Corporate Governance Overview Statement

THE BOARD OF DIRECTORS ("BOARD") OF GAMUDA BERHAD ("GAMUDA" OR "COMPANY") PRESENTS THIS STATEMENT TO PROVIDE SHAREHOLDERS AND INVESTORS WITH AN OVERVIEW OF THE CORPORATE GOVERNANCE PRACTICES OF THE COMPANY UNDER THE LEADERSHIP OF THE BOARD DURING THE FINANCIAL YEAR 2020 AND UP TO THE DATE OF THIS STATEMENT. THIS OVERVIEW TAKES GUIDANCE FROM THE KEY CORPORATE GOVERNANCE PRINCIPLES AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE ("MCCG").

The Corporate Governance Overview Statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guidance was drawn from Practice Note 9 of Bursa Securities' Listing Requirements and the Corporate Governance Guide (3rd Edition) issued by Bursa Securities. It should be read together with the Corporate Governance Report ("CG Report") prepared based on a prescribed format as enumerated in Paragraph 15.25(2) of the Listing Requirements so as to provide a detailed articulation on the application of the Company's corporate governance practices vis-à-vis the MCCG. The CG Report is available on the Company's website at www.gamuda.com.my.

COMMITMENT FROM THE BOARD

The Board recognises the importance of maintaining a high standard of corporate governance practices within Gamuda and its subsidiary companies (collectively "Group") and devotes considerable effort to identify and formalise best practices. Good corporate governance is crucial to sustain the Group in the long-run through the ever changing regulatory and market environment. The Board sees corporate governance as an integral part of the Group's business strategy.

The Board believes that sound and effective corporate practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and stakeholders, and enhance shareholder value.

The Board will continuously evaluate the status of the Group's corporate governance practices and procedures with a view to adopt and implement the best practices in so far as they are relevant to the Group, bearing in mind the nature of the Group's businesses and the size of its operations.

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

In manifesting the Group's commitment towards sound corporate governance, the Group has benchmarked its practices against the relevant promulgations as well as other best practices. Gamuda has applied all the Practices encapsulated in the MCCG for the financial year ended 31 July 2020 with the exception of the following practice:-

Recommended CG Practice in MCCG	
Practice 12.3	Leveraging technology to facilitate remote participation and voting at general meetings.

The explanation on the above departure is disclosed in the CG Report.

In line with the latitude accorded in the application mechanism of MCCG, the Company has provided forthcoming and appreciable explanations for the departure from the said practice. The explanations on the departure are supplemented with a description on the alternative measures that seek to achieve the Intended Outcome of the departed Practice, measures that the Company has taken or intends to take to adopt the departed Practice as well as the timeframe for adoption of the departed Practice. Further details on the application of each individual Practice of MCCG are available in the CG Report.

PRINCIPLE A:
BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The primary role of the Board is to protect and enhance long-term shareholder value. It sets the overall strategy for the Group and supervises executive management.

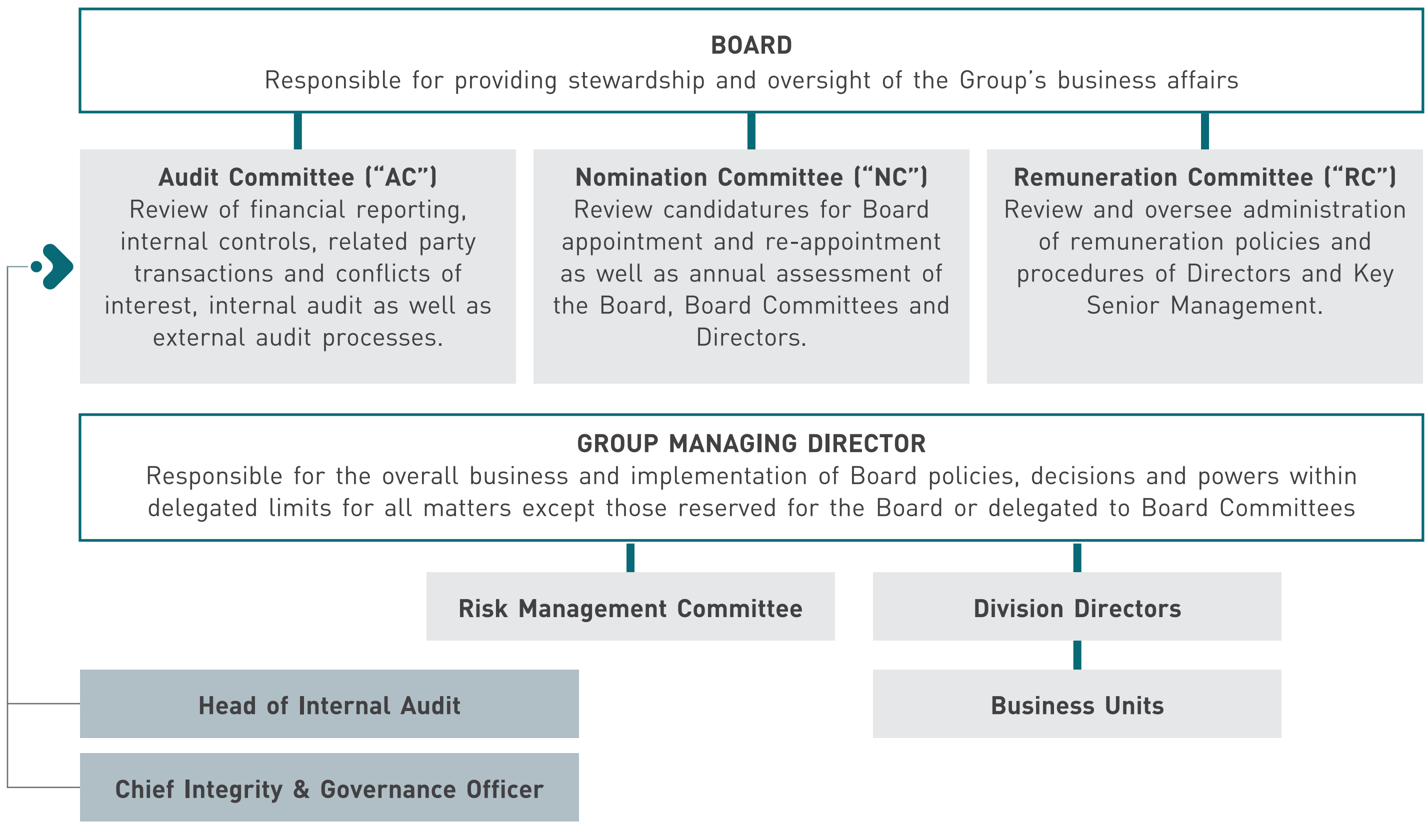
It also ensures that good corporate governance policies and practices are implemented within the Group. In the course of discharging its duties, the Board acts in good faith, with due diligence and care, and in the best interest of the Company and its shareholders.

A framework of delegated authority is in place consistent with the structure of delegation below the Board level. The Board reserves to itself certain key matters to approve, including the Group's strategic plans, major capital expenditure, corporate governance issues, dividend policy and external financial reporting.

The Board delegates responsibility for the day-to-day operation of the businesses to the Group Managing Director who is assisted by the Deputy Group Managing Directors and Key Senior Management and recognises his responsibility for ensuring that the Company operates within a framework of prudent and effective controls.

In discharging its duties with due care, skill and diligence, the Company led by the Group Managing Director are driven and guided by the Value Creation Strategy as illustrated in pages 66 to 67 of this Annual Report.

This Value Creation Strategy has been formalised and is disseminated to employees and continuously reinforced through their tenure with the Group.



As depicted in the above illustration, Board Committees have been established to assist the Board in its oversight function with reference to specific responsibility areas. It should however be noted that at all times, the Board retains collective oversight over the Board Committees. These Board Committees have been constituted with clear terms of references and they are actively engaged to ensure that the Group is in adherence with good corporate governance.

As a step up on overall responsibility for risk oversight, the Board will continue to assess whether this oversight is to be carried out either by the full Board or through delegation to one or more standing committees comprising majority of independent directors.

The Board receives the minutes of all Board committee meetings at the following Board meeting and is presented with a verbal report from each committee Chair on significant areas of discussion and key decisions. To assist each committee in discharging its responsibilities, each committee has an annual meeting planner that sets out the scheduled items of business and reports to be considered during the year.

Corporate Governance Overview Statement

The Board articulates its roles and responsibilities in its Directors' Handbook, and describes those areas reserved for the Board's determination. The Board had adopted the Directors' Handbook in 2002. The Board believes that the Directors' Handbook, which sets out the roles, duties and responsibilities of the Company Directors and the broader issues of directors' ethics, amongst others, collectively with the various policies, procedures and practices that have been in place for a long time, the Constitution of the Company and statutory and regulatory requirements, have effectively encapsulated the essence of the suggested contents of a Board charter.

There is a clear division of responsibilities at the helm of the Company to ensure a balance of authority and power, as the roles of the Chairman and the Group Managing Director are distinct and separate. The Chairman of the Company is an Independent Non-Executive Director, who through the Board, provides effective oversight over Management and reflects the Company's commitment to uphold corporate governance.

The Chairman leads the Board by setting the tone at the top, and managing the Board effectiveness by focusing on strategy, governance and compliance. Where necessary, the Chairman will conduct a separate session with the Non-Executive Directors ("NEDs") to allow for discussion on any pertinent issues raised by the NEDs and/or issues from the Management, as may be shared by the Chairman with the other NEDs. For the financial year under review, the Chairman conducted one separate session with the NEDs on 17 October 2019 to deliberate on the Directors' remuneration.

The Board is supported by suitably qualified and competent Company Secretaries who are members of the relevant professional bodies. They are accountable directly to the Board through the Chairman of the Board on all Board and governance matters. The Company Secretaries also has an internal reporting line to the Group Managing Director on corporate secretarial and legal matters in respect of the business.

The appointment of Company Secretaries is based on the capability and proficiency determined by the Board. The Constitution of the Company permits the removal of Company Secretaries by the Board.

All members of the Board, whether as a whole or in their individual capacity, have access to the advice and services of the Company Secretaries on all matters relating to the Group to assist them in the furtherance of their duties. The Board is regularly updated and kept informed by the Company Secretaries and the Management of the requirements such as restriction in dealing with the securities of the Company and updates as issued by the various regulatory authorities including the latest developments in the legislations and regulatory framework affecting the Group.

Besides the Directors' Handbook, the Board has adopted a Directors' Code of Conduct on 28 September 2016. In addition to the Company Directors' Code of Ethics established by the Companies Commission of Malaysia, the Directors' Code of Conduct is the Board's commitment towards establishing a corporate culture which prescribes ethical conduct that permeates throughout the Company and ensuring the implementation of appropriate internal systems to support, promote and ensure its compliance. The Directors' Code of Conduct is available for reference on Gamuda's corporate website at www.gamuda.com.my.

The Board recognises the importance of prompt and timely dissemination of accurate and sufficient information concerning the Company and its Group to shareholders, investors and other stakeholders to enable them to make an informed decision. A Corporate Disclosure Policy for the Group was adopted on 28 September 2016 to set out the policies and procedures on disclosure of material information of the Group is being addressed, following emphasis by Bursa Securities as outlined in Bursa Securities' Corporate Disclosure Guide. Accordingly, the Group Managing Director and/or the Executive Director evaluate the release of all major communications to investors or Bursa Securities. The Corporate Disclosure Policy is also available for reference on Gamuda's corporate website at www.gamuda.com.my.

Recognising the importance of Information Technology ("IT") Governance, information security and cybersecurity threats to the Group, the Enterprise Wide Information Security Policy ("EWISP") was further enhanced to the latest version 3.1 on 4 July 2019. The revision included the Statement of Applicability where all Entities of Gamuda Group are to adhere to the EWISP and any deviation must be approved by the Directors of that entity and the Group Personnel Working Committee. The main objective is to preserve Confidentiality, Integrity, Availability and Governance of Gamuda's information assets and to serve the following purposes:-

1. Employees understand and adhere to the policy statements.
2. Acquaint employees with information security risks and the expected way to address these risks.
3. Provide guidance to third parties with whom Gamuda exchanges and share information.
4. Clarify employees' responsibilities and duties with respect to the protection of information resources.
5. Enable managers and other employees to make appropriate decisions in relation to information security.
6. Reduce leakage and vulnerability caused by improper control.

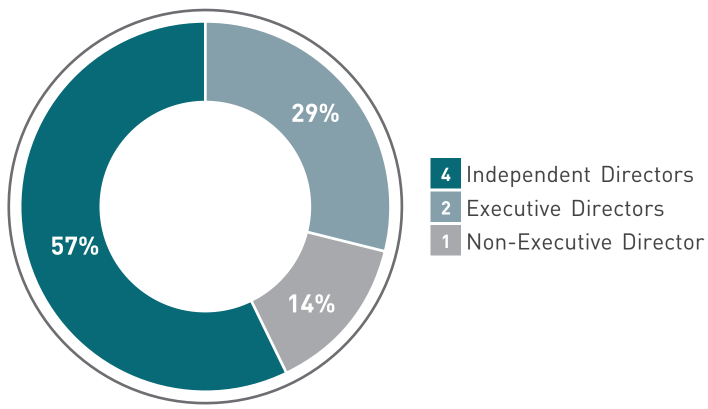
The EWISP is available on Gamuda Employee Services ("GES") for ease of access by employees of the Group.

The Board views procurement as a critical area that needs to undergo transformation to a more strategic discipline and value-adding function to Gamuda's business. In order to survive the current industry volatility and responding to the pressure to deliver projects in a more transparent and cost-effective manner, steps have been undertaken to re-invent procurement and to ensure that the Group stay resilient. Procurement and supply chains are of the highest importance from the very beginning of every project that Gamuda undertake as a Group. The Group Digital Procurement Platform was rolled out in financial year 2018 to make procurement more transparent and effective; by using a consistent, collaborative approach leveraging on the SAP Ariba platform that embraces supply chain and procurement best practices to improve value and sustainable savings.

With the growing use of drones across many of the Group's projects as they are potentially very useful for surveying, studying new projects, site monitoring, progress reporting, safety assessments and for producing video or photos for marketing and corporate communications, a drone use policy was put in place on 30 January 2019 to ensure that all the Company employee are using drones safely, effectively and in compliance with the current regulations in Malaysia. A Gamuda Drone Standard Operating Procedures ("SOP") has also been developed and ongoing drone pilot training was set up for the Company staff.

II. Board Composition

During the financial year under review, the Board comprises one (1) Group Managing Director, one (1) Deputy Group Managing Director, and a significant presence of five (5) NEDs of whom four (4) are Independent Directors. Hence, the Board's composition has fully complied with the provisions of the Listing Requirements of Bursa Securities for independent non-executive directors to make up at least one third (1/3rd) of the Board membership and for a director who is qualified under Paragraph 15.09 (1) (c) of Bursa Securities' Listing Requirements to sit on the Audit Committee.



Length of tenure of Independent Directors

0 to 2 Years	3 to 4 Years	6 to 7 Years	8 to 9 Years
1 Director	1 Director	1 Director	1 Director

The Board composition which comprises majority Independent Directors also conforms with Practice 4.1 of the MCCG namely, Gamuda, being classified as a Large Company is recommended to maintain a Board that is significantly independent.

The biographical particulars of the Directors are set out in the Profile of Board of Directors section of this Annual Report. An updated list of Directors of the Company and their respective roles and functions has been maintained on the website of the Company together with the updated biographical particulars of each Director.

The Board is satisfied that the current composition with majority Independent Directors does fairly represent the investment of the majority and minority shareholders in the Company. The current Board brings with it a broad range of business, financial, technical and public service background.

The Board is a firm believer in promoting diversity in its membership, including gender, ethnicity and age, and strives to maintain the right balance for effective functioning of the Board.

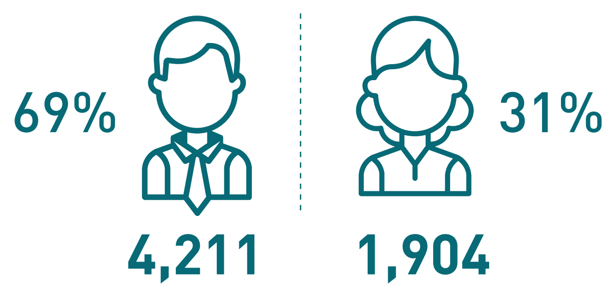
Recognising the benefits of diversity in its broad spectrum, the Board has adopted a Diversity and Inclusion Policy on 28 September 2016. The Board has consistently maintained the 33% women directors on its Board as it believes that women directors will add value to Board discussions by bringing new perspectives, approaches and ideas to help the Group succeed. Under the current Board composition, women representation on the Board is 43%, which has exceeded the 30% requirement.

Across the Group, the respective proportions of male and female employees on the Board, in the workforce and across the business (now reported at a global level) as at 31 July 2020 are illustrated below.

Proportion of Women on the Board

	FY2020	FY2019
Women	**43%**	43%
Men	**57%**	57%
Number of Women	**3**	3
Number of Men	**4**	4

Proportion of Women in Workforce



	FY2020	FY2019
Women	**31%**	29%
Men	**69%**	71%
Number of Women	**1,904**	1,872
Number of Men	**4,211**	4,653

For details on ethnic, age and gender diversity in Gamuda's workforce, please refer to the Sustainability Report set out in pages 107 to 110 of this Annual Report.

The Company Directors are professionals in the fields of engineering and construction, finance, accounting, legal and experienced senior public administrators.

Together, they bring a wide range of competencies, capabilities, technical skills and relevant business experience to ensure that the Group continues to be a competitive leader within its diverse industry segments with a strong reputation for technical and professional competence.

The Board composition in terms of each of the Director's industry and/or background experience, age and ethnic composition is as follows:-

	Industry/ Background Experience					Age Composition			Ethnic Composition		Gender	
Directors	Construction and Engineering	Public Services	Banking	Accounting/ Finance	Legal	50 to 59 years	60 to 69 years	70 to 79 years	Bumiputera	Non-bumiputera	Male	Female
Dato' Mohammed Hussein			✓	✓				✓	✓		✓	
Dato' Lin Yun Ling	✓						✓			✓	✓	
Dato' Ir Ha Tiing Tai	✓						✓			✓	✓	
Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al Maghfur-lah					✓		✓		✓			✓
Tan Sri Dato' Setia Haji Ambrin Bin Buang		✓						✓	✓		✓	
Tunku Afwida binti Tunku A.Malek			✓	✓		✓			✓			✓
Nazli binti Mohd Khir Johari	✓			✓			✓		✓			✓

The profile of the Board members are set out on pages 44 to 52 of this Annual Report.

To ensure the continued effectiveness of the Board, the Company undertakes a formal evaluation each year in order to assess the effectiveness of the Board and the Audit Committee.

During the financial year 2020, an annual evaluation of the effectiveness of the Board as a whole and an annual self-evaluation of the Audit Committee were conducted internally. The evaluation process is led by the Nomination Committee's Chairman and supported by the Company Secretaries. The evaluation results are considered by the Nomination Committee, which then make recommendations to the Board and are aimed at helping the Board to discharge its duties and responsibilities.

The evaluation is based on specific criteria, covering areas such as the Board composition and structure, principal responsibilities of the Board, the Board process and Board governance.

The 2019/2020 Evaluations of the Board Performance and the 2019/2020 Audit Committee Self-Assessment have been structured to ensure a balanced and objective review by the Directors and the Audit Committee, respectively for the above key areas.

Following the two (2) evaluations, the Board concluded that the Board as a whole and its Board Committees have been effective in their overall discharge of function and duties. The following matters were highlighted during the course of the aforesaid evaluations:-

- Future Board candidate to have background in engineering, infrastructure development, construction or property development;
- Allow sufficient time for Board to review major investment proposals; and
- Need for a special Board meeting to discuss on the Group's broad strategy on an annual basis.

The Board regularly reviews the independence of each Independent Director by undertaking annual assessment of the independence of its Independent Directors. The criteria for assessing the independence of an Independent Director were developed by the Nomination Committee with the support of the Company Secretaries which include the relationship between the Independent Director and the Company and his/her involvement in any significant transaction with the Company. In addition, all Directors are required to disclose to the Board any conflicts of interest or duty and material personal interest in any matter that relates to the affairs of the Company.

III. Remuneration

The Board has in place a Remuneration Policy for Directors and Key Senior Management which is clear and transparent, designed to support and drive business strategy and long-term objectives of the Gamuda Group.

In this regard, the Remuneration Committee is responsible to review the said policy from time to time to ensure the same remain competitive, appropriate, and in alignment with the prevalent market practices. The said policy was approved by the Board for adoption on 27 June 2018 and is available for reference on Gamuda's corporate website at www.gamuda.com.my.

The Remuneration Committee's main responsibility is to review and recommend to the Board the framework of Executive Directors' and Key Senior Management's remuneration, in particular, the remuneration packages for the Executive Directors in all its forms, drawing from outside advice, where necessary and fees payable to the NEDs. The Remuneration Committee aims to ensure that Directors' remuneration is competitive, motivates good performance and loyalty, and supports growth in shareholder value.

During the financial year under review, the Remuneration Committee undertook the following reviews of the remuneration packages prepared by the Human Resource Department:-

1. The Group Managing Director's and Deputy Group Managing Directors' remunerations;
2. The NEDs (including Independent Director) remuneration; and
3. Group Senior Management's remunerations.

The objective of the above reviews was to align the Executive Directors' and NEDs' remuneration packages with the remuneration of Executive Directors and NEDs from peer companies in the same industries.

From the findings, it appears that the remuneration for the top 3 Executive Directors namely, Group Managing Director and Deputy Group Managing Directors are comparable with most public listed companies benchmarked.

After due consideration on market trends together with the Company's performance and given market uncertainties, the Board on the recommendations of the Remuneration Committee has decided that:

- the total remuneration of the Executive Directors remained unchanged except for a slight adjustment to the remuneration of one of the Director;
- no salary increments and bonus were awarded for all Group senior management of the Company except for bonus payment to two key senior management;
- the total remuneration (Directors' fee and meeting fee) of the Chairman and the NEDs (including Independent Directors) remain unchanged for the financial year ended 31 July 2020 since their remuneration was revised in financial years 2018 and 2019 respectively.

Due to the unprecedented Movement Control Order ("MCO") followed by the Restricted MCO triggered by the COVID-19 pandemic, the Group has implemented employee pay cuts, Employees Separation Scheme, digital transformation to reduce manpower, etc. In line with these measures, the Executive Directors, Group Senior Management and affected employees (based on salary range bracket) have given their consent to a salary reduction up to 30% with effect from May 2020 for Executive Directors and Group Senior Management and the rest in June 2020. To demonstrate support of the initiatives taken by the Company in response to the COVID-19 pandemic, the NEDs (including Independent Directors) have also voluntarily agreed to take a 10% reduction in their fees for the financial year under review.

Detailed information on the Directors' remuneration for the financial year 2020 on a named basis are disclosed under Note 6 of the Financial Statements section in this Annual Report while the detailed information of the Company's top five Group Senior Management on a named basis are disclosed under Practice 7.2 of the CG Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Audit Committee takes on the role of assisting the Board in the discharge of its fiduciary duties, the responsibility of overseeing the financial reporting process and ensuring that the results of the Company's operations are fairly presented in its financial statements.

The composition of the Audit Committee is in line with Practice 8.1 of the MCCG which requires that the Audit Committee Chairman and the Board Chairman to be held by different Independent Director of the Company.

A full Audit Committee Report is set out on page 146 of this Annual Report.

The effectiveness, performance and independence of the external auditor i.e. Ernst & Young PLT ("EY") is reviewed annually by the Audit Committee. If it becomes necessary to replace the external auditor for performance or independence reasons, the responsibility for the selection, appointment and removal of the external auditor has been delegated to the Audit Committee by the Board pursuant to the External Auditor Policy which was approved by the Board on 28 September 2017. The External Auditor Policy is available for reference on Gamuda's corporate website at www.gamuda.com.my. A review of the said policy was carried out on 23 September 2020 by the Audit Committee to streamline the policy with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA By-Laws").

EY has provided the required confirmation of their independence to the Audit Committee that they are and have been independent throughout the conduct of the audit engagement during the financial year ended 31 July 2020 in accordance with:

- MIA By-Laws; and
- the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants' Independence requirements.

The Audit Committee has on 18 June 2020 and 23 September 2020, reviewed the suitability and independence of EY and is satisfied that EY has met the relevant criteria prescribed under Paragraph 15.21 of the Listing Requirements of Bursa Securities. Thus, the Audit Committee has recommended that the Board endorses EY's re-appointment for the ensuing financial year and recommends that the shareholders of the Company approves EY's re-appointment at the 44th AGM.

EY has attended two out of the five Audit Committee Meetings of the Company held to discuss their audit plan, audit findings and the financial statements. EY will highlight to the Board through the Audit Committee matters that require the Audit Committee's or the Board's attention together with the recommended corrective actions thereof. The Management of the Company is held responsible for ensuring that all these corrective actions are undertaken within an appropriate time frame.

The Audit Committee also meets EY without the presence of the Executive Directors and Management as this allows for free and honest exchange of views and opinions on matters related to external auditors' audit and their findings. For this purpose, the Audit Committee and EY met twice (September 2019 and June 2020) during the financial year under review.

The Audit Committee has considered the provision of the non-audit services by EY during the financial year under review and concluded that the provision of these services did not compromise their independence and objectivity.

The total amount of audit fees paid/payable to the external auditors is RM1,478,000/- (2019: RM1,541,000.00). The non-audit fees incurred for services rendered to the Group by the external auditors and its affiliates for the financial year ended 31 July 2020 was RM1,079,000 (2019: RM146,000.00). The Group's non-audit fees are mainly in relation to the provision of the (i) Company taxation services and tax advisory, (ii) sustainability reporting services and (iii) advisory services on proposed sale of toll highways.

Significant related party transactions of the Group for the financial year are disclosed in Note 41 of the Financial Statements section in this Annual Report. Except for those disclosed in the Financial Statements, there were no material contracts of the Group involving Directors' and major shareholders' interest during the period.

The Audit Committee has reviewed the related party transactions that arose within the Group to ensure that the transactions were fair and reasonable, not detrimental to the minority shareholders and were in the best interests of the Company.

II. Risk Management and Internal Control Framework

The Board is satisfied that risk management policies and procedures designed and implemented by the Management of the Company through the Risk Management Committee is prudent in ensuring that effective internal control and risk management systems are in place to enable risk to be assessed and managed.

The Risk Management Committee's focus is on the Group's key operational risks and policy issues that could have an impact on the Group's viability and sustainability. The work of this Committee forms an important part of the Group's control function. Significant risks faced by the business are identified and evaluated based on the likelihood and potential impact of each risk and where necessary, actions to mitigate the risks were also identified.

The Risk Management Committee Report is set out on pages 144 to 145 of this Annual Report

The Board also takes into consideration advice from the Audit Committee and the Risk Management Committee, reports received from the external auditors and any other related matters which have come to its attention.

The Statement on Risk Management and Internal Control of the Group which provides an overview of the state of internal control within the Group, is set out on pages 142 to 143 of this Annual Report.

III. Integrity and Governance Unit ("IGU")

In line with the Strategic Plan of Integrity and Governance Unit (IGU) 2019-2021 by the Malaysian Anti-Corruption Commission (MACC), the establishment of IGU was approved by the Board on 13 December 2019 to showcase its strong commitment towards upholding integrity.

The Statement by IGU enumerating its activities during the financial year under review are set out on pages 150 to 151 of this Annual Report which encompasses the adoption of the following two policies, namely:-

- The Anti-Bribery and Corruption Policy; and
- Whistleblowing Policy and Procedures (supersedes the Whistleblowing Policy adopted by the Group in 2011).

PRINCIPLE C:
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Shareholders and Investors

The Company strives to maintain an open transparent channel of communication with its shareholders, institutional investors, analysts and the public at large with the objective of providing as clear and complete picture of the Group's performance and financial position as possible. Communication with shareholders and investors are of considerable importance to the Company.

As part of its corporate governance initiatives, the Company has set up a full-time Investor Relations ("IR") unit which primary role is to implement effective IR policies and programmes. A comprehensive IR report enumerating its policy, practices and programmes, during the financial year under review are as set out on pages 37 to 39 of this Annual Report.

II. Conduct of General Meetings

Gamuda's annual general meeting is an important means of communicating with its shareholders. To ensure effective participation of and engagement with shareholders at the Forty-third ("43rd") Annual General Meeting ("AGM") of Gamuda held on 5 December 2019, all members of the Board were present at the 43rd AGM to respond to questions raised by the shareholders or proxies.

The Chairman of the Board chaired the 43rd AGM in an orderly manner and allowed the shareholders or proxies to speak at the AGM. The Deputy Group Managing Director presented the Company's responses to the questions raised by the Minority Shareholder Watch Group and the Group's operation review and business outlook of the core businesses to the shareholders. The senior management of the Company and the Company external auditor, Ernst & Young, were also present to respond to any enquiries from the shareholders.

In line with good corporate governance practice, more than 21 days' notice has always been given for AGMs every year. For this year's 44th AGM scheduled for 8 December 2020, the Notice is issued on 9 November 2020. The notification of the publication of the Annual Report 2020 and the Notice of 44th AGM are published on the Company's website and on Bursa Malaysia's website respectively.

Commencing from the Fortieth AGM of the Company in 2016, poll voting using electronic voting system was conducted. In view of the COVID-19 pandemic and as part of the Company's precautionary measures, the Company will leverage on technology by holding a fully virtual AGM i.e. through live streaming and using Remote Participation and Voting Facilities to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at the forthcoming 44th AGM.

This Corporate Governance Overview Statement was approved by the Board of Gamuda on 7 October 2020.

Training Programmes Attended by Directors

For the financial year ended 31 July 2020, all Directors have attended the following training programmes:-

Director	Topic
Dato' Mohammed Hussein	• Digital Upskilling for Boards • Enhancing Corporate Governance By Understanding Legal Liabilities "Act or Resign" • BAMB BOD Training on Lines of Business [Fixed Income, Currencies, Commodities ("FICC")] • Corporate Leadership Symposium 2020 – Sustainability and Digitalisation: A New Normal – (Speaker) Board Case: How do Companies Drive and Implement Sustainability? • BAMB Directors' Training on Webex • Enabling Executive & Board Meeting with Microsoft Teams Training • LHAG Live Webinar – Corporate Liability for Corruption Offences: The Time Has Come, Are You Ready • Fide Webinar: Sir Howard Davies, RBS • Training on Global Information Security (GIS)
Dato' Lin Yun Ling	• Enhancing Corporate Governance By Understanding Legal Liabilities "Act or Resign"
Dato' Ir Ha Tiing Tai	• Enhancing Corporate Governance By Understanding Legal Liabilities "Act or Resign"
Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	• Enhancing Corporate Governance By Understanding Legal Liabilities "Act or Resign"
Tunku Afwida binti Tunku A.Malek	• Pelancaran Pelan Strategic Unit Integrity & Governans SPRM • Global telecoms trends, with a specific focus on 5G and its implication on industry structure • Briefing on the Corporate Liability Provision under MACC Act (Amendment) 2018 • International Directors Summit 2019 – The Trust Compass: Resetting the Course • Presentation on 5G Technologies by Ericsson, Huawei, Nokia and ZTE • FinTech and its Impact to Capital Markets • APOS 2019: Powering Asia's Digital Ecosystem • Business Trend and Outlook • Internal Audit for Board and Audit Committee
Nazli binti Mohd Khir Johari	• Enhancing Corporate Governance By Understanding Legal Liabilities "Act or Resign" • ICDM International Directors Summit 2019 • Section 17A Malaysian Anti-Corruption Commission (Amendment) Act 2018 • Dealings in Listed Securities, Closed Period & Insider Trading
Tan Sri Dato' Setia Haji Ambrin bin Buang	• Enhancing Corporate Governance By Understanding Legal Liabilities "Act or Resign"
Mohammed Rashdan bin Mohd Yusof *(Alternate to Dato' Lin Yun Ling)*	• Enhancing Corporate Governance By Understanding Legal Liabilities "Act or Resign" • Macquarie Malaysia Macro and Policy Day • Khazanah Megatrends Forum 2019 • Post Budget 2019 Forum • Leading Urban Sustainability Workshop • BCG Virtual Leaders Roundtable/Macroeconomic Prespectives on COVID-19 • KLBC Dialogue Session with Special Advisor to Prime Minister on Public Health • Invest Malaysia 2020 – The Capital Market Conversation: Economy Recovery: Policies and Opportunities
Dato' Ubull Din Om *(Alternate to Dato' Ir Ha Tiing Tai)*	• Enhancing Corporate Governance By Understanding Legal Liabilities "Act or Resign"

Statement on Risk Management and Internal Control

BOARD'S RESPONSIBILITY

The Board of Gamuda Berhad (the Group and the Company) affirms the overall responsibility for maintaining a sound system of risk management and internal control so as to safeguard shareholders' interests and the Group's assets. The system of risk management and internal control is designed to manage, but may not totally eliminate the risk of failure to achieve business objectives. Accordingly, such systems can only provide reasonable and not absolute assurance against material error, misstatement or losses.

The Board confirms that there is an ongoing process of identifying, evaluating and managing all significant risks faced by the Group that has been in place for the year and up to the date of approval of this Statement for inclusion in Annual Report. The process is regularly reviewed by the Board and is in accordance with the Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers (SRMICG) and the Group's Risk Management Policies and Procedures.

RISK MANAGEMENT

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

The business development team is responsible for assessing and evaluating the feasibility and risk impact that prospective investments would have on the Group. For ongoing business operations, risk assessment and evaluation is an integral part of the annual business planning and budgeting process.

The Management of each business unit, in establishing its business objectives, is required to identify and document all possible risks that can affect their achievement, taking into consideration the effectiveness of controls that are capable of mitigating such risks.

Operational Managers or Heads of Departments are responsible for identifying risks that may have impact in meeting their unit's business objectives. Risks identified are evaluated in accordance with the likelihood of occurrence and significance. Thereafter, risks are ranked according to the impact on the Business Unit, and control measures are formulated to mitigate these risks. Identified risks and control measures are reviewed by the Head of the respective Business Unit. Each business unit's identified risks, and the controls and processes for managing them are tabulated in a risk assessment report.

During the year, the significant risks of business units were presented to the Risk Management Committee for their deliberation.

KEY RISK MANAGEMENT AND INTERNAL CONTROL FEATURES

The Group's risk management and internal control systems comprises the following key processes:

- Clearly defined operating structure, lines of responsibilities and delegated authority. Various Board and Management Committees have been established to assist the Board in discharging its duties. The committees are:

Board Committees

1. Audit Committee
2. Nomination Committee
3. Remuneration Committee
4. ESOS Committee

Management Committees

1. Risk Management Committee*
2. Budget Committee
3. Group Personnel Committee
4. Information Technology Steering Committee
5. COVID-19 Steering Committee

** With Board representation*

- Feasibility study, risk impact and assessment on new investments/projects is evaluated by the business development team for the Board's deliberation.

- Internal control activities have been established in all business units with clearly defined lines of responsibilities, authority limits for major capital expenditure, contract awards and other significant transactions, segregation of duties, performance monitoring and safeguarding of assets.

- Systematically documented Policies & Procedures, and Standard Operating Procedures are in place to guide employees in their day-to-day work. These policies and procedures are reviewed regularly and updated when necessary.

- As part of managing the day-to-day business operations, the Group uses a budgetary control system whereby all business units prepare business plans, budgets and control measures to mitigate identified risks. These business plans and budgets are reviewed and approved by the Budget Committee, which is chaired by the Group Managing Director and subsequently presented to the Board.

- A comprehensive reporting system comprising budgets, key business indicators and performance results on operations are made available to the Senior Management. This flow of information is for the Senior Management to review business unit's performance against budgets and performance indicators on a monthly basis.

- An Integrated Management System, incorporating ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 requirements have been established and implemented to enable high quality, cost effective, reliable, safe and environmental friendly products and services.

- A performance management system with clearly defined business objectives and targets are set for relevant employees. Employees' performances are monitored, appraised and rewarded according to the achievement of targets set.

- Training and development programmes are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their performance and job expectations.

- An adequately resourced Internal Audit Department, which reports directly to the Audit Committee, conducts regular reviews on integrity and effectiveness of the Group's system of internal controls.

- Executive Directors and Senior Management conduct regular site visits and communicate with employees of different levels to have first-hand knowledge of significant operational matters and risks.

- The Board of our associated companies include our representatives. Information on the financial performance of these associated companies is provided regularly to the Management and Board of the Company via regular management reports and presentations at Board meetings.

- In respect of joint ventures entered into by the Group, the Management of the joint ventures, which consist of representations from the Group and other joint venture partners, are responsible to oversee the administration, operation and performance of the joint venture. Financial and operational reports of these joint ventures are provided regularly to the Management of the Company.

The Group Managing Director and the Chief Financial Officer have provided the Board with assurance that the Group risk management and internal control system is operating adequately and effectively. All internal control weaknesses identified during the period under review have been or are being addressed. There were no major internal control weaknesses that require disclosure in the Annual Report. The Management continues to review and take measures to strengthen the risk management and control environment.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on the Statement in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information' and AAPG 3, 'Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report'. They have reported to the Board that nothing has come to their attention that causes them to believe the Statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of SRMICG, nor is the Statement factually inaccurate.

This Statement is made in accordance with the resolution of the Board dated 7 October 2020.

Risk Management Committee Report

MEMBERSHIP

The Risk Management Committee (RMC) is chaired by the Group Managing Director and comprises not less than five members. The members of the RMC are Executive Directors, Heads of Business Divisions and an Independent Director.

1. YBHG DATO' LIN YUN LING
   Chairman/Group Managing Director

2. YBHG DATO' IR HA TIING TAI
   Member/Deputy Group Managing Director

3. YBHG DATO' HAJI AZMI BIN MAT NOR
   Member/Executive Director, Head of Infrastructure Concessions

4. YBHG DATO' GOON HENG WAH
   Member/Group Executive Director

5. MR SAW WAH THENG
   Member/Group Executive Director

6. YM TUNKU AFWIDA BINTI TUNKU A.MALEK
   Member/Independent Non-Executive Director

7. YBHG DATO' CHOW CHEE WAH
   Member/Chairman, Property Development

8. YBHG DATO' UBULL DIN OM
   Member/Managing Director, Engineering and Construction

TERMS OF REFERENCE

The RMC shall meet at least once a year, or at any time deemed appropriate by the RMC Chairman to discharge its duties. The quorum for any meeting of the RMC shall not be less than half of its composition.

The principal duties and responsibilities of the RMC are as follows:

- Identify current and potential business, operational and sustainability risks that have a major impact on the Group's projects and businesses, which prevent it from achieving its goals and objectives.
- Advise the Board on risk related issues and recommend strategies to mitigate critical risks.
- Provide oversight, direction and guidance on the Group's risk management structure, process and support system.
- Review and assess adequacy of risk management policies and framework for identifying, measuring, monitoring and controlling risks.

MANAGING OPERATIONAL RISK

Risk Management Framework

Risk Management activities are guided by the Group's Risk Management Policies and Procedures. The risk universe covers a range of activities that determine the risk profile inherent in the nature of the business which would compromise the business objectives and sustainability if it is not properly addressed.

Risk factors of Business Units and Projects are associated with the environment faced and the Management's operating style and can be broadly classified into two main categories:

- External Risk.
- Internal Risk.

Risk Identification, Evaluation and Ranking

The Management of each Business Unit and Project, in establishing its business objectives, are required to identify and document all possible risks that can affect their achievement taking into consideration of the effectiveness of controls that are capable of mitigating such risks.

Operational Managers or Heads of Departments are responsible to identify risks that may have impact on meeting their unit's business objectives.

The risk identification process shall also take into consideration of the:

- Risk specific to the achievement of business objectives.
- Risk with potential impact on the success and continuity of the business.

Thereafter, identified risks are evaluated as follows:

- Probability or likelihood of occurrence.
- Significance of the risk.

Risk Mitigation Measures

Risk mitigation measures are developed to manage major risks. These include:

Major Risk Mitigation Measures	Engineering and Construction Division	Property Division	Infrastructure Concessions Division
Market			
Tracking economic and market conditions		✓	
Effective strategies on product, pricing and promotions		✓	
Operations			
Compliance with Information Security Policy and Procedures	✓	✓	✓
Data backup and disaster recovery measures	✓	✓	✓
Robust procurement system	✓	✓	✓
Close monitoring of construction work progress	✓	✓	
Stringent quality and safety standards	✓	✓	✓
Competent and experienced personnel	✓	✓	✓
Engaging with relevant government agencies	✓	✓	✓
Compliance with statutory requirements	✓	✓	✓
Adequate insurance coverage	✓	✓	✓
Compliance with Anti-Bribery and Corruption Policy	✓	✓	✓
Public			
Sustaining good client relationship	✓	✓	
Adequate security measures	✓	✓	✓
Responsive Public Relations units	✓		✓
Effective emergency response teams	✓		✓
Sustainability			
Economic performance	✓	✓	✓
Climate action and biodiversity	✓	✓	
Innovation	✓	✓	
Safety and health	✓	✓	✓

Identified risks and risk mitigation measures are reviewed and finalised by the Heads of Business Units and Projects before being presented to the RMC and the Board.

Risk Reporting and Monitoring

Each Business Unit's and Project's identified risks, the controls and processes for managing them are tabulated in a risk assessment report. Significant risks of Business Units and Projects are presented to the RMC for their deliberation.

Risk monitoring is an ongoing process, the RMC and the Board are monitoring the Group's business risks as part of their annual assessment for proper disclosure in the Annual Report.

Audit Committee Report

MEMBERSHIP

The current composition of the Audit Committee is as follows:

1. YM TUNKU AFWIDA BINTI TUNKU A.MALEK
Chairperson/Independent Non-Executive Director
2. YBHG DATO' MOHAMMED HUSSEIN
Member/Independent Non-Executive Director
3. PUAN NAZLI BINTI MOHD KHIR JOHARI
Member/Independent Non-Executive Director

ATTENDANCE OF MEETINGS

During the financial year ended 31 July 2020, the Audit Committee met five times. The attendance of the Committee members is as follows:

Name of Directors	Attendance
YM Tunku Afwida binti Tunku A.Malek	5/5
YBhg Dato' Mohammed Hussein	5/5
Puan Nazli binti Mohd Khir Johari	5/5

TERMS OF REFERENCE

The information on the terms of reference of the Audit Committee is available on the Company's website.

SUMMARY OF AUDIT COMMITTEE'S ACTIVITIES

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

i. the Group's quarterly and year-end financial results prior to submission to the Board for consideration and approval, focusing particularly on matters relating to changes in major accounting policies, significant and unusual events, compliance with accounting standards and other disclosure requirements;

ii. the audit planning memorandum of the External Auditors in a meeting to discuss their audit strategy, audit focus and resources prior to commencement of their annual audit;

iii. matters arising from the audit of the Group in a meeting with the External Auditors without the presence of any executive officer of the Group;

iv. the performance of the External Auditors and the recommendations to the Board on their reappointment and remuneration;

v. the Audit Committee Report and its recommendation to the Board for inclusion in the Annual Report;

vi. the Statement of Corporate Governance, Statement on Risk Management and Internal Control and its recommendation to the Board for inclusion in the Annual Report;

vii. the risk-based annual audit plan and resource requirement proposed by the Internal Auditors for the Group;

viii. the audit reports presented by the Internal Auditors on major findings, recommendations and Management's responses thereto;

ix. the results of follow-up audits conducted by the Internal Auditors on the Management's implementation of audit recommendations;

x. related party transactions as required under the Listing Requirements to ascertain that the transactions are conducted at arm's length prior to submission for the Board's consideration and, where appropriate, shareholders' approval;

xi. share option allocations pursuant to the ESOS of the Company during the financial year under review that was verified by the Internal Auditors. The Audit Committee was satisfied that the allocation of share options pursuant to the ESOS during the financial year ended 31 July 2020 was in compliance with the criteria set out in the ESOS by-laws and by the ESOS Committee; and

xii. the Anti-Bribery & Corruption (ABC) Policy and the Whistleblowing Policy and Procedures under the purview of the Integrity and Governance Unit (IGU), which reports to the Audit Committee, and its recommendation to the Board for approval.

Statement on Internal Audit

The Internal Audit function of the Company is performed by in-house Internal Audit Department (IAD). IAD reports directly to the Audit Committee and maintains its impartiality, proficiency and due professional care. The Internal Audit Charter defines the authority, duties and responsibilities of IAD.

The principal roles of IAD are to evaluate and improve the effectiveness of internal control, governance and risk management processes. Furthermore, IAD provides independent and objective assurance to the Board and Management on the adequacy and integrity of the company's internal control systems.

IAD adopts a risk-based audit approach when preparing its annual audit plan. Main factors to be taken into consideration are Risk Assessment, Budget and Business Plan, Senior Management's input and results of previous audits. The annual audit plan covers the business units and projects of the Group and is approved by the Audit Committee.

PRACTICES AND FRAMEWORK

IAD is guided by the internal policies and procedures as well as the Professional Practices Framework and the Internal Control Framework of the Committee of Sponsoring Organisation of the Treadway Commission (COSO) in assessing and reporting on the adequacy and effectiveness of the internal control, governance and risk management processes.

SCOPE AND COVERAGE

During the year, IAD has undertaken independent audit assignments on business units and projects of the Group in accordance with the approved annual audit plan. Among the scope of coverage are:

i. Marketing and Sales;
ii. Collection and Credit Control;
iii. Customer Service;
iv. Public Relations and Communications;
v. Contracts Management;
vi. Procurement Management;
vii. Project Management;
viii. Production Management;
ix. Human Resource Management;
x. Office Administration;
xi. Management of Assets;
xii. Statutory Compliance.

The relevant audit reports were presented to the Audit Committee for deliberation and forwarded to the Management for the necessary corrective actions to be taken.

The Internal Audit activities during the financial period is summarised below:

i. prepared annual audit plan for deliberation and approval by the Audit Committee;
ii. performed operational audits on business units and projects of the Group to ascertain the adequacy and integrity of their system of internal controls, governance and risk management;
iii. performed statutory compliance audits including related party transactions and ESOS allocations;
iv. made recommendations for improvement where weaknesses and/or non-compliances were found;
v. conducted follow-up reviews to determine the adequacy, effectiveness and timeliness of actions taken by the Management on audit recommendations and provided updates on their status to the Audit Committee.

RESOURCES AND CONTINUOUS DEVELOPMENT

There are 18 internal auditors in the Group. The total cost incurred during the year was RM2,084,750 (This includes 9 auditors based at business units and projects. Cost incurred: RM554,590).

A majority of the employee have relevant qualifications and all employees are encouraged to continuously enhance their knowledge, skills and competencies through relevant professional courses, seminars, training courses and on-the-job training.

Additional Compliance Information

1. MEETING RECORDS OF DIRECTORS FOR FINANCIAL YEAR ("FY") 2020

Name of Director	Board of Directors	NED*	Board Committee: Audit Committee#	Board Committee: Nomination Committee	Board Committee: Remuneration Committee	Board Committee: Risk Management Committee
Dato' Mohammed Hussein	6/6	1/1	5/5	2/2	1/1	
Dato' Lin Yun Ling	4/6				1/1	1/1
Dato' Ir Ha Tiing Tai	6/6					1/1
Raja Dato' Seri Eleena Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	5/6	1/1			1/1	
Tan Sri Dato' Setia Haji Ambrin Buang	6/6	1/1				
Tunku Afwida Tunku A.Malek	6/6	1/1	5/5	2/2		1/1
Nazli Mohd Khir Johari	6/6	1/1	5/5	2/2		
Total number of meetings for FY2020	6	1	5	2	1	1

Chairman
Member
Non-Member

Notes:-

** One Non-Executive Directors session was held on 17 October 2019*

 # Two private sessions were held between the Audit Committee and the external auditors, Ernst & Young PLT i.e. on 23 September 2019 and 18 June 2020

2. UTILISATION OF PROCEEDS

During the financial year, there were no proceeds raised from any corporate proposal.

3. AUDIT AND NON-AUDIT FEES

The amount incurred with respect to audit fees and non-audit related fees paid to external auditors for the financial year ended 31 July 2020 are as follows:-

Type of Services	Company RM'000	Group RM'000
Audit services	328	1,478
Non-audit services	950	1,079
Total	**1,278**	**2,557**

The Group's non-audit fees incurred accounted for 42% of the total fees payable and were mainly in relation to the provision of the (i) Company taxation services and tax advisory, (ii) sustainability reporting services and (iii) advisory services on proposed sale of toll highways.

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

Save as disclosed under Note 41 of the Financial Statements in this Annual Report, there were no material contracts entered into by the Company or its subsidiaries involving the interest of its Directors, Chief Executive who is not a Director or major shareholders still subsisting at the end of the financial year ended 31 July 2020.

5. EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme (2015/2020) of the Company ("ESOS") was implemented on 10 April 2015 and was effective for five years from 10 April 2015 to 9 April 2020.

As at the date of expiry of the ESOS on 9 April 2020, 204,525,000 ESOS remained unexercised. Pursuant to Clause 14.1 of the ESOS By-Laws, all share options lapsed upon the expiry of the ESOS.

The total number of options granted, exercised and outstanding (as adjusted) under the ESOS, are set out in the table below:-

Description	Number of Options (since commencement of ESOS to 9 April 2020)	
	Grand Total RM'000	Directors RM'000
(a) Granted	278,555	8,645
(b) Exercised	74,030	3,100
(c) Lapsed	204,525	5,545

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

Directors and Senior Management	During the Financial Year up to 9 April 2020	Since Commencement up to 9 April 2020
(a) Aggregate maximum allocation	50%	50%
(b) Actual granted	2%	10%

The Company did not grant any options over the ordinary shares pursuant to the ESOS to the Non-Executive Directors of the Company.

Statement on Integrity and Governance Unit

THE INTEGRITY AND GOVERNANCE UNIT (IGU) WAS ESTABLISHED IN JANUARY 2020 AS THE GROUP'S COMMITMENT TO UPHOLD GOOD GOVERNANCE AND TO CONDUCT ITS BUSINESSES IN A LAW-ABIDING, ETHICAL AND PROFESSIONAL MANNER.

IGU FRAMEWORK AND FOCUS

The IGU is headed by a Chief Integrity and Governance Officer (CIGO), currently assisted by two Integrity and Governance Officers (IGO). As an independent entity, IGU reports directly to the Audit Committee.

IGU will implement a sound governance framework, ensure pragmatic policies are in place and periodically review, promote and sustain a culture of ethical business practices in the Group. By instituting and embracing effective internal controls, consistent awareness and educational progammes and communication, acts of misconducts involving fraud, corruption, abuse of power and violation of the code of conduct and ethics within the Group can be prevented.

IGU has 4 core functions:

1	Complaints Management
2	Detection and Verification
3	Integrity Strengthening
4	Governance

IGU ACTIVITIES

During the financial period, IGU established new policies, reviewed and revised the Group's existing governance-related Policies and Procedures, embarked on compulsory courses and undertook awareness programmes as follows:

No.	FY2020 Milestones	Remarks
1	Newly established Policies: 1. Anti-Bribery and Corruption Policy Statement by Group Managing Director 2. Anti-Bribery and Corruption Policy Revised Policies and Procedures: 1. Whistleblowing Policy and Procedures 2. Gifts and Benefits Policy	Accessible from the Gamuda website and employees' portal
2	Certified Integrity and Governance Officer Training programme 17 August – 10 September 2020	Compulsory programme, attended by CIGO

No.	FY2020 Milestones	Remarks
3	Bi-annual Report submission to Malaysian Anti-Corruption Commission (MACC)	20 January 2020 and 3 July 2020
4	No. of Seminars attended by CIGO & IGOs	3
5	No. of IGU in-house Awareness and Communication programmes for employees/ stakeholders	3
6	No. of Meetings and Engagements with MACC	5

FORWARD PLAN

Gamuda Organisational Anti-Corruption Plan (GACP)

IGU is the Secretariat to assist the Group develop its 3-year Organisational Anti-Corruption Plan (GACP), for implementation in early 2021.

The GACP will comprehensively map out the corruption-risk internal control framework for the Group's business activities. Potential high-risk areas or weaknesses in areas of the Group's business operations that could lead to potential corruption risks will be identified and addressed through solutions provided in the plan. Regular monitoring and review of the GACP will be conducted during its 3-year implementation, to gauge the plan's effectiveness.

Media Highlights

Gamuda-BMD invited to tender for A$2.6b Sydney motorway project

BY AHMAD NAQIB IDRIS

KUALA LUMPUR: A joint venture (JV) between Gamuda Bhd and BMD Constructions Pty Ltd (Gamuda-BMD JV) has been invited to tender for a motorway connecting to the south of Sydney, Australia, costing about A$2.6 billion (RM7.27 billion).

A statement issued by the New South Wales (NSW) state government said successful applicants from last year's expression of interest to design and construct the M6 Stage 1 project will be invited to tender for it.

The applicants include Gamuda-BMD JV, Acciona-Samsung JV and CPB-Ghella JV.

NSW's Minister for Transport and Roads Andrew Constance said the project, which will allow motorists to bypass up to 23 sets of traffic lights on the Princes Highway and take up to 2,000 heavy vehicles off surface roads per day, will create around 5,300 jobs.

"We know many workers, contractors and subcontractors are doing it tough during this challenging period, and the start of works on the M6 Stage 1 will be a major boost for the construction industry.

"In NSW, there are almost 400,000 people employed in property and construction, and we are committed to keeping as many of them in work as possible," said Constance.

"The construction of M6 Stage 1 will create thousands of new jobs and support families across Sydney," he added.

Constance also said that a A$20 million upgrade of recreational facilities at popular local parks in Rockdale and Brighton-Le-Sands will start in mid-2020.

Innovative Thinking | Autonomous TBMs

DIGGING ITS OWN DRIVE

Ground breaking development in Malaysia of autonomous tunnelling – tunnel boring machines without operators – is reinforcing international recognition of the emerging 'Asian Century'. Ty Byrd reports.

"It is driven by artificial intelligence control algorithms and effectively takes over from the TBM operator

"We began to wonder if we could take some of the control responsibility away from the TBM operator

"Steering is better, deviations from design are smaller, we're building rings more efficiently

"We're starting to look at segments, they're in the plan

BALANCE BETWEEN PEOPLE AND THE LAND

Resilient town-planning and home designs at the heart of Gamuda Land's post-MCO new normal township

On Oct 11, the last ring of the final tunnel of the Putrajaya Line was completed, marking the end of tunnelling activities for the country's second MRT Line. What next then, for the team of seasoned professionals and sophisticated equipment left behind?

MOVING ON AFTER MRT2

Good town that respects nature

LIVEABLE SMART CITY FOR A SUSTAINABLE FUTURE

Integrated planning makes Gamuda Cove ideal for living in current times

Developer lauded for safety measures at construction site

Covid-19 Road to recovery

AWARDS and ACHIEVEMENTS

* **GAMUDA BERHAD**
* **GAMUDA LAND**
* **MMC GAMUDA JOINT VENTURE**

GAMUDA BERHAD

- Batu Patong Kelabit Eco Lodge – Green Initiative Awards (Excellence), Malaysia Landscape Architecture Awards 2019
- Gamuda Berhad – Contribution Towards Sustainability in Construction, RISM Excellence Awards 2019
- Gamuda Berhad – The Innovation in Assessment Prize, The British Council Assessment Research Awards 2019
- Gamuda IBS – Winner, The Highest Investment by Domestic Companies in Selangor, Selangor Investor Appreciation Awards 2018
- Industry Excellence Awards (Main Market), The Highest Standard of Reporting in Annual Report, Construction and Infrastructure Project Companies, NACRA 2018
- Pan Borneo Highway package (WPC-04) Sarawak project Pantu Junction to Batang Skrang – Best Overall Performing Works Package, July - December 2018, Project Assessment System (PROJAS) 2018
- Best Project Award (Infrastructure), Malaysian Construction Industry Excellence Awards (MCIEA) 2017
- The Highest Return on Equity Over Three Years (Construction), The Edge Billion Ringgit Club Awards 2017
- Inclusiveness & Diversity Reporting Awards 2017 (Silver), NACRA 2017
- Builder of the Year Award, Malaysian Construction Industry Excellence Awards (MCIEA) 2016
- Best Corporate Responsibility (CR), Initiatives Award (Big Cap Companies), The Edge Billion Ringgit Club (BRC) Corporate Awards 2016
- Most Profitable Company (Highest Return on Equity Over Three Years), The Edge Billion Ringgit Club Awards 2015
- Best Performing Stock (Highest Returns to Shareholders Over Three Years), The Edge Billion Ringgit Club Awards 2015
- International Achievement Award, Yen So Sewage Treatment Plant, Malaysian Construction Industry Excellence Awards (MCIEA) 2015
- 5-Star SCORE Rating, Construction Industry Development Board Malaysia SCORE Programme 2014
- Highest Profit Growth Company (Construction), The Edge Billion Ringgit Club Awards 2014
- MBAM Honorary Builder, Master Builders Association Malaysia Awards 2014
- Highest Profit Growth Company (Construction), The Edge Billion Ringgit Club Awards 2013
- Overall Best Managed Company in Malaysia (Mid Cap), Asia Money Awards 2013
- Best Performing Stock (Construction), The Edge Billion Ringgit Club Awards 2013
- Property and Construction Sector, Malaysia's 100 Leading Graduate Employers 2012
- Asia's Best Managed Companies, Euromoney, 2008
- Best Under a Billion 200 Companies, Forbes Global, 2005
- Kaohsiung MRT, The Environmental Bureau Of Kaohsiung Country Government, Republic of China, Air Quality Protection Model Award, 2003
- Best Under a Billion 200 Companies, Forbes Global, 2002
- Best Managed Company and Strongest Commitment to Enhancing Shareholder Value, Finance Asia, 2002

GAMUDA LAND

- Celadon City, Vietnam – Best High End Condo Landscape Architectural Design (Diamond Centery), PropertyGuru Vietnam Property Awards 2020
- Celadon City, Vietnam – Best Masterplan Design, PropertyGuru Vietnam Property Awards 2020
- Celadon City, Vietnam – Best Sporting Facility, PropertyGuru Vietnam Property Awards 2020
- Gamuda Land Vietnam – Special Recognition in Sustainable Design, PropertyGuru Vietnam Property Awards 2020
- Gamuda Land Vietnam – Special Recognition for Sustainable Construction, PropertyGuru Vietnam Property Awards 2020
- Gamuda Land Vietnam – Special Recognition for Building Communities, PropertyGuru Vietnam Property Awards 2020
- Gamuda Land Vietnam – Special Recognition for ESG, PropertyGuru Vietnam Property Awards 2020
- Gamuda Land Vietnam – Best Developer, PropertyGuru Vietnam Property Awards 2020
- Gamuda Land – Top Ranked Developer of the Year, StarProperty.my Awards 2020
- Horizon Hills – The Southern Star Award (Excellence), StarProperty.my Awards 2020
- twentyfive.7 – The Family Friendly Award (Excellence), StarProperty.my Awards 2020
- Gamuda Cove – The Earth Conscious Award - Best Sustainable Development (Excellence), StarProperty.my Awards 2020
- Gamuda City – Winner, World Gold under the Master Plan category, FIABCI World Prix d'Excellence Awards 2020
- Gamuda Land – Winner, EdgeProp Malaysia's Responsible Developer: Building Sustainable Development Award, EdgeProp Malaysia's Best Managed and Sustainable Property Awards 2020
- The Cove Precinct, Horizon Hills – Below 10 years Non-Strata Residential Category (Gold), EdgeProp Malaysia's Best Managed & Sustainable Property Awards 2020
- The Robertson – Below 10 Years Mixed-Development Category (Silver), EdgeProp Malaysia's Best Managed & Sustainable Property Awards 2020
- Horizon Hills – EdgeProp-ILAM Malaysia's Sustainable Landscape Award (Gold), EdgeProp Malaysia's Best Managed & Sustainable Property Awards 2020
- Kota Permai Golf & Country Club – Best Golf Experience in Selangor, Clubhouse Magazine & Tourism Selangor 2020
- Kota Permai Golf & Country Club – Asian Tour Destinations, Asian Tour 2020
- Gamuda Bhd (Property Division) – The Edge Top 10 Property Developers Awards, The Edge Property Excellence Awards 2019
- Joya, Gamuda Gardens – The Cornerstone Award - Best Landed Development (Excellence), StarProperty.my Awards 2019
- Pangsapuri Danau Seri, Valencia – The Edge – PEPS Value Creation Excellence Awards (Residential Category) (Winner), The Edge Property Excellence Awards 2019
- Ambang Botanic 2, Phase 27 – The Edge – PEPS Value Creation Awards (Mention), The Edge Property Excellence Awards 2019
- Gamuda Gardens in Gamuda City, Hanoi, Vietnam – Outstanding Overseas Project Award, The Edge Property Excellence Awards 2019
- Gamuda Land – Property Development (Bronze), Putra Brand Awards 2019
- 661 Chapel St – Commercial and Residential Design, Good Design Awards, Architectural Design 2019
- Celadon City – World Silver Winner under the Master Plan category, FIABCI World Prix d'Excellence Awards 2019
- Jade Hills – Gold Award for Above 10 Years Non-Strata Residential Category, EdgeProp Malaysia's Best Managed Property Awards 2019
- Horizon Hills – Gold Award for Below 10 Years Multiple-Owned Strata Residental Category, EdgeProp Malaysia's Best Managed Property Awards 2019
- Valencia – Silver Award for EdgeProp-ILAM Malaysia's Sustainable Landscape Award, EdgeProp Malaysia's Best Managed Property Awards 2019
- Horizon Hills – Best Landed Development (Malaysia), PropertyGuru Asia Property Awards 2019
- Horizon Hills – Best Landed Development (Iskandar), PropertyGuru Asia Property Awards 2019
- Horizon Hills – Best Township Development (Iskandar), PropertyGuru Asia Property Awards 2019
- Kundang Estates – The Cornerstone Award – Best Landed Development (Excellence), StarProperty.my Awards 2019
- Gamuda Gardens – The Earth Conscious Award – Best Sustainable Development (Excellence), StarProperty.my Awards 2019
- Gamuda Cove – The Five Elements Award (above 500 acres) – Best Comprehensive Township (Excellence), StarProperty.my Awards 2019
- Horizon Hills – The Long Life Award – Best Health and Wellness Development (Excellence), StarProperty.my Awards 2019
- Horizon Hills – The Luxury Series Award – Best Luxury Development (Bungalow Residence), StarProperty.my Awards 2019
- Kundang Estates – The Neighbourhood Award (below 500 acres) – Best Boutique Township (Excellence), StarProperty.my Awards 2019

Awards and Achievements

GAMUDA LAND

- HighPark Suites – The Small is Big Developments Award – Best Small Home Development (Excellence), StarProperty.my Awards 2019
- Gamuda Land – Top Ranked Developer of the Year, StarPropety.my Awards 2019
- Kota Permai Golf & Country Club – Best Managed Golf Club in Asia Pacific (Second Runner-Up), Asian Golf Awards 2019
- Kota Permai Golf & Country Club – Asia Pacific Order of Zenith, Asian Golf Awards 2019
- Kota Permai Golf & Country Club – Top 3 Best Overall Golf Experience in Malaysia, Pargolf People's Choice Awards 2019
- Kota Permai Golf & Country Club – Top 3 Best Maintained Golf Course in Malaysia, Pargolf People's Choice Awards 2019
- Kota Permai Golf & Country Club – Top 3 Best Greens in Malaysia, Pargolf People's Choice Awards 2019
- Kota Permai Golf & Country Club – Top 3 Best Corporate Tournament Venue in Malaysia, Pargolf People's Choice Awards 2019
- Kota Permai Golf & Country Club – Top 3 Best Customer Service in Malaysia, Pargolf People's Choice Awards 2019
- Kota Permai Golf & Country Club – Top 3 Best F&B – Halfway Hut in Malaysia, Pargolf People's Choice Awards 2019
- Kota Permai Golf & Country Club – Top 100 Golf Courses in Asia, Golf Travel China and Golf Travel Korea 2019
- Horizon Hills Golf & Country Club – Best Golf Course in Malaysia (First Runner-Up), Asian Golf Awards 2019
- Horizon Hills Golf & Country Club – Top 3 Best Greens in Malaysia, Pargolf People's Choice Awards 2019
- Horizon Hills Golf & Country Club – Top 3 Best Clubhouse, Pargolf People's Choice Awards 2019
- Gamuda Gardens – Merit Design Excellence Award (Above 500 acres), Malaysia Institute of Planners (MIP) Planning Excellence Awards 2018
- Yen So Park Masterplan – Merit Innovative Planning Award (Masterplan Sector), Malaysia Institute of Planners (MIP) Planning Excellence Awards 2018
- Horizon Hills & Iskandar Puteri – Best Luxury Landed (Completed) & Best Southern Development (Completed), iProperty Development Excellence Awards 2018
- Horizon Hills Golf & Country Club – 1st Runner-Up, Best Course in Malaysia, Asian Golf Awards 2018
- Gamuda Berhad – Property Division, The Edge Top 10 Property Developers Awards 2018
- Jade Hills – ILAM Malaysia's Sustainable Landscape Award 2018, EdgeProp.my
- The Hills Precinct, Horizon Hills – Malaysia's Best Managed Property Award 2018. Category: Non-Strata (Residential) – Under 10 years 2018, EdgeProp.my
- Gamuda Gardens – Landscape Master Plan Award (Excellence), ILAM's Malaysia Landscape Architecture Awards 2018
- Jadite Suites, Jade Hills – Landscape Development Award (Merit), ILAM's Malaysia Landscape Architecture Awards 2018
- D'Suites, Horizon Hills – Landscape Development Award (Honour), ILAM's Malaysia Landscape Architecture Awards 2018
- Gamuda Cove – Landscape Master Plan Award (Honour), ILAM's Malaysia Landscape Architecture Awards 2018
- Lake Garden, Jade Hills, Landscape Design Award (Merit), ILAM's Malaysia Landscape Architecture Awards 2018
- twentyfive.7 – The Poseidon Award, Starproperty.my Award 2018 (Honours)
- The Robertson – The Skyline Award, Starproperty.my Award 2018 (Merit)
- Horizon Hills Phase 2D3 – Winner, The EDGE-PEPS Value Creation Excellent Awards 2018
- Gamuda Land – Property Development (Bronze), Putra Brand Awards 2018
- Horizon Hills – The Best Family Centric Development, StarProperty.my Jewels of Johor 2018 (Excellence)
- Horizon Hills – The Best Sustainable Development, StarProperty.my Jewels of Johor 2018 (Excellence)
- Horizon Hills – The Best Safety Feature Development, StarProperty.my Jewels of Johor 2018 (Excellence)
- Gem Residences – Winner, International Property Award, Asia Property Awards, Architecture & Development Category 2018
- Yen So Sewage Treatment, Gamuda City, Vietnam – Environmental (Rehabiliation/Conservation), FIABCI World Prix d'Excellence Awards 2018
- Horizon Hills Golf & Country Club – Winner of HAPA Golf Course of the Year, Hospitality Asia Platinum Awards (HAPA) Regional Series Awards 2018
- Kota Permai Golf & Country Club – Winner of HAPA Golf Course of the Year, Hospitality Asia Platinum Awards (HAPA) Regional Series Awards 2018

MMC GAMUDA JOINT VENTURE

- Winner of Augmented & Virtual Reality (Engineering), Malaysia Technology Excellence Awards 2020 for the Building Information Modelling in Augmented Reality (BIMAR) application
- Winner of Innovation in Tunnel Excavation Award, New Civil Engineer Tunnelling Awards 2019 for the Autonomous Tunnel Boring Machine
- Winner of Technical Product/Equipment Innovation, ITA Tunnelling and Underground Space Awards 2019 for the Autonomous Tunnel Boring Machine
- Winner of Reality Modelling Category, Year in Infrastructure Bentley Awards 2019 for the use of Bentley Systems ContextCapture reality modelling software to generate project wide digital twins from drone captured visuals overlaid on Building Information Modelling (BIM) design
- British Safety Council's Health and Safety Audit, Four Star Rating for KVMRT (Sungai Buloh-Kajang Line) Underground Package, British Safety Council 2019
- Sword of Honour Award for KVMRT (Sungai Buloh-Serdang-Putrajaya Line), British Safety Council 2019
- Public Services Architecture Award for KVMRT (Sungai Buloh-Serdang-Putrajaya Line) Elevated Station Serambi Design, Asia Pacific Property Awards 2019
- International Safety Award (with Distinction) for KVMRT (Sungai Buloh-Serdang-Putrajaya Line) Underground, British Safety Council 2019
- International Safety Award (Sector Awards) for Construction & Property Activities Category, British Safety Council 2019
- International Safety Award for Best in Country Award, British Safety Council 2019
- British Safety Council Occupational Health and Safety Audit, Five Star Rating, British Safety Council 2019
- Community Engagement Award for KVMRT (Sungai Buloh-Serdang-Putrajaya Line) Underground, Ground Engineering Awards 2019
- Winner of Public Service Architecture Malaysia for MRT Line 2 Elevated Station Planning & Design, Asia Pacific Property Awards 2019
- Finalist for New Civil Engineer TechFest Smart Use of Machinery (Unmanned aerial vehicle) Awards 2019 for the submission of Drone Surveying for BIM and GIS data capture
- BIM Level 2 Excellence Award 2018 (Winner) for Civil Contractor Category by MRT Corp
- Builder's Award (Civil Engineering Construction category) for KVMRT Sungai Buloh-Kajang (SBK) Line underground package, 44th International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA) 2018
- Highly Commended Community Engagement Award for KVMRT (Sungai Buloh-Kajang Line) Underground Package, Civil Engineer Tunnelling Awards 2017
- Winner of BIM Advancements in the Rail & Transit Category, Bentley's Be Inspired Awards 2017 for the use of BIM technology in designing and constructing the KVMRT (Sungai Buloh-Serdang-Putrajaya Line)
- Innovation Award for Variable Density in Tunnelling Technique for KVMRT (Sungai Buloh-Kajang Line) Underground Package, Malaysian Construction Industry Excellence Awards (MCIEA) 2017
- Asia Geospatial Excellence Award 2017 for Application of Geospatial Technology in Digital Engineering by Geospatial Media & Communications
- Young Tunneller of the Year Award for KVMRT (Sungai Buloh-Kajang Line) Underground Package, International Tunnelling Awards 2016
- Winner, (with Distinction) Underground Portion of KVMRT (Sungai Buloh-Kajang Line), British Safety Council International Safety Award 2015
- Honorary Certification for Safety and Health of KVMRT (Sungai Buloh-Kajang Line), Underground by Department of Occupational Safety and Health (DOSH) in 2015
- Best Major Infrastructure Project (Special Mention) for the Electrified Double Track Project (Ipoh – Padang Besar), Malaysian Construction Industry Excellence Awards (MCIEA) 2015
- Winner of Technical Innovation of the Year for the Variable Density Tunnel Boring Machine (VD TBM), KVMRT (Sungai Buloh-Kajang Line) – Underground, NCE International Tunnelling and Underground Space Awards 2014
- National Occupational Safety and Health (OSH) Excellence Award 2012, Construction Category for the Electrified Double Track Project (Ipoh – Padang Besar)
- United Nations Scroll of Honour Award for SMART Tunnel, World Habitat Day 2011
- Runner Up of FIABCI Prix d'Excellence Awards, Specialised Project (Purpose Built) Category for SMART Tunnel, International Real Estate Federation (FIABCI) 2011
- Best International Project for SMART Tunnel, British Construction Industry Award 2011
- Design and Construction Excellence Award for SMART Tunnel by Institution of Engineers Malaysia 2011
- Special Award for National Contribution for SMART Tunnel, Malaysia Property Award by International Real Estate Federation (FIABCI), Malaysian Chapter 2011
- Best Contractor Award for SMART Tunnel, Malaysian Construction Industry Excellence Award 2011 by CIDB
- Special Award for Innovation for SMART Tunnel, Malaysian Construction Industry Excellence Award 2011 by CIDB
- Special Award for Environment for SMART Tunnel, Malaysian Construction Industry Excellence Award 2011 by CIDB
- Special Award for National Contribution for SMART Tunnel, Malaysia Property Award by International Real Estate Federation (FIABCI), Malaysian Chapter 2010
- British Construction Industry Award 2008 for SMART Tunnel
- Best Contractor Award for SMART Tunnel, Malaysian Construction Industry Excellence Award 2008 by CIDB
- Special Award for Innovation for SMART Tunnel, Malaysian Construction Industry Excellence Award 2007 by CIDB
- Special Award for Environment for SMART Tunnel, Malaysian Construction Industry Excellence Award 2007 by CIDB

FINANCIAL STATEMENTS

Directors' Responsibility Statement

In respect of Audited Financial Statements for the financial year ended 31 July 2020

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 2020.

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	424,190	238,084
Attributable to:		
Owners of the Company	371,680	238,084
Non-controlling interests	52,510	–
	424,190	238,084

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 2019 were as follows:

	RM'000
In respect of the financial year ended 31July 2020:	
First interim dividend of 6 sen per ordinary share declared on 13 December 2019	
– Dividend paid by issuance of new shares on 25 February 2020 pursuant to the Company's Dividend Reinvestment Plan	71,387
– Dividend paid by cash on 25 February 2020	77,503
	148,890

At the Extraordinary General Meeting of the Company held on 5 December 2019, the shareholders of the Company resolved to approve the Company's Dividend Reinvestment Plan ("DRP"). The authority was granted to the Company to allot and issue new shares in the Company pursuant to the DRP.

The DRP provides an option to the shareholders to reinvest either all or a portion of the declared dividends in new shares in lieu of receiving cash. Shareholders who elect not to participate in the option to reinvest, will receive the entire dividend wholly in cash.

A total of 19,829,839 new ordinary shares were issued on 25 February 2020 at an issue price of RM3.60 per share under the First DRP, amounting to RM71,387,420. The remaining portion of RM77,503,049 was paid in cash on 25 February 2020.

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
YM Tunku Afwida binti Tunku A.Malek
Puan Nazli binti Mohd Khir Johari
Encik Mohammed Rashdan bin Mohd Yusof
 (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	
Ahcene El Boulhais	(Appointed w.e.f. 01.07.2020)
Ajit Singh Rai	(Appointed w.e.f. 30.06.2020)
Andrew Edward Kesik	
Aw Sei Cheh	(Appointed w.e.f. 01.07.2020)
Azmi bin Mohamad	
Beh Boon Ewe	(Appointed w.e.f. 01.07.2020)
Carine Lacroix	(Appointed w.e.f. 30.07.2020)
Carla Maria Alves Silva	(Appointed w.e.f. 01.07.2020)
Caroline Baker	
Chan Kong Wah	
Chew Wee Hwang	
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	
Dato' Lim Kean Seng	(Appointed w.e.f. 07.08.2020)
Dato' Noordin bin Alaudin	
Dato' Seri Ir. Kamarul Zaman bin Mohd Ali	
Datuk Hasmi bin Hasnan	
Devananda Naraidoo	
Dr. Ooi Lean Hock	
Eoin Conroy	(Appointed w.e.f. 01.07.2020)
Foong Vooi Lin	
Goh Chee Young	
Hajah Siti Zubaidah binti Haji Abd Jabar	(Appointed w.e.f. 04.09.2020)
Khor Thiam Chay	
Liang Kai Chong	
Looi Hong Weei	

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.)

Low Kim Teik	
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 Tsien Loong	
Yap Peng Loong	
Yee Yew Weng	
Yeoh Hin Kok	
Chua Chong Num	(Resigned w.e.f. 01.01.2020)
Mohamed Reza bin Abdul Rahim	(Resigned w.e.f. 07.08.2020)
Wong Ping Eng	(Resigned w.e.f. 01.07.2020)
Hajah Norita binti Mohd Sidek	(Resigned w.e.f. 03.09.2020)

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 41 to the financial statements.

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

DIRECTORS' AND OFFICERS' INDEMNITY

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 2020 was RM91,000.

Directors' Report (Cont'd.)

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 2019**	**Bought/ Dividend reinvestment plan**	**Sold**	**31 July 2020**
Direct holding				
Y Bhg Dato' Lin Yun Ling	75,035,736	–	–	75,035,736
Y Bhg Dato' Ir. Ha Tiing Tai	26,936,276	447,724	–	27,384,000
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	225,000	3,750	–	228,750
Encik Mohammed Rashdan bin Mohd Yusof	450,000	7,500	–	457,500
Y Bhg Tan Sri Dato' Setia Haji Ambrin bin Buang	4,000	–	–	4,000
Indirect holding				
Y Bhg Dato' Ir. Ha Tiing Tai#	86,000	1,000	–	87,000
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah*	118,000,000	1,708,333	(3,208,333)	116,500,000

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

Employees' Share Option Scheme ("ESOS")

		Number of ordinary shares			
		1 August 2019	**Granted**	**Expired**	**31 July 2020**
Y Bhg Dato' Lin Yun Ling	4.46	1,500,000	–	(1,500,000)	–
	3.65	–	750,000	(750,000)	–
Y Bhg Dato' Ir. Ha Tiing Tai	3.65	–	400,000	(400,000)	–
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)	–
	3.65	–	180,000	(180,000)	–
Encik Mohammed Rashdan bin Mohd Yusof	3.38	1,600,000	–	(1,600,000)	–
	3.65	–	400,000	(400,000)	–

DIRECTORS' INTERESTS (CONT'D.)

Warrants 2016/2021

	← Number of warrants →			
	1 August 2019	Bought	Sold	31 July 2020
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
Encik Mohammed Rashdan bin Mohd Yusof	550,000	–	–	550,000
Indirect holding				
Y Bhg Dato' Ir. Ha Tiing Tai#	12,800	–	–	12,800
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah*	12,000,000	–	(3,310,000)	8,690,000

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

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.

ISSUANCE OF SHARES

During the financial year, the total numbers of issued and paid-up ordinary shares of the Company has been increased from 2,472,322,033 to 2,513,527,654 by way of:

(a) issuance of 20,899,000 new ordinary shares for cash arising from the exercise of share options under the Company's ESOS as disclosed in Note 26(c) to the financial statements;

(b) issuance of 476,782 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; and

(c) issuance of 19,829,839 new ordinary shares pursuant to the First DRP at the price of RM3.60 per share.

The ordinary shares issued from the exercise of ESOS, Warrants 2016/2021 and DRP 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, Warrants 2016/2021 and First DRP.

Directors' Report (Cont'd.)

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.

As at 9 April 2020, 204,525,000 ESOS remain unexercised. Pursuant to Clause 14.1 of the ESOS By-Laws, all options lapsed upon the expiry of the ESOS.

The principal features of the ESOS, details of share options granted and lapsed as at 31 July 2020 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, 387,221,000 Warrants remained unexercised.

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.

OTHER STATUTORY INFORMATION (CONT'D.)

(f) In the opinion of the directors:

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

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

(g) The Company has been granted exemption by the Companies Commission of Malaysia for its 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 2020 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 42 to the financial statements.

AUDITORS AND AUDITORS' REMUNERATION

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

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	1,478	328
Other auditors	96	53
	1,574	381

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Group and the Company have agreed to indemnify its auditors, Ernst & Young PLT, 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 PLT 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 2020.

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 176 to 351 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 2020 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 2020.

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 176 to 351 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 2020.

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 2020 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 176 to 351.

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 2020, 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 of 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 2020, property development revenue and cost of sales are as follows:

Property development activities
Revenue: RM1,321,316,000 (36% of Group's revenue)
Cost of sales: RM835,445,000 (32% of Group's cost of sales)

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.

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, profit margin and progress of development projects;

ii. For individually significant projects, we read the sales and purchase agreements entered into with customers to obtain an understanding of the specific terms and conditions;

iii. 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;

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

v. Evaluated management's assessment on whether provision for liquidated ascertained damages is required through supporting documents such as the sales and purchase agreements for the rates, extension of time approvals and work progress report indicating the reasons for the delay and efforts to catch up for phases whereby actual progress is behind planned progress; and

vi. Evaluated the determination of progress of development projects by examining supporting evidence such as contractors' progress claims and suppliers' invoices.

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

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

Key Audit Matters (cont'd.)

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 2020, construction revenue and cost of sales are as follows:

Construction contracts
Revenue: RM1,624,739,000 (44% of Group's revenue)
Cost of sales: RM1,400,467,000 (54% of Group's cost of sales)

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 audit focus as these areas involved significant management's judgement and estimates including:

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 progress of construction projects;

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

iv. Evaluated management's assessment on whether provision for liquidated ascertained damages is required through supporting documents such as the construction agreements for the rates, extension of time approvals and work progress report indicating the reasons for the delay and efforts to catch up for phases whereby actual progress is behind planned progress;

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

vi. Evaluated the assumptions applied in the determination of the progress of construction projects in light of supporting evidence such as letters of award, approved purchase orders, sub-contractors' claims and invoices; and

vii. Evaluated the determination of progress of construction projects by examining supporting evidence such as contractors' progress claims and suppliers' invoices.

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

3. *Impairment of property, plant and equipment ("PPE") in a subsidiary, Gamuda Industrial Building System Sdn. Bhd. ("GIBS")*

The carrying amount of GIBS's PPE as at 31 July 2020 is RM394,881,000.

GIBS is involved in the manufacturing and installation of prefabricated concrete panels for construction of buildings. The continued decline in demand for products has led to a decrease in production volume, excess capacity and hence, the under-utilisation of PPE. This gives rise to impairment indications for the carrying amounts of the PPE. Accordingly, the Group had performed an impairment assessment on the assets in the subsidiary by estimating the recoverable amount applying the value-in-use ("VIU") method. Estimating the VIU involves estimating the future cash inflows and outflows that will be derived from the cash generating unit, and discounting them at an appropriate rate.

Due to the significance of the amount and the subjectivity involved in estimating the VIU, we identified this as our area of audit focus as the impairment assessment involves determining the recoverable amounts using a discounted cash flow approach which is complex and highly judgemental. Significant assumptions applied in the discounted cash flow, including revenue growth rate is affected by the local market demand for the subsidiary's products, and the economic conditions surrounding the property development sector. Judgement was also applied in determining the appropriate rate to discount the future cash flows to its present value.

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

i. Obtained an understanding of the relevant internal controls over estimating the recoverable amount of the PPE;

ii. Evaluated the management's assumptions on revenue growth rate, gross profit margin and utilisation rate against the Group's plan to supply the prefabricated concrete panels for use in the Group's future development projects;

iii. 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; and

iv. Analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions on the recoverable amount.

The aforementioned impairment assessment gave rise to impairment loss amounting to RM148,100,000 in the financial statements of the Group for the year ended 31 July 2020.

The Group's disclosure on PPE is included in Note 12 to the financial statements.

4. *Impairment of investment in a subsidiary – GIBS*

The carrying amount of the Company's investment in the wholly-owned subsidiary – GIBS as at 31 July 2020 is RM655,000,000 which accounted for approximately 6% of the Company's total assets.

The continued losses reported by the Company's subsidiary, GIBS, indicated that the carrying amount of the investment in subsidiary may be impaired. Accordingly, the Company had performed an impairment assessment on the investment in the subsidiary by estimating the recoverable amount applying the value-in-use ("VIU") method. Estimating the VIU involves estimating the future cash inflows and outflows that will be derived from the cash generating unit, and discounting them at an appropriate rate.

Due to the significance of the amount and the subjectivity involved in estimating the VIU, we identified this as our area of audit focus as the impairment assessment involves determining the recoverable amounts using a discounted cash flow approach which is complex and highly judgemental. Significant assumptions applied in the discounted cash flow, including revenue growth rate is affected by the local market demand for the subsidiary's products, and the economic conditions surrounding the property development sector. Judgement was also applied in determining the appropriate rate to discount the future cash flows to its present value.

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

Key Audit Matters (cont'd.)

4. *Impairment of investment in a subsidiary – GIBS (cont'd.)*

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

   i. Obtained an understanding of the relevant internal controls over estimating the recoverable amount of the investment in the subsidiary;

   ii. Evaluated the management's assumptions on revenue growth rate, gross profit margin and utilisation rate against the Group's plan to supply the prefabricated concrete panels for use in the Group's future development projects;

   iii. Assessed the appropriateness of the discount rate used to determine the present value of the cash flows and whether the rate used reflects 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; and

   iv. Analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions on the recoverable amount.

   The aforementioned impairment assessment gave rise to impairment loss amounting to RM285,000,000 in the financial statements of the Company for the year ended 31 July 2020.

   The Company's disclosure on investments in subsidiaries are included in Note 17 to the financial statements.

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 of our audit opinion on the accompanying 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.

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

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.

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 of the Group and of the Company, 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 Group's and the Company's internal control.

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

- Conclude on the appropriateness of the directors' 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 or the Company'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 of the Group and of the Company 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 or the Company to cease to continue as a going concern.

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

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

Independent Auditors' Report (Cont'd.)

to the members of Gamuda Berhad (Incorporated in Malaysia)

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

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

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, actions taken to eliminate threats or safeguards applied.

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

This 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 PLT
202006000003 (LLP0022760-LCA) & AF0039
Chartered Accountants

Tan Shium Jye
No. 02991/05/2022J
Chartered Accountant

Kuala Lumpur, Malaysia
8 October 2020

Consolidated Income Statement

For the financial year ended 31 July 2020

	Note	2020 RM'000	2019 RM'000 (Restated)
Revenue	4	**3,662,964**	4,565,062
Other income		**213,750**	217,544
Construction contract costs recognised as contract expenses		**(1,400,467)**	(1,301,331)
Land and development costs		**(835,445)**	(1,606,469)
Highway maintenance and toll operations		**(32,540)**	(32,907)
Changes in inventory of finished goods and work in progress		**(29,429)**	(9,905)
Purchases - raw and trading materials		**(189,534)**	(261,338)
Production overheads		**(72,639)**	(92,531)
Staff costs	5	**(256,919)**	(253,045)
Depreciation and amortisation		**(223,127)**	(192,128)
Other operating expenses		**(272,138)**	(327,687)
Profit from operations	7	**564,476**	705,265
Impairment of property, plant and equipment		**(148,100)**	-
Profit from operations after impairment		**416,376**	705,265
Finance costs	8	**(139,340)**	(117,321)
Share of profits of associated companies		**116,245**	126,634
Share of profits of joint ventures		**192,181**	186,534
Profit before tax		**585,462**	901,112
Income tax expense	9	**(161,272)**	(148,844)
Profit for the year		**424,190**	752,268
Profit attributable to:			
Owners of the Company		**371,680**	700,186
Non-controlling interests		**52,510**	52,082
		424,190	752,268
Earnings per share attributable to owners of the Company (sen)			
Basic	10(a)	**14.94**	28.36
Diluted	10(b)	**14.94**	28.36
Net dividends per ordinary share (sen)	11	**6.0**	12.0
Profit attributable to owners of the Company can be analysed as follows:			
Core profit for the year		**519,780**	700,186
Less: Impairment of property, plant and equipment of GIBS		**(148,100)**	–
Profit attributable to owners of the Company, as reported		**371,680**	700,186

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 2020

	2020 RM'000	2019 RM'000 (Restated)
Profit for the year	**424,190**	752,268
Other comprehensive income/(loss):		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Foreign currency translation (Note 27)	**100,198**	30,433
Share of associated companies' foreign currency translation (Note 27)	**(6,661)**	295
Net asset accretion in an associated company arising from capital contribution (Note 27)	**4,821**	6,080
	98,358	36,808
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:		
Fair value remeasurement on defined benefit plan (Note 29)	**(6,568)**	(3,185)
Income tax effect	**589**	89
	(5,979)	(3,096)
Total comprehensive income for the year	**516,569**	785,980
Total comprehensive income attributable to:		
Owners of the Company	**464,889**	733,744
Non-controlling interests	**51,680**	52,236
	516,569	785,980

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

Consolidated Statement of Financial Position

As at 31 July 2020

	Note	31.07.2020 RM'000	31.07.2019 RM'000 (Restated)	01.08.2018 RM'000 (Restated)
Assets				
Non-current assets				
Property, plant and equipment	12	**1,063,066**	1,155,510	1,009,191
Land held for property development	13(a)	**3,169,895**	2,919,183	2,655,137
Investment properties	14	**455,501**	432,815	363,886
Land use rights	15(a)	**-**	1,470	1,895
Right-of-use assets	15(b)	**15,138**	-	-
Concession development expenditure	16	**1,355,472**	1,306,472	1,421,203
Interests in associated companies	18	**952,787**	970,789	1,773,824
Interests in joint arrangements	19	**1,057,348**	1,201,332	998,623
Other investments	20	**812**	812	812
Deferred tax assets	32	**40,665**	41,767	40,434
Receivables	21(b)	**890,835**	1,074,294	1,005,967
		9,001,519	9,104,444	9,270,972
Current assets				
Property development costs	13(b)	**1,847,214**	1,885,356	2,083,252
Inventories	13(c)	**917,734**	765,197	490,639
Receivables	21(a)	**2,223,689**	1,938,030	1,842,188
Contract assets	22	**1,701,664**	1,604,295	1,276,378
Tax recoverable		**44,056**	34,158	42,293
Investment securities	23	**644,467**	396,664	384,271
Cash and bank balances	25	**2,147,202**	1,452,272	1,238,634
		9,526,026	8,075,972	7,357,655
Total assets		**18,527,545**	17,180,416	16,628,627

Consolidated Statement of Financial Position (Cont'd.)

As at 31 July 2020

	Note	31.07.2020 RM'000	31.07.2019 RM'000 (Restated)	01.08.2018 RM'000 (Restated)
Equity and liabilities				
Equity attributable to owners of the Company				
Share capital	26	**3,620,946**	3,469,729	3,452,940
Reserves		**4,920,146**	4,592,894	4,140,928
Owners' equity		**8,541,092**	8,062,623	7,593,868
Non-controlling interests		**426,502**	399,317	383,681
Total equity		**8,967,594**	8,461,940	7,977,549
Non-current liabilities				
Payables	30(a)	**235,550**	197,982	143,396
Contract liabilities	22	**38,446**	50,786	61,168
Provision for liabilities	37	**111,309**	29,978	27,936
Deferred tax liabilities	32	**335,904**	375,794	407,319
Long term Islamic debts	33	**2,135,000**	1,975,000	2,465,000
Long term borrowings	34	**817,171**	982,741	1,784,964
		3,673,380	3,612,281	4,889,783
Current liabilities				
Payables	30(b)	**1,760,450**	1,844,392	1,629,297
Contract liabilities	22	**1,353,551**	942,039	546,376
Provision for liabilities	37	**171,660**	74,573	53,824
Short term Islamic debts	33	**690,000**	690,000	890,000
Short term borrowings	34	**1,822,960**	1,495,917	596,736
Tax payable		**87,950**	59,274	45,062
		5,886,571	5,106,195	3,761,295
Total liabilities		**9,559,951**	8,718,476	8,651,078
Total equity and liabilities		**18,527,545**	17,180,416	16,628,627

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 2020

	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 2019 (as previously stated)	3,469,729	72,584	341,874	4,187,120	8,071,307	399,317	8,470,624
Effect of adoption of MFRS 123 (Note 2.2(c))	-	-	-	(8,684)	(8,684)	-	(8,684)
At 1 August 2019 (as restated)	3,469,729	72,584	341,874	4,178,436	8,062,623	399,317	8,461,940
Total comprehensive income	-	-	99,188	365,701	464,889	51,680	516,569
Transactions with owners:							
Issuance of ordinary shares pursuant to:							
Exercise of ESOS (Note 26(f))	70,950	-	-	-	70,950	-	70,950
Conversion of Warrants (Notes 26 and 27)	2,050	-	(119)	-	1,931	-	1,931
Share options granted under ESOS	-	18,202	-	-	18,202	-	18,202
Share options exercised under ESOS	6,830	(6,830)	-	-	-	-	-
Transfer share options reserves to retained profits upon expiry of ESOS	-	(83,956)	-	83,956	-	-	-
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	(900)	(900)
Dividends paid by a subsidiary to non-controlling interests	-	-	-	-	-	(23,595)	(23,595)
Dividends paid to shareholders (Note 11)							
– Dividend reinvestment plan	71,387	-	-	(71,387)	-	-	-
– Cash settlement	-	-	-	(77,503)	(77,503)	-	(77,503)
Total transactions with owners	151,217	(72,584)	(119)	(64,934)	13,580	(24,495)	(10,915)
At 31 July 2020	3,620,946	-	440,943	4,479,203	8,541,092	426,502	8,967,594

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

For the financial year ended 31 July 2020

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
	← Attributable to owners of the Company →						
	← Non-distributable →			Distributable			
At 1 August 2018 (as previously stated)	3,452,940	57,733	305,494	3,780,458	7,596,625	383,681	7,980,306
Effect of adoption of MFRS 123 (Note 2.2(c))	–	–	–	(2,757)	(2,757)	–	(2,757)
At 1 August 2018 (as restated)	3,452,940	57,733	305,494	3,777,701	7,593,868	383,681	7,977,549
Total comprehensive income	–	–	36,654	697,090	733,744	52,236	785,980
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	16,789	14,851	(274)	(296,355)	(264,989)	(36,600)	(301,589)
At 31 July 2019 (as restated)	**3,469,729**	**72,584**	**341,874**	**4,178,436**	**8,062,623**	**399,317**	**8,461,940**

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 2020

	2020 RM'000	2019 RM'000 (Restated)
Cash flows from operating activities		
Profit before tax	**585,462**	901,112
Adjustments for:		
Amortisation:		
– Concession development expenditure	**137,160**	127,982
– Land use rights	**–**	425
Depreciation:		
– Right-of-use assets	**4,286**	–
– Property, plant and equipment	**74,711**	56,594
– Investment properties	**6,970**	7,127
Provision/(reversal) for:		
– Liabilities	**4,518**	4,490
– Retirement benefits obligations	**(1,077)**	7,472
– Short term accumulating compensated absences	**1,296**	1,324
Property, plant and equipment written off	**2,753**	31
Net (gain)/loss on:		
– Disposal of property, plant and equipment	**(458)**	(510)
– Disposal of investment properties	**(2,223)**	(24,055)
– Unrealised foreign exchange	**–**	31
Fair value gain on embedded derivatives	**(1,459)**	(2,957)
Share of profits of:		
– Associated companies	**(116,245)**	(126,634)
– Joint ventures	**(192,181)**	(186,534)
Impairment of:		
– Trade receivables	**1,197**	38,963
– Property, plant and equipment	**148,100**	–
Share options granted under ESOS	**18,202**	18,101
Distribution from investment securities:		
– Islamic	**(9,594)**	(8,773)
– Non-Islamic	**(10,460)**	(4,868)
Profit rate from Islamic fixed deposits	**(15,104)**	(9,553)
Interest income from non-Islamic fixed deposits	**(83,154)**	(69,546)
Net unwinding of discount	**(11,866)**	(43,059)
Finance costs	**123,095**	106,720
Operating profit before working capital changes	**663,929**	793,883
(Increase)/decrease in:		
– Land held for property development	**(187,123)**	(171,756)
– Property development costs	**669,973**	154,370
– Receivables	**(147,142)**	(80,046)
– Inventories	**(545,714)**	97,976
Increase in payables	**610,734**	127,879
Cash generated from operations	**1,064,657**	922,306
Income taxes paid	**(183,037)**	(159,973)
Finance costs paid	**(282,405)**	(275,838)
Lease interest paid	**(735)**	–
Retirement benefit obligations paid	**(2,167)**	(1,772)
Net cash generated from operating activities	**596,313**	484,723

Consolidated Statement of Cash Flows (Cont'd.)

For the financial year ended 31 July 2020

	2020 RM'000	2019 RM'000 (Restated)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(175,384)**	(253,790)
Additions to:		
– Land held for property development	**(219,700)**	(229,227)
– Investment properties	**(9,882)**	(88,522)
– Right-of-use assets	**(3,821)**	–
– Expressway development expenditures	**(6,829)**	(13,251)
Proceeds from:		
– Disposal of property, plant and equipment	**798**	793
– Disposal of investment properties	**4,805**	63,622
Net purchase from disposal of investment securities	**(247,803)**	(12,393)
Acquisition of additional interest in a subsidiary	**(900)**	-
Capital repayment from an associated company	**11,024**	159,996
Additional of interest in joint ventures (net)	**77,399**	(187,156)
Placement of deposits with tenure more than 3 months	**(257,292)**	(109,582)
Dividend received from:		
– Associated companies	**121,383**	776,048
– Joint ventures	**267,000**	175,800
Distribution received from investment securities:		
– Islamic	**9,594**	8,773
– Non-Islamic	**10,460**	4,868
Profit rate received from Islamic fixed deposits	**15,104**	9,553
Interest income received from non-Islamic fixed deposits	**83,154**	69,546
Net cash (used in)/generated from investing activities	**(320,890)**	375,078
Cash flows from financing activities		
Net drawdown/(repayment) of borrowings and debts	**320,030**	(594,357)
Repayment of lease liabilities	**(5,763)**	–
Proceeds from:		
– Exercise of ESOS	**70,950**	8,800
– Conversion of warrants	**1,931**	4,465
Dividends paid to:		
– Shareholders	**(225,775)**	(148,083)
– Non-controlling interests	**(23,595)**	(36,600)
Net cash generated from/(used in) financing activities	**137,778**	(765,775)
Net increase in cash and cash equivalents	**413,201**	94,026
Effects of exchange rate changes	**24,437**	10,029
Cash and cash equivalents at beginning of year	**1,081,123**	977,068
Cash and cash equivalents at end of year (Note 25)	**1,518,761**	1,081,123

Reconciliation of liabilities arising from financing activities:

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

	2020 RM'000	2019 RM'000
At 1 August 2019/2018	**5,143,658**	5,736,700
Repayment of borrowings and debts	**(1,539,397)**	(1,243,066)
Drawdown of borrowings and debts	**1,859,427**	648,709
Effects of exchange rate changes	**1,443**	1,315
At 31 July	**5,465,131**	5,143,658

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

Income Statement

For the financial year ended 31 July 2020

	Note	2020 RM'000	2019 RM'000
Revenue	4	**1,526,170**	2,420,370
Other income		**203,266**	215,112
Construction contract costs recognised as contract expenses		**(961,966)**	(1,144,640)
Staff costs	5	**(71,353)**	(71,314)
Depreciation		**(7,092)**	(7,212)
Other operating expenses		**(2,164)**	(39,537)
Profit from operations	7	**686,861**	1,372,779
Impairment of cost of investment in GIBS		**(285,000)**	-
Profit from operations after impairment		**401,861**	1,372,779
Finance costs	8	**(136,133)**	(120,976)
Profit before tax		**265,728**	1,251,803
Income tax expense	9	**(27,644)**	(23,149)
Profit for the year		**238,084**	1,228,654
Net dividends per ordinary share (sen)	11	**6.0**	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 2020

	2020 RM'000	2019 RM'000
Profit for the year	**238,084**	1,228,654
Other comprehensive loss:		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:		
Foreign currency translation (Note 27)	**(4,609)**	(1,179)
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:		
Fair value remeasurement on defined benefit plan (Note 29)	**(678)**	(558)
Income tax effect	**163**	134
Other comprehensive loss for the year, net of tax	**(5,124)**	(1,603)
Total comprehensive income for the year	**232,960**	1,227,051

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

Statement of Financial Position

As at 31 July 2020

	Note	2020 RM'000	2019 RM'000
Assets			
Non-current assets			
Property, plant and equipment	12	**197,636**	281,491
Investment properties	14	**9,812**	9,965
Right-of-use assets	15(b)	**1,584**	-
Investments in subsidiaries	17	**5,269,376**	4,526,481
Interests in associated companies	18	**253,218**	253,218
Interests in joint arrangements	19	**177,627**	177,627
Other investments	20	**733**	733
Deferred tax assets	32	**5,565**	2,228
Receivables	21(b)	**11,691**	88,970
Due from subsidiaries	24	**938,380**	844,703
		6,865,622	6,185,416
Current assets			
Inventories	13(c)	**1,148**	1,952
Receivables	21(a)	**918,887**	895,020
Contract assets	22	**33,465**	19,425
Due from subsidiaries	24	**2,692,721**	2,030,013
Investment securities	23	**581,850**	340,371
Cash and bank balances	25	**195,532**	65,184
		4,423,603	3,351,965
Total assets		**11,289,225**	9,537,381
Equity and liabilities			
Share capital	26	**3,620,946**	3,469,729
Reserves		**2,540,597**	2,445,274
Owners' equity		**6,161,543**	5,915,003
Non-current liabilities			
Payables	30(a)	**73,540**	67,789
Due to subsidiaries	36	**7,766**	-
Long term Islamic debts	33	**1,750,000**	1,300,000
		1,831,306	1,367,789
Current liabilities			
Payables	30(b)	**208,049**	380,160
Contract liabilities	22	**1,006,232**	790,073
Due to subsidiaries	36	**350,904**	168,449
Short term Islamic debts	33	**400,000**	300,000
Short term borrowings	34	**1,314,080**	600,298
Tax payable		**17,111**	15,609
		3,296,376	2,254,589
Total liabilities		**5,127,682**	3,622,378
Total equity and liabilities		**11,289,225**	9,537,381

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 2020

	← 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 2019	3,469,729	72,584	101,214	2,271,476	5,915,003
Total comprehensive income	–	–	(4,609)	237,569	232,960
Transactions with owners:					
Issue of ordinary shares pursuant to:					
Exercise of ESOS (Note 26(f))	70,950	–	–	–	70,950
Conversion of Warrants (Notes 26 and 27)	2,050	–	(119)	–	1,931
Share options granted under ESOS	–	18,202	–	–	18,202
Share options exercised under ESOS	6,830	(6,830)	–	–	–
Transfer share options reserves to retained profits upon expiry of ESOS	–	(83,956)	–	83,956	–
Dividends paid to shareholders (Note 11)					
– Dividend reinvestment plan	71,387	–	–	(71,387)	–
– Cash settlement	–	–	–	(77,503)	(77,503)
Total transactions with owners	151,217	(72,584)	(119)	(64,934)	13,580
At 31 July 2020	**3,620,946**	**–**	**96,486**	**2,444,111**	**6,161,543**
Company					
At 1 August 2018	3,452,940	57,733	102,667	1,339,601	4,952,941
Total comprehensive 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

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 2020

	2020 RM'000	2019 RM'000
Cash flows from operating activities		
Profit before taxation	**265,728**	1,251,803
Adjustments for:		
Depreciation:		
– Right-of-use assets	**134**	-
– Property, plant and equipment	**6,805**	7,057
– Investment properties	**153**	155
Provision/(reversal) for:		
– Retirement benefits obligations	**556**	771
– Short term accumulating compensated absences	**(142)**	332
Property, plant and equipment written off	**2**	7
Net gain on:		
– Disposal of property, plant and equipment	**(319)**	(280)
– Unrealised foreign exchange	**(25,661)**	(32,550)
Impairment of trade receivables	**-**	38,311
Impairment of cost of investment in GIBS	**285,000**	-
Share options granted under ESOS	**18,202**	18,101
Dividend income from:		
– Subsidiaries	**(89,046)**	(166,288)
– Associated companies	**(100,053)**	(771,518)
– Joint ventures	**(267,000)**	(175,800)
Distribution from investment securities:		
– Islamic	**(7,011)**	(736)
– Non-Islamic	**(7,553)**	(1,980)
Profit rate from Islamic fixed deposits	**(1,949)**	(1,815)
Interest income from:		
– Non-Islamic fixed deposits	**(755)**	(954)
– Subsidiaries	**(161,783)**	(153,716)
Net unwinding of discount	**(7,480)**	(37,793)
Finance costs	**132,813**	117,829
Operating profits before working capital changes	**40,641**	90,936
(Increase)/decrease in:		
– Net amount due from/(to) subsidiaries	**(526,972)**	(1,065,410)
– Receivables	**52,100**	(101,167)
– Inventories	**804**	2,740
Increase in payables	**277,476**	383,919
Cash used in operations	**(155,951)**	(688,982)
Dividend received	**456,099**	1,113,606
Income taxes paid	**(29,316)**	(16,988)
Finance costs paid	**(132,813)**	(117,829)
Retirement benefit obligations paid	**(466)**	–
Net cash generated from operating activities	**137,553**	289,807

Statement of Cash Flows (Cont'd.)

For the financial year ended 31 July 2020

	2020 RM'000	2019 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	**(26,358)**	(32,000)
Purchase of right of use assets	**(536)**	–
Proceeds from disposal of property, plant and equipment	**410**	385
Net purchase of investment securities	**(241,479)**	(318,867)
Capital injection in subsidiaries	**(624,595)**	(688,165)
Acquisition of additional interest in a subsidiary	**(900)**	–
Long-term advances to a subsidiary company	**(407,500)**	–
Capital redemption from:		
– A subsidiary company	**5,100**	–
– An associated company	**–**	159,996
Proceeds on redemption of:		
– Loan stocks by a subsidiary	**–**	800,000
Distribution received from investment securities:		
– Islamic	**7,011**	736
– Non-Islamic	**7,553**	1,980
Profit rate received from Islamic fixed deposits	**1,949**	1,815
Interest income from:		
– Non-Islamic fixed deposits	**755**	954
– Subsidiaries	**161,783**	153,716
Net cash (used in)/generated from investing activities	**(1,116,807)**	80,550
Cash flows from financing activities		
Net drawdown/(repayment) of borrowings and debts	**1,262,333**	(249,821)
Proceeds from:		
– Exercise of ESOS	**70,950**	8,800
– Conversion of warrants	**1,931**	4,465
Dividend paid to shareholders	**(225,775)**	(148,083)
Net cash generated from/(used in) financing activities	**1,109,439**	(384,639)
Net increase/(decrease) in cash and cash equivalents	**130,185**	(14,282)
Effects of exchange rate changes	**163**	233
Cash and cash equivalents at beginning of year	**65,184**	79,233
Cash and cash equivalents at end of year (Note 25)	**195,532**	65,184

Reconciliation of liabilities arising from financing activities:

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

	2020 RM'000	2019 RM'000
At 1 August 2019/2018	**2,200,298**	2,450,000
Repayment of borrowings and debts	**(343,603)**	(1,169,744)
Drawdown of borrowings and debts	**1,605,936**	919,923
Effects of exchange rate changes	**1,449**	119
At 31 July	**3,464,080**	2,200,298

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

Notes to the Financial Statements
– 31 July 2020

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 2020.

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

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.

Considerations in respect of COVID-19 (coronavirus) and the current economic environment

On 11 March 2020, the World Health Organisation ("WHO") declared COVID-19 a worldwide pandemic. The Group operates in a few geographical locations, mainly in Malaysia, Vietnam, Singapore, Taiwan and Australia. With widespread concerns about the ongoing COVID-19 pandemic, the Government of Malaysia had declared a Movement Control Order ("MCO") from 18 March 2020 to 12 May 2020. The MCO was revised to the Conditional MCO ("CMCO") from 4 May 2020 to 9 June 2020, followed by Recovery MCO ("RMCO") up to 31 December 2020. The impact of COVID-19 pandemic on the Group's business activities outside Malaysia varied amongst countries. The operations in Vietnam and Taiwan continued to operate normally with additional health and safety procedures imposed by the respective governments, whereas in Singapore and Australia there were lockdowns for several months.

This had led to the temporary cessation of some business activities and caused delays in construction and property development activities. The financial performance of the Group and of the Company was consequently affected. The Group and the Company are of the view that the impact of COVID-19 is short term and expect that the business operations will return to normal when the RMCO and lockdowns are fully relaxed.

The Group and the Company are taking the necessary steps to mitigate the risks arising from the COVID-19 pandemic, including the prudent management of their cashflows from their operating, investing and financing activities. With 70.6% (2019: 69.8%) and 24.0% (2019: 29.7%) of revenue contributed from Malaysia and Vietnam respectively, the Group does not expect significant disruptions in operations.

At the reporting date, the Group is in net current assets position of RM3,639,455,000 (2019: RM2,969,777,000) with an amount of RM1,518,761,000 (2019: RM1,081,123) cash and cash equivalents. The Group maintains a gearing ratio of 30% (2019: 39%).

The Group has taken into consideration the COVID-19 impact and the current economic environment on the basis of preparation of this financial statements. The directors continue to consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 August 2019, the Group and the Company adopted the following new and amended MFRSs:

Effective for annual periods beginning on or after 1 January 2019

MFRS 16	Leases
Amendments to MFRS 3	Business Combinations: Previously Held Interest in Joint Operation (Annual Improvements to MFRSs 2015-2017 Cycle)
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 11	Joint Arrangements: Previously Held Interest in Joint Operation (Annual Improvements to MFRSs 2015-2017 Cycle)
Amendments to MFRS 112	Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements to MFRSs 2015-2017 Cycle)
Amendments to MFRS 119	Plan amendment, Curtailment or Settlement
Amendments to MFRS 123	Borrowing Costs Eligible for Capitalisation (Annual Improvements to MFRSs 2015-2017 Cycle)
Amendments to MFRS 128	Long Term Interest in Associates and Joint ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments

Other than the adoption of MFRS 16, the application of these amendments, improvements and interpretation did not have any material impact on the Group's and the Company's current period or any prior period and is not likely to affect future periods financial statements.

(a) First time adoption of MFRS 16 Leases

The Group and the Company have adopted MFRS 16, using modified retrospective method from 1 August 2019, and have not restated its comparative for the 2019 reporting period, as permitted under the specific transitional provisions in the standard.

(i) Adjustments recognised on adoption of MFRS 16

Upon adoption of MFRS 16, the Group and the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low-value assets. The Group and the Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption, the Group and the Company have not restated its comparative for the 2019 reporting period.

(ii) Practical expedients applied

In applying MFRS 16 for the first time, the Group and the Company have used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessment on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 August 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determing the lease term where the contract contains options to extend or terminate the lease.

The Group and the Company have also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group and the Company relied on its assessment made when applying MFRS 117.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.2 Changes in accounting policies (cont'd.)

(a) First time adoption of MFRS 16 Leases (cont'd.)

(iii) Impact of MFRS 16

Impact on the financial statements:

The associated right-of-use assets for land, buildings and motor vehicles were measured on a retrospective basis as if the new rules had always been applied. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

Lease assets recognised previously as land use rights in previous financial year, were derecognised. Right-of-use assets were recognised and presented separately in the statement of financial position.

The impact of changes to the statements of financial position of the Group and of the Company resulting from the adoption of MFRS 16 Leases as at 1 August 2019 are as follows:

	As at 31 July 2019 RM'000	Effect of MFRS 16 RM'000	As at 1 August 2019 RM'000
Group			
Non-current assets			
Land use rights	1,470	(1,470)	–
Right-of-use assets	–	16,920	16,920
Non-current liabilities			
Lease liabilities	–	(10,975)	(10,975)
Current liabilities			
Lease liabilities	–	(4,475)	(4,475)
Company			
Non-current assets			
Right-of-use assets	–	2,521	2,521
Non-current liabilities			
Lease liabilities	–	(1,771)	(1,771)
Current liabilities			
Lease liabilities	–	(750)	(750)

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

2.2 Changes in accounting policies (cont'd.)

(a) First time adoption of MFRS 16 Leases (cont'd.)

(iii) Impact of MFRS 16 (cont'd.)

Impact on the financial statements: (cont'd.)

The reconciliation between the operating lease commitments disclosed applying MFRS 117 to the lease liabilities recognised at the date of initial application of 1 August 2019 is as follows:

	RM'000
Group	
Operating lease commitments disclosed as at 31 July 2019	8,438
Discounted at the incremental borrowing rate of 4.70% as at 1 August 2019	
Add/(less):	
Commitments relating to leases of low value assets	(237)
Commitments relating to short-term leases	(1,374)
Adjustments as a result of a different treatment of extension and termination options	8,623
Lease liabilities recognised as at 1 August 2019	15,450
Analysed as:	
Current lease liabilities	4,475
Non-current lease liabilities	10,975
	15,450
Company	
Operating lease commitments disclosed as at 31 July 2019	401
Discounted at the incremental borrowing rate of 4.70% as at 1 August 2019	
Add/(less):	
Commitments relating to short-term leases	(87)
Adjustments as a result of a different treatment of extension and termination options	2,207
Lease liabilities recognised as at 1 August 2019	2,521
Analysed as:	
Current lease liabilities	750
Non-current lease liabilities	1,771
	2,521

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.2 Changes in accounting policies (cont'd.)

(a) First time adoption of MFRS 16 Leases (cont'd.)

(iii) Impact of MFRS 16 (cont'd.)

Impact on the financial statements: (cont'd.)

The following are the amounts recognised in profit or loss:

	Group RM'000	Company RM'000
Depreciation expense of right-of-use assets (Note 7)	4,286	134
Interest expense on lease liabilities (Note 8)	735	91
Total amount recognised in profit or loss	5,021	225

(b) Adoption of Annual Improvements to MFRS Standards 2015–2017 Cycle: MFRS 123 Borrowing Costs – Borrowing costs eligible for capitalisation

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies these amendments to borrowing costs incurred on or after the beginning of the annual reporting periods beginning on or after 1 January 2019.

There is no significant impact to the Group upon adoption of this standard.

(c) MFRS 123: Borrowing Costs relating to over time transfer of constructed good (Agenda Decision 4 ("AD4"))

In March 2019, the International Financial Reporting Standard Interpretation Committee ("IFRIC") concluded that interest cost should not be capitalised for assets created under the percentage-of-completion method i.e. receivables, contract assets and inventories as these assets do not meet the definition of qualifying assets.

On 20 March 2019, the Malaysian Accounting Standards Board allowed the affected entities to apply the changes in accounting policies to their financial statements in relation to AD4 beginning on or after 1 July 2020.

The Group has complied with the requirements of the IFRIC Agenda Decision on borrowing costs and has reflected the impact for the financial year ended 31 July 2020.

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

2.2 Changes in accounting policies (cont'd.)

(c) MFRS 123: Borrowing Costs relating to over time transfer of constructed good (Agenda Decision 4 ("AD4")) (cont'd.)

The effect of the adoption of AD4 on the financial statements as at 1 August 2018 and 31 July 2019 are as follows:

Consolidated income statement
For the financial year ended 31 July 2019

	As previously stated RM'000	Effect of adoption of MFRS 123 RM'000	As restated RM'000
Revenue	4,565,062	–	4,565,062
Other income	217,544	–	217,544
Construction contract costs recognised as contract expenses	(1,301,331)	–	(1,301,331)
Land and development costs	(1,622,430)	15,961	(1,606,469)
Highway maintenance and toll operations	(32,907)	–	(32,907)
Changes in inventory of finished goods and work in progress	(9,905)	–	(9,905)
Purchases - raw and trading materials	(261,338)	–	(261,338)
Production overheads	(92,531)	–	(92,531)
Staff costs	(253,045)	–	(253,045)
Depreciation and amortisation	(192,128)	–	(192,128)
Other operating expenses	(327,687)	–	(327,687)
Profit from operations	689,304	15,961	705,265
Finance costs	(91,931)	(25,390)	(117,321)
Share of profits of associated companies	126,634	–	126,634
Share of profits of joint ventures	184,842	1,692	186,534
Profit before tax	908,849	(7,737)	901,112
Income tax expenses	(150,654)	1,810	(148,844)
Profit for the year	758,195	(5,927)	752,268
Profit attributable to:-			
Owners of the Company	706,113	(5,927)	700,186
Non-controlling interests	52,082	–	52,082
	758,195	(5,927)	752,268

Notes to the Financial Statements (Cont'd.)
– 31 July 2020

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

2.2 Changes in accounting policies (cont'd.)

(c) MFRS 123: Borrowing Costs relating to over time transfer of constructed good (Agenda Decision 4 ("AD4")) (cont'd.)

The effect of the adoption of AD4 on the financial statements as at 1 August 2018 and 31 July 2019 are as follows: (cont'd.)

Consolidated statement of financial position
As at 31 July 2019

	As previously stated RM'000	Effect of adoption of MFRS 123 RM'000	As restated RM'000
Assets			
Non-current assets			
Property, plant and equipment	1,155,510	–	1,155,510
Land held for property development	2,919,183	–	2,919,183
Investment properties	432,815	–	432,815
Land use rights	1,470	–	1,470
Concession development expenditure	1,306,472	–	1,306,472
Interests in associated companies	970,789	–	970,789
Interests in joint arrangements	1,201,555	(223)	1,201,332
Other investments	812	–	812
Deferred tax assets	40,924	843	41,767
Receivables	1,074,294	–	1,074,294
	9,103,824	620	9,104,444
Current assets			
Property development costs	1,886,996	(1,640)	1,885,356
Inventories	774,933	(9,736)	765,197
Receivables	1,938,030	–	1,938,030
Contract assets	1,604,295	–	1,604,295
Tax recoverable	34,158	–	34,158
Investment securities	396,664	–	396,664
Cash and bank balances	1,452,272	–	1,452,272
	8,087,348	(11,376)	8,075,972
Total assets	17,191,172	(10,756)	17,180,416

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

2.2 Changes in accounting policies (cont'd.)

(c) MFRS 123: Borrowing Costs relating to over time transfer of constructed good (Agenda Decision 4 ("AD4")) (cont'd.)

The effect of the adoption of AD4 on the financial statements as at 1 August 2018 and 31 July 2019 are as follows: (cont'd.)

Consolidated statement of financial position
As at 31 July 2019 (cont'd.)

	As previously stated RM'000	Effect of adoption of MFRS 123 RM'000	As restated RM'000
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	3,469,729	–	3,469,729
Reserves	4,601,578	(8,684)	4,592,894
Owners' equity	8,071,307	(8,684)	8,062,623
Non-controlling interests	399,317	–	399,317
Total equity	8,470,624	(8,684)	8,461,940
Non-current liabilities			
Payables	197,982	–	197,982
Contract liabilities	50,786	–	50,786
Provision for liabilities	29,978	–	29,978
Deferred tax liabilities	375,794	–	375,794
Long term Islamic debts	1,975,000	–	1,975,000
Long term borrowings	982,741	–	982,741
	3,612,281	–	3,612,281
Current liabilities			
Payables	1,844,392	–	1,844,392
Contract liabilities	942,039	–	942,039
Provision for liabilities	76,645	(2,072)	74,573
Short term Islamic debts	690,000	–	690,000
Short term borrowings	1,495,917	–	1,495,917
Tax payable	59,274	–	59,274
	5,108,267	(2,072)	5,106,195
Total liabilities	8,720,548	(2,072)	8,718,476
Total equity and liabilities	17,191,172	(10,756)	17,180,416

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.2 Changes in accounting policies (cont'd.)

(c) MFRS 123: Borrowing Costs relating to over time transfer of constructed good (Agenda Decision 4 ("AD4")) (cont'd.)

The effect of the adoption of AD4 on the financial statements as at 1 August 2018 and 31 July 2019 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 123 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	2,655,137	–	2,655,137
Investment properties	363,886	–	363,886
Land use rights	1,895	–	1,895
Concession development expenditure	1,421,203	–	1,421,203
Interests in associated companies	1,773,824	–	1,773,824
Interests in joint arrangements	1,000,538	(1,915)	998,623
Other investments	812	–	812
Deferred tax assets	41,401	(967)	40,434
Receivables	1,005,967	–	1,005,967
	9,273,854	(2,882)	9,270,972
Current assets			
Property development costs	2,083,015	237	2,083,252
Inventories	491,758	(1,119)	490,639
Receivables	1,842,188	–	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
	7,358,537	(882)	7,357,655
Total assets	16,632,391	(3,764)	16,628,627

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

2.2 Changes in accounting policies (cont'd.)

(c) MFRS 123: Borrowing Costs relating to over time transfer of constructed good (Agenda Decision 4 ("AD4")) (cont'd.)

The effect of the adoption of AD4 on the financial statements as at 1 August 2018 and 31 July 2019 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 123 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	4,143,685	(2,757)	4,140,928
Owners' equity	7,596,625	(2,757)	7,593,868
Non-controlling interests	383,681	–	383,681
Total equity	7,980,306	(2,757)	7,977,549
Non-current liabilities			
Payables	143,396	–	143,396
Contract liabilities	61,168	–	61,168
Provision for liabilities	27,936	–	27,936
Deferred tax liabilities	407,319	–	407,319
Long term Islamic debts	2,465,000	–	2,465,000
Long term borrowings	1,784,964	–	1,784,964
	4,889,783	–	4,889,783
Current liabilities			
Payables	1,629,297	–	1,629,297
Contract liabilities	546,376	–	546,376
Provision for liabilities	54,831	(1,007)	53,824
Short term Islamic debts	890,000	–	890,000
Short term borrowings	596,736	–	596,736
Tax payable	45,062	–	45,062
	3,762,302	(1,007)	3,761,295
Total liabilities	8,652,085	(1,007)	8,651,078
Total equity and liabilities	16,632,391	(3,764)	16,628,627

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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 yet to be effective:

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

Amendments to MFRS 3	Business Combinations - Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
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 June 2020:

Amendments to MFRS 16	COVID-19 - Related Rent Concession

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

MFRS 17	Insurance Contracts

Effective for annual periods beginning on or after 1 January 2022:

Amendments to MFRS 3	Reference to the Conceptual Framework

Effective for annual periods beginning on or after 1 January 2023:

Amendments to MFRS 101	Classification of Liabilities as Current or Non-current

Deferred:

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

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.

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 MFRS 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.

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

2.6 Investment in associated companies and joint ventures

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

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

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 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.

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.

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 and and water development expenditure.

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.

The water development expenditure ("WDE") is attributable to Gamuda Water Sdn. Bhd. which have been granted the rights to manage, operate and maintain Sungai Selangor Water Treatment Plant Phase 3 ("SSP 3") for a period of 8 years. WDE comprises of rehabilitation and restoration capital expenditure in connection with the operations and maintenance of water concession.

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

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 Company 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 and the Company 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% – 20%
Office equipment, furniture and fittings	10% – 33%
Motor vehicles	12% – 25%

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.

Notes to the Financial Statements (Cont'd.)
– 31 July 2020

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

2.10 Leases

Accounting policies applied until 1 August 2019

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

Finance leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payment.

Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease expense.

Property, plant and equipment acquired under finance lease contracts are depreciated over the estimated useful life of the asset, in accordance with the annual rates stated in Note 2.9 above. Where there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its useful life.

Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

Sale and leaseback transactions

When a sale and leaseback results in a finance lease, any gain on the sale is deferred and recognised as income over the lease term. Any loss on the sale is immediately recognised as an impairment loss when the sale occurs.

If the leaseback is classified as an operating lease, then any gain is recognised immediately if the sale and leaseback terms are demonstrably at fair value. Otherwise, the sale and leaseback are accounted for as follows:

- If the sale price is below fair value then the gain or loss is recognised immediately other than to the extent that a loss is compensated for by future rentals at below market price, then the loss is deferred and amortised over the period that the asset is expected to be used.

- If the sale price is above fair value, then any gain is deferred and amortised over the useful life of the asset.

- If the fair value of the asset is less than the carrying amount of the asset at the date of the transaction, then that difference is recognised immediately as a loss on the sale.

Assets leased out by the Group under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Lease income (net of any incentives given to lessees) is recognised over the term of the lease on a straight-line basis.

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

2.10 Leases (cont'd.)

Accounting policies applied from 1 August 2019

The Group assesses whether a contract is, or contains, a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less.

(i) Right-of-use assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statement of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group and the Company expect to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.13 to the financial statements.

(ii) Lease liability

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate of implicit in the lease.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount has been reduced to zero.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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

2.10 Leases (cont'd.)

Accounting policies applied from 1 August 2019 (cont'd.)

Group as a lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee.

(i) Finance leases

The Group classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments is subject to MFRS 9 impairment on impairment of financial assets. In addition, the Group reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

(ii) Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

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.

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. 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 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.

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 liabilities within trade payables.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

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.

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

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.

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.

(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 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.

2.16 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.

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.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.17 Taxes (cont'd.)

(b) Deferred tax (cont'd.)

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.

(c) Sales and Service Tax ("SST")

The net amount of SST being the difference between output and input of 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.

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 Goods and Services Tax ("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.

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

2.18 Employee benefits (cont'd.)

(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.

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.

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

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.

(a) Revenue recognition from contracts with customers

The following specific recognition criteria must also be met before revenue and other income are recognised:

(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.

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.

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.)

The following specific recognition criteria must also be met before revenue and other income are recognised: (cont'd.)

(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.

(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.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

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.

(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:

	2020 RM	2019 RM
United States Dollar	**4.238**	4.126
Indian Rupee	**0.057**	0.060
New Taiwan Dollar	**0.144**	0.132
Qatari Riyal	**1.155**	1.125
Bahraini Dinar	**11.225**	10.918
100 Vietnam Dong	**0.018**	0.018
Australian Dollar	**3.027**	2.847
Singapore Dollar	**3.083**	3.015
Pound Sterling	**5.508**	–

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.

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.

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

2.21 Financial assets (cont'd.)

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.

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.

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

2.21 Financial assets (cont'd.)

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.

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.

2.23 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 expense

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

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.

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.

(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.

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

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.

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 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.

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.

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

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.

2.29 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.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.29 Fair value measurement (cont'd.)

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.

2.30 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) Revenue for property development activities and construction contracts

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.

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).

The carrying amount of the Group's and the Company's contract assets/(liabilities) for construction contracts at the reporting date is disclosed in Note 22.

(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 32.

(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 37(a).

If the actual claims differ by 5% from management's estimates, the Group's profit for the year will increase/decrease by RM2,067,000 (2019: RM3,107,000).

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 37(b).

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

The Group and the Company assess at each reporting date whether there are indicators of impairment for its investments in subsidiaries, associated companies and joint ventures. 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.

The carrying amount of the investment in GIBS as at 31 July 2020 was RM655,000,000. During the financial year, the Company has recognised impairment of RM285,000,000 in the investment of GIBS. The Company carried out the impairment test based on 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.

If the management's estimated gross margin had been lowered by 1%, the carrying amount of the investment in GIBS would be further impaired by RM12,200,000. If the management's estimated pre-tax discount rate applied to the discounted cash flows had been raised by 1%, the carrying amount of the investment in GIBS would be further impaired by RM20,200,000. If the management's estimated revenue growth rate had been lowered by 10%, the carrying amount of the investment in GIBS would be further impaired by RM26,200,000.

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, 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.

(g) Impairment assessment on property, plant and equipment ("PPE")

The Group and the Company assess whether there are any indicators of impairment for all non-financial assets at each reporting date.

The carrying amount of the property, plant and equipment of the Group as at 31 July 2020 was RM394,881,000. During the financial year, the Group has recognised impairment in respect of its subsidiary, GIBS's, property, plant and equipment of RM148,100,000. The Group carried out the impairment test based on a variety of estimation including the value in use of the cash-generating unit ("CGU") to which the property, plant and equipment are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

If the management's estimated gross margin had been lowered by 1%, the property, plant and equipment would be further impaired by RM12,200,000. If the management's estimated pre-tax discount rate applied to the discounted cash flows had been raised by 1%, the property, plant and equipment would be further impaired by RM20,200,000. If the management's estimated revenue growth rate had been lowered by 10%, the property, plant and equipment would be further impaired by RM26,200,000.

Notes to the Financial Statements (Cont'd.)

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4. REVENUE

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Engineering and construction contracts	**1,624,739**	1,686,398	**1,070,071**	1,306,752
Sales of development properties	**1,321,316**	2,121,863	**–**	–
Trading of construction materials	**81,423**	163,880	**–**	–
Sales of manufactured products	**62,073**	43,998	**–**	–
Quarry sales	**55,258**	28,170	**–**	–
Supply of water and related services	**165,557**	170,297	**–**	–
Toll concession revenue	**314,835**	308,982	**–**	–
Dividend income from subsidiaries	**–**	–	**89,046**	166,288
Dividend income from associated companies	**–**	–	**100,053**	771,518
Dividend income from joint ventures	**–**	–	**267,000**	175,800
Others	**37,763**	41,474	**–**	12
	3,662,964	4,565,062	**1,526,170**	2,420,370
Timing of revenue recognition:				
– At a point in time	**1,642,129**	1,210,550	**456,099**	1,113,618
– Over time	**2,020,835**	3,354,512	**1,070,071**	1,306,752
	3,662,964	4,565,062	**1,526,170**	2,420,370

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

	2020 RM'000	2019 RM'000
Revenue of the Group	**3,662,964**	4,565,062
Share of revenue of joint ventures:		
– Engineering and construction contracts	**2,953,308**	2,198,418
– Property development and club operations	**173,742**	400,403
– Water and expressway concessions	**14,909**	17,315
	6,804,923	7,181,198

5. STAFF COSTS

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Wages and salaries:	**321,835**	332,726	**121,095**	140,227
– Company	**31,908**	23,047	**31,908**	23,047
– Joint operations	**89,187**	117,180	**89,187**	117,180
– Subsidiaries	**200,740**	192,499	**–**	–
Bonus	**–**	23,116	**–**	5,381
Directors' remuneration (Note 6)	**13,420**	15,842	**12,676**	14,533
Short term accumulating compensated absences	**1,296**	1,324	**(142)**	332
Defined contribution plans	**23,866**	25,781	**3,285**	4,667
Provision for retirement benefit obligations	**(1,233)**	7,305	**441**	643
Share options granted under ESOS	**17,957**	17,609	**17,982**	17,609
Social security costs	**3,605**	3,267	**180**	138
Other staff related expenses	**53,242**	44,937	**2,320**	4,379
	433,988	471,907	**157,837**	187,909
Less: Amount capitalised in qualifying assets:				
– Property development costs (Note 13(b))	**(37,763)**	(39,255)	**–**	–
– Investment properties (Note 14)	**(556)**	(2,785)	**–**	–
– Costs of contract assets from construction (Note 22(a))	**(126,942)**	(164,807)	**(86,484)**	(116,595)
Less: Amount classified as highway maintenance and toll operations	**(11,808)**	(12,015)	**–**	–
	256,919	253,045	**71,353**	71,314

Notes to the Financial Statements (Cont'd.)

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6. DIRECTORS' REMUNERATION

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Directors				
Executive:				
Salaries	**11,275**	13,143	**10,695**	12,055
Defined contribution plans	**1,596**	1,871	**1,522**	1,727
Provision for retirement benefit obligations	**156**	167	**115**	128
Share options granted under ESOS	**245**	492	**220**	492
Other emoluments				
– Allowances	**148**	169	**124**	131
– Benefits-in-kind	**684**	1,258	**589**	829
	14,104	17,100	**13,265**	15,362
Non-executive:				
Fees	**716**	774	**716**	774
Other emoluments				
– Allowances	**175**	172	**175**	172
– Benefits-in-kind	**28**	98	**28**	98
	919	1,044	**919**	1,044
Total	**15,023**	18,144	**14,184**	16,406
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 5)	**13,420**	15,842	**12,676**	14,533
Total non-executive directors' remuneration excluding benefits-in-kind (Note 7)	**891**	946	**891**	946
Total directors' remuneration excluding benefits-in-kind	**14,311**	16,788	**13,567**	15,479

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 2020 and 31 July 2019 are as follows:

2020	Salaries, bonus and EPF RM'000	Fees RM'000	Other emoluments* RM'000	Total RM'000
Directors				
Executive:				
Y Bhg Dato' Lin Yun Ling	5,414	–	291	5,705
Y Bhg Dato' Ir. Ha Tiing Tai	3,063	–	247	3,310
Encik Mohammed Rashdan bin Mohd Yusof	3,740	–	175	3,915
Y Bhg Dato' Ubull a/l Din Om	654	–	119	773
	12,871	–	832	13,703
Non-executive:				
Y Bhg Dato' Mohammed bin Haji Che Hussein	–	189	122	311
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	–	117	12	129
Y Bhg Tan Sri Dato' Setia Haji Ambrin bin Buang	–	117	12	129
YM Tunku Afwida binti Tunku A.Malek	–	149	31	180
Puan Nazli binti Mohd Khir Johari	–	144	26	170
	–	716	203	919

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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 2020 and 31 July 2019 are as follows: (cont'd.)

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
Y Bhg Dato' Ir. Ha Tiing Tai	3,245	–	215	3,460
Encik Mohammed Rashdan bin Mohd Yusof#	4,093	–	151	4,244
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
* Included in other emoluments are allowances and benefits-in-kind.

7. PROFIT FROM OPERATIONS

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

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Amortisation:				
– Land use rights (Note 15(a))	**–**	425	**–**	–
– Concession development expenditure (Note 16)	**137,160**	127,982	**–**	–
Auditors' remuneration:				
– Statutory audits:				
– Group's auditors	**1,478**	1,541	**328**	280
– Other auditors	**96**	104	**53**	24
– Other services	**1,079**	146	**950**	140
Right-of-use assets (Note 15(b)):				
– Depreciation	**4,286**	–	**134**	–
Investment properties (Note 14):				
– Depreciation	**6,970**	7,127	**153**	155
– Net gain on disposal	**(2,223)**	(24,055)	**–**	–
Non-executive directors' remuneration (Note 6)	**891**	946	**891**	946
Share options granted under ESOS	**18,202**	18,101	**18,202**	18,101
Property, plant and equipment (Note 12):				
– Depreciation	**74,711**	56,594	**6,805**	7,057
– Written off	**2,753**	31	**2**	7
– Net gain on disposal	**(458)**	(510)	**(319)**	(280)
Net provision for liabilities (Note 37)	**4,518**	4,490	**–**	–
Expenses relating to leases:				
– Short-term leases	**2,985**	–	**1,481**	–
– Low value assets	**350**	–	**1**	–
Rental expense:				
– Land	**–**	2,359	**–**	–
– Premises	**–**	991	**–**	34
Hire of plant and equipment	**–**	3,698	**–**	–
Loss/(gain) of foreign exchange:				
– Realised	**(118)**	1,126	**–**	(3,312)
– Unrealised	**–**	31	**(25,661)**	(32,550)
Rental income:				
– Premises	**(1,883)**	(775)	**(5,443)**	(5,285)
– Others	**(2,331)**	(2,361)	**(41)**	(176)

Notes to the Financial Statements (Cont'd.)
– 31 July 2020

7. PROFIT FROM OPERATIONS (CONT'D.)

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

	Group		Company	
	2020 RM'000	**2019 RM'000 (Restated)**	**2020 RM'000**	**2019 RM'000**
Impairment of:				
– Property, plant and equipment (Note 12)	**148,100**	–	**–**	–
– Investments in subsidiaries (Note 17)	**–**	–	**285,000**	–
– Trade receivables (Note 21(i))	**1,197**	38,963	**–**	38,311
Share of profits of associated companies	**116,245**	126,634	**–**	–
Share of profits of joint ventures	**192,181**	186,534	**–**	–
Fair value gain on embedded derivatives (Note 35)	**(1,459)**	(2,957)	**–**	–
Distribution from investment securities:				
– Islamic	**(9,594)**	(8,773)	**(7,011)**	(736)
– Non-Islamic	**(10,460)**	(4,868)	**(7,553)**	(1,980)
Profit rate from Islamic fixed deposits	**(15,104)**	(9,553)	**(1,949)**	(1,815)
Interest income arising from:				
– Non-Islamic fixed deposits	**(83,154)**	(69,546)	**(755)**	(954)
– Significant financing component (Note 22(b))	**(60)**	(2,133)	**–**	–
– Subsidiaries	**–**	–	**(161,783)**	(153,716)
Unwinding of discount:				
– Notional interest income	**(28,111)**	(53,660)	**(10,800)**	(40,940)

8. FINANCE COSTS

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Profit rate on Islamic medium term notes	**124,755**	140,779	**87,718**	88,920
Interest expense on:				
– Commercial papers	**17,321**	7,176	**17,321**	7,176
– Revolving credits	**34,677**	31,601	**27,147**	21,733
– Term loans	**88,830**	118,859	**–**	–
Lease liabilities (Note 31)	**735**	–	**91**	–
Unwinding of discount				
– Notional interest expense	**16,245**	10,601	**3,320**	3,147
Others	**579**	728	**622**	–
	283,142	309,744	**136,219**	120,976
Less:				
Interest expense capitalised into:				
– Contract assets and liabilities (Note 22(a))	**(4,792)**	(5,556)	**(86)**	–
– Property development costs (Note 13(b))	**(138,505)**	(185,450)	**–**	–
– Property, plant and equipment (Note 12)	**(483)**	–	**–**	–
– Investment properties (Note 14)	**(22)**	(1,417)	**–**	–
	139,340	117,321	**136,133**	120,976

9. INCOME TAX EXPENSE

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Income tax:				
Malaysian income tax	**128,648**	115,608	**29,730**	25,553
Foreign income tax	**77,047**	38,263	**2,152**	25
(Over)/under provision in prior years	**(3,880)**	28,449	**(1,064)**	3,594
	201,815	182,320	**30,818**	29,172
Deferred tax (Note 32):				
Relating to origination and reversal of temporary differences	**(32,429)**	(13,512)	**(2,604)**	(5,146)
Over provision in prior years	**(8,114)**	(19,964)	**(570)**	(877)
	(40,543)	(33,476)	**(3,174)**	(6,023)
	161,272	148,844	**27,644**	23,149

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

9. INCOME TAX EXPENSE (CONT'D.)

Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 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:

	2020 RM'000	2019 RM'000 (Restated)
Group		
Profit before tax	**585,462**	901,112
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	**140,511**	216,267
Effect of different tax rates in other countries	**(12,219)**	170
Income not subject to tax	**(10,730)**	(39,012)
Expenses not deductible for tax purposes	**69,278**	24,814
Effects of tax on share of profits of associated companies and joint ventures	**(74,022)**	(75,160)
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	**(1,294)**	(9,326)
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	**61,742**	22,606
(Over)/under provision of income tax in prior years	**(3,880)**	28,449
Over provision of deferred tax in prior years	**(8,114)**	(19,964)
Income tax expense for the year	**161,272**	148,844

	2020 RM'000	2019 RM'000
Company		
Profit before tax	**265,728**	1,251,803
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	**63,775**	300,433
Effect of different tax rates in other countries	**410**	10,717
Income not subject to tax	**(119,724)**	(300,238)
Expenses not deductible for tax purposes	**80,408**	9,520
Deferred tax assets not recognised in respect of unutilised tax losses	**4,409**	-
(Over)/under provision of income tax in prior years	**(1,064)**	3,594
Over provision of deferred tax in prior years	**(570)**	(877)
Income tax expense for the year	**27,644**	23,149

9. INCOME TAX EXPENSE (CONT'D.)

Tax savings during the financial year arising from:

	Group	
	2020 RM'000	**2019 RM'000**
Utilisation of previously unrecognised tax losses	**(1,253)**	(3,077)
Utilisation of previously unabsorbed capital allowances	**(41)**	(4,720)
Utilisation of previously unrecognised other deductible temporary differences	**-**	(1,529)
	(1,294)	(9,326)

Details of deferred tax assets not recognised are stated in Note 32 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.

	2020	**2019 (Restated)**
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	**371,680**	700,186
Weighted average number of ordinary shares in issue ('000)	**2,487,793**	2,468,613
Basic earnings per share (sen)	**14.94**	28.36

(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.

	2020	**2019 (Restated)**
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	**371,680**	700,186
Weighted average number of ordinary shares in issue ('000)	**2,487,793**	2,468,613
Adjusted for:		
Assumed shares issued from the exercise of ESOS ('000)	**–**	476
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	**2,487,793**	2,469,089
Fully diluted earnings per share (sen)	**14.94**	28.36

There have been no other transactions involving ordinary shares between the reporting date and the date of authorisation of these financial statements.

The ESOS has expired on 9 April 2020.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

11. DIVIDENDS

	Group and Company			
	Amount		Net dividends per ordinary share	
	2020 RM'000	2019 RM'000	2020 sen	2019 sen
Dividends recognised in respect of financial year ended 31 July 2020				
– First interim dividend declared on 13 December 2019				
(a) Dividend paid by issuance of new shares on 25 February 2020 pursuant to the Company's Dividend Reinvestment Plan	**71,387**	–	**–**	–
(b) Dividend paid via cash on 25 February 2020	**77,503**	–	**6.0**	–
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
	148,890	296,355	**6.0**	12.0

The Company's first Dividend Reinvestment Plan was completed on 26 February 2020 upon the listing and quotation of 19,829,839 new Gamuda Share at RM3.60 per share on the Main market of Bursa Malaysia Securities Berhad.

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

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 2020				
Cost				
At 1 August 2019	671,335	775,824	76,526	1,523,685
Additions	44,642	64,017	66,725	175,384
Transfer from investment properties (Note 14)	61,117	524	3,395	65,036
Reclassification upon completion	66,938	37,962	(104,900)	–
Disposals	–	(4,317)	–	(4,317)
Write-offs	(5,765)	(4,868)	–	(10,633)
Exchange differences	3,687	533	279	4,499
At 31 July 2020	841,954	869,675	42,025	1,753,654
Accumulated depreciation				
At 1 August 2019	90,997	277,178	–	368,175
Recognised in profit or loss (Note 7)	26,499	48,212	–	74,711
Capitalised in contract assets from construction (Note 22(a))	–	109,610	–	109,610
Transfer from investment properties (Note 14)	992	–	–	992
Disposals	–	(3,975)	–	(3,975)
Write-offs	(3,377)	(4,503)	–	(7,880)
Exchange differences	694	161	–	855
At 31 July 2020	115,805	426,683	–	542,488
Accumulated impairment loss				
At 1 August 2019	–	–	–	–
Recognised in profit or loss (Note 7)	63,704	84,396	–	148,100
At 31 July 2020	63,704	84,396	–	148,100
Net carrying amount				
At 31 July 2020	662,445	358,596	42,025	1,063,066

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

	RM'000
Sales gallery and sports centre	110,861
Other plant and machinery	45,122
Vehicles, office equipment, furniture and fittings	19,401
	175,384

Impairment of property, plant and equipment

During the financial year, the Group has recognised impairment in respect of its subsidiary, GIBS's property, plant and equipment of RM148,100,000.

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 2019				
Cost				
At 1 August 2018	525,516	494,125	258,185	1,277,826
Additions	4,960	128,376	120,454	253,790
Reclassification upon completion	138,739	163,296	(302,035)	–
Disposals	–	(8,462)	–	(8,462)
Write-offs	–	(1,719)	–	(1,719)
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.)

* Land and buildings

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2020				
Cost				
At 1 August 2019	95,853	23,030	552,452	671,335
Additions	–	19,851	24,791	44,642
Transfer from investment properties	1,238	24,213	35,666	61,117
Reclassification upon completion	–	–	66,938	66,938
Write-offs	–	–	(5,765)	(5,765)
Exchange differences	–	393	3,294	3,687
At 31 July 2020	97,091	67,487	677,376	841,954
Accumulated depreciation				
At 1 August 2019	–	1,502	89,495	90,997
Recognised in profit or loss	–	391	26,108	26,499
Transfer from investment properties	–	–	992	992
Write-offs	–	–	(3,377)	(3,377)
Exchange differences	–	45	649	694
At 31 July 2020	–	1,938	113,867	115,805
Accumulated impairment loss				
At 1 August 2019	–	–	–	–
Recognised in profit or loss	–	–	63,704	63,704
At 31 July 2020	–	–	63,704	63,704
Net carrying amount				
At 31 July 2020	97,091	65,549	499,805	662,445

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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 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.)

** 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 2020				
Cost				
At 1 August 2019	46,033	125,524	604,267	775,824
Additions	2,591	16,661	44,765	64,017
Transfer from investment properties	–	13	511	524
Reclassification upon completion	–	5,176	32,786	37,962
Disposals	(977)	(490)	(2,850)	(4,317)
Write-offs	–	(3,975)	(893)	(4,868)
Exchange differences	57	454	22	533
At 31 July 2020	47,704	143,363	678,608	869,675
Accumulated depreciation				
At 1 August 2019	25,265	79,731	172,182	277,178
Recognised in profit or loss	3,311	19,576	25,325	48,212
Capitalised in contract assets from construction	1,816	717	107,077	109,610
Disposals	(879)	(345)	(2,751)	(3,975)
Write-offs	–	(3,612)	(891)	(4,503)
Exchange differences	10	301	(150)	161
At 31 July 2020	29,523	96,368	300,792	426,683
Accumulated impairment loss				
At 1 August 2019	–	–	–	–
Recognised in profit or loss	–	–	84,396	84,396
At 31 July 2020	–	–	84,396	84,396
Net carrying amount				
At 31 July 2020	18,181	46,995	293,420	358,596

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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 2019				
Cost				
At 1 August 2018	44,406	97,531	352,188	494,125
Additions	2,858	17,857	107,661	128,376
Reclassification upon completion	–	15,048	148,248	163,296
Disposals	(1,246)	(4,343)	(2,873)	(8,462)
Write-offs	–	(723)	(996)	(1,719)
Exchange differences	15	154	39	208
At 31 July 2019	46,033	125,524	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	20,768	45,793	432,085	498,646

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 2020				
Cost				
At 1 August 2019	165,015	213,741	17,187	395,943
Additions	–	26,358	–	26,358
Reclassification upon completion	–	17,187	(17,187)	–
Disposals	–	(2,155)	–	(2,155)
Write-offs	–	(2,050)	–	(2,050)
Exchange differences	–	177	–	177
At 31 July 2020	165,015	253,258	–	418,273
Accumulated depreciation and impairment loss				
At 1 August 2019	26,883	87,569	–	114,452
Recognised in profit or loss (Note 7)	3,242	3,563	–	6,805
Capitalised in contract assets from construction (Note 22(a))	–	103,428	–	103,428
Disposals	–	(2,064)	–	(2,064)
Write-offs	–	(2,048)	–	(2,048)
Exchange differences	–	64	–	64
At 31 July 2020	30,125	190,512	–	220,637
Net carrying amount				
At 31 July 2020	134,890	62,746	–	197,636

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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
Reclassification upon completion	–	131,227	(131,227)	–
Disposals	–	(6,380)	–	(6,380)
Write-offs	–	(1,180)	–	(1,180)
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.)

* Land and buildings

Company	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2020				
Cost				
At 1 August 2019/31 July 2020	**659**	**5,611**	**158,745**	**165,015**
Accumulated depreciation and impairment loss				
At 1 August 2019	**–**	**953**	**25,930**	**26,883**
Charge for the year	**–**	**68**	**3,174**	**3,242**
At 31 July 2020	**–**	**1,021**	**29,104**	**30,125**
Net carrying amount				
At 31 July 2020	**659**	**4,590**	**129,641**	**134,890**
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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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 2020				
Cost				
At 1 August 2019	1,152	37,824	174,765	213,741
Additions	79	2,668	23,611	26,358
Reclassification upon completion	–	–	17,187	17,187
Disposals	(305)	(50)	(1,800)	(2,155)
Write-offs	–	(1,210)	(840)	(2,050)
Exchange differences	11	148	18	177
At 31 July 2020	937	39,380	212,941	253,258
Accumulated depreciation				
At 1 August 2019	907	30,936	55,726	87,569
Recognised in profit or loss	13	3,550	–	3,563
Capitalised in contract assets from construction	36	192	103,200	103,428
Disposals	(258)	(6)	(1,800)	(2,064)
Write-offs	–	(1,210)	(838)	(2,048)
Exchange differences	23	41	–	64
At 31 July 2020	721	33,503	156,288	190,512
Net carrying amount				
At 31 July 2020	216	5,877	56,653	62,746

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 2019				
Cost				
At 1 August 2018	1,720	40,520	42,290	84,530
Additions	182	1,298	3,994	5,474
Reclassification upon completion	–	–	131,227	131,227
Disposals	(759)	(3,834)	(1,787)	(6,380)
Write-offs	–	(189)	(991)	(1,180)
Exchange differences	9	29	32	70
At 31 July 2019	1,152	37,824	174,765	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	6,888	119,039	126,172

Included in property, plant and equipment incurred during the year are:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Finance costs (Note 8)	**483**	–	**–**	–

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

13. INVENTORIES

		Group	
	Note	2020 RM'000	2019 RM'000 (Restated)
Non-current			
Land held for property development	(a)	**3,169,895**	2,919,183
Current			
Property development cost	(b)	**1,847,214**	1,885,356
Other inventories	(c)	**917,734**	765,197
		2,764,948	2,650,553
Total inventories		**5,934,843**	5,569,736

(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 2020				
Cost				
At 1 August 2019	**48,370**	**2,011,842**	**858,971**	**2,919,183**
Cost incurred during the year	**–**	**–**	**406,823**	**406,823**
Transfer to property development costs (Note 13(b))	**(7,330)**	**(135,479)**	**(21,922)**	**(164,731)**
Exchange differences	**–**	**8,620**	**–**	**8,620**
At 31 July 2020	**41,040**	**1,884,983**	**1,243,872**	**3,169,895**
At 31 July 2019				
Cost				
At 1 August 2018	48,370	2,111,354	495,413	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	48,370	2,011,842	858,971	2,919,183

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 2020				
Cumulative property development costs				
At 1 August 2019 (as previously stated)	96,848	2,374,641	4,326,295	6,797,784
Effect of adoption of MFRS 123 (Note 2.2(c))	–	–	(15,216)	(15,216)
At 1 August 2019 (as restated)	96,848	2,374,641	4,311,079	6,782,568
Costs incurred during the year	–	54	921,911	921,965
Transfer from land held for property development (Note 13(a))	7,330	135,479	21,922	164,731
Transfer to investment property (Note 14)	–	–	(83,905)	(83,905)
Reversal of completed projects	(40,934)	(170,534)	(814,023)	(1,025,491)
Transfer to completed inventories	(39,830)	(52,913)	(300,434)	(393,177)
Exchange differences	–	34,492	89,845	124,337
At 31 July 2020	23,414	2,321,219	4,146,395	6,491,028
Cumulative costs recognised in profit or loss				
At 1 August 2019 (as previously stated)	39,003	1,244,930	3,626,855	4,910,788
Effect of adoption of MFRS 123 (Note 2.2(c))	–	–	(13,576)	(13,576)
At 1 August 2019 (as restated)	39,003	1,244,930	3,613,279	4,897,212
Recognised during the year	3,125	167,074	496,880	667,079
Reversal of completed projects	(40,934)	(170,534)	(814,023)	(1,025,491)
Exchange differences	–	21,937	83,077	105,014
At 31 July 2020	1,194	1,263,407	3,379,213	4,643,814
Property development costs at 31 July 2020	22,220	1,057,812	767,182	1,847,214

Notes to the Financial Statements (Cont'd.)
– 31 July 2020

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 2019				
Cumulative property development costs				
At 1 August 2018 (as previously stated)	150,059	2,289,394	3,448,759	5,888,212
Effect of adoption of MFRS 123 (Note 2.2(c))	–	–	1,914	1,914
At 1 August 2018 (as restated)	150,059	2,289,394	3,450,673	5,890,126
Costs incurred during the year	–	27,448	1,470,614	1,498,062
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 (as restated)	96,848	2,374,641	4,311,079	6,782,568
Cumulative costs recognised in profit or loss				
At 1 August 2018 (as previously stated)	50,401	922,851	2,831,945	3,805,197
Effect of adoption of MFRS 123 (Note 2.2(c))	–	–	1,677	1,677
At 1 August 2018 (as restated)	50,401	922,851	2,833,622	3,806,874
Recognised during the year	13,980	318,372	1,122,423	1,454,775
Reversal of completed projects	(25,378)	(4,416)	(380,861)	(410,655)
Exchange differences	–	8,123	38,095	46,218
At 31 July 2019 (as restated)	39,003	1,244,930	3,613,279	4,897,212
Property development costs at 31 July 2019	57,845	1,129,711	697,800	1,885,356

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

	Group	
	2020 RM'000	2019 RM'000 (Restated)
Staff costs (Note 5)	**37,763**	39,255
Finance costs (Note 8)	**138,505**	185,450

Freehold land of the Group with a carrying value of RM63,560,000 (2019: RM64,520,000) has been pledged as securities for loan facility as set out in Note 34(c)(i).

The leasehold lands under development of the Group with a carrying value of RM302,633,000 (2019: RM303,714,000) has been pledged as securities for term loans as disclosed in Note 34(a)(i) and Note 34(a)(ii).

13. INVENTORIES (CONT'D.)

(c) Other inventories

	Group	
	2020 RM'000	2019 RM'000 (Restated)
Completed properties - properties held for sale	**853,423**	696,669
Prefabricated concrete panels	**40,324**	40,445
Crusher run and aggregates	**11,054**	9,656
Consumables, spares and materials	**12,933**	18,427
	917,734	765,197

During the financial year, the amount of inventories recognised as an expense by the Group was RM539,157,000 (2019: RM308,403,000).

	Company	
	2020 RM'000	2019 RM'000
Consumables and spares	**1,148**	1,952

During the financial year, the amount of inventories recognised as an expense by the Company was RM5,532,000 (2019: RM10,484,000).

Notes to the Financial Statements (Cont'd.)

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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 2020					
Cost					
At 1 August 2019	21,393	76,380	208,835	152,297	458,905
Additions	–	2,314	3,501	4,067	9,882
Transfer from property development costs (Note 13(b))	–	–	–	83,905	83,905
Transfer to property, plant and equipment (Note 12)	(1,238)	(24,213)	(36,190)	(3,395)	(65,036)
Disposals	–	–	(2,582)	–	(2,582)
Reclassification upon completion	129	4,004	54,613	(58,746)	–
Exchange differences	–	721	1,998	170	2,889
At 31 July 2020	20,284	59,206	230,175	178,298	487,963
Accumulated depreciation					
At 1 August 2019	–	3,362	22,728	–	26,090
Recognised in profit or loss (Note 7)	–	1,145	5,825	–	6,970
Transfer to property, plant and equipment (Note 12)	–	–	(992)	–	(992)
Exchange differences	–	103	291	–	394
At 31 July 2020	–	4,610	27,852	–	32,462
Net carrying amount					
At 31 July 2020	20,284	54,596	202,323	178,298	455,501
Fair value					
At 31 July 2020	39,212	81,974	345,505	178,298	644,989

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 2019					
Cost					
At 1 August 2018	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	18,793	–	20,724
Recognised in profit or loss (Note 7)	–	1,066	6,061	–	7,127
Disposals	–	–	(1,941)	–	(1,941)
Exchange differences	–	365	(185)	–	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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

14. INVESTMENT PROPERTIES (CONT'D.)

Company	Freehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2020			
Cost			
At 1 August 2019/31 July 2020	**5,697**	**7,583**	**13,280**
Accumulated depreciation			
At 1 August 2019	**–**	**3,315**	**3,315**
Recognised in profit or loss (Note 7)	**–**	**153**	**153**
At 31 July 2020	**–**	**3,468**	**3,468**
Net carrying amount			
At 31 July 2020	**5,697**	**4,115**	**9,812**
Fair value			
At 31 July 2020	**43,563**	**16,237**	**59,800**
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
Recognised in profit or loss (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

14. INVESTMENT PROPERTIES (CONT'D.)

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Rental income	**10,785**	17,728	**880**	1,164
Direct operating expenses	**(9,109)**	(7,189)	**(111)**	(147)

Included in investment properties incurred during the year are:

	Group	
	2020 RM'000	2019 RM'000
Staff costs (Note 5)	**556**	2,785
Finance costs (Note 8)	**22**	1,417

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 43.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

15. (a) LAND USE RIGHTS

	Group	
	2020 RM'000	**2019 RM'000**
At 1 August 2019/2018	**1,470**	1,895
Effect on the adoption of MFRS 16 (Note 2.2(a))		
– Transfer to Right-of-use assets (Note 15(b))	**(1,470)**	–
Amortisation for the year (Note 7)	**–**	(425)
At 31 July	**–**	1,470

(b) RIGHT-OF-USE ASSETS

The Group and the Company have lease contracts for office spaces and office equipments with contract terms ranging from 2 to 5 years and do not contain variable lease payments.

The carrying amounts of right-of-use assets recognised and the movements during the year is as follows:

	Group 2020 RM'000	Company 2020 RM'000
Cost		
At 1 August 2019	**–**	**–**
Effect on the adoption of MFRS 16 (Note 2.2(a))	**15,450**	**2,521**
– Transfer from land use rights (Note 15(a))	**1,470**	**–**
Additions	**3,821**	**536**
Exchange differences	**46**	**18**
At 31 July 2020	**20,787**	**3,075**
Accumulated depreciation		
At 1 August 2019	**–**	**–**
Recognised in profit or loss (Note 7)	**4,286**	**134**
Capitalised in contract assets from construction (Note 22(a))	**1,353**	**1,353**
Exchange differences	**10**	**4**
At 31 July 2020	**5,649**	**1,491**
Net carrying amount		
At 31 July 2020	**15,138**	**1,584**

The right-of-use assets consist of the following:

	Group 2020 RM'000	Company 2020 RM'000
Land	**9,503**	**–**
Building and office space	**3,697**	**1,160**
Motor vehicles	**1,255**	**–**
Office equipment	**683**	**424**
	15,138	**1,584**

16. CONCESSION DEVELOPMENT EXPENDITURE

Group	Expressway RM'000	Water RM'000	Total RM'000
At 31 July 2020			
Cost			
At 1 August 2019	**1,851,533**	**–**	**1,851,533**
Additions	**6,829**	**179,331**	**186,160**
At 31 July 2020	**1,858,362**	**179,331**	**2,037,693**
Accumulated amortisation			
At 1 August 2019	**545,061**	**–**	**545,061**
Amortisation for the year (Note 7)	**117,434**	**19,726**	**137,160**
At 31 July 2020	**662,495**	**19,726**	**682,221**
Net carrying amount			
At 31 July 2020	**1,195,867**	**159,605**	**1,355,472**
At 31 July 2019			
Cost			
At 1 August 2018	1,838,282	–	1,838,282
Additions	13,251	–	13,251
At 31 July 2019	1,851,533	–	1,851,533
Accumulated amortisation			
At 1 August 2018	417,079	–	417,079
Amortisation for the year (Note 7)	127,982	–	127,982
At 31 July 2019	545,061	–	545,061
Net carrying amount			
At 31 July 2019	1,306,472	–	1,306,472

The expressway development expenditure is pledged as securities for borrowings as disclosed in Note 33(b).

17. INVESTMENTS IN SUBSIDIARIES

	Company	
	2020 RM'000	**2019 RM'000**
Redeemable unsecured loan stocks	**400,000**	400,000
Unquoted shares, at cost	**4,817,091**	4,196,696
Long-term advances	**407,500**	–
Less: Accumulated impairment losses	**(355,215)**	(70,215)
	5,269,376	4,526,481

(a) Current financial year

(i) Capital injection in subsidiaries

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

	2020 RM'000	**2019 RM'000**
Bandar Serai Development Sdn. Bhd.	**300,000**	55,000
Gamuda Land (Kemuning) Sdn. Bhd.	**255,000**	45,000
Dinamik Atlantik Sdn. Bhd.	**22,000**	60,000
Gamuda Land (Botanic) Sdn. Bhd.	**20,000**	100,000
Gamuda Land Sdn. Bhd.	**19,248**	–
Intensif Inovatif Sdn. Bhd.	**2,000**	–
Gamuda Industrial Building System Sdn. Bhd.	**–**	28,165
High Park Development Sdn. Bhd.	**–**	80,000
Jade Homes Sdn. Bhd.	**–**	320,000
	618,248	688,165

(ii) Incorporation of a new subsidiary in Luxembourg

The Company has injected a total cash consideration of RM6,347,000 (GBP1,166,000) in Gamuda Luxembourg S.a.r.l., a wholly-owned subsidiary of the Company during the year to acquire a residential building in Central London, United Kingdom.

(iii) Redemption of shares

During the financial year, Valencia Development Sdn. Bhd., a wholly-owned subsidiary of the Company has redeemed 5,100,000 ordinary shares of RM1.00 per share, amounting to RM5,100,000.

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(a) Current financial year (cont'd.)

(iv) Additional investment in a subsidiary company

The Company has acquired additional 900,000 of ordinary shares of RM1.00 per share which represents 5% interest from non controlling interest for a cash consideration of RM900,000 in Gamuda Paper Industries Sdn. Bhd. which is in the business of renting of properties.

(v) Long term advances

The advances to a subsidiary are capital in nature.

(vi) Impairment of investment in a subsidiary

During the financial year, the Company has recognised impairment in respect of its investment in a subsidiary, GIBS of RM285,000,000, due to impairment provided on GIBS's PPE of RM148,100,000 (as disclosed in Note 12) and losses incurred by GIBS of RM136,900,000.

(b) Previous financial year

Redemption of redeemable unsecured loan stocks

Megah Capital Sdn. Bhd., a wholly-owned subsidiary of the Company had redeemed the redeemable unsecured loan stocks, amounting to RM800,000,000.

(c) Interests in subsidiaries

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

	Proportion of ownership		
Name of company	**2020 %**	**2019 %**	**Principal/Economic activities**
Subsidiaries incorporated in Malaysia			
Gammau Construction Sdn. Bhd.	**100**	100	Property investment
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 Land Property Services Sdn. Bhd.*	**100**	100	Provision of property maintenance and management services
Usaha Era Fokus Sdn. Bhd.*	**100**	–	Investment holding
Gamuda Paper Industries Sdn. Bhd.	**100**	95	Rental of properties
GPI Trading Sdn. Bhd.	**100**	95	Dormant
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. ("GIBS")	**100**	100	Manufacturing and installation of prefabricated concrete panels for construction of buildings

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

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

Name of company	Proportion of ownership 2020 %	Proportion of ownership 2019 %	Principal/Economic activities
Subsidiaries incorporated in Malaysia (cont'd.)			
Jade Homes Sdn. Bhd.	**100**	100	Property development of Jade Hills
Gamuda Parks 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
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
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

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

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

Name of company	Proportion of ownership 2020 %	2019 %	Principal/Economic activities
Subsidiaries incorporated in Malaysia (cont'd.)			
Lifestyle Heritage Sdn. Bhd.*	**100**	100	Dormant
Gamuda Land (T12) Sdn. Bhd.	**100**	100	Property development of Gamuda Cove
Discovery Wetlands Sdn. Bhd.	**100**	–	Operate and maintain the Wetlands reserve
Kesas Holdings Berhad ("KESAS Holdings")	**70**	70	Investment holding; holding company to the concession holder of an expressway
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 and Batang Lupar Bridge project in 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**	100	Dormant
Gamuda Engineering Sdn. Bhd.	**100**	100	Civil engineering and building construction
Gamuda Geo Sdn. Bhd.*	**100**	100	Sub-structure and geotechnical works
Gamuda M&E Sdn. Bhd.*	**100**	100	Provision and maintenance of mechanical and electrical services
Gamuda Building Ventures Sdn. Bhd.*	**100**	100	Building construction
Gamuda Tunnel Engineering Sdn. Bhd.*	**100**	100	Undertake tunnelling works

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

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

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

Name of company	Proportion of ownership 2020 %	Proportion of ownership 2019 %	Principal/Economic activities
Subsidiaries unincorporated in Malaysia			
Held by Gamuda Engineering Sdn. Bhd.: Held by Gamuda M&E Sdn. Bhd.:			
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 (HKLCP) Joint Venture*	**55**	55	Undertake construction works for the "Hospital Kuala Lumpur Car Park" project
GME-CI (T12TP) Joint Venture*	**55**	55	Undertake construction works for the project "Gamuda Cove Toll Plaza"
GME-CI (TTWS) Joint Venture*	**60**	–	Undertake the Mechanical and Electrical works of Mass Rapid Transit 2 ("MRT 2") project (Titiwangsa Station)
GME-CI (KBNS) Joint Venture*	**60**	–	Undertake the Mechanical and Electrical works of MRT 2 project (Escape Shaft 2)
GME-CI (UGW) Joint Venture*	**60**	–	Undertake the Mechanical and Electrical works of MRT 2 project (Escape Shaft 3)
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.)

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

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

Name of company	Proportion of ownership 2020 %	2019 %	Principal/Economic 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**	100	Civil engineering and construction
Subsidiary incorporated in Luxembourg			
Gamuda (Luxembourg) S.a.r.l.*	**100**	–	Investment holding
Gamuda Yoo Development Aldgate S.a.r.l.*	**90**	–	Property investment
Subsidiary unincorporated in Taiwan			
Dong-Pi Gamuda Joint Venture ("Dong-Pi")^	**70**	70	Undertakes civil engineering and construction works for Marine Bridge Project in Taiwan

* 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 2019 to 31 July 2020 have been used for consolidation for the Group's financial statements.

Notes to the Financial Statements (Cont'd.)

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17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) 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		Dong-Pi		Other subsidiaries – individually immaterial		Total	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
NCI percentage of ownership interest and voting interest (%)	**20**	20	**30**	30	**30**	–				
Dividend paid to NCI	**-**	–	**(22,200)**	(36,600)	**-**	–	**(1,395)**	–	**(23,595)**	(36,600)
Carrying amount of NCI	**140,973**	128,330	**248,441**	237,169	**5,100**	–	**31,988**	33,818	**426,502**	399,317
Total comprehensive income allocated to NCI	**12,644**	13,691	**33,472**	29,245	**5,100**	–	**464**	9,300	**51,680**	52,236
Summarised statements of financial position										
Non-current assets	**776,725**	695,266	**1,203,588**	1,314,746	**-**	–	**19,932**	29,704	**2,000,245**	2,039,716
Current assets	**196,573**	97,581	**341,851**	313,253	**328,455**	–	**286,562**	275,160	**1,153,441**	685,994
Non-current liabilities	**(80,760)**	(1,536)	**(601,327)**	(720,939)	**-**	–	**(22,187)**	(2,913)	**(704,274)**	(725,388)
Current liabilities	**(187,670)**	(149,663)	**(115,974)**	(116,496)	**(311,455)**	–	**(192,593)**	(197,584)	**(807,692)**	(463,743)
Net assets	**704,868**	641,648	**828,138**	790,564	**17,000**	–	**91,714**	104,367	**1,641,720**	1,536,579
Summarised statements of comprehensive income										
Revenue	**165,557**	170,297	**314,835**	308,982	**157,383**	–	**231,525**	287,426	**869,300**	766,705
Profit for the year	**63,374**	68,423	**111,771**	97,585	**16,456**	–	**3,114**	26,621	**194,715**	192,629
Total comprehensive income/(loss)	**63,220**	68,455	**111,573**	97,483	**17,000**	–	**(197)**	28,396	**191,596**	194,334
Summarised statements of cash flows										
Cash flows generated from/(used in)/operating activities	**178,128**	(60,490)	**167,454**	193,641	**4,984**	–	**(8,750)**	30,589	**341,816**	163,740
Cash flows (used in)/generated from investing activities	**(179,860)**	5,522	**18,660**	194,272	**-**	–	**(1,418)**	(11,496)	**(162,618)**	188,298
Cash flows generated from/(used in) financing activities	**13,062**	54,500	**(164,000)**	(212,000)	**-**	–	**11,000**	(16,000)	**(139,938)**	(173,500)
Net increase/(decrease) in cash and cash equivalents	**11,330**	(468)	**22,114**	175,913	**4,984**	–	**832**	3,093	**39,260**	178,538

18. INTERESTS IN ASSOCIATED COMPANIES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unquoted shares, in Malaysia:				
At cost:				
– Ordinary shares	**3,304**	3,304	**3,304**	3,304
– Redeemable preference shares	**190,290**	190,290	**190,290**	190,290
	193,594	193,594	**193,594**	193,594
Group's share of post-acquisition reserve, net of dividends receivable	**211,089**	147,657	**–**	–
	404,683	341,251	**193,594**	193,594
Unquoted shares, outside Malaysia:				
At cost:				
– Ordinary shares	**11**	11	**–**	–
– Redeemable preference shares	**25,967**	36,991	**–**	–
	25,978	37,002	**–**	–
Group's share of post-acquisition reserve, net of dividends receivable	**28,179**	51,228	**–**	–
	54,157	88,230	**–**	–
Total unquoted shares	**458,840**	429,481	**193,594**	193,594
Quoted shares, in Malaysia:				
At cost:				
– Ordinary shares	**59,624**	59,624	**59,624**	59,624
Group's share of post-acquisition capital reserves	**153,521**	148,700	**–**	–
Group's share of post-acquisition reserve, net of dividends receivable	**280,802**	332,984	**–**	–
	493,947	541,308	**59,624**	59,624
Total	**952,787**	970,789	**253,218**	253,218
Market value:				
Quoted shares, in Malaysia	**920,229**	1,058,264	**920,229**	1,058,264

Notes to the Financial Statements (Cont'd.)

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

(a) Current financial year

Redemption of redeemable preferences shares ("RPS") held by the Company in an associated company

During the financial year, Suria Holding (O) Pvt. Ltd. has redeemed RPS held by Gamuda (Offshore) Private Limited for cash consideration of RM11,024,000.

(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 2020 %	2019 %	Principal/Economic activities
Associated companies			
Incorporated in Malaysia			
Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH Holdings")	**40**	40	Investment holding and provision of management services
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
Unincorporated in Malaysia			
Held by Gamuda Engineering Sdn. Bhd.:			
Lim Hoo Seng – Gamuda Engineering Joint Venture *	**30**	30	Civil engineering and construction
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.

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

(c) Summarised financial information of material associated companies

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

	LITRAK Holdings		SPRINT Holdings		SPLASH Holdings		Other associates – individually immaterial		Total	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Summarised statements of financial position										
Non-current assets	**1,354,415**	1,409,613	**1,335,876**	1,390,194	**577,778**	650,000	**49,320**	46,689	**3,317,389**	3,496,496
Current assets	**617,875**	680,711	**355,084**	386,001	**1,772**	16,175	**187,597**	521,313	**1,162,328**	1,604,200
Non-current liabilities	**(606,194)**	(788,978)	**(1,184,149)**	(1,374,952)	**-**	-	**-**	(1,402)	**(1,790,343)**	(2,165,332)
Current liabilities	**(224,715)**	(266,758)	**(258,069)**	(182,934)	**(1,040)**	(22)	**(100,159)**	(359,148)	**(583,983)**	(808,862)
Net assets	**1,141,381**	1,034,588	**248,742**	218,309	**578,510**	666,153	**136,758**	207,452	**2,105,391**	2,126,502
Summarised statements of comprehensive income										
Results										
Revenue	**437,939**	518,048	**223,652**	235,987	**-**	-	**271,435**	363,484	**933,026**	1,117,519
Profit/(loss) for the year	**220,757**	251,140	**30,431**	18,737	**18,705**	72,911	**8,540**	(32,771)	**278,433**	310,017
Reconciliation of net assets to carrying amount as at year end										
Group's share of net assets	**493,533**	450,770	**74,623**	65,493	**231,404**	266,461	**62,690**	97,528	**862,250**	880,252
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	**584,070**	541,307	**74,623**	65,493	**231,404**	266,461	**62,690**	97,528	**952,787**	970,789
Group's net share of profit/(loss) for the year	**95,455**	109,422	**9,129**	5,621	**7,482**	29,164	**4,179**	(17,573)	**116,245**	126,634
Other information - Group's share of dividend	**57,514**	57,514	**-**	-	**42,539**	714,005	**21,330**	4,529	**121,383**	776,048

Notes to the Financial Statements (Cont'd.)

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19. INTERESTS IN JOINT ARRANGEMENTS

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Unquoted shares at cost:				
– Malaysia	**355,603**	355,603	**289,627**	289,627
– Outside Malaysia	**7,538**	7,538	**–**	–
Advances to joint ventures	**200,893**	278,292	**–**	–
Group's share of post-acquisition reserves, net of dividends receivable	**591,766**	658,351	**–**	–
Less: Accumulated impairment losses	**(98,452)**	(98,452)	**(112,000)**	(112,000)
	1,057,348	1,201,332	**177,627**	177,627

(a) Current financial year

(i) Advances to a joint venture

Gamuda (Singapore) Pte. Ltd., a wholly-owned subsidiary of the Company advances a cash consideration of RM13,891,000 (SGD4,565,000) 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.

(ii) Repayment of advance by a joint venture

GEM Homes Pte. Ltd., a 50% joint venture of the Group had repaid an amount of RM91,290,000 (SGD30,000,000) to its holding company, Gamuda (Singapore) Pte. Ltd. upon completion of the project.

(b) Previous financial year

Additional investment in a joint arrangement

(i) Gamuda Land Sdn. Bhd., a wholly-owned subsidiary of the Company subscribed 18,625,000 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. ("Anchorvale"), 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 Anchorvale are unsecured and non-interest bearing. The advances would be repayable to joint venture partners at the discretion of Anchorvale.

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

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

Name of joint operations	Proportion of ownership 2020 %	Proportion of ownership 2019 %	Principal/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")
Held by Gamuda Engineering Sdn. Bhd.: Held by Gamuda M&E Sdn. Bhd.:			
GME-SE Joint Venture (STW)*	**50**	–	Undertake the construction works of Sentul West Station and Escape Shaft 1
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**	50	Undertake the construction works for IOI Resort City project
Held by Masterpave Sdn. Bhd.:			
Wai Fong – Masterpave (SSP UG) Joint Venture	**50**	50	Undertake the concrete works for KVMRT Line 2
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

Notes to the Financial Statements (Cont'd.)

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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 2020 %	2019 %	Principal/Economic activities
Unincorporated in Singapore			
Greatearth-Gamuda Joint Venture^	**45**	–	Undertake construction of Gali Batu Multi-Storey Bus Depot in Singapore
Name of joint ventures			
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 turnkey contractor to deliver fully functional operating railway system for KVMRT Line 2
MMC Gamuda KVMRT (T) Sdn. Bhd. ("Tunnel SB")	**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
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

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 2020 %	Proportion of ownership 2019 %	Principal/Economic activities
Incorporated in Singapore			
Held by Gamuda (Singapore) Pte. Ltd.:			
GEM Homes Pte. Ltd.^#	**50**	50	Property development of GEM Residence 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.

Notes to the Financial Statements (Cont'd.)

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

(d) Summarised financial information of material joint ventures

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 joint ventures – individually immaterial RM'000	Total RM'000
2020								
Summarised statements of financial position								
Non-current assets	201,565	–	13,508	1,194,010	622,403	379,247	465,884	2,876,617
Current assets	1,439,817	359,301	1,334,274	1,981,579	900,840	55,774	547,044	6,618,629
Non-current liabilities	(64,523)	(45,371)	(973,069)	(1,130,818)	(10,609)	(304,890)	(304,663)	(2,833,943)
Current liabilities	(760,689)	(18,791)	(21,408)	(2,007,408)	(1,316,867)	(49,357)	(373,022)	(4,547,542)
Net assets	816,170	295,139	353,305	37,363	195,767	80,774	335,243	2,113,761
The above amounts of assets and liabilities include the following:								
Cash and cash equivalents	207,128	71,780	36,748	194,269	156,091	45,665	284,661	996,342
Current financial liabilities (excluding trade and other payables and provision)	(133,262)	–	–	–	–	(10,000)	(28,007)	(171,269)
Non-current financial liabilities (excluding trade and other payables and provision)	(20,833)	–	(890,021)	–	–	(304,890)	(67,117)	(1,282,861)
Summarised statements of comprehensive income								
Results								
Revenue	175,927	82,560	–	4,806,167	2,843,808	29,819	144,908	8,083,189
Profit/(loss) for the year	55,120	7,840	(17,867)	303,594	72,385	(7,871)	(29,773)	383,428
The above profit for the year includes the following:								
Depreciation and amortisation	(2,833)	–	(2,621)	(3,867)	(9,052)	(8,270)	(18,282)	(44,925)
Interest income	8,804	528	37	12,706	30,890	2,075	2,357	57,397
Income tax expense	(19,202)	3,314	3,546	(99,264)	(13,181)	–	(2,654)	(127,441)
Finance costs	(6,149)	(5,318)	(348)	–	–	(17,847)	(15,482)	(45,144)

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

(d) Summarised financial information of material joint ventures (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 joint ventures – individually immaterial RM'000	Total RM'000
2019 (Restated)								
Summarised statements of financial position								
Non-current assets	207,704	–	–	429,408	765,611	386,731	396,859	2,186,313
Current assets	1,545,295	861,407	1,160,031	813,493	1,498,033	61,254	686,453	6,625,966
Non-current liabilities	(191,602)	(68,044)	(804,162)	(400,424)	(8,936)	(329,797)	(278,974)	(2,081,939)
Current liabilities	(770,347)	(299,094)	(20,148)	(604,709)	(2,131,326)	(29,542)	(472,512)	(4,327,678)
Net assets	791,050	494,269	335,721	237,768	123,382	88,646	331,826	2,402,662
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	79,642	74,232	(777)	213,214	(56,899)	(6,481)	70,136	373,067
The above profit/(loss) 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	(25,205)	(5,771)	–	(59,834)	(11,092)	–	(28,355)	(130,257)
Finance costs	(7,975)	(12,158)	–	–	(39,977)	(18,042)	(9,024)	(87,176)

Notes to the Financial Statements (Cont'd.)

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

(d) Summarised financial information of material joint ventures (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 joint ventures – individually immaterial RM'000	Total RM'000
2020								
Reconciliation of net assets to carrying amount as at year end								
Group's share of net assets	**408,085**	**147,570**	**176,652**	**18,681**	**97,883**	**40,387**	**168,090**	**1,057,348**
Group's share of profit/(loss) for the year	**27,560**	**3,920**	**(8,933)**	**151,797**	**36,192**	**(3,936)**	**(14,419)**	**192,181**
Other information – Group's share of dividend (Note 4)	**15,000**	**–**	**–**	**252,000**	**–**	**–**	**–**	**267,000**

	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 joint ventures – individually immaterial RM'000	Total RM'000
2019								
Reconciliation of net assets to carrying amount as at year end								
Group's share of net assets	395,525	247,135	167,861	118,884	61,691	44,323	165,913	1,201,332
Group's share of profit/(loss) for the year	39,821	37,116	(388)	106,607	(28,450)	(3,240)	35,068	186,534
Other information – Group's share of dividend (Note 4)	50,000	–	–	52,500	–	–	73,300	175,800

20. OTHER INVESTMENTS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 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 43.

21. RECEIVABLES

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current	(a)				
Trade		**1,748,551**	1,880,471	**758,657**	953,467
Less: Allowance for impairment		**(132,083)**	(127,436)	**(130,018)**	(126,568)
		1,616,468	1,753,035	**628,639**	826,899
Non-trade		**607,221**	184,995	**290,248**	68,121
		2,223,689	1,938,030	**918,887**	895,020
Non-current	(b)				
Trade		**858,341**	1,049,433	**11,413**	88,970
Non-trade		**32,494**	24,861	**278**	–
		890,835	1,074,294	**11,691**	88,970
Total receivables		**3,114,524**	3,012,324	**930,578**	983,990

Notes to the Financial Statements (Cont'd.)

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21. RECEIVABLES (CONT'D.)

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

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
(a) Current					
Trade					
Third parties		**1,021,903**	858,113	**171,528**	37,865
Associated companies	(ii)	**19,805**	20,023	**–**	–
Joint ventures	(iii)	**411,475**	676,811	**409,535**	673,053
Joint venture partners		**26,240**	12,859	**16,163**	3,434
Advances to subcontractors		**142,323**	171,751	**54,842**	130,899
Retention sums		**117,255**	119,150	**106,589**	108,216
Stakeholder funds		**9,550**	21,764	**–**	–
		1,748,551	1,880,471	**758,657**	953,467
Less: Allowance for impairment		**(132,083)**	(127,436)	**(130,018)**	(126,568)
		1,616,468	1,753,035	**628,639**	826,899
Non-trade					
Associated companies	(ii)	**623**	607	**269**	218
Joint ventures	(iii)	**51,023**	36,118	**10,637**	11,321
Deposits		**166,016**	18,552	**141,089**	4,328
Prepayments		**166,820**	31,572	**6,139**	9,217
Sundry receivables		**222,739**	98,146	**132,114**	43,037
		607,221	184,995	**290,248**	68,121
		2,223,689	1,938,030	**918,887**	895,020

21. RECEIVABLES (CONT'D.)

Receivables of the Group and of the Company are analysed as follows: (cont'd.)

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
(b) Non-current					
Trade					
Third parties		**762,917**	973,866	**–**	88,970
Joint ventures	(iii)	**76,499**	70,521	**–**	–
Retention sums		**16,909**	23	**11,413**	–
Stakeholder funds		**2,016**	5,023	**–**	–
		858,341	1,049,433	**11,413**	88,970
Non-trade					
Joint ventures	(iii)	**12,424**	12,352	**–**	–
Deposits		**11,123**	10,839	**278**	–
Sundry receivables		**13**	–	**–**	–
Prepayments		**8,934**	1,670	**–**	–
		32,494	24,861	**278**	–
		890,835	1,074,294	**11,691**	88,970

Included in trade receivables is an amount of RM743,131,000 (2019: RM771,191,000) for the supply of treated water by Gamuda Water Sdn. Bhd. to Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd. ("SPLASH SB"), of which RM693,776,000 shall be settled in 9 equal annual instalments in accordance with the debt settlement agreement signed with Pengurusan Air Selangor Sdn. Bhd.

The remaining balance of RM49,355,000 shall be settled based on the credit term stipulated in the new operations and maintenance agreement (Sungai Selangor Water Treatment Plant Phase 3).

As at reporting date, the receivables from SPLASH SB are neither past due nor impaired. 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 RM743,131,000 (2019: RM771,191,000) due from SPLASH SB.

Notes to the Financial Statements (Cont'd.)
– 31 July 2020

21. RECEIVABLES (CONT'D.)

(i) Current

Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2019: 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	
	2020 RM'000	**2019 RM'000**
Neither past due nor impaired	**1,261,372**	1,548,887
1 to 30 days past due not impaired	**217,997**	72,302
31 to 60 days past due not impaired	**33,961**	20,828
61 to 90 days past due not impaired	**16,437**	13,874
91 to 120 days past due not impaired	**13,924**	7,024
More than 120 days past due not impaired	**72,777**	90,120
	355,096	204,148
Impaired	**132,083**	127,436
	1,748,551	1,880,471

	Company	
	2020 RM'000	**2019 RM'000**
Neither past due nor impaired	**480,540**	807,586
1 to 30 days past due not impaired	**148,099**	19,313
Impaired	**130,018**	126,568
	758,657	953,467

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 the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

21. RECEIVABLES (CONT'D.)

(i) Current (cont'd.)

Trade receivables (cont'd.)

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM355,096,000 (2019: RM204,148,000) and RM148,099,000 (2019: RM19,313,000) 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). 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, 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 the 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	
	2020 RM'000	**2019 RM'000**
Trade receivables – nominal amounts	**132,083**	127,436
Less: Allowance for impairment	**(132,083)**	(127,436)
	–	–
Movement in allowance accounts:		
At 1 August 2019/2018	**127,436**	88,408
Charge for the year (Note 7)	**1,197**	38,963
Exchange difference	**3,450**	65
At 31 July	**132,083**	127,436

Notes to the Financial Statements (Cont'd.)

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21. RECEIVABLES (CONT'D.)

(i) Current (cont'd.)

Trade receivables (cont'd.)

Receivables that are impaired (cont'd.)

The Group's and the 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	
	2020 RM'000	**2019 RM'000**
Trade receivables – nominal amounts	**130,018**	126,568
Less: Allowance for impairment	**(130,018)**	(126,568)
	–	–
Movement in allowance accounts:		
At 1 August 2019/2018	**126,568**	86,766
Charge for the year (Note 7)	**–**	38,311
Exchange difference	**3,450**	1,491
At 31 July	**130,018**	126,568

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.

21. RECEIVABLES (CONT'D.)

(ii) Due from associated companies

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current				
Trade	**19,805**	20,023	**–**	–
Non-trade	**623**	607	**269**	218
	20,428	20,630	**269**	218

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

(iii) Due from joint venture

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current				
Trade	**411,475**	676,811	**409,535**	673,053
Non-trade	**51,023**	36,118	**10,637**	11,321
	462,498	712,929	**420,172**	684,374
Non-current				
Trade	**76,499**	70,521	**–**	–
Non-trade	**12,424**	12,352	**–**	–
	88,923	82,873	**–**	–
	551,421	795,802	**420,172**	684,374

Current

Included in the trade receivables of the Group and of the Company is an amount of RM409,591,000 (2019: RM646,410,000) due from its 50% owned joint venture, MMC Gamuda KVMRT (T) Sdn. Bhd. ("Tunnel SB"). Tunnel SB is the underground works contractor for KVMRT Line 2.

Included in the non-trade receivables of the Group and of the 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 RM71,517,000 (2019: RM67,084,000) 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 RM12,425,000 (2019: RM12,352,000), 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% (2019: 5.20%) per annum.

Other details of fair value of non-current receivables are further disclosed in Note 43.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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 2020				
Other Investments	20	**812**	**–**	**812**
Investment securities	23	**644,467**	**–**	**644,467**
Current receivables	21(a)			
Third parties		**–**	**1,021,903**	**1,021,903**
Associated companies		**–**	**20,428**	**20,428**
Joint ventures		**–**	**462,498**	**462,498**
Joint venture partners		**–**	**26,240**	**26,240**
Retention sums		**–**	**117,255**	**117,255**
Stakeholder funds		**–**	**9,550**	**9,550**
Deposits		**–**	**166,016**	**166,016**
Sundry receivables		**–**	**222,739**	**222,739**
Non-current receivables	21(b)			
Third parties		**–**	**762,917**	**762,917**
Joint ventures		**–**	**88,923**	**88,923**
Retention sums		**–**	**16,909**	**16,909**
Stakeholder funds		**–**	**2,016**	**2,016**
Deposits		**–**	**11,123**	**11,123**
Sundry receivables		**–**	**13**	**13**
Contract assets	22	**–**	**1,701,664**	**1,701,664**
Cash and bank balances	25	**–**	**2,147,202**	**2,147,202**
Total financial assets		**645,279**	**6,777,396**	**7,422,675**

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 2019				
Other Investments	20	812	–	812
Investment securities	23	396,664	–	396,664
Current receivables	21(a)			
Third parties		–	858,113	858,113
Associated companies		–	20,630	20,630
Joint ventures		–	712,929	712,929
Joint venture partners		–	12,859	12,859
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		397,476	5,991,334	6,388,810

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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 2020				
Other Investments	20	**733**	**–**	**733**
Investment securities	23	**581,850**	**–**	**581,850**
Current receivables	21(a)			
Third parties		**–**	**171,528**	**171,528**
Associated companies		**–**	**269**	**269**
Joint ventures		**–**	**420,172**	**420,172**
Joint venture partners		**–**	**16,163**	**16,163**
Retention sums		**–**	**106,589**	**106,589**
Deposits		**–**	**141,089**	**141,089**
Sundry receivables		**–**	**132,114**	**132,114**
Non-current receivables	21(b)			
Retention sums		**–**	**11,413**	**11,413**
Deposits		**–**	**278**	**278**
Contract assets	22	**–**	**33,465**	**33,465**
Due from subsidiaries	24	**–**	**3,631,101**	**3,631,101**
Cash and bank balances	25	**–**	**195,532**	**195,532**
Total financial assets		**582,583**	**4,859,713**	**5,442,296**

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				
Other Investments	20	733	–	733
Investment securities	23	340,371	–	340,371
Current receivables	21(a)			
Third parties		–	37,865	37,865
Associated companies		–	218	218
Joint ventures		–	684,374	684,374
Joint venture partners		–	3,434	3,434
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
Contract assets	22	–	19,425	19,425
Due from subsidiaries	24	–	2,874,716	2,874,716
Cash and bank balances	25	–	65,184	65,184
Total financial assets		341,104	3,929,767	4,270,871

Notes to the Financial Statements (Cont'd.)
– 31 July 2020

22. CONTRACT ASSETS/(LIABILITIES)

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Contract assets:					
Construction	(a)	**853,867**	369,396	**33,465**	19,425
Property development	(b)	**847,797**	1,234,899	**–**	–
		1,701,664	1,604,295	**33,465**	19,425
Analysed as:					
Current		**1,701,664**	1,604,295	**33,465**	19,425
Contract liabilities:					
Construction	(a)	**(1,316,934)**	(906,933)	**(1,006,232)**	(790,073)
Property development	(b)	**(22,854)**	(24,408)	**–**	–
Deferred revenue	(c)	**(52,209)**	(61,484)	**–**	–
		(1,391,997)	(992,825)	**(1,006,232)**	(790,073)
Analysed as:					
Current		**(1,353,551)**	(942,039)	**(1,006,232)**	(790,073)
Non-current		**(38,446)**	(50,786)	**–**	–
		(1,391,997)	(992,825)	**(1,006,232)**	(790,073)

22. CONTRACT ASSETS/(LIABILITIES) (CONT'D.)

(a) Contract assets/(liabilities) from construction

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Construction contract costs incurred to date	**17,098,188**	14,626,198	**12,379,750**	11,397,844
Recognised profits less recognised losses	**1,894,227**	1,775,344	**1,538,442**	1,439,743
Progress billings received and receivables	**(19,455,482)**	(16,939,079)	**(14,890,959)**	(13,608,235)
	(463,067)	(537,537)	**(972,767)**	(770,648)
Represented by:				
Contract assets	**853,867**	369,396	**33,465**	19,425
Contract liabilities	**(1,316,934)**	(906,933)	**(1,006,232)**	(790,073)
	(463,067)	(537,537)	**(972,767)**	(770,648)
Analysed as:				
Contract assets				
Due within 1 year	**853,867**	369,396	**33,465**	19,425
Contract liabilities				
Due within 1 year	**(1,316,934)**	(906,933)	**(1,006,232)**	(790,073)

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Depreciation:				
– Property, plant and equipment (Note 12)	**109,610**	52,625	**103,428**	45,763
– Right-of-use assets (Note 15(b))	**1,353**	–	**1,353**	–
Staff costs (Note 5)	**126,942**	164,807	**86,484**	116,595
Finance costs (Note 8)	**4,792**	5,556	**86**	–
Short-term leases:				
– Rental of premises	**20**	33	**–**	–
– Hire of plant and equipment	**1,450**	2,448	**–**	–

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 RM193,348,000 (2019: RM188,049,000).

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

22. CONTRACT ASSETS/(LIABILITIES) (CONT'D.)

(b) Contract assets/(liabilities) from property development

	Group	
	2020 RM'000	**2019 RM'000**
Contract assets	**847,797**	1,234,899
– Accrued billings	**789,226**	1,219,432
– Others	**58,571**	15,467
Contract liabilities	**(22,854)**	(24,408)
– Progress billings	**(3,897)**	(21,769)
– Others	**(18,957)**	(2,639)
	824,943	1,210,491

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	
	2020 RM'000	**2019 RM'000**
At beginning of the year	**1,210,491**	704,853
Consideration payable to customers	**11,524**	16,589
Revenue recognised during the year	**1,321,316**	2,121,863
Interest income relating to significant financing component (Note 7)	**60**	2,133
Progress billings during the year	**(1,742,618)**	(1,645,986)
Exchange differences	**24,170**	11,039
At end of the year	**824,943**	1,210,491
Analysed as:		
Contract assets		
Due within 1 year	**847,797**	1,234,899
Contract liabilities		
Due within 1 year	**(22,854)**	(24,408)

22. CONTRACT ASSETS/(LIABILITIES) (CONT'D.)

(b) Contract assets/(liabilities) from property development (cont'd.)

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	
	2020 RM'000	2019 RM'000
Within 1 year	**1,283,066**	1,279,199
Between 1 – 4 year	**1,028,906**	907,091
	2,311,972	2,186,290

(c) Contract liabilities from deferred revenue

		Group	
	Note	2020 RM'000	2019 RM'000
Advance membership	(i)	**(25,646)**	(25,402)
Concession revenue	(ii)	**(26,563)**	(36,082)
		(52,209)	(61,484)
Analysed as:			
Due within 1 year		**(13,763)**	(10,698)
Due after 1 year		**(38,446)**	(50,786)
		(52,209)	(61,484)

(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	
	2020 RM'000	2019 RM'000
Analysed as:		
Due within 1 year	**(1,954)**	(1,179)
Due after 1 year	**(23,692)**	(24,223)
	(25,646)	(25,402)

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

22. CONTRACT ASSETS/(LIABILITIES) (CONT'D.)

(c) Contract liabilities from deferred revenue (cont'd.)

(ii) Concession revenue

Deferred revenue comprises advance maintenance fees, license 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 2020				
At 1 August 2019	**(2,233)**	**(1,350)**	**(32,499)**	**(36,082)**
Amount recognised				
– As revenue	**–**	**–**	**8,700**	**8,700**
– As other income	**554**	**265**	**–**	**819**
	(1,679)	**(1,085)**	**(23,799)**	**(26,563)**
Analysed as:				
Due within 1 year	**(554)**	**(255)**	**(11,000)**	**(11,809)**
Due after 1 year	**(1,125)**	**(830)**	**(12,799)**	**(14,754)**
	(1,679)	**(1,085)**	**(23,799)**	**(26,563)**
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 within 1 year	(554)	(265)	(8,700)	(9,519)
Due after 1 year	(1,679)	(1,085)	(23,799)	(26,563)
	(2,233)	(1,350)	(32,499)	(36,082)

23. INVESTMENT SECURITIES

	2020		2019	
	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	**188,684**	**188,684**	225,813	225,813
– Non-Islamic	**319,586**	**319,586**	149,383	149,383
Others				
– Islamic	**61,794**	**61,794**	1	1
– Non-Islamic	**74,403**	**74,403**	21,467	21,467
	644,467	**644,467**	396,664	396,664
Company				
Current				
Portfolios:				
Held as fixed deposit placements				
– Islamic	**178,890**	**178,890**	198,885	198,885
– Non-Islamic	**280,096**	**280,096**	141,396	141,396
Others				
– Islamic	**61,794**	**61,794**	1	1
– Non-Islamic	**61,070**	**61,070**	89	89
	581,850	**581,850**	340,371	340,371

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 43.

Notes to the Financial Statements (Cont'd.)

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24. DUE FROM SUBSIDIARIES

	Company	
	2020 RM'000	**2019 RM'000**
Non-current		
Due from subsidiaries		
– Non-trade	**938,380**	844,703
Current		
Due from subsidiaries		
– Trade	**14,761**	-
– Non-trade	**2,677,960**	2,030,013
	2,692,721	2,030,013
	3,631,101	2,874,716

The trade amounts due from subsidiaries have a normal credit term which ranges from 30 to 90 days (2019: 30 to 90 days).

The non-trade amounts due from subsidiaries are unsecured, interest free and are repayable on demand except for advances of RM3,167,917,000 (2019: RM2,467,918,000) given to subsidiaries which bear interest at 3.58% to 5.35% (2019: 4.35% to 5.32%) per annum.

25. CASH AND BANK BALANCES

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Cash in hand and at banks	**536,426**	167,587	**120,830**	59,634
Housing Development Accounts:				
– Islamic	**163,074**	99,213	**–**	–
– Non-Islamic	**34,521**	37,209	**–**	–
	734,021	304,009	**120,830**	59,634
Deposits with licensed banks with:				
– Tenures of less than 3 months				
– Islamic	**225,112**	247,116	**60,000**	5,550
– Non-Islamic	**559,628**	529,998	**14,702**	–
– Tenures of more than 3 months				
– Islamic	**156,888**	11,019	**–**	–
– Non-Islamic	**471,553**	360,130	**–**	–
Total cash and bank balances	**2,147,202**	1,452,272	**195,532**	65,184

25. CASH AND BANK BALANCES (CONT'D.)

For the purpose of statements of cash flows, cash and cash equivalents comprise the following as at reporting date:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Total cash and bank balances	**2,147,202**	1,452,272	**195,532**	65,184
Less: Deposits with tenures of more than 3 months	**(628,441)**	(371,149)	**–**	–
Total cash and cash equivalents	**1,518,761**	1,081,123	**195,532**	65,184

Included in total cash and bank balances of the Group and of the Company are interest bearing balances amounting to RM1,973,436,000 (2019: RM1,403,474,000) and RM105,421,000 (2019: RM59,146,000) respectively.

Housing Development Accounts held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore, restricted from use in other operations.

The weighted average effective interest rates of deposits as at reporting date were as follows:

	Group		Company	
	2020 %	2019 %	2020 %	2019 %
Licensed banks:				
Malaysia	**2.12**	2.98	**1.59**	2.80
India	**6.01**	6.99	**–**	–
Australia	**0.89**	1.46	**–**	–
Vietnam	**5.12**	5.91	**–**	–

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

	Group		Company	
	2020 Days	2019 Days	2020 Days	2019 Days
Licensed banks	**4 – 368**	1 – 365	**4 – 90**	1 – 7

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26. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2020 '000	**2019 '000**	**2020 RM'000**	**2019 RM'000**
Issued and fully paid:				
At 1 August 2019/2018	**2,472,322**	2,467,992	**3,469,729**	3,452,940
Exercise of ESOS	**20,899**	3,228	**70,950**	8,800
Conversion of warrants	**477**	1,102	**2,050**	4,739
Issuance on dividend reinvestment scheme	**19,830**	–	**71,387**	–
Share options exercised under ESOS	**–**	–	**6,830**	3,250
At 31 July	**2,513,528**	2,472,322	**3,620,946**	3,469,729

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 RM3,469,729,000 to RM3,620,946,000 by way of:

(i) issuance of 20,899,000 new ordinary shares for cash arising from the exercise of share options under the Company's ESOS;

(ii) issuance of 476,782 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; and

(iii) issuance of 19,829,839 new ordinary shares pursuant to the First DRP at the price of RM3.60 per share.

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	
	2020 '000	**2019 '000**
At 1 August 2019/2018	**387,698**	388,800
Converted	**(477)**	(1,102)
At 31 July	**387,221**	387,698

(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.

On 9 April 2020, 204,525,000 ESOS remain unexercised. Pursuant to Gamuda's ESOS By-Law, all options lapsed upon expiry of the ESOS.

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.

Notes to the Financial Statements (Cont'd.)

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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 are 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 are 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 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.

(xi) No grantee shall participate at any time in more than one ESOS implemented by any company within the Gamuda Group.

26. SHARE CAPITAL (CONT'D.)

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

(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
8 November 2019	3.65	33,071	8 November 2019 - 9 April 2020
		278,555	

(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 follows:

	2020 RM'000	2019 RM'000
Ordinary shares	**20,899**	3,228
Share premium	**50,051**	5,572
Aggregate proceeds received on shares issued	**70,950**	8,800
Aggregate fair value of ordinary shares at exercise date	**80,792**	11,872

Notes to the Financial Statements (Cont'd.)

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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:

ESOS exercise price	Outstanding and exercisable at 1 August 2019 '000	Granted '000	Exercised '000	Lapsed '000	Outstanding and exercisable at 31 July 2020 '000
	Number of share options Movement during the year				
RM4.46	**56,855**	**-**	**-**	**(56,855)**	**-**
RM3.84	**39,555**	**-**	**(846)**	**(38,709)**	**-**
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	**13,815**	**-**	**(5,376)**	**(8,439)**	**-**
RM2.30	**3,547**	**-**	**(2,419)**	**(1,128)**	**-**
RM3.44	**8,253**	**-**	**(3,691)**	**(4,562)**	**-**
RM3.65	**-**	**33,071**	**(8,567)**	**(24,504)**	**-**
	192,353	**33,071**	**(20,899)**	**(204,525)**	**-**
WAEP	**4.33**	**3.65**	**3.39**	**4.31**	

ESOS exercise price	Outstanding and exercisable at 1 August 2018 '000	Granted '000	Exercised '000	Outstanding and exercisable at 31 July 2019 '000
	Number of share options Movement during the year			
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

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**	**10**
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	3.65
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	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	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%	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%	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%	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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Capital reserve				
At 1 August 2019/2018	**147,149**	141,069	**–**	–
Movement in capital reserve in an associated company	**4,821**	6,080	**–**	–
At 31 July	**151,970**	147,149	**–**	–
Foreign exchange reserve				
At 1 August 2019/2018	**97,800**	67,226	**4,289**	5,468
Foreign currency translation	**100,198**	30,433	**(4,609)**	(1,179)
Share of associated companies' foreign currency translation	**(6,661)**	295	**–**	–
Non-controlling interests	**830**	(154)	**–**	–
At 31 July	**192,167**	97,800	**(320)**	4,289
Warrants reserve				
At 1 August 2019/2018	**96,925**	97,199	**96,925**	97,199
Conversion of warrants	**(119)**	(274)	**(119)**	(274)
At 31 July	**96,806**	96,925	**96,806**	96,925
Total other reserves	**440,943**	341,874	**96,486**	101,214

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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Present value of unfunded defined benefit obligations, representing net liability	**55,607**	52,260	**6,162**	5,394
Analysed as:				
Current (Note 30(b))	**5,150**	2,578	**194**	340
Non-current:				
More than one year and less than two years	**1,908**	4,330	**65**	148
More than two years and less than five years	**5,344**	3,629	**447**	180
Five years or more	**43,205**	41,723	**5,456**	4,726
Amount included in payables (Note 30(a))	**50,457**	49,682	**5,968**	5,054
Total	**55,607**	52,260	**6,162**	5,394

The amounts recognised in profit or loss are determined as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current service cost	**(3,727)**	5,072	**285**	531
Interest cost	**2,650**	2,400	**271**	240
Total, included in staff costs and directors' remuneration (Notes 5 and 6)	**(1,077)**	7,472	**556**	771

29. RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 August 2019/2018	**52,260**	43,367	**5,394**	4,065
Recognised in profit or loss	**(1,077)**	7,472	**556**	771
Effect of re-measurement loss in other comprehensive income	**6,568**	3,185	**678**	558
Contributions paid	**(2,167)**	(1,772)	**(466)**	-
Exchange differences	**23**	8	**-**	-
At 31 July	**55,607**	52,260	**6,162**	5,394

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)	2020 RM'000	Increase/ (decrease)	2019 RM'000
Discount rate	**+1%**	**(5,846)**	+1%	(5,345)
	-1%	**6,985**	-1%	6,384
Expected rate of salary increases	**+1%**	**7,929**	+1%	6,744
	-1%	**(6,723)**	-1%	(5,746)

Principal actuarial assumptions used:

	2020 %	2019 %
Discount rate	**3.9**	5.2
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 (2019: 12 years).

30. PAYABLES

		Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current	**(a)**				
Trade		**169,383**	143,851	**66,985**	62,735
Non-trade		**66,167**	54,131	**6,555**	5,054
		235,550	197,982	**73,540**	67,789
Current	**(b)**				
Trade		**1,252,481**	1,319,004	**151,751**	166,828
Non-trade		**507,969**	525,388	**56,298**	213,332
		1,760,450	1,844,392	**208,049**	380,160
Total payables		**1,996,000**	2,042,374	**281,589**	447,949

(a) Non-current

Trade				
Trade payables	**411**	–	**–**	–
Retention sums	**159,147**	143,851	**57,160**	62,735
Accruals	**9,825**	–	**9,825**	–
	169,383	143,851	**66,985**	62,735
Non-trade				
Retirement benefit obligations (Note 29)	**50,457**	49,682	**5,968**	5,054
Lease liabilities (Note 31)	**9,854**	–	**587**	–
Sundry payables	**1,837**	1,289	**–**	–
Accruals	**4,019**	3,160	**–**	–
	66,167	54,131	**6,555**	5,054
	235,550	197,982	**73,540**	67,789

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30. PAYABLES (CONT'D.)

(b) Current

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade				
Trade payables	**373,758**	536,272	**34,901**	15,492
Joint venture partners	**45,032**	19,047	**711**	160
Retention sums	**154,671**	138,767	**17,748**	8,565
Accruals	**679,020**	624,918	**98,391**	142,611
	1,252,481	1,319,004	**151,751**	166,828
Non-trade				
Associated companies	**54**	47	**–**	–
Retirement benefit obligations (Note 29)	**5,150**	2,578	**194**	340
Lease liabilities (Note 31)	**4,425**	–	**999**	–
Sundry payables	**316,324**	176,974	**4,702**	11,028
Dividend payables	**–**	148,272	**–**	148,272
Accruals	**182,016**	197,517	**50,403**	53,692
	507,969	525,388	**56,298**	213,332
	1,760,450	1,844,392	**208,049**	380,160

The normal trade credit term granted to the Group and the Company ranges from 30 to 90 days (2019: 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	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Financial liabilities at amortised costs					
Current payables	30(b)				
Trade payables		**373,758**	536,272	**34,901**	15,492
Associated companies		**54**	47	**–**	–
Joint venture partners		**45,032**	19,047	**711**	160
Retention sums		**154,671**	138,767	**17,748**	8,565
Sundry payables		**316,324**	176,974	**4,702**	11,028
Dividend payables		**–**	148,272	**–**	148,272
Accruals		**861,036**	822,435	**148,794**	196,303
Lease liabilities	31	**4,425**	–	**999**	–
Non-current payables	30(a)				
Trade payables		**411**	–	**–**	–
Retention sums		**159,147**	143,851	**57,160**	62,735
Sundry payables		**1,837**	1,289	**–**	–
Accruals		**13,844**	3,160	**9,825**	–
Lease liabilities	31	**9,854**	–	**587**	–
Contract liabilities	22	**1,391,997**	992,825	**1,006,232**	790,073
Islamic debts	33	**2,825,000**	2,665,000	**2,150,000**	1,600,000
Borrowings	34	**2,640,131**	2,478,658	**1,314,080**	600,298
Due to subsidiaries	36	**–**	–	**358,670**	168,449
		8,797,521	8,126,597	**5,104,409**	3,601,375

Notes to the Financial Statements (Cont'd.)

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31. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movements during the year is as follows:

	Group 2020 RM'000	Company 2020 RM'000
At 1 August 2019 (previously stated)	–	–
Effect of adoption of MFRS 16 (Note 2.2(a))	15,450	2,521
At 1 August 2019 (as restated)	15,450	2,521
Additions	3,821	536
Interest expense (Note 8)	735	91
Payment made during the year	(5,763)	(1,576)
Exchange differences	36	14
At 31 July 2020	14,279	1,586

Lease liabilities are analysed as follows:

	Group 2020 RM'000	Company 2020 RM'000
Current (Note 30(b))	4,425	999
Non-current (Note 30(a))	9,854	587
	14,279	1,586

The remaining maturities of the lease liabilities as at 31 July 2020 is as follows:

	Group 2020 RM'000	Company 2020 RM'000
Not more than 1 year	4,425	999
Later than 1 year but not later than 2 years	4,705	537
Later than 2 years but not later than 5 years	5,149	50
	14,279	1,586

32. DEFERRED TAX LIABILITIES/(ASSETS)

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
At 1 August 2019/2018 (as previously stated)	**334,870**	365,918	**(2,228)**	3,929
Effect of adoption of MFRS 123 (Note 2.2(c))	**(843)**	967	**–**	–
At 1 August 2019/2018 (as restated)	**334,027**	366,885	**(2,228)**	3,929
Recognised in profit or loss (Note 9)	**(40,543)**	(33,476)	**(3,174)**	(6,023)
Recognised in other comprehensive income	**(589)**	(89)	**(163)**	(134)
Exchange differences	**2,344**	707	**–**	–
At 31 July	**295,239**	334,027	**(5,565)**	(2,228)
Presented after appropriate offsetting as follows:				
Deferred tax assets	**(40,665)**	(41,767)	**(5,565)**	(2,228)
Deferred tax liabilities	**335,904**	375,794	**–**	–
	295,239	334,027	**(5,565)**	(2,228)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Receivables RM'000	Accelerated capital allowances RM'000	Fair value adjustment on expressway development expenditure RM'000	Land RM'000	Total RM'000
At 1 August 2019	**84,305**	**163,134**	**142,212**	**7,483**	**397,134**
Recognised in profit or loss	**40,359**	**920**	**(24,931)**	**(4,608)**	**11,740**
Exchange differences	**1,772**	**(119)**	**(109)**	**1**	**1,545**
At 31 July 2020	**126,436**	**163,935**	**117,172**	**2,876**	**410,419**
At 1 August 2018	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)
Exchange differences	(599)	627	–	–	28
At 31 July 2019	84,305	163,134	142,212	7,483	397,134

Notes to the Financial Statements (Cont'd.)

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32. 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 2019 (as previously stated)	(4,002)	(6,973)	(9,844)	(41,445)	(62,264)
Effect of adoption of MFRS 123 (Note 2.2(c))	–	–	–	(843)	(843)
At 1 August 2019 (as restated)	(4,002)	(6,973)	(9,844)	(42,288)	(63,107)
Recognised in profit or loss	(15,556)	(1,311)	6,854	(42,270)	(52,283)
Recognised in other comprehensive income	–	–	(589)	–	(589)
Exchange differences	–	(47)	(573)	1,419	799
At 31 July 2020	(19,558)	(8,331)	(4,152)	(83,139)	(115,180)
At 1 August 2018 (as previously stated)	(6,521)	(4,649)	(8,391)	(40,082)	(59,643)
Effect of adoption of MFRS 123 (Note 2.2(c))	–	–	–	967	967
At 1 August 2018 (as restated)	(6,521)	(4,649)	(8,391)	(39,115)	(58,676)
Recognised in profit or loss	7,714	(1,354)	(1,406)	(9,975)	(5,021)
Recognised in other comprehensive income	–	–	(89)	–	(89)
Exchange differences	(5,195)	(970)	42	6,802	679
At 31 July 2019 (as restated)	(4,002)	(6,973)	(9,844)	(42,288)	(63,107)

32. 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 2019	**8,243**
Recognised in profit or loss	**(268)**
At 31 July 2020	**7,975**
At 1 August 2018	13,264
Recognised in profit or loss	(5,021)
At 31 July 2019	8,243

Deferred tax asset of the Company:

	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 2019	**–**	**(6,363)**	**(1,294)**	**(2,814)**	**(10,471)**
Recognised in profit or loss	**(3,291)**	**(696)**	**(184)**	**1,265**	**(2,906)**
Recognised in other comprehensive income	**–**	**–**	**(163)**	**–**	**(163)**
At 31 July 2020	**(3,291)**	**(7,059)**	**(1,641)**	**(1,549)**	**(13,540)**
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)

Notes to the Financial Statements (Cont'd.)

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32. DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D.)

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unutilised tax losses	**288,704**	115,995	**18,370**	–
Unabsorbed capital allowances	**190,923**	161,337	**–**	–
Other deductible temporary differences	**56,411**	6,838	**–**	–
	536,038	284,170	**18,370**	–

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 respective companies under the Income Tax Act, 1967, and guidelines issued by the tax authority. Effective from YA 2019, unutilised tax losses are allowed to be carried forward for a maximum period of seven years.

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits will be available in the Company and certain subsidiaries against which the Group can utilise the benefits.

33. ISLAMIC DEBTS

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current					
Medium term notes					
– Unsecured	(a)	**1,850,000**	1,600,000	**1,750,000**	1,300,000
– Secured	(b)	**285,000**	375,000	**–**	–
		2,135,000	1,975,000	**1,750,000**	1,300,000
Current					
Medium term notes					
– Unsecured	(a)	**600,000**	600,000	**400,000**	300,000
– Secured	(b)	**90,000**	90,000	**–**	–
		690,000	690,000	**400,000**	300,000
Total Islamic debts		**2,825,000**	2,665,000	**2,150,000**	1,600,000

33. ISLAMIC DEBTS (CONT'D.)

Medium term notes ("MTNs")

The MTNs are drawndown by:

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Gamuda Berhad	(a)	**2,150,000**	1,600,000	**2,150,000**	1,600,000
Bandar Serai Development Sdn. Bhd. ("Bandar Serai")	(a)	**300,000**	600,000	**–**	–
Kesas Sdn. Bhd.	(b)	**375,000**	465,000	**–**	–
		2,825,000	2,665,000	**2,150,000**	1,600,000

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	Issuance tenure (years)	Yield at issuance date %
Current					
Issue No. 8	300,000	25.04.2016	23.04.2021	5	4.62
Issue No. 14	100,000	01.06.2020	02.06.2021	1	3.20
	400,000				
Non-current					
Issue No. 9	500,000	23.11.2017	23.11.2022	5	4.83
Issue No. 10	400,000	16.03.2018	16.03.2023	5	4.79
Issue No. 11	100,000	27.11.2018	27.11.2023	5	4.79
Issue No. 12	200,000	18.11.2019	18.11.2026	7	4.12
Issue No. 13	300,000	18.11.2019	16.11.2029	10	4.26
Issue No. 15	250,000	29.06.2020	28.06.2030	10	4.10
	1,750,000				
	2,150,000				

Issue No.1 to No. 7 were redeemed upon maturity in previous years.

33. 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	Issuance Tenure (years)	Yield at issuance date %
Current					
Tranche No. 2	200,000	27.10.2015	27.10.2020	5	4.78
Non-current					
Tranche No. 3	100,000	28.08.2018	28.08.2023	5	4.69
	300,000				

Tranche No. 1 was redeemed upon maturity in November 2019.

The Islamic MTNs were drawndown 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	
	2020 RM'000	**2019 RM'000**
Primary Sukuk	**375,000**	465,000
Secondary Sukuk	**188,184**	188,184
	563,184	653,184
Less: Unamortised profit element	**(30,486)**	(49,072)
	532,698	604,112
Less: Accumulated profit element charged to profit or loss	**(157,698)**	(139,112)
	375,000	465,000

33. 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	
	2020 RM'000	**2019 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	**195,000**	285,000
	375,000	465,000

On 2 October 2014, Kesas Sdn. Bhd. 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 August 2023. The profit margin ranges from 4.55% to 4.85% (2019: 4.47% 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.

Notes to the Financial Statements (Cont'd.)

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33. 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	
	2020 %	**2019 %**	**2020 %**	**2019 %**
MTNs	**4.54**	4.70	**4.48**	4.72

34. BORROWINGS

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Non-current					
Term loans					
– secured	(a)	**339,380**	486,353	**–**	–
– unsecured	(b)	**434,571**	433,128	**–**	–
		773,951	919,481	**–**	–
Revolving credits					
– secured	(c)	**43,220**	63,260	**–**	–
		817,171	982,741	**–**	–
Current					
Secured					
Term loans	(a)	**162,353**	209,282	**–**	–
Revolving credits	(c)	**17,527**	5,036	**–**	–
		179,880	214,318	**–**	–
Unsecured					
Term loans	(b)	**–**	533,152	**–**	–
Revolving credits	(c)	**1,043,080**	598,447	**714,080**	450,298
Commercial papers		**600,000**	150,000	**600,000**	150,000
		1,643,080	1,281,599	**1,314,080**	600,298
Total current borrowing		**1,822,960**	1,495,917	**1,314,080**	600,298
Total borrowings		**2,640,131**	2,478,658	**1,314,080**	600,298

Notes to the Financial Statements (Cont'd.)

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34. BORROWINGS (CONT'D.)

(a) Term loans – secured

The term loans are drawndown by:

	Note	Group 2020 RM'000	Group 2019 RM'000
Gamuda Land (HCMC) Joint Stock Company ("HCMCJSC")	(i)	**87,353**	254,874
Gamuda Land (Kemuning) Sdn. Bhd. ("GL Kemuning")	(ii)	**414,380**	440,761
		501,733	695,635

(i) 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 3.04% to 6.90% (2019: 4.09% to 5.23%) per annum.

The term loan is secured by leasehold land under development as disclosed in Note 13.

(ii) 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 term loans for the purpose of part financing of the twenty.five.7 project. GL Kemuning had drawdown additional term loan of RM22,127,000 during the year. The term loans bore interest rate at a range of 3.54% to 4.41% (2019: 4.41% to 4.61%).

The term loan is secured by leasehold land under development as disclosed in Note 13.

Term loans are repayable as follows:

	Group 2020 RM'000	Group 2019 RM'000
Less than one year	**162,353**	209,282
Later than one year but not later than two years	**125,528**	74,630
More than two years and less than five years	**213,852**	382,457
Five years or more	**–**	29,266
	501,733	695,635

34. BORROWINGS (CONT'D.)

(b) Term loans – unsecured

The term loans are drawndown by:

	Note	Group 2020 RM'000	Group 2019 RM'000
Gamuda (Singapore) Pte. Ltd. ("GB Singapore")	(i)	**–**	150,750
Megah Capital Sdn. Bhd. ("Megah Capital")	(ii)	**434,571**	815,530
		434,571	966,280

(i) 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 the Company and bore interest rate of 3.43% (2019: 3.43%) per annum. GB Singapore has fully repaid the term loan on 16 June 2020.

(ii) On 16 July 2015, as disclosed in Note 35, 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. Megah Capital has fully repaid the term loan on 16 July 2020.

On 30 October 2016 and 21 March 2017, as disclosed in Note 35, 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 43.

Term loans are repayable as follows:

	Group 2020 RM'000	Group 2019 RM'000
Less than one year	**–**	533,152
Later than one year but not later than two years	**434,571**	–
More than two years and less than five years	**–**	433,128
	434,571	966,280

Notes to the Financial Statements (Cont'd.)

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34. BORROWINGS (CONT'D.)

(c) Revolving credits

The revolving credits are drawndown by:

	Note	Group	
		2020 RM'000	2019 RM'000
Secured			
Jade Homes Sdn. Bhd. ("Jade Homes")	(i)	**60,747**	68,296

Revolving credits are repayable as follows:

	Group	
	2020 RM'000	2019 RM'000
Less than one year	**17,527**	5,036
Later than one year but not later than two years	**20,040**	20,040
More than two years and less than five years	**23,180**	43,220
	60,747	68,296

(i) On 1 August 2016, Jade Homes, a subsidiary of the Company, had drawdown the revolving credit from Public Bank Berhad for the development cost of ongoing projects. The revolving credit is secured with a parcel of vacant development land and bore interest rate of 4.12% (2019: 4.58%) per annum.

The revolving credit is secured by freehold land as disclosed in Note 13.

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unsecured				
Gamuda Berhad	**714,080**	450,298	**714,080**	450,298
Gamuda Naim Engineering and Construction (GNEC) Sdn. Bhd.	**129,000**	118,000	**–**	–
Gamuda Singapore Pte. Ltd.	**–**	30,149	**–**	–
Megah Capital Sdn. Bhd.	**200,000**	–	**–**	–
	1,043,080	598,447	**714,080**	450,298

34. 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	
	2020 %	2019 %	2020 %	2019 %
Commercial papers	**2.87**	3.43	**2.87**	3.43
Revolving credits				
Secured				
– Ringgit Malaysia	**4.12**	4.58	**–**	–
Unsecured				
– Ringgit Malaysia	**2.76**	3.98	**3.94**	3.94
– Singapore Dollar	**–**	3.35	**–**	–
– US Dollar	**3.47**	3.90	**3.47**	3.90
– Taiwan Dollar	**1.33**	–	**–**	–
Term loans				
– US Dollar	**2.01**	2.78	**–**	–
– Vietnam Dong	**5.34**	5.70	**–**	–
– Ringgit Malaysia	**3.54**	4.41	**–**	–
– Singapore Dollar	**–**	3.43	**–**	–

35. DERIVATIVE LIABILITIES

	Group	
	2020 RM'000	2019 RM'000
Cross currency interest rate swaps	**(6,071)**	(7,530)

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.

At the reporting date, the Group loans denominated in United States Dollar ("USD") amounting to USD100,000,000 ("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.

35. DERIVATIVE LIABILITIES (CONT'D.)

Contract amount	CCIRS	Maturity
	The Group:	
(a) 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:	
(b) 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 RM1,459,000 (2019: RM2,957,000) 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 43.

36. DUE TO SUBSIDIARIES

	Company	
	2020 RM'000	**2019 RM'000**
Non-current		
Due to subsidiaries		
– trade	**7,766**	–
Current		
Due to subsidiaries		
– trade	**210,498**	128,214
– non-trade	**140,406**	40,235
	350,904	168,449
Total amounts due to subsidiaries	**358,670**	168,449

The trade amounts due to subsidiaries have a normal credit term which ranges from 30 to 90 days (2019: 30 to 90 days).

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

37. PROVISION FOR LIABILITIES

Provision for liabilities of the Group is analysed as follows:

	Group	
	2020 RM'000	**2019 RM'000 (Restated)**
Current	**171,660**	74,573
Non-current	**111,309**	29,978
	282,969	104,551

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37. 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	Provision for foreseeable losses Note (e) RM'000	Provision for rehabilitation and restoration Note (f) RM'000	Total RM'000
At 1 August 2019 (as previously stated)	**62,132**	**24,120**	**1,340**	**19,031**	**–**	**–**	**106,623**
Effect of adoption of MFRS 123 (Note 2.2(c))	**–**	**(2,072)**	**–**	**–**	**–**	**–**	**(2,072)**
At 1 August 2019 (as restated)	**62,132**	**22,048**	**1,340**	**19,031**	**–**	**–**	**104,551**
Provision during the year	**27,212**	**34,466**	**160**	**4,358**	**8,218**	**191,884**	**266,298**
Utilisation during the year	**(42,705)**	**(15,859)**	**(740)**	**–**	**–**	**(23,450)**	**(82,754)**
Unused amount reversed	**(5,126)**	**–**	**–**	**–**	**–**	**–**	**(5,126)**
At 31 July 2020	**41,513**	**40,655**	**760**	**23,389**	**8,218**	**168,434**	**282,969**
At 1 August 2018 (as previously stated)	51,261	10,404	2,071	19,031	–	–	82,767
Effect of adoption of MFRS 123 (Note 2.2(c))	–	(1,007)	–	–	–	–	(1,007)
At 1 August 2018 (as restated)	51,261	9,397	2,071	19,031	–	–	81,760
Provision during the year	24,149	33,738	490	4,680	–	–	63,057
Utilisation during the year	(5,058)	(21,087)	(541)	(4,680)	–	–	(31,366)
Unused amount reversed	(8,220)	–	(680)	–	–	–	(8,900)
At 31 July 2019 (as restated)	62,132	22,048	1,340	19,031	–	–	104,551

Recognised in profit or loss during the financial year: (Note 7)

	Group	
	2020 RM'000	2019 RM'000
Net provision for club membership	**160**	(190)
Provision for heavy repairs	**4,358**	4,680
	4,518	4,490

37. 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 relates to the estimated costs of the contractual obligations to maintain and restore the highway infrastructure to a specified standard of serviceability.

(e) Provision for foreseeable losses

Provision for foreseeable losses represents the present obligation for losses expected to be incurred for construction contracts.

(f) Provision for rehabilitation and restoration

Provision for rehabilitation and restoration relates to the estimated cost of contractual obligations to maintain and restore the water treatment infrastructure to a specified standard of serviceability.

38. COMMITMENTS

Capital commitments

	Group	
	2020 RM'000	2019 RM'000
Approved and contracted for:		
Property, plant and equipment	**9,498**	38,021

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39. 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 SB") 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 SB is equally owned by MMC and the Company.

During the financial year, the guarantee for KVMRT Line 2 was returned to the Company and its joint venture partner following the conversion from Project Delivery Partner ("PDP") model to Turnkey model in the previous financial year.

(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 PDP of KVMRT Line 2 and subsequently, as Turnkey Contractor of KVMRT Line 2 following the conversion from PDP model to Turnkey model. PDP SSP is equally owned by MMC and the Company.

(c) The Company and its joint venture partner, Naim Engineering Sdn. Bhd. ("NAIM") have issued parent company guarantees to guarantee the due performance and obligations of Naim Gamuda (NAGA) JV Sdn. Bhd. ("NAGA") in the works package contract for the development and upgrading of Pan Borneo Highway, Sarawak – WPC-04 (Pantu Junction to Btg Skrang). The Company owns a 30% stake in NAGA and balance 70% stake is owned by NAIM.

(d) 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 settlement agreement of the project was signed. The final acceptance certificate was issued and the performance bond issued was returned to GWJV for cancellation.

The guarantees issued by the Company for the contracts in (a), (b) and (c) have not been crystallised because Tunnel SB, PDP SSP and NAGA 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.

40. MATERIAL LITIGATION

The Group and the Company are not engaged in any material litigation.

41. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 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	**1,358**	816	**–**	–
Rental received from subsidiaries	**–**	–	**(5,352)**	(5,285)
Interest receivable from subsidiaries	**–**	–	**(161,783)**	(153,716)
Dividend received from:				
– subsidiaries	**–**	–	**89,046**	166,288
– associates	**121,383**	776,048	**100,053**	771,518
– joint ventures	**267,000**	175,800	**267,000**	175,800

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

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

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

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

Total KMPs' remuneration

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Total	**13,420**	15,842	**12,676**	14,533

The details of Board of Directors' remuneration are disclosed in Note 6.

42. SIGNIFICANT EVENTS

(a) Proposed offers from MOF in relation to toll highway concessions

(Status: Considered lapsed)

On 21 June 2019, KESAS Holdings Berhad ("KESAS Holdings"), Gamuda's 70% owned subsidiary, received a Letter of Offer from Ministry of Finance Incorporated ("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 an "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").

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 Concession 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 29 February 2020.

Subsequent to 29 February 2020, a new Federal Government took office. No extension of the Cut-Off Date has been mutually agreed by MOF and each of the Concession Holding Company on the Offers. At this juncture, the Offers are considered to have lapsed.

42. SIGNIFICANT EVENTS (CONT'D.)

(b) Appointment as Project Delivery Partner ("PDP") for Penang Transport Master Plan ("PTMP") project

The Company's 60%-owned subsidiary, SRS Consortium Sdn Bhd was appointed as the PDP by the State Government of Penang to manage and deliver the PTMP and had executed the Master Agreement on 1 July 2020.

The major components of Phase 1 of the project are:

(i) Reclamation Works (Penang South Reclamation Island A);

(ii) The Light Rail Transit (LRT) from George Town to Island A of the Penang South Islands; and

(iii) The Pan Island Link 1 (PIL1) highway.

The implementation of each PTMP component will be formalised at a later stage when the financial architecture is mutually agreed with the Penang State Government. The PDP fee for the PTMP components varies between 5.0% – 5.75%.

(c) Formalisation of role as Turnkey Contractor for Klang Valley Mass Rapid Transit ("KVMRT") Sungai Buloh-Serdang-Putrajaya Line/Line 2 Project

On 17 January 2020, the Company and MMC Corporation Berhad ("MMC") have formalised the role as Turnkey Contractor with Mass Rapid Transit Corporation Sdn. Bhd. ("MRT Corp"), from the previous PDP role. The 50%-owned joint venture, MMC Gamuda KVMRT (PDP SSP) Sdn. Bhd. ("PDP SSP") will be responsible for the design, execution and completion of the entire KVMRT SSP Line (for both above ground and underground) on a turnkey basis.

The following agreements were executed in respect of the formalisation of the Turnkey Contractor role:

(i) A Supplemental Agreement to the PDP Agreement between PDP SSP and MRT Corp; and

(ii) A Novation Agreement between PDP SSP, MMC Gamuda KVMRT (T) Sdn. Bhd. and MRT Corp.

(d) Award of construction contract for Seawall for Reclamation project in Taiwan

On 2 January 2020, the Company and Dong-Pi Construction Co. Ltd., a Taiwan company have been awarded the contract to construct the 4,014 metres Seawall structure amounting to RM932 million (NT$6.82 billion) from Taiwan International Ports Corporation, a Taiwan state-owned port operation company. The job will be undertaken via an unincorporated subsidiary, Dong-Pi Gamuda Joint Venture in which the Company and Dong-Pi will hold 70% and 30% respectively.

(e) Proposed rights issue of warrants

(Status: Cancelled)

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

On 6 September 2019, Bursa Malaysia Securities Berhad ("Bursa Securities") granted the Company:

(i) Extension of time until 31 December 2019 for Gamuda to issue the circular in relation to the Proposal to its shareholders; and

(ii) Extension of time until 26 February 2020, to complete the implementation of the Proposed Rights Issue of Warrants.

The extension of time for (i) and (ii) above was granted as the requisite approvals for the Proposed Acquisition of Toll Highways by the Government of Malaysia have not been obtained.

On 31 December 2019, the board of directors of Gamuda resolved not to proceed with the Proposed Rights Issue of Warrants.

Notes to the Financial Statements (Cont'd.)

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43. 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
At 31 July 2020					
Financial assets:					
Current receivables	21	2,046,629	2,046,629	987,924	987,924
Non-current receivables	21	881,901	881,901	11,691	11,691
Contract assets	22	1,701,664	1,701,664	33,465	33,465
Due from subsidiaries	24	–	–	3,631,101	3,631,101
Cash and bank balances	25	2,147,202	2,147,202	195,532	195,532
Financial liabilities:					
Current payables	30	1,755,300	1,755,300	207,855	207,855
Non-current payables	30	185,093	185,093	67,572	67,572
Due to subsidiaries	36	–	–	358,670	358,670
Contract liabilities	22	1,391,997	1,391,997	1,006,232	1,006,232
Islamic debts:					
– Medium term notes	33	2,825,000	2,825,000	2,150,000	2,150,000
Borrowings:					
– Term loans	34	936,304	936,304	–	–
– Revolving credits	34	1,103,827	1,103,827	714,080	714,080
– Commercial papers	34	600,000	600,000	600,000	600,000

43. 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.)

	Note	Group Carrying amount RM'000	Group Fair value RM'000	Company Carrying amount RM'000	Company Fair value RM'000
At 31 July 2019					
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
Contract assets	22	1,604,295	1,604,295	19,425	19,425
Due from subsidiaries	24	–	–	2,874,716	2,874,716
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	36	–	–	168,449	168,449
Contract liabilities	22	992,825	992,825	790,073	790,073
Islamic debts:					
– Medium term notes	33	2,665,000	2,665,000	1,600,000	1,600,000
Borrowings:					
– Term loans	34	1,661,915	1,661,915	–	–
– Revolving credits	34	666,743	666,743	450,298	450,298
– Commercial papers	34	150,000	150,000	150,000	150,000

Notes to the Financial Statements (Cont'd.)

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43. 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, payables and borrowings

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)

43. FAIR VALUE (CONT'D.)

Quantitative disclosures of 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 2020					
Assets not carried at fair values but for which fair values are disclosed					
Investment properties	14	**644,989**	**–**	**–**	**644,989**
Quoted interests in an associated company	18	**920,229**	**920,229**	**–**	**–**
Assets measured at fair value					
Other investments:					
– Investment in transferable club memberships	20	**762**	**–**	**762**	**–**
Investment securities	23	**644,467**	**644,467**	**–**	**–**
Liability measured at fair value					
Derivative liabilities	35	**(6,071)**	**–**	**(6,071)**	**–**
31 July 2019					
Assets not carried at fair values but for which fair values are disclosed					
Investment properties	14	572,056	–	–	572,056
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	762	–	762	–
Investment securities	23	396,664	396,664	–	–
Liability measured at fair value					
Derivative liabilities	35	(7,530)	–	(7,530)	–

Notes to the Financial Statements (Cont'd.)
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43. FAIR VALUE (CONT'D.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities: (cont'd.)

Company	Note	Total RM'000	Fair value measurement using: 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 2020					
Assets not carried at fair values but for which fair values are disclosed					
Investment properties	14	**59,800**	**–**	**–**	**59,800**
Quoted interests in an associated company	18	**920,229**	**920,229**	**–**	**–**
Assets measured at fair value					
Other investments:					
– Investment in transferable club memberships	20	**683**	**–**	**683**	**–**
Investment securities	23	**581,850**	**581,850**	**–**	**–**
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	–	–

43. 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 2020			
Derivatives (Note 35)	**(6,071)**	**6,071**	**–**
Borrowings (Note 34(b))	**(428,500)**	**(6,071)**	**(434,571)**
As at 31 July 2019			
Derivatives (Note 35)	(7,530)	7,530	–
Borrowings (Note 34(b))	(808,000)	(7,530)	(815,530)

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, market risk and foreign currency risk.

The Group operates within clearly defined guidelines that are approved by the Board.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that 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.

44. 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 credit risk with respect to trade receivables and contract assets as low as there is no concentration of trade receivables except 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 2020 and 2019 is the carrying amount as illustrated in Note 43 except for derivative financial instruments. The Group's maximum exposure relating to financial derivative instruments is noted in the liquidity table below.

44. 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			
	2020		2019	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	**1,833,914**	**80%**	2,141,669	86%
Vietnam	**431,482**	**19%**	322,890	13%
India	**18,907**	**1%**	19,997	1%
Others	**3,266**	**0%**	201	0%
	2,287,569	**100%**	2,484,757	100%
By industry sectors:				
Engineering and construction	**725,894**	**32%**	889,917	36%
Property development and club operations	**671,226**	**29%**	691,945	28%
Water and expressway concessions	**890,449**	**39%**	902,895	36%
	2,287,569	**100%**	2,484,757	100%

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

	Group	
	2020 RM'000	2019 RM'000
Trade receivables – third parties	**1,753,550**	1,704,543
Due from associated companies – trade	**19,805**	20,023
Due from joint venture partners – trade	**26,240**	12,859
Due from joint ventures – trade	**487,974**	747,332
	2,287,569	2,484,757

Notes to the Financial Statements (Cont'd.)

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44. 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 46% (2019: 42%) of the Group's debts and borrowings (Notes 33 and 34) will mature in less than one year based on the carrying amount reflected in the financial statements. Approximately 49% (2019: 41%) of the Company's debts and borrowings (Notes 33 and 34) 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.

	2020			
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	**1,755,300**	**185,093**	**–**	**1,940,393**
Islamic debts				
– Principal	**690,000**	**1,385,000**	**750,000**	**2,825,000**
– Profit	**115,172**	**229,615**	**115,918**	**460,705**
Borrowings				
– Principal	**1,822,960**	**817,171**	**–**	**2,640,131**
– Interest	**43,530**	**28,077**	**–**	**71,607**
Total undiscounted financial liabilities	**4,426,962**	**2,644,956**	**865,918**	**7,937,836**

	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				
– Principal	690,000	1,975,000	–	2,665,000
– Profit	109,029	185,756	–	294,785
Borrowings				
– Principal	1,495,917	953,476	29,265	2,478,658
– Interest	80,335	77,495	376	158,206
Total undiscounted financial liabilities	4,217,095	3,340,027	29,641	7,586,763

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	2020			
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	**207,855**	**67,572**	**–**	**275,427**
Due to subsidiaries	**350,904**	**7,766**	**–**	**358,670**
Islamic debts				
– Principal	**400,000**	**1,000,000**	**750,000**	**2,150,000**
– Profit	**92,390**	**199,537**	**115,918**	**407,845**
Borrowings				
– Principal	**1,314,080**	**–**	**–**	**1,314,080**
– Interest	**6,418**	**–**	**–**	**6,418**
Total undiscounted financial liabilities	**2,371,647**	**1,274,875**	**865,918**	**4,512,440**

	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				
– Principal	300,000	1,300,000	–	1,600,000
– Profit	70,446	132,896	–	203,342
Borrowings				
– Principal	600,298	–	–	600,298
– Interest	4,267	–	–	4,267
Total undiscounted financial liabilities	1,523,280	1,495,631	–	3,018,911

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. At the reporting date, approximately 71% (2019: 71%) of the Group's borrowings are at fixed rates of interest.

<u>Sensitivity analysis for interest rate risk</u>

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM3,062,000 (2019: RM2,875,000) 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

<u>Sensitivity analysis for market price risk</u>

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 RM32,223,400 (2019: RM19,833,200) and RM29,092,500 (2019: RM17,018,600) 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 46.

44. 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	Australian Dollar RM'000	Singapore Dollar RM'000	United States Dollar RM'000	Taiwan Dollar RM'000	Indian Rupee RM'000	Qatari Riyal RM'000	Bahraini Dinar RM'000	Pound Sterling RM'000	Total RM'000
At 31 July 2020										
Cash and bank balances	**1,014,724**	**53,728**	**10,997**	**58,694**	**10,056**	**42,878**	**1,451**	**291**	**19,580**	**1,212,399**
Receivables	**876,330**	**24,577**	**261**	**63**	**155,626**	**21,533**	**13,597**	**6**	**7,135**	**1,099,128**
Payables	**(874,010)**	**(15,903)**	**(8,292)**	**(45)**	**(30,014)**	**(1,423)**	**(14,235)**	**(1,899)**	**(436)**	**(946,257)**
Borrowings	**(87,353)**	**–**	**–**	**–**	**(66,770)**	**–**	**–**	**–**	**–**	**(154,123)**
At 31 July 2019										
Cash and bank balances	826,930	16,977	563	1,052	–	42,075	4,536	434	–	892,567
Receivables	1,349,163	1,809	68	90	–	23,534	13,330	5	–	1,387,999
Payables	(631,817)	(3,039)	(140)	(51)	–	(1,477)	(13,721)	(14,401)	–	(664,646)
Borrowings	(254,874)	–	(180,900)	–	–	–	–	–	–	(435,774)

Company	Australian Dollar RM'000	Singapore Dollar RM'000	Taiwan Dollar RM'000	United States Dollar RM'000	Qatari Riyal RM'000	Bahraini Dinar RM'000	Total RM'000
At 31 July 2020:							
Cash and bank balances	**28,754**	**9,463**	**4,908**	**58,592**	**1,451**	**291**	**103,459**
Receivables	**23,424**	**261**	**6,421**	**–**	**13,597**	**6**	**43,709**
Payables	**(15,002)**	**(8,242)**	**(640)**	**–**	**(14,235)**	**(1,899)**	**(40,018)**
Borrowings	**–**	**–**	**(66,770)**	**–**	**–**	**–**	**(66,770)**
At 31 July 2019:							
Cash and bank balances	–	356	–	1,019	4,536	434	6,345
Receivables	–	68	–	–	13,330	5	13,403
Payables	–	(116)	–	–	(13,721)	(14,401)	(28,238)

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Vietnam, Australia, Singapore, Taiwan, India, Bahrain and Qatar. The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the business is located.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(e) Foreign currency risk (cont'd.)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the VND, AUD, SGD, USD, TWD, INR, QR, BHD and GBP exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

			Total profit for the year			
			Group		Company	
			Increase/(decrease)		Increase/(decrease)	
			2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
VND/RM	strengthened 5%	(2019: 5%)	**46,485**	64,470	**–**	–
	weakened 5%	(2019: 5%)	**(46,485)**	(64,470)	**–**	–
AUD/RM	strengthened 5%	(2019: 5%)	**3,120**	787	**1,859**	–
	weakened 5%	(2019: 5%)	**(3,120)**	(787)	**(1,859)**	–
SGD/RM	strengthened 5%	(2019: 5%)	**148**	(9,020)	**74**	15
	weakened 5%	(2019: 5%)	**(148)**	9,020	**(74)**	(15)
USD/RM	strengthened 5%	(2019: 5%)	**2,936**	55	**2,930**	51
	weakened 5%	(2019: 5%)	**(2,936)**	(55)	**(2,930)**	(51)
TWD/RM	strengthened 5%	(2019: 5%)	**3,445**	–	**(2,804)**	–
	weakened 5%	(2019: 5%)	**(3,445)**	–	**2,804**	–
INR/RM	strengthened 5%	(2019: 5%)	**3,149**	3,206	**–**	–
	weakened 5%	(2019: 5%)	**(3,149)**	(3,206)	**–**	–
QR/RM	strengthened 5%	(2019: 5%)	**41**	208	**41**	208
	weakened 5%	(2019: 5%)	**(41)**	(208)	**(41)**	(208)
BHD/RM	strengthened 5%	(2019: 5%)	**(80)**	(698)	**(80)**	(698)
	weakened 5%	(2019: 5%)	**80**	698	**80**	698
GBP/RM	strengthened 5%	(2019: 5%)	**1,314**	–	**–**	–
	weakened 5%	(2019: 5%)	**(1,314)**	–	**–**	–

45. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The capital management approaches remain unchanged for the current and previous years.

The Group monitors and maintains a prudent level of 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.

45. CAPITAL MANAGEMENT (CONT'D.)

	Group		Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Islamic debts	**2,825,000**	2,665,000	**2,150,000**	1,600,000
Borrowings	**2,640,131**	2,478,658	**1,314,080**	600,298
Less: Cash and bank balances	**(2,147,202)**	(1,452,272)	**(195,532)**	(65,184)
Investment securities	**(644,467)**	(396,664)	**(581,850)**	(340,371)
Net debt	**2,673,462**	3,294,722	**2,686,698**	1,794,743
Equity attributable to the owners of the Company	**8,541,092**	8,062,623	**6,161,543**	5,915,003
Non-controlling interests	**426,502**	399,317	**–**	–
Total capital	**8,967,594**	8,461,940	**6,161,543**	5,915,003
Net gearing ratio	**30%**	39%	**44%**	30%

46. SEGMENT INFORMATION

The Group reporting is organised and managed in three major business units. The segments are organised and managed to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

(i) Engineering and construction – the construction of highways and bridges, airfield facilities, railway, 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.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

46. 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
2020						
Revenue						
Revenue as reported	1,835,784	1,346,788	480,392	–		3,662,964
Share of revenue of joint ventures	2,953,308	173,742	14,909	–		3,141,959
	4,789,092	1,520,530	495,301	–		6,804,923
Inter-segment sales	354,370	–	–	(354,370)	A	–
Total revenue	5,143,462	1,520,530	495,301	(354,370)		6,804,923
Result						
Profit from operations	59,443	253,451	251,582	–		564,476
Impairment of property, plant and equipment of GIBS	(148,100)	–	–	–		(148,100)
Finance costs	(5,778)	(91,271)	(42,291)	–		(139,340)
Share of profits of associated companies	137	–	116,108	–		116,245
Share of profits of joint ventures	185,496	10,620	(3,935)	–		192,181
Profit before tax	91,198	172,800	321,464	–		585,462
Income tax expense						(161,272)
Profit for the year						424,190
Non-controlling interest						(52,510)
Profit attributable to Owners of the Company						371,680
Core profit before tax	239,298	172,800	321,464	–		733,562
Less: Impairment of property, plant and equipment of GIBS	(148,100)	–	–	–		(148,100)
Profit before tax as reported	91,198	172,800	321,464	–		585,462

46. 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
2020 (cont'd.)						
Assets and liabilities						
Segment assets excluding interests in associated companies and joint arrangements	3,646,742	10,289,712	2,580,956	–		16,517,410
Interests in associated companies	8,533	–	944,254	–		952,787
Interests in joint arrangements	169,725	847,235	40,388	–		1,057,348
						18,527,545
Segment liabilities						
Other liabilities	(2,226,669)	(1,468,729)	(399,422)	–		(4,094,820)
Borrowings	(828,290)	(4,183,614)	(453,227)	–		(5,465,131)
						(9,559,951)
Other information						
Depreciation and amortisation	49,900	34,985	138,242	–		223,127
Non-cash items other than depreciation and amortisation	147,412	2,817	4,938	–	B	155,167
Additions to non-current assets	51,929	539,645	186,675	–	C	778,249

46. 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 (Restated)						
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	298,829	228,133	–		705,265
Finance costs	(21,592)	(68,041)	(27,688)	–		(117,321)
Share of profits of associated companies	20,207	–	106,427	–		126,634
Share of profits of joint ventures	105,935	83,840	(3,241)	–		186,534
Profit before tax	282,853	314,628	303,631	–		901,112
Income tax expense						(148,844)
Profit for the year						752,268
Non-controlling interest						(52,082)
Profit attributable to Owners of the Company						700,186

46. 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 (Restated) (cont'd.)						
Assets and liabilities						
Segment assets excluding interests in associated companies and joint arrangements	3,272,814	9,254,552	2,480,929	–		15,008,295
Interests in associated companies	9,297	–	961,492	–		970,789
Interests in joint arrangements	236,229	920,780	44,323	–		1,201,332
						17,180,416
Segment liabilities						
Other liabilities	(1,969,079)	(1,136,052)	(469,687)	–		(3,574,818)
Borrowings	(777,122)	(3,846,941)	(519,595)	–		(5,143,658)
						(8,718,476)
Other information						
Depreciation and amortisation	38,586	24,443	129,099	–		192,128
Non-cash items other than depreciation and amortisation	42,680	1,755	5,174	–	B	49,609
Additions to non-current assets	191,455	550,913	14,178	–	C	756,546

46. SEGMENT INFORMATION (CONT'D.)

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:

	2020 RM'000	2019 RM'000
Property, plant and equipment written off	**2,753**	31
Unrealised loss on foreign exchange	**–**	31
Net fair value gains on derivatives	**(1,459)**	(2,957)
Provisions	**153,873**	52,504
	155,167	49,609

C Additions to non-current assets consist of:

	Note	2020 RM'000	2019 RM'000
Property, plant and equipment	12	**175,384**	253,790
Investment properties	14	**9,882**	88,522
Land held for property development	13(a)	**406,823**	400,983
Expressway and water development expenditure	16	**186,160**	13,251
		778,249	756,546

Additions to non-current assets excludes interests in associated companies and interests in joint arrangements.

46. SEGMENT INFORMATION (CONT'D.)

Geographical information

	Revenues		Non-current assets	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Malaysia	**2,586,380**	3,188,593	**5,991,210**	6,231,521
Outside Malaysia				
– Vietnam	**877,608**	1,356,879	**990,440**	700,254
– Australia	**41,593**	19,590	**1,967**	–
– Taiwan	**157,383**	–	**622**	548
– Others	**–**	–	**7,145**	–
	1,076,584	1,376,469	**1,000,174**	700,802
Consolidated	**3,662,964**	4,565,062	**6,991,384**	6,932,323
Share of revenue of joint ventures				
– Malaysia	**3,100,679**	2,387,852		
– Singapore	**41,280**	228,284		
Total revenue	**6,804,923**	7,181,198		

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	2020 RM'000	**2019 RM'000**
Property, plant and equipment	**1,063,066**	1,155,510
Land held for property development	**3,169,895**	2,919,183
Investment properties	**455,501**	432,815
Land use right	**–**	1,470
Right-of-use assets	**15,138**	–
Concession development expenditure	**1,355,472**	1,306,472
Other investments	**812**	812
Deferred tax assets	**40,665**	41,767
Receivables	**890,835**	1,074,294
	6,991,384	6,932,323

List of Major Properties

Held as at 31 July 2020

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	11	128,340
2	No. 30, Jalan SS2/44 47300 Petaling Jaya Selangor	Freehold	Bungalow	501 sq m	1991	–	34	278
3	No. 36/38, Jalan SS21/62 47400 Petaling Jaya Selangor	Freehold	2 blocks, 4 storey shoplot/office	286 sq m	1991	–	26	863
4	No. 39, Jalan SS22/23 47400 Petaling Jaya Selangor	Freehold	4 storey shoplot/office	153 sq m	2007	–	26	533
5	No. 53, Jalan SS22/23 47400 Petaling Jaya Selangor	Freehold	4 storey shoplot/office	153 sq m	2006	–	31	1,158
6	No. 55-61, Jalan SS22/23 47400 Petaling Jaya Selangor	Freehold	4 blocks, 4 storey shoplot/office	612 sq m	1992	–	29	7,313
7	No. 54-58, Jalan SS22/25 47400 Petaling Jaya Selangor	Freehold	3 blocks, 4 storey shoplot/office	460 sq m	2006	–	28	4,087
8	HS (D) 54871, PT No. 56274 Mukim & District of Kelang Selangor	Freehold	Industrial estate/workshop	16,898 sq m	1995	–	–	6,735
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	–	2	173,497
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	–	1,044
11	PT 183485 Meru Industrial Estate Jelapang, 30020 Ipoh, Perak	Leasehold	Industrial estate/ store	12,144 sq m	1991	2050	24	459
12	PT 51683, Jalan Jelapang 30020 Ipoh, Perak	Leasehold	Industrial estate/ workshop	4,353 sq m	1991	2043	30	294
13	No. 152, Jalan Gopeng 31350 Ipoh, Perak	Leasehold	3 storey shoplot/office	164 sq m	1991	2078	34	122
14	No. 158, Jalan Gopeng 31350 Ipoh, Perak	Leasehold	3 storey shoplot/office	163 sq m	1991	2078	34	129

Analysis of Securities of Company

As at 1 October 2020

ANALYSIS OF SHAREHOLDINGS

Total Number of Issued Shares	: 2,513,527,654 ordinary shares
Type of shares	: Ordinary shares
Voting rights	: 1 vote per share on a poll
No. of shareholders	: 17,410

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Holdings	%
Less than 100	526	3.02	11,231	0.00
100 – 1,000	4,518	25.95	3,293,361	0.13
1,001 – 10,000	9,110	52.33	36,362,046	1.45
10,001 – 100,000	2,457	14.11	70,953,141	2.82
100,001 – 125,676,381 (less than 5% of issued shares)	797	4.58	1,933,057,049	76.91
125,676,382 and above (5% and above of issued shares)	2	0.01	469,850,826	18.69
Total	**17,410**	**100.00**	**2,513,527,654**	**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	362,330,794	14.42	–	–
Kumpulan Wang Persaraan (Diperbadankan)	206,750,614	8.23	–	–

Analysis of Securities of Company

As at 1 October 2020

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	2.99	–	–
Dato' Ir Ha Tiing Tai	27,384,000*3	1.09	87,000*1	*5
Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	228,750	0.01	115,500,000*2	4.60
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)	457,500*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

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	281,177,126	11.19
2	Kumpulan Wang Persaraan (Diperbadankan)	188,673,700	7.51
3	Amanahraya Trustees Berhad – Amanah Saham Bumiputera	115,912,400	4.61
4	Generasi Setia (M) Sdn Bhd	102,000,000	4.06
5	Citigroup Nominees (Tempatan) Sdn Bhd – Urusharta Jamaah Sdn Bhd (1)	90,495,000	3.60
6	Dato' Lin Yun Ling	75,035,736	2.99
7	Amanahraya Trustees Berhad – Amanah Saham Malaysia 2 – Wawasan	70,000,000	2.78
8	Citigroup Nominees (Tempatan) Sdn Bhd – Exempt An for AIA Bhd	62,471,765	2.48
9	Amanahraya Trustees Berhad – Amanah Saham Malaysia 3	55,717,800	2.22
10	Permodalan Nasional Berhad	50,870,700	2.02
11	Amanahraya Trustees Berhad – Amanah Saham Bumiputera 3 – Didik	49,113,600	1.95

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	%
12	Amanahraya Trustees Berhad – Amanah Saham Malaysia	48,179,700	1.92
13	HSBC Nominees (Asing) Sdn Bhd – JPMCB NA for Vanguard Total International Stock Index Fund	37,637,612	1.50
14	Cartaban Nominees (Asing) Sdn Bhd – GIC Private Limited for Government of Singapore (C)	36,270,136	1.44
15	Amanahraya Trustees Berhad – Amanah Saham Bumiputera 2	33,500,000	1.33
16	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board (NOMURA)	31,183,666	1.24
17	HSBC Nominees (Asing) Sdn Bhd – JPMCB NA for Vanguard Emerging Markets Stock Index Fund	30,232,417	1.20
18	Cartaban Nominees (Asing) Sdn Bhd – Exempt An for State Street Bank & Trust Company (WEST CLT OD67)	29,027,200	1.15
19	Ng Kee Leen	28,002,252	1.11
20	Cartaban Nominees (Tempatan) Sdn Bhd – PAMB for Prulink Equity Fund	27,021,419	1.08
21	Maybank Nominees (Tempatan) Sdn Bhd – Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)	26,000,000	1.03
22	Lembaga Tabung Haji	25,000,000	0.99
23	Citigroup Nominees (Asing) Sdn Bhd – Exempt An for Citibank New York (Norges Bank 14)	22,122,601	0.88
24	Dato' Ir. Ha Tiing Tai	21,666,000	0.86
25	Amanahraya Trustees Berhad – Public Islamic Dividend Fund	21,066,100	0.84
26	Citigroup Nominees (Tempatan) Sdn Bhd – Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	18,071,700	0.72
27	Amanahraya Trustees Berhad – Public Ittikal Sequel Fund	17,767,368	0.71
28	Dato' Goon Heng Wah	15,888,771	0.63
29	Citigroup Nominees (Tempatan) Sdn Bhd – Great Eastern Life Assurance (Malaysia) Berhad (PAR 3)	15,008,396	0.60
30	Maybank Nominees (Tempatan) Sdn Bhd – MTrustee Berhad for Principal Dali Equity Growth Fund (UT-CIMB-Dali) (419455)	13,885,005	0.55
	Total	**1,638,998,170**	**65.19**

Analysis of Securities of Company

As at 1 October 2020

ANALYSIS OF WARRANT HOLDINGS

WARRANTS 2016/2021 ("WARRANTS")

No. of Warrants unexercised	:	387,221,749
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	:	6,332

DISTRIBUTION OF WARRANT HOLDINGS

Size of Holdings	No. of Holders	%	No. of Holdings	%
Less than 100	93	1.47	4,451	0.00
100 – 1,000	1,792	28.30	867,317	0.23
1,001 – 10,000	2,074	32.75	10,846,056	2.80
10,001 – 100,000	1,821	28.76	72,885,514	18.82
100,001 – 19,361,086 (less than 5% of total Warrants unexercised)	552	8.72	302,618,411	78.15
19,361,087 and above (5% and above of total Warrants unexercised)	0	0.00	0	0.00
Total	**6,332**	**100.00**	**387,221,749**	**100.00**

DIRECTORS' INTEREST IN WARRANTS

(as per Register of Directors' Warrant Holdings)

Name of Director	Direct Interest		Indirect Interest	
	No. of Warrants	%	No. of Warrants	%
Dato' Mohammed Hussein	–	–	–	–
Dato' Lin Yun Ling	12,883,600	3.33	–	–
Dato' Ir Ha Tiing Tai	–	–	12,800*1	*4
Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	–	–	2,500,000*2	0.65
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

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	TA Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Heng Teng Kuang	14,150,000	3.65
2	Dato' Lin Yun Ling	12,883,600	3.33
3	Ng Kee Leen	9,411,000	2.43
4	RHB Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Wong Tow Fock	8,620,000	2.23
5	CIMSEC Nominees (Tempatan) Sdn Bhd – CIMB for Chow Chong Chek (PB)	8,500,000	2.19
6	Maybank Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Ismail Ng Bin Jaafar Ng	8,083,400	2.09
7	Maybank Nominees (Tempatan) Sdn Bhd – Etiqa Life Insurance Berhad (Prem Equity)	6,411,100	1.66
8	TA Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Anitha Binti Mohamed Haniffa	6,000,000	1.55
9	Citigroup Nominees (Tempatan) Sdn Bhd – Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	4,534,150	1.17
10	Gan Voon Seng	3,527,900	0.91
11	CIMSEC Nominees (Tempatan) Sdn Bhd – CIMB for Lee Choon Phooi (PB)	3,234,100	0.84
12	Er Chin Joo	3,000,000	0.77
13	Heng Teng Kuang	2,953,023	0.76
14	Tai Lee Development Sdn. Bhd.	2,800,000	0.72
15	Dato' Goon Heng Wah	2,741,600	0.71
16	Tam Soon Sian	2,600,000	0.67
17	Zuriana Binti Din	2,580,000	0.67
18	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Chia Siya Heng (E-SS2)	2,530,700	0.65
19	Generasi Setia (M) Sdn Bhd	2,500,000	0.65
20	RHB Capital Nominees (Tempatan) Sdn Bhd – Than Yen Heng	2,300,000	0.59
21	Yap Ai Synn @ Yap Ai Chin	2,225,000	0.57
22	Norman Bin Md Rabani	2,000,000	0.52
23	RHB Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Tan Shiow Peng	2,000,000	0.52
24	Maybank Nominees (Tempatan) Sdn Bhd – Lee Choon Phooi	1,900,000	0.49
25	Zaidi Bin Mohd Zin	1,900,000	0.49
26	Teh Kheng Hoe	1,856,300	0.48
27	Yap Pak Lim	1,740,000	0.45
28	Low Swee Chong	1,700,000	0.44
29	Hiew Chia Lin	1,580,000	0.41
30	Gan Lu Ter	1,563,500	0.40
	Total	**127,825,373**	**33.01**

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	Rights 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
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

Date/ Year of Allotment	No. of Shares Allotted	Description	Cummulative No. of Issued Shares
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
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

Issued Share Capital

Date/ Year of Allotment	No. of Shares Allotted	Description	Cummulative No. of Issued Shares
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 – 23.12.2019	7,753,082	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2016/2021	2,475,802,033
07.01.2020 – 13.04.2020	17,895,782	Issued pursuant to exercise of options under ESOS, Conversion of Warrants 2016/2021	2,493,697,815
25.02.2020	19,829,839	Issued pursuant to First Dividend Reinvestment Plan	2,513,527,654

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-fourth ("44th") Annual General Meeting ("AGM") of Gamuda Berhad ("Gamuda" or "Company") will be conducted fully virtual through live streaming and online remote voting from the broadcast venue at the Auditorium, Level 2, Menara Gamuda, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan ("Broadcast Venue") on Tuesday, 8 December 2020 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 2020 together with the Reports of the Directors and Auditors thereon. **[Please refer to Explanatory Note No. 4 (a)]**

2. To approve the payment of Directors' fees for the financial year ended 31 July 2020. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' remuneration (excluding Directors' fees) of up to an amount of RM350,000/- for the period from 9 December 2020 until the next annual general meeting of the Company to be held in 2021. **(Ordinary Resolution 2)**

4. To re-elect the following Directors of the Company who are retiring by rotation in accordance with Clause 105 of the Constitution of the Company and, who being eligible, offer themselves for re-election:-

    a. YBhg Dato' Mohammed Hussein **(Ordinary Resolution 3)**
    b. YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah **(Ordinary Resolution 4)**
    c. YBhg Tan Sri Dato' Setia Haji Ambrin bin Buang **(Ordinary Resolution 5)**

5 To re-appoint Ernst & Young PLT, 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 [Company Registration No. 200301033577 (635998-W)] ("Bursa Securities") AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next AGM 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 Securities 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 Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:-

i. 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; and

ii. an amount not exceeding the retained profits of the Company shall be allocated by the Company for the Proposed Share Buy-back;

AND 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 Securities 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 enter into all such transactions, agreements and arrangements, and to execute, sign and deliver for and on behalf of the Company, all such documents 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, variations and/or amendments (if any) as the Director may in their absolute discretion deem fit and in the interest of the Company and/or as may be imposed or agreed to by any relevant authorities;

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 AGM of the Company at which time it will lapse, unless by an 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 an 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 Securities or any other relevant authorities."

8. **Issuance of New Shares in the Company ("Gamuda Shares") pursuant to the Dividend Reinvestment Plan that provides Shareholders of the Company with an Option to Elect to Reinvest their Cash Dividends into New Gamuda Shares ("Dividend Reinvestment Plan")** **(Ordinary Resolution 9)**

   "THAT pursuant to the Dividend Reinvestment Plan as approved by the shareholders of the Company at the Extraordinary General Meeting of the Company held on 5 December 2019, and subject to the approvals of all relevant regulatory authorities or parties being obtained, where required, approval be and is hereby given for the Company to allot and issue such number of new Gamuda Shares from time to time as may be required to be allotted and issued pursuant to the Dividend Reinvestment Plan upon such terms and conditions and to such persons as the Directors of the Company may, at its absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the said new Gamuda Shares shall be fixed by the Directors of the Company at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price ("VWAMP") of the Gamuda Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price of the said new Gamuda Shares AND THAT such authority to allot and issue new Gamuda Shares shall continue to be in force until the conclusion of the next AGM of the Company;

   AND THAT the Directors and the Secretaries of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and agreements and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan, with full powers to assent to any conditions, modifications, variations and/or amendments (if any) including suspension and termination of the Dividend Reinvestment Plan as the Directors may, in their absolute discretion, deem fit and in the interest of the Company and/or as may be imposed or agreed to 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) (SSM PC NO. 201908002053)

PANG SIOK TIENG
(MAICSA 7020782) (SSM PC NO. 201908001079)
Company Secretaries

Petaling Jaya
9 November 2020

Notice of Annual General Meeting

Notes:

1. Virtual Meeting

In order to curb the spread of Coronavirus Disease 2019 ("COVID-19") and as part of the Company's precautionary measures, the 44th AGM of the Company will be held fully virtual through live streaming and online remote voting via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. [Company Registration No. 197101000970 (11324-H)] ("Tricor") which are available on its TIIH Online website at https://tiih.online. Please follow the procedures provided in the Administrative Details for the 44th AGM in order to register, participate and vote remotely via the RPV.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 ("CA 2016") which requires the Chairman of the meeting to be present at the main venue of the 44th AGM.

No Members or proxies shall be allowed to be physically present at the Broadcast Venue on the day of the 44th AGM.

2. General Meeting Record of Depositors

For purposes of determining who shall be entitled to participate at the 44th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd [Company Registration No. 198701006854 (165570-W)] to make available to the Company pursuant to Clause 72 of the Constitution of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Securities, a Record of Depositors as at 30 November 2020 and only a Depositor whose name appears on such Record of Depositors shall be entitled to participate and/or vote at the 44th AGM or appoint a proxy or proxies to participate and/or vote on his/her behalf.

3. Proxy

a. Every Member of the Company is entitled to:-

   i. appoint another person as his proxy to exercise all or any of his rights to attend, participate and vote at the 44th AGM and that proxy may but need not be a Member of the Company.

   ii. appoint more than one (1) person as his proxy provided that he specifies the proportions of his shareholdings to be represented by each proxy.

b. 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 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. Where an Authorised Nominee appoints two (2) proxies in respect of each Securities Account, the appointment shall be invalid unless the Authorised Nominee specifies the proportions of the shareholdings to be represented by each proxy.

c. Where a Member is an Exempt Authorised Nominee which holds Securities 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 and, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the number of shares to be represented by each proxy.

d. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

e. For Members who are individual persons, the appointment of a proxy may be made in a hard copy form or by electronic means. For Members who are not individual persons (e.g. corporate member, Exempt Authorised Nominee, etc), the appointment of a proxy MUST be made in a hard copy form only. Forms of Proxy must be submitted in the following manner, not less than forty-eight (48) hours before the time appointed for holding the 44th AGM or at any adjournment thereof:

   i. <u>Hard copy (applicable for all Members)</u>

   The original signed Form of Proxy must be deposited with the Share Registrar of the Company, 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, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; OR

   ii. <u>Electronic form (applicable for individual Members only)</u>

   You may also submit the Form of Proxy electronically via TIIH Online website at https://tiih.online by following the procedures provided in the Administrative Details for the 44th AGM.

f. The Notice of AGM together with the Form of Proxy, Administrative Details, Annual Report 2020 and the Share Buy-back Statement are published on the Company's website at www.gamuda.com.my or Bursa Malaysia's website at www.bursamalaysia.com.

   Please follow the procedures provided in the Administrative Details for the 44th AGM in order to register, participate and/or vote remotely.

g. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice will be put to vote by poll.

4. 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 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

To demonstrate support of the initiatives taken by the Company in response to the COVID-19 pandemic, the Non-Executive Directors (including Independent Directors) have voluntarily agreed to take a 10% reduction in their fees for FY2020, the details of which are as set out in the right column of the table below:

Directors' Fees (as approved at AGMs)	FY2017	FY2018	FY2019	Proposed for FY2020 (approval sought at 44^{th} AGM)
Independent Non-Executive Chairman	RM175,000 per annum	RM215,000 per annum	RM210,833 per annum	RM189,000 per annum
Independent Non-Executive Director	RM135,000 per annum	RM135,000 per annum	RM160,000 per annum/ RM164,167 per annum*/ RM109,417 per annum#	RM144,000 per annum/ RM148,500 per annum/ RM117,000 per annum
Non-Executive Director	RM105,000 per annum	RM105,000 per annum	RM130,000 per annum	RM117,000 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*

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 fees for the Independent Non-Executive Chairman from a Non-Executive Director and an Independent Director (with no Board Committee membership) at 1.6 times and from Independent Non-Executive Directors (with Board Committee membership) at 1.3 times, were seen as fair and equitable.

The payment of the Directors' fees totalling RM715,500/- in respect of the financial year ended 31 July 2020 will only be made if the proposed Resolution 1 is approved by the Company shareholders at this meeting pursuant to Clause 116 of the Constitution of the Company 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-third AGM of the Company held on 5 December 2019 ("43^{rd} AGM"), the benefits payable to the Non-Executive Directors of the Company from 6 December 2019 until this meeting on 8 December 2020 (12 months) was approved for an amount up to RM320,000.00. The utilisation of this approved amount as at 31 July 2020 is RM205,016/-. Based on the schedule of meetings in the fourth quarter of 2020, an amount of RM69,703/- 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 86% 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

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 RM350,000/- from 9 December 2020 to the next AGM in 2021 (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 and/or additional unscheduled Board meetings as well as increase in premium paid/payable for Directors' and Officers' Liability insurance coverage.

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 the 44th AGM, 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 the 44th AGM.

c. Ordinary Resolutions 3, 4 & 5

For the purpose of determining the eligibility of the Directors to stand for re-election at the 44th AGM 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, 4 and 5 and the findings were 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.

Based on the results of the Annual Evaluation of Board Performance 2019/2020, the individual Directors met the performance criteria required of an effective and high-performance Board.

The Board (saved for YBhg Dato' Mohammed Hussein and YBhg Tan Sri Dato' Setia Haji Ambrin bin Buang) has vide the Nomination Committee, also conducted the assessment on the independence of both YBhg Dato' Mohammed Hussein and YBhg Tan Sri Dato' Setia Haji Ambrin bin Buang 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 105 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 the 44th AGM.

d. Ordinary Resolution 6

The Board has at its meeting held on 25 September 2020 approved the recommendation of the Audit Committee on the re-appointment of Ernst & Young PLT as Auditors of the Company. The Board is satisfied that Ernst & Young PLT has met the relevant criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Securities which was concluded through the assessment carried out by the Audit Committee on the suitability and independence of Ernst & Young PLT.

e. Ordinary Resolution 7

Ordinary 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 AGM of the Company. At this juncture, there is no decision to issue new shares. Should there be a decision to issue new shares after the authorisation is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

The Company did not issue any new shares under the general mandate which was approved at its 43rd AGM.

f. Ordinary Resolution 8

Shareholders are advised to refer to the Statement to Shareholders dated 9 November 2020, which is published on the Company's website at www.gamuda.com.my or Bursa Malaysia's website at www.bursamalaysia.com for further information.

g. Ordinary Resolution 9

Ordinary Resolution 9 if passed, will give authority to the Directors of the Company to allot and issue new Gamuda Shares pursuant to the Dividend Reinvestment Plan in respect of dividends declared after this AGM, and such authority shall expire at the conclusion of the next AGM of the Company.

5. Statement Accompanying Notice of AGM

[Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities]

- 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 44th AGM 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 Securities

  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 4(e) of this Notice.

Administrative Details

Forty-Fourth ("44th") Annual General Meeting ("AGM")

Date	:	Tuesday, 8 December 2020
Time	:	10.00 a.m.
Broadcast Venue	:	Auditorium, Level 2, Menara Gamuda, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan

MODE OF MEETING

In support of the Government of Malaysia's ongoing efforts to contain the spread of COVID-19 and as part of the Group's safety measures, the Company will conduct the 44th AGM on a fully virtual basis through live streaming and online remote voting at the Broadcast Venue. This is in line with the latest Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 13 October 2020, including any amendments that may be made from time to time.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the 44th AGM. Members/proxies/corporate representatives **WILL NOT BE ALLOWED** to attend the 44th AGM of the Company in person at the Broadcast Venue on the day of the 44th AGM.

REMOTE PARTICIPATION AND VOTING FACILITIES ("RPV")

Members are to attend, speak [including posing questions to the Board of Directors of the Company ("Board") via real time submission of typed texts] and vote (collectively, "participate") remotely at the 44th AGM of the Company using RPV provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via its **TIIH Online** website at https://tiih.online including posing questions to the Board or Management of the Company. Please refer to the procedures for RPV.

Members who appoint proxies to participate via RPV in the 44th AGM of the Company must ensure that the duly executed Forms of Proxy are deposited either by hardcopy or electronic means no later than **Sunday, 6 December 2020 at 10.00 a.m.** in the following manner:

a. at **Tricor Investor & Issuing House Services Sdn Bhd**, 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; OR

b. lodge electronically via Tricor's **TIIH Online** website at https://tiih.online (applicable to individual shareholders only). The procedures on electronic lodgement of the Form of Proxy are summarised in page 371 of this Annual Report.

Fax copies of the duly executed Form of Proxy are not acceptable.

If you wish to personally participate in the 44th AGM, please do not submit any Form of Proxy. You will not be allowed to participate in the 44th AGM together with your appointed proxy.

If you have submitted your Form of Proxy prior to the 44th AGM and subsequently decide to personally participate in the 44th AGM, please proceed to register yourself for RPV on TIIH Online website at https://tiih.online.

Corporate representatives of corporate members must deposit their original or duly certified certificate of appointment of corporate representative to Tricor no later than **Sunday, 6 December 2020 at 10.00 a.m.** in order to participate via RPV in the 44th AGM of the Company.

Attorneys appointed by power of attorney must deposit their powers of attorney with Tricor no later than **Sunday, 6 December 2020 at 10.00 a.m.** in order to participate via RPV in the 44th AGM of the Company.

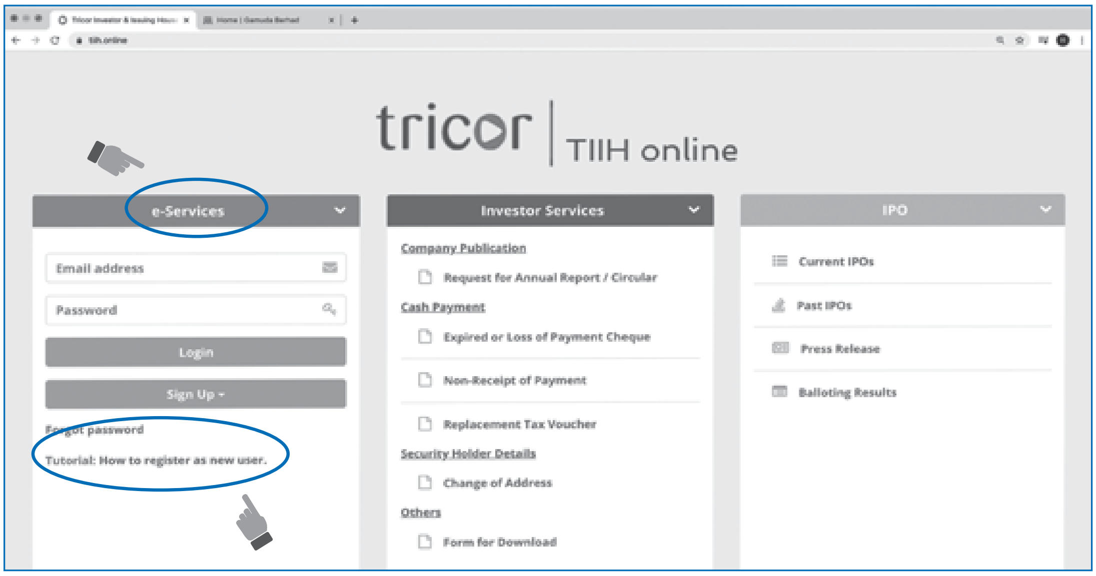
A Member who has appointed a proxy or attorney or authorised representative to participate in the 44th AGM of the Company via RPV must request his/her proxy to register himself/herself for RPV on Tricor's TIIH Online website at https://tiih.online

As the 44th AGM of the Company is a fully virtual AGM, Members who are unable to participate in the 44th AGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy.

Members/proxies/corporate representatives/attorneys who wish to participate in the 44th AGM of the Company via the RPV are to follow the requirements and procedures as summarised below:

<table>
<tr><th>Procedure</th><th>Action</th></tr>
<tr><td colspan="2">BEFORE THE DAY OF 44th AGM</td></tr>
<tr><td>(a) Register as a user with TIIH Online</td><td>

• If you **have not registered** as a user of TIIH Online, please refer to the tutorial guide posted on the homepage for assistance to sign up. Registration as a user will be approved within one working day and you will be notified via email.
• If you are **already a user** with TIIH Online, you are not required to register again. You will receive an **e-mail from Tricor** notifying that the remote participation for the 44th AGM is available for registration at TIIH Online.
• Login to TIIH Online website at https://tiih.online with your user name (i.e. e-mail address) and password under the "e-Services" (as illustrated below).



</td></tr>
<tr><td>(b) Submission of registration for RPV</td><td>

• **Registration is open from Monday, 9 November 2020 until the day of the 44th AGM scheduled for Tuesday, 8 December 2020. Member(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 44th AGM to ascertain their eligibility to participate in the 44th AGM using RPV.**
• Login with your user ID and password and select the corporate event:
"(REGISTRATION) GAMUDA 44TH AGM".
• Read and agree to the Terms & Conditions and confirm the Declaration.
• Select "Register for Remote Participation and Voting".
• Review your registration and proceed to register.
• System will send an e-mail to notify that your registration for remote participation has been received and will be verified.
• After verification of your registration against the General Meeting Record of Depositors dated **30 November 2020**, the system will send you an e-mail confirming approval of your registration for RPV. The procedures for using the RPV will also be set out in the email. In the event your registration is not approved, you will also be notified via email.

IMPORTANT:

Whether:
– you are registering as a new user with Tricor's TIIH Online, or
– you are already a registered user with Tricor's TIIH Online and you are registering for use of the RPV for the 44th AGM, please ensure that you register early to allow sufficient time for approval/verification so that you are able to login to the meeting platform and/or use the RPV.

</td></tr>
</table>

Administrative Details

Procedure	Action
ON THE DAY OF 44TH AGM	
(c) Login to TIIH Online	• Login with your user ID and password for remote participation at the 44th AGM at any time from **9.30 a.m.** i.e. 30 minutes before the commencement of the 44th AGM **on Tuesday, 8 December 2020** at **10.00 a.m.**
(d) Participating through Live Streaming	• Select corporate event: **"(LIVE STREAMING MEETING) GAMUDA 44TH AGM"** to engage remotely in the proceedings of the 44th AGM of the Company. • If you have any question for the Chairman/Board, you may use the Query Box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the AGM. If there is time constraint, the responses will be published on the Company's website at the earliest possible, after the 44th AGM. *(Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition)*
(e) Online Remote Voting	• Voting session commences from 10.00 a.m. on Tuesday, 8 December 2020 until a time when the Chairman announces the end of the session. To vote, select corporate event: **"(REMOTE VOTING) GAMUDA 44TH AGM"** or if you are on the live stream meeting page, you can select **"GO TO REMOTE VOTING PAGE"** located below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
(f) End of remote participation	The Live Streaming will end upon announcement by the Chairman on the closure of the 44th AGM.

Note to users of the RPV:

- Once your application to join the 44th AGM is approved, you will be granted the right to participate in the live stream broadcast of the 44th AGM and to vote remotely. Your login to TIIH Online on the day of the 44th AGM will indicate your presence at the virtual meeting.
- The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- If you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

ELECTRONIC LODGEMENT OF PROXY FORM

Procedures to lodge your Form of Proxy electronically via Tricor's TIIH Online website are summarised below:

Procedure	Action
BEFORE THE DAY OF 44TH AGM	
(a) Register as a User with TIIH Online	• If you **have not registered** as a user of TIIH Online, please refer to the tutorial guide posted on the homepage for assistance to sign up. Registration as a user will be approved within one working day and you will be notified via email. • If you are **already a user** with TIIH Online, you are not required to register again. You will receive an **e-mail from Tricor** notifying that the remote participation for the 44th AGM is available for registration at TIIH Online. • Login to TIIH Online website at https://tiih.online with your user ID (i.e. e-mail address) and password under the "e-Services".
(b) Submission of Form of Proxy	• After the release of the Notice of Meeting by the Company, login with your user ID (i.e. email address) and password. • Select the corporate event: **"GAMUDA 44TH AGM – SUBMISSION OF PROXY FORM"**. • Read and agree to the Terms & Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. • Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. • Indicate your voting instructions, **FOR or AGAINST**, otherwise your proxy will vote or abstain as he/she thinks fit. • Review and confirm your proxy(ies) appointment. • Print Form of Proxy for your record.

VOTING PROCEDURE

Voting at the 44th AGM of the Company will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

To facilitate the voting process, the Company has appointed Tricor as the Poll Administrator to conduct the poll by way of online remote voting and Coopers Professional Scrutineers Sdn Bhd as the Scrutineers to verify the poll results. (Please refer to "Online Remote Voting" under item (e) in the table above on the procedures for online remote voting).

Upon completion of the voting session for the 44th AGM of the Company, the Scrutineers will verify the poll results followed by the Chairman's announcement whether the resolutions are duly passed.

GENERAL MEETING RECORD OF DEPOSITORS

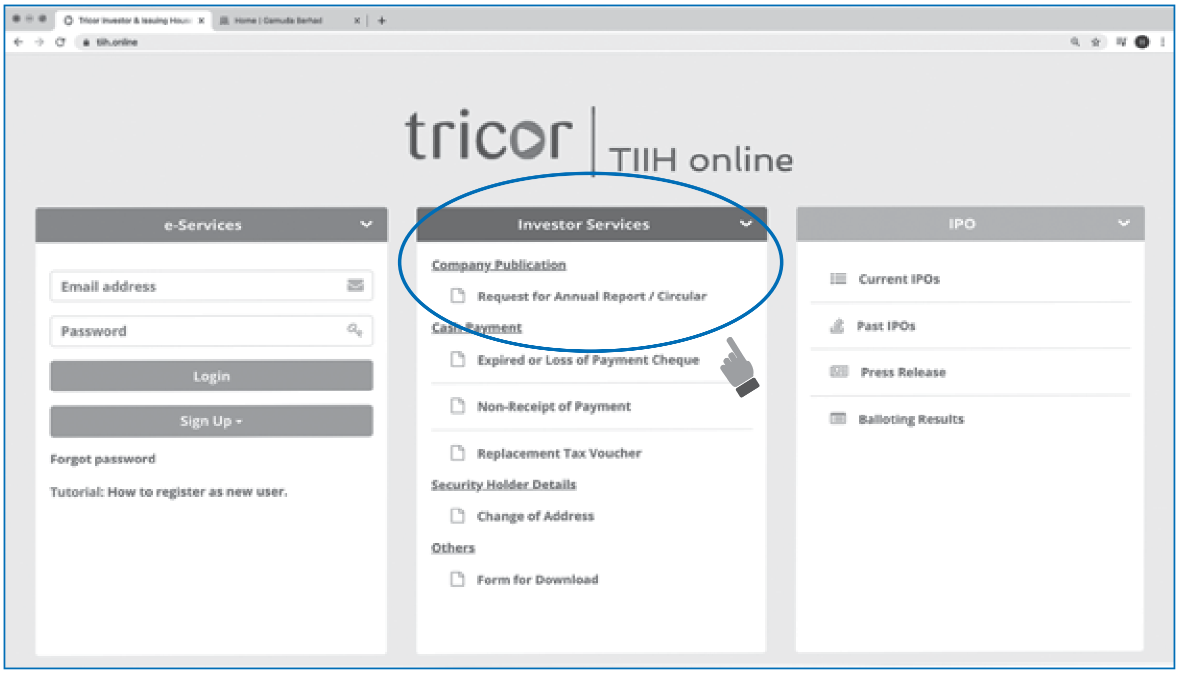
Only Members whose names appear in the General Meeting Record of Depositors of the Company maintained by Bursa Malaysia Depository Sdn Bhd as at **30 November 2020** shall be entitled to participate in the 44th AGM or appoint proxies to participate on their behalf.

Administrative Details

ANNUAL REPORT 2020 AND OTHER DOCUMENTS

The Company's Annual Report 2020, Corporate Governance Report 2020, Statement to Shareholders in relation to the Proposed Renewal of Share Buy-back Authority, Notice of the 44th AGM, Form of Proxy and this Administrative Details are available on the Company's website at www.gamuda.com.my and Bursa Malaysia's website at www.bursamalaysia.com.

You may request for a printed copy of the Annual Report 2020 and the other documents mentioned above at https://tiih.online by selecting **"Request for Annual Report/Circular"** under the "Investor Services" (as illustrated below). Nevertheless, we hope that you would consider the environment before you decide to request for the printed copy.



PRE-MEETING SUBMISSION OF QUESTION(S) TO THE BOARD

Members/proxies/corporate representatives may submit questions for the Board prior to the 44th AGM via TIIH Online website at https://tiih.online by selecting "e-Services" to login, pose questions and submit electronically no later than **Sunday, 6 December 2020** at **10.00 a.m.** The Board will endeavour to answer the questions received at the 44th AGM of the Company.

NO DOOR GIFT/LUNCH PACK

There will be **NO** door gift or lunch pack for Members or proxies who participate at the 44th AGM of the Company since the 44th AGM will be conducted on a fully virtual basis.

The Board would like to thank all its Members for their kind co-operation and understanding on this matter.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the 44th AGM of the Company.

ENQUIRY

If you have any enquiry prior to the 44th AGM of the Company, please contact the following officers during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line	: +603-2783 9299
Fax Number	: +603-2783 9222
Email	: is.enquiry@my.tricorglobal.com
Contact persons	: **Mr. Tee Yee Loon** +603-2783 9242 (Yee.Loon.Tee@my.tricorglobal.com)
	Ms. Christine Cheng +603-2783 9265 (Christine.Cheng@my.tricorglobal.com)
	Encik Zulkifli Bin Mohd Yusof +603-2783 9249 (Zulkifli@my.tricorglobal.com)

GAMUDA
Company Registration No.
197601003632 (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-fourth Annual General Meeting of the Company ("44th AGM") to be conducted fully virtual via Remote Participation and Voting ("RPV") at the Auditorium, Level 2, Menara Gamuda, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 8 December 2020 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' Mohammed Hussein as a Director		
4	Re-election of YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbudin Shah Al-Maghfur-lah as a Director		
5	Re-election of YBhg Tan Sri Dato' Setia Haji Ambrin bin Buang as a Director		
6	Re-appointment of Ernst & Young PLT 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		
9	Ordinary Resolution: Issuance of New Shares pursuant to the Dividend Reinvestment Plan		

(Please indicate with an "X" or "√" 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 ____________________, 2020.

No. of Shares held

____
Signature/Common Seal of Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Applicable to shares held through a nominee account.
2. In order to curb the spread of Coronavirus Disease 2019 ("COVID-19"), the 44th AGM will be held on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") which are available on its TIIH Online website at https://tiih.online. Please follow the procedures provided in the Administrative Details for the 44th AGM in order to register, participate and vote remotely via the RPV.
3. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the 44th AGM. No members or proxies shall be allowed to be physically present at the Broadcast Venue on the day of the 44th AGM.
4. Every Member of the Company is entitled to:-
   i. appoint another person as his proxy to exercise all or any of his rights to participate and/or vote at the 44th AGM and that proxy may but need not be a Member of the Company.
   ii. appoint more than one (1) person as his proxy provided that he specifies the proportions of his shareholdings to be represented by each proxy.
5. 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.
6. 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.
7. 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.
8. 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.
9. For Members who are individual persons, the appointment of a proxy may be made in a hard copy form or by electronic means. For Members who are not individual persons (e.g. corporate member, Exempt Authorised Nominee, etc), the appointment of a proxy MUST be made in a hard copy form only. Form of Proxy must be submitted in the following manner, not less than forty-eight (48) hours before the time appointed for holding the 44th AGM or at any adjournment thereof:
   i. Hard copy (applicable for all Members):
      The original signed Form of Proxy must be deposited with the Share Registrar of the Company, 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, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; OR
   ii. Electronic means (applicable for Members who are individual persons only):
      You may also submit the Form of Proxy electronically via TIIH Online website at https://tiih.online by following the procedures provided in the Administrative Details for the 44th AGM.
10. Only a Depositor whose name appears in the Record of Depositors as at 30 November 2020 shall be entitled to participate and/or vote in the 44th AGM via RPV or appoints a proxy or proxies to participate and/or vote on his/her behalf.
11. To register, participate and/or vote in the 44th AGM of the Company via RPV and appoint proxy/authorised representative, please follow the Procedures for RPV in the Administrative Details.

* Delete where not applicable

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AFFIX
SUFFICIENT
STAMP

The Share Registrar

Gamuda Berhad (197601003632 (29579-T))

c/o 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 197601003632 (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

GamudaBhd GamudaBhd GAMUDA gamudagroup Gamuda Berhad