



GAMUDA CONTENTS

ANNUAL REPORT 2020

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44th AGM

Annual General Meeting:
44th Annual General Meeting
of Gamuda Berhad

Broadcast Venue:
Auditorium, Level 2, Menara Gamuda, Block D
PJ Trade Centre, No. 8, Jalan PJU 8/8A
Bandar Damansara Perdana, 47820 Petaling Jaya
Selangor Darul Ehsan

Date & Time:
Tuesday, 8 December 2020
10.00 a.m.

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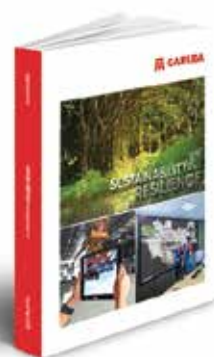
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 View our Annual Report, accounts and other information about Gamuda Berhad at www.gamuda.com.my

Our Presence



Established in 1976, Gamuda has
grown over the years to become
MALAYSIA'S LEADING INFRASTRUCTURE
and **PROPERTY DEVELOPER.**

Malaysia

Urban Rail Transport in Greater KL

- Klang Valley Mass Rapid Transit (KVMRT)
 - MRT Kajang Line
 - MRT Putrajaya Line

First Digital IBS Factory in Malaysia

- Gamuda Industrialised Building System (Gamuda IBS)

Property Development

- Gamuda Cove
- Gamuda Gardens
- twentyfive.7
- Horizon Hills
- Jade Hills
- Bukit Bantayan Residences
- Kundang Estates
- Madge Mansions
- The Robertson
- HighPark Suites
- Gamuda Walk
- Gamuda GM Klang
- Gamuda GM Bukit Bintang
- Kota Kemuning
- Valencia
- Bandar Botanic
- Gamuda Biz Suites

Key Intra-Urban Expressways and Highways in Greater KL

- Damansara-Puchong Highway (LDP)
- Shah Alam Expressway (SAE)
- Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT)

Inter-State Rail Transport

- Electrified Double Track Project (EDTP) (Ipoh-Padang Besar)

World's First Dual-Purpose Tunnel

- Stormwater Management and Road Tunnel (SMART)

Water Regulating Dam, Water Treatment and Power Plant

- Sungai Selangor Dam
- Rasa & Bukit Badong Water Treatment Plants (SSP1 & SSP3)
- Prai Power Station

Urban Transformation in Penang

- Penang Transport Master Plan (PTMP)

Public Infrastructure

- Pan Borneo Highway package (WPC-04), Sarawak
- Kuantan Bridge
- Hospital Universiti Kebangsaan Malaysia
- Lumut Naval Harbour
- North Butterworth Container Terminal
- Batang Lupar Bridge, Sarawak

Vietnam

Property Development

- Celadon City, Ho Chi Minh City
- Gamuda City, Hanoi

Sewage Treatment Plant

- Yen So Sewage Treatment Plant, Hanoi

Taiwan

Rail Transport

- Kaohsiung Metropolitan Mass Rapid Transit

Marine Project

- Marine Bridge – Guan Tang
- Seawall – Taipei Port

Qatar

Public Infrastructure

- Dukhan Highway
- Hamad International Airport

Bahrain

Bridges

- Sitra Causeway Bridges

India

Key Urban Links

- Durgapur Expressway
- Panagarh-Palsit Highway

Singapore

Property Development

- OLÁ
- GEM Residences

Public Infrastructure

- Gali Batu Multi-Storey Bus Depot

Australia

Property Development

- 661 Chapel St., Melbourne

Public Infrastructure

- Gamuda Engineering (Australia) Pty Ltd

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

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

PUAN NAZLI BINTI MOHD KHIR JOHARI
Independent Non-Executive Director

ENCIK MOHAMMED RASHDAN BIN MOHD YUSOF
Deputy Group Managing Director

Alternate to
YBhg Dato' Lin Yun Ling

YBHG DATO' UBULL DIN OM
Managing Director of Gamuda Engineering

Alternate to
YBhg Dato' Ir Ha Tiing Tai

Audit Committee

- YM Tunku Afwida binti Tunku A.Malek (Chairperson)
- YBhg Dato' Mohammed Hussein
- Puan Nazli binti Mohd Khir Johari

Nomination Committee

- YBhg Dato' Mohammed Hussein (Chairman)
- YM Tunku Afwida binti Tunku A.Malek
- 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 PJU8/8A
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
Website : www.ey.com

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
Stock Code: Gamuda
Stock No: 5398

Principal Banker

Malayan Banking Berhad

Group Corporate Structure

CONSTRUCTION

Domestic

• Gamuda Engineering Sdn Bhd	100%	• Gamuda Naim Engineering and Construction (GNEC) Sdn Bhd	65%
• Gamuda Geo Sdn Bhd	100%	• SRS Consortium Sdn Bhd	60%
• Gamuda M&E Sdn Bhd	100%	• MMC-Gamuda Joint Venture Sdn Bhd	50%
• Gamuda Building Ventures Sdn Bhd	100%	• MMC Gamuda KVMRT (PDP) Sdn Bhd	50%
• Masterpave Sdn Bhd	100%	• MMC Gamuda KVMRT (T) Sdn Bhd	50%
• Gamuda Trading Sdn Bhd	100%	• MMC Gamuda KVMRT (PDP SSP) Sdn Bhd	50%
• Megah Sewa Sdn Bhd	100%	• Naim Gamuda (NAGA) JV Sdn Bhd	30%
• G. B. Kuari Sdn Bhd	100%		
• Gamuda Industrial Building System Sdn Bhd	100%		
• Megah Capital Sdn Bhd	100%		
• Megah Management Services Sdn Bhd	100%		
• Gammau Construction Sdn Bhd	100%		
• Gamuda Tunnel Engineering Sdn Bhd	100%		

International

• Gamuda Engineering (Australia) Pty Ltd	100%	• Gamuda-WCT (India) Private Limited	70%
• Gamuda (Offshore) Private Limited	100%	• Dong-Pi Gamuda Joint Venture (Taiwan)	70%
• Gamuda Overseas Investment Ltd	100%		

PUBLIC COMPANY LIMITED BY GUARANTEE

Yayasan Gamuda

Oversees the Group’s charitable efforts for community investments and development that focuses primarily on educational aid and empowering social enterprises for community improvement.

Enabling Academy, through funding by Yayasan Gamuda, conducts an Employment Transition Programme that trains and places young adults with autism into companies.

PROPERTY

Domestic

Property Development

• Gamuda Land Sdn Bhd	100%	• Madge Mansions Sdn Bhd	100%
• Bandar Serai Development Sdn Bhd	100%	• Valencia Development Sdn Bhd	100%
• Dinamik Atlantik Sdn Bhd	100%	• Gamuda Land Leisure Sdn Bhd	100%
• Gamuda Land (Botanic) Sdn Bhd	100%	• Lifestyle Heritage Sdn Bhd	100%
• Gamuda Land (Kemuning) Sdn Bhd	100%	• Intensif Inovatif Sdn Bhd	100%
• Gamuda Land (T12) Sdn Bhd	100%	• Horizon Hills Development Sdn Bhd	50%
• Highpark Development Sdn Bhd	100%	• Gamuda GM Klang Sdn Bhd	50%
• Idaman Robertson Sdn Bhd	100%	• Gamuda GM Sdn Bhd	50%
• Jade Homes Sdn Bhd	100%	• Hicom-Gamuda Development Sdn Bhd	50%
• Usaha Era Fokus Sdn Bhd	100%		

Property Management, Maintenance and Landscaping

• Botanic Property Services Sdn Bhd	100%
• Gamuda Land Property Services Sdn Bhd	100%
• Jade Homes Property Services Sdn Bhd	100%
• Valencia Township Sdn Bhd	100%
• Gamuda Parks Sdn Bhd	100%
• Discovery Wetlands Sdn Bhd	100%
• Horizon Hills Property Services Sdn Bhd	50%
• Kota Kemuning Nursery & Landscaping Sdn Bhd	50%

Golf and Country Club

• Bandar Botanic Resort Berhad	100%
• Jade Homes Resort Berhad	100%
• Danau Permai Resort Berhad	50%
• Horizon Hills Resort Berhad	50%

International

• Gamuda (Australia) Pty Ltd	100%	• Gamuda (Luxembourg) S.a.r.l	100%
• Gamuda (Singapore) Pte Ltd	100%	• Gamuda Yoo Development Aldgate S.a.r.l	90%
• Gamuda Land (HCMC) Joint Stock Company	100%	• Gem Homes Pte Ltd	50%
• Gamuda Land Vietnam Limited Liability Company	100%	• Anchorvale Pte Ltd	50%

CONCESSIONS

Domestic

Expressway Tolling and Management

• Kesas Sdn Bhd	70%
• Sistem Penyuraian Trafik KL Barat Sdn Bhd	52%
• Syarikat Mengurus Air Banjir & Terowong Sdn Bhd	50%
• Lingkaran Trans Kota Sdn Bhd	44%

Water Related

• Gamuda Water Sdn Bhd	80%

International

• Mapex Infrastructure Private Limited (India)	50%	• Emas Expressway Private Limited (India)	50%



MANAGEMENT DISCUSSION & ANALYSIS

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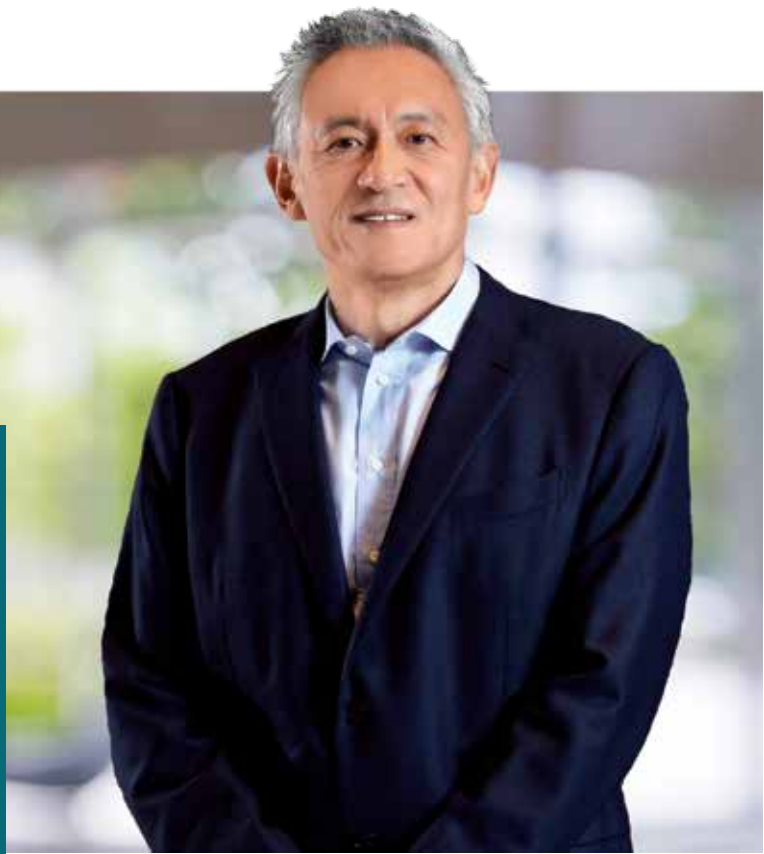
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Statement from the Group Managing Director

YBHG DATO' LIN YUN LING
Group Managing Director



Dear Shareholders,

The COVID-19 pandemic has brought to the fore an urgency to future-proof our business in a world affected by the triple crisis of climate change, biodiversity loss and unsustainable exploitation of natural resources. According to scientific studies over the past decade, the loss of nature and biodiversity due to the expansion of human activities exposes us to increased zoonotic risks. At the same time, climate change has manifested itself through extreme weather events that happened all too frequently in recent years, from rising sea levels, severe flooding, worsening drought, to devastating wild fires of increasing severity. All these have disrupted business activities, impacted the quality of life and increased the risks of doing business.



As a major engineering, infrastructure and property group, Gamuda is actively involved in circular construction beyond mere compliance to reduce greenhouse gas emissions over the next two decades. ”

As a major engineering, infrastructure and property group, Gamuda is actively involved in circular construction beyond mere compliance to reduce greenhouse gas emissions over the next two decades. We are aligning our corporate decisions based on these long-term goals. We are also committed to biodiversity conservation, through intensifying Gamuda Parks' agenda to ensure nature conservancy of both flora and fauna, within our developments. We want to safeguard a sustainable environment for future generations by minimising the usage of natural resources and drastically reducing our carbon footprint. This is achievable by leveraging on technological advancement and innovation that have been our core strengths.

As we seek to build a sustainable future, we have enhanced our value creation strategy with the sustainability framework **Build Right. For Life.** which mapped out a detailed blueprint to help us achieve sustainable growth while delivering our purpose; as outlined in the accompanying Sustainability Report 2020. Anchored on three key pillars – Our People and Community; Planning, Design and Construction, as well as Environmental and Biodiversity Stewardship, we are guided by the sustainability framework to create diverse solutions that are good for the planet, people and Gamuda's ecosystem of companies and stakeholders. Such solutions are in line with the circular economy goals such as green building, energy management and smart cities. The Gamuda value creation strategy encapsulates and integrates the 17 United Nations Sustainable Development Goals (UN SDGs) in our business operations.

PRIORITISING OUR PEOPLE

With the outbreak of the COVID-19 pandemic, we moved quickly to implement frequent and rapid testing to enable prompt detection, tracing and isolation. We remodelled our centralised labour quarters to ensure greater separation and to provide quarantine facilities. This rapid response made us among the first companies to obtain the Government's approval to continue critical works during the movement restriction periods.

To further enhance our COVID-19 preparedness, we have set up an internal reverse transcription polymerase chain reaction (RT-PCR) testing lab to allocate sufficient control measures to prevent infection and mitigate the risk of spreading the virus, which will support our larger objective of ensuring business continuity.

Our property arm, Gamuda Land, expanded its digital footprint during MCO by partnering popular e-commerce shopping platforms in the country to reach a broader pool of potential customers. The partnership was aimed at promoting property online, increasing online engagements with prospects, and assist in the arrangements of a private viewing of our property products.

We continue to forge ahead by adopting new forms of digital technologies to ensure business continuity across the Group. We were able to maintain efficiency and perform business-critical operations through collaborative and user-friendly cloud-based solutions and other remote workforce technology to empower our employees.

ACCELERATING DIGITALISATION

We continue to push ourselves for more engineering innovations, by accelerating the digitalisation efforts in underground and tunnel construction. We have effectively digitalised the construction of the Klang Valley Mass Rapid Transit (KVMRT) using intelligent Building Information Modelling (BIM) integration, while capitalising on the ability of drones to acquire large volumes of data with extraordinary speed, which can then be processed and shared on the cloud for multiple BIM and Geospatial Information System (GIS) applications and used for regular site progress monitoring. Thanks to the high precision, acute mobility, phenomenal speed and relatively low cost of data capture, the use of drones along the 13.5km of twin bored tunnels and 17 construction sites have allowed us to reinvent site surveying.

By digitalising the process through the usage of drones, surveying time has been substantially reduced to an average of two man-hours of drone flight with about half-day of post processing per site, compared with

200 man-hours required to complete a traditional survey with limited data collected. We use a photogrammetry process which converts hundreds of overlapping images captured by drones to a 3D site mesh to develop a photo-realistic site representation.

These are made available across the project via a common data environment to enable interoperability across cloud-based BIM and GIS data platforms. These reliable and accurate models are used to quickly measure distances, areas and volumes, saving enormous amounts of manual effort for surveyors and engineers.

We also integrate augmented reality (AR) technology with BIM and GIS, using mobile devices to overlay 3D BIM elements in true scale onto real world work sites before, during and post construction. Our engineers quickly identify discrepancies and clashes between the design and installed environments. By addressing issues virtually, we ensure accuracy while avoiding costly rework and site modifications.

“

We have effectively digitalised the construction of the Klang Valley Mass Rapid Transit (KVMRT) using intelligent Building Information Modelling (BIM) integration, while capitalising on the ability of drones to acquire large volumes of data with extraordinary speed, which can then be processed and shared on the cloud for multiple BIM and Geospatial Information System (GIS) applications and used for regular site progress monitoring. ”

Statement from the Group Managing Director

UPSKILLING WORKFORCE

As we continuously raise our game in engineering and construction, we also make sure our people are upskilled through exposure to a range of digital tools to remain dynamic and resilient in this competitive industry. We develop our own training and development programmes in collaboration with relevant partners aimed at equipping workers for our projects. The resulting pool of trained personnel becomes a valuable asset to the Group’s new skill requirements. The BIM Training Academy is one example, set up to lead the change in construction industry, while preparing a qualified and multi-skilled workforce with a strong foundation in science and technology to embrace Industry 4.0. The objective is to train and upskill our employees and subcontractors on the latest construction technologies, in particular BIM, to maintain their resilience in this highly automated age.



BOLSTERING OPERATIONAL EFFICIENCY THROUGH TECHNOLOGY

Beyond construction, we have streamlined internal processes such as implementing digital procurement by adopting the SAP Ariba procurement system since October 2018, which enables transparent and equal-opportunity sourcing of building materials and services to improve efficiency, governance and to maximise savings. As we contend with the industry headwinds, we must further leverage on digital technologies such as analytics and artificial intelligence to drive productivity and maximise profit.

In a world where sustainability is gaining tremendous traction, improving the lagging productivity of construction also goes a long way in bolstering the world’s climate action. According to an article in The Economist, while the construction sector is the biggest user of raw materials and resources, consuming half of the global steel production and 3 billion tonnes of raw material, it is estimated that the productivity increase in construction is a quarter of manufacturing in the past 25 years. This underpinned our decision to invest in modernising our Group Enterprise Architecture through the deployment of a new generation cloud Enterprise Resource Planning (ERP) platform that will provide the foundation for the Group to streamline current and build future business capabilities. Most importantly, it is consistent with our move to become an agile organisation that is quick and nimble in how we respond to changes in the market, and where teams are built around end-to-end accountability:

Delaying, where accountability is driven down the leadership chain, with ERP making timely, accurate data and analysis available for informed decision-making, spotting opportunities for innovation and cost reduction;

Adopting leading practices for efficient processes that differentiate us competitively when delivered more consistently and effectively across the Group;

Data integrity and consistency allow us to use tools to promote process automation;

Extending the core ERP for better customer engagement, using analytics to grow sales, and

Improving productivity and efficient use of raw materials and resources, less wastage and advocating sustainability throughout our operations.

New technology requires the Group to retool how we operate. The systems, processes, roles and organisational culture that have served us well through the last four decades will not be sufficient in enabling us to realise our strategic goals and gain market share. With a modern ERP as the enabling platform, we are embarking on a programme of transforming how we operate as an organisation by reskilling our workforce to capably leverage on digital platforms where appropriate, but most importantly by focusing on data as a corporate asset.

REIMAGINING HOMES

The ongoing COVID-19 pandemic has transformed the way we live and interact in more ways than one. On a broader environmental level, latest research and studies are increasingly pointing to the link between zoonotic risks stemming from the loss of nature and biodiversity, and the prevalent existence of new pandemics. As a developer of homes and developments, Gamuda is uniquely positioned in the role we play in the built environment.

We commit to set it right from the start, at the master planning and design stage so that biodiversity and nature conservation can take place at a meaningful scale, while the reduction of greenhouse gas emissions can be designed and incorporated into a development. Proper planning and execution by creating bicycle lanes and waterways at the design stage for instance, will allow emission reduction plans to flow through a development life cycle. In addition, we are stepping up biodiversity protection and conservation by cultivating endangered flora and fauna species in our developments, while conducting educational programmes among our residents on living sustainably in coexistence with nature.

This is aligned with our aim to increase livability for our homebuyers as we seek to capture the opportunity to reconfigure the space we live in as customers adjust themselves to a new reality where working from home is increasingly becoming a new-normal. We are cognisant from our purchasers' feedback to live more in the suburbs and having increased space to enjoy nature given the pandemic situation and social distancing.

RM24 MILLION

Tree preservation programme within the nature sanctuary of Gamuda Cove.



Beyond relaxation and safety, our future living spaces need flexible solutions to cater for post-pandemic trends with greater emphasis on health and well-being, where natural light, good ventilation and green spaces become a priority. Homes will also need to be multi-functional, or convertible to accommodate additional lifestyle functions such as work. As more people begin to embrace sustainable living, future homes need to have embedded green features driven by advanced technology to support energy-efficient appliances and the shift towards incorporating renewable energy to reduce power costs.

To enhance biodiversity conservation, we have allocated RM24 million on tree preservation programme within the nature sanctuary of our development, Gamuda Cove. We established Gamuda Parks Arboretum with the remit to introduce plant or tree species that suit the habitat. Where appropriate, we revive endangered species or reintroduce native species. The Arboretum includes a living-tree museum in a Riparian Jungle setup within the area of Wetlands Forest Park in Gamuda Cove, as part of our conservation and carbon sequestration efforts for the Group.

REBUILDING GREENER ECONOMY THROUGH INFRASTRUCTURE

In a built environment, interconnectivity through efficient public transport system is the essence of developing a sustainable city and raising the living standards of its residents. With a population of 32 million, Malaysia has a disproportionately high carbon dioxide emission per capita – at 7.27 tonnes, double that of Thailand's and higher than even China's 6.59 tonnes. Malaysia's greenhouse gas emissions amounted to 250.3 million tonnes in 2019, up from 241.6 million tonnes in 2017. Aside from fossil-fuel based power generation, other main sources of emissions were from transportation and waste generation.

The reason behind Malaysia's disproportionately high emissions is attributable to the reliance on privately-owned vehicles. There were 29.4 million vehicles on our roads, with 13.8 million cars and 13 million motorcycles. Malaysia's transport sector is responsible for spewing 61.4 million tonnes of carbon dioxide equivalent in 2015, making it the second biggest polluting sector after electric power generation.

As an infrastructure builder, we strongly believe that accelerating the adoption of public transport to reduce usage of single or low occupancy vehicles will improve Malaysia's emissions in line with our committed national targets under the Paris Agreement. Malaysia's current public modal share is still far too low when compared with benchmark green cities. With the impending completion of MRT Putrajaya Line construction, we are in the position to propose that the planned MRT 3, or the Circle Line project, be revived soon to ensure the continuity of this key infrastructure since this final line is also the most crucial loop that completes the urban rail transportation system in Greater Kuala Lumpur and increases the public transport modal share to 40%.

Statement from the Group Managing Director

“

With the impending completion of MRT Putrajaya Line construction, we are in the position to propose that the planned MRT 3, or the Circle Line project, be revived soon to ensure the continuity of this key infrastructure since this final line is also the most crucial loop that completes the urban rail transportation system in Greater Kuala Lumpur and increases the public transport modal share to 40%. ”

An efficient and affordable public transportation is not only more sustainable for the planet, but is also essential in providing economic accessibility to the lower-and-middle-income groups. Some of the targeted benefits for the B40 (Bottom 40%) includes improving their access to schools and hospitals, creating job opportunities, improving lifestyle, and bridging the economic gaps by allowing them a higher disposable income with less monthly expenses needed on transportation as opposed to driving.

More importantly, the revival of some major infrastructure projects in the country will provide a much-needed lift to expedite economic recovery after the pandemic setback stalled growth. Projects such as the MRT 3 play a crucial role in pump priming the domestic economy in times of a downturn, and are a tested way in past crises to stimulate growth considering the multiplier effect in terms of job creation and the trickle-down impact on the construction and industrial sub-sectors. Among the planned infrastructure projects, MRT 3 is one that can be implemented in the immediate future.



TECHNOLOGICAL LEADERSHIP IN TUNNELLING

With an emphasis on technology, Gamuda has established a proven track record of continuous innovation in construction, particularly in tunnelling, with a highly skilled talent pool armed with digital skills and a diverse supply chain. Starting from the construction of the Stormwater Management and Road Tunnel (SMART) in 2004, we have progressively accumulated valuable experience in underground construction beneath Kuala Lumpur's difficult terrains, while developing and innovating on high-technology machinery to improve the tunnelling process

along the way. This has culminated in the successful development of our Autonomous Tunnel Boring Machine (A-TBM), which could be operated with human oversight rather than control. The Malaysian invention of the A-TBM, designed by MMC Gamuda KVMRT (T) Sdn Bhd, has landed us a number of prestigious international awards. These include the Technical Product/Equipment Innovation of the Year Award at the 2019 International Tunnelling and Underground Space Association (ITA) Tunnelling Awards in Miami, Florida. The innovation also received recognition at the New Civil Engineer Tunnelling Awards 2019 in the UK sponsored by the British Tunnelling Society in the category of Innovation in Tunnel Excavation.

Our A-TBM was developed 100% in-house by our local engineers and utilises Artificial Intelligence (AI) Control Algorithms to autonomously operate our TBMs on the MRT Putrajaya Line with proven tangible improvements in productivity, safety and quality for tunnel construction. The design breakthrough has aided the foundation for our further technological advancement this year and beyond. The cloud-based big data system for TBM data is currently being developed by an in-house team of local talents. We are implementing AI and machine learning integration to glean insights from TBM data for enhanced A-TBM performance, increased 360° awareness and improved risk management in tunnelling. The A-TBM development experience also led to our pioneering Augmented Reality for BIM, which brings 3D models to portable devices overlaid on camera feeds which will be used by the trained worker for precision construction and collaboration.

INITIAL FOOTING IN AUSTRALIA

Our creativity and constant strive to innovate for improved efficiency, coupled with the Group's expertise in highway, railway and underground construction have put us on a sound footing for infrastructure project tenders in Australia. We are actively bidding for over AUD10 billion worth of projects in New South Wales, Victoria, Queensland and Western Australia. Our track record through award-winning and world-leading projects, including the KVMRT, has enabled our entry into Australia, allowing us to become a contender for project tenders involving railways and highways in the country. We are optimistic that our long-term plans will bode well for us to gain a foothold in their infrastructure programmes.

PENANG SOUTH ISLANDS

Up north, our SRS Consortium is responsible for delivering the various public transport components for the Penang Transport Master Plan, including highways, the reclamation of three new islands, common infrastructure works on the islands and master planning, investors marketing and land tenders. The Masterplan Design Competition for the new Penang South Islands (PSI) development was concluded, which saw BIG - Bjarke Ingels Group from Denmark with Hijjas Architect & Planner being selected as the Lead Masterplan Designer out of 124 submissions of ideas and proposals from 26 countries. The PSI is envisaged to raise the game for Penang as an investment destination for global corporations, combining advanced technologies that cater for future generation industries, with the masterplan and design concepts embracing the key ESG principles.

The PSI will see a major shift in the adoption of renewable energy, waste management and water resource management, while reducing carbon footprint and greenhouse gas emissions to future-proof the land and environment for the future generations beyond the 40% reduction in carbon emissions through the Low Carbon Cities Framework. Our attention to smart city design and planning; from data collection, data processing and data application, will facilitate the provision of intelligent services. Renewable energy in the form of solar photovoltaic system will be installed to harness clean energy, while island wide solar-powered street lighting and electrical vehicle (EV) charging stations will be provided in all public spaces. A similar concept will be endorsed in the Urban Design Guidelines (UDG) for the individual lot developers to adopt. Based on the Sustainable Energy Development Authority Malaysia's (SEDA) guidelines, the first island, or Island A, alone can derive about 45% (during peak hour irradiance) of its total estimated power requirement from solar power energy solutions of the planned roof surfaces of public amenities and building rooftops in each individual development zone. From this, the smart industrial park and depot can potentially meet 100% (during peak hour irradiance) of its power demand with renewable energy.

Sustainable Waste Management will include plans to manage all the different types of waste from PSI to reduce carbon footprint, greenhouse gas emissions and provide a greener environment. This includes the adoption of waste separation at source with UDG guidelines for lot developers to comply. On-site food composting to recycle kitchen and yard waste to reduce landfill waste for a cleaner environment. Pneumatic waste collection system will be implemented in high rise residences. The plan also includes the adoption of the soon available Waste to Energy facility in Penang to convert commercial food waste to renewable energy, from biomass to biogas, to further reduce the landfill volume; conforming to existing practice of hazardous waste management by respective authorities where waste is collected and managed separately by appointed waste management companies. Industrial wastewater will be required to be pre-treated prior to discharge to external drain with monitoring sensors to be installed to monitor effluent quality.

40%↓
CARBON EMISSIONS
 Low Carbon Cities Framework

**SMART INDUSTRIAL
 PARK & DEPOT 100%**
 Power demand with
 renewable energy

100%
 Redundant fibre optics
 & power redundancy



Statement from the Group Managing Director



Smart mobility, putting pedestrians, bicycles and water transport ahead of cars will be the key transport mode that will complement the system of public transport of roads, e-bus, trams and LRT to provide the first and last mile connectivity. To this end, more than 30km of bicycle cum walking tracks islandwide and about 7km of navigational waterway for water taxis have been planned to provide avenues for green mode of mobility. Pedestrian friendly footpaths landscaped with close intervals of covered stop points for both cyclists and pedestrians will further encourage the shift to move towards a greener mode of transport. ”

Cognisant of Penang’s water stress situations, PSI aims to do more and make water resource management more sustainable. A dual-purpose Sewerage Treatment Plant (STP) that doubles as a water reclamation plant will reclaim sewage water to high quality reuse water benchmarked to US EPA Standards for unrestricted urban and industrial non-potable uses to reduce the overall freshwater demand. It is estimated that the recycled water will meet 100% of the industrial non-potable water demand and this translates to an overall reduction of freshwater demand by about 60% for Island A. Dual external water piping to industrial plots will be part of the external common infrastructure provided. Intertwined with landscape features, the coastal shorelines will be protected from potential storms, waves and floods besides preventing erosion, maintaining the water quality, clarity, pollutant and sediments. Urban planning with rainwater harvesting and dual piping system will further reduce freshwater demand for non-potable uses.

PSI also has future-proofed for climate change and rising sea levels, taking into account Malaysia’s trend and the United Nations Intergovernmental Panel on Climate Change (IPCC) assessment by allowing for a sea level rise of 9mm per year, representing a 200% buffer.

The Smart Industrial Park core of about 750 acres focusing on the electrical and electronics (E&E) and semiconductors industry is zoned strategically, incorporating important features critical to the adoption of Industry 4.0 technologies; providing an integrated and seamless ecosystem with the Service Hub of about 160 acres commercial zone that primarily provides the enabling support for the manufacturing and E&E players in the areas of technical components and training vis-à-vis the Global Business Services (GBS) campus and training academy, software parks, industry-led Centre(s) of Excellence, Research and Development (R&D) labs, Artificial Intelligence (AI) institutes, digital enterprises, etc.

Island wide smart infrastructures comprising 100% redundant fibre optics and power redundancy, 5G/4G network for digital connectivity, CCTVs, smart poles, solar powered street lighting and EV charging stations will be provided at public spaces while the UDG will ensure the same design concept is maintained and followed through. Integrated smart traffic and parking guidance system to manage traffic and provide real-time response plan for any incident and forecast on parking availability and shortest navigation route and time – with all real time data collection and monitoring through a common platform in a common control centre will be provided.

Smart mobility, putting pedestrians, bicycles and water transport ahead of cars will be the key transport mode that will complement the system of public transport of roads, e-bus, trams and LRT to provide the first and last mile connectivity. To this end, more than 30km of bicycle cum walking tracks islandwide and about 7km of navigational waterway for water taxis have been planned to provide avenues for green mode of mobility. Pedestrian friendly footpaths landscaped with close intervals of covered stop points for both cyclists and pedestrians will further encourage the shift to move towards a greener mode of transport.

INDUSTRIALISED BUILDING SYSTEM

Since pioneering Malaysia’s first digital Industrialised Building System (IBS), we have successfully handed over more than 1,000 residential units ahead of schedule with eight projects, or more than 5,000 residential units under construction. Moving forward, we aim to transform further the building construction industry and uplift the prefab supply chain with the adoption of a new business model – supply and installation of prefab products for developers and building contractors from the rising demand for a high-quality prefab product supply. Partnering with building industry stalwarts and utilising automation and robotic construction on a cloud-based software for seamless digital design would accelerate the adoption of prefab products across the industry and elevate the supply chain for improved quality, safety and productivity.

ENABLING ACADEMY**7th
BATCH****63
CANDIDATES****>30
PARTNER COMPANIES****ENABLING ACADEMY**

As an organisation, we believe inclusion and diversity are paramount. Gamuda has benefitted from the dedication of many talented employees over the years, and we need to ensure our growth is more sustainable, equitable, and inclusive. It is with this vision in mind that we set up the Enabling Academy (EA) in 2017, aimed at preparing more people with autism for gainful and sustainable employment. EA conducts a three-month Employment Transition Programme (ETP) sponsored by Yayasan Gamuda to equip young adults in the autism spectrum disorder with relevant soft skills and job training, and place them into partner companies that share the same vision in embracing diversity and inclusion in their workforce. As we continue to scale up with our 7th batch of EA trainees, we are proud and delighted that EA has successfully assisted 63 candidates in securing jobs with over 30 reputable partner companies based on their respective strengths.

FINANCIAL PERFORMANCE IN FY2020

MRT Putrajaya Line progress was picking up while the property division and expressways were delivering steady results up until the imposition of movement restrictions. The unprecedented movement restrictions in the third quarter of this financial year, triggered by the COVID-19 pandemic, have resulted in work stoppages at all construction and property projects, coupled with low traffic plying all our highways. As a result, Q3 earnings were at a low of RM40 million compared with RM175 million in Q2.

As the movement restrictions were gradually eased in Q4, the Group's construction and property projects picked up pace and the traffic volumes were trending upwards. Property sales rebounded sharply in Q4, coming in at RM1 billion, almost on par with the quarterly sales in Q4 FY2019. Core earnings in Q4 recovered to RM131 million as productivity levels are almost back to Pre-MCO levels.

For the full financial year, the Group posted revenue of RM6.8 billion in one line, a decrease of 5% year-on-year. Excluding a one-off non-cash impairment of RM148 million on IBS assets, the Group posted an annual core earnings of RM520 million, a 26% decrease from last year's RM700 million in earnings.

The one-off non-cash impairment on IBS assets of RM148 million was set aside as the Group temporarily shuts down one of its two IBS factories due to the slow pace of building construction caused by the stringent COVID-19 induced standard operating procedures imposed by the authorities. Building contractors were only able to operate at about half capacity.



Property sales rebounded sharply in Q4, coming in at RM1 billion, almost on par with the quarterly sales in Q4 FY2019. Core earnings in Q4 recovered to RM131 million as productivity levels are almost back to Pre-MCO levels.

**ANNUAL CORE
EARNINGS OF
RM520
MILLION**

**26% decrease from last
year's RM700 million in
earnings**



Statement from the Group Managing Director

KEY ACHIEVEMENTS AND MILESTONES

The year was marked by the following major achievements and milestones.

The Group's 60%-owned SRS Consortium Sdn Bhd has on 1 July 2020 executed the master agreement with the State Government of Penang on its appointment as the Project Delivery Partner (PDP) to manage and deliver the Penang Transport Master Plan (PTMP). The PDP's work scope comprises the Light Rail Transit (LRT), Pan Island Link highways and reclamation of islands.

As the Turnkey Contractor for the MRT Putrajaya Line, MMC Gamuda has achieved a cumulative progress of 80% completion for the elevated, underground, and systems works as of September 2020, which is on schedule. A major milestone was achieved with our final TBM breakthrough at the wall of the upcoming Ampang Park MRT station in July, after having travelled over 700 metres from the starting point at Conlay Station. The TBM's final 200-metre journey was completed during the MCO with special approval from the authorities to safeguard both our workers and the public. Despite the delays arising from the reduced productivity and supply chain disruptions due to the pandemic, as well as challenges posed by more difficult geographical terrains compared with the Kajang Line, we are on track for the full opening of the MRT Putrajaya Line in January 2023.

80%

Completion for MRT Putrajaya Line as at September 2020



Final

200

METRE

TBM for Ampang Park MRT Station Completed during the MCO

APPRECIATION

I would like to record my heartfelt gratitude to our Board of Directors, stakeholders, shareholders, management and employees for your unwavering trust, support and patience, especially through this challenging period. Without your consistent guidance, assistance, hard work and support, it would not have been possible for us to maintain our resilience and continue to deliver respectable financial performance every year.

We will continue to grow the business through hard work and a dedication to invest in our people and technology to deliver sustainable value for all stakeholders.

YBHG DATO' LIN YUN LING

Group Managing Director

Key Performance Indicators

MARKET CAPITALISATION

2020:

RM8.9
BILLION

2019: RM9.2 billion

CONSTRUCTION ORDER BOOK

2020:

RM7.0
BILLION

2019: RM10.0 billion

PROPERTY SALES

2020:

RM2.2
BILLION

2019: RM3.1 billion

REVENUE

2020:

RM6,805
MILLION

2019: RM7,181 million

CORE EARNINGS

2020:

RM520
MILLION

2019: RM700 million

CORE RETURN ON EQUITY (ROE)

2020:

6.1%

2019: 8.7%

DIVIDEND PAYOUT

2020:

6 sen

2019: 12 sen

NET DEBT TO EQUITY RATIO

2020:

0.30
TIMES

2019: 0.39 times

Chief Financial Officer's Statement

MR. SOO KOK WONG
Chief Financial Officer



“

The COVID-19 – induced movement restrictions eclipsed half of FY2020 and had caused the significant drop in Q3 earnings. As the movement restrictions were eased in Q4, the Group's core earnings are on the road to recovery. ”

FINANCIAL PERFORMANCE ANALYSIS

COVID-19 – induced movement restrictions eclipsed half of FY2020

On 11 March 2020, the World Health Organization (WHO) declared COVID-19 a worldwide pandemic. In Malaysia, an unprecedented Movement Control Order (MCO) to restrict movement nationwide began on 18 March 2020 in an effort to stem community transmission of the disease. Different forms of lockdown were also imposed in other countries where the Group operates, such as Vietnam, Singapore, Taiwan and Australia. In Malaysia, movement restrictions were eventually relaxed in early May 2020 as the authorities moved towards a more targeted approach in containing the disease.

Q3 earnings hit by movement restrictions; Q4 core earnings on road to recovery

During the MCO period, all works virtually stopped, except works deemed critical to public safety. All property galleries were also closed. Daily traffic plying all four highways dropped significantly; only 10%-20% of pre-MCO traffic levels. As a result, the Group recorded significantly lower revenue and earnings in Q3 (February to April 2020). Movement restrictions across the country were gradually eased in May 2020 and the Group's performance improved remarkably in Q4 (May to July 2020) as property sales sharply rebounded. Works at all construction and property projects gradually picked up pace and traffic plying the expressways were returning to pre-movement restrictions level.

Overall, the Group posted a revenue of RM6,805 million for the current financial year ended 31 July 2020, a decrease of 5% compared with RM7,181 million revenue achieved in FY2019. Core net profit of RM520 million (excluding one-off non-cash impairment of RM148 million on IBS assets) was 26% lower compared with last year's RM700 million.

One-off non-cash impairment of RM148 million from the temporary shutdown of one of two IBS factories

As the pace of building works slowed because contractors were only able to operate at about half capacity due to the stringent health and safety control measures imposed by the authorities, the Group temporarily shut down its smaller IBS factory at Sepang and consolidated all operations at the larger IBS Banting factory. As a result, the Group set aside a one-off non-cash impairment of RM148 million and posted a loss of RM17 million in the fourth quarter of the financial year. Subsequent to this impairment, the Group does not expect any further impairment on the IBS assets in the foreseeable future.

GROUP FINANCIAL PERFORMANCE

RM'million	2020				2020	2019	Var
	Q1	Q2	Q3	Q4			
REVENUE	1,801	2,225	989	1,790	6,805	7,181	-5%
CORE NET PROFIT	174	175	40	131	520	700	-26%
Less: One-off impairment on IBS assets	-	-	-	(148)	(148)	-	-
NET PROFIT	174	175	40	(17)	372	700	-47%

Sharp rebound in Q4 property sales

The third quarter property sales were badly affected as all works virtually stopped and all sales galleries were closed during the MCO period. As the movement restrictions were gradually eased in Q4, property sales rebounded sharply to RM1 billion, compared with RM244 million in Q3, and almost on par with the quarterly sales of RM1.1 billion in Q4 FY2019. As a result, Gamuda Land sold RM2.2 billion worth of properties in FY2020, lower than the RM3.1 billion sales of last year.

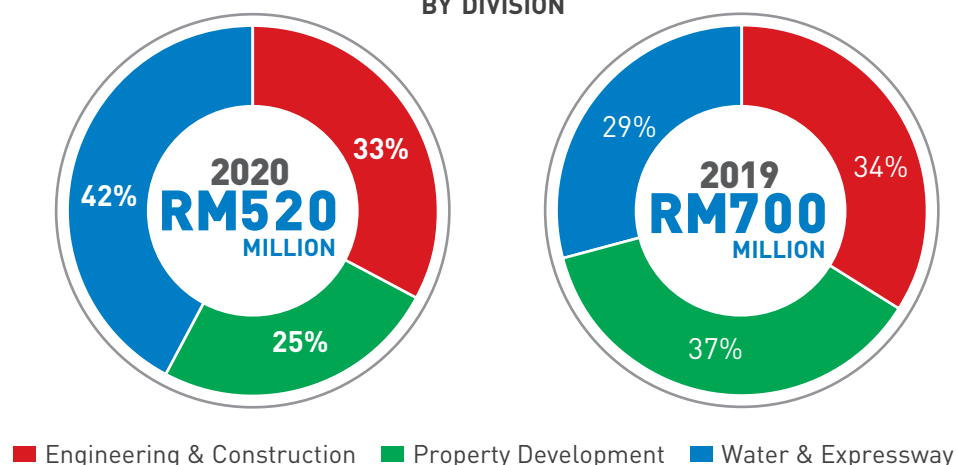
Traffic returning to Pre-MCO levels

During the MCO, the expressways' traffic volumes have dropped significantly compared to pre-MCO levels. As the movement restrictions were eased in Q4, the traffic volumes of the expressways were trending up, compared to pre-MCO levels, as follows:

KESAS and LITRAK – 100%

SPRINT – 98%

SMART – 88%

CORE NET PROFIT
BY DIVISION

■ Engineering & Construction ■ Property Development ■ Water & Expressway

Chief Financial Officer's Statement

GAMUDA ENGINEERING



Moving forward, the construction division's resilience is underpinned by its order book of RM7 billion. ”

Strong order book of RM7 billion; Construction progress back on track

The construction division's core net profit (excluding one-off non-cash impairment of RM148 million on IBS assets) dipped by 27% to RM173 million compared with RM237 million last year. During the MCO, all construction works stopped, except for works deemed critical for public safety (e.g. tunnelling works) in compliance with COVID-19 – induced standard operating procedures (SOP). However, the projects' productivity were ramped up following the relaxation of movement restrictions in the last quarter of the financial year. Nonetheless, the construction division will remain resilient for the next two years with a secured order book of RM7 billion.

(a) MRT Putrajaya Line

As at 31 July 2020, MRT Putrajaya Line's overall cumulative progress is on schedule; Elevated tracks at 80% and Underground tracks at 78%. The system testing with progressive energisation and running of the electric trains are in progress for Phase 1 (Sungai Buloh – Kentonmen station), while underground works are nearing completion and the track handover for Systems works is in progress for Phase 2 (Kentonmen – Putrajaya station). Productivity level is almost back to pre-MCO levels.

(b) Penang Transport Master Plan

Gamuda's 60%-owned SRS Consortium had on 1 July 2020 signed the Master Agreement with the Penang State Government in respect of the appointment of the Project Delivery Partner ("PDP") to manage and deliver the Penang Transport Master Plan ("PTMP"). The major components of Phase 1 of the project are Reclamation Works ("Penang South Reclamation Island A"), Light Rail Transit ("LRT") from George Town to Island A of the Penang South Islands ("PSI") and Pan Island Link 1 ("PIL1") highway.

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

In the Masterplan Design Competition for the PSI development that was concluded recently, BIG – Bjarke Ingels Group from Denmark with Hijjas Architect & Planner won the competition and was selected as the Lead Masterplan Designer.

The reclamation works for the 2,300-acre Island A is targeted to commence in the first quarter of 2021.

(c) Sarawak

(i) Pan Borneo Highway Package (WPC-04) (Pantu Junction to Btg Skrang)

The Sarawak Pan Borneo Highway package (WPC-04) project's scope which includes the widening and upgrading of the existing 89.3km long highway from 2-lane single carriage road to a 4-lane dual carriageway of JKR R5 standard, is progressing on schedule with overall cumulative progress at 55% as at August 2020. Naim Engineering Sdn Bhd – Gamuda Berhad JV is the contractor.

(ii) Batang Lupar Bridge at Sri Aman Town

In February 2020, Naim Engineering Sdn Bhd-Gamuda Berhad JV accepted the award of the Second Trunk Road (Package B3) Proposed Batang Lupar Bridge No.2 at Sri Aman Town project valued at RM224 million. The project is expected to be completed in June 2024. The overall cumulative progress as at August 2020 was at 1%.

CONSTRUCTION

CORE NET PROFIT

RM173
MILLION

(d) Taiwan**(i) Marine Bridge**

Gamuda's 70%-owned joint venture with a Taiwanese company is constructing a 1.23km marine bridge for CPC Corporation Taiwan, a state-owned petroleum company which is expected to be completed in November 2022. Construction of temporary access bridge and working platform is nearing completion, and offshore piling works are progressing well. The overall cumulative progress as at August 2020 was at 19%.

(ii) Seawall for Reclamation Project

In December 2019, Gamuda's 70%-owned joint venture with a Taiwanese company has won the tender to construct 4,014m of seawall structure with contract price of NTD6,817 million (equivalent to RM932 million) for Taiwan International Ports Corporation, a state-owned port operation company. The project is expected to complete in March 2025. The overall cumulative progress as at end August 2020 is at 2%, with construction of caisson fabrication yard progressing as planned.

(e) Gamuda Australia

Gamuda (Australia) Branch and Gamuda Engineering (Australia) Pty Ltd are well established and expected to contribute positively. We are actively bidding for over AUD10 billion worth of projects in New South Wales, Victoria, Queensland and Western Australia. Notable projects currently under tender are the AUD2.6 billion M6 Motorway in New South Wales and the AUD20 billion Sydney Metro West project.

(f) Gali Batu Multi-Storey Bus Depot, Singapore

In November 2019, Greatearth Corporation-Gamuda Berhad Joint Venture was awarded by the Land Transport Authority of Singapore (LTA) a SGD\$260 million contract for the Gali Batu Multi-Storey Bus Depot. The project consists of a three-storey administrative building, a five-storey dormitory and a five-storey main depot equipped with parking spaces for 715 buses, refueling and washing facilities, repair and maintenance facilities with cutting-edge technology to cater for the operation of electric buses. The contract duration is 41 months.

The overall cumulative progress as at 31 July 2020 is at 1% due to restriction of the Circuit Breaker in Singapore. The project resumed operations in early August with physical site clearing and hoarding installation.

(g) Gamuda IBS

Gamuda Industrial Building Systems (Gamuda IBS) operates from its factories in Sepang and in Banting. With these two factories, Gamuda IBS has the capacity to produce 10,000 units per year of solid walls and slabs, double-wall, pre-stressed slab, bathroom pods and other special elements that applies to both affordable and high-end residential and commercial unit. Gamuda IBS produced the units for Gamuda Land as well as other property developers.

As the pace of building construction slowed during the year because the contractors were only able to operate at about half capacity due to stringent health and safety control measures imposed by the authorities, the Group temporarily shuts down its smaller IBS factory at Sepang and consolidated all operations at the larger IBS Banting factory. As a result of this shut down, the Group incurred a one-off non-cash impairment of RM148 million.

Chief Financial Officer's Statement

GAMUDA LAND

Overseas projects continued to lead in sales performance; contributing two-thirds of overall sales

RM'million	Q1	Q2	Q3	Q4	2020	2019	Var
Property Sales	509	430	244	1,003	2,186	3,070	-29%
Unsold Completed Properties					853	697	22%



Gamuda Land sold RM1 billion worth of properties in Q4, a sharp rebound from the previous quarter sales, and almost on par with the RM1.1 billion sold in Q4 FY2019.

During the third quarter of the financial year, the COVID-19 pandemic triggered the movement restrictions imposed in all countries where the Group's projects are located. All sales galleries were also closed, resulted in lower property sales of RM244 million in Q3. However, in Q4, Gamuda Land sold RM1 billion worth of properties, a sharp rebound from the previous quarter sales, and almost on par with the RM1.1 billion sold in Q4 FY2019. As a result, the property division sold RM2.2 billion worth of properties compared with RM3.1 billion sold last year.

Core net profit dipped to RM127 million, a decrease of 51% Year-on-Year (YoY) compared with last year's RM259 million. Nevertheless, the Group's property sales in Vietnam continued to do well while OLÁ, the Group's latest property project in Singapore, pre-sold one-third of its properties since its launch. Overseas property projects continued to lead in sales performance; contributing two-thirds of overall property sales, mainly from Vietnam and Singapore property projects. Unbilled property sales totalled RM3.3 billion at the end of FY2020. The property division remains committed to grow core business segments and to reduce inventories.

High-rise properties make up 90% of unsold completed properties

As at 31 July 2020, the unsold completed properties stood at RM853 million, mainly comprises high-rise properties located in Klang Valley and Johor, are gradually being sold as the Group placed more efforts to monetise the slow-moving stocks at a reasonable profit margin. To extend market reach, the Group has expanded its digital footprint via its Online Deals platform. Seamless online to offline experience is provided with the reactivation of all Experience Galleries since May 2020.

Overseas

The two developments in Vietnam, Gamuda City in Hanoi and Celadon City in Ho Chi Minh City continued to deliver steady sales performance and remained the biggest contributor of overseas sales. Sales at 661 Chapel St. in Melbourne, Australia picked up significantly this year and the newly-launched OLÁ, an executive condominium with a GDV of SGD660 million at Anchorvale Crescent in Singapore, pre-sold one-third or SGD230 million worth of properties since its launch in mid-March 2020.

GAMUDA LAND

CORE NET PROFIT
RM127
MILLION

Malaysia

Sales from local projects were adversely affected during the MCO but gradually recovered following the easing of movement restrictions in early May 2020.

In spite of consumer sentiment due to the COVID-19 pandemic, established projects such as Horizon Hills and Jade Hills and newer developments such as Gamuda Gardens, twentyfive.7 and Gamuda Cove have seen increases in take-up rate during the last quarter of the year since the ease of movement restrictions due to their location, product offering and the attractions of the various placemaking initiatives.

Situated next to the 1,100-acre Paya Indah Discovery Wetlands, Gamuda Cove is accessible directly via the newly-opened Elite highway interchange. The Discovery Park @ Gamuda Cove opened its doors to the public in January 2020. This 23-acre park is a new tourism hub filled with thrilling activities such as Aerobar, indoor go-karting, a beach pool club featuring a 5m diving platform as well as F&B outlets.

These catalytic placemaking initiatives are intended to refresh and redefine public spaces in the new developments, build a sense of place and character that promotes community well-being. The combination of recreational facilities and outdoor entertainment such as the Paya Indah Discovery Park and the TownSquare themed retail and F&B enclave, all within the self-contained Gamuda Cove development puts us on a strong footing when market conditions improve.

Gamuda Gardens' Waterfront Village, a lakeside retail village with a collection of F&B outlets, retail brands, recreational and wellness elements and a clubhouse, is ready to welcome the first group of residents.

At twentyfive.7, the Quayside Mall target for opening at the end of this year provides a variety of F&B, entertainment and shopping experience for the Kota Kemuning and greater Shah Alam communities.

GAMUDA INFRASTRUCTURE CONCESSION

Traffic returning to Pre-MCO Levels

Expressways

During the MCO, the daily traffic volume at all four expressways were badly affected and dropped significantly to only 10%-20% from pre-MCO levels. Since the ease of movement restrictions, traffic volumes of all expressways are trending up to between 88% and 100% compared to pre-MCO levels. The division remained resilient and reported higher core net profit of RM220 million, an increase of 8% compared to last year's RM204 million.

CONCESSION

CORE NET PROFIT
RM220
MILLION

Water

SPLASH, 40%-owned by Gamuda, was sold to Pengurusan Air Selangor Sdn Bhd (Air Selangor) for RM2.55 billion. To-date, RM1.97 billion had been received while the balance proceeds of RM578 million will be settled in eight equal annual instalments. In September 2020, Gamuda had successfully monetised the balance proceeds by selling it via an Asset Backed Securitisation structure.

Based on the debt settlement agreement that Gamuda Water entered into with Air Selangor to settle its long outstanding debts from SPLASH, RM152 million had been received as scheduled while the balance of RM610 million will be repaid in eight annual instalments.

The operations and maintenance of the Sungai Selangor Water Treatment Plant Phase 3 (SSP 3) undertaken by Gamuda Water under the new Operations and Maintenance agreement is going on smoothly and the collection is on time.

OTHER COMPREHENSIVE GAIN – RM92 MILLION

Included in the other comprehensive income for the year is a net foreign exchange gain of RM93 million. The foreign exchange gain resulted from gain on foreign currency translation of the Group's overseas assets due to a weaker Ringgit Malaysia.

Chief Financial Officer's Statement

CONSOLIDATED CASHFLOW ANALYSIS FOR FY2020

CASH BALANCE
RM2.8
BILLION



Stronger operating cash inflow from ongoing construction projects particularly MRT Putrajaya Line during the year as well as robust cashflow from concession business. ”

Improved cash balance of RM2.8 billion on the back of strong operating cash inflows

RM'million	2020	2019
Net cash generated from operating activities	596	485
Net cash generated from investing activities	185	497
Net cash generated from/(used in) financing activities	138	(766)
Effects of exchange rate changes	24	10
Net increase in cash at year end	943	226
Cash & bank balances and investment securities	2,792	1,849

Stronger operating cash inflow from ongoing construction projects particularly MRT Putrajaya Line during the year as well as robust cashflow from concession business.

TOTAL BORROWINGS

Refinance borrowings to lock-in long dated borrowings at low interest rates

RM'million	Borrowing due for repayment in		Total
	<1 year	>1 year	
Total borrowings	2,513	2,952	5,465

The interest rate cuts, domestically and internationally, allowed the Group to lower its borrowing cost by 1% during the year. At the time of writing this statement, the Group further refinanced RM600 million short term debts to long term fixed rate debts with tenure of up to 10 years at prevailing low interest rates.

CAPITAL MANAGEMENT

Healthy balance sheet with a prudent gearing of 0.3 times

RM'million	2020	2019
Total borrowings	5,465	5,144
Total cash & bank balances, and investment securities	(2,792)	(1,849)
Net borrowings	2,673	3,295
Owners' equity and non-controlling interests	8,968	8,462
Net gearing ratio (times)	0.30	0.39

The Group's approach to capital management is to maintain a strong credit rating for its borrowings and healthy capital ratios in order to support its businesses. The Group aims to maintain a prudent net gearing of not more than 0.7 times. At the end of this year, the Group's net gearing ratio improved to 0.30 times as a result of stronger operational cash inflows.

The Group's overseas projects are financed by borrowings denominated in the local currency of the country which the business is located in order to provide a natural hedge on the Group's foreign currency exposure. The Group will continue to lock-in the borrowing cost with long dated fixed-interest rate borrowings such as bonds at an opportune time.

NET CASH GENERATED
FROM OPERATING
ACTIVITIES
RM596
MILLION

GEARING
RATIO
0.3
TIMES

CASH BALANCE
RM2.8
BILLION

Chief Financial Officer's Statement

CONSOLIDATED FINANCIAL POSITION ANALYSIS FOR FY2020

Higher liquidity and stronger cash position

RM'million	2020	2019	Var
Non-current assets	9,002	9,104	-1%
Current assets	9,526	8,076	18%
Total assets	18,528	17,180	8%
Non-current liabilities	3,673	3,612	2%
Current liabilities	5,887	5,106	15%
Total liability	9,560	8,718	10%
Owners' equity	8,541	8,063	6%
Current ratio (times)	1.6	1.6	0.0
Net assets per share attributable to equity holders (RM)	3.40	3.26	0.14

Total assets

The Group's total assets increased by 8% YoY on the back of higher cash inflow from operations, resulted in higher cash balances at approximately RM2.8 billion.

Total liabilities

Total liabilities of the Group increased by 10% YoY primarily contributed by the net drawdown of borrowings of RM320 million to reserve cash for future operational use.

Owners' equity

Owners' equity increased by 6% to RM8,541 million as a result of the increase in earnings and gain on foreign currency translation of the Group's overseas assets due to the weaker Ringgit Malaysia.

Current ratio (current assets/current liabilities)

The Group's current ratio, a yardstick that measures the state of the Group's financial liquidity, remained at 1.6 times this year. Overall, the current ratio indicates that the Group has adequate liquidity to meet its short term commitments.

**CURRENT
RATIO**
1.6
TIMES

“

Group's financial liquidity, remained at 1.6 times this year indicates that the Group has adequate liquidity to meet its short term commitments. ”

CAPITAL EXPENDITURE REQUIREMENTS

No major capital expenditure is expected in the next financial year other than the normal operational expenditure as all major construction and property development projects are in full swing.

DIVIDEND PAYOUT

	2020	2019
Dividend per share (sen)	6.00	12.00
Dividend payout ratio (%)	40%	42%

The Group paid a dividend of 6 sen per share for the current year, half of the 12 sen per share dividend paid last year, as the earnings were halved.

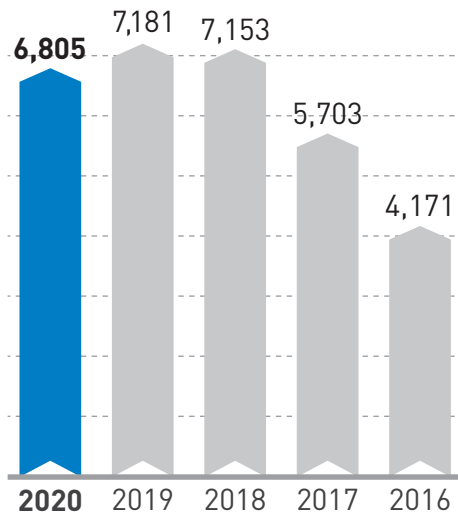
The dividend paid for the current year aligns with Gamuda's dividend payment guideline to pay out at least 30% of its annual earnings. Over the past five years, the Group paid between 42%-56% of its earnings as dividends to shareholders.

MR. SOO KOK WONG

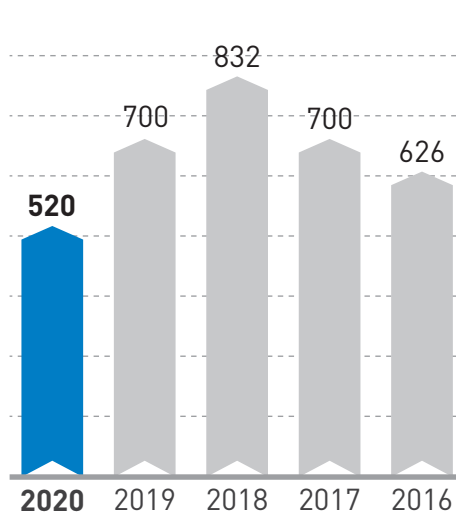
Chief Financial Officer

Five Years Group Financial Highlights

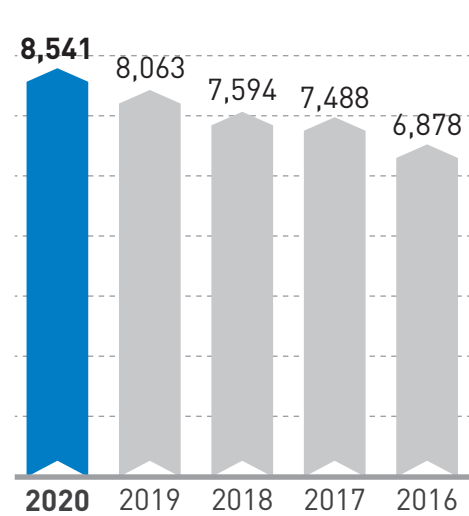
REVENUE
RM6,805
MILLION



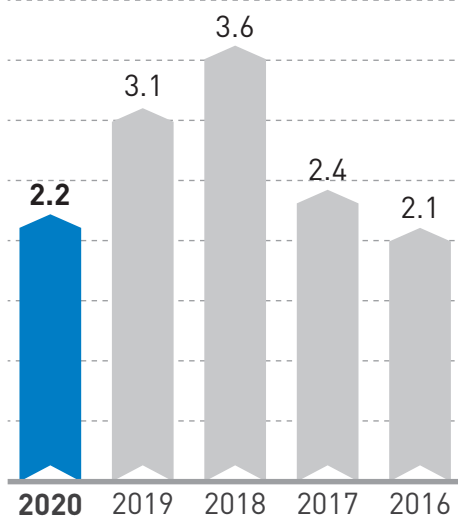
CORE NET PROFIT
RM520
MILLION



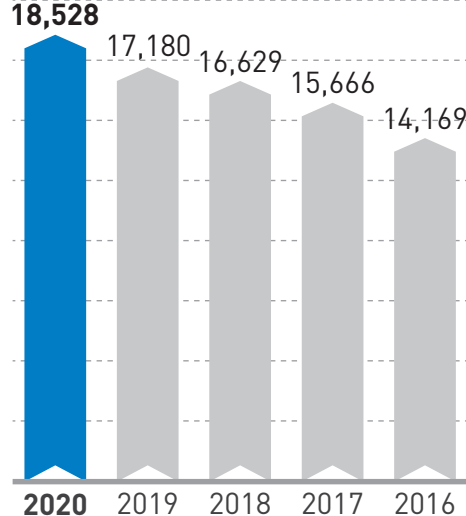
OWNERS' EQUITY
RM8,541
MILLION



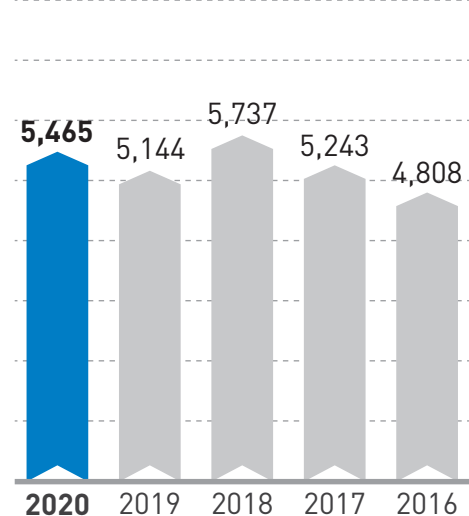
PROPERTY
SALES
RM2.2
BILLION



TOTAL
ASSETS
RM18,528
MILLION



TOTAL
BORROWINGS
RM5,465
MILLION

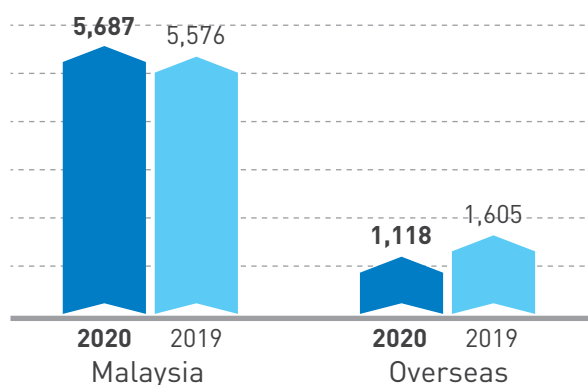


RM'million	Financial Year Ended July				
	2020	2019 (Restated)	2018 (Restated)	2017	2016
FINANCIAL RESULTS					
Revenue as reported in audited financial statements	3,663	4,565	4,217	3,212	2,122
Share of joint ventures' revenue	3,142	2,616	2,936	2,491	2,049
Revenue	6,805	7,181	7,153	5,703	4,171
Core profit before tax	733	901	1,051	924	781
Less: One-off items					
– Impairment on IBS assets	(148)	–	–	–	–
– Loss on disposal of SPLASH	–	–	(300)	–	–
– Impairment on Gamuda Water's trade receivables	–	–	(7)	–	–
– Impairment on SMART's expressway	–	–	–	(98)	–
Profit before tax	585	901	744	826	781
Core net profit	520	700	832	700	626
Less: One-off items					
– Impairment on IBS assets	(148)	–	–	–	–
– Loss on disposal of SPLASH	–	–	(300)	–	–
– Impairment on Gamuda Water's trade receivables	–	–	(5)	–	–
– Impairment on SMART's expressway	–	–	–	(98)	–
Net profit	372	700	527	602	626
KEY INFORMATION OF FINANCIAL POSITION					
Total Cash & Bank Balances and Investment Securities	2,792	1,849	1,623	1,042	1,473
Total Assets	18,528	17,180	16,629	15,666	14,169
Total Liabilities	9,560	8,718	8,651	7,809	6,955
Total Borrowings	5,465	5,144	5,737	5,243	4,808
Share Capital (No. of shares)	2,514	2,472	2,468	2,451	2,419
Owners' Equity	8,541	8,063	7,594	7,488	6,878
Total Equity	8,968	8,462	7,978	7,858	7,214
FINANCIAL RATIOS					
Core Earnings Per Share (sen)	20.89	28.36	33.83	28.84	25.99
Basic Earnings Per Share (sen)	14.94	28.36	21.43	24.78	25.99
Share Price at Year End (RM)	3.56	3.71	3.60	5.30	4.87
Core Price Earnings Ratio (times)	17.04	13.08	10.64	18.39	18.74
Price Earnings Ratio (times)	23.83	13.08	16.80	21.39	18.74
Core Return on Owners' Equity %	6%	9%	11%	9%	9%
Return on Owners' Equity %	4%	9%	7%	8%	9%
Core Return on Total Assets %	3%	4%	5%	4%	4%
Return on Total Assets %	2%	4%	3%	4%	4%
Dividend Payout to Earning Ratio %	40%	42%	56%	49%	46%
Net Gearing Ratio (times)	0.30	0.39	0.52	0.54	0.46

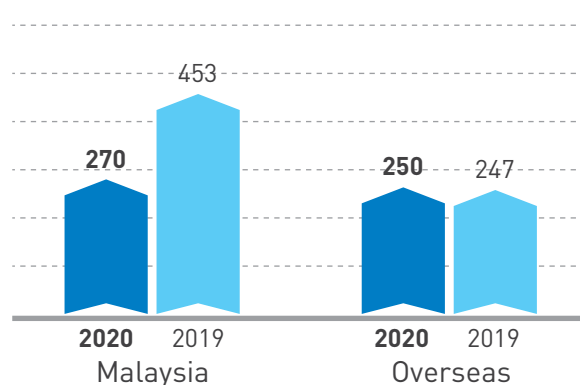
Group Segmental Performance

	Financial Year Ended July				
	2020	2019 (Restated)	2018 (Restated)	2017	2016
RM'million					
GROUP REVENUE					
Engineering and Construction	4,789	4,138	4,066	3,327	2,571
Property Development	1,521	2,547	2,575	1,868	1,122
Water and Expressway	495	496	512	508	478
Revenue	6,805	7,181	7,153	5,703	4,171
GROUP PROFIT BEFORE TAX					
Engineering and Construction	239	283	367	269	192
Property Development	173	314	261	215	176
Water and Expressway	321	304	423	440	413
Core Profit Before Tax	733	901	1,051	924	781
Less: One-off items	(148)	–	(307)	(98)	–
Profit Before Tax	585	901	744	826	781
GROUP CORE NET PROFIT					
Engineering and Construction	173	237	296	225	146
Property Development	127	259	219	165	163
Water and Expressway	220	204	317	310	317
Core Net Profit	520	700	832	700	626
Less: One-off items	(148)	–	(305)	(98)	–
Net Profit	372	700	527	602	626

By Geographical
Revenue
(RM'million)



Core Net Profit
(RM'million)



Group Quarterly Performance

RM'million

Financial Year Ended 31 July 2020

2020

For the period ended

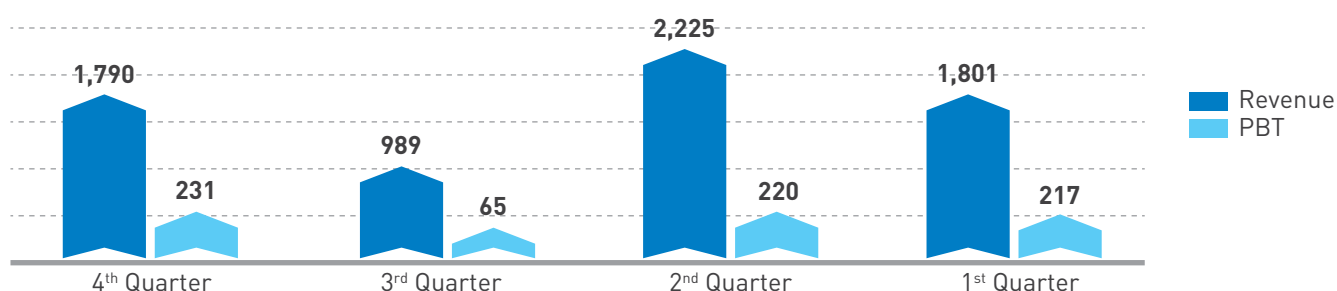
	2020 YTD	4 th Jul-20	3 rd Apr-20	2 nd Jan-20	1 st Oct-19
Revenue as reported in audited financial statements	3,663	927	549	1,091	1,096
Share of joint ventures' revenue	3,142	863	440	1,134	705
Revenue	6,805	1,790	989	2,225	1,801
Core profit before tax	733	231	65	220	217
Less: One-off items					
– Impairment on IBS assets	(148)	(148)	–	–	–
Profit before tax as reported in audited financial statements	585	83	65	220	217
Core net profit	520	131	40	175	174
Less: One-off items					
– Impairment on IBS assets	(148)	(148)	–	–	–
Net Profit as reported in audited financial statements	372	(17)	40	175	174
Basic earnings per share (sen)	14.94	(0.69)	1.60	7.07	7.02
Core earnings per share (sen)	20.89	5.20	1.60	7.07	7.02
Dividend per share – single tier (sen)	6.00	–	–	–	6.00
Net assets per share attributable to equity holders (RM)	3.40	3.40	3.42	3.34	3.35

By Quarters

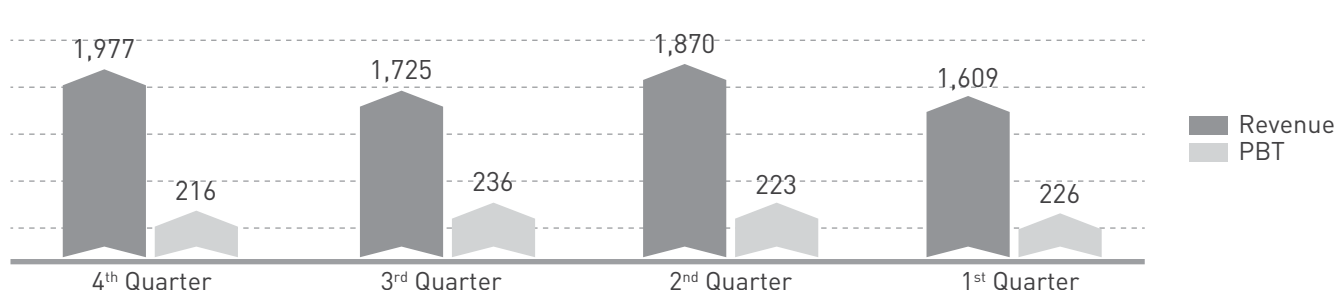
Revenue and Core Profit Before Tax (PBT)

(RM'million)

2020



2019



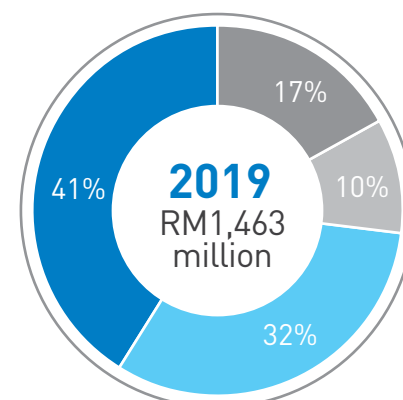
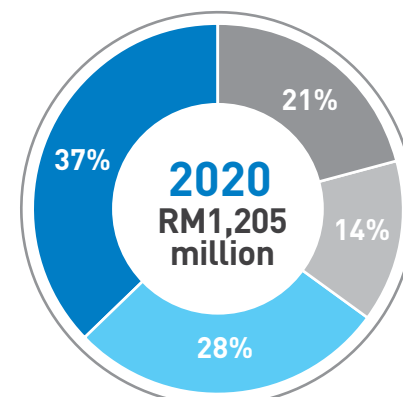
Group Quarterly Performance

RM'million	Financial Year Ended 31 July 2019				
2019 (Restated) For the period ended	2019 YTD	4th Jul-19	3rd Apr-19	2nd Jan-19	1st Oct-18
Revenue as reported in audited financial statements	4,565	1,499	1,037	1,125	904
Share of joint ventures' revenue	2,616	478	688	745	705
Revenue	7,181	1,977	1,725	1,870	1,609
Core profit before tax	901	216	236	223	226
Less: One-off items	–	–	–	–	–
Profit before tax as reported in audited financial statements	901	216	236	223	226
Core net profit	700	179	176	173	172
Less: One-off items	–	–	–	–	–
Net Profit as reported in audited financial statements	700	179	176	173	172
Basic earnings per share (sen)	28.36	7.25	7.13	7.02	6.97
Core earnings per share (sen)	28.36	7.25	7.13	7.02	6.97
Dividend per share – single tier (sen)	12.00	–	6.00	–	6.00
Net assets per share attributable to equity holders (RM)	3.26	3.26	3.25	3.17	3.16

Statement of Value Added and Distribution

The statement of value added shows the total wealth created by the the Group and its distribution to stakeholders, with the balance retained in the Group for reinvestment and future growth.

RM'million	2020	2019 (Restated)
VALUE ADDED:		
Revenue	6,805	7,181
Operating expenses	(6,122)	(6,249)
Other income	214	218
Share of profits of associated companies and joint ventures	308	313
Total value added for distribution	1,205	1,463
DISTRIBUTION:		
To employees		
– Salaries & other staff costs	257	253
To Governments		
– Taxation	161	149
To providers of capital		
– Dividends	149	296
– Finance cost	139	117
– Non-controlling interest	53	52
Retained for future reinvestment & growth		
– Depreciation and amortisation	223	192
– Retained profits	223	404
Total Distributed	1,205	1,463
RECONCILIATION:		
Net Profit for the year attributable equity holders	372	700
Add: Depreciation and amortisation	223	192
Finance cost	139	117
Staff costs	257	253
Taxation	161	149
Non-controlling interest	53	52
Total Value Added	1,205	1,463



Distribution

- To employees
- To government
- To providers of capital
- Retained for future reinvestment and growth

Share Performance

STOCK EXCHANGE

Bursa Malaysia Securities Bhd

TRADING NAME

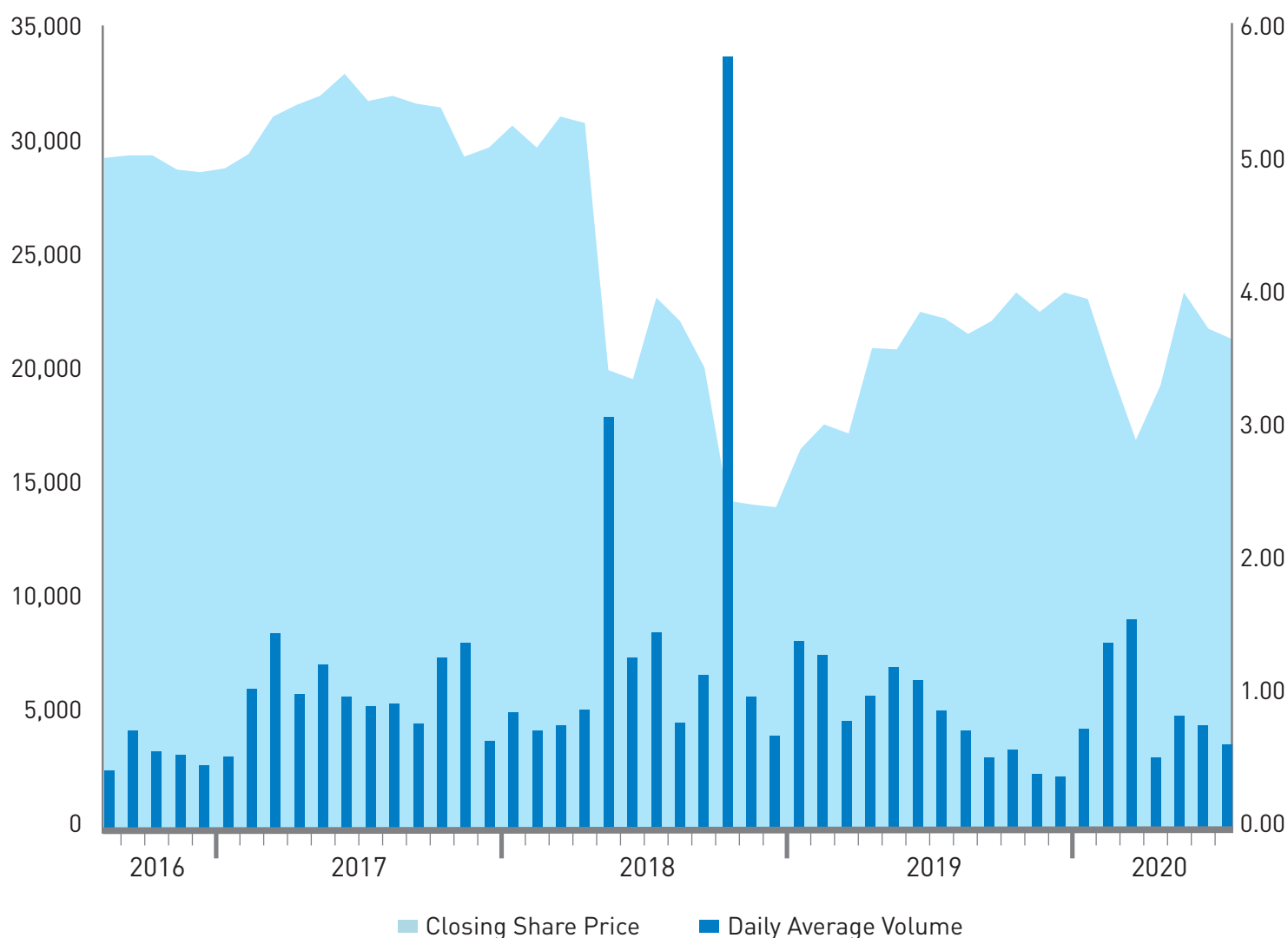
Gamuda

STOCK CODE

5398

Daily Average Volume ('000)

Share Price (RM)



Share Price	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	April-20	May-20	June-20	July-20
High (RM)	3.79	3.70	3.83	3.88	3.94	4.30	4.13	3.45	3.36	3.92	4.05	3.75
Low (RM)	3.50	3.40	3.58	3.58	3.61	3.80	3.22	2.36	2.79	3.17	3.39	3.23
Daily Average Volume ('000)	4,106	2,967	3,285	2,243	2,177	4,170	7,878	8,879	2,962	4,751	4,346	3,541

Investor Relations

INVESTOR RELATIONS – POLICY, PRACTICES AND PROGRAMMES

The Board recognises Investor Relations (IR) as a key component of its Corporate Governance obligations. To meet the high expectations of the investment community, the Board has set up a dedicated IR unit headed by the Group Managing Director, and assisted by the Senior Group General Manager, Investor Relations, to provide direct access to top management in all matters pertaining to Investor Relations.

The Board's primary objective is to provide all necessary information to the financial community such that shareholders, investors and potential investors can make an informed judgement on the fair value of the company's shares consistently over time. By doing so, this will help to create demand for the company's shares, and eventually optimise the company's cost of capital. To enhance the effectiveness of the IR unit, the Board has instituted a comprehensive IR policy and programme with the following objectives, guidelines and mandates:-

(1) Equal Access to Information

As a publicly listed group, the Board is acutely aware of the need to always provide fair and equal access to information for all classes of investors. Investors play an important role in the successful growth and development of the Group. The Board therefore treats all classes of investors equally, notwithstanding the wide range of investors, many of whom have differing investment objectives and mandates. The IR unit caters to the demands of all types of investors, including retail and institutional investors, short and long-term investors, and domestic and foreign investors.

In line with IR best practices, all investors are provided with the relevant corporate information as and when requested. Price sensitive information is always disclosed to Bursa Malaysia before being disclosed to any individual investor. As far as is practicable, all requests for investor meetings are completely fulfilled. In addition, the IR unit actively reaches out to overseas investors on a regular basis to meet with those who are not able to travel to Malaysia.

Following the COVID-19 pandemic, private and small group investor meetings and regional investor conferences are now primarily conducted virtually, particularly with global investors who still face restrictions in international travel.

(2) Building Trust and Credibility

A highly regarded and credible management team is one of the prerequisites for any investor. The Board recognises that trust and credibility can only be built up over time, and requires a long-term commitment to protecting investors' interests. As such, the Board takes all necessary steps to ensure that critical investor issues are addressed promptly, effectively and accurately so that investors are always kept abreast of corporate developments and have a broad and clear understanding of strategic issues.

(3) Fostering High Quality Relationships

High quality relationships can only be nurtured by continuously engaging with the investment community, both through good times as well as during difficult periods. In this respect, the IR unit conducts regular scheduled dialogue sessions with investors to provide corporate updates, explain the Group's strategic direction, outline business prospects, and clarify financial issues. Should circumstances require, unscheduled dialogue sessions are occasionally arranged to explain and clarify any major corporate developments. Through these dialogue sessions, valuable feedback on various issues is often obtained from the investment community.

(4) Maintaining Open and Honest Communication Channels

Given the cyclical nature of the Group's key business sectors, business prospects are not always necessarily positive. Given this reality, the Board believes in portraying an honest assessment of the group's business prospects, even if prospects may not be particularly bright. In doing so, it is hoped that investors will obtain a realistic understanding of the business cycles, and will be in a better position to make informed investment decisions.

Investor Relations

PROGRAMMES AND ACTIVITIES

A dedicated Investor Relations (IR) unit has been set up by the Board to implement effective IR programmes and activities in line with its IR policies. This unit is ultimately headed by the Group Managing Director, whilst the day-to-day activities are handled by the unit's Senior Group General Manager.

As a proud founding member of the Malaysian Investor Relations Association (MIRA) several years ago, Gamuda today continues to actively support MIRA's IR objectives and activities as a Corporate Member.

IR Activities

FY2020 was a highly eventful year, particularly in the second half of the FY. It started with an unexpected change in government in February 2020, following the surprise resignation of the Pakatan Harapan (PH) government led by Tun Mahathir. This led to a new Perikatan Nasional (PN) government being formed. Within weeks, this political crisis was soon followed by an unprecedented health crisis, the COVID-19 pandemic. This forced the new government to institute an unprecedented country-wide Movement Control Order (MCO), effectively a lockdown which required all non-essential activities to totally cease. Non-essential businesses completely stopped, offices closed, national and state borders sealed, and Malaysians were told to stay indoors. This lockdown soon resulted in an economic crisis, which the new government was forced to address by implementing several economic rescue packages.

The MCO was soon replaced with the Conditional Movement Control Order (CMCO) which gradually allowed various sectors of the economy to reopen. As the pandemic was gradually brought under control, the CMCO was replaced by the Recovery Movement Control Order (RMCO). The RMCO will continue to be in force until the end of 2020.

The COVID-19 pandemic has forced major changes in all areas of everyday life. Working from home (WFH) has become a norm for several companies, whilst face-to-face meetings, events and conferences have now gone virtual. IR activities too have incorporated the new norms. Investor conferences and quarterly investor briefings have gone fully virtual since the MCO, and there is every indication that this will continue even after the pandemic ends.

Prior to the MCO, other IR activities include participating in international and domestic investor conferences, going on marketing roadshows, hosting teleconferences, responding to email and telephone enquiries, catering to numerous requests for private meetings with investors and financial analysts, and organising trips for investors to visit our overseas and domestic project sites.

The following is a summary of all IR activities during FY2020. Large group events such as investor conferences, investor briefings and group meetings have been carried out virtually since the MCO.

Type of Event	Investment Centre	No. of Meetings
Investor Conferences	Kuala Lumpur, Hong Kong, London, Bangkok, Singapore	14
Investor Briefings	Kuala Lumpur	4
Project Site Visits	Kuala Lumpur	4
Teleconference Calls	Various	15
Private Meetings	Various	53

Key IR Issues

Investors' focus was markedly different in the first and second halves of the FY. In the first half, key IR issues revolved around the usual questions about upcoming construction projects, particularly MRT 3 and PTMP, progress on the ongoing MRT Putrajaya Line project, and updates on the property division. In the second half of the FY, following the unexpected change in government, global pandemic and the subsequent economic crisis, investors switched focus towards trying to assess the impact of the political, health and economic crises on our various business segments. Notably, there was substantial investor concerns over the Group's cash flows, financial health and ability to endure a prolonged lockdown, especially during the initial weeks of the MCO. Over time, investors started turning bearish once the extent and scale of the economic damage became evident, as well as the realisation that the pandemic was not going to end soon.

Towards the end of the FY, investor interest started to increase following the signing of the PDP agreement for the PTMP project. Prospects for the domestic construction sector also brightened up when the government indicated its interest in reviving the High Speed Rail (HSR) project which was deferred by the previous PH government. Investor interest was also supported by the encouraging progress made by our Australian construction JVs after being shortlisted to tender for some of the key infrastructure projects being implemented.

Electronic Communication

Broader investor communication also takes place via our corporate website at www.gamuda.com.my as well as through the Annual Report, Annual General Meeting (AGM) and Extraordinary General Meeting (EGM).

There is a wealth of information online. All announcements made to Bursa Malaysia are updated on our corporate website as soon as practicable. In addition, slides and notes from the quarterly investor briefings are also uploaded on our website for the benefit of shareholders unable to attend these briefings.

Annual General Meeting

In line with the new practices, the group's AGM will be held virtually this year. The Board seeks to encourage shareholder attendance at its virtual AGM. The Chairmen of the Audit, Remuneration and Nomination Committees, together with other Directors will usually attend the AGM. Shareholders are encouraged to raise any pertinent issues at the meeting.

Financial Calendar



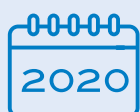
DIVIDENDS

First interim single tier

Announcement – Friday, 13 December 2019

Entitlement – Tuesday, 28 January 2020

Payment – Tuesday, 25 February 2020



ANNOUNCEMENT OF CONSOLIDATED RESULTS

Quarter 1

Friday,
13 December 2019

Quarter 2

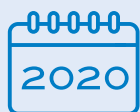
Wednesday,
25 March 2020

Quarter 3

Wednesday,
24 June 2020

Quarter 4

Friday,
25 September 2020



ANNUAL GENERAL MEETING

Notice of Annual General Meeting

Monday, 9 November 2020

44th Annual General Meeting

Tuesday, 8 December 2020

Bonds and Credit Ratings

Rating : AA3/Stable/P1
Outlook : Stable

Gamuda Berhad

- (i) RM800 million Islamic Medium-Term Notes Programme (2013/2038).
- (ii) RM800 million Islamic Medium-Term Notes Programme (2008/2028).
- (iii) RM5 billion Islamic Medium-Term Notes Programme (2015/2045) and RM2 billion Islamic Commercial Papers Programme (2015/2022) with a combined limit of RM5 billion.

Rating : AA3/Stable/P1
Outlook : Stable

Bandar Serai Development Sdn. Bhd.

RM1 billion Islamic Medium-Term Notes Programme (2014/2044) and RM500 million Islamic Commercial Papers Programme (2014/2021) with a combined limit of RM1 billion.

Rating : A1/Stable
Outlook : Stable

Projek Smart Holdings Sdn. Bhd. (SMART)

RM330 million Islamic Medium-Term Notes Facility ("Sukuk Musharakah") (2015/2032).

Rating : AA3/Stable/P1
Outlook : Stable

Gamuda Land (T12) Sdn. Bhd.

RM2 billion Islamic Medium-Term Notes Programme (2020/2050) and RM500 million Islamic Commercial Papers Programme (2020/2027) with a combined limit of RM2 billion.

Rating : A+/Developing
Outlook : Developing

Sistem Penyuraian Trafik KL Barat Sdn. Bhd. (SPRINT)

RM510 million Islamic (2016/2020).

Rating : AA2/Stable
Outlook : Stable

Kesas Sdn. Bhd.

RM735 million Islamic Medium-Term Notes Facility ("Sukuk Musharakah") (2014/2023).

Rating : AA2/Stable
Outlook : Stable

Lingkar Trans Kota Sdn. Bhd. (LITRAK)

- RM1.15 billion Islamic Medium-Term Notes I Facility ("Sukuk Musharakah") (2008/2023).
- RM300 million Islamic Medium-Term Notes II Facility ("Sukuk Musharakah") (2008/2023).

- **YBHG DATO' MOHAMMED HUSSEIN**
Chairman
- **YTM RAJA DATO' SERI ELEENA BINTI ALMARHUM SULTAN AZLAN MUHIBBUDDIN SHAH AL-MAGHFUR-LAH**
Non-Independent Non-Executive Director
- **YBHG DATO' LIN YUN LING**
Group Managing Director
- **YBHG TAN SRI DATO' SETIA HAJI AMBRIN BIN BUANG**
Independent Non-Executive Director
- **PUAN NAZLI BINTI MOHD KHIR JOHARI**
Independent Non-Executive Director

YBHG DATO' IR CHOW CHEE WAH
Chairman, Gamuda Land

Chief Executive Officer, Gamuda Land

- Klang Valley Mass Rapid Transit (KVMRT)
 1. MRT Kajang Line
 2. MRT Putrajaya Line
- Gamuda Industrialised Building System (Digital IBS)
- Pan Borneo Highway Package (WPC-04), Sarawak
- Batang Lupar Bridge, Sarawak
- Penang Transport Master Plan (PTMP), Penang

- Gali Batu Multi-Storey Bus Depot

- Marine Bridge – Guan Tang
- Seawall – Taipei Port

- Gamuda Engineering (Australia) Pty Ltd

- Gamuda Cove
- Gamuda Gardens
- twentyfive.7
- Horizon Hills
- Jade Hills
- Bukit Bantayan Residences
- Kundang Estates
- Madge Mansions
- The Robertson
- HighPark Suites
- Gamuda Walk
- Gamuda GM Klang
- Gamuda GM Bukit Bintang
- Kota Kemuning
- Valencia
- Bandar Botanic
- Gamuda Biz Suites

- Celadon City, Ho Chi Minh City
- Gamuda City, Hanoi

- OLÁ
- GEM Residences

- 661 Chapel St.,
Melbourne

- **YBHG DATO' IR HA TIING TAI**
Deputy Group Managing Director
- **YM TUNKU AFWIDA BINTI TUNKU A.MALEK**
Independent Non-Executive Director

ALTERNATE DIRECTORS:

- **ENCIK MOHAMMED RASHDAN BIN MOHD YUSOF**
Alternate to YBhg Dato' Lin Yun Ling and Deputy Group Managing Director
- **YBHG DATO' UBULL DIN OM**
Alternate to YBhg Dato' Ir Ha Tiing Tai and Managing Director of Gamuda Engineering

BOARD COMMITTEES

- Audit
- Nomination
- Remuneration

YBHG DATO' HJ IR AZMI BIN MAT NOR

Group Executive Director,
Infrastructure Concessions

- KESAS
- LITRAK
- SPRINT
- SMART
- Gamuda Water

HEAD OFFICE

- Finance & Management Accounting
- Gamuda Capital & Business Development
- Information Services & Cyber Security
- Human Resource & Administration
- Legal & Company Secretary
- Group Corporate Communications & Sustainability
- Corporate Development
- Investor Relations
- Internal Audit
- Integrity and Governance Unit

Profile of Board of Directors



YBHG DATO' MOHAMMED HUSSEIN

Chairman



Nationality: Malaysian



Age: 70



Gender: Male

BOARD COMMITTEE MEMBERSHIP

- Member of Audit Committee
- Chairman of Remuneration Committee
- Chairman of Nomination Committee

OTHER DIRECTORSHIPS:

PUBLIC COMPANIES

- Bank of America Malaysia Berhad
- Credit Guarantee Corporation Malaysia Berhad

LISTED ISSUERS

- Hap Seng Plantations Holdings Berhad
- Syarikat Takaful Malaysia Keluarga Berhad

YBhg Dato' Mohammed Hussein has been on the Board as Chairman since 12 December 2013.

Previously, YBhg Dato' Mohammed Hussein was with the Malayan Banking Berhad ("Maybank") Group for 31 years, during which time he held various senior management positions including Head of Corporate Banking, Head of Commercial Banking, Head of Malaysian Operations, Managing Director of Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad) and Executive Director (Business Group). The last position held prior to his retirement from the Maybank Group in 30 January 2008 was Deputy President/Executive Director/Chief Financial Officer. Presently, he is also Chairman of the Corporate Debt Restructuring Committee ("CDRC") sponsored by Bank Negara Malaysia to facilitate the resolution and restructuring of major corporate debts.

YBhg Dato' Mohammed Hussein's wide and varied organisational experience in commercial and investment banking and his exposure to many other industries have enabled him to provide advice to the Board and make him ideally suited to chair the Board as well as the Remuneration and Nomination Committees.

YBhg Dato' Mohammed Hussein obtained a Bachelor of Commerce degree majoring in Accounting from the University of Newcastle, New South Wales, Australia. He is an alumnus of the Advanced Management Programme, Harvard Business School, Boston, USA and attended several management programmes in Wharton Business School (Philadelphia, USA) IMD (Lausanne, Switzerland) and INSEAD (Fontainebleau, France). He is also a Fellow of the Asian Institute of Chartered Bankers.

YBhg Dato' Mohammed Hussein has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YBhg Dato' Mohammed Hussein attended all six board meetings held during the financial year ended 31 July 2020.

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

A civil engineer, YBhg Dato' Lin joined Gamuda in 1978 as a senior project manager and became the Group Managing Director at the age of 26, four years later. He remains at the helm of the Group that has progressed from a small construction set-up to Malaysia's leading infrastructure and property developer.

With his entrepreneurial vision and strategic leadership skills, he is focused on growing the core businesses of the Group, leveraging on the differentiated strengths of its talent pool. The strategies for the Group have resulted in a sustained period of growth in revenues and earnings in each of its core businesses.

The growth of the Group has also been led by consistent and continuous innovation, the latest being significant investment into automated digital production technology. Group-wide, processes and systems are being placed on a common digital platform to ensure future competitiveness.

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

YBhg Dato' Lin has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YBhg Dato' Lin attended four out of six board meetings held during the financial year ended 31 July 2020.



YBHG DATO' LIN YUN LING

Group Managing Director

 **Nationality:** Malaysian

 **Age:** 65

 **Gender:** Male

BOARD COMMITTEE MEMBERSHIP

- Chairman of Risk Management Committee
- Member of Remuneration Committee

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- Yayasan Gamuda

Profile of Board of Directors



YBHG DATO' IR HA TIING TAI

Deputy Group Managing Director



Nationality: Malaysian



Age: 66



Gender: Male

BOARD COMMITTEE MEMBERSHIP

- Member of Risk Management Committee

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- Danau Permai Resort Berhad

YBhg Dato' Ir Ha, a civil engineer, has been on the Board since 1 February 1990. He was promoted to Deputy Group Managing Director on 1 June 2012.

As Deputy Group Managing Director, YBhg Dato' Ir Ha, who has 42 years of extensive and successful experience in large-scale design-and-build (DAB), build-operate-transfer (BOT) and project delivery partner (PDP) projects, plays a key role in helping to drive the Group's engineering and construction and infrastructure concession business divisions both locally and internationally.

Currently, through the Company's role as the project turnkey contractor, he directs and oversees the construction of the massive KVMRT project. He is also helping the Group expand its engineering and construction business into Australia, Taiwan, Singapore and other regional markets.

His strong engineering expertise and extensive experience in delivering large and complex engineering projects enable him to contribute effectively to the Group's business and to the Board.

YBhg Dato' Ir Ha holds a Bachelor of Engineering (Honours) degree from University of Malaya. He is a Professional Engineer registered with the Board of Engineers, Malaysia; a Chartered Structural Engineer and a Chartered Engineer registered with the Engineering Council, UK; a Fellow of the Institution of Engineers Malaysia; a Fellow of the Institution of Civil Engineers, UK; a Fellow of the Institution of Structural Engineers, UK and a Fellow of the Chartered Institution of Highways And Transportation, UK.

YBhg Dato' Ir Ha has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YBhg Dato' Ir Ha attended all six board meetings held during the financial year ended 31 July 2020.

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

YTM Raja Dato' Seri Eleena's extensive experience in legal practice enables her to contribute significantly to the Board.

YTM Raja Dato' Seri Eleena was a Barrister-at-Law from Lincoln's Inn, London, UK. She was called to the English Bar in 1985. Upon returning to Malaysia, she worked with an international firm in Kuala Lumpur and was called to the Malaysian Bar in 1986. She set up her own legal practice Messrs Raja Eleena, Siew, Ang & Associates in 1987 of which she is presently a senior partner.

YTM Raja Dato' Seri Eleena is also a trustee in several charitable organisations such as Yayasan Sultan Azlan Shah, Yayasan Tuanku Bainun, Yayasan Cemerlang, Yayasan Gamuda and Pusat Kreatif Kanak-Kanak Tuanku Bainun. These organisations conduct a variety of activities which focus on community development, improving and upholding education at all levels, promotion of sports, exploring and expanding children's creativity through performing arts, and preservation of heritage and tradition, culture, social or art, which includes upkeep of the historical buildings and artefacts.

YTM Raja Dato' Seri Eleena has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YTM Raja Dato' Seri Eleena attended five out of six board meetings held during the financial year ended 31 July 2020.



YTM RAJA DATO' SERI ELEENA BINTI ALMARHUM SULTAN AZLAN MUHIBBUDDIN SHAH AL-MAGHFUR-LAH

Non-Independent Non-Executive Director

 **Nationality:** Malaysian

 **Age:** 60

 **Gender:** Female

BOARD COMMITTEE MEMBERSHIP

- Member of Remuneration Committee

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- KAF-Seagroatt & Campbell Berhad
- Yayasan Gamuda
- Yayasan Sultan Azlan Shah
- Yayasan Tuanku Bainun

Profile of Board of Directors



YBHG TAN SRI DATO' SETIA HAJI AMBRIN BIN BUANG

Independent Non-Executive Director

 **Nationality:** Malaysian

 **Age:** 71

 **Gender:** Male

BOARD COMMITTEE MEMBERSHIP

- None

OTHER DIRECTORSHIPS:

PUBLIC COMPANIES

- Yayasan Pelaburan Bumiputra

LISTED ISSUERS

- Lingkaran Trans Kota Holdings Berhad
- BIMB Holdings Berhad

YBhg Tan Sri Dato' Setia Haji Ambrin Bin Buang joined the Board on 28 September 2018.

YBhg Tan Sri Dato' Setia Haji Ambrin holds a Degree in Economics from the University of Malaya and a Masters in International Business from the University of South Carolina, USA.

He was appointed the Auditor General of Malaysia on 22 February 2006 upon his retirement after having served the Government (Malaysian Civil Service) for over 35 years. He completed his tenure as Auditor General of Malaysia on 22 February 2017.

His working career includes experience in the Ministry of Trade and Industry from 1971 to 1982 and was appointed as Deputy Director, Small Scale Industries Division in 1981. He has also served in the Malaysian Timber Industry Board from 1982 to 1987 and the National Institute of Public Administration from July 1987 to 1991.

YBhg Tan Sri Dato' Setia Haji Ambrin was also attached to the Malaysian Embassy in Tokyo, Japan from 1992 to March 1995 as Minister for Economic Affairs and Deputy Head of Mission. He was a Senior General Manager for the Kuala Lumpur International Airport Berhad from April 1995 to February 1999. He was the State Secretary of the Selangor State Government from March 1999 to September 2001 and Secretary General of the Ministry of Education till his appointment as Auditor General of Malaysia.

On 16 May 2016, YBhg Tan Sri Dato' Setia Haji Ambrin was conferred an Honorary Doctorate Award which carries the title Prof. (Dr.) by IIC University of Technology, Cambodia. In 2017, he was awarded an Honorary Doctorate in Accounting by Universiti Kebangsaan Malaysia and appointed Adjunct Professor by Universiti Utara Malaysia. He is currently a member of Dewan DiRaja Selangor. He was formerly a Board Member of the Malaysian Institute of Integrity.

For the past 12 years, he has been a frequent speaker presenting his views and perspective on public sector auditing, good governance and integrity at many seminars and conferences organised domestically and internationally.

YBhg Tan Sri Dato' Setia Haji Ambrin was appointed as the Chairman of the Special Investigation Committee on procurement, governance and finance on 3 July 2018.

YBhg Tan Sri Dato' Setia Haji Ambrin has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YBhg Tan Sri Dato' Setia Haji Ambrin attended all six board meetings held during the financial year ended 31 July 2020.

A chartered accountant, **YM Tunku Afwida** joined the Board on 1 June 2012. She was redesignated as the Chairperson of Audit Committee on 28 September 2018.

YM Tunku Afwida has held senior roles in investment banks. From 2006 until 2008, she was Chief Executive Officer (CEO) and Executive Director (ED) of Kenanga Investment Bank Berhad. Prior to that, from 2003 to 2006, she was CEO and ED of MIMB Investment Bank Berhad (now known as Hong Leong Investment Bank Berhad) and from 1995 to 2003, she was ED/Chief Investment Officer of Commerce Asset Fund Managers Sdn Bhd.

She is currently a Director and shareholder of Asia Equity Research Sdn Bhd, a company licensed by the Securities Commission of Malaysia to provide advisory services in corporate finance including compliance and funding advisory related services.

YM Tunku Afwida possesses vast financial, analytical and risk management experience, enabling her to provide invaluable input to the Board and Audit Committee.

YM Tunku Afwida holds a Bachelor of Science (Honours) degree in Economics and Accountancy from City University London, UK; qualified as a Chartered Accountant from the Institute of Chartered Accountants in England and Wales and is a member of the Malaysian Institute of Accountants.

YM Tunku Afwida has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YM Tunku Afwida attended all six board meetings held during the financial year ended 31 July 2020.



YM TUNKU AFWIDA BINTI TUNKU A.MALEK

Independent Non-Executive Director

 **Nationality:** Malaysian

 **Age:** 55

 **Gender:** Female

BOARD COMMITTEE MEMBERSHIP

- Chairperson of Audit Committee
- Member of Nomination Committee
- Member of Risk Management Committee

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES/ LISTED ISSUERS

- Telekom Malaysia Berhad
- SAM Engineering & Equipment (M) Berhad

Profile of Board of Directors



PUAN NAZLI BINTI MOHD KHIR JOHARI

Independent Non-Executive Director

 **Nationality:** Malaysian

 **Age:** 66

 **Gender:** Female

BOARD COMMITTEE MEMBERSHIP

- Member of Audit Committee
- Member of Nomination Committee

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- Lingkaran Trans Kota Holdings Berhad

Puan Nazli joined the Board on 7 March 2016.

After completing her tertiary education, Puan Nazli joined Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad) from September 1981 to January 1996, holding various positions. Her last position before she left ASEAM was Head of Project Development.

In February 1996, Puan Nazli joined Percon Corporation Sdn Bhd (Percon), a wholly-owned subsidiary of Permodalan Nasional Berhad as the General Manager (Corporate Services). At Percon, she was tasked to put in place a financial and corporate restructuring scheme for the company. The job involved enhancing, strengthening and developing Percon's competitive position in the field of engineering and construction and at the same time, developing the corporate direction for Percon. At group level, Puan Nazli represented Percon's interests in various subsidiaries and associate companies ranging from road concession to property development, both locally and abroad. She left Percon in July 2002 and is not attached to any particular company at present.

Puan Nazli's vast exposure in a variety of industries has contributed positively to her analytical and conceptual approach in decision making. Her extensive people-management and general management experience both at corporate and line-management levels also enables her to provide invaluable inputs to the Board and Audit Committee.

Puan Nazli holds a Bachelor of Science in Business Administration from The George Washington University, Washington D.C., USA and a Master of Business Administration from Syracuse University, Syracuse, New York, USA.

Puan Nazli has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

She attended all six board meetings held during the financial year ended 31 July 2020.

Encik Mohammed Rashdan or widely known as Danny, joined Gamuda on 1 May 2018 and was appointed as the Alternate Director to YBhg Dato' Lin Yun Ling on 28 September 2018.

Encik Rashdan has 26 years of experience in the corporate finance and investment banking industry, corporate consultancy and the financial services sector. He served as Executive Director (Investments) of Khazanah Nasional Berhad from 2010 to 2012 and as Chief Executive Officer of Maybank Investment Bank Berhad from 2008 to 2010. Prior to that, he was Managing Director of BinaFikir Sdn Bhd from 2003 to 2008 and was Managing Director in QuantePhi Sdn Bhd, a boutique corporate finance advisory firm he founded in 2012, until December 2017.

Encik Rashdan leads the Group Capital function which undertakes a strategic performance oversight function and thus oversees the appropriate capital allocation to all of the Group's core business divisions of Engineering, Property and IBS. He works closely with the Group Chief Financial Officer in Performance Monitoring of these divisions, to constantly evaluate the efficacy of Group strategy and its implementation. He also oversees the Group's Corporate Finance function, which manages all of the Group's acquisitions and disposals, and new ventures.

He also oversees the Group's investment into technology and innovation under our Digital Transformation effort, to enhance the Group's competitive edge. In line with this, he plays a key role in growing the business for Gamuda IBS, the country's first digital and robotic Industrialised Building System facility in Malaysia.

Currently, he is focused on assisting the Group Managing Director in our contractual participation and delivery of the Penang South Islands ("PSI") and the Penang Transport Master Plan ("PTMP") projects.

Encik Rashdan holds a Master of Arts (Honours) Degree in Economics from the University of Cambridge, United Kingdom. He is a Chartered Accountant and a Member of the Institute of Chartered Accountants in England and Wales (ICAEW) and the Association of Corporate Treasurers (ACT) of the United Kingdom.

Encik Rashdan has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



ENCIK MOHAMMED RASHDAN BIN MOHD YUSOF

Alternate Director to YBhg. Dato' Lin Yun Ling and Deputy Group Managing Director

 **Nationality:** Malaysian

 **Age:** 49

 **Gender:** Male

BOARD COMMITTEE MEMBERSHIP

- None

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None

Profile of Board of Directors



YBHG DATO' UBULL DIN OM

Alternate Director to YBhg Dato' Ir Ha Tiing Tai and Managing Director of Gamuda Engineering Sdn Bhd

 **Nationality:** Malaysian

 **Age:** 58

 **Gender:** Male

YBhg Dato' Ubull joined the Board as the Alternate Director to YBhg Dato' Ir Ha Tiing Tai on 2 January 2015.

YBhg Dato' Ubull joined Gamuda in 1988 and has held various positions in the Gamuda group. In the following 31 years, he advanced rapidly through various business and operational roles within the Group and is currently the Managing Director of Gamuda Engineering Sdn Bhd. He has been involved in several notable projects, namely the Electrified Double Track Project (Ipoh-Padang Besar), Sungai Selangor Water Supply Scheme Phase 3, Shah Alam Expressway, Damansara-Puchong Expressway and SPRINT Highway. He is currently involved in the Tunnelling and Underground works for the KVMRT project and the Pan Borneo Highway package (WPC-04) project.

YBhg Dato' Ubull holds a Bachelor Degree in Housing, Building and Planning from Universiti Sains Malaysia. He is the Vice President of Master Builders Association Malaysia.

YBhg Dato' Ubull has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

BOARD COMMITTEE MEMBERSHIP

- Member of Risk Management Committee

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None

Profile of Group Senior Management



YBHG DATO' GOON HENG WAH

Aged 64, Malaysian (Male)

Group Executive Director, Gamuda Berhad

A civil engineer, YBhg Dato' Goon has years of experience in the fields of engineering, construction, and infrastructure, in particular large-scale infrastructure project mobilisation and implementation.

Dato' Goon was appointed to the Board of Directors on 1 June 1992 and remained a member until September 2018 when he resigned as part of the board composition revamp for the purposes of complying with the Code on Corporate Governance to reconstitute the Board comprising majority of Independent Directors. Dato' Goon continues to be part of Gamuda Group's Key Senior Management Team as an Executive Director.

During his career in Gamuda, Dato' Goon has successfully steered and managed the pioneering teams to complete various overseas construction projects in Qatar, Bahrain, and India namely, the Dukhan Highway, Hamad International Airport, Sitra Causeway Bridges, Durgapur Expressway and Panagarh-Palsit Highway.

Dato' Goon is also responsible for the overall oversight and project management of the Klang Valley MRT (KVMRT) Project. Under his stewardship, the MRT Kajang Line was successfully completed ahead of time and within budget. In recognition of his strong leadership and proven track record, he was entrusted once again to lead the ongoing MRT Putrajaya Line which covers a larger scope of work and a more complex geological condition.

Dato' Goon holds a Bachelor of Engineering (Honours) degree from the Polytechnic of South Bank, UK (now known as London South Bank University).

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- Danau Permai Resort Berhad



YBHG DATO' HAJI AZMI BIN MAT NOR

Aged 62, Malaysian (Male)

Group Executive Director, Gamuda Berhad

YBhg Dato' Haji Azmi was appointed to the Board of Directors on 24 September 2001 and remained a member until September 2018 when he resigned as part of the board composition revamp for the purposes of complying with the Code on Corporate Governance to reconstitute the Board comprising majority of Independent Directors. Dato' Haji Azmi continues to be part of Gamuda Group's Key Senior Management Team as an Executive Director.

A civil engineer, Dato' Haji Azmi has worked as Resident Engineer at the Public Works Department (JKR) of Pahang and Selangor. His last position with the Public Works Department (JKR) was as Assistant Director to the Central Zone Design Unit of JKR Kuala Lumpur (Road Branch).

Dato' Haji Azmi has extensive experience in developing and managing the implementation of the Group's complex infrastructure concession projects in Malaysia. He continues to play a significant leadership role in overseeing the operations of the Group's infrastructure concessions, ranging from expressways to water-related projects and others. Besides infrastructure concession projects, Dato' Haji Azmi is also deeply involved in the Company's role as Project Delivery Partner in the implementation of the Klang Valley MRT (KVMRT) Project.

Dato' Haji Azmi holds a Bachelor of Science (Honours) Degree and Masters of Science in Highway Engineering, both from University of Strathclyde, Glasgow, Scotland, UK.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- Lingkaran Trans Kota Holdings Berhad
- Kesas Holdings Berhad

Profile of Group Senior Management



MR. NGAN CHEE MENG

Aged 55, Malaysian (Male)
Chief Executive Officer, Gamuda Land

Mr. Ngan was formerly the Chief Operating Officer before assuming the position as Chief Executive Officer of Gamuda Land in January 2019.

Prior to 2017, Mr. Ngan was the Head of Finance of Gamuda Land.

He was appointed to the Board of Bandar Botanic Resort Berhad in October 2008. He also sits on the Boards of Jade Homes Resort Berhad and several private limited companies.

Prior to joining Gamuda, he was a Senior Consultant with Coopers & Lybrand (now known as PricewaterhouseCoopers) and Group Accountant of the Building Materials Division at Hong Leong Industries Berhad. He had also served as Senior Finance Manager with the SPRINT Highway concessionaire.

Mr. Ngan is a qualified accountant registered with the Malaysian Institute of Certified Public Accountants and a Chartered Accountant registered with the Malaysian Institute of Accountants.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None



MR. SOO KOK WONG

Aged 51, Malaysian (Male)
Chief Financial Officer, Gamuda Berhad

A chartered accountant, Mr. Soo Kok Wong was on the Board as an Alternate Director from 2013 to 2018. Now, Mr. Soo is part of Gamuda Group's Senior Management Team and holds the position as the Chief Financial Officer of Gamuda.

As head of the finance function, Mr. Soo is responsible for the Group's financial management, treasury, investor relations, legal and company secretarial.

Mr. Soo was attached to Price Waterhouse Malaysia prior to joining the Company in 1996. He has vast experience in accounting, tax, audit, finance, treasury and budgetary control.

Mr. Soo is a fellow member of the Association of Chartered Certified Accountants (ACCA), UK and a member of the Malaysian Institute of Accountants.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None



MR. SZETO WAI LOONG

Aged 61, Malaysian (Male)

Project Director, Penang Transport Master Plan and Reclamation Works, SRS Consortium

Mr. Szeto Wai Loong started off his career as a cadet engineer in 1979. He gained invaluable on-site experience working on various types of rail projects for KTMB before being appointed as Project Manager to manage the construction of phase one and two of the Star Light Rail Transit System.

Following this, he was put in charge of the construction of the Riana Green Condominium project at Tropicana Golf and Country Resort between 1995 and 1997. Then, in 1997 to 1999, in his capacity as Senior Project Manager he oversees the 31km Tanjung Pelepas Port Rail Link Project.

Prior to joining Gamuda, Mr. Szeto was also involved in the Tunnel Link project connecting Suria KLCC and the KL Convention Centre, refurbishment of the Impiana Hotel and the construction of the 39-storey Commerce Asset Holding Berhad tower, after which he was posted to Delhi to oversee the Civic Convention Centre Project for the Municipal Corporation of Delhi.

In June 2007, Mr. Szeto joined MMC Gamuda as General Manager responsible for the country's largest infrastructure project at the time, the 328km Electrified Double Track Project from Ipoh to Padang Besar.

In 2015, Mr. Szeto was entrusted to represent Gamuda in its role in a joint venture partnership as the Project Delivery Partner for the Penang Transport Master Plan. His tasks include managing the preparation of feasibility studies, as well as design and plan the implementation of the Light Rail Transit System and the Pan Island Link Road.

Mr. Szeto holds a Diploma in Civil Engineering and also has an MBA in General Management.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None



DATO' HJ ABDUL SAHAK BIN SAFI

Aged 60, Malaysian (Male)

Executive Director, Gamuda Land

Dato' Hj Abdul Sahak assumed his current role as Executive Director in the Group's property division in July 2016. He is also an Alternate Director in UEM Sunrise-Gamuda Joint Venture of the Horizon Hills development in Johor Bahru.

Since joining the Group in May 2001, he has been instrumental in the conceptualisation and planning of several landmark developments namely, Bandar Botanic in Klang, Valencia in Sungai Buloh and Horizon Hills in Nusajaya, Johor.

He is currently involved in the planning of Gamuda Cove, a new development in Selangor spanning over 1,530 acres, and Gamuda Gardens, an 810 acres mixed development located north of Kuala Lumpur.

Dato' Hj Abdul Sahak was formerly with The Lion Group - Property & Construction Division before joining Gamuda Land.

He holds a Bachelor of Science (Honours) degree in Housing Building and Planning (Arch) from Universiti Sains Malaysia.

He is also an associate fellow in the Institute of Local Government Studies (ILGS), Universiti Utara Malaysia.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None

Profile of Group Senior Management



EN. ADIL PUTRA BIN AHMAD

Aged 55, Malaysian (Male)
Executive Director, Gamuda Engineering

En. Adil was appointed as the Executive Director in April 2013, and was also the Project Coordinator for MMC-Gamuda MRT Putrajaya Line. He is currently involved in the construction planning for the Penang Transport Master Plan.

He has extensive experience in managing and constructing large scale infrastructure projects, including the Lebuhraya Damansara-Puchong, Shah Alam Expressway and the KVMRT project.

In the early years of his career, he was involved in the construction of the Ipoh-Lumut Highway as well as part of the North-South Expressway.

En. Adil graduated with a Bachelor of Science in Civil Engineering from the California State University in Long Beach, USA. He is registered with the Board of Engineers Malaysia and is a member of the Institution of Engineers, Malaysia.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None



MS. LIM SOO LYE

Aged 55, Malaysian (Female)
Director, Legal & Company Secretarial, Gamuda Berhad

Ms. Lim qualified as an Advocate & Solicitor of the High Court of Malaya in 1990 whereupon she commenced legal practice in a reputable law firm in Kuala Lumpur. She continued in legal practice until 1995, after which she joined a public listed company as Head of its Legal Department.

In 1996 Ms. Lim joined Gamuda as a Legal Manager. Her first responsibility was to set up an in-house legal department. Soon after, she was given the responsibility of taking charge of the company secretarial department whereby it was merged with the legal department. She was appointed the Company's joint Company Secretary in 1998 following the departmental merger. Ms. Lim was promoted to her current position as Director, Legal & Company Secretarial in January 2020.

As head of the Legal and Company Secretarial Division, Ms. Lim is responsible in overseeing and managing all legal matters for the Group of Companies, including ensuring compliance with all legal and regulatory requirements.

Ms. Lim graduated with an LLB degree from University of Malaya and qualified as an Advocate and Solicitor of the High Court of Malaya in 1990.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None



MS. SREEJAYA MENON

Aged 52, Malaysian (Female)

Senior General Manager, Group Corporate Communications & Sustainability, Gamuda Berhad

Ms. Sreejaya is the Head of Group Corporate Communications and Sustainability at Gamuda Berhad. She has over 20 years of experience in corporate and government relations, corporate citizenship, media relations, internal communications and branding.

She currently oversees the Group's overall communications strategy, corporate branding and reputation management. She is responsible for the Group's sustainability initiatives as a driver for growth, brand purpose and future-proofing for governance. She is also the adviser for the Gamuda Women Empowerment Network (GWEN) that advances the cause for women to build their careers.

Prior to joining Gamuda, she was Head of Corporate Affairs at the Securities Commission, the regulator of the Malaysian capital market. Her previous roles were in Citibank Berhad, American Express and Ogilvy & Mather.

Ms. Sreejaya holds a Master of Arts (MA) in Communication Management from the University of South Australia.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None

General Additional Information

1. None of the Group Senior Management has any family relationship with and is not related to any director and/or major shareholder of Gamuda Berhad.
2. None of the Group Senior Management has any conflict of interest with Gamuda Berhad.
3. None of the Group Senior Management has conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



Ts. SHARIFAH ALAUYAH BINTI WAN OTHMAN

Aged 60, Malaysian (Female)

Chief Integrity & Governance Officer, Integrity and Governance Unit, Gamuda Berhad

Sharifah Alauyah started her career with the Government in 1984. After 15 years of service, she joined Gamuda Berhad's water concession arm, Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (SPLASH) in April 2001. She left her General Manager position at SPLASH in May 2016.

From June 2016 until December 2019, Sharifah assumed her position as Chief Operating Officer of the Stormwater Management and Road Tunnel (SMART), one of Gamuda Berhad's highway concessions.

Sharifah has been helming dual roles. Since March 2018 she oversees the Group's foundation, Yayasan Gamuda that focuses primarily on education aid and community improvement since March 2018. Commencing January 2020, when she moved to Gamuda headquarters, Sharifah also heads Gamuda Berhad's newly formed Integrity and Governance Unit as its Chief Integrity & Governance Officer, responsible for ensuring good governance framework and ethical/bribery and corruption-free practices in the Group.

From a civil environmental engineering background, Sharifah holds a Post-Graduate Diploma in Environmental Engineering (Water & Sanitation) from the International Institute for Hydraulic and Environmental Engineering in Delft, The Netherlands, a Bachelor of Science (Honours) in Civil Engineering from University of Strathclyde in Scotland and a Diploma in Civil Engineering from UiTM Malaysia.

Sharifah is a Professional Technologist registered with the Malaysian Board of Technologist (MBOT) since 2017.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- None



SUSTAINABILITY

60 General Disclosures

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Purple Heron, *Ardea Purpurea*,
commonly found at Paya Indah Discovery Wetlands

Sustainability Report

Build Right. For Life.

WE EMBRACE OUR UNIQUE RESPONSIBILITY AND ABILITY TO SHAPE THE STRATEGY FOR ENVIRONMENTAL AND BIODIVERSITY CONSERVATION AT THE DESIGN, PLANNING AND CONSTRUCTION STAGE. IT IS OUR MISSION TO ENSURE THE EMISSION REDUCTION PLAN IS INCORPORATED INTO A CITY OR A DEVELOPMENT TO ALLOW GREENHOUSE GAS REDUCTION TO BE ADOPTED SEAMLESSLY THROUGHOUT THE PROJECT DEVELOPMENT LIFE CYCLE. THAT WAY, WE DOUBLE DOWN ON OUR EFFORTS BY HELPING THE RESIDENTS OF OUR BUILT ENVIRONMENT AND THE USERS OF OUR INFRASTRUCTURE IN LOWERING THEIR RESPECTIVE CARBON FOOTPRINTS TOO.

Gamuda has accumulated years of experience in fostering positive change and legacies in the economic, environmental, social and governance sphere. Gamuda Parks is the umbrella programme encompassing our efforts in biodiversity and nature conservation and preservation, which are crucial in creating wildlife corridors to mitigate human-animal conflict while protecting endangered wildlife species. An arboretum was established by drawing on the native knowledge of *Orang Asli*, or indigenous people, and the scientific research of arborists to cultivate plant and tree species that suit the habitat, and where appropriate we revive endangered species or reintroduce native species. These trees will later be replanted at our future development sites under the Advance Tree Planting initiative.

We are taking strong guardianship of the Paya Indah Discovery Wetlands to conserve the biodiversity of this natural sanctuary and raise public awareness about the importance of wetlands, which are the habitats to an estimated 90% of the living species in the world.

As a leading engineering and construction company, Gamuda continues to play a prominent role in social enhancement with appropriate training, development, and exposure to our employees, supply chain, stakeholders, and community. We constantly upskill our workforce and contractors to match the increasingly sophisticated infrastructure projects that we embark on, and we often set up specialised training centres that cater to the niche requirements of our undertakings. From the Gamuda Plant Operator School, which raises the competency of machine plant operators, to the Tunnelling Training Academy and BIM Academy, we have partnered with global experts from Siemens, Bosch to Herrenknecht to equip our workers and other industry participants in Malaysia with the best know-how in infrastructure building. With a great emphasis on safety, we have been leading the Malaysian construction industry standards with the establishment of the KVMRT Safety Training Centre.

Gamuda's strengths lie in innovation. This is reflective in Gamuda's cutting-edge projects, the latest of which will be the upcoming Penang South Islands. It is not just a low carbon development; the smart industrial park will be powered by renewable energy, and we are incorporating low carbon mobility into the masterplan to encourage the usage of more bicycles and water transport instead of fueled-vehicles.

Our innovations have won us international accolades. Our Autonomous Tunnel Boring Machine garnered the Technical Product/Equipment Innovation of the Year award at the 2019 International Tunnelling and Underground Space Association (ITA) Tunnelling Awards in Florida, and received recognition by the British Tunnelling Society in the category of Innovation in Tunnel Excavation 2019 Award, in New Civil Engineering Tunnelling Festival. We also received the coveted Sword of Honour from the British Safety Council last year for upholding safety and health at the workplace for the KVMRT Putrajaya Line project.

Gamuda is actively involved in circular construction, and we are finalising plans to lower our total greenhouse gas emissions over the next two decades towards low carbon by 2030 and carbon neutral by 2040 across all our operations. Corporate decisions will then be aligned with these long-term goals.

We are aware of the urgency to protect the planet against the triple crisis of climate change, biodiversity loss, and unsustainable exploitation of natural resources. The consequences of failing to do so collectively are dire. The evidence is clear that we must tackle this with greater resolve and urgency while elevating sustainability risk management to the top of our corporate agenda. There are four key material matters we are focused on – economic performance, climate action and biodiversity, innovation, and safety and health. In better managing a pandemic crisis, we have set up an internal polymerase chain reaction (PCR) testing lab to support our larger objective of ensuring business continuity.

We have now formalised our value creation strategy in the sustainability framework, anchored on three key pillars – Our People and Community; Planning, Design and Construction as well as Environmental and Biodiversity Stewardship. This is the result of our learnings throughout the journey of sustainability reporting, which has come to the fourth year in 2020.

This year, we share our annual updates on what we have done and what we plan to do to enhance sustainability in our business based on the global frameworks and goals such as the Global Reporting Initiative and the United Nations Sustainable Development Goals. This report provides our stakeholders with a summary of our programmes and efforts in safeguarding a sustainable environment for future generations.

About This Report



REPORTING APPROACH

Gamuda Sustainability Report 2020 focuses on the sustainability strategy, current performance and future plans of the Group, namely on the material Economic, Environmental, Social and Governance aspects of business operations.

This report has been prepared in reference to the Global Reporting Initiative (GRI) Standards and aligns to the statutory listing requirements prescribed by Bursa Malaysia Securities Berhad (Bursa Malaysia).

The reporting principles covered in this report include:

Stakeholder Inclusiveness: capturing our stakeholder's expectations and concerns;

Sustainability Context: presenting our performance in the wider context of sustainability;

Materiality: identifying and prioritising the key sustainability issues that our Group encounters;

Completeness: reporting all sustainability topics that are relevant to our Group, and those that influence our stakeholders.

The Materials established as the reporting perimeters in this report are as stated below:

GRI 201 Economic Performance 2016

GRI 304 Biodiversity 2016

GRI 305 Emissions 2016

GRI 401 Employment 2016

GRI 403 Occupational Health and Safety 2016

GRI 404 Training and Education 2016

GRI 405 Diversity and Equal Opportunity 2016

GRI 413 Local Communities 2016



REPORTING PERIOD

This report refers to the financial year period from 1 August 2019 to 31 July 2020 (unless indicated otherwise).



SCOPE AND BOUNDARIES

This report covers all our main activities, and key business operations in Malaysia, mainly engineering and construction, and property division for which we have direct managerial control, unless otherwise specified. Accordingly, the following entities have been excluded:

- Our joint ventures and associate companies
- Our water and expressway concessions



INDEPENDENT ASSURANCE

We have obtained assurance for selected GRI Standard material matters for our current report. We acknowledge the credibility and importance of independent verification and have hereby obtained assurance on selected key sustainability indicators.

Kindly refer to page 127 for the Limited Assurance Statement



REFERENCES

References to 'Gamuda', 'the Company', 'the Organisation', 'the Group' and 'we' refer to Gamuda.



FEEDBACK

We value our stakeholders' feedback to continuously improve our reporting and sustainability practices. You are welcomed to contact us at:

✉ gcc@gamuda.com.my

☎ +603 7491 8288

Sustainability Report



MEMBERSHIP

Master Builders Association Malaysia (MBAM)
Women in Rail (WIR) Malaysia
Real Estate & Housing Developers' Association (REHDA)
Malaysian Investment Development Authority (MIDA)
Kuala Lumpur Business Club (KLBC)
American Malaysian Chamber of Commerce (AMCHAM)
Roads Australia (RA)
Infrastructure Sustainability Council of Australia (ISCA)

The Australian Airports Association (AAA)
Construction Contractors Association (CCA) Western Australia
Civil Contractors Federation (CCF)
Committee for Economic Development of Australia (CEDA)
Tunnelling and Underground Construction Society Singapore (TUCSS)
Taiwan Regional Engineering Contractors Association
New South Wales Indigenous Chamber of Commerce (NSWICC)



MANAGING OUR SUPPLY CHAIN

Our supply chain has always been a pivotal part of business, especially in creating value beyond the Group. We strive to strengthen the relationship with our suppliers with continuous engagements and instilling good business ethics. Our efforts are centred on ensuring fair and transparent procurement practices through diligent evaluation.

In the last financial year, we have gone up a notch with our digital procurement platform, SAP Ariba e-procurement. The platform allows us to better manage the procurement processes from call for tender process to award. The system is auditable and ensures that the procurement life cycle is more transparent and accurate.

During the Movement Control Order (MCO) when we were working remotely, it became apparent that we had to rethink our approach to business continuity, system availability, accessibility, resilience and security. Hence, we invested in SAP S/4HANA, a new generation cloud-based enterprise resource planning (ERP) platform that will provide the foundation for the Group to current processes and build future business capabilities.

SAP S/4HANA is consistent with our move to become an agile organisation in responding to fast-changing market. Teams are built around end-to-end accountability, where accountability is driven down the leadership chain. This is coupled with ERP making timely, accurate data and analysis available for informed decision-making, and to identify opportunities for innovation and cost reduction.

SAP S/4HANA also enables us to use digital tools to promote process automation; better customer engagement, using analytics to grow sales; and improving productivity and efficient use of raw materials and resources. This encourages less wastage and advocates sustainability throughout our operations.

Gamuda's principles of good procurement practices are governed by the Group Procurement Policy.

Following pre-assessment, regular performance monitoring is conducted throughout the working period upon the awarding of contracts to ensure all supply chains adhere to the necessary requirements that have been outlined and uphold their reputation and credentials beyond just product and service quality.

As part of our process to influence sustainability further into our supply chain, we are revising our evaluation criteria for vendor selection to have more sustainability-related requirements such as biodiversity, environmental management system and sustainability policies. In line with our efforts to create sustainable cities for the communities, we will be evaluating suppliers on their experience in sustainable construction such as green buildings, BIM technology and smart cities for relevant projects moving forward.

Our procurement strategy will focus on building the awareness on sustainability throughout the supply chain and forming strong alliances among vendors to better adopt sustainable construction. As a Group, we want to influence the industry especially our supply chain to better embrace sustainability in the near future.

Sustainability Achievements

EdgeProp Malaysia's Best Managed and Sustainable Property Awards 2020

- ILAM Malaysia's Sustainable Landscape Award (Gold) for Horizon Hills
- Building a Sustainable Development Award (Winner) for Gamuda Land

These awards recognise developers and projects that are designed, built and maintained for sustainable and best-in-class property management.

FIABCI World Prix d'Excellence Awards 2020

Master Plan Category (World Gold Award) for Gamuda City

This award recognises the project that best embodies excellence in all the real estate disciplines involved in its creation. It illustrates concretely the FIABCI ideal of 'providing society with the optimal solution to its property needs'. Some of the key criteria include Architecture and Design, Environmental Impact, and Community Benefits.

Malaysia Landscape Architecture Awards 2020

Batu Patong Kelabit Eco Lodge – Green Initiative Award (Excellence)

This award recognises programmes, events, campaigns or landscape architecture projects that contribute towards the enhancement of city greenery and community well-being.

Malaysia Technology Excellence Awards (MTEA) 2020

Winner of Augmented & Virtual Reality – Engineering for BIMAR app

This award recognises and honours enterprises that lead the charge in developing ground-breaking projects, digital services, reimagined strategies and technological initiatives

PropertyGuru Asia Property Awards 2020

Special recognition for ESG, Sustainable Design, Sustainable Construction and Building Communities

This award recognises real estate developers who are relentless in their pursuit to be socially and environmentally responsible in their day-to-day processes.

StarProperty.my Awards 2020

The Earth Conscious Award – Best Sustainable Development (Excellence) for Gamuda Cove

This award goes to the development that has sustainability in mind. The winning project showcases environment-friendly elements in its planning, design and construction processes. Beyond that, the development encourages environmental sustainability as a way of life.

British Safety Council 2019

Sword of Honour Award for KVMRT (Sungai Buloh-Serdang-Putrajaya Line)

This award is bestowed to companies that have demonstrated exemplary management of health, safety and environmental risks, with a five-star rating and a score of at least 92% in previous OSH audit.

British Safety Council 2019

International Safety Award Best in Country Award for MMC Gamuda

This award recognises overall 'best in class' submissions based on submissions from the same country of any industry.

British Safety Council 2019

International Safety Award (with Distinction) for KVMRT (Sungai Buloh-Serdang-Putrajaya Line) Underground

This award recognises organisations from around the world which has shown a true dedication to keeping their workers and workplaces safe.

British Safety Council 2019

International Safety Award (Sector Awards under the Construction and Property Activities Category) for MMC Gamuda

This award recognises overall 'best in class' submissions to the International Safety Awards, by industry sector.

EdgeProp Malaysia's Best Managed Property Awards 2019

ILAM Malaysia's Sustainable Landscape Award (Silver) for Valencia

This award recognises projects and spaces that are designed, built and maintained based on sustainability criteria such as ecological and environmental values, community-oriented planning and design besides aesthetics and creativity.

RISM Excellence Awards 2019

Contribution Towards Sustainability in Construction for Gamuda Berhad

This award recognises concerted efforts in ensuring the socio-economic and environmental viability of the development by creating liveable communities and delivering value through innovation for greater environmental, economic and social impact.

StarProperty.my Awards, 2019

Best Health and Wellness Development (Excellence), The Long Life Award 2019 for Horizon Hills

This award recognises the development with comprehensive health, fitness and rejuvenation facilities. The project is dedicated to providing wellness living and is designed with a holistic approach to provide the residents with opportunities for a healthy lifestyle.

Technical Product/Equipment Innovation 2019

Innovation in Tunnel Excavation 2019

Winners are recognised by International Tunnelling and Underground Space Association and leading British Tunnelling Society New Civil Engineer (NCE) for the most ground-breaking innovation and outstanding projects in tunnelling and underground space use.

- 1 ISO 9001: 2015
- 2 ISO 14001: 2015
- 3 ISO 45001: 2018

Forbes – The World's Best Employers 2020

The only Southeast Asia-based company to be listed onto the Top 50

The final list is composed of 750 multinational and large corporations headquartered in 45 countries based on employees feedback on the company's response to the COVID-19 pandemic, image, economic footprint, talent development, gender equality, and social responsibility.

Sustainability Report

Key Highlights

ECONOMIC



- **BIMAR, an Augmented Reality** application was developed to allow real-world visualisation of 3D building designs via mobile device during site inspections. **Recognised with the Malaysia Technology Excellence Award 2020.**
- **Autonomous Tunnel Boring Machine** uses Artificial Intelligence Control Algorithms to operate TBMs with autonomous control. **Winner of the International Tunnelling and Underground Space Association in Miami & Innovation in Tunnel Excavation 2019 in London.**



99%

Local Malaysian supplier and vendors.



- **Sustainable Building Development**
The Earth Conscious Award.
- **Best-in-Class Property Management**
ILAM Malaysia's Sustainable Landscape Award.
- **The Responsible Developer**
EdgeProp Malaysia's Best Managed and Sustainable Property Awards 2020.
- **Best Property Development**
Putra Brand Award 2019.



- **Top 84 Council Overall Excellence in Upholding Health and Safety at the Work Place and Acing a Comprehensive Safety Audit**
Sword of Honour 2019, International Safety Awards 2019 Distinction and Five Star Occupational Health and Safety Audit 2018.
- **The First Malaysian-based company to achieve accreditation**
from the Office of the Federal Safety Commissioner, the accreditation of Federal Level for work safety and health in the Australian construction sector.
- **Lendlease Safety Award**
Completing TRX Residences Plot 1C and achieving **450,000 hours** LTI-Free.

ENVIRONMENT

- **Gamuda Parks Arboretum** set up to introduce and regenerate plant or tree species that suit the habitat.
- Tap on the native knowledge of **indigenous people** and professional studies by arborists to cultivate species in the living-tree museum.

Guardianship of Paya Indah Discovery Wetlands, a sanctuary for 244 bird species, 12 mammals and 19 reptiles; about 90% of living species in the world live around wetlands.

Participating in the **IUCN Red List Species Conservation** since 2018.



26 flora and **36** fauna species identified under the IUCN Red List.



>5% replanted with 14 endangered tree species.



Advanced tree planting **5,975 native species** planted.



Tree Preservation Survey
Tree planting, interactive nature board with QR code application, tree tagging and topsoil harvesting.



280,000 trees in
Urban Green Reserve
>1,600 acres.



As much as **35%**
landscaped area in
Gamuda developments.

- The **Plate to Plant Campaign** reduces and repurposes food waste generated throughout Gamuda's offices and developments.
- Food-composting machines collect **up to 100kg of food waste daily** at each Gamuda sites, which are processed into organic compost for landscapes in Gamuda developments.



Penang's Inaugural Climate Action Week 2019

Riverside Clean-up Programme
175kg of trash was collected.



>7,700kg of fabric waste was collected and repurposed

from Menara Gamuda, twentyfive.7, Jade Hills, Kundang Estates, HighPark Suites and Gamuda Cove.



Monthly Recycling Drive with Tzu Chi Foundation.

SOCIAL



- COVID-19 preparedness: Gamuda started our own **polymerase chain reaction (PCR) testing lab** and is the **first private Malaysian** company to do so.

Coupled with an in-house ambulance and testing at all our construction sites, Gamuda is among the **most well-equipped local private companies** that is prepared in managing this pandemic crisis with close collaboration with the Ministry of Health.



- Developing the workforce and supply chain through **customised training programmes** such as Gamuda Plant Operator School, Tunnelling Training Academy and BIM Academy.

World-class trainings are designed in **collaboration with global brands** including Siemens, Bosch and Herrenknecht.

English Language Unit (ELU)

to enhance the language proficiency among employees.

1st construction company in Malaysia to receive the 2019

Innovation in Assessment Award recognised by the British Council.



- Since 2017, Enabling Academy has trained **63 candidates in 7 batches**, equipping them with relevant skills for employment.
- **60% of graduates** secured jobs at partner companies that share our vision for inclusive, equitable, and sustainable growth.
- Gamuda is the **first private company** to operate such Employment Transition Programme in Malaysia.
- **Produced Malaysia's 1st Employment Transition Programme Trainer's Manual** as a resource for special education teachers, vocational trainers and job coaches for people with autism and other disabilities.

GAMUDA INSPIRATION AWARD

- Gamuda contributed a **total of RM4 million** to the annual **Star Golden Hearts Award** since 2016, providing a platform for humanitarian works expansion, recognition and promoting the act of kindness and altruism in the society.
- **Four winners** have since received a sum channelling to the social enterprises they champion that benefit their communities.

Sustainability Report

Value Creation Strategy

We have enhanced our value creation strategy with the sustainability framework – “*Build Right. For Life.*” – that blueprints a detailed roadmap to help us achieve sustainable growth while delivering our purpose. As a builder, developer and operator, we are guided to create diverse solutions benefiting the planet, people and Gamuda’s ecosystem of companies and stakeholders.

INPUTS		➔ ESG INTEGRATION
Financial Capital We create long-term value for our clients, shareholders, business partners and employees. Underpinned by a managerial culture that combines prudent financial management and innovative mindset, we have a business model that generates virtuous growth. We share the benefits of our performance for solid shareholder return.	 RM12.6 billion Capital Employed	Build sustainable business revenue and profitability while conserving the environment and improving communities.
Organisation & Human Capital Under the pack of trust that binds Gamuda’s all-round performance is our capable and dedicated employees. We invested in the human capital development cycle and have adopted a stronger framework so that our human capital is further enhanced for continuous effective contribution while aligning to integrity and transparency practices.	• 4,284 employees (in the Group). • Remodeled the Centralised Labour Quarters, conducted testing updated health policies, intensified cleaning and disinfection efforts, employee training and procedures in response to COVID-19.	Build a forward-looking organisation that appreciates and invests in our people’s professional development while ensuring their well-being. Influence the supply chain towards adopting ESG and support the local marketplace.
Manufactured Capital As a builder, developer and operator, we play a key role in the transformation of cities and regions. We endeavour to build a more sustainable world and leverage on our role as a private-sector partner working with the public interest and climate resilience in mind. By applying our core competencies, we invest in innovations and engage our network towards meaningful contributions to the UN SDGs.	• 16 successful tunnel breakthroughs for MRT Putrajaya Line. • Innovation of the Autonomous TBM (A-TBM), winning the Technical Product/Equipment Innovation of the Year award at the 2019 International Tunnelling and Underground Space Association (ITA). • Sword of Honour 2019, International Safety Award Distinction and Five Star Occupational Health and Safety Audit. • Average 58 percent (Scope 1), 96 percent (Scope 2) and 55 percent (Scope 3) lesser GHG emissions using digital industrialised building systems (IBS) construction.	Build quality infrastructures and developments, with green and innovative products while creating opportunities for sustained value.
Social & Relationship Capital We integrate social responsibility issues into the Group’s strategy. We value inclusive performance by being a responsible employer, business partner and community member. Hence, we place our stakeholders’ best interest as part of our decision making process.	• Since 1996, Yayasan Gamuda has invested RM44.7 million and awarded 444 scholarships. • More than RM4 million spent since 2016 to support the Star Golden Hearts Award and Gamuda Inspiration Award on their worthy cause to ensure continuous progress in the communities. • Trained 63 adults with autism for sustainable employment. • Trained 1,000 Tunnel Training Academy graduates. • Keeping the indigenous community in Bukit Cheeding, Malaysia safe during the COVID-19 pandemic with donations of face masks and hand sanitisers.	Build valued relationships with societies towards integrated partnerships and greater livability.
Natural Capital We are committed towards a circular economy to conserve and recover natural resources. The implementation of our business lines takes into the account of our stakeholders to reduce carbon footprint across the value chain with forward-looking analysis and solutions for carbon neutrality and improvement in eco-efficiency performance. We apply the ‘avoid-reduce-offset’ principle to our projects. We ensure integration of nature with our design aspirations and products.	• 280,000 trees planted as part of Urban Green Reserve, covering more than 1,600 acres. • Collaborated with the Department of Wildlife and National Parks Peninsular Malaysia (Perhilitan) in maintaining the Paya Indah Discovery Wetlands. • Gamuda Group Sustainability Policy. • ISO 14001:2015 Environmental Management System.	Build developments that meet the needs of the present without compromising the natural resources and ability for future generations to appreciate it.

The Gamuda value creation approach encapsulates and integrates the 17 relevant United Nations Sustainable Development Goals (UN SDGs) for business and financial aspects of ESG performance. We align the five capitals with performance, value creation and specific standards. In recognising the COVID-19 pandemic that has brought the world to uncharted and challenging times, we continue to engage our valued stakeholders closely to help support the business value chain and maintain key priorities such as our employees' well-being and keeping the worksites safe.

VISION AND STRATEGY

VISION

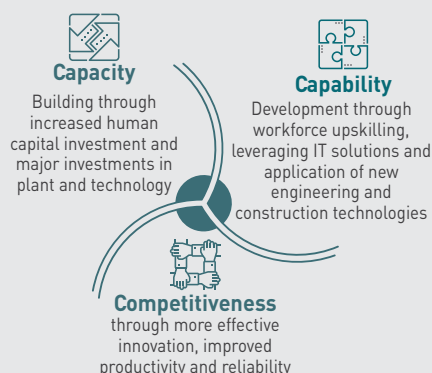
We aim to lead the region in innovative breakthrough solutions for large-scale public infrastructure and property development.

MISSION

We reliably deliver innovative world-class infrastructure and premier lifestyle properties for our customers through our core businesses in infrastructure development and construction, operation of infrastructure facilities and property development.

STRATEGY

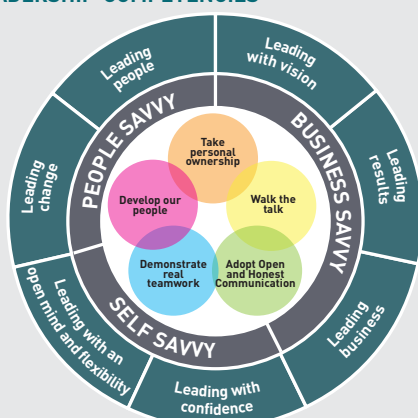
Our strategy to achieve sustainable growth is based on our 3C's approach – Capacity, Capability and Competitiveness building.



VALUES

- Take Personal Ownership
- Walk the Talk
- Adopt Open and Honest Communication
- Demonstrate Real Teamwork
- Develop Our People

LEADERSHIP COMPETENCIES



VALUE CREATION



ENGINEERING AND CONSTRUCTION

- Continue to push ourselves for new engineering innovations by accelerating digitalisation efforts in construction and project management.
- Upskill and reskill our workforce to use digital tools, mobile devices and automation at the workplace.
- Constantly streamline the critical processes that make up our value streams.
- Enhance safety and health awareness and practices at the workplace.
- Adopt circular construction principles and inculcating a sustainability approach in all our activities.
- Build on our technological advancement and innovation in tunnelling, underground construction and digital manufacturing of industrialised building systems (IBS).



PROPERTY DEVELOPMENT

- Emphasis on getting it right from the beginning at the master planning and design stage, building in harmony with the land where nature conservation and biodiversity takes place at a meaningful scale.
- Take a whole life cycle approach, incorporating low carbon design and construction, promote the use of renewable energy and generate lower emissions throughout the project's lifetime.
- Differentiated and creative placemaking to catalyse neighbourhood and community development; creating experiences and identities in our developments to connect people to our places.
- Provide smart infrastructure in our developments with real-time data collection and monitoring for community development and intelligent services.
- Promote smart mobility and last mile connectivity to complement road transport.



INFRASTRUCTURE CONCESSIONS

We continue to operate our water and highway concessions that have powered the nation and provided the Group with steady recurring incomes over the years.

As Malaysia's largest intra-urban highway concessionaires, we have helped spur the growth of our nation by constructing and operating some of Malaysia's most significant infrastructure projects spanning railways, highways, expressways, dams, water and sewerage treatment plants.

VALUE SHARED WITH STAKEHOLDERS

Revenue
RM6.8 billion

Dividend per share
6 sen

CORE PBT
RM733 million

3.62%
of employee shareholders for share capital

99%
spent on local suppliers

31%
women in the workforce

43%
women on Board

1% workforce is differently-abled/adults with autism

63 Enabling Academy candidates (7 batches) since 2017

450,000 man hours completed with no loss time injury (Gamuda GEO, the first Malaysian-based sub-contractor to win the Lendlease Safety Award for aching the Global Minimum Requirement)

Gamuda Land – Winner of the Responsible Developer, EdgeProp Malaysia's Best Managed and Sustainable Property Award 2020

Up to **35%** reserved for landscape area in Gamuda developments

Sustainability Report

Sustainability Risks and Opportunities

Material matters in Gamuda Materiality Matrix have an impact on our ability to create long-term value. These matters influence the Group's management, which steers the execution of our strategy. We identify matters with risks and opportunities as part of the Risk Management Framework and our Sustainability Framework – *Build Right. For Life.* as guidance in providing solutions for sustainable urbanisation and to reduce ESG-related risks. This approach leads the performance in key focus areas in the

Gamuda Sustainability Framework Pillars	High Priority Material Matters	Sustainable Development Goals	Relevance and Risk	Where Do We See Opportunities	Strategic Response
Pillar 1 Our People, Our Community Pillar 2 Design, Planning and Construction Pillar 3 Environmental and Biodiversity Stewardship	Economic Performance	  	A large part of the Group's financial and order book development is subject to risks that are market and Government driven, intense competitive landscapes, evolving customer demands, disruptive technology and external implications of geopolitical advances. Key Risks - Market and competition risk - Financial risk - Operational risk	The Group gives high-level attention to economic performance-related risks, which are reviewed to formulate improved business strategies and responses for pre-emptive actions. This includes strategic investments on acquisitions and disposals that could have a material impact on the Group's share value. Priority is focused on margins rather than business volume as part of the Group's disciplined risk management process. The common objective across all the Group entities is to extend our presence in high value-added segments such as smart industrial parks, to strengthen internal synergies for targeted growth in the transport infrastructure projects, and accelerate international growth.	- Employ digital platforms for agile transformation across our lines of business. - Stimulate organisational agility by reskilling and upskilling to higher level all-rounder competencies. - Focus on the 3Cs – Capacity, Capability, and Competitiveness. - Adopt targeted strategies to develop and retain talent, and achieve diversity.
Pillar 2 Design, Planning and Construction Pillar 3 Environmental and Biodiversity Stewardship	Climate Action and Biodiversity	 	Climate change poses increasingly cascading threats for ecosystems, human health, and the global economy. This is in addition to the construction sector risk as it is heavily reliant on natural resources for its operations and sustained growth. Key Risks - Financial risk - Operational risk - Reputational risk - Zoonotic-pandemic related risk	Builders play an influential role in shaping the transition to a low carbon economy that is crucial to lessen climate change risks. This in turn brings new opportunities and business growth while conserving most of our natural resources. Better and more flexible adaptation strategies, policies, and measures can be put in place to reduce projected climate extremes throughout the project life-cycle analysis. This includes increasing green spaces for social and environmental integration in projects, adopting biodiversity management, and carbon offset programmes for ecological mitigation, protection, and regeneration.	Getting the right mix from the beginning at the integrated master planning and design stage, building in harmony with surroundings. Gamuda Parks to promote biodiversity conservation, enhancement and the preservation of native species. Gamuda Parks Arboretum where arborists can congregate under one umbrella with the aim to preserve and revitalise plants and trees within urban settings and to educate people to care and commune with nature. Stewardship of the Paya Indah Discovery Wetlands with the Selangor State Government will further bolster our efforts to educate the public on climate action, biodiversity conservation and coexisting with nature.

high priority material matters, aligned to the materiality within the key elements of integrated reporting and guidelines by Bursa Malaysia and Global Reporting Initiative (GRI). We undertake well-considered risks to optimise business returns while considering the holistic impact on corporate sustainability.

Gamuda Sustainability Framework Pillars	High Priority Material Matters	Sustainable Development Goals	Relevance and Risk	Where Do We See Opportunities	Strategic Response
Pillar 2 Design, Planning and Construction	Innovation	 	Delay for advancement in innovation impedes growth into new products and areas including challenges to attract and retain talents. Services and products of standard business models may risk obsolescence if the Group is not well-equipped with the changing skillsets from the advent of disruptive technology and market innovators. Key Risks • Technological and cyber risk • Financial risk • Operational risk • Reputational risk	Double down on our strengths with differentiated planning and technology-enabled project execution and delivery. As an innovative leader in some fronts, we continue to promote a culture of innovation, cultivating a data driven mindset with improvements in data literacy and digital dexterity. Modernise our digital platforms and construction technology to streamline and power our current and future business capabilities. Focus on data as a corporate asset.	Digitalisation is key to ensure our continued relevance and expansion of our business. It enables us to be agile in responding to changes in our operating environment taking into consideration the economic, environmental and social changes in a built setting. These shifts provide opportunities for the Group on the development of eco-efficient solutions that are central to the Group's businesses focused on forward-looking issues for competitive advantage.
Pillar 1 Our People, Our Community	Safety and Health	 	Maintaining a high level of safety and health standards is of paramount importance across the Group, particularly at the construction sites centred around busy urban areas where the risks are greatest. Key Risks • Financial risk • Operational risk • Reputational risk	• Partner with building industry advocates, utilise automation and robotic construction to accelerate the adoption of prefabricated products across the industry and elevate the supply chain for improved quality, safety and productivity. • Institutionalise and embed the experience from the KVMRT Safety Passport Training Programmes across the organisation. • Gamuda Plant Operator School (GPOS) that has been running since 1997 to provide trained heavy equipment and crane operators for the construction industry. • Tunnelling Training Academy (TTA) and Construction Training Centre (CTC) to develop higher skilled workforce, enhance construction standards and uplift safety at the worksites.	Gamuda is committed to provide a safe, healthy, and conducive environment for its employees, workers, and communities where we have a business presence. The Group clinched the Sword of Honour 2019, International Safety Award Distinction, and Five Star Occupational Health and Safety Audit. In Australia, Gamuda became the first Malaysian-based company to achieve accreditation from the Office of the Federal Safety Commissioner and pre-qualification to work with Transport for New South Wales roadworks level R5, bridgeworks level B4, and financial level F150+ (unlimited).

Sustainability Report

Sustainability Governance and Framework

Gamuda as a company that has experience and presence globally, recognise the responsibilities we have in delivering not only quality but ethical and valued services and products. We continue to strive in practising and implementing sound corporate governance practising in all our business activities. We ensure the governance aspects are well aligned to both local and global requirements, especially governance expectations of the country we have businesses with.

In Malaysia, our core business governance mirrors the Malaysian Code on Corporate Governance (MCCG) and adherence to related industrial best practices. The Group is committed to instill good governance through an extensive system of monitoring, meaningful policies, standard processes, training and effective communications.

We govern our sustainability matters (Economic, Environment and Social) through a comprehensive governance structure that is strongly held by risk and business representation. It sees an integrated collaboration by the Board of Directors, Senior Management, Chief Sustainability Officer, Business Leads and Business Representatives.

The risk committee acts independently to ensure long-term sustainability aspects are compliant with the sustainability principles. This all-inclusive governance approach eases our process in identifying regulatory issues and risks, preparing risk mitigation strategies as well as evaluating gap between corporate governance standards and corporate governance practices within the company.

The Board of Directors (BOD) has general oversight of the Group's sustainability strategy and performance. The BOD reviews the progress and sets the aspirations on sustainability matters. The senior management that is led by the Group Managing Director, oversees the sustainability matters for the Group that include setting the direction, targets and driving the Group's objectives on sustainability. Working alongside, the Chief Sustainability Officer develops ongoing strategies to operationalise our sustainability programmes, monitors and advises the step progress to support the Group's sustainability goals.

The Sustainability Steering Committee (SSC) comprises the leads of businesses and sustainability matters (e.g. Biodiversity and Occupational Safety and Health). Together, SSC is responsible for managing all related information and performs assessments on sustainability related programmes.

The Sustainability Working Council (SWC) is responsible for monitoring all related performance data and performing assessments on sustainability related programmes. The SWC meets on a monthly basis while SSC, quarterly to discuss on the Group's performances and plans. The SWC members act as sustainability ambassadors to promote sustainability within the Group.

Gamuda Sustainability Governance Structure



For further information on our corporate governance and risk management, kindly refer to:

- *Corporate Governance* – pages 132 to 151
- *Integrity and Governance Unit (Anti-Bribery and Corruption Policy, Code of Business Ethics and Whistleblowing)* – pages 150 to 151 or <https://gamuda.com.my/for-investors/corporate-governance/>

Gamuda Group Sustainability Framework

OUR SUSTAINABILITY BLUEPRINT

VISION

We aim to lead the region in innovative breakthrough solutions for large scale public infrastructure and property development.

MISSION

We reliably deliver innovative world-class infrastructure and premier lifestyle properties for our customers through our core businesses in infrastructure development and construction, operation of infrastructure facilities and property development.

STRATEGY

To achieve sustainable growth through our 3C's approach – Capacity, Capability and Competitiveness.

OUR PILLARS

Pillar 1

Our People and
Our Community

Pillar 2

Design, Planning and
Construction

Pillar 3

Environmental and
Biodiversity Stewardship

OUR FOCUS

GOVERNANCE

Economic

- Economic Performance
- Innovation
- Supply Chain Management
- Governance
- Indirect Economic Impacts
- Marketing and Labelling

Environment

- Climate Action
- Biodiversity
- Effluents and Waste
- Water Management
- Materials
- Land Remediation, Contamination or Degradation

Social

- Safety and Health
- Employee Management
- Customer Satisfaction
- Stakeholder and Community Relations
- Customer Privacy

OUR GLOBAL ALIGNMENT



Global Reporting Initiative (GRI)



OUR APPROACH

Our Values

Take Personal
Ownership

Walk the Talk

Adopt Open
and Honest
Communication

Demonstrate Real
Teamwork

Develop Our
People

Sustainability Report

Stakeholder Engagement

Our stakeholders are an integral part of our business, thus understanding and addressing their expectations is key towards further strengthening the relationship. The involvement of our key stakeholders is essential to our sustainability journey, particularly in identifying areas for improvements and defining the expectations on our sustainability areas.

We have nurtured a good relationship with our stakeholders by emphasising and prioritising the people, product quality, personalised services, social impact, economic performance and our diligence in complying with relevant laws and regulations.

The table showcased below has been revised as per data we have collated from our engagements with stakeholders throughout FY2020.

Stakeholders	Type of Engagement	Frequency of Engagement	Area of Interest	Outcomes	Addressed by Material Sustainability Matters
Customers	- Social media - Newsletter - Circulars and email - SnagR/FieldView - Gamuda Land mobile application - Customer portal - Events and campaigns - Loyalty programme	- Weekly - Quarterly - As needed - As needed - Ongoing - Ongoing - Ongoing - Ongoing	- Product quality - Customer service and experience - Product/services - Safety and health - Smart and sustainable cities	Understand the Group's aspiration and current policies on sustainability, especially on delivering quality product/services	- Customer Satisfaction - Customer Privacy - Marketing and Labelling - Stakeholder and Community Relations
Employees	- Town hall - Meetings - SHE committee meetings - Trainings and workshops - Focus group discussions - Surveys - Internal communications - Newsletter - Workplace by Facebook	As needed	- Company direction and performance - Career development and training opportunities - Workplace safety and health - Well-being of employees - Effective communication between employees - Fair and competitive remuneration practices - Work-life balance - Climate action	- Good understanding of the Group's sustainability direction and efforts, that include updated policies and plans. - Being part of management's forward-looking ideation process.	- Safety and Health - Employee Management - Governance - Economic Performance
Suppliers and Contractors	- E-procurement system - Supplier training programmes - Supplier evaluation - Email	- Ongoing - As needed - Annual/Biennial - As needed	- Transparency in procurement processes - Knowledge sharing and capacity building - Implementation of e-Procurement (SAP Ariba and BuildSpace)	Improve awareness on Group's sustainability direction and commitment while understanding the policies, culture and values	- Supply Chain Management - Governance

Stakeholders	Type of Engagement	Frequency of Engagement	Area of Interest	Outcomes	Addressed by Material Sustainability Matters
Local Community	- Community development programmes - Info centres for MRT Putrajaya Line - Company website and social media - Collaboration with partners for community development - Events and roadshows	Ongoing	- Community development and support - Quality, safety, health and environment (QSHE) - Communication on our development plans and projects	Strengthening the relationship with communities where businesses are present while making a meaningful impact on the societies	- Stakeholder and Community Relations - Safety and Health - Biodiversity - Governance
Shareholders and Investors	- In-house, one-to-one and small group meetings with stakeholders - Annual General Meeting (AGM) - Extraordinary General Meeting (EGM) of Shareholders - Financial results announcements - Dialogue/teleconference between the Group and investors - Non-Deal Roadshows - Plan visits/business showcase	- Continuous - Annually - As needed - Quarterly - Continuous - As needed - Annually	- Operational and financial performance - Shareholder returns - Business strategy, risk management and corporate governance - Sustainability performance	Strengthening relationships with shareholders and investors, and improve corporate credibility	- Economic Performance - Governance
Regulators	- Industry workshops - Meetings and consultations - Reporting - Inspections - Collaboration and partnerships - Events	Ongoing	- Regulatory compliance - Improving construction sector productivity - National Housing Policy - Climate action - Smart and sustainable cities - Community development and support	Ensure strong compliance with regulations through regular reporting and communication with regulators	- Climate Action - Biodiversity - Safety and Health - Effluents and Waste - Governance - Water Management - Land Remediation, Contamination and Degradation

Sustainability Report

Materiality

MATERIALITY ASSESSMENT

Evaluation of priority or materiality assessment is a vital part of our sustainability reporting exercise. The process allows us to better align our reporting content to various stakeholder areas of interest while defining our boundaries. Through our five-step materiality assessment, we are able to conclude the utmost important areas of interest on sustainability for the Group.

The closed loop assessment begins with the Group's current state assessment to understand areas of improvement in comparison to the previous years. We utilise media and subject matter's inputs from various experts to identify local and global sustainability trends that are relevant to Gamuda. We ensure that perspectives from our internal and external stakeholders are well accounted via engagements and surveys conducted throughout the financial year.

Based on the stakeholder engagement exercise, we then conduct focus group discussion, meetings and interviews with the management to prioritise the material matters and ensure the materials remain relevant to Gamuda's business.

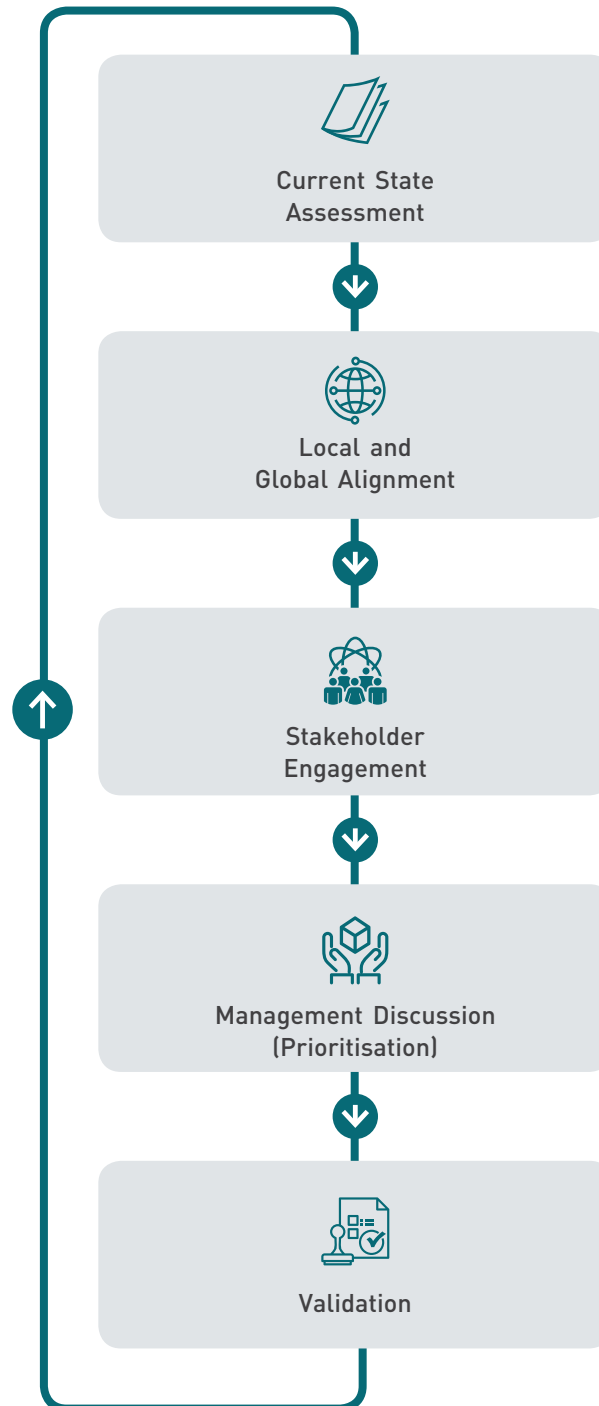
The validation process concludes the material assessment with agreement from the Board on the finalised Materiality Matrix and alignment to the Group's Sustainability Framework.

We aim to review our Materiality Matrix every year against the changing business landscape, emerging trends, regulatory development, as well as insightful stakeholder feedback to ensure we are responding to the issues that have the greatest impact on our business and stakeholders.

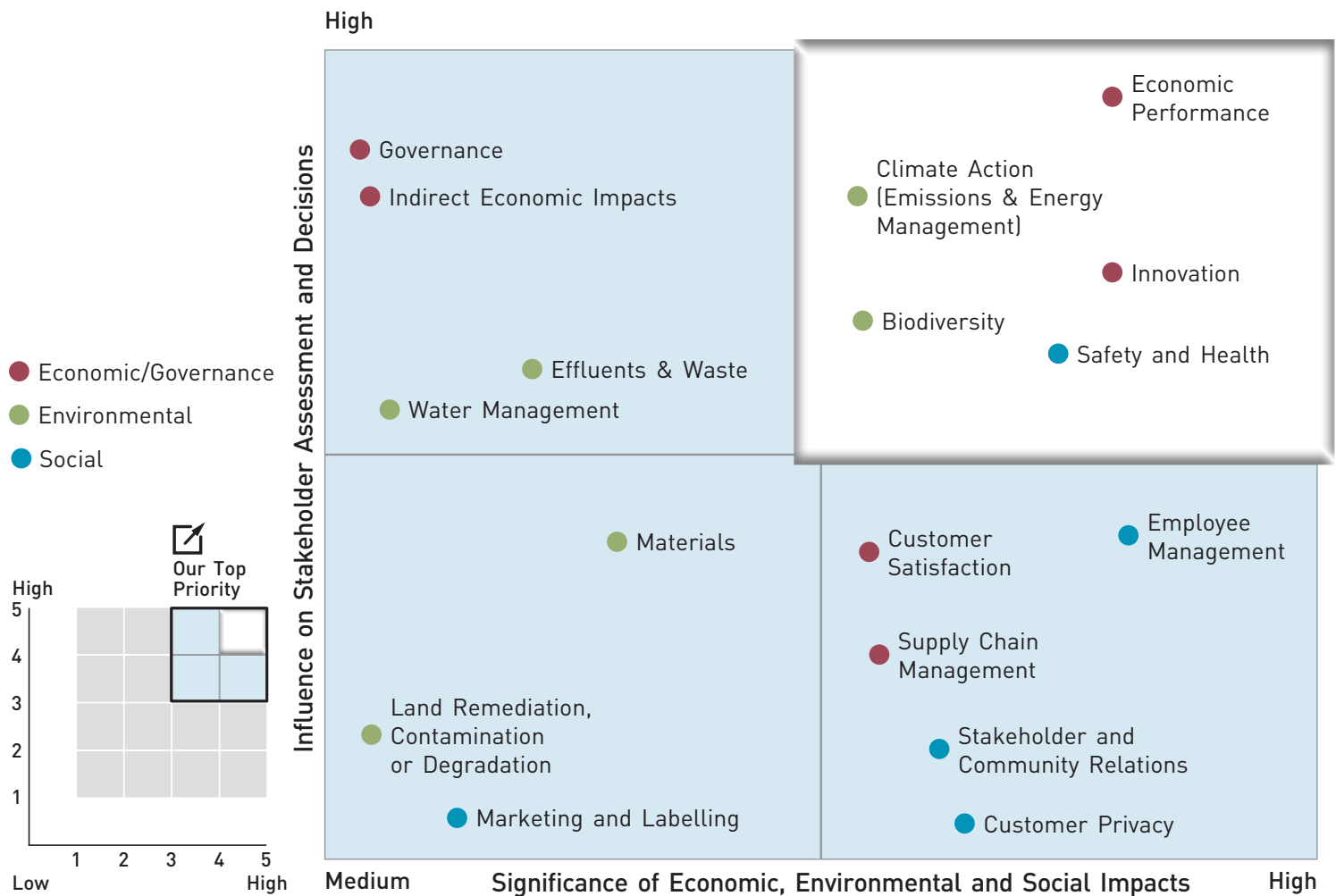
MATERIALITY MATRIX

In FY2020, we have identified 17 sustainability matters that are based on influence on stakeholder assessment and decisions, and significance of economic, environmental and social impacts (between medium to high). For FY2020, we have revisited and reassessed our sustainability matters. Through our internal material assessment, we concluded to retain all our five (5) material matters. Our material matters focus mainly on climate change (climate action and biodiversity) for environment, safety and health for social, and innovation and economic performance for economic.

Materiality Assessment Process



Our materiality matrix for FY2020 is illustrated below:



Economic/Governance	Environment	Social
• Economic Performance • Innovation • Customer Satisfaction • Supply Chain Management • Governance • Indirect Economic Impacts	• Climate Action • Biodiversity • Effluents and Waste • Water Management • Materials • Land Remediation, Contamination or Degradation	• Safety and Health • Employee Management • Marketing and Labelling • Stakeholder and Community Relations • Customer Privacy

Sustainability Report

Supporting UN SDGs

The United Nations Sustainable Development Goals (UN SDGs), also known as the Global Goals, is a universal call to action to protect the planet and ensure that everyone enjoys peace and prosperity by 2030. Malaysia together with other world leaders adopted the 2030 Agenda at the United Nations General Assembly in New York on 25 September 2015. This is a global commitment towards a more sustainable, resilient and inclusive development, with 17 Sustainable Development Goals (SDGs) and 169 targets. The 2030 Agenda has been shaped by relevant United Nations (UN) agreements and conventions as well as the experiences and achievements gained through the Millennium Development Goals (MDGs), the global development agenda spanning the period 2000–2015.

SUPPORTING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



Gamuda Key Support for SDGs

We believe our role as a global citizen, we hold the commitment too alongside the nation and global aspirations such as the UN SDGs. Over the years, we have focussed on three main aspects of sustainability in our “Build Right. For Life.” journey – promoting innovation, creating sustainable cities and emphasising the environment we build at. This is aligned with UN SDG Goals #9 (Industry, Innovation and Infrastructure), #11 (Sustainable Cities and Communities) and #13 (Climate Action).

SUSTAINABLE DEVELOPMENT GOALS



- Enabling Academy
 Refer pages 117 to 118
- Gamuda Plant Operator School
 Refer page 102
- Tunnelling Training Academy
 Refer pages 103 and 119



- Building a Sustainable Nation
 Refer pages 80 to 81
- Enabling Academy
 Refer pages 117 to 118



- Bandar Botanic
 Refer page 96
- Gamuda Parks
 Refer pages 97 to 99



- Paya Indah Discovery Wetlands
 Refer page 99



- International Women's Day
 Refer page 115
- Women in Engineering
 Refer page 116



- Autonomous TBM
 Refer pages 122 to 124
- Building Information Modelling
 Refer page 125
- Drone Surveying
 Refer page 121
- Tunnel Boring Machine
 Refer page 124
- Tunnelling Innovation
 Refer pages 120 to 121



- E-waste
 Refer page 95
- Food Waste to Compost
 Refer page 94



- Gamuda Parks Biodiversity Strategy
 Refer pages 97 to 99
- IUCN Species Conservation
 Refer page 98



- Gamuda Gardens Solar Programme
 Refer page 95



- Enabling Academy
 Refer pages 117 to 118



- Gamuda Gardens Solar Programme
 Refer page 95
- Greenhouse Gases Monitoring and Reporting
 Refer page 88



- Star Golden Hearts Award
 Refer page 114

Sustainability Report

Our Sustainability Footprint A Timeline Feature





2016

Gamuda IBS

- Promoting local digitalisation through new construction technology while reducing Greenhouse Gases
- For building affordable houses
- Upskilling job for tomorrow
- Opportunity for locals

 Refer page 81



2017

Enabling Academy

Preparing more people with autism for gainful and sustainable employment

 Refer pages 117 to 118



2016

Yayasan Gamuda

Foundation arm that focuses primarily on educational aid, empowering social enterprises and individuals for community improvement

 Refer page 126



2018

Gamuda Parks

- Ensure biodiversity and communal space is integrated
- Promote flora and fauna in Gamuda developments for biodiversity conservation

 Refer pages 97 to 99

Sustainability Report

Building A Sustainable Nation How We Have Made Impact

SMART – A CLIMATE MITIGATION

As a leading builder of urban infrastructure, Gamuda is aware of its responsibility in designing, building and operating structural elements that are both innovative and sustainable. The Group is fully committed to this mission and has been a pioneer in producing infrastructure that not only contributes to improved and more sustained urban development, but also delivers optimal social, environmental and economic outcomes by considering the complex interlinkages between different infrastructure systems and aspects of sustainability.



The 9.7km-long and 13.2m in diameter SMART, or Stormwater Management and Road Tunnel is a showcase of our technological innovation being the world's first dual-purpose tunnel serving the twin objectives of diverting flood waters and relieving traffic congestion in Kuala Lumpur. SMART has been mitigating stormwater flooding since 2007. To put this into perspective, the rehabilitation costs by the town council for flooding in 1971 amounted to RM36 million, while the 2003 flooding amounted to RM100 million. With SMART, some 30,000 road users are now able to travel safely and comfortably every day.

The project has won praises and accolades, including:

UN Habitat Scroll of Honour Award in 2011

CNN listing as one of the world's Top 10 greatest tunnels

National Geographic produced a documentary as part of its Megastructure series

Our Impact

World's 1st dual purpose tunnel

- Mitigate flash floods in Kuala Lumpur City Centre (*sustainable urban design against climate risk*)
- Provide an alternative – reduce traffic congestion and shortening travel time (*reduce carbon footprint from average 30,000 daily riders*)

GREENER INTEGRATED CONNECTIVITY: MASS RAPID TRANSIT

Rail is one of the most efficient and environmentally friendly mode of public transport. Gamuda is at the forefront of building a greener city in Kuala Lumpur through its involvement in the construction of the Klang Valley Mass Rapid Transit (KVMRT).

The MRT is a greener and cleaner mode of transportation compared to travelling in cars, as the train is estimated to account for only about six percent of carbon emission per passenger. The total carbon emission per passenger for a MRT train is accounted at



37.5g CO₂, compared with 600g CO₂ for a car and 330g CO₂ for a bus. An affordable and efficient public transportation enhances mobility for the poor and vulnerable groups, thus creating a more inclusive community. A less congested road also greatly improves the livability of the city.

KVMRT forms part of a modern rail-based network that seamlessly integrates with the existing Light Rail Transit (LRT), KL Monorail Line, Keretapi Tanah Melayu Berhad (KTMB) Komuter, Kuala Lumpur International Airport (KLIA) Transit Express Rail Link (ERL), as well as intracity and intercity bus routes. By providing a reliable and affordable public transport system, Malaysia targets to increase the public transport modal share for Kuala Lumpur to 40 percent in 2030, from 12 percent in 2009.

The 51km Kajang Line was the first of the three lines of KVMRT that was opened to the public since 2017, bolstering urban connectivity. The second line connecting the administrative capital of Putrajaya is currently under construction, and is on track for completion by 2023.

Our Impact

Providing Connectivity for 400,000 commuters per day (MRT Kajang/Putrajaya line)

- Providing a green travel alternative by offsetting vehicles on the road and reduce congestion indirectly (*carbon footprint offset*)
- Provide social connectivity – bridging different economic demographics

BRIDGING SOCIAL AND ECONOMICAL CONNECTIVITY: THE HIGHWAYS

Gamuda recognises that transportation and mobility are central to sustainable development, especially for a developing country. The construction of roads provides a huge multiplier effect on the local economy by spurring development along the transportation system, thus boosting job opportunities and business activities. Sustainable transportation also enhances economic growth and improves accessibility through the facilitation of people and goods.

Our flagship highway projects include the 34.5km Shah Alam Expressway (SAE), which serves as a major inter-urban expressway connecting several key industrial and residential areas from Kuala Lumpur, Cheras, Petaling Jaya, Subang Jaya, Shah Alam to Klang, terminating at the access road to Westport in Port Klang.



The Damansara-Puchong Highway (LDP), spanning 40km from Sri Damansara to Puchong has spurred the growth and businesses of several major developments along it, including Kepong, Taman Tun Dr Ismail and Bandar Sunway, while opening new growth areas such as Puchong and Penchala. The 26km SPRINT Highway serves as a critical spine road network, supporting infrastructure and catalysing growth and development to the west of Kuala Lumpur.

A joint venture under the Group, Naim Gamuda (NAGA) JV Sdn Bhd is currently building the Pan Borneo Highway package (WPC-04), an 89.4km section from Pantu Junction to Batang Skrang in Sarawak. Through its construction of the Pan Borneo Highway, which connects the two Borneo states, Gamuda is facilitating a sustainable urbanisation in East Malaysia. A UNDP report on Malaysia Inland Waterway Transport System in Sarawak noted that the construction of transport networks in Sabah and Sarawak was trailing the expansion of the road and rail systems in Peninsular Malaysia. The Pan Borneo Highway package (WPC-04) will bolster accessibility to basic infrastructure in rural settlements in the two states and help reduce the urban-rural development gap.

Outside Malaysia, Gamuda has completed the colossal Panagarh-Palsit and Durgapur Expressways in India, and was involved in the construction of the 42.5km Dukhan Highway in Qatar as part of the emirate's road modernisation initiative ahead of the 2022 FIFA World Cup.

PROMOTING LOCAL DIGITALISATION – INDUSTRIALISED BUILDING SYSTEM (IBS)

The Fourth Industrial Revolution (Industry 4.0) ushered in an era in which the widespread use of digital technology applications such as augmented reality and artificial intelligence are seen across all facets of manufacturing. Industry 4.0 is transforming project deliveries in property development in a way that manufactured homes will now become a mainstay.

To stay at the forefront of this emerging trend, we have led the digital IBS adoption in Malaysia with the nation's first two plants located in Sepang and Banting respectively. Digital IBS is a powerful production system to deliver end products that are error-free with high precision and quality.



We have the capacity to build pre-fabricated homes and bathroom pods at our factory, which will be fully tested prior to installation on-site. This digital manufacturing capability creates higher income job opportunities in Malaysia.

Gamuda actively supports the Construction Industry Transformation Programme (CITP), a national agenda to equip the industry with highly productive, environmentally sustainable and globally competitive players, while focusing on safety and quality standards.

We collaborated with the Construction Industry Development Board (CIDB) to promote IBS and BIM adoption in the housing industry in Malaysia. A strategic partnership was also formed with CIDB's subsidiary, Construction Research Institute of Malaysia (CREAM), to work together on data sharing and information research to help improve construction productivity in Malaysia. This collaboration will produce significant benchmarks for future policy making and implementation of schemes in support of Malaysia's IR 4.0 ambition.

Our Impact

Nation's 1st digital IBS factory

Produces **55%**
Greenhouse Gases
every month*

Targeted to build
**Affordable
Houses**



**Job
Opportunity**

* In-house comparative study conducted on twentyfive.7 Sales Gallery (conventional method) and Gamuda Cove Phase 1A (IBS Technology)

SUSTAINABILITY REPORT

Economic

SUPPORTING THE SDGs

Goal 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- 8.1 Promote local businesses and indirectly the local economy through support on local procurement
- 8.2 Promote economy generation through development of projects that are labour-intensive



The Group ensures the business operations are aligned with all our governance aspects. This is essential to further strengthen the trust and confidence of our diverse stakeholders.



OUR PLAN

- Align to Government's policy to acquire products and services locally first for all our projects and developments
- No discrimination towards suppliers
- Support small and medium-sized suppliers
- Educate local suppliers on new procurement topics such as sustainable supply chain and digital procurement
- All major suppliers need to be of ISO 140001 certified in the future
- Ensure all business operations are aligned with Group's governance aspects

**"Good buildings come from good people,
and all problems are solved by good design."**

– Stephen Gardiner

Sustainability Report

 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

[GRI 201-1]

WHY IT MATTERS

[GRI 201-1] [GRI 103-1]

Our financial growth is important for us to continue pursuing our business aspirations especially as a regional physical builder. Through positive performance and effective management, our Group strives to sustain investments through new business opportunities and growing operations. Our continuous growth indirectly promotes stronger contribution to gross domestic product (GDP) of the countries we operate, while directly improving local social conditions.

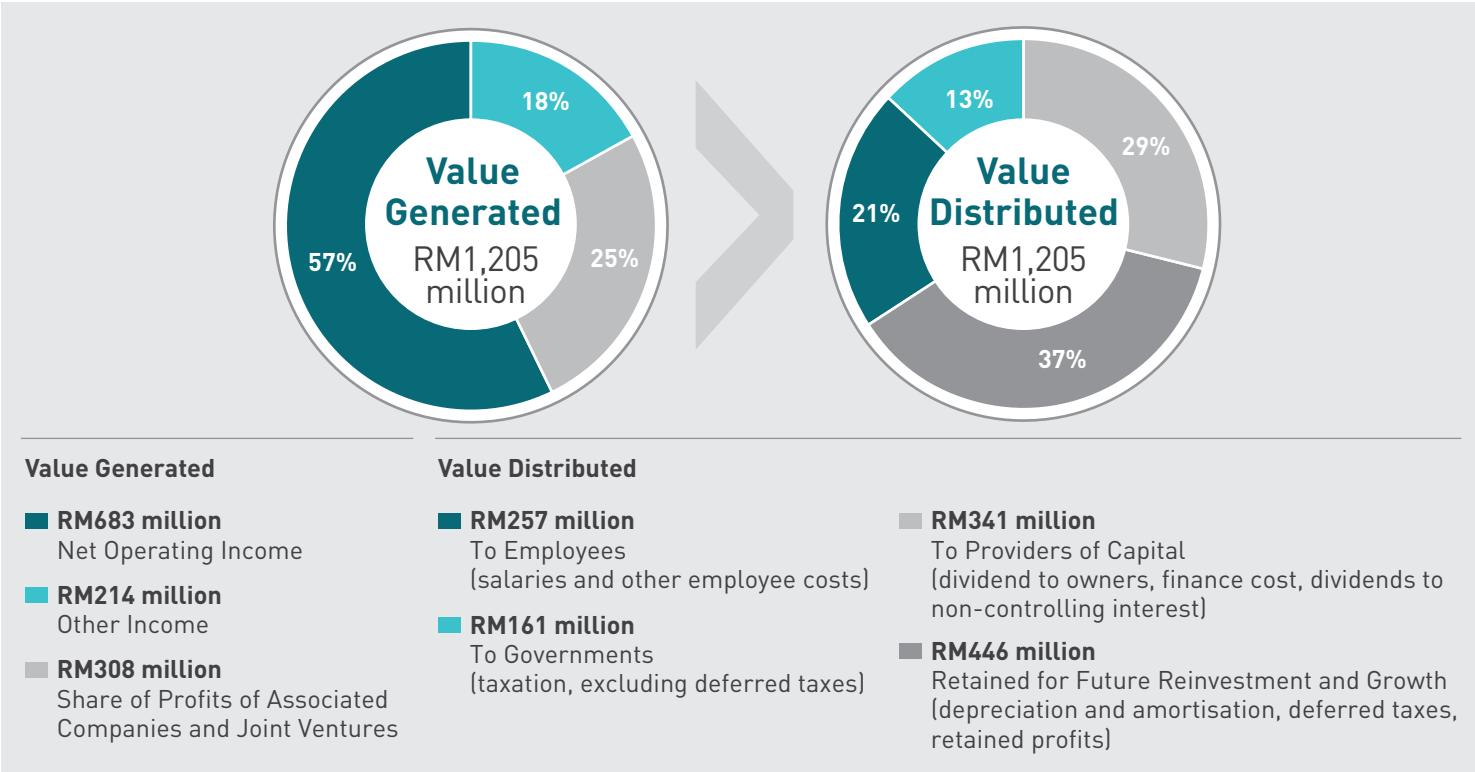


HOW WE APPROACH IT

[GRI 201-1] [GRI 103-2] [GRI 103-3]



As a Group, we are constantly striving towards the achievement of our goals and targets in the realm of economic performance while upholding our commitment to sustainable operations and the highest professional standards. The Group ensures the business operations are aligned with all our governance aspects. This is essential to further strengthen the trust and confidence of our diverse stakeholders. For further details on our corporate governance aspects, kindly refer to page 132 section of this report.



Our direct economic value distributed to stakeholders in FY2020

-  Further information on our economic performance can be found in:
- Statement from the Group Managing Director on pages 10 to 18
 - Five Years Group Financial Highlights on pages 30 to 31
 - Group Segmental Performance on page 32
 - Statement of Value Added and Distribution on page 35
 - Financial Statements on pages 176 to 351



LOCAL PROCUREMENT

(GRI 204-1)

WHY IT MATTERS

(GRI 204-1) (GRI 103-1)

As a leading engineering and construction group in Malaysia, Gamuda was responsible in building some of the nation's most important and strategic infrastructure, including the SMART tunnel, Electrified Double Track Project (Ipoh – Padang Besar) and the Klang Valley Mass Rapid Transit system. As an industry leader and a responsible corporate citizen, we recognise our role in spearheading the advancement of the construction sector by maintaining, nurturing and supporting a vibrant local supply chain. It is crucial for us to ensure that the spillover effect of the country's infrastructure investment properly flows through to medium and smaller contractors and suppliers down the value chain, ultimately achieving the objective of stimulating the local economy.

From the Group's perspective, sourcing locally results in multiple economic benefits. Local procurement contributes to improved risk management as we can secure timely delivery compared to overseas shipment. The Group always proactively engages its local suppliers and that gives us a tighter control over the product quality, as well as the time of delivery, while the total cost is often cheaper to buy local. This helps us to minimise the risk of project delays, cost overrun and ensure quality delivery. Local procurement also allows for more accurate budget forecasting and risk mitigation since many variable factors such as foreign exchange rates, tax implications, shipping and fuel surcharges are more predictable compared to overseas sourcing. Without the need to ship from abroad, we are essentially registering lower carbon footprint by sourcing locally while enabling local supply chain growth.

Gamuda IBS (Industrialised Building System), an end-to-end digital IBS solutions provider, sourced more than 90 percent of its requirements locally. The idea of Gamuda IBS is to mainly serve the local market (Malaysia). The materials sourced are from local suppliers. Even the factory is managed wholly by local talents. Gamuda IBS is a service product that promotes local supply chain while catalysing the local economy.



99%
Spent on local suppliers
in FY2020



- Local suppliers refer to companies registered in Malaysia.
- The percentage include the whole Group procurement value excluding joint ventures and associates (except for MRT Putrajaya Line – included in the percentage).
- Information for the percentage of spent on local suppliers for FY2020 has been assured through Limited Assurance exercise with Ernst and Young.



HOW WE APPROACH IT

(GRI 204-1) (GRI 103-2) (GRI 103-3)



We are aligned with the Government's policy to buy local products and services first for all our projects and developments. Our priority is to always procure through local suppliers, unless specified otherwise by a client, or when local suppliers are unable to meet the specified requirements for a certain product or service. We are open to all vendors and suppliers to submit their proposals without discrimination and in support of small and medium-sized suppliers, supplier companies owned by women or suppliers that are owned by or recruit workers from members of vulnerable, marginalised, and under-represented social groups.

In order to formalise and increase our local procurement, the Group has formed partnerships with local suppliers to customise many parts for the use of digital platforms, thereby reducing the need to import. We continuously engage all of our vendors and suppliers to better align our expectations on topics such as sustainability and quality. The Group also provides training for our suppliers and vendors, especially local service providers on newer areas of deliverables to ensure that they are exposed as the global ones. The most recent training that was conducted primarily focused on e-procurement using digitalised platform. We hope to create strong awareness on sustainable supply chain in the upcoming engagements. In extension of that aspiration, we hope to appoint only ISO 14001 certified suppliers as our major supplier by FY2021.

All matters related to local sourcing are overseen by the respective procurement heads of the projects, with the Group Procurement Director leading the group-wide processes for alignment.

OUR PERFORMANCE

(GRI 204-1)



It is Gamuda's common practice to prioritise domestic sourcing whenever possible, in support of the Malaysian Government's buy local first campaign. This is demonstrated through the 99 percent by value being spent on suppliers in Malaysia throughout FY2020. In a further breakdown, approximately 75 percent of the total amount spent in that year was for suppliers that are based in Greater Kuala Lumpur. The concentration of suppliers on the central region of Peninsular Malaysia reflects our significant locations of operation where most of our ongoing projects are based, which are mostly centred around Greater Kuala Lumpur. The proximity gives us greater assurance in timely delivery of supplies. We will continue striving to maintain at least 95 percent locally sourced product and services for our future projects as a support for our local supply chain.

SUSTAINABILITY REPORT

Environment

SUPPORTING THE SDGs

Goal 7

Ensure access to affordable, reliable, sustainable and modern energy for all

- 7.2 Implement and promote renewable energy at townships and developments
- 7.3 Implement and promote energy efficient initiatives at all aspects of design and implementation

Goal 12

Ensure sustainable consumption and production patterns

- 12.3 Implement food waste to compost and used to nurture land
- 12.5 Integrate water recycling system, an improved water management approach through on-site treatment plant

Goal 13

Take urgent action to combat climate change and its impacts

- 13.2 Promote national carbon reduction targets and policies through various technological implementation and initiatives such as conservation and carbon offset programmes
- 13.3 Educating the younger generation on climate and biodiversity through the GParks Rangers programmes

Goal 15

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

- 15.1 Ensure the conservation of flora and fauna especially IUCN Red List
- 15.2 Promote and educate the conservation of environment
- 15.9 Integrate ecosystems such as wetlands into local planning and development processes

Goal 17

Strengthen the means of implementation and revitalise the global partnership for sustainable development

- 17.17 Encourage and promote effective public-private partnership for environmental conservation



Biodiversity underpins the provision of clean air, water and food, and helps mitigate climate change. It also supports human health and adds value to the economy by providing jobs in agriculture, industry, tourism and leisure, and many other sectors via payment through ecosystem services.



OUR PLAN

- Increase the measuring and reporting scope of our Greenhouse Gas Emissions
- Implement biodiversity conservation and preservation through Gamuda Parks
- Arboretum and congregation of arborists for nature expansion
- Emphasis on biodiversity throughout our construction life cycle
- Strong guardianship of Paya Indah Discovery Wetlands
- Promote renewable energy at our developments
- Encourage advanced tree planting to ensure new trees are introduced to environment at our developments rather than displacing it
- Promote environmental education especially to the younger generation
- Monitor and study IUCN Red List species

**“Right here, right now is where we draw the line.
The world is waking up. And change is coming
whether you like it or not.”**

– Greta Thunberg

Sustainability Report



EMISSIONS

(GRI 305-1) (GRI 305-2)

WHY IT MATTERS

(GRI 305-1) (GRI 305-2) (GRI 103-1)



In 2019, the earth’s surface temperature was almost one Celsius degree warmer than the 20th century average. In the last few years, global temperature have been consistently among the hottest on record. The recent exponential change in global temperature and climate related issues are due to an increase in human activities and the demand for energy. Climate change will not only impact communities but also businesses in the long run. Thus, we are actively taking steps to lower our carbon emissions and are open to ideas in providing solutions towards building a low carbon society.

HOW WE APPROACH IT

(GRI 305-1) (GRI 305-2) (GRI 103-2)



We acknowledge that we are part of an industry that requires high energy consumption and has a significant carbon footprint from our business activities. Thus, understanding our emission sources is vital in order to focus our reduction efforts. In FY2020, we had conducted various simulation, projection and baseline studies on our Greenhouse Gases (GHG). We continue fine-tuning our measurement and monitoring processes to capture more scientific information. For example, we had conducted a Group level measurement and monitoring exercise for Scope 1 and Scope 2 GHG emissions.

Besides evaluating our GHG performance, we practice efficient energy management for our developments. We adopt building energy codes and green building rating tools that allow us to manage energy consumption in a more efficient manner that brings about reductions in carbon emissions at various stages of the building’s life cycle. One of our priority stages includes the designing and planning phase. We strive to incorporate sustainable design in all our projects.

Our Mass Rapid Transit (MRT) projects green initiatives:

MRT stations are designed with open-sided concept to allow natural lighting and ventilation (less dependency on electricity in the day). It is estimated to reduce energy consumption by about 30 percent

Trees that were removed during the construction phase are replaced with new landscaping trees with a ratio of 1:2

Construction is performed in a modular process, thus reducing impacted green space for storage and onsite works

During construction, light emitting diode (LED) and compact fluorescent lamps are used. Besides that, CCTV that were installed at the project sites for security are powered by solar panels

OUR PERFORMANCE

(GRI 305-1) (GRI 305-2)



As a leading engineering and construction company in Malaysia, Gamuda is committed to contribute to the national agenda of reducing GHG emissions intensity of GDP by 45 percent by 2030 relative to the emissions intensity of GDP in 2005. Gamuda is committed to catalysing our nation’s pledge towards carbon reduction through the following key aspects:

Reduce GHG and pollutant emissions through the development of climate change strategy and risk assessment

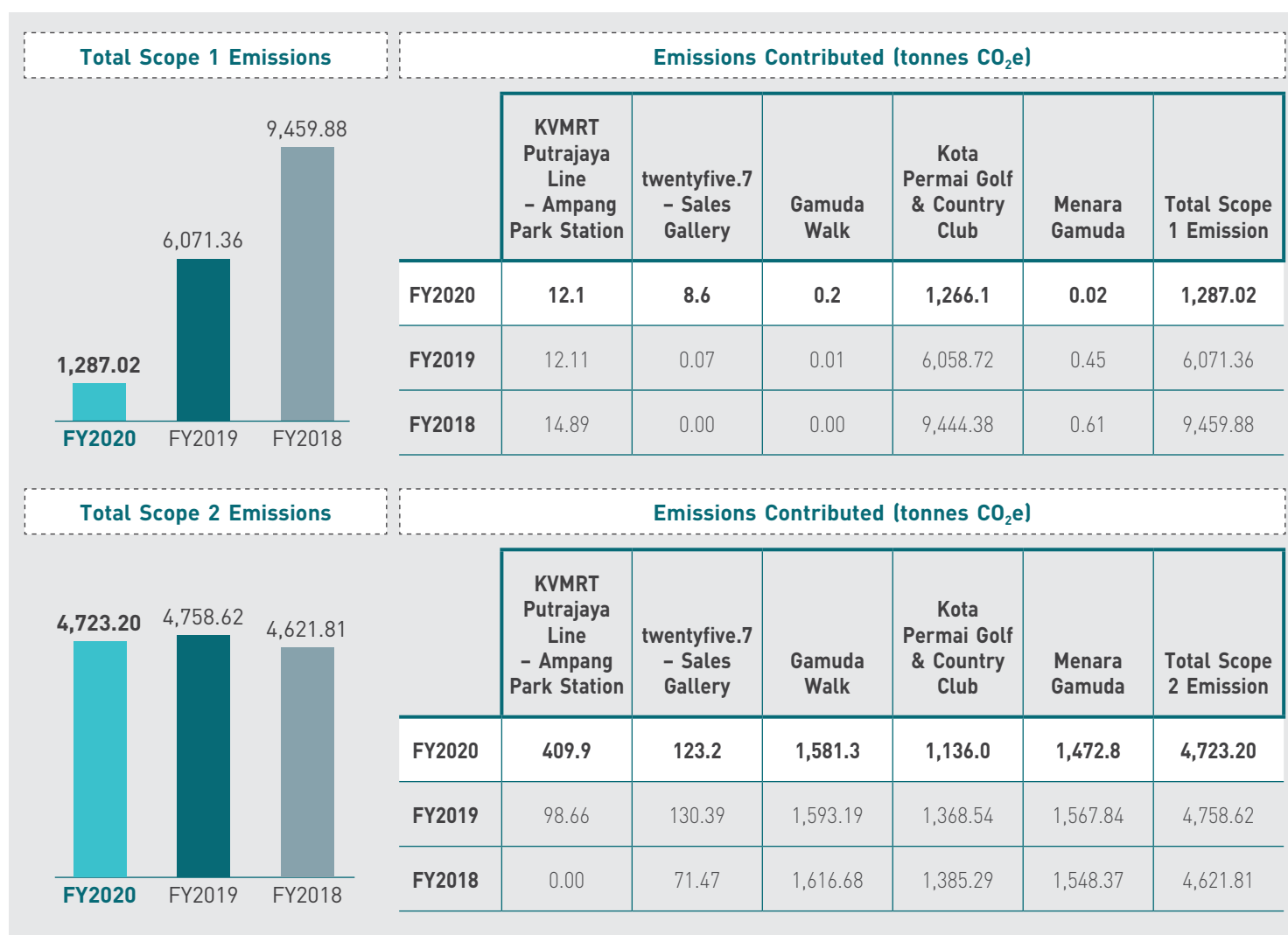
Implement improved data quality control to ensure accurate GHG emissions data

Explore opportunities to participate in GHG partnership programmes

Enhance existing sustainability governance structure to enhance integration of climate change agenda into the Group’s sustainability and corporate strategy

Gamuda has embarked on its GHG emissions reporting since FY2019 and will continue to expand the depth and scope. In FY2020, we completed a GHG measurement and monitoring exercise for our Group as part of our plan forward with better GHG traceability. The exercise was conducted using the GHG Protocol Corporate Accounting and Reporting Standard ("GHG Protocol") methodology and leveraging on the ENCORD Construction CO₂e Measurement Protocol ("ENCORD Protocol") which is built on GHG Protocol as a guide for construction companies.

The exercise included five main sites that cover different aspects of our construction activities: Menara Gamuda representing our headquarters (operational unit), KVMRT Project – Ampang Park Underground Station representing a railway project, twentyfive.7 Sales Gallery representing a show unit, Gamuda Walk representing a mall and Kota Permai Golf & Country Club representing a club.



Sustainability Report



BIODIVERSITY

(GRI 304-1)

WHY IT MATTERS

(GRI 304-1) (GRI 103-1)



Gamuda believes that biodiversity lies at the heart of sustainable development and human well-being, and its conservation forms the core of the UN 2030 Agenda for Sustainable Development. Biodiversity underpins the provision of clean air, water and food, and helps to mitigate climate change. It also supports human health and adds value to the economy by providing jobs in agriculture, industry, tourism and leisure, and many other sectors via payment through ecosystem services. Biodiversity acts as a key indicator that defines the health of an ecosystem as the more biodiverse the ecosystem, the healthier the environment is for the community to inhabit.

We believe that biodiversity is reflective of the richness, variety and ultimately the health of an environment, and rich natural environments, in turn, support and enrich our living conditions. As a leading property developer, Gamuda Land has always promoted the philosophy of listening to the land and living in harmony with the natural environment, as we realise that connecting with the nature promotes a sense of well-being and keeps us happy.

As we harness the finite land resources for township development, we are fully aware that we need to do this mindfully so as to mitigate and minimise negative impact caused by the project, while at the same time preserving and enriching the natural environment to leave a net positive impact. We are determined to ensure that development and nature preservation can co-exist to improve the living quality for the human being. We acknowledge that it is our responsibility to create a conducive space for our residents while being mindful to the flora and fauna in the vicinity.

At Gamuda Land, our landscape architects are the practitioners of biodiversity preservation as they seek to integrate nature into the spaces at our projects. Marrying biodiversity conservation with our developments was never an afterthought. We believe that studying the biodiversity state of the site before any intervention would make us cautious of the land that we are working on. This is a planning process conducted ahead of time to ensure that the sustenance of the biodiversity is well-kept even years after the township has matured.

HOW WE APPROACH IT

(GRI 304-1) (GRI 103-2)



We launched Gamuda Parks in 2018 as an overarching programme to maintain the parks within our developments in a systematic and consistent way while providing a platform to consolidate all our related efforts in biodiversity enrichment, conservation, education, and township management. We subsequently formalised the key guiding principles under the Gamuda Parks Biodiversity Policy, of which the strategies and initiatives outlined will be executed by the Gamuda Parks Working Committee.

The role and responsibilities of the Gamuda Parks working committee include design and research to ensure our biodiversity and resource conservation requirements have been incorporated into Gamuda Land's property developments. The committee is also responsible to coordinate audits on the progress of each goal specified in this policy.

In addition, the committee functions as the project manager to liaise with external parties such as environmental consultants and external advisors for site environmental assessments. It provides support in the implementation of biodiversity initiatives during the construction and post-construction phases as well.



We have lined up a robust list of strategies and actions for biodiversity conservation and enrichment, as follows:



HOW WE MONITOR IT

(GRI 304-1) (GRI 103-3)



We regularly conduct a biodiversity baseline audit and follow-up with an annual progress report whereby Gamuda Parks will consolidate information from all developments.

An internal audit is conducted for the annual progress report based on the targets stated in Gamuda Parks Biodiversity Policy. Data is consolidated from all developments under Gamuda Land. This is further supported with an external audit involving external advisors to review the findings from the reports by consultants and advise on Gamuda Parks biodiversity action plan.

With this systematic approach in place, we can monitor our biodiversity achievements and progress by comparing results from the annual progress reports with the baseline audit.

OUR PERFORMANCE

(GRI 304-1)



The site of Gamuda Cove, a township development by Gamuda Land, is adjacent to areas within the Paya Indah Discovery Wetlands, which has high biodiversity value such as wildlife hotspots.

The area falls under the Protected Landscape category. Gamuda is operating the Paya Indah Discovery Wetlands as part of plans to conserve biodiversity in the area, while raising public awareness through ecotourism. The total operational site measures 1113.85 acres.

The wetlands area reserve and recreational park is located within the Dengkil district in the Selangor state in Malaysia. There are 11 lakes within the wetlands, namely: Tasik Driftwood, Tasik Teratai, Tasik Typha, Tasik Telipok, Tasik Palma, Crocodile Lake, Tasik Resam, Tasik Kuning, Hippo Lake, Tasik Sendayan, and Tasik Rusiga.

In FY2019/FY2020, we spent about RM644,000 on biodiversity conservation programmes. Out of this, Gamuda Parks allocates a budget of RM50,000 to RM70,000 for every biodiversity assessment at a site.

Sustainability Report

Integrating Biodiversity and Living Space

Biodiversity has been an integral part of consideration when creating a living space that has a seamless integration of nature and living space. We strive to ensure the original biodiversity of a place is retained or otherwise flourishes under our care. We also believe that the communities and spaces we create deserve a well-planned, clean and safe environment that integrates technologies to enhance the living experience. The integration between needs of living space and nature is our main objective when we create our developments in Gamuda to ensure at least 11 percent of the total development area is reserved as landscape area (above the requirements of the authorities).

No.	Development	Landscape Area (acres)	Percentage of Landscape Area	No. of Trees Planted
1	Kota Kemuning	421.6	23%	82,500
2	Valencia	101.3	35%	16,726
3	Bandar Botanic	192.4	16%	66,770
4	Madge Mansions	0.2	10%	313
5	The Robertson	1.9	63%	634
6	HighPark Suites	3.4	77%	620
7	Jade Hills	57.3	16%	9,454
8	Horizon Hills	357.1	30%	50,513
9	Bukit Bantayan Residences	1.3	7%	629
10	twentyfive.7	17.7	7%	1,472
11	Kundang Estates	21.3	24%	4,351
12	Gamuda Gardens	50.6	6%	12,422
13	Gamuda Cove	25.9	2%	4,752
14	Celadon City	42.79	19%	5,615
15	Gamuda City	24.5	6%	3,896
16	Yen So Park	236.57	42%	20,516
TOTAL		1556		281,183

- Percentage of landscape area is the landscape area/development area.
- Landscape area includes green area, golf course, streetscape planting and waterbody only.
- Information for the percentage of landscape area has been assured through Limited Assurance exercise with Ernst and Young (assurance excludes overseas developments – Celadon City, Gamuda City and Yen So Park).



INTERNATIONAL UNION FOR CONSERVATION OF NATURE (IUCN) RED LIST SPECIES CONSERVATION

(GRI 304-4)

WHY IT MATTERS

(GRI 304-4) (GRI 103-1)

Gamuda is fully committed to identify where our operations will pose a threat to endangered plants and animals, and take appropriate steps to safeguard those species from further harm. Our commitment is underscored by an understanding that when a species becomes endangered, it is a sign that the ecosystem is slowly falling apart. Each species that is lost will then trigger a domino effect and lead to further loss of other species within its ecosystem.

Gamuda realises that monitoring and protecting endangered species is a material sustainability issue to us after the occurrence of human-wildlife conflict and coexistence at our construction sites and within our completed developments. For instance, there were concerns among residents at Jade Hills when they encountered wildlife such as bats in the neighbourhood. Since bats play an important role as pollinators, the proposed solution to kill the bats was dismissed, but we had taken pains to keep fruit trees that attract bats further away from the residential units in future developments to maintain a harmonious co-living environment while encouraging pollination.



HOW WE APPROACH IT

(GRI 304-4) (GRI 103-2)



Apart from the annual biodiversity audit, we have put up nature interpretative signages in Valencia and Gamuda Gardens to help educate our residents about the biodiversity around them to respect the surrounding nature. On top of that, emergency response posters and signages have been added in many of the developments developed by Gamuda Land to inform the residents of the most appropriate measures when encountering wildlife, so as to minimise the risk of danger to both man and wildlife.

We also plan to procure *Hopea Subalata* (Merawan Kanching), a critically endangered species for Gamuda Gardens that is found only within the Kanching Forest Reserves.

HOW WE MONITOR IT

(GRI 304-4) (GRI 103-3)



We monitor our progress and achievement by comparing results in the baseline biodiversity audit with a subsequent biodiversity audit. This effort is complemented with internal and external audits.

A summary of the audit results for FY2019/FY2020 shows that we have achieved five percent of endangered tree species listed under IUCN for every project during the period.

We recorded 26 flora and 36 fauna species with conservation importance from biodiversity audits, respectively, within the vicinities of Jade Hills, Gamuda Gardens, Gamuda Cove, and Paya Indah Discovery Wetlands, Celadon City and Valencia.

Gamuda Parks planted 6,000 native species of trees in our Advanced Tree Planting nursery, including *Shorea roxburghii* (White Meranti), which is classified as endangered in Malaysia. Gamuda Parks also practices "Legacy Planting" by reintroducing more than 14 endemic tree species of conservation importance for Advanced Tree Planting in Gamuda Gardens, Kundang Estates and Gamuda Cove.



OUR PERFORMANCE

(GRI 304-4)



The total species with conservation importance under IUCN Red List were recorded from biodiversity audits were 26 flora and 36 fauna species, as listed below.

IUCN Red List Species Identified	Flora	Fauna
Critically endangered	• <i>Hopea subalata</i> • <i>Kopsia arborea</i>	• Yangtze giant soft-shell turtle • Yellow-headed tortoise • Asian forest tortoise • Radiated tortoise
Endangered	• <i>Azelia xylocarpa</i> • <i>Anisoptera costata</i> • <i>Hopea helferi</i> • <i>Shorea roxburghii</i> • <i>Pterocarpus indicus</i> • <i>Pterocarpus macrocarpus</i>	• Malaysian giant tortoise • Masked Finfoot • Yellow-headed temple turtle • Pig-nosed turtle
Vulnerable	• <i>Dalbergia latifolia</i> • <i>Dipterocarpus alatus</i> • <i>Dipterocarpus chartaceus</i> • <i>Dipterocarpus kerrii</i> • <i>Hopea mengarawan</i> • <i>Hopea odorata</i> • <i>Khaya senegalensis</i> • <i>Melicope lunu-akenda</i> • <i>Pimenta racemose</i> • <i>Shorea materialis</i> • <i>Swietenia macrophylla</i>	• Ambonia box turtle • Black marsh turtle • Giant Asian pond turtle • Javan Myna • Lesser Adjutant • Pig-tailed Macaque • Red-footed tortoise
Near Threatened	• <i>Agathis borneensis</i> • <i>Dryobalanops aromatica</i> • <i>Elaeocarpus grandiflorus</i> • <i>Dypsis lutescens</i> • <i>Hopea griffithii</i> • <i>Podocarpus polystachyus</i> • <i>Shorea sumatrana</i>	• Ashy Tailorbird • Black Hornbill • Black Magpie • Black-bellied Malkoha • Buff-necked Woodpecker • Chestnut-bellied Malkoha • Fiery minivet • Glossy Ibis • Grey-headed Fish eagle • Jambu Fruit Dove • Oriental Pied Hornbill

Sustainability Report

INITIATIVE

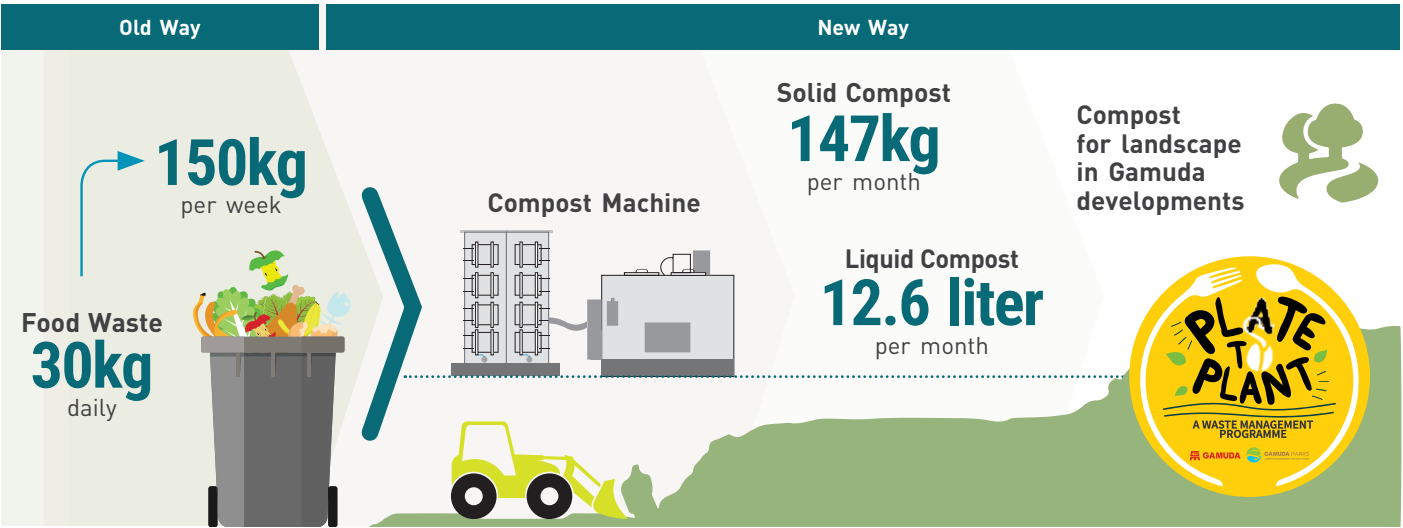
FOOD WASTE TO COMPOST

The United Nations Food and Agriculture Organisation estimated 1.3 billion tonnes of food waste is generated globally every year. According to Solid Waste Corporation, Malaysians alone generate a whopping 16,688 tonnes of food waste daily – enough to feed 12 million people three times a day.

When food residues decompose in landfills, they emit highly polluting greenhouse gases, of which 47 percent is the combustible methane. Therefore, we should adopt a circular economy to save on handling costs and reduce the bulk of waste that goes to the landfills. By reducing wastage, we

can be more efficient in land and water use, leaving a positive impact on climate change and livelihoods.

A Group-wide Plate to Plant Programme was conducted at Menara Gamuda and Jade Hills to reduce the food waste generated throughout the office blocks and commercial dining outlets. Food composting machines were installed at Menara Gamuda and Jade Hills to collect up to 100kg of food waste daily at each site, while our employees, residents and food operators were encouraged to support this initiative by throwing leftovers into the designated bins.



Food waste to compost

TUNNEL BORING MACHINE – RECYCLED WATER

Water management plays an important role in the assessment of a construction project’s impact on the environment, particularly in civil engineering. A large amount of water is typically used in the construction process — for cooling, general cleaning, transporting excavated material and to keep pressure on our Tunnel Boring Machines (TBMs). Therefore, to minimise the negative impact of our projects on the environment, we seek to cleanse, reuse and recycle the water at our construction sites as much as possible.

This is achieved by treating our discharged construction effluent with our onsite water treatment plants, following which the treated water will be reused for our tunnel construction processes. This recycled water is also utilised for activities such as wheel washing and dust suppression. We treat about 600 m³ of water daily at each of our tunnelling construction sites, or 50 percent of our total daily water demand is supplied with recycled water.



Treat about 600m³ water daily

About 50% total daily water

INITIATIVE

E-WASTE

As our lives become increasingly dominated by digital gadgets, we move on to new devices with ever-evolving technology at an increasingly fast pace. However, the improper disposal of old electrical and electronic devices that we leave behind will be detrimental to our health and environment as they contain hazardous components that can leak into our surroundings through landfills.

In view of the rising amount of e-waste that all of us generate as we chase newer technologies, Gamuda held an E-waste Recycling Week on 10 to 16 February this year at our office to facilitate the collection of these old digital devices by a recycler licensed by the Department of Environment under the Ministry of Environment and Water. The encouraging participation from our employees saw us collecting 2,000kg of e-waste including unwanted computer parts, electrical home appliances and gadgets for recycling.



Collected
2,000kg
e-waste

Held an E-waste
Recycling Week

GAMUDA GARDENS SOLAR PROGRAMME

We seek to reduce our carbon footprint by supporting the usage of renewable energy whenever possible, which also results in savings of electrical bills. We invested RM1.08 million to install solar photovoltaic panels on the rooftop of Gamuda Gardens sales gallery and badminton hall, measuring 1,880 sq metre with a total capacity of 310.2 kWh. The power generated is used to energise the central lake's fountain and waterfall, while the extra energy will be switched for utilisation at the sales gallery.

The project is estimated to result in annual energy saving of about 250,000 kWh on average, with an electricity saving of about RM90,000 per year on average.



Invested
RM1.08 million
to install solar photovoltaic panels

Measuring
310.2 kWh
total capacity

Saving of about
250,000 kWh
average

Saving of about
RM90,000
per year on average

Sustainability Report

ENVIRONMENTAL CONSERVATION

BANDAR BOTANIC



Our property development division, Gamuda Land, is committed to ensuring the long-term sustainability of its developments. This remains uncompromised years after the projects are completed.

In June 2020, Gamuda Land was named Malaysia's Responsible Developer: Building Sustainable Development Award 2020 at EdgeProp Malaysia's Best Management and Sustainable Property Award. This was in recognition of the company's unrelenting dedication to solve the sewerage problem at its master-planned development Bandar Botanik in Klang, Selangor. The fact that the development and sewerage system had been handed over to the local authorities didn't stop Gamuda Land from delivering on its promise to homebuyers and helped find a solution. The award was proof that we are dedicated to ensure the livability and sustainability of the developments we built which was also awarded the prestigious FIABCI Property Award of Distinction for Best Master Plan in 2003.

Our commitment in upholding the integrity of the developments we built was demonstrated through the task force set up to tackle residents' complaints against deteriorating conditions of the recreational area within the Bandar Botanik developments. Under the facilitation of Gamuda Land, a task force comprising residents' representatives and Klang Municipal Council (MPK)

was formed in May 2020 to oversee the maintenance and cleanliness of the Botanic Park, which was often littered with rubbish and affected by broken and poorly maintained facilities. The once beautiful park was part of Gamuda Land's development planning to create a lush green environment for the community to enjoy the serene beauty of nature, but has gradually fallen into a state of neglect, partly due to the confusion about the park's gazetted status and which authority was responsible for its upkeep.

One of the first initiatives by the task force was to organise the park clean-up which saw about 400 people attended, including residents from surrounding neighbourhoods, volunteers, as well as non-governmental organisations and local authorities. Officials from MPK and the Selangor Drainage and Irrigation Department were also present to listen to the residents' woes.

Among the proposed outcomes achieved through the task force include the engagement of a contractor to take care of the park's cleanliness with another contractor hired by the residents to prune the trees. Both the residents and the authorities also discussed boosting the security around the area to prevent the recurrence of house break-ins through the park, as well as improvement of the lake area to resolve flooding issues during downpours.

ENVIRONMENTAL CONSERVATION

GAMUDA PARKS

Gamuda Parks was set up in May 2018 to formalise our efforts in land and biodiversity conservation. As a developer, our philosophy is to listen to the land whenever we acquire a new parcel. We seek to work with the land without changing the terrain, allowing it to return to its natural state to encourage the spread of flora and fauna. It's all about mindful planning to conserve existing trees and replanting only species that are native to the land, which will in turn support local birds and insects.

With these efforts, it is rewarding when experts tell us that in our two developments, over 140 species of small mammals, birds and insects can be found. Our guiding principle for conservation has always been to leave the land in better shape than when we first received it. This in turn will provide our residents a natural and sustainable environment to live in harmony with.

Advanced Tree Planting

As part of the biodiversity conservation, we conduct advanced tree planting to ensure there will be sufficient greenery in the development and various plant species to create a balanced ecosystem, while promoting native species. We procure desired and identified trees in advance, nurture and monitor them at our nursery for at least two years before planting them onsite so that our township community would not have to wait for the trees to grow. Advanced tree planting is different from transplanting as the young trees are directly planted after transporting, resulting in less stress to the trees and faster recovery.



Desired trees are
identified in
advance

Advanced
tree
planting
to grow

Arboretum

Coming up next in 2021, Gamuda Parks plans to develop an arboretum to regenerate flora and fauna species, and address the issue of climate change and carbon storage value. This includes a horticulture nursery for the propagation of green stock and creating a circular economy from the organic waste for the sustainable use of green resources. The concept is akin to having our private forest reserve institute in which we are able to plant new trees from the seedling stage to preserve the rich variety of trees in Malaysia.



Gamuda Parks plans to
develop an
arboretum

Regenerate
flora and
fauna
species

Sustainability Report

ENVIRONMENTAL CONSERVATION

GAMUDA PARKS

Education

The GParks Rangers programme was created to inspire the younger generation, comprising children aged between five and 12 years old, to care about nature and instil a sense of environmental responsibility within them. During the year, GParks Rangers reinforced the concept of “Living with Nature” to foster environmental sensitivity and further promote nature to the community and the younger generation through their programmes. This is in line with the UN Sustainable Development Goal 4: Quality Education and the National Policy on Biological Diversity 2016-2025.



Inspire the
younger generation
comprising children
aged between
5 and 12 years old

Care about
nature
and instil a sense
of environmental
responsibility

IUCN

In the future, we will require all new Gamuda Land developments to conduct a biodiversity audit prior to construction, which will be repeated annually to measure the biodiversity levels by collating information regarding genetic, species and ecosystem diversity. A summary of the endangered species on the International Union for Conservation of Nature (IUCN) Red List found 26 species from six biodiversity audits. We aim to preserve at least five percent of these valuable tree species, and houses various fauna in all of our new developments, subject to site feasibility.



Found
26 species
during our latest
biodiversity audit

ENVIRONMENTAL CONSERVATION

GAMUDA PARKS



Paya Indah Discovery Wetlands

We obtained approval in principle to partner with the Ministry of Water, Land and Natural Resources and the Selangor State Government to jointly manage and operate Paya Indah Discovery Wetlands (PIDW). We are dedicated to the conservation of this natural sanctuary to 244 species of birds, 12 mammals and 20 reptiles. We are also dedicated to allocate resources to educate our children about the importance of wetlands biodiversity – it is estimated that about 90 percent of the living species in the world lives around wetlands.

Comprising 11 interlinked lakes, marshes and lowland tropical forests, PIDW is also the natural habitat to 142 aquatic plants and animals, 40 types of fish, as well as 220 types of terrestrial plants and herbs. We have invested about RM6 million to refurbish and upgrade the facilities and amenities in PIDW, but no reconstruction or redevelopment of the area has been done due to its nature of being reserved wetlands and majority of the areas in PIDW are zoned as conservation areas.

We comply with the standards set by The Department of Wildlife and Natural Parks Peninsular Malaysia (PERHILITAN) in all our works at PIDW. In the future, we want to be in compliance with higher international standards with an aim for PIDW to be added to The Ramsar Convention on List of Wetlands of International Importance, known as Ramsar sites, in five to seven years. In addition, we will promote the wetlands as an ecotourism destination, with plans to rebrand it as Discovery Wetlands by adding family-friendly activities such as cycling, fishing, bird watching, horse riding and bamboo trail walking. Hot air balloons will also be set up for those interested to witness the aerial view of the beautiful wetlands.

We hope this nature conservation project will be able to leave a positive impact on the society. We are committed to create a higher environmental awareness to the public by imparting knowledge about protecting and restoring nature to visitors at PIDW. Since the commencement of our conservation project, we observed an improvement of migratory birds in the area with the bird species rising to 244 birds from 225 previously.

Conservation of
244
species
of birds

Conservation of
12
mammals

Conservation of
20
reptiles

SUSTAINABILITY REPORT

Social

SUPPORTING THE UN SDGs

Goal 4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

4.4 & 4.5 Promote equal access for all women and men, especially youths to have technical skills that prepare them for employment, decent jobs or entrepreneurship

Goal 5

Achieve gender equality and empower all women and girls

5.5 Promote women in engineering and management (and Board)

Goal 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

8.5 Prepare differently-abled people to embrace working environment

Goal 9

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

9.4 Promote innovation and technology that encourages resource use efficiency

Goal 11

Make cities and human settlements inclusive, safe, resilient and sustainable

11.1 & 11.3 Catalyse the inclusivity and sustainable urbanisation while integrating sustainable human settlement planning and management

Goal 17

Strengthen the means of implementation and revitalize the global partnership for sustainable development

17.17 Encourage and promote effective public-private partnership in catalysing the education and employability of differently-abled people





It is our aim to sustain, support and develop the local communities through education, development programmes, environmental conservation and sustainability advocacy so that we can mutually thrive to build a sustainable planet for the future generations.



OUR PLAN

- Tunnelling Training Academy – produce a skilled workforce in the highly specialised field of tunnel construction
- KVMRT Safety Training Centre – prioritise safety and health with best-in-class practices
- BIM Academy – promote a qualified and multi-skilled workforce on the latest construction technologies essential in Industry 4.0
- Gamuda Plant Operator School – promote training on machine operation for construction works
- Enabling Academy – enable adults with autism to embrace the working culture and provide employability
- Engaging indigenous communities for education and employment opportunities in biodiversity conservation

“You can dream, create, design, and build the most wonderful place in the world. But it requires people to make the dream a reality.”

– Walt Disney

Sustainability Report



TRAINING TYPES

WHY IT MATTERS

[GRI 404-2] [GRI 103-1]



As a key infrastructure builder, Gamuda conducts high-risk and high-skilled construction works at densely populated areas. Therefore safety is important and we need to ensure our workers are well equipped with the specific knowledge and safety awareness to operate at our project sites, and that the level of competency amongst them is consistent. Establishing our own training centres that cater to the specific requirements of our projects have led to increased work efficiency and allowed us to be more professional as we execute the infrastructure projects.

On the ground for our various projects, we strive to equip all our employees with proper and structured training before they begin work as this is important to ensure all the tools, equipment and machineries are operated in a safe manner. Through proper training, we could reduce downtime and maintenance cost while ensuring the smooth operation throughout the project duration.

HOW WE APPROACH IT

[GRI 404-2] [GRI 103-2] [GRI 103-3]



Gamuda Plant Operator School (GPOS) was established in 1997 to streamline the different competency levels of earthmoving plant operations in Malaysia as prior to that, construction workers learnt to operate tower cranes from experienced colleagues on the job. While it was initially set up as a non-profit centre catering to our own internal needs, GPOS has since extended training services to other construction companies in Malaysia, beyond focusing on just our employees to raise the nation's overall vocational skills and competencies.

GPOS currently offers three categories of training – skills competency, safety, awareness and youth apprenticeship programmes. These programmes enable plant operators to obtain Certificates of Competency, which is recognised by government regulatory bodies such as the Department of Occupational Safety and Health (DOSH) and Construction Industry Development Board (CIDB).

In over two decades, GPOS has trained more than 45,000 trainees in crane and earthmoving plant operation as well as safety and health programmes across the country. Training includes tower crane, crawler crane, mobile crane, gantry or overhead crane, forklift and earthmoving plant operations. GPOS remains the only private training academy for crane operators in the country and since the Government only allows Malaysians

registered with DOSH to be trained as crane operators, we are contributing to the social sustainability of the nation by upgrading the skills of local residents. As many as 75 percent of Malaysia's certified crane operators are trained by GPOS.

Meanwhile, the **KVMRT Safety Training Centre** was established in collaboration with CIDB and National Institute of Occupational Safety and Health (NIOSH) as a pioneering institution aimed at elevating the Occupational, Safety and Health (OSH) standards of the whole MRT Putrajaya Line project. It was set up as part of the plan to reduce risks and practices that are deemed hazardous to address rising public concerns and scrutiny over the construction industry. In line with this objective, the KVMRT project, especially the Putrajaya Line, was made an example by the Government to set the benchmark for best practices for the construction industry in Malaysia.

The purpose-built construction competency and safety training centre covers OSH training as well as skills to train workers involved in specific high-risk jobs and electrified rail infrastructure construction. Based on our experience from the construction of the MRT Kajang Line, the majority of the construction accidents occurred during lifting operations, or workers falling from heights.

Following the opening of the **KVMRT Safety Training Centre**, contractors for KVMRT projects must send their worker for safety induction courses, and we established a safety passport system to ensure that all workers working in the KVMRT project sites must have earned the necessary qualifications. Arrangements were also made to ensure all subcontractors, crane companies, transporters and suppliers also receive adequate training, while free courses were provided to crane operators to ensure they are totally competent to manoeuvre a crane during lifting, considered as one of the most high-risk activities in construction. With increased training and tighter safety strategy, the number of fatality and injury related accidents have declined during the construction of MRT Putrajaya Line compared with MRT Kajang Line.

The **Construction Management Programme (CMP)** is offered via the Construction Training Unit (CTU) to boost the quality of our managers by utilising real site work exposure to train young site supervisors and engineers. This programme facilitates training with internationally benchmarked construction skills adopted from the best practices in Australia, Europe and Singapore to provide a springboard to the careers of trainees in the dynamic construction industry. CMP courses are accredited by CIDB for Civil and Structural or Building and Architectural Works.



The world class **Tunnelling Training Academy (TTA)** is Asia's first academy designed to produce a skilled workforce in the highly specialised field of tunnel construction, while simultaneously supporting the required specialist skills volume needed to roll out the KVMRT project. Training courses are designed in

collaboration with international experts from Siemens, Bosch to Herrenknecht from Germany, tailoring to the requirements of the projects. We jointly developed the training on the operation and maintenance of the Variable Density Tunnel Boring Machine (VDTBM) with supplier Herrenknecht to cater to the complex geological conditions in Greater Kuala Lumpur. Kindly refer to page 119 for Tunnelling Training Academy.

We are one of the first companies in the Southeast Asian region and among the very few in the world to implement BIM Level 2 for an infrastructure project of this scale and complexity. We are the first main contractor in Malaysia to be BIM Level 2 certified by a leading training and certification body, the British Research Establishment. In furthering the competencies in digital construction, a **BIM Academy** was established with the aim of training over 1,000 employees and subcontractors from 2020-2022 to be able to design and operate this automated process using BIM software for our employees.

Types of Training conducted by GPOS for FY2020

Types of Training

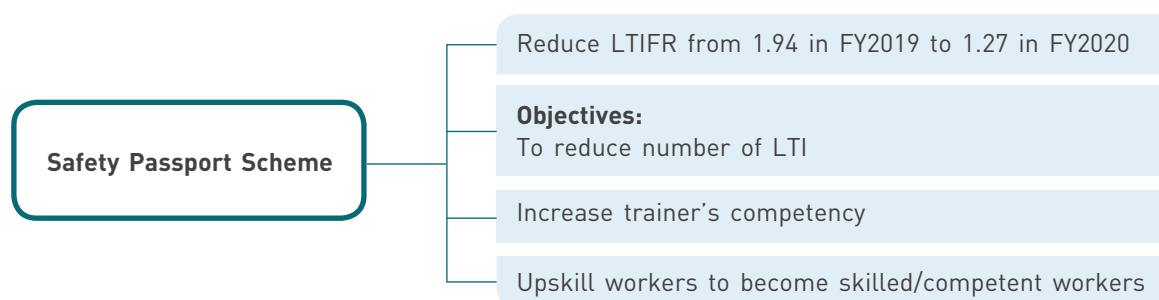
1	Rigging and Sligging
2	Crane Safety Inspection and Lifting Gears
3	Crawler Crane Operator
4	Lifting Supervisor*
5	Mobile Crane
6	Overhead Crane
7	Tower Crane

Types of Training conducted by BIM Academy for FY2020

Types of Training

1	BIM related Training*
2	Viewpoint for Projects (VFP) training*
3	Fieldview (FV) – Combined Installation Programme (CIP) training*
4	Augmented Reality for Construction Validation*
5	Fieldview Training on-sites for data collection*
6	Fieldview Training on Gamuda Building unit sites*
7	Fieldview Training on-sites for COVID-19 QR Code system for temperature tracking and RTK results*

 * Information on the type and scope of programmes implemented and assistance provided to upgrade employee skills for FY2020 has been assured through Limited Assurance exercise with Ernst and Young.



Sustainability Report



SAFETY AND HEALTH

WHY IT MATTERS

[GRI 403-2] [GRI 103-1]



Gamuda believes that our people are our most valuable asset, and creating a safe work environment has become the Group's primary objective in ensuring the safety, health and welfare of the people are protected. Our people refers to not only the employees and workers but is inclusive of subcontractors, suppliers and any other person who is impacted by the work we deliver. We trust that by ensuring our construction site is safe, it also keeps the public safe. Construction sites are usually located in busy areas where there is general public movement. Inadequate safety protocols can allow objects to fall on innocent bystanders, putting people not connected to the project at risk.

As safety and health are of paramount importance to the Group, we aim to continuously improve our safety and health performance through robust risk assessments and controls as well as the adoption of best practices and procedures. Our Safety, Health and Environment (SHE) Policy outlines the relevant processes and approach that sets our high safety and health standards while also meeting regulatory requirements. This policy is regularly reviewed to strengthen our safety and health performance and ensure it remains relevant to our business objectives. In FY2020, the Group enhanced the Occupational Safety and Health (OSH) Standard by adopting the Australian standard which meets the requirement beyond Malaysia.

We adhere to stringent safety requirements for all the high-risk activities at our construction sites, such as working at heights, crane and lifting operation, and plant and machinery management to reduce the number of accidents arising from these activities. These safety efforts have resulted in Gamuda's accreditation under the Work Health and Safety Accreditation Scheme administered by the Office of the Federal Safety Commissioner, Australia until November 2022.

By adhering to strict safety and health rules, Gamuda has managed to reduce the number of major injury accidents (Class 1, 2, and 3) involving high-risk activities (working at heights, crane and lifting operation, and plant and machinery) at the workplace from nine cases in FY2019 to four cases in FY2020.

As a leading construction company, having a safe work environment has contributed to safeguarding reputation and supporting our local and international project tenders. Our emphasis on safety and health also boosted the morale of our employees, helped us retain our pool of skilled manpower, and contributed towards developing a safe work culture.



We take lessons learnt from accidents involving high-risk activities and use that as a basis to improve on the gaps in our safety and health practice. A thorough and transparent investigation will be conducted in the event of an accident to identify any gaps in work process, and the investigation findings will be used to enhance our process to prevent recurrence of the incident. Subsequently, we conduct ongoing monitoring and evaluation of the enhanced process to maintain its effectiveness.

HOW WE APPROACH IT

[GRI 403-2] [GRI 103-2] [GRI 103-3]



Our safety and health standard is governed by the QSHE Policy (Quality, Safety, Health and Environment) established by Gamuda Berhad and Gamuda Engineering Sdn Bhd, and signed by the managing directors of both companies.

The policy stipulates that Gamuda is committed to being an industry leader in QSHE by providing timely delivery of quality products and services, safe and healthy working condition and an environmentally sustainable and responsible approach to our business.

We aim to meet the needs and expectations of our customers and other stakeholders, and we either comply with or exceed the relevant legal and other requirements when it comes to safety and health standard. We are determined to prevent safety and health incidents and environmental pollutions by continuously improving our QSHE management system and performance to uphold the safety and health standard.

Gamuda is driven to integrate the QSHE requirements into our business processes by inculcating a self-regulating mindset in our employees by encouraging them to take personal ownership of all safety and health matters. Our projects are built from teamwork and we seek to keep everyone safe by adopting open and honest communication to foster real teamwork. Most importantly, we want to develop our people so that they are equipped with sufficient skills and knowledge to keep everyone safe at work.

The proper methodology is in place to keep track of our OSH performance and progress in a systematic way. At Gamuda, safety is everyone's responsibility, all the way from the top management to the workers on the ground. To uphold the standard, we have set KPIs for every project sites and these results are reflected in Gamuda's OSH performance.

Gamuda has dedicated substantial resources to maintain and enhance our OSH performance. There are dedicated OSH Team at the headquarters and our project sites, and we regularly conduct OSH-related training.

In line with the Group's digitalisation strategy, we are gradually digitalising some processes. We have digitalised OSH monitoring, evaluation and performance analysis using Fieldview and Tableau. We started using Fieldview for SHE Inspection in the previous year. This year, the usage of Fieldview has been expanded to Internal Audit, PTW Implementation, Plant and Machinery Inspection and Site Daily Progress Report.

Gamuda adopts an integrated management system for our OSH processes. This is certified under ISO 9001, 14001 and 45001.

We are constantly monitoring our OSH practice through regular daily and weekly inspections, in addition to Safety and Health Committee inspection and monthly Inspection by SHE personnel at the project sites. This is enhanced by the internal audit as well as external audit conducted by a certification body such as SIRIM. Our operations in Australia is subjected to inspection by the Federal Safety Commissioner (FSC) Australia.

At Gamuda, all safety and health related matters come under the oversight of the Head of QSHE Department. At the project level, this is the responsibility of the respective heads of projects.

We have maintained a zero non-conformance report (NCR) for the past 11 years consistently for the SIRIM audit result. The 5-Star SHASSIC award was presented to RSKU Puncak Bestari, RSKU Bandar Serai and RSKU Cyber Valley from Construction Industry Development Board (CIDB) during CIDB SHASSIC Day 2020. We also obtained TABAS (Tapak Bina Sejahtera) for RSKU Cyber Valley from Majlis Perbandaran Sepang.

Training and development for employees and workers in FY2020:



Safety, Health and Environment induction for all new employees



Emergency Response Team (ERT) training by internal and external parties (e.g. BOMBA and St John Ambulance)



Safety, Health and Environment (SHE) Work Instruction on High-Risk Activities Training



Emergency Drill



Competency Training (e.g. Integrated Management System (IMS) Lead Auditor, Rigging and Slings, Scaffold Inspector and Lifting Supervisor)

SHE Committee

SHE committee is established at all project sites to lead the implementation of SHE initiatives and to monitor SHE performance. SHE committee meetings are conducted at least once a month to serve as a platform in ensuring timely communication and effective Hazard Identification, Assessment of Risk and Opportunity, and Controls (HIAROC) process implementation. Employees and workers may also communicate and provide feedback to management through the following channels:

- 1 **Toolbox and pre-task briefing**
- 2 **Involvement in HIAROC during Job Safety Analysis and Method Statement review**
- 3 **During incident investigation process**
- 4 **Discussions during corporate and project level SHE committee meetings**
- 5 **Management Review Meetings**

The SHE committee team carries out regular site visits to guide our workers in implementing the Group's best practices and minimising harm at the workplace. We have put in place an Incident Investigation and Reporting procedure to respond to any safety and health related occurrences reported by employees or workers on site. Incidents reported will be investigated by trained personnel and preventive or mitigating actions will be implemented. Data and trends gathered from these incidents will be reviewed critically to enhance existing SHE strategies and procedures.

Sustainability Report

OUR PERFORMANCE

(GRI 403-2)



The close attention given to OSH has led to several awards and recognitions. Gamuda Engineering was accredited by Office of the Federal Safety Commissioner, Australia (OFSC), 5-Star SHASSIC Award and British Safety Council Award, just to name a few. Gamuda Land, on the other hand was awarded EdgeProp Malaysia's Responsible Developer: Building Sustainable Development Award 2020 in June.

Gamuda Land was also praised by Malaysia's Works Minister Dato' Sri Haji Fadillah Yusof for stepping up its precautionary workplace actions as part of COVID-19 containment measures, which exceeded the benchmark imposed by the industry regulator, CIDB. The Works Ministry visited twentyfive.7 development in June 2020 for a construction site inspection to ensure developers in the country are keeping up with CIDB's new standard operating procedure (SOP).

MRT Putrajaya Line

Total Man-Hours Worked	Average Man-Power	Class 1	Class 2	Class 3	Class 4	Injury Rate*	Total Work Day Lost	Lost Day Rate#
29,647,276	12,957	0	1	18	57	0.51	441	2.97

- Class 1 – An incident that results in the death of an employee due to an occupational activity
 Class 2 – An incident which involves injury to an employee that prevents the person from following his normal occupation and involves permanent disability
 Class 3 – An incident which involves injury to an employee that prevents the person from following his normal occupation for 4 days or more
 Class 4 – An incident resulting in lost time of less than 4 days which requires medical treatment or clinic or hospital

Information on the types of injury and injury rate (for MRT Putrajaya Line) has been assured through Limited Assurance exercise with Ernst and Young.

* Formula to calculate Injury Rate: Number of injury (class 1, 2, 3 and 4)/total manhours worked X 200,000

Formula to Lost Day Rate: Number of workday lost/total manhours worked X 200,000

GAMUDA BERHAD (Gamuda Engineering, Menara Gamuda and projects)

Total Man-Hours Worked	Average Man-Power	Injury Rate	Lost Time Injury Frequency Rate (LTIFR)
40,053,544	16,744	0.25	1.27

Projects include MRT Putrajaya Line, Pan Borneo (WPC-04) and Belfield



DIVERSITY AND EQUAL OPPORTUNITY

WHY IT MATTERS

[GRI 405-1] [GRI 103-1]

Gamuda recognises that to achieve its purpose, it must be a leader in relation to workplace diversity and equality.

We employ a diverse workforce so that we can tap into a wider talent pool with different background and expertise, thereby generating creative solutions that will help the Group stay competitive in the ever-challenging and globalised business environment.

We do not discriminate against gender, marital status, race, nationality, ethnicity, or age. Our guiding principles are to promote and protect basic human and, labour rights and values to achieve our collective goal for excellence.

HOW WE APPROACH IT

[GRI 405-1] [GRI 103-2] [GRI 103-3]

The Group practices non-discrimination when it comes to performing organisational activities. Although the popular belief is that a construction company may tend to promote male employees, Gamuda does not discriminate in that manner. We provide equal opportunities for all to be part of our innovative team of builders. For more information on how we value talents without discriminating based on gender, kindly refer to the 'Women in Engineering' section on page 116.

Besides at the working level, we also ensure that women are part of our highest governance levels. Our Group key governance positions are led by females such as Group Human Resources and Administration, Group Corporate Communications and Sustainability, Group Chief Sustainability Officer, Legal and Company Secretarial, and the Integrity and Governance Unit. The drive to promote women in management extends to the Board level, with three out of seven of the members are female. We hope to continue having this mixture of leadership in the Group and be a precursor towards a company for all.

Other than promoting gender equality, we also do not condone any kind of discrimination especially for key processes such as employee hiring, employee benefits, appraisal, remuneration, promotion or legal action due to non-compliance. We strongly believe that any form of appreciation or retribution should be a consequence of individual workmanship or actions.



OUR PERFORMANCE

[GRI 405-1]



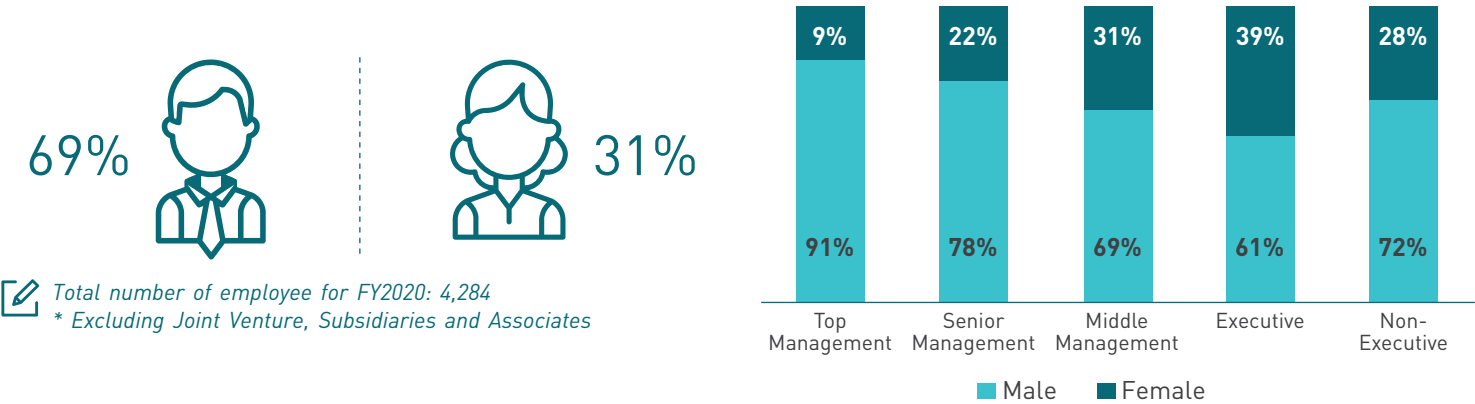
Gamuda's commitment to build a diverse and inclusive workplace is reflected in the composition of our workforce, which is well represented by each age group as well as gender. In FY2020, 33 percent of our employees are under 30 years old, with 56 percent of them aged between 30-50. We have 12 percent of employees who are over 50 years old. We believe it is important to have a workforce comprising a balanced number of experienced as well as up-and-coming young workers to ensure the succession and continuity of the business as the experience accumulated could be passed down through collaboration.

Besides age diversity, Gamuda is also supportive of raising women's participation in the labour market. The Group has taken the initiative to ease concerns of working women, especially young mothers looking for an affordable and reliable childcare centre that is near to their workplace. This value added benefit acts as one of the elements to attract and retain our women in the workplace. In FY2020, 31 percent of our employees are female.

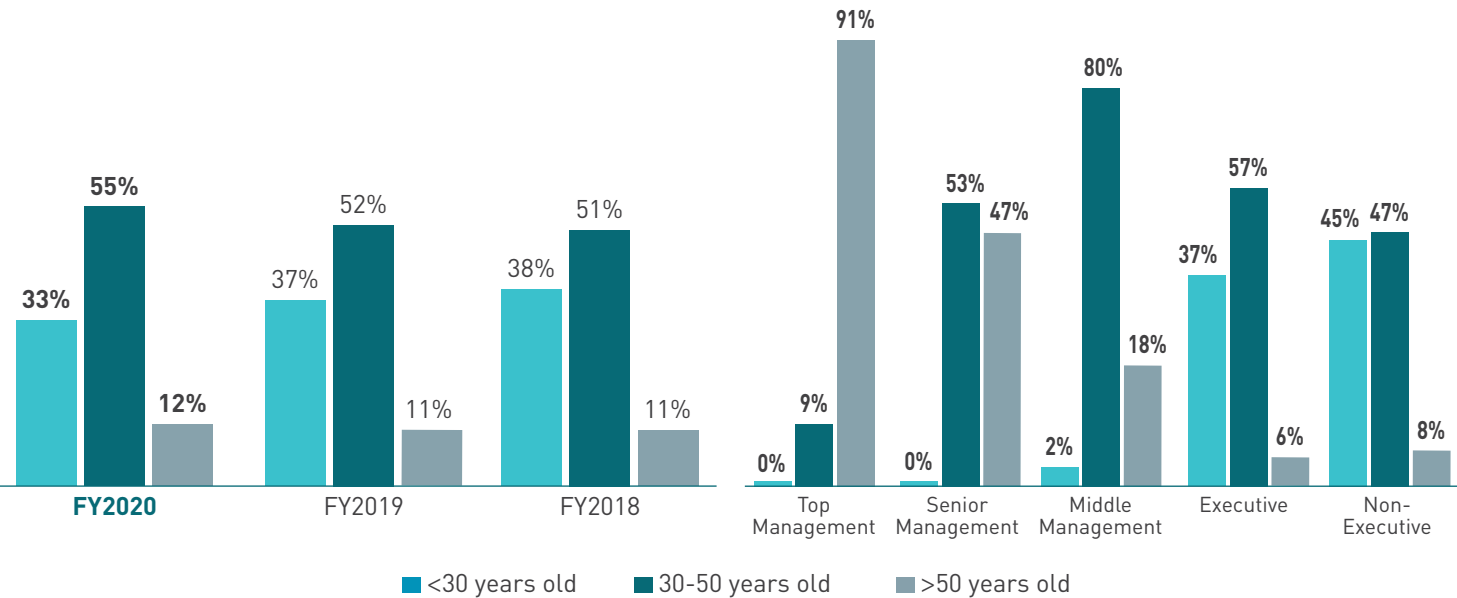


Sustainability Report

The Group's Gender Diversity for FY2020



The Group's Age Diversity for FY2020





NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

WHY IT MATTERS

[GRI 401-1] [GRI 103-1]



Gamuda views our people as the greatest asset of the Group. As an infrastructure company, our success is heavily dependent on engineering excellence and expertise to drive technological advancement. This core competency is deeply rooted in the knowledge and dedication brought by our employees, as humans are behind each technology advancement and breakthrough.

This is evidenced by our latest award-winning (Autonomous Tunnel Boring Machine, A-TBM), a true Malaysian innovation designed by an in-house team of engineers at MMC Gamuda that is undertaking the Klang Valley Mass Rapid Transit construction project. Therefore, efficient manpower planning is important for Gamuda to maintain an optimal level of talents to sustain the business. At the same time, we seek to keep employee turnover to a minimum by providing a positive employee experience overall through continuous engagement and retention strategies.

Our hiring activity will typically increase when the Group embarks on a new project. This is balanced against a healthy turnover as this will enable the replenishment and growth of new talents with new skill sets.

The management of our human capital is a material sustainability matter as our people are the primary stakeholder that drives the business, bringing innovation to our projects. All of these will have an indirect impact on the construction and engineering industry in Malaysia due to Gamuda's position as an industry leader. An event that may alter the Group's hiring and retention rate would be an industry slowdown or a lack of new business for the Group to sustain its workforce expansion.

HOW WE APPROACH IT

[GRI 401-1] [GRI 103-2] [GRI 103-3]



Whenever a new hire joins the Group, they will be introduced to the Group's structure and work culture through a formal orientation programme that promotes an informed on-boarding experience. These new hires will undergo a supervised and structured on-boarding programme within their departments during their probationary period. The Recruitment and Selection Policy is in place for everyone to view and follow when hiring is concerned.

We also share Gamuda Values with new employees and equip them with awareness on discipline, sexual harassment and grievance guidelines and policies during the Corporate Induction Programme for all new employees.

A Cessation of Service policy is in place to help manage employee resignation. We will conduct a formal exit interview to obtain feedbacks on reasons for resignation, which allows us to ensure actions are taken to improve and close any necessary gaps that may exist.

The new hires and employee turnover are managed by our talent managers from the Group Human Resources. They assist the business to manage and advise on the required resources. Heads of departments are given the responsibilities to manage the resource planning.

The Group has dedicated resources in place through the various HR teams to manage the full cycle of employment experience at Gamuda, from hiring right through managing the employee's exit. This includes the teams responsible for Talent Acquisitions, HR Operations, Compensation and Benefits, as well as Talent Management. On the technology front, we have invested in computer systems and have the relevant HR processes in place for the management of our employments.

We continuously strategise our annual plans to build our talent pipeline through Employer Branding initiatives. We constantly engage with university students both locally and abroad through workshops and talks, career fairs, internship programme intakes and employer branding by participating in various publications and activities. In addition, we have built a strong social media presence on several platforms with assistance from the Group Corporate Communications and Sustainability department.

Our ongoing branding efforts have resulted in Gamuda being recognised in the latest Graduan Brand Awards as the sector leader in the Construction and Property Development industry. We have maintained our top five positions in the awards for the past three years.

To monitor our approach in employment management, we conduct internal audits to ensure check and balance in the process and feedback are collected on areas that needed improvement. The respective business unit's HR representatives will oversee the evaluation and the findings are discussed with the Head of HR.

Sustainability Report

OUR PERFORMANCE

(GRI 401-1)

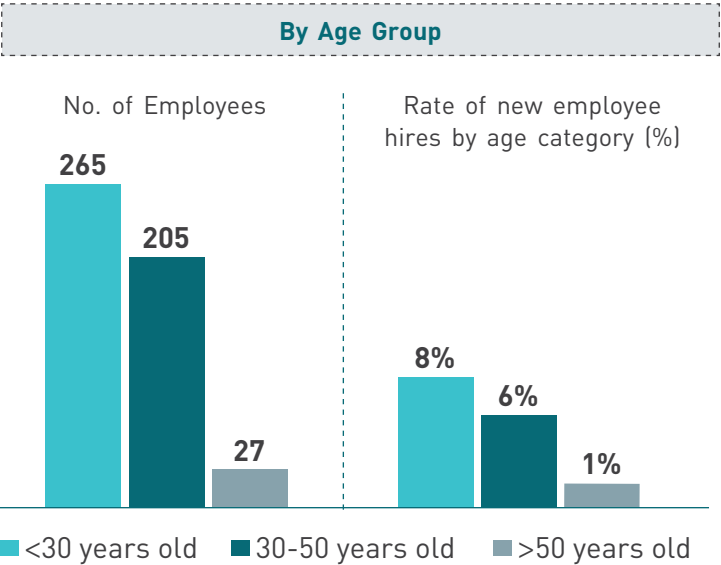
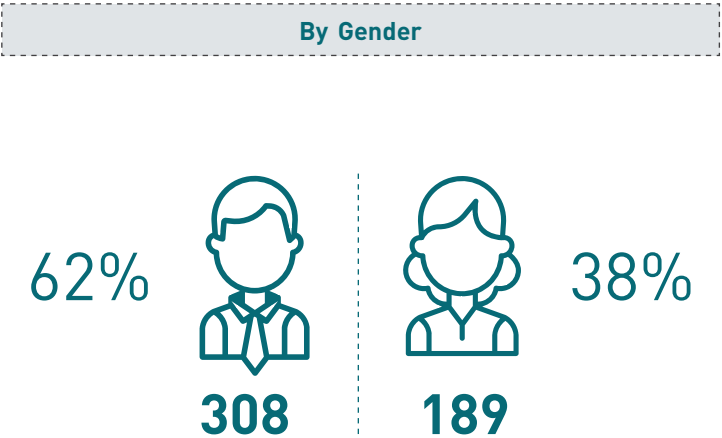


We hired 497 new employees in FY2020, representing 14 percent of our total workforce. The turnover rate stood at 9.2 percent, slightly lower than the 10 percent recorded in the previous year. Our employee turnover rates have been relatively stable over the past three years, with a turnover rate of 9 percent in FY2019.

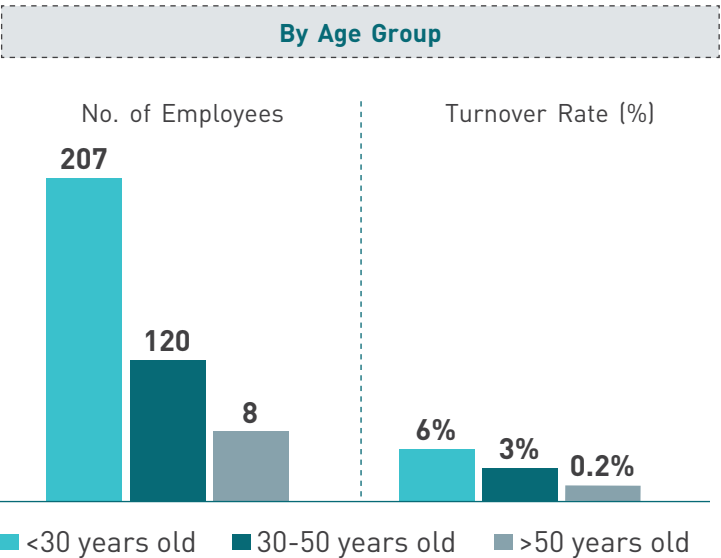
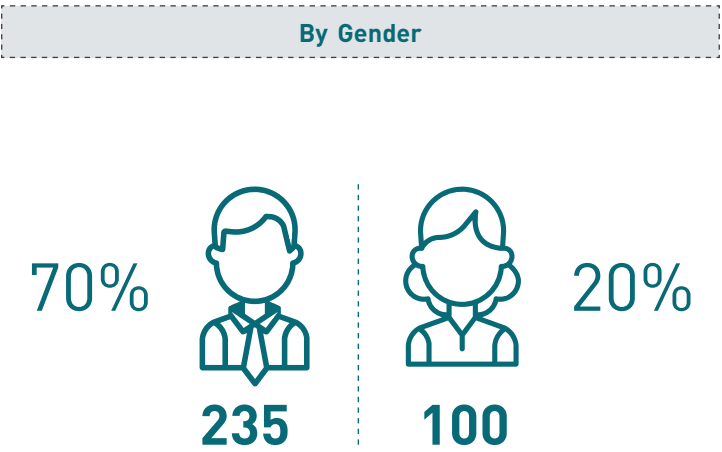
Gamuda’s commitment to diversity and inclusivity is demonstrated in the well-balanced number of experienced employees compared with younger employees being hired during the year. Of the total new hires in FY2020, 33 percent are under 30 years old, while 55 percent are 30-50 years old. The remaining 12 percent are over 50 years old.

Our employment data consist of those from Gamuda Berhad, Gamuda Engineering, Gamuda Land, Clubs and other subsidiary companies of the Group in Malaysia, Australia, Singapore and Taiwan. The data excludes those from our joint venture and associate companies.

New hires



Turnover





BENEFITS PROVIDED TO FULL-TIME EMPLOYEES

WHY IT MATTERS

[GRI 401-2] [GRI 103-1]

We are committed to provide competitive benefits that promotes health and well-being while appreciating the workforce as part of our ecosystem. These benefits can improve our bottom line by engaging employees to care for themselves. Healthier employees mean lowering the risk for sick days, bringing employees best selves to work every day and be available for their lifestyle needs. As a company that promotes family values, we extend our employee benefits to the family members especially on key aspects such as health and flexible working arrangement. By providing these benefits, we hope to journey longer with the employees and retain our valuable talents within the Group.



HOW WE APPROACH IT

[GRI 401-2] [GRI 103-2]



We continuously review and refine the employee benefits to suit the current needs of employees. We conduct frequent employee engagements through different mediums such as town hall meetings and appraisal sessions. The Group ensures that all employees understand their benefits through roadshows and ongoing communication. Rewards and compensations are offered on a merit basis, according to the employee's performance. Rewards and benefits matters are overseen by the Group Rewards Team and respective HR representatives.

OUR PERFORMANCE

[GRI 401-2]



We offer comprehensive packages of benefits to our full-time employees to care for their overall well-being, such as healthcare, insurance, leaves, as well as retirement benefits. The table below lists some of the key benefits offered:

Types of benefit	Details
Leaves	Annual Leave, No Pay Leave, Sick or Hospitalisation Leave, Marriage Leave, Paternity Leave, Maternity Leave, Family Care Leave, Examination Leave, Compassionate Leave, Prolonged Illness Leave, Replacement Leave
Flexi-Wellness	Outpatient, Additional Pre and Post Natal Expenses, Annual Medical Check-up, Wellness Membership, Optical, Dental, Vaccination
Allowance and Subsidy	Professional Membership Subsidy, Childcare Subsidy, Business Travel Reimbursement (BTR)
Insurance	Group Term Life Insurance, Surgical and Hospitalisation Insurance, Personal Accident Insurance
Flexi-Work Arrangement	Staggered Working Hours, Flexi Time, Seasonal Flexi-Time, Flexi Place, Flexi Lunch Hours, Replacement Hours, Work from Home (WFH)
Others	Car Park Facility, Retirement benefits, Bona Fide benefits, Employee Education Assistance

Full-time employees refers to those working on a permanent or contract basis with Gamuda only, excluding our joint ventures and associate companies.

Sustainability Report



LOCAL COMMUNITIES

WHY IT MATTERS

(GRI 413-1) (GRI 103-1)



As a socially responsible corporate citizen, Gamuda supports local communities. We aim to create social value to the local communities by fostering collaboration or partnership across sectors with government, media and community members. We believe this will lead to a more equitable and inclusive solution in delivering a positive impact to society.

Communities where we operate are critical to our long-term success while our operations can affect these local stakeholders. It is our aim to sustain, support and develop the local communities through education, development programmes, environmental conservation and sustainability advocacy.

HOW WE APPROACH IT, OUR PERFORMANCE

(GRI 413-1) (GRI 103-2) (GRI 103-3)



We actively engage the indigenous children, families and communities to tap their expertise and knowledge with the natural habitat of flora and fauna in our biodiversity conservation works, while offering them education and employment opportunity in return to effectively reduce the disadvantage faced by the aboriginal people in Malaysia.

Our approach to engaging and supporting indigenous people is articulated in several programmes, which seek to ensure our relationship contribute to their economic empowerment, social development needs, and cultural well-being.

Orang Asli (indigenous) Temuan Villages – we encourage the enhancement of the craft and skills, and preservation of traditional knowledge for medical and plant gardening with the five *Orang Asli* Temuan Villages that are located within the vicinity of our developments – Gamuda Cove and Paya Indah Discovery Wetlands.

Wild Tree Seed Bank – a project jointly conducted with native communities towards the propagation of tree species at Gamuda developments. Wild tree seeds are collected in an ex-situ conservation nursery site at Pulau Kempas, Dengkil. Using the traditional knowledge and experiences from the native communities, tree species are identified for conservation, with saplings then planted at our developments and arboretum to support Gamuda Parks' policy of planting more than 50 percent of native trees at our project sites.

Kuala Langat North Forest Reserve – As an adjacent landowner, we have committed towards the funding and resources to the rehabilitation of the Kuala Langat North Forest Reserve that covers about 2,372 acres of peat swamp forest. This is aimed at arresting the further degradation of the site to preserve the biodiversity of this natural resource that is of significance to rare animal species such as the Malayan Sun Bear and Leopard, as well as the *Orang Asli* communities.

The Peatland Water Management and Forest Rehabilitation work is implemented in partnership with NGO Global Environment Centre, the Selangor State Forestry Department and the *Orang Asli* Development Department. The objectives of this programme are to establish a local community group to help in forest patrols in the prevention of fire, to support the implementation of the Forest Fire Management Plan, and to create awareness among primary school children in peat swamp forest conservation.

Junior Peatland Forest Ranger and Peatland Forest Ranger Programmes – Together with BOH Plantation, we have invested in the Junior Peatland Forest Ranger and Peatland Forest Ranger Programmes, aimed at educating students on peat swamp forest. A total of 126 students and 25 teachers from various schools in Kuala Langat, Hulu Selangor and Kuala Selangor districts benefitted from these programmes.

International Day for Biological Diversity 2020 – Gamuda Parks collaborated with Think City for the first time in its digital campaign due to the ongoing COVID-19 pandemic. The campaign saw a total of 1048 participants.

Face masks production to support indigenous and underprivileged communities – We collaborated with The Asli Co in making and distributing 500 reusable cotton face masks to the *Orang Asli* and homeless communities.



PRESERVING TRADITIONAL KNOWLEDGE

FOR MEDICINAL PLANT GARDENING

A knowledge transfer workshop for medicinal plant gardening, benefitting community in terms of food security



UPSKILL TRAINING OF TEMUAN WOMEN

Training provided to women from the Temuan *Orang Asli* community to sew and sell reusable face masks

500 pieces

of reusable face masks
to native communities
and homeless



WILD TREE SEED BANK CONSERVATION OF TREE SPECIES

Propagation of tree species with conservation value

2000

Melicope lunu-akenda preserved and
procured for Gamuda Cove

NATIONAL POLICY ON BIOLOGICAL DIVERSITY GOAL 5

"We have improved the capacity, knowledge and skills of all stakeholders to conserve biodiversity"

NATIONAL POLICY ON BIOLOGICAL DIVERSITY GOAL 3

"We have safeguarded all our key ecosystems, species and genetic diversity"



Engagement with native community



Procuring of *Melicope Lunu Akenda* in nursery



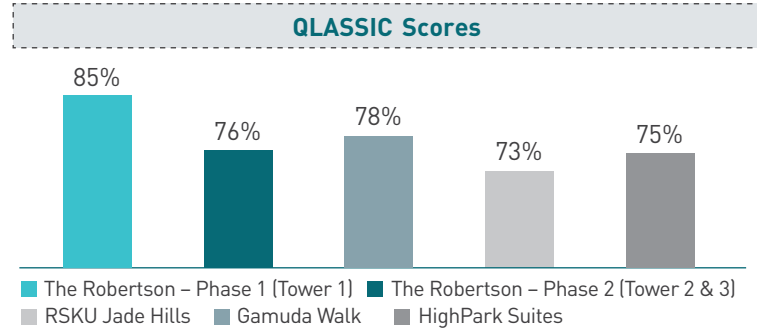
Making of reusable mask

Sustainability Report

INITIATIVE

QLASSIC

Quality Assessment System in Construction (QLASSIC) is a voluntary third party assessment with CIDB to evaluate the workmanship of a building construction based on the Construction Industry Standard (CIS7:2014). QLASSIC enables the quality of workmanship between construction projects to be objectively compared through a scoring system. In FY2020, our Gamuda Land HighPark Suites received the QLASSIC certification with a score of 75 percent.



STAR GOLDEN HEARTS AWARD (SGHA)

Since 2016, we have contributed more than RM4 million to the annual Star Golden Hearts Award and Gamuda Inspiration Award a joint initiative by The Star, Star Foundation, and Yayasan Gamuda to celebrate the work of unsung heroes who go the distance in helping those in need irrespective of race, culture and religion. This is reflective of the values we hold dear as an organisation to galvanise and recognise an entire ecosystem of humanitarian and inclusive initiatives.

Every year, the number of nominations received increases double fold. In 2020, more than 500 nominations were received. This is a reflection of the growing humanitarian ecosystem in Malaysia over the years when we received 100 nominations when SGHA first started in 2016.

The nominations cut across all categories ranging from individuals, NGOs, social enterprises and companies. The range of benevolent, public-spirited and altruistic causes include education, environment and social purposes. The charitable initiatives involve employment, entrepreneurship, youth empowerment, digital literacy, waste management, nature conservation, urban agriculture, ecotourism, community welfare for the homeless and urban poor, disabled with special needs, water and sanitation in rural and indigenous communities, and animal welfare.

Each year, 10 outstanding individuals or groups are chosen as award winners and among them a Gamuda Inspiration Award winner will be selected to receive a grant of RM50,000 in contribution towards their cause. This resonates with our goal in empowering community-building efforts that leave a positive impact on the lives of others through socio-economic development.

GAMUDA INSPIRATION AWARD



2019
Sujana Mohd Rejab
Makes 3D-printed prosthetic limbs for disabled children; enabling them to have equal access to a quality life with dignity.



2017
Barefoot Mercy
Provides electricity and education support to improve quality of life in rural Sarawak.



2018
UmieAktif
Empowers underprivileged mothers in Chow Kit through sewing and crafting skills.



2016
Kedai Jalanan
Set up 'Kedai Jalanan', a pop-up store to clothe the homeless with dignity.

INITIATIVE

INTERNATIONAL WOMEN'S DAY

On 6 March 2020, we organised an event for our employees at Menara Gamuda to mark the International Women's Day, a global day in celebration of the social, economic, cultural and political achievements of women.

At Gamuda, we strongly believe in the power of harnessing the potential of women and we are dedicated in providing all the support we can to help keep women in the workforce while they strive to raise a family at the same time. Gamuda is committed to invest in our employee to go on contributing, move up the corporate ladder and be eligible for decision-making roles in the boardroom – and we want them to do so deservedly, on their own merits.



At present, 33 percent of the board is made up of women, who constitute the board. While we are supportive of equal opportunity for women's participation in the labour force through family-friendly employment policy and facilities, continual participation remains the most critical workplace issue. Currently 31 percent of the workforce in Gamuda comprises of women, compared to 29 percent in 2019.

The highlight of the event during the International Women's Day this year was the "Stay On, Everyone Wins" forum that we hosted, aimed at building awareness on empowering women at workplace and its significance. Featuring Malaysia's longest-serving Minister of International Trade and Industry Tan Sri Rafidah Aziz, the forum discussed how, in more recent decades, gender gaps at work were found to have been based on women's own decisions that were influenced by social norms rather than a result of overt discrimination.

43%
Women on
Board

31%
Women in the
workforce

**Family
friendly**
employment policy
and facilities

GAMETIZE

As the Group continues to further drive digitalisation, Gamuda's Talent Management is leveraging on technology to facilitate knowledge and skill development among our employee by utilising a mobile learning gamification application called Gametize.

Classroom training is no longer the only way to learn and acquire skills, and gamification is the latest and more interesting way to learn. Gamification is well-suited for today's learners who have grown up with technologies and want strong engagement while learning, as the game-based mechanics and aesthetics motivate action and problem solving.



Gametize is a flexible learning platform that can be customised for any training topic, which is especially useful during the year when social distancing have affected physical training plans. Gametize uses online quizzes, diagrams and flashcards to entice learners to complete challenges toward defined learning objectives.

The Gametize way of e-learning in bite-sized modules that takes only 10-15 minutes to complete has proven to be popular not only among the younger audience, but also among the tech-savvy seniors in Gamuda.

Sustainability Report

INITIATIVE

WOMEN IN ENGINEERING

While engineering is a male-dominated profession, Gamuda is dedicated to shake up the perception and diversify its workforce with a more gender-balanced talent pool. We constantly offer opportunity and encourage women to take up roles that are traditionally occupied by men, and we are proud to know many women who took up the challenge persevered and excelled in the tasks assigned to them. From a specialty instructor who conducts fire safety training for all site workers working underground at the MRT Kajang Line, to a site engineer who was promoted to become the Section Head of KLCC East underground station, we have groomed many female workers who excelled in the engineering roles along with their male counterparts.

To further increase female participation in our workforce, we have started the Gamuda Women Empowerment Network (GWEN), aimed at providing women a support network to help advance their careers. Through GWEN, we hope to encourage more women participation especially at managerial and senior levels. We want to educate our workforce in removing cultural impediments about women in leadership positions as well as discuss the types of policy measures needed to promote more diversity and inclusion in the workplace.

We also seek to retain more female employees in the workforce through a host of benefits under the Women@Work initiative, offering options to women to raise their family amid career development such as extended maternity leave and Flexi Work Arrangement to accommodate to the needs of working mothers.



**Increase
female**
participation in
our workforce

**Encourage more
women**
participation

PANDEMIC PREPAREDNESS

COVID-19

Gamuda adhered to all regulations and guidelines issued by the Malaysia Government in response to the COVID-19 outbreak to safeguard our employees and communities from the disease.

Malaysia entered a period of Movement Control Order (MCO) from March 18 to May 4, when almost all businesses and economic activities were halted and people were ordered to stay at home under the Government's directive. This followed by Conditional Movement Control Order (CMCO) from May 4 to June 9 with more relaxed regulations following a decline in COVID-19 cases in the country. Most economic sectors and activities were allowed to operate during this time with strict adherence to business standard operation procedures (SOPs) such as social distancing and keeping patrons' contact details for tracing purposes. Movement restrictions in Malaysia were further relaxed under the Recovery Movement Control Order (RMCO) phase between June 10 and December 31.

A special committee was set up to handle the pandemic, which consists of the COVID-19 Steering Committee headed by the Managing Director of Gamuda Engineering Sdn Bhd, the COVID-19 Working Committee, Business Unit and Project Task Force. The COVID-19 response plan is chaired by the Group Managing Director through a Steering Committee for business resumption, led by the Managing Director of Gamuda Engineering and the CEO of Gamuda Land. The Working Committee consist of



personnel from the Group Human Resources and Admin, Group Corporate Communications and Sustainability, and the Quality, Safety, Health and Environment (QSHE) departments, while the Board aided the management as appropriate. We had also revised the Emergency Response Plan and included COVID-19 as a potential emergency.

Gamuda responded to the Government's directives with several key measures, mainly related to the establishment of a process related to testing and contact tracing to ensure that early detection of COVID-19 can be done to prevent further spread of the virus. Centralised Quarantine Quarters (CQQ) were set up to serve as facilities to quarantine Patients Under Investigation (PUIs) while they wait for confirmation on the COVID-19 status. We had also introduced testing approaches such as RT-PCR and Antibody RTK tests, and redesigned the Centralised Labour Quarters (CLQ).

PANDEMIC PREPAREDNESS

We have set up our RT-PCR testing facility to enhance our COVID-19 control measures to bolster infection prevention while mitigating the risk of the spread of the virus within our workforce. This in turn will support our business continuity plan. Our internal testing process is not intended to replace the Ministry of Health's RT-PCR test, but rather to support the Group's operations by preventing downtime and cost through the rapid establishment of any potential infection cases promptly. In the event of an internal test turned out to be COVID-19 positive, we would follow the usual practice of sending the case to a MOH Accredited Laboratory for due process. In such an event, we will be better prepared for the eventual outcome and this will enable us to take speedy action to prevent spread through isolation

Other preventive measures put in place include having our employees working from home at the beginning of movement restriction period, while facilitating social distancing at our

premises. We are in 100 percent compliance with the Government guidelines at both Menara Gamuda and our project sites. Gamuda's commitment in adhering to the SOPs has helped our project sites obtain the approval from the Ministry of International Trade and Industry (MITI). Special approval was granted to continue works at selected MRT Underground sites during the MCO with stringent adherence to precautionary safety measures and a limited workforce, as tunnelling works could not be temporarily halted due to public safety risk.

We are cognisant of the need to take care of the mental well-being of our employees due to the prolonged MCO period. Action was taken to organise sharing sessions online for all employees on a frequent basis to help ease the effect of isolation. Throughout this period, we have boosted internal communications through Workplace and other platforms to keep our employees updated about the pandemic.

COVID-19 PREVENTIVE MEASURES BY GAMUDA

No. of RTK Test conducted – 72,495 (as of July 2020)
No. of RT-PCR conducted – 19,495 (as of July 2020)

Objectives:

To prevent spreading of COVID-19 pandemic at our workplace and to support government initiatives in fighting the COVID-19 pandemic

Develop procedures and work instruction on COVID-19 preventive measures

Establish CQQ at every CLQ

UPSKILLING AND RESKILLING MALAYSIANS

ENABLING ACADEMY

Over the years, Gamuda has benefitted from the dedication and hard work of many talented Malaysians who chose to build their career with us. This contributed to the Group's success and market-leading position we enjoy today. Gamuda is determined to contribute back in building the community that built us, by making our growth more sustainable and our success more inclusive.

This vision has led us to launch the Project Differently-Abled in 2013, which resulted in the Group's hiring of 20 employees with autism. The project was also a precursor to the establishment of the Enabling Academy (EA) in 2017, aimed at preparing more people with autism for gainful and sustainable employment.

The Enabling Academy seeks to achieve this mission through an Employment Transition Programme (ETP) that trains and places young adults on the autism spectrum into companies that embrace diversity and inclusion in their workforce. The three-month programme sponsored by Yayasan Gamuda comprises two courses designed to equip trainees with the relevant soft skills and practical job training that are essential for employability.

We are aware of the tremendously positive impact this programme could bring to the society and we aim to share our experience more widely. To facilitate the replication of more ETPs nationwide, EA has developed and published a Trainer's Manual, the first in Malaysia that is used by the EA team to conduct Course I (Personal Development for Career Sustainability) and Course II (Job Skills Development).

These courses are useful to help equip job seekers on the autism spectrum, in particular those with high-functioning autism, for sustainable employment. Nevertheless, the concept and contents of EA ETP can be adapted to suit the needs of youths in general to prepare them as they transition to life after school and employment. As such, the Trainer's Manual works as a guide and resource book for special education teachers, vocational trainers and job coaches for persons with disabilities and other youths in general.

The EA team is planning a nationwide outreach to share the EA ETP manual to the relevant educators, practitioners and job coaches to enhance their existing programme to better equip these youths to achieve sustainable employment and independent living.

Sustainability Report

UPSKILLING AND RESKILLING MALAYSIANS



Gamuda believes that employment is particularly challenging for people with autism because societal institutions like workplaces, organisations and tertiary institutions are often not ready or lack the willingness and ability to engage with persons with disabilities as full employees and citizens of society. We want to help raise the awareness that society are in it together to tackle this challenge and we need to embrace persons with disabilities in ways that acknowledge their potential.

According to Professor Dan Goodley, Co-Director for iHuman at the University of Sheffield in the U.K., many people in the world adopted a deficit perspective about persons with disabilities which views them as lacking, lowered in capacity and unable to act as full members of society. This view is wrong as it does not recognise the potential of persons with disabilities and those with autism to work just like other colleagues when offered specific kinds of support in their activities as employees.

However, we all need help at work and none of us can do our jobs in isolation. With that view in mind, EA had designed a series of activities that seek to put in place the support needed by employees with autism, focusing on capacity building. This approach assumes competence on the part of individuals with autism and persons with disabilities in general.

We hope that through supporting people with autism into work, we are also respecting and promoting a diverse workforce that is positive and in turn contribute towards building a more inclusive and sustainable organisation. Our efforts with EA and the Trainer's Manual is aligned with UN Sustainable Development Goal 4 (Quality Education), 8 (Decent Work and Economic Growth), and 10 (Reduced Inequalities).

Our Impact

Public Awareness Outreach on the Employability of persons with autism by Enabling Academy

- 150 Companies
- 1,963 Local Communities
- 2,235 Gamuda Employees

All data are since 2017

Current Partner Companies	No. of EA Graduates Employed
DRB-HICOM Bhd	27
CIMB Bank Berhad	
Agrifert Malaysia Sdn Bhd	
Macro Dimension Concrete Sdn Bhd	
Feruni Ceramiche Sdn Bhd	
Brick Dotcom Sdn Bhd	
Hap Seng Land Sdn Bhd	
SalesCandy International Sdn Bhd	
SalleWan Property Management Sdn Bhd	
Maran Road Sawmill Sdn Bhd	
UNIQLO Malaysia Sdn Bhd	
HSBC Electronic Data Processing (Malaysia) Sdn Bhd	
OCBC Bank (Malaysia) Berhad	
Nehemiah Reinforced Soil Sdn Bhd	
Roche (Malaysia) Sdn Bhd	
United Overseas Bank (Malaysia) Bhd	
Gamuda Group	
Gamuda Berhad	6
Gamuda Engineering Sdn Bhd	
MMC Gamuda KVMRT (T) Sdn Bhd	
Gamuda Trading Sdn Bhd	
Self-Employed	
Caryn Personal Care Sdn Bhd (Family business)	3
Snack Stall at Damansara Jaya Food Court	
Vegetable Supplier (Provide dispatch service)	
Total	36

Awareness Sessions for Companies from 2017 – July 2020

No. of	FY2020	FY2019	FY2018	FY2017	Total
Sessions	5	33	31	28	97
Participants	102	639	367	238	1,346
Companies	4	60	58	28	150

UPSKILLING AND RESKILLING MALAYSIANS

TUNNELLING TRAINING ACADEMY

Gamuda has accumulated years of deep experience and highly specialised knowledge in tunnelling works through the various underground construction jobs in the Klang Valley and abroad. Our tunnel building track record includes the world's first dual-purpose Storm Water Management and Road Tunnel (SMART), the Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT), the Electrified Double Track Project (Ipoh – Padang Besar), Kaohsiung Metropolitan MRT in Taiwan, the Klang Valley Mass Rapid Transit (KVMRT) Kajang Line, as well as the Putrajaya Line which is under construction.

Social sustainability is an important aspect of these mega infrastructure projects we embarked on in Malaysia, and we believe these specialised skillsets must be passed on to empower and enrich a new generation of youths, so as to help develop the local workforce in support of the country's aspiration to move up the value chain.

With this in mind, the Tunnelling Training Academy (TTA) was set up by the joint venture between Gamuda and MMC Corp in 2011 during the construction of the MRT Kajang Line to address the shortage of a competent workforce for tunnelling works. Aimed at producing highly skilled workforce in the local tunnelling works, RM10 million was invested to set up the academy in Shah Alam, Selangor to meet the need for the construction of the KVMRT project. An additional RM2 million a year is spent on the operations of the TTA.

The establishment of TTA, the world's first learning institution specialised in Tunnel Boring Machine (TBM) technology, helps reduce Malaysia's dependence on foreign labour for construction projects, fulfilling the country's requirements for skilled labour for upcoming infrastructure projects. This specialised and niche training also elevates the standard of the national technical and vocational training and education (TVET) initiative, making it on par with other specialisation globally.

TTA works closely with the Education Ministry, Human Resources Ministry, the Youth and Sports Ministry and leading TVET institutions in the country such as Institut Latihan Perindustrian (ILP) and Akademi Binaan Malaysia (ABM) to select the graduates to join our training.

About 1,000 trainees have been trained at TTA and worked in MRT Kajang Line, of which 30 percent of the workforce are from Sabah and Sarawak. Training at TTA focuses on the operation and maintenance of the Variable Density TBM (VD TBM) that was jointly developed by Gamuda and the TBM supplier, Herrenknecht from Germany, to meet the complex geological conditions in the Klang Valley.

TTA students first undergo theory and simulator training at the academy in Kota Kemuning, Shah Alam, and they will subsequently be posted to KVMRT job sites including Cochrane, Bandar Malaysia, Titiwangsa, and Chan Sow Lin. Some are also posted to Malaysia's first TBM Refurbishment Plant located in Pusing, Ipoh.

The training modules, which take up to 16 weeks for specialist training, cover TBM operation, tunnel electrical application, ring building, cutting disc changing, to bi-component grouting and will equip graduates for roles ranging from assistant TBM operator, erector operator, tunnel mechanic and electrician, to tunnel crew.

A significant number of TTA graduates were later promoted to become electricians, mechanics, operators and supervisors, in line with Gamuda's objective to upskill Malaysians and providing them with career growth opportunities.

Beyond Malaysia, tunnel-related expertise is a field that has a huge demand globally. TTA constantly collaborates with leading international players such as Siemens and Bosch to ensure only the best solutions are deployed to deliver our tunnelling jobs. For instance, TTA collaborated with Siemens to localise a course on Programmable Logic Controller (PLC) module for tunnel electricians. This is an important course as mastering the PLC is akin to controlling the brains of the TBM and tunnel electricians will be better equipped to understand all the mechanisms that control the VD TBM. TTA also invested in Bosch training facilities through the VD TBM's electro-hydraulic system to train tunnel mechanics on the mechanical and hydraulic components of the TBM.

To replicate the success of TTA while supporting Gamuda's expansion into the Australian infrastructure market, plans are underway to set up a TTA in Sydney to provide transferrable skills to the workforce for the benefits of the industry.

Sustainability Report

TUNNELLING INNOVATION ROADMAP

A proven track record of continuous innovation in construction, particularly within our niche of tunnelling with a highly skilled talent pool armed with digital skills and diverse supply chain.

SMART TUNNEL

Listed by Cable News Network, CNN as one of the world's Top 10 greatest tunnels, SMART is the world's first traffic and stormwater management tunnel built with the largest TBM in South East Asia at the time.



PRECAST SFRC TECHNOLOGY

Pioneers of Steel Fibre Reinforced Concrete (SFRC) technology in the region for precast tunnel segment production offering increased productivity and improved durability benefits. Upskilled four local precast SMEs.



LOCAL TBM REFURBISHMENT

Partnered local engineering SMEs to set-up a facility to refurbish eight Kajang Line TBMs for the upcoming Putrajaya Line utilising over 70 percent locally manufactured parts, offering cost savings to the Government and upskilling our local workforce in the process.



2002

TUNNELLING TRAINING ACADEMY

The world's first tunnelling academy set-up to produce a highly skilled local workforce which has provided Technical and Vocational Education, and Training (TVET) to 1,000 Malaysian tunnellers reducing our reliance on foreign expertise.



2013

VARIABLE DENSITY (VD) TBM

The VD TBM is a multimode TBM designed specifically to address the unique challenge of tunnelling in KL's notoriously difficult karstic limestone geology. It is a culmination of our lessons learnt from the SMART project in 2004 and was the key contributor to safe tunnelling on the MRT Kajang Line



2016

TECHNICAL INNOVATION OF THE YEAR AWARD 2014
International Tunnelling & Underground Space Association
London, UK



2,400+
Upskilled



>RM40 million
Direct R&D Investment



3 International
Innovation Awards

DIGITAL CONSTRUCTION

Digitalisation of processes for a paperless workflow with construction data and information housed on a Common Data Environment (CDE) as a single source of truth accessible on mobile devices in real-time.



2018

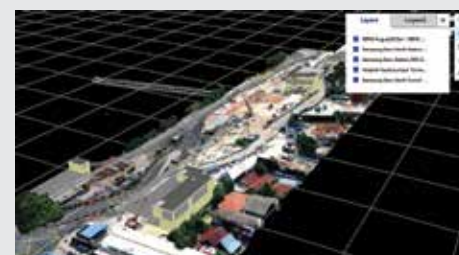
TUNNEL COMMAND CENTRE

Integrated tunnel construction and crisis management centre utilising cloud technology for 360° awareness and real-time connectivity to all TBMs operating on the Putrajaya Line.



WEB 3D GLOBAL INFORMATION SYSTEM (GIS) PORTAL

Integration of drone and BIM assets onto a common web platform. Digitising the construction landscape on the cloud was a first for the region.



DRONE SURVEYING

Winner of Bentley Year in Infrastructure 2019 Reality Modelling Award for novel use of drone surveying for BIM and GIS capture.



SPEARHEADING BIM IN THE REGION

First main contractor in Malaysia to be BIM Level 2 certified by a leading training and certification body, the British Research Establishment (BRE). Established BIM Academy to train more than 1,000 professionals in BIM utilisation.



2019

AUTONOMOUS TBM (A-TBM)

Our A-TBM was developed 100 percent in-house by our local engineers and utilises Artificial Intelligence (AI) Control Algorithms to autonomously operate the TBMs on the Putrajaya Line with proven tangible improvements in productivity, safety and quality for tunnel construction.



TECHNICAL EQUIPMENT INNOVATION OF THE YEAR AWARD 2019

International Tunnelling & Underground Space Association Miami, USA

INNOVATION IN TUNNEL EXCAVATION OF THE YEAR AWARD 2019

New Civil Engineer London, UK

Sustainability Report

LOCAL IN-HOUSE DEVELOPMENT UTILISING KEY INDUSTRY 4.0 ENABLING TECHNOLOGIES

Creating a platform for driving continuous growth, increasing productivity, raising innovation capabilities and creating higher skilled digital employment.



Upskilling and reskilling existing and future labour pool need to be at the heart of Malaysia's transformation



Inclusive involvement of SMEs is critical to power a holistic step up in labour productivity across the economy



Significant evolution in innovation capabilities and collaboration platforms is essential to foster the development of and access to cost-effective technologies that address specific sector needs



Good digital infrastructure is required to enable reliable and secure Industry 4.0 operations

AUTONOMOUS TBM (A-TBM)



Artificial Intelligence (AI)



Systems Integration

TUNNEL INSIGHT



Big Data Analytics

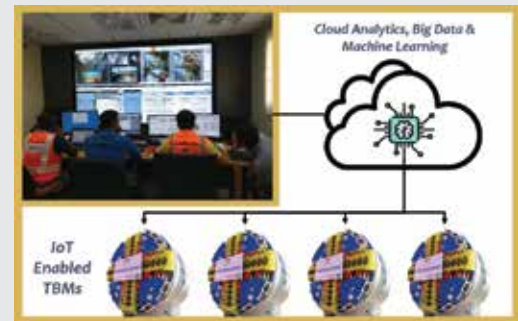


Cloud Computing

INDUSTRY 4.0 ENABLING TECHNOLOGIES



- Winner of two international innovation awards and acclaimed as a "significant milestone event in the history of underground construction for the world" by the International Tunnelling Association.
- Our A-TBM system garnered global attention, cementing our position as one of the leading innovative tunnelling contractors internationally.
- Developed 100 percent in-house by our local engineers and uses AI control algorithms to autonomously operate TBMs on the Putrajaya Line. Local tunnel operatives are upskilled as systems supervisors of the A-TBM system.



- A cloud-based big data system currently under development by our in-house innovation team. Utilises AI and machine learning to glean insights from TBM data for enhanced A-TBM performance, increased 360° awareness and improved risk management in tunnelling.
- Works as an extension of our A-TBM technology offering predictive and prescriptive analytics for actionable insights.
- Upskilling opportunities for our local software engineers to build big data lakes and pipelines with analytics in the Google Cloud Platform in tandem with AI and machine learning techniques.

ROBACCA



Autonomous
Robots



System
Integration

BIM-AR



Augmented
Reality



Cloud Computing

NEXT GEN 5G IOT



Internet of
Things (IoT)



Cloud Computing

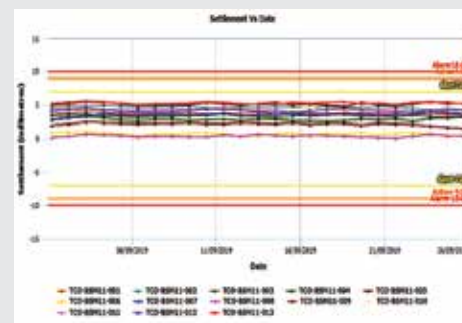
INDUSTRY 4.0 ENABLING TECHNOLOGIES



- Our ROBot Assisted Cutter Change Apparatus (ROBACCA) is a human assistive and autonomous robotic tool which reduces the exposure of humans to dirty and dangerous tunnelling environments. It represents the first step towards fully automated maintenance of TBMs.
- ROBACCA is currently in the final prototyping phase and will move into beta testing soon.
- Design, development and prototyping have been carried out by our own in-house engineers and programmers in partnership with local manufacturing and automation SMEs with 100 percent local fabrication and components.



- Winner of Malaysia Technology Excellence Award – Augmented Reality Category 2020.
- Developed by our in-house engineers extending and mating our Building Information Modelling (BIM) technology with Augmented Reality (AR). The generated 3D walkthroughs allow real-time detection of clashes and errors onsite thus minimising rework costs and enhancing collaboration.
- Upskilling of engineers and surveyors utilising this system as part of their construction workflow and further enhancing our lead in our BIM capabilities ahead of our competition.



- Leveraging modern 5G networks to deliver real-time monitoring of ground and building conditions, offering increased safety and reduced risk during critical tunnelling operations.
- The large quantity of sensors, the scale of our projects and the criticality of real-time information make this an ideal Internet of Things (IoT) use case. Complementary data streams will be fed into our A-TBM and Tunnel Insight systems.
- Upskilling opportunities for software engineers to develop IoT and cloud based data pipelines and cultivation of local supply chain for IoT devices.

Sustainability Report

PROMOTING INNOVATION



TUNNEL BORING MACHINE

Gamuda strives to make lives better and the planet greener through technology and innovation, and we always seek to push the boundaries with design breakthroughs that would transform the industry. This is also aligned with the UN Sustainable Development Goal 9, which aims for industry innovation and infrastructure development to leave a positive impact on the society.

Our quest for excellence was yet again demonstrated through the technological advancement we made with key equipment used in our core business of constructing underground tunnels as part of the public transport infrastructure – the tunnel boring machine (TBM). A TBM is used to excavate tunnels with a circular cross-section through a variety of soil and rock strata.

A vision from a young Malaysian tunnel manager that began in 2015 during the construction of the MRT Kajang Line to increase efficiency in the tunnelling work and to reduce risks, such as human error or erratic machine operation when operating under the most sensitive conditions, has led to the design of a TBM that could be operated with human oversight rather than control.

An in-house working team was eventually formed in July 2018 and within four months, the algorithms for auto-steering were written, synchronised into TBM programmable logic controllers (PLCs), and validated on a machine mining underneath a 13-lane highway. Within a year, the system was expanded into three more major sub-systems of tunnelling. This Autonomous TBM (A-TBM) system has been deployed on our TBMs currently excavating 13.5km of twin running tunnels under the Kuala Lumpur city centre.

The Malaysian invention of the A-TBM, designed by MMC Gamuda KVMRT (T) Sdn Bhd, has landed us a number of prestigious international awards in late 2019. These include the Technical Product/Equipment Innovation of the Year award at the 2019 International Tunnelling and Underground Space Association (ITA) Tunnelling Awards in Miami, Florida. The innovation also received recognition at the Tunnelling Festival Awards in the UK sponsored by the British Tunnelling Society in the category of Innovation in Tunnel Excavation.

The A-TBM stood out as a new approach to tunnelling as the world's first automated system comprising custom artificial intelligence control algorithms enabling autonomous control of TBMs. The system analyses machine data in real-time and assumes control of steering, advance, excavation and slurry sub-systems with minimal human input. The overall result of this autonomous TBM is safer tunnelling, which means improved cost and programme efficiency. Our A-TBM has resulted in tangible benefits including faster response time and higher accuracy.

The idea of creating this autonomous TBM had stemmed from the difficult terrains in the Klang Valley encountered during the construction of the MRT Kajang Line. We had decided to deploy the variable density tunnel boring machines (VDTBMs), which was relatively new at the time. The VDTBMs are a mix between earth pressure balance and slurry machines where the density of slurry can be adjusted and are highly effective as they can maintain pressure ahead of the cutter head through a variety of terrains. We would continue to utilise the same technology for the construction of the Putrajaya Line.

Nevertheless, the concurrent construction of the Kajang Line and the beginning parts of the Putrajaya Line coupled with a shortage of skilled personnel to operate the VDTBMs had eventually prompted us to try automating the steering of TBM to reduce the reliance on human operators. We subsequently developed three sub-systems beyond auto-steering, auto-advance, auto-excavation and auto-slurry – which means our automation covers all main tasks of a TBM operator. We have progressively applied our A-TBM technology to our VDTBMs working on the Putrajaya Line with success.

In addition to lowering the risks to human lives by automating the TBM system, the higher efficiency of the A-TBM as compared to the conventional TBM also helps reduce the greenhouse gas emissions with less water and electricity consumption required in its operation. That in turn contributes toward the global fight against climate change and is in line with the UN SDG 12 (Responsible Consumption and Production) as well as 13 (Climate Action).

PROMOTING INNOVATION

DIGITAL CONSTRUCTION WITH BIM, DRONES & GEOGRAPHICAL INFO SYSTEM (GIS)

In this age of Fourth Industrial Revolution (Industry 4.0), the advent of big data, Internet of Things, and artificial intelligence and other enabling technologies have allowed for greater innovations and efficiency in the ways infrastructure and homes are built.

Gamuda has been at the forefront of embracing and spearheading technology to transform and innovate our products and services to stay ahead, and one of the more significant digitalisation we adopted in our construction processes is the Building Information Modelling (BIM) technology.

BIM is a computerised system that facilitates multi-stakeholder coordination while allowing for greater precision and speed in the design and implementation of construction plans. BIM integrates information and communicates real-time changes where all design data is captured online on a collaborative platform and all design clashes are resolved before construction. It creates a model which contains digital description for every aspect of the project, providing various benefits throughout the entire project lifecycle.

This leads to cost saving, increased productivity, and allows for better collaboration, communication, as well as risk mitigation.

At our Klang Valley Mass Rapid Transit construction sites, we use BIM tools such as Viewpoint for Projects and Fieldview for Common Data Environment (CDE) efforts. These BIM tools integrate into the Geospatial Information System (GIS) that allows unified data in terms of access to information. This data is presented on an interactive dashboard enabling decision making and construction progress updates to be more efficient. The entire digitalised process is aided by the use of other high-technology tools such as laser scanning, drones, and Virtual Reality.

The synergistic nature of the Group's core businesses means that we can leverage on the progress made in construction to make our home-building processes more efficient as well. The BIM technology is also adopted by our property arm, Gamuda Land, as part of its digitalisation plan to build smarter developments for a sustainable living environment.

BIM is now incorporated into every stage of the property development at Gamuda Land. Starting at the feasibility study stage, information on the existing nature of a site is captured and fed into the BIM platform, giving designers a greater understanding of the proposed site and making better decisions to develop it. By analysing this information, our designers will then optimise each design and development to achieve higher Green Building Index scores to fulfil the Group's commitment to make the urban environment more liveable and sustainable.



Subsequently, the BIM platform allows the conceptualised 3D designs to be further developed by combining architectural, structural, mechanical, electrical and plumbing elements — all within the cloud-based system allowing everyone working on the project access to real-time updates. The seamless integration from design to construction is completed with digital manufacturing under Gamuda IBS (Industrialised Building System), whereby the virtual designs are turned into reality with robotics production to make faster home-building at more affordable prices by making the process more efficient and error free.

As a Group, we are proud that the use of BIM, in combination with other Industry 4.0 technologies has propelled us on our efforts to contribute toward building a more sustainable future for both Gamuda and the future generations.

In November 2019, our project joint venture MMC Gamuda KVMRT (T) Sdn Bhd beat two other finalists from Madinah and China to clinch the first place in the Reality Modelling Category at the Year in Infrastructure Bentley Awards. The annual awards programme honours the extraordinary work of Bentley Systems, Incorporated, users worldwide for advancements in infrastructure design, construction and operations and it was Gamuda's second time winning an award from Bentley Systems.

MMC Gamuda presented our extensive use of multiple Bentley software, particularly that of Bentley Systems ContextCapture reality modelling software, to generate digital twins of our construction sites in the MRT Putrajaya Line project. Using drones to capture hyper-realistic visuals which are then overlaid on BIM designs, MMC Gamuda has effectively reinvested conventional surveying and regular site reporting with digitisation.

Sustainability Report

COMMUNITY INVESTMENT

YAYASAN GAMUDA

Yayasan Gamuda was established in 2016 to oversee the Group's charitable efforts while ensuring all these initiatives are aligned with Gamuda's aspirations for community investments and development. The foundation arm that focuses primarily on educational aid and empowering social enterprises for community improvement has year after year contributed to various impactful causes, be it a Group initiative or an external movement.

These efforts invariably aligned with the United Nations' Sustainability Development Goals 4 (Quality Education) and 6 (Clean Water and Sanitation).

Gamuda strongly believes in contributing back to build the community that made us, and Yayasan Gamuda is our way to institutionalise the efforts to reinvest the profits earned in areas that will bring about significant social and economic difference in the places we do business.

Every year, Yayasan Gamuda conducted three recurring anchor projects under its Local Community Engagement initiatives, namely the Gamuda Scholarship, Enabling Academy, and the Star Golden Hearts Award.

Since 1996, Yayasan Gamuda has invested RM44.7 million and awarded 444 scholarships to outstanding Malaysian students to complete their tertiary education every year at the best universities in Malaysia, including at the local campus of foreign universities. We do this by awarding funds covering the course fees and welfare of scholars, as well as engagement and development activities throughout the funded period. In reflection of the Group's core businesses, scholarships are offered to those pursuing engineering, quantity surveying, development and urban planning, property and real estate management, and architecture.

Gamuda has set up the Enabling Academy in 2017, aimed at preparing more people with autism for gainful and sustainable employment. The Enabling Academy conducts an Employment Transition Programme that trains and places young adults with autism into partner companies that embrace diversity and inclusion in their workforce.

Yayasan Gamuda has been supporting the Star Golden Hearts Award since 2016. The event honours and celebrates the work of unsung Malaysian heroes who go the extra mile to help those in need irrespective of race, culture and religion, which are the values we hold dear as an organisation. The award serves as an encouragement for increasingly more Malaysians to rise and become better citizens. Each year, ten (10) individuals or groups are chosen as award winners, and out of the 10, a Gamuda Inspiration Award winner is chosen to receive RM50,000



for their cause. The winner for 2019 was Sujana Mohd Rejab, whose efforts enabled physically impaired individuals to have equal privileges and access to a quality life with dignity. Other past winners were UmieAktif (2018), a social enterprise project which empowers underprivileged mothers in the Chow Kit area through sewing and crafting skills; Barefoot Mercy (2017), which brings light and builds schools in rural Sarawak; and Kedai Jalanan (2016), a pop-up store that clothes the homeless with dignity.

In addition to these anchor projects that were initiated, Yayasan Gamuda also funds initiatives that meet our objectives for community enhancement.

Yayasan Gamuda adheres to several guiding principles to ensure that all initiatives we support are in line with the Group's aspirations for community investments. We want our projects to be transformative and be able to uplift our beneficiaries with real, effective change that would otherwise not have been possible. All our activities are sustainable in itself, as well as promote self-sustainability in the lives of the beneficiaries for the longer term.

We also wish to empower so our beneficiaries are able to become independent and empowered to take control of their own destiny. We strive to be inclusive, and Yayasan Gamuda activities need to promote inclusiveness in the community. To make an impact, we focus on activities where we have the knowledge and commitment to make a meaningful difference. We promote partnership, as we believe that being co-participants with the beneficiaries in the change process will encourage and promote ownership for both parties.

Lastly, we want to ensure our target projects are in line with the UN Sustainable Development Goals 4 and 6.

Limited Assurance Statement

Independent Limited Assurance Statement to the Management and Directors of Gamuda Berhad

Our 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 Subject Matter as presented in Gamuda Berhad's FY2020 Sustainability Report have not been prepared and presented fairly, in all material respects, in accordance with the Criteria defined below.

Scope of Work

Ernst & Young PLT ("EY" or "we") have been engaged by Gamuda Berhad ("Gamuda") to perform limited assurance in accordance with the International Standard on Assurance Engagements ("ISAE") 3000 Revised, *Assurance Engagement other than Audits or Review of Historical Financial Information*, over selected key performance indicators ("KPIs") included in Gamuda's FY2020 Sustainability Report ("SR2020") for the financial year ended 31 July 2020.

Subject Matter

Our limited assurance engagement was performed for the selected KPIs listed in the table below, as presented in the SR2020:

Material Matters	GRI Standards 2016	Selected KPIs	Scope
Biodiversity	Non-GRI	Percentage of landscape areas	Percentage of landscape area for the following projects: 1. Kota Kemuning 2. Valencia 3. Bandar Botanic 4. Madge Mansions 5. The Robertson 6. HighPark Suites 7. Jade Hills 8. Horizon Hills 9. Bukit Bantayan 10. twentyfive.7 11. Kundang Estates 12. Gamuda Gardens 13. Gamuda Cove
Innovation	GRI 404-2(a)	Type and scope of programs implemented and assistance provided to upgrade employee skills	Type and scope of programs implemented and assistance provided to upgrade employee skills for the following programs: 1. Building Information Modelling (BIM) Academy 2. Gamuda Plant Operator School (GPOS) 3. Construction Training Unit (CTU) 4. Tunnelling Training Academy (TTA)
Safety and Health	GRI 403-2	Types of injury and injury rate (IR)	Types of injury and rates of injury for the following: 1. 36 stations for MRT Putrajaya Line (27 elevated, 9 underground)
Supply Chain Management	GRI 204-1(a)	Proportion of spending on local suppliers	Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation for the following: 1. Gamuda Group developments within Malaysia (excluding joint ventures) 2. MRT Putrajaya Line

Sustainability Report

The scope of our work was limited to the selected KPIs presented in the SR2020 and did not include coverage of data sets or information unrelated to the data and information underlying the selected KPIs and related disclosures; nor did it include information reported outside of the SR2020, comparisons against historical data, or management's forward-looking statements.

Criteria

The Criteria for our procedures are:

- The Global Reporting Initiative ("GRI") Sustainability Reporting Standards 2016; and
- Gamuda's relevant policies and procedures

Gamuda's Responsibility

The management of Gamuda is responsible for the collection, preparation, presentation and implementation of the Subject Matter in accordance with the Criteria; and for implementing appropriate risk management, internal controls and maintaining of records in respect of the Subject Matter so that it is free from material misstatement, whether due to fraud or error; and making estimates that are reasonable.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to perform our limited assurance engagement to express our conclusion on whether anything has come to our attention that causes us to believe that the selected KPIs and related disclosures as presented in the SR2020 are not prepared, in all material respects, in accordance with the Criteria.

We have performed our limited assurance engagement in accordance with the terms of reference for this engagement agreed with Gamuda, including performing the engagement in accordance with the ISAE 3000, issued by the International Auditing and Assurance Standards Board. This Standard requires that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs and related disclosures as presented in the SR2020 are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of Gamuda's use of the criteria specified as the basis of preparation used for the selected KPIs and related disclosures presented in the SR2020, assessing the risks of material misstatement thereof, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs and related disclosures in the SR2020.

Summary of Procedures Performed

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Our procedures included, but were not limited to:

- Gaining an understanding of Gamuda's business, internal processes and approach to sustainability
- Conducting interviews with key personnel and collating evidence to understand Gamuda's process for reporting performance metrics and disclosures, including inquiring regarding risks of misstatement and quality controls to address risks
- Conducting limited assurance procedures over the selected KPIs and disclosures, including:
 - Undertaking analytical procedures to support the reasonableness of the metric data
 - Checking that the calculation Criteria have been applied as per the methodologies for the selected KPIs within the report
 - Identifying and testing assumptions supporting calculations
 - Testing, on a sample basis, underlying source information to check accuracy of the metric data
 - Performing recalculations of performance metrics using input data
 - Checking that measurements made at the end of the reporting period are timely entered in the records and the sustainability report

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Limited Assurance

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Inherent Limitations

Inherent limitations of assurance engagements include use of judgement and selective testing of data, which means that it is possible that fraud, error or non-compliance may occur and not be detected in the course of performing the engagement. Accordingly, there is some risk that a material misstatement may remain undetected. Further, our limited assurance engagement is not designed to detect fraud or error that is immaterial.

There are additional inherent risks associated with assurance engagements performed for non-financial information given the characteristics of the subject matter and associated with the compilation of source data using definitions and methods for determining, calculating, and estimating such information that are developed internally by management. The absence of a significant body of established practice on which to draw, allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. In particular, where the information relies on factors derived by independent third parties, our assurance work has not included examination of the derivation of those factors and other third-party information.

Other Matters

Information relating to prior reporting periods has not been subject to assurance procedures. Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the SR2020. The maintenance and integrity of Gamuda's website is the responsibility of Gamuda's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to the selected KPIs and related disclosures, the SR2020 or to our independent limited assurance report that may have occurred since the initial date of presentation on the Gamuda's website.

Restriction of Use and Liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the matters stated above in our report provided to the management and directors of Gamuda in accordance with the terms of our engagement, and for no other purpose.

Our report is intended solely for the management and directors of Gamuda and should not be used by any other parties. To the fullest extent permitted by the law, we do not accept or assume liability to any party other than the directors of Gamuda, for our work, for this report, or for the conclusion we have reached.

We agree to the publication of this assurance report in the SR2020 for the financial year ended 31 July 2020, provided it is clearly understood by recipients of the SR2020 that they enjoy such receipt for information only and that we accept no duty of care to them whatsoever in respect of this report.



Ernst & Young PLT

202006000003 (LLP0022760-LCA) & AF 0039

Kuala Lumpur, Malaysia

22 October 2020

Sustainability Report

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Corporate Governance Overview Statement

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

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

COMMITMENT FROM THE BOARD

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

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

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

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

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

Recommended CG Practice in MCCG

Practice 12.3

Leveraging technology to facilitate remote participation and voting at general meetings.

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

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

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

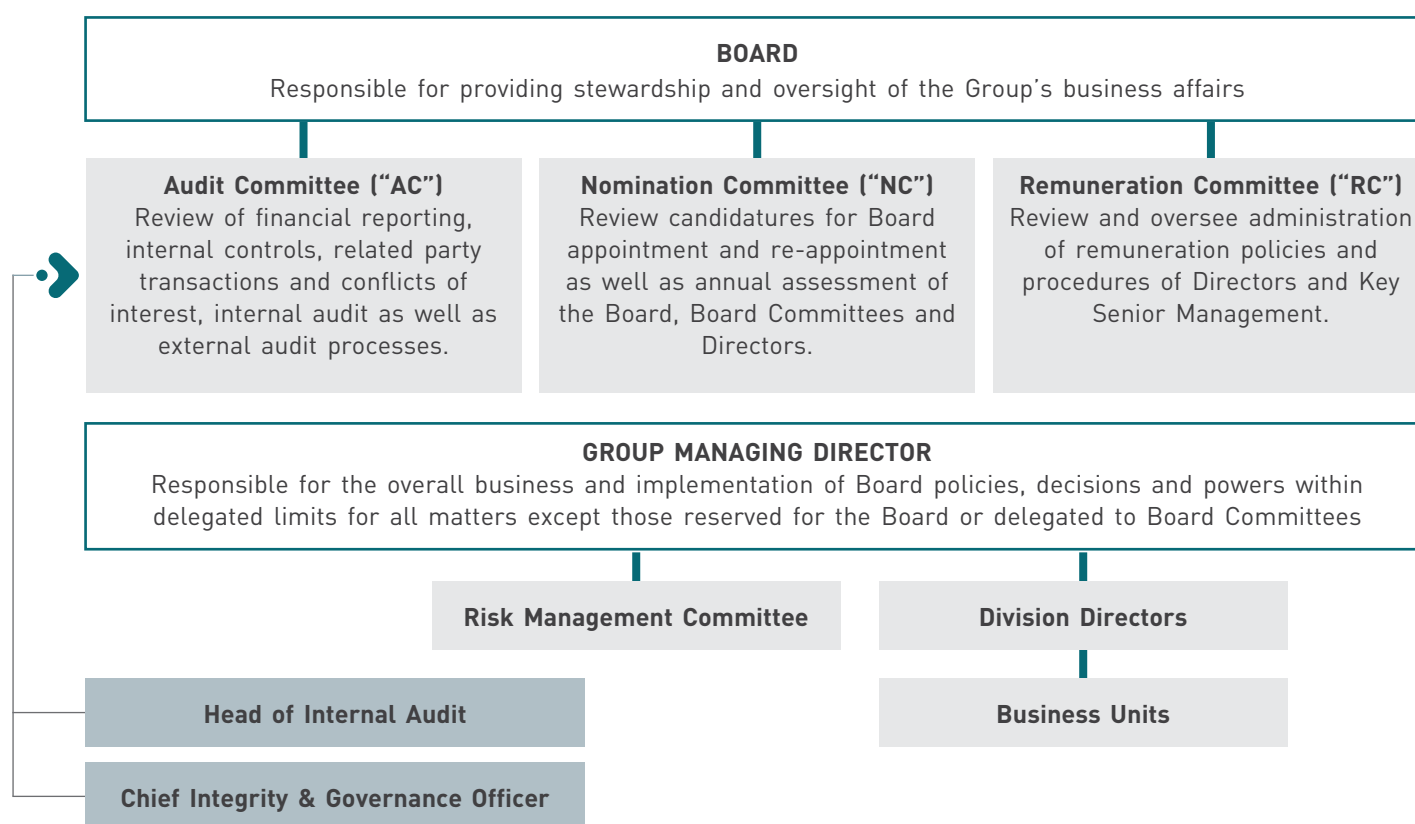
It also ensures that good corporate governance policies and practices are implemented within the Group. In the course of discharging its duties, the Board acts in good faith, with due diligence and care, and in the best interest of the Company and its shareholders.

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

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

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

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



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

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

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

Corporate Governance Overview Statement

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

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

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

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

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

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

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

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

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

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

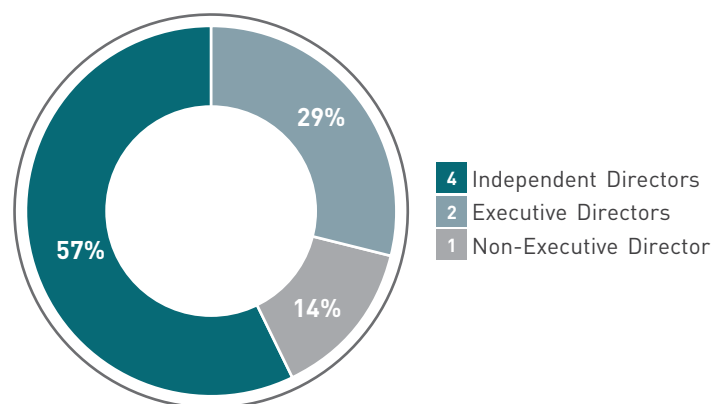
The EWISP is available on Gamuda Employee Services ("GES") for ease of access by employees of the Group.

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

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

II. Board Composition

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



Length of tenure of Independent Directors

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

Corporate Governance Overview Statement

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

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

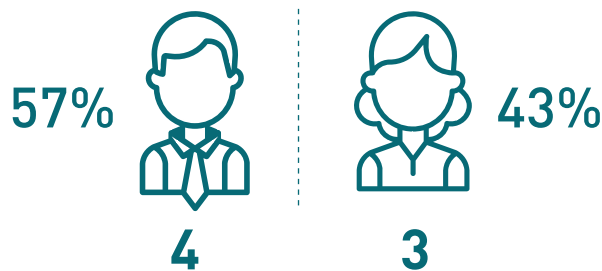
The Board is satisfied that the current composition with majority Independent Directors does fairly represent the investment of the majority and minority shareholders in the Company. The current Board brings with it a broad range of business, financial, technical and public service background.

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

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

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

Proportion of Women on the Board



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

Proportion of Women in Workforce



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

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

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

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

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

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

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

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

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

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

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

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

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

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

Corporate Governance Overview Statement

III. Remuneration

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

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

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

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

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

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

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

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

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

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

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

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

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

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

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

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

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

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

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

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

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

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

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

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

II. Risk Management and Internal Control Framework

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

Corporate Governance Overview Statement

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

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

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

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

III. Integrity and Governance Unit ("IGU")

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

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

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

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

I. Communication with Shareholders and Investors

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

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

II. Conduct of General Meetings

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

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

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

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

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

Training Programmes Attended by Directors

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

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

Statement on Risk Management and Internal Control

BOARD’S RESPONSIBILITY

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

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

RISK MANAGEMENT

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

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

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

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

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

KEY RISK MANAGEMENT AND INTERNAL CONTROL FEATURES

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

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

Board Committees	
1	Audit Committee
2	Nomination Committee
3	Remuneration Committee
4	ESOS Committee

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

 * With Board representation

- Feasibility study, risk impact and assessment on new investments/projects is evaluated by the business development team for the Board’s deliberation.
- Internal control activities have been established in all business units with clearly defined lines of responsibilities, authority limits for major capital expenditure, contract awards and other significant transactions, segregation of duties, performance monitoring and safeguarding of assets.
- Systematically documented Policies & Procedures, and Standard Operating Procedures are in place to guide employees in their day-to-day work. These policies and procedures are reviewed regularly and updated when necessary.

- As part of managing the day-to-day business operations, the Group uses a budgetary control system whereby all business units prepare business plans, budgets and control measures to mitigate identified risks. These business plans and budgets are reviewed and approved by the Budget Committee, which is chaired by the Group Managing Director and subsequently presented to the Board.
- A comprehensive reporting system comprising budgets, key business indicators and performance results on operations are made available to the Senior Management. This flow of information is for the Senior Management to review business unit's performance against budgets and performance indicators on a monthly basis.
- An Integrated Management System, incorporating ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 requirements have been established and implemented to enable high quality, cost effective, reliable, safe and environmental friendly products and services.
- A performance management system with clearly defined business objectives and targets are set for relevant employees. Employees' performances are monitored, appraised and rewarded according to the achievement of targets set.
- Training and development programmes are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their performance and job expectations.
- An adequately resourced Internal Audit Department, which reports directly to the Audit Committee, conducts regular reviews on integrity and effectiveness of the Group's system of internal controls.
- Executive Directors and Senior Management conduct regular site visits and communicate with employees of different levels to have first-hand knowledge of significant operational matters and risks.
- The Board of our associated companies include our representatives. Information on the financial performance of these associated companies is provided regularly to the Management and Board of the Company via regular management reports and presentations at Board meetings.
- In respect of joint ventures entered into by the Group, the Management of the joint ventures, which consist of representations from the Group and other joint venture partners, are responsible to oversee the administration, operation and performance of the joint venture. Financial and operational reports of these joint ventures are provided regularly to the Management of the Company.

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

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

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

Risk Management Committee Report

MEMBERSHIP

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

1. **YBHG DATO' LIN YUN LING**
Chairman/Group Managing Director
2. **YBHG DATO' IR HA TIING TAI**
Member/Deputy Group Managing Director
3. **YBHG DATO' HAJI AZMI BIN MAT NOR**
Member/Executive Director, Head of Infrastructure Concessions
4. **YBHG DATO' GOON HENG WAH**
Member/Group Executive Director
5. **MR SAW WAH THENG**
Member/Group Executive Director
6. **YM TUNKU AFWIDA BINTI TUNKU A.MALEK**
Member/Independent Non-Executive Director
7. **YBHG DATO' CHOW CHEE WAH**
Member/Chairman, Property Development
8. **YBHG DATO' UBULL DIN OM**
Member/Managing Director, Engineering and Construction

TERMS OF REFERENCE

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

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

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

MANAGING OPERATIONAL RISK

Risk Management Framework

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

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

- External Risk.
- Internal Risk.

Risk Identification, Evaluation and Ranking

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

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

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

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

Thereafter, identified risks are evaluated as follows:

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

Risk Mitigation Measures

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

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

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

Risk Reporting and Monitoring

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

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

Audit Committee Report

MEMBERSHIP

The current composition of the Audit Committee is as follows:

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

ATTENDANCE OF MEETINGS

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

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

TERMS OF REFERENCE

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

SUMMARY OF AUDIT COMMITTEE'S ACTIVITIES

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

- i. the Group's quarterly and year-end financial results prior to submission to the Board for consideration and approval, focusing particularly on matters relating to changes in major accounting policies, significant and unusual events, compliance with accounting standards and other disclosure requirements;
- ii. the audit planning memorandum of the External Auditors in a meeting to discuss their audit strategy, audit focus and resources prior to commencement of their annual audit;
- iii. matters arising from the audit of the Group in a meeting with the External Auditors without the presence of any executive officer of the Group;
- iv. the performance of the External Auditors and the recommendations to the Board on their reappointment and remuneration;
- v. the Audit Committee Report and its recommendation to the Board for inclusion in the Annual Report;
- vi. the Statement of Corporate Governance, Statement on Risk Management and Internal Control and its recommendation to the Board for inclusion in the Annual Report;
- vii. the risk-based annual audit plan and resource requirement proposed by the Internal Auditors for the Group;
- viii. the audit reports presented by the Internal Auditors on major findings, recommendations and Management's responses thereto;
- ix. the results of follow-up audits conducted by the Internal Auditors on the Management's implementation of audit recommendations;
- x. related party transactions as required under the Listing Requirements to ascertain that the transactions are conducted at arm's length prior to submission for the Board's consideration and, where appropriate, shareholders' approval;
- xi. share option allocations pursuant to the ESOS of the Company during the financial year under review that was verified by the Internal Auditors. The Audit Committee was satisfied that the allocation of share options pursuant to the ESOS during the financial year ended 31 July 2020 was in compliance with the criteria set out in the ESOS by-laws and by the ESOS Committee; and
- xii. the Anti-Bribery & Corruption (ABC) Policy and the Whistleblowing Policy and Procedures under the purview of the Integrity and Governance Unit (IGU), which reports to the Audit Committee, and its recommendation to the Board for approval.

Statement on Internal Audit

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

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

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

PRACTICES AND FRAMEWORK

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

SCOPE AND COVERAGE

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

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

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

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

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

RESOURCES AND CONTINUOUS DEVELOPMENT

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

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

Additional Compliance Information

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

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

- Chairman
- Member
- Non-Member

Notes:-

- ✍ * One Non-Executive Directors session was held on 17 October 2019
- # Two private sessions were held between the Audit Committee and the external auditors, Ernst & Young PLT i.e. on 23 September 2019 and 18 June 2020

2. UTILISATION OF PROCEEDS

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

3. AUDIT AND NON-AUDIT FEES

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

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

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

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

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

5. EMPLOYEES' SHARE OPTION SCHEME

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

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

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

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

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

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

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

Statement on Integrity and Governance Unit

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

IGU FRAMEWORK AND FOCUS

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

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

IGU has 4 core functions:

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

IGU ACTIVITIES

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

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

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

FORWARD PLAN

Gamuda Organisational Anti-Corruption Plan (GACP)

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

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

Media Highlights

By MIMI CHONG
mimichong@theedgeline.com

MAJOR MILESTONE FOR MRT PUTRAJAYA LINE

Final breakthrough for underground alignment to meet 2023 target

PUTRAJAYA A key milestone for the MRT Putrajaya Line (the Putrajaya Line) has been achieved as the final breakthrough for the underground alignment to meet the 2023 target has been reached.

The Putrajaya Line is a 1.1km underground alignment that will connect the Putrajaya Line to the MRT Putrajaya Line. The alignment is 1.1km long and will be constructed in two phases. The first phase is the 0.6km alignment from the Putrajaya Line to the MRT Putrajaya Line. The second phase is the 0.5km alignment from the MRT Putrajaya Line to the Putrajaya Line.

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Level achieved The tunnel boring machine (TBM) cutterhead is shown in a construction site, with workers visible around it.

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Level achieved The tunnel boring machine (TBM) cutterhead is shown in a construction site, with workers visible around it.

Discover township's tourism hub

Thrilling attractions and experiential activities await visitors

PUTRAJAYA The township of Putrajaya is set to become a major tourism hub, with a range of thrilling attractions and experiential activities available for visitors.

The township is home to a number of key attractions, including the Putrajaya Mosque, the Putrajaya Convention Centre, and the Putrajaya Botanical Garden. Visitors can also enjoy a range of outdoor activities, including hiking, cycling, and fishing.

The township is also home to a number of cultural and entertainment venues, including the Putrajaya Theatre and the Putrajaya Music Centre. Visitors can also enjoy a range of shopping and dining options.



Discover township's tourism hub The township of Putrajaya is set to become a major tourism hub, with a range of thrilling attractions and experiential activities available for visitors.

Monthly town master The township of Putrajaya is set to become a major tourism hub, with a range of thrilling attractions and experiential activities available for visitors.

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Monthly town master The township of Putrajaya is set to become a major tourism hub, with a range of thrilling attractions and experiential activities available for visitors.

MGKT AN INDUSTRY LEADER WITH MTEA WIN

MGKT awarded MTEA award for its commitment to sustainable development

PUTRAJAYA MGKT has been awarded the MTEA award for its commitment to sustainable development. The award is a recognition of MGKT's efforts to promote sustainable development and to protect the environment.

MGKT is a leading company in the construction industry, and its commitment to sustainable development is a key part of its business strategy. The award is a testament to MGKT's dedication to sustainable development and to its commitment to the community.



MGKT AN INDUSTRY LEADER WITH MTEA WIN MGKT has been awarded the MTEA award for its commitment to sustainable development.

ONE WITH NATURE

Gamuda Land listens to the land in town-making



ONE WITH NATURE Gamuda Land listens to the land in town-making.

Gamuda Land is a leading company in the construction industry, and its commitment to sustainable development is a key part of its business strategy. The company is dedicated to creating a harmonious blend of nature and urban development.

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Penang partners with SRS

State links deal with Gamuda subsidiary to deliver transport master plan



Penang partners with SRS State links deal with Gamuda subsidiary to deliver transport master plan.

The Penang State Government has entered into a partnership with Gamuda subsidiary to deliver the transport master plan for the state. The partnership is a key part of the state's efforts to improve its transport infrastructure.

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GAMUDA GARDENS' ILLARIA FULLY TAKEN UP

Developer unveils plans to turn wetlands into leisure and adventure hub



GAMUDA GARDENS' ILLARIA FULLY TAKEN UP Developer unveils plans to turn wetlands into leisure and adventure hub.

Gamuda Gardens' Illaria is a leading company in the construction industry, and its commitment to sustainable development is a key part of its business strategy. The company is dedicated to creating a harmonious blend of nature and urban development.

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Tapping Dengkil township's ecotourism potential

Developer unveils plans to turn wetlands into leisure and adventure hub



Tapping Dengkil township's ecotourism potential Developer unveils plans to turn wetlands into leisure and adventure hub.

The developer has unveiled plans to turn the wetlands of Dengkil township into a leisure and adventure hub. The plans are a key part of the developer's efforts to promote sustainable development and to protect the environment.

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TUNNELLING CONTRACTOR NOTCHES ANOTHER WIN

Gamuda JV shortlisted for AUS20b Sydney Metro tunnelling project in Australia



TUNNELLING CONTRACTOR NOTCHES ANOTHER WIN Gamuda JV shortlisted for AUS20b Sydney Metro tunnelling project in Australia.

Gamuda JV has been shortlisted for the AUS20b Sydney Metro tunnelling project in Australia. The project is a key part of the Sydney Metro project, and it is a testament to Gamuda JV's expertise in tunnelling.

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MAKING LIFE BETTER IN MEANINGFUL WAYS

This is what Gamuda Inspiration Award winners are doing



MAKING LIFE BETTER IN MEANINGFUL WAYS This is what Gamuda Inspiration Award winners are doing.

The Gamuda Inspiration Award winners are making a difference in their communities. They are using their skills and resources to improve the lives of others and to create a better world.

The Gamuda Inspiration Award winners are making a difference in their communities. They are using their skills and resources to improve the lives of others and to create a better world.

Leading social impact

Leading social impact



Leading social impact Leading social impact.

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Orchids for the environment

Orchids for the environment



Orchids for the environment Orchids for the environment.

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AWARDS and ACHIEVEMENTS

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



GAMUDA BERHAD

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

GAMUDA LAND

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

Awards and Achievements

GAMUDA LAND

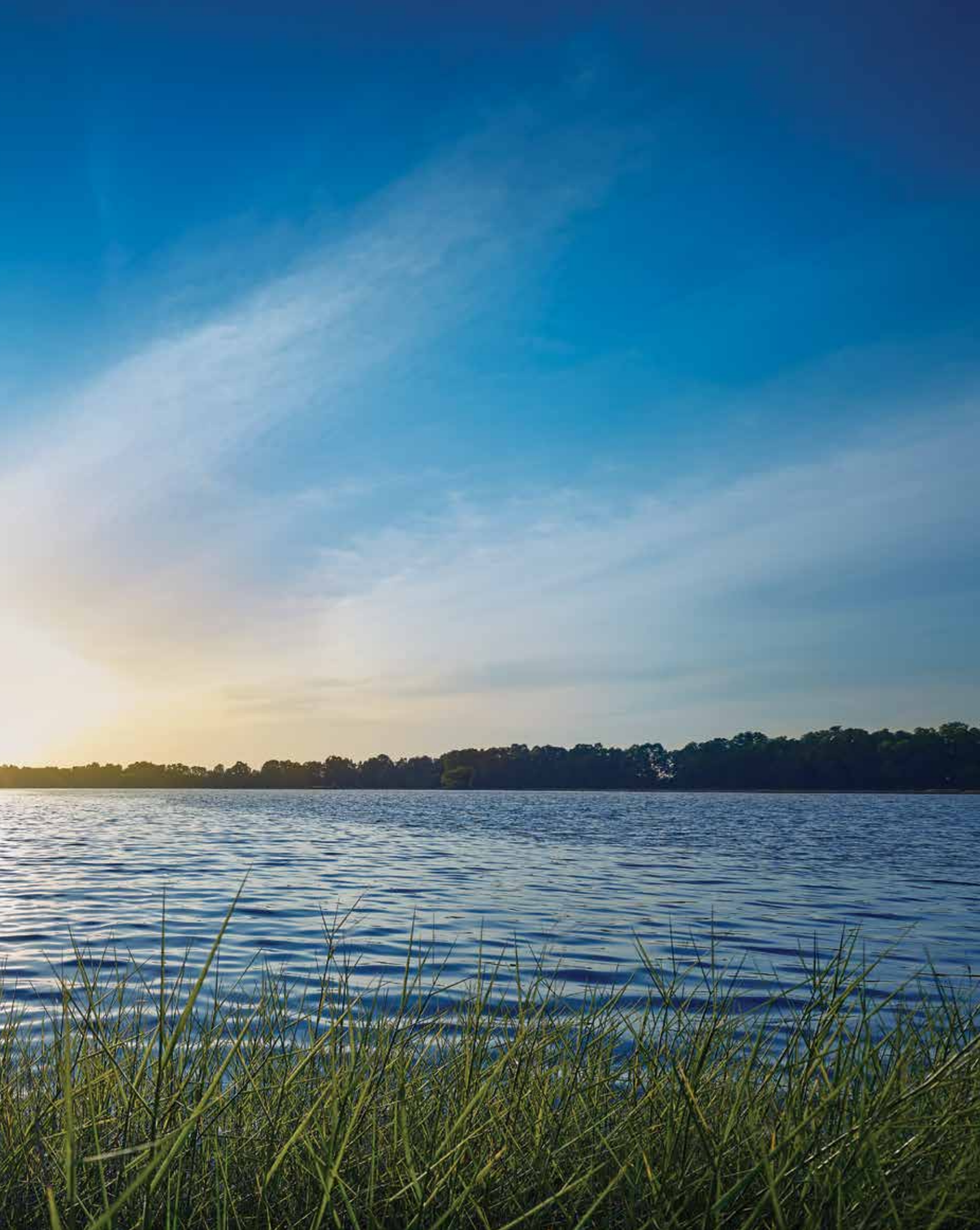
- HighPark Suites – The Small is Big Developments Award – Best Small Home Development (Excellence), StarProperty.my Awards 2019
- Gamuda Land – Top Ranked Developer of the Year, StarProperty.my Awards 2019
- Kota Permai Golf & Country Club – Best Managed Golf Club in Asia Pacific (Second Runner-Up),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

MMC GAMUDA JOINT VENTURE

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

FINANCIAL STATEMENTS

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Directors' Responsibility Statement

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

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

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

In preparing the financial statements, the Directors have:

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

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

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

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 July 2020.

PRINCIPAL ACTIVITIES

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

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

RESULTS

	Group RM'000	Company RM'000
Profit for the year	424,190	238,084
Attributable to:		
Owners of the Company	371,680	238,084
Non-controlling interests	52,510	–
	424,190	238,084

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

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

DIVIDENDS

The amount of dividends paid by the Company since 31 July 2019 were as follows:

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

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

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

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

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

Directors' Report (Cont'd.)

DIRECTORS OF THE COMPANY

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

Y Bhg Dato' Mohammed bin Haji Che Hussein

Y Bhg Dato' Lin Yun Ling*

Y Bhg Dato' Ir. Ha Tiing Tai*

YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah

Y Bhg Tan Sri Dato' Setia Haji Ambrin bin Buang

YM Tunku Afwida binti Tunku A.Malek

Puan Nazli binti Mohd Khir Johari

Encik Mohammed Rashdan bin Mohd Yusof

(alternate to Y Bhg Dato' Lin Yun Ling)

Y Bhg Dato' Ubull a/l Din Om*

(alternate to Y Bhg Dato' Ir Ha Tiing Tai)

* Directors of the Company and certain subsidiary(ies)

DIRECTORS OF THE SUBSIDIARIES

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

Adil Putra bin Ahmad

Ahcene El Boulhais

(Appointed w.e.f. 01.07.2020)

Ajit Singh Rai

(Appointed w.e.f. 30.06.2020)

Andrew Edward Kesik

Aw Sei Cheh

(Appointed w.e.f. 01.07.2020)

Azmi bin Mohamad

Beh Boon Ewe

(Appointed w.e.f. 01.07.2020)

Carine Lacroix

(Appointed w.e.f. 30.07.2020)

Carla Maria Alves Silva

(Appointed w.e.f. 01.07.2020)

Caroline Baker

Chan Kong Wah

Chew Wee Hwang

Chua Kheng Sun

Dato' Chow Chee Wah

Dato' Goon Heng Wah

Dato' Haji Abdul Sahak bin Safi

Dato' Haji Azmi bin Mat Nor

Dato' Mohd Azizi bin Mohd Zain

Dato' Lim Kean Seng

(Appointed w.e.f. 07.08.2020)

Dato' Noordin bin Alaudin

Dato' Seri Ir. Kamarul Zaman bin Mohd Ali

Datuk Hasmi bin Hasnan

Devananda Naraidoo

Dr. Ooi Lean Hock

Eoin Conroy

(Appointed w.e.f. 01.07.2020)

Foong Vooi Lin

Goh Chee Young

Hajah Siti Zubaidah binti Haji Abd Jabar

(Appointed w.e.f. 04.09.2020)

Khor Thiam Chay

Liang Kai Chong

Looi Hong Weei

Directors' 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.)

Low Kim Teik	
Mohd Roslan bin Sarip	
Ng Hau Wei	
Ng Kit Cheong	
Ngan Chee Meng	
Rishi Kumar Emrit	
Saw Wah Theng	
Sazally bin Saidi	
Sim Kwong Yong	
Soo Kok Wong	
Szeto Wai Loong	
Tan Ek Khai	
Tan Sri Datuk Ooi Kee Liang	
Tang Meng Loon	
Tariq Syed Usman	
Teh Teck Seong	
Vaneeta Bickoo Brelu-Brelu	
Wong Mun Keong	
Wong Tsien Loong	
Yap Peng Loong	
Yee Yew Weng	
Yeoh Hin Kok	
Chua Chong Num	(Resigned w.e.f. 01.01.2020)
Mohamed Reza bin Abdul Rahim	(Resigned w.e.f. 07.08.2020)
Wong Ping Eng	(Resigned w.e.f. 01.07.2020)
Hajah Norita binti Mohd Sidek	(Resigned w.e.f. 03.09.2020)

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 41 to the financial statements.

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

DIRECTORS' AND OFFICERS' INDEMNITY

The Company maintains a liability insurance for the directors and officers of the Company and its subsidiaries throughout the financial year, which provides insurance cover of RM50,000,000. The amount of insurance premium paid by the Company for the financial year ended 31 July 2020 was RM91,000.

Directors' Report (Cont'd.)

DIRECTORS' INTERESTS

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

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

[#] Deemed interest through son

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

Employees' Share Option Scheme ("ESOS")

	Number of ordinary shares			
	1 August 2019	Granted	Expired	31 July 2020
Y Bhg Dato' Lin Yun Ling	4.46	1,500,000	–	(1,500,000)
	3.65	–	750,000	(750,000)
Y Bhg Dato' Ir. Ha Tiing Tai	3.65	–	400,000	(400,000)
Y Bhg Dato' Ubull a/l Din Om	4.46	325,000	–	(325,000)
	3.84	325,000	–	(325,000)
	4.78	65,000	–	(65,000)
	3.65	–	180,000	(180,000)
Encik Mohammed Rashdan bin Mohd Yusof	3.38	1,600,000	–	(1,600,000)
	3.65	–	400,000	(400,000)

Directors' Report (Cont'd.)

DIRECTORS' INTERESTS (CONT'D.)

Warrants 2016/2021

	Number of warrants			
	1 August 2019	Bought	Sold	31 July 2020
Direct holding				
Y Bhg Dato' Lin Yun Ling	12,883,600	–	–	12,883,600
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	40,300	–	–	40,300
Encik Mohammed Rashdan bin Mohd Yusof	550,000	–	–	550,000
Indirect holding				
Y Bhg Dato' Ir. Ha Tiing Tai [#]	12,800	–	–	12,800
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah AL-Maghfur-lah [*]	12,000,000	–	(3,310,000)	8,690,000

[#] Deemed interest through son

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

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

ISSUANCE OF SHARES

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

- issuance of 20,899,000 new ordinary shares for cash arising from the exercise of share options under the Company's ESOS as disclosed in Note 26(c) to the financial statements;
- issuance of 476,782 new ordinary shares for cash arising from the exercise of Warrants 2016/2021 at the exercise price of RM4.05 per warrant in accordance with the Deed Poll dated 22 January 2016 as disclosed in Note 26(c) to the financial statements; and
- issuance of 19,829,839 new ordinary shares pursuant to the First DRP at the price of RM3.60 per share.

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

Directors' Report (Cont'd.)

EMPLOYEES' SHARE OPTION SCHEME

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

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

The principal features of the ESOS, details of share options granted and lapsed as at 31 July 2020 are disclosed in Note 26(e) and Note 26(g) to the financial statements.

WARRANTS 2016/2021

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

The Warrants are valid for exercise for a period of 5 years from its issue date and will expire on 6 March 2021. During this period, each Warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 7 March 2016 to 6 March 2021, at an exercise price of RM4.05 per Warrant in accordance with the Deed Poll dated 22 January 2016. Any Warrants not exercised by its expiry date will lapse thereafter and cease to be valid for all purposes. As at the reporting date, 387,221,000 Warrants remained unexercised.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which the Group and the Company might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off for any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

Directors' Report (Cont'd.)

OTHER STATUTORY INFORMATION (CONT'D.)

- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.
- (g) The Company has been granted exemption by the Companies Commission of Malaysia for its three subsidiaries from having to comply with Section 247(3) of the Companies Act 2016 to adopt a financial year end which coincides with that of its holding company for the financial year ended 31 July 2020 as follows:
- (i) Gamuda Land Vietnam Limited Liability Company and Gamuda Land (HCMC) Joint Stock Company with June financial year end; and
 - (ii) Gamuda – WCT (India) Private Limited with March financial year end.

SIGNIFICANT EVENTS

Significant events are as disclosed in Note 42 to the financial statements.

AUDITORS AND AUDITORS' REMUNERATION

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

Auditors' remuneration is as follows:

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

INDEMNIFICATION OF AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 8 October 2020.

Dato' Mohammed bin Haji Che Hussein
Chairman

Dato' Ir. Ha Tiing Tai
Deputy Group Managing Director

Statement by Directors

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

We, Dato' Mohammed bin Haji Che Hussein and Dato' Ir. Ha Tiing Tai, being two of the directors of Gamuda Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 176 to 351 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2020 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 8 October 2020.

Dato' Mohammed bin Haji Che Hussein
Chairman

Dato' Ir. Ha Tiing Tai
Deputy Group Managing Director

Statutory Declaration

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

I, Soo Kok Wong, being the officer primarily responsible for the financial management of Gamuda Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 176 to 351 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Soo Kok Wong
at Petaling Jaya in Selangor Darul Ehsan
on 8 October 2020.

Soo Kok Wong

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

Independent Auditors' Report

to the members of Gamuda Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Gamuda Berhad, which comprise the statements of financial position as at 31 July 2020 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 176 to 351.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 July 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis For Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

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

Independent Auditors' Report (Cont'd.)

to the members of Gamuda Berhad (Incorporated in Malaysia)

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

Key Audit Matters (cont'd.)

1. Revenue and cost of sales from property development activities

A significant proportion of the Group's revenues and profits are derived from property development contracts which span more than one accounting period. For the financial year ended 31 July 2020, property development revenue and cost of sales are as follows:

Property development activities

Revenue: RM1,321,316,000 (36% of Group's revenue)

Cost of sales: RM835,445,000 (32% of Group's cost of sales)

The Group has determined that certain performance obligations in relation to property development activities are satisfied over time and thus recognises revenue from this activity over time.

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

We identified revenue and cost of sales from property development activities as areas requiring audit focus as significant management's judgement and estimates are involved in estimating the total property development costs.

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

- i. Obtained an understanding of the internal controls over the accuracy and timing of revenue recognised in the financial statements, including controls performed by management in estimating the total property development cost, profit margin and progress of development projects;
- ii. For individually significant projects, we read the sales and purchase agreements entered into with customers to obtain an understanding of the specific terms and conditions;
- iii. Evaluated the assumptions applied in estimating the total property development costs for each property development phase by examining documentary evidence such as letters of award issued to contractors to support the budgeted gross development cost. We also considered the historical accuracy of management's forecasts for the similar property development projects within the Group in evaluating the estimated total property development costs;
- iv. Observed the progress of the property development phases by performing site visits and examined the physical completion progress reports. We have also discussed the status of on-going property development phases with management, finance personnel and project officials;
- v. Evaluated management's assessment on whether provision for liquidated ascertained damages is required through supporting documents such as the sales and purchase agreements for the rates, extension of time approvals and work progress report indicating the reasons for the delay and efforts to catch up for phases whereby actual progress is behind planned progress; and
- vi. Evaluated the determination of progress of development projects by examining supporting evidence such as contractors' progress claims and suppliers' invoices.

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

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

A significant proportion of the Group's revenues and profits are derived from construction contracts which span more than one accounting period. For the financial year ended 31 July 2020, construction revenue and cost of sales are as follows:

Construction contracts

Revenue: RM1,624,739,000 (44% of Group's revenue)

Cost of sales: RM1,400,467,000 (54% of Group's cost of sales)

The Group has determined that certain performance obligations in relation to construction activities are satisfied over time and thus recognises revenue from this activity over time.

We identified construction contract revenue and cost of sales as areas requiring audit focus as these areas involved significant management's judgement and estimates including:

- i. Judgement and estimates made in the determination of whether variations in contract works should be included in the contract revenue; and
- ii. Estimates made in respect of the total estimated contract costs (which forms part of the computation of percentage-of-completion for the construction contracts).

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

- i. Read the contract to obtain an understanding of the specific terms and conditions;
- ii. Obtained an understanding of the relevant internal controls over the accuracy and timing of revenue recognised in the financial statements, including controls performed by the management in estimating variation orders, claims, total contract costs, profit margin and progress of construction projects;
- iii. Observed the progress of the constructions by performing site visits and examined the physical completion progress reports. We have also discussed the status of on-going constructions with management, finance personnel and project officials;
- iv. Evaluated management's assessment on whether provision for liquidated ascertained damages is required through supporting documents such as the construction agreements for the rates, extension of time approvals and work progress report indicating the reasons for the delay and efforts to catch up for phases whereby actual progress is behind planned progress;
- v. Agreed the contract sum to approved variation order forms with respect to variations in contract works and claims for costs not included in the contract price;
- vi. Evaluated the assumptions applied in the determination of the progress of construction projects in light of supporting evidence such as letters of award, approved purchase orders, sub-contractors' claims and invoices; and
- vii. Evaluated the determination of progress of construction projects by examining supporting evidence such as contractors' progress claims and suppliers' invoices.

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

Independent Auditors' Report (Cont'd.)

to the members of Gamuda Berhad (Incorporated in Malaysia)

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

Key Audit Matters (cont'd.)

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

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

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

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

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

- i. Obtained an understanding of the relevant internal controls over estimating the recoverable amount of the PPE;
- ii. Evaluated the management's assumptions on revenue growth rate, gross profit margin and utilisation rate against the Group's plan to supply the prefabricated concrete panels for use in the Group's future development projects;
- iii. Assessed the appropriateness of the discount rate used to determine the present value of the cash flows and whether the rate used reflects the current market assessments of the time value of money and the risks specific to the asset is the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive from the asset; and
- iv. Analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions on the recoverable amount.

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

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

4. Impairment of investment in a subsidiary – GIBS

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

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

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

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.)

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

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

- i. Obtained an understanding of the relevant internal controls over estimating the recoverable amount of the investment in the subsidiary;
- ii. Evaluated the management's assumptions on revenue growth rate, gross profit margin and utilisation rate against the Group's plan to supply the prefabricated concrete panels for use in the Group's future development projects;
- iii. Assessed the appropriateness of the discount rate used to determine the present value of the cash flows and whether the rate used reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive; and
- iv. Analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions on the recoverable amount.

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

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

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Information Other than the Financial Statements and Auditor's Report

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

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

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

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

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

Independent Auditors' Report (Cont'd.)

to the members of Gamuda Berhad (Incorporated in Malaysia)

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

Responsibilities of Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report (Cont'd.)

to the members of Gamuda Berhad (Incorporated in Malaysia)

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT

202006000003 (LLP0022760-LCA) & AF0039

Chartered Accountants

Kuala Lumpur, Malaysia

8 October 2020

Tan Shium Jye

No. 02991/05/2022J

Chartered Accountant

Consolidated Income Statement

For the financial year ended 31 July 2020

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

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 July 2020

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

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

Consolidated Statement of Financial Position

As at 31 July 2020

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

Consolidated Statement of Financial Position (Cont'd.)

As at 31 July 2020

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

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

Consolidated Statement of Changes in Equity

For the financial year ended 31 July 2020

Group	Attributable to owners of the Company						Total equity RM'000
	Non-distributable			Distributable		Non-controlling interests RM'000	
	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 2019 (as previously stated)	3,469,729	72,584	341,874	4,187,120	8,071,307	399,317	8,470,624
Effect of adoption of MFRS 123 (Note 2.2(c))	-	-	-	(8,684)	(8,684)	-	(8,684)
At 1 August 2019 (as restated)	3,469,729	72,584	341,874	4,178,436	8,062,623	399,317	8,461,940
Total comprehensive income	-	-	99,188	365,701	464,889	51,680	516,569
Transactions with owners:							
Issuance of ordinary shares pursuant to:							
Exercise of ESOS (Note 26(f))	70,950	-	-	-	70,950	-	70,950
Conversion of Warrants (Notes 26 and 27)	2,050	-	(119)	-	1,931	-	1,931
Share options granted under ESOS	-	18,202	-	-	18,202	-	18,202
Share options exercised under ESOS	6,830	(6,830)	-	-	-	-	-
Transfer share options reserves to retained profits upon expiry of ESOS	-	(83,956)	-	83,956	-	-	-
Acquisition of equity interest from non-controlling interest	-	-	-	-	-	(900)	(900)
Dividends paid by a subsidiary to non-controlling interests	-	-	-	-	-	(23,595)	(23,595)
Dividends paid to shareholders (Note 11)							
- Dividend reinvestment plan	71,387	-	-	(71,387)	-	-	-
- Cash settlement	-	-	-	(77,503)	(77,503)	-	(77,503)
Total transactions with owners	151,217	(72,584)	(119)	(64,934)	13,580	(24,495)	(10,915)
At 31 July 2020	3,620,946	-	440,943	4,479,203	8,541,092	426,502	8,967,594

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

For the financial year ended 31 July 2020

Group	Attributable to owners of the Company						Non-controlling interests RM'000	Total equity RM'000
	Non-distributable			Distributable				
	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 2018 (as previously stated)	3,452,940	57,733	305,494	3,780,458	7,596,625	383,681	7,980,306	
Effect of adoption of MFRS 123 (Note 2.2(c))	-	-	-	(2,757)	(2,757)	-	(2,757)	
At 1 August 2018 (as restated)	3,452,940	57,733	305,494	3,777,701	7,593,868	383,681	7,977,549	
Total comprehensive income	-	-	36,654	697,090	733,744	52,236	785,980	
Transactions with owners:								
Issuance of ordinary shares pursuant to:								
Exercise of ESOS (Note 26(f))	8,800	-	-	-	8,800	-	8,800	
Conversion of Warrants (Notes 26 and 27)	4,739	-	(274)	-	4,465	-	4,465	
Share options granted under ESOS	-	18,101	-	-	18,101	-	18,101	
Share options exercised under ESOS	3,250	(3,250)	-	-	-	-	-	
Dividends paid by a subsidiary to non-controlling interests	-	-	-	-	-	(36,600)	(36,600)	
Dividends paid to shareholders (Note 11)	-	-	-	(148,083)	(148,083)	-	(148,083)	
Dividends payable to shareholders (Note 11)	-	-	-	(148,272)	(148,272)	-	(148,272)	
Total transactions with owners	16,789	14,851	(274)	(296,355)	(264,989)	(36,600)	(301,589)	
At 31 July 2019 (as restated)	3,469,729	72,584	341,874	4,178,436	8,062,623	399,317	8,461,940	

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

Consolidated Statement of Cash Flows

For the financial year ended 31 July 2020

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

Consolidated Statement of Cash Flows (Cont'd.)

For the financial year ended 31 July 2020

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

Reconciliation of liabilities arising from financing activities:

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

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

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

Income Statement

For the financial year ended 31 July 2020

	Note	2020 RM'000	2019 RM'000
Revenue	4	1,526,170	2,420,370
Other income		203,266	215,112
Construction contract costs recognised as contract expenses		(961,966)	(1,144,640)
Staff costs	5	(71,353)	(71,314)
Depreciation		(7,092)	(7,212)
Other operating expenses		(2,164)	(39,537)
Profit from operations	7	686,861	1,372,779
Impairment of cost of investment in GIBS		(285,000)	-
Profit from operations after impairment		401,861	1,372,779
Finance costs	8	(136,133)	(120,976)
Profit before tax		265,728	1,251,803
Income tax expense	9	(27,644)	(23,149)
Profit for the year		238,084	1,228,654
Net dividends per ordinary share (sen)	11	6.0	12.0

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

Statement of Comprehensive Income

For the financial year ended 31 July 2020

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

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

Statement of Financial Position

As at 31 July 2020

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

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

Statement of Changes In Equity

For the financial year ended 31 July 2020

	Non-distributable		Distributable		
	Share capital RM'000	Option reserves RM'000	Other reserves (Note 27) RM'000	Retained profits (Note 28) RM'000	Total RM'000
Company					
At 1 August 2019	3,469,729	72,584	101,214	2,271,476	5,915,003
Total comprehensive income	-	-	(4,609)	237,569	232,960
Transactions with owners:					
Issue of ordinary shares pursuant to:					
Exercise of ESOS (Note 26(f))	70,950	-	-	-	70,950
Conversion of Warrants (Notes 26 and 27)	2,050	-	(119)	-	1,931
Share options granted under ESOS	-	18,202	-	-	18,202
Share options exercised under ESOS	6,830	(6,830)	-	-	-
Transfer share options reserves to retained profits upon expiry of ESOS	-	(83,956)	-	83,956	-
Dividends paid to shareholders (Note 11)					
- Dividend reinvestment plan	71,387	-	-	(71,387)	-
- Cash settlement	-	-	-	(77,503)	(77,503)
Total transactions with owners	151,217	(72,584)	(119)	(64,934)	13,580
At 31 July 2020	3,620,946	-	96,486	2,444,111	6,161,543
Company					
At 1 August 2018	3,452,940	57,733	102,667	1,339,601	4,952,941
Total comprehensive income	-	-	(1,179)	1,228,230	1,227,051
Transactions with owners:					
Issue of ordinary shares pursuant to:					
Exercise of ESOS (Note 26(f))	8,800	-	-	-	8,800
Conversion of Warrants (Notes 26 and 27)	4,739	-	(274)	-	4,465
Share options granted under ESOS	-	18,101	-	-	18,101
Share options exercised under ESOS	3,250	(3,250)	-	-	-
Dividends paid to shareholders (Note 11)	-	-	-	(148,083)	(148,083)
Dividends payable to shareholders (Note 11)	-	-	-	(148,272)	(148,272)
Total transactions with owners	16,789	14,851	(274)	(296,355)	(264,989)
At 31 July 2019	3,469,729	72,584	101,214	2,271,476	5,915,003

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

Statement of Cash Flows

For the financial year ended 31 July 2020

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

Statement of Cash Flows (Cont'd.)

For the financial year ended 31 July 2020

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

Reconciliation of liabilities arising from financing activities:

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

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

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

Notes to the Financial Statements

– 31 July 2020

1. CORPORATE INFORMATION

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 8 October 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.2 Changes in accounting policies

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

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

Effective for annual periods beginning on or after 1 January 2019

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

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

(a) First time adoption of MFRS 16 Leases

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

(i) Adjustments recognised on adoption of MFRS 16

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

(ii) Practical expedients applied

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.2 Changes in accounting policies (cont'd.)

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

(iii) Impact of MFRS 16

Impact on the financial statements:

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.2 Changes in accounting policies (cont'd.)

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

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.2 Changes in accounting policies (cont'd.)

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

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

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

The following are the amounts recognised in profit or loss:

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.2 Changes in accounting policies (cont'd.)

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

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

Consolidated income statement

For the financial year ended 31 July 2019

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.2 Changes in accounting policies (cont'd.)

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

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

Consolidated statement of financial position As at 31 July 2019

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.2 Changes in accounting policies (cont'd.)

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.2 Changes in accounting policies (cont'd.)

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

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

Consolidated statement of financial position As at 31 July 2018

	As previously stated RM'000	Effect of adoption of MFRS 123 RM'000	As restated RM'000
Assets			
Non-current assets			
Property, plant and equipment	1,009,191	–	1,009,191
Land held for property development	2,655,137	–	2,655,137
Investment properties	363,886	–	363,886
Land use rights	1,895	–	1,895
Concession development expenditure	1,421,203	–	1,421,203
Interests in associated companies	1,773,824	–	1,773,824
Interests in joint arrangements	1,000,538	(1,915)	998,623
Other investments	812	–	812
Deferred tax assets	41,401	(967)	40,434
Receivables	1,005,967	–	1,005,967
	9,273,854	(2,882)	9,270,972
Current assets			
Property development costs	2,083,015	237	2,083,252
Inventories	491,758	(1,119)	490,639
Receivables	1,842,188	–	1,842,188
Contract assets	1,276,378	–	1,276,378
Tax recoverable	42,293	–	42,293
Investment securities	384,271	–	384,271
Cash and bank balances	1,238,634	–	1,238,634
	7,358,537	(882)	7,357,655
Total assets	16,632,391	(3,764)	16,628,627

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.2 Changes in accounting policies (cont'd.)

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

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

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

	As previously stated RM'000	Effect of adoption of MFRS 123 RM'000	As restated RM'000
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	3,452,940	–	3,452,940
Reserves	4,143,685	(2,757)	4,140,928
Owners' equity	7,596,625	(2,757)	7,593,868
Non-controlling interests	383,681	–	383,681
Total equity	7,980,306	(2,757)	7,977,549
Non-current liabilities			
Payables	143,396	–	143,396
Contract liabilities	61,168	–	61,168
Provision for liabilities	27,936	–	27,936
Deferred tax liabilities	407,319	–	407,319
Long term Islamic debts	2,465,000	–	2,465,000
Long term borrowings	1,784,964	–	1,784,964
	4,889,783	–	4,889,783
Current liabilities			
Payables	1,629,297	–	1,629,297
Contract liabilities	546,376	–	546,376
Provision for liabilities	54,831	(1,007)	53,824
Short term Islamic debts	890,000	–	890,000
Short term borrowings	596,736	–	596,736
Tax payable	45,062	–	45,062
	3,762,302	(1,007)	3,761,295
Total liabilities	8,652,085	(1,007)	8,651,078
Total equity and liabilities	16,632,391	(3,764)	16,628,627

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.3 Standards and interpretations issued but not yet effective

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

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

Amendments to MFRS 3	Business Combinations - Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101	Presentation of Financial Statements – Definition of Material
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material

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

Amendments to MFRS 16	COVID-19 - Related Rent Concession

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

MFRS 17	Insurance Contracts

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

Amendments to MFRS 3	Reference to the Conceptual Framework

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

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

Deferred:

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

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

2.4 Basis of consolidation

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

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

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

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

- (i) The contractual arrangement(s) with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting rights.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.4 Basis of consolidation (cont'd.)

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

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

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

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

2.5 Business combinations and goodwill

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

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

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.6 Investment in associated companies and joint ventures

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.7 Investment in joint operations

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

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

- (i) their assets, including their shares of any assets held jointly;
- (ii) their liabilities, including their shares of any liabilities incurred jointly;
- (iii) their revenue from the sale of their shares of the output arising from the joint operations;
- (iv) their shares of the revenue from the sale of the output by the joint operations; and
- (v) their expenses, including their shares of any expenses incurred jointly.

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

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

2.8 Intangible assets

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

(a) Expressway development expenditure

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.8 Intangible assets (cont'd.)

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

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

Amortisation of EDE is included in profit or loss.

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

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

(b) Other intangible assets

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

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

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

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

Other intangible assets of the Group comprise of quarry rights and and water development expenditure.

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.9 Property, plant and equipment and depreciation

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

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

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

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

Buildings	2% – 13%
Plant and machinery	5% – 20%
Office equipment, furniture and fittings	10% – 33%
Motor vehicles	12% – 25%

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.10 Leases

Accounting policies applied until 1 August 2019

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

Finance leases

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

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

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

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

Operating leases

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

Sale and leaseback transactions

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

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

- If the sale price is below fair value then the gain or loss is recognised immediately other than to the extent that a loss is compensated for by future rentals at below market price, then the loss is deferred and amortised over the period that the asset is expected to be used.
- If the sale price is above fair value, then any gain is deferred and amortised over the useful life of the asset.
- If the fair value of the asset is less than the carrying amount of the asset at the date of the transaction, then that difference is recognised immediately as a loss on the sale.

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.10 Leases (cont'd.)

Accounting policies applied from 1 August 2019

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

(i) Right-of-use assets

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

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

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

(ii) Lease liability

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

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.10 Leases (cont'd.)

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

Group as a lessor

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

(i) Finance leases

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

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

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

(ii) Operating leases

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

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

Group as a lessee

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

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

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

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

Group as a lessor

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.11 Service concession arrangements

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

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

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

2.12 Construction contracts

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

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.13 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.14 Inventories

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

(a) Land held for property development

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

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

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

(b) Property development cost

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

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

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

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

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

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

(c) Completed properties

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

(d) Raw materials, panels and work in progress

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.15 Investment properties

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

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

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

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

2.16 Provisions

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.17 Taxes

(a) Current income tax

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

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

(b) Deferred tax

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

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

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.17 Taxes (cont'd.)

(b) Deferred tax (cont'd.)

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

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

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

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

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

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

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

The effective date for SST in Malaysia is on 1 September 2018. Prior to this date, Malaysia was under the Goods and Services Tax ("GST") regime.

2.18 Employee benefits

(a) Short term benefits

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

(b) Defined contribution plans

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.18 Employee benefits (cont'd.)

(c) Defined benefit plans

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

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

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

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

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

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

(d) Share based compensation

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.19 Revenue from contracts with customers and other income recognition

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

(a) Revenue recognition from contracts with customers

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

(i) Engineering and construction contracts

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

(ii) Property development

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

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

This is generally established when:

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

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

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

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

(iii) Sale of goods and services

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

(iv) Supply of water and related services

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

(v) Toll concession revenue

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

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

(vi) Dividend income

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

(vii) Club membership entrance fees and annual fees

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

(b) Other income

(i) Interest income

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

(ii) Rental income

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.20 Foreign currencies

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

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

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

(c) Group companies

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.20 Foreign currencies (cont'd.)

(c) Group companies (cont'd.)

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

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

2.21 Financial assets

Initial recognition and measurement

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

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.21 Financial assets (cont'd.)

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

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

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

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

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

Financial assets at fair value through OCI (debt instruments)

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.21 Financial assets (cont'd.)

Financial assets at fair value through profit or loss

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

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

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

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

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

Derecognition

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

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Group has transferred substantially all the risks and rewards of the asset, or
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.22 Impairment of financial assets

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

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

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

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

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

2.23 Cash and cash equivalents

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

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

2.24 Share capital and share issuance expense

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.25 Financial liabilities

Initial recognition and measurement

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

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

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

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

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

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied.

(b) Other financial liabilities

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

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

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

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

Derecognition

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

Offsetting of financial instruments

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.26 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

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

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

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

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

Cash flow hedges

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.27 Borrowing costs

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

2.28 Deferred revenue

Deferred revenue comprise the following:

(a) Advance maintenance fees and license fees

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

(b) Government compensation

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

2.29 Fair value measurement

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

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

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

2.29 Fair value measurement (cont'd.)

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

- (a) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (b) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (c) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

2.30 Land use rights

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

2.31 Contract assets and contract liabilities

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Key sources of estimation uncertainty

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

(a) Revenue for property development activities and construction contracts

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

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

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

The carrying amount of the Group's property development costs at the reporting date is disclosed in Note 13(b).

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

(b) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised and unrecognised tax losses, capital allowances and other deductible temporary differences of the Group and of the Company are as disclosed in Note 32.

(c) Provision for development cost

The Group recognises a provision for development cost in respect of development projects undertaken by its subsidiaries. In determining the provision, the Group has made assumptions in relation to the development cost incurred on the completed phases. The carrying amount of provision for development cost at the reporting date is disclosed in Note 37(a).

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

Key sources of estimation uncertainty (cont'd.)

(d) Provision for affordable housing

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

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

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

The carrying amount of the Group's provision for affordable housing as at reporting date is disclosed in Note 37(b).

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

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

The carrying amount of the investment in GIBS as at 31 July 2020 was RM655,000,000. During the financial year, the Company has recognised impairment of RM285,000,000 in the investment of GIBS. The Company carried out the impairment test based on measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include the use of discounted cash flow analysis, considering the current market value indicators and recent arms-length market transactions. These estimates provide reasonable approximations to the computation of recoverable amounts.

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

Key sources of estimation uncertainty (cont'd.)

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

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

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

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

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

4. REVENUE

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

5. STAFF COSTS

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

6. DIRECTORS' REMUNERATION

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

6. DIRECTORS' REMUNERATION (CONT'D.)

The details of the remuneration paid by the Group and the Company to each director who served during the financial years ended 31 July 2020 and 31 July 2019 are as follows:

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

6. DIRECTORS' REMUNERATION (CONT'D.)

The details of the remuneration paid by the Group and the Company to each director who served during the financial years ended 31 July 2020 and 31 July 2019 are as follows: (cont'd.)

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

[#] Appointed w.e.f. 28 September 2018

[^] Resigned w.e.f. 28 September 2018

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

7. PROFIT FROM OPERATIONS

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

7. PROFIT FROM OPERATIONS (CONT'D.)

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

8. FINANCE COSTS

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

9. INCOME TAX EXPENSE

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

9. INCOME TAX EXPENSE (CONT'D.)

Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in respective jurisdictions.

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

9. INCOME TAX EXPENSE (CONT'D.)

Tax savings during the financial year arising from:

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

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

10. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic

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

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

(b) Diluted

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

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

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

The ESOS has expired on 9 April 2020.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

11. DIVIDENDS

	Group and Company			
	Amount		Net dividends per ordinary share	
	2020 RM'000	2019 RM'000	2020 sen	2019 sen
Dividends recognised in respect of financial year ended 31 July 2020				
– First interim dividend declared on 13 December 2019				
(a) Dividend paid by issuance of new shares on 25 February 2020 pursuant to the Company's Dividend Reinvestment Plan	71,387	–	–	–
(b) Dividend paid via cash on 25 February 2020	77,503	–	6.0	–
Dividends recognised in respect of financial year ended 31 July 2019				
– First interim dividend declared on 14 December 2018 and paid on 25 January 2019	–	148,083	–	6.0
– Second interim dividend declared on 27 June 2019 and paid on 6 August 2019	–	148,272	–	6.0
	148,890	296,355	6.0	12.0

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

12. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings* RM'000	Other property, plant and equipment** RM'000	Construction in-progress RM'000	Total RM'000
At 31 July 2020				
Cost				
At 1 August 2019	671,335	775,824	76,526	1,523,685
Additions	44,642	64,017	66,725	175,384
Transfer from investment properties (Note 14)	61,117	524	3,395	65,036
Reclassification upon completion	66,938	37,962	(104,900)	–
Disposals	–	(4,317)	–	(4,317)
Write-offs	(5,765)	(4,868)	–	(10,633)
Exchange differences	3,687	533	279	4,499
At 31 July 2020	841,954	869,675	42,025	1,753,654
Accumulated depreciation				
At 1 August 2019	90,997	277,178	–	368,175
Recognised in profit or loss (Note 7)	26,499	48,212	–	74,711
Capitalised in contract assets from construction (Note 22(a))	–	109,610	–	109,610
Transfer from investment properties (Note 14)	992	–	–	992
Disposals	–	(3,975)	–	(3,975)
Write-offs	(3,377)	(4,503)	–	(7,880)
Exchange differences	694	161	–	855
At 31 July 2020	115,805	426,683	–	542,488
Accumulated impairment loss				
At 1 August 2019	–	–	–	–
Recognised in profit or loss (Note 7)	63,704	84,396	–	148,100
At 31 July 2020	63,704	84,396	–	148,100
Net carrying amount				
At 31 July 2020	662,445	358,596	42,025	1,063,066

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

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

Impairment of property, plant and equipment

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

Group	Land and buildings* RM'000	Other property, plant and equipment** RM'000	Construction in-progress RM'000	Total RM'000
At 31 July 2019				
Cost				
At 1 August 2018	525,516	494,125	258,185	1,277,826
Additions	4,960	128,376	120,454	253,790
Reclassification upon completion	138,739	163,296	(302,035)	–
Disposals	–	(8,462)	–	(8,462)
Write-offs	–	(1,719)	–	(1,719)
Exchange differences	2,120	208	(78)	2,250
At 31 July 2019	671,335	775,824	76,526	1,523,685
Accumulated depreciation and impairment loss				
At 1 August 2018	72,197	196,438	–	268,635
Recognised in profit or loss (Note 7)	18,827	37,767	–	56,594
Capitalised in contract assets from construction (Note 22(a))	–	52,625	–	52,625
Disposals	–	(8,179)	–	(8,179)
Write-offs	–	(1,688)	–	(1,688)
Exchange differences	(27)	215	–	188
At 31 July 2019	90,997	277,178	–	368,175
Net carrying amount				
At 31 July 2019	580,338	498,646	76,526	1,155,510
Included in the additions to property, plant and equipment are mainly as follows:				
				RM'000
Industrial Building System ("IBS") factory, plant and machinery				136,256
Other plant and machinery				50,991
Sales gallery and sports centre				57,718
Vehicles, office equipment, furniture and fittings				8,825
				253,790

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

* Land and buildings

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

* Land and buildings (cont'd.)

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

** Other property, plant and equipment

Group	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Total RM'000
At 31 July 2020				
Cost				
At 1 August 2019	46,033	125,524	604,267	775,824
Additions	2,591	16,661	44,765	64,017
Transfer from investment properties	–	13	511	524
Reclassification upon completion	–	5,176	32,786	37,962
Disposals	(977)	(490)	(2,850)	(4,317)
Write-offs	–	(3,975)	(893)	(4,868)
Exchange differences	57	454	22	533
At 31 July 2020	47,704	143,363	678,608	869,675
Accumulated depreciation				
At 1 August 2019	25,265	79,731	172,182	277,178
Recognised in profit or loss	3,311	19,576	25,325	48,212
Capitalised in contract assets from construction	1,816	717	107,077	109,610
Disposals	(879)	(345)	(2,751)	(3,975)
Write-offs	–	(3,612)	(891)	(4,503)
Exchange differences	10	301	(150)	161
At 31 July 2020	29,523	96,368	300,792	426,683
Accumulated impairment loss				
At 1 August 2019	–	–	–	–
Recognised in profit or loss	–	–	84,396	84,396
At 31 July 2020	–	–	84,396	84,396
Net carrying amount				
At 31 July 2020	18,181	46,995	293,420	358,596

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

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

Group	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Total RM'000
At 31 July 2019				
Cost				
At 1 August 2018	44,406	97,531	352,188	494,125
Additions	2,858	17,857	107,661	128,376
Reclassification upon completion	–	15,048	148,248	163,296
Disposals	(1,246)	(4,343)	(2,873)	(8,462)
Write-offs	–	(723)	(996)	(1,719)
Exchange differences	15	154	39	208
At 31 July 2019	46,033	125,524	604,267	775,824
Accumulated depreciation and impairment loss				
At 1 August 2018	21,606	66,945	107,887	196,438
Recognised in profit or loss	3,048	16,964	17,755	37,767
Capitalised in contract assets from construction	1,699	831	50,095	52,625
Disposals	(1,141)	(4,331)	(2,707)	(8,179)
Write-offs	–	(698)	(990)	(1,688)
Exchange differences	53	20	142	215
At 31 July 2019	25,265	79,731	172,182	277,178
Net carrying amount				
At 31 July 2019	20,768	45,793	432,085	498,646

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

Company	Land and buildings* RM'000	Other property, plant and equipment** RM'000	Construction in-progress RM'000	Total RM'000
At 31 July 2020				
Cost				
At 1 August 2019	165,015	213,741	17,187	395,943
Additions	–	26,358	–	26,358
Reclassification upon completion	–	17,187	(17,187)	–
Disposals	–	(2,155)	–	(2,155)
Write-offs	–	(2,050)	–	(2,050)
Exchange differences	–	177	–	177
At 31 July 2020	165,015	253,258	–	418,273
Accumulated depreciation and impairment loss				
At 1 August 2019	26,883	87,569	–	114,452
Recognised in profit or loss (Note 7)	3,242	3,563	–	6,805
Capitalised in contract assets from construction (Note 22(a))	–	103,428	–	103,428
Disposals	–	(2,064)	–	(2,064)
Write-offs	–	(2,048)	–	(2,048)
Exchange differences	–	64	–	64
At 31 July 2020	30,125	190,512	–	220,637
Net carrying amount				
At 31 July 2020	134,890	62,746	–	197,636

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

* Land and buildings

Company	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2020				
Cost				
At 1 August 2019/31 July 2020	659	5,611	158,745	165,015
Accumulated depreciation and impairment loss				
At 1 August 2019	–	953	25,930	26,883
Charge for the year	–	68	3,174	3,242
At 31 July 2020	–	1,021	29,104	30,125
Net carrying amount				
At 31 July 2020	659	4,590	129,641	134,890
At 31 July 2019				
Cost				
At 1 August 2018/31 July 2019	659	5,611	158,745	165,015
Accumulated depreciation and impairment loss				
At 1 August 2018	–	885	22,756	23,641
Charge for the year	–	68	3,174	3,242
At 31 July 2019	–	953	25,930	26,883
Net carrying amount				
At 31 July 2019	659	4,658	132,815	138,132

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

** Other property, plant and equipment

Company	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Total RM'000
At 31 July 2020				
Cost				
At 1 August 2019	1,152	37,824	174,765	213,741
Additions	79	2,668	23,611	26,358
Reclassification upon completion	–	–	17,187	17,187
Disposals	(305)	(50)	(1,800)	(2,155)
Write-offs	–	(1,210)	(840)	(2,050)
Exchange differences	11	148	18	177
At 31 July 2020	937	39,380	212,941	253,258
Accumulated depreciation				
At 1 August 2019	907	30,936	55,726	87,569
Recognised in profit or loss	13	3,550	–	3,563
Capitalised in contract assets from construction	36	192	103,200	103,428
Disposals	(258)	(6)	(1,800)	(2,064)
Write-offs	–	(1,210)	(838)	(2,048)
Exchange differences	23	41	–	64
At 31 July 2020	721	33,503	156,288	190,512
Net carrying amount				
At 31 July 2020	216	5,877	56,653	62,746

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

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

Company	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Total RM'000
At 31 July 2019				
Cost				
At 1 August 2018	1,720	40,520	42,290	84,530
Additions	182	1,298	3,994	5,474
Reclassification upon completion	–	–	131,227	131,227
Disposals	(759)	(3,834)	(1,787)	(6,380)
Write-offs	–	(189)	(991)	(1,180)
Exchange differences	9	29	32	70
At 31 July 2019	1,152	37,824	174,765	213,741
Accumulated depreciation				
At 1 August 2018	1,558	30,934	12,884	45,376
Recognised in profit or loss	9	3,806	–	3,815
Capitalised in contract assets from construction	15	190	45,558	45,763
Disposals	(684)	(3,834)	(1,757)	(6,275)
Write-offs	–	(186)	(987)	(1,173)
Exchange differences	9	26	28	63
At 31 July 2019	907	30,936	55,726	87,569
Net carrying amount				
At 31 July 2019	245	6,888	119,039	126,172

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

13. INVENTORIES

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

(a) Land held for property development

Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
At 31 July 2020				
Cost				
At 1 August 2019	48,370	2,011,842	858,971	2,919,183
Cost incurred during the year	–	–	406,823	406,823
Transfer to property development costs (Note 13(b))	(7,330)	(135,479)	(21,922)	(164,731)
Exchange differences	–	8,620	–	8,620
At 31 July 2020	41,040	1,884,983	1,243,872	3,169,895
At 31 July 2019				
Cost				
At 1 August 2018	48,370	2,111,354	495,413	2,655,137
Cost incurred during the year	–	12,370	388,613	400,983
Transfer to property development costs (Note 13(b))	–	(113,854)	(25,055)	(138,909)
Transfer to investment properties (Note 14)	–	(4,595)	–	(4,595)
Exchange differences	–	6,567	–	6,567
At 31 July 2019	48,370	2,011,842	858,971	2,919,183

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

13. INVENTORIES (CONT'D.)

(b) Property development costs

Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
At 31 July 2020				
Cumulative property development costs				
At 1 August 2019 (as previously stated)	96,848	2,374,641	4,326,295	6,797,784
Effect of adoption of MFRS 123 (Note 2.2(c))	–	–	(15,216)	(15,216)
At 1 August 2019 (as restated)	96,848	2,374,641	4,311,079	6,782,568
Costs incurred during the year	–	54	921,911	921,965
Transfer from land held for property development (Note 13(a))	7,330	135,479	21,922	164,731
Transfer to investment property (Note 14)	–	–	(83,905)	(83,905)
Reversal of completed projects	(40,934)	(170,534)	(814,023)	(1,025,491)
Transfer to completed inventories	(39,830)	(52,913)	(300,434)	(393,177)
Exchange differences	–	34,492	89,845	124,337
At 31 July 2020	23,414	2,321,219	4,146,395	6,491,028
Cumulative costs recognised in profit or loss				
At 1 August 2019 (as previously stated)	39,003	1,244,930	3,626,855	4,910,788
Effect of adoption of MFRS 123 (Note 2.2(c))	–	–	(13,576)	(13,576)
At 1 August 2019 (as restated)	39,003	1,244,930	3,613,279	4,897,212
Recognised during the year	3,125	167,074	496,880	667,079
Reversal of completed projects	(40,934)	(170,534)	(814,023)	(1,025,491)
Exchange differences	–	21,937	83,077	105,014
At 31 July 2020	1,194	1,263,407	3,379,213	4,643,814
Property development costs at 31 July 2020	22,220	1,057,812	767,182	1,847,214

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

13. INVENTORIES (CONT'D.)

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

Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
At 31 July 2019				
Cumulative property development costs				
At 1 August 2018 (as previously stated)	150,059	2,289,394	3,448,759	5,888,212
Effect of adoption of MFRS 123 (Note 2.2(c))	–	–	1,914	1,914
At 1 August 2018 (as restated)	150,059	2,289,394	3,450,673	5,890,126
Costs incurred during the year	–	27,448	1,470,614	1,498,062
Transfer from land held for property development (Note 13(a))	–	113,854	25,055	138,909
Transfer to investment property (Note 14)	(770)	(4,909)	(15,537)	(21,216)
Reversal of completed projects	(25,378)	(4,416)	(380,861)	(410,655)
Transfer to completed inventories	(27,063)	(65,301)	(280,170)	(372,534)
Exchange differences	–	18,571	41,305	59,876
At 31 July 2019 (as restated)	96,848	2,374,641	4,311,079	6,782,568
Cumulative costs recognised in profit or loss				
At 1 August 2018 (as previously stated)	50,401	922,851	2,831,945	3,805,197
Effect of adoption of MFRS 123 (Note 2.2(c))	–	–	1,677	1,677
At 1 August 2018 (as restated)	50,401	922,851	2,833,622	3,806,874
Recognised during the year	13,980	318,372	1,122,423	1,454,775
Reversal of completed projects	(25,378)	(4,416)	(380,861)	(410,655)
Exchange differences	–	8,123	38,095	46,218
At 31 July 2019 (as restated)	39,003	1,244,930	3,613,279	4,897,212
Property development costs at 31 July 2019	57,845	1,129,711	697,800	1,885,356

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

13. INVENTORIES (CONT'D.)

(c) Other inventories

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

14. INVESTMENT PROPERTIES

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Construction in-progress RM'000	Total RM'000
At 31 July 2020					
Cost					
At 1 August 2019	21,393	76,380	208,835	152,297	458,905
Additions	–	2,314	3,501	4,067	9,882
Transfer from property development costs (Note 13(b))	–	–	–	83,905	83,905
Transfer to property, plant and equipment (Note 12)	(1,238)	(24,213)	(36,190)	(3,395)	(65,036)
Disposals	–	–	(2,582)	–	(2,582)
Reclassification upon completion	129	4,004	54,613	(58,746)	–
Exchange differences	–	721	1,998	170	2,889
At 31 July 2020	20,284	59,206	230,175	178,298	487,963
Accumulated depreciation					
At 1 August 2019	–	3,362	22,728	–	26,090
Recognised in profit or loss (Note 7)	–	1,145	5,825	–	6,970
Transfer to property, plant and equipment (Note 12)	–	–	(992)	–	(992)
Exchange differences	–	103	291	–	394
At 31 July 2020	–	4,610	27,852	–	32,462
Net carrying amount					
At 31 July 2020	20,284	54,596	202,323	178,298	455,501
Fair value					
At 31 July 2020	39,212	81,974	345,505	178,298	644,989

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

14. INVESTMENT PROPERTIES (CONT'D.)

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Construction in-progress RM'000	Total RM'000
At 31 July 2019					
Cost					
At 1 August 2018	25,261	63,627	222,480	73,242	384,610
Additions	–	2,870	397	85,255	88,522
Transfer from land held for property development (Note 13(a))	–	4,595	–	–	4,595
Transfer from property development costs (Note 13(b))	770	4,909	–	15,537	21,216
Disposals	(4,638)	–	(36,870)	–	(41,508)
Reclassification upon completion	–	–	21,856	(21,856)	–
Exchange differences	–	379	972	119	1,470
At 31 July 2019	21,393	76,380	208,835	152,297	458,905
Accumulated depreciation					
At 1 August 2018	–	1,931	18,793	–	20,724
Recognised in profit or loss (Note 7)	–	1,066	6,061	–	7,127
Disposals	–	–	(1,941)	–	(1,941)
Exchange differences	–	365	(185)	–	180
At 31 July 2019	–	3,362	22,728	–	26,090
Net carrying amount					
At 31 July 2019	21,393	73,018	186,107	152,297	432,815
Fair value					
At 31 July 2019	40,627	79,352	299,780	152,297	572,056

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

14. INVESTMENT PROPERTIES (CONT'D.)

Company	Freehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2020			
Cost			
At 1 August 2019/31 July 2020	5,697	7,583	13,280
Accumulated depreciation			
At 1 August 2019	–	3,315	3,315
Recognised in profit or loss (Note 7)	–	153	153
At 31 July 2020	–	3,468	3,468
Net carrying amount			
At 31 July 2020	5,697	4,115	9,812
Fair value			
At 31 July 2020	43,563	16,237	59,800
At 31 July 2019			
Cost			
At 1 August 2018/31 July 2019	5,697	7,583	13,280
Accumulated depreciation			
At 1 August 2018	–	3,160	3,160
Recognised in profit or loss (Note 7)	–	155	155
At 31 July 2019	–	3,315	3,315
Net carrying amount			
At 31 July 2019	5,697	4,268	9,965
Fair value			
At 31 July 2019	37,243	16,901	54,144

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

14. INVESTMENT PROPERTIES (CONT'D.)

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

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

Included in investment properties incurred during the year are:

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

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

Other details of fair value of investment properties are further disclosed in Note 43.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

15. (a) LAND USE RIGHTS

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

(b) RIGHT-OF-USE ASSETS

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

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

16. CONCESSION DEVELOPMENT EXPENDITURE

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

17. INVESTMENTS IN SUBSIDIARIES

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

(a) Current financial year

(i) Capital injection in subsidiaries

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

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

(ii) Incorporation of a new subsidiary in Luxembourg

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

(iii) Redemption of shares

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

(iv) Additional investment in a subsidiary company

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

(v) Long term advances

The advances to a subsidiary are capital in nature.

(vi) Impairment of investment in a subsidiary

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

(b) Previous financial year

Redemption of redeemable unsecured loan stocks

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

(c) Interests in subsidiaries

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

Name of company	Proportion of ownership		Principal/Economic activities
	2020 %	2019 %	
Subsidiaries incorporated in Malaysia			
Gammau Construction Sdn. Bhd.	100	100	Property investment
Ganaz Bina Sdn. Bhd.	100	100	Dormant
Gamuda Land Sdn. Bhd.	100	100	Property investment and holding company
Gamuda Land Leisure Sdn. Bhd.	100	100	Theme park operator
Gamuda Land Property Services Sdn. Bhd.*	100	100	Provision of property maintenance and management services
Usaha Era Fokus Sdn. Bhd.*	100	–	Investment holding
Gamuda Paper Industries Sdn. Bhd.	100	95	Rental of properties
GPI Trading Sdn. Bhd.	100	95	Dormant
Gamuda Water Sdn. Bhd. (“Gamuda Water”)	80	80	Management, operation and maintenance of dams and water treatment facilities and the treatment, production and supply of water
Gamuda Industrial Building System Sdn. Bhd. (“GIBS”)	100	100	Manufacturing and installation of prefabricated concrete panels for construction of buildings

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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		Principal/Economic activities
	2020 %	2019 %	
Subsidiaries incorporated in Malaysia (cont'd.)			
Jade Homes Sdn. Bhd.	100	100	Property development of Jade Hills
Gamuda Parks Sdn. Bhd.	100	100	Supplying and planting of landscaping materials and provision of landscaping services for property development
Jade Homes Resort Berhad	100	100	Proprietor and operator of a clubhouse
Jade Homes Property Services Sdn. Bhd.*	100	100	Property maintenance services
Gamuda Land (Botanic) Sdn. Bhd.	100	100	Property development of Bandar Botanic and Kundang Estates
Bandar Botanic Resort Berhad	100	100	Proprietor and operator of a clubhouse
Botanic Property Services Sdn. Bhd.*	100	100	Property maintenance services
Masterpave Sdn. Bhd.	100	100	Road surfacing works, manufacture and supply of concrete, beams and surfacing materials
Megah Capital Sdn. Bhd. (“Megah Capital”)	100	100	Investment holding and trading
Megah Management Services Sdn. Bhd.	100	100	Insurance agent
Megah Sewa Sdn. Bhd.	100	100	Hiring, distribution and repairing plant, machinery and equipment
Valencia Development Sdn. Bhd.*	100	100	Property development of Valencia
Valencia Township Sdn. Bhd.*	100	100	Management of a gated residential townships including a clubhouse, golf course and other common properties, services and facilities contained therein
Madge Mansions Sdn. Bhd.	100	100	Property development of Madge Mansions
Highpark Development Sdn. Bhd.	100	100	Property development of HighPark Suites
Idaman Robertson Sdn. Bhd.	100	100	Property development of The Robertson
Gamuda Land (Kemuning) Sdn. Bhd. (“GL Kemuning”)	100	100	Property development of twentyfive.7
Gamuda Land (HCMC) Sdn. Bhd.	100	100	Property investment
Bandar Serai Development Sdn. Bhd. (“Bandar Serai”)	100	100	Property development of Gamuda Gardens
Dinamik Atlantik Sdn. Bhd.	100	100	Property development of Bukit Bantayan Residences

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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		Principal/Economic activities
	2020 %	2019 %	
Subsidiaries incorporated in Malaysia (cont'd.)			
Lifestyle Heritage Sdn. Bhd.*	100	100	Dormant
Gamuda Land (T12) Sdn. Bhd.	100	100	Property development of Gamuda Cove
Discovery Wetlands Sdn. Bhd.	100	–	Operate and maintain the Wetlands reserve
Kesas Holdings Berhad (“KESAS Holdings”)	70	70	Investment holding; holding company to the concession holder of an expressway
Kesas Sdn. Bhd.	70	70	Design, construction and maintenance of Shah Alam Expressway, and development and management of toll operations
G.B. Kuari Sdn. Bhd.	100	100	Quarrying, manufacturing of premix and laying of road operations
Gamuda Trading Sdn. Bhd.	100	100	Trading of construction materials
Gamuda Naim Engineering and Construction (GNEC) Sdn. Bhd.	65	65	Undertake civil engineering and building construction of Pan Borneo Highway project and Batang Lupar Bridge project in Sarawak
SRS Consortium Sdn. Bhd.	60	60	Undertake the role of project delivery partner for the implementation of an alternative transport master plan comprising different public transport components in Penang and the provision of new reclamation sites
Intensif Inovatif Sdn. Bhd.*	100	100	Dormant
Gamuda Engineering Sdn. Bhd.	100	100	Civil engineering and building construction
Gamuda Geo Sdn. Bhd.*	100	100	Sub-structure and geotechnical works
Gamuda M&E Sdn. Bhd.*	100	100	Provision and maintenance of mechanical and electrical services
Gamuda Building Ventures Sdn. Bhd.*	100	100	Building construction
Gamuda Tunnel Engineering Sdn. Bhd.*	100	100	Undertake tunnelling works

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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		Principal/Economic activities
	2020 %	2019 %	
Subsidiaries unincorporated in Malaysia			
Held by Gamuda Engineering Sdn. Bhd.:			
Held by Gamuda M&E Sdn. Bhd.:			
GME-CI (GIBS2) Joint Venture*	55	55	Undertake the Mechanical and Electrical works of new Gamuda Industrial Building System ("GIBS")
GME-CI (Serai) Joint Venture*	55	55	Undertake the Mechanical and Electrical works of Gamuda Gardens
GME-CI (HKLCP) Joint Venture*	55	55	Undertake construction works for the "Hospital Kuala Lumpur Car Park" project
GME-CI (T12TP) Joint Venture*	55	55	Undertake construction works for the project "Gamuda Cove Toll Plaza"
GME-CI (TTWS) Joint Venture*	60	–	Undertake the Mechanical and Electrical works of Mass Rapid Transit 2 ("MRT 2") project (Titiwangsa Station)
GME-CI (KBNS) Joint Venture*	60	–	Undertake the Mechanical and Electrical works of MRT 2 project (Escape Shaft 2)
GME-CI (UGW) Joint Venture*	60	–	Undertake the Mechanical and Electrical works of MRT 2 project (Escape Shaft 3)
Subsidiary incorporated in British Virgin Islands			
Gamuda Overseas Investment Ltd.*	100	100	Investment holding
Subsidiary incorporated in Mauritius			
Gamuda (Offshore) Private Limited*	100	100	Investment holding
Subsidiary incorporated in India			
Held by Gamuda (Offshore) Private Limited:			
Gamuda - WCT (India) Private Limited*#	70	70	Civil engineering

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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		Principal/Economic activities
	2020 %	2019 %	
Subsidiaries incorporated in the Socialist Republic of Vietnam			
Gamuda Land Vietnam Limited Liability Company ("GLVN")#^	100	100	Undertakes the Yen So Park, sewage treatment plant and Gamuda City Development in Hanoi, Socialist Republic of Vietnam
Held by Gamuda Land (HCMC) Sdn. Bhd.:			
Gamuda Land (HCMC) Joint Stock Company ("HCMCJSC")#^	100	100	Undertakes development of Celadon City in Ho Chi Minh City, Socialist Republic of Vietnam
Subsidiary incorporated in Singapore			
Gamuda (Singapore) Pte. Ltd. ("GB Singapore")^	100	100	Investment holding
Subsidiary incorporated in Australia			
Gamuda (Australia) Pty Ltd ("GB Australia")^	100	100	Property development of 661 Chapel St., Melbourne
Gamuda Engineering (Australia) Pty Ltd*	100	100	Civil engineering and construction
Subsidiary incorporated in Luxembourg			
Gamuda (Luxembourg) S.a.r.l.*	100	–	Investment holding
Gamuda Yoo Development Aldgate S.a.r.l.*	90	–	Property investment
Subsidiary unincorporated in Taiwan			
Dong-Pi Gamuda Joint Venture ("Dong-Pi")^	70	70	Undertakes civil engineering and construction works for Marine Bridge Project in Taiwan

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

Financial year end which does not coincide with that of its holding company

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

For the purpose of consolidating the subsidiaries with different financial year ends, the audited financial statements of the subsidiaries for the financial period from 1 August 2019 to 31 July 2020 have been used for consolidation for the Group's financial statements.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

18. INTERESTS IN ASSOCIATED COMPANIES

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

(a) Current financial year

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

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

(b) Interest in associated companies

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

Name of company	Proportion of ownership		Principal/Economic activities
	2020 %	2019 %	
Associated companies			
Incorporated in Malaysia			
Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH Holdings")	40	40	Investment holding and provision of management services
Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd. ("SPRINT Holdings")	52	52	Investment holding; holding company to the concession holder of an expressway – SPRINT Highway
Lingkar Trans Kota Holdings Berhad ("LITRAK Holdings") (Quoted shares in Malaysia)	44	44	Investment holding and provision of management services; holding company to the concession holder of an expressway – Damansara – Puchong Highway ("LDP")
Naim Gamuda (NAGA) JV Sdn. Bhd. ("NAGA")	30	30	Civil engineering and construction
Unincorporated in Malaysia			
Held by Gamuda Engineering Sdn. Bhd.:			
Lim Hoo Seng – Gamuda Engineering Joint Venture *	30	30	Civil engineering and construction
Incorporated in Mauritius			
Held by Gamuda (Offshore) Private Limited:			
Suria Holding (O) Pvt. Ltd.*#	50	50	Investment holding; holding company to the concession holder of Durgapur Expressway, India
Gamuda – WCT (Offshore) Private Limited*#	50	50	Investment holding; holding company to the concession holder of Panagarh – Palsit, India

* Audited by firms other than Ernst & Young, Malaysia

Financial year end of 31 July

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

(c) Summarised financial information of material associated companies

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

	LITRAK Holdings		SPRINT Holdings		SPLASH Holdings		Other associates – individually immaterial		Total	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Summarised statements of financial position										
Non-current assets	1,354,415	1,409,613	1,335,876	1,390,194	577,778	650,000	49,320	46,689	3,317,389	3,496,496
Current assets	617,875	680,711	355,084	386,001	1,772	16,175	187,597	521,313	1,162,328	1,604,200
Non-current liabilities	(606,194)	(788,978)	(1,184,149)	(1,374,952)	-	-	-	(1,402)	(1,790,343)	(2,165,332)
Current liabilities	(224,715)	(266,758)	(258,069)	(182,934)	(1,040)	(22)	(100,159)	(359,148)	(583,983)	(808,862)
Net assets	1,141,381	1,034,588	248,742	218,309	578,510	666,153	136,758	207,452	2,105,391	2,126,502
Summarised statements of comprehensive income										
Results										
Revenue	437,939	518,048	223,652	235,987	-	-	271,435	363,484	933,026	1,117,519
Profit/(loss) for the year	220,757	251,140	30,431	18,737	18,705	72,911	8,540	(32,771)	278,433	310,017
Reconciliation of net assets to carrying amount as at year end										
Group's share of net assets	493,533	450,770	74,623	65,493	231,404	266,461	62,690	97,528	862,250	880,252
Fair value on acquisition in excess of net assets	90,537	90,537	-	-	-	-	-	-	90,537	90,537
Carrying amount in the statements of financial position	584,070	541,307	74,623	65,493	231,404	266,461	62,690	97,528	952,787	970,789
Group's net share of profit/(loss) for the year	95,455	109,422	9,129	5,621	7,482	29,164	4,179	(17,573)	116,245	126,634
Other information										
- Group's share of dividend	57,514	57,514	-	-	42,539	714,005	21,330	4,529	121,383	776,048

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

19. INTERESTS IN JOINT ARRANGEMENTS

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

(a) Current financial year

(i) Advances to a joint venture

Gamuda (Singapore) Pte. Ltd., a wholly-owned subsidiary of the Company advances a cash consideration of RM13,891,000 (SGD4,565,000) in Anchorvale Pte Ltd., a 50% joint venture of the Group to carry out the development project on the land parcel at Anchorvale Crescent site earmarked for executive condominium development.

(ii) Repayment of advance by a joint venture

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

(b) Previous financial year

Additional investment in a joint arrangement

- (i) Gamuda Land Sdn. Bhd., a wholly-owned subsidiary of the Company subscribed 18,625,000 ordinary shares for a cash consideration of RM18,625,000 in Gamuda GM Klang Sdn. Bhd., a 50% joint venture to finance the working capital for its wholesale business.
- (ii) Gamuda (Singapore) Pte. Ltd., a wholly-owned subsidiary of the Company subscribed for 2,000,000 new ordinary shares for a cash consideration of RM6,030,000 (SGD2,000,000) in Anchorvale Pte. Ltd., a 50% joint venture of the Group to carry out the development project on the land parcel at Anchorvale Crescent site earmarked for executive condominium development.

Advances to joint venture

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

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

Name of joint operations	Proportion of ownership		Principal/Economic activities
	2020 %	2019 %	
Unincorporated in Malaysia			
Malaysia Mining Corporation Berhad – Gamuda Berhad Joint Venture Electrified Double Track Project ("MMC - Gamuda JV 2T")	50	50	Undertake engineering, procurement, and construction of the Electrified Double – Tracking from Ipoh to Padang Besar Project
MMC – Gamuda KVMRT (UGW) Joint Venture	50	50	Undertake the tunnelling, 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	–	Undertake the construction works of Sentul West Station and Escape Shaft 1
Held by Gamuda Engineering Sdn. Bhd.: Lim Hoo Seng – Gamuda Engineering (Stonor 3) Joint Venture*	50	50	Undertake the construction works for the high rise residential project at Jalan Stonor
Lim Hoo Seng – Gamuda Engineering (SCM) Joint Venture*	50	50	Undertake the construction works for expansion of the existing Setia City Mall located at Setia Alam, Selangor
Gamuda Engineering – Lim Hoo Seng (GEMS) Joint Venture*	50	50	Undertake the construction works for IOI Resort City project
Held by Masterpave Sdn. Bhd.: Wai Fong – Masterpave (SSP UG) Joint Venture	50	50	Undertake the concrete works for KVMRT Line 2
Unincorporated in Qatar			
Sinohydro Corporation – Gamuda Berhad – WCT Engineering Berhad Joint Venture ("Sinohydro – Gamuda – WCT JV")^	51	51	Design and construct the airfield facilities, tunnel and detention ponds of the New Doha International Airport in the State of Qatar
Gamuda Berhad – WCT Engineering Berhad Joint Venture ("Gamuda – WCT JV")^	51	51	Undertake civil engineering construction of a new highway from the town of Shahaniya to the existing Zekreet interchange near the Dukhan industrial area in the State of Qatar

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

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

Name of joint operations	Proportion of ownership		Principal/Economic activities
	2020 %	2019 %	
Unincorporated in Singapore			
Greatearth-Gamuda Joint Venture^	45	–	Undertake construction of Gali Batu Multi-Storey Bus Depot in Singapore
Name of joint ventures			
Incorporated in Malaysia			
Projek SMART Holdings Sdn. Bhd. ("SMART Holdings")	50	50	Undertake, carry out and implement the Stormwater Management and Road Tunnel Project ("SMART")
MMC - Gamuda Joint Venture Sdn. Bhd.	50	50	Undertake, carry out and implement the Electrified Double-Tracking from Ipoh to Padang Besar Project
Horizon Hills Development Sdn. Bhd. ("Horizon Hills"):	50	50	Property development of Horizon Hills
Horizon Hills Resort Berhad	50	50	Undertake the management of a club and golf course
Horizon Hills Property Services Sdn. Bhd.	50	50	Undertake the management and maintenance of the properties
MMC Gamuda KVMRT (PDP) Sdn. Bhd. ("KVMRT (PDP)")	50	50	Undertake the role of a project delivery partner to deliver fully functional operating railway system for KVMRT Line 1
MMC Gamuda KVMRT (PDP SSP) Sdn. Bhd. ("KVMRT (PDP SSP)")	50	50	Undertake the role of a turnkey contractor to deliver fully functional operating railway system for KVMRT Line 2
MMC Gamuda KVMRT (T) Sdn. Bhd. ("Tunnel SB")	50	50	Undertake the tunnelling, underground works and such other works in relation to the underground works package for KVMRT Line 1 and KVMRT Line 2
Hicom-Gamuda Development Sdn. Bhd.	50	50	Property development of Kota Kemuning
Held by Gamuda Land Sdn Bhd.:			
Gamuda GM Sdn. Bhd.#	50	50	Operating and building management of Tower 1 of The Robertson Suites, Bukit Bintang commercial complex
Gamuda GM Klang Sdn. Bhd.#	50	50	Developer and operator of a wholesale hub in GM Klang Wholesale City located at Bandar Botanic, Klang
MRCB Gamuda Sdn. Bhd.*	50	50	Dormant

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

* Audited by firms other than Ernst & Young

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

Financial year end of 31 July

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

(d) Summarised financial information of material joint ventures

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

	Horizon Hills RM'000	GEMS Homes RM'000	Anchorvale RM'000	KVMRT (PDP SSP) (Line 2) RM'000	KVMRT (T) (Line 1 & 2) (Underground) RM'000	SMART Holdings RM'000	Other joint ventures – individually immaterial RM'000	Total RM'000
2020								
Summarised statements of financial position								
Non-current assets	201,565	–	13,508	1,194,010	622,403	379,247	465,884	2,876,617
Current assets	1,439,817	359,301	1,334,274	1,981,579	900,840	55,774	547,044	6,618,629
Non-current liabilities	(64,523)	(45,371)	(973,069)	(1,130,818)	(10,609)	(304,890)	(304,663)	(2,833,943)
Current liabilities	(760,689)	(18,791)	(21,408)	(2,007,408)	(1,316,867)	(49,357)	(373,022)	(4,547,542)
Net assets	816,170	295,139	353,305	37,363	195,767	80,774	335,243	2,113,761
The above amounts of assets and liabilities include the following:								
Cash and cash equivalents	207,128	71,780	36,748	194,269	156,091	45,665	284,661	996,342
Current financial liabilities (excluding trade and other payables and provision)	(133,262)	–	–	–	–	(10,000)	(28,007)	(171,269)
Non-current financial liabilities (excluding trade and other payables and provision)	(20,833)	–	(890,021)	–	–	(304,890)	(67,117)	(1,282,861)
Summarised statements of comprehensive income								
Results								
Revenue	175,927	82,560	–	4,806,167	2,843,808	29,819	144,908	8,083,189
Profit/(loss) for the year	55,120	7,840	(17,867)	303,594	72,385	(7,871)	(29,773)	383,428
The above profit for the year includes the following:								
Depreciation and amortisation	(2,833)	–	(2,621)	(3,867)	(9,052)	(8,270)	(18,282)	(44,925)
Interest income	8,804	528	37	12,706	30,890	2,075	2,357	57,397
Income tax expense	(19,202)	3,314	3,546	(99,264)	(13,181)	–	(2,654)	(127,441)
Finance costs	(6,149)	(5,318)	(348)	–	–	(17,847)	(15,482)	(45,144)

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

(d) Summarised financial information of material joint ventures (cont'd.)

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

	Horizon Hills RM'000	GEMS Homes RM'000	Anchorvale RM'000	KVMRT (PDP SSP) (Line 2) RM'000	KVMRT (T) (Line 1 & 2) (Underground) RM'000	SMART Holdings RM'000	Other joint ventures – individually immaterial RM'000	Total RM'000
2019 (Restated)								
Summarised statements of financial position								
Non-current assets	207,704	–	–	429,408	765,611	386,731	396,859	2,186,313
Current assets	1,545,295	861,407	1,160,031	813,493	1,498,033	61,254	686,453	6,625,966
Non-current liabilities	(191,602)	(68,044)	(804,162)	(400,424)	(8,936)	(329,797)	(278,974)	(2,081,939)
Current liabilities	(770,347)	(299,094)	(20,148)	(604,709)	(2,131,326)	(29,542)	(472,512)	(4,327,678)
Net assets	791,050	494,269	335,721	237,768	123,382	88,646	331,826	2,402,662
The above amounts of assets and liabilities include the following:								
Cash and cash equivalents	242,583	43,008	558	8,979	73,072	51,533	316,422	736,155
Current financial liabilities (excluding trade and other payables and provision)	(92,664)	(292,757)	–	–	–	–	(20,980)	(406,401)
Non-current financial liabilities (excluding trade and other payables and provision)	(145,833)	–	(804,162)	–	–	(319,497)	(82,020)	(1,351,512)
Summarised statements of comprehensive income								
Results								
Revenue	302,337	456,568	–	3,432,273	3,102,557	34,630	327,599	7,655,964
Profit/(loss) for the year	79,642	74,232	(777)	213,214	(56,899)	(6,481)	70,136	373,067
The above profit/(loss) for the year includes the following:								
Depreciation and amortisation	(2,923)	–	–	(3,236)	(11,529)	(11,333)	(8,244)	(37,265)
Interest income	11,716	1,292	122	3,726	–	1,743	6,235	24,834
Income tax expense	(25,205)	(5,771)	–	(59,834)	(11,092)	–	(28,355)	(130,257)
Finance costs	(7,975)	(12,158)	–	–	(39,977)	(18,042)	(9,024)	(87,176)

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

(d) Summarised financial information of material joint ventures (cont'd.)

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

	Horizon Hills RM'000	GEMS Homes RM'000	Anchorvale RM'000	KVMRT (PDP SSP) (Line 2) RM'000	KVMRT (T) (Line 1 & 2) (Underground) RM'000	SMART Holdings RM'000	Other joint ventures – individually immaterial RM'000	Total RM'000
2020								
Reconciliation of net assets to carrying amount as at year end								
Group's share of net assets	408,085	147,570	176,652	18,681	97,883	40,387	168,090	1,057,348
Group's share of profit/(loss) for the year	27,560	3,920	(8,933)	151,797	36,192	(3,936)	(14,419)	192,181
Other information – Group's share of dividend (Note 4)	15,000	-	-	252,000	-	-	-	267,000
	Horizon Hills RM'000	GEMS Homes RM'000	Anchorvale RM'000	KVMRT (PDP SSP) (Line 2) RM'000	KVMRT (T) (Line 1 & 2) (Underground) RM'000	SMART Holdings RM'000	Other joint ventures – individually immaterial RM'000	Total RM'000
2019								
Reconciliation of net assets to carrying amount as at year end								
Group's share of net assets	395,525	247,135	167,861	118,884	61,691	44,323	165,913	1,201,332
Group's share of profit/(loss) for the year	39,821	37,116	(388)	106,607	(28,450)	(3,240)	35,068	186,534
Other information – Group's share of dividend (Note 4)	50,000	-	-	52,500	-	-	73,300	175,800

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

20. OTHER INVESTMENTS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unquoted shares, in Malaysia	50	50	50	50
Investment in transferable club memberships	762	762	683	683
	812	812	733	733

The fair value of other investments are disclosed in Note 43.

21. RECEIVABLES

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

21. RECEIVABLES (CONT'D.)

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

21. RECEIVABLES (CONT'D.)

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

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

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

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

As at reporting date, the receivables from SPLASH SB are neither past due nor impaired. The directors do not foresee any issue in recovering the receivable amount.

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors, other than an amount of RM743,131,000 (2019: RM771,191,000) due from SPLASH SB.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

21. RECEIVABLES (CONT'D.)

(i) Current

Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2019: 14 to 90 days) terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

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

	Group	
	2020 RM'000	2019 RM'000
Neither past due nor impaired	1,261,372	1,548,887
1 to 30 days past due not impaired	217,997	72,302
31 to 60 days past due not impaired	33,961	20,828
61 to 90 days past due not impaired	16,437	13,874
91 to 120 days past due not impaired	13,924	7,024
More than 120 days past due not impaired	72,777	90,120
	355,096	204,148
Impaired	132,083	127,436
	1,748,551	1,880,471

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

Receivables that are neither past due nor impaired

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

21. RECEIVABLES (CONT'D.)

(i) Current (cont'd.)

Trade receivables (cont'd.)

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM355,096,000 (2019: RM204,148,000) and RM148,099,000 (2019: RM19,313,000) respectively that are past due at the reporting date but not impaired. The receivables are related to customers with on-going transactions and/or progressive payments, and unsecured in nature.

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

Receivables that are impaired

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

	Group Individually impaired	
	2020 RM'000	2019 RM'000
Trade receivables – nominal amounts	132,083	127,436
Less: Allowance for impairment	(132,083)	(127,436)
	–	–
Movement in allowance accounts:		
At 1 August 2019/2018	127,436	88,408
Charge for the year (Note 7)	1,197	38,963
Exchange difference	3,450	65
At 31 July	132,083	127,436

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

21. RECEIVABLES (CONT'D.)

(i) Current (cont'd.)

Trade receivables (cont'd.)

Receivables that are impaired (cont'd.)

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

21. RECEIVABLES (CONT'D.)

(ii) Due from associated companies

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

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

(iii) Due from joint venture

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

Current

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

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

Non-current

Included in the trade receivables of the Group is an amount due from the sale of lands to a joint venture, Gamuda GM Klang Sdn. Bhd. ("GMKSB"), by Gamuda Land (Botanic) Sdn. Bhd., a subsidiary of the Company. The amount of RM71,517,000 (2019: RM67,084,000) is unsecured, non-interest bearing and repayable in 2 tranches on 27 April 2023 and 27 April 2024 respectively.

Included in the non-trade receivables of the Group represents a loan amounting to RM12,425,000 (2019: RM12,352,000), given to GMKSB by Megah Capital Sdn. Bhd., a subsidiary of the Company. The loan is unsecured and repayable in 5 years or such other day mutually agreed upon. The interest of the loan is charged at 5.20% (2019: 5.20%) per annum.

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

21. RECEIVABLES (CONT'D.)

The following table analyses the financial assets of the Group and of the Company in the statements of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

Group	Note	Fair value through profit or loss RM'000	Financial assets at amortised cost RM'000	Total RM'000
At 31 July 2020				
Other Investments	20	812	–	812
Investment securities	23	644,467	–	644,467
Current receivables	21(a)			
Third parties		–	1,021,903	1,021,903
Associated companies		–	20,428	20,428
Joint ventures		–	462,498	462,498
Joint venture partners		–	26,240	26,240
Retention sums		–	117,255	117,255
Stakeholder funds		–	9,550	9,550
Deposits		–	166,016	166,016
Sundry receivables		–	222,739	222,739
Non-current receivables	21(b)			
Third parties		–	762,917	762,917
Joint ventures		–	88,923	88,923
Retention sums		–	16,909	16,909
Stakeholder funds		–	2,016	2,016
Deposits		–	11,123	11,123
Sundry receivables		–	13	13
Contract assets	22	–	1,701,664	1,701,664
Cash and bank balances	25	–	2,147,202	2,147,202
Total financial assets		645,279	6,777,396	7,422,675

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

21. RECEIVABLES (CONT'D.)

The following table analyses the financial assets of the Group and of the Company in the statements of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis: (cont'd.)

Group	Note	Fair value through profit or loss RM'000	Financial assets at amortised cost RM'000	Total RM'000
At 31 July 2019				
Other Investments	20	812	–	812
Investment securities	23	396,664	–	396,664
Current receivables	21(a)			
Third parties		–	858,113	858,113
Associated companies		–	20,630	20,630
Joint ventures		–	712,929	712,929
Joint venture partners		–	12,859	12,859
Retention sums		–	119,150	119,150
Stakeholder funds		–	21,764	21,764
Deposits		–	18,552	18,552
Sundry receivables		–	98,146	98,146
Non-current receivables	21(b)			
Third parties		–	973,866	973,866
Joint ventures		–	82,873	82,873
Retention sums		–	23	23
Stakeholder funds		–	5,023	5,023
Deposits		–	10,839	10,839
Contract assets	22	–	1,604,295	1,604,295
Cash and bank balances	25	–	1,452,272	1,452,272
Total financial assets		397,476	5,991,334	6,388,810

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

21. RECEIVABLES (CONT'D.)

The following table analyses the financial assets of the Group and of the Company in the statements of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis: (cont'd.)

Company	Note	Fair value through profit or loss RM'000	Financial assets at amortised cost RM'000	Total RM'000
At 31 July 2020				
Other Investments	20	733	–	733
Investment securities	23	581,850	–	581,850
Current receivables	21(a)			
Third parties		–	171,528	171,528
Associated companies		–	269	269
Joint ventures		–	420,172	420,172
Joint venture partners		–	16,163	16,163
Retention sums		–	106,589	106,589
Deposits		–	141,089	141,089
Sundry receivables		–	132,114	132,114
Non-current receivables	21(b)			
Retention sums		–	11,413	11,413
Deposits		–	278	278
Contract assets	22	–	33,465	33,465
Due from subsidiaries	24	–	3,631,101	3,631,101
Cash and bank balances	25	–	195,532	195,532
Total financial assets		582,583	4,859,713	5,442,296

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

21. RECEIVABLES (CONT'D.)

The following table analyses the financial assets of the Group and of the Company in the statements of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis: (cont'd.)

Company	Note	Fair value through profit or loss RM'000	Financial assets at amortised cost RM'000	Total RM'000
At 31 July 2019				
Other Investments	20	733	–	733
Investment securities	23	340,371	–	340,371
Current receivables	21(a)			
Third parties		–	37,865	37,865
Associated companies		–	218	218
Joint ventures		–	684,374	684,374
Joint venture partners		–	3,434	3,434
Retention sums		–	108,216	108,216
Deposits		–	4,328	4,328
Sundry receivables		–	43,037	43,037
Non-current receivables	21(b)			
Third parties		–	88,970	88,970
Contract assets	22	–	19,425	19,425
Due from subsidiaries	24	–	2,874,716	2,874,716
Cash and bank balances	25	–	65,184	65,184
Total financial assets		341,104	3,929,767	4,270,871

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

22. CONTRACT ASSETS/(LIABILITIES)

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

(a) Contract assets/(liabilities) from construction

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

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

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

Included in contract assets from construction is an amount due from the Government of Socialist Republic of Vietnam ("GOVT") to a subsidiary, Gamuda Land Vietnam Limited Liability Company ("GLVN") amounting to RM193,348,000 (2019: RM188,049,000).

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

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

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

Others relating to cost of obtaining contracts or consideration payable to customers are recognised to profit or loss when performance obligations are satisfied for the respective financial years.

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

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

Unsatisfied performance obligations:

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially satisfied) as at the reporting date, are as follows:

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

(c) Contract liabilities from deferred revenue

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

(i) Advance membership

Advance membership fees received are in connection with the provision of services by way of sporting and other recreational facilities. The advance membership fees are recognised as income over the tenure of the membership period which expires on 30 November 2066 and 30 September 2070 for Bandar Botanic Resort Berhad and Jade Homes Resort Berhad respectively.

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

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

(iii) Concession revenue

Deferred revenue comprises advance maintenance fees, license fees, and government compensation in relation to Keras Sdn. Bhd.. Compensation received from the Government of Malaysia for the imposition of revised toll rates lower than those as provided for in the Concession Agreement, which is taken to profit or loss over the period the compensation relates.

	Advance license fees RM'000	Advance maintenance fees RM'000	Government compensations RM'000	Total RM'000
Group				
At 31 July 2020				
At 1 August 2019	(2,233)	(1,350)	(32,499)	(36,082)
Amount recognised				
– As revenue	–	–	8,700	8,700
– As other income	554	265	–	819
	(1,679)	(1,085)	(23,799)	(26,563)
Analysed as:				
Due within 1 year	(554)	(255)	(11,000)	(11,809)
Due after 1 year	(1,125)	(830)	(12,799)	(14,754)
	(1,679)	(1,085)	(23,799)	(26,563)
At 31 July 2019				
At 1 August 2018	(3,299)	(1,626)	(36,799)	(41,724)
Amount recognised				
– As revenue	–	–	4,300	4,300
– As other income	1,066	276	–	1,342
	(2,233)	(1,350)	(32,499)	(36,082)
Analysed as:				
Due within 1 year	(554)	(265)	(8,700)	(9,519)
Due after 1 year	(1,679)	(1,085)	(23,799)	(26,563)
	(2,233)	(1,350)	(32,499)	(36,082)

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

23. INVESTMENT SECURITIES

	2020		2019	
	Carrying amount RM'000	Fair value of quoted investments RM'000	Carrying amount RM'000	Fair value of quoted investments RM'000
Group				
Current				
Portfolios:				
Held as fixed deposit placements				
– Islamic	188,684	188,684	225,813	225,813
– Non-Islamic	319,586	319,586	149,383	149,383
Others				
– Islamic	61,794	61,794	1	1
– Non-Islamic	74,403	74,403	21,467	21,467
	644,467	644,467	396,664	396,664
Company				
Current				
Portfolios:				
Held as fixed deposit placements				
– Islamic	178,890	178,890	198,885	198,885
– Non-Islamic	280,096	280,096	141,396	141,396
Others				
– Islamic	61,794	61,794	1	1
– Non-Islamic	61,070	61,070	89	89
	581,850	581,850	340,371	340,371

Investment securities represent funds placed with licensed fund managers. The portfolio of securities managed by the fund managers comprise of money market funds, commercial papers, government bonds and fixed deposits. Investment securities held as fixed deposit placements allow prompt redemption at any time.

Other details of fair value of investment securities are further disclosed in Note 43.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

24. DUE FROM SUBSIDIARIES

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

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

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

25. CASH AND BANK BALANCES

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

26. SHARE CAPITAL

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

- (a) Under Companies Act 2016 in Malaysia, which came into effect on 31 January 2017, the concept of authorised share capital is no longer applicable.
- (b) In accordance with Section 74 of the Companies Act 2016 in Malaysia, the Company's shares no longer have a par or nominal value with effect from 31 January 2017.

Pursuant to Section 618 of the Companies Act 2016 in Malaysia, the amount standing to the credit of the Company's share premium account of RM997,407,000 became part of the Company's share capital. There is no impact on the number of shares in issue or the relative entitlement of any members of the Company as a result of this transition.

- (c) During the financial year, the Company increased its issued and paid-up share capital from RM3,469,729,000 to RM3,620,946,000 by way of:
 - (i) issuance of 20,899,000 new ordinary shares for cash arising from the exercise of share options under the Company's ESOS;
 - (ii) issuance of 476,782 new ordinary shares for cash arising from the exercise of Warrants 2016/2021 at the exercise price of RM4.05 per warrant in accordance with the Deed Poll dated 22 January 2016; and
 - (iii) issuance of 19,829,839 new ordinary shares pursuant to the First DRP at the price of RM3.60 per share.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

26. SHARE CAPITAL (CONT'D.)

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

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

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

	Warrants 2016/2021	
	2020 '000	2019 '000
At 1 August 2019/2018	387,698	388,800
Converted	(477)	(1,102)
At 31 July	387,221	387,698

- (e) The Gamuda Berhad Employees' Share Option Scheme ("ESOS") was approved by the shareholders at the Extraordinary General Meeting held on 4 December 2014 and became effective on 10 April 2015. With effect from 10 April 2015, the Company issued options under the new ESOS for the eligible executive directors and employees of Gamuda Berhad and its subsidiaries.

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

The principal features of the ESOS were as follows:

- (i) Full-time and confirmed employees within Gamuda Group and executive directors of Gamuda ("eligible person") are eligible to participate in the ESOS. Participation, however, is subject to the discretion of the Option Committee.
- (ii) The ESOS shall be in force for a period of 5 years from 10 April 2015 provided that before the final year of the ESOS, the Option Committee may extend for up to another 5 years the duration of ESOS commencing from the expiration of the original 5 years. The duration of the ESOS shall not be more than 10 years from its effective date.
- (iii) The total number of new shares to be allotted under the ESOS shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time during the duration of the ESOS.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

26. SHARE CAPITAL (CONT'D.)

(e) The principal features of the ESOS were as follows: (cont'd.)

- (iv) The subscription price for the new shares under the ESOS shall be the volume weighted average market price of the shares as quoted on the Main Market of Bursa Malaysia Securities Berhad for the 5 market days immediately preceding the date of offer of the options, or at par value of the share, whichever is higher.
- (v) The aggregate number of shares to be offered to an eligible person shall be determined at the discretion of the Option Committee after taking into consideration, amongst other factors, the position, performance, seniority and the length of service that the eligible person has rendered and subject to the maximum allowable allotment of shares for each eligible person.
- (vi) The number of shares comprised in the ESOS options which remained unexercised or the exercise prices or both may be adjusted following any alteration in the capital structure of the Company during the option period, whether such alteration is by way of capitalisation of profits or reserves, right issues, consolidation of shares, sub-division of shares or reduction of capital or otherwise howsoever taking place.
- (vii) The options shall not carry any right to vote at any general meeting of the Company and a grantee shall not be entitled to any dividends, right or other entitlements on his unexercised options.
- (viii) The options granted under ESOS are not assignable.
- (ix) There is no restriction on the grantee in exercising their ESOS options or selling their Gamuda Shares allotted and issued pursuant to the exercise of their options.

Upon a sale of the Gamuda shares, if the net proceeds from the disposal are less than the Exercise Value (being the Exercise Price multiplied by the number of Gamuda Shares sold), the entire net proceeds will be released to the grantee.

However, if the net proceeds are more than the Exercise Value, an amount equivalent to the Exercise Value will be released to the grantee. The balance proceeds not released to the grantee will be placed in an interest bearing account for the benefit of the grantee. The balance proceeds (being the net proceeds less Exercise Value) together with the attributable interest, if any, will be released to the grantee over the period of the scheme in accordance with Gamuda's ESOS By-Law on each anniversary of the scheme.

- (x) The new shares allotted upon any exercise of the options shall rank pari passu in all respects with the existing issued and paid-up ordinary shares of the Company except that the new shares so issued will not be entitled for any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new shares.
- (xi) No grantee shall participate at any time in more than one ESOS implemented by any company within the Gamuda Group.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

26. SHARE CAPITAL (CONT'D.)

(e) The principal features of the ESOS were as follows: (cont'd.)

(xii) Options to subscribe for ordinary shares under the ESOS were granted on the following dates:

Grant date	Exercise price RM	Number of options '000	Exercise period
10 April 2015	4.46	69,947	10 April 2015 - 9 April 2020
24 November 2015	3.84	74,351	24 November 2015 - 9 April 2020
3 June 2016	4.78	44,815	3 June 2016 - 9 April 2020
8 November 2016	4.88	5,963	8 November 2016 - 9 April 2020
13 June 2017	5.36	13,349	13 June 2017 - 9 April 2020
28 November 2017	4.65	8,324	28 November 2017 - 9 April 2020
6 June 2018	3.38	14,670	6 June 2018 - 9 April 2020
18 December 2018	2.30	5,561	18 December 2018 - 9 April 2020
10 June 2019	3.44	8,504	10 June 2019 - 9 April 2020
8 November 2019	3.65	33,071	8 November 2019 - 9 April 2020
		278,555	

(f) Breakdown of aggregate proceeds received from share options exercised during the financial year and the fair value, at exercise date, of ordinary shares issued are as follows:

	2020 RM'000	2019 RM'000
Ordinary shares	20,899	3,228
Share premium	50,051	5,572
Aggregate proceeds received on shares issued	70,950	8,800
Aggregate fair value of ordinary shares at exercise date	80,792	11,872

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

26. SHARE CAPITAL (CONT'D.)

- (g) The number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year are as follows:

ESOS exercise price	Number of share options Movement during the year				Outstanding and exercisable at 31 July 2020 '000
	Outstanding and exercisable at 1 August 2019 '000	Granted '000	Exercised '000	Lapsed '000	
RM4.46	56,855	-	-	(56,855)	-
RM3.84	39,555	-	(846)	(38,709)	-
RM4.78	43,036	-	-	(43,036)	-
RM4.88	5,665	-	-	(5,665)	-
RM5.36	13,349	-	-	(13,349)	-
RM4.65	8,278	-	-	(8,278)	-
RM3.38	13,815	-	(5,376)	(8,439)	-
RM2.30	3,547	-	(2,419)	(1,128)	-
RM3.44	8,253	-	(3,691)	(4,562)	-
RM3.65	-	33,071	(8,567)	(24,504)	-
	192,353	33,071	(20,899)	(204,525)	-
WAEP	4.33	3.65	3.39	4.31	

ESOS exercise price	Number of share options Movement during the year				Outstanding and exercisable at 31 July 2019 '000
	Outstanding and exercisable at 1 August 2018 '000	Granted '000	Exercised '000		
RM4.46	56,855	-	-		56,855
RM3.84	39,663	-	(108)		39,555
RM4.78	43,036	-	-		43,036
RM4.88	5,665	-	-		5,665
RM5.36	13,349	-	-		13,349
RM4.65	8,278	-	-		8,278
RM3.38	14,670	-	(855)		13,815
RM2.30	-	5,561	(2,014)		3,547
RM3.44	-	8,504	(251)		8,253
	181,516	14,065	(3,228)		192,353
WAEP	4.40	2.99	2.73		4.33

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

26. SHARE CAPITAL (CONT'D.)

(h) Fair value of share options granted

The fair value of the share options granted under the ESOS is estimated at grant date using a binomial option pricing model, taking into account the terms and conditions upon which the instruments were granted.

The fair value of share options measured at the respective date and the assumptions are as follows:

BATCH	ESOS									
	1	2	3	4	5	6	7	8	9	10
Exercise price, after rights issue of warrants (RM)	4.46	3.84	4.78	4.88	5.36	4.65	3.38	2.30	3.44	3.65
Fair value of share options, at the following grant dates and modification dates (RM)										
– Grant date	0.41	0.38	–	–	–	–	–	–	–	–
– 12 February 2016	0.35	0.59	–	–	–	–	–	–	–	–
– Grant date	–	–	0.43	0.40	0.44	0.49	0.45	0.25	0.34	0.34
Weighted average share price (RM)										
– Grant date	5.19	4.50	4.86	4.90	5.38	4.65	3.38	2.20	3.39	3.39
– 12 February 2016	4.43	4.43	–	–	–	–	–	–	–	–
Expected volatility										
– Grant date	19.00%	23.00%	23.00%	20.00%	20.00%	20.00%	20.00%	30.00%	30.00%	30.00%
– 12 February 2016	23.00%	23.00%	–	–	–	–	–	–	–	–
Risk free rate										
– Grant date	3.22%	3.24%	3.03%	2.97%	3.08%	2.94%	3.45%	3.46%	3.16%	3.16%
– 12 February 2016	3.25%	3.25%	–	–	–	–	–	–	–	–
Expected dividend yield [#]	3.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%

The expected volatility is based on historical data and is not necessarily indicative of exercise patterns that may occur.

[#] Expected dividend yield is assumed to be the same for all dates.

Notes to the Financial Statements (Cont'd.)

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27. OTHER RESERVES (NON-DISTRIBUTABLE)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Capital reserve				
At 1 August 2019/2018	147,149	141,069	–	–
Movement in capital reserve in an associated company	4,821	6,080	–	–
At 31 July	151,970	147,149	–	–
Foreign exchange reserve				
At 1 August 2019/2018	97,800	67,226	4,289	5,468
Foreign currency translation	100,198	30,433	(4,609)	(1,179)
Share of associated companies' foreign currency translation	(6,661)	295	–	–
Non-controlling interests	830	(154)	–	–
At 31 July	192,167	97,800	(320)	4,289
Warrants reserve				
At 1 August 2019/2018	96,925	97,199	96,925	97,199
Conversion of warrants	(119)	(274)	(119)	(274)
At 31 July	96,806	96,925	96,806	96,925
Total other reserves	440,943	341,874	96,486	101,214

28. RETAINED PROFITS

The Company may distribute dividends out of its entire retained earnings under the single tier system.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

29. RETIREMENT BENEFIT OBLIGATIONS

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its employees. Under the Scheme, eligible employees are entitled to retirement benefits of 2.5% on the last drawn monthly basic salary for each completed months of services on attainment of the retirement age of 60.

The amounts recognised in the statements of financial position are determined as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Present value of unfunded defined benefit obligations, representing net liability	55,607	52,260	6,162	5,394
Analysed as:				
Current (Note 30(b))	5,150	2,578	194	340
Non-current:				
More than one year and less than two years	1,908	4,330	65	148
More than two years and less than five years	5,344	3,629	447	180
Five years or more	43,205	41,723	5,456	4,726
Amount included in payables (Note 30(a))	50,457	49,682	5,968	5,054
Total	55,607	52,260	6,162	5,394

The amounts recognised in profit or loss are determined as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current service cost	(3,727)	5,072	285	531
Interest cost	2,650	2,400	271	240
Total, included in staff costs and directors' remuneration (Notes 5 and 6)	(1,077)	7,472	556	771

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

29. RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

Movements in the net liabilities in the current year were as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 August 2019/2018	52,260	43,367	5,394	4,065
Recognised in profit or loss	(1,077)	7,472	556	771
Effect of re-measurement loss in other comprehensive income	6,568	3,185	678	558
Contributions paid	(2,167)	(1,772)	(466)	-
Exchange differences	23	8	-	-
At 31 July	55,607	52,260	6,162	5,394

The sensitivity analysis on the present value of the retirement benefit obligations below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

Group	Increase/ (decrease)	2020 RM'000	Increase/ (decrease)	2019 RM'000
Discount rate	+1%	(5,846)	+1%	(5,345)
	-1%	6,985	-1%	6,384
Expected rate of salary increases	+1%	7,929	+1%	6,744
	-1%	(6,723)	-1%	(5,746)

Principal actuarial assumptions used:

	2020 %	2019 %
Discount rate	3.9	5.2
Expected rate of salary increases	7.0 – 11.0	7.0 – 11.0

The average duration of the defined benefit plan obligation at the end of the reporting year is 12 years (2019: 12 years).

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

30. PAYABLES

		Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current	(a)				
Trade		169,383	143,851	66,985	62,735
Non-trade		66,167	54,131	6,555	5,054
		235,550	197,982	73,540	67,789
Current	(b)				
Trade		1,252,481	1,319,004	151,751	166,828
Non-trade		507,969	525,388	56,298	213,332
		1,760,450	1,844,392	208,049	380,160
Total payables		1,996,000	2,042,374	281,589	447,949

(a) Non-current

Trade					
Trade payables		411	–	–	–
Retention sums		159,147	143,851	57,160	62,735
Accruals		9,825	–	9,825	–
		169,383	143,851	66,985	62,735
Non-trade					
Retirement benefit obligations (Note 29)		50,457	49,682	5,968	5,054
Lease liabilities (Note 31)		9,854	–	587	–
Sundry payables		1,837	1,289	–	–
Accruals		4,019	3,160	–	–
		66,167	54,131	6,555	5,054
		235,550	197,982	73,540	67,789

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

30. PAYABLES (CONT'D.)

(b) Current

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade				
Trade payables	373,758	536,272	34,901	15,492
Joint venture partners	45,032	19,047	711	160
Retention sums	154,671	138,767	17,748	8,565
Accruals	679,020	624,918	98,391	142,611
	1,252,481	1,319,004	151,751	166,828
Non-trade				
Associated companies	54	47	–	–
Retirement benefit obligations (Note 29)	5,150	2,578	194	340
Lease liabilities (Note 31)	4,425	–	999	–
Sundry payables	316,324	176,974	4,702	11,028
Dividend payables	–	148,272	–	148,272
Accruals	182,016	197,517	50,403	53,692
	507,969	525,388	56,298	213,332
	1,760,450	1,844,392	208,049	380,160

The normal trade credit term granted to the Group and the Company ranges from 30 to 90 days (2019: 30 to 90 days).

The amounts due to associated companies and joint venture partners are unsecured, interest free and repayable on demand.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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.

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Financial liabilities					
at amortised costs					
Current payables	30(b)				
Trade payables		373,758	536,272	34,901	15,492
Associated companies		54	47	–	–
Joint venture partners		45,032	19,047	711	160
Retention sums		154,671	138,767	17,748	8,565
Sundry payables		316,324	176,974	4,702	11,028
Dividend payables		–	148,272	–	148,272
Accruals		861,036	822,435	148,794	196,303
Lease liabilities	31	4,425	–	999	–
Non-current payables	30(a)				
Trade payables		411	–	–	–
Retention sums		159,147	143,851	57,160	62,735
Sundry payables		1,837	1,289	–	–
Accruals		13,844	3,160	9,825	–
Lease liabilities	31	9,854	–	587	–
Contract liabilities	22	1,391,997	992,825	1,006,232	790,073
Islamic debts	33	2,825,000	2,665,000	2,150,000	1,600,000
Borrowings	34	2,640,131	2,478,658	1,314,080	600,298
Due to subsidiaries	36	–	–	358,670	168,449
		8,797,521	8,126,597	5,104,409	3,601,375

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

31. LEASE LIABILITIES

The carrying amounts of lease liabilities and the movements during the year is as follows:

	Group 2020 RM'000	Company 2020 RM'000
At 1 August 2019 (previously stated)	–	–
Effect of adoption of MFRS 16 (Note 2.2(a))	15,450	2,521
At 1 August 2019 (as restated)	15,450	2,521
Additions	3,821	536
Interest expense (Note 8)	735	91
Payment made during the year	(5,763)	(1,576)
Exchange differences	36	14
At 31 July 2020	14,279	1,586

Lease liabilities are analysed as follows:

	Group 2020 RM'000	Company 2020 RM'000
Current (Note 30(b))	4,425	999
Non-current (Note 30(a))	9,854	587
	14,279	1,586

The remaining maturities of the lease liabilities as at 31 July 2020 is as follows:

	Group 2020 RM'000	Company 2020 RM'000
Not more than 1 year	4,425	999
Later than 1 year but not later than 2 years	4,705	537
Later than 2 years but not later than 5 years	5,149	50
	14,279	1,586

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

32. DEFERRED TAX LIABILITIES/(ASSETS)

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
At 1 August 2019/2018 (as previously stated)	334,870	365,918	(2,228)	3,929
Effect of adoption of MFRS 123 (Note 2.2(c))	(843)	967	–	–
At 1 August 2019/2018 (as restated)	334,027	366,885	(2,228)	3,929
Recognised in profit or loss (Note 9)	(40,543)	(33,476)	(3,174)	(6,023)
Recognised in other comprehensive income	(589)	(89)	(163)	(134)
Exchange differences	2,344	707	–	–
At 31 July	295,239	334,027	(5,565)	(2,228)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(40,665)	(41,767)	(5,565)	(2,228)
Deferred tax liabilities	335,904	375,794	–	–
	295,239	334,027	(5,565)	(2,228)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Receivables RM'000	Accelerated capital allowances RM'000	Fair value adjustment on expressway development expenditure RM'000	Land RM'000	Total RM'000
At 1 August 2019	84,305	163,134	142,212	7,483	397,134
Recognised in profit or loss	40,359	920	(24,931)	(4,608)	11,740
Exchange differences	1,772	(119)	(109)	1	1,545
At 31 July 2020	126,436	163,935	117,172	2,876	410,419
At 1 August 2018	62,395	189,343	156,248	17,575	425,561
Recognised in profit or loss	22,509	(26,836)	(14,036)	(10,092)	(28,455)
Exchange differences	(599)	627	–	–	28
At 31 July 2019	84,305	163,134	142,212	7,483	397,134

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

32. DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (cont'd.)

Deferred tax assets of the Group:

	Unutilised tax losses RM'000	Unutilised capital allowances RM'000	Retirement benefit obligations RM'000	Provisions and accruals RM'000	Total RM'000
At 1 August 2019 (as previously stated)	(4,002)	(6,973)	(9,844)	(41,445)	(62,264)
Effect of adoption of MFRS 123 (Note 2.2(c))	–	–	–	(843)	(843)
At 1 August 2019 (as restated)	(4,002)	(6,973)	(9,844)	(42,288)	(63,107)
Recognised in profit or loss	(15,556)	(1,311)	6,854	(42,270)	(52,283)
Recognised in other comprehensive income	–	–	(589)	–	(589)
Exchange differences	–	(47)	(573)	1,419	799
At 31 July 2020	(19,558)	(8,331)	(4,152)	(83,139)	(115,180)
At 1 August 2018 (as previously stated)	(6,521)	(4,649)	(8,391)	(40,082)	(59,643)
Effect of adoption of MFRS 123 (Note 2.2(c))	–	–	–	967	967
At 1 August 2018 (as restated)	(6,521)	(4,649)	(8,391)	(39,115)	(58,676)
Recognised in profit or loss	7,714	(1,354)	(1,406)	(9,975)	(5,021)
Recognised in other comprehensive income	–	–	(89)	–	(89)
Exchange differences	(5,195)	(970)	42	6,802	679
At 31 July 2019 (as restated)	(4,002)	(6,973)	(9,844)	(42,288)	(63,107)

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

32. DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (cont'd.)

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM'000
At 1 August 2019	8,243
Recognised in profit or loss	(268)
At 31 July 2020	7,975
At 1 August 2018	13,264
Recognised in profit or loss	(5,021)
At 31 July 2019	8,243

Deferred tax asset of the Company:

	Unutilised tax losses RM'000	Unutilised capital allowances RM'000	Retirement benefit obligations RM'000	Provisions and accruals RM'000	Total RM'000
At 1 August 2019	–	(6,363)	(1,294)	(2,814)	(10,471)
Recognised in profit or loss	(3,291)	(696)	(184)	1,265	(2,906)
Recognised in other comprehensive income	–	–	(163)	–	(163)
At 31 July 2020	(3,291)	(7,059)	(1,641)	(1,549)	(13,540)
At 1 August 2018	–	(5,344)	(975)	(3,016)	(9,335)
Recognised in profit or loss	–	(1,019)	(185)	202	(1,002)
Recognised in other comprehensive income	–	–	(134)	–	(134)
At 31 July 2019	–	(6,363)	(1,294)	(2,814)	(10,471)

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

32. DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D.)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unutilised tax losses	288,704	115,995	18,370	–
Unabsorbed capital allowances	190,923	161,337	–	–
Other deductible temporary differences	56,411	6,838	–	–
	536,038	284,170	18,370	–

The availability of the unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Group are subject to no substantial changes in shareholdings of the respective companies under the Income Tax Act, 1967, and guidelines issued by the tax authority. Effective from YA 2019, unutilised tax losses are allowed to be carried forward for a maximum period of seven years.

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits will be available in the Company and certain subsidiaries against which the Group can utilise the benefits.

33. ISLAMIC DEBTS

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current					
Medium term notes					
– Unsecured	(a)	1,850,000	1,600,000	1,750,000	1,300,000
– Secured	(b)	285,000	375,000	–	–
		2,135,000	1,975,000	1,750,000	1,300,000
Current					
Medium term notes					
– Unsecured	(a)	600,000	600,000	400,000	300,000
– Secured	(b)	90,000	90,000	–	–
		690,000	690,000	400,000	300,000
Total Islamic debts		2,825,000	2,665,000	2,150,000	1,600,000

Notes to the Financial Statements (Cont'd.)

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33. ISLAMIC DEBTS (CONT'D.)

Medium term notes ("MTNs")

The MTNs are drawdown by:

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Gamuda Berhad	(a)	2,150,000	1,600,000	2,150,000	1,600,000
Bandar Serai Development Sdn. Bhd. ("Bandar Serai")	(a)	300,000	600,000	–	–
Kesas Sdn. Bhd.	(b)	375,000	465,000	–	–
		2,825,000	2,665,000	2,150,000	1,600,000

The amount drawdown, maturity date and yield as at issuance dates of the MTNs are as follows:

(a) Murabahah MTN – unsecured

(i) Gamuda Berhad

	Amount drawdown RM'000	Issuance date	Maturity date	Issuance tenure (years)	Yield at issuance date %
Current					
Issue No. 8	300,000	25.04.2016	23.04.2021	5	4.62
Issue No. 14	100,000	01.06.2020	02.06.2021	1	3.20
	400,000				
Non-current					
Issue No. 9	500,000	23.11.2017	23.11.2022	5	4.83
Issue No. 10	400,000	16.03.2018	16.03.2023	5	4.79
Issue No. 11	100,000	27.11.2018	27.11.2023	5	4.79
Issue No. 12	200,000	18.11.2019	18.11.2026	7	4.12
Issue No. 13	300,000	18.11.2019	16.11.2029	10	4.26
Issue No. 15	250,000	29.06.2020	28.06.2030	10	4.10
	1,750,000				
	2,150,000				

Issue No.1 to No. 7 were redeemed upon maturity in previous years.

Notes to the Financial Statements (Cont'd.)

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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) Bandar Serai

	Amount drawdown RM'000	Issuance date	Maturity date	Issuance Tenure (years)	Yield at issuance date %
Current					
Tranche No. 2	200,000	27.10.2015	27.10.2020	5	4.78
Non-current					
Tranche No. 3	100,000	28.08.2018	28.08.2023	5	4.69
	300,000				

Tranche No. 1 was redeemed upon maturity in November 2019.

The Islamic MTNs were drawdown by Bandar Serai, a subsidiary of the Company for the purpose of financing the acquisition of leasehold land for Gamuda Gardens project in Rawang, Selangor. The facilities are unconditionally guaranteed by the Company.

(b) Sukuk Musharakah Medium Term Notes (“Sukuk”) – secured

	Group	
	2020 RM'000	2019 RM'000
Primary Sukuk	375,000	465,000
Secondary Sukuk	188,184	188,184
	563,184	653,184
Less: Unamortised profit element	(30,486)	(49,072)
	532,698	604,112
Less: Accumulated profit element charged to profit or loss	(157,698)	(139,112)
	375,000	465,000

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

33. ISLAMIC DEBTS (CONT'D.)

Medium term notes ("MTNs") (cont'd.)

(b) Sukuk Musharakah Medium Term Notes ("Sukuk") – secured (cont'd.)

The remaining maturities of the borrowings are as follows:

	Group	
	2020 RM'000	2019 RM'000
Less than one year	90,000	90,000
More than one year and less than two years	90,000	90,000
More than two years and less than five years	195,000	285,000
	375,000	465,000

On 2 October 2014, Kesas Sdn. Bhd. issued its Islamic MTNs with an aggregate nominal amount of RM735 million. The Sukuk is constituted by a Sukuk Musharakah Trust Deed dated 2 October 2014. The Sukuk were issued in 8 series, with maturities from October 2016 to August 2023. The profit margin ranges from 4.55% to 4.85% (2019: 4.47% to 4.85%) per annum.

The Sukuk was issued to fully redeem its previously issued bonds ("BalDS"), government support loan and redeemable convertible unsecured loan stock ("RCULS").

The borrowings are secured by the following:

- (i) whole or any part of the undertakings, revenues, rights and all the assets and properties of the subsidiary (both present and future);
- (ii) subject to any necessary authorisation under Section 7 of the Federal Roads (Private Management) Act 1984, all the rights to demand, collect and retain toll as more particularly stated in Clause 2.1(c) (Grant of Concession) of the Concession Agreement;
- (iii) all the subsidiary's rights, title and benefits in respect of other contracts entered or to be entered by the subsidiary in relation to the operation and maintenance of the Expressway and proceeds received thereunder; and
- (iv) all the subsidiary's rights, interests, title and benefits in respect of the Designated Accounts.

Notes to the Financial Statements (Cont'd.)

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33. ISLAMIC DEBTS (CONT'D.)

Medium term notes ("MTNs") (cont'd.)

(b) Sukuk Musharakah Medium Term Notes ("Sukuk") – secured (cont'd.)

In accordance with Clause 13.2(t) of the Sukuk Musharakah Trust Deed, no declaration or distribution of dividend ("Distribution") is allowed unless all of the following conditions have been complied with:

- (i) no Dissolution Event has occurred or would occur following such payment or distribution of the Distributions;
- (ii) the Projected Financial Service Cover Ratios ("FSCR") as calculated on each Distribution Date shall not fall below two point two five (2.25) times after such payment of the Distributions and for the purposes of testing the compliance of the projected FSCR, the subsidiary shall submit a Compliance Certificate duly signed by a director of the subsidiary in relation to the compliance of the Projected FSCR to the Facility Agent and the Sukuk Trustee;
- (iii) the balance standing to the credit of the FSCR Account after such payment of the Distributions will not be less than the minimum required balance; and
- (iv) such Distribution, in the reasonable opinion of the Sukuk Trustee would not have a material adverse effect.

The weighted average effective interest rates for long term and short term borrowings (per annum) as at reporting date are as follows:

	Group		Company	
	2020 %	2019 %	2020 %	2019 %
MTNs	4.54	4.70	4.48	4.72

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

34. BORROWINGS

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current					
Term loans					
– secured	(a)	339,380	486,353	–	–
– unsecured	(b)	434,571	433,128	–	–
		773,951	919,481	–	–
Revolving credits					
– secured	(c)	43,220	63,260	–	–
		817,171	982,741	–	–
Current					
Secured					
Term loans	(a)	162,353	209,282	–	–
Revolving credits	(c)	17,527	5,036	–	–
		179,880	214,318	–	–
Unsecured					
Term loans	(b)	–	533,152	–	–
Revolving credits	(c)	1,043,080	598,447	714,080	450,298
Commercial papers		600,000	150,000	600,000	150,000
		1,643,080	1,281,599	1,314,080	600,298
Total current borrowing		1,822,960	1,495,917	1,314,080	600,298
Total borrowings		2,640,131	2,478,658	1,314,080	600,298

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

34. BORROWINGS (CONT'D.)

(a) Term loans – secured

The term loans are drawdown by:

	Note	Group	
		2020 RM'000	2019 RM'000
Gamuda Land (HCMC) Joint Stock Company ("HCMCJSC")	(i)	87,353	254,874
Gamuda Land (Kemuning) Sdn. Bhd. ("GL Kemuning")	(ii)	414,380	440,761
		501,733	695,635

- (i) On 30 March 2016, HCMCJSC, a subsidiary of the Company had drawdown the term loan for the purpose of financing the working capital of the Celadon City project. The term loan bore interest rate ranging from 3.04% to 6.90% (2019: 4.09% to 5.23%) per annum.

The term loan is secured by leasehold land under development as disclosed in Note 13.

- (ii) On 30 June 2016, GL Kemuning, a subsidiary of the Company had drawdown the term loan for the purpose of part financing the acquisition of a leasehold land. On 17 November 2017, the Company has drawdown term loans for the purpose of part financing of the twenty-five.7 project. GL Kemuning had drawdown additional term loan of RM22,127,000 during the year. The term loans bore interest rate at a range of 3.54% to 4.41% (2019: 4.41% to 4.61%).

The term loan is secured by leasehold land under development as disclosed in Note 13.

Term loans are repayable as follows:

	Group	
	2020 RM'000	2019 RM'000
Less than one year	162,353	209,282
Later than one year but not later than two years	125,528	74,630
More than two years and less than five years	213,852	382,457
Five years or more	–	29,266
	501,733	695,635

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

34. BORROWINGS (CONT'D.)

(b) Term loans – unsecured

The term loans are drawdown by:

	Note	Group	
		2020 RM'000	2019 RM'000
Gamuda (Singapore) Pte. Ltd. ("GB Singapore")	(i)	–	150,750
Megah Capital Sdn. Bhd. ("Megah Capital")	(ii)	434,571	815,530
		434,571	966,280

(i) On 26 September 2016, GB Singapore, a subsidiary of the Company had drawdown the term loan from Malayan Banking Berhad in Singapore, to finance the working capital of GEM Residences project. The term loan is secured by a corporate guarantee of the Company and bore interest rate of 3.43% (2019: 3.43%) per annum. GB Singapore has fully repaid the term loan on 16 June 2020.

(ii) On 16 July 2015, as disclosed in Note 35, Megah Capital had swapped its term loan of USD100,000,000 at floating USD interest rate of LIBOR plus 1.30% per annum through cross currency interest rate swap into RM379,500,000 at fixed rate of 4.58% per annum. Megah Capital has fully repaid the term loan on 16 July 2020.

On 30 October 2016 and 21 March 2017, as disclosed in Note 35, Megah Capital had swapped its term loans of USD50,000,000 and USD50,000,000 respectively, at floating USD interest rate through cross currency interest rate swap into RM207,000,000 and RM221,500,000 at fixed rate of 4.33% and 4.48% per annum, respectively.

The term loans mature five years from the date of first drawdown and is subject to offsetting arrangements as disclosed in Note 43.

Term loans are repayable as follows:

	Group	
	2020 RM'000	2019 RM'000
Less than one year	–	533,152
Later than one year but not later than two years	434,571	–
More than two years and less than five years	–	433,128
	434,571	966,280

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

34. BORROWINGS (CONT'D.)

(c) Revolving credits

The revolving credits are drawdown by:

	Note	Group	
		2020 RM'000	2019 RM'000
Secured			
Jade Homes Sdn. Bhd. ("Jade Homes")	(i)	60,747	68,296

Revolving credits are repayable as follows:

	Group	
	2020 RM'000	2019 RM'000
Less than one year	17,527	5,036
Later than one year but not later than two years	20,040	20,040
More than two years and less than five years	23,180	43,220
	60,747	68,296

- (i) On 1 August 2016, Jade Homes, a subsidiary of the Company, had drawdown the revolving credit from Public Bank Berhad for the development cost of ongoing projects. The revolving credit is secured with a parcel of vacant development land and bore interest rate of 4.12% (2019: 4.58%) per annum.

The revolving credit is secured by freehold land as disclosed in Note 13.

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unsecured				
Gamuda Berhad	714,080	450,298	714,080	450,298
Gamuda Naim Engineering and Construction (GNEC) Sdn. Bhd.	129,000	118,000	–	–
Gamuda Singapore Pte. Ltd.	–	30,149	–	–
Megah Capital Sdn. Bhd.	200,000	–	–	–
	1,043,080	598,447	714,080	450,298

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

34. BORROWINGS (CONT'D.)

The weighted average effective interest rates for long term and short term borrowings (per annum) as at reporting date are as follows:

	Group		Company	
	2020 %	2019 %	2020 %	2019 %
Commercial papers	2.87	3.43	2.87	3.43
Revolving credits				
Secured				
– Ringgit Malaysia	4.12	4.58	–	–
Unsecured				
– Ringgit Malaysia	2.76	3.98	3.94	3.94
– Singapore Dollar	–	3.35	–	–
– US Dollar	3.47	3.90	3.47	3.90
– Taiwan Dollar	1.33	–	–	–
Term loans				
– US Dollar	2.01	2.78	–	–
– Vietnam Dong	5.34	5.70	–	–
– Ringgit Malaysia	3.54	4.41	–	–
– Singapore Dollar	–	3.43	–	–

35. DERIVATIVE LIABILITIES

	Group	
	2020 RM'000	2019 RM'000
Cross currency interest rate swaps	(6,071)	(7,530)

The Group uses cross currency interest rate swap to manage some of the transaction exposure.

These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

At the reporting date, the Group loans denominated in United States Dollar ("USD") amounting to USD100,000,000 ("USD loan") and at the same time entered into a cross currency interest rate swap ("CCIRS"). The CCIRS is to hedge against interest rate and foreign exchange movements for the USD loan. This facility has been accounted for as embedded derivative and measured at fair value through profit or loss.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

35. DERIVATIVE LIABILITIES (CONT'D.)

Contract amount	CCIRS	Maturity
	The Group:	
(a) USD50,000,000 (RM207,000,000)	(i) Pays fixed RM interest rate of 4.33% per annum on the RM contract amount in exchange for receiving floating USD interest rate on the USD contract amount; and	29 Oct 2021
	(ii) Receives USD in exchange for paying RM at a predetermined rate of RM4.14 to USD1.000; according to the scheduled principal and interest repayment.	29 Oct 2021

Effectively, the Group had swapped the USD50,000,000 loan to RM207,000,000 loan at RM fixed interest rate of 4.33% per annum.

Contract amount	CCIRS	Maturity
	The Group:	
(b) USD50,000,000 (RM221,500,000)	(i) Pays RM fixed interest rate of 4.48% per annum on the RM contract amount in exchange for receiving floating USD interest rate on the USD contract amount; and	29 Oct 2021
	(ii) Receives USD in exchange for paying RM at a predetermined rate of RM4.43 to USD1.000; according to the scheduled principal and interest repayment.	29 Oct 2021

Effectively, the Group had swapped the USD50,000,000 loan to RM221,500,000 loan at RM fixed interest rate of 4.48% per annum.

Derivatives are neither past due nor impaired and are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

During the financial year, the Group recognised a gain of RM1,459,000 (2019: RM2,957,000) arising from fair value changes of derivative. The fair value changes are attributable to changes in interest rate and foreign exchange rate. The Group's USD loan and CCIRS's offset arrangement and the method and assumptions applied in determining the fair values of derivatives are disclosed in Note 43.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

36. DUE TO SUBSIDIARIES

	Company	
	2020 RM'000	2019 RM'000
Non-current		
Due to subsidiaries		
– trade	7,766	–
Current		
Due to subsidiaries		
– trade	210,498	128,214
– non-trade	140,406	40,235
	350,904	168,449
Total amounts due to subsidiaries	358,670	168,449

The trade amounts due to subsidiaries have a normal credit term which ranges from 30 to 90 days (2019: 30 to 90 days).

The non-trade amounts due to subsidiaries are unsecured, interest free and repayable on demand.

37. PROVISION FOR LIABILITIES

Provision for liabilities of the Group is analysed as follows:

	Group	
	2020 RM'000	2019 RM'000 (Restated)
Current	171,660	74,573
Non-current	111,309	29,978
	282,969	104,551

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

37. PROVISION FOR LIABILITIES (CONT'D.)

Group	Provision for development costs Note (a) RM'000	Provision for affordable housing Note (b) RM'000	Provision for club membership Note (c) RM'000	Provision for heavy repairs Note (d) RM'000	Provision for foreseeable losses Note (e) RM'000	Provision for rehabilitation and restoration Note (f) RM'000	Total RM'000
At 1 August 2019 (as previously stated)	62,132	24,120	1,340	19,031	–	–	106,623
Effect of adoption of MFRS 123 (Note 2.2(c))	–	(2,072)	–	–	–	–	(2,072)
At 1 August 2019 (as restated)	62,132	22,048	1,340	19,031	–	–	104,551
Provision during the year	27,212	34,466	160	4,358	8,218	191,884	266,298
Utilisation during the year	(42,705)	(15,859)	(740)	–	–	(23,450)	(82,754)
Unused amount reversed	(5,126)	–	–	–	–	–	(5,126)
At 31 July 2020	41,513	40,655	760	23,389	8,218	168,434	282,969
At 1 August 2018 (as previously stated)	51,261	10,404	2,071	19,031	–	–	82,767
Effect of adoption of MFRS 123 (Note 2.2(c))	–	(1,007)	–	–	–	–	(1,007)
At 1 August 2018 (as restated)	51,261	9,397	2,071	19,031	–	–	81,760
Provision during the year	24,149	33,738	490	4,680	–	–	63,057
Utilisation during the year	(5,058)	(21,087)	(541)	(4,680)	–	–	(31,366)
Unused amount reversed	(8,220)	–	(680)	–	–	–	(8,900)
At 31 July 2019 (as restated)	62,132	22,048	1,340	19,031	–	–	104,551

Recognised in profit or loss during the financial year: (Note 7)

	Group	
	2020 RM'000	2019 RM'000
Net provision for club membership	160	(190)
Provision for heavy repairs	4,358	4,680
	4,518	4,490

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

37. PROVISION FOR LIABILITIES (CONT'D.)

(a) Provision for development costs

Provision for development costs is in respect of development projects undertaken by its subsidiaries as they had a present obligation as a result of a past event and it was probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(b) Provision for affordable housing

The provision for affordable housing represents the present obligation for construction of low cost houses.

(c) Provision for club membership

Certain subsidiaries of the Group are obliged to offer club membership via incentive schemes offered.

(d) Provision for heavy repairs

Provision for heavy repairs relates to the estimated costs of the contractual obligations to maintain and restore the highway infrastructure to a specified standard of serviceability.

(e) Provision for foreseeable losses

Provision for foreseeable losses represents the present obligation for losses expected to be incurred for construction contracts.

(f) Provision for rehabilitation and restoration

Provision for rehabilitation and restoration relates to the estimated cost of contractual obligations to maintain and restore the water treatment infrastructure to a specified standard of serviceability.

38. COMMITMENTS

Capital commitments

	Group	
	2020 RM'000	2019 RM'000
Approved and contracted for:		
Property, plant and equipment	9,498	38,021

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

39. GUARANTEES

- (a) The Company and its joint venture partner, MMC Corporation Berhad ("MMC"), issued parent company guarantees to guarantee the due performance and obligations of MMC - Gamuda KVMRT (T) Sdn. Bhd. ("Tunnel SB") in the underground works packages of the Klang Valley Mass Rapid Transit Project Sungai Buloh-Kajang Line ("KVMRT Line 1") and Klang Valley Mass Rapid Transit Project Sungai Buloh-Serdang-Putrajaya Line ("KVMRT Line 2"). Tunnel SB is equally owned by MMC and the Company.

During the financial year, the guarantee for KVMRT Line 2 was returned to the Company and its joint venture partner following the conversion from Project Delivery Partner ("PDP") model to Turnkey model in the previous financial year.

- (b) The Company and its joint venture partner, MMC, have also issued parent company guarantees to guarantee the due performance and obligations of MMC - Gamuda KVMRT (PDP SSP) Sdn. Bhd. ("PDP SSP") as the PDP of KVMRT Line 2 and subsequently, as Turnkey Contractor of KVMRT Line 2 following the conversion from PDP model to Turnkey model. PDP SSP is equally owned by MMC and the Company.
- (c) The Company and its joint venture partner, Naim Engineering Sdn. Bhd. ("NAIM") have issued parent company guarantees to guarantee the due performance and obligations of Naim Gamuda (NAGA) JV Sdn. Bhd. ("NAGA") in the works package contract for the development and upgrading of Pan Borneo Highway, Sarawak – WPC-04 (Pantu Junction to Btg Skrang). The Company owns a 30% stake in NAGA and balance 70% stake is owned by NAIM.
- (d) The Company and its partner, WCT Holdings Berhad formed a 51%:49% joint venture ("GWJV") to undertake the design and to construct the airfield facilities, tunnel and detention ponds of the New Doha International Airport Project in the state of Qatar. Pursuant to the conditions of contract, GWJV is required to issue a performance bond of QAR336 million (approximately RM378 million at the prevailing exchange rate on 31 July 2019) to the client to guarantee the due performance and obligations of GWJV in the project. In January 2014, GWJV was issued with the initial acceptance certificate signifying the completion of the project, pending issuance of the final acceptance certificate upon expiry of the maintenance period in January 2015. The airport commenced operations in April 2014.

On 3 October 2019, the settlement agreement of the project was signed. The final acceptance certificate was issued and the performance bond issued was returned to GWJV for cancellation.

The guarantees issued by the Company for the contracts in (a), (b) and (c) have not been crystallised because Tunnel SB, PDP SSP and NAGA have been performed and met their obligations in compliance with the terms of the contract.

The directors are of the opinion that the transactions above have been entered into in the normal course of business.

40. MATERIAL LITIGATION

The Group and the Company are not engaged in any material litigation.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

41. SIGNIFICANT RELATED PARTY TRANSACTIONS

- (a) In addition to transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Professional services rendered by Raja Eleena, Siew Ang & Associates, a firm in which a director, YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah, has interest	1,358	816	–	–
Rental received from subsidiaries	–	–	(5,352)	(5,285)
Interest receivable from subsidiaries	–	–	(161,783)	(153,716)
Dividend received from:				
– subsidiaries	–	–	89,046	166,288
– associates	121,383	776,048	100,053	771,518
– joint ventures	267,000	175,800	267,000	175,800

The directors are of the opinion that the transactions above have been entered into in the normal course of business.

- (b) Compensation of key management personnel ("KMP"):

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity either directly or indirectly.

The remuneration of key management personnel during the year was as follows:

Total KMPs' remuneration

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Total	13,420	15,842	12,676	14,533

The details of Board of Directors' remuneration are disclosed in Note 6.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

42. SIGNIFICANT EVENTS

(a) Proposed offers from MOF in relation to toll highway concessions

(Status: Considered lapsed)

On 21 June 2019, KESAS Holdings Berhad ("KESAS Holdings"), Gamuda's 70% owned subsidiary, received a Letter of Offer from Ministry of Finance Incorporated ("MOF") in respect of its offer to acquire all the securities (including all ordinary shares, preference shares and loan stocks) of KESAS Sdn. Bhd. ("KESAS Offer"). KESAS is a wholly owned subsidiary of KESAS Holdings.

Simultaneously, each of the following associated companies and a joint venture company of Gamuda had on 21 June 2019, received a Letter of Offer from MOF for the following acquisitions:

- (a) Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd. ("SPRINT Holdings"), Gamuda's 52% associated company, received a Letter of Offer from MOF in respect of its offer to acquire all the securities (including all ordinary shares, preference shares and loan stocks) of Sistem Penyuraian Trafik KL Barat Sdn. Bhd. ("SPRINT Offer"). SPRINT is a wholly-owned subsidiary of SPRINT Holdings;
- (b) Lingkaran Trans Kota Holdings Berhad ("LITRAK Holdings"), Gamuda's 44% associated company, received a Letter of Offer from MOF in respect of its offer to acquire all the securities (including all ordinary shares, preference shares and loan stocks) of Lingkaran Trans Kota Sdn. Bhd. ("LITRAK Offer"). LITRAK is a wholly-owned subsidiary of LITRAK Holdings; and
- (c) Projek SMART Holdings Sdn. Bhd. ("SMART Holdings"), Gamuda's 50% owned joint venture company received a Letter of Offer from MOF in respect of its offer to acquire all the securities (including all ordinary shares, preference shares and loan stocks) of Syarikat Mengurus Air Banjir & Terowong Sdn. Bhd. ("SMART Offer"). SMART is a wholly-owned subsidiary of SMART Holdings.

(KESAS, SPRINT, LITRAK and SMART shall collectively be referred to as the "Expressway Concession Companies" and each an "Expressway Concession Company", and KESAS Holdings, SPRINT Holdings, LITRAK Holdings and SMART Holdings shall collectively be referred to as the "Concession Holding Companies" and each a "Concession Holding Company").

Each Concession Holding Company shall negotiate and finalise the definitive agreements with MOF by 30 August 2019 or such other date as may be mutually agreed ("Cut-Off Date"), subject to the following:

- (i) The results of the due diligence exercise being satisfactory to MOF; and
- (ii) The approval of Cabinet of Malaysia.

Upon finalisation of the definitive agreements, each Concession Holding Company needs to fulfil the following conditions precedent ("Conditions Precedent") by 29 November 2019 or such other date as may be mutually agreed:

- (i) The requisite shareholders' approval for the disposal of respective Expressways Concession Company; and
- (ii) The approval or consent of the creditors of the Concession Holding Companies and/or Expressways Concession Companies, where applicable.

The proposed offer is inter-conditional upon each other.

On 29 August 2019, MOF and each of the Concession Holding Company had mutually agreed to extend the Cut-Off Date for the finalisation of the respective definitive agreement from 30 August 2019 to 29 February 2020.

Subsequent to 29 February 2020, a new Federal Government took office. No extension of the Cut-Off Date has been mutually agreed by MOF and each of the Concession Holding Company on the Offers. At this juncture, the Offers are considered to have lapsed.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

42. SIGNIFICANT EVENTS (CONT'D.)

(b) Appointment as Project Delivery Partner (“PDP”) for Penang Transport Master Plan (“PTMP”) project

The Company’s 60%-owned subsidiary, SRS Consortium Sdn Bhd was appointed as the PDP by the State Government of Penang to manage and deliver the PTMP and had executed the Master Agreement on 1 July 2020.

The major components of Phase 1 of the project are:

- (i) Reclamation Works (Penang South Reclamation Island A);
- (ii) The Light Rail Transit (LRT) from George Town to Island A of the Penang South Islands; and
- (iii) The Pan Island Link 1 (PIL1) highway.

The implementation of each PTMP component will be formalised at a later stage when the financial architecture is mutually agreed with the Penang State Government. The PDP fee for the PTMP components varies between 5.0% – 5.75%.

(c) Formalisation of role as Turnkey Contractor for Klang Valley Mass Rapid Transit (“KVMRT”) Sungai Buloh-Serdang-Putrajaya Line/Line 2 Project

On 17 January 2020, the Company and MMC Corporation Berhad (“MMC”) have formalised the role as Turnkey Contractor with Mass Rapid Transit Corporation Sdn. Bhd. (“MRT Corp”), from the previous PDP role. The 50%-owned joint venture, MMC Gamuda KVMRT (PDP SSP) Sdn. Bhd. (“PDP SSP”) will be responsible for the design, execution and completion of the entire KVMRT SSP Line (for both above ground and underground) on a turnkey basis.

The following agreements were executed in respect of the formalisation of the Turnkey Contractor role:

- (i) A Supplemental Agreement to the PDP Agreement between PDP SSP and MRT Corp; and
- (ii) A Novation Agreement between PDP SSP, MMC Gamuda KVMRT (T) Sdn. Bhd. and MRT Corp.

(d) Award of construction contract for Seawall for Reclamation project in Taiwan

On 2 January 2020, the Company and Dong-Pi Construction Co. Ltd., a Taiwan company have been awarded the contract to construct the 4,014 metres Seawall structure amounting to RM932 million (NT\$6.82 billion) from Taiwan International Ports Corporation, a Taiwan state-owned port operation company. The job will be undertaken via an unincorporated subsidiary, Dong-Pi Gamuda Joint Venture in which the Company and Dong-Pi will hold 70% and 30% respectively.

(e) Proposed rights issue of warrants

(Status: Cancelled)

A renounceable rights issue of warrants in Gamuda (“Warrant(s) F”) on the basis of one (1) Warrant F at an issue price of RM0.25 per Warrant F for every four (4) existing ordinary shares in Gamuda (“Gamuda Share(s)”) held on an entitlement date to be determined later (“Proposed Rights Issue of Warrants”); and

On 6 September 2019, Bursa Malaysia Securities Berhad (“Bursa Securities”) granted the Company:

- (i) Extension of time until 31 December 2019 for Gamuda to issue the circular in relation to the Proposal to its shareholders; and
- (ii) Extension of time until 26 February 2020, to complete the implementation of the Proposed Rights Issue of Warrants.

The extension of time for (i) and (ii) above was granted as the requisite approvals for the Proposed Acquisition of Toll Highways by the Government of Malaysia have not been obtained.

On 31 December 2019, the board of directors of Gamuda resolved not to proceed with the Proposed Rights Issue of Warrants.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

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	
		Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Note					
At 31 July 2020					
Financial assets:					
Current receivables	21	2,046,629	2,046,629	987,924	987,924
Non-current receivables	21	881,901	881,901	11,691	11,691
Contract assets	22	1,701,664	1,701,664	33,465	33,465
Due from subsidiaries	24	–	–	3,631,101	3,631,101
Cash and bank balances	25	2,147,202	2,147,202	195,532	195,532
Financial liabilities:					
Current payables	30	1,755,300	1,755,300	207,855	207,855
Non-current payables	30	185,093	185,093	67,572	67,572
Due to subsidiaries	36	–	–	358,670	358,670
Contract liabilities	22	1,391,997	1,391,997	1,006,232	1,006,232
Islamic debts:					
– Medium term notes	33	2,825,000	2,825,000	2,150,000	2,150,000
Borrowings:					
– Term loans	34	936,304	936,304	–	–
– Revolving credits	34	1,103,827	1,103,827	714,080	714,080
– Commercial papers	34	600,000	600,000	600,000	600,000

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

43. FAIR VALUE (CONT'D.)

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (cont'd.)

		Group		Company	
	Note	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
At 31 July 2019					
Financial assets:					
Current receivables	21	1,862,143	1,862,143	881,472	881,472
Non-current receivables	21	1,072,624	1,072,624	88,970	88,970
Contract assets	22	1,604,295	1,604,295	19,425	19,425
Due from subsidiaries	24	–	–	2,874,716	2,874,716
Cash and bank balances	25	1,452,272	1,452,272	65,184	65,184
Financial liabilities:					
Current payables	30	1,841,814	1,841,814	379,820	379,820
Non-current payables	30	148,300	148,300	62,735	62,735
Due to subsidiaries	36	–	–	168,449	168,449
Contract liabilities	22	992,825	992,825	790,073	790,073
Islamic debts:					
– Medium term notes	33	2,665,000	2,665,000	1,600,000	1,600,000
Borrowings:					
– Term loans	34	1,661,915	1,661,915	–	–
– Revolving credits	34	666,743	666,743	450,298	450,298
– Commercial papers	34	150,000	150,000	150,000	150,000

Notes to the Financial Statements (Cont'd.)

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43. FAIR VALUE (CONT'D.)

The following methods and assumptions are used to estimate fair values of the following classes of financial instruments:

(i) Non-current receivables, payables and borrowings

The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate/profit rate for similar types of lending or borrowing arrangements or Islamic debts at the reporting date.

(ii) Cash and bank balances, current receivables and current payables

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

(iii) Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the party guaranteed were to default.

Fair value hierarchy

The Group's and the Company's financial instruments are analysed in a three level fair value hierarchy based on the significance of inputs.

The three level of fair value measurement hierarchy are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date

Level 2: Input other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Input for the asset or liability that are not based on observable market data (unobservable input)

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

43. FAIR VALUE (CONT'D.)

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities:

		Fair value measurement using			
Group	Note	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000
31 July 2020					
Assets not carried at fair values but for which fair values are disclosed					
Investment properties	14	644,989	–	–	644,989
Quoted interests in an associated company	18	920,229	920,229	–	–
Assets measured at fair value					
Other investments:					
– Investment in transferable club memberships	20	762	–	762	–
Investment securities	23	644,467	644,467	–	–
Liability measured at fair value					
Derivative liabilities	35	(6,071)	–	(6,071)	–
31 July 2019					
Assets not carried at fair values but for which fair values are disclosed					
Investment properties	14	572,056	–	–	572,056
Quoted interests in an associated company	18	1,058,264	1,058,264	–	–
Assets measured at fair value					
Other investments:					
– Investment in transferable club memberships	20	762	–	762	–
Investment securities	23	396,664	396,664	–	–
Liability measured at fair value					
Derivative liabilities	35	(7,530)	–	(7,530)	–

Notes to the Financial Statements (Cont'd.)

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43. FAIR VALUE (CONT'D.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities: (cont'd.)

		Fair value measurement using			
Company	Note	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000
31 July 2020					
Assets not carried at fair values but for which fair values are disclosed					
Investment properties	14	59,800	–	–	59,800
Quoted interests in an associated company	18	920,229	920,229	–	–
Assets measured at fair value					
Other investments:					
– Investment in transferable club memberships	20	683	–	683	–
Investment securities	23	581,850	581,850	–	–
31 July 2019					
Assets not carried at fair values but for which fair values are disclosed					
Investment properties	14	54,144	–	–	54,144
Quoted interests in an associated company	18	1,058,264	1,058,264	–	–
Assets measured at fair value					
Other investments:					
– Investment in transferable club memberships	20	683	–	683	–
Investment securities	23	340,371	340,371	–	–

Notes to the Financial Statements (Cont'd.)

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43. FAIR VALUE (CONT'D.)

Financial instruments subject to offsetting arrangements

The Group entered into a Cross Currency Interest Rate Swap (“CCIRS”) to hedge against foreign currency and interest rate movements for term loans which have an arrangement to settle simultaneously on due dates at a net basis.

The Group’s borrowings and derivatives that are off-set are as follows:

	Gross carrying amount RM'000	Gross amounts offset RM'000	Net amounts RM'000
As at 31 July 2020			
Derivatives (Note 35)	(6,071)	6,071	–
Borrowings (Note 34(b))	(428,500)	(6,071)	(434,571)
As at 31 July 2019			
Derivatives (Note 35)	(7,530)	7,530	–
Borrowings (Note 34(b))	(808,000)	(7,530)	(815,530)

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, market risk and foreign currency risk.

The Group operates within clearly defined guidelines that are approved by the Board.

The following sections provide details regarding the Group’s and Company’s exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Notes to the Financial Statements (Cont'd.)

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored.

An impairment analysis is performed at each reporting date using provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 21. The Group does not hold collateral as security. The Group evaluates the credit risk with respect to trade receivables and contract assets as low as there is no concentration of trade receivables except as disclosed in Note 21. The directors do not foresee any issue in recovering the receivable amount.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. The Group invests only on quoted debt securities with very low credit risk.

The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 July 2020 and 2019 is the carrying amount as illustrated in Note 43 except for derivative financial instruments. The Group's maximum exposure relating to financial derivative instruments is noted in the liquidity table below.

Notes to the Financial Statements (Cont'd.)

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2020		2019	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	1,833,914	80%	2,141,669	86%
Vietnam	431,482	19%	322,890	13%
India	18,907	1%	19,997	1%
Others	3,266	0%	201	0%
	2,287,569	100%	2,484,757	100%
By industry sectors:				
Engineering and construction	725,894	32%	889,917	36%
Property development and club operations	671,226	29%	691,945	28%
Water and expressway concessions	890,449	39%	902,895	36%
	2,287,569	100%	2,484,757	100%

For the purpose of the above analysis, the following are included:

	Group	
	2020 RM'000	2019 RM'000
Trade receivables – third parties	1,753,550	1,704,543
Due from associated companies – trade	19,805	20,023
Due from joint venture partners – trade	26,240	12,859
Due from joint ventures – trade	487,974	747,332
	2,287,569	2,484,757

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by bank borrowings.

At the reporting date, approximately 46% (2019: 42%) of the Group's debts and borrowings (Notes 33 and 34) will mature in less than one year based on the carrying amount reflected in the financial statements. Approximately 49% (2019: 41%) of the Company's debts and borrowings (Notes 33 and 34) will mature in less than one year at the reporting date.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	2020			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Financial liabilities:				
Trade and other payables	1,755,300	185,093	–	1,940,393
Islamic debts				
– Principal	690,000	1,385,000	750,000	2,825,000
– Profit	115,172	229,615	115,918	460,705
Borrowings				
– Principal	1,822,960	817,171	–	2,640,131
– Interest	43,530	28,077	–	71,607
Total undiscounted financial liabilities	4,426,962	2,644,956	865,918	7,937,836

Group	2019			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Financial liabilities:				
Trade and other payables	1,841,814	148,300	–	1,990,114
Islamic debts				
– Principal	690,000	1,975,000	–	2,665,000
– Profit	109,029	185,756	–	294,785
Borrowings				
– Principal	1,495,917	953,476	29,265	2,478,658
– Interest	80,335	77,495	376	158,206
Total undiscounted financial liabilities	4,217,095	3,340,027	29,641	7,586,763

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

Company	2020			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Financial liabilities:				
Trade and other payables	207,855	67,572	–	275,427
Due to subsidiaries	350,904	7,766	–	358,670
Islamic debts				
– Principal	400,000	1,000,000	750,000	2,150,000
– Profit	92,390	199,537	115,918	407,845
Borrowings				
– Principal	1,314,080	–	–	1,314,080
– Interest	6,418	–	–	6,418
Total undiscounted financial liabilities	2,371,647	1,274,875	865,918	4,512,440

Company	2019			
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Financial liabilities:				
Trade and other payables	379,820	62,735	–	442,555
Due to subsidiaries	168,449	–	–	168,449
Islamic debts				
– Principal	300,000	1,300,000	–	1,600,000
– Profit	70,446	132,896	–	203,342
Borrowings				
– Principal	600,298	–	–	600,298
– Interest	4,267	–	–	4,267
Total undiscounted financial liabilities	1,523,280	1,495,631	–	3,018,911

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. At the reporting date, approximately 71% (2019: 71%) of the Group's borrowings are at fixed rates of interest.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM3,062,000 (2019: RM2,875,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Market price risk

Market price risk is the risk that the fair value or the future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to market price risk arising from its investment in management fund. These instruments are classified as held for trading financial assets. The Group does not have exposure to commodity price risk

Sensitivity analysis for market price risk

As at reporting date, if the quoted prices of the investment securities had been 5% higher/lower, with all other variables held constant, the Group and the Company's profit for the year would have been RM32,223,400 (2019: RM19,833,200) and RM29,092,500 (2019: RM17,018,600) higher/lower.

(e) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Transactions in foreign operation are mainly denominated in the functional currency of the country it operates, and other foreign currency transactions are kept to an acceptable level. The Group's revenue that are denominated in foreign currencies are as disclosed in Note 46.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(e) Foreign currency risk (cont'd.)

Included in the following statements of financial position captions of the Group and of the Company as at the reporting date are balances denominated in the following major foreign currencies:

Group	Vietnam Dong RM'000	Australian Dollar RM'000	Singapore Dollar RM'000	United States Dollar RM'000	Taiwan Dollar RM'000	Indian Rupee RM'000	Qatari Riyal RM'000	Bahraini Dinar RM'000	Pound Sterling RM'000	Total RM'000
At 31 July 2020										
Cash and bank balances	1,014,724	53,728	10,997	58,694	10,056	42,878	1,451	291	19,580	1,212,399
Receivables	876,330	24,577	261	63	155,626	21,533	13,597	6	7,135	1,099,128
Payables	(874,010)	(15,903)	(8,292)	(45)	(30,014)	(1,423)	(14,235)	(1,899)	(436)	(946,257)
Borrowings	(87,353)	-	-	-	(66,770)	-	-	-	-	(154,123)
At 31 July 2019										
Cash and bank balances	826,930	16,977	563	1,052	-	42,075	4,536	434	-	892,567
Receivables	1,349,163	1,809	68	90	-	23,534	13,330	5	-	1,387,999
Payables	(631,817)	(3,039)	(140)	(51)	-	(1,477)	(13,721)	(14,401)	-	(664,646)
Borrowings	(254,874)	-	(180,900)	-	-	-	-	-	-	(435,774)

Company	Australian Dollar RM'000	Singapore Dollar RM'000	Taiwan Dollar RM'000	United States Dollar RM'000	Qatari Riyal RM'000	Bahraini Dinar RM'000	Total RM'000
At 31 July 2020:							
Cash and bank balances	28,754	9,463	4,908	58,592	1,451	291	103,459
Receivables	23,424	261	6,421	-	13,597	6	43,709
Payables	(15,002)	(8,242)	(640)	-	(14,235)	(1,899)	(40,018)
Borrowings	-	-	(66,770)	-	-	-	(66,770)
At 31 July 2019:							
Cash and bank balances	-	356	-	1,019	4,536	434	6,345
Receivables	-	68	-	-	13,330	5	13,403
Payables	-	(116)	-	-	(13,721)	(14,401)	(28,238)

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Vietnam, Australia, Singapore, Taiwan, India, Bahrain and Qatar. The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the business is located.

Notes to the Financial Statements (Cont'd.)

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(e) Foreign currency risk (cont'd.)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the VND, AUD, SGD, USD, TWD, INR, QR, BHD and GBP exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

			Total profit for the year			
			Group		Company	
			Increase/(decrease)		Increase/(decrease)	
			2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
VND/RM	strengthened 5%	(2019: 5%)	46,485	64,470	–	–
	weakened 5%	(2019: 5%)	(46,485)	(64,470)	–	–
AUD/RM	strengthened 5%	(2019: 5%)	3,120	787	1,859	–
	weakened 5%	(2019: 5%)	(3,120)	(787)	(1,859)	–
SGD/RM	strengthened 5%	(2019: 5%)	148	(9,020)	74	15
	weakened 5%	(2019: 5%)	(148)	9,020	(74)	(15)
USD/RM	strengthened 5%	(2019: 5%)	2,936	55	2,930	51
	weakened 5%	(2019: 5%)	(2,936)	(55)	(2,930)	(51)
TWD/RM	strengthened 5%	(2019: 5%)	3,445	–	(2,804)	–
	weakened 5%	(2019: 5%)	(3,445)	–	2,804	–
INR/RM	strengthened 5%	(2019: 5%)	3,149	3,206	–	–
	weakened 5%	(2019: 5%)	(3,149)	(3,206)	–	–
QR/RM	strengthened 5%	(2019: 5%)	41	208	41	208
	weakened 5%	(2019: 5%)	(41)	(208)	(41)	(208)
BHD/RM	strengthened 5%	(2019: 5%)	(80)	(698)	(80)	(698)
	weakened 5%	(2019: 5%)	80	698	80	698
GBP/RM	strengthened 5%	(2019: 5%)	1,314	–	–	–
	weakened 5%	(2019: 5%)	(1,314)	–	–	–

45. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The capital management approaches remain unchanged for the current and previous years.

The Group monitors and maintains a prudent level of net gearing ratio, which is net debt divided by total capital, to optimise shareholders value and to ensure compliance under debt covenants.

The Group includes within net debt, subordinate debts and borrowings less cash and bank balances and investment securities. Capital includes equity attributable to the owners of the parent and non-controlling interests.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

45. CAPITAL MANAGEMENT (CONT'D.)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Islamic debts	2,825,000	2,665,000	2,150,000	1,600,000
Borrowings	2,640,131	2,478,658	1,314,080	600,298
Less: Cash and bank balances	(2,147,202)	(1,452,272)	(195,532)	(65,184)
Investment securities	(644,467)	(396,664)	(581,850)	(340,371)
Net debt	2,673,462	3,294,722	2,686,698	1,794,743
Equity attributable to the owners of the Company	8,541,092	8,062,623	6,161,543	5,915,003
Non-controlling interests	426,502	399,317	–	–
Total capital	8,967,594	8,461,940	6,161,543	5,915,003
Net gearing ratio	30%	39%	44%	30%

46. SEGMENT INFORMATION

The Group reporting is organised and managed in three major business units. The segments are organised and managed to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

- (i) Engineering and construction – the construction of highways and bridges, airfield facilities, railway, tunnel, water treatment plants, dams, general and trading services related to construction activities;
- (ii) Property development and club operations – the development of residential and commercial properties and club operations; and
- (iii) Water and expressway concessions – the management of water supply and tolling of highway operations.

The Group's chief operating decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Notes to the Financial Statements (Cont'd.)

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46. SEGMENT INFORMATION (CONT'D.)

	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Note	Consolidated RM'000
2020						
Revenue						
Revenue as reported	1,835,784	1,346,788	480,392	–		3,662,964
Share of revenue of joint ventures	2,953,308	173,742	14,909	–		3,141,959
	4,789,092	1,520,530	495,301	–		6,804,923
Inter-segment sales	354,370	–	–	(354,370)	A	–
Total revenue	5,143,462	1,520,530	495,301	(354,370)		6,804,923
Result						
Profit from operations	59,443	253,451	251,582	–		564,476
Impairment of property, plant and equipment of GIBS	(148,100)	–	–	–		(148,100)
Finance costs	(5,778)	(91,271)	(42,291)	–		(139,340)
Share of profits of associated companies	137	–	116,108	–		116,245
Share of profits of joint ventures	185,496	10,620	(3,935)	–		192,181
Profit before tax	91,198	172,800	321,464	–		585,462
Income tax expense						(161,272)
Profit for the year						424,190
Non-controlling interest						(52,510)
Profit attributable to Owners of the Company						371,680
Core profit before tax	239,298	172,800	321,464	–		733,562
Less: Impairment of property, plant and equipment of GIBS	(148,100)	–	–	–		(148,100)
Profit before tax as reported	91,198	172,800	321,464	–		585,462

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

46. SEGMENT INFORMATION (CONT'D.)

	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Note	Consolidated RM'000
2020 (cont'd.)						
Assets and liabilities						
Segment assets excluding interests in associated companies and joint arrangements	3,646,742	10,289,712	2,580,956	–		16,517,410
Interests in associated companies	8,533	–	944,254	–		952,787
Interests in joint arrangements	169,725	847,235	40,388	–		1,057,348
						18,527,545
Segment liabilities						
Other liabilities	(2,226,669)	(1,468,729)	(399,422)	–		(4,094,820)
Borrowings	(828,290)	(4,183,614)	(453,227)	–		(5,465,131)
						(9,559,951)
Other information						
Depreciation and amortisation	49,900	34,985	138,242	–		223,127
Non-cash items other than depreciation and amortisation	147,412	2,817	4,938	–	B	155,167
Additions to non-current assets	51,929	539,645	186,675	–	C	778,249

Notes to the Financial Statements (Cont'd.)

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46. SEGMENT INFORMATION (CONT'D.)

	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Note	Consolidated RM'000
2019 (Restated)						
Revenue						
Revenue as reported	1,939,326	2,146,457	479,279	–		4,565,062
Share of revenue of joint ventures	2,198,418	400,403	17,315	–		2,616,136
	4,137,744	2,546,860	496,594	–		7,181,198
Inter-segment sales	494,819	–	–	(494,819)	A	–
Total revenue	4,632,563	2,546,860	496,594	(494,819)		7,181,198
Result						
Profit from operations	178,303	298,829	228,133	–		705,265
Finance costs	(21,592)	(68,041)	(27,688)	–		(117,321)
Share of profits of associated companies	20,207	–	106,427	–		126,634
Share of profits of joint ventures	105,935	83,840	(3,241)	–		186,534
Profit before tax	282,853	314,628	303,631	–		901,112
Income tax expense						(148,844)
Profit for the year						752,268
Non-controlling interest						(52,082)
Profit attributable to Owners of the Company						700,186

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46. SEGMENT INFORMATION (CONT'D.)

	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Note	Consolidated RM'000
2019 (Restated) (cont'd.)						
Assets and liabilities						
Segment assets excluding interests in associated companies and joint arrangements	3,272,814	9,254,552	2,480,929	–		15,008,295
Interests in associated companies	9,297	–	961,492	–		970,789
Interests in joint arrangements	236,229	920,780	44,323	–		1,201,332
						17,180,416
Segment liabilities						
Other liabilities	(1,969,079)	(1,136,052)	(469,687)	–		(3,574,818)
Borrowings	(777,122)	(3,846,941)	(519,595)	–		(5,143,658)
						(8,718,476)
Other information						
Depreciation and amortisation	38,586	24,443	129,099	–		192,128
Non-cash items other than depreciation and amortisation	42,680	1,755	5,174	–	B	49,609
Additions to non-current assets	191,455	550,913	14,178	–	C	756,546

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

46. SEGMENT INFORMATION (CONT'D.)

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:

	2020 RM'000	2019 RM'000
Property, plant and equipment written off	2,753	31
Unrealised loss on foreign exchange	–	31
Net fair value gains on derivatives	(1,459)	(2,957)
Provisions	153,873	52,504
	155,167	49,609

C Additions to non-current assets consist of:

	Note	2020 RM'000	2019 RM'000
Property, plant and equipment	12	175,384	253,790
Investment properties	14	9,882	88,522
Land held for property development	13(a)	406,823	400,983
Expressway and water development expenditure	16	186,160	13,251
		778,249	756,546

Additions to non-current assets excludes interests in associated companies and interests in joint arrangements.

Notes to the Financial Statements (Cont'd.)

– 31 July 2020

46. SEGMENT INFORMATION (CONT'D.)

Geographical information

	Revenues		Non-current assets	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Malaysia	2,586,380	3,188,593	5,991,210	6,231,521
Outside Malaysia				
– Vietnam	877,608	1,356,879	990,440	700,254
– Australia	41,593	19,590	1,967	–
– Taiwan	157,383	–	622	548
– Others	–	–	7,145	–
	1,076,584	1,376,469	1,000,174	700,802
Consolidated	3,662,964	4,565,062	6,991,384	6,932,323
Share of revenue of joint ventures				
– Malaysia	3,100,679	2,387,852		
– Singapore	41,280	228,284		
Total revenue	6,804,923	7,181,198		

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	2020 RM'000	2019 RM'000
Property, plant and equipment	1,063,066	1,155,510
Land held for property development	3,169,895	2,919,183
Investment properties	455,501	432,815
Land use right	–	1,470
Right-of-use assets	15,138	–
Concession development expenditure	1,355,472	1,306,472
Other investments	812	812
Deferred tax assets	40,665	41,767
Receivables	890,835	1,074,294
	6,991,384	6,932,323

List of Major Properties

Held as at 31 July 2020

No	Location	Tenure	Usage	Area	Year of Valuation/ Acquisition	Year of expiry	Approximate age of building (Years)	NBV (RM'000)
1	Block D, PJ Trade Centre No. 8, Jalan PJU 8/8A Bandar Damansara Perdana 47820 Petaling Jaya Selangor	Leasehold	20 storey office tower/ Menara Gamuda	2,048 sq m	2011	2104	11	128,340
2	No. 30, Jalan SS2/44 47300 Petaling Jaya Selangor	Freehold	Bungalow	501 sq m	1991	–	34	278
3	No. 36/38, Jalan SS21/62 47400 Petaling Jaya Selangor	Freehold	2 blocks, 4 storey shoplot/office	286 sq m	1991	–	26	863
4	No. 39, Jalan SS22/23 47400 Petaling Jaya Selangor	Freehold	4 storey shoplot/office	153 sq m	2007	–	26	533
5	No. 53, Jalan SS22/23 47400 Petaling Jaya Selangor	Freehold	4 storey shoplot/office	153 sq m	2006	–	31	1,158
6	No. 55-61, Jalan SS22/23 47400 Petaling Jaya Selangor	Freehold	4 blocks, 4 storey shoplot/office	612 sq m	1992	–	29	7,313
7	No. 54-58, Jalan SS22/25 47400 Petaling Jaya Selangor	Freehold	3 blocks, 4 storey shoplot/office	460 sq m	2006	–	28	4,087
8	HS (D) 54871, PT No. 56274 Mukim & District of Kelang Selangor	Freehold	Industrial estate/workshop	16,898 sq m	1995	–	–	6,735
9	Lot 66100, Geran 331933 Mukim of Tanjung Duabelas District of Kuala Langat Selangor	Freehold	Industrial Land/ Industrial Building System ("IBS") factory	66 acres	2016	–	2	173,497
10	Lot 195821, 195822 195823, 195824, 195825 195826, 195827, 46482 57417 all in the Mukim of Kampar District of Kinta, 31350 Ipoh, Perak	Leasehold	Granite hill, limestone hill and industrial land/quarry	469,493 sq m	1991	2022	–	1,044
11	PT 183485 Meru Industrial Estate Jelapang, 30020 Ipoh, Perak	Leasehold	Industrial estate/ store	12,144 sq m	1991	2050	24	459
12	PT 51683, Jalan Jelapang 30020 Ipoh, Perak	Leasehold	Industrial estate/ workshop	4,353 sq m	1991	2043	30	294
13	No. 152, Jalan Gopeng 31350 Ipoh, Perak	Leasehold	3 storey shoplot/office	164 sq m	1991	2078	34	122
14	No. 158, Jalan Gopeng 31350 Ipoh, Perak	Leasehold	3 storey shoplot/office	163 sq m	1991	2078	34	129

Analysis of Securities of Company

As at 1 October 2020

ANALYSIS OF SHAREHOLDINGS

Total Number of Issued Shares	: 2,513,527,654 ordinary shares
Type of shares	: Ordinary shares
Voting rights	: 1 vote per share on a poll
No. of shareholders	: 17,410

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Holdings	%
Less than 100	526	3.02	11,231	0.00
100 – 1,000	4,518	25.95	3,293,361	0.13
1,001 – 10,000	9,110	52.33	36,362,046	1.45
10,001 – 100,000	2,457	14.11	70,953,141	2.82
100,001 – 125,676,381 (less than 5% of issued shares)	797	4.58	1,933,057,049	76.91
125,676,382 and above (5% and above of issued shares)	2	0.01	469,850,826	18.69
Total	17,410	100.00	2,513,527,654	100.00

SUBSTANTIAL SHAREHOLDERS

(as per Register of Substantial Shareholders and exclude bare trustee)

Name of Substantial Shareholder	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Employees Provident Fund Board	362,330,794	14.42	–	–
Kumpulan Wang Persaraan (Diperbadankan)	206,750,614	8.23	–	–

Analysis of Securities of Company

As at 1 October 2020

DIRECTORS' INTEREST IN ORDINARY SHARES OF THE COMPANY

(as per Register of Directors' Shareholdings)

Name of Director	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Dato' Mohammed Hussein	–	–	–	–
Dato' Lin Yun Ling	75,035,736	2.99	–	–
Dato' Ir Ha Tiing Tai	27,384,000 ^{*3}	1.09	87,000 ^{*1}	^{*5}
Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	228,750	0.01	115,500,000 ^{*2}	4.60
Tan Sri Dato' Setia Haji Ambrin bin Buang	4,000	^{*5}	–	–
Tunku Afwida binti Tunku A.Malek	–	–	–	–
Nazli binti Mohd Khir Johari	–	–	–	–
Dato' Ubull Din Om (Alternate to Dato' Ir Ha Tiing Tai)	–	–	–	–
Mohammed Rashdan bin Mohd Yusof (Alternate to Dato' Lin Yun Ling)	457,500 ^{*4}	0.02	–	–

Notes:

^{*1} Through son^{*2} Through Generasi Setia (M) Sdn Bhd^{*3} Held in own name and in nominee name^{*4} Held in nominee name^{*5} Negligible

TOP 30 SHAREHOLDERS AS PER RECORD OF DEPOSITORS

(without aggregating the securities from different securities accounts belonging to the same Depositors)

No.	Name	No. of Shares Held	%
1	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	281,177,126	11.19
2	Kumpulan Wang Persaraan (Diperbadankan)	188,673,700	7.51
3	Amanahraya Trustees Berhad – Amanah Saham Bumiputera	115,912,400	4.61
4	Generasi Setia (M) Sdn Bhd	102,000,000	4.06
5	Citigroup Nominees (Tempatan) Sdn Bhd – Urusharta Jamaah Sdn Bhd (1)	90,495,000	3.60
6	Dato' Lin Yun Ling	75,035,736	2.99
7	Amanahraya Trustees Berhad – Amanah Saham Malaysia 2 – Wawasan	70,000,000	2.78
8	Citigroup Nominees (Tempatan) Sdn Bhd – Exempt An for AIA Bhd	62,471,765	2.48
9	Amanahraya Trustees Berhad – Amanah Saham Malaysia 3	55,717,800	2.22
10	Permodalan Nasional Berhad	50,870,700	2.02
11	Amanahraya Trustees Berhad – Amanah Saham Bumiputera 3 – Didik	49,113,600	1.95

TOP 30 SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONT'D.)

(without aggregating the securities from different securities accounts belonging to the same Depositors)

No.	Name	No. of Shares Held	%
12	Amanahraya Trustees Berhad – Amanah Saham Malaysia	48,179,700	1.92
13	HSBC Nominees (Asing) Sdn Bhd – JPMCB NA for Vanguard Total International Stock Index Fund	37,637,612	1.50
14	Cartaban Nominees (Asing) Sdn Bhd – GIC Private Limited for Government of Singapore (C)	36,270,136	1.44
15	Amanahraya Trustees Berhad – Amanah Saham Bumiputera 2	33,500,000	1.33
16	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board (NOMURA)	31,183,666	1.24
17	HSBC Nominees (Asing) Sdn Bhd – JPMCB NA for Vanguard Emerging Markets Stock Index Fund	30,232,417	1.20
18	Cartaban Nominees (Asing) Sdn Bhd – Exempt An for State Street Bank & Trust Company (WEST CLT OD67)	29,027,200	1.15
19	Ng Kee Leen	28,002,252	1.11
20	Cartaban Nominees (Tempatan) Sdn Bhd – PAMB for Prulink Equity Fund	27,021,419	1.08
21	Maybank Nominees (Tempatan) Sdn Bhd – Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)	26,000,000	1.03
22	Lembaga Tabung Haji	25,000,000	0.99
23	Citigroup Nominees (Asing) Sdn Bhd – Exempt An for Citibank New York (Norges Bank 14)	22,122,601	0.88
24	Dato' Ir. Ha Tiing Tai	21,666,000	0.86
25	Amanahraya Trustees Berhad – Public Islamic Dividend Fund	21,066,100	0.84
26	Citigroup Nominees (Tempatan) Sdn Bhd – Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	18,071,700	0.72
27	Amanahraya Trustees Berhad – Public Ittikal Sequel Fund	17,767,368	0.71
28	Dato' Goon Heng Wah	15,888,771	0.63
29	Citigroup Nominees (Tempatan) Sdn Bhd – Great Eastern Life Assurance (Malaysia) Berhad (PAR 3)	15,008,396	0.60
30	Maybank Nominees (Tempatan) Sdn Bhd – MTrustee Berhad for Principal Dali Equity Growth Fund (UT-CIMB-Dali) (419455)	13,885,005	0.55
Total		1,638,998,170	65.19

Analysis of Securities of Company

As at 1 October 2020

ANALYSIS OF WARRANT HOLDINGS

WARRANTS 2016/2021 ("WARRANTS")

No. of Warrants unexercised	: 387,221,749
Exercise price	: RM4.05
Expiry date	: 6 March 2021
Voting rights at a meeting of Warrant Holders	: 1 vote per warrant holder on a show of hands 1 vote per warrant on a poll
No. of Warrant Holders	: 6,332

DISTRIBUTION OF WARRANT HOLDINGS

Size of Holdings	No. of Holders	%	No. of Holdings	%
Less than 100	93	1.47	4,451	0.00
100 – 1,000	1,792	28.30	867,317	0.23
1,001 – 10,000	2,074	32.75	10,846,056	2.80
10,001 – 100,000	1,821	28.76	72,885,514	18.82
100,001 – 19,361,086 (less than 5% of total Warrants unexercised)	552	8.72	302,618,411	78.15
19,361,087 and above (5% and above of total Warrants unexercised)	0	0.00	0	0.00
Total	6,332	100.00	387,221,749	100.00

DIRECTORS' INTEREST IN WARRANTS

(as per Register of Directors' Warrant Holdings)

Name of Director	Direct Interest		Indirect Interest	
	No. of Warrants	%	No. of Warrants	%
Dato' Mohammed Hussein	–	–	–	–
Dato' Lin Yun Ling	12,883,600	3.33	–	–
Dato' Ir Ha Tiing Tai	–	–	12,800 ^{*1}	^{*4}
Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	–	–	2,500,000 ^{*2}	0.65
Tan Sri Dato' Setia Haji Ambrin bin Buang	–	–	–	–
Tunku Afwida binti Tunku A.Malek	–	–	–	–
Nazli binti Mohd Khir Johari	–	–	–	–
Dato' Ubull Din Om (Alternate to Dato' Ir Ha Tiing Tai)	–	–	–	–
Mohammed Rashdan bin Mohd Yusof (Alternate to Dato' Lin Yun Ling)	550,000 ^{*3}	0.14	–	–

Notes:

^{*1} Through son^{*2} Through Generasi Setia (M) Sdn Bhd^{*3} Held in nominee name^{*4} Negligible

TOP 30 WARRANT HOLDERS AS PER RECORD OF DEPOSITORS

(without aggregating the securities from different securities accounts belonging to the same Depositors)

No.	Name	No. of Warrants Held	%
1	TA Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Heng Teng Kuang	14,150,000	3.65
2	Dato' Lin Yun Ling	12,883,600	3.33
3	Ng Kee Leen	9,411,000	2.43
4	RHB Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Wong Tow Fock	8,620,000	2.23
5	CIMSEC Nominees (Tempatan) Sdn Bhd – CIMB for Chow Chong Chek (PB)	8,500,000	2.19
6	Maybank Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Ismail Ng Bin Jaafar Ng	8,083,400	2.09
7	Maybank Nominees (Tempatan) Sdn Bhd – Etiqa Life Insurance Berhad (Prem Equity)	6,411,100	1.66
8	TA Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Anitha Binti Mohamed Haniffa	6,000,000	1.55
9	Citigroup Nominees (Tempatan) Sdn Bhd – Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	4,534,150	1.17
10	Gan Voon Seng	3,527,900	0.91
11	CIMSEC Nominees (Tempatan) Sdn Bhd – CIMB for Lee Choon Phooi (PB)	3,234,100	0.84
12	Er Chin Joo	3,000,000	0.77
13	Heng Teng Kuang	2,953,023	0.76
14	Tai Lee Development Sdn. Bhd.	2,800,000	0.72
15	Dato' Goon Heng Wah	2,741,600	0.71
16	Tam Soon Sian	2,600,000	0.67
17	Zuriana Binti Din	2,580,000	0.67
18	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Chia Siya Heng (E-SS2)	2,530,700	0.65
19	Generasi Setia (M) Sdn Bhd	2,500,000	0.65
20	RHB Capital Nominees (Tempatan) Sdn Bhd – Than Yen Heng	2,300,000	0.59
21	Yap Ai Synn @ Yap Ai Chin	2,225,000	0.57
22	Norman Bin Md Rabani	2,000,000	0.52
23	RHB Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Tan Shiow Peng	2,000,000	0.52
24	Maybank Nominees (Tempatan) Sdn Bhd – Lee Choon Phooi	1,900,000	0.49
25	Zaidi Bin Mohd Zin	1,900,000	0.49
26	Teh Kheng Hoe	1,856,300	0.48
27	Yap Pak Lim	1,740,000	0.45
28	Low Swee Chong	1,700,000	0.44
29	Hiew Chia Lin	1,580,000	0.41
30	Gan Lu Ter	1,563,500	0.40
Total		127,825,373	33.01

Issued Share Capital

Date/ Year of Allotment	No. of Shares Allotted	Description	Cummulative No. of Issued Shares
06.10.1976	2	Cash – Subscribers' shares	2
26.12.1976	199,998	Cash	200,000
10.10.1977	200,000	Cash	400,000
30.07.1981	100,000	Cash	500,000
21.07.1984	500,000	Bonus Issue on the basis of 1 new ordinary share for every 1 existing ordinary share held	1,000,000
24.07.1985	250,000	Cash	1,250,000
29.07.1985	500,000	Issued as consideration for the acquisition of several companies	1,750,000
31.07.1986	750,000	Cash	2,500,000
30.07.1987	750,000	Bonus Issue in the proportion of 3 new ordinary shares for every 10 existing ordinary shares held	3,250,000
30.07.1988	1,750,000	Bonus Issue in the proportion of 7 new ordinary shares for every 10 existing ordinary shares held	5,000,000
30.07.1990	3,000,000	Bonus Issue in the proportion of 3 new ordinary shares for every 5 existing ordinary shares held	8,000,000
29.04.1992	11,000,000	Bonus Issue in the proportion of 1,375 new ordinary shares for every 1,000 existing ordinary shares held	19,000,000
29.04.1992	23,976,667	Issued as consideration for the acquisition of Gammau Construction Sdn Bhd and Ganaz Bina Sdn Bhd	42,976,667
05.06.1992	19,086,333	Rights Issue in the proportion of 2,386 new ordinary shares for every 1,000 existing ordinary shares held	62,063,000
18.01.1995	20,687,667	Bonus Issue in the proportion of 1 new ordinary share for every 3 existing ordinary shares held	82,750,667
20.03.1995	7,757,875	Rights Issue in the proportion of 1 new ordinary share for every 8 existing ordinary shares held	90,508,542
24.01.1996 – 26.12.1996	24,547,169	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1995/2000	115,055,711
16.01.1997	153,407,614	Bonus Issue in the proportion of 4 new ordinary shares for every 3 existing ordinary shares held	268,463,325
12.03.1997	19,175,951	Rights Issue in the proportion of 1 new ordinary share for every 6 existing ordinary shares held	287,639,276

Date/ Year of Allotment	No. of Shares Allotted	Description	Cummulative No. of Issued Shares
20.01.1997 – 24.11.1997	2,057,133	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1995/2000	289,696,409
22.10.1998 – 31.12.1998	99,000	Issued pursuant to exercise of options under ESOS	289,795,409
07.01.1999 – 30.12.1999	15,979,428	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1995/2000	305,774,837
05.01.2000 – 16.07.2000	37,201,999	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1995/2000	342,976,836
03.03.2000	322,213,836	Bonus Issue in the proportion of 1 new ordinary share for every 1 existing ordinary share held	665,190,672
31.01.2001 – 19.12.2001	807,000	Issued pursuant to exercise of options under ESOS	665,997,672
02.01.2002 – 27.12.2002	8,646,002	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1996/2006 and 2001/2007	674,643,674
13.01.2003 – 31.12.2003	51,251,218	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1996/2006 and 2001/2007	725,894,892
07.01.2004 – 23.12.2004	13,209,252	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2001/2007	739,104,144
05.01.2005 – 29.12.2005	14,128,000	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2001/2007	753,232,144
26.10.2006 – 29.12.2006	37,982,965	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1996/2006 and 2001/2007	791,215,109
08.01.2007 – 28.12.2007	207,268,945	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1996/2006 and 2001/2007	998,484,054
25.10.2007	994,963,054	Bonus Issue on the basis of 1 new ordinary share for every 1 existing ordinary share held	1,993,447,108
09.01.2008 – 19.12.2008	12,736,000	Issued pursuant to exercise of options under ESOS	2,006,183,108
23.01.2009 – 22.12.2009	10,589,000	Issued pursuant to exercise of options under ESOS	2,016,772,108
11.01.2010 – 29.12.2010	29,439,485	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,046,211,593
04.01.2011 – 30.12.2011	21,563,311	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,067,774,904
03.01.2012 – 31.12.2012	18,690,762	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,086,465,666

Issued Share Capital

Date/ Year of Allotment	No. of Shares Allotted	Description	Cummulative No. of Issued Shares
07.01.2013 – 30.12.2013	205,859,001	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,292,324,667
06.01.2014 – 29.12.2014	49,464,512	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,341,789,179
06.01.2015 – 22.06.2015	64,115,876	Conversion of Warrants 2010/2015	2,405,905,055
07.01.2016 – 28.12.2016	18,193,855	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2016/2021	2,424,098,910
05.01.2017 – 29.12.2017	31,451,816	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2016/2021	2,455,550,726
08.01.2018 – 07.09.2018	12,498,225	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2016/2021	2,468,048,951
18.01.2019 – 23.12.2019	7,753,082	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2016/2021	2,475,802,033
07.01.2020 – 13.04.2020	17,895,782	Issued pursuant to exercise of options under ESOS, Conversion of Warrants 2016/2021	2,493,697,815
25.02.2020	19,829,839	Issued pursuant to First Dividend Reinvestment Plan	2,513,527,654

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-fourth ("44th") Annual General Meeting ("AGM") of Gamuda Berhad ("Gamuda" or "Company") will be conducted fully virtual through live streaming and online remote voting from the broadcast venue at the Auditorium, Level 2, Menara Gamuda, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan ("Broadcast Venue") on Tuesday, 8 December 2020 at 10.00 a.m. for the purpose of transacting the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 July 2020 together with the Reports of the Directors and Auditors thereon.	[Please refer to Explanatory Note No. 4 (a)]
2. To approve the payment of Directors' fees for the financial year ended 31 July 2020.	(Ordinary Resolution 1)
3. To approve the payment of Directors' remuneration (excluding Directors' fees) of up to an amount of RM350,000/- for the period from 9 December 2020 until the next annual general meeting of the Company to be held in 2021.	(Ordinary Resolution 2)
4. To re-elect the following Directors of the Company who are retiring by rotation in accordance with Clause 105 of the Constitution of the Company and, who being eligible, offer themselves for re-election:-	
a. YBhg Dato' Mohammed Hussein	(Ordinary Resolution 3)
b. YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	(Ordinary Resolution 4)
c. YBhg Tan Sri Dato' Setia Haji Ambrin bin Buang	(Ordinary Resolution 5)
5. To re-appoint Ernst & Young PLT, the retiring Auditors and to authorise the Directors of the Company to fix their remuneration.	(Ordinary Resolution 6)

As Special Business:-

To consider and, if thought fit, to pass with or without modification(s), the following resolutions:-

6. Authority to issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016	(Ordinary Resolution 7)
"THAT subject always to the Companies Act 2016, the Constitution of the Company and the approvals of the relevant governmental regulatory authorities (if required), the Directors of the Company be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company, from time to time, and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of, and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad [Company Registration No. 200301033577 [635998-W]] ("Bursa Securities") AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company."	

Notice of Annual General Meeting

7. Proposed Renewal of Share Buy-back Authority

(Ordinary Resolution 8)

“THAT subject to the provisions of the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and the approvals of the relevant governmental regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of the Company (“Proposed Share Buy-back”) as may be determined by the Directors of the Company, from time to time, through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:-

- i. the aggregate number of ordinary shares to be purchased pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company; and
- ii. an amount not exceeding the retained profits of the Company shall be allocated by the Company for the Proposed Share Buy-back;

AND THAT at the absolute discretion of the Directors of the Company, upon such purchase by the Company of its own shares, the purchased shares shall be cancelled and/or retained as treasury shares and subsequently be cancelled, distributed as dividends or resold on Bursa Securities and/or in any other manner as prescribed by the Companies Act 2016.

THAT the Directors of the Company be and are hereby empowered to do all acts and enter into all such transactions, agreements and arrangements, and to execute, sign and deliver for and on behalf of the Company, all such documents as the Directors may deem fit and expedient in order to implement, finalise and give full effect to the Proposed Share Buy-back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as the Director may in their absolute discretion deem fit and in the interest of the Company and/or as may be imposed or agreed to by any relevant authorities;

AND THAT the authority hereby given shall commence immediately upon the passing of this resolution and shall continue to be in force until:-

- i. the conclusion of the next AGM of the Company at which time it will lapse, unless by an ordinary resolution passed at the AGM, the authority is renewed either unconditionally or subject to conditions; or
- ii. the expiration of the period within which the next AGM after that date is required by law to be held; or
- iii. revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase of its own shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities or any other relevant authorities.”

8. Issuance of New Shares in the Company ("Gamuda Shares") pursuant to the Dividend Reinvestment Plan that provides Shareholders of the Company with an Option to Elect to Reinvest their Cash Dividends into New Gamuda Shares ("Dividend Reinvestment Plan")

(Ordinary Resolution 9)

"THAT pursuant to the Dividend Reinvestment Plan as approved by the shareholders of the Company at the Extraordinary General Meeting of the Company held on 5 December 2019, and subject to the approvals of all relevant regulatory authorities or parties being obtained, where required, approval be and is hereby given for the Company to allot and issue such number of new Gamuda Shares from time to time as may be required to be allotted and issued pursuant to the Dividend Reinvestment Plan upon such terms and conditions and to such persons as the Directors of the Company may, at its absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the said new Gamuda Shares shall be fixed by the Directors of the Company at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price ("VWAMP") of the Gamuda Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price of the said new Gamuda Shares AND THAT such authority to allot and issue new Gamuda Shares shall continue to be in force until the conclusion of the next AGM of the Company;

AND THAT the Directors and the Secretaries of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and agreements and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan, with full powers to assent to any conditions, modifications, variations and/or amendments (if any) including suspension and termination of the Dividend Reinvestment Plan as the Directors may, in their absolute discretion, deem fit and in the interest of the Company and/or as may be imposed or agreed to by any relevant authorities."

9. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

LIM SOO LYE
(LS0006461) (SSM PC NO. 201908002053)

PANG SIOK TIENG
(MAICSA 7020782) (SSM PC NO. 201908001079)
Company Secretaries

Petaling Jaya
9 November 2020

Notice of Annual General Meeting

Notes:

1. Virtual Meeting

In order to curb the spread of Coronavirus Disease 2019 ("COVID-19") and as part of the Company's precautionary measures, the 44th AGM of the Company will be held fully virtual through live streaming and online remote voting via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. [Company Registration No. 197101000970 (11324-H)] ("Tricor") which are available on its TIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Details for the 44th AGM in order to register, participate and vote remotely via the RPV.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 ("CA 2016") which requires the Chairman of the meeting to be present at the main venue of the 44th AGM.

No Members or proxies shall be allowed to be physically present at the Broadcast Venue on the day of the 44th AGM.

2. General Meeting Record of Depositors

For purposes of determining who shall be entitled to participate at the 44th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd [Company Registration No. 198701006854 (165570-W)] to make available to the Company pursuant to Clause 72 of the Constitution of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Securities, a Record of Depositors as at 30 November 2020 and only a Depositor whose name appears on such Record of Depositors shall be entitled to participate and/or vote at the 44th AGM or appoint a proxy or proxies to participate and/or vote on his/her behalf.

3. Proxy

- a. Every Member of the Company is entitled to:-
 - i. appoint another person as his proxy to exercise all or any of his rights to attend, participate and vote at the 44th AGM and that proxy may but need not be a Member of the Company.
 - ii. appoint more than one (1) person as his proxy provided that he specifies the proportions of his shareholdings to be represented by each proxy.
- b. Where a Member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where an Authorised Nominee appoints two (2) proxies in respect of each Securities Account, the appointment shall be invalid unless the Authorised Nominee specifies the proportions of the shareholdings to be represented by each proxy.

- c. Where a Member is an Exempt Authorised Nominee which holds Securities for multiple beneficial owners in one (1) Securities Account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account and, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the number of shares to be represented by each proxy.
- d. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- e. For Members who are individual persons, the appointment of a proxy may be made in a hard copy form or by electronic means. For Members who are not individual persons (e.g. corporate member, Exempt Authorised Nominee, etc), the appointment of a proxy MUST be made in a hard copy form only. Forms of Proxy must be submitted in the following manner, not less than forty-eight (48) hours before the time appointed for holding the 44th AGM or at any adjournment thereof:
 - i. Hard copy (applicable for all Members)

The original signed Form of Proxy must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; OR
 - ii. Electronic form (applicable for individual Members only)

You may also submit the Form of Proxy electronically via TIH Online website at <https://tiih.online> by following the procedures provided in the Administrative Details for the 44th AGM.
- f. The Notice of AGM together with the Form of Proxy, Administrative Details, Annual Report 2020 and the Share Buy-back Statement are published on the Company's website at www.gamuda.com.my or Bursa Malaysia's website at www.bursamalaysia.com.

Please follow the procedures provided in the Administrative Details for the 44th AGM in order to register, participate and/or vote remotely.
- g. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all resolutions set out in this Notice will be put to vote by poll.

4. Explanatory Notes

a. Audited Financial Statements

The Audited Financial Statements are for discussion only as they do not require shareholders' approval pursuant to the provision of Section 340(1)(a) of the CA 2016. Hence, this matter will not be put for voting.

b. Ordinary Resolutions 1 & 2

Section 230(1) of the CA 2016 provides that the 'fees' of the directors and 'any benefits' payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at this meeting for the payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company under Resolutions 1 and 2.

i. Directors' Fees

To demonstrate support of the initiatives taken by the Company in response to the COVID-19 pandemic, the Non-Executive Directors (including Independent Directors) have voluntarily agreed to take a 10% reduction in their fees for FY2020, the details of which are as set out in the right column of the table below:

Directors' Fees (as approved at AGMs)	FY2017	FY2018	FY2019	Proposed for FY2020 (approval sought at 44 th AGM)
Independent Non-Executive Chairman	RM175,000 per annum	RM215,000 per annum	RM210,833 per annum	RM189,000 per annum
Independent Non-Executive Director	RM135,000 per annum	RM135,000 per annum	RM160,000 per annum/ RM164,167 per annum*/ RM109,417 per annum#	RM144,000 per annum/ RM148,500 per annum/ RM117,000 per annum
Non-Executive Director	RM105,000 per annum	RM105,000 per annum	RM130,000 per annum	RM117,000 per annum

* Re-designation of Audit Committee Chairman during the financial year under review

Appointment of a new Independent Non-Executive Director during the year under review

The above proposal is made upon benchmarking against various companies across the industries with either similar market capitalisation, revenue or profit before tax and with peer companies in the construction and property industries. Based on the benchmark study thereof, the differentiation of the proposed fees for the Independent Non-Executive Chairman from a Non-Executive Director and an Independent Director (with no Board Committee membership) at 1.6 times and from Independent Non-Executive Directors (with Board Committee membership) at 1.3 times, were seen as fair and equitable.

The payment of the Directors' fees totalling RM715,500/- in respect of the financial year ended 31 July 2020 will only be made if the proposed Resolution 1 is approved by the Company shareholders at this meeting pursuant to Clause 116 of the Constitution of the Company and Section 230(1)(b) of the CA 2016.

ii. Directors' Remuneration

The current Directors' remuneration (excluding Directors' fees) payable to the Non-Executive Directors of the Company comprises meeting allowances and benefits-in-kind.

At the Forty-third AGM of the Company held on 5 December 2019 ("43rd AGM"), the benefits payable to the Non-Executive Directors of the Company from 6 December 2019 until this meeting on 8 December 2020 (12 months) was approved for an amount up to RM320,000.00. The utilisation of this approved amount as at 31 July 2020 is RM205,016/-. Based on the schedule of meetings in the fourth quarter of 2020, an amount of RM69,703/- is expected to be utilised for payment of meeting allowances and other benefits to the Non-Executive Directors. Hence, the expected total utilised amount would be approximately 86% of the approved amount.

Notice of Annual General Meeting

The Directors' remuneration (excluding Directors' fees) are summarised as follows:-

Meeting Allowance (per meeting)	Independent Non-Executive Chairman	Independent Non-Executive Director	Non-Executive Director
Board of Directors	RM2,000	RM2,000	RM2,000
Board Committees	RM2,000	RM2,000	RM2,000

Directors' benefits payable comprises leave passage, travel allowance, club membership subscriptions, insurance and medical and other claimable benefits including reimbursable expenses incurred in the course of carrying out their duties as Company Directors.

The total amount of Directors' remuneration (excluding Directors' Fees) payable to the Non-Executive Directors is estimated to be up to RM350,000/- from 9 December 2020 to the next AGM in 2021 (Current Period) subject to the shareholders' approval, and taking into account various factors including the number of scheduled meetings for the Board of Directors ("Board") and Board Committees as well as the number of Non-Executive Directors involved in these meetings. The estimated amount of remuneration also caters for unforeseen circumstances, for example, the appointment of additional Directors and/or additional unscheduled Board meetings as well as increase in premium paid/payable for Directors' and Officers' Liability insurance coverage.

The proposed Resolution 2, if passed, is to facilitate the payment of Directors' remuneration (excluding Directors' fees) on a monthly basis and/or as and when incurred. The Board opined that it is just and equitable for the Non-Executive Directors to be paid such payment on such basis upon them discharging their responsibilities and rendering their services to the Company.

In the event that the payment of Directors' remuneration (excluding Directors' fees) payable during the above period exceeded the estimated amount sought at the 44th AGM, shareholders' approval will be sought at the next AGM.

Any Non-Executive Directors who are shareholders of the Company will abstain from voting on Resolutions 1 and 2 at the 44th AGM.

c. Ordinary Resolutions 3, 4 & 5

For the purpose of determining the eligibility of the Directors to stand for re-election at the 44th AGM and in line with Practice 5.1 of the Malaysian Code on Corporate Governance, the Nomination Committee has assessed each of the retiring Directors under Resolutions 3, 4 and 5 and the findings were as follows:-

- 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.
- Their level of contribution to the Board's deliberations through their skills, experiences and strength in qualities meet the demands of the business in line with the strategy of the Company.

Based on the results of the Annual Evaluation of Board Performance 2019/2020, the individual Directors met the performance criteria required of an effective and high-performance Board.

The Board (saved for YBhg Dato' Mohammed Hussein and YBhg Tan Sri Dato' Setia Haji Ambrin bin Buang) has vide the Nomination Committee, also conducted the assessment on the independence of both YBhg Dato' Mohammed Hussein and YBhg Tan Sri Dato' Setia Haji Ambrin bin Buang as Independent Non-Executive Directors of the Company and, supports the Nomination Committee's recommendation for their re-election (who being eligible and have offered themselves for re-election) as Directors of the Company pursuant to Clause 105 of the Constitution of the Company.

Any Director referred to in Resolutions 3, 4 and 5 who is a shareholder of the Company will abstain from voting on the resolution in respect of his/her re-election at the 44th AGM.

d. Ordinary Resolution 6

The Board has at its meeting held on 25 September 2020 approved the recommendation of the Audit Committee on the re-appointment of Ernst & Young PLT as Auditors of the Company. The Board is satisfied that Ernst & Young PLT has met the relevant criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Securities which was concluded through the assessment carried out by the Audit Committee on the suitability and independence of Ernst & Young PLT.

e. Ordinary Resolution 7

Ordinary Resolution 7 if passed, will empower the Directors to issue shares of the Company up to a maximum of ten percent (10%) of the total number of issued shares of the Company for the time being, for any possible fund-raising activities for purposes of funding future investment projects, working capital, acquisitions and/or for strategic reasons. The approval is a renewal of a general mandate and is sought to provide flexibility and to avoid any delay and cost in convening a general meeting for such issuance of shares for fund raising activities, including placement of shares.

This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company. At this juncture, there is no decision to issue new shares. Should there be a decision to issue new shares after the authorisation is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

The Company did not issue any new shares under the general mandate which was approved at its 43rd AGM.

f. Ordinary Resolution 8

Shareholders are advised to refer to the Statement to Shareholders dated 9 November 2020, which is published on the Company's website at www.gamuda.com.my or Bursa Malaysia's website at www.bursamalaysia.com for further information.

g. Ordinary Resolution 9

Ordinary Resolution 9 if passed, will give authority to the Directors of the Company to allot and issue new Gamuda Shares pursuant to the Dividend Reinvestment Plan in respect of dividends declared after this AGM, and such authority shall expire at the conclusion of the next AGM of the Company.

5. Statement Accompanying Notice of AGM

[Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities]

- Details of individuals who are standing for election (excluding directors standing for a re-election) as Directors

There are no individuals who are standing for election as Directors at the 44th AGM of the Company.

- Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Securities

Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the CA 2016 are set out in Explanatory Note 4(e) of this Notice.

Administrative Details

Forty-Fourth (“44th”) Annual General Meeting (“AGM”)

Date	: Tuesday, 8 December 2020
Time	: 10.00 a.m.
Broadcast Venue	: Auditorium, Level 2, Menara Gamuda, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan

MODE OF MEETING

In support of the Government of Malaysia’s ongoing efforts to contain the spread of COVID-19 and as part of the Group’s safety measures, the Company will conduct the 44th AGM on a fully virtual basis through live streaming and online remote voting at the Broadcast Venue. This is in line with the latest Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 13 October 2020, including any amendments that may be made from time to time.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the 44th AGM. Members/proxies/corporate representatives **WILL NOT BE ALLOWED** to attend the 44th AGM of the Company in person at the Broadcast Venue on the day of the 44th AGM.

REMOTE PARTICIPATION AND VOTING FACILITIES (“RPV”)

Members are to attend, speak [including posing questions to the Board of Directors of the Company (“Board”) via real time submission of typed texts] and vote [collectively, “participate”) remotely at the 44th AGM of the Company using RPV provided by Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”) via its **TIIH Online** website at <https://tiih.online> including posing questions to the Board or Management of the Company. Please refer to the procedures for RPV.

Members who appoint proxies to participate via RPV in the 44th AGM of the Company must ensure that the duly executed Forms of Proxy are deposited either by hardcopy or electronic means no later than **Sunday, 6 December 2020 at 10.00 a.m.** in the following manner:

- 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
- lodge electronically via Tricor’s **TIIH Online** website at <https://tiih.online> (applicable to individual shareholders only). The procedures on electronic lodgement of the Form of Proxy are summarised in page 371 of this Annual Report.

Fax copies of the duly executed Form of Proxy are not acceptable.

If you wish to personally participate in the 44th AGM, please do not submit any Form of Proxy. You will not be allowed to participate in the 44th AGM together with your appointed proxy.

If you have submitted your Form of Proxy prior to the 44th AGM and subsequently decide to personally participate in the 44th AGM, please proceed to register yourself for RPV on TIIH Online website at <https://tiih.online>.

Corporate representatives of corporate members must deposit their original or duly certified certificate of appointment of corporate representative to Tricor no later than **Sunday, 6 December 2020 at 10.00 a.m.** in order to participate via RPV in the 44th AGM of the Company.

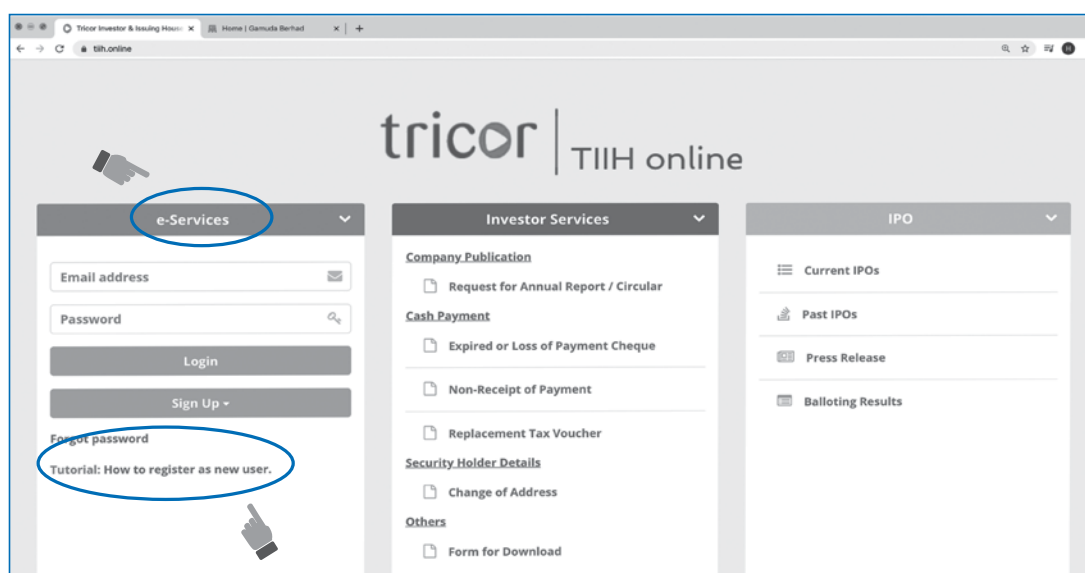
Attorneys appointed by power of attorney must deposit their powers of attorney with Tricor no later than **Sunday, 6 December 2020 at 10.00 a.m.** in order to participate via RPV in the 44th AGM of the Company.

A Member who has appointed a proxy or attorney or authorised representative to participate in the 44th AGM of the Company via RPV must request his/her proxy to register himself/herself for RPV on Tricor’s TIIH Online website at <https://tiih.online>

As the 44th AGM of the Company is a fully virtual AGM, Members who are unable to participate in the 44th AGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy.

Members/proxies/corporate representatives/attorneys who wish to participate in the 44th AGM of the Company via the RPV are to follow the requirements and procedures as summarised below:

Procedure	Action
BEFORE THE DAY OF 44th AGM	
(a) Register as a user with TIIH Online	- If you have not registered as a user of TIIH Online, please refer to the tutorial guide posted on the homepage for assistance to sign up. Registration as a user will be approved within one working day and you will be notified via email. - If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail from Tricor notifying that the remote participation for the 44th AGM is available for registration at TIIH Online. - Login to TIIH Online website at https://tiih.online with your user name (i.e. e-mail address) and password under the “e-Services” (as illustrated below).



(b) Submission of registration for RPV	- Registration is open from Monday, 9 November 2020 until the day of the 44th AGM scheduled for Tuesday, 8 December 2020. Member(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 44th AGM to ascertain their eligibility to participate in the 44th AGM using RPV. - Login with your user ID and password and select the corporate event: “(REGISTRATION) GAMUDA 44TH AGM”. - Read and agree to the Terms & Conditions and confirm the Declaration. - Select “Register for Remote Participation and Voting”. - Review your registration and proceed to register. - System will send an e-mail to notify that your registration for remote participation has been received and will be verified. - After verification of your registration against the General Meeting Record of Depositors dated 30 November 2020, the system will send you an e-mail confirming approval of your registration for RPV. The procedures for using the RPV will also be set out in the email. In the event your registration is not approved, you will also be notified via email.

IMPORTANT:

Whether:

- you are registering as a new user with Tricor’s TIIH Online, or
- you are already a registered user with Tricor’s TIIH Online and you are registering for use of the RPV for the 44th AGM, please ensure that you register early to allow sufficient time for approval/verification so that you are able to login to the meeting platform and/or use the RPV.

Administrative Details

Procedure	Action
ON THE DAY OF 44TH AGM	
(c) Login to TIIH Online	Login with your user ID and password for remote participation at the 44th AGM at any time from 9.30 a.m. i.e. 30 minutes before the commencement of the 44th AGM on Tuesday, 8 December 2020 at 10.00 a.m.
(d) Participating through Live Streaming	- Select corporate event: “(LIVE STREAMING MEETING) GAMUDA 44TH AGM” to engage remotely in the proceedings of the 44th AGM of the Company. - If you have any question for the Chairman/Board, you may use the Query Box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the AGM. If there is time constraint, the responses will be published on the Company’s website at the earliest possible, after the 44th AGM. <i>(Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition)</i>
(e) Online Remote Voting	- Voting session commences from 10.00 a.m. on Tuesday, 8 December 2020 until a time when the Chairman announces the end of the session. To vote, select corporate event: “(REMOTE VOTING) GAMUDA 44TH AGM” or if you are on the live stream meeting page, you can select “GO TO REMOTE VOTING PAGE” located below the Query Box. - Read and agree to the Terms & Conditions and confirm the Declaration. - Select the CDS account that represents your shareholdings. - Indicate your votes for the resolutions that are tabled for voting. - Confirm and submit your votes.
(f) End of remote participation	The Live Streaming will end upon announcement by the Chairman on the closure of the 44 th AGM.

Note to users of the RPV:

- Once your application to join the 44th AGM is approved, you will be granted the right to participate in the live stream broadcast of the 44th AGM and to vote remotely. Your login to TIIH Online on the day of the 44th AGM will indicate your presence at the virtual meeting.
- The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- If you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

ELECTRONIC LODGEMENT OF PROXY FORM

Procedures to lodge your Form of Proxy electronically via Tricor's TIIH Online website are summarised below:

Procedure	Action
BEFORE THE DAY OF 44TH AGM	
(a) Register as a User with TIIH Online	- If you have not registered as a user of TIIH Online, please refer to the tutorial guide posted on the homepage for assistance to sign up. Registration as a user will be approved within one working day and you will be notified via email. - If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail from Tricor notifying that the remote participation for the 44th AGM is available for registration at TIIH Online. - Login to TIIH Online website at https://tiih.online with your user ID (i.e. e-mail address) and password under the "e-Services".
(b) Submission of Form of Proxy	- After the release of the Notice of Meeting by the Company, login with your user ID (i.e. email address) and password. - Select the corporate event: "GAMUDA 44TH AGM – SUBMISSION OF PROXY FORM". - Read and agree to the Terms & Conditions and confirm the Declaration. - Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. - Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. - Indicate your voting instructions, FOR or AGAINST, otherwise your proxy will vote or abstain as he/she thinks fit. - Review and confirm your proxy(ies) appointment. - Print Form of Proxy for your record.

VOTING PROCEDURE

Voting at the 44th AGM of the Company will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

To facilitate the voting process, the Company has appointed Tricor as the Poll Administrator to conduct the poll by way of online remote voting and Coopers Professional Scrutineers Sdn Bhd as the Scrutineers to verify the poll results. (Please refer to "Online Remote Voting" under item (e) in the table above on the procedures for online remote voting).

Upon completion of the voting session for the 44th AGM of the Company, the Scrutineers will verify the poll results followed by the Chairman's announcement whether the resolutions are duly passed.

GENERAL MEETING RECORD OF DEPOSITORS

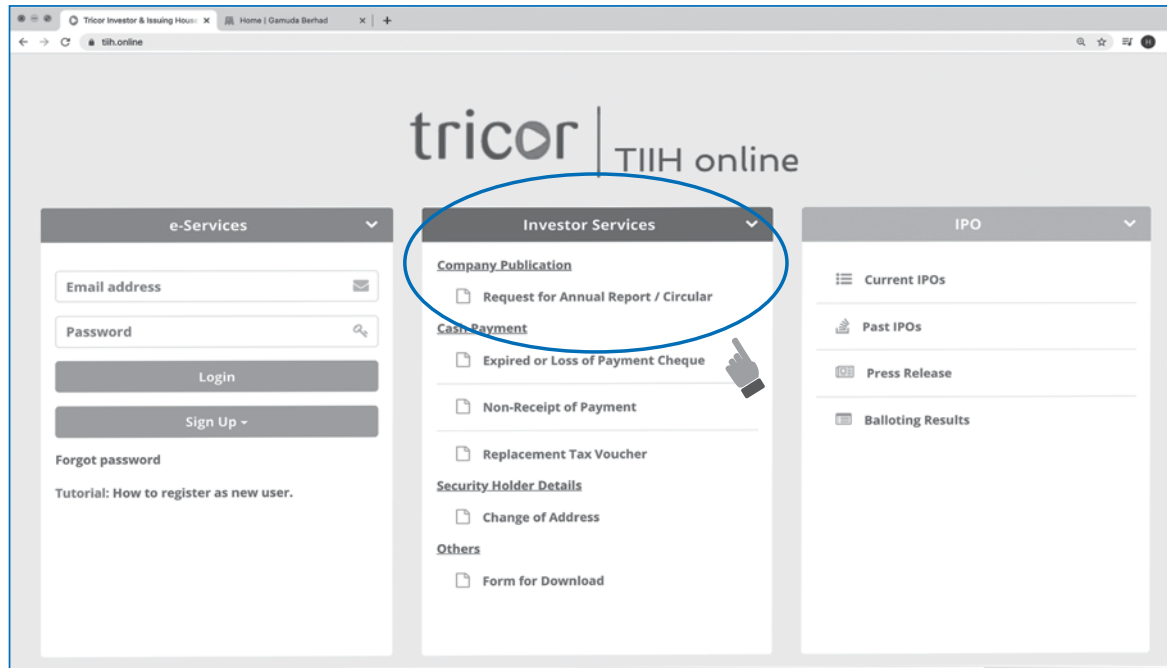
Only Members whose names appear in the General Meeting Record of Depositors of the Company maintained by Bursa Malaysia Depository Sdn Bhd as at **30 November 2020** shall be entitled to participate in the 44th AGM or appoint proxies to participate on their behalf.

Administrative Details

ANNUAL REPORT 2020 AND OTHER DOCUMENTS

The Company's Annual Report 2020, Corporate Governance Report 2020, Statement to Shareholders in relation to the Proposed Renewal of Share Buy-back Authority, Notice of the 44th AGM, Form of Proxy and this Administrative Details are available on the Company's website at www.gamuda.com.my and Bursa Malaysia's website at www.bursamalaysia.com.

You may request for a printed copy of the Annual Report 2020 and the other documents mentioned above at <https://tiih.online> by selecting **"Request for Annual Report/Circular"** under the "Investor Services" (as illustrated below). Nevertheless, we hope that you would consider the environment before you decide to request for the printed copy.



PRE-MEETING SUBMISSION OF QUESTION(S) TO THE BOARD

Members/proxies/corporate representatives may submit questions for the Board prior to the 44th AGM via TIIH Online website at <https://tiih.online> by selecting "e-Services" to login, pose questions and submit electronically no later than **Sunday, 6 December 2020 at 10.00 a.m.** The Board will endeavour to answer the questions received at the 44th AGM of the Company.

NO DOOR GIFT/LUNCH PACK

There will be **NO** door gift or lunch pack for Members or proxies who participate at the 44th AGM of the Company since the 44th AGM will be conducted on a fully virtual basis.

The Board would like to thank all its Members for their kind co-operation and understanding on this matter.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the 44th AGM of the Company.

ENQUIRY

If you have any enquiry prior to the 44th AGM of the Company, please contact the following officers during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line	: +603-2783 9299
Fax Number	: +603-2783 9222
Email	: is.enquiry@my.tricorglobal.com
Contact persons	: Mr. Tee Yee Loon +603-2783 9242 (Yee.Loan.Tee@my.tricorglobal.com)
	Ms. Christine Cheng +603-2783 9265 (Christine.Cheng@my.tricorglobal.com)
	Encik Zulkifli Bin Mohd Yusof +603-2783 9249 (Zulkifli@my.tricorglobal.com)

Form of Proxy

CDS account no. of authorised nominee (Note 1)

*I/We (full name and in block letters) _____

*NRIC/Passport/Company No. (compulsory) _____ Mobile Phone No.: _____

Address (in block letters): _____

being a member of **Gamuda Berhad** ("the Company") hereby appoint:-

First Proxy

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			

*or failing *him/her,

Second Proxy (as the case may be)

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			

or failing * him/her, the Chairman of the Meeting as * my/our Proxy to vote for * me/our behalf at the Forty-fourth Annual General Meeting of the Company ("44th AGM") to be conducted fully virtual via Remote Participation and Voting ("RPV") at the Auditorium, Level 2, Menara Gamuda, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 8 December 2020 at 10.00 a.m. and at any adjournment thereof.

Resolution	Ordinary Business	For	Against
1	Approval of Directors' fees		
2	Approval of payment of Directors' remuneration (excluding Directors' fees)		
3	Re-election of YBhg Dato' Mohammed Hussein as a Director		
4	Re-election of YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah as a Director		
5	Re-election of YBhg Tan Sri Dato' Setia Haji Ambrin bin Buang as a Director		
6	Re-appointment of Ernst & Young PLT as Auditors and to authorise the Directors to fix the Auditors' remuneration		
Special Business			
7	Ordinary Resolution: Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016		
8	Ordinary Resolution: Proposed Renewal of Share Buy-back Authority		
9	Ordinary Resolution: Issuance of New Shares pursuant to the Dividend Reinvestment Plan		

(Please indicate with an "X" or "✓" in the appropriate box against the resolution how you wish your Proxy to vote. If no instruction is given, this form will be taken to authorise the Proxy to vote at his/her discretion)

Signed this _____ day of _____, 2020.

Signature/Common Seal of Shareholder

No. of Shares held

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Applicable to shares held through a nominee account.
2. In order to curb the spread of Coronavirus Disease 2019 ("COVID-19"), the 44th AGM will be held on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") which are available on its TIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Details for the 44th AGM in order to register, participate and vote remotely via the RPV.
3. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the 44th AGM. No members or proxies shall be allowed to be physically present at the Broadcast Venue on the day of the 44th AGM.
4. Every Member of the Company is entitled to:-
 - i. appoint another person as his proxy to exercise all or any of his rights to participate and/or vote at the 44th AGM and that proxy may but need not be a Member of the Company.
 - ii. appoint more than one (1) person as his proxy provided that he specifies the proportions of his shareholdings to be represented by each proxy.
5. Where a Member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. If more than one (1) proxy is appointed, the appointment shall be invalid unless the Authorised Nominee specifies the proportions of the shareholdings to be represented by each proxy.
6. Where a Member is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the number of shares to be represented by each proxy.
7. If the appointor is a corporation, the Form of Proxy shall be under the corporation's seal or under the hand of an officer or attorney duly authorised.
8. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.
9. For Members who are individual persons, the appointment of a proxy may be made in a hard copy form or by electronic means. For Members who are not individual persons (e.g. corporate member, Exempt Authorised Nominee, etc), the appointment of a proxy MUST be made in a hard copy form only. Form of Proxy must be submitted in the following manner, not less than forty-eight (48) hours before the time appointed for holding the 44th AGM or at any adjournment thereof:
 - i. Hard copy [applicable for all Members]:

The original signed Form of Proxy must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia; OR
 - ii. Electronic means [applicable for Members who are individual persons only]:

You may also submit the Form of Proxy electronically via TIH Online website at <https://tiih.online> by following the procedures provided in the Administrative Details for the 44th AGM.
10. Only a Depositor whose name appears in the Record of Depositors as at 30 November 2020 shall be entitled to participate and/or vote in the 44th AGM via RPV or appoints a proxy or proxies to participate and/or vote on his/her behalf.
11. To register, participate and/or vote in the 44th AGM of the Company via RPV and appoint proxy/ authorised representative, please follow the Procedures for RPV in the Administrative Details.

* Delete where not applicable

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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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STAMP

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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

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 GamudaBhd  GamudaBhd  GAMUDA  gamudagroup  Gamuda Berhad