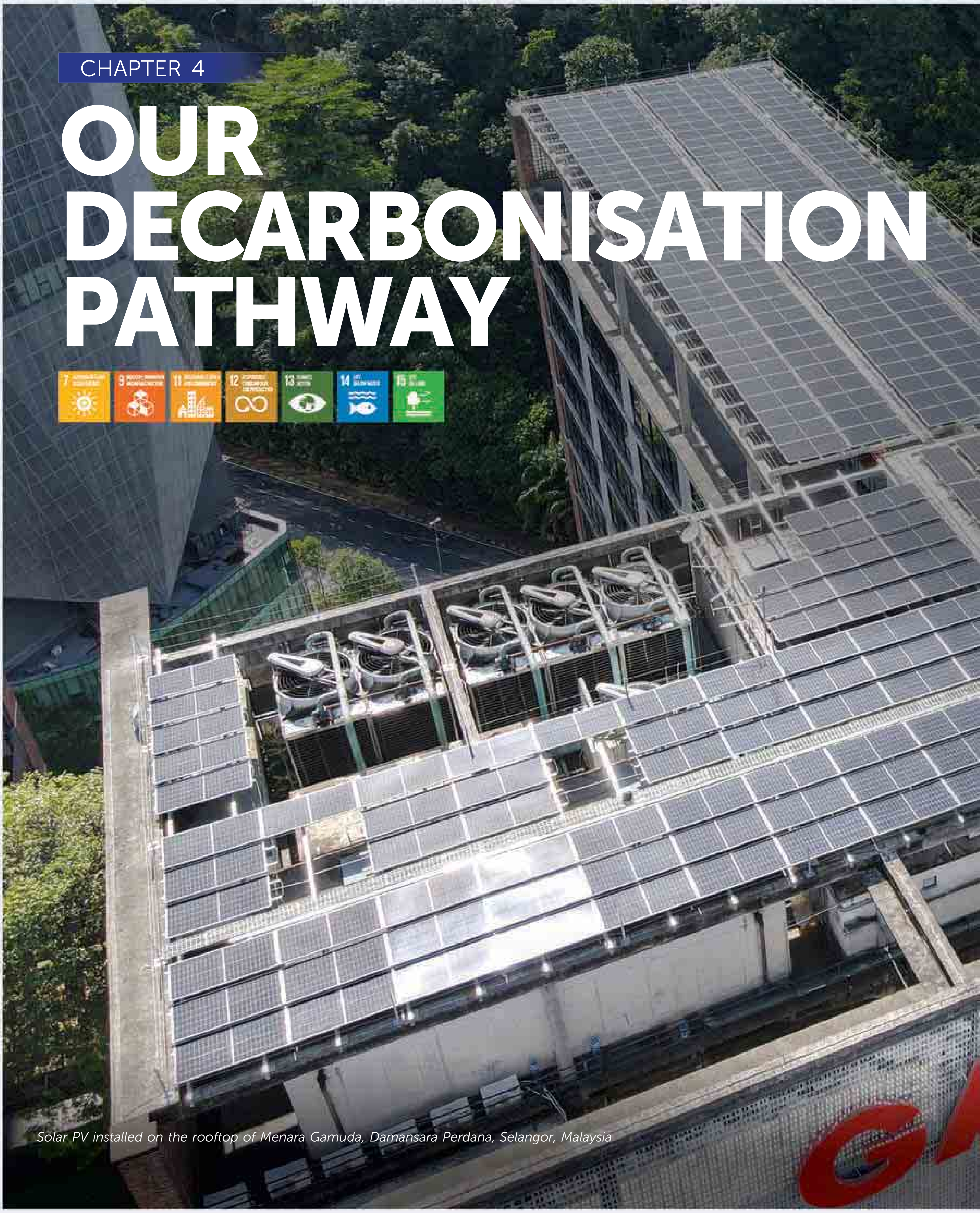
CHAPTER 4

OUR DECARBONISATION PATHWAY



Solar PV installed on the rooftop of Menara Gamuda, Damansara Perdana, Selangor, Malaysia

CHAPTER HIGHLIGHTS

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GHG Emissions

Gamuda's FY2022 Emissions Intensity is 6 tonnes CO_2e per million revenue

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Green Mobility

Up to 80km network of pedestrian and bicycle lanes completed to date across our five major developments

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Biodiversity Conservation

As per biodiversity audits conducted in FY2022, there were 8,000 trees, 33 percent of which are high-risk species

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IUCN Red List

Based on the biodiversity audits conducted at Gamuda Gardens, a total of 16 percent increase in the number of bird species was noted as compared to FY2021

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Water Management

Water harvesting is implemented at KPGCC for landscape irrigation to reduce water wastage

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Waste Management

In FY2022, an increment of 65.4 percent compost were collected and used for Gamuda Developments

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Energy Efficiency – Renewable Energy

Completed solar PV panels installation at five facilities with a generation capacity of over 1,700kWp

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Protecting Our Wetlands

In the process of obtaining Zero Net Carbon Pledge certification by EDGE Buildings for the Arboretum

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272 Normanby

Achieved 7-7.5 NatHERS rating for energy efficiency

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Penang South Islands

Highlights as of July 2022 in terms of CSR, employment opportunities, education and training and business opportunities

"The greatest threat to our planet is the belief that someone else will save it."

Robert Swan, the first person to walk to both poles

RECOGNITION OF CLIMATE CHANGE

One of the most pertinent global sustainability issues today is climate change, which threatens to cause extreme climate events if the world does not reduce its carbon emissions. The threat is so pervasive and imminent, that it requires the joint efforts of all individuals, organisations and governments to mitigate. To play our part, in 2022, Gamuda committed to being a net zero carbon organisation by the year 2050, in line with the Science Based Targets initiative (SBTi).

Our commitment necessitates not only a comprehensive decarbonisation action plan but also the ability to measure and monitor our emissions. Towards the former, we have in place short and medium-term commitments under the Gamuda Green Plan 2025 to reduce our greenhouse gas emissions intensity by 30 percent in 2025, and by 45 percent in 2030. In order to monitor our emissions, we have invested in an integrated cloud-based ESG software to manage, archive, monitor and report our ESG data.

We are in the midst of exploring to introduce internal carbon pricing that will be finalised after careful discussions with stakeholders and understanding the local readiness. The pricing will be set after Bursa Malaysia's carbon market detailed framework is announced.

We take our monitoring processes seriously by introducing Scope 1 and Scope 2 audits by both internal and external auditors. We have also adopted global reporting standards such as TCFD and CDP in addition to SBTi. This year, Gamuda became one of the first 16 companies in Malaysia to be committed to SBTi, effectively making us an official member of the Business Ambition for 1.5°C campaign.

We also ensure that climate change aspects, especially risks and opportunities are considered for all business approaches including design, construction and demolition. For example, in one of our recent projects in Malaysia, we evaluated the 2 degrees and 4 degrees scenario-based Representative Concentration Pathway (RCP). This modelling approach was used to predict the future sea level rising probabilities and risks. The results were used in the decision-making process in terms of deciding the project elevation and design modifications.

In addition to mitigating climate change, we are placing increasing emphasis on sustainable water and waste management, and are focused on preserving natural habitats, particularly wetlands, in order to help protect the country's rich biodiversity.

COMMITMENT ON CLIMATE CHANGE

SUPPORTER OF TCFD AND COMMITMENT VIA SBTi

	Targets	
	Near Term	Net Zero
Gamuda Berhad ★ Malaysia, Asia	Committed	Committed
Sector Construction and Engineering	★Business Ambition for 1.5°C campaign member	

Emissions intensity target reduction

30%

by 2025 and

45%

by 2030 compared to 2022 baseline

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

As an extension of our continuous efforts to disclose our climate-related risks and opportunities, we have officially registered as a supporter of TCFD in FY2022 with recognising the TCFD Disclosures and its recommendations.

The total electricity consumption for Menara Gamuda, Managed Infrastructures, Construction Sites and Operating Plants in FY2022 was 30,864,882 kWh.

EMISSIONS REDUCTION IN OUR PROJECTS

To cap the rise in global temperature to 1.5 degrees Celsius by 2050, it is imperative for all organisations to take positive steps towards reducing their carbon footprint. Gamuda's stance in this regard is reflected in the Gamuda Green Plan 2025, which commits us to reducing our emissions intensity by 45 percent by 2030 as compared to the year 2022.

The year 2022 was chosen as our baseline as 2020 and 2021 were pandemic years during which most employees worked from home, and our activities were not consistent, hence the data would not have been reflective of Gamuda's business-as-usual energy utilisation.

In FY2022, we captured and audited our Scope 1 and Scope 2 emissions data using a newly acquired cloud software. The software enables us to monitor our emissions data including water consumption, waste management, and safety and health performance. This will enable us to trace all of our sustainability data, as well as manage and monitor the data using multiple platforms, anywhere. Over the last few years, we have invested increasingly more into innovative solutions to reduce our carbon footprint, with a clear focus on two areas: 1) our construction activities and the finished products; 2) consumption at our managed premises. While our main objective is to contribute towards the transition to a low-carbon economy, we also stand to benefit from the economic benefits of reduced electricity and fuel costs.

With regard to construction, we put much thought into our masterplans to ensure the design of developments are optimally sustainable so as to reduce the carbon index of the project's lifecycle, from the materials and technologies used to the performance of the finished buildings, indeed the entire developments.

BOARD OVERSIGHT OF CLIMATE CHANGE

The Board has an overall responsibility for the Group's sustainability strategy and direction that includes matters relating to climate change, especially on decision making, risk and opportunity and high level related policies progress oversight. Key personnel are responsible for managing energy consumption and emissions in their respective projects. The Product Management Unit incorporates low-energy cooling elements in the design of developments while the Project Construction Management Department (PCMD) ensures that the construction materials procured for each project meet the requirements for low-energy design. The budgets for all projects take into account the premium that green elements carry throughout the value chain, from procurement to the engagement of architects and contractors with the skills and ability to deliver products that meet IS Rating Scheme (Australia), Sustainable INFRASTAR, MyCREST, and GBI before LCCF.

Addressing climate change through adaptation in FY2022

- Installation of solar panels on the rooftops of Quayside Mall and Quayside Sales Gallery
- Budgeting for installation of energy-saving lights for facilities/buildings under our care and maintenance
- #OneMillionTrees planting initiatives in all of our developments
- Establishment of IS Rating Scheme (Australia), Sustainable INFRASTAR, MyCREST, and GBI before LCCF criteria as we aim for all upcoming projects to be GBI-certified

All ESG initiatives are currently being incorporated into Gamuda Land Policy and Procedures (GLPP) and the ISO 14001 Environmental Management Systems, which includes internal and external audits, reviews and continual improvement programmes. All of our relevant environmental data are uploaded onto digital platforms on a monthly basis to facilitate monitoring and evaluation. To ensure sufficient competency to carry out their functions, Gamuda employees are required to attend ESG training sessions.

EMISSIONS REDUCTION AT MENARA GAMUDA

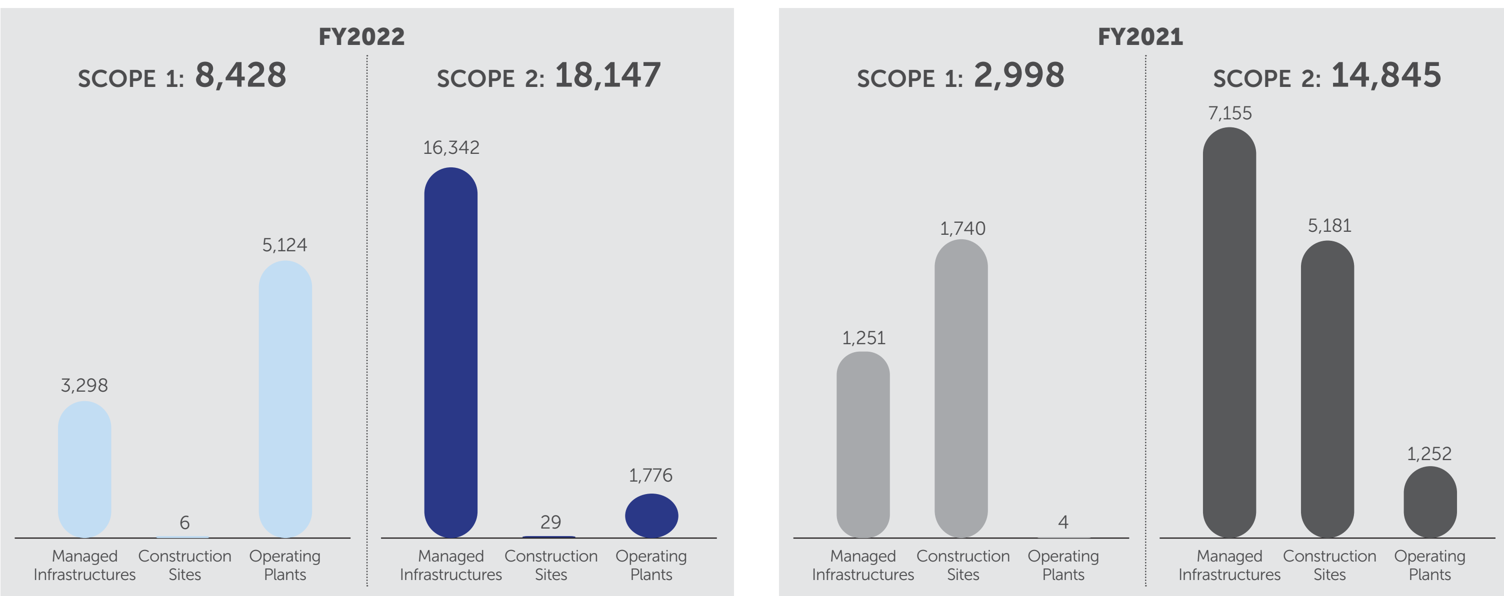
Within our headquarters, we have appointed persons-in-charge (PICs) from facilities management and the QSHE department to monitor our fuel and electricity consumption. These PICs are also responsible for the implementation of carbon reduction initiatives such as optimising the temperature of our centralised air-conditioner system at 24 degrees Celsius, use of energy-saving lights, and regular maintenance of our centralised air-conditioner system.

GHG EMISSIONS INTENSITY

In FY2022, the **Group Emission Intensity was 6** tonnes CO_2e per million revenue.

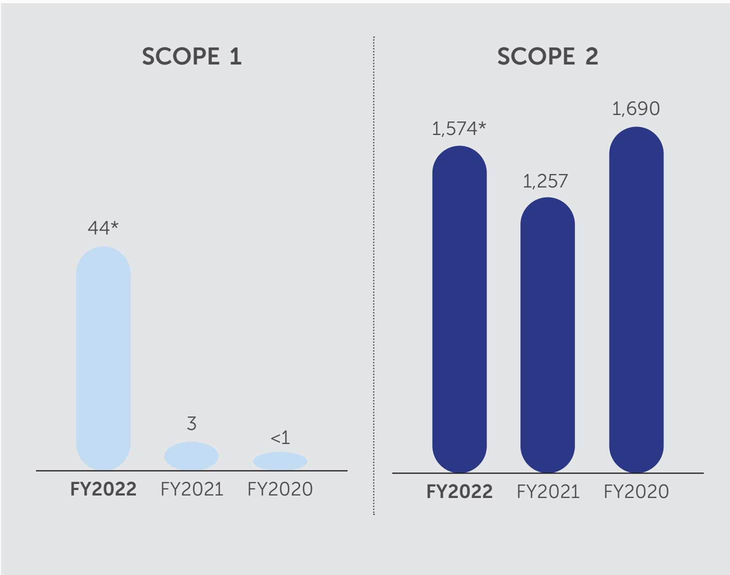
Total GHG emissions for FY2022 in tonnes CO_2e Scope 1: 8,428, Scope 2: 18,147 and Scope 3: 5,709

EMISSIONS (TONNES CO_2e)



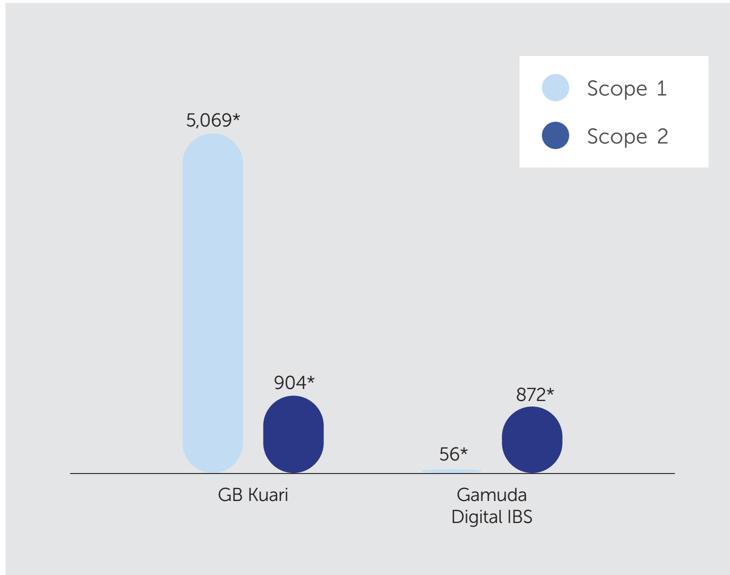
In FY2022, we have expanded our GHG emissions traceability to all business in Malaysia. This is an increase about 86 percent in the number of sites monitored and disclosed compared to FY2021. The construction sites data shows a significant drop due to completion of MRT Putrajaya Line and few phases of our development.

MENARA GAMUDA EMISSIONS (TONNES CO_2e)



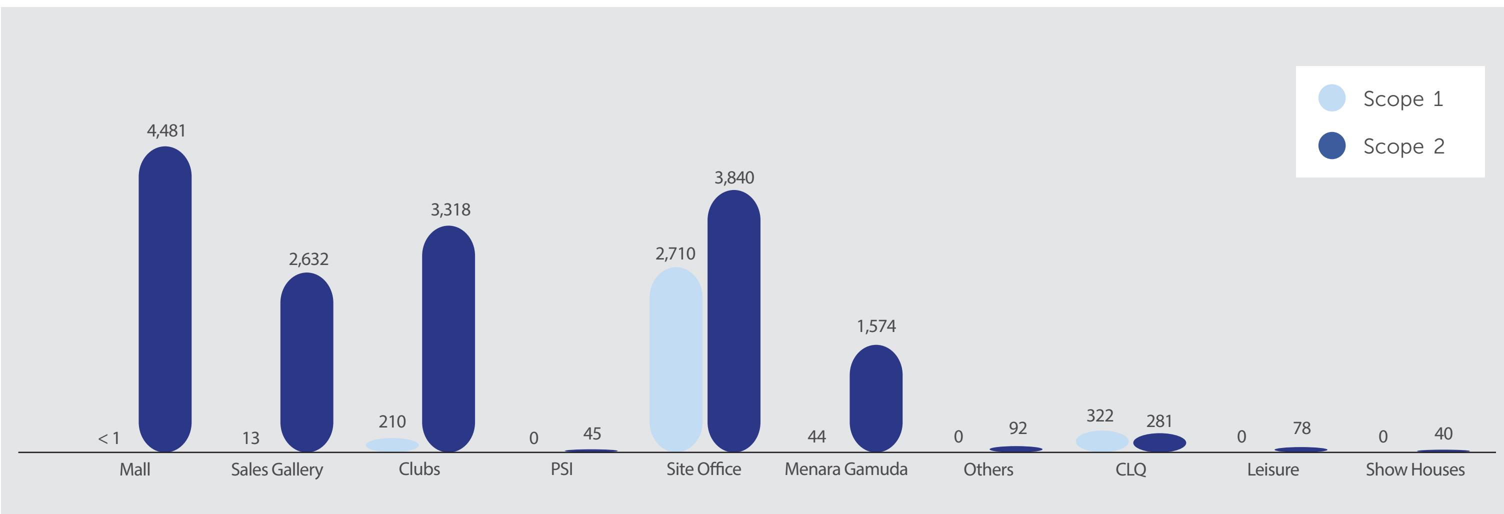
* The Scope 1 and Scope 2 emissions for Menara Gamuda have been independently assured. Refer to the independent limited assurance report on pages 220 to 223.

OPERATING PLANTS GHG EMISSIONS (TONNES CO_2e)



* The Scope 1 and Scope 2 emissions for GB Kuari and Gamuda Digital IBS have been independently assured. Refer to the independent limited assurance report on pages 220 to 223.

MANAGED INFRASTRUCTURES GHG EMISSIONS (TONNES CO_2e)



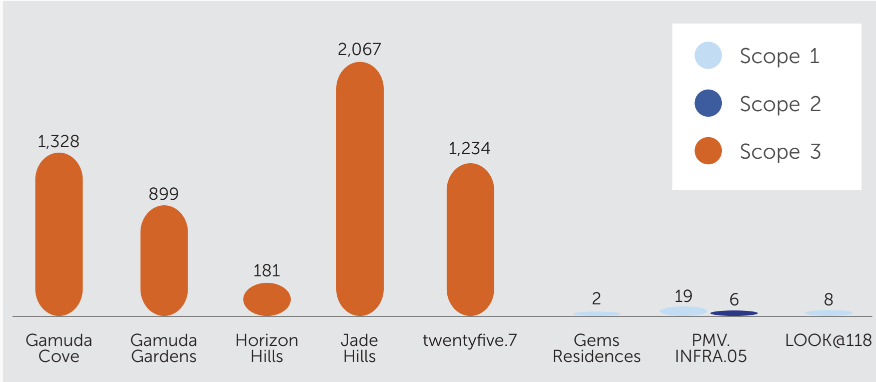
* *Scope 1 and 2 for the following location: Quayside Mall (Scope 1: 0.03* tCO_2e; Scope 2: 3,215* tCO_2e), KPGCC (Scope 1: 114 tCO_2e; Scope 2: 1,142 tCO_2e), Gamuda Garden Sales Gallery (Scope 1: –*; Scope 2: 207* tCO_2e), PSI – PPSNs (Scope 1: –*; Scope 2: 10* tCO_2e) & PSI – Site office (Scope 1: 13* tCO_2e; Scope 2: 72* tCO_2e), have been independently assured. Refer to the independent limited assurance report on pages 220 to 223.*

Mall: Gamuda Walk Mall, Quayside Mall; Sales Gallery: Gamuda Cove, Gamuda Gardens, HighPark Suites, Jade Hills, twentyfive.7; Clubs: Horizon Hills Golf and Country Club, KPGCC, Jade Hills (club), Garden Wellness Club, Botanic Resort; PSI: PPSN Gertak Sanggul, PPSN Permatang Damar Laut, PPSN Sungai Batu, Batu Maung Store Yard; Site Offices: Gamuda Engineering Office (Batu Maung), Ideal Office, Bukit Bantayan, Finance Office + Gamuda Learning Center, Project Construction Management Department Office (PCMD Office + TMD Office + Corporate Office), High Park Suite, Project Management Department Office, Masterpave, Megah Sewa, TMD Office, Quayside Tower, Valencia Office; MG: Menara Gamuda; Leisure: Discovery + Central Park, BB Splash; CLQs; Others: Street Lights, Water Fountains, Guard Houses, Entry Statement, Landscape, MTR Panel; Show Houses.

Continuing our Momentum on Climate Action

We have started to provide our supply chain complimentary ESG training sessions focused on the Gamuda Green Plan 2025. In addition to collating emissions data from our suppliers, we are enhancing our Scope 3 emissions management by collecting data from employee commuting, business travel, transportation and distribution, volume of materials used and waste produced as well as purchased goods. This forms part of our plan to ensure full Group-wide carbon traceability. In FY2022, we have started reporting Scope 3 data from construction sites. We will continue to expand the reporting sources as mentioned above. Our Scope 3 emissions will be disclosed in our sustainability report for FY2023.

CONSTRUCTION SITES GHG EMISSIONS (TONNES CO_2e)



Note: The Emission Factor sources are The World Resource Institute (2015), GHG Protocol tool for mobile combustion version 2.6 (for onsite transportation, company pool vehicle, personal company vehicle), World Resources Institute (2017), Emission Factors from Cross-Sector Tools March 2017 (for Machinery, Transport, Stationary Combustion, Electricity generation (genset)), and IEA (2021), Emission Factors. 2021 UK Government Conversion Factors for Company Reporting (for electricity).

CARBON REDUCTION VIA GREEN MOBILITY

The daily movement of people for work, recreation and general living contributes significantly to carbon emissions. That is why transportation and mobility are central considerations in sustainable development.

Gamuda promotes considerations of public transport during the design and development stages that include promoting low-carbon mobility. We strive to increase the public transport modal share up to 70 percent within our developments. Towards this end, we have set the target of establishing 250km of cycling and pedestrian networks to facilitate an ecologically friendly lifestyle among residents. This is in addition to our masterplans being electric vehicle (EV)-ready with the implementation of the Green Transportation Mobility Plan via e-buses, e-trams and e-bikes.

In PSI, 18 percent of the entire development will be set aside for open public spaces comprising public parks, beaches, esplanades, and a 125km network of shaded pedestrian and cycling paths complete with bicycle stations. The aim is to create a healthy, holistic environment for the local community by implementing modal split 70:30 (public: private vehicle).

LOW CARBON MOBILITY IN GB KUARI

In support of our commitment to green mobility, we are transitioning our fleet at GB Kuari, one of our subsidiaries, to low-carbon alternatives. All diesel vehicles at GB Kuari are now powered by biodiesel, and we are phasing out ageing vehicles as well as machinery by replacing them with more efficient models.

GB Kuari is also planning to replace its aggregate transport from diesel-powered lorries to conveyors for a cleaner, faster, and safer way of transporting goods at project sites. In addition, there are plans to have pilot test to use electric motorcycle for dispatch services and operations.

- Inducing voluntary modal shift from usage of private motorised vehicles to walking and cycling for short distance trips and promoting public transportation
- Provisions of EV charging infrastructure at our developments
- Up to 80km network of pedestrian and bicycle lanes completed to-date across our 5 major developments (Gamuda Cove, Gamuda Garden, twentyfive.7, Jade Hills, and Horizon Hills)
- Provision of bicycle rental, e-scooters, across our developments
- First electric tram to be deployed at Gamuda Cove
- Currently all our Sales Gallery and Malls are equipped with EV charging facilities
- Gamuda Cove will host the first green 180kW DC fast charger
- All future homes developed by the Group will be EV ready, with the provision of electric outlets at car porch

BUILDING A GREEN BUS DEPOT

Gamuda is currently working with Singapore Land Transport Authority to design and provide a multi-storey Bus Depot that will feature solar panels for the building. There will also be 120 EV charging stations for the 200 e-buses in this biggest bus depot in Singapore with an approximate area of 34,216m^2.

MALAYSIA'S FIRST SOLAR-POWERED ELECTRON STATIONS

Supporting the sustainability effort and to accelerate the development of the ecosystem and infrastructure for EVs in the country, Gamuda Berhad developed a partnership with Tenaga Nasional Berhad (TNB) to establish the nation's first solar-powered EV stations. Gamuda Cove and Gamuda Gardens were selected to host the solar-powered EV stations and it is expected to serve motorist by the year 2025.

Serving both Southern and Northern Klang Valley, the electric charging stations will be compatible with all vehicle makes ranging from hybrid, plug-in hybrid, and full EVs. The stations will also be equipped with AC and DC (fast chargers), and rest area that is hosting convenience stores to serve motorists while they charge their vehicles.

A CLIMATE MITIGATION INNOVATION (SMART TUNNEL)

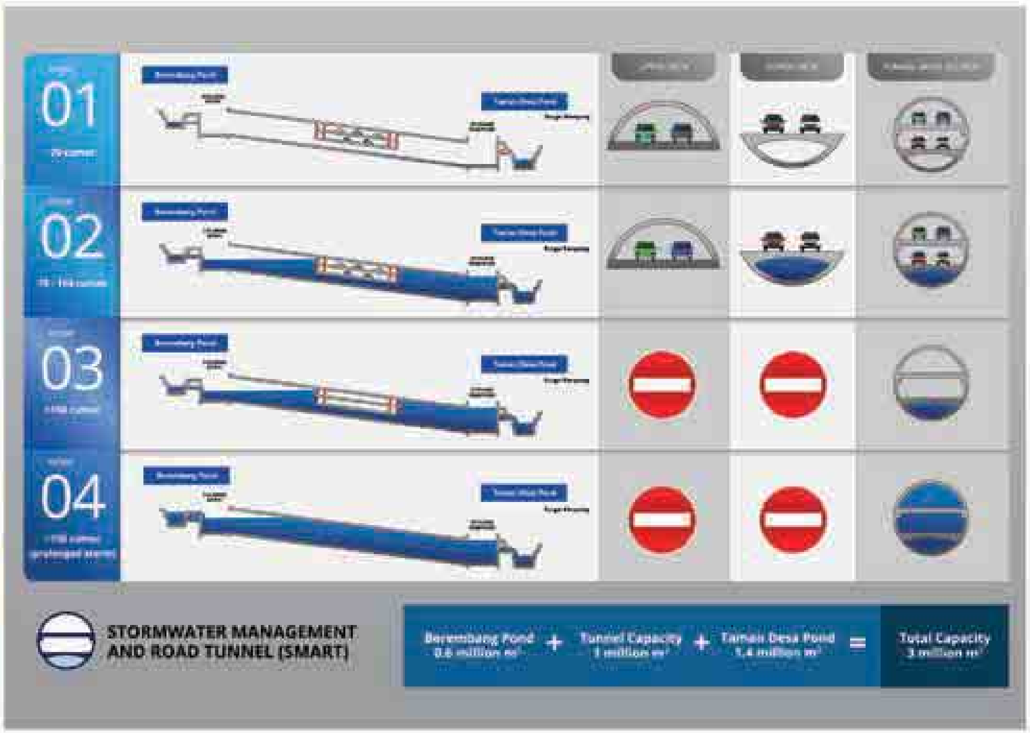
The tunnel fully cleaned up after water diversion operation.

Inside SMART Tunnel during Mode 4.

CCTV Images of the SMART Tunnel after activation.

Inside SMART Tunnel after the dewatering process and before cleaning takes place.

OPERATION OF SMART STORMWATER SYSTEM



For many years, Kuala Lumpur would experience serious flooding when the Klang River overflowed, especially between the Sungai Gombak and Sungai Klang confluence, with the situation worsened by the low-lying Jalan Tun Perak Bridge (near Masjid Jamek).

This prompted the construction of the 9.7km-long 13.2m-diameter SMART tunnel, which has the distinction of being the first in the world to serve the dual purposes of relieving traffic congestion (at the main southern gateway into the city centre) and diverting flood waters.

The SMART system will be able to divert large volumes of flood water from entering this critical stretch via a holding pond, bypass tunnel and storage reservoir. Effectively, the system reduces the flood water level at the Jalan Tun Perak Bridge, preventing any spillover.

Since it became functional 15 years ago, SMART has been activated more than 531 times and prevented 11 major floods in the KL city centre, saving nearly RM2 billion in associated damages.

BIODIVERSITY CONSERVATION

We have set the goal of planting one million trees and saplings by 2023 via an Advanced Tree Planting programme mobilising three nurseries with a total area of 43 acres. As of FY2022, we have nurtured 612,072 trees and saplings equivalent to about 61 percent of total trees to be planted under the #OneMillionTrees movement. In addition, we will be launching a Gamuda Parks Canopy App in Q4 2022 to track and monitor progress made towards planting the one million trees.

Malaysia is widely recognised as one of the world's biodiversity hotspots, with an estimated 306 species of mammals, 742 species of birds, 567 species of reptiles and over 15,000 plant species.[1] Gamuda is committed to carrying out our developments in a manner that is sensitive to the ecosystem, and have made it one of our missions to protect local biodiversity in all the areas where we have projects.

To us, biodiversity is not just valuable in itself, it offers raw materials for biological-based industries while also reflecting the overall health of an ecosystem and its ability to sustain the well-being of local communities.

The 810 acres Gamuda Gardens is a true success story of holistic rehabilitation and regeneration. Formerly an abandoned rubber plantation that lacked flora and fauna, it has been transformed into a sought-after development with a thriving and biodiverse ecosystem.

Three biodiversity audits conducted, with each showing a significant increase in the number of species within the development. In 2022, there were 8,000 trees, **33%** (2,640) of which are high-risk species. Meanwhile, the number of bird species increased by **16%** from 2021

Target to have

ONE MILLION

trees and saplings nurtured by 2023

>60% completed to date

We seek to conserve biodiversity through holistic landscape management in our developments. Our landscape management approach is encapsulated by our philosophy of 'listening to what the land has to tell us', by which we mean studying the topography and natural ecosystems before any intervention. We work with environmental experts to gain a good understanding of the local ecology, following which we outline a biodiversity conservation plan to maintain, or indeed enhance, the natural environment including the biodiversity supported in the long-term. Our carbon sequestration initiatives help reduce our carbon emissions as part of our efforts to meet our net zero target.

Commitment and Policy to Biodiversity Protection

We are guided in our efforts by a Biodiversity Policy, which was launched in 2019. Gamuda Parks Working Committee is responsible for ensuring that the policy is adhered to in all our developments. Every year, a budget is allocated for biodiversity-related projects. In FY2022, a total of RM349,120 was spent on biodiversity conservation, which included scientific research and awareness programmes.

[1] *Defining conservation priorities in tropical and biodiversity rich countries, Nottingham University Malaysia*

TOWARDS GREENER URBAN IMPLEMENTATION

Bandar Botanic

Landscape Area (acres):	Number of Trees Planted:
192.4	66,770

Gamuda City

Landscape Area (acres):	Number of Trees Planted:
24.5	3,896

Bukit Bantayan Residences

Landscape Area (acres):	Number of Trees Planted:
1.3	642

Gamuda Cove

Landscape Area (acres):	Number of Trees Planted:
25.9*	11,256

Celadon City

Landscape Area (acres):	Number of Trees Planted:
42.8	5,705

Gamuda Gardens

Landscape Area (acres):	Number of Trees Planted:
63.6*	15,610

* *The percentage of landscape area for Gamuda Cove (1.69%) and Gamuda Gardens (7.87%) have been independently assured. Refer to the independent limited assurance report on pages 220 to 223.*

HighPark Suites

Landscape Area (acres):	Number of Trees Planted:
3.4	620

Horizon Hills

Landscape Area (acres):	Number of Trees Planted:
357.1	50,513

Jade Hills

Landscape Area (acres):	Number of Trees Planted:
59.8	10,897

Kota Kemuning

Landscape Area (acres):	Number of Trees Planted:
421.6	82,500

Kundang Estates

Landscape Area (acres):	Number of Trees Planted:
25.9	4,449

Madge Mansions

Landscape Area (acres):	Number of Trees Planted:
0.2	313

The Robertson

Landscape Area (acres):	Number of Trees Planted:
1.9	634

twentyfive.7

Landscape Area (acres):	Number of Trees Planted:
27.4	15,550

Valencia

Landscape Area (acres):	Number of Trees Planted:
101.3	16,726

Yen So Park

Landscape Area (acres):	Number of Trees Planted:
236.6	20,516

Landscape area includes areas with any combination of shrubs, flowers, grass, trees planted ("green area"), golf course, streetscape planting, and waterbody only.

GREEN SPACES

Supporting both our climate change mitigation and biodiversity conservation initiatives, we have created green lungs in all of our developments – areas that are filled with trees (primarily indigenous species) providing sustainable habitats for naturally occurring plant and animal species. Our objective is to develop 2,000 acres of green/waterscapes across 12 urban forest clusters within our developments by 2025 which will serve as a natural means of ambient cooling, carbon storage and rainwater runoff sponge, while fostering community well-being.

A key initiative is the 90 acres Forest Park in Gamuda Cove where, combining indigenous knowledge of the *Orang Asli* with scientific data, we are cultivating various plants and trees for Forest Park itself as well as for other Gamuda Land sites.

Some of our developments are in areas where the quality of soil has degraded due to prior activity. Here, we adopt the Miyawaki forest method, pioneered by a Japanese botanist, which advocates planting native trees to replicate natural forest regeneration. Trees planted using this approach tend to grow faster, creating dense urban forests within 20-30 years. Gamuda is also tagging the trees that have been planted to monitor them. The process of tagging will eventually be digitalised through Gamuda Parks Canopy App consisting dashboard for analysis and identify hardware to print durable QR tags.

Involvement of Biodiversity and Climate Action-Related Organisations

Currently, we are engaging consultants, partnering organisations such as Wetlands International Malaysia (WIM) and the Forest Research Institute Malaysia (FRIM), as well as indigenous communities to ensure the success of our tree planting initiatives. Beyond tree planting, we also strive to replicate nearby ecosystems to ensure there's a seamless "flow" of flora and fauna movements. In Gamuda Gardens, we introduce similar species found in nearby forest reserves such as Bukit Lagong Forest Reserve and Kanching Forest Reserve into the Central Park area — including variants of *Shorea, Dipterocarpus, Cinnamomum, Alstonia* and other fruit trees. These trees will attract birds and fauna from the forest reserves.

Meanwhile, biodiversity audit and carbon stock assessments carried out during the year in Kota Kemuning, Bandar Botanic and twentyfive.7 will serve as a baseline to monitor the increase in our carbon storage capacity.

Our biodiversity assessment shows that our bio-restoration effort continues to provide a conducive environment for a number of IUCN Red List species and national conservation list of species with habitats in the affected areas by our operation as shown below by an increasing number of endangered, vulnerable, and near threatened species.

	FY2022	FY2021
Critically endangered	7	7
Endangered	14	12
Vulnerable	24	21
Near threatened	34	28

SYSTEMATIC BIODIVERSITY CONSERVATION

Wetlands Arboretum Research Centre

Some of our developments encompass or are adjacent to wetlands. To better understand the wetlands ecosystem, as well as to provide a ready source of appropriate saplings, we are setting up a Wetlands Arboretum within Forest Park. The arboretum will serve both as a research centre as well as a forest seed bank, where the focus will be on cultivating endangered wetlands plant species and those with conservation importance. We have been collaborating with researchers from Universiti Malaya (UM) to curate a Wetlands Arboretum Gallery. Work on the arboretum began in Q1 2022 and is targeted to be completed by June 2023.

Assessing and Protecting Endangered Species

Biodiversity assessments – including canopy mapping and wildlife count – are conducted with local experts such as FRIM and WIM at two sites within our developments. Through these audits, we have identified no less than 36 species of plants and 43 species of animals that with conservation importance by the International Union for Conservation of Nature (IUCN) Red List.

Our objective is to protect all biodiversity found in our properties, and especially those species that are endangered. A number of the endangered species we host are birds. To protect them, we have outlined several plans, including planting fruit trees using the Miyawaki concept, creating a pollinators garden and ensuring the availability of perches to attract more birds to our developments. Meanwhile, we have set the goal of endangered tree species making up at least five percent of our total. Towards this end, we preserve all valuable trees found at site and transplant saplings nurtured in our nurseries in other sites. As of July 2022, we have planted 25 *Hopea subalata* (Merawan Kanching) in Gamuda Gardens.

We keep track of progress made in protecting our biodiversity through annual assessments, and target to conduct such audits in all of our Gamuda Land developments by 2025.

Miyawaki concept ensures the availability of perches to attract more birds to our developments

RESOURCES MANAGEMENT STRATEGY & PERFORMANCE

WATER CONSERVATION

Water is a critical natural resource, with only about one percent of all the water in the global ecosystem available for human use. Although Malaysia has abundant rainfall, poor water management has resulted in supply constraints. Gamuda invests in construction technologies (such as Digital IBS) that enable us to use water efficiently while incorporating water-efficient features in our developments to encourage non-wasteful use by residents.

Our water management initiatives are guided by the Gamuda Green Plan 2025 and Gamuda QSHE Policy. Our QSHE department has established Safety, Health, and Environment Instructions – Resources Conservation for reference of employees in the proper management of natural resources, including water.

Gamuda is committed to recycling 50 percent of water used at our construction sites by 2025 and reducing the freshwater demand in developments by 65 percent. The latter is to be achieved by using lake water and rainwater for irrigation, and incorporating water saving devices within our residential and commercial premises. Gamuda Land is also setting up planning and flood mitigation systems to guard against floods in all of our developments.

Ongoing initiatives include:

- Reducing wastage by preventing and immediately plugging any leaks at all our managed sites and premises
- Enhancing employees' awareness of proper water management at our offices and premises such as clubhouses, sales galleries and malls
- Group-wide effort in digitalising our water consumption data to ensure all managed sites and premises are monitored
- Optimising surface water (e.g. from lakes) for landscape irrigation at our clubhouses and sales galleries

Examples of sites using lake water for landscape irrigation – KPGCC, Horizon Hills Golf and Country Club and Gamuda Garden Sales Gallery

Each development also continues to engage external parties, conducting periodical environmental audit and water sampling to ensure no contamination on the surrounding water bodies from our development activities.

Target to have **50%** water used annually at construction sites[A] are from recycled water

The Product Management Unit of each development project[A] is responsible for establishing a water conservation and resilience plan. Subsequently, the Project Construction Management Department (PCMD) ensures the relevant technologies and systems are in place to harness and use water efficiently while guarding against floods through risk-informed planning and flood mitigation systems.

Various initiatives have been implemented at our **Digital IBS plant** to prevent water waste. They include:

- Use of software-controlled water mix for daily concreting
- Periodic inspection for leaks in underground pipes

We also disconnected the water lines supplying the batching plant and main office in Sepang after its operations were consolidated to Banting. Going forward, there are plans to use rainwater for batching concrete as well as to wash floors and machines.

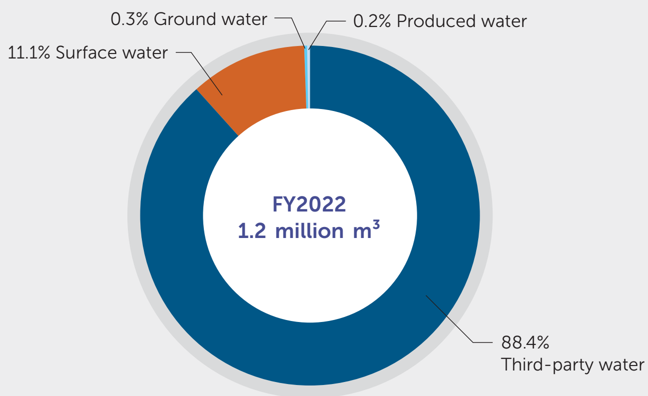
In addition to educating our employees on responsible water use, we have implemented the following initiatives at our **headquarters**:

- Regular checking and scheduled maintenance of toilets, pantries, etc
- Rainwater harvesting and use for watering landscaped areas
- Present and discuss on analysis of water consumption data in SHE Committee Meeting

Water consumption at our headquarters is monitored and managed by an appointed PIC from Administration and the QSHE department.

[A] *All the construction sites and development projects mentioned include Gamuda Cove, Gamuda Gardens, Horizon Hills, Jade Hills and twentyfive.7. Currently all these site has water management plan in place.*

TOTAL WATER CONSUMPTION



Total water consumption for FY2021 was 0.36 million m^3

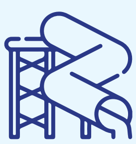
Water Consumption Across Gamuda Berhad in FY2022 (m^3)

Menara Gamuda	Kota Permai Golf and Country Club	PSI	Gamuda Digital IBS	GB Kuari	Gamuda Gardens – Sales Gallery
14,401*	180,970*	837*	28,322*	5,460*	13,094*

* *The water withdrawal (consumption) for the following sites: Menara Gamuda, KPGCC, PSI (PPSNs & Site Offices), Gamuda Digital IBS – Banting, GB Kuari and Gamuda Garden Sales Gallery, have been independently assured. Refer to independent limited assurance report on pages 220 to 223.*

SplashMania at Gamuda Cove is set to make a mark in the region, not only as Asia's largest rainforest-themed waterpark, but also one of the most sustainable. About 70 percent of the landscape will be dedicated to green spaces, acting as natural carbon sinks. In terms of water management, while clean water will be supplied for all activities, we will use recycled rainwater for park-wide irrigation and non-potable use. Water-efficient fittings, including low-flow and touchless sensors with dual flush systems, will be installed in the toilets.

SplashMania is scheduled to be opened in Q1 2023.



Water Recycling and Rainwater Harvesting

It makes sense to harvest rainwater in Malaysia due to our high annual rainfall along with significant domestic water consumption. In line with the Gamuda Green Plan 2025, we are implementing rainwater harvesting systems in Menara Gamuda, other business premises, our clubhouses, construction sites and residential areas. The overall objective is to reduce water wastage.

We are particularly proud of the efficiency of the system in our award-winning 18-hole Kota Permai Golf and Country Club. Here, rainwater and surface runoff from large catchment areas is channelled into a retention pond/reservoir for storage and subsequently used for landscape irrigation. Aside from reducing wastage, rainwater harvesting is energy efficient and requires no chemical treatment. As this substantially reduces our dependence on potable water, this initiative has been adopted by our other clubhouse, namely Horizon Hills Golf and Country Club.

To date, Kota Permai Golf and Country Club has recycled a total of 124,774m^3 of surface water to be used for landscape irrigation.

REDUCING WASTE

Gamuda recognises that waste management is important towards reducing our environmental impact. Accordingly, we are guided by our QSHE policy to: 1) reduce the quantity of materials used in our operations to minimise waste; 2) adopt the 6R approach (to reuse, reduce, repair, refuse, recycle, and reimagine) in line with the principles of the circular economy; and 3) enhance our employees' awareness of the importance of sustainable waste management.

Project Site

We are committed to reducing our construction waste to landfill by 20 percent by maximising the efficiency of raw materials and resources, and adopting 100 percent Digital IBS. By using Digital IBS, for example, we were able to reduce our polyfoam consumption by replacing the material with shutter or steel plates. At the same time, waste polyfoam is recycled.

Each project site is also equipped with recycling facilities for the recovery of waste. Where possible, waste is reused as landscape elements. Non-recyclable waste is collected by licensed third-party companies for processing or disposal in line with Local Authorities requirements.

Our SHE department monitors and manages the collection of waste generated from project sites, presenting the data at monthly meetings. The Supply Chain is responsible for general waste management while the SHE Officer is responsible for scheduled waste management.

Developed Properties

In addition to encouraging residents in our properties to recycle their waste, we have also launched a Plate to Plant Programme under which food waste is composted. To date, composting machines have been installed in Jade Hills and Quayside Mall. In addition, composting trucks drive around our properties to collect food waste from residents and food and beverages outlets. In FY2022, a total of 15,505kg of food waste was collected and composted.

Target to reduce the amount of construction waste sent to landfills by **20%**

Target to have **100%** IBS technology adopted for all development projects to ensure controlled waste management

We also encourage sustainable garden waste management through the creation of composting yards at our developments – Valencia, Bandar Botanic, Kundang Estates and Horizon Hills. Bio-fertilisers are created from dead leaves and plants to fertilise the land, recycling our resources in a closed-loop system to support better soil health and plant growth.

Gamuda Land designates employees to assume responsibility for waste management at our different developments. These employees have to ensure that they meet specific ESG targets that have been set as part of their KPIs. This is shown at site with construction waste and office waste being properly segregated prior to disposal.

Menara Gamuda

Responsible waste management is encouraged at Menara Gamuda through the following:

Segregation of non-recyclable waste and recyclable waste	E-Waste recycling campaign and the provision of an E-Waste bin
Replacing paper with digital communication e.g. FieldView, SharePoint, emails, etc	Dedicated hazardous waste storage and recycled waste storage in our car park

Our QSHE department has established Safety, Health, and Environment Instructions – Waste Management to promote responsible waste management by employees. Regular inspections and audits are also carried out, including a yearly external audit by SIRIM. Also, recycled bins (paper, cans, plastic, and glass) and food waste bins are prepared at each level and pantry area respectively for waste segregation at Menara Gamuda.

E-WASTE INITIATIVE AT MENARA GAMUDA

E-Waste bin is located at B5 carpark elevator area. Menara Gamuda managed to collect 311kg of e-waste in FY2022 compared to 2000kg of E-Waste in FY2020. Every year, there will be an E-Waste collection drive for the employees to promote responsible hazardous waste disposal.

FOOD WASTE TO COMPOST

Proper food waste management is integral to a circular economy, in which waste to landfill is minimised while optimising the use of natural resources including land and water. Composting food waste also reduces the emissions of methane from landfills, greatly enhancing climate change mitigation efforts.

Recognising its merits, we launched a Plate to Plant Programme in FY2020 to reduce food waste generated from our office blocks and dining outlets. Starting off at our headquarters in Menara Gamuda and Jade Hills, the programme was extended to Quayside Mall in twentyfive.7 on January 2022.

To date, eight of our food and beverages tenants in Quayside Mall have joined the programme and we believe with greater awareness, more will come on board soon. We are targetting greater participation of our development residents and clubhouses in the near future.

FY2021

- Total food waste collected
  8,230KG
- Total compost
  3,292KG

Increase by
88%

FY2022

- Total food waste collected
  15,505KG
- Total compost
  6,202KG
  - Menara Gamuda – 2,767*kg
  - Jade Hills – 675kg
  - Quayside Mall – 2,760*kg

* *The total weight of non-hazardous (organic waste) for Menara Gamuda and Quayside Mall have been independently assured. Refer to the independent limited assurance report on pages 220 to 223.*

To date for FY2022, the total volume of waste produced in Gamuda was 6,326,427kg. All of the waste generated and collected by Gamuda will be disposed off by an appointed contractor at certified waste disposal facilities.

PRODUCED WASTE IN GAMUDA

Location	2022		
	Hazardous Waste (KG)	Recycled Waste (KG)	Total (KG)
Menara Gamuda	332	638	970
Quayside Mall	–	486,260	486,260
Gamuda Garden Phase 3A	–	72,380	72,380*
Gamuda Garden Phase 3B	–	17,610	17,610*
Total	**332**	**576,888**	**577,220**

* *Total waste generated at Gamuda Gardens (Phase 3A and 3B) have been assured. Refer to the independent limited assurance report on pages 220 to 223.*

Garden Waste	General Waste	Food Waste
210,720KG	**5,421,070KG**	**15,505KG**
Hazardous Waste	Recycled Waste	Fabric Waste
84,102KG	**585,099KG**	**9,931KG**

Recycled wastes are paper, plastic, metal, and glass.

CASE STUDY: GAMUDA LOW CARBON CITIES

Gamuda has established a Low Carbon Cities Framework (LCCF) as part of ongoing efforts to reduce carbon emissions in our developments. The Framework serves to define and prioritise action plans to reduce our emissions, taking into account the creation, planning, construction and operation of a city or development. It also allows all initiatives undertaken to be quantified and monitored.

We have set the target of reducing the emissions intensity of our developments by 40 percent by 2030 compared to business-as-usual. This is to be achieved through several initiatives, namely:

URBAN PLANNING	ENERGY	URBAN TRANSPORTATION	WATER	WASTE	BUILDING
Increased plot greenery in every township	Incorporating active and passive design strategies for our buildings: GBI certified for all future Residential Projects	Provide public transport such as trams, buses and electric buggy shuttle service within the township	Utilise lake water and rainwater for landscape irrigation and non-portable use	Provision of necessary infrastructure and bins to: Encourage food waste and garden composting	Increased use of Industrialised Building System (IBS)
Increased tree planting and density e.g. ATP and Miyawaki method	GBI Silver for all future Commercial Projects	Provide covered walkway, cycling path as well as bicycle rental and e-scooter for short distance trips	Use of fittings and sanitary wares with Water Efficient Labelling Product Scheme (WEPLS)	Recycling	

EV CHARGING STATIONS

14 EV Charging Point (two per site)

All our sales galleries (Jade Hills, Gamuda Gardens, Gamuda Cove, twentyfive.7), Quayside Mall, Gamuda Cove Discovery Park, and The Robertson

E-MOBILITY

Tram (Gamuda Cove only)

E-Buggy

E-Scooter

(Gamuda Gardens, twentyfive.7, Gamuda Cove Sales Gallery and Quayside Mall)

PEDESTRIAN, BICYCLE NETWORK

Completed more than 80km pedestrian and cycling path network to-date

(Jade Hill, Gamuda Gardens, Horizon Hills, twentyfive.7 and Gamuda Cove)

During the year, we assessed the carbon emissions intensity of three developments at a design level, and compared the results with business as usual.

Of the developments, Gamuda Cove achieved the highest carbon emissions reduction of **45%** (estimated 221,366 tonnes CO_2e) followed by Gamuda Gardens (26%) and twentyfive.7 (13%)

Overall, the three developments are poised to achieve the **40%** carbon intensity reduction as set under the Gamuda Green Plan 2025

BUSINESS AS USUAL	COUNTER MEASURE
Conventional township design and construction practices in Malaysia	Completion of development with low carbon strategies implemented
Local authority minimum requirement	Compliance to strategise and align with the Gamuda Green Plan 2025
Local code of practices (UBBL) minimum requirement	Measures taken are above and beyond the minimum requirement set by Local codes of practice

Low Carbon Zone

Applicable for

(area ≥n50 hectares)

- Local Authorities
- Universities
- Industrial & Commercial Parks
- Economic Corridors
- Townships
- Naval & Army Base

	GAMUDA COVE	GAMUDA GARDENS	twentyfive.7 Gamuda Kemuning
Land Area	1,530 acres	810 acres	257 acres
Estimated Gross Population	148,000	51,177	26,240
Estimated Number of Households	10,983	8,632	4,457
Maximum Allowable Plot Ratio	1:3.5	1:4	1:4
Estimated Green Space (% of Development)	11%	13%	10%
Launch Year	2018	2017	2017
Target Completion	2038	2030	2030
LCC2030C Accreditation Status	5 Diamonds (Accredited)	4 Diamonds (Submitted – target accreditation by end 2022)	3 Diamonds (Submitted – target accreditation by end 2022)

Note: 5 Diamond – at least 45 percent reduction, 4 diamond – at least 25 percent reduction and 3 diamond – at least 10 percent reduction

RENEWABLE ENERGY

As the reality of climate change becomes more evident, there is increasing focus on renewable energy (RE) across all industries globally as well as here in Malaysia. This has been accompanied by enhanced investment into research on alternative forms of green energy which will result in gradually reduced dependence on non-renewable energy.

Solar PV installed at Quayside Mall, twentyfive.7.

Working with Singapore's Land Transport Authority, Gamuda Berhad Singapore is striving towards implementing a greener energy approach for all projects delivered. One of the ongoing projects, the Gali Batu Bus Depot project is the largest bus depot in Singapore that will support more than 200 e-buses with 120 EV chargers. 4,736 solar panels with an estimated generation capacity of 1 MWp will be installed on the rooftop of the bus depot. Also, energy saving via LED lighting system will be used to assist in achieving a target of 45 percent energy reduction compared to the baseline.

The details of planned and installed PV modules across several sites:

Site	Status	Size	No. of Panel
Gamuda Digital IBS	Completed	300.135kWp	556
Batu Maung Store Yard, Penang South Islands	Completed	11.83kWp	26
Gamuda Gardens Experience Gallery	Installed, Pending NEM approval	310kWp	940
twentyfive.7 Quayside Mall	Completed	1192.32kWp	2208
Menara Gamuda	Completed	147.15kWp	270
Horizon Hills Golf and Country Club	Planning	Estimated 318kWp	Estimated to install in FY2023
twentyfive.7 Sales Gallery	Completed	81kWp	150
Megah Sewa	Ongoing – COD by Jan 2023	272.2kWp	500
Gamuda Cove Discovery Park	Planning	Estimated 342kWp	Estimated to install in FY2023

- *NEM – Net Energy Metering Malaysia*

As a responsible organisation, Gamuda has committed to reducing our carbon emissions intensity by 45 percent by 2030 and are making good on this by adopting RE at various sites (offices, project sites and assets). To date, our RE adoption has been in the form of solar photovoltaics (PV) as well as subscription to the Green Electricity Tariff. The Group is slowly phasing out the use of non-RE by installing solar panels, and incorporating efficient cooling systems into ongoing and future developments, such as Gamuda Cove.

However, we are open to other forms of RE in the coming years. We also seek to reduce our Scope 3 emissions in line with our ESG commitment to ensure sustainability is incorporated throughout the supply chain.

In reference to the Gamuda Green Plan 2025, the Group will integrate the total life cycle carbon footprint of all our developments into the relevant master plans. This entails providing greener systems for waste and water management, using energy-efficient technologies and providing smart features in our finished properties.

The adoption of RE through the installation of PV has reduced our consumption of electricity supply from the grid. Each solar installation is equipped with inverters that include built-in web portals enabling us to trace our daily electricity generation.

We are intensifying our investments in the renewable energy space – solar and hydropower, to grow our potential RE asset portfolio of over 800MW. The Group is positioned to be Malaysia's largest private RE producer.

From the data obtained, we have been able to measure our energy and cost savings from RE adoption, as follows:

TWENTYFIVE.7 QUAYSIDE MALL

Generated
730MWh
20% (641 tonnes CO_2e) of reduced carbon emission

Total savings of
RM276,021
from March to August 2022

TWENTYFIVE.7 SALES GALLERY

Generated
53MWh
44% (47 tonnes CO_2e) of reduced carbon emission

Total savings of
RM32,138
from March to August 2022

GAMUDA DIGITAL IBS

Generated
136MWh
18% (119 tonnes CO_2e) of reduced carbon emission

Total savings of
RM62,963
from April to August 2022

BATU MAUNG STORE YARD, PENANG SOUTH ISLANDS

Generated
2.777MWh
0.1% (2.4 tonnes CO_2e) of reduced carbon emission

Total savings of
RM1,413.49
from June to August 2022

PROTECTING OUR WETLANDS

Another pillar of the Gamuda Green Plan 2025 relates to Environmental and Biodiversity Conservation, which we believe to be critical not only to nature and wildlife but also to the well-being of local communities. For example, while enhancing biodiversity, tree planting also serves to mitigate climate change as less carbon is released into the atmosphere. Meanwhile, the creation of full-fledged public parks is beneficial to mental health and quality of life.

At Gamuda, the responsibility to protect the environment and biodiversity falls within the domain of Gamuda Parks.

We place a great deal of emphasis on wetlands preservation as this important ecosystem provides natural bio-filtration to control water quality while acting as a natural barrier in mitigating floods. Through Gamuda Parks, we also seek to enhance public awareness of the importance of conserving this ecosystem.

A key wetlands initiative is the establishment of a Wetlands Arboretum adjacent to Gamuda Cove, in an area that is classified as having high biodiversity value – boasting more than 300 protected wetlands plant and animal species. The current phase of development is to be completed by June 2023. We are also in the process of obtaining a Zero Net Carbon Pledge certification by EDGE Buildings for the Arboretum.

All initiatives undertaken by Gamuda Parks are audited by third parties to ensure compliance with the relevant standards as well as Gamuda Parks' Biodiversity Policy. Following the audits, Gamuda Parks prepares comprehensive progress reports on our biodiversity and conservation efforts. Any findings made known by the auditors will be included in Gamuda Parks' action plans.

In September 2021, for example, a soil carbon stock assessment was completed in the Wetlands Forest Park, Gamuda Cove, measuring the amount of carbon stored within the trees and soil. Based on the assessment, it has been recommended that the Group establish strategies to maintain peat subsidence and water table levels.

CONSERVATION EFFORTS AT PAYA INDAH DISCOVERY WETLANDS

The 1,114 acres Paya Indah Discovery Wetlands, situated in the district of Dengkil, Selangor, is adjacent to Gamuda Cove. Given its proximity to our development, Gamuda has taken it upon ourselves to preserve this biodiversity hotspot, which has been categorised by IUCN as a 'protected landscape' (Category V), meaning that it is important to protect the integrity of the site for its ecological and biological value. Together with our partners, we are contributing to sustainability of the wetlands ecosystem, which comprises no less than 11 lakes, and to the conservation of all endangered animal and plant species found in the area.

The names of 11 lakes within Paya Indah Discovery Wetlands:

1. Tasik Driftwood
2. Tasik Teratai
3. Tasik Typha
4. Tasik Telipok
5. Tasik Palma
6. Crocodile Lake
7. Tasik Resam
8. Tasik Kuning
9. Hippo Lake
10. Tasik Sendayan
11. Tasik Rusiga

CASE STUDY: ESG MANAGEMENT PLAN AT 272 NORMANBY

272 Normanby Road is a mixed-use residential development consisting of 213 residential apartments with commercial tenancy on the ground floor and parking access for various vehicles (bikes, cars, etc), as well as private and communal open spaces including a new public park. The project is located in the City of Port Philip, Australia.

PROJECT HIGHLIGHTS

7-7.5 NatHERS rating for energy efficiency

Ground source heat pump is a low carbon heating system, a first to be implemented in Australia

Incorporating an environmentally sustainable development (ESD) strategy into its design and construction, 272 Normanby Road will promote sustainable living for the benefit of people, place and planet. A Sustainability Management Plan (SMP) has been prepared towards this end, which will also ensure it meets the standards stipulated by the City of Port Phillip.

The main highlights of this project entail the following:

Maintenance of indoor thermal comfort with air-conditioning in residential and commercial areas

Use of RE to uphold our commitment to net zero carbon buildings

Implementation of best water conservation practices through the use of harvested rainwater for toilet flushing, washing machines and landscape irrigation

Implementation of Reduce, Reuse and Recycle approach for waste management in both residential and commercial segments

Use of energy-efficient building method and sealing materials to regulate heating and cooling loads, compensating for heat loss and ensuring effective floor edge insulation

The initiatives above would help us attain 5-Star in the Green Star rating system which is used in Australia to certify buildings that have incorporated sustainability in their design and construction, performance, the interiors/fitouts, as well as impact on local communities.

As outlined under Pillar 1 of the Gamuda Green Plan 2025, we are committed to Sustainable Planning and Design for Construction. We are therefore driven to facilitate sustainable masterplanning inclusive of climate-responsive design, integrated transport and super low-energy (SLE) buildings with smart features – all of which are in line with the Green Star system.

One of Melbourne's first e-mobility hubs providing residents with a range of electric mobility options for sustainable transport.

Miyawaki method was introduced to plant trees around the project site

A SUSTAINABLE MASTERPLAN - THE PENANG SOUTH ISLANDS

PSI is a catalytic project that will drive Penang 2030, the state government's vision to boost Penang's socio-economy and elevate the living standard of its residents. It is being designed as a model of sustainable development, its blueprint encompassing features that will minimise its environmental impact while enabling community involvement and supporting the local fishermen to enhance their livelihood.

HIGHLIGHTS FOR FY2022

Mangrove trees planting

Under the PSI project, 1,500 mangrove saplings were planted in 2016 and 2021 with the cooperation of the State Forestry Department.

In 2022, SRS Consortium also took part in a mangrove planting programme by Pertubuhan Lestari Alam Sekitar Pulau Pinang, which planted 2,000 saplings.

Biodiversity often prospers around mangrove forests. Mangrove trees play an important part in the ecosystem as they act as natural coastal defence to slow down land erosion. The mangrove trees also help to fight climate change as they are proven to be very effective carbon sink.

Marine ecology rehabilitation

A third-party expert shall be appointed to conduct research on various marine ecology rehabilitation initiatives, including deployment of artificial reefs and release of fish and prawn fries at suitable locations.

Energy, water, and waste management

In addition, solar street lights were installed at the three PPSNs, namely PPSN Permatang Damar Laut, PPSN Sungai

A GREEN ISLAND

In PSI, we seek not only to create an island that is sensitive to and mitigates climate change, but one that engages efficient water and waste management systems to create the best possible environmental performance.

We seek to achieve a 50 percent reduction in CO_2e emissions intensity compared to business as usual by 2030 via:

40% reduction in urban planning emissions with sustainable master planning, shared facilities, climate-responsive design and green features

80% reduction in transport emissions with an integrated transport system

40% reduction in non-RE use from SLE buildings with efficient cooling systems, smart features and RE installation

100% RE to power the Green Tech Park

No less than 100km of bicycle/walking tracks will be built to encourage healthy living while promoting greener modes of transport as alternatives to fuel combustion vehicles.

Meanwhile, the following targets for water and waste management have been set:

70% reduction in freshwater demand from the dual-purpose sewage treatment plant, rainwater harvesting and water saving devices

65% reduction in landfill waste with extensive recycling, food maceration and composting

Batu, and PPSN Gertak Sanggul, while solar panels were installed at our Batu Maung Store Yard. Through a mobile app, energy output and consumption as well as the amount that is fed back to the grid can be tracked in real time. The monitoring provides insights to energy usage, which can help to control and conserve energy usage in the long run.

Double-glass solar panels have been installed at our store yard to prevent corrosion by sea salt in the long-term. Double-glass solar panels are also more efficient in power conversion. Meanwhile, all the lights in our offices and PPSNs are fitted with LEDs.

The store yard and PPSN Permatang Damar Laut were also installed with rainwater harvesting systems to provide non-potable water for use in landscaping and cleaning. A total of 23,539 litres of rainwater was harvested at the store yard since March 2022 while a meter was installed at PPSN Permatang Damar Laut in September 2022 to measure the usage accordingly.

All offices and premises under SRS Consortium have been equipped with multi-coloured recycling bins to encourage waste separation at-source and induce recycling habits. By August 2022, close to 200kg of recyclables have been collected and passed on to local recycling vendors for further processing.

Beach clean-up activity

In August 2022, SRS Consortium was invited to be part of the Penang World Cleanup Day 2022, organised by social enterprise Aimpactz. We managed to gather about 65 volunteers from local communities, fishermen, as well as our own employees to participate in the activity. Two beaches have been targeted – one at Permatang Damar Laut and the other at Permatang Tepi Laut. The clean-up was held on 24 September 2022.

SUPPORTING THE LOCAL COMMUNITY

A Social Impact Management Plan (SIMP) is being implemented to support the communities, mainly fishermen, living and working around PSI. Initiatives under SIMP include:

AID

- Ex-gratia
- New boats and engines

HOUSING

Low or low-medium cost home ownership scheme for eligible fishermen

EMPOWERMENT

- New jetties
- Training and upskilling opportunities
- Job and business opportunities
- Education support programmes for fishermen's children
- Community co-operative

ACHIEVEMENTS AS OF JULY 2022

The Pusat Perkhidmatan Setempat Nelayan (PPSN) in Permatang Damar Laut, Sungai Batu and Gertak Sanggul were set up at a cost of about RM300,000. The PPSNs are one-stop service centres for fishermen to channel their complaints or feedback. We will then work together with the relevant agencies to resolve their issues.

Community Engagement

A total of 36 community programmes benefitting 2,598 individuals were conducted from 2016-2022. These include trawling nets, assistance to fire and flood victims, communal work, planting of mangrove saplings, fish seedling release, and festive engagements.

Initial ex-gratia payment of RM500 was distributed to 385 out of more than 900 qualified fishermen, with others to receive the ex-gratia in due course.

Education and Training

Provision of upskilling programmes for seafarers, and for the repair of boats and engines.

33 fishermen have signed up for boat and engine repair training.

204 fishermen registered for the seafarer programme. A total of nine fishermen have graduated under the first batch while 11 others are expected to undergo the programme later in 2022.

Employment Opportunities

From 2016 to July 2022, a total of 1,071 job applications were received by PPSNs.

27 locals including fishermen have been hired for various full-time jobs in SRS Consortium Sdn Bhd.

Business Opportunities

A total of RM308,577 worth of business has been awarded to fishermen and locals by PPSNs from 2021 to July 2022.

The development of PSI has also created positive economic spillover effects on the local communities with 12 local businesses benefitting from regular business patronage.

Allocation of RM3 million to replace dilapidated jetty with temporary structures. The new jetty at Permatang Tepi Laut will provide the fishermen with a conducive and safe place to rest, store their fishing equipment and fix their nets.

A registered fisherman (boat owner), who was among the first 20 recipients, leaving for home after receiving his new 8m boat and engine.

Upskilling the Local Fishermen

As part of the Social Impact Management Plan (SIMP), local fishermen were offered the opportunity to develop their technical skills and knowledge to enhance their livelihoods. Among others, they were also enrolled in a seven-day "Mate Less Than 500 GT Domestic Voyage (Open)" course which prepares them to handle larger vessel. This enables them to work on pontoons and ships of up to 500 gross tonnes (GT), or to manage boat transport services for construction workers and tourists.

The training programme exposes the fishermen to maritime subjects including chartwork, rules and regulations, meteorology, general ship knowledge, and general engineering knowledge. It was run at the Akademi Maritim Penjana Ilmu, Penang, while the oral exam was held at the state Marine Department.

To date, nine fishermen have been awarded the Certificate of Completion (COC) for the seafarer course. Due to overwhelming response, a second batch of fishermen will be undergoing the programme in the near future.

SELF-TAUGHT DEAF ARTIST STRIVES FOR SUCCESS

Louis Gan is a self-taught freelance artist who has garnered local attention owing to his success in painting mural arts in Penang. His latest project was painted on the office cabin of PPSN in Permatang Damar Laut which was commissioned by the Penang Infrastructure Corporation (PIC), a special purpose vehicle set up by the Penang state government to implement the PSI project.

The mural (as shown in the picture) illustrated a sustainable development concept for the local community, especially the fishermen and whole of Penang which will benefit through the PSI project.

GLOBAL ALIGNMENT

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102-45	Entities included in the consolidated financial statements	260-412	Notes to the Financial Statements
102-46	Defining report content and topic Boundaries	128-129	About This Report
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103-2	The management approach and its components	149	Economic Value Generated and Distributed
103-3	Evaluation of the management approach	149	Economic Value Generated and Distributed
GRI 201: Economic Performance 2016			
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103-2	The management approach and its components	150-155	Supply Chain Management
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GRI 103: Management Approach 2016			
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103-3	Evaluation of the management approach	192-193	Resources Management Strategy and Performance
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103-1	Explanation of the material topic and its Boundary	188-191	Biodiversity Conservation
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103-3	Evaluation of the management approach	188-191	Biodiversity Conservation

GRI Standards	Disclosure	Page number(s)	Section Header/Subsection Header
GRI 300 ENVIRONMENTAL TOPIC-SPECIFIC STANDARDS (CONT'D.)			
BIODIVERSITY (CONT'D.)			
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304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	190-191	Green Spaces
304-3	Habitats protected or restored	191, 200-201	Wetlands Arboretum Research Centre; Protecting Our Wetlands
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	191	Assessing and Protecting Endangered Species
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103-1	Explanation of the material topic and its Boundary	183-186	Commitment on Climate Change
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305-1	Direct (Scope 1) GHG emissions	184-186	GHG Emissions Intensity
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GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	193-195	Reducing Waste
103-2	The management approach and its components	193-195	Reducing Waste
103-3	Evaluation of the management approach	193-195	Reducing Waste
GRI 306: Waste 2020			
306-2	Management of significant waste-related impacts	194-195	E-Waste Initiative at Menara Gamuda; Food Waste to Compost
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GRI 400 SOCIAL TOPIC-SPECIFIC STANDARDS			
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103-1	Explanation of the material topic and its Boundary	162-167	Diversity and Equal Opportunities
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103-2	The management approach and its components	159-161	Occupational Safety and Health
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GRI Standards	Disclosure	Page number(s)	Section Header/Subsection Header
GRI 400 SOCIAL TOPIC-SPECIFIC STANDARDS (CONT'D.)			
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GRI 403: Occupational Health and Safety 2016			
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403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	160-161	Safety and Health Performance
TRAINING AND EDUCATION			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	161	Training and Development
103-2	The management approach and its components	161	Training and Development
103-3	Evaluation of the management approach	161	Training and Development
GRI 404: Training and Education 2016			
404-2	Programmes for upgrading employee skills and transition assistance programmes	150, 159, 171, 172-175, 178, 183, 206	Expanding Scope 3 Traceability With Sustainable Supply Chain Training Awareness; Safety Training; Enabling Academy; Reconciliation Action Plan; MRT Putrajaya; Commitment on Climate Change; Penang South Islands
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	162	Diversity and Equal Opportunities
103-2	The management approach and its components	162	Diversity and Equal Opportunities
103-3	Evaluation of the management approach	162	Diversity and Equal Opportunities
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	162	Diversity and Equal Opportunities
LOCAL COMMUNITIES			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	158	Investing in Our People and Communities
103-2	The management approach and its components	158	Investing in Our People and Communities
103-3	Evaluation of the management approach	158	Investing in Our People and Communities
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programmes	170, 171, 172-175, 176-177	Yayasan Gamuda; Enabling Academy; Orang Asli and Indigenous Peoples Australia; GL Cares

TCFD Statement

Climate action is now one of the key focus areas for Gamuda Group. This is apparent via the Group's short-, medium- and long-term commitments on emission reduction plans. To further strengthen the Group's overall management approach, climate related governance and strategies are deployed across the operations and businesses. This ensures that all levels of the businesses include climate related risk and opportunities as part of their decision-making processes.

In FY2022, Gamuda has taken a notch further on climate related matters by becoming official support for TCFD and committing to SBTi. Since FY2021, Gamuda has been reporting Climate-related Financial Disclosures, aligned to TCFD. The adoption of TCFD is driven by the Group's commitment to continuously monitor its performance and progress in accordance with climate change as measured against a globally recognised framework.

Gamuda has endeavoured to align to all four TCFD themes – Governance, Strategy, Risk Management, and Metrics and Targets.

The table below provides a succinct but detailed explanation of how Gamuda has adopted the specific TCFD themes and recommended disclosures. Where relevant, references are provided to more specific information within the SR2022.

In essence, Gamuda's management approach to climate change-related impacts centres on the following:

- Leadership including the Board of Directors (Board) oversight on climate change through the Environmental, Social and Governance (ESG) mechanism.
- The strategic consideration given to climate change is reflected in the development of policies and strategies.
- The continued focus on embedding climate change within the Group's risk management and mitigation framework.
- The existence of tangible, time-based key performance indicators (KPIs) to measure performance.

Note:
Kindly refer to Chapters: Sustainability Integration and Our Governance and Value to Economic for more details.

Recommendations	Organisation's Adoption of Recommendation	References
	GOVERNANCE	
Describe the board's oversight of climate-related risks and opportunities.	One significant concern to both the Group and its stakeholders is the climate action. This mirrors the FY2022 Materiality Matrix that shows the matter positioned within the top right quadrant. Gamuda Board has direct oversight in all material topics that holds significant concern. The Board maintains the ESG decisions and guides the strategies for the Group's sustainability direction. The Board is responsible for ensuring that all business decisions are made from an ESG perspective. Through the Board-level Risk Committee, the Board ensures the Management has developed the necessary strategic planning related to climate change. Through the committee, corporate risk, audit risk, and ESG risk that includes climate-related risks are monitored. With the risk monitored, an effective mitigation response on the climate-related issues is properly committed and realised. With an oversight of Gamuda Green Plan 2025, it provides Gamuda with its masterplan to address related ESG concerns that includes climate change to ensure continual business and operational sustainability and value creation.	Page 143-144 Sustainability Governance and Framework

Recommendations	Organisation's Adoption of Recommendation	References
GOVERNANCE (CONT'D)		
Describe management's role in assessing and managing climate-related risks and opportunities.	The Board is working closely with the Group Chief Sustainability Officer (GCSO) and Sustainability Steering Committee (SSC) to realise the Gamuda Green Plan 2025 by developing and executing effective strategies action plans. SSC is focusing on continual effort to embed ESG goals into the Group's business model. SSC is closely monitoring the climate change risks and opportunities for engineering, construction, and property development businesses.	Pages 22-27 Group Managing Director's Statement Page 143 Sustainability Governance and Framework
STRATEGY		
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	Gamuda will encounter various risks and opportunities to its engineering, construction, and property development businesses due to climate change. These risks and opportunities can be seen in Chapter 1 of SR2022 **CLIMATE CHANGE RISKS:** • Regulations requirements on existing products and services • Exposure to litigation • Customer changing behaviour • Substitution of existing products and services with lower emission options • Shifts in customer preference • Stigmatisation of sector • Changes in precipitation patterns and extreme variability in weather patterns • Increased pricing of GHG emissions • Enhanced emission-reporting requirements • Cost to transition to lower emissions technology • Increased material costs • Increased stakeholder concern or negative stakeholder feedback • Increased severity of extreme weather such as flood, water pollution, and drought • Rising ambient temperatures and sea levels **CLIMATE CHANGE OPPORTUNITIES:** • Use of recycling method and food waste composting on-site • Reduce natural resources usage and consumption such as recycling harvested rainwater • Use of supportive policy incentives • Use of new technologies • Shift toward decentralised energy source and transitioning to lower emissions technology • Access to new assets and locations needing insurance coverage • Development and/or expansion of low emission products and activities • Ability to diversify business activities • Participation in renewable energy programmes and adoption of energy-efficiency measures • Resource substitutes/diversification • Use of more efficient production and distribution processes • Use of lower-emission energy sources such as solar panels • Participation in carbon market such as Bursa Malaysia Voluntary Carbon Market • Access to new markets and use of public-sector incentives • Shifting consumer preference to robust products and services • Development of climate adaptation and mitigation plan	Pages 22-27 Group Managing Director's Statement Page 127 Gamuda Green Plan 2025 Page 132-133 Our ESG and Net Zero Journey Page 137-139 Climate-Related Risks and Opportunities Pages 180-207 Chapter 4 – Our Decarbonisation Pathway

Recommendations	Organisation's Adoption of Recommendation	References
	STRATEGY (CONT'D)	
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Incorporating climate change in Gamuda's financial consideration and risk management is of high importance to ensure Gamuda's preparation for continual business. The scenario approach is adopted to ensure resiliency and optimisation of a plan which includes the calculation of cost in implementing the necessary mitigation action or changing in designs. Example, for one of our recent projects in Malaysia, we evaluated the 2 degrees and 4 degrees scenario-based Representative Concentration Pathway (RCP). This modelling approach was used to predict the future sea-level rising probability and risk. With Gamuda's Building Information Modelling (BIM) technology, it allows for an accurate and efficient approach for planning and design. A pool of talent on climate change experts comprising both internal and external professionals were developed to provide necessary advisory for an informed and effective decision-making by the Board. The Board is focusing in climate-related impacts and are ensuring the master-planning, design, development, and construction of projects achieve the ideal resource efficiency and minimise environmental impacts.	Page 127 Gamuda Green Plan 2025 Page 137-139 Climate-Related Risks and Opportunities Page 151 Enabling Sustainable Construction via Digitalisation
Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.	Gamuda has pledged with Science Based Targets initiative (SBTi) and continues to plan for a wide range of climate-related scenarios. The Penang South Islands (PSI) project showcase Gamuda's commitment to planning for the future by considering climate-related effects of rising seawater levels and increased ambient temperatures by climate modelling up to 4 degrees Celsius. In one of our recent projects in Malaysia, we evaluated the 2 degrees and 4 degrees scenario-based Representative Concentration Pathway (RCP). This modelling approach was used to predict the future sea-level rising probabilities and risks. The results were used in the decision-making process in terms of deciding the project elevation and design modifications. Based on Gamuda Green Plan 2025, PSI is designed to achieve 50% reduction in CO_2e emissions compared to business as usual (BAU) by 2030. Full details are provided in Chapter 4 disclosures of SR2022.	Page 127 Gamuda Green Plan 2025 Page 196-197 Gamuda Low Carbon Cities Page 204-207 A Sustainable Masterplan: The Penang South Islands
	RISK MANAGEMENT	
Describe the organisation's processes for identifying and assessing climate-related risks. Describe the organisation's processes for managing climate-related risks.	Gamuda's assessment process involves internal and external stakeholders ensures that a comprehensive materiality assessment process includes the ESG-related risks such as climate change. A direct or indirect climate-related impact to the Group and/or its stakeholders are considered in terms of the nature and the extent of the climate-related impacts. The level of impact considered the period of impact (short, medium, and long-term impact) and the severity of the impact.	Pages 46-49 Stakeholder Engagement Page 124 Sustainability Integration via Our Management Lens Page 136 Stakeholder Engagement Page 137-139 Climate-Related Risks and Opportunities
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	The materiality approach mentioned above is integrated into Group's overall risk management framework. As necessary, the risks factors are measured in terms of forecasted impact on revenue, earnings, and costs. Other metrics used are impacts on the productivity.	Pages 56-58 Key Market Trends Pages 61-66 Key Risks and Mitigation Page 136 Materiality

Recommendations	Organisation's Adoption of Recommendation	References
METRICS AND TARGETS		
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Produced carbon emission and waste, energy and water consumption are measured by Gamuda. The metrics used to measure carbon emission is CO_2e, while electricity consumption is kWh, and m^3 for water consumption and tonnes for materials (waste, recycable). Gamuda's emission intensity is measured by taking absolute total emission for FY divided by revenue for FY.	Page 183-186 Commitment on Climate Change
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Gamuda provided Scope 1 and Scope 2 disclosure generated from the Group's operations, with Scope 3 disclosure covering construction activities. Further information on the management approach, evaluation of the approach, and performance data are provided in Chapter 4 of SR2022.	Page 183-186 Commitment on Climate Change
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Based on the Gamuda Green Plan 2025, Gamuda is committed to reduce 30 percent emission intensity by 2025 and 45 percent by 2030 as short- and medium-term targets. The Group is also committed to Net-Zero by 2050 via SBTi. With a business in infrastructure and property group, it is pertinent that the Group reduces the carbon emission by adopting renewable energy technology to supply the buildings and development that is within our control. It is also important to incorporate sustainable master-planning with green mobility elements to the projects. The following tactical targets will drive our aim to cut top-level emissions: • Reduce urban planning emissions by 35 percent and transport emissions by 10 percent • Reduce non-RE consumption by 40 percent • Reduce freshwater demand by 65 percent • Reduce waste sent to landfills from our development and townships by 50 percent as well as construction waste by 20 percent	Page 127 Gamuda Green Plan 2025

SASB Content Index

ENGINEERING AND CONSTRUCTION

Code	Description	2022 Performance
ENVIRONMENTAL IMPACTS OF PROJECT DEVELOPMENT		
IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards, and regulations	All projects undertaken by the Group has complied with environmental and social impact assessments. The Group has not been censured or fined in the past three years for non-compliance with regulatory standards.
IF-EN-160a.2	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	Gamuda's approach is encapsulated through Pillar 1 of its Gamuda Green Plan 2025, Sustainable Planning and Design for Construction which provides comprehensive disclosure of how the Group addresses its environmental risks and overall environmental impacts. Gamuda's construction projects and its developments clearly reflect the approach. All projects showcase a commitment towards minimising environmental footprint by emphasising energy and water efficiency, recycling of waste and preservation or enhancement of the natural environment.
STRUCTURAL INTEGRITY AND SAFETY		
IF-EN-250a.1	Amount of defect and safety-related rework costs	Not available. To be monitored.
IF-EN-250a.2	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	Not available. To be monitored.
WORKFORCE HEALTH AND SAFETY		
IF-EN-320a.1	(1) Total recordable incident rate (TRIR) – Rate of Injury	
	Menara Gamuda	0
	Gamuda Land (Gamuda Cove, Gamuda Gardens, twenty. five7, Jade Hills, Horizon Hills, Bukit Bantayan Residences, Vietnam – Celadon City, Vietnam – Gamuda City, Clubhouses)	0
	Gamuda Engineering (Gamuda Digital IBS – Banting Factory, Belfield, Gems Residences, Look@118)	0
	(2) Total fatality rate for direct employees	
	Menara Gamuda	0
	Gamuda Land (Gamuda Cove, Gamuda Gardens, twenty. five7, Jade Hills, Horizon Hills, Bukit Bantayan Residences, Vietnam – Celadon City, Vietnam – Gamuda City, Clubhouses)	0
	Gamuda Engineering (Gamuda Digital IBS – Banting Factory, Belfield, Gems Residences, Look@118)	0

Code	Description	2022 Performance
LIFE CYCLE IMPACTS OF BUILDINGS AND INFRASTRUCTURE		
IF-EN-410a.1	(1) Number of commissioned projects certified to a third-party multi-attribute sustainability standard	Green Building Index (GBI) 1) Herons – provisional certificate 2) Waterlily – provisional certificate 3) The Robertson – Gold Standard 4) High Park Suites – Gold Standard
	(2) Number of projects seeking such certification	Green Building Index (GBI) 1) Monarch – Gamuda Garden 2) Ilaria – Gamuda Garden 3) Office Cluster at Gamuda Cove – Platinum Standard
IF-EN-410a.2	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	As mentioned earlier under IF-EN-160a.2, Gamuda continues to pursue resource consumption efficiency through Sustainable Planning and Design for Construction – Pillar 1 of the Gamuda Green Plan 2025. Gamuda leverages on its BIM and Digital IBS technologies to incorporate sustainable design features into the developments of homes, building and entire developments. Significant consideration is given to achieve optimum water and energy efficiency right from the master-planning and design stages. This is to ensure the most efficient possible environmental footprint is achieved over the life cycle of the project or structure.
BUSINESS ETHICS		
IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices	0
IF-EN-510a.3	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes	Gamuda has established a robust and comprehensive governance structure towards ensuring continued good corporate governance and ethical business practices across the Group. This is supported by the Group's Anti-Bribery and Corruption Policy (AB&C Policy). The AB&C Policy serves as the basis for setting what is deemed accepted behaviour expected of Gamuda's employees and its value chain. Relevant stakeholders are obligated to align with the policy and to conduct themselves and all dealings with Gamuda with the expected levels of corporate integrity.
ENERGY MANAGEMENT		
IF-RE-130a.2	(1) Total energy consumed by portfolio area with data coverage	111,114 GJ (30,864,882kWh)
	(2) Percentage grid electricity	Not available. To be monitored.
	(3) Percentage renewable, by property subsector	Not available. To be monitored.
IF-RE-130a.4WW	(1) Percentage of eligible portfolio that (1) has an energy rating; and	Please refer to disclosure provided under IF-EN-410a.1
	(2) is certified to ENERGY STAR, by property subsector	Not applicable to Malaysia

PROPERTY DEVELOPMENT

Code	Description	2022 Performance
WATER MANAGEMENT		
IF-RE-140a.2	(1) Total water withdrawn by the entity based on the water source (m^3)	
	Third-Party Water Source	1,085,386
	Surface Water Source	135,770
	Ground Water Source	3,258
	Produced Water	2,991
	(2) Percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Not available.
IF-RE-140a.3	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	Not available. To be monitored.
IF-RE-140a.4	Description of water management risks and discussion of strategies and practices to mitigate those risks	The Group acknowledges that one of the potential impacts arising from climate change and continued environmental degradation is declining or depleted freshwater sources. This could impact land banking and development strategies. However, the scenario also provides opportunities as it stimulates greater demand for treated or recycled water for non-potable commercial applications. This will necessitate more water treatment and wastewater treatment plants, of which Gamuda has expertise in the design, construction and operation of. The Group is committed to recycling 50 percent of water used at our construction sites by 2025 and reducing the freshwater demand in developments and townships by 65 percent. Further details of Gamuda's approach to managing water consumption is provided in SR2022 on pages 192 to 193.
CLIMATE CHANGE ADAPTATION		
IF-RE-450a.1	Area of properties located in 100-year flood zones, by property subsector	Similar modelling was done based on sea level rise using a 2 degrees and 4 degrees scenario. This was done for one of the projects in Malaysia.
IF-RE-450a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Gamuda is cognisant of risk factors arising from climate change and remains fully committed to addressing contributory effects arising from its business operations. The climate-related risks and opportunities are provided on pages 137 to 139.
SASB ACTIVITY METRICS		
IF-RE-000.A	Number of assets, by: active engineering and construction projects	Please refer to page 14 of this Integrated Report for more information.
	Number of assets, by active property subsector projects	Please refer to page 15 of this Integrated Report for more information.
IF-RE-000.B	Number of commissioned (engineering) projects	Please refer to page 14 of this Integrated Report for more information.

Independent Limited Assurance Report

Independent Limited Assurance Report on Selected Sustainability Information in Gamuda Berhad's Sustainability Report 2022

To the Board of Directors of Gamuda Berhad

We have been engaged by Gamuda Berhad ("Gamuda" or "the Company") to perform an independent limited assurance engagement on selected sustainability information, comprising the information set out in the Subject Matter (hereinafter referred to as "Selected Information") for the financial year ended 31 July 2022 as reported by Gamuda in its Sustainability Report 2022.

Criteria

The Selected Information needs to be read and understood together with the reporting criteria, which Gamuda is solely responsible for selecting and applying.

The reporting criteria used for the reporting of the Selected Information are as follows:

- Gamuda's internal sustainability reporting guidelines and procedures by which the Selected Information is gathered, collated and aggregated internally; and
- The Global Reporting Initiative's Sustainability Reporting Standards ("GRI standards") for disclosures (collectively referred to as the "Criteria").

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure the Selected Information allows for different, but acceptable, measurement basis and can affect comparability between entities and over time. Greenhouse Gas ("GHG") quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Subject Matter

The Selected Information reported and marked with asterisks (*) in the Gamuda's Sustainability Report 2022 on which we provide limited assurance consists of:

Subject matter	Criteria	Scope
Total number and percentage of employees communicated on anti-bribery and anti-corruption matters	GRI 205-2	Total number and percentage of employees communicated on anti-bribery and anti-corruption for Gamuda and its subsidiaries ("Gamuda Group").
Direct (Scope 1) GHG emissions	GRI 305-1-a	Total Scope 1 GHG emissions for the following projects: 1. Kota Permai Golf and Country Club ("KPGCC") 2. Gamuda Gardens – Sales Gallery 3. Quayside Mall 4. Penang South Islands ("PSI") – Pusat Perkhidmatan Setempat Nelayan *(or Fisherman's One stop Service Centre)* ("PPSN") 5. PSI – Site Offices 6. Menara Gamuda 7. GB Kuari 8. Gamuda Digital IBS – Banting

Independent Limited Assurance Report on Selected Sustainability Information in Gamuda Berhad's Sustainability Report 2022 (cont'd)

Subject Matter (cont'd)

Subject matter	Criteria	Scope
Energy indirect (Scope 2) GHG emissions	GRI 305-2-b	Total Scope 2 GHG emissions for the following: 1. KPGCC 2. Gamuda Gardens – Sales Gallery 3. Quayside Mall 4. PSI – PPSN 5. PSI – Site Offices 6. Menara Gamuda 7. GB Kuari 8. Gamuda Digital IBS – Banting
Total water withdrawal	GRI 303-3-a	Total water withdrawal for the following: 1. KPGCC 2. Gamuda Gardens – Sales Gallery 3. PSI – PPSN 4. PSI – Site Offices 5. Menara Gamuda 6. GB Kuari 7. Gamuda Digital IBS – Banting
Total weight of non-hazardous waste	GRI 306-3-a	Total weight of non-hazardous waste for the following: 1. Menara Gamuda 2. Quayside Mall
Total weight of waste generated	GRI 306-3-a	Total weight of waste generated for Gamuda Gardens – Phase 3A, Phase 3B
Lost-time injury frequency rate (LTIFR)	GRI 403-9-b-iii	Lost-time injury frequency (LTIFR) rate for: 1. Menara Gamuda 2. twentyfive.7 3. Gamuda Cove 4. Gamuda Gardens
Type and scope of programmes implemented and assistance to upgrade employee skills	GRI 404-2-a	Type and scope of programmes implemented by Gamuda Learning Centre
Total number and rate of new employee hires (by age group and gender)	GRI 401-1-a	Total number and rate of new employee hires for Gamuda Group by age group and gender
Total number and rate of employee turnover (by age group and gender)	GRI 401-1-b	Total number and rate of employee turnover for Gamuda Group by age group and gender
Proportion of spending on local suppliers	GRI 204-1	Proportion of spending on local suppliers for Gamuda Group within Malaysia (excluding joint ventures)
Percentage of landscape area	Non-GRI	Percentage of landscape area for the following projects: 1. Gamuda Cove 2. Gamuda Gardens

* *Refer to pages 122 to 207 of the Gamuda's Sustainability Report 2022 for the reporting criteria applied*

Our assurance was with respect to the financial year ended 31 July 2022 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the Gamuda's Sustainability Report 2022 and, therefore, do not express any conclusion thereon.

Management's Responsibility

Management of Gamuda is responsible for the preparation of the Selected Information included in the Gamuda's Sustainability Report 2022 in accordance with Gamuda's internal sustainability reporting guidelines and procedures.

This responsibility includes the selection and application of appropriate methods to prepare the Selected Information reported in the Gamuda's Sustainability Report 2022 as well as the design, implementation and maintenance of internal control relevant for the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error. Furthermore, the responsibility includes the use of assumptions and estimates for disclosures made by Gamuda which are reasonable in the circumstances.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements ("ISAE") 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we plan and perform this engagement under consideration of materiality to express our conclusion with limited assurance about whether the Selected Information is free from material misstatement. The accuracy of the Selected Information is subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. Our limited assurance report should therefore be read in conjunction with the Criteria.

A limited assurance engagement involves assessing the suitability in the circumstances of Gamuda's use of the Criteria as the basis for the preparation of the Subject Matter, assessing the risks of material misstatement of the Selected Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements", and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Main Assurance Procedures

Our work, which involved no independent examination of any of the underlying financial information, included the following procedures:

- Considered the suitability in the circumstances of Gamuda's Criteria as the basis for preparing the Selected Information;
- Inquired personnel responsible for data collection, collation and reporting of the Selected Information at the corporate and operating unit level, regarding the processes to prepare the said report and the underlying controls over those processes;
- Performed limited substantive testing on a sampling basis on transactions included in the Selected Information, by inspecting documents, reports, data capture forms and invoices;
- Checked the formulas and inputs used in the Selected Information against Gamuda's internal sustainability reporting guidelines and procedures; and
- Considered the appropriateness of the disclosures and presentation of the Selected Information based on the Criteria.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not prepared, in all material respects, in accordance with the Criteria.

Restriction on use

This report, including the conclusion, has been prepared solely for the Board of Directors of Gamuda in accordance with the agreement between us, in connection with the performance of an independent limited assurance engagement on the Selected Information as reported by Gamuda in its Sustainability Report 2022 and should not be used or relied upon for any other purposes. We consent to the inclusion of this report in the Gamuda's Sustainability Report 2022 to be disclosed in the website of Gamuda at www.gamuda.com.my, in respect of the financial year ended 31 July 2022, to assist the Directors in responding to their governance responsibilities by obtaining an independent limited assurance report on the Selected Information in connection with the preparation of Gamuda's Sustainability Report 2022. As a result, we will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come. Any reliance on this report by any third party is entirely at its own risk.

Yours faithfully,

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
4 November 2022

FINANCIAL STATEMENTS

Gamuda Gardens, Selangor, Malaysia

DIRECTORS' RESPONSIBILITY STATEMENT

In respect of Audited Financial Statements for the financial year ended 31 July 2022

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;
- ensured 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 the Company to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT

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 2022.

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
Continuing operations		
Profit before tax	897,799	501,330
Income tax expense	(156,385)	(30,838)
Profit for the financial year from continuing operations	741,414	470,492
Discontinued operations		
Profit for the financial year from discontinued operations, net of tax	94,632	106,514
Profit for the financial year	836,046	577,006
Profit attributable to:		
Owners of the Company	806,225	577,006
Non-controlling interests	29,821	–
	836,046	577,006

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.

DIRECTORS' REPORT (CONT'D.)

DIVIDENDS

The amount of dividends paid or declared since the end of previous financial year were as follows:

	RM'000
In respect of the financial year ended 31 July 2022:	
First interim dividend of 6 sen per ordinary share, declared on 21 December 2021 and paid on 8 March 2022:	
– Issuance of new shares in the Company pursuant to the Dividend Reinvestment Plan at the price of RM2.53 per share	102,218
– Cash dividend	48,594
Second interim dividend of 6 sen per ordinary share, declared on 29 June 2022 and paid on 2 September 2022:	
– Issuance of new shares in the Company pursuant to the Dividend Reinvestment Plan at the price of RM3.22 per share	119,586
– Cash dividend	33,650
	304,048

At the Extraordinary General Meeting of the Company held on 5 December 2019, the shareholders of the Company have approved the Dividend Reinvestment Plan ("DRP") which provides an option to the shareholders to reinvest either all or a portion of the declared dividends into new ordinary shares of the Company in lieu of receiving cash. At the 45th Annual General Meeting of the Company held on 8 December 2021, shareholders has granted authority to the Company to allot and issue new ordinary shares in the Company pursuant to the DRP.

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

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	
Puan Nazli binti Mohd Khir Johari	
Encik Mohammed Rashdan bin Mohd Yusof* (alternate to Y Bhg Dato' Lin Yun Ling)	
Ms. Chan Wai Yen	(Appointed w.e.f. 01.01.2022)
Mr. Justin Chin Jing Ho* (alternate to Y Bhg Dato' Ir Ha Tiing Tai)	(Appointed w.e.f. 18.10.2021)
Y Bhg Dato' Ubull a/l Din Om (alternate to Y Bhg Dato' Ir Ha Tiing Tai)	(Resigned w.e.f. 18.10.2021)
YM Tunku Afwida binti Tunku A.Malek	(Retired w.e.f. 08.12.2021)

* *Directors of the Company and certain subsidiary(ies)*

DIRECTORS' REPORT (CONT'D.)

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	
Ajit Singh Rai	
Andrew Edward Kesik	
Azmi bin Mohamad	
Beh Boon Ewe	
Carine Lacroix	
Carla Maria Alves Silva	
Caroline Baker	
Chan Kong Wah	
Chew Wee Hwang	
Chu Wai Lune	(Appointed w.e.f. 01.03.2022)
Chua Kheng Sun	
Chua Song Yong @ Eusoffe Chua	(Appointed w.e.f. 01.05.2022)
Dato' Haji Abdul Sahak bin Safi	
Dato' Haji Azmi bin Mat Nor	
Dato' Noordin bin Alaudin	
Dato' Seri Ir. Kamarul Zaman bin Mohd Ali	
Dato' Mahmud bin Abbas	(Appointed w.e.f. 15.10.2021)
Dato' Ubull A/L Din Om	
Datuk Hasmi bin Hasnan	
Devananda Naraidoo	
Dr. Ooi Lean Hock	
Emily Hii San San	
Foong Vooi Lin	
Goh Chee Young	
Johal Jagdish Singh	(Appointed w.e.f. 30.04.2022)
Julian Yeap Kheang Teik	
Khariza binti Abd Khalid	(Appointed w.e.f. 01.05.2022)
Khor Thiam Chay	
Kobinathan a/l Thangavelu	(Appointed w.e.f. 01.02.2022)
Larissa Chan Thien	
Liang Kai Chong	
Lim Hui Yan	
Lim Ji Xiong	(Appointed w.e.f. 01.05.2022)
Looi Hong Weei	
Lung Hian Li	(Appointed w.e.f. 01.06.2022)
Mohd Roslan bin Sarip	
Ng Hau Wei	
Ng Kit Cheong	
Ngan Chee Meng	
Ong Eng Chye	
Ong Jee Lian	
Rishi Kumar Emrit	
Saw Wah Theng	
Saw Yeok Hean	
Sazally bin Saidi	
Simpkin Nicholas Guy	(Appointed w.e.f. 06.10.2021)

DIRECTORS' REPORT (CONT'D.)

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.)

Soo Kok Wong	
Sueway Tan	(Appointed w.e.f. 01.05.2022)
Szeto Wai Loong	
Tang Meng Loon	
Tariq Syed Usman	
Teh Teck Seong	
Teng Poh Fern	
Tuan Haji Suhaimi bin Haji Kasdon	
Vaneeta Bickoo Brelu-Brelu	
Wong Mun Keong	
Yap Peng Loong	
Yew Yee Weng	
Mohd Hizzan bin Abdul Hamid	(Resigned w.e.f. 30.08.2021)
Hajah Siti Zubaidah binti Haji Abd Jabar	(Resigned w.e.f. 30.09.2021)
Dato' Goon Heng Wah	(Resigned w.e.f. 01.01.2022)
Aw Sei Cheh	(Resigned w.e.f. 01.03.2022)
Yuen Chee Meng	(Resigned w.e.f. 01.03.2022)
Eoin Conroy	(Resigned w.e.f. 30.04.2022)

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.

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 2022 was RM122,400 (2021: RM117,200). The directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

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 and options over shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
Gamuda Berhad	**1 August 2021**	**Bought/ DRP**	**Sold**	**31 July 2022**
Direct holding				
Y Bhg Dato' Lin Yun Ling	75,035,736	1,779,503	–	**76,815,239**
Y Bhg Dato' Ir. Ha Tiing Tai	27,384,000	648,000	–	**28,032,000**
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	228,750	5,424	(5,424)	**228,750**
Y Bhg Tan Sri Dato' Setia Haji Ambrin bin Buang	4,000	–	–	**4,000**
Encik Mohammed Rashdan bin Mohd Yusof	457,500	10,849	–	**468,349**
Indirect holding				
Y Bhg Dato' Ir. Ha Tiing Tai#	87,000	2,000	–	**89,000**
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah*	113,500,000	2,347,826	(2,347,826)	**113,500,000**

 # Deemed interest through son

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

Employees' Share Options Scheme

		Number of Options			
	Option price RM	**1 August 2021**	**Granted**	**Exercised**	**31 July 2022**
The Company					
Y Bhg Dato' Lin Yun Ling	2.85	–	6,000,000	–	**6,000,000**
Y Bhg Dato' Ir. Ha Tiing Tai	2.85	–	3,500,000	–	**3,500,000**
Encik Mohammed Rashdan bin Mohd Yusof	2.85	–	3,500,000	–	**3,500,000**
Mr. Justin Chin Jing Ho	2.85	–	3,000,000	–	**3,000,000**

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 or options over shares of the Company or its related corporations during the financial year.

The Company's Employees' Share Option Scheme ("ESOS") was approved by shareholders at the Extraordinary General Meeting held on 8 December 2021 and is effective for 5 years from 9 December 2021 to 31 January 2027.

As at 31 July 2022, all ESOS remain unexercised. The principal features of the ESOS and details of the share options granted as at 31 July 2022 are disclosed in Note 26(e) and Note 26(g) to the financial statements.

DIRECTORS' REPORT (CONT'D.)

ISSUANCE OF SHARES

During the financial year, the total number of issued and paid-up ordinary shares of the Company has increased from 2,513,528,454 to 2,553,930,909 by way of issuance of 40,402,455 new ordinary shares pursuant to the DRP application at an issue price of RM2.53 per ordinary share amounted to RM102,218,211.

The ordinary shares issued arising from the DRP shall rank pari passu in all respects with the existing issued ordinary shares of the Company.

OTHER STATUTORY INFORMATION

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for doubtful debts; and

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

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

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

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

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

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

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

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

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

(f) In the opinion of the directors:

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

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

DIRECTORS' REPORT (CONT'D.)

OTHER STATUTORY INFORMATION (CONT'D.)

(g) The Company has been granted exemption by the Companies Commission of Malaysia for its four 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 2022 as follows:

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

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

SIGNIFICANT AND SUBSEQUENT EVENT

Significant and subsequent event is 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	1,951	639
Other auditors	160	93
	2,111	732

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 12 October 2022.

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 242 to 412 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 2022 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 12 October 2022.

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 (MIA No. 10520), 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 242 to 412 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 12 October 2022.

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 2022 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 242 to 412.

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 2022, 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.

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 2022, property development revenue and cost of sales are as follows:

   Property development activities
   Revenue: RM2,528,106,000 (52% of Group's revenue from continuing operations)
   Cost of sales: RM1,853,970,000 (49% of Group's cost of sales from continuing operations)

   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.

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 (cont'd.)

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

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

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

i. Obtained an understanding of the processes and 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.

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 2022, construction revenue and cost of sales are as follows:

Construction contracts
Revenue: RM1,975,878,000 (40% of Group's revenue from continuing operations)
Cost of sales: RM1,744,552,000 (46% of Group's cost of sales from continuing operations)

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.

INDEPENDENT AUDITORS' REPORT (CONT'D.)

to the members of Gamuda Berhad
(Incorporated in Malaysia)

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

Key Audit Matters (cont'd.)

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

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 processes and 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.

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 2022 is RM315,843,000.

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.

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") (cont'd.)

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

i. Obtained an understanding of the relevant processes and 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 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 2022 is RM370,500,000 which accounted for approximately 3% 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 and the terminal value 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 the terminal 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 processes and internal controls over estimating the recoverable amount of the investment in the subsidiary;

ii. Evaluated the management's assumptions on 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, and the terminal growth rate;

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 Company's disclosure on investments in subsidiaries are included in Note 17 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.)

5. Net realisable value of completed property development units classified as inventories

As at 31 July 2022, the carrying amount of completed property units of RM630,432,000 represents 5% and 3% of the Group's total current assets and total assets respectively.

The current economic outlook and property market environment posed challenges to the sale of these inventories. The Group continues to monitor the realisable value of these inventories to ensure that these inventories are stated at the lower of cost and net realisable values (the estimated selling price less estimated costs necessary to make the sale).

We considered the net realisable value of completed units to be an area of audit focus as such assessment includes estimates made by management and is influenced by assumptions concerning future market and economic conditions.

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

i. Obtained an understanding of the processes and internal controls performed by management in estimating the net realisable value of these inventories; and

ii. Evaluated the management's assessment of the estimated selling price (less estimated cost necessary to make the sale) of these inventories by comparing to the recent transacted prices of similar completed property development units within the vicinity.

The Company's disclosure on completed property units are included in Note 13(c) 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 Directors' 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 information included in 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 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, 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) & AF 0039
Chartered Accountants

Tan Shium Jye
No. 02991/05/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
12 October 2022

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 July 2022

	Note	2022 RM'000	2021 RM'000
Continuing operations			
Revenue	4	**4,902,080**	3,268,807
Other income		**187,963**	177,519
Construction contract costs recognised as contract expenses		**(1,744,552)**	(1,410,639)
Land and development costs		**(1,853,970)**	(703,855)
Changes in inventory of finished goods and work in progress		**(11,741)**	(14,122)
Purchases – raw and trading materials		**(131,111)**	(199,975)
Production overheads		**(73,500)**	(89,746)
Staff costs	5	**(276,463)**	(180,390)
Depreciation and amortisation		**(111,543)**	(105,424)
Net reversal of/(allowance for) doubtful debts		**772**	(396)
Other operating expenses		**(253,294)**	(258,001)
Profit from operations	7	**634,641**	483,778
Finance costs	8	**(86,675)**	(100,166)
Share of profits of associated companies		**6,008**	2,459
Share of profits of joint ventures		**343,825**	224,908
Profit before tax from operations		**897,799**	610,979
Income tax expense	9	**(156,385)**	(132,171)
Profit for the year from operations		**741,414**	478,808
Discontinued operations			
Profit from discontinued operations, net of tax	47	**94,632**	153,381
Profit for the year		**836,046**	632,189
Profit attributable to:			
Owners of the Company			
– Continuing operations		**725,794**	454,762
– Discontinued operations		**80,431**	133,554
		806,225	588,316
Non-controlling interests			
– Continuing operations		**15,620**	24,046
– Discontinued operations		**14,201**	19,827
		29,821	43,873
Total		**836,046**	632,189

CONSOLIDATED INCOME STATEMENT (CONT'D.)

For the financial year ended 31 July 2022

	Note	2022 RM'000	2021 RM'000
Earnings per share attributable to owners of the Company			
Basic earnings per share (sen)	10(a)		
– Continuing operations		**28.68**	18.10
– Discontinued operations		**3.18**	5.31
		31.86	23.41
Fully Diluted earnings per share (sen)	10(b)		
– Continuing operations		**28.46**	18.10
– Discontinued operations		**3.15**	5.31
		31.61	23.41
Net dividends per ordinary share (sen)	11	**12.0**	–
Profit attributable to owners of the Company can be analysed as follows:			
Profit before taxation from continuing and discontinued operations		**1,016,110**	786,250
Less: Income tax expense		**(180,064)**	(154,061)
Profit after tax		**836,046**	632,189
Less: Non-controlling interests		**(29,821)**	(43,873)
Profit attributable to owners of the Company		**806,225**	588,316

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 2022

	2022 RM'000	2021 RM'000
Profit for the year	**836,046**	632,189
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Foreign currency translation (Note 27)	**114,276**	30,760
Share of associated companies' foreign currency translation (Note 27)	**(978)**	375
	113,298	31,135
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Fair value remeasurement on defined benefit plan (Note 29)	**3,767**	4,423
Income tax effect	**(163)**	(731)
	3,604	3,692
Total comprehensive income for the year	**952,948**	667,016
Total comprehensive income attributable to:		
Owners of the Company	**924,217**	622,463
Non-controlling interests	**28,731**	44,553
	952,948	667,016

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the financial year ended 31 July 2022

	Note	2022 RM'000	2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**1,095,482**	960,687
Land held for property development	13(a)	**3,507,908**	3,305,083
Investment properties	14	**691,494**	711,524
Right-of-use assets	15	**79,319**	82,677
Concession development expenditure	16	**137,124**	1,228,026
Interests in associated companies	18	**77,606**	780,426
Interests in joint arrangements	19	**933,063**	1,040,909
Other investments	20	**7,802**	812
Deferred tax assets	32	**64,246**	57,775
Receivables and other financial assets	21(b)	**324,653**	360,407
		6,918,697	8,528,326
Current assets			
Property development costs	13(b)	**2,011,858**	2,060,166
Inventories	13(c)	**655,437**	808,562
Receivables and other financial assets	21(a)	**2,437,077**	1,746,464
Contract assets	22	**2,695,647**	1,694,143
Tax recoverable		**20,381**	47,814
Investment securities	23	**700,782**	881,337
Cash and bank balances	25	**2,794,348**	2,656,658
		11,315,530	9,895,144
Assets held for sale	47	**2,028,499**	–
		13,344,029	9,895,144
Total assets		**20,262,726**	18,423,470

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D.)

For the financial year ended 31 July 2022

	Note	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	26	**3,723,167**	3,620,949
Reserves		**6,181,801**	5,542,608
Owners' equity		**9,904,968**	9,163,557
Non-controlling interests		**349,444**	352,145
Total equity		**10,254,412**	9,515,702
Non-current liabilities			
Payables	30(a)	**202,840**	212,881
Contract liabilities	22	**21,486**	25,621
Provision for liabilities	37	**99,262**	116,542
Deferred tax liabilities	32	**104,311**	296,154
Long term Islamic debts	33	**1,950,000**	2,645,000
Long term conventional debts	34	**1,280,727**	1,130,630
		3,658,626	4,426,828
Current liabilities			
Payables	30(b)	**2,666,581**	1,745,594
Contract liabilities	22	**1,429,921**	1,028,619
Provision for liabilities	37	**160,434**	158,183
Short term Islamic debts	33	**1,008,902**	790,000
Short term conventional debts	34	**540,435**	662,164
Tax payable		**84,361**	96,380
		5,890,634	4,480,940
Liabilities directly associated with the assets held for sale	47	**459,054**	–
		6,349,688	4,480,940
Total liabilities		**10,008,314**	8,907,768
Total equity and liabilities		**20,262,726**	18,423,470

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 2022

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 2021	**3,620,949**	**–**	**222,622**	**5,319,986**	**9,163,557**	**352,145**	**9,515,702**
Total comprehensive income	**–**	**–**	**114,387**	**809,830**	**924,217**	**28,731**	**952,948**
Transactions with owners:							
Share options granted under ESOS	**–**	**16,832**	**–**	**–**	**16,832**	**–**	**16,832**
Issuance of ordinary shares by a subsidiary to non-controlling interest	**–**	**–**	**–**	**–**	**–**	**7,968**	**7,968**
Dividends paid by subsidiaries to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**(39,400)**	**(39,400)**
First interim dividend paid to shareholders:							
– Issuance of new shares in the Company pursuant to the DRP (Note 11)	**102,218**	**–**	**–**	**(102,218)**	**–**	**–**	**–**
– Cash dividend (Note 11)	**–**	**–**	**–**	**(48,594)**	**(48,594)**	**–**	**(48,594)**
Second interim dividend payable to shareholders:							
– Issuance of new shares in the Company pursuant to the DRP (Note 11)	**–**	**–**	**–**	**(119,586)**	**(119,586)**	**–**	**(119,586)**
– Cash dividend (Note 11)	**–**	**–**	**–**	**(33,650)**	**(33,650)**	**–**	**(33,650)**
Acquisition of additional interest in a joint arrangement (Note 19(c)(i))	**–**	**–**	**–**	**2,192**	**2,192**	**–**	**2,192**
Total transactions with owners	**102,218**	**16,832**	**–**	**(301,856)**	**(182,806)**	**(31,432)**	**(214,238)**
At 31 July 2022	**3,723,167**	**16,832**	**337,009**	**5,827,960**	**9,904,968**	**349,444**	**10,254,412**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D.)

For the financial year ended 31 July 2022

	← Attributable to owners of the Company →					
	← Non-distributable →		Distributable			
Group	**Share capital (Note 26) 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 2020	3,620,946	288,973	4,631,173	8,541,092	426,502	8,967,594
Total comprehensive income	–	30,455	592,008	622,463	44,553	667,016
Transactions with owners:						
Issuance of ordinary shares pursuant to conversion of Warrants (Notes 26 and 27)	3	(1)	–	2	–	2
Issuance of ordinary shares by a subsidiary to non-controlling interest	–	–	–	–	3,538	3,538
Transfer warrants reserves to retained profits upon expiry of warrants	–	(96,805)	96,805	–	–	–
Dividends paid by subsidiaries to non-controlling interests	–	–	–	–	(122,448)	(122,448)
Total transactions with owners	3	(96,806)	96,805	2	(118,910)	(118,908)
At 31 July 2021	3,620,949	222,622	5,319,986	9,163,557	352,145	9,515,702

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 2022

	2022 RM'000	2021 RM'000
Cash flows from operating activities		
Profit before tax from continuing operations	**897,799**	610,979
Profit before tax from discontinued operations	**118,311**	175,271
Profit before tax	**1,016,110**	786,250
Adjustments for:		
Amortisation:		
– Concession development expenditure	**23,555**	21,520
Depreciation:		
– Property, plant and equipment	**62,972**	65,828
– Investment properties	**16,742**	11,894
– Right-of-use assets	**8,271**	5,741
Provision for/(reversal of):		
– Liabilities	**1,400**	2,822
– Retirement benefits obligations	**5,509**	(2,529)
– Short term accumulating compensated absences	**1,107**	4,170
Property, plant and equipment written off	**422**	2,427
Net (gain)/loss on:		
– Disposal of property, plant and equipment	**(3,404)**	3
– Disposal of investment properties	**(3,563)**	(6,242)
– Unrealised foreign exchange	**578**	1,175
– Deemed disposal of interest in an associated company	**(10,196)**	(1,858)
Fair value (gain)/loss on embedded derivatives	**(16,418)**	6,182
Share of profits of:		
– Associated companies	**(6,008)**	(2,459)
– Joint ventures	**(343,825)**	(224,908)
Net (reversal of)/allowance for doubtful debts	**(772)**	396
Share options granted under ESOS	**16,832**	–
Distribution from investment securities:		
– Islamic	**(6,789)**	(9,873)
– Non-Islamic	**(12,142)**	(11,157)
Profit rate from Islamic fixed deposits	**(7,289)**	(5,974)
Interest income arising from:		
– Non-Islamic fixed deposits	**(82,990)**	(68,722)
– Significant financing component	**(190)**	(211)
Unwinding of discount:		
Notional interest income on non-current:		
– Trade receivables	**(6,909)**	(15,272)
– Amounts due from joint ventures	**(3,518)**	(3,617)
Notional interest expense on non-current payables	**31,539**	27,789
Finance costs	**55,136**	72,377
Operating profit before working capital changes	**736,160**	655,752

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D.)

For the financial year ended 31 July 2022

	2022 RM'000	2021 RM'000
Cash flows from operating activities (cont'd.)		
Operating profit before working capital changes	**736,160**	655,752
Movement in:		
– Land held for property development	**(227,583)**	(166,557)
– Property development costs	**684,619**	377,745
– Receivables	**(669,169)**	948,784
– Inventories	**16,460**	(250,337)
– Contract assets/(liabilities)	**(565,412)**	(258,909)
– Lease liabilities	**5,703**	2,969
– Payables	**805,976**	(44,150)
Cash generated from operations	**786,754**	1,265,297
Income taxes paid	**(111,557)**	(148,946)
Finance costs paid	**(198,991)**	(206,170)
Retirement benefit obligations paid	**(1,788)**	(4,702)
Net operating cash flows attributable to discountinued operations	**(4,317)**	66,092
Net cash generated from operating activities	**470,101**	971,571
Cash flows from investing activities		
Additions to:		
– Property, plant and equipment	**(205,510)**	(89,797)
– Land held for property development expenditure	**(166,778)**	(218,912)
– Investment properties	**(2,658)**	(134,967)
– Concession development expenditures	**(9,537)**	(13,057)
– Right-of-use assets – leasehold land	**–**	(2,962)
Acquisition of land for property development	**(181,840)**	–
Proceeds from:		
– Disposal of property, plant and equipment	**4,935**	127
– Disposal of investment properties	**6,782**	12,409
Capital injection to an associated company	**(2,100)**	–
Additional of interest in joint ventures (net)	**–**	24,510
Net withdrawal/(purchase) of investment securities	**175,912**	(236,870)
Net withdrawal/(placement) of deposits with tenure more than 3 months	**37,453**	(568,720)
Dividend received from:		
– Associated companies	**57,514**	272,465
– Joint ventures	**423,000**	186,206
Distribution received from investment securities:		
– Islamic	**6,876**	9,873
– Non-Islamic	**12,142**	11,157
Profit rate received from Islamic fixed deposits	**12,293**	6,983
Interest income received from non-Islamic fixed deposits	**76,329**	68,722
Net investing cash flows attributable to discountinued operations	**151,717**	(146,377)
Net cash generated from/(used in) investing activities	**396,530**	(819,210)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D.)

For the financial year ended 31 July 2022

	2022 RM'000	2021 RM'000
Cash flows from financing activities		
Net repayment of borrowings and debts	**(143,510)**	(154,694)
Repayment of lease liabilities	**(6,113)**	(6,564)
Proceeds from conversion of warrants	**–**	2
Capital injection in a subsidiary by non-controlling interest	**7,968**	3,538
Dividends paid to:		
– Shareholders	**(48,593)**	–
– Non-controlling interests	**(18,400)**	(108,948)
Net financing cash flows attributable to discountinued operations	**(111,000)**	(103,500)
Net cash used in financing activities	**(319,648)**	(370,166)
Net increase/(decrease) in cash and cash equivalents	**546,983**	(217,805)
Effects of exchange rate changes	**51,154**	9,341
Cash and cash equivalents at beginning of year	**1,310,297**	1,518,761
Cash and cash equivalents at end of year (Note 25)	**1,908,434**	1,310,297

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.

	Borrowings RM'000	Lease liabilities RM'000	Total RM'000
At 1 August 2021	**5,227,794**	**10,727**	**5,238,521**
Repayment during the year	**(1,063,983)**	**(6,113)**	**(1,070,096)**
Additions during the year	**830,473**	**5,301**	**835,774**
Fair value gain on embedded derivatives	**(16,418)**	**–**	**(16,418)**
Interest expense	**–**	**402**	**402**
Effects of exchange rate changes	**(2,802)**	**89**	**(2,713)**
	4,975,064	**10,406**	**4,985,470**
Less: Liabilities directly associated with the assets held for sale	**(195,000)**	**–**	**(195,000)**
At 31 July 2022	**4,780,064**	**10,406**	**4,790,470**
At 1 August 2020	5,465,131	14,279	5,479,410
Repayment during the year	(2,000,821)	(6,564)	(2,007,385)
Additions during the year	1,756,127	2,375	1,758,502
Fair value loss on embedded derivatives	6,182	–	6,182
Interest expense	–	594	594
Effects of exchange rate changes	1,175	43	1,218
At 31 July 2021	5,227,794	10,727	5,238,521

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

INCOME STATEMENT

For the financial year ended 31 July 2022

	Note	2022 RM'000	2021 RM'000
Continuing operations			
Revenue	4	**1,832,065**	1,837,441
Other income		**166,636**	187,667
Construction contract costs recognised as contract expenses		**(1,185,642)**	(825,519)
Staff costs	5	**(102,868)**	(56,511)
Depreciation		**(6,302)**	(6,637)
Other operating expenses		**(50,842)**	(71,648)
Impairment of cost of investment in SMART Holdings		**(49,500)**	–
Profit from operations	7	**603,547**	1,064,793
Finance costs	8	**(102,217)**	(120,639)
Profit before tax from operations		**501,330**	944,154
Income tax expense	9	**(30,838)**	(50,366)
Profit for the year from operations		**470,492**	893,788
Discontinuing operations			
Profit from discontinued operations, net of tax	47	**106,514**	77,511
Profit for the year		**577,006**	971,299
Net dividends per ordinary share (sen)	11	**12.00**	–

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 2022

	2022 RM'000	2021 RM'000
Profit for the year	**577,006**	971,299
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Foreign currency translation (Note 27)	**663**	7,383
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Fair value remeasurement on defined benefit plan (Note 29)	**368**	1,331
Income tax effect	**(88)**	(319)
Other comprehensive income for the year, net of tax	**943**	8,395
Total comprehensive income for the year	**577,949**	979,694

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

STATEMENT OF FINANCIAL POSITION

As at 31 July 2022

	Note	2022 RM'000	2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**196,598**	138,923
Investment properties	14	**9,764**	9,788
Right-of-use assets	15	**7,569**	5,196
Investments in subsidiaries	17	**4,563,658**	4,374,869
Interests in associated companies	18	**3,004**	253,218
Interests in joint arrangements	19	**128,127**	177,627
Other investments	20	**7,802**	733
Deferred tax assets	32	**5,693**	6,520
Receivables and other financial assets	21(b)	**12,589**	26,525
Due from subsidiaries	24	**1,150,000**	2,174,536
		6,084,804	7,167,935
Current assets			
Inventories	13(c)	**661**	647
Receivables	21(a)	**870,767**	734,775
Contract assets	22	**39,535**	45,825
Due from subsidiaries	24	**2,986,151**	2,033,993
Investment securities	23	**606,192**	743,716
Cash and bank balances	25	**722,856**	135,105
Tax recoverable		**2,038**	1,264
		5,228,200	3,695,325
Assets held for sale	47	**635,348**	–
		5,863,548	3,695,325
Total assets		**11,948,352**	10,863,260

STATEMENT OF FINANCIAL POSITION (CONT'D.)

As at 31 July 2022

	Note	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	26	**3,723,167**	3,620,949
Reserves		**3,813,215**	3,520,290
Owners' equity		**7,536,382**	7,141,239
Non-current liabilities			
Payables	30(a)	**49,640**	72,917
Due to subsidiaries	36	**1,892**	12,256
Long term Islamic debts	33	**850,000**	1,750,000
Long term conventional debts	34	**300,000**	100,000
		1,201,532	1,935,173
Current liabilities			
Payables	30(b)	**670,343**	219,854
Contract liabilities	22	**1,245,163**	856,448
Due to subsidiaries	36	**107,656**	131,230
Short term Islamic debts	33	**908,902**	400,000
Short term conventional debts	34	**254,284**	157,987
Tax payable		**24,090**	21,329
		3,210,438	1,786,848
Total liabilities		**4,411,970**	3,722,021
Total equity and liabilities		**11,948,352**	10,863,260

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 2022

	← Non-distributable		→	Distributable	
Company	**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**
At 1 August 2021	**3,620,949**	**–**	**7,063**	**3,513,227**	**7,141,239**
Total comprehensive income	**–**	**–**	**663**	**577,286**	**577,949**
Transactions with owners:					
Share options granted under ESOS	**–**	**16,832**	**–**	**–**	**16,832**
First interim dividend paid to shareholders:					
– Issuance of new shares in the Company pursuant to the DRP (Note 11)	**102,218**	**–**	**–**	**(102,218)**	**–**
– Cash dividend (Note 11)	**–**	**–**	**–**	**(48,594)**	**(48,594)**
Second interim dividend payable to shareholders:					
– Issuance of new shares in the Company pursuant to the DRP (Note 11)	**–**	**–**	**–**	**(119,586)**	**(119,586)**
– Cash dividend (Note 11)	**–**	**–**	**–**	**(33,650)**	**(33,650)**
Acquisition of additional interest in a joint arrangement (Note 19(c)(i))	**–**	**–**	**–**	**2,192**	**2,192**
Total transactions with owners	**102,218**	**16,832**	**–**	**(301,856)**	**(182,806)**
At 31 July 2022	**3,723,167**	**16,832**	**7,726**	**3,788,657**	**7,536,382**

	← Non-distributable	→	Distributable	
Company	**Share capital (Note 26) RM'000**	**Other reserves (Note 27) RM'000**	**Retained profits (Note 28) RM'000**	**Total RM'000**
At 1 August 2020	3,620,946	96,486	2,444,111	6,161,543
Total comprehensive income	–	7,383	972,311	979,694
Transactions with owners:				
Issue of ordinary shares pursuant to conversion of Warrants (Notes 26 and 27)	3	(1)	–	2
Transfer warrants reserves to retained profits upon expiry of warrants	–	(96,805)	96,805	–
Total transactions with owners	3	(96,806)	96,805	2
At 31 July 2021	3,620,949	7,063	3,513,227	7,141,239

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 2022

	2022 RM'000	2021 RM'000
Cash flows from operating activities		
Profit before tax from continuing operations	**501,330**	944,154
Profit before tax from discontinued operations	**106,514**	77,511
Profit before tax	**607,844**	1,021,665
Adjustments for:		
Depreciation:		
– Property, plant and equipment	**5,566**	5,810
– Right-of-use assets	**712**	803
– Investment properties	**24**	24
Provision for:		
– Retirement benefits obligations	**693**	551
– Short term accumulating compensated absences	**186**	906
Net gain on:		
– Disposal of property, plant and equipment	**(7)**	(13)
– Unrealised foreign exchange	**(12,012)**	(328)
Share options granted under ESOS	**16,832**	–
Dividend income from:		
– Subsidiaries	**(139,170)**	(573,188)
– Associated companies	**(57,514)**	(264,051)
– Joint ventures	**(423,000)**	(80,000)
Distribution from investment securities:		
– Islamic	**(5,575)**	(7,085)
– Non-Islamic	**(8,757)**	(8,723)
Profit rate from Islamic fixed deposits	**(330)**	(554)
Interest income from:		
– Non-Islamic fixed deposits	**(1,433)**	(1,074)
– Subsidiaries	**(128,653)**	(149,499)
Unwinding of discount:		
Notional interest income on non-current:		
– trade receivables	**(3,018)**	(349)
– amounts due from joint ventures	**(1,213)**	(1,432)
Notional interest expense on non-current payables	**5,306**	3,042
Finance costs	**96,911**	117,597
Impairment of cost of investment in SMART Holdings	**49,500**	–
Operating profits before working capital changes	**2,892**	64,102
Movement in:		
– Net amounts due from/to subsidiaries (trade)	**897,165**	(173,545)
– Receivables	**(122,056)**	169,278
– Inventories	**(14)**	501
– Contract assets/(liabilities)	**398,278**	(108,761)
– Lease liabilities	**2,405**	706
– Payables	**273,379**	19,041
Cash generated from/(used in) operations	**1,452,049**	(28,678)
Dividend received	**513,170**	839,728
Income taxes paid	**(28,131)**	(48,269)
Finance costs paid	**(96,911)**	(117,620)
Retirement benefit obligations paid	**–**	(167)
Net operating cash flows attributable to discountinued operations	**106,514**	77,511
Net cash generated from operating activities	**1,946,691**	722,505

STATEMENT OF CASH FLOWS (CONT'D.)

For the financial year ended 31 July 2022

	2022 RM'000	2021 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	**(65,200)**	(3,728)
Proceeds from disposal of property, plant and equipment	**13**	69
Capital injection in subsidiaries	**(258,356)**	(25,493)
Additions in right-of-use assets	**(5,007)**	–
Acquisition of additional interest in other investments	**(7,069)**	–
Net (advances to)/repayment from subsidiaries	**(1,162,279)**	281,614
Capital redemption from a subsidiary	**–**	20,000
Net withdrawal/(purchase) of investment securities	**137,524**	(161,866)
Distribution received from investment securities:		
– Islamic	**5,575**	7,085
– Non-Islamic	**8,757**	8,723
Profit rate received from Islamic fixed deposits	**330**	554
Interest income from:		
– Non-Islamic fixed deposits	**1,433**	1,074
– Subsidiaries	**128,653**	149,499
Net cash (used in)/generated from investing activities	**(1,215,626)**	277,531
Cash flows from financing activities		
Net repayment of borrowings and debts	**(93,518)**	(1,059,503)
Payment of lease liabilities	**(1,831)**	(1,690)
Proceeds from:		
– Conversion of warrants	**–**	2
Dividend paid to shareholders	**(48,593)**	–
Net cash used in from financing activities	**(143,942)**	(1,061,191)
Net increase/(decrease) in cash and cash equivalents	**587,123**	(61,155)
Effects of exchange rate changes	**628**	728
Cash and cash equivalents at beginning of year	**135,105**	195,532
Cash and cash equivalents at end of year (Note 25)	**722,856**	135,105

STATEMENT OF CASH FLOWS (CONT'D.)

For the financial year ended 31 July 2022

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.

	Borrowings RM'000	Lease liabilities RM'000	Total RM'000
At 1 August 2021	**2,407,987**	**682**	**2,408,669**
Repayment during the year	**(1,590,828)**	**(1,831)**	**(1,592,659)**
Additions during the year	**1,497,310**	**4,159**	**1,501,469**
Interest expense	**–**	**69**	**69**
Effects of exchange rate changes	**(1,283)**	**8**	**(1,275)**
At 31 July 2022	**2,313,186**	**3,087**	**2,316,273**
At 1 August 2020	3,464,080	1,586	3,465,666
Repayment during the year	(1,250,722)	(1,690)	(1,252,412)
Additions during the year	191,219	706	191,925
Interest expense	–	58	58
Effects of exchange rate changes	3,410	22	3,432
At 31 July 2021	2,407,987	682	2,408,669

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

NOTES TO THE FINANCIAL STATEMENTS
– 31 July 2022

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.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 12 October 2022.

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.

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 2021, the Group and the Company adopted the following amended MFRSs:

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

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2

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

Amendments to MFRS 16	COVID-19 – Related Rent Concession beyond 30 June 2021

The adoption of these amended standards did not have any material financial impact to the Group and the Company.

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 amendments to MFRSs that have been issued, but yet to be effective:

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

Amendments to MFRS 3	Reference to the Conceptual framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 1, MFRS 9, MFRS 16, MFRS 141	Annual Improvements to MFRS Standards 2018–2020
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract

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

Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 and amendments to MFRSs will have no significant impact on the financial statements of the Group and the Company 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.

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

2.4 Basis of consolidation (cont'd.)

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.

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 other comprehensive income ("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.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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.

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

2.5 Business combinations and goodwill (cont'd.)

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

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

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

2.6 Investment in 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

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

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 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.

When the Group's effective interest in associated companies reduces over time arising from the corporate exercises that do not involve the Group, such reduction in effective interest is commonly referred to as deemed disposal. The deemed disposal gives rise to only a partial disposal, such that the Group continues to equity account the Group's interest in the associated companies and consequently gives rise to dilution gain.

The applicable accounting standard, MFRS 128 Investment in Associates and Joint Ventures, does not prescribe where the dilution gains should be recognised in profit or loss, other comprehensive income ("OCI") or equity. In the absence of further guidance, the Group had decided to recognise the dilution gains in other comprehensive income and applied it consistently in the previous financial years.

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

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 to the financial statements.

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

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.

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

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 profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

2.8 Intangible assets (cont'd.)

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

Other intangible assets of the Group comprise of water development expenditure.

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.

2.9 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 depreciate 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%

The Group and the Company review the estimated residual values and expected useful lives of assets at least annually. In particular, the Group and the Company consider the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

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 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 to the financial statements.

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 2022

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

2.10 Leases

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(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 liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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.

The Group's and the Company's lease liabilities are included in Note 31 to the financial statements.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

2.10 Leases (cont'd.)

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to 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) to the financial statements.

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 to the financial statements. 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 to the financial statements.

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 to the financial statements. 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 to the financial statements. 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.

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.

2.14 Inventories

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

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

2.14 Inventories (cont'd.)

(a) Land held for property development (cont'd.)

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 carried at costs less any accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Construction in progress included in investment properties 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:

Leasehold land	2% – 13%
Buildings	2% – 13%

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. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

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 up to the date of change in use, as set out in Note 2.9 to the financial statements.

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

2.17 Taxes (cont'd.)

(b) Deferred tax (cont'd.)

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.

(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.

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

2.18 Employee benefits (cont'd.)

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

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 to the financial statements.

(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 is 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 entrance fees are received upfront and recognised on a straight-line basis over the tenure of the membership.

(b) Other income

(i) Interest income

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

(ii) Rental income

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

2.20 Foreign currencies

(a) Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

2.20 Foreign currencies (cont'd.)

(b) Transactions and balances

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

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

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

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

(c) Group companies

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

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

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

	2022 RM	2021 RM
United States Dollar	**4.441**	4.225
Indian Rupee	**0.056**	0.057
New Taiwan Dollar	**0.149**	0.151
Qatari Riyal	**1.207**	1.151
Bahraini Dinar	**11.780**	11.119
100 Vietnam Dong	**0.019**	0.018
Australian Dollar	**3.047**	3.127
Singapore Dollar	**3.183**	3.126
Pound Sterling	**5.327**	5.906

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

2.21 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through 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. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

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

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

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

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

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

2.21 Financial assets (cont'd.)

Financial assets at fair value through OCI (debt instruments)

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

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

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

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

Financial assets at fair value through profit or loss

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

2.21 Financial assets (cont'd.)

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.

2.22 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

2.22 Impairment of financial assets (cont'd.)

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 bank overdrafts as they are considered an integral part of the Group's cash management.

2.24 Share capital and share issuance expenses

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

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings and accrued as liability in the financial year in which the obligation to pay is established.

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.

Subsequent measurement

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

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

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

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

Gains or losses on liabilities held for trading are recognised in 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

2.25 Financial liabilities (cont'd.)

Subsequent measurement (cont'd.)

The measurement of financial liabilities depends on their classification, as described below: (cont'd.)

(b) Other financial liabilities

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

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 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 profit or loss.

Offsetting of financial instruments

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

2.26 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

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

Initial recognition and subsequent measurement (cont'd.)

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.

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

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.

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.

Policies and procedures are determined by the Group for both recurring fair value measurement and for non-recurring measurement.

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

2.30 Right-of-use assets – leasehold land

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

Right-of-use assets – quarry rights

The quarry rights are attributable to G.B. Kuari Sdn. Bhd. which have been granted the rights to operate quarry for a period of 30 years ending Year 2050. The quarry rights are amortised over the lease term.

2.31 Contract assets and contract liabilities

A contract asset is the right of the Group to consideration in exchange for goods or services that it has transferred to the customer when that right is conditional upon future performance but not through the passage of time. If the Group has performed its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised and presented net of any amounts that has been recognised as receivables. Contract asset is the excess of cumulative revenue earned or recognised in profit or loss over the billings to date to the customer. Contract assets are subject to impairment assessment in accordance of MFRS 9.

A contract liability is the obligation of the Group to transfer goods and services to a customer for which it has received consideration or an amount of consideration is due from the customer. If a customer pays consideration, such as advance payment and down payments, or the Group has a right to an amount of consideration that is unconditional before it 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 when the Group performs its obligation under the contract. Contract liability is the excess of the billings to date to the customer over the cumulative revenue earned or recognised in profit or loss.

2.32 Financial guarantee contracts

A financial guarantee contract is a contract that requires the guarantor to make specified payments to reimburse the holder of a guarantee for a loss it incurs because a specified guaranteed debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contract is recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value. The fair value of a financial guarantee contract is the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee. The present value is calculated using a risk free rate of interest.

At the end of each subsequent reporting period, financial guarantees are measured at the higher of:

(i) the amount of the loss allowance determined in accordance with ECL; and

(ii) the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15, where appropriate.

2.33 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position except for contingent liabilities assumed in a business combination of which the fair value can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

2.34 Current and non-current classification

The Group presents assets and liabilities in the statements of financial position based on current and non-current classification.

An asset is classified as current when it is:

(i) expected to be realised or intended to be sold or consumed in normal operating cycle;

(ii) held primarily for the purpose of trading;

(iii) expected to be realised within 12 months after the reporting period; or

(iv) cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(i) it is expected to be settled in normal operating cycle;

(ii) it is held primarily for the purpose of trading;

(iii) it is due to be settled within 12 months after the reporting period; or

(iv) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

2.35 Contract cost assets

(i) Incremental costs of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained.

(ii) Costs to fulfil a contract

The costs incurred in fulfilling a contract with a customer who are not within the scope of other MFRSs such as MFRS 102: *Inventories*, MFRS 116: *Property, Plant and Equipment* and MFRS 138: *Intangible Assets*, are recognised as contract cost assets when all of the following criteria are met:

– costs relate directly to a contract or to an anticipated contract that can be specifically identified;

– the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

– the costs are expected to be recovered.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108: *Accounting Policies, Changes in Accounting Estimate and Errors*.

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

2.35 Contract cost assets (cont'd.)

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

- the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract cost, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with other MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract cost assets in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136: *Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

2.36 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset ("disposal group"), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 47. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 and cost of sales from 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) to the financial statements.

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 to the financial statements.

(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 to the financial statements.

(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) to the financial statements.

If the actual claims differ by 5% from management's estimates, the Group's profit for the year will increase/decrease by RM1,549,000 (2021: RM1,583,000).

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

Key sources of estimation uncertainty (cont'd.)

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: (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) to the financial statements.

(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 net carrying amount of the investment in GIBS as at 31 July 2022 was RM370,500,000. 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 involves estimates and include the use of discounted cash flow analysis with a terminal value, considering the current market value indicators, recent arms-length market transactions and suitable terminal growth rate. These estimates provide reasonable approximations to the computation of recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

Key sources of estimation uncertainty (cont'd.)

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: (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 net carrying of GIBS's property, plant and equipment as at 31 July 2022 was RM315,843,000 (2021: RM329,279,000). 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 said impaired 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.

(h) Non-consolidation of entity in which the Group holds more than a majority of shareholding interest

The Group does not consider that it controls Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("SPRINT Holdings") even though the Group holds an effective shareholding interest of 52% in SPRINT Holdings. This is because the Group only holds a direct voting right of 30% in SPRINT Holdings. The remaining 22% of the equity share in SPRINT Holdings is held via another associated company of the Group, Lingkaran Trans Kota Holdings Berhad ("LITRAK Holdings"), vis a vis indirect interest owned by the Group. The Group does not control LITRAK Holdings. As a result, the Group does not hold a majority voting right in SPRINT Holdings and therefore, SPRINT Holdings is considered as an associated company.

(i) Net realisable value of completed property development units classified as inventories

Inventories held for sale are stated at the lower of cost or net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices.

Inventories held for sale are reviewed on a regular basis and the Group will make an allowance for impairment primarily based on historical trends and management estimates of expected and future product demand and related pricing.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

Key sources of estimation uncertainty (cont'd.)

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: (cont'd.)

(i) Net realisable value of completed property development units classified as inventories (cont'd.)

Demand and pricing levels could change from time to time. If such factors result in an adverse effect on the Group's products, the Group provides additional allowances for slow moving inventories.

The carrying amount of the Group's completed property units as at reporting date is disclosed in Note 13(c) to the financial statements.

4. REVENUE

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

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Continuing operations				
Engineering and construction contracts	**1,975,878**	1,784,789	**1,318,891**	997,713
Sales of development properties	**2,528,106**	1,091,803	**–**	–
Trading of construction materials	**61,814**	75,338	**–**	–
Sales of manufactured products	**12,725**	36,793	**–**	–
Quarry sales	**61,123**	42,855	**–**	–
Supply of water and related services	**179,663**	177,227	**–**	–
Dividend income from subsidiaries	**–**	–	**90,170**	541,688
Dividend income from associated companies	**–**	–	**–**	218,040
Dividend income from joint ventures	**–**	–	**423,000**	80,000
Others	**82,771**	60,002	**4**	–
	4,902,080	3,268,807	**1,832,065**	1,837,441
Discontinued operations				
Toll concession revenue	**241,802**	248,411	**–**	–
Dividend income from subsidiaries	**–**	–	**49,000**	31,500
Dividend income from associated companies	**–**	–	**57,514**	46,011
	241,802	248,411	**106,514**	77,511
Total	**5,143,882**	3,517,218	**1,938,579**	1,914,952
Timing of revenue recognition:				
Continuing operations				
– At a point in time	**780,805**	617,902	**513,174**	839,728
– Over time	**4,121,275**	2,650,905	**1,318,891**	997,713
Discontinued operations				
– At a point in time	**241,802**	248,411	**106,514**	77,511
Total	**5,143,882**	3,517,218	**1,938,579**	1,914,952

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

4. REVENUE (CONT'D.)

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

	2022 RM'000	2021 RM'000
Revenue of the Group	**5,143,882**	3,517,218
Share of revenue of joint ventures:		
– Engineering and construction contracts	**1,122,688**	1,317,741
– Property development and club operations	**155,161**	172,126
– Water and expressway concessions	**12,776**	8,872
	6,434,507	5,015,957
Analysed as:		
Continuing operations	**6,179,929**	4,758,674
Discontinued operations	**254,578**	257,283
	6,434,507	5,015,957

5. STAFF COSTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Wages and salaries:	**288,065**	247,412	**109,503**	80,335
– Company	**70,290**	31,795	**70,290**	31,795
– Joint operations	**39,213**	48,540	**39,213**	48,540
– Subsidiaries	**178,562**	167,077	**–**	–
Bonus	**27,706**	–	**8,588**	–
Directors' remuneration (Note 6)	**11,190**	9,696	**10,277**	9,065
Short term accumulating compensated absences	**1,107**	4,170	**186**	906
Defined contribution plans	**30,309**	24,420	**9,159**	5,899
Provision for retirement benefit obligations	**5,385**	(2,700)	**566**	424
Share options granted under ESOS (Note 7)	**15,340**	–	**15,620**	–
Social security costs	**3,428**	3,436	**133**	228
Other staff related expenses	**49,014**	29,784	**16,355**	8,100
	431,544	316,218	**170,387**	104,957
Less: Amount capitalised in qualifying assets:				
– Property development costs (Note 13(b))	**(35,286)**	(31,254)	**–**	–
– Costs of contract assets from construction (Note 22(a))	**(119,795)**	(104,574)	**(67,519)**	(48,446)
	276,463	180,390	**102,868**	56,511
Discontinued operations				
Wages and salaries and other staff related expenses	**14,779**	14,189	**–**	–
Less: Amount classified as highway maintenance and toll operations	**(10,495)**	(9,875)	**–**	–
	4,284	4,314	**–**	–
Total	**280,747**	184,704	**102,868**	56,511

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

6. DIRECTORS' REMUNERATION

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Directors				
Executive:				
Salaries	**8,171**	8,231	**7,731**	7,731
Defined contribution plans	**1,149**	1,146	**1,083**	1,083
Provision for retirement benefit obligations	**124**	171	**127**	127
Share options granted under ESOS (Note 7)	**1,492**	–	**1,212**	–
Other emoluments				
– Allowances	**254**	148	**124**	124
– Benefits-in-kind	**544**	732	**480**	633
	11,734	10,428	**10,757**	9,698
Non-executive:				
Fees	**786**	795	**786**	795
Other emoluments				
– Allowances	**195**	156	**195**	156
– Benefits-in-kind	**27**	21	**27**	21
	1,008	972	**1,008**	972
Total	**12,742**	11,400	**11,765**	10,670
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 5)	**11,190**	9,696	**10,277**	9,065
Total non-executive directors' remuneration excluding benefits-in-kind (Note 7)	**981**	951	**981**	951
Total directors' remuneration excluding benefits-in-kind	**12,171**	10,647	**11,258**	10,016

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 2022 and 31 July 2021 are as follows:

	Salaries, bonus and EPF RM'000	Fees RM'000	Other emoluments* RM'000	Total RM'000
2022				
Directors				
Executive:				
Y Bhg Dato' Lin Yun Ling	**4,098**	**–**	**293**	**4,391**
Y Bhg Dato' Ir. Ha Tiing Tai	**2,357**	**–**	**177**	**2,534**
Encik Mohammed Rashdan bin Mohd Yusof	**2,359**	**–**	**134**	**2,493**
Y Bhg Dato' Ubull a/l Din Om	**141**	**–**	**11**	**152**
Mr. Justin Chin Jing Ho	**365**	**–**	**183**	**548**
	9,320	**–**	**798**	**10,118**
Non-executive:				
Y Bhg Dato' Mohammed bin Haji Che Hussein	**–**	**210**	**132**	**342**
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	**–**	**130**	**18**	**148**
Y Bhg Tan Sri Dato' Setia Haji Ambrin bin Buang	**–**	**153**	**24**	**177**
YM Tunku Afwida binti Tunku A.Malek	**–**	**58**	**12**	**70**
Puan Nazli binti Mohd Khir Johari	**–**	**160**	**30**	**190**
Ms. Chan Wai Yen	**–**	**75**	**6**	**81**
	–	**786**	**222**	**1,008**
2021				
Directors				
Executive:				
Y Bhg Dato' Lin Yun Ling	4,098	–	330	4,428
Y Bhg Dato' Ir. Ha Tiing Tai	2,357	–	252	2,609
Encik Mohammed Rashdan bin Mohd Yusof	2,359	–	176	2,535
Y Bhg Dato' Ubull a/l Din Om	563	–	122	685
	9,377	–	880	10,257
Non-executive:				
Y Bhg Dato' Mohammed bin Haji Che Hussein	–	210	101	311
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	–	130	14	144
Y Bhg Tan Sri Dato' Setia Haji Ambrin bin Buang	–	130	12	142
YM Tunku Afwida binti Tunku A.Malek	–	165	26	191
Puan Nazli binti Mohd Khir Johari	–	160	24	184
	–	795	177	972

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
– 31 July 2022

7. PROFIT FROM OPERATIONS

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Amortisation:				
– Concession development expenditure	**23,555**	21,520	**–**	–
Auditors' remuneration:				
– Statutory audits:				
– Group's auditors	**1,881**	1,620	**639**	489
– Other auditors	**160**	105	**93**	10
– Other services	**643**	655	**229**	363
Property, plant and equipment				
– Depreciation (Note 12)	**62,972**	65,828	**5,566**	5,810
– Write-off (Note 12)	**422**	2,427	**–**	–
– Net (gain)/loss on disposal	**(3,391)**	3	**7**	(13)
Investment properties:				
– Depreciation (Note 14)	**16,742**	11,894	**24**	24
– Net gain on disposal	**(3,563)**	(6,242)	**–**	–
Right-of-use assets (Note 15):				
– Depreciation	**8,271**	5,741	**712**	803
Non-executive directors' remuneration (Note 6)	**981**	951	**981**	951
Share options granted under ESOS				
– Employees (Note 5)	**15,340**	–	**15,620**	–
– Directors (Note 6)	**1,492**	–	**1,212**	–
Net provision for liabilities (Note 37)	**1,400**	820	**–**	–
Bid costs for projects – Australia written off	**–**	48,094	**–**	48,094
Expenses relating to leases (Note 31):				
– Short-term leases	**7,466**	7,921	**1,681**	1,628
– Low value assets	**203**	260	**7**	6
(Gain)/loss of foreign exchange:				
– Realised	**(1,027)**	(1,744)	**11,636**	(2,358)
– Unrealised	**578**	1,175	**(12,012)**	(328)
Rental income in respect of investment properties	**(24,639)**	(18,924)	**(451)**	(498)
Other rental income:				
– Premises	**(3,350)**	(3,454)	**(5,004)**	(4,984)
– Others	**(338)**	(326)	**(372)**	(870)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

7. PROFIT FROM OPERATIONS (CONT'D.)

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

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Continuing operations (cont'd.)				
Impairment losses of investments in joint venture (Note 19(a))	**–**	–	**49,500**	–
Net (reversal)/allowance for doubtful debts (Note 21(i))	**(772)**	396	**–**	–
Fair value (gain)/loss on embedded derivatives (Note 35)	**(16,418)**	6,182	**–**	–
Distribution from investment securities:				
– Islamic	**(6,789)**	(9,873)	**(5,575)**	(7,085)
– Non-Islamic	**(12,142)**	(11,157)	**(8,757)**	(8,723)
Profit rate from Islamic fixed deposits	**(7,289)**	(5,974)	**(330)**	(554)
Interest income arising from:				
– Non-Islamic fixed deposits	**(82,990)**	(68,722)	**(1,433)**	(1,074)
– Significant financing component (Note 22(b))	**(190)**	(211)	**–**	–
– Subsidiaries	**–**	–	**(128,653)**	(149,499)
Unwinding of discount – notional interest income on non-current:				
– trade receivables	**(6,909)**	(15,272)	**(3,018)**	(349)
– amounts due from joint ventures	**(3,518)**	(3,617)	**–**	–
– amounts due to subsidiaries	**–**	–	**(1,213)**	(1,432)
Gain on deemed disposal of interest in an associated company	**(10,196)**	(1,858)	**–**	–
Discontinued operations				
Amortisation:				
– Concession development expenditure (Note 16(a))	**128,835**	118,983	**–**	–
Auditors' remuneration:				
– Statutory audits:				
– Group's auditors	**70**	70	**–**	–
Property, plant and equipment				
– Depreciation (Note 12)	**481**	801	**–**	–
– Net gain on disposal	**(8)**	(22)	**–**	–
Net provision for liabilities (Note 37)	**5,921**	5,802	**–**	–
Other rental income:				
– Premises	**(54)**	(53)	**–**	–
– Others	**(431)**	(294)	**–**	–
Distribution from investment securities:				
– Islamic	**(87)**	–	**–**	–
Profit rate from Islamic fixed deposits	**(5,004)**	(4,159)	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

8. FINANCE COSTS

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Continuing operations				
Profit rate on:				
– Islamic medium term notes	**124,251**	96,234	**79,569**	89,238
– Commercial papers	**2,285**	15,345	**2,285**	15,345
Interest expense on:				
– Revolving credits	**16,673**	21,540	**7,034**	10,461
– Term loans	**55,694**	72,717	**7,924**	1,009
Lease liabilities (Note 31)	**402**	594	**69**	58
Unwinding of discount				
– Notional interest expense on non-current payables	**31,539**	27,789	**5,306**	3,042
Others	**1,363**	1,112	**61**	1,509
	232,207	235,331	**102,248**	120,662
Less:				
Interest expense capitalised into:				
– Contract assets and liabilities (Note 22(a))	**(4,693)**	(4,444)	**(31)**	(23)
– Property development costs (Note 13(b))	**(138,423)**	(125,527)	**–**	–
– Property, plant and equipment (Note 12)	**(2,416)**	(987)	**–**	–
– Investment properties (Note 14)	**–**	(4,207)	**–**	–
	86,675	100,166	**102,217**	120,639
Discontinued operations				
Profit rate on:				
– Islamic medium term notes	**10,118**	14,296	**–**	–
Total	**96,793**	114,462	**102,217**	120,639

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation during the financial year was 3.62% (2021: 3.11%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

9. INCOME TAX EXPENSE

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Continuing operations				
Income tax				
Malaysian income tax	**71,893**	80,910	**30,004**	47,840
Foreign income tax	**47,676**	73,115	**(101)**	(233)
Under provision in prior years	**1,919**	8,473	**215**	3,615
Deferred tax				
Relating to origination and reversal of temporary differences	**37,657**	(29,010)	**(242)**	(134)
(Over)/under provision in prior years	**(2,760)**	(1,317)	**962**	(722)
	156,385	132,171	**30,838**	50,366
Discontinued operations				
Income tax				
Malaysian income tax	**56,128**	47,598	**–**	–
(Over)/under provision in prior years	**(1,902)**	634	**–**	–
Deferred tax				
Relating to origination and reversal of temporary differences	**(30,444)**	(26,252)	**–**	–
Over provision in prior years	**(103)**	(90)	**–**	–
	23,679	21,890	**–**	–
Total	**180,064**	154,061	**30,838**	50,366

Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

9. INCOME TAX EXPENSE (CONT'D.)

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:

Group	2022 RM'000	2021 RM'000
Continuing operations		
Profit before tax	**897,799**	610,979
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	**215,472**	146,635
Effect of Cukai Makmur	**1,638**	–
Effect of different tax rates in other countries	**(23,084)**	(22,929)
Effect of income subject to RPGT	**213**	618
Income not subject to tax	**(9,330)**	(8,579)
Expenses not deductible for tax purposes	**36,735**	24,647
Effects of tax on share of profits of associated companies and joint ventures	**(84,645)**	(55,544)
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances and other deductible temporary differences	**(8,551)**	(18,460)
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	**28,778**	58,627
Under provision of income tax in prior years	**1,919**	8,473
Over provision of deferred tax in prior years	**(2,760)**	(1,317)
Income tax expense for the year	**156,385**	132,171
Discontinued operations		
Profit before tax	**118,311**	175,271
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	**28,395**	42,065
Effect of Cukai Makmur	**8,749**	–
Income not subject to tax	**(268)**	(277)
Expenses not deductible for tax purposes	**159**	508
Effects of tax on share of profits of associated companies and joint ventures	**(11,351)**	(20,950)
(Over)/under provision of income tax in prior years	**(1,902)**	634
Over provision of deferred tax in prior years	**(103)**	(90)
Income tax expense for the year	**23,679**	21,890
Total income tax expense for the year	**180,064**	154,061

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

9. INCOME TAX EXPENSE (CONT'D.)

Company	2022 RM'000	2021 RM'000
Profit before tax	**501,330**	944,154
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	**120,319**	226,597
Effect of Cukai Makmur	**1,638**	–
Effect of different tax rates in other countries	**130**	(6,218)
Income not subject to tax	**(127,324)**	(205,411)
Expenses not deductible for tax purposes	**26,592**	11,139
Deferred tax assets not recognised in respect of unutilised tax losses	**8,306**	21,366
Under provision of income tax in prior years	**215**	3,615
Under/(Over) provision of deferred tax in prior years	**962**	(722)
Income tax expense for the year	**30,838**	50,366

Tax savings during the financial year arising from:

	Group	
	2022 RM'000	2021 RM'000
Utilisation of previously unrecognised tax losses	**(8,551)**	(5,837)
Utilisation of previously unabsorbed capital allowances	**–**	(12,623)
	(8,551)	(18,460)

Details of deferred tax assets not recognised are stated in Note 32 to the financial statements.

The Finance Act 2021 gazetted on 31 December 2021 enacted the prosperity tax ("Cukai Makmur") on companies that generate chargeable income up to first RM100 million will be taxed at 24% and the remaining chargeable income will be taxed at one-off rate of 33% for year of assessment 2022.

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.

	2022	2021
Profit for the year attributable to ordinary equity holders of the Company (RM'000)		
– Continuing operations	**725,794**	454,762
– Discontinued operations	**80,431**	133,554
	806,225	588,316
Weighted average number of ordinary shares in issue ('000)	**2,530,363**	2,513,528
Basic earnings per share (sen)		
– Continuing operations	**28.68**	18.10
– Discontinued operations	**3.18**	5.31
	31.86	23.41

(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 into ordinary shares. The ESOS are deemed to have been converted into ordinary shares at the date of the issue of the ESOS.

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

	2022	2021
Profit for the year attributable to ordinary equity holders of the Company (RM'000)		
– Continuing operations	**725,794**	454,762
– Discontinued operations	**80,431**	133,554
	806,225	588,316
Weighted average number of ordinary shares in issue ('000)	**2,530,363**	2,513,528
Adjusted for:		
– Assumed shares issued from the exercise of ESOS ('000)	**20,273**	–
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	**2,550,636**	2,513,528
Fully diluted earnings per share (sen)		
– Continuing operations	**28.46**	18.10
– Discontinued operations	**3.15**	5.31
	31.61	23.41

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

11. DIVIDENDS

	Group and Company Amount 2022 RM'000	2021 RM'000
Dividends recognised in respect of financial year ended 31 July 2022 and 2021		
– First interim dividend of 6 sen (2021: Nil) per ordinary share declared on 21 December 2021 and paid on 8 March 2022		
a) Issuance of new shares in the Company pursuant to the DRP	**102,218**	–
b) Cash dividend	**48,594**	–
– Second interim dividend of 6 sen (2021: Nil) per ordinary share declared on 29 June 2022 and paid on 2 September 2022		
a) Issuance of new shares in the Company pursuant to the DRP	**119,586**	–
b) Cash dividend	**33,650**	–
	304,048	–
Net dividends per ordinary share (sen)	**12.0**	–

The Company's first Dividend Reinvestment Plan was completed on 9 March 2022 upon the listing and quotation of 40,402,455 new Gamuda Share at RM2.53 per ordinary share on the Main market of Bursa Malaysia Securities Berhad.

The Company's second Dividend Reinvestment Plan was completed on 5 September 2022 upon the listing and quotation of 37,138,423 new Gamuda Share at RM3.22 per ordinary 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 2022				
Cost				
As at 1 August 2021	803,398	892,688	68,331	1,764,417
Additions	627	17,470	187,628	205,725
Reclassification upon completion	–	3,106	(3,106)	–
Assets held for sale (Note 47)	(8,113)	(9,865)	–	(17,978)
Disposals	(1,424)	(5,659)	–	(7,083)
Write-off	–	(1,711)	–	(1,711)
Exchange differences	4,707	675	1,369	6,751
At 31 July 2022	799,195	896,704	254,222	1,950,121
Accumulated depreciation				
As at 1 August 2021	136,381	519,249	–	655,630
Recognised in profit or loss (a)	23,198	40,255	–	63,453
Capitalised in contract assets from construction (Note 22(a))	–	9,026	–	9,026
Assets held for sale (Note 47)	(7,829)	(8,526)	–	(16,355)
Disposals	(335)	(5,216)	–	(5,551)
Write-off	–	(1,289)	–	(1,289)
Exchange differences	1,115	510	–	1,625
At 31 July 2022	152,530	554,009	–	706,539
Accumulated impairment loss				
At 1 August 2021/31 July 2022	63,704	84,396	–	148,100
Net carrying amount				
At 31 July 2022	582,961	258,299	254,222	1,095,482

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

	RM'000
Office building and sales gallery	126,348
Tunnel boring machines and theme park equipments	61,279
Vehicles, office equipment, furniture and fittings	18,098
	205,725

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 2021				
Cost				
As at 1 August 2020	774,467	869,675	42,025	1,686,167
Additions	26,328	23,030	40,788	90,146
Transfer to investment properties (Note 14)	–	–	(711)	(711)
Reclassification upon completion	5,838	8,002	(13,840)	–
Disposals	–	(1,233)	–	(1,233)
Write-off	(4,135)	(6,955)	–	(11,090)
Exchange differences	900	169	69	1,138
At 31 July 2021	803,398	892,688	68,331	1,764,417
Accumulated depreciation				
As at 1 August 2020	113,867	426,683	–	540,550
Recognised in profit or loss (a)	25,064	41,565	–	66,629
Capitalised in contract assets from construction (Note 22(a))	–	57,964	–	57,964
Disposals	–	(1,104)	–	(1,104)
Write-off	(2,727)	(5,936)	–	(8,663)
Exchange differences	177	77	–	254
At 31 July 2021	136,381	519,249	–	655,630
Accumulated impairment loss				
At 1 August 2020/31 July 2021	63,704	84,396	–	148,100
Net carrying amount				
At 31 July 2021	603,313	289,043	68,331	960,687

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

	RM'000
Sales gallery and sports centre	68,931
Other plant and machinery	13,139
Vehicles, office equipment, furniture and fittings	8,076
	90,146

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

* Land and buildings

Group	Freehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2022			
Cost			
As at 1 August 2021	97,091	706,307	803,398
Additions	–	627	627
Assets held for sale	(1,582)	(6,531)	(8,113)
Disposals	(101)	(1,323)	(1,424)
Exchange differences	–	4,707	4,707
At 31 July 2022	95,408	703,787	799,195
Accumulated depreciation			
As at 1 August 2021	–	136,381	136,381
Recognised in profit or loss	–	23,198	23,198
Assets held for sale	–	(7,829)	(7,829)
Disposals	–	(335)	(335)
Exchange differences	–	1,115	1,115
At 31 July 2022	–	152,530	152,530
Accumulated impairment loss			
At 1 August 2021/31 July 2022	–	63,704	63,704
Net carrying amount			
At 31 July 2022	95,408	487,553	582,961

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

* Land and buildings (cont'd.)

Group	Freehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2021			
Cost			
As at 1 August 2020	97,091	677,376	774,467
Additions	–	26,328	26,328
Reclassification upon completion	–	5,838	5,838
Write-off	–	(4,135)	(4,135)
Exchange differences	–	900	900
At 31 July 2021	97,091	706,307	803,398
Accumulated depreciation			
As at 1 August 2020	–	113,867	113,867
Recognised in profit or loss	–	25,064	25,064
Write-off	–	(2,727)	(2,727)
Exchange differences	–	177	177
At 31 July 2021	–	136,381	136,381
Accumulated impairment loss			
At 1 August 2020/31 July 2021	–	63,704	63,704
Net carrying amount			
At 31 July 2021	97,091	506,222	603,313

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 2022				
Cost				
At 1 August 2021	49,567	149,887	693,234	892,688
Additions	1,798	10,326	5,346	17,470
Reclassification upon completion	–	3,106	–	3,106
Assets held for sale	(5,950)	(3,915)	–	(9,865)
Disposals	(246)	(1,170)	(4,243)	(5,659)
Write-off	(11)	(1,605)	(95)	(1,711)
Exchange differences	22	567	86	675
At 31 July 2022	45,180	157,196	694,328	896,704
Accumulated depreciation				
At 1 August 2021	34,296	109,246	375,707	519,249
Recognised in profit or loss	3,193	16,363	20,699	40,255
Capitalised in contract assets from construction	1,313	803	6,910	9,026
Assets held for sale	(5,494)	(3,032)	–	(8,526)
Disposals	(235)	(1,124)	(3,857)	(5,216)
Write-off	(10)	(1,187)	(92)	(1,289)
Exchange differences	(18)	349	179	510
At 31 July 2022	33,045	121,418	399,546	554,009
Accumulated impairment loss				
At 1 August 2021/31 July 2022	–	–	84,396	84,396
Net carrying amount				
At 31 July 2022	12,135	35,778	210,386	258,299

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 2021				
Cost				
At 1 August 2020	47,704	143,363	678,608	869,675
Additions	2,207	7,789	13,034	23,030
Reclassification upon completion	–	5,955	2,047	8,002
Disposals	(341)	(715)	(177)	(1,233)
Write-off	–	(6,673)	(282)	(6,955)
Exchange differences	(3)	168	4	169
At 31 July 2021	49,567	149,887	693,234	892,688
Accumulated depreciation				
At 1 August 2020	29,523	96,368	300,792	426,683
Recognised in profit or loss	3,257	17,745	20,563	41,565
Capitalised in contract assets from construction	1,819	559	55,586	57,964
Disposals	(299)	(637)	(168)	(1,104)
Write-off	–	(4,871)	(1,065)	(5,936)
Exchange differences	(4)	82	(1)	77
At 31 July 2021	34,296	109,246	375,707	519,249
Accumulated impairment loss				
At 1 August 2020/31 July 2021	–	–	84,396	84,396
Net carrying amount				
At 31 July 2021	15,271	40,641	233,131	289,043

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

(a) The Group's depreciation charge is analysed as follows:

	Note	2022 RM'000	2021 RM'000
Recognised in income statement			
– Continuing operations	7	**62,972**	65,828
– Discontinued operations	7	**481**	801
		63,453	66,629

Company	Land and buildings* RM'000	Other property, plant and equipment** RM'000	Construction in-progress RM'000	Total RM'000
At 31 July 2022				
Cost				
At 1 August 2021	**159,478**	**255,036**	**–**	**414,514**
Additions	**–**	**3,801**	**61,399**	**65,200**
Disposals	**–**	**(44)**	**–**	**(44)**
Write-off	**–**	**(4)**	**–**	**(4)**
Exchange differences	**–**	**174**	**1,164**	**1,338**
At 31 July 2022	**159,478**	**258,963**	**62,563**	**481,004**
Accumulated depreciation				
At 1 August 2021	**32,407**	**243,184**	**–**	**275,591**
Recognised in profit or loss (Note 7)	**3,372**	**2,194**	**–**	**5,566**
Capitalised in contract assets from construction (Note 22(a))	**–**	**3,050**	**–**	**3,050**
Disposals	**–**	**(38)**	**–**	**(38)**
Write-off	**–**	**(4)**	**–**	**(4)**
Exchange differences	**–**	**241**	**–**	**241**
At 31 July 2022	**35,779**	**248,627**	**–**	**284,406**
Net carrying amount				
At 31 July 2022	**123,699**	**10,336**	**62,563**	**196,598**

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

	RM'000
Tunnel boring machines	57,552
Office equipment, furniture and fittings and others	7,648
	65,200

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 2021				
Cost				
At 1 August 2020	159,404	253,258	–	412,662
Additions	74	3,654	–	3,728
Disposals	–	(175)	–	(175)
Write-off	–	(1,704)	–	(1,704)
Transfer to related companies	–	(45)	–	(45)
Exchange differences	–	48	–	48
At 31 July 2021	159,478	255,036	–	414,514
Accumulated depreciation				
At 1 August 2020	29,104	190,512	–	219,616
Recognised in profit or loss (Note 7)	3,303	2,507	–	5,810
Capitalised in contract assets from construction (Note 22(a))	–	52,040	–	52,040
Disposals	–	(120)	–	(120)
Write-off	–	(1,704)	–	(1,704)
Transfer to related companies	–	(38)	–	(38)
Exchange differences	–	(13)	–	(13)
At 31 July 2021	32,407	243,184	–	275,591
Net carrying amount				
At 31 July 2021	127,071	11,852	–	138,923

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

	RM'000
Plant and machinery	1,990
Office equipment, furniture and fittings	1,738
	3,728

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

* Land and buildings

Company	Freehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2022			
Cost			
At 1 August 2021/31 July 2022	**659**	**158,819**	**159,478**
Accumulated depreciation			
At 1 August 2021	**–**	**32,407**	**32,407**
Recognised in profit or loss	**–**	**3,372**	**3,372**
At 31 July 2022	**–**	**35,779**	**35,779**
Net carrying amount			
At 31 July 2022	**659**	**123,040**	**123,699**
At 31 July 2021			
Cost			
At 1 August 2020	659	158,745	159,404
Additions	–	74	74
At 31 July 2021	659	158,819	159,478
Accumulated depreciation			
At 1 August 2020	–	29,104	29,104
Recognised in profit or loss	–	3,303	3,303
At 31 July 2021	–	32,407	32,407
Net carrying amount			
At 31 July 2021	659	126,412	127,071

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 2022				
Cost				
At 1 August 2021	851	40,069	214,116	255,036
Additions	48	3,634	119	3,801
Disposals	–	(44)	–	(44)
Write-off	–	(4)	–	(4)
Exchange differences	10	122	42	174
At 31 July 2022	909	43,777	214,277	258,963
Accumulated depreciation				
At 1 August 2021	699	35,278	207,207	243,184
Recognised in profit or loss	18	2,176	–	2,194
Capitalised in contract assets from construction	57	435	2,558	3,050
Disposals	–	(38)	–	(38)
Write-off	–	(4)	–	(4)
Exchange differences	26	156	59	241
At 31 July 2022	800	38,003	209,824	248,627
Net carrying amount				
At 31 July 2022	109	5,774	4,453	10,336

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
– 31 July 2022

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 2021				
Cost				
At 1 August 2020	937	39,380	212,941	253,258
Additions	69	1,595	1,990	3,654
Disposals	(104)	(71)	–	(175)
Write-off	–	(894)	(810)	(1,704)
Transfer to related companies	(45)	–	–	(45)
Exchange differences	(6)	59	(5)	48
At 31 July 2021	851	40,069	214,116	255,036
Accumulated depreciation				
At 1 August 2020	721	33,503	156,288	190,512
Recognised in profit or loss	50	2,457	–	2,507
Capitalised in contract assets from construction	48	259	51,733	52,040
Disposals	(77)	(43)	–	(120)
Write-off	–	(894)	(810)	(1,704)
Transfer to related companies	(38)	–	–	(38)
Exchange differences	(5)	(4)	(4)	(13)
At 31 July 2021	699	35,278	207,207	243,184
Net carrying amount				
At 31 July 2021	152	4,791	6,909	11,852

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

	Group 2022 RM'000	Group 2021 RM'000
Finance costs (Note 8)	**2,416**	987

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
– 31 July 2022

13. INVENTORIES

	Note	Group 2022 RM'000	Group 2021 RM'000
Non-current			
Land held for property development	(a)	**3,507,908**	3,305,083
Current			
Property development cost	(b)	**2,011,858**	2,060,166
Other inventories	(c)	**655,437**	808,562
		2,667,295	2,868,728
Total inventories		**6,175,203**	6,173,811

(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 2022				
Cost				
At 1 August 2021	**5,731**	**1,881,224**	**1,418,128**	**3,305,083**
Cost incurred during the year	**–**	**182,600**	**292,907**	**475,507**
Transfer to property development costs (Note 13(b))	**(3,489)**	**(221,710)**	**(55,308)**	**(280,507)**
Exchange differences	**–**	**7,825**	**–**	**7,825**
At 31 July 2022	**2,242**	**1,849,939**	**1,655,727**	**3,507,908**
At 31 July 2021				
Cost				
At 1 August 2020	41,040	1,884,983	1,243,872	3,169,895
Cost incurred during the year	–	8,005	287,431	295,436
Transfer to property development costs (Note 13(b))	(35,309)	(13,285)	(113,175)	(161,769)
Exchange differences	–	1,521	–	1,521
At 31 July 2021	5,731	1,881,224	1,418,128	3,305,083

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 2022				
Cumulative property development costs				
At 1 August 2021	56,885	2,153,276	4,588,974	6,799,135
Costs incurred during the year	–	18,145	1,244,470	1,262,615
Transfer from land held for property development (Note 13(a))	3,489	221,710	55,308	280,507
Reversal of completed projects	–	(25,480)	(118,572)	(144,052)
Transfer to completed inventories	–	(24,940)	(111,725)	(136,665)
Exchange differences	–	46,267	124,576	170,843
At 31 July 2022	60,374	2,388,978	5,783,031	8,232,383
Cumulative costs recognised in profit or loss				
At 1 August 2021	10,808	1,229,117	3,499,044	4,738,969
Recognised during the year	22,554	173,211	1,291,446	1,487,211
Reversal of completed projects	–	(25,480)	(118,572)	(144,052)
Exchange differences	–	30,547	107,850	138,397
At 31 July 2022	33,362	1,407,395	4,779,768	6,220,525
Property development costs at 31 July 2022	27,012	981,583	1,003,263	2,011,858

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 2021				
Cumulative property development costs				
At 1 August 2020	23,414	2,321,219	4,146,394	6,491,027
Costs incurred during the year	–	21,638	787,170	808,808
Reclassification	–	(78,355)	78,355	–
Transfer from land held for property development (Note 13(a))	35,309	13,285	113,175	161,769
Transfer to investment property (Note 14)	–	–	(60,515)	(60,515)
Transfer to right-of-use assets (Note 15)	–	–	(3,203)	(3,203)
Reversal of completed projects	(327)	(89,034)	(320,825)	(410,186)
Transfer to completed inventories	(1,511)	(44,229)	(174,130)	(219,870)
Exchange differences	–	8,752	22,553	31,305
At 31 July 2021	56,885	2,153,276	4,588,974	6,799,135
Cumulative costs recognised in profit or loss				
At 1 August 2020	1,194	1,263,407	3,379,212	4,643,813
Recognised during the year	9,941	49,035	420,562	479,538
Reversal of completed projects	(327)	(89,034)	(320,825)	(410,186)
Exchange differences	–	5,709	20,095	25,804
At 31 July 2021	10,808	1,229,117	3,499,044	4,738,969
Property development costs at 31 July 2021	46,077	924,159	1,089,930	2,060,166

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

	Group	
	2022 RM'000	2021 RM'000
Staff costs (Note 5)	**35,286**	31,254
Finance costs (Note 8)	**138,423**	125,527

Freehold land of the Group with a carrying value of RM27,338,000 (2021: RM47,892,000) has been pledged as securities for loan facility as set out in Note 34(c)(i) to the financial statements.

The leasehold lands under development of the Group with a carrying value of RM298,344,000 (2021: RM237,795,000) has been pledged as securities for term loans as disclosed in Note 34(a)(i) and Note 34(a)(ii) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

13. INVENTORIES (CONT'D.)

(c) Other inventories

	Group	
	2022 RM'000	**2021 RM'000**
At cost		
Completed properties - properties held for sale	**630,432**	781,285
Prefabricated concrete panels	**4,302**	3,052
Crusher run and aggregates	**9,105**	10,944
Consumables, spares and materials	**11,598**	13,281
	655,437	808,562

During the financial year, the amount of inventories recognised as an expense by the Group was RM432,160,000 (2021: RM534,268,000).

In the previous financial year, inventories of RM74,948,000 were transferred to investment properties due to change of management intention to lease out the properties.

	Company	
	2022 RM'000	**2021 RM'000**
Consumables and spares	**661**	647

During the financial year, the amount of inventories recognised as an expense by the Company was RM14,000 (2021: RM3,877,000).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
– 31 July 2022

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 2022					
Cost					
At 1 August 2021	19,342	59,676	676,138	710	755,866
Additions	–	–	2,658	–	2,658
Disposals	–	–	(3,332)	–	(3,332)
Exchange differences	–	1,084	(932)	–	152
At 31 July 2022	19,342	60,760	674,532	710	755,344
Accumulated depreciation					
At 1 August 2021	–	5,907	38,435	–	44,342
Recognised in profit or loss (Note 7)	–	1,413	15,329	–	16,742
Disposals	–	–	(113)	–	(113)
Exchange differences	–	215	2,664	–	2,879
At 31 July 2022	–	7,535	56,315	–	63,850
Net carrying amount					
At 31 July 2022	19,342	53,225	618,217	710	691,494
Fair value					
At 31 July 2022	33,408	96,109	843,185	710	973,412

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 2021					
Cost					
At 1 August 2020	20,284	59,206	230,175	178,298	487,963
Additions	–	262	132,562	2,143	134,967
Transfer from property development costs (Note 13(b))	–	–	–	60,515	60,515
Transfer from property, plant and equipment (Note 12)	–	–	–	711	711
Transfer from other inventories (Note 13(c))	–	–	74,978	–	74,978
Disposals	(942)	–	(5,362)	–	(6,304)
Reclassification upon completion	–	–	240,970	(240,970)	–
Exchange differences	–	208	2,815	13	3,036
At 31 July 2021	19,342	59,676	676,138	710	755,866
Accumulated depreciation					
At 1 August 2020	–	4,610	27,852	–	32,462
Recognised in profit or loss (Note 7)	–	1,265	10,629	–	11,894
Disposals	–	–	(137)	–	(137)
Exchange differences	–	32	91	–	123
At 31 July 2021	–	5,907	38,435	–	44,342
Net carrying amount					
At 31 July 2021	19,342	53,769	637,703	710	711,524
Fair value					
At 31 July 2021	34,205	92,462	689,041	710	816,418

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

14. INVESTMENT PROPERTIES (CONT'D.)

Company	Freehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2022			
Cost			
At 1 August 2021/31 July 2022	**5,697**	**7,583**	**13,280**
Accumulated depreciation			
At 1 August 2021	**–**	**3,492**	**3,492**
Recognised in profit or loss (Note 7)	**–**	**24**	**24**
At 31 July 2022	**–**	**3,516**	**3,516**
Net carrying amount			
At 31 July 2022	**5,697**	**4,067**	**9,764**
Fair value			
At 31 July 2022	**49,878**	**14,551**	**64,429**
At 31 July 2021			
Cost			
At 1 August 2020/31 July 2021	5,697	7,583	13,280
Accumulated depreciation			
At 1 August 2020	–	3,468	3,468
Recognised in profit or loss (Note 7)	–	24	24
At 31 July 2021	–	3,492	3,492
Net carrying amount			
At 31 July 2021	5,697	4,091	9,788
Fair value			
At 31 July 2021	49,636	14,498	64,134

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

14. INVESTMENT PROPERTIES (CONT'D.)

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

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Rental income	**(24,639)**	(18,924)	**(451)**	(498)
Direct operating expenses	**13,838**	15,191	**36**	19

Included in investment properties incurred during the year are:

	Group	
	2022 RM'000	**2021 RM'000**
Finance costs (Note 8)	**–**	4,207

The fair value of the investment properties are within Level 3 of the fair value hierarchy in accordance with MFRS 13.

Valuation technique used by internal appraisal or valuation performed by independent professional valuers is the market approach or sales comparison approach based on comparable land and buildings in close proximity. The most significant input of this valuation approach is price per square foot. The price per square foot is adjusted for differences in key attributes such as property size, location and directions.

Other details of fair value of investment properties are further disclosed in Note 43 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

15. RIGHT-OF-USE ASSETS

The Group and the Company have lease contracts for land, office spaces and office equipments with contract terms ranging from 2 to 99 years and do not contain variable lease payments.

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cost				
At 1 August	**97,364**	88,274	**9,862**	8,686
Additions of leasehold land	**177**	2,962	**–**	–
Additions of operating lease	**5,963**	2,766	**5,007**	1,147
Transfer from property development costs (Note 13(b))	**–**	3,203	**–**	–
Exchange differences	**706**	159	**24**	29
At 31 July	**104,210**	97,364	**14,893**	9,862
Accumulated depreciation				
At 1 August	**14,687**	7,587	**4,666**	2,512
Recognised in profit or loss (Note 7)	**8,271**	5,741	**712**	803
Capitalised in contract assets from construction (Note 22(a))	**1,930**	1,343	**1,930**	1,343
Exchange differences	**3**	16	**16**	8
At 31 July	**24,891**	14,687	**7,324**	4,666
Net carrying amount				
At 31 July	**79,319**	82,677	**7,569**	5,196

In the previous financial year, included in the additions of leasehold land is a land premium paid by a subsidiary on the renewal and extension of lease term.

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Land	**73,872**	79,307	**4,501**	4,521
Building and office space	**4,073**	2,092	**3,018**	427
Plant and machineries	**113**	–	**–**	–
Motor vehicles	**585**	722	**–**	–
Office equipment	**676**	556	**50**	248
	79,319	82,677	**7,569**	5,196

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

16. CONCESSION DEVELOPMENT EXPENDITURE

Group	Expressway RM'000	Water RM'000	Total RM'000
Cost At 31 July 2022			
Cost			
At 1 August 2021	**1,858,362**	**192,388**	**2,050,750**
Additions	**479**	**9,537**	**10,016**
Assets held for sale (Note 47)	**(1,858,841)**	**–**	**(1,858,841)**
At 31 July 2022	**–**	**201,925**	**201,925**
Accumulated amortisation			
At 1 August 2021	**781,478**	**41,246**	**822,724**
Amortisation for the year (a)	**128,835**	**23,555**	**152,390**
Assets held for sale (Note 47)	**(910,313)**	**–**	**(910,313)**
At 31 July 2022	**–**	**64,801**	**64,801**
Net carrying amount			
At 31 July 2022	**–**	**137,124**	**137,124**
At 31 July 2021			
Cost			
At 1 August 2020	1,858,362	179,331	2,037,693
Additions	–	13,057	13,057
At 31 July 2021	1,858,362	192,388	2,050,750
Accumulated amortisation			
At 1 August 2020	662,495	19,726	682,221
Amortisation for the year (a)	118,983	21,520	140,503
At 31 July 2021	781,478	41,246	822,724
Net carrying amount			
At 31 July 2021	1,076,884	151,142	1,228,026

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

16. CONCESSION DEVELOPMENT EXPENDITURE (CONT'D.)

(a) The Group's amortisation charge is analysed as follows:

	Note	2022 RM'000	2021 RM'000
Recognised in income statement			
– Continuing operations	7	**23,555**	21,520
– Discontinued operations	7	**128,835**	118,983
		152,390	140,503

17. INVESTMENTS IN SUBSIDIARIES

		Company	
	Note	2022 RM'000	2021 RM'000
Unquoted shares, at cost		**4,918,873**	4,730,084
Less: Accumulated impairment losses		**(355,215)**	(355,215)
		4,563,658	4,374,869
Classified as assets held from sale (Note 47):			
Unquoted shares, at cost	(ii)	**385,134**	–

(a) Current financial year

(i) Capital injection/(reduction) in subsidiaries

The Company has undertaken subscription of new ordinary shares/(reduction) of ordinary shares in the following subsidiaries during the financial year.

	2022 RM'000	2021 RM'000
Jade Homes Sdn. Bhd.	**–**	(20,000)
Gamuda (Luxembourg) S.a.r.l.	**3,245**	25,492
Gamuda Healthcare Sdn. Bhd. (Formerly Gamuda Laboratories Sdn. Bhd.)	**–**	1
Gamuda Land Vietnam LLC	**315,567**	–
Gamuda Land (Kemuning) Sdn. Bhd.	**78,400**	–
Bandar Serai Development Sdn. Bhd.	**24,660**	–
Gamuda Land (T12) Sdn. Bhd.	**77,051**	–
Gamuda Land Sdn. Bhd.	**75,000**	–
	573,923	5,493

The Company had converted the advances to Gamuda Land Vietnam LLC amounting to RM315,567,000 (VND 1,757,292,292,000) for additional ordinary shares in Gamuda Land Vietnam LLC.

(ii) Investment in a subsidiary held for sale

Kesas Holdings Berhad (being the "Concession Holding Company") have accepted the offer from Amanat Lebuhraya Rakyat Berhad ("ALR") to acquire all the securities of its wholly-owned subsidiary, Kesas Sdn. Bhd. (being the "Expressway Concession Company") as disclosed in Note 42 to the financial statements. Consequently, Kesas Holdings Berhad and Kesas Sdn. Bhd. have been classified as assets held for sale. Further details are disclosed in Note 42 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
– 31 July 2022

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(b) Previous financial year

(i) Additional investment in a subsidiary company

The Company had injected additional cash of RM25,492,000 (GBP4,737,000) as consideration for new ordinary shares in Gamuda (Luxembourg) S.a.r.l., a wholly-owned subsidiary of the Company to acquire a residential building in Central London, United Kingdom.

(ii) Reduction of shares

The issued share capital of Jade Homes Sdn. Bhd., a wholly-owned subsidiary of the Company was reduced from RM321,980,000 comprising 321,250,000 ordinary shares to RM301,980,000 comprising 301,250,000 ordinary shares.

(c) Interests in subsidiaries

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

	Proportion of ownership		
Name of company	**2022 %**	**2021 %**	**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**	100	Security services
Gamuda Parks Sdn. Bhd.	**100**	100	Supplying and planting of landscaping materials and provision of landscaping services for property development
Highway Management Services Sdn. Bhd. (Formerly Gamuda Paper Industries Sdn. Bhd.)	**100**	100	Business management consultancy services and rental of properties
GPI Trading Sdn. Bhd.*	**100**	100	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
Jade Homes Sdn. Bhd.	**100**	100	Property development of Jade Hills
Jade Homes Resort Berhad	**100**	100	Proprietor and operator of a clubhouse
Gamuda Land Facilities Management Sdn. Bhd.* (Formerly Jade Homes Property Services Sdn. Bhd.)	**100**	100	Facilities maintenance services

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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.)

	Proportion of ownership		
Name of company	**2022 %**	**2021 %**	**Principal/Economic activities**
Subsidiaries incorporated in Malaysia (cont'd.)			
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 and mall operator
Gamuda Land (HCMC) Sdn. Bhd.	**100**	100	Property investment
Bandar Serai Development Sdn. Bhd. ("Bandar Serai")	**100**	100	Property development of Gamuda Gardens
Dinamik Atlantik Sdn. Bhd.	**100**	100	Property development of Bukit Bantayan Residences
Lifestyle Heritage Sdn. Bhd.*	**100**	100	Dormant
Gamuda Healthcare Sdn. Bhd.* (Formerly Gamuda Laboratories Sdn. Bhd.)	**100**	100	To provide medical laboratories and healthcare services

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 2022 %	2021 %	Principal/Economic activities
Subsidiaries incorporated in Malaysia (cont'd.)			
Gamuda Land (T12) Sdn. Bhd.	**100**	100	Property development of Gamuda Cove
Discovery Wetlands Sdn. Bhd.*	**100**	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
SRS PD Sdn. Bhd.	**100**	100	Investment holding
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 tunneling works

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
– 31 July 2022

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 2022 %	2021 %	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**	60	Undertake the Mechanical and Electrical works of Mass Rapid Transit 2 ("MRT 2") project (Titiwangsa Station)
GME-CI (KBNS) Joint Venture*	**60**	60	Undertake the Mechanical and Electrical works of MRT 2 project (Escape Shaft 2)
GME-CI (UGW) Joint Venture*	**60**	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
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 2022 %	2021 %	Principal/Economic activities
Subsidiaries incorporated in the Socialist Republic of Vietnam (cont'd.)			
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
Gamuda Land Binh Duong Company Limited#^	**100**	–	Undertakes development of Artisan Park in Binh Duong, Socialist Republic of Vietnam
Subsidiary incorporated in Singapore			
Gamuda (Singapore) Pte. Ltd. ("GB Singapore")^	**100**	100	Investment holding
Subsidiaries incorporated in Australia			
Gamuda (Australia) Pty Ltd ("GB Australia")^	**100**	100	Property development of 661 Chapel St. & The Canopy on Normanby, Melbourne
Gamuda (Melbourne) Pty Ltd^	**100**	–	Property development
Gamuda Engineering (Australia) Pty Ltd*	**100**	100	Civil engineering and construction
Subsidiaries incorporated in Luxembourg			
Gamuda (Luxembourg) S.a.r.l.*	**100**	100	Investment holding
Gamuda Yoo Development Aldgate S.a.r.l.*	**90**	90	Property investment
GB Astir S.a.r.l.*	**85**	100	Property development of West Hampstead Central, London
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 PLT, 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
*** Interests in subsidiary classified as assets held for sale. Other details of the assets held for sale are further disclosed in Note 47 to the financial statements.*

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 2021 to 31 July 2022 have been used for consolidation for the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
NCI percentage of ownership interest and voting interest (%)	**20**	20	**30**	30	**30**	30				
Dividend paid to NCI	**(18,400)**	(108,437)	**(21,000)**	(13,500)	**–**	–	**–**	(511)	**(39,400)**	(122,448)
Carrying amount of NCI	**32,179**	40,989	**248,113**	254,912	**16,839**	11,279	**52,313**	44,965	**349,444**	352,145
Total comprehensive income allocated to NCI	**9,590**	8,452	**14,201**	19,971	**5,560**	6,179	**(620)**	9,951	**28,731**	44,553
Summarised statements of financial position										
Non-current assets	**244,252**	254,740	**959,257**	1,083,890	**35,149**	–	**97,752**	103,130	**1,336,410**	1,441,760
Current assets	**87,048**	119,471	**327,222**	346,989	**155,012**	173,383	**560,074**	439,288	**1,129,356**	1,079,131
Non-current liabilities	**(68,997)**	(70,694)	**(351,186)**	(463,002)	**(88,360)**	(94,453)	**(186,060)**	(71,147)	**(694,603)**	(699,296)
Current liabilities	**(101,408)**	(98,571)	**(110,265)**	(118,167)	**(45,672)**	(41,333)	**(269,364)**	(315,453)	**(526,709)**	(573,525)
Net assets	**160,895**	204,946	**825,028**	849,710	**56,129**	37,597	**202,402**	155,818	**1,244,454**	1,248,071
Summarised statements of comprehensive income										
Revenue	**179,663**	177,227	**241,802**	248,411	**287,722**	342,609	**324,416**	317,800	**1,033,603**	1,086,047
Profit for the year	**49,478**	41,942	**93,849**	113,494	**19,127**	19,707	**(1,191)**	26,234	**161,263**	201,377
Total comprehensive income/(loss)	**47,949**	42,260	**47,336**	66,571	**18,533**	20,597	**(7,656)**	29,864	**106,162**	159,292
Summarised statements of cash flows										
Cash flows generated from/(used in) operating activities	**78,969**	633,813	**114,475**	66,092	**(6,882)**	2,335	**(579)**	9,591	**185,983**	711,831
Cash flows generated from/(used in) investing activities	**10,109**	(86,101)	**6,128**	48,834	**–**	–	**(5,126)**	(40,317)	**11,111**	(77,584)
Cash flows (used in)/generated from financing activities	**(92,090)**	(542,183)	**(160,000)**	(90,000)	**–**	–	**3,367**	91,382	**(248,723)**	(540,801)
Net (decrease)/increase in cash and cash equivalents	**(3,012)**	5,529	**(39,397)**	24,926	**(6,882)**	2,335	**(2,338)**	60,656	**(51,629)**	93,446

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
– 31 July 2022

18. INTERESTS IN ASSOCIATED COMPANIES

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Unquoted shares, in Malaysia:				
At cost:				
– Ordinary shares	**5,104**	3,304	**3,004**	3,304
– Redeemable preference shares	**–**	190,290	**–**	190,290
	5,104	193,594	**3,004**	193,594
Group's share of post-acquisition reserve, net of dividends receivable	**22,145**	2,401	**–**	–
	27,249	195,995	**3,004**	193,594
Unquoted shares, outside Malaysia:				
At cost:				
– Ordinary shares	**11**	11	**–**	–
– Redeemable preference shares	**25,967**	25,967	**–**	–
	25,978	25,978	**–**	–
Group's share of post-acquisition reserve, net of dividends receivable	**24,379**	22,311	**–**	–
	50,357	48,289	**–**	–
Total unquoted shares	**77,606**	244,284	**3,004**	193,594
Quoted shares, in Malaysia:				
At cost:				
– Ordinary shares	**–**	59,624	**–**	59,624
Group's share of post-acquisition capital reserves	**–**	155,379	**–**	–
Group's share of post-acquisition reserve, net of dividends receivable	**–**	321,139	**–**	–
	–	536,142	**–**	59,624
Total	**77,606**	780,426	**3,004**	253,218
Market value:				
Quoted shares, in Malaysia	**–**	842,010	**–**	842,010

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Classified as assets held for sale (Note 47):				
Unquoted shares, in Malaysia:				
At cost:				
– Ordinary shares	**300**	–	**300**	–
– Redeemable preference shares	**190,290**	–	**190,290**	–
	190,590	–	**190,590**	–
Group's share of post-acquisition reserve, net of dividends receivable	**(20,125)**	–	**–**	–
	170,465	–	**190,590**	–
Quoted shares, in Malaysia:				
At cost:				
– Ordinary shares	**59,624**	–	**59,624**	–
Group's share of post-acquisition capital reserves	**165,575**	–	**–**	–
Group's share of post-acquisition reserve, net of dividends receivable	**346,531**	–	**–**	–
	571,730	–	**59,624**	–
Total	**742,195**	–	**250,214**	–

Lingkaran Trans Kota Holdings Berhad and Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd. (being the "Concession Holding Company" respectively) have accepted the offer from ALR to acquire all the securities of its wholly-owned subsidiary, Lingkaran Trans Kota Sdn. Bhd. and Sistem Penyuraian Trafik KL Barat Sdn. Bhd. (being the "Expressway Concession Company" respectively) as disclosed in Note 42 to the financial statements. Consequently, Lingkaran Trans Kota Holdings Berhad and Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd. have been classified as assets held for sale. Further details are disclosed in Note 42 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
– 31 July 2022

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

(a) 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 2022 %	2021 %	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")^	**30**	30	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")
Via LITRAK Holdings			
Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd. ("SPRINT Holdings")^	**22**	22	Investment holding; holding company to the concession holder of an expressway – SPRINT Highway
Naim Gamuda (NAGA) JV Sdn. Bhd. ("NAGA")	**30**	30	Civil engineering and construction
Held by Gamuda Engineering Sdn. Bhd.:			
Bumi Fantasia Sdn. Bhd.*	**36**	–	Sea sand mining and in particular extraction of sand
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 PLT, Malaysia*
 # Financial year end of 31 July
^ Interests in associated companies held as assets for sale

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
– 31 July 2022

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

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

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.

(b) Summarised financial information of material associated companies

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

2022	Other associates – individually immaterial, representing total RM'000
Summarised statements of financial position	
Non-current assets	**16,734**
Current assets	**237,217**
Current liabilities	**(80,226)**
Net assets	**173,725**
Summarised statements of comprehensive income	
Results	
Revenue	**409,810**
Profit for the year	**15,375**
Reconciliation of net to carrying amount as at year end	
Group's share of net assets	**75,863**
Fair value on acquisition in excess of net assets	**1,743**
Carrying amount in statements of financial position	**77,606**
Group's net share of profit for the year	**6,008**
Other information	
– Group's share of dividend	**–**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

(b) Summarised financial information of material associated companies (cont'd.)

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

2021	LITRAK Holdings RM'000	SPRINT Holdings* RM'000	Other associates – individually immaterial RM'000	Total RM'000
Summarised statements of financial position				
Non-current assets	1,284,126	1,294,806	83,872	2,662,804
Current assets	583,769	276,372	164,147	1,024,288
Non-current liabilities	(406,247)	(1,125,773)	–	(1,532,020)
Current liabilities	(220,962)	(166,450)	(88,713)	(476,125)
Net assets	1,240,686	278,955	159,306	1,678,947
Summarised statements of comprehensive income				
Results				
Revenue	390,963	196,508	15,134	602,605
Profit for the year	199,974	30,212	6,412	236,598
Reconciliation of net to carrying amount as at year end				
Group's share of net assets	535,728	83,686	70,475	689,889
Fair value on acquisition in excess of net assets	90,537	–	–	90,537
Carrying amount in statements of financial position	626,265	83,686	70,475	780,426
Group's net share of profit for the year	86,349	9,063	2,459	97,871
Other information				
– Group's share of dividend	46,011	–	226,454	272,465

* *Amounts represent 30% direct interest in SPRINT Holdings*

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

19. INTERESTS IN JOINT ARRANGEMENTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unquoted shares at cost:				
– Malaysia	**194,103**	355,603	**128,127**	289,627
– Outside Malaysia	**7,538**	7,538	**–**	–
Advances to joint ventures	**176,383**	176,383	**–**	–
Group's share of post-acquisition reserves, net of dividends receivable	**555,039**	599,837	**–**	–
Less: Accumulated impairment losses	**–**	(98,452)	**–**	(112,000)
	933,063	1,040,909	**128,127**	177,627
Classified as assets held for sale (Note 47):				
Unquoted shares at cost:	**161,500**	–	**161,500**	–
– Malaysia				
Group's share of post-acquisition reserves, net of dividends receivable	**(63,048)**	–	**–**	–
Less: Accumulated impairment losses	**(98,452)**	–	**(161,500)**	–
Assets held for sale	**–**	–	**–**	–

Advances to joint ventures are related to projects in Singapore and have no fixed term of repayment, unsecured and non-interest bearing. The advances represent long term investments, hence, capital in nature. As a result, in substance, the advances form part of the Group's interest in joint arrangements.

(a) Current financial year

Investment in a joint arrangement held for sale

Projek SMART Holdings Sdn. Bhd. (being the "Concession Holding Company") has accepted the offer from ALR to acquire all the securities of its wholly-owned subsidiary, Syarikat Mengurus Air Banjir & Terowong Sdn. Bhd. (being the "Expressway Concession Company") as disclosed in Note 42 to the financial statements. Consequently, Projek SMART Holdings Sdn. Bhd. has been classified as assets held for sale. Further details are disclosed in Note 42 to the financial statements. The Group's share of post-acquisition reserves, net of dividends receivables is inclusive of the Group's share of impairment loss of RM26,186,000 recognised by Projek SMART Holdings Sdn. Bhd.. In addition, the Company had recognised additional impairment loss of RM49,500,000 during the financial year in respect of its interest in Projek SMART Holdings Sdn. Bhd.

(b) Previous financial year

Repayment of advance by a joint venture

GEM Homes Pte. Ltd., a 50% joint venture of the Group had repaid an amount of RM24,510,000 (SGD8,282,000) to its holding company, Gamuda (Singapore) Pte. Ltd. upon completion of the project.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

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

Name of joint operations	Proportion of ownership 2022 %	2021 %	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 tunneling, underground 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**	50	Undertake the construction works of Sentul West Station and Escape Shaft 1
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
Gamuda Engineering – Lim Hoo Seng (Theme Park) Joint Venture*	**50**	50	Undertake the construction of water theme park for Gamuda Land Leisure Sdn. Bhd.
Kerjaya Gamuda Joint Venture	**50**	–	Undertake the construction of Gurney Marine Bridge
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			
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
Unincorporated in Singapore			
Greatearth-Gamuda Joint Venture^(i)	**–**	45	Undertake construction of Gali Batu Multi-Storey Bus Depot in Singapore
Unincorporated in Taiwan			
Feng Shun – Gamuda Joint Venture^	**50**	–	Undertakes civil engineering and construction works for 161kV Songshu to Guangfeng Underground Transmission Line

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 2022 %	2021 %	Principal/Economic activities
Incorporated in Malaysia			
Projek SMART Holdings Sdn. Bhd. ("SMART Holdings")	**50**	50	Investment holding of Syarikat Mengurus Air Banjir & Terowong Sdn. Bhd. which 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 tunneling, 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
Danau Permai Resort Berhad	**50**	50	Undertake the management of a club and golf course
Kota Kemuning Nursery & Landscaping Sdn. Bhd.	**50**	50	Supply and planting of landscaping materials and providing landscaping services for property development
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 2022 %	2021 %	Principal/Economic activities
Incorporated in Singapore			
Held by Gamuda (Singapore) Pte. Ltd.:			
GEM Homes Pte. Ltd.^# ("GEM Homes")	**50**	50	Property development of GEM Residences in Singapore
Anchorvale Pte. Ltd.^# ("Anchorvale")	**50**	50	Property development of OLA Executive Condo in Singapore

* *Audited by firms other than Ernst & Young PLT*
^ *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.

(i) Greatearth-Gamuda Joint Venture

During the financial year, the Company's 55% joint venture partner, Greatearth Corporation filed a statutory declaration on 3 September 2021 of their company's inability to continue business and notified the Company of their intention to withdraw from the Gali Batu Multi-Storey Bus Depot. Subsequent to the novation of all duties, obligations, claims and liabilities of Greatearth Corporation to the Company, the Company gained control over Greatearth-Gamuda Joint Venture as it now has 100% interest in the joint venture and accounts for the Greatearth-Gamuda Joint Venture as an unincorporated subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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:

2022	Horizon Hills RM'000	Anchorvale RM'000	KVMRT (PDP SSP) (Line 2) RM'000	Tunnel SB (Line 1 & 2) (Underground) RM'000	Other joint ventures - individually immaterial RM'000	Total RM'000
Summarised statements of financial position						
Non-current assets	273,271	6,912	716,444	319,416	495,874	1,811,917
Current assets	797,713	1,828,571	2,106,937	560,136	365,099	5,658,456
Non-current liabilities	(217,565)	(825,345)	(588,156)	(2,477)	(229,458)	(1,863,001)
Current liabilities	(178,057)	(654,020)	(1,834,385)	(682,216)	(260,019)	(3,608,697)
Net assets	675,362	356,118	400,840	194,859	371,496	1,998,675
The above amounts of assets and liabilities include the following:						
Cash and cash equivalents	59,428	247,695	51,433	158,814	97,124	614,494
Current financial liabilities (excluding trade and other payables and provision)	–	–	–	–	(29,746)	(29,746)
Non-current financial liabilities (excluding trade and other payables and provision)	(182,764)	(825,344)	–	–	(57,556)	(1,065,664)
Summarised statements of comprehensive income						
Results						
Revenue	209,628	–	3,328,072	1,000,254	110,086	4,648,040
Profit/(loss) for the year	43,216	(5,551)	635,935	43,746	(29,696)	687,650
The above profit for the year includes the following:						
Depreciation and amortisation	(2,379)	(4,460)	(3,604)	(5,710)	(25,129)	(41,282)
Interest income	4,820	–	37,504	28,013	2,021	72,358
Income tax expense	(13,845)	480	(193,663)	(4,830)	(2,157)	(214,015)
Finance costs	(630)	–	–	–	(12,699)	(13,329)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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.)

2021	Horizon Hills RM'000	Anchorvale RM'000	KVMRT (PDP SSP) (Line 2) RM'000	Tunnel SB (Line 1 & 2) (Underground) RM'000	SMART Holdings RM'000	Other joint ventures - individually immaterial RM'000	Total RM'000
Summarised statements of financial position							
Non-current assets	276,648	10,489	1,297,372	310,130	373,013	498,154	2,765,806
Current assets	842,348	1,532,066	3,097,342	1,065,139	35,188	567,180	7,139,263
Non-current liabilities	(36,963)	(902,638)	(588,193)	(6,922)	(304,839)	(272,630)	(2,112,185)
Current liabilities	(223,600)	(289,512)	(3,555,617)	(1,117,110)	(38,832)	(391,989)	(5,616,660)
Net assets	858,433	350,405	250,904	251,237	64,530	400,715	2,176,224
The above amounts of assets and liabilities include the following:							
Cash and cash equivalents	91,382	135,903	50,579	231,957	28,488	251,220	789,529
Current financial liabilities (excluding trade and other payables and provision)	(28,048)	–	–	–	(10,000)	(15,715)	(53,763)
Non-current financial liabilities (excluding trade and other payables and provision)	–	(902,638)	–	–	(304,839)	(62,622)	(1,270,099)
Summarised statements of comprehensive income							
Results							
Revenue	192,247	–	4,403,556	1,235,724	17,745	113,873	5,963,145
Profit/(loss) for the year	42,207	(7,901)	373,541	57,539	(16,244)	(13,500)	435,642
The above profit for the year includes the following:							
Depreciation and amortisation	(2,575)	(7,747)	(3,774)	(7,979)	(6,400)	(23,948)	(52,423)
Interest income	4,315	–	52,161	29,243	905	1,449	88,073
Income tax expense	(14,619)	2,602	(110,200)	(10,646)	–	423	(132,440)
Finance costs	(2,158)	–	–	–	(17,623)	(13,031)	(32,812)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
– 31 July 2022

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.)

2022	Horizon Hills RM'000	Anchorvale RM'000	KVMRT (PDP SSP) (Line 2) RM'000	Tunnel SB (Line 1 & 2) (Underground) RM'000	Other joint ventures - individually immaterial RM'000	Total RM'000
Reconciliation of net assets to carrying amount as at year end						
Group's share of net assets	**320,431**	**178,059**	**200,420**	**97,429**	**136,724**	**933,063**
Group's share of profit/(loss) for the year	**21,608**	**(2,775)**	**317,968**	**21,873**	**(14,849)**	**343,825**
Other information – Group's share of dividend (Note 4)	**130,000**	**–**	**243,000**	**50,000**	**–**	**423,000**

2021	Horizon Hills RM'000	Anchorvale RM'000	KVMRT (PDP SSP) (Line 2) RM'000	Tunnel SB (Line 1 & 2) (Underground) RM'000	SMART Holdings RM'000	Other joint ventures - individually immaterial RM'000	Total RM'000
Reconciliation of net assets to carrying amount as at year end							
Group's share of net assets	429,215	175,202	125,452	125,618	32,266	153,156	1,040,909
Group's share of profit/(loss) for the year	21,104	(3,950)	186,771	27,734	(8,122)	(6,751)	216,786
Other information – Group's share of dividend (Note 4)	–	–	80,000	–	–	106,206*	186,206

** Dividend was distributed to the Group via Gamuda (Singapore) Pte. Ltd., a wholly owned subsidiary.*

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

20. OTHER INVESTMENTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Investment in transferable club memberships	**683**	762	**683**	683
Others	**7,119**	50	**7,119**	50
	7,802	812	**7,802**	733

The fair value of other investments are disclosed in Note 43 to the financial statements.

21. RECEIVABLES AND OTHER FINANCIAL ASSETS

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current					
(i) Receivables	(a)				
Trade		**1,616,447**	1,356,886	**620,418**	496,346
Less: Allowance for impairment		**(70,617)**	(67,378)	**(68,928)**	(64,917)
		1,545,830	1,289,508	**551,490**	431,429
Non-trade		**891,247**	456,956	**319,277**	303,346
Total current receivables and other financial assets		**2,437,077**	1,746,464	**870,767**	734,775
Non-current					
(i) Receivables	(b)				
Trade		**189,371**	230,420	**7,519**	23,192
Non-trade		**32,515**	29,483	**5,070**	3,333
		221,886	259,903	**12,589**	26,525
(ii) Other financial assets					
Other financial assets at amortised cost	(c)	**102,767**	100,504	**–**	–
Total non-current receivables and other financial assets		**324,653**	360,407	**12,589**	26,525
Total receivables and other financial assets		**2,761,730**	2,106,871	**883,356**	761,300

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

21. RECEIVABLES AND OTHER FINANCIAL ASSETS (CONT'D.)

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

(a) Current

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade receivables					
Third parties		**972,276**	648,930	**289,489**	41,338
Associated companies	(ii)	**32,703**	19,397	**–**	–
Joint ventures	(iii)	**264,489**	409,658	**222,292**	395,868
Joint venture partners		**7,181**	16,270	**–**	7,630
Advances to subcontractors		**241,645**	177,478	**46,350**	12,551
Retention sums		**86,712**	76,946	**62,287**	38,959
Stakeholder funds		**11,441**	8,207	**–**	–
	(i)	**1,616,447**	1,356,886	**620,418**	496,346
Less: Allowance for impairment		**(70,617)**	(67,378)	**(68,928)**	(64,917)
		1,545,830	1,289,508	**551,490**	431,429
Non-trade receivables					
Associated companies	(ii)	**555**	389	**151**	328
Joint ventures	(iii)	**86,518**	65,769	**11,332**	10,993
Deposits		**418,713**	22,084	**4,861**	4,328
Prepayments		**171,722**	168,817	**142,331**	142,393
Sundry receivables		**213,739**	199,897	**160,602**	145,304
		891,247	456,956	**319,277**	303,346
		2,437,077	1,746,464	**870,767**	734,775

In the current financial year, included in current trade receivables from third parties was an amount of RM54,248,000 (2021: RM50,490,000) for the supply of treated water by Gamuda Water to Air Selangor under the new operations and maintenance agreement. The amount shall be settled based on the credit terms of 60 days.

21. RECEIVABLES AND OTHER FINANCIAL ASSETS (CONT'D.)

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

(b) Non-current

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade receivables					
Third parties		**85,169**	96,505	**–**	–
Joint ventures	(iii)	**44,272**	80,336	**–**	–
Retention sums		**59,930**	37,865	**7,519**	23,192
Stakeholder funds		**–**	15,714	**–**	–
		189,371	230,420	**7,519**	23,192
Non-trade receivables					
Joint ventures	(iii)	**13,750**	13,071	**–**	–
Deposits		**18,063**	11,522	**5,062**	3,325
Sundry receivables		**–**	3	**–**	–
Prepayments		**702**	4,887	**8**	8
		32,515	29,483	**5,070**	3,333
		221,886	259,903	**12,589**	26,525

(c) Other financial assets at amortised cost

As part of the terms of the asset-backed securities ("ABS") exercise, Gamuda Water was required to subscribe to the junior notes of the ABS. The financial asset is measured at amortised cost with an effective interest rate of 4.71% (2021: 4.71%) per annum.

The asset-backed medium-term notes has a variable coupon rate and a term of 8 years. The Group receives coupon payment semi-annually, with the principal being paid to the Group on maturity date of 23 March 2029.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

21. RECEIVABLES AND OTHER FINANCIAL ASSETS (CONT'D.)

(c) Other financial assets at amortised cost (cont'd.)

(i) Current

Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2021: 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	
	2022 RM'000	2021 RM'000
Neither past due nor impaired	**1,316,489**	1,121,326
1 to 30 days past due not impaired	**70,730**	51,677
31 to 60 days past due not impaired	**23,845**	22,967
61 to 90 days past due not impaired	**15,757**	13,646
91 to 120 days past due not impaired	**20,784**	9,937
More than 120 days past due not impaired	**98,225**	69,955
	229,341	168,182
Impaired	**70,617**	67,378
	1,616,447	1,356,886

	Company	
	2022 RM'000	2021 RM'000
Neither past due nor impaired	**517,389**	417,009
1 to 30 days past due not impaired	**10,505**	10,506
91 to 120 days past due not impaired	**3,057**	1,916
More than 120 days past due not impaired	**20,539**	1,998
	34,101	14,420
Impaired	**68,928**	64,917
	620,418	496,346

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

21. RECEIVABLES AND OTHER FINANCIAL ASSETS (CONT'D.)

(c) Other financial assets at amortised cost (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 RM229,341,000 (2021: RM168,182,000) and RM34,101,000 (2021: RM14,420,000) 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. 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 individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Trade receivables – nominal amounts	**70,617**	67,378
Less: Allowance for impairment	**(70,617)**	(67,378)
	–	–
Movement in allowance accounts:		
At 1 August 2021/2020	**67,378**	132,083
Net (reversal)/charge for the year (Note 7)	**(772)**	396
Amount written off	**–**	(64,469)
Exchange difference	**4,011**	(632)
At 31 July	**70,617**	67,378

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

21. RECEIVABLES AND OTHER FINANCIAL ASSETS (CONT'D.)

(c) Other financial assets at amortised cost (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 individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows: (cont'd.)

	Company	
	2022 RM'000	**2021 RM'000**
Trade receivables – nominal amounts	**68,928**	64,917
Less: Allowance for impairment	**(68,928)**	(64,917)
	–	–
Movement in allowance accounts:		
At 1 August 2021/2020	**64,917**	130,018
Amount written off	**–**	(64,469)
Exchange difference	**4,011**	(632)
At 31 July	**68,928**	64,917

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.

(ii) Due from associated companies

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Current				
Trade	**32,703**	19,397	**–**	–
Non-trade	**555**	389	**151**	328
	33,258	19,786	**151**	328

The trade amounts due from associated companies are non-interest bearing and are generally on 30 days (2021: 30 days) terms.

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

21. RECEIVABLES AND OTHER FINANCIAL ASSETS (CONT'D.)

(c) Other financial assets at amortised cost (cont'd.)

(iii) Due from joint ventures

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current				
Trade	**264,489**	409,658	**222,292**	395,868
Non-trade	**86,518**	65,769	**11,332**	10,993
	351,007	475,427	**233,624**	406,861
Non-current				
Trade	**44,272**	80,336	**–**	–
Non-trade	**13,750**	13,071	**–**	–
	58,022	93,407	**–**	–
	409,029	568,834	**233,624**	406,861

Current

Included in the trade receivables of the Group and of the Company is an amount of RM222,289,000 (2021: RM395,840,000) due from its 50% owned joint venture, MMC Gamuda KVMRT (T) Sdn. Bhd. ("Tunnel SB"). Tunnel SB is the contractor for the underground works of KVMRT Line 2.

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 RM41,625,000 is unsecured and repayable on 27 April 2023.

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 RM37,029,000 (2021: RM75,136,000) is unsecured and repayable on 27 April 2024.

Included in the non-trade receivables of the Group represents a loan amounting to RM13,750,000 (2021: RM13,071,000), 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% (2021: 5.20%) per annum.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

21. RECEIVABLES AND OTHER FINANCIAL ASSETS (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 2022				
Other investments	20	**7,802**	**–**	**7,802**
Investment securities	23	**700,782**	**–**	**700,782**
Current receivables	21(a)			
Third parties		**–**	**972,276**	**972,276**
Associated companies		**–**	**33,258**	**33,258**
Joint ventures		**–**	**351,007**	**351,007**
Joint venture partners		**–**	**7,181**	**7,181**
Retention sums		**–**	**86,712**	**86,712**
Stakeholder funds		**–**	**11,441**	**11,441**
Deposits		**–**	**418,713**	**418,713**
Sundry receivables		**–**	**213,739**	**213,739**
Non-current receivables	21(b)			
Third parties		**–**	**85,169**	**85,169**
Joint ventures		**–**	**58,022**	**58,022**
Retention sums		**–**	**59,930**	**59,930**
Deposits		**–**	**18,063**	**18,063**
Other financial assets at amortised cost	21(c)	**–**	**102,767**	**102,767**
Cash and bank balances	25	**–**	**2,794,348**	**2,794,348**
Total financial assets		**708,584**	**5,212,626**	**5,921,210**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

21. RECEIVABLES AND OTHER FINANCIAL ASSETS (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 2021				
Other investments	20	812	–	812
Investment securities	23	881,337	–	881,337
Current receivables	21(a)			
Third parties		–	648,930	648,930
Associated companies		–	19,786	19,786
Joint ventures		–	475,427	475,427
Joint venture partners		–	16,270	16,270
Retention sums		–	76,946	76,946
Stakeholder funds		–	8,207	8,207
Deposits		–	22,084	22,084
Sundry receivables		–	199,897	199,897
Non-current receivables	21(b)			
Third parties		–	96,505	96,505
Joint ventures		–	93,407	93,407
Retention sums		–	37,865	37,865
Stakeholder funds		–	15,714	15,714
Deposits		–	11,522	11,522
Sundry receivables		–	3	3
Other financial assets at amortised cost	21(c)	–	100,504	100,504
Cash and bank balances	25	–	2,656,658	2,656,658
Total financial assets		882,149	4,479,725	5,361,874

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

21. RECEIVABLES AND OTHER FINANCIAL ASSETS (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 2022				
Other investments	20	**7,802**	**–**	**7,802**
Investment securities	23	**606,192**	**–**	**606,192**
Current receivables	21(a)			
Third parties		**–**	**289,489**	**289,489**
Associated companies		**–**	**151**	**151**
Joint ventures		**–**	**233,624**	**233,624**
Joint venture partners		**–**	**–**	**–**
Retention sums		**–**	**62,287**	**62,287**
Deposits		**–**	**4,861**	**4,861**
Sundry receivables		**–**	**160,602**	**160,602**
Non-current receivables	21(b)			
Retention sums		**–**	**7,519**	**7,519**
Deposits		**–**	**5,062**	**5,062**
Due from subsidiaries	24	**–**	**4,136,151**	**4,136,151**
Cash and bank balances	25	**–**	**722,856**	**722,856**
Total financial assets		**613,994**	**5,622,602**	**6,236,596**
At 31 July 2021				
Other investments	20	733	–	733
Investment securities	23	743,716	–	743,716
Current receivables	21(a)			
Third parties		–	41,338	41,338
Associated companies		–	328	328
Joint ventures		–	406,861	406,861
Joint venture partners		–	7,630	7,630
Retention sums		–	38,959	38,959
Deposits		–	4,328	4,328
Sundry receivables		–	145,304	145,304
Non-current receivables	21(b)			
Retention sums		–	23,192	23,192
Deposits		–	3,325	3,325
Due from subsidiaries	24	–	4,208,529	4,208,529
Cash and bank balances	25	–	135,105	135,105
Total financial assets		744,449	5,014,899	5,759,348

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

22. CONTRACT ASSETS/(LIABILITIES)

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Contract assets:					
Construction	(a)	**816,855**	842,832	**39,535**	45,825
Property development	(b)	**1,878,792**	851,311	**–**	–
		2,695,647	1,694,143	**39,535**	45,825
Analysed as:					
Current		**2,695,647**	1,694,143	**39,535**	45,825
Contract liabilities:					
Construction	(a)	**(1,410,490)**	(1,000,672)	**(1,245,163)**	(856,448)
Property development	(b)	**(16,186)**	(14,429)	**–**	–
Deferred revenue	(c)	**(24,731)**	(39,139)	**–**	–
		(1,451,407)	(1,054,240)	**(1,245,163)**	(856,448)
Analysed as:					
Current		**(1,429,921)**	(1,028,619)	**(1,245,163)**	(856,448)
Non-current		**(21,486)**	(25,621)	**–**	–
		(1,451,407)	(1,054,240)	**(1,245,163)**	(856,448)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

(a) Contract assets/(liabilities) from construction

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Construction contract costs incurred to date	**15,351,092**	13,101,864	**8,696,618**	7,436,024
Recognised profits less recognised losses	**1,763,224**	1,612,006	**1,361,056**	1,230,871
Progress billings received and receivables	**(17,707,951)**	(14,871,710)	**(11,263,302)**	(9,477,518)
	(593,635)	(157,840)	**(1,205,628)**	(810,623)
Represented by:				
Contract assets	**816,855**	842,832	**39,535**	45,825
Contract liabilities	**(1,410,490)**	(1,000,672)	**(1,245,163)**	(856,448)
	(593,635)	(157,840)	**(1,205,628)**	(810,623)
Analysed as:				
Contract assets				
Due within 1 year	**816,855**	842,832	**39,535**	45,825
Contract liabilities				
Due within 1 year	**(1,410,490)**	(1,000,672)	**(1,245,163)**	(856,448)

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

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Depreciation:				
– Property, plant and equipment (Note 12)	**9,026**	57,964	**3,050**	52,040
– Right-of-use assets (Note 15)	**1,930**	1,343	**1,930**	1,343
Staff costs (Note 5)	**119,795**	104,574	**67,519**	48,446
Finance costs (Note 8)	**4,693**	4,444	**31**	23
Short-term leases:				
– Rental of premises	**2,354**	2,534	**827**	977
– Hire of plant and equipment	**8,139**	15,992	**378**	321

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 RM201,841,000 (2021: RM194,723,000) which is pending issuance of investment certificates for property development in Hanoi, Vietnam as consideration for the construction works by GLVN.

The directors do not foresee any issue in obtaining the investment certificates and therefore are of the opinion that this amount is recoverable.

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

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

	Group 2022 RM'000	Group 2021 RM'000
Contract assets	**1,878,792**	851,311
– Accrued billings	**1,844,232**	828,783
– Others	**34,560**	22,528
Contract liabilities	**(16,186)**	(14,429)
– Progress billings	**(5,755)**	(384)
– Others	**(10,431)**	(14,045)
	1,862,606	836,882

Others relate to consideration payable to customers including rebates and legal fees, are accounted for as a reduction to transaction price and recognised to profit or loss when performance obligations are satisfied.

	Group 2022 RM'000	Group 2021 RM'000
At beginning of the year	**836,882**	824,943
Consideration payable to customers	**50,548**	25,470
Revenue recognised during the year	**2,528,106**	1,091,803
Interest income relating to significant financing component (Note 7)	**190**	211
Progress billings during the year	**(1,572,340)**	(1,109,806)
Exchange differences	**19,220**	4,261
At end of the year	**1,862,606**	836,882
Analysed as:		
Contract assets		
Due within 1 year	**1,878,792**	851,311
Contract liabilities		
Due within 1 year	**(16,186)**	(14,429)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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	
	2022 RM'000	**2021 RM'000**
Within 1 year	**1,886,093**	1,721,541
Between 1 – 4 years	**324,761**	1,406,623
	2,210,854	3,128,164

(c) Contract liabilities from deferred revenue

		Group	
	Note	**2022 RM'000**	**2021 RM'000**
Advance membership	(i)	**(24,731)**	(24,385)
Concession revenue	(ii)	**–**	(14,754)
		(24,731)	(39,139)
Analysed as:			
Due within 1 year		**(3,245)**	(13,518)
Due after 1 year		**(21,486)**	(25,621)
		(24,731)	(39,139)

(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	
	2022 RM'000	**2021 RM'000**
Analysed as:		
Due within 1 year	**(3,245)**	(1,719)
Due after 1 year	**(21,486)**	(22,666)
	(24,731)	(24,385)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

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

(ii) Concession revenue

As at 31 July 2022, deferred revenue in relation to Kesas Sdn. Bhd. has been classified as liabilities directly associated with the assets held for sale as disclosed in Note 47 to the financial statements.

In the previous financial year, 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.

Group	Advance license fees RM'000	Advance maintenance fees RM'000	Government compensations RM'000	Total RM'000
At 31 July 2021				
At 1 August 2020	(1,679)	(1,085)	(23,799)	(26,563)
Amount recognised				
– As revenue	–	–	11,000	11,000
– As other income	554	255	–	809
	(1,125)	(830)	(12,799)	(14,754)
Analysed as:				
Due within 1 year	(554)	(245)	(11,000)	(11,799)
Due after 1 year	(571)	(585)	(1,799)	(2,955)
	(1,125)	(830)	(12,799)	(14,754)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

23. INVESTMENT SECURITIES

	2022		2021	
	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 in investment funds placements				
– Islamic	**272,388**	**272,388**	306,001	306,001
– Non-Islamic	**398,634**	**398,634**	377,236	377,236
Others				
– Islamic	**–**	**–**	83,917	83,917
– Non-Islamic	**29,760**	**29,760**	114,183	114,183
	700,782	**700,782**	881,337	881,337
Company				
Current				
Portfolios:				
Held in investment funds placements				
– Islamic	**246,264**	**246,264**	227,352	227,352
– Non-Islamic	**359,928**	**359,928**	346,334	346,334
Others				
– Islamic	**–**	**–**	83,918	83,918
– Non-Islamic	**–**	**–**	86,112	86,112
	606,192	**606,192**	743,716	743,716

As at 31 July 2022, investment securities in relation to Kesas Holdings Berhad and Kesas Sdn. Bhd. have been classified as assets held for sale as disclosed in Note 47 to the financial statements.

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. Their fair values are determined based on the quoted prices from the respective investment funds.

Other details of fair value of investment securities are further disclosed in Note 43 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

24. DUE FROM SUBSIDIARIES

	Company 2022 RM'000	Company 2021 RM'000
Non-current		
Redeemable unsecured loan stocks ("RULS")	–	900,000
Due from subsidiaries		
– Non-trade	**1,150,000**	1,274,536
	1,150,000	2,174,536
Current		
Redeemable unsecured loan stocks ("RULS")	**900,000**	–
Due from subsidiaries		
– Non-trade	**2,086,151**	2,033,993
	2,986,151	2,033,993
	4,136,151	4,208,529

RULS:

Amount drawdown RM'000	Issuance Date	Maturity Date	Issuance tenure (years)	Yield at Issuance date %
500,000	23.11.2017	22.11.2022	5	5.32
400,000	16.03.2018	16.03.2023	5	5.35
900,000				

The RULS are measured at amortised cost using effective interest rates at the rates mentioned above. The interest on RULS charged to the subsidiary, Megah Capital Sdn. Bhd. is recognised as interest income arising from subsidiaries, as disclosed in Note 7 to the financial statements.

The trade amounts due from subsidiaries have a normal credit term which ranges from 30 to 90 days (2021: 30 to 90 days).

The non-trade amounts due from subsidiaries are unsecured, interest free and are repayable on demand except for advances of RM2,775,720,000 (2021: RM2,964,666,000) given to subsidiaries which bear interest at 2.31% to 5.35% (2021: 2.60% to 5.50%) per annum. They are measured at amortised cost using the respective effective interest rates.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

25. CASH AND BANK BALANCES

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Cash in hand and at banks				
– Interest bearing	**480,947**	295,568	**320,535**	88,461
– Non-interest bearing	**74,277**	54,439	**35,479**	20,709
Housing Development Accounts:				
– Islamic	**245,831**	183,217	**–**	–
– Non-Islamic	**25,658**	19,829	**–**	–
	826,713	553,053	**356,014**	109,170
Deposits with licensed banks with				
– Tenures of less than 3 months				
– Islamic	**176,083**	418,281	**24,463**	10,300
– Non-Islamic	**695,654**	338,963	**342,379**	15,635
– Tenures of more than 3 months				
– Islamic	**6,069**	225,378	**–**	–
– Non-Islamic	**1,089,829**	1,120,983	**–**	–
Total cash and bank balances	**2,794,348**	2,656,658	**722,856**	135,105

As at 31 July 2022, cash and bank balances in relation to Kesas Holdings Berhad and Kesas Sdn. Bhd. have been classified as assets held for sale as disclosed in Note 47 to the financial statements.

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

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Total cash and bank balances	**2,794,348**	2,656,658	**722,856**	135,105
Cash and bank balances classified as assets held for sale (Note 47)	**277,884**	–	**–**	–
Less: Deposits with tenures of more than 3 months	**(1,095,898)**	(1,346,361)	**–**	–
Less: Deposits with tenures of more than 3 months classified as assets held for sale	**(67,900)**	–	**–**	–
Total cash and cash equivalents	**1,908,434**	1,310,297	**722,856**	135,105

Included in total cash and bank balances of the Group and of the Company are interest bearing balances amounting to RM2,720,071,000 (2021: RM2,602,219,000) and RM687,377,000 (2021: RM114,396,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

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	
	2022 %	2021 %	2022 %	2021 %
Licensed banks:				
Malaysia	**1.98**	1.67	**2.05**	1.52
India	**5.06**	5.13	**–**	–
Australia	**1.73**	0.06	**1.75**	0.05
Singapore	**1.30**	0.05	**–**	–
Vietnam	**4.73**	4.44	**–**	–

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

	Group		Company	
	2022 Days	2021 Days	2022 Days	2021 Days
Licensed banks	**3 - 396**	3 - 367	**3 - 64**	3 - 31

26. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2022 '000	2021 '000	2022 RM'000	2021 RM'000
Issued and fully paid:				
At 1 August 2021/2020	**2,513,529**	2,513,528	**3,620,949**	3,620,946
Conversion of warrants	**–**	1	**–**	3
Issuance on dividend reinvestment plan	**40,402**	–	**102,218**	–
At 31 July	**2,553,931**	2,513,529	**3,723,167**	3,620,949

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.

26. SHARE CAPITAL (CONT'D.)

(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 RM3,620,950,423 to RM3,723,168,634 by way of issuance of 40,402,455 new ordinary shares pursuant to the dividend reinvestment plan at the price of RM2.53 per ordinary share.

(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 issue date and expired on 5 March 2021 being the last market day immediately preceding the date which is the fifth anniversary of the issue of Warrants (which falls on Saturday, 6 March 2021, a non-market day) pursuant to the provisions of the Deed Poll dated 22 January 2016. 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 5 March 2021, at an exercise price of RM4.05 per Warrant in accordance with the Deed Poll. Any Warrants not exercised by its expiry date will lapse thereafter and cease to be valid for all purposes. As at 5 March 2021, 387,220,949 Warrants 2016/2021 remain unexercised and have lapsed.

The total number of warrants converted and lapsed during the year are as follows:

	Warrants 2016/2021	
	2022 '000	**2021 '000**
At 1 August 2021/2020	–	387,221
Converted	–	(1)
Lapsed	–	(387,220)
At 31 July	–	–

(e) The Gamuda Berhad Employees' Share Option Scheme ("ESOS") was approved by the shareholders at the Extraordinary General Meeting held on 8 December 2021 and became effective on 9 December 2021. With effect from 9 December 2021, the Company issued options under the new ESOS for the eligible executive directors and employees of Gamuda Berhad and its subsidiaries. The ESOS will be expired on 31 January 2027 and balance unexercised will be lapsed.

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 ESOS Committee.

(ii) The ESOS shall be in force until 31 January 2027, subject however to any extension of the ESOS. On or before the date of expiry, the Board shall have the discretion, without having to obtain approval of the Company's shareholders, to extend the duration of the ESOS provided that the initial period of the ESOS and such extension of the ESOS shall not in aggregate exceed the duration of 10 years from the effective date of the ESOS.

26. SHARE CAPITAL (CONT'D.)

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

(iii) The aggregate maximum number of shares which may be made available under the scheme shall not in aggregate exceed 10% of the total number of issued shares at any point of time during the duration of the scheme.

(iv) The exercise 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 award date, without any discount being recorded.

(v) The aggregate number of shares to be offered to an eligible person shall be determined at the discretion of the ESOS Committee after taking into consideration, amongst others, the provisions of the Listing Requirements or other applicable regulatory requirements prevailing during the duration of the scheme and after taking into consideration the performance, targets, position, annual appraised performance, seniority and length of service, contribution, category or grade of employment of the Eligible Person or such other matters which the ESOS Committee may in its sole and absolute discretion deem fit.

(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 duration of the scheme, whether by way of rights issue, bonus issue or capitalisation of profit or reserves, consolidation or subdivision of shares or reduction or any other alteration in the capital structure of the Company 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) A Grantee shall be allowed to exercise the options granted to him/her at any point of time within the option period.

(x) If the accepted options are not exercised by the dates below (Expiry Date), the relevant accepted options shall expire as follows:

Expiry Date	31-Jan-24	31-Jan-25	31-Jan-26	31-Jan-27
% of options accepted	40%	20%	20%	20%

(xi) A Grantee is only allowed to sell a 20% portion of the shares issued pursuant to the exercise of options at each annual anniversary of award date over the next five years.

(xii) The new shares allotted and issued upon any exercise of the options shall rank pari passu in all respects with the existing issued shares of the Company, save and except that the shares so allotted and issued will not be entitled to any dividend, right, allotment or other distributions, which may be declared, made or paid to shareholders, the entitlement date of which is prior to the date of allotment and issuance of such new shares.

(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
9 December 2021	2.85	180,472	9 December 2021 – 31 January 2027
24 January 2022	2.83	10,678	24 January 2022 – 31 January 2027
		191,150	

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

26. SHARE CAPITAL (CONT'D.)

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

	Number of share options	Movement during the year	
ESOS exercise price	**Outstanding and exercisable at 1 August 2021 '000**	**Granted '000**	**Outstanding and exercisable at 31 July 2022 '000**
RM2.85	–	180,472	180,472
RM2.83	–	10,678	10,678
	–	191,150	191,150
WAEP	–	2.85	2.85

(g) 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**
Exercise price of ESOS (RM)		
– Grant date: 9 December 2021	2.85	
– Grant date: 24 January 2022		2.83
Fair value of share options, at the following expiry dates (RM)		
– 31 January 2024	0.470	0.393
– 31 January 2025	0.511	0.441
– 31 January 2026	0.546	0.474
– 31 January 2027	0.555	0.494
Expected volatility		
– Grant date: 9 December 2021	30.00%	29.40%
– Grant date: 24 January 2022	29.40%	29.40%
Risk free rate at expiry dates		
– 31 January 2024	2.07%	2.28%
– 31 January 2025	2.34%	2.62%
– 31 January 2026	2.53%	2.79%
– 31 January 2027	2.66%	2.93%
Expected dividend yield#	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 on the expected term of the options as at grant dates.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

27. OTHER RESERVES (NON-DISTRIBUTABLE)

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Foreign exchange reserve				
At 1 August	**222,622**	192,167	**7,063**	(320)
Foreign currency translation	**114,276**	30,760	**663**	7,383
Share of associated companies foreign currency translation	**(978)**	375	**–**	–
Non-controlling interests	**1,089**	(680)	**–**	–
At 31 July	**337,009**	222,622	**7,726**	7,063
Warrants reserve				
At 1 August	**–**	96,806	**–**	96,806
Conversion of warrants	**–**	(1)	**–**	(1)
Transfer to retained profits upon expiry of warrants	**–**	(96,805)	**–**	(96,805)
At 31 July	**–**	–	**–**	–
Total other reserves	**337,009**	222,622	**7,726**	7,063

(i) Foreign exchange reserve

This reserve represents the foreign currency translation differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

28. RETAINED PROFITS

The Company may distribute dividends out of its entire retained earnings under the single tier system.

Included in the retained profits is a dilution gain arising from the deemed disposal of the interest in an associated company, amounting to RM164,024,000 (2021: RM153,828,000).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Present value of unfunded defined benefit obligations, representing net liability	**42,139**	44,227	**5,540**	5,215
Analysed as:				
Current (Note 30(b))	**1,087**	1,488	**–**	69
Non-current:				
More than one year and less than two years	**1,832**	1,444	**334**	144
More than two years and less than five years	**5,143**	2,786	**1,202**	87
Five years or more	**34,077**	38,509	**4,004**	4,915
Amount included in payables (Note 30(a))	**41,052**	42,739	**5,540**	5,146
Total	**42,139**	44,227	**5,540**	5,215

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

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Continuing operations:				
Current service cost	**3,674**	(4,608)	**460**	291
Interest cost	**1,835**	2,079	**233**	260
Total, included in staff costs and directors' remuneration (Notes 5 and 6)	**5,509**	(2,529)	**693**	551
Discontinued operations:				
Current service cost	**193**	267	**–**	–
Interest cost	**102**	107	**–**	–
Total	**295**	374	**–**	–
Total	**5,804**	(2,155)	**693**	551

29. RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 August 2021/2020	**44,227**	55,607	**5,215**	6,162
Recognised in profit or loss	**5,804**	(2,155)	**693**	551
Effect of re-measurement gain in other comprehensive income	**(3,767)**	(4,423)	**(368)**	(1,331)
Contributions paid	**(1,795)**	(4,767)	**–**	(167)
Exchange differences	**21**	(35)	**–**	–
	44,490	44,227	**5,540**	5,215
Liabilities directly associated with the assets held for sale (Note 47)	**(2,351)**	–	**–**	–
At 31 July	**42,139**	44,227	**5,540**	5,215

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)	2022 RM'000	Increase/ (decrease)	2021 RM'000
Discount rate	**+1%**	**(5,283)**	+1%	(4,920)
	-1%	**6,307**	-1%	5,886
Expected rate of salary increases	**+1%**	**6,653**	+1%	5,727
	-1%	**(5,664)**	-1%	(4,893)

Principal actuarial assumptions used:

	2022 %	2021 %
Discount rate	**5.2**	4.5
Expected rate of salary increases	**6.0 - 10.0**	6.0 - 10.0

The average duration of the defined benefit plan obligation at the end of the reporting year is 12 years (2021: 12 years).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

30. PAYABLES

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current payables	(a)				
Trade		**144,863**	155,867	**42,363**	67,719
Non-trade		**57,977**	57,014	**7,277**	5,198
		202,840	212,881	**49,640**	72,917
Current payables	(b)				
Trade		**1,970,735**	1,287,347	**443,688**	173,385
Non-trade		**695,846**	458,247	**226,655**	46,469
		2,666,581	1,745,594	**670,343**	219,854
Total payables		**2,869,421**	1,958,475	**719,983**	292,771
(a) Non-current payables					
Trade					
Trade payables		**788**	–	**6**	–
Retention sums		**143,980**	155,791	**42,357**	67,719
Accruals		**95**	76	**–**	–
		144,863	155,867	**42,363**	67,719
Non-trade					
Retirement benefit obligations (Note 29)		**41,052**	42,739	**5,540**	5,146
Lease liabilities (Note 31)		**5,819**	6,695	**1,737**	52
Sundry payables		**2,615**	4,601	**–**	–
Accruals		**8,491**	2,979	**–**	–
		57,977	57,014	**7,277**	5,198
		202,840	212,881	**49,640**	72,917

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

30. PAYABLES (CONT'D.)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
(b) Current payables					
Trade					
Trade payables		**432,310**	332,668	**126,403**	38,559
Associated company		**750**	–	**–**	–
Joint venture partners		**30,779**	4,585	**16,090**	3,349
Retention sums		**201,543**	152,491	**48,147**	13,006
Advances received on contracts		**158,142**	10,860	**158,142**	–
Accruals		**1,147,211**	786,743	**94,906**	118,471
		1,970,735	1,287,347	**443,688**	173,385
Non-trade					
Associated companies		**5,002**	77	**–**	–
Retirement benefit obligations (Note 29)		**1,087**	1,488	**–**	69
Lease liabilities (Note 31)		**4,587**	4,032	**1,350**	630
Sundry payables		**318,456**	301,340	**22,223**	14,515
Dividend payables		**153,236**	–	**153,236**	–
Accruals		**213,478**	151,310	**49,846**	31,255
		695,846	458,247	**226,655**	46,469
		2,666,581	1,745,594	**670,343**	219,854

The normal trade credit term granted to the Group and the Company ranges from 30 to 90 days (2021: 30 to 90 days).

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Financial liabilities at amortised costs					
Current payables	30(b)				
Trade payables		**432,310**	332,668	**126,403**	38,559
Associated companies		**5,752**	77	**–**	–
Joint venture partners		**30,779**	4,585	**16,090**	3,349
Retention sums		**201,543**	152,491	**48,147**	13,006
Advances received on contracts		**158,142**	10,860	**158,142**	–
Sundry payables		**318,456**	301,340	**22,223**	14,515
Dividend payables		**153,236**	–	**153,236**	–
Accruals and provisions		**1,360,689**	938,053	**144,752**	149,726
Lease liabilities	31	**4,587**	4,032	**1,350**	630
Non-current payables	30(a)				
Trade payables		**788**	–	**6**	–
Retention sums		**143,980**	155,791	**42,357**	67,719
Sundry payables		**2,615**	4,601	**–**	–
Accruals		**8,586**	3,055	**–**	–
Lease liabilities	31	**5,819**	6,695	**1,737**	52
Islamic debts	33	**2,958,902**	3,435,000	**1,758,902**	2,150,000
Conventional debts	34	**1,821,162**	1,792,794	**554,284**	257,987
Due to subsidiaries	36	**–**	–	**109,548**	143,486
		7,607,346	7,142,042	**3,137,177**	2,839,029

31. LEASE LIABILITIES

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 August 2021/2020	**10,727**	14,279	**682**	1,586
Additions	**5,301**	2,375	**4,159**	706
Interest expense (Note 8)	**402**	594	**69**	58
Payment made during the year	**(6,113)**	(6,564)	**(1,831)**	(1,690)
Exchange differences	**89**	43	**8**	22
At 31 July	**10,406**	10,727	**3,087**	682

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

31. LEASE LIABILITIES

Lease liabilities are analysed as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current (Note 30(b))	**4,587**	4,032	**1,350**	630
Non-current (Note 30(a))	**5,819**	6,695	**1,737**	52
	10,406	10,727	**3,087**	682

The lease liabilities are analysed as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Not more than 1 year	**4,587**	4,032	**1,350**	573
Later than 1 year but not later than 2 years	**4,912**	6,625	**1,029**	163
Later than 2 years but not later than 5 years	**1,309**	664	**777**	–
Undiscounted lease liabilities	**10,808**	11,321	**3,156**	736
Less: Unexpired finance charges	**(402)**	(594)	**(69)**	(54)
Discounted lease liabilities	**10,406**	10,727	**3,087**	682

The incremental borrowing rate to measure lease liabilities is 4.3% (2021: 4.6%) per annum.

The remaining maturities of the lease liabilities are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Not more than 1 year	**4,587**	4,032	**1,350**	630
Later than 1 year but not later than 2 years	**4,912**	6,625	**1,028**	52
Later than 2 years but not later than 5 years	**907**	66	**709**	–
Later than 5 years	**–**	4	**–**	–
	10,406	10,727	**3,087**	682

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

31. LEASE LIABILITIES (CONT'D.)

The Group and the Company have total cash outflows from leases of RM13,782,000 (2021: RM14,745,000) and RM3,519,000 (2021: RM3,324,000) respectively.

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Total cash outflow for leases				
Payment of lease liabilities	**(6,113)**	(6,564)	**(1,831)**	(1,690)
Payment of short-term leases	**(7,466)**	(7,921)	**(1,681)**	(1,628)
Payment of low value assets	**(203)**	(260)	**(7)**	(6)
	(13,782)	(14,745)	**(3,519)**	(3,324)

32. DEFERRED TAX LIABILITIES/(ASSETS)

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
At 1 August 2021/2020	**238,379**	295,239	**(6,520)**	(5,565)
Recognised in profit or loss	**4,350**	(56,669)	**720**	(856)
Recognised in other comprehensive income	**163**	731	**88**	319
Exchange differences	**1,822**	(922)	**19**	(418)
At 31 July	**244,714**	238,379	**(5,693)**	(6,520)
Presented after appropriate offsetting as follows:				
Deferred tax assets	**(72,890)**	(57,775)	**(5,693)**	(6,520)
Less: Assets held for sale (Note 47)	**8,644**	–	**–**	–
	(64,246)	(57,775)	**(5,693)**	(6,520)
Deferred tax liabilities	**317,604**	296,154	**–**	–
Less: Liabilities directly associated with the assets held for sale (Note 47)	**(213,293)**	–	**–**	–
	104,311	296,154	**–**	–
	40,065	238,379	**(5,693)**	(6,520)

The Group's deferred tax liabilities/(assets) recognised in profit or loss is analysed as follows:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Recognised in income statement (Note 9)				
– Continuing operations	**34,897**	(30,327)	**720**	(856)
– Discontinued operations	**(30,547)**	(26,342)	**–**	–
	4,350	(56,669)	**720**	(856)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
– 31 July 2022

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:

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 2021	**164,521**	**164,428**	**89,303**	**–**	**418,252**
Recognised in profit or loss	**(10,855)**	**(1,578)**	**(27,437)**	**15**	**(39,855)**
Exchange differences	**5,626**	**31**	**–**	**–**	**5,657**
	159,292	**162,881**	**61,866**	**15**	**384,054**
Less: Liabilities directly associated with the assets held for sale (Note 47)	**–**	**(151,427)**	**(61,866)**	**–**	**(213,293)**
At 31 July 2022	**159,292**	**11,454**	**–**	**15**	**170,761**
At 1 August 2020	126,436	163,935	117,172	2,876	410,419
Recognised in profit or loss	37,143	487	(27,869)	(2,876)	6,885
Exchange differences	942	6	–	–	948
At 31 July 2021	164,521	164,428	89,303	–	418,252

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 2021	**(20,323)**	**(9,887)**	**(3,746)**	**(145,917)**	**(179,873)**
Recognised in profit or loss	**(1,619)**	**(795)**	**(231)**	**46,850**	**44,205**
Recognised in other comprehensive income	**–**	**–**	**163**	**–**	**163**
Exchange differences	**–**	**–**	**(1,329)**	**(2,506)**	**(3,835)**
	(21,942)	**(10,682)**	**(5,143)**	**(101,573)**	**(139,340)**
Less: Assets held for sale (Note 47)	**–**	**–**	**482**	**8,162**	**8,644**
At 31 July 2022	**(21,942)**	**(10,682)**	**(4,661)**	**(93,411)**	**(130,696)**
At 1 August 2020	(19,558)	(8,331)	(4,152)	(83,139)	(115,180)
Recognised in profit or loss	(765)	(1,556)	(325)	(60,908)	(63,554)
Recognised in other comprehensive income	–	–	731	–	731
Exchange differences	–	–	–	(1,870)	(1,870)
At 31 July 2021	(20,323)	(9,887)	(3,746)	(145,917)	(179,873)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 2021	**7,926**
Recognised in profit or loss	**427**
At 31 July 2022	**8,353**
At 1 August 2020	7,975
Recognised in profit or loss	(49)
At 31 July 2021	7,926

Deferred tax assets 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 2021	**(3,291)**	**(7,714)**	**(1,251)**	**(2,190)**	**(14,446)**
Recognised in profit or loss	**–**	**(573)**	**(166)**	**1,031**	**292**
Recognised in other comprehensive income	**–**	**–**	**88**	**–**	**88**
Exchange differences	**–**	**–**	**–**	**20**	**20**
At 31 July 2022	**(3,291)**	**(8,287)**	**(1,329)**	**(1,139)**	**(14,046)**
At 1 August 2020	(3,291)	(7,059)	(1,641)	(1,549)	(13,540)
Recognised in profit or loss	–	(655)	71	(223)	(807)
Recognised in other comprehensive income	–	–	319	–	319
Exchange differences	–	–	–	(418)	(418)
At 31 July 2021	(3,291)	(7,714)	(1,251)	(2,190)	(14,446)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

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

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Unutilised tax losses	**431,805**	383,552	**113,516**	78,907
Unutilised investment tax allowances	**389,323**	389,322	**–**	–
Unabsorbed capital allowances	**121,196**	98,151	**–**	–
Other deductible temporary differences	**58,687**	45,708	**–**	–
	1,001,011	916,733	**113,516**	78,907
Year of expiry is analysed as follows:				
<u>Unutilised tax losses</u>				
Indefinite	**113,515**	78,907	**113,516**	78,907
Expired by 2025	**–**	13,492	**–**	–
Expired by 2026	**–**	75,385	**–**	–
Expired by 2027	**–**	156,692	**–**	–
Expired by 2028	**10,706**	59,076	**–**	–
Expired by 2029	**54,948**	–	**–**	–
Expired by 2030	**129,937**	–	**–**	–
Expired by 2031	**49,657**	–	**–**	–
Expired by 2032	**73,042**	–	**–**	–
	431,805	383,552	**113,516**	78,907
<u>Indefinite</u>				
Unutilised investment tax allowances	**389,323**	389,322	**–**	–
Unabsorbed capital allowances	**121,196**	98,151	**–**	–
Other deductible temporary differences	**58,687**	45,708	**–**	–
	569,206	533,181	**–**	–
Total	**1,001,011**	916,733	**113,516**	78,907

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.

The Malaysia Finance Act 2018 gazetted on 27 December 2018 imposed a time limitation to restrict the carry forward of the unutilised tax losses to a maximum period of 7 consecutive Year of Assessment ("YA"), effective YA 2019. Based on the latest Malaysia Finance Act 2021, gazetted on 31 December 2021, the time limit for the carry forward of the unutilised tax losses has been extended from 7 years to 10 years. As a result of this change, the unutilised tax losses accumulated up to the YA 2018 are allowed to be carried forward for 10 consecutive years of assessment. Any balance of the unutilised tax losses thereafter shall be disregarded.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

33. ISLAMIC DEBTS

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-current					
Medium term notes					
– Unsecured	(a)	**1,950,000**	2,450,000	**850,000**	1,750,000
– Secured	(b)	**–**	195,000	**–**	–
		1,950,000	2,645,000	**850,000**	1,750,000
Current					
Medium term notes					
– Unsecured	(a)	**900,000**	–	**900,000**	–
– Secured	(b)	**–**	90,000	**–**	–
Commercial papers		**100,000**	700,000	**–**	400,000
Revolving credit					
– Unsecured		**8,902**	–	**8,902**	**–**
		1,008,902	790,000	**908,902**	400,000
Total Islamic debts		**2,958,902**	3,435,000	**1,758,902**	2,150,000

Medium term notes ("MTNs")

The MTNs are drawdown by:

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Gamuda Berhad	(a)	**1,750,000**	1,750,000	**1,750,000**	1,750,000
Bandar Serai Development Sdn. Bhd. ("Bandar Serai")	(a)	**100,000**	100,000	**–**	–
Kesas Sdn. Bhd.	(b)	**–**	285,000	**–**	–
Gamuda Land (T12) Sdn. Bhd.	(a)	**1,000,000**	600,000	**–**	–
		2,850,000	2,735,000	**1,750,000**	1,750,000

As at 31 July 2022, Islamic debts of Kesas Sdn. Bhd. has been classified as liabilities directly associated with the assets held for sale as disclosed in Note 47 to the financial statements pursuant to the Proposed Disposals (Note 42). Further details of the medium term notes are as follows:

	Note	Group 2022 RM'000
Classified as liabilities directly associated with assets held for sale (Note 47):		
Medium term notes		
– Secured	(b)	**195,000**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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:

(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.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
Non-current					
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				

Issue No.1 to No.8 and No.14 were redeemed upon maturity in previous years.

(ii) **Bandar Serai**

	Amount drawdown RM'000	Issuance date	Maturity date	Issuance tenure (years)	Yield at issuance date %
Non-current					
Tranche No.3	100,000	28.08.2018	28.08.2023	5	4.69

The Islamic MTNs were drawdown by Bandar Serai, a subsidiary of the Company for the purpose of financing the acquisition of leasehold land for Gamuda Gardens project in Rawang, Selangor. The facilities are unconditionally guaranteed by the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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.)

(iii) Gamuda Land (T12) Sdn. Bhd.

	Amount drawdown RM'000	Issuance date	Maturity date	Issuance tenure (years)	Yield at issuance date %
Non-current					
Series No.1	300,000	11.10.2021	11.10.2027	6	4.2
Series No.2	450,000	11.10.2021	11.10.2028	7	4.4
Series No.3	250,000	12.08.2020	12.08.2030	10	3.9
	1,000,000				

Series No.1 and 2 were drawndown during the financial year, Series 3 was drawndown in the previous financial year.

(b) Sukuk Musharakah Medium Term Notes ("Sukuk") – secured

	Group 2022 RM'000	Group 2021 RM'000
Primary Sukuk	–	285,000
Secondary Sukuk	–	188,184
	–	473,184
Less: Unamortised profit element	–	(16,190)
	–	456,994
Less: Accumulated profit element charged to profit or loss	–	(171,994)
	–	285,000

The remaining maturities of the borrowings are as follows:

	Group 2022 RM'000	Group 2021 RM'000
Less than one year	–	90,000
More than one year and less than two years	–	90,000
More than two years and less than five years	–	105,000
	–	285,000

33. ISLAMIC DEBTS (CONT'D.)

Medium term notes ("MTNs") (cont'd.)

(b) Sukuk Musharakah Medium Term Notes ("Sukuk") – secured (cont'd.)

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 rate ranges from 4.20% to 4.85% (2021: 4.65% 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.

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	
	2022 %	**2021 %**	**2022 %**	**2021 %**
MTNs	**4.50**	4.39	**4.53**	4.54
Commercial papers	**2.93**	2.12	**–**	2.09
Revolving credit	**3.23**	–	**3.23**	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

34. CONVENTIONAL DEBTS

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-current					
Term loans					
– secured	(a)	**193,977**	190,620	**–**	–
– unsecured	(b)	**1,083,610**	916,830	**300,000**	100,000
		1,277,587	1,107,450	**300,000**	100,000
Revolving credits					
– secured	(c)	**3,140**	23,180	**–**	–
		1,280,727	1,130,630	**300,000**	100,000
Current					
Secured					
Term loans	(a)	**122,273**	125,374	**–**	–
Revolving credits	(c)	**4,879**	18,511	**–**	–
		127,152	143,885	**–**	–
Unsecured					
Term loans	(b)	**14,000**	215,292	**–**	–
Revolving credits	(c)	**399,283**	302,987	**254,284**	157,987
		413,283	518,279	**254,284**	157,987
Total current borrowing		**540,435**	662,164	**254,284**	157,987
Total borrowings		**1,821,162**	1,792,794	**554,284**	257,987

(a) Term loans – secured

The term loans are drawdown by:

	Note	Group 2022 RM'000	Group 2021 RM'000
GB Astir S.a.r.l. ("GB Astir")	(i)	**125,275**	–
Gamuda Land (Kemuning) Sdn. Bhd. ("GL Kemuning")	(ii)	**190,975**	315,994
		316,250	315,994

34. CONVENTIONAL DEBTS (CONT'D.)

(a) Term loans – secured (cont'd.)

(i) On 31 May 2022, 29 June 2022 and 31 July 2022, GB Astir, a subsidiary of the Company had drawdown the term loan for the purpose of part financing the acquisition of a leasehold land and construction cost of the project. GB Astir had drawdown a term loan of RM125,274,765 during the financial year. The term loan bore an interest of Sterling Overnight Index Average ("SONIA") + 2.45% per annum.

(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 had drawdown term loans for the purpose of part financing of the twenty.five.7 project. GL Kemuning had repaid term loan of RM125,019,000 during the financial year. The term loans bore interest rate at a range of 3.31% to 3.61% per annum (2021: 4.42% to 4.80% per annum).

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

Term loans are repayable as follows:

	Group 2022 RM'000	Group 2021 RM'000
Less than one year	**122,273**	125,374
More than two years and less than five years	**193,977**	190,620
	316,250	315,994

(b) Term loans – unsecured

The term loans are drawdown by:

	Note	Group 2022 RM'000	Group 2021 RM'000
Gamuda Berhad	(i)	**300,000**	100,000
Megah Capital Sdn. Bhd. ("Megah Capital")	(ii)	**755,035**	985,703
Gamuda Yoo Development Aldgate S.a.r.l.	(iii)	**42,575**	46,419
		1,097,610	1,132,122

(i) On 10 March 2021, Gamuda Berhad had drawdown the term loan of RM100,000,000 for the purpose of refinancing existing loan. The term loan bore an interest of 3.19% to 3.34% per annum. The term loan matures in tranches within 3 to 5 years from the date of first drawdown. Gamuda Berhad had swapped the floating interest rate to fixed interest rate of 2.68% per annum.

On 19 November 2021, Gamuda Berhad had drawdown the term loan of RM200,000,000 for the purpose of refinancing existing loan. The term loan bore an interest of 2.86% per annum. The term loan matures in tranches within 5 to 7 years from the date of first drawdown.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

34. CONVENTIONAL DEBTS (CONT'D.)

(b) Term loans – unsecured (cont'd.)

(ii) On 30 October 2016 and 21 March 2017, as disclosed in Note 35 to the financial statements, 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. Megah Capital had repaid the term loan of USD50,000,000 (equivalent to RM214,250,000) in previous financial year and had fully repaid the remaining term loan of USD50,000,000 (equivalent to RM214,250,000) during the financial year.

On 31 December 2020 and 26 March 2021, as disclosed in Note 35 to the financial statements, Megah Capital had further swapped its term loan of USD40,000,000 and USD60,000,000 respectively, at floating USD interest rate of LIBOR plus 1.30% per annum through cross currency interest rate swap into RM169,000,000 and RM253,500,000 at fixed rate of 3.66% and 4.03% 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 to the financial statements.

On 30 December 2020, Megah Capital had drawndown the term loan of RM350,000,000 for the purpose of partial refinancing of existing loan. The term loan bore an interest rate of 3.06% per annum. The term loan matures 7 years from the date of first drawdown.

(iii) On 5 February 2021, Gamuda Yoo Development S.a.r.l, a subsidiary of the Company had drawdown the term loan of GBP7,860,000 (approximately RM46,419,000) for the purpose of partial financing the acquisition of land and property in UK. The term loan bore an interest of Sterling Overnight Index Average ("SONIA") + 2.35% per annum. The term loan matures 3 years from the date of the first drawdown.

Term loans are repayable as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Less than one year	**14,000**	215,292
Later than one year but not later than two years	**124,075**	14,000
More than two years and less than five years	**688,535**	694,080
More than five years	**271,000**	208,750
	1,097,610	1,132,122

(c) Revolving credits

The revolving credits are drawdown by:

		Group	
	Note	**2022 RM'000**	**2021 RM'000**
Secured			
Jade Homes Sdn. Bhd. ("Jade Homes")	(i)	**8,019**	41,691

34. CONVENTIONAL DEBTS (CONT'D.)

(c) Revolving credits (cont'd.)

Revolving credits are repayable as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Less than one year	**4,879**	18,511
Later than one year but not later than two years	**3,140**	23,180
	8,019	41,691

(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 3.38% (2021: 3.31%) per annum.

The revolving credit is secured by freehold land as disclosed in Note 13 to the financial statements.

The revolving credits are drawdown by:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Unsecured				
Gamuda Berhad	**254,284**	157,987	**254,284**	157,987
Gamuda Naim Engineering and Construction ("GNEC") Sdn. Bhd.	**144,999**	145,000	**–**	–
	399,283	302,987	**254,284**	157,987

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

	Group		Company	
	2022 %	**2021 %**	**2022 %**	**2021 %**
Revolving credits				
Secured				
– Ringgit Malaysia	**3.82**	3.31	**–**	–
Unsecured				
– Ringgit Malaysia	**3.15**	2.60	**–**	–
– US Dollar	**–**	1.63	**–**	1.63
– Taiwan Dollar	**1.58**	1.34	**–**	–
Term loans				
– Ringgit Malaysia	**3.67**	3.55	**2.64**	1.01
– Great British Pound	**3.43**	2.40	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
– 31 July 2022

35. DERIVATIVE ASSETS/(LIABILITIES)

	Group	
	2022 RM'000	**2021 RM'000**
Cross currency interest rate swaps	**4,165**	(12,253)

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.

Contract amount	CCIRS	Maturity
(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 October 2021
Balance as at 31 July 2022: Nil	(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 October 2021
Effectively, the Group had swapped the USD50,000,000 loan to RM207,000,000 loan at RM fixed of 4.33% per annum and has made repayment of USD25,000,000 on 30 September 2020. Subsequently, the balance of USD25,000,000 has been repaid on 29 October 2021.		
(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 October 2021
Balance as at 31 July 2022: Nil	(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 October 2021
Effectively, the Group had swapped the USD50,000,000 loan to RM221,500,000 loan at RM fixed of 4.48% per annum and has made repayment of USD25,000,000 on 30 September 2020. Subsequently, the balance of USD25,000,000 has been repaid on 29 October 2021.		
(c) USD40,000,000 (RM161,520,000)	(i) Pays fixed RM interest rate of 3.66% per annum on the RM contract amount in exchange for receiving floating USD interest rate of 1-month LIBOR plus 1.70% per annum on the USD contract amount; and	31 December 2025
	(ii) Receives USD in exchange for paying RM at a predetermined rate of RM4.038 to USD1.000; according to the scheduled principal and interest repayment.	
Effectively, the Group had swapped the USD40,000,000 loan at floating USD interest rate of LIBOR plus 1.70% per annum based on RM161,520,000 loan fixed at RM interest rate of 3.66% per annum.		

35. DERIVATIVE ASSETS/(LIABILITIES) (CONT'D.)

Contract amount	CCIRS	Maturity
(d) USD60,000,000 (RM247,680,000)	(i) Pays fixed RM interest rate of 4.03% per annum on the RM contract amount in exchange for receiving floating USD interest rate of 1-month LIBOR plus 1.70% per annum on the USD contract amount; and (ii) Receives USD in exchange for paying RM at a predetermined rate of RM4.128 to USD1.000; according to the scheduled principal and interest repayment.	31 December 2025
Effectively, the Group had swapped the USD60,000,000 loan at floating USD interest rate of LIBOR plus 1.70% per annum based on RM247,680,000 loan fixed at RM interest rate of 4.03% 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 RM16,418,000 (2021: loss of RM6,182,000) 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 of assumptions applied in determining the fair values of derivatives are disclosed in Note 43 to the financial statements.

36. DUE TO SUBSIDIARIES

	Company	
	2022 RM'000	**2021 RM'000**
Non-current		
Due to subsidiaries		
– trade	**1,892**	12,256
Current		
Due to subsidiaries		
– trade	**20,541**	17,353
– non-trade	**87,115**	113,877
	107,656	131,230
Total amounts due to subsidiaries	**109,548**	143,486

The trade amounts due to subsidiaries have a normal credit term which ranges from 30 to 90 days (2021: 30 to 90 days).

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

37. PROVISION FOR LIABILITIES

Provision for liabilities of the Group is analysed as follows:

	Group 2022 RM'000	Group 2021 RM'000
Continuing operations		
Current	**160,434**	158,183
Non-current	**99,262**	116,542
	259,696	274,725

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 2021	**31,666**	**60,242**	**1,230**	**25,073**	**6,909**	**149,605**	**274,725**
Provision during the year	**8,204**	**13,100**	**1,400**	**5,921**	**–**	**20,010**	**48,635**
Utilisation during the year	**(8,883)**	**316**	**–**	**–**	**(4,152)**	**(19,681)**	**(32,400)**
Unused amount reversed	**–**	**–**	**(270)**	**–**	**–**	**–**	**(270)**
Liabilities directly associated with the assets held for sale (Note 47)	**–**	**–**	**–**	**(30,994)**	**–**	**–**	**(30,994)**
At 31 July 2022	**30,987**	**73,658**	**2,360**	**–**	**2,757**	**149,934**	**259,696**
At 1 August 2020	41,513	40,655	760	23,389	8,218	168,434	282,969
Provision during the year	10,532	26,084	820	5,802	–	24,847	68,085
Utilisation during the year	(14,806)	–	(80)	(4,118)	(1,309)	(43,676)	(63,989)
Unused amount reversed	(5,573)	(6,497)	(270)	–	–	–	(12,340)
At 31 July 2021	31,666	60,242	1,230	25,073	6,909	149,605	274,725

Recognised in profit or loss during the financial year:

	Note	2022 RM'000	2021 RM'000
Net provision for club membership		**1,400**	820
Provision for heavy repairs		**5,921**	5,802
		7,321	6,622
Analysed as:			
– Continuing operations	7	**1,400**	820
– Discontinued operations	7	**5,921**	5,802
		7,321	6,622

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

(a) Capital commitments

	Group	
	2022 RM'000	**2021 RM'000**
Approved and contracted for:		
Property, plant and equipment	**18,170**	5,340
Land for property development	**154,264**	–
Information technology	**4,314**	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

38. COMMITMENTS (CONT'D.)

(b) Operating commitments – as lessor

The Group has entered into operating leases on its premises. These leases have terms of between one to five years.

Future minimum rentals receivable under non-cancellable operating leases as at 31 July are as follows:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Within one year	**17,658**	15,883	**6,168**	5,854
After one year but not more than five years	**14,092**	12,932	**7,104**	–
After five years	**63**	–	**–**	–
	31,813	28,815	**13,272**	5,854

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.

(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 the 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.

The guarantees issued by the Company for the contracts in (a), (b) and (c) have not crystallised because the performance and obligations of Tunnel SB, PDP SSP and NAGA have been fulfilled in compliance with the progress and requirements based on 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.

The possibility of the cash outflow is remote at this juncture because the performance guarantees are unlikely to be called.

40. MATERIAL LITIGATION

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 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	**664**	268	**–**	–
Rental received from subsidiaries	**–**	–	**(5,376)**	(5,356)
Interest receivable from subsidiaries	**–**	–	**(128,653)**	(149,499)
Dividend received from:				
– subsidiaries	**–**	–	**(139,170)**	(573,188)
– associates	**(57,514)**	(272,465)	**(57,514)**	(264,051)
– joint ventures	**(423,000)**	(186,206)	**(423,000)**	(80,000)

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	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Total	**11,190**	9,696	**10,277**	9,065

The details of Board of Directors' remuneration are disclosed in Note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

42. SIGNIFICANT AND SUBSEQUENT EVENT

Proposed Disposal of Highway Concession

On 4 April 2022, Hong Leong Investment Bank Berhad (HLIB) had, on behalf of our Board, announced that:

(a) Kesas Holdings Berhad ("Kesas Holdings"), a 70.0% owned subsidiary of Gamuda, had on 2 April 2022, received a Conditional Letter Of Offer ("CLOO") from Amanat Lebuhraya Rakyat Berhad ("ALR") in respect of ALR's offer to acquire all the Securities (including all ordinary shares, preference shares and loan stocks, where applicable) ("Securities") of Kesas, a wholly-owned subsidiary of Kesas ("Kesas Offer");

(b) Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("SPRINT Holdings"), Gamuda's 51.6% associated company, had on 2 April 2022, received a Conditional Letter Of Offer ("CLOO") from ALR in respect of ALR's offer to acquire all the Securities of SPRINT, a wholly-owned subsidiary of SPRINT Holdings ("SPRINT Offer");

(c) Lingkaran Trans Kota Holdings Berhad ("LITRAK Holdings"), Gamuda's 43.2% associated company, had on 2 April 2022, received a Conditional Letter Of Offer ("CLOO") from ALR in respect of ALR's offer to acquire all the Securities of LITRAK, a wholly-owned subsidiary of LITRAK Holdings ("LITRAK Offer"); and

(d) Projek SMART Holdings Sdn Bhd ("SMART Holdings"), Gamuda's 50.0% joint venture company, had on 2 April 2022, received a Conditional Letter Of Offer ("CLOO") from ALR in respect of ALR's offer to acquire all the Securities of SMART, a wholly-owned subsidiary of SMART Holdings ("SMART Offer").

(Kesas Offer, SPRINT Offer, LITRAK Offer and SMART Offer shall collectively be referred to as the "Offers" and each an "Offer") (collectively known as "Proposed Disposal").

(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 of the Kesas Offer, SPRINT Offer, LITRAK Offer and SMART Offer has been given by ALR on a standalone basis and is mutually exclusive from each other.

On 18 April 2022, the Board announced that all the Concession Holding Companies have each separately accepted the respective Offers and have delivered the written acceptances to ALR.

On 7 June 2022, each of the Concession Holding Companies and ALR have agreed and finalised the terms and conditions of the draft Share Sale and Purchase Agreement ("Finalised SSPA") which would have to be executed by 31 July 2022 or such other extended date as may be mutually agreed between the each Expressway Concession Companies and ALR.

On 8 July 2022, ALR and each Expressway Concession Companies had agreed to extend the Definitive Agreement Execution Date from 31 July 2022 to 30 August 2022.

The Proposed Disposals were subject to the following conditions being satisfied prior to the execution of the Finalised SSPAs:

(a) the completion of due diligence exercise on each Expressway Concession Companies, to the satisfaction of ALR;

(b) approval by the relevant regulatory authority (including the Government of Malaysia) for each offer to the satisfaction of ALR;

(c) execution by each Expressway Concession Companies and the GoM of a Supplemental Concession Agreement ("SCA") based on terms and conditions to be approved by ALR;

(d) approval of an income tax exemption and stamp duty exemption from GoM (or such relevant government authority) for ALR and each Expressway Concession Company upon completion of each offer, to the satisfaction of ALR; and

(e) the requisite shareholders' approval(s) of the respective shareholders of the Concession Holding Companies for the disposal of each Expressway Concession Companies by the respective Concession Holding Companies in accordance with the terms of the respective Finalised SSPAs.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

42. SIGNIFICANT AND SUBSEQUENT EVENT (CONT'D.)

Approval from the shareholders of the Company was obtained in an Extraordinary General Meeting ("EGM") of the Company conducted on 27 July 2022 in relation to the Proposed Disposals of all the securities of Kesas by Kesas Holdings, SPRINT by SPRINT Holdings and SMART by SMART Holdings. Subsequently, approval to the Proposed Disposals of LITRAK Holdings' securities was obtained on 5 August 2022.

Following the approval of the shareholders for the Proposed Disposals, all the conditions prior to the execution of Finalised SSPAs as set out in the respective CLOOs has been fulfilled on 5 August 2022. Accordingly, on same date, each of the Concession Holding Company had entered into the respective Finalised SSPAs with ALR for the Proposed Disposals.

The Offers as finally agreed and reflected in the Finalised SSPAs shall be subject to the following conditions precedent being satisfied:

(a) approval from existing lenders of each Expressway Concession Company and/or Concession Holding Company (where relevant) being obtained for the refinancing of each Expressway Concession Company's and/or Concession Holding Company's indebtedness;

(b) a successful fund-raise by ALR to have the necessary funds to make all payments required to complete each Proposed Disposal in accordance with the terms of the respective Finalised SSPA; and

(c) any other relevant authorities or parties, if required.

Each of the Concession Holding Company and ALR via separate letters dated 3 October 2022, mutually agreed to extend the Long Stop Date up until 31 October 2022 or such other date as may be mutually agreed upon in writing by the Parties for the remaining Condition Precedent to be satisfied, being the successful fund raise by ALR to make all payments required to be made to the respective Concession Holding Companies under the SSPAs ("Remaining Condition Precedent").

As at the date of this report (12 October 2022), the fulfilment of the conditions precedent as set out in the Finalised SSPAs are still ongoing and the Proposed Disposals are yet to be completed.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 2022					
Financial assets:					
Current receivables	21	**2,094,327**	**2,094,327**	**751,014**	**751,014**
Non-current receivables and other financial assets	21	**323,951**	**323,951**	**12,581**	**12,581**
Cash and bank balances	25	**2,794,348**	**2,794,348**	**722,856**	**722,856**
Financial liabilities:					
Current payables	30	**2,665,494**	**2,665,494**	**670,343**	**670,343**
Non-current payables	30	**161,788**	**161,788**	**44,100**	**44,100**
Due to subsidiaries	36	**–**	**–**	**109,548**	**109,548**
Islamic debts:					
– Medium term notes	33	**2,850,000**	**2,850,000**	**1,750,000**	**1,750,000**
– Commercial papers	33	**100,000**	**100,000**	**–**	**–**
– Revolving credits		**8,902**	**8,902**	**8,902**	**8,902**
Conventional debts:					
– Term loans	34	**1,413,860**	**1,413,860**	**300,000**	**300,000**
– Revolving credits	34	**407,302**	**407,302**	**254,284**	**254,284**
At 31 July 2021					
Financial assets:					
Current receivables	21	1,467,547	1,467,547	644,748	644,748
Non-current receivables and other financial assets	21	355,520	355,520	26,517	26,517
Due from subsidiaries	24	–	–	4,208,529	4,208,529
Cash and bank balances	25	2,656,658	2,656,658	135,105	135,105
Financial liabilities:					
Current payables	30	1,744,106	1,744,106	219,785	219,785
Non-current payables	30	170,142	170,142	67,771	67,771
Due to subsidiaries	36	–	–	143,486	143,486
Islamic debts:					
– Medium term notes	33	2,735,000	2,735,000	1,750,000	1,750,000
– Commercial papers	33	700,000	700,000	400,000	400,000
Conventional debts:					
– Term loans	34	1,448,116	1,448,116	100,000	100,000
– Revolving credits	34	344,678	344,678	157,987	157,987

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)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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**
At 31 July 2022					
Assets not carried at fair values but for which fair values are disclosed					
Investment properties	14	**973,412**	**–**	**–**	**973,412**
Quoted interests in an associated company	18	**–**	**–**	**–**	**–**
Assets measured at fair value					
Other investment	20	**7,802**	**–**	**7,802**	**–**
Investment securities	23	**700,782**	**700,782**	**–**	**–**
Liability measured at fair value					
Derivative liabilities	35	**4,165**	**–**	**4,165**	**–**
At 31 July 2021					
Assets not carried at fair values but for which fair values are disclosed					
Investment properties	14	816,418	–	–	816,418
Quoted interests in an associated company	18	842,010	842,010	–	–
Assets measured at fair value					
Other investments	20	812	–	812	–
Investment securities	23	881,337	881,337	–	–
Liability measured at fair value					
Derivative liabilities	35	(12,253)	–	(12,253)	–

43. FAIR VALUE (CONT'D.)

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

			Fair value measurement using		
Company	**Note**	**Total RM'000**	**Quoted prices in active markets (Level 1) RM'000**	**Significant observable inputs (Level 2) RM'000**	**Significant unobservable inputs (Level 3) RM'000**
At 31 July 2022					
Assets not carried at fair values but for which fair values are disclosed					
Investment properties	14	**64,429**	**–**	**–**	**64,429**
Quoted interests in an associated company	18	**–**	**–**	**–**	**–**
Assets measured at fair value					
Other investments	20	**7,802**	**–**	**7,802**	**–**
Investment securities	23	**606,192**	**606,192**	**–**	**–**
At 31 July 2021					
Assets not carried at fair values but for which fair values are disclosed					
Investment properties	14	64,134	–	–	64,134
Quoted interests in an associated company	18	842,010	842,010	–	–
Assets measured at fair value					
Other investments	20	733	–	733	–
Investment securities	23	743,716	743,716	–	–

Derivative and other investments

The fair values of derivatives and other investments are based on price quotes for similar instruments or valuation techniques based on market observable inputs (Level 2) as quoted prices of identical instruments from an active market (Level 1) are not available.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

43. FAIR VALUE (CONT'D.)

Investment properties

The fair value of the investment properties are based on the following valuation techniques depending on the location and types of properties:

(a) Comparison method

The comparison method seeks to determine the value of the property being valued by comparing and adopting as a yardstick transactions and sales evidences involving other similar properties in the vicinity. Due considerations, are given for such factors including location, plot size, improvements made if any, surrounding developments, facilities and amenities available.

(b) Income approach

The income approach uses valuation techniques to convert estimated future amounts of cash flows or income to a single present value (discounted) amount. To this estimated future amounts of cash flows or income, an appropriate, market-derived discount rate is applied to establish the present value of the income stream associated with the real property.

(c) Depreciable replacement cost method

Completed buildings are valued by reference to the current estimates on construction costs to erect equivalent buildings, taking into consideration of similar buildings in terms of size, construction, finishes, contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

	Valuation techniques	Significant unobservable inputs	Range
Land and building	Comparison method	Adjustment factors to prices of comparable properties	-55.00% to 35.00%
Building	Depreciable replacement cost method	Construction cost per square foot Depreciation rate	RM120.00 to RM500.00 1.50%
Land and building	Income approach	Estimated rental value square foot per month Capitalisation rate/discount rate Void rate	RM1.30 to RM20.98 5.00% to 6.25% 5.00% to 20.00%

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 2022			
Derivatives (Note 35)	**4,165**	**(4,165)**	**–**
Borrowings (Note 34(b))	**(409,200)**	**4,165**	**(405,035)**
As at 31 July 2021			
Derivatives (Note 35)	(12,253)	12,253	–
Borrowings (Note 34(b))	(623,450)	(12,253)	(635,703)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
– 31 July 2022

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, other financial instruments and guarantees and performance guarantees given on behalf of the subsidiaries and joint ventures.

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 to the financial statements. 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 to the financial statements. 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 2022 and 2021 is the carrying amount as illustrated in Note 21 to the financial statements except for derivative financial instruments. The Group's maximum exposure relating to financial derivative instruments is noted in the liquidity table below.

Financial guarantees

For financial guarantees and similar contracts granted, it is the maximum amount that the Group and the Company would have to pay if the guarantees were called upon. The maximum exposure has been disclosed in Note 44(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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			
	2022		2021	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	**947,502**	**67%**	957,205	74%
Australia	**245,578**	**17%**	–	0%
Vietnam	**208,097**	**14%**	328,034	25%
India	**18,771**	**1%**	18,983	1%
Others	**18,292**	**1%**	–	0%
	1,438,240	**100%**	1,304,222	100%
By industry sectors:				
Engineering and construction	**620,937**	**43%**	563,935	43%
Property development and club operations	**641,518**	**45%**	551,931	43%
Water and expressway concessions	**175,785**	**12%**	188,356	14%
	1,438,240	**100%**	1,304,222	100%

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

	Group	
	2022 RM'000	2021 RM'000
Trade receivables – third parties	**986,828**	678,057
Other financial assets at amortised cost	**102,767**	100,504
Due from associated companies – trade	**32,703**	19,397
Due from joint venture partners – trade	**7,181**	16,270
Due from joint ventures – trade	**308,761**	489,994
	1,438,240	1,304,222

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
– 31 July 2022

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 32% (2021: 28%) 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 50% (2021: 23%) 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.

	2022			
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	**2,665,494**	**161,788**	**–**	**2,827,282**
Islamic debts				
– Principal	**1,008,902**	**550,000**	**1,400,000**	**2,958,902**
– Profit	**101,964**	**270,884**	**104,310**	**477,158**
Conventional debts				
– Principal	**540,435**	**1,009,727**	**271,000**	**1,821,162**
– Interest	**52,780**	**117,922**	**5,744**	**176,446**
Total undiscounted financial liabilities	**4,369,575**	**2,110,321**	**1,781,054**	**8,260,950**

	2021			
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	1,744,106	170,142	–	1,914,248
Islamic debts				
– Principal	790,000	1,645,000	1,000,000	3,435,000
– Profit	128,451	247,661	129,965	506,077
Borrowings				
– Principal	662,164	921,880	208,750	1,792,794
– Interest	45,935	87,039	3,318	136,292
Total undiscounted financial liabilities	3,370,656	3,071,722	1,342,033	7,784,411

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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

(b) Liquidity risk (cont'd.)

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

	2022			
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	**670,343**	**44,100**	**–**	**714,443**
Due to subsidiaries	**107,656**	**1,892**	**–**	**109,548**
Islamic debts				
– Principal	**908,902**	**300,000**	**550,000**	**1,758,902**
– Profit	**56,913**	**121,199**	**59,737**	**237,849**
Conventional debts				
– Principal	**254,284**	**160,000**	**140,000**	**554,284**
– Interest	**12,123**	**30,589**	**3,779**	**46,491**
Total undiscounted financial liabilities	**2,010,221**	**657,780**	**753,516**	**3,421,517**

	2021			
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	219,785	67,771	–	287,556
Due to subsidiaries	131,230	12,256	–	143,486
Islamic debts				
– Principal	400,000	1,200,000	550,000	2,150,000
– Profit	79,898	146,797	82,746	309,441
Conventional debts				
– Principal	157,987	100,000	–	257,987
– Interest	3,704	7,811	–	11,515
Total undiscounted financial liabilities	992,604	1,534,635	632,746	3,159,985

The Company has provided an amount of RM2.80 billion (2021: RM2.80 billion) relating to corporate guarantees in favour of its subsidiaries and joint venture companies. The policy of the Company is to provide corporate guarantees in favour of its subsidiaries and joint venture companies only and not to third parties, in relation to the bank borrowings. As at the reporting date, the counterparty to the financial guarantees does not have a right to demand cash as there is no default event by the subsidiaries and joint venture companies.

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

(b) Liquidity risk (cont'd.)

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

Maturity analysis of financial guarantees is disclosed as follows:

	2022 RM'000	2021 RM'000
Within one year	**395,697**	596,858
One to five years	**1,410,608**	1,204,810
More than five years	**982,957**	994,451
	2,789,262	2,796,119

(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 70% (2021: 72%) 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 RM2,890,000 (2021: RM2,768,000) 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 RM35,039,000 (2021: RM44,067,000) and RM30,310,000 (2021: RM37,186,000) higher/lower.

(e) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Transactions in foreign operation are mainly denominated in the functional currency of the country it operates, and other foreign currency transactions are kept to an acceptable level. The Group's revenue that are denominated in foreign currencies are as disclosed in Note 46 to the financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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 2022										
Cash and bank balances	**1,315,297**	**597,153**	**38,394**	**3,905**	**63,399**	**45,815**	**172**	**825**	**4,014**	**2,068,974**
Receivables	**908,508**	**293,270**	**9,567**	**60**	**174,221**	**21,841**	**940**	**6**	**6,199**	**1,414,612**
Payables	**(1,133,076)**	**(249,353)**	**(32,915)**	**(55)**	**(32,868)**	**(15)**	**(2,196)**	**(2,103)**	**(14,060)**	**(1,466,641)**
Borrowings	**–**	**–**	**–**	**(189,604)**	**(73,582)**	**–**	**–**	**–**	**(167,850)**	**(431,036)**
At 31 July 2021										
Cash and bank balances	1,358,647	66,704	27,022	14,755	41,512	44,905	676	44	2,444	1,556,709
Receivables	679,053	23,054	3,815	95	146,178	21,366	745	5	963	875,274
Payables	(806,836)	(21,739)	(12,887)	(52)	(3,855)	(100)	(302)	(1,881)	(4,311)	(851,963)
Borrowings	–	–	–	(78,585)	(79,403)	–	–	–	(46,419)	(204,407)

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 2022							
Cash and bank balances	**581,302**	**34,160**	**62,662**	**3,850**	**172**	**825**	**682,971**
Receivables	**292,041**	**9,567**	**11,088**	**–**	**940**	**6**	**313,642**
Payables	**(248,732)**	**(31,916)**	**(5,387)**	**–**	**(2,613)**	**(2,103)**	**(290,751)**
Borrowings	**–**	**–**	**(73,582)**	**(189,604)**	**–**	**–**	**(263,186)**
At 31 July 2021							
Cash and bank balances	36,495	21,924	33,763	14,613	676	44	107,515
Receivables	22,289	3,815	9,085	–	745	5	35,939
Payables	(18,417)	(12,868)	(1,990)	–	(302)	(1,881)	(35,458)
Borrowings	–	–	(79,403)	(78,584)	–	–	(157,987)

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

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)	
			2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
VND/RM	strengthened 5%	(2021: 5%)	**54,536**	61,543	**–**	–
	weakened 5%	(2021: 5%)	**(54,536)**	(61,543)	**–**	–
AUD/RM	strengthened 5%	(2021: 5%)	**32,054**	3,401	**31,256**	2,018
	weakened 5%	(2021: 5%)	**(32,054)**	(3,401)	**(31,256)**	(2,018)
SGD/RM	strengthened 5%	(2021: 5%)	**801**	898	**591**	644
	weakened 5%	(2021: 5%)	**(801)**	(898)	**(591)**	(644)
USD/RM	strengthened 5%	(2021: 5%)	**(8,840)**	740	**(8,843)**	731
	weakened 5%	(2021: 5%)	**8,840**	(740)	**8,843**	(731)
TWD/RM	strengthened 5%	(2021: 5%)	**6,559**	5,222	**(261)**	(1,927)
	weakened 5%	(2021: 5%)	**(6,559)**	(5,222)	**261**	1,927
INR/RM	strengthened 5%	(2021: 5%)	**3,382**	3,309	**–**	–
	weakened 5%	(2021: 5%)	**(3,382)**	(3,309)	**–**	–
QR/RM	strengthened 5%	(2021: 5%)	**(75)**	56	**(75)**	56
	weakened 5%	(2021: 5%)	**75**	(56)	**75**	(56)
BHD/RM	strengthened 5%	(2021: 5%)	**(64)**	(92)	**(64)**	(92)
	weakened 5%	(2021: 5%)	**64**	92	**64**	92
GBP/RM	strengthened 5%	(2021: 5%)	**(8,585)**	(2,366)	**–**	–
	weakened 5%	(2021: 5%)	**8,585**	2,366	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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.

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Islamic debts (Note 33)	**2,958,902**	3,435,000	**1,758,902**	2,150,000
Conventional debts (Note 34)	**1,821,162**	1,792,794	**554,284**	257,987
Less: Cash and bank balances (Note 25)	**(2,794,348)**	(2,656,658)	**(722,856)**	(135,105)
Investment securities (Note 23)	**(700,782)**	(881,337)	**(606,192)**	(743,716)
	1,284,934	1,689,799	**984,138**	1,529,166
Liabilities directly associated with the assets held for sale (Note 47)				
Islamic debts	**195,000**	–	**–**	–
Less: Cash and bank balances	**(277,884)**	–	**–**	–
Investment securities	**(4,011)**	–	**–**	–
Net debt	**1,198,039**	1,689,799	**984,138**	1,529,166
Equity attributable to the owners of the Company	**9,904,968**	9,163,557	**7,536,382**	7,141,239
Non-controlling interests	**349,444**	352,145	**–**	–
Total capital	**10,254,412**	9,515,702	**7,536,382**	7,141,239
Net gearing ratio	**12%**	18%	**13%**	21%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

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.

2022	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Note	Consolidated RM'000
Revenue						
Revenue as reported	2,150,076	2,572,341	421,465	–		5,143,882
Share of revenue of joint ventures	1,122,688	155,161	12,776	–		1,290,625
	3,272,764	2,727,502	434,241	–		6,434,507
Inter-segment sales	274,852	–	–	(274,852)	A	–
Total revenue	3,547,616	2,727,502	434,241	(274,852)		6,434,507
Result						
Profit from operations	51,700	500,604	163,471	–		715,775
Finance costs	(6,884)	(65,392)	(24,517)	–		(96,793)
Share of profits of associated companies	2,216	–	83,352	–		85,568
Share of profits of joint ventures	339,896	3,929	(32,265)	–		311,560
Profit before tax	386,928	439,141	190,041	–		1,016,110
Income tax expense	(40,792)	(97,900)	(41,372)	–		(180,064)
Profit for the year	346,136	341,241	148,669	–		836,046
Non-controlling interest	(5,935)	397	(24,283)	–		(29,821)
Profit attributable to Owners of the Company	340,201	341,638	124,386	–		806,225
Analysed as:						
– Continuing operations	340,201	341,638	43,955	–		725,794
– Discontinued operations (Note 47)	–	–	80,431	–		80,431
Profit attributable to Owners of the Company	340,201	341,638	124,386	–		806,225

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

46. SEGMENT INFORMATION (CONT'D.)

2022	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Note	Consolidated RM'000
Assets and liabilities						
Segment assets excluding interests in associated companies and joint arrangements	4,147,020	12,677,467	399,071	–		17,223,558
Interest in associated companies	13,035	–	64,571	–		77,606
Interest in joint arrangements	353,674	579,389	–	–		933,063
						18,234,227
Assets held for sale (Note 47)	–	–	2,028,499	–		2,028,499
						20,262,726
Segment liabilities						
Other liabilities	(2,687,454)	(1,911,239)	(170,503)	–		(4,769,196)
Borrowings	(145,000)	(4,635,064)	–	–		(4,780,064)
						(9,549,260)
Liabilities directly associated with the assets held for sale (Note 47)	–	–	(459,054)	–		(459,054)
						(10,008,314)
Other information						
Interest income	(27,044)	(84,382)	(13,492)	–		(124,918)
Depreciation and amortisation	37,431	50,205	153,220	–		240,856
Non-cash items other than depreciation and amortisation	(10,648)	2,964	6,498	–	B	(1,186)
Additions to non-current assets	69,691	620,599	9,756	–	C	700,046

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)
– 31 July 2022

46. SEGMENT INFORMATION (CONT'D.)

2021	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Note	Consolidated RM'000
Revenue						
Revenue as reported	1,968,787	1,122,793	425,638	–		3,517,218
Share of revenue of joint ventures	1,317,741	172,126	8,872	–		1,498,739
	3,286,528	1,294,919	434,510	–		5,015,957
Inter-segment sales	286,958	–	–	(286,958)	A	–
Total revenue	3,573,486	1,294,919	434,510	(286,958)		5,015,957
Result						
Profit from operations	137,398	270,985	177,672	–		586,055
Finance costs	(14,911)	(62,560)	(36,991)	–		(114,462)
Share of profits of associated companies	1,086	–	96,785	–		97,871
Share of profits of joint ventures	217,115	7,793	(8,122)	–		216,786
Profit before tax	340,688	216,218	229,344	–		786,250
Income tax expense	(72,740)	(43,744)	(37,577)	–		(154,061)
Profit for the year	267,948	172,474	191,767	–		632,189
Non-controlling interest	(14,943)	–	(28,930)	–		(43,873)
Profit attributable to Owners of the Company	253,005	172,474	162,837	–		588,316
Analysed as:						
– Continuing operations	253,005	172,474	29,283	–		454,762
– Discontinued operations (Note 47)	–	–	133,554	–		133,554
Profit attributable to Owners of the Company	253,005	172,474	162,837	–		588,316

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

46. SEGMENT INFORMATION (CONT'D.)

2021	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Note	Consolidated RM'000
Assets and liabilities						
Segment assets excluding interests in associated companies and joint arrangements	3,622,113	11,110,694	1,869,328	–		16,602,135
Interest in associated companies	8,720	–	771,706	–		780,426
Interest in joint arrangements	306,840	701,803	32,266	–		1,040,909
						18,423,470
Segment liabilities						
Other liabilities	(1,471,057)	(1,858,741)	(350,176)	–		(3,679,974)
Borrowings	(844,290)	(4,020,278)	(363,226)	–		(5,227,794)
						(8,907,768)
Other information						
Interest income	(32,310)	(74,034)	(12,641)	–		(118,985)
Depreciation and amortisation	38,504	44,739	141,524	–		224,767
Non-cash items other than depreciation and amortisation	7,674	4,218	6,529	–	B	18,421
Additions to non-current assets	21,856	503,736	13,742	–	C	539,334

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 item as presented in the respective notes to the financial statements:

	2022 RM'000	2021 RM'000
Continuing operations		
Property, plant and equipment written off	**422**	2,427
Unrealised loss on foreign exchange	**578**	1,175
Fair value (gain)/loss on derivatives	**(16,418)**	6,182
Provisions	**8,016**	2,461
	(7,402)	12,245
Discontinued operations		
Provisions	**6,216**	6,176
	(1,186)	18,421

C Additions to non-current assets consist of:

	Note	2022 RM'000	2021 RM'000
Property, plant and equipment	12	**205,725**	90,146
Investment properties	14	**2,658**	134,967
Right-of-use assets	15	**6,140**	5,728
Land held for property development	13(a)	**475,507**	295,436
Expressway and water development expenditure	16	**10,016**	13,057
		700,046	539,334

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

46. SEGMENT INFORMATION (CONT'D.)

Geographical information

	Revenues	
	2022 RM'000	**2021 RM'000**
Malaysia	**3,141,935**	2,811,906
Outside Malaysia		
– Vietnam	**1,255,387**	294,931
– Australia	**343,697**	31,861
– Singapore	**115,141**	35,911
– Taiwan	**287,722**	342,609
	2,001,947	705,312
Consolidated	**5,143,882**	3,517,218
Share of revenue of joint ventures		
– Malaysia	**1,290,625**	1,498,739
Total revenue	**6,434,507**	5,015,957

	Non-current assets	
	2022 RM'000	**2021 RM'000**
Malaysia	**4,860,587**	5,694,472
Outside Malaysia		
– Vietnam	**507,222**	506,946
– Australia	**61,304**	2,134
– Singapore	**2,071**	741
– Taiwan	**80**	366
– United Kingdom	**80,063**	83,338
	650,740	593,525
Consolidated	**5,511,327**	6,287,997

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

46. SEGMENT INFORMATION (CONT'D.)

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

	2022 RM'000	2021 RM'000
Property, plant and equipment	**1,095,482**	960,687
Land held for property development	**3,507,908**	3,305,083
Investment properties	**691,494**	711,524
Right-of-use assets	**79,319**	82,677
Concession development expenditure	**137,124**	1,228,026
	5,511,327	6,287,997
Deferred tax assets	**64,246**	57,775
Other investments	**7,802**	812
Receivables and other financial assets	**324,653**	360,407
	5,908,028	6,706,991

The disclosure above includes minimum information and other voluntary disclosures in accordance with Paragraph 33(b) MFRS 8.

47. DISCONTINUED OPERATIONS

As disclosed in Note 42 to the financial statements, the respective Concession Holding Companies of the Company have separately accepted the respective Offers and the Proposed Disposals are ongoing. Consequently, the Group and the Company have presented the financial results of the respective Concession Holding Companies and Expressway Concession Companies as "Assets of disposal group classified as assets held for sale" in the Group's and the Company's financial statements as at 31 July 2022.

(a) The analysis of the financial results of the discontinued operations of Proposed Disposals of Highways was as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	**241,802**	248,411	**106,514**	77,511
Operating expenses	**(171,527)**	(155,835)	**–**	–
Other income	**10,859**	9,701	**–**	–
Profit from discontinued operations	**81,134**	102,277	**106,514**	77,511
Finance costs	**(10,118)**	(14,296)	**–**	–
Share of profit of associated companies	**79,560**	95,412	**–**	–
Share of losses of joint ventures	**(32,265)**	(8,122)	**–**	–
Profit before taxation	**118,311**	175,271	**106,514**	77,511
Income tax expenses	**(23,679)**	(21,890)	**–**	–
Profit for the year from discontinued operations	**94,632**	153,381	**106,514**	77,511
Attributable to:-				
Owners of the Company	**80,431**	133,554	**106,514**	77,511
Non-controlling interests	**14,201**	19,827	**–**	–
	94,632	153,381	**106,514**	77,511

NOTES TO THE FINANCIAL STATEMENTS (CONT'D.)

– 31 July 2022

47. DISCONTINUED OPERATIONS (CONT'D.)

(b) The major classes of assets and liabilities of disposal group classified as held for sale as follows:

	Group 2022 RM'000	Company 2022 RM'000
Assets		
Property, plant and equipment	**1,623**	–
Concession development expenditure	**948,528**	–
Investments in subsidiaries	**–**	**385,134**
Interests in associated companies	**742,195**	**250,214**
Other investments	**79**	–
Deferred tax assets	**8,644**	–
Receivables	**45,324**	–
Tax recoverable	**211**	–
Investment securities	**4,011**	–
Cash and bank balances	**277,884**	–
Assets held for sale	**2,028,499**	**635,348**
Liabilities		
Payables	**(16,312)**	–
Contract liabilities	**(3,455)**	–
Provision for liabilities	**(30,994)**	–
Deferred tax liabilities	**(213,293)**	–
Borrowings	**(195,000)**	–
Liabilities directly associated with the assets held for sale	**(459,054)**	–
Net assets of disposal group classified as held for sale	**1,569,445**	**635,348**

(c) Cash flows attributable to discontinued operations

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net cash from operating activities	**113,994**	241,363	**106,514**	77,511
Net cash from investing activities	**151,717**	(146,377)	**–**	–
Net cash from financing activities	**(111,000)**	(103,500)	**–**	–
Net cash inflow	**154,711**	(8,514)	**106,514**	77,511

ANALYSIS OF SECURITIES OF COMPANY

As of 6 October 2022

ANALYSIS OF SHAREHOLDINGS

Total Number of Issued Shares	:	2,591,069,332 ordinary shares
Type of shares	:	Ordinary shares
Voting rights	:	1 vote per share on a poll
No. of shareholders	:	18,516

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Holdings	%
Less than 100	792	4.28	22,108	0.00
100 – 1,000	4,677	25.26	3,287,997	0.13
1,001 – 10,000	9,740	52.60	37,604,603	1.45
10,001 – 100,000	2,604	14.06	72,865,153	2.81
100,001 – 129,553,465 (less than 5% of issued shares)	701	3.79	2,036,588,157	78.60
129,553,466 and above (5% and above of issued shares)	2	0.01	440,701,314	17.01
Total	**18,516**	**100.00**	**2,591,069,332**	**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	355,620,110	13.72	–	–
Kumpulan Wang Persaraan (Diperbadankan)	180,916,277	6.98	–	–

ANALYSIS OF SECURITIES OF COMPANY

As of 6 October 2022

DIRECTORS' INTEREST IN ORDINARY SHARES OF THE COMPANY

(as per Register of Directors' Shareholdings)

	Direct Interest		Indirect Interest	
Name of Director	**No. of Shares**	**%**	**No. of Shares**	**%**
Dato' Mohammed Hussein	–	–	–	–
Dato' Lin Yun Ling	76,815,239	2.96	–	–
Dato' Ir Ha Tiing Tai	28,552,062 *3	1.10	90,000 *1	*5
Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	233,012	0.01	114,500,000 *2	4.42
Tan Sri Dato' Setia Haji Ambrin bin Buang	4,000	*5	–	–
Nazli binti Mohd Khir Johari	–	–	–	–
Chan Wai Yen	–	–	–	–
Mohammed Rashdan bin Mohd Yusof *(Alternate to Dato' Lin Yun Ling)*	477,076 *4	0.02	–	–
Justin Chin Jing Ho *(Alternate to Dato' Ir Ha Tiing Tai)*	–	–	–	–

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*	274,381,560	10.59
2.	Kumpulan Wang Persaraan (Diperbadankan)	166,319,754	6.42
3.	Amanahraya Trustees Berhad – *Amanah Saham Bumiputera*	107,244,000	4.14
4.	Generasi Setia (M) Sdn Bhd	101,000,000	3.90
5.	Citigroup Nominees (Tempatan) Sdn Bhd – *Urusharta Jamaah Sdn Bhd (1)*	90,453,198	3.50
6.	Dato' Lin Yun Ling	76,815,239	2.96
7.	Citigroup Nominees (Tempatan) Sdn Bhd – *Exempt An for AIA Bhd*	75,620,504	2.92
8.	Amanahraya Trustees Berhad – *Amanah Saham Malaysia 2 – Wawasan*	70,000,000	2.70
9.	Amanahraya Trustees Berhad – *Amanah Saham Malaysia 3*	55,134,900	2.13
10.	Amanahraya Trustees Berhad – *Amanah Saham Bumiputera 3 – Didik*	52,557,060	2.03
11.	Permodalan Nasional Berhad	50,870,700	1.96
12.	Amanahraya Trustees Berhad – *Amanah Saham Malaysia*	48,179,700	1.86

No.	Name	No. of Shares Held	%
13.	Lembaga Tabung Haji	45,619,500	1.76
14.	Citigroup Nominees (Asing) Sdn Bhd – *UBS AG*	43,773,426	1.69
15.	Cartaban Nominees (Tempatan) Sdn Bhd – *PAMB for Prulink Equity Fund*	37,403,819	1.44
16.	Citigroup Nominees (Tempatan) Sdn Bhd – *Employees Provident Fund Board (NOMURA)*	36,883,666	1.42
17.	Amanahraya Trustees Berhad – *Amanah Saham Bumiputera 2*	33,500,000	1.29
18.	HSBC Nominees (Asing) Sdn Bhd – *JPMCB NA for Vanguard Emerging Markets Stock Index Fund*	31,444,217	1.21
19.	HSBC Nominees (Asing) Sdn Bhd – *JPMCB NA for Vanguard Total International Stock Index Fund*	30,340,612	1.17
20.	Ng Kee Leen	28,527,684	1.10
21.	Maybank Nominees (Tempatan) Sdn Bhd – *Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)*	27,112,561	1.05
22.	Citigroup Nominees (Tempatan) Sdn Bhd – *Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)*	25,584,407	0.99
23.	Dato' Ir. Ha Tiing Tai	22,590,000	0.87
24.	HSBC Nominees (Asing) Sdn Bhd – *J.P. Morgan Securities PLC*	21,639,147	0.84
25.	HSBC Nominees (Asing) Sdn Bhd – *Morgan Stanley & Co. International PLC (FIRM A/C)*	20,707,179	0.80
26.	Citigroup Nominees (Asing) Sdn Bhd – *Exempt An for Citibank New York (Norges Bank 14)*	20,415,012	0.79
27.	Amanahraya Trustees Berhad – *Public Ittikal Sequel Fund*	19,622,578	0.76
28.	Pertubuhan Keselamatan Sosial	19,474,424	0.75
29.	Cartaban Nominees (Asing) Sdn Bhd – *Exempt An for State Street Bank & Trust Company (WEST CLT OD67)*	19,047,800	0.73
30.	Maybank Nominees (Tempatan) Sdn Bhd – *MTrustee Berhad for Principal Dali Equity Growth Fund (UT-CIMB-Dali) (419455)*	17,158,718	0.66
	Total	**1,669,421,365**	**64.43**

SHARE OPTIONS HELD BY DIRECTORS OF THE COMPANY

(Share Options held under the Gamuda Berhad Employees' Share Option Scheme)

Name of Director	No. of Share Options Held
Dato' Lin Yun Ling	6,000,000
Dato' Ir Ha Tiing Tai	3,500,000
Mohammed Rashdan bin Mohd Yusof *(Alternate to Dato' Lin Yun Ling)*	3,500,000
Justin Chin Jing Ho *(Alternate to Dato' Ir Ha Tiing Tai)*	3,000,000

ISSUED SHARE CAPITAL

Date/ Year of Allotment	No. of Shares Allotted	Description	Cumulative 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

Date/ Year of Allotment	No. of Shares Allotted	Description	Cumulative No. of Issued Shares
12.03.1997	19,175,951	Rights Issue in the proportion of 1 new ordinary share for every 6 existing ordinary shares held	287,639,276
20.01.1997 – 24.11.1997	2,057,133	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1995/2000	289,696,409
22.10.1998 – 31.12.1998	99,000	Issued pursuant to exercise of options under ESOS	289,795,409
07.01.1999 – 30.12.1999	15,979,428	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1995/2000	305,774,837
05.01.2000 – 16.07.2000	37,201,999	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1995/2000	342,976,836
03.03.2000	322,213,836	Bonus Issue in the proportion of 1 new ordinary share for every 1 existing ordinary share held	665,190,672
31.01.2001 – 19.12.2001	807,000	Issued pursuant to exercise of options under ESOS	665,997,672
02.01.2002 – 27.12.2002	8,646,002	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1996/2006 and 2001/2007	674,643,674
13.01.2003 – 31.12.2003	51,251,218	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1996/2006 and 2001/2007	725,894,892
07.01.2004 – 23.12.2004	13,209,252	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2001/2007	739,104,144
05.01.2005 – 29.12.2005	14,128,000	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2001/2007	753,232,144
26.10.2006 – 29.12.2006	37,982,965	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1996/2006 and 2001/2007	791,215,109
08.01.2007 – 28.12.2007	207,268,945	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1996/2006 and 2001/2007	998,484,054
25.10.2007	994,963,054	Bonus Issue on the basis of 1 new ordinary share for every 1 existing ordinary share held	1,993,447,108
09.01.2008 – 19.12.2008	12,736,000	Issued pursuant to exercise of options under ESOS	2,006,183,108
23.01.2009 – 22.12.2009	10,589,000	Issued pursuant to exercise of options under ESOS	2,016,772,108
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

ISSUED SHARE CAPITAL

Date/ Year of Allotment	No. of Shares Allotted	Description	Cumulative No. of Issued Shares
03.01.2012 – 31.12.2012	18,690,762	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,086,465,666
07.01.2013 – 30.12.2013	205,859,001	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,292,324,667
06.01.2014 – 29.12.2014	49,464,512	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,341,789,179
06.01.2015 – 22.06.2015	64,115,876	Conversion of Warrants 2010/2015	2,405,905,055
07.01.2016 – 28.12.2016	18,193,855	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2016/2021	2,424,098,910
05.01.2017 – 29.12.2017	31,451,816	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2016/2021	2,455,550,726
08.01.2018 – 07.09.2018	12,498,225	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2016/2021	2,468,048,951
18.01.2019 – 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
26.02.2021 – 09.03.2021	800	Issued pursuant to Conversion of Warrants 2016/2021	2,513,528,454
08.03.2022 – 02.09.2022	77,540,878	Issued pursuant to Second & Third Dividend Reinvestment Plans	2,591,069,332

LIST OF MAJOR PROPERTIES

Held as of 31 July 2022

No	Location	Tenure	Usage	Area	Year of Valuation/ Acquisition	Year of expiry	Approximate age of building (Years)	Carrying value as at 31 July 2022 (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	13	118,409
2	No. 30, Jalan SS2/44 47300 Petaling Jaya, Selangor	Freehold	Bungalow	501 sq m	1991	–	36	270
3	No. 36/38, Jalan SS21/62 47400 Petaling Jaya, Selangor	Freehold	2 blocks, 4 storey shoplot/office	286 sq m	1991	–	28	837
4	No. 39, Jalan SS22/23 47400 Petaling Jaya, Selangor	Freehold	4 storey shoplot/office	153 sq m	2007	–	28	521
5	No. 53, Jalan SS22/23 47400 Petaling Jaya, Selangor	Freehold	4 storey shoplot/office	153 sq m	2006	–	33	1,117
6	No. 55-61, Jalan SS22/23 47400 Petaling Jaya, Selangor	Freehold	4 blocks, 4 storey shoplot/office	612 sq m	1992	–	31	6,991
7	No. 54-58, Jalan SS22/25 47400 Petaling Jaya, Selangor	Freehold	3 blocks, 4 storey shoplot/office	460 sq m	2006	–	30	3,930
8	HS (D) 54871, PT No. 56274 Mukim & District of Kelang Selangor	Freehold	Industrial estate/ workshop	16,898 sq m	1995	–	–	6,550
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	–	4	175,072
10	Lot 195821, 195822, 195823, 195824, 195825, 195826, 195827, 46482, 57417 all in the Mukim Kampar District of Kinta, 31350 Ipoh, Perak	Leasehold	Granite hill, limestone hill and industrial land/quarry	469,493 sq m	1991	2050	–	3,111
11	PT 183485 Meru Industrial Estate Jelapang, 30020 Ipoh, Perak	Leasehold	Industrial estate/store	12,144 sq m	1991	2050	26	427
12	PT 51683, Jalan Jelapang 30020 Ipoh, Perak	Leasehold	Industrial estate/ workshop	4,353 sq m	1991	2043	32	270
13	No. 152, Jalan Gopeng 31350 Ipoh, Perak	Leasehold	3 storey shoplot/ office	164 sq m	1991	2078	36	112
14	No. 158, Jalan Gopeng 31350 Ipoh, Perak	Leasehold	3 storey shoplot/ office	163 sq m	1991	2078	36	122
15	Quayside Mall, Gamuda Kemuning 25.7, Persiaran Freesia 42500 Telok Panglima Garang, Selangor	Leasehold	5 storey retail mall	28,868 sq m	2020	2116	2	273,956

CORPORATE INFORMATION

BOARD OF DIRECTORS

YBhg Dato' Mohammed Hussein
Chairman

YBhg Dato' Lin Yun Ling
Group Managing Director

YBhg Dato' Ir Ha Tiing Tai
Deputy Group Managing Director

YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah
Non-Independent Non-Executive Director

YBhg Tan Sri Dato' Setia Haji Ambrin bin Buang
Independent Non-Executive Director

Puan Nazli binti Mohd Khir Johari
Independent Non-Executive Director

Ms. Chan Wai Yen, Millie
Independent Non-Executive Director

Encik Mohammed Rashdan bin Mohd Yusof
Deputy Group Managing Director
Alternate to YBhg Dato' Lin Yun Ling

Mr. Justin Chin Jing Ho
Managing Director, Gamuda Engineering
Alternate to YBhg Dato' Ir Ha Tiing Tai

AUDIT COMMITTEE

YBhg Tan Sri Dato' Setia Haji Ambrin bin Buang (Chairman)

YBhg Dato' Mohammed Hussein

Puan Nazli binti Mohd Khir Johari

NOMINATION COMMITTEE

YBhg Dato' Mohammed Hussein (Chairman)

YBhg Tan Sri Dato' Setia Haji Ambrin bin Buang

Puan Nazli binti Mohd Khir Johari

REMUNERATION COMMITTEE

YBhg Dato' Mohammed Hussein (Chairman)

YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah

YBhg Dato' Lin Yun Ling

COMPANY SECRETARIES

Ms. Lim Soo Lye
(LS 0006461)
(SSM PC NO. 201908002053)

Ms. Pang Siok Tieng
(MAICSA 7020782)
(SSM PC NO. 201908001079)

COMPANY REGISTRATION NO.

197601003632 (29579-T)

DATE AND PLACE OF INCORPORATION

6 October 1976, Malaysia

LISTING DATE

10 August 1992

INVESTOR RELATIONS

Mr. Clarence Boudville
Level 17, Menara Gamuda
Block D, PJ Trade Centre
No. 8, Jalan PJU 8/8A
Bandar Damansara Perdana
47820 Petaling Jaya
Selangor Darul Ehsan
Tel : 603-7491 2682
Fax : 603-7727 4594
Email : IR@gamuda.com.my

REGISTERED OFFICE/ CORPORATE OFFICE

Menara Gamuda
D-16-01, Block D, PJ Trade Centre
No. 8, Jalan PJU 8/8A
Bandar Damansara Perdana
47820 Petaling Jaya
Selangor Darul Ehsan
Tel : 603-7491 8288
Fax : 603-7728 9811
Email : gbcosec@gamuda.com.my
Web : www.gamuda.com.my

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 603-2783 9299
Fax : 603-2783 9222
Email : is.enquiry@my.tricorglobal.com
Web : www.tricorglobal.com

Tricor's Customer Service Centre
Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

AUDITORS

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : 603-7495 8000
Fax : 603-2095 5332
Web : www.ey.com

STOCK EXCHANGE LISTING

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

PRINCIPAL BANKER

Malayan Banking Berhad

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-sixth ("46th") Annual General Meeting ("AGM") of Gamuda Berhad ("Gamuda" or "Company") will be conducted fully virtual through online meeting platform via TIIH Online website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia, on Thursday, 8 December 2022 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 2022 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 2022. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' remuneration (excluding Directors' fees) of up to an amount of RM395,000/- for the period from 9 December 2022 until the next AGM of the Company to be held in 2023. **(Ordinary Resolution 2)**

4. To re-elect YBhg Dato' Lin Yun Ling who is retiring by rotation in accordance with Clause 105 of the Constitution of the Company and, who being eligible, offers himself for re-election. **(Ordinary Resolution 3)**

   YBhg Dato' Mohammed Hussein who also retires by rotation in accordance with Clause 105 of the Constitution of the Company, has expressed his intention not to seek for re-election. Hence, he will retain office as a Director of the Company until the conclusion of the 46th AGM.

5. To re-elect Ms. Chan Wai Yen, a Director appointed during the year, who is retiring in accordance with Clause 111 of the Constitution of the Company and, who being eligible, offers herself for re-election. **(Ordinary Resolution 4)**

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

AS SPECIAL BUSINESS:-

To consider and, if thought fit, to pass with or without modification(s), the following resolutions:-

7. **Authority to issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016** **(Ordinary Resolution 6)**

   "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 (excluding treasury shares) ("New Shares") for the time being ("Authority") AND THAT the Directors be and are also empowered to obtain the approval for the listing of, and quotation for the New Shares so issued on Bursa Malaysia Securities Berhad [Co. Regn. No. 200301033577 (635998-W)] ("Bursa Securities") AND FURTHER THAT such Authority shall commence immediately upon the passing of this resolution and shall continue to be in force until the conclusion of the next AGM of the Company.

   THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 62 of the Constitution of the Company, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all New Shares issued under the Authority."

NOTICE OF ANNUAL GENERAL MEETING

8. **Proposed Renewal of Share Buy-back Authority** **(Ordinary Resolution 7)**

"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 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 Proposed Share Buy-back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) 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;

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."

9. **Issuance of New Ordinary Shares in the Company ("New 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 8)**

   "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 their absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the 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 existing ordinary shares of Gamuda 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 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."

10. 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 2022

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. Virtual Meeting

As part of the Company's precautionary measures, the 46th AGM of the Company will be conducted fully virtual through online meeting platform via TIIH Online website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia.

Please follow the procedures provided in the Administrative Details for the 46th AGM in order to register, participate and vote remotely via the Remote Participation & Voting Platform ("RPV").

2. General Meeting Record of Depositors

For purposes of determining who shall be entitled to participate at the 46th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd [Co. Regn. 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 2022 and only a Depositor whose name appears on such Record of Depositors shall be entitled to participate and/or vote at the 46th 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 46th AGM and that proxy may but need not be a Member of the Company; and

   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. Forms of Proxy can be submitted in the following manner, not less than forty-eight (48) hours before the time appointed for holding the 46th AGM or at any adjournment thereof:

   i. Hard copy

   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 form

   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 46th AGM.

f. A Member who has appointed a proxy to participate in this AGM must request his/her proxy to register himself/herself for the RPV at Tricor's TIIH Online website at https://tiih.online. Please follow the procedures in the Administrative Details for this AGM.

g. The Notice of AGM together with the Form of Proxy, Administrative Details, Integrated Report 2022 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 46th AGM in order to register, participate and/or vote remotely.

h. 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 Companies Act 2016 ("CA 2016"). Hence, this matter will not be put for voting.

b. Ordinary Resolutions 1 & 2

Section 230(1) of the CA 2016 provides that the 'fees' of the directors and 'any benefits' payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at this AGM for the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company under Resolutions 1 and 2.

i. Directors' Fees

Having considered the positioning of the Directors' fees over the past three (3) financial years ("FY") from 2019 to 2021, the Board has proposed the Directors' fees of the Non-Executive Directors of the Company as set out in the right of the table below:-

Directors' Fees (as approved at AGMs)	**FY2019**	**FY2020**	**FY2021**	**Proposed for FY2022 (approval to be sought at 46th AGM)**
Independent Non-Executive Chairman	RM210,833 per annum	RM189,000 per annum	RM210,000 per annum	**RM210,000 per annum**
Independent Non-Executive Director	RM160,000 per annum	RM144,000 per annum	RM160,000 per annum	**RM160,000 per annum**
	RM164,167 per annum*	RM148,500 per annum	RM165,000 per annum	**RM58,475 per annum^**
	RM109,417 per annum#	RM117,000 per annum	RM130,000 per annum	**RM152,596 per annum***
	–	–	–	**RM75,357 per annum#**
Non-Executive Director	RM130,000 per annum	RM117,000 per annum	RM130,000 per annum	**RM130,000 per annum**

** Re-designation of Audit Committee Chairman during the financial year under review*
 # Appointment of a new Independent Non-Executive Director during the year under review
^ Retirement of an Independent Non-Executive Director

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 RM786,429/- in respect of the financial year ended 31 July 2022 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 and Section 230(1)(b) of the CA 2016.

NOTICE OF ANNUAL GENERAL MEETING

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 last AGM i.e. Forty-fifth AGM of the Company held on 8 December 2021 ("45th AGM"), the benefits payable to the Non-Executive Directors of the Company from 9 December 2021 until this meeting on 8 December 2022 (12 months) was approved for an amount up to RM380,000.00. The utilisation of this approved amount as at 31 July 2022 is RM197,923/-. Based on the schedule of meetings in the fourth quarter of 2022 (includes Special Board meetings held to date), an amount of RM113,546/- 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 82% 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 RM395,000/- from 9 December 2022 to the next AGM in 2023 (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 Directors' remuneration (excluding Directors' fees) paid during the above period exceeded the estimated amount sought at this AGM, shareholders' approval will be sought at the next AGM.

Any Non-Executive Director who is a shareholder of the Company will abstain from voting on Resolutions 1 and 2 at this AGM.

c. Ordinary Resolutions 3 and 4

For the purpose of determining the eligibility of the Directors to stand for re-election at this meeting and in line with Practice 5.1 of the Malaysian Code on Corporate Governance, the Nomination Committee has assessed each of the retiring Directors under Resolutions 3 and 4 and the findings 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 Board Effectiveness Report (2021/2022) prepared by the independent external consultant, all Directors met the performance criteria required of an effective and high-performance Board.

The Board (save for Ms. Chan Wai Yen) has vide the Nomination Committee, also conducted the assessment on the independence of Ms. Chan Wai Yen as an Independent Non-Executive Director of the Company and, supports the Nomination Committee's recommendation for her re-election (who being eligible and has offered herself for re-election) as a Director of the Company pursuant to Clause 111 of the Constitution of the Company.

YBhg Dato' Mohammed Hussein will reach his 9-year term with the Company at this AGM. He has expressed his intention not to seek for re-election and will be retiring as an Independent Director at this AGM in accordance with Clause 105 of the Constitution of the Company. Hence, he will retain office as a Director of the Company until the conclusion of this AGM.

Any Director referred to in Resolutions 3 and 4 who is a shareholder of the Company will abstain from voting on the resolution in respect of his/her re-election at this AGM.

d. Ordinary Resolution 5

At the Board meeting held on 29 September 2022, 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 of Ernst & Young PLT and hence, supports the Audit Committee's recommendation to re-appoint Ernst & Young PLT as the Auditors of the Company.

e. Ordinary Resolution 6

Ordinary Resolution 6 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 45th AGM.

The Company is also seeking shareholders' approval to waive their statutory pre-emptive rights under Section 85 of the CA 2016 and to allow Company Directors to allot new shares without first offering them to existing shareholders in proportion to their holdings pursuant to the general mandate.

f. Ordinary Resolution 7

Shareholders are advised to refer to the Statement to Shareholders dated 9 November 2022, 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 8

Ordinary Resolution 8 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 this AGM.

- 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-Sixth ("46th") Annual General Meeting ("AGM")

Date	:	Thursday, 8 December 2022
Time	:	10:00 a.m.
Remote Participation & Voting Platform	:	**TIIH Online** website at https://tiih.online or https://tiih.com.my
Domain Registration No. with MYNIC	:	D1A282781

MODE OF MEETING

Gamuda Berhad ("Company") will conduct the 46th AGM on a **FULLY VIRTUAL** basis through live streaming and online remote voting.

An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia.

REMOTE PARTICIPATION AND VOTING FACILITIES ("RPV")

Shareholders are to attend, speak [including posing questions to the Board of Directors ("Board") or Management of the Company via real time submission of typed texts] and vote (collectively, "participate") remotely at the 46th 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. Please refer to the procedures for RPV.

Shareholders who appoint proxies to participate via RPV in the 46th AGM of the Company must ensure that their duly executed Forms of Proxy are deposited either by hardcopy or electronic means no later than **Tuesday, 6 December 2022 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. The procedures on electronic lodgement of proxy form are summarised in pages 435-436 of this Integrated Report.

Fax copies of the duly executed Form of Proxy are not acceptable.

If you wish to personally participate in the 46th AGM, please do not submit any Form of Proxy. You will not be allowed to participate in the 46th AGM together with your appointed proxy.

If you have submitted your Form of Proxy prior to the 46th AGM and subsequently decide to personally participate in the 46th AGM, please contact Tricor to revoke/cancel your appointment of proxy.

Corporate representatives of corporate shareholders must deposit their original/duly certified certificate of appointment of corporate representative with Tricor no later than **Tuesday, 6 December 2022 at 10:00 a.m.** in order to participate via RPV in the 46th AGM of the Company.

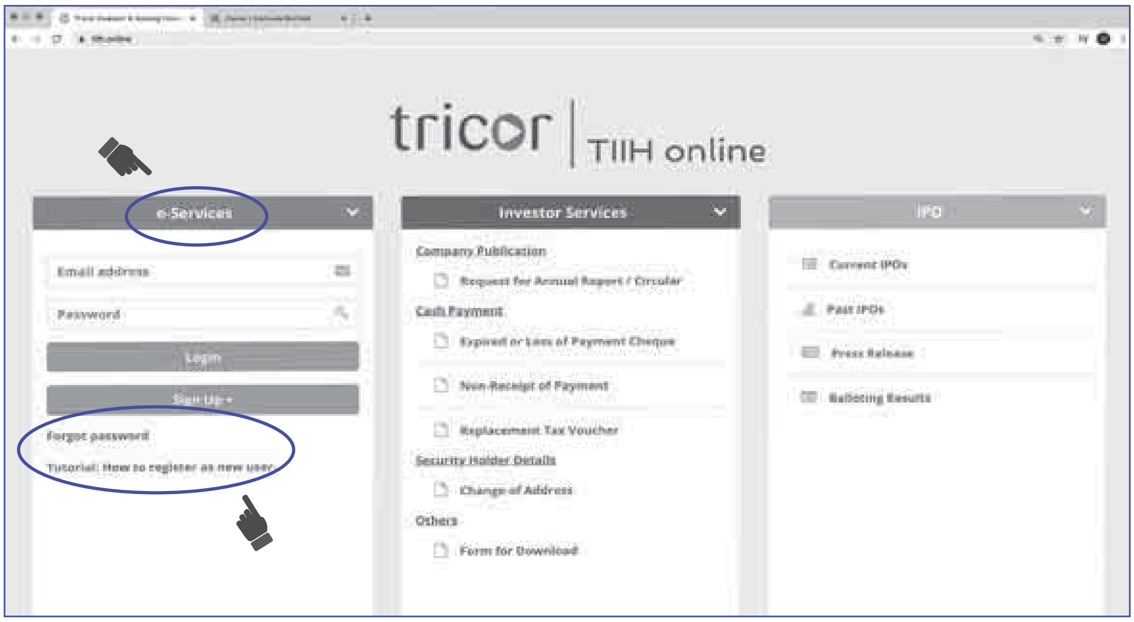
Attorneys appointed by power of attorney must deposit their powers of attorney with Tricor no later than **Tuesday, 6 December 2022 at 10:00 a.m.** in order to participate via RPV in the 46th AGM of the Company.

A shareholder who has appointed a proxy or authorised representative or attorney to participate in the 46th AGM of the Company via RPV must request his/her proxy or authorised representative or attorney to register himself/herself for RPV at Tricor's TIIH Online website at https://tiih.online.

As the 46th AGM of the Company is a fully virtual AGM, shareholders who are unable to participate in this meeting may appoint the Chairman of the 46th AGM as his/her proxy and indicate the voting instructions in the Form of Proxy.

Shareholders/proxies/corporate representatives/attorneys who wish to participate in the 46th AGM of the Company via the RPV are to follow the requirements and procedures as summarised below:-

Procedure	Action
BEFORE THE 46TH 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 Tricor's TIIH Online website 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 **a registered user** with TIIH Online, you do not need to register again. You will receive an **e-mail from Tricor** notifying that the remote participation for the 46th AGM is available for registration on 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).



Procedure	Action
(b) Submission of registration for RPV *IMPORTANT:* *Whether –* *– you are registering as a new user with Tricor's TIIH Online, or* *– you are a registered user with Tricor's TIIH Online and you are registering for use of the RPV for the 46th 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.*	• **Registration is open from Wednesday, 9 November 2022 until the day of the 46th AGM scheduled for Thursday, 8 December 2022. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 46th AGM to ascertain their eligibility to participate in the 46th AGM using RPV.** • Login with your user ID and password and select the corporate event: **"(REGISTRATION) GAMUDA 46TH AGM".** • Read and agree to the Terms and 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 2022**, the system will send you an e-mail after 6 December 2022 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 e-mail.

ADMINISTRATIVE DETAILS

Forty-Sixth ("46th") Annual General Meeting ("AGM")

Procedure	Action
ON THE DAY OF 46TH AGM	
(c) Login to TIIH Online	• Login with your user ID and password for remote participation at the 46th AGM any time from 9.00 a.m. i.e. one hour before the commencement of the 46th AGM on **Thursday, 8 December 2022 at 10:00 a.m.**
(d) Participating through Live Streaming	• Select the corporate event: **"(LIVE STREAMING MEETING) GAMUDA 46TH AGM"**; to engage remotely in the proceedings of the 46th 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 this AGM. If there is time constraint, the responses will be published on the Company's website at the earliest possible, after the 46th 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 Thursday, 8 December 2022** until a time when the Chairman announces the end of the session. To vote, select corporate event: **"(REMOTE VOTING) GAMUDA 46TH 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 and 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 46th AGM.

Note to users of the RPV:

- *Once your application to join the 46th AGM is approved, you will be granted the right to participate in the live stream broadcast of the 46th AGM and to vote remotely. Your login to TIIH Online on the day of the 46th 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 that you are using.*
- *If you encounter issues with logging-in, connection to the live stream 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

The procedures to lodge your Form of Proxy electronically via Tricor's TIIH Online website are summarised below:

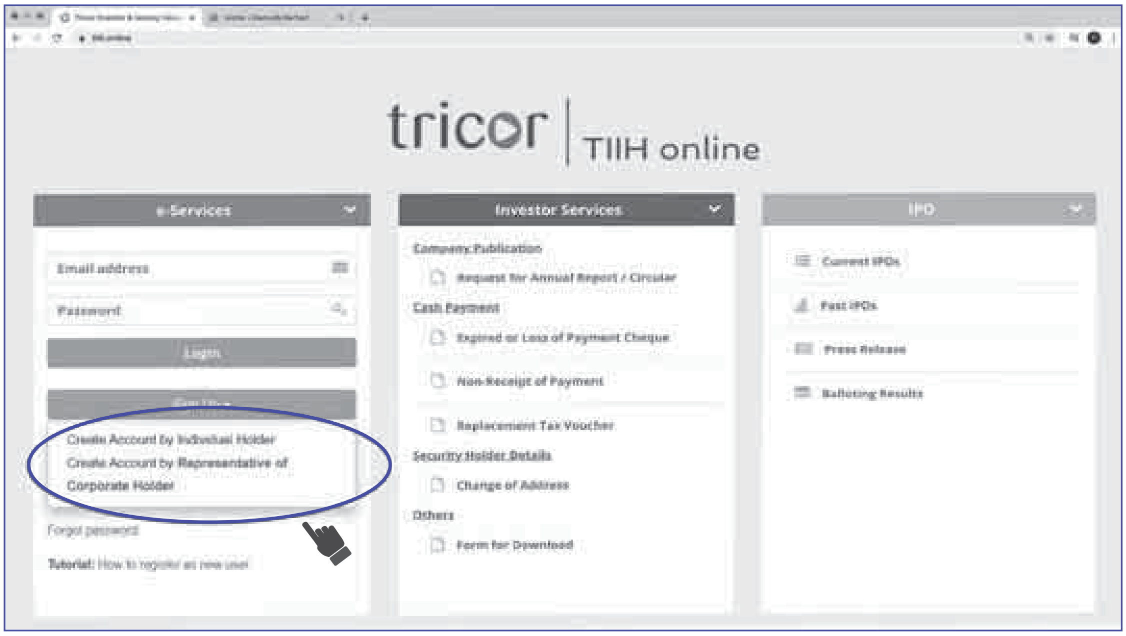
Procedure	Action
APPLICABLE TO INDIVIDUAL SHAREHOLDERS	
(a) Register as a User with TIIH Online website	• Please access Tricor's TIIH Online website at https://tiih.online using your computer or any device and register as a user under the "e-Services". Please do refer to the tutorial guide posted on the homepage for assistance. • If you are a registered user with TIIH Online website, you do not need to register again.
(b) Proceed with submission of Proxy Form	• After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: **"GAMUDA 46TH AGM – SUBMISSION OF PROXY FORM"**. • Read and agree to the Terms and 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 decide your vote. • Review and confirm your proxy(ies) appointment. • Print or save a PDF copy of the proxy form for your record.

ADMINISTRATIVE DETAILS

Forty-Sixth ("46th") Annual General Meeting ("AGM")

<table>
<tr><th>Procedure</th><th>Action</th></tr>
<tr><td colspan="2">APPLICABLE TO CORPORATION OR INSTITUTIONAL SHAREHOLDERS</td></tr>
<tr><td>(a) Register as a User with TIIH Online website</td><td>

- Access TIIH Online website at https://tiih.online.
- Under e-Services, select **"Create Account by Representative of Corporate Holder"**.
- Complete the registration form and upload the required documents.
- Registration will be verified, and you will be notified by email within one (1) to two (2) working days.
- Proceed to activate your account with the temporary password given in the email and re-set your own password.



Note:
The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor if you need clarifications on the user registration.

</td></tr>
<tr><td>(b) Proceed with submission of Proxy Form</td><td>

- Login to TIIH Online website at https://tiih.online.
- Select the corporate event: **"GAMUDA 46TH AGM – SUBMISSION OF PROXY FORM"**.
- Agree to the Terms and Conditions and Declaration.
- Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein.
- Prepare the file for the appointment of proxies by inserting the required data.
- Submit the proxy appointment file.
- Proceed to upload the duly completed proxy appointment file.
- Select "Submit" to complete your submission.
- Print or save a PDF copy of the confirmation report of your submission for your record.

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VOTING PROCEDURE

Voting at the 46th 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 46th AGM of the Company, the Scrutineers will verify the poll results followed by the Chairman's announcement whether the resolutions are duly passed.

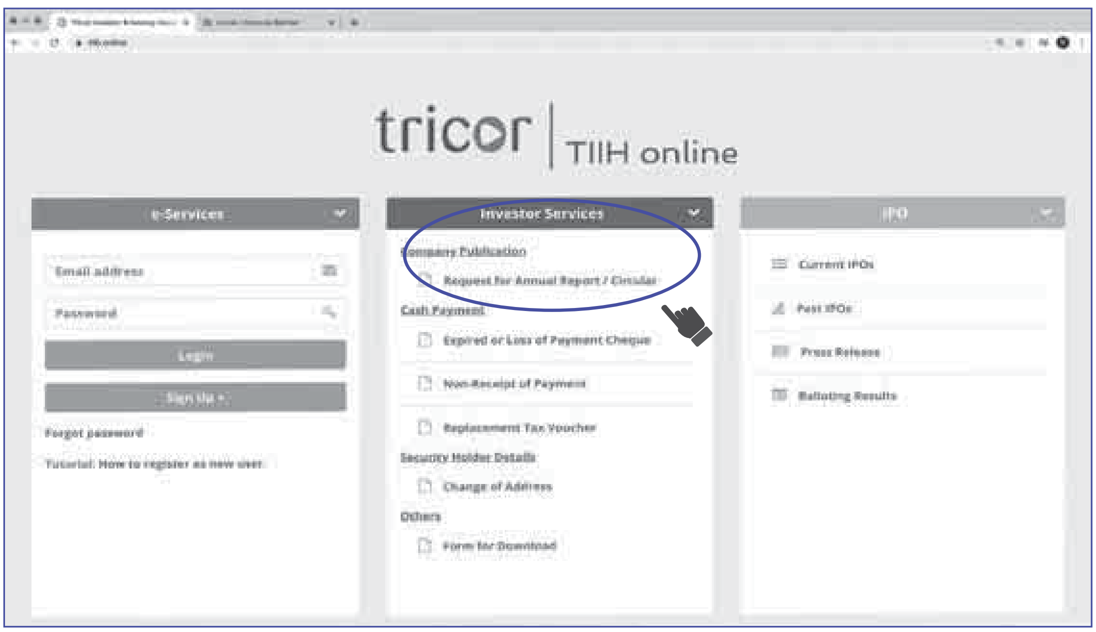
GENERAL MEETING RECORD OF DEPOSITORS

Only shareholders whose names appear in the General Meeting Record of Depositors of the Company maintained by Bursa Malaysia Depository Sdn Bhd as at **30 November 2022** shall be entitled to participate in the 46th AGM or appoint proxies to participate on their behalf.

INTEGRATED REPORT 2022 AND OTHER DOCUMENTS

The Company's Integrated Report 2022, Corporate Governance Report 2022, Statement to Shareholders in relation to the Proposed Renewal of Share Buy-back Authority, Notice of 46th AGM, Form of Proxy and this Administrative Details are available at 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 Integrated Report 2022 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.



ADMINISTRATIVE DETAILS

Forty-Sixth ("46th") Annual General Meeting ("AGM")

PRE-MEETING SUBMISSION OF QUESTION(S) TO THE BOARD

Shareholders or proxies or corporate representatives may submit questions for the Board prior to the 46th AGM via Tricor's **TIIH Online** website at https://tiih.online by selecting "e-Services" to login, pose questions and submit electronically no later than **Tuesday, 6 December 2022 at 10:00 a.m.** Where there are substantially similar questions for the 46th AGM, the Company will consolidate such questions. As a result, the questions received may not be addressed individually. The Board will endeavour to answer these question received at the 46th AGM of the Company. However, if not all answers could be provided during the 46th AGM, the responses will be provided in the corporate website of the Company.

NO E-VOUCHER, GIFT OR FOOD VOUCHER

There will be **NO** e-voucher, gift or food voucher for shareholders or proxies who participate in the 46th AGM of the Company.

The Board would like to thank all its shareholders for their kind co-operation and understanding on this matter.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the 46th AGM of the Company.

ENQUIRY

If you have any enquiry prior to the 46th AGM of the Company, please contact the following Tricor's 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. Jake Too** +603-2783 9285 (Chee.Onn.Too@my.tricorglobal.com)
		En. Aiman Nuri +603-2783 9262 (muhamad.aiman@my.tricorglobal.com)

FORM OF PROXY

GAMUDA
Co. Regn. No.
197601003632 (29579-T)

CDS account no. of authorised nominee (Note 1)

*I/We (full name and in block letters) ______________________________

*NRIC/Passport/Co. Regn. 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:			

and **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-sixth Annual General Meeting of the Company ("46th AGM") to be conducted fully virtual through online meeting platform via TIIH Online website at https://tiih.online or https://tiih.com.my (Domain registration number with MYNIC: D1A282781) provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") in Malaysia on Thursday, 8 December 2022 at 10:00 a.m. and at any adjournment thereof.

Resolution	Ordinary Business	For	Against
1	Approval of Directors' fees		
2	Approval of payment of Directors' remuneration (excluding Directors' fees)		
3	Re-election of YBhg Dato' Lin Yun Ling as a Director		
4	Re-election of Ms. Chan Wai Yen as a Director		
5	Re-appointment of Ernst & Young PLT as Auditors and to authorise the Directors to fix the Auditors' remuneration		
	Special Business		
6	Ordinary Resolution: Authority to issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016		
7	Ordinary Resolution: Proposed Renewal of Share Buy-back Authority		
8	Ordinary Resolution: Issuance of New Shares pursuant to the Dividend Reinvestment Plan		

(Please indicate with an "✗" 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 ____________________, 2022.

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. *Please follow the procedures provided by Tricor Investor & Issuing House Services Sdn Bhd in the Administrative Details for the 46th AGM in order to register, participate and/or vote remotely at the 46th AGM via the Remote Participation and Voting Facilities ("RPV").*
3. *Every Member of the Company is entitled to:-*
   i. *appoint another person as his proxy to exercise all or any of his/her rights to attend, participate and vote at the 46th AGM and that proxy may but need not be a Member of the Company.*
   ii. *appoint more than one (1) person as his/her proxy provided that he specifies the proportions of his shareholdings to be represented by each proxy.*
4. *Where a Member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. If more than one (1) proxy is appointed, the appointment shall be invalid unless the Authorised Nominee specifies the proportions of the shareholdings to be represented by each proxy.*
5. *Where a Member is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the number of shares to be represented by each proxy.*
6. *If the appointor is a corporation, the Form of Proxy shall be under the corporation's seal or under the hand of an officer or attorney duly authorised.*
7. *If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.*
8. *Form of Proxy can be submitted in the following manner, not less than forty-eight (48) hours before the time appointed for holding the 46th AGM or at any adjournment thereof:*
   i. *Hard copy:*
   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:*
   You may also submit the Form of Proxy electronically via TIIH Online website at https://tiih.online by following the procedures set out in the Administrative Details for the 46th AGM.
9. *Only a Depositor whose name appears in the Record of Depositors as at 30 November 2022 shall be entitled to participate and/or vote at the 46th AGM via RPV or appoints a proxy or proxies to attend, participate and/or vote on his/her behalf.*

** 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