benchmark study thereof, the differentiation of the proposed fee for the Independent Non-Executive Chairman from a Non-Executive Director at 1.6 times and from Independent Non-Executive Directors at 1.3 times, were seen as fair and equitable.

The payment of the Directors' fees totalling RM774,417/- in respect of the financial year ended 31 July 2019 will only be made if the proposed Resolution 1 is approved by the Company shareholders at this meeting pursuant to Clause 107 of the Constitution and Section 230(1)(b) of the CA 2016.

ii. Directors' Remuneration

The current Directors' remuneration (excluding Directors' fees) payable to the Non-Executive Directors of the Company comprises meeting allowances and benefits-in-kind.

At the Forty-second AGM of the Company held on 6 December 2018 ("42nd AGM"), the benefits payable to the Non-Executive Directors of the Company from 7 December 2018 until this meeting on 5 December 2019 (12 months) was approved for an amount up to RM320,000/-. The utilisation of this approved amount as at 31 July 2019 is approximately RM153,000/-. Based on the schedule of meetings in the fourth quarter of 2019, an amount of RM62,000/- is expected to be utilised for payment of meeting allowances and other benefits to the Non-Executive Directors. Hence, the expected total utilised amount would be approximately 70% of the approved amount.

The Directors' remuneration (excluding Directors' fees) are summarised as follows:-

Meeting Allowance (per meeting)	Independent Non-Executive Chairman	Independent Non-Executive Director	Non-Executive Director
Board of Directors	RM2,000	RM2,000	RM2,000
Board Committees	RM2,000	RM2,000	RM2,000

Notice of Annual General Meeting (Cont'd.)

Directors' benefits payable comprises leave passage, travel allowance, club membership subscriptions, insurance and medical and other claimable benefits including reimbursable expenses incurred in the course of carrying out their duties as Company Directors.

The total amount of Directors' remuneration (excluding Directors' Fees) payable to the Non-Executive Directors is estimated to be up to RM320,000.00 from 6 December 2019 to the next AGM in 2020 (Current Period) subject to the shareholders' approval, and taking into account various factors including the number of scheduled meetings for the Board of Directors ("Board") and Board Committees as well as the number of Non-Executive Directors involved in these meetings. The estimated amount of remuneration also caters for unforeseen circumstances, for example, the appointment of additional Directors, additional unscheduled Board meetings and/or the formation of additional Board Committees.

The proposed Resolution 2, if passed, is to facilitate the payment of Directors' remuneration (excluding Directors' fees) on a monthly basis and/or as and when incurred. The Board opined that it is just and equitable for the Non-Executive Directors to be paid such payment on such basis upon them discharging their responsibilities and rendering their services to the Company.

In the event that the payment of Directors' remuneration (excluding Directors' fees) payable during the above period exceeded the estimated amount sought at this meeting, shareholders' approval will be sought at the next AGM.

Any Non-Executive Directors who are shareholders of the Company will abstain from voting on Resolutions 1 and 2 at this meeting.

c. Ordinary Resolutions 3, 4 & 5

For the purpose of determining the eligibility of the Directors to stand for re-election at this meeting and in line with Practice 5.1 of the Malaysian Code on Corporate Governance, the Nomination Committee has assessed each of the retiring Directors under Resolutions 3 and 4 and the findings are as follows:-

i. The Board continues to be effective with each of its member demonstrating commitment of time and energy to their duties as well as their abilities to act in the best interests of the Company in decision-making.
ii. Their level of contribution to the Board's deliberations through their skills, experiences and strength in qualities meet the demands of the business in line with the strategy of the Company.
iii. They are able to act in the best interests of the Company in decision-making.

Based on the results of the Annual Evaluation of Board Performance 2018/2019, the individual Directors met the performance criteria required of an effective and high-performance Board.

The Board (saved for YM Tunku Afwida binti Tunku A.Malek and Puan Nazli binti Mohd Khir Johari) has vide the Nomination Committee, also conducted the assessment on the independence of both YM Tunku Afwida and Puan Nazli as Independent Non-Executive Directors of the Company and, supports the Nomination Committee's recommendation for their re-election (who being eligible and have offered themselves for re-election) as Directors of the Company pursuant to Clause 95 of the Constitution of the Company.

Any Director referred to in Resolutions 3, 4 and 5 who is a shareholder of the Company will abstain from voting on the resolution in respect of his/her re-election at this meeting.

d. Ordinary Resolution 6

The Board has at its meeting held on 27 September 2019 approved the recommendation of the Audit Committee on the re-appointment of Messrs Ernst & Young as Auditors of the Company. The Board is satisfied that Messrs Ernst & Young has met the relevant criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which was concluded through the assessment carried out by the Audit Committee on the suitability and independence of Messrs Ernst & Young.

e. Ordinary Resolution 7

The proposed Resolution 7 if passed, will empower the Directors to issue shares of the Company up to a maximum of ten percent (10%) of the total number of issued shares of the Company for the time being, for any possible fund raising activities for purposes of funding future investment projects, working capital, acquisitions and/or for strategic reasons. The approval is a renewal of a general mandate and is sought to provide flexibility and to avoid any delay and cost in convening a general meeting for such issuance of shares for fund raising activities, including placement of shares.

This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next annual general meeting of the Company. At this juncture, there is no decision to issue new shares. Should there be a decision to issue new shares after the authorisation is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

The Company did not issue any new shares under the general mandate which was approved at its 42nd AGM.

f. Ordinary Resolution 8

Shareholders are advised to refer to the Statement/Circular to Shareholders dated 8 November 2019, which is despatched together with the Annual Report 2019 for further information.

g. Special Resolution

In view of the substantial amount of proposed amendments to the existing Memorandum and Articles of Association of the Company, the Board proposed to revoke the existing Memorandum and Articles of Association in its entirety and in place thereof, to adopt a new Constitution as set out in the Statement/Circular to Shareholders dated 8 November 2019 ("Proposed New Constitution").

This Resolution, if passed, will streamline the Company's Constitution with the new provisions of the CA 2016 and the amendments made to the Main Market Listing Requirements of Bursa Malaysia Securties Berhad as well as to enhance administrative efficiency.

The Proposed New Constitution shall take effect once it has been passed by a majority of not less than 75% of such members of the Company who are entitled to attend and vote, and do vote in person or by proxy at this AGM.

Please refer to the Statement/Circular to Shareholders dated 8 November 2019 for further information.

4. Statement Accompanying Notice of Annual General Meeting

[Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad]

- Details of individuals who are standing for election (excluding directors standing for a re-election) as Directors

  There are no individuals who are standing for election as Directors at the Forty-third Annual General Meeting of the Company.

- Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

  Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the CA 2016 are set out in Explanatory Note 3(e) of the Notice of this meeting.

Administrative Details

43rd Annual General Meeting ("AGM")

Date	: Thursday, 5 December 2019
Time	: 10.00 a.m.
Place	: Permai Room Kota Permai Golf & Country Club Kota Kemuning

REGISTRATION

1. Registration will start at 8.15 a.m. and will remain open until the conclusion of the AGM or such time as may be determined by the Chairman of the AGM.
2. Please read the signage to ascertain which area to register yourself for the AGM and join the queue accordingly.
3. Please produce your ORIGINAL national identification Card (I/C) or passport (for foreigners) during registration to the registration staff for verification. Only original I/C or passport will be accepted for purposes of identity verification. Please make sure you collect your I/C or passport before leaving the registration counter.
4. No person will be allowed to register on behalf of another person even with the original I/C or passport of that other person.
5. Upon verification and registration:
    - please sign on the Attendance List and you will be given the following items:
        - (i) a **wristband** printed with passcode ("identification wristband") (for attending the AGM and poll voting purposes);
        - (ii) a meal voucher;
        - (iii) a door gift;
    - if you are attending the AGM as a shareholder as well as proxy, you will be registered once and will be given only one (1) identification wristband;
    - persons without an identification wristband WILL NOT be allowed to enter the Permai Room. Only shareholders, proxies, corporate representatives or guests who have registered and are wearing the identification wristbands are allowed to enter the Permai Room; and
    - there will be no replacement of lost or misplaced identification wristband(s), meal voucher(s) and door gift. Every shareholder or proxy or corporate representative who register will get one (1) identification wristband only.
6. After registration, please leave the registration area immediately and proceed to Permai Room.
7. The registration counter will only handle verification of identity and registration of attendance.
8. Help desk support is available for any other enquiries/assistance/revocation of proxy's appointment.

Q&A SESSION

1. Please keep all questions and comments to a reasonable length of time to allow as many shareholders as possible who wish to speak at the AGM an opportunity to do so. Generally, a maximum of two minutes each time a shareholder addresses the AGM will be appropriate.
2. Questions should be confined to matters before the meeting. If a shareholder's question pertains to the shareholder's own circumstances and not the shareholders as a whole, we will ask that the shareholder raise the matter with the customer service attendants outside the AGM.

CORPORATE REPRESENTATIVES

Any corporate member who wishes to appoint a representative instead of a proxy to attend the AGM should submit the ORIGINAL certificate of appointment under the seal of the corporation to the office of the Share Registrar at any time before the time appointed for holding the AGM or to the registration staff on the AGM day for the Company's records.

VOTING PROCEDURE

Pursuant to Paragraph 8.29A of the Listing Requirements, all resolutions to be tabled at the AGM will be voted by poll instead of by show of hands. For this purpose, the Company has appointed Tricor Investor and Issuing House Services Sdn Bhd ("Tricor") to conduct the poll voting electronically via Tricor e-Vote application ("Tricor e-Vote App") and Coopers Professional Scrutineers Sdn Bhd as scrutineers to verify the poll results.

E-voting for each of the resolutions as set out in the Notice of AGM will take place upon the conclusion of the deliberations of all the business transacted.

(a) Voting using own smartphone device

1. Shareholders and proxy holders ("voters") who wish to cast their votes using their own smartphone/tablets ("devices") are advised to download the Tricor e-Vote App onto their devices before attending the meeting.
2. Tricor e-Vote App download is available at no cost from Google Play Store for Androids devices or the Apple App Store for Apple devices.
3. If you require assistance on how to download the Tricor e-Vote App, please contact Tricor personnel listed under Enquiry.
4. Voters need to connect to the following Wi-Fi network provided by Tricor before the voting session commences:

Wi-Fi Name:	Password:
Tricor_eVote	gamuda0512

5. Please use the camera function of your voting device to scan the passcode printed on the identification wristband which was given to you upon registration, in order to access Tricor e-Vote App.
6. Once login, follow the steps and proceed to vote.
7. Detailed instruction on how to vote will be provided in the AGM before the start of the voting session.
8. You are encouraged to approach any of Tricor's personnel at Helpdesk Counter to check your devices' readiness to participate in the poll voting.

(b) Voters who do not have device

1. Voting kiosks will be set up at the registration room.
2. Upon commencement of voting session, you may proceed to the voting kiosks set up at the registration room to cast your vote.
3. Tricor personnel will be stationed at the kiosks to assist you to vote using Tricor e-Vote App.

RESULTS OF VOTING

The resolutions proposed at the AGM and the results of the voting will be announced at the AGM and subsequently via an announcement made by the Company through Bursa Malaysia Securities Berhad ("Bursa Malaysia") at www.bursamalaysia.com.

ENTITLEMENTS TO ATTEND, SPEAK AND VOTE

Only Depositors registered in the Register of Members/ Record of Depositors and whose names appear in the Register of Members/Record of Depositors as at 28 November 2019 shall be entitled to attend, speak and vote at the AGM or appoint proxy or proxies to attend, speak and vote on their behalf in respect of the number of shares registered in their names at that time.

DOOR GIFT

1. Door gift will be given upon registration subject to verification of identity by the Share Registrar for the AGM.
2. Each registered attendee, whether as a shareholder or proxy or both or as proxy for multiple shareholders, shall be eligible for **one (1) door gift only**.

ANNUAL REPORT 2019

The Annual Report 2019 is also available on our corporate website at www.gamuda.com.my and the Bursa Malaysia's website at www.bursamalaysia.com. Limited hard copies of Annual Report 2019 are available during the AGM (subject to first-come-first-serve basis).

Administrative Details (Cont'd.)

PARKING

Ample indoor and outdoor parking is freely available at Kota Permai Golf & Country Club.

MOBILE DEVICES

Please ensure that all mobile devices i.e. phones/pagers/other sound emitting devices are put on silent mode during the AGM to ensure smooth and uninterrupted proceedings.

Taking photographs and audio or video recording while the AGM is in session (including the Company presentation), is strictly prohibited. This includes the use of devices for these purposes. This policy will be rigorously enforced. Offenders are subject to dismissal from the AGM.

NO SMOKING POLICY

A no smoking policy is maintained inside the Kota Permai Golf & Country Club building. Your co-operation is much appreciated.

PERSONAL BELONGINGS

Please take care of your personal belongings. Gamuda and Kota Permai will not be held responsible for any missing items.

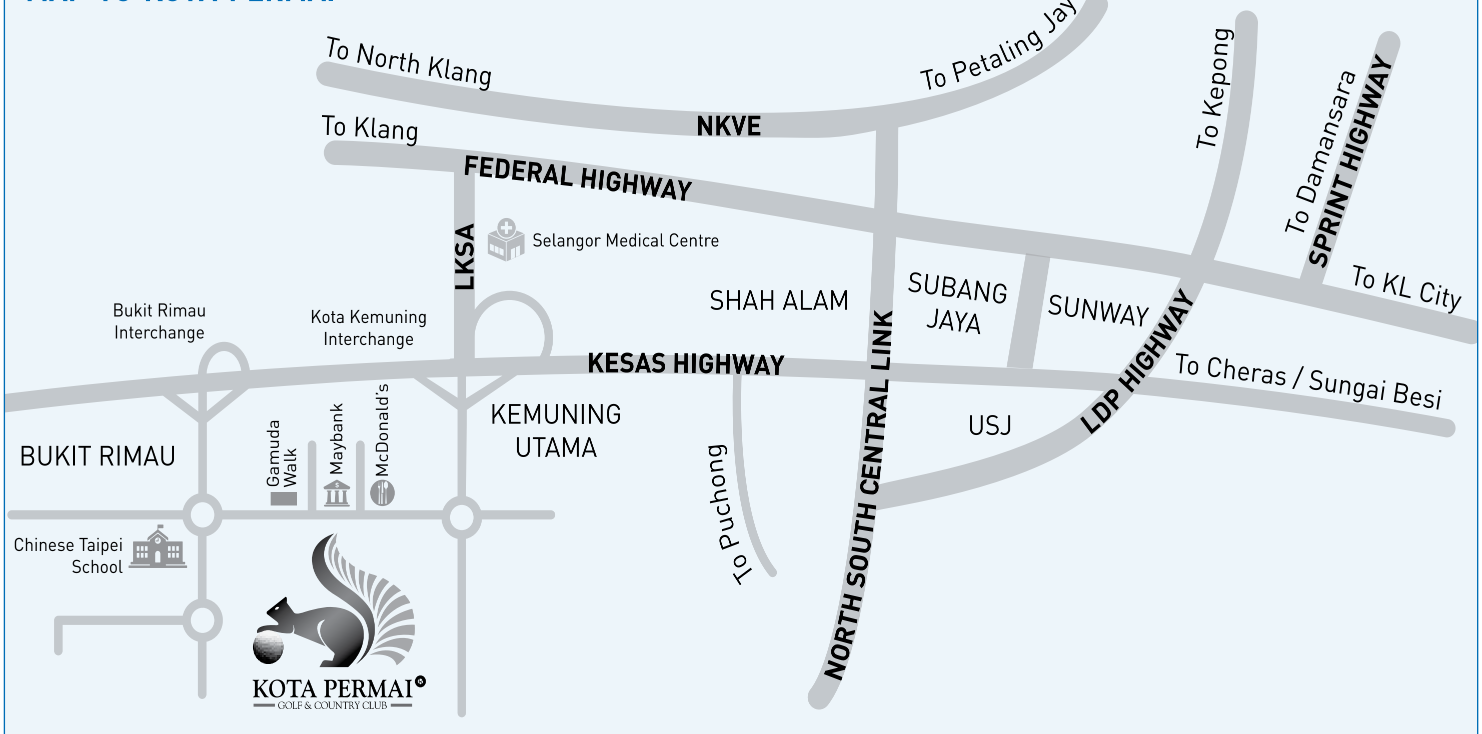
ENQUIRY

For general queries on the administrative details prior to the AGM, you may contact Gamuda's Share Registrar during office hours:

Tricor Investor & Issuing House Services Sdn Bhd [197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

(Ms Christine Cheng/Mr Ang Wai Meng/Mr Allen Sii)
Telephone Number : +603 2783 9299
Fax Number : +603-2783 9222

MAP TO KOTA PERMAI



GAMUDA
(Company No. 29579-T)

Form of Proxy

CDS account no. of authorised nominee (Note 1)

*I/We (full name and in block letters) ______________________________

*NRIC/Passport/Company No. (compulsory) ______________________ Mobile Phone No.: ______________

Address (in block letters): ______________________________

being a member of **Gamuda Berhad** ("the Company") hereby appoint:-

First Proxy

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			

*or failing *him/her,

Second Proxy (as the case may be)

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			

or failing * him/her, the Chairman of the Meeting as * my/our Proxy to vote for * me/our behalf at the Forty-third Annual General Meeting of the Company to be held at Permai Room, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam. Selangor Darul Ehsan, Malaysia on Thursday, 5 December 2019 at 10.00 a.m. and at any adjournment thereof.

Resolution	Ordinary Business	For	Against
1	Approval of Directors' fees		
2	Approval of payment of Directors' remuneration (excluding Directors' fees)		
3	Re-election of YBhg Dato' Lin Yun Ling as a Director		
4	Re-election of YM Tunku Afwida binti Tunku A.Malek as a Director		
5	Re-election of Puan Nazli binti Mohd Khir Johari as a Director		
6	Re-appointment of Messrs Ernst & Young as Auditors and to authorise the Directors to fix the Auditors' remuneration		
	Special Business		
7	Ordinary Resolution: Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016		
8	Ordinary Resolution: Proposed Renewal of Share Buy-back Authority		
–	Special Resolution: Proposed Adoption of New Constitution		

(Please indicate with an "X" in the appropriate box against the resolution how you wish your Proxy to vote. If no instruction is given, this form will be taken to authorise the Proxy to vote at his/her discretion)

Signed this ______________ day of ____________________, 2019.

No. of shares held

____

Signature/Common Seal of Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

fold this flap for sealing

Notes:

1. Applicable to shares held through a nominee account.
2. A Member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy but not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without any restriction as to the qualification of the proxy.
3. Where a Member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
4. Where a Member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. If more than one (1) proxy is appointed, the appointment shall be invalid unless the Authorised Nominee specifies the proportions of the shareholdings to be represented by each proxy.
5. Where a Member is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the number of shares to be represented by each proxy.
6. If the appointor is a corporation, the Form of Proxy shall be under the corporation's seal or under the hand of an officer or attorney duly authorised.
7. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.
8. To be valid, the original signed and/or sealed Form of Proxy must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight hours before the time set for holding the meeting or at any adjournment thereof.
9. Only a Depositor whose name appears in the Record of Depositors as at 28 November 2019 shall be entitled to attend, speak and vote at this meeting or appoints a proxy or proxies to attend and/or vote on his/her behalf.

* Delete where not applicable

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AFFIX
SUFFICIENT
STAMP

The Share Registrar

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD (197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur.

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Gamuda Berhad (29579-T)
Menara Gamuda, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia. (603) 7491 8288 (603) 7728 9811 gcc@gamuda.com.my gamuda.com.my