

All terms and abbreviations used herein shall have the same meanings as those defined in the “Definitions” section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your Gamuda Shares, you should at once hand this Abridged Prospectus, and the accompanying NPA and RSF to the agent through whom you had effected the sale or transfer for onward transmission to the purchaser or transferee. All inquiries concerning the Rights Issue of Warrants, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, Insurban Corporate Services Sdn Bhd, at 149, Jalan Aminuddin Baki, Taman Tun Dr Ismail, 60000 Kuala Lumpur.

A copy of this Abridged Prospectus has been registered with the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue of Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus, and the accompanying NPA and RSF have also been lodged with the Registrar of Companies who takes no responsibility for the contents of these documents.

The approval from our shareholders for the Rights Issue of Warrants was obtained at our EGM held on 7 December 2015. Approval from Bursa Securities had also been obtained on 28 October 2015 for the admission of the Warrants to the Official List and the listing of and quotation for the Warrants and the new Gamuda Shares arising from the exercise of the Warrants on the Main Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue of Warrants. The admission to the Official List and the listing of and quotation for all the new securities on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue of Warrants. The admission of the Warrants to the Official List and the official listing of and quotation for all the new securities will commence after the receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/or their renounee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

Neither the SC nor Bursa Securities takes any responsibility for the correctness of statements made or opinions expressed in this Abridged Prospectus.

Our Directors have seen and approved all the documentation relating to this Rights Issue of Warrants. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make the statements in these documents false or misleading.

This Abridged Prospectus, and the accompanying NPA and RSF are only despatched to our Entitled Shareholders whose names appear on our Record of Depositors and who have provided our Share Registrar with an address in Malaysia not later than 5.00 p.m. on Thursday, 11 February 2016. This Abridged Prospectus, and the accompanying NPA and RSF are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue of Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders and/or their renounee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance and/or renunciation (as the case may be) of all or any part of their entitlements to the Warrants would result in a contravention of any laws of such countries or jurisdictions. Neither we, RHB Investment Bank nor any other professional advisers shall accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of the entitlements to the Warrants made by our Entitled Shareholders and/or their renounee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

RHB Investment Bank, being our Principal Adviser and Underwriter for this Rights Issue of Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue of Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 6 OF THIS ABRIDGED PROSPECTUS.



GAMUDA BERHAD

(Company No. 29579-T)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 400,984,509 WARRANTS IN GAMUDA BERHAD (“GAMUDA”) (“WARRANT(S)”) ON THE BASIS OF ONE (1) WARRANT FOR EVERY SIX (6) EXISTING ORDINARY SHARES OF RM1.00 EACH HELD IN GAMUDA AT 5.00 P.M. ON THURSDAY, 11 FEBRUARY 2016, AT AN ISSUE PRICE OF RM0.25 PER WARRANT

Principal Adviser and Underwriter



RHB Investment Bank Berhad

(Company No. 19663-P)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:-

Entitlement Date	:	Thursday, 11 February 2016 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	:	Thursday, 18 February 2016 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	:	Tuesday, 23 February 2016 at 4.00 p.m.
Last date and time for acceptance and payment	:	Friday, 26 February 2016 at 5.00 p.m.*
Last date and time for excess application and payment	:	Friday, 26 February 2016 at 5.00 p.m.*

* or such later date and time as our Board of Directors may determine, subject to the consent of our Underwriter, and announce not less than two (2) Market Days (as defined herein) before the stipulated date and time.

This Abridged Prospectus is dated 11 February 2016

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THIS ABRIDGED PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN THE WARRANTS. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE OF WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:-

“Abridged Prospectus”	: This abridged prospectus dated 11 February 2016
“Act”	: Companies Act, 1965, as amended from time to time and any re-enactment thereof
“Additional Undertaking(s)”	: Irrevocable undertaking(s) from the Undertaking Shareholder(s), who have irrevocably undertaken <i>inter alia</i> to apply and subscribe for 315,000,000 additional Warrants in the event that there are Warrants not subscribed by other Entitled Shareholders and/or their renounee(s)
“Board”	: The Board of Directors of Gamuda
“Bursa Depository” or “Depository”	: Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Company No. 635998-W)
“CDS”	: Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
“CDS Account(s)”	: A securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and dealings in such securities by the depositor
“CMSA”	: Capital Markets and Services Act, 2007 as amended from time to time and any re-enactment thereof
“Code”	: Malaysian Code on Take-Overs and Mergers, 2010 as amended from time to time and any re-enactment thereof
“Deed Poll”	: The deed poll dated 22 January 2016 constituting the Warrants
“Director(s)”	: The directors of Gamuda and has the meaning given in Section 2(1) of the CMSA
“Documents”	: Collectively, this Abridged Prospectus, the NPA and RSF
“EGM”	: Extraordinary general meeting
“Entitled Shareholder(s)”	: Shareholders of Gamuda whose names appear in the Record of Depositors of our Company on the Entitlement Date
“Entitlement Date”	: Thursday, 11 February 2016 at 5.00 p.m., being the date and time on which our Entitled Shareholders must be registered as a member and whose names appear in the Record of Depositors in order to participate in the Rights Issue of Warrants
“Entitlement Undertaking(s)”	: Irrevocable undertaking(s) from the Undertaking Shareholder(s), who have irrevocably undertaken <i>inter alia</i> to apply and subscribe in full for its/their respective entitlements of the Warrants based on its/their shareholdings as at the Entitlement Date
“EPS”	: Earnings per share

DEFINITIONS (Cont'd)

"ESOS"	:	The Company's employees share option scheme of up to 10% of the issued and paid up share capital of Gamuda for the eligible executive directors and employees of Gamuda Group. The scheme is effective for an initial period of five (5) years from 10 April 2015.
"ESOS Option(s)"	:	141,518,000 unexercised option(s) issued under the Group's ESOS as at the LPD
"Excess Warrant(s)"	:	Warrant(s) which are not taken up or not validly taken up by our Entitled Shareholders and/or their renounee(s) prior to the Excess Warrants Application
"Excess Warrants Application(s)"	:	Application(s) for Excess Warrants as set out in Section 3.8 of this Abridged Prospectus
"Foreign Entitled Shareholders"	:	The entitled shareholders who have not provided to the Company a registered address or an address for service in Malaysia for the service of documents which will be issued in connection with the Rights Issue of Warrants
"FPE"	:	Financial period ended/ending, as the case may be
"FYE"	:	Financial year ended/ending, as the case may be
"Gamuda" or the "Company"	:	Gamuda Berhad (Company No. 29579-T)
"Gamuda Group" or the "Group"	:	Gamuda and its subsidiary companies, collectively
"Gamuda Share(s)" or "Share(s)"	:	Ordinary share(s) of RM1.00 each in Gamuda
"KVMRT"	:	Klang Valley Mass Rapid Transit
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities and includes any amendments from time to time
"LPD"	:	15 January 2016, being the latest practicable date prior to the registration of this Abridged Prospectus with the SC
"Market Day(s)"	:	Any day(s) between Monday to Friday (inclusive of both days), excluding public holidays, and any day on which Bursa Securities is open for trading of securities
"NA"	:	Net assets
"NPA"	:	Notice of Provisional Allotment
"Official List"	:	A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"Price Fixing Date"	:	18 January 2016, being the date on which the exercise price for the Warrants had been fixed at RM4.05 per Warrant

DEFINITIONS (Cont'd)

“Price Fixing Date”	: 18 January 2016, being the date on which the exercise price for the Warrants had been fixed at RM4.05 per Warrant
“Provisional Allotment”	: Warrants provisionally allotted to our Entitled Shareholders and/or their renounee(s) (if applicable) pursuant to the Rights Issue of Warrants
“Raja Dato’ Seri Eleena”	: Raja Dato’ Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah
“Record of Depositors”	: A record of depositors established by Bursa Depository under the Rules of Bursa Depository
“RHB Investment Bank”, the “Principal Adviser” or the “Underwriter”	: RHB Investment Bank Berhad (Company No. 19663-P)
“Rights Issue of Warrants”	: The renounceable rights issue of 400,984,509 Warrants on the basis of one (1) Warrant for every six (6) existing Gamuda Shares held on the Entitlement Date, at an issue price of RM0.25 per Warrant
“RSF”	: Rights Subscription Form
“Rules of Bursa Depository”	: Rules of Bursa Depository as issued pursuant to the SICDA, as amended from time to time
“Share Registrar”	: Insurban Corporate Services Sdn Bhd (Company No. 76260-W)
“SC”	: Securities Commission Malaysia
“SICDA”	: Securities Industry (Central Depositories) Act, 1991 and includes any amendments from time to time and any re-enactment thereof
“Undertaking Shareholder(s)”	: A substantial shareholder, certain Directors and persons connected to them, who have provided its/their respective Undertakings, names of whom are set out in Section 9.1 of this Abridged Prospectus
“Undertaking(s)”	: Collectively, the Entitlement Undertakings and Additional Undertakings
“Underwriting Agreement”	: Underwriting agreement entered into between Gamuda and the Underwriter dated 22 January 2016, the details of which are set out in Section 9.2 of this Abridged Prospectus
“Underwritten Warrants”	: The portion of 45,653,360 Warrants, representing approximately 11.39% of the total Warrants which are not covered by the Undertakings as set out in Section 9.1 of this Abridged Prospectus
“VWAMP”	: Volume weighted average market price
“Warrant(s)”	: 400,984,509 new warrants to be allotted and issued pursuant to the Rights Issue of Warrants

DEFINITIONS (Cont'd)

CURRENCIES, UNITS AND OTHERS

“AUD”	:	Australian Dollar
“Rs”	:	Indian Rupee
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“SAR”	:	Saudi Arabian Riyal
“SGD”	:	Singapore Dollar
“USD”	:	United States Dollar
“VND”	:	Vietnamese Dong

All references to “our Company” and “Gamuda” in this Abridged Prospectus are made to Gamuda Berhad and references to “our Group” or “Gamuda Group” are made to our Company and our subsidiary companies. All references to “we”, “us”, “our” and “ourselves” are made to our Company, or where the context requires, our Group or any of our subsidiary companies. All references to “you” in this Abridged Prospectus are made to our Entitled Shareholders.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty that our plans and objectives will be achieved.

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name / Designation	Address	Nationality	Occupation
Dato' Mohammed Hussein <i>(Independent Non-Executive Chairman)</i>	35, Jalan 12 Taman Tun Abdul Razak 68000 Ampang Selangor Darul Ehsan	Malaysian	Company Director
Dato' Lin Yun Ling <i>(Group Managing Director)</i>	No. 8, Lurah Tunku Bukit Tunku 50480 Kuala Lumpur	Malaysian	Company Director / Civil Engineer
Dato' Ir Ha Tiing Tai <i>(Deputy Group Managing Director)</i>	18, Jalan SS3/8 Taman Sentosa 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director / Civil Engineer
Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah <i>(Non-Independent Non-Executive Director)</i>	12, Gerbang Ampang Hilir Off Persiaran Ampang Hilir 55000 Kuala Lumpur	Malaysian	Company Director / Advocate and Solicitor
Dato' Haji Azmi bin Mat Nor <i>(Executive Director)</i>	Lot 11331, Jalan Melor 3 Sg Kantan 43000 Kajang Selangor Darul Ehsan	Malaysian	Company Director / Civil Engineer
Dato' Goon Heng Wah <i>(Executive Director)</i>	1, Jalan Tiga Housing Trust 30250 Ipoh Perak Darul Ridzuan	Malaysian	Company Director / Civil Engineer
Saw Wah Theng <i>(Executive Director)</i>	No. 7, Jalan SS21/19 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director / Chartered Accountant
Tunku Afwida binti Tunku A.Malek <i>(Independent Non-Executive Director)</i>	No. 7, Jalan TR 9/6 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director / Chartered Accountant
Ir Chow Chee Wah <i>(Alternate Director to Dato' Lin Yun Ling)</i>	No. 11, Jalan SS3/41 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director / Civil Engineer
Ubull a/I Din Om <i>(Alternate Director to Dato' Ir Ha Tiing Tai)</i>	No. 2 Jalan Anggerik Vanilla 98K/31 Kota Kemuning Seksyen 31 40460 Shah Alam Selangor Darul Ehsan	Malaysian	Company Director
Ir Chan Kong Wah <i>(Alternate Director to Dato' Goon Heng Wah)</i>	No. 6, Jalan SS2/34 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director / Civil Engineer
Soo Kok Wong <i>(Alternate Director to Saw Wah Theng)</i>	17, Jalan 31/98H Kota Kemuning 40460 Shah Alam Selangor Darul Ehsan	Malaysian	Company Director / Chartered Accountant

CORPORATE DIRECTORY (Cont'd)**AUDIT COMMITTEE[^]**

Name	Designation	Directorship
Dato' Mohammed Hussein	Chairman	Independent Non-Executive Chairman
Tunku Afwida binti Tunku A.Malek	Member	Independent Non-Executive Director

Note:-

[^] Under paragraph 15.19 of the Listing Requirements pertaining to retirement and resignation of Audit Committee members, in the event of any vacancy, a listed issuer must fill the vacancy within three (3) months. The Company intends to fill the vacancy by 7 March 2016.

COMPANY SECRETARY	:	Lim Soo Lye (LS 0006461) Menara Gamuda D-16-01, Block D, PJ Trade Centre No. 8, Jalan PJU 8/8A Bandar Damansara Perdana 47820 Petaling Jaya Selangor Darul Ehsan Tel : (03) 7726 9210 Fax : (03) 7728 9811
REGISTERED OFFICE / CORPORATE OFFICE	:	Menara Gamuda D-16-01, Block D, PJ Trade Centre No. 8, Jalan PJU 8/8A Bandar Damansara Perdana 47820 Petaling Jaya Selangor Darul Ehsan Tel : (03) 7726 9210 Fax : (03) 7728 9811 Email : gcc@gamuda.com.my Website : www.gamuda.com.my
SHARE REGISTRAR	:	Insurban Corporate Services Sdn Bhd 149, Jalan Aminuddin Baki Taman Tun Dr Ismail 60000 Kuala Lumpur Tel : (03) 7729 5529 Fax : (03) 7728 5948
AUDITORS AND REPORTING ACCOUNTANTS	:	Ernst & Young (AF 0039) Chartered Accountants Level 23A, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Tel : (03) 7495 8000 Fax : (03) 7495 8114

CORPORATE DIRECTORY (Cont'd)

SOLICITORS FOR THE RIGHTS ISSUE OF WARRANTS	:	Mah-Kamariyah & Philip Koh Advocates & Solicitors 3A07, Block B, Phileo Damansara II No. 15, Jalan 16/11 Off Jalan Damansara 46350 Petaling Jaya Selangor Darul Ehsan Tel : (03) 7956 8686 Fax : (03) 7956 2208
PRINCIPAL BANKER	:	Malayan Banking Berhad Level 14, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur
PRINCIPAL ADVISER AND UNDERWRITER	:	RHB Investment Bank Berhad Level 9, Tower One RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel : (03) 9287 3888 Fax : (03) 9287 4770
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	Main Market of Bursa Securities

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GAMUDA BERHAD

(Company No. 29579-T)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

Menara Gamuda
D-16-01, Block D, PJ Trade Centre
No. 8, Jalan PJU 8/8A
Bandar Damansara Perdana
47820 Petaling Jaya
Selangor Darul Ehsan

11 February 2016

Board of Directors:

Dato' Mohammed Hussein (*Independent Non-Executive Chairman*)
Dato' Lin Yun Ling (*Group Managing Director*)
Dato' Ir Ha Tiing Tai (*Deputy Group Managing Director*)
Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah
(*Non-Independent Non-Executive Director*)
Dato' Haji Azmi bin Mat Nor (*Executive Director*)
Dato' Goon Heng Wah (*Executive Director*)
Saw Wah Theng (*Executive Director*)
Tunku Afwida binti Tunku A.Malek (*Independent Non-Executive Director*)
Ir Chow Chee Wah (*Alternate Director to Dato' Lin Yun Ling*)
Ubull a/l Din Om (*Alternate Director to Dato' Ir Ha Tiing Tai*)
Ir Chan Kong Wah (*Alternate Director to Dato' Goon Heng Wah*)
Soo Kok Wong (*Alternate Director to Saw Wah Theng*)

To: Our Entitled Shareholders

Dear Sir/Madam,

RIGHTS ISSUE OF WARRANTS

1. INTRODUCTION

On 28 September 2015, RHB Investment Bank, on behalf of our Board, announced that our Company had proposed to undertake the Rights Issue of Warrants.

On 28 October 2015, RHB Investment Bank, on behalf of our Board, announced that Bursa Securities had vide its letter dated 28 October 2015, approved the admission of the Warrants to the Official List of Bursa Securities, the listing of and quotation for the Warrants, and the listing of and quotation for the new Gamuda Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities subject to, among others, the following conditions:-

No.	Condition(s)	Status of compliance
(i)	Gamuda and RHB Investment Bank must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Rights Issue of Warrants;	To be complied with
(ii)	Gamuda and RHB Investment Bank to inform Bursa Securities upon the completion of the Rights Issue of Warrants;	To be complied with
(iii)	Gamuda to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue of Warrants is completed; and	To be complied with
(iv)	To furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders of Gamuda in a general meeting approving the Rights Issue of Warrants.	To be complied with

Our shareholders, at our EGM held on 7 December 2015, approved the Rights Issue of Warrants. A certified true extract of the ordinary resolution pertaining to the Rights Issue of Warrants which was passed at the said EGM, is set out in **Appendix I** of this Abridged Prospectus.

On 18 January 2016, RHB Investment Bank, on behalf of our Board, announced that the exercise price of the Warrants has been fixed at RM4.05 per Warrant, after taking into consideration the five (5)-day VWAMP of Gamuda Shares up to and including 18 January 2016.

On 22 January 2016, RHB Investment Bank, on behalf of our Board, announced the following:-

- (i) the Entitlement Date has been fixed as at the close of business at 5.00 p.m. on Thursday, 11 February 2016;
- (ii) the Deed Poll has been duly executed on 22 January 2016; and
- (iii) our Company had on 22 January 2016 entered into an Underwriting Agreement with the Underwriter to underwrite the Underwritten Warrants.

No person is authorised to give any information or make any representation not contained herein in connection with the Rights Issue of Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or RHB Investment Bank.

As you are an Entitled Shareholder, you will find enclosed in this Abridged Prospectus, a NPA notifying you of the number of Warrants which you are entitled to subscribe for under the terms of the Rights Issue of Warrants and the RSF to enable you to subscribe for the Provisional Allotment, as well as to apply for the Excess Warrants if you choose to do so. The Warrants that are not taken up or not validly taken up will be made available for Excess Warrants Application. Any under-subscription will thereafter be subscribed by the Underwriter as set out in **Section 9.2** of this Abridged Prospectus.

YOU ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS WHICH SETS OUT THE DETAILS OF THE RIGHTS ISSUE OF WARRANTS AND RISK FACTORS ASSOCIATED WITH THE RIGHTS ISSUE OF WARRANTS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. THE RIGHTS ISSUE OF WARRANTS

2.1 Details of the Rights Issue of Warrants

The Rights Issue of Warrants involves the issuance of 400,984,509 Warrants at an issue price of RM0.25 per Warrant, on a renounceable basis of one (1) Warrant for every six (6) existing Gamuda Shares held on the Entitlement Date.

The entitlement basis of one (1) Warrant for every six (6) existing Gamuda Shares held was arrived at after taking into consideration the quantum of funds to be raised by the Company (as set out in **Section 5** of this Abridged Prospectus) and the potential dilution in EPS upon the full exercise of the Warrants.

The issue price of RM0.25 per Warrant is payable in full upon acceptance. Each Warrant entitles its holder to subscribe for one (1) new Gamuda Share at the exercise price of RM4.05 per Warrant at any time during the exercise period of the Warrants, subject to adjustments in accordance with the provisions of the Deed Poll. The salient terms of the Warrants are set out in **Section 2.4** of this Abridged Prospectus.

The Rights Issue of Warrants is not undertaken on a minimum subscription level basis. Our Company has procured Undertakings from Generasi Setia (M) Sdn Bhd, who is our substantial shareholder, certain Directors and persons connected to them, who have collectively undertaken *inter alia* to subscribe in full for its/their respective entitlements of the Warrants, as well as to subscribe for 315,000,000 Excess Warrants. Details on the Undertakings are set out in **Section 9.1** of this Abridged Prospectus.

You can subscribe for and/or renounce your entitlements to the Warrants in full or in part. The Warrants which are not taken up or not validly taken up shall be made available for excess applications by other Entitled Shareholders and/or their renounees. It is the intention of our Board to allocate the Excess Warrants in a fair and equitable manner on a basis as set out in **Section 3.8** of this Abridged Prospectus.

In determining the shareholder's entitlements under the Rights Issue of Warrants, any fractional entitlements shall be disregarded and such fractional entitlements that may arise from the Rights Issue of Warrants shall be dealt with in such manner as our Board in its absolute discretion deems fit and expedient or in the best interest of our Company.

Upon allotment and issuance by our Company, the Warrants will be credited directly into the respective CDS accounts of our Entitled Shareholders and/or their renounees. No physical warrant certificates will be issued to our Entitled Shareholders and/or their renounees, nor will any physical share certificates be issued for the new Shares to be issued pursuant to the exercise of the Warrants.

2.2 Basis of determining the issue price and exercise price of the Warrants

As announced on 28 September 2015, our Board has fixed the issue price of RM0.25 per Warrant after taking into consideration, among others, the five (5)-day VWAMP of Gamuda Shares up to and including 18 September 2015 (being the latest practicable date prior to the announcement of the Rights Issue of Warrants) of RM4.65, and the quantum of funds intended to be raised by us for purposes as set out in **Section 5** of this Abridged Prospectus.

Subsequently, as announced on 18 January 2016, our Board has fixed the exercise price of the Warrants at RM4.05 per Warrant, after taking into consideration, among others, the prevailing market conditions (which may include *inter alia*, volatility and/or trading volumes of the Malaysian stock market, interest rate environment and market sentiment) and the five (5)-day VWAMP of Gamuda Shares up to and including 18 January 2016 of RM4.48.

The exercise price of the Warrants represents a discount of RM0.43 or approximately 9.60% from the five (5)-day VWAMP of Gamuda Shares up to and including 18 January 2016 of RM4.48, and a discount of RM0.42 or approximately 9.40% from the closing market price of Gamuda Shares as at 18 January 2016 of RM4.47 respectively.

Based on the issue price of RM0.25 per Warrant and the exercise price of RM4.05 per Warrant, the theoretical fair value of the Warrants as determined using the Black-Scholes Option Pricing Model as at 18 January 2016 is approximately RM1.10 per Warrant. The issue price for the Warrants of RM0.25 per Warrant represents a discount of approximately 77.27% from the theoretical fair value of the Warrants. Such a discount is deemed appropriate and attractive as it will provide shareholders with an incentive to subscribe for the Warrants.

2.3 Ranking of new Shares arising from the exercise of Warrants

The new Gamuda Shares arising from the exercise of the Warrants will, upon allotment and issuance, rank *pari passu* in all respects with the existing Gamuda Shares, except that they shall not be entitled to any dividends, rights, allotment and/or other distributions that may be declared, made or paid to shareholders of our Company, the entitlement date of which is prior to the date of allotment of the new Gamuda Shares.

2.4 Salient terms of the Warrants

The Warrants will be traded on the Main Market of Bursa Securities, separately from the existing Shares. The Warrants will be issued in registered form and constituted by the Deed Poll.

The salient terms of the Warrants are set out below:-

Number of Warrants	:	400,984,509 new Warrants to be issued to our Entitled Shareholders on the basis of 1 Warrant for every 6 Gamuda Shares held as at the Entitlement Date.
Form and Denomination	:	The Warrants will be separately traded and will be issued in registered form and constituted by the Deed Poll.
Exercise Rights	:	The Warrants entitle the registered holders, at any time during the Exercise Period, to subscribe for new Shares on the basis of 1 new Gamuda Share for 1 Warrant at the Exercise Price at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll.
Tenure of Warrants	:	5 years from the date of issuance of the Warrants.
Issue Price	:	RM0.25 per Warrant.
Exercise Period	:	The Warrants are exercisable at any time within 5 years commencing on and including the date of issuance of the Warrants. Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.
Exercise Price	:	The Exercise Price of Warrants is fixed at RM4.05 per Warrant. The Exercise Price may be subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll governing the Warrants.
Expiry Date	:	A date being 5 years from and including the date of issuance of the Warrants.

- Mode of Exercise : The registered holder of the Warrants is required to lodge a subscription form with our Company's Share Registrar, duly completed, signed and stamped together with payment of the Exercise Price by bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia.
- Mode of Transfer : The Warrants may be transferred in accordance with the SICDA and the Rules of Bursa Depository, and traded on Bursa Securities and subject to the provisions thereof, the Warrants shall be transferable in a board lot of 100 Warrants carrying the right to subscribe for 100 new Gamuda Shares, or in multiples thereof or in such other denomination as may be determined by Bursa Securities. No person shall be recognised by our Company as having title to the Warrants entitling the Warrant holder thereof to subscribe for a fractional part of a Gamuda Share or otherwise than as the sole holder of the entirety of such Gamuda Share and save as provided under the Deed Poll, the Warrants shall not be transferred prior to the listing of and quotation for the Warrants on the Bursa Securities.
- Voting Rights of Warrants : The Warrant holders are not entitled to any voting right or participation in any forms of distribution and/or offer of further securities in our Company until and unless such Warrant holders exercise the Warrants for the new Shares in accordance with the provisions of the Deed Poll and such new Shares have been allotted and issued to the Warrant holders. Each Warrant holder shall be deemed to remain the registered holder of the Warrants credited in his/her securities account until the name of the transferee is entered in the Record of Depositors.
- Status of new Shares arising from the exercise of the Warrants : The new Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment, issue and payment of the Exercise Price, rank *pari passu* in all respects with the then existing issued and fully paid-up Gamuda Shares, save and except that they shall not be entitled to any dividends, rights, allotment and/or other distributions which may be declared, made or paid to shareholders, the entitlement date of which (namely, the date as at the close of business on which shareholders must be entered in the Record of Depositors with Bursa Depository in order to participate in any dividends, rights, allotments or other distributions) is prior to the date of allotment of the new Shares.
- Board Lot : For the purpose of trading on the Bursa Securities, a board lot of Warrants shall comprise 100 Warrants carrying the right to subscribe for 100 new Gamuda Shares at any time during the Exercise Period, or such denomination as determined by Bursa Securities.
- Listing Status : Approval has been obtained from Bursa Securities on 28 October 2015 for the admission of the Warrants to the Official List of Bursa Securities and for the listing of and quotation for the Warrants and the new Gamuda Shares arising from the exercise of Warrants on the Main Market of Bursa Securities.
- Adjustments in the Exercise Price and/or Number of Warrants : The Exercise Price and/or number of unexercised Warrants may be adjusted, calculated or determined by our Board from time to time, at any time during the tenure of the Warrants in consultation with its professional advisers and certified by the auditors, in the event of alteration to the share capital of our Company, whether by way of, amongst others, rights issue, bonus issue, consolidation or subdivision or conversion of shares, reduction of capital, issuance of shares to our shareholders by way of capitalisation of profits or reserves or capital distribution or allotment of shares, offer or invitation to our shareholders or any other events in accordance with the provisions of the Deed Poll.

Modification : Save as expressly provided in the Deed Poll, no amendment or addition may be made to the provisions of the Deed Poll without the sanction of a special resolution unless the amendments or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of our Company, will not be materially prejudicial to the interests of the Warrant holders.

Any modification, amendment or addition to the Deed Poll (including the form and content of the warrant certificate) may be effected only (i) by deed executed by our Company and expressed to be supplemental thereof and (ii) subject to the provisions of the Deed Poll, if the approval of the Warrant holders by way of a special resolution has been obtained.

Rights in the Event of Winding-up, Liquidation, Compromise and/or Arrangement : Where a resolution has been passed for a member's voluntary winding-up of our Company, or where there is a compromise or arrangement whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one (1) or more companies, then for the purposes of such a winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the Warrant holders, or some persons designated by them for such purposes by a special resolution, shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrant holders in the event a notice is given by our Company to our shareholders to convene a general meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, and in any other case and subject to the provisions of the Deed Poll, every Warrant holder shall thereupon be entitled to exercise his Warrants at any time not more than 21 days prior to the proposed general meeting of our Company by submitting the subscription forms (by irrevocably surrendering his Warrants to our Company) duly completed authorising the debiting of his Warrants together with payment of the relevant Exercise Price, whereupon our Company shall as soon as possible but in any event prior to the date of the general meeting, allot the relevant new Gamuda Shares to the Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant holder shall be entitled to receive out of the assets of our Company which would be available in liquidation if he had on such date been the holder of the new Gamuda Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly.

Governing Law : Laws and regulations of Malaysia.

2.5 Details of other corporate exercises

Save for the Rights Issue of Warrants (which is the subject matter of this Abridged Prospectus), our Board confirms that there is no other outstanding corporate exercise that has been announced but not yet completed as at the date of this Abridged Prospectus.

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3. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION

3.1 General

If you are an Entitled Shareholder, your CDS Account will be duly credited with the Provisional Allotment, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue of Warrants. You will find enclosed together with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Allotment into your CDS Account and the RSF to enable you to subscribe for the Provisional Allotment, as well as to apply for Excess Warrants if you choose to do so.

3.2 NPA

The Provisional Allotment are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional Allotment will be by book entries through CDS Accounts and will be governed by the provisions of the SICDA, the Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of Bursa Depository. You and/or your renounee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

3.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Allotment is at **5.00 p.m. on Friday, 26 February 2016**, or such extended date and time as our Board may decide at its absolute discretion. Where the closing date of the acceptance is extended from the original closing date, the announcement of such extension will be made not less than two (2) Market Days before the original closing date.

3.4 Procedures for acceptance and payment

Acceptance and payment for the Provisional Allotment by you as an Entitled Shareholder or your renounee(s) (if applicable) must be made on the RSF enclosed together with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in these documents. Acceptances which do not strictly conform to the terms of this Abridged Prospectus, NPA or RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL ALLOTMENT, EXCESS APPLICATION FOR THE WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.

YOU AND/OR YOUR RENOUNEE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS PRINTED THEREIN CAREFULLY.

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You or your renounee(s) (if applicable) who are accepting the Provisional Allotment are required to fill and complete Part I and Part III of the RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be despatched by **ORDINARY POST** or **DELIVERY BY HAND**, at your own risk, in the self-addressed envelope provided, to our Share Registrar at the following address:-

Insurban Corporate Services Sdn Bhd

149, Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel: (03) 7729 5529
Fax: (03) 7728 5948

so as to arrive not later than **5.00 p.m. on Friday, 26 February 2016**, being the last date and time for acceptance and payment for the Provisional Allotment, or such extended date and time as may be determined and announced by our Board not less than two (2) Market Days before the stipulated date and time.

A reply envelope is enclosed in this Abridged Prospectus. In order to facilitate the processing of the RSF by the Share Registrar for the Rights Issue of Warrants, you are advised to use one (1) reply envelope for each completed RSF.

One (1) RSF can only be used for acceptance of Provisional Allotment standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for the acceptance of Provisional Allotment standing to the credit of more than one (1) CDS Account. If successful, the Warrants subscribed for will be credited into your CDS Account(s) where your provisional allotted warrants are standing to the credit.

You and/or your renounee(s) (if applicable) should take note that a trading board lot for the Warrants will comprise 100 Warrants each, respectively. The minimum number of securities that can be subscribed for or accepted is one (1) Warrant. Fractions of a Warrant will be disregarded and shall be dealt with in such manner as our Board in its absolute discretion deem fit and expedient, and to be in the best interests of our Company.

If the acceptance and payment for the Provisional Allotment by you and/or your renounee(s) (if applicable) is not received by our Share Registrar by **5.00 p.m. on Friday, 26 February 2016**, being the last date and time for acceptance and payment for the Provisional Allotment, or any other extended date and time as may be determined and announced by our Board at its discretion not less than two (2) Market Days before the stipulated date and time, you and/or your renounee(s) (if applicable) will be deemed to have declined the Provisional Allotment made to you and/or your renounee(s) and it will be cancelled. Such Warrants not taken up will be allotted to the applicants applying for Excess Warrants, and subsequently, to the Underwriter, if the Warrants are not fully taken up by such applicants. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar. Our Board reserves the right not to accept or to accept any application in full or in part only without providing any reasons.

You and/or your renounee(s) (if applicable) who lose, misplace or for any other reasons require another copy of the RSF may obtain additional copies from your stockbrokers, Bursa Securities' website (<http://www.bursamalaysia.com>), our Share Registrar at the address stated above or our registered office.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE WARRANTS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "ACCOUNT PAYEE ONLY" AND MADE PAYABLE TO "GAMUDA BERHAD RIGHTS ISSUE OF WARRANTS ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, CONTACT NUMBER AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT AS SET OUT ON THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE OF WARRANTS WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR FOR THE RIGHTS ISSUE OF WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND FORWARDED BY ORDINARY POST TO THEM OR THEIR RENOUNCEE(S) (IF APPLICABLE) AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE OF WARRANTS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR FOR THE RIGHTS ISSUE OF WARRANTS SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED ONLY IN PART, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANTS WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE OF WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

3.5 Procedures for part acceptance

You are entitled to accept part of the Provisional Allotment provided always that the minimum number of Warrants that can be subscribed for or accepted is one (1) Warrant.

You must complete Part I and Part III of the RSF by specifying the number of Warrants which you are accepting and deliver the completed RSF together with the relevant payment to our Share Registrar, in the same manner as set out in **Section 3.4** of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

The portion of the Provisional Allotment that have not been accepted shall be allotted to any other persons allowed under the laws, regulations or rules to accept the transfer of the Provisional Allotment who have made excess application(s) as set out in **Section 3.8** of this Abridged Prospectus and the balance, if any, thereafter to the Underwriter.

3.6 Procedures for sale or transfer of Provisional Allotment

As the Provisional Allotment are prescribed securities, you may sell or transfer all or part of your entitlement to the Warrants to one (1) or more person(s) through your stockbroker for the period up to the last date and time for sale or transfer of such Provisional Allotment on **5.00 p.m. on Thursday, 18 February 2016** and **Tuesday, 23 February 2016** respectively, without first having to request for a split of the Provisional Allotment standing to the credit of your CDS Account. To dispose all or part of your entitlement to the Warrants, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling or transferring all or part of your Provisional Allotment, you and/or your renounee(s) (if applicable) need not deliver any document including the RSF, to your stockbroker. However, you and/or your renounee(s) (if applicable) must ensure that there is sufficient Provisional Allotment standing to the credit of your CDS Accounts that are available for settlement of the sale or transfer.

If you have sold or transferred only part of your Provisional Allotment, you may still accept the balance of your Provisional Allotment by completing the RSF and forwarding the RSF together with the full amount payable on the balance of the Warrants applied for to the Share Registrar in accordance with the instructions in **Section 3.4** of this Abridged Prospectus. The minimum number of Warrants that can be accepted or minimum number of Excess Warrants which can be applied for is one (1) Warrant. Please refer to **Section 3.4** and **Section 3.8** of this Abridged Prospectus for the acceptance and payment for the Provisional Allotment and procedure for excess application respectively.

Purchaser(s) or transferee(s) of the Provisional Allotment may obtain a copy of this Abridged Prospectus and the RSF from their stockbrokers or from our Share Registrar as stated above. This Abridged Prospectus and RSF are also available on Bursa Securities' website (<http://www.bursamalaysia.com>).

3.7 Procedure for acceptance by renounee(s)

Renounee(s) who wish to accept the Provisional Allotment must obtain a copy of the RSF from their stockbrokers, our Share Registrar, or at our registered office or from the Bursa Securities' website (<http://www.bursamalaysia.com>) and complete the RSF, submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to our Entitled Shareholders as set out in **Section 3.4** of this Abridged Prospectus also applies to renounee(s) who wish to accept the Provisional Allotment.

RENOUNCEE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF CAREFULLY.

3.8 Procedure for excess application

As an Entitled Shareholder, you and/or your renounee(s) (if applicable) may apply for Excess Warrants in addition to the Provisional Allotment to you and/or your renounee(s) by completing Part II of the RSF (in addition to Part I and Part III) and forward it (together with a **separate remittance in RM** for the full amount payable in respect of the Excess Warrants applied for) to our Share Registrar at the address set out above, so as to arrive not later than **5.00 p.m. on Friday, 26 February 2016**, being the last date and time for acceptance and payment, or such extended date and time as may be determined and announced by our Board not less than two (2) Market Days before the stipulated date and time.

PAYMENT FOR THE EXCESS WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED ABOVE, AND IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "ACCOUNT PAYEE ONLY", MADE PAYABLE TO "GAMUDA BERHAD EXCESS WARRANTS ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, CONTACT NUMBER AND CDS ACCOUNT NUMBER IN BLOCK LETTERS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR EXCESS WARRANTS APPLICATION AND PAYMENT AS SET OUT ON THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.

It is the intention of our Board to allot the Excess Warrants, if any, on a fair and equitable basis and in the following priority:-

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to Entitled Shareholders who have applied for Excess Warrants, on a pro-rata basis and in board lots, calculated based on their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, for allocation to Entitled Shareholders who have applied for Excess Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Warrants applied for; and
- (iv) finally, for allocation to transferee(s) and/or renounee(s) who have applied for Excess Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Warrants applied for.

Nevertheless, our Board reserves the right to allot the Excess Warrants applied for under Part II of the RSF in such manner as our Board deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in (i), (ii), (iii) and (iv) above are achieved. Our Board also reserves the right to accept any application for Excess Warrants, in full or in part only without assigning any reason.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS WARRANTS APPLICATION. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED WITH THEIR WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND FORWARDED BY ORDINARY POST TO THE APPLICANTS AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR EXCESS WARRANTS APPLICATION AND PAYMENT OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICANTS ARE NOT ALLOWED TO WITHDRAW THE RSF AND PAYMENT ONCE THEY HAVE BEEN LODGED WITH OUR SHARE REGISTRAR.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR EXCESS WARRANTS APPLICATION AND PAYMENT BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

3.9 Form of issuance

Bursa Securities has prescribed Gamuda's Warrants listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Warrants are prescribed securities and as such, the provisions of the SICDA and the Rules of Bursa Depository shall apply to the dealings in the provisional allotment of Warrants.

You are required to have a valid and subsisting CDS Account in order to subscribe for the Warrants. Any failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical warrant certificate shall be issued to you under the Rights Issue of Warrants. The notices of allotment will be issued and forwarded to you by ordinary post at your own risk to the address shown in the Record of Depositors provided by Bursa Depository within eight (8) Market Days from the last date and time for acceptance and payment of the Rights Issue of Warrants.

Where the Warrants are provisionally allotted to you as an Entitled Shareholder in respect of your Gamuda Shares standing to the credit to your CDS Account on the Entitlement Date, the acceptance by you or any purchaser of the rights thereof of the Provisional Allotment shall mean that you consent to receive such Provisional Allotment as prescribed or deposited securities which will be credited directly into your CDS Account.

Any person who has purchased the Provisional Allotment or whom the Provisional Allotment has been transferred and intends to subscribe for the Warrants must state his/her CDS Account number in the space provided in the RSF. The Warrants will be credited directly as prescribed or deposited securities into his/her CDS Account upon allotment and issuance.

The Excess Warrants, if allotted to the successful applicant who applied for excess Warrants, will be credited directly as prescribed securities into his CDS Account. The allocation of the Excess Warrants will be made in the manner as disclosed in **Section 3.8** of this Abridged Prospectus.

3.10 Laws of foreign jurisdictions

This Abridged Prospectus, and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign country or jurisdiction, and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign country or jurisdiction. The Rights Issue of Warrants will not be made or offered for subscription in any foreign country or jurisdiction.

The Foreign Entitled Shareholders and/or their renounee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue of Warrants only to the extent that it would be lawful to do so. Our Company, our Board and officers, RHB Investment Bank and other experts would not, in connection with the Rights Issue of Warrants, be in breach of the laws of any country or jurisdiction to which the Foreign Entitled Shareholders and/or their renounee(s) (if applicable) are or may be subject to. The Foreign Entitled Shareholders and/or their renounee(s) (if applicable) shall solely be responsible to seek advice from their legal advisers and/or other professional advisers as to the laws of the countries or jurisdictions to which they are or may be subject to. Our Company, our Board and officers, RHB Investment Bank and other experts shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders and/or their renounee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such country or jurisdiction.

Accordingly, this Abridged Prospectus, and the accompanying NPA and RSF will not be sent to the Foreign Entitled Shareholders and/or their renounee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders or their renounee(s) (if applicable) may collect this Abridged Prospectus including the accompanying NPA and RSF from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents relating to the Rights Issue of Warrants.

The Foreign Entitled Shareholders or their renounee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such country or jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/or their renounee(s) (if applicable) for any issue, transfer or other taxes or other requisite payments that such person may be required to pay in any country or jurisdiction. They will have no claims whatsoever against us and/or RHB Investment Bank in respect of their rights and entitlements under the Rights Issue of Warrants. Such Foreign Entitled Shareholders and/or their renounee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue of Warrants.

By signing any of the forms accompanying this Abridged Prospectus, the NPA, and the RSF, the Foreign Entitled Shareholders and/or their renounee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) our Company, our Board and officers, RHB Investment Bank and other experts that:-

- (i) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue of Warrants, be in breach of the laws of any jurisdiction to which that Foreign Entitled Shareholders and/or renounee(s) (if applicable) are or may be subject to;
- (ii) the Foreign Entitled Shareholders and/or their renounee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Allotment;
- (iii) the Foreign Entitled Shareholders and/or their renounee(s) (if applicable) are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Allotment, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

- (iv) the Foreign Entitled Shareholders and/or their renouncee(s) (if applicable) are aware that the Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the Foreign Entitled Shareholders and/or their renouncee(s) (if applicable) have received a copy of this Abridged Prospectus, and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the representatives of our Company and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Warrants; and
- (vi) the Foreign Entitled Shareholders and/or their renouncee(s) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Warrants.

Persons receiving this Abridged Prospectus, NPA and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, NPA and RSF are received by any persons in such country or jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus, NPA and RSF to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Warrants from any such application by Foreign Entitled Shareholders and/or their renouncee(s) (if applicable) in any foreign country or jurisdiction.

Our Company reserves the right, in our absolute discretion, to treat any acceptance of the Warrants as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

4. RATIONALE FOR THE RIGHTS ISSUE OF WARRANTS

The rationale for the Rights Issue of Warrants is as follows:-

- (i) The Rights Issue of Warrants seeks to reward our Entitled Shareholders by providing an opportunity to subscribe for an equity derivative of our Company at a relatively low entry cost. In addition, the Rights Issue of Warrants will enable our Entitled Shareholders to further increase their equity participation in our Company at a pre-determined exercise price during the tenure of the Warrants and to benefit from the future growth and any potential capital appreciation arising therefrom;
- (ii) Based on the issue price of RM0.25 per Warrant, our Company is expected to raise immediate gross proceeds of approximately RM100.25 million from the issuance of the Warrants. Our Company will also be able to raise further proceeds as and when the Warrants are exercised. Based on the exercise price of RM4.05 per Warrant, our Company can potentially raise gross proceeds of approximately RM1.62 billion from the full exercise of the Warrants;

The issuance and exercise of the Warrants will allow our Company to raise funds without incurring additional interest expenses. In addition, the exercise of the Warrants will increase our shareholders' funds which will consequently improve our gearing levels. The gross proceeds from the issuance and exercise of the Warrants will be used for the purposes as set out in **Section 5** of this Abridged Prospectus;

- (iii) The issuance and exercise of the Warrants will further strengthen the capitalisation of our Company as well as potentially improve the trading liquidity of Gamuda Shares; and
- (iv) The Rights Issue of Warrants will not result in an immediate dilution of the EPS until such time new Gamuda Shares are issued pursuant to the exercise of the Warrants.

In addition, our Company's preceding rights issue of warrants exercise in 2010 had been well received by our shareholders being oversubscribed by approximately ten (10) times and prior to the expiry of the warrants on 25 May 2015, approximately 99.53% of the warrants were converted into Gamuda Shares. Hence, our Board considers the Rights Issue of Warrants a suitable avenue for rewarding our shareholders while raising funds to sustain the growth of our Company.

5. UTILISATION OF PROCEEDS

Based on the issue price of RM0.25 per Warrant and assuming all our Entitled Shareholders subscribe in full for their respective entitlements, the immediate gross proceeds to be raised from the Rights Issue of Warrants will total up to approximately RM100.25 million.

The proceeds are expected to be utilised in the following manner:-

	Timeframe for utilisation	(RM'000)
Repayment of borrowings ⁽¹⁾	Within 5 months	50,000
Working capital ⁽²⁾	Within 12 months	49,246
Estimated expenses for the Rights Issue of Warrants ⁽³⁾	Upon completion	1,000
Total		100,246

Notes:-

- (1) As at the LPD, our Group's total bank borrowings stood at approximately RM4.43 billion of which approximately RM824.55 million are short term borrowings and RM3.60 billion are long term borrowings. The borrowings comprise of medium term notes, term loans, revolving credit facilities and commercial papers. Further details on our Group's borrowings are set out in **Section 10.3** of this Abridged Prospectus.

Our Company has earmarked RM50.0 million for the partial repayment of our existing RM100.0 million Islamic Commercial Papers ("ICP") issued to Malayan Banking Berhad (bearing an interest rate of 3.88% per annum), after taking into consideration the maturity date and interest rate of the Group's outstanding bank borrowings. The ICP is due to mature in February 2016, with the flexibility to rollover every three (3) months without incurring any rollover fees. For illustrative purposes, based on the current interest rate of 3.88% per annum, such repayment is expected to result in interest savings of approximately RM1.94 million per annum. The repayment of the ICP is not expected to incur any early repayment fees.

- (2) *The proceeds earmarked for working capital will be utilised to finance the day-to-day operations of our Group's existing construction and property development projects. Day-to-day expenses include, among others, the purchase of raw materials, sales and marketing expenses as well as payment of overheads.*

Our Group is currently involved in the construction of the KVMRT Sungai Buloh – Kajang Line and several on-going property development projects in the Klang Valley, the Iskandar Johor Region, Melbourne (Australia), Hanoi and Ho Chi Minh City (Vietnam) as well as Singapore. In the last 18 months, our Group was appointed as the project delivery partner for KVMRT Sungai Buloh-Serdang-Putrajaya Line project and the Penang Transport Master Plan project. Our Group's involvement in these development projects will further expand the scale of our Group's operations and hence a larger amount of funds is required to supplement our working capital requirements.

- (3) *The expenses relating to the Rights Issue of Warrants comprise of, among others, the estimated professional fees, fees payable to relevant authorities, expenses to convene the EGM of our Company, printing, advertisement expenses, underwriting fees (if required) and other ancillary expenses. If the actual expenses incurred are higher than the budgeted expenses, the deficit will be funded from the portion allocated for our Group's working capital. Conversely, any surplus of funds following the payment of expenses will be utilised as working capital for our Group.*

Pending utilisation of the proceeds from the Rights Issue of Warrants for the above purposes, the proceeds will be placed in deposits with financial institutions and/or short-term money market instruments (including unit trusts). The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

The proceeds to be raised from the exercise of the Warrants are dependent on the total number of Warrants exercised during the tenure of the Warrants. The proceeds from the exercise of the Warrants will be received on an "as and when basis" over the exercise period of the Warrants. For illustrative purposes, based on the exercise price of RM4.05 per Warrant, the gross proceeds that are expected to be raised from the full exercise of the Warrants is approximately RM1.62 billion. Any proceeds arising from the potential exercise of the Warrants will be utilised for general investment opportunities in the related businesses of our Group in the property development and construction industries (such as acquisition of land for property development and investment in plant and machinery for construction), repayment of borrowings and/or additional working capital to finance our Group's day-to-day operations. Our Company is unable to provide a breakdown of the utilisation of the proceeds as the proceeds will be channelled in accordance with the requirements of our Group as and when the Warrants are exercised. For information purposes only, the proceeds arising from the conversion of warrants from our preceding rights issue of warrants in 2010 were mainly utilised for our Group's working capital and property development projects.

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6. RISK FACTORS

You and/or your renounee(s) (if applicable) should carefully consider the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group, in addition to other information contained elsewhere in this Abridged Prospectus, before subscribing for or investing in the Rights Issue of Warrants.

6.1 Risks relating to our Group

(i) Business and operational risks

Our Group is primarily in the construction, property development and toll concession industry which have, in aggregate, contributed 66.67%, 24.47% and 8.86% to the Group's revenue (including share of revenue from joint ventures) for the FYE 31 July 2015, respectively. Risks inherent in these industries include timely commencement and/or completion of projects, increases in cost of energy, labour and building materials, shortage of skilled workers in the construction sector, adverse weather conditions, natural disasters, accidents and changes in general economic, business and credit conditions.

(ii) Delay in completion of projects

Our Group's construction projects may face delays, which could be due to external factors beyond the control of our Group such as obtaining approvals from various regulatory authorities as scheduled, sourcing and securing quality construction materials, favourable credit terms and satisfactory performance of our subcontractors. Any failure or delay in completing the projects within the timeframe agreed with our customers may expose our Group to additional costs, liquidated ascertained damages and potential claims which may impact our profitability.

(iii) Availability and cost of landbank, raw materials and skilled labour

Our profitability may be affected by an increase in land acquisition costs and fluctuation of construction costs which are inherent risks in our industry. Higher cost of landbank, materials (including sand, steel, cement and tiles) and labour will reduce our profit margin in the event that we are unable to fully pass on increases in these costs to our customers.

Our Group purchases a range of raw materials from our suppliers. Generally, our Group does not maintain long term contracts with any of our suppliers but we maintain long term relationships with our suppliers based on their track record of delivery and performance. In addition, we are also susceptible to price fluctuations in the raw materials market which are beyond our control and could result in increased costs that may have a material adverse effect on our Group's financial performance.

The construction industry in Malaysia also faces a shortage of skilled labour. The shortage is due to the low participation of Malaysians within the sector and restrictions on foreign workers, which has been exacerbated in recent years by the increased demand for construction workers for other large infrastructure projects.

(iv) Dependence on subcontractors

Our Group engages subcontractors in some of our projects and as such, we may experience delay due to failure of our subcontractors to complete their work based on an agreed time schedule and to the specifications required. There is no assurance that working relationships with our subcontractors are perpetual and that there will be no lapse in the quality or provision of services by our subcontractors in the future.

(v) Risks associated with joint venture(s) (“JV(s)”)

Our Group has always sought to exercise due care and proactively nurture cooperative and close working relationships with our partners and stakeholders as part of the commitment to ensure the success of JVs entered into. Nonetheless, deterioration in relations with the JV partners may result in adverse conditions. Although the terms and conditions of JVs are regulated by JV agreements, there can be no assurance that the JV partners will continue their partnerships with our Group or be able to complete their committed developments under the partnerships or that disputes will not materially and adversely affect the relationships with the JV partners, JV businesses or our Group’s financial position.

If any of the JV partners discontinues their arrangement with our Group, is unable to provide the expected expertise, does not successfully complete their development or competes with our Group for business opportunities, this may have an impact on the success of the JV. As a result, existing or planned projects may not be completed in a timely manner.

(vi) Competition risks

Our existing property development projects face competition from several property developers. The property development market is highly competitive and any oversupply of properties due to a mismatch in supply and demand will intensify the level of competition which may, among others, affect pricing. There can be no assurance that buyers will purchase properties from our developments instead of our competitors.

In addition to competition in securing property sales, property developers also face competition in identifying and acquiring strategically located landbank to deliver sustainable growth. Such competition has resulted in scarcity of such land and pushed up costs in land acquisition in recent years.

Our Group also faces competition from various construction companies in the countries we operate in and such competitive pressures may have downward pressure on the pricing of our contracts.

(vii) Sustainability of order book

Our Group’s revenue for the construction segment is largely dependent on the sustainability of our order book, which is in turn affected by the business and economic conditions of the countries in which we operate. Depending on the business and economic environment, customers may cancel or delay their projects, which in turn, could jeopardise our Group’s revenues.

There can be no assurance that project delays and/or cancellations will not adversely affect our Group’s financial and operational performance and that we will be able to replenish our order book on a timely basis.

(viii) Foreign currency risk

Our Group has investments which are exposed to currencies other than RM such as USD, VND, SGD, and AUD. Foreign currency denominated assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies give rise to foreign exchange exposure.

The impact of foreign currency risk is mostly limited to the share of profit and losses in our investments in foreign operations and also natural hedge where revenue and risk are denominated in the same currency, particularly for our overseas projects.

(ix) Interest rate risk

Our Group has borrowings including medium term notes, commercial papers, term loans, and revolving credit facilities. As at the LPD, our Group had total outstanding borrowings of approximately RM4.43 billion which are interest-bearing, details of which are disclosed in **Section 10.3** of this Abridged Prospectus. Our Group's finance costs based on the audited accounts as at 31 July 2015 amounted to approximately RM123.7 million. Interest charged on bank borrowings is dependent on prevailing interest rates, and is hence subject to future fluctuations of interest rates which could materially affect our Group's profitability.

In addition, the agreements for loan facilities and securities in relation thereto, contain covenants which may limit our Group's operating and financing flexibility, as certain plans and/or proposals may be restricted or require the consent of the relevant financial institution. A breach of such covenants may result in the termination and/or enforcement of certain provisions under the relevant credit facility.

There is no assurance that the performance of our Group would remain favourable in the event of any adverse changes in interest rates.

(x) Dependence on licensing/approval from authorities

Our Group's operations are affected by a variety of regulatory approvals particularly in respect of approvals for development plans and conversion of land usage. There is no assurance that any delay in obtaining these approvals may not have an adverse impact on the timing of launching our property development projects and thereby affecting future profitability.

(xi) Dependence on key management

Our Group believes that our continued success will depend to a certain extent upon the abilities and continued efforts of our Directors and key management personnel, who have in-depth knowledge and experience in the industries we currently operate in.

The loss of any of our Directors and/or key members of the senior management without suitable and timely replacement may adversely affect our continued ability to compete effectively in the industry. Our Group's future success will also depend upon our ability to attract and retain skilled personnel.

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6.2 Risks relating to the Rights Issue of Warrants

(i) Investment risks

The price of the Warrants, is influenced by, among others, the market price of the underlying Gamuda Shares, the remaining tenure of the Warrants and the volatility of the price of Gamuda Shares. In view of this, there can be no assurance that the Warrants will be traded higher or above the issue price of RM0.25 per Warrant subsequent to the listing of and quotation for the Warrants on Bursa Securities. Similarly, there can be no assurance that the underlying Shares will be traded at or above the exercise price of the Warrants upon listing of the Warrants on the Main Market of Bursa Securities.

On the other hand, the market price of Gamuda Shares is influenced by, among others, the prevailing market sentiments, the liquidity of Gamuda Shares, the volatility of equity markets, the outlook of the property and construction industry and our financial performance. In view of this, there can be no assurance that the Warrants will be in-the-money during the exercise period of the Warrants.

Accordingly, there is no assurance that the market price of the Gamuda Shares and Warrants will be at a level that meets the investment objectives of the subscriber of the Warrants.

(ii) No prior market for the Warrants

As the Warrants are new securities issued by us, there can be no assurance that an active market for the Warrants will develop upon or subsequent to its listing on Bursa Securities or if developed, will be sustainable.

Our Company has not undertaken to create a market for the Warrants or provide liquidity for the Warrants by providing bid and offer prices. The price at which the Warrants will trade on Bursa Securities upon their listing will be dependent on market forces, which are beyond our Company's control.

(iii) Delay in or cancellation of the implementation of the Rights Issue of Warrants

As stated in **Section 9.1** of this Abridged Prospectus, our Company has procured the Undertakings from the Undertaking Shareholders. While RHB Investment Bank has verified that the Undertaking Shareholders has sufficient resources to subscribe for the number of Warrants stated in their respective Undertakings, in the event that for whatsoever reason the Undertaking Shareholders are not able to fulfil their obligations under their respective Undertakings, the successful and timely implementation of the Rights Issue of Warrants may be affected.

Further, should the Underwriter exercise its rights under the Underwriting Agreement to discharge itself from its obligations thereunder for any reason whatsoever, a delay or cancellation of the implementation of the Rights Issue of Warrants may arise. There is no assurance that the abovementioned events will not occur or cause a delay in or abortion of the Rights Issue of Warrants.

In the event the implementation of the Rights Issue of Warrants is cancelled or aborted, our Group will repay without interest all monies received in respect of the accepted applications for the subscription of the Warrants pursuant to the Rights Issue of Warrants and if such monies are not repaid within fourteen (14) days after it becomes liable, we will repay such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

6.3 Other risks

(i) Economic, political and regulatory risks

Our Group's financial and business prospects depend to a certain extent on the development in the political, economic and regulatory front in Malaysia and/or other countries which our Group operates in, namely Australia, Vietnam, Singapore and India. Among the political, economic and regulatory factors are global economic slowdown, war, changes in political leadership, changes in government policy such as introduction of new regulations, changes in interest rates and method of taxation and currency rules. There is no assurance that such economic, political and regulatory uncertainties will not materially affect our Group.

(ii) Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical information, which may not be reflective of our future results, and whilst other information are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on forecasts and assumptions made by our Group and although believed to be reasonable at that time, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, *inter alia*, the risk factors as set out in this section. In light of these and other uncertainties, the inclusion of forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

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7. INDUSTRY OVERVIEW AND OUTLOOK

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy grew by 5.3% in the first half of 2015, driven by resilient domestic demand. Private sector expenditure contributed 5.3 percentage points to growth. Private investment and consumption remained robust growing by 7.5% and 7.6%, respectively. On the supply side, growth was mainly driven by the services and manufacturing sectors contributing 3 and 1.1 percentage points, respectively.

On the external front, Malaysia continues to be impacted by slower global growth and regional trade. Hence, the trade performance remained subdued during the first eight months of 2015 with exports and imports contracting by 1.4% and 2%, respectively (January – August 2014: 9.5%; 6.1%). Although weighed down by weak commodity prices, the steady demand for electrical and electronic products saw exports of manufactured goods registering positive growth during the period. The current account posted a surplus of RM17.6 billion or 3.2% of Gross National Income (“GNI”) in the first half of the year (January – June 2014: RM34.5 billion; 6.6%).

With strong economic fundamentals, including resilient domestic demand, diversified sources of growth, low unemployment rate and benign inflation coupled with pro-growth fiscal and accommodative monetary policies, real Gross Domestic Product (“GDP”) is projected to grow between 4.5% and 5.5% in 2015 (2014: 6%). Nominal GNI is estimated to increase by 5.5% to RM1.13 trillion with income per capita rising by 4.2% to RM36,397 (2014: 8.6%, RM1.07 trillion; 7.2%, RM34,945).

The Malaysian economy is expected to remain steady in 2016, with real GDP growth between 4% and 5% led by domestic demand. Private sector expenditure will remain the main driver of growth with private consumption and investment expected to grow by 6.4% and 6.7%, respectively. Meanwhile, Government expenditure is forecast to expand, albeit at a moderate pace, in line with efforts to strengthen the fiscal position. On the supply side, growth is expected to be broad-based, with all the sectors registering positive growth. Malaysia’s external position is forecast to remain positive supported by better prospects for global growth and trade.

Against this backdrop, the nominal GNI per capita is expected to increase by 5.6% from RM36,397 in 2015 to RM38,438 in 2016. With total investment surpassing savings, the savings-investment gap is expected to narrow between 0.5% and 1.5% of GNI. The economy will continue to operate under conditions of full employment with the unemployment rate remaining below 4%. Despite a weak ringgit, inflation is expected to remain benign attributed to low oil prices and the waning impact of Goods and Services Tax. For 2016, inflation is expected to range between 2% and 3%.

The Government remains committed to fiscal consolidation. The fiscal deficit is expected to further decline to 3.1% of GDP in 2016 (2015: 3.2%) while the Federal Government debt level will remain manageable within the prudent limit of 55% of GDP.

(Source: Economic Report 2015/2016, Ministry of Finance Malaysia)

The Malaysian economy expanded by 4.7% during the third quarter of 2015 (Q2 2015: 4.9%). Growth was supported by both domestic and export-oriented activities, despite a challenging external environment. On the supply side, all sectors posted positive growth. The construction sector recorded a stronger growth of 9.9% (Q2 2015: 5.6%) on account of higher activity in the civil engineering and specialised construction segments.

(Source: Quarterly Update on the Malaysian Economy – 3rd Quarter 2015)

7.2 Overview and outlook of the construction, property development and toll concession industries

The construction sector expanded at a stronger pace of 9.9% during the third quarter of 2015 (Q2 2015: 5.6%). Growth was driven by the strong performance of civil engineering, specialised construction and non-residential activities. The specialised construction activities subsector posted a double-digit growth of 15.5% (Q2 2015: 6.3%) following the commencement of new projects in the oil and gas industry.

Meanwhile, the civil engineering subsector grew significantly by 11% (Q2 2015: 0.9%) on account of ongoing petrochemical projects particularly in Johor and Sabah. The non-residential subsector also grew at a double-digit pace of 10.1% (Q2 2015: 11.6%). The residential subsector rose 5.2% (Q2 2015: 4.5%) on account of an increase in high-end projects mainly in Kuala Lumpur, Selangor and Johor. During the quarter, the total value of construction work completed increased by 10.7% year on-year to RM25.3 billion with 9,835 projects registered (Q2 2015: 8.2%; RM27.2 billion; 10,074 projects). The highest share was contributed by the non-residential building subsector with 34.5% or RM9.9 billion, followed by the civil engineering subsector (32.4% or RM9.3 billion), and residential buildings (28.5% or RM8.2 billion). The private sector continued to dominate construction activities with a share of 65.4% during the quarter.

The services sector grew by 4.4% during the third quarter of 2015 (Q2 2015: 5%). With the exception of finance and insurance subsector, other subsectors continued to expand at varying pace led by the information and communication subsector. The information and communication subsector grew by 9.5% (Q2 2015: 9.3%) spurred by data communication especially in data services.

Meanwhile, the transport and storage subsector expanded by 5.6% (Q2 2015: 5.4%) led by warehousing and highway operation activities. During the quarter, the land transport segment grew 6.4% (Q2 2015: 5.4%) following higher activities on road transport and highway operations. Traffic volume on tolled highways increased 5.3% to 459.8 million vehicles (Q2 2015: 5.2%; 455.6 million) attributed to higher usage during festivities and school holidays. Total ridership on urban rail services in the Klang Valley rose by 3.6% to 58.2 million (Q2 2015: 1.8%; 57.9 million). The Electric Train Service (ETS) ridership rebounded by 39.4% to 585,268 passengers (Q2 2015: -1.1%, 428,774) spurred by the extension of the Kuala Lumpur - Padang Besar route. Meanwhile, Keretapi Tanah Melayu Berhad (KTMB) cargo tonnage declined 10.3% to 1.6 million tonnes (Q2 2015: -36.6%; 1.4 million tonnes) due to slower movement of freight transport. KTM Intercity Services, however, rebounded by 12.5% to 567,885 passengers (Q2 2015: -24.3%; 412,473). This, despite fewer number of coaches in operation due to maintenance work on the east coast route.

(Source: Quarterly Update on the Malaysian Economy – 3rd Quarter 2015)

The construction sector is projected to increase by 8.4% in 2016 (2015: 8.8%), largely driven by infrastructure projects. The sector is expected to benefit, particularly from civil-engineering activities such as Pan-Borneo Highway, MRT Line 2 and Pengerang Integrated Complex project. Meanwhile, the non-residential subsector is expected to expand led by ongoing construction of commercial buildings. Growth in the residential subsector is expected to be supported by ongoing Government initiatives to provide affordable housing.

The services sector is projected to grow by 5.4% in 2016 (2015: 5.7%), increasing its share to 54% of GDP (2015: 53.8%) with all subsectors continuing to expand. The real estate and business services subsector is projected to grow by 7.1% (2015: 7.9%) driven by strong construction activities. The transport and storage subsector is projected to expand by 5% (2015: 5.4%) contributed by the expansion in port and rail services as well as improved bus services.

(Source: Economic Report 2015/2016, Ministry of Finance Malaysia)

The construction sector is estimated to expand by 10.3% per annum during the period of the Eleventh Malaysia Plan from 2015 to 2020. This is attributed to continued civil engineering works and a growing residential subsector to fulfill the demand for housing, particularly from the middle-income group.

Demand for affordable housing by the low-income group will also remain favourable, which will be supported by several Government initiatives, such as Program Perumahan Rakyat 1Malaysia, Rumah Idaman Rakyat and Rumah Mesra Rakyat 1Malaysia. Other subsectors such as civil engineering and non-residential will remain robust in line with the development of major projects such as the Tun Razak Exchange, KL118 Tower, Refinery and Petrochemical Integrated Development and the Pan-Borneo Highway.

(Source: Eleventh Malaysia Plan 2016-2020, Economic Planning Unit, Government of Malaysia)

7.3 Prospects of our Group

Our Board is optimistic about the prospects of our Group in 2016 with the construction division being the main driver of growth supported by our Group's steady concession business. Earnings from our Group's domestic property segment for 2016 is expected to remain soft but would be cushioned by overseas property development projects. For the FYE 31 July 2015, the construction, property development and concession divisions have accounted for 25.9%, 30.0% and 44.1% respectively of the PBT of our Group.

Our Company (via a joint venture with MMC Corporation Berhad ("**MMC**")) was appointed as the project delivery partner ("**PDP**") by Mass Rapid Transit Corporation Sdn Bhd to implement the works packages of the KVMRT Sungai Buloh-Kajang Line project ("**SBK Line**") in January 2011. Subsequently in March 2012, a joint venture between Gamuda and MMC won the tender to construct the underground works package of SBK Line. The works on the SBK Line are currently progressing well and are expected to be within the budgeted cost. Our Group anticipates Phase 1 of the SBK Line to be completed on schedule in December 2016 and Phase 2 of the SBK Line including the underground works package to be completed in July 2017.

In October 2014, our Company (via another joint venture with MMC) was appointed as the PDP to implement the KVMRT Sungai Buloh-Serdang-Putrajaya Line project ("**SSP Line**"). In August 2015 our Company was also appointed the PDP for the Penang Transport Master Plan project. These two (2) projects are expected to boost our Group's construction activities for the next few years. Moving forward, our Group will be tendering for the underground works package of the SSP Line and is also keen to participate in the Pan-Borneo Highway project and the Kuala Lumpur-Singapore High Speed Rail project when the opportunity arises.

With regards to our Group's property division, the slowdown in demand for properties in the domestic market is expected to continue this year. Other than several on-going development projects in Klang Valley and the Iskandar Johor region, our Group is currently planning for launches of three (3) major future township developments located in Rawang ("**Bandar Serai**"), Tanjung 12 (next to Expressway Lingkaran Tengah) ("**Tanjung 12 Land**") and adjacent to Kota Kemuning ("**KK257 Land**"). These three (3) projects with total gross land area of approximately 2,600 acres and estimated total gross development value ("**GDV**") of approximately RM29.0 billion will contribute to future earnings and growth in our Group's property division.

Further details of the above projects are set out as follows:-

	Project description	Project tenure	Expected launch year	Expected completion year
(i)	Bandar Serai – Township development with a mix of residential and commercial properties	19 years	2017	2031
(ii)	Tanjung 12 Land – Township development with a mix of residential and commercial properties	24 years	2018	2037
(iii)	KK257 Land – Township development with a mix of residential and commercial properties	12 years	2017	2026

The sales of our Group's overseas properties in Hanoi and Ho Chi Minh City (Vietnam) continue to show encouraging growth in tandem with the robust outlook of Vietnam's economy and the liberalisation measures undertaken by the Vietnamese Government. Both on-going development projects in Hanoi and Ho Chi Minh City are township developments which are expected to complete in year 2028 and 2027 respectively.

To further diversify our Group's overseas property earnings, our property division has recently launched our maiden project, a 30-storey tower comprising of apartments in Melbourne, Australia. Our Company also intends to launch our first project in Singapore, a high-rise condominium, by 2017. The GDV of projects in Vietnam, Australia and Singapore are approximately RM15.6 billion, RM400.0 million and RM2.0 billion, respectively. Our Group will continuously seek opportunities for overseas development projects with good potential.

Our Group currently operates and maintains 4 highway concessions in the Klang Valley via our subsidiary and associate companies. The 4 highway concessions, measuring approximately 100 kilometers in length, includes the Shah Alam Expressway (SAE), Lebuhraya Damansara-Puchong (LDP), Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT Expressway) as well as the Stormwater Management and Road Tunnel (SMART). The highway concession businesses of our Group will continue to provide a steadily increasing source of income as car ownership rises (in tandem with the growth in the Malaysian economy) leading to growth in toll collections.

Premised on our Group's existing and potential projects to be undertaken as well as the prospects of the construction, property development and toll concession industries disclosed in **Section 7.2** of this Abridged Prospectus, our Board believes that our business will continue to improve over the medium to long term.

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8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE OF WARRANTS

For illustration purposes, the effects of the Rights Issue of Warrants on our Company's issued and paid-up share capital, consolidated earnings and EPS, consolidated NA, NA per Share and gearing and substantial shareholders' shareholdings are set out below.

8.1 Issued and paid-up share capital

The proforma effects of the Rights Issue of Warrants on the issued and paid-up share capital of our Company are as follows:-

	No. of Gamuda Shares ('000)	(RM'000)
Issued and paid-up share capital as at the LPD	2,405,907	2,405,907
Assuming full exercise of Warrants	400,985	400,985
Enlarged issued and paid-up share capital	2,806,892	2,806,892

As at the LPD and the FYE 31 July 2015, the Company does not hold any treasury shares.

8.2 Earnings and EPS

The Rights Issue of Warrants is not expected to have any material effect on the consolidated earnings of our Group for the FYE 31 July 2016. As the Rights Issue of Warrants entails an issuance of Warrants rather than new Shares, there will be no immediate dilution to the EPS of the Company. However, our Company's EPS may be diluted as a result of the increase in the number of Gamuda Shares in issue as and when the Warrants are exercised. Nevertheless, the Rights Issue of Warrants is expected to contribute positively to the future earnings of our Group when the benefits of the utilisation of proceeds from the Rights Issue of Warrants and conversion of the Warrants into Shares are realised.

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8.3 NA, NA per Share and gearing

Based on our audited consolidated financial statements as at 31 July 2015, the proforma effects of the Rights Issue of Warrants on the consolidated NA, NA per Share and gearing of our Group are as follows:-

	Audited as at 31 July 2015 (RM'000)	Proforma I After exercise of ESOS options (RM'000)	Proforma II After Proforma I and the Rights Issue of Warrants (RM'000)	Proforma III After Proforma II and assuming full exercise of the Warrants (RM'000)
Share capital	2,405,905	⁽¹⁾ 2,405,907	2,405,907	2,806,892
Share premium	771,612	771,620	771,620	⁽⁵⁾ 2,094,868
Option reserve	4,365	4,364	4,364	4,364
Other reserve	274,875	274,875	⁽²⁾ 375,121	274,875
Retained earnings	2,880,437	2,880,437	⁽³⁾ 2,879,437	2,879,437
Shareholders' equity/NA	6,337,194	6,337,203	6,436,449	8,060,436
No. of Gamuda Shares in issue ('000)	2,405,905	2,405,907	2,405,907	2,806,892
NA per Share (RM)	2.63	2.63	2.68	2.87
Total borrowings (RM'000)	4,135,441	4,135,441	⁽⁴⁾ 4,085,441	4,085,441
Gearing (times)	0.65	0.65	0.63	0.51

Notes:-

- (1) After the exercise of 2,000 ESOS options into 2,000 new Gamuda Shares at exercise price of RM4.45 which were listed on 11 January 2016.
- (2) Based on the issue price of RM0.25 per Warrant.
- (3) After deducting the estimated expenses of RM1.0 million relating to the Rights Issue of Warrants.
- (4) Assuming repayment of debt amounting to approximately RM50.0 million derived from the proceeds as disclosed in **Section 5** of this Abridged Prospectus.
- (5) Based on the exercise price of RM4.05 per Warrant and the transfer of warrants reserve into the share premium account upon full exercise of the Warrants.

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8.4 Substantial shareholders' shareholdings

The Rights Issue of Warrants is not expected to have any immediate effect on the shareholdings of the substantial shareholders of Gamuda until and unless new Gamuda Shares are issued pursuant to the exercise of the Warrants under the Rights Issue of Warrants. Notwithstanding this, the effect on the shareholdings of the substantial shareholders of Gamuda arising from the exercise of the Warrants will depend upon, amongst others, the subscription of their respective entitlements under the Rights Issue of Warrants, the subscription for additional Warrants as well as the number of Warrants exercised by the substantial shareholders and the other holders of the Warrants. Should all Entitled Shareholders subscribe for their respective entitlements and exercise their Warrants subsequently, the Rights Issue of Warrants will not dilute or increase existing substantial shareholders' equity interest.

8.5 Convertible securities

Save for the outstanding ESOS Options, our Company does not have any outstanding convertible securities as at the LPD.

Pursuant to the provisions of the ESOS by-laws governing the ESOS, the Rights Issue of Warrants may give rise to adjustments to the exercise price of the outstanding ESOS Options. Such adjustments, which shall be determined in accordance with the provisions of the ESOS by-laws governing the ESOS, are to ensure that the position of outstanding ESOS Option holders is not prejudiced after the Rights Issue of Warrants. The rights and obligations of the ESOS Option holders will remain unchanged, save for the abovesaid adjustments to the exercise price in respect of the outstanding ESOS Options. Any necessary adjustments arising from the Rights Issue of Warrants in relation to the outstanding ESOS Options will only be finalised on the Entitlement Date.

The adjustments arising from the Rights Issue of Warrants in relation to the outstanding ESOS Options will be effective on the Market Day immediately following the Entitlement Date. Meanwhile, the details of the adjustments in relation to the outstanding ESOS Options will be announced on the Market Day preceding the effective date of the adjustments.

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9. UNDERTAKINGS AND UNDERWRITING ARRANGEMENT

9.1 Undertakings

The following substantial shareholder, Directors and persons connected to them have provided the Undertakings to subscribe in full for their respective entitlements of the Warrants under the Rights Issue of Warrants as at the Entitlement Date as well as to subscribe for 315,000,000 additional Warrants in the event that there are Warrants that are not subscribed by other Entitled Shareholders and/or their renounees:-

Undertaking Shareholders	As at 29 September 2015*		Entitlement Undertakings No. of Warrants	Additional Undertakings No. of Warrants	Total Warrants to be subscribed pursuant to the Undertakings	
	No. of Shares	%			No. of Warrants	(%)
Raja Dato' Seri Eleena	(a) 225,000	0.01	37,500	5,000,000	5,037,500	1.26
Generasi Setia (M) Sdn Bhd	(a) 123,000,000	5.11	20,500,000	50,000,000	70,500,000	17.58
Dato' Lin Yun Ling	73,535,736	3.06	12,255,956	100,000,000	112,255,956	28.00
Dato' Ir Ha Tiing Tai	(b) 21,570,276	0.90	3,595,045	60,000,000	63,595,045	15.86
Dato' Haji Azmi bin Mat Nor	316,600	0.01	52,766	15,000,000	15,052,766	3.75
Dato' Goon Heng Wah	(c) 21,383,732	0.89	3,563,954	40,000,000	43,563,954	10.86
Saw Wah Theng	804,775	0.03	134,129	15,000,000	15,134,129	3.77
Ir Chow Chee Wah	435,000	0.02	72,500	10,000,000	10,072,500	2.51
Ir Chan Kong Wah	400,000	0.02	66,666	10,000,000	10,066,666	2.51
Soo Kok Wong	315,800	0.01	52,633	10,000,000	10,052,633	2.51
Total	241,986,919	10.06	40,331,149	315,000,000	355,331,149	88.61

Notes:-

- * The shareholdings of the Undertaking Shareholders are stated as at the date of signing of the Undertaking letters.
- (a) Raja Dato' Seri Eleena is a Director and major shareholder of Generasi Setia (M) Sdn Bhd, which in turn is a substantial shareholder of Gamuda.
- (b) Including 16,000 Gamuda Shares held by his spouse.
- (c) Including 5,755,432 Gamuda Shares held by his spouse.

The abovementioned Undertaking Shareholders have also given the Undertakings to subscribe in full for their respective additional entitlement of the Rights Issue of Warrants, in the event that they increase their shareholdings in our Company, prior to the Entitlement Date.

The Undertakings provided by the Undertaking Shareholders reflect their commitment and confidence in growing our Group's business and driving the financial performance of our Group further.

Accordingly, the Undertaking Shareholders have each confirmed vide their respective Undertakings that they have sufficient financial resources to subscribe for the Warrants under the Rights Issue of Warrants. RHB Investment Bank has verified, to the extent possible, that the Undertaking Shareholders have sufficient financial resources to take up the number of Warrants as specified in their respective Undertakings.

There are no takeover implications under the Code pursuant to the Undertakings as the Undertakings relate to the subscription of Warrants rather than subscription of voting shares. In the event that only the Undertaking Shareholders subscribe for the Warrants pursuant to the Undertakings and subsequently exercise their Warrants, there will be no takeover implications under the Code arising from the increase in shareholdings of the respective Undertaking Shareholders.

9.2 Underwriting

The remaining open portion of 45,653,360 Warrants, representing 11.39% of the total Warrants, have been underwritten in full by the sole Underwriter, RHB Investment Bank, at an underwriting commission of 1.15% of the total value of the Underwritten Warrants, subject to terms and conditions of the Underwriting Agreement. The underwriting commission will be borne by our Company.

10. WORKING CAPITAL, CONTINGENT LIABILITIES, BORROWINGS AND MATERIAL COMMITMENTS

10.1 Working capital

Our Board is of the opinion that after taking into consideration the proceeds from the Rights Issue of Warrants, our Group's existing borrowings, the banking facilities available to our Group and the funds generated from our Group's operations, our Group will have adequate working capital to meet our Group's present and foreseeable future requirements due within a period of twelve (12) months from the date of this Abridged Prospectus.

10.2 Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results/position of our Group.

10.3 Borrowings

As at the LPD, our Group had total outstanding borrowings of approximately RM4.43 billion, all of which are, interest-bearing, and comprise the following:-

	Purpose of borrowings	Currency	Amount in Foreign Currency ('000)	^Amount in RM'000
Short term borrowings:-				
Secured				
- Term loans	Property development	RM	-	7,400
Unsecured				
- Medium term notes	-	RM	-	-
- Commercial papers ⁽¹⁾	Working capital	RM	-	200,000
- Revolving credits	Property development	USD	⁽²⁾ 120,000	528,000
- Term loans	Property development	VND	⁽³⁾ 443,766,333	89,154
				824,554
Long term borrowings:-				
Secured				
- Medium term notes	Highway concession	RM	-	735,000
- Term loans	Property development	VN D	⁽³⁾ 867,579,758	174,300
Unsecured				
- Term loans	Property development	USD	⁽²⁾ 71,555	314,842
- Term loans	Property development	RM	-	379,500
- Medium term notes	Property development	RM	-	2,000,000
				3,603,642
Total borrowings				4,428,196

Note:-

^ The above figures have not been audited.

(1) Includes the ICP referred to in **Section 5** of this Abridged Prospectus.

(2) Converted at RM4.40/USD, being the closing foreign exchange rate as at the LPD from Bank Negara Malaysia.

(3) Converted at approximately VND4,975/RM, being the closing foreign exchange rate as at the LPD from Bank Negara Malaysia.

There has not been any outstanding default on payments of either interest and/or principal sums in respect of any borrowings for the FYE 31 July 2015 and the subsequent financial period up to the LPD.

10.4 Material commitments

Save as disclosed below, as at the LPD, there are no material commitments incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results/position of our Group:-

Approved and contracted for	(RM'000)
Plant and equipment for the Group's construction segment	102,162

11. TERMS AND CONDITIONS

The issuance of the Warrants pursuant to the Rights Issue of Warrants is governed by the terms and conditions as set out in this Abridged Prospectus and the accompanying NPA and RSF.

12. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
GAMUDA BERHAD

A handwritten signature in black ink, consisting of a stylized 'M' and 'H' followed by a horizontal line.

DATO' MOHAMMED HUSSEIN
Independent Non-Executive Chairman

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION IN RESPECT OF THE RIGHTS ISSUE OF WARRANTS PASSED AT OUR EGM HELD ON 7 DECEMBER 2015



EXTRACT OF THE MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF GAMUDA BERHAD HELD ON MONDAY, 7 DECEMBER 2015 AT PERMAI ROOM, KOTA PERMAI GOLF & COUNTRY CLUB, NO. 1, JALAN 31/100A, KOTA KEMUNING, SECTION 31, 40460 SHAH ALAM, SELANGOR DARUL EHSAN AT 10.15 A.M.

“It is hereby **RESOLVED**:-

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 412,445,675 WARRANTS IN GAMUDA (“WARRANT(S)”), AT AN ISSUE PRICE OF RM0.25 PER WARRANT ON THE BASIS OF ONE (1) WARRANT FOR EVERY SIX (6) EXISTING ORDINARY SHARES OF RM1.00 EACH HELD IN GAMUDA (“SHARE(S)”) ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED RIGHTS ISSUE OF WARRANTS”)

THAT, subject to the approval of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the admission of the Warrants to the Official List of the Main Market of Bursa Securities, the listing of and quotation for the Warrants and new Shares to be issued pursuant to the exercise of the Warrants and the approval of other relevant authorities, the Board of Directors of the Company (“**Board**”) be and is hereby authorised to:-

- (i) provisionally allot by way of a renounceable rights issue of up to 412,445,675 Warrants at an issue price of RM0.25 per Warrant to the shareholders of the Company whose names appear in the Record of Depositors at the close of business on an entitlement date to be determined by the Board (“**Entitled Shareholders**”), on the basis of one (1) Warrant for every six (6) existing Shares held by the Entitled Shareholders for the purpose and utilisation of proceeds as disclosed in the circular to shareholders dated 9 November 2015 (“**Circular**”);
- (ii) enter into and execute a deed poll (“**Deed Poll**”) with full powers to assent to any condition, modification, revaluation, variation and/or amendments (if any) as the Board may deem fit, necessary and/or expedient or as may be imposed by the relevant authorities and to take all steps as it may consider necessary and do all acts, deeds and things as it may deem fit or expedient in order to implement, finalise and give full effect to the Deed Poll and all provisions and adjustments contained therein; and
- (iii) enter into any underwriting agreement(s) for the underwriting of any part of the Proposed Rights Issue of Warrants and/or the Warrants and all other documents, agreements and/or arrangements in connection with the underwriting of the Proposed Rights Issue of Warrants and/or the Warrants with such parties and upon such terms and conditions as the Board may deem fit;

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION IN RESPECT OF THE RIGHTS ISSUE OF WARRANTS PASSED AT OUR EGM HELD ON 7 DECEMBER 2015 (Cont'd)

Gamuda Berhad (29579-T)
Extract of the Minutes of the Extraordinary General Meeting held on 7 December 2015
Page 2/3

THAT, the Warrants and new Shares to be issued pursuant to the exercise of the Warrants shall be listed on the Main Market of Bursa Securities;

THAT, the proceeds of the Proposed Rights Issue of Warrants be utilised for the purposes as set out in the Circular, and the Board be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities;

THAT, the Board be and is hereby authorised to deal with any fractional entitlements of the Warrants that may arise from the Proposed Rights Issue of Warrants, in a fair and equitable manner as it shall in its absolute discretion deem fit and expedient, and to be in the best interest of the Company;

THAT, the Company shall allot and issue such number of additional warrants pursuant to the adjustments under the Deed Poll ("**Additional Warrants**") and to adjust from time to time the exercise price and/or the par value of the new Shares to which the holder(s) of the Warrants are entitled to subscribe as a consequence of the adjustments under the provisions in the Deed Poll and/or to effect such modifications, variations and/or amendments as may be imposed/required/permitted by Bursa Securities and any other relevant authorities or parties or otherwise;

THAT, the Company shall allot and issue such appropriate number of new Shares arising from the exercise by the holders of the Warrants in accordance with the provisions of the Deed Poll pursuant to the exercise of the Warrants and the exercise of Additional Warrants, and all new Shares to be issued pursuant thereto shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Shares, save and except that the new Shares will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the new Shares, save and except that the new Shares issued will not be entitled to any dividends, rights, allotment and/or other distributions where the entitlement date precedes the date of allotment of such new Shares;

THAT, the Board be and is hereby authorised to take all such necessary steps and do all acts, deeds and things and execute, sign, deliver and cause to be delivered on behalf of the Company all such transactions, arrangements, agreements and/or documents as may be necessary or expedient in order to implement, give effect to and complete the Proposed Rights Issue of Warrants with full powers to assent to any condition, modification, variation and/or amendment to the terms of the Proposed Rights Issue of Warrants as the Board may deem fit, necessary and/or expedient in the interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the said conditions, modifications, variations and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue of Warrants, including but not limited to determining and varying if deemed fit, necessary and/or expedient, the issue price and/or exercise price of any securities issued or to be issued in connection with the Proposed Rights Issue of Warrants;

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTION IN RESPECT OF THE RIGHTS ISSUE OF WARRANTS PASSED AT OUR EGM HELD ON 7 DECEMBER 2015 (Cont'd)

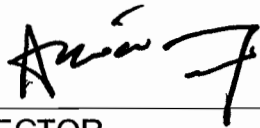
Gamuda Berhad (29579-T)

Extract of the Minutes of the Extraordinary General Meeting held on 7 December 2015

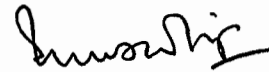
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AND THAT, this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Warrants, Additional Warrants and new Shares to be issued pursuant to or in connection with the Proposed Rights Issue of Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue of Warrants.”

CERTIFIED TRUE COPY



DIRECTOR



DIRECTOR/SECRETARY

INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

Our Company was incorporated in Malaysia under the Act on 6 October 1976 under the name of Gamuda Sdn Bhd and subsequently converted into a public limited company on 19 December 1991. We were listed on the Main Board (now known as Main Market of Bursa Securities) on 10 August 1992.

Our Company's principal activities are that of investment holding and civil engineering construction. Through our subsidiaries and associate companies, our Group is involved in civil engineering construction, property development, investment and maintenance services, infrastructure construction, operation and maintenance of water concessions, operation and maintenance of expressway concessions, township and golf club management, trading, quarrying and landscaping.

2. SHARE CAPITAL

As at the LPD, our authorised and issued and paid-up share capital are as follows:-

Type	No. of Gamuda Shares	Par value (RM)	Total (RM)
Authorised	3,000,000,000	1.00	3,000,000,000
Issued and fully paid-up	2,405,907,055	1.00	2,405,907,055

3. CHANGES IN THE ISSUED AND PAID-UP SHARE CAPITAL

The changes in our issued and paid-up share capital for the past three (3) years up to and including the LPD are as follows:-

Date of allotment	No. of Gamuda Shares allotted	Par value (RM)	Type of issue /Consideration	Cumulative issued and paid-up share capital (RM)
As at 26.11.2012				2,084,546,816
03.12.2012 to 31.12.2012	1,918,850	1.00	Exercise of Warrants 2010/2015 and exercise of ESOS options	2,086,465,666
07.01.2013 to 27.03.2013	14,365,137	1.00	Exercise of Warrants 2010/2015 and exercise of ESOS options	2,100,830,803
02.04.2013 to 27.06.2013	144,722,950	1.00	Exercise of Warrants 2010/2015 and exercise of ESOS options	2,245,553,753
01.07.2013 to 26.09.2013	34,380,800	1.00	Exercise of Warrants 2010/2015 and exercise of ESOS options	2,279,934,553

INFORMATION ON OUR COMPANY (Cont'd)

Date of allotment	No. of Gamuda Shares allotted	Par value (RM)	Type of issue /Consideration	Cumulative issued and paid-up share capital (RM)
07.10.2013 to 30.12.2013	12,390,114	1.00	Exercise of Warrants 2010/2015 and exercise of ESOS options	2,292,324,667
06.01.2014 to 24.03.2014	10,343,687	1.00	Exercise of Warrants 2010/2015 and exercise of ESOS options	2,302,668,354
09.04.2014 to 26.06.2014	13,776,400	1.00	Exercise of Warrants 2010/2015 and exercise of ESOS options	2,316,444,754
02.07.2014 to 25.09.2014	7,548,325	1.00	Exercise of Warrants 2010/2015 and exercise of ESOS options	2,323,993,079
07.10.2014 to 29.12.2014	17,796,100	1.00	Exercise of Warrants 2010/2015	2,341,789,179
06.01.2015 to 30.03.2015	7,539,950	1.00	Exercise of Warrants 2010/2015	2,349,329,129
01.04.2015 to 22.06.2015	56,575,926	1.00	Exercise of Warrants 2010/2015	2,405,905,055
07.01.2016	2,000	1.00	Exercise of ESOS options	2,405,907,055

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INFORMATION ON OUR COMPANY (Cont'd)

4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The Rights Issue of Warrants is not expected to have any immediate effect on the shareholdings of our substantial shareholders until and unless new Gamuda Shares are issued pursuant to the exercise of the Warrants under the Rights Issue of Warrants. Notwithstanding this, the effect on the shareholdings of our substantial shareholders arising from the exercise of the Warrants will depend upon, among others, the subscription of their respective entitlements under the Rights Issue of Warrants, the subscription for additional Warrants as well as the number of Warrants exercised by the substantial shareholders and the other holders of the Warrants. Should all Entitled Shareholders subscribe for their respective entitlements and exercise their Warrants subsequently, the Rights Issue of Warrants will not dilute or increase existing substantial shareholders' equity interest.

For the purposes of illustration, assuming all Entitled Shareholders subscribe for their respective entitlements and subsequently a full exercise of the Warrants occur, the effects of the Rights Issue of Warrants on the respective substantial shareholders of our Company are as illustrated below:-

	Shareholdings as at the LPD		Proforma I		Proforma II	
			After the Rights Issue of Warrants		After Proforma I and assuming full exercise of the Warrants	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
Substantial shareholder	No. of Shares ('000)	No. of Shares ('000)	No. of Shares ('000)	No. of Shares ('000)	No. of Shares ('000)	No. of Shares ('000)
	(¹)%	(¹)%	(¹)%	(¹)%	(²)%	(²)%
Employees Provident Fund Board	274,383	-	274,383	11.40	320,113	11.40
Amanahraya Trustees Berhad	152,000	-	152,000	6.32	177,333	6.32
- Amanah Saham Bumiputera	138,110	-	138,110	5.74	161,128	5.74
(Diperbadankan)						
Lembaga Tabung Haji	129,513	-	129,513	5.38	151,099	5.38
Generasi Setia (M) Sdn Bhd	123,000	-	123,000	5.11	143,500	5.11
Raja Dato' Seri Eleena	225	(³)123,000	225	0.01	263	0.01
						(³)143,500
						5.11

Notes:-

- (1) Based on the issued and paid-up share capital of 2,405,907,055 Shares as at the LPD.
- (2) Based on the issued and paid-up share capital of 2,806,891,564 Shares after the full exercise of the Warrants.
- (3) Deemed interest through Generasi Setia (M) Sdn Bhd.

INFORMATION ON OUR COMPANY (Cont'd)

5. OUR BOARD OF DIRECTORS

5.1 Details of our Directors

The particulars of our Directors as at the LPD are as follows:-

Name*	Address	Age	Profession	Designation
Dato' Mohammed Hussein	35, Jalan 12 Taman Tun Abdul Razak 68000 Ampang Selangor Darul Ehsan	66	Company Director	Independent Non-Executive Chairman
Dato' Lin Yun Ling	No. 8, Lurah Tunku Bukit Tunku 50480 Kuala Lumpur	61	Company Director / Civil Engineer	Group Managing Director
Dato' Ir Ha Tiing Tai	18, Jalan SS3/8 Taman Sentosa 47300 Petaling Jaya Selangor Darul Ehsan	62	Company Director / Civil Engineer	Deputy Group Managing Director
Raja Dato' Seri Eleena	12, Gerbang Ampang Hilir Off Persiaran Ampang Hilir 55000 Kuala Lumpur	56	Company Director / Advocate and Solicitor	Non-Independent Non-Executive Director
Dato' Haji Azmi bin Mat Nor	Lot 11331 Jalan Melor 3 Sg Kantan 43000 Kajang Selangor Darul Ehsan	58	Company Director / Civil Engineer	Executive Director
Dato' Goon Heng Wah	1, Jalan Tiga Housing Trust 30250 Ipoh Perak Darul Ridzuan	60	Company Director / Civil Engineer	Executive Director
Saw Wah Theng	No. 7, Jalan SS21/19 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan	59	Company Director / Chartered Accountant	Executive Director
Tunku Afwida binti Tunku A.Malek	No. 7, Jalan TR 9/6 Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan	51	Company Director / Chartered Accountant	Independent Non-Executive Director
Ir Chow Chee Wah	No. 11, Jalan SS3/41 47300 Petaling Jaya Selangor Darul Ehsan	58	Company Director / Civil Engineer	Alternate Director to Dato' Lin Yun Ling
Ubull a/I Din Om	No. 2 Jalan Anggerik Vanilla 98K/31 Kota Kemuning Seksyen 31 40460 Shah Alam Selangor Darul Ehsan	54	Company Director	Alternate Director to Dato' Ir Ha Tiing Tai

INFORMATION ON OUR COMPANY (Cont'd)

Name*	Address	Age	Profession	Designation
Ir Chan Kong Wah	No. 6, Jalan SS2/34 47300 Petaling Jaya Selangor Darul Ehsan	60	Company Director/ Civil Engineer	Alternate Director to Dato' Goon Heng Wah
Soo Kok Wong	17, Jalan 31/98H Kota Kemuning 40460 Shah Alam Selangor Darul Ehsan	46	Company Director / Chartered Accountant	Alternate Director to Saw Wah Theng

Note:-

* All Directors are Malaysian.

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INFORMATION ON OUR COMPANY (Cont'd)

5.2 Directors' shareholdings

For the purposes of illustration, assuming all Entitled Shareholders subscribe for their respective entitlements and subsequently a full exercise of the Warrants occur, the proforma effects of the Rights Issue of Warrants on the shareholdings of our Directors based on the Register of Directors' Shareholdings as at the LPD are set out as follows:-

Directors	Shareholdings as at the LPD		Proforma I After the Rights Issue of Warrants		Proforma II After Proforma I and assuming full exercise of the Warrants	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
	No. of Shares ('000) (⁽¹⁾)(%)	No. of Shares ('000) (⁽¹⁾)(%)	No. of Shares ('000) (⁽¹⁾)(%)	No. of Shares ('000) (⁽¹⁾)(%)	No. of Shares ('000) (⁽²⁾)(%)	No. of Shares ('000) (⁽²⁾)(%)
Dato' Mohammed Hussein	-	-	-	-	-	-
Dato' Lin Yun Ling	73,536	-	73,536	3.06	85,792	3.06
Dato' Ir Ha Tiing Tai	21,554	⁽³⁾ 16	21,554	0.90	25,147	0.90
Raja Dato' Seri Eleena	225	⁽⁴⁾ 123,000	225	0.01	263	0.01
Dato' Haji Azmi bin Mat Nor	317	-	317	0.01	369	0.01
Dato' Goon Heng Wah	15,628	⁽³⁾ 5,755	15,628	0.65	18,233	0.65
Saw Wah Theng	805	-	805	0.03	939	0.03
Tunku Afwida binti Tunku A. Malek	-	-	-	-	-	-
Ir Chow Chee Wah	435	-	435	0.02	508	0.02
Ubull a/I Din Om	-	-	-	-	-	-
Ir Chan Kong Wah	400	-	400	0.02	467	0.02
Soo Kok Wong	316	-	316	0.01	368	0.01

Notes:-

⁽¹⁾ Negligible

⁽²⁾ Based on the issued and paid-up share capital of 2,405,907,055 Shares as at the LPD.

⁽³⁾ Based on the issued and paid-up share capital of 2,806,891,564 Shares after the full exercise of the Warrants.

⁽⁴⁾ Including Gamuda Shares held by their respective spouse.

⁽⁵⁾ Raja Dato' Seri Eleena is a Director and major shareholder of Generasi Setia (M) Sdn Bhd, which in turn is a substantial shareholder of Gamuda.

INFORMATION ON OUR COMPANY (Cont'd)

6. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINTLY-CONTROLLED ENTITIES

Our subsidiaries, associate companies and jointly-controlled entities as at the LPD are set out below:-

Name	Date of incorporation	Principal activities	Issued and paid-up share capital	Effective equity interest held (%)
Subsidiaries incorporated in Malaysia				
Gammau Construction Sdn Bhd	12.08.1974	Property investment and holding	RM6,026,000	100
Gamuda Engineering Sdn Bhd	02.03.2000	Civil engineering and construction	RM750,000	100
Gamuda Land Sdn Bhd	09.03.2002	Investment holding company	RM567,500	100
Gamuda Paper Industries Sdn Bhd	04.01.1991	Rental of properties	RM18,000,000	95
GPI Trading Sdn Bhd	14.06.1999	Dormant	RM2	95
Gamuda Trading Sdn Bhd	07.12.1999	Trading of construction materials	RM109,000	100
Gamuda Water Sdn Bhd	22.04.1994	Operation and maintenance of water treatment plants	RM2,000,000	80
G.B. Kuari Sdn Bhd	07.09.1989	Operation of quarry, laying of road and manufacture of premix	RM750,000	100
Ganaz Bina Sdn Bhd	28.02.1987	Civil engineering and construction	RM3,000,000	100
Gamuda Industrial Building System Sdn Bhd (<i>formerly known as GIT Services Sdn Bhd</i>) ⁽¹⁾	05.05.1998	Precast manufacturing and building system	RM2,500,000	100
Jade Homes Sdn Bhd	20.09.2005	Property investment and development	RM1,250,000	100
Jade Homes Resort Berhad	17.10.2007	Proprietor and operator of a club house	RM1,056,080	100
Jade Homes Property Services Sdn Bhd	05.07.2006	Property maintenance service	RM2	100
Megah Landscape Sdn Bhd	20.02.2001	Supply of landscaping materials and provision of landscaping services	RM500,000	100
Harum Intisari Sdn Bhd	18.08.1999	Property investment and development	RM5,913,035	100

INFORMATION ON OUR COMPANY (Cont'd)

Name	Date of incorporation	Principal activities	Issued and paid-up share capital	Effective equity interest held (%)
Bandar Botanic Resort Berhad	25.06.2004	Proprietor and operator of a club house	RM1,044,000	100
Botanic Property Services Sdn Bhd	02.12.2004	Property maintenance services	RM2	100
GL (MM2H) Sdn Bhd	06.06.2006	Agent of "Malaysia My Second Home" Programme	RM50,000	100
Masterpave Sdn Bhd	27.02.1988	Manufacture, supply and laying of road surfacing materials	RM2,500,000	100
Megah Capital Sdn Bhd	02.04.1997	Investment holding and trading	RM80,002	100
Megah Management Services Sdn Bhd	06.11.1998	Insurance agency	RM50,000	100
Megah Sewa Sdn Bhd	31.03.1997	Hire and rental of plant and machinery	RM100,002	100
Valencia Development Sdn Bhd	17.12.1998	Property investment and development	RM5,100,000	100
Valencia Township Sdn Bhd	29.08.2003	Management of township and golf club and related maintenance services	RM2	100
Rebung Property Services Sdn Bhd	17.05.2005	Property maintenance and management services	RM2	100
Madge Mansions Sdn Bhd	10.07.2006	Property investment and development	RM500,000	100
Highpark Development Sdn Bhd (<i>formerly known as Reka Strategi Sdn Bhd</i>)	12.02.1999	Property investment and development	RM750,000	100
Idaman Robertson Sdn Bhd	07.11.2002	Property investment and development	RM1,000,000	100
Setara Hati Sdn Bhd	07.11.2002	Property investment and development	RM199,000	100
Gamuda Land (HCMC) Sdn Bhd	23.06.2009	Property investment and development	RM5,083,602	100
Bandar Serai Development Sdn Bhd (<i>formerly known as Temasek Eksklusif Sdn Bhd</i>)	14.06.2013	Property investment and development	RM100,000	100
Lifestyle Heritage Sdn Bhd	23.04.2014	Property investment and development	RM1,203,902	100

INFORMATION ON OUR COMPANY (Cont'd)

Name	Date of incorporation	Principal activities	Issued and paid-up share capital	Effective equity interest held (%)
Salak Land Development Sdn Bhd	03.08.1994	Property investment and development	RM10,800,000	100
Dinamik Atlantik Sdn Bhd	30.09.2013	Property investment and development	RM288,500	100
Semarak Kuasa Sdn Bhd	23.07.2014	Dormant	RM2	100
Kesas Holding Berhad	30.09.1993	Investment holding; holding company to the concession holder of an expressway	RM5,000,000	70
Kesas Sdn Bhd	03.09.1993	Design, construction and maintenance of Shah Alam Expressway, and development and management of toll operations	RM5,000,000	70
<u>Subsidiary incorporated in British Virgin Islands</u>				
Gamuda Overseas Investment Ltd	10.12.1996	Investment holding	USD100,000	100
<u>Subsidiary incorporated in Mauritius</u>				
Gamuda (Offshore) Private Limited	24.10.2001	Investment holding	USD1,000	100
<u>Subsidiary incorporated in Saudi Arabia</u>				
Gamuda Saudi Arabia L.L.C.	29.11.2006	In the process of winding up	SAR500,000	100
<u>Subsidiary incorporated in India</u>				
Gamuda-WCT (India) Private Limited	16.11.2001	Civil engineering and construction	Rs1,611,613,170	70
<u>Subsidiaries incorporated in the Socialist Republic of Vietnam</u>				
Gamuda-Nam Long Development Limited Liability Company	26.09.2007	Construction of villas for sale and lease	VND74,952,605,562	70
Gamuda Land Vietnam Limited Liability Company	31.12.2007	Undertakes the Yen So Park, sewage treatment plant and Gamuda City Development in Hanoi, Socialist Republic of Vietnam	VND3,820,219,279,667	100
Sai Gon Thuong Tin Tan Thang Investment Real Estate Joint Stock Company	09.09.2010	Undertakes development of Celadon City in Ho Chi Minh City, Socialist Republic of Vietnam	VND1,268,055,930,000	100

INFORMATION ON OUR COMPANY (Cont'd)

Name	Date of incorporation	Principal activities	Issued and paid-up share capital	Effective equity interest held (%)
<u>Subsidiary incorporated in Singapore</u>				
Gamuda (Singapore) Pte Ltd	23.06.2015	Investment holding	SGD1.00	100
<u>Subsidiary incorporated in Australia</u>				
Gamuda (Australia) Pty Ltd	14.11.2014	Property development	AUD1.00	100
<u>Unincorporated subsidiaries in Malaysia</u>				
Gamuda Berhad – Kumpulan Darul Ehsan Berhad – The Sweet Water Alliance Sdn Bhd Joint Venture	Unincorporated	Civil engineering and construction	-	70
Gamuda Berhad – Mujur Minat Sdn Bhd Joint Venture	Unincorporated	Civil engineering and construction	-	70
<u>Associate companies incorporated in Malaysia</u>				
Syarikat Pengeluar Air Selangor Holdings Berhad	07.05.1999	Investment holding and provision of management services; holding company to the concession holder of Sungai Selangor Water Supply Scheme Phase 1 & 3	RM172,300,000	40
Hicom-Gamuda Development Sdn Bhd	04.01.1994	Property Development	RM5,853,004	50
Madang Permai Sdn Bhd	20.04.1994	Dormant	RM5,000,000	36
Lingkar Trans Kota Holdings Berhad	09.03.1995	Investment holding and provision of management services; holding company to the concession holder of an expressway	RM104,408,723,60	45
Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd	27.03.1997	Investment holding; holding company to the concession holder of an expressway	RM12,290,000	52
<u>Associate companies unincorporated in Malaysia</u>				
Lim Hoo Seng – Gamuda Engineering Joint Venture	Unincorporated	Civil engineering and construction	-	30

INFORMATION ON OUR COMPANY (Cont'd)

Name	Date of incorporation	Principal activities	Issued and paid-up share capital	Effective equity interest held (%)
<u>Associate companies incorporated in Mauritius</u>				
Suria Holding (O) Pvt. Ltd	20.02.2002	Investment holding; holding company to the concession holder of an expressway	USD13,909,096	50
Gamuda – WCT (Offshore) Private Limited	30.10.2001	Investment holding; holding company to the concession holder of an expressway	USD9,620,909	50
<u>Unincorporated joint operations in Malaysia</u>				
Malaysia Mining Corporation Berhad – Gamuda Berhad Joint Venture	Unincorporated	Undertake engineering, procurement and construction of an integrated Bypass Tunnel cum Motorway in Kuala Lumpur	-	50
Malaysia Mining Corporation Berhad – Gamuda Berhad Joint Venture Electrified Double Track Project	Unincorporated	Undertake engineering, procurement and construction of the Electrified Double-Tracking from Ipoh to Padang Besar Project	-	50
MMC – Gamuda KVMRT (T) Joint Venture	Unincorporated	Undertake pre-qualifying and tendering of the tunnelling, underground works and such other works in relation to the underground works package for the Klang Valley Mass Rapid Transit Project	-	50
MMC Gamuda KVMRT (UGW) Joint Venture	Unincorporated	Undertake the tunnelling, underground works and such other works in relation to the underground works package for the Klang Valley Mass Rapid Transit Project	-	50

INFORMATION ON OUR COMPANY (Cont'd)

Name	Date of incorporation	Principal activities	Issued and paid-up share capital	Effective equity interest held (%)
<u>Unincorporated joint operations in Taiwan</u>				
New Asia Construction & Development Corporation – Gamuda Berhad Joint Venture	Unincorporated	Undertake civil engineering construction of the Orange Line Package CO4 of the Kaohsiung Metropolitan Mass Rapid Transit System in Kaohsiung, Taiwan, Republic of China	-	50
<u>Unincorporated joint operations in Qatar</u>				
Sinohydro Corporation – Gamuda Berhad – WCT Engineering Berhad Joint Venture	Unincorporated	Design and construct the airfield facilities, tunnel and detention ponds of the New Doha International Airport in the State of Qatar	-	51
Gamuda Berhad – WCT Engineering Berhad Joint Venture	Unincorporated	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	-	51
Gamuda Berhad – WCT Bahrain Berhad Joint Venture	Unincorporated	Supply materials for the construction of the New Doha International Airport in the State of Qatar	-	51
<u>Incorporated joint operations in Malaysia</u>				
Projek Smart Holdings Sdn Bhd	29.01.2003	Undertake, carry out and implement integrated Bypass Tunnel cum Motorway in Kuala Lumpur	RM8,180,000	50
MMC-Gamuda Joint Venture Sdn Bhd	21.12.1996	Undertake, carry out and implement the Electrified Double-Tracking from Ipoh to Padang Besar Project	RM10,000,000	50

INFORMATION ON OUR COMPANY (Cont'd)

Name	Date of incorporation	Principal activities	Issued and paid-up share capital	Effective equity interest held (%)
Horizon Hills Development Sdn Bhd	10.05.2005	Undertake and carry out a mixed development mainly for residential purposes and a golf club in Johor Darul Takzim	RM6,509,536	50
MMC Gamuda KVMRT (PDP) Sdn Bhd	27.12.2010	Undertake the role of a project delivery partner to deliver fully functional operating railway system for the Klang Valley Mass Rapid Transit Project Sungai Buloh-Kajang Line ("KVMRT Line 1")	RM10,000,000	50
MMC Gamuda KVMRT (T) Sdn Bhd	02.03.2011	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	RM10,000,000	50
MMC Gamuda KVMRT (PDP SSP) Sdn Bhd	10.11.2014	Undertake the role of a project delivery partner to deliver fully functional operating railway system for the Klang Valley Mass Rapid Transit Project Sungai Buloh- Serdang- Putrajaya Line ("KVMRT Line 2")	RM500,000	50
Gamuda GM Sdn Bhd	10.05.2013	Operating and building management of Tower 1 of Idaman Robertson Project, a 9-level commercial complex to be operated as a wholesale center	RM530,000	50

INFORMATION ON OUR COMPANY (Cont'd)

Name	Date of incorporation	Principal activities	Issued and paid-up share capital	Effective equity interest held (%)
Gamuda GM Klang Sdn Bhd	11.10.2012	Developer and operator of a wholesale hub in Bandar Botanic, Klang	RM605,000	50
<u>Incorporated joint operations in Singapore</u>				
GEM Homes Pte Ltd	09.07.2015	Property investment and development	SGD1,000,000	50

Note :-

- (1) On 11 May 2015, the company changed its name from GIT Services Sdn Bhd to Gamuda Building System Sdn Bhd. Subsequently, on 28 May 2015, the company changed its name from Gamuda Building System Sdn Bhd to Gamuda Industrial Building System Sdn Bhd.

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INFORMATION ON OUR COMPANY (Cont'd)

7. PROFIT AND DIVIDEND RECORDS

The profit and dividend records based on our Group's audited consolidated financial statements, which have been presented (by nature of expense rather than by function of expense) in accordance with the relevant Financial Reporting Standards from the FYE 31 July 2013 to 31 July 2015 and the unaudited consolidated financial statements for the three (3)-month FPE 31 October 2015 are as follows:-

	<-----Audited----->			<-----Unaudited----->	
	FYE 31 July			Three (3)-month FPE 31 October	
	2013 ⁽¹⁾ (restated) (RM'000)	2014 (RM'000)	2015 (RM'000)	2014 (RM'000)	2015 (RM'000)
Revenue	2,235,435	2,229,572	2,399,918	569,636	512,795
Other income	61,144	67,692	100,529	12,606	24,203
Gain on remeasurement of previously held interest in Kesas Holdings Berhad immediately before obtaining control	-	194,203	-	-	-
Construction contract costs recognised as contract expenses	(986,265)	(762,154)	(710,640)	-	-
Land and development costs	(478,809)	(609,846)	(594,856)	-	-
Highway maintenance and toll operations	-	(2,460)	(28,902)	-	-
Changes in inventory of finished goods and work in progress	1,572	(3,864)	(16,929)	-	-
Purchases - raw materials	(37,885)	(43,011)	(77,749)	-	-
- trading materials	(101,126)	(122,083)	(82,668)	-	-
Production overheads	(42,572)	(35,093)	(53,996)	-	-
Staff costs	(98,408)	(105,876)	(139,495)	-	-
Depreciation and amortisation	(21,993)	(26,579)	(102,574)	-	-
Impairment of premium paid on water concession assets and goodwill	-	(187,062)	-	-	-
Arbitral awards and other costs	(110,700)	-	-	-	-
Other operating expenses	(74,811)	(105,099)	(90,651)	⁽²⁾ (432,382)	(427,858)
Profit from operations	345,582	488,340	601,987	149,860	109,140
Finance costs	(51,351)	(66,439)	(123,742)	(27,030)	(30,185)
Share of profit of associate companies	241,206	243,672	199,044	55,649	50,144
Share of profit of joint ventures	121,009	186,072	180,900	50,359	63,451
PBT	656,446	851,645	858,189	228,838	192,550
Income tax expense	(106,863)	(116,562)	(132,731)	(29,194)	(19,687)
PAT	549,583	735,083	725,458	199,644	172,863
Profit/(loss) attributable to:-					
Owners of the Company	540,923	719,398	682,138	185,849	161,233
Non-controlling interests	8,660	15,685	43,320	13,795	11,630
Earnings before interest, tax, depreciation and amortisation	729,790	944,663	1,084,505	280,207	252,714
EPS (sen):-					
Basic	25.35	31.29	28.94	8.00	6.70
Diluted	24.84	30.81	28.94	7.87	6.70
Net dividends per ordinary share (sen)	12.0	12.0	12.0	-	-

INFORMATION ON OUR COMPANY (Cont'd)

	<-----Audited----->			<-----Unaudited----->	
	FYE 31 July			Three (3)-month FPE 31 October	
	2013 ⁽¹⁾ (restated) (RM'000)	2014 (RM'000)	2015 (RM'000)	2014 (RM'000)	2015 (RM'000)
Operating profit margin (%) ⁽³⁾	15.46	21.90	25.08	26.31	21.28
Net profit margin (%) ⁽⁴⁾	24.59	32.97	30.23	35.05	33.71

Note:

- * Any discrepancies in the above financial statement are due to rounding adjustments.
- (1) The restatement of FYE 31 July 2013 was due to the adoption of Financial Reporting Standards ("FRS") 11 and FRS 119. The application of FRS 11 resulted in a change in accounting policy to equity method of accounting for the Group's joint ventures while the adoption of the amended FRS 119, required a change in accounting policy in relation to defined employee benefits plans to recognise all actuarial gains and losses in other comprehensive income and all past service costs in profit or loss in the period they occur. The summary of the adjustments are as follows:-

	31 July 2013 (as previously reported) (RM'000)	FRS11 adjustments (RM'000)	FRS119 adjustments (RM'000)	31 July 2013 (restated) (RM'000)
Revenue	3,883,120	(1,647,685)	-	2,235,435
Other income	64,479	(3,335)	-	61,144
Construction contract costs recognised as contract expenses	(2,271,570)	1,285,305	-	(986,265)
Land and development costs	(648,866)	170,057	-	(478,809)
Changes in inventory of finished goods and work in progress	1,572	-	-	1,572
Purchases - raw materials	(37,885)	-	-	(37,885)
- trading materials	(108,896)	7,770	-	(101,126)
Production overheads	(42,572)	-	-	(42,572)
Staff costs	(103,706)	5,932	(634)	(98,408)
Depreciation and amortisation	(26,487)	4,494	-	(21,993)
Arbitral awards and other costs	(110,700)	-	-	(110,700)
Other operating expenses	(86,302)	11,491	-	(74,811)
Finance costs	(60,768)	9,417	-	(51,351)
Share of profit of associate companies	241,206	-	-	241,206
Share of profit of joint ventures	-	121,009	-	121,009
PBT	692,625			656,446
Income tax expense	(142,566)	35,545	158	(106,863)
PAT	550,059			549,583

- (2) There is no breakdown provided for the expenses of the Group based on the announced quarterly results for the three (3)-month FPEs 31 October 2014 and 2015. As such, for purposes of disclosure, the total expenses of the Group including, amongst others, construction contracts costs and land and development costs, for the respective three (3)-month FPEs have been aggregated under other operating expenses.
- (3) Operating profit margin is derived using profit from operations over revenue.
- (4) Net profit margin is derived using PAT (which takes into account the share of profits from associates and joint ventures) over revenue.

INFORMATION ON OUR COMPANY (Cont'd)

Commentary on financial performance**FYE 31 July 2013**

For financial year ("FY") 2013, our Group achieved PBT of RM656.45 million, representing a 7.6% decrease compared to RM711.04 million achieved in FY2012. The profit for FY2013 was affected by two arbitral awards and other costs in respect of arbitration proceedings rendered by Arbitral Tribunals in favour of our Group's subcontractors, amounting to a total one-off impact of RM110.70 million. These involved claims by Wayss & Freytag (Malaysia) Sdn Bhd for the Stormwater Management and Road Tunnel ("**SMART**") project and Bahrain Asphalt Establishment B.S.C for the Dukhan highway project in Qatar. The arbitration proceedings in respect of the Dukhan highway project has since concluded. The arbitral award in respect of the SMART project is pending challenge in the High Court. For illustration purposes only, our Group pre-tax profit before the arbitral awards and other costs rendered by Arbitral Tribunals of RM110.70 million would be RM767.15 million, an increase of 8% from FY2012 of RM711.04 million.

Our construction division registered yet another year of record earnings from the work progress of one of the three KVMRT lines, involving two leading roles in partnership with MMC Corporation Berhad ("**MMC**"). MMC-Gamuda JV, the 50:50 joint venture company, was appointed the Project Delivery Partner for the whole Sungai Buloh to Kajang Line ("**SBK Line**") and also won the Design-and-Build contract for the underground works. For FY2013, the construction division contributed RM162.7 million to our Group's PBT, after taking the arbitral awards into account.

With an already well-established brand as a developer of quality lifestyle homes in the Malaysian market, our property division continued to capitalise on our brand, thus, achieving new sales totalling RM1.8 billion, up 20% from the previous year's sales of RM1.5 billion, with unbilled sales reaching RM1.5 billion. This year, our property division's sales came entirely from domestic sales. The property division had recorded a reduction in revenue and pre-tax profit of 5% and 10% respectively, mainly due to lower contribution from the projects in Vietnam.

Earnings from the concessions division remains consistent as per the previous year at RM271.44 million, accounting for 41% of our Group's pre-tax profit. Both expressways and water concession businesses experienced steady growth as both tollable traffic at our expressways and the volume of potable water processed at our water treatment plants continue to chart a steady uptrend.

FYE 31 July 2014

Our Group's core revenue sustained to RM2.23 billion for the 12 months ended 31 July 2014, compared to RM2.24 billion year-on-year. Had the share of joint venture companies' revenue been included, our Group's revenue increased 19% to RM4.64 billion. PBT was RM852 million compared to RM656 million in 2013.

Our construction division achieved another record-earnings year from the work progress of one of the three KVMRT lines, which it holds two key roles in partnership with MMC and the substantial completion of the Electrified Double Track Project ("**EDTP**") from Ipoh to Padang Besar.

Our property division has achieved its sales target of RM1.8 billion, a 3% increase from the previous financial year. Unbilled sales at the end of FY2014 stood at RM1.7 billion. Revenue for our property division increased 23% while PBT decreased 3% mainly due to the impairment of goodwill amounting to RM41 million related to Celadon City, Ho Chi Minh City, Vietnam, due to the current financial performance of the project falling short of expectations. Without the onetime impairment, PBT would have improved by 15%.

INFORMATION ON OUR COMPANY (Cont'd)

Our concession division's contribution remains stable for the financial year. PBT was RM367 million representing 43% of our Group's PBT, an increase of 35% from previous financial year. The increase is mainly due to the gain on remeasurement of previously held interest in Kesas Holdings Berhad immediately before obtaining control of RM194 million and impairment of premium paid on water concession assets and goodwill of RM146 million. Without the one-time gain and impairment, the PBT would have improved by 17%.

FYE 31 July 2015

For FY2015, our Group recorded a core revenue of RM2.40 billion, marking a 7.6% increase over FY2014. With the share of revenue of our joint venture companies included, our total revenue would have been twice as high at RM4.76 billion, an increase of 2.7% from the corresponding figure in FY2014.

Strong performance by our business units, especially our property and concession divisions, helped to sustain our Group's PBT of RM858 million, compared with FY2014's RM852 million.

Revenue of our construction division remained stable at RM1.16 billion, just marginally lower than RM1.18 billion in the previous financial year. With the share of revenue of our joint venture companies included, contribution from our construction division would have been more than twice as high at RM3.17 billion.

Revenue from our property division saw a slight reduction from RM895 million to RM842 million. The concession division helped buoy our revenue with a jump from RM154 million to RM401 million due to increased contributions from our Group's additional equity stake in Kesas Sdn Bhd.

In terms of profit, with the completion of the EDTP from Ipoh to Padang Besar, PBT from our construction division decreased from RM260 million to RM222 million. This drop was buffered by PBT increases seen in both our property division as well as our concession division. Greater property sales in Vietnam led to an increase in our property division's PBT from RM225 million to RM258 million, while steadily increased toll collection on our highways contributed to our concession division's improved PBT, from RM367 million to RM378 million.

FPE 31 October 2015

For the FPE 31 October 2015, our Group recorded revenue (including share of joint venture companies' revenue) and PBT of RM1.23 billion and RM193 million respectively, as compared to RM1.16 billion and RM229 million respectively for the FPE 31 October 2014.

Our construction division recorded higher revenue (including share of joint venture companies' revenue) of RM845.33 million compared to that of FPE 31 October 2014 of RM753.08 million on the back of higher work progress of the KVMRT-SBK Line project. For the FPE 31 October 2015, PBT from our construction division was lower year-on-year following the completion of the EDTP from Ipoh to Padang Besar in November 2014.

Revenue from our property division saw a slight decrease from RM299.76 million in the FPE 31 October 2014 to RM 277.48 million in the FPE 31 October 2015. PBT from our property division decreased from RM69.87 million to RM51.46 million in the FPE 31 October 2015. The decrease in revenue and PBT mainly resulted from softening of the property market in Malaysia. Nevertheless, sales from properties in Vietnam continued to improve.

Revenue from our concessions division was stable at RM110.08 million for the FPE 31 October 2015, up slightly from RM106.66 million in the corresponding period in the previous year. Our concessions division reported a decrease in PBT from RM107.49 million for the FPE 31 October 2014 to RM98.36 million for the FPE 31 October 2015, mainly resulting from the costs of periodic resurfacing works for expressways in India.

INFORMATION ON OUR COMPANY (Cont'd)

As part of the effort by the Selangor State Government (“SSG”) to consolidate the various entities involved in the treatment, supply and distribution of water in the state of Selangor, SSG intends to take over the water assets and operations of Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (“SPLASH”) – the concession holder of the Sungai Selangor Water Supply Scheme Phase 1 and 3. Discussion between the SSG and SPLASH is currently ongoing.

8. HISTORICAL PRICES

The monthly highest and lowest closing market prices of Gamuda Shares as traded on Bursa Securities for the past twelve (12) months are set out below:-

	High RM	Low RM
2015		
January	5.30	4.92
February	5.36	5.05
March	5.32	5.05
April	5.27	5.08
May	5.28	4.93
June	5.06	4.60
July	4.89	4.54
August	4.82	3.77
September	4.83	4.29
October	5.00	4.33
November	4.68	4.40
December	4.78	4.30

Last transacted price of our Shares on 25 September 2015
(being the date prior to the announcement of the Rights Issue of Warrants) RM4.49

Last transacted price of our Shares on the LPD RM4.45

Last transacted price of our Shares on 4 February 2016
(being the date prior to the ex-date for the Rights Issue of Warrants) RM4.75

(Source: Bloomberg L.P.)

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PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 JULY 2015 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON



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REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Prepared for inclusion in the Abridged Prospectus of Gamuda Berhad ("Gamuda" or the "Company") dated 11 February 2016 ("Abridged Prospectus"))

22 January 2016

The Board of Directors
Gamuda Berhad
Menara Gamuda, PJ Trade Centre
No 8, Jalan PJU 8/8A
Bandar Damansara Perdana
47820 Petaling Jaya

Dear Sirs

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

RENOUNCEABLE RIGHTS ISSUE OF 400,984,509 WARRANTS IN GAMUDA ("WARRANT(S)") ON THE BASIS OF ONE (1) WARRANT FOR EVERY SIX (6) EXISTING ORDINARY SHARES OF RM1.00 EACH HELD IN GAMUDA AT 5.00 P.M. ON THURSDAY, 11 FEBRUARY 2016, AT AN ISSUE PRICE OF RM0.25 PER WARRANT ("RIGHTS ISSUE OF WARRANTS")

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position as at 31 July 2015 of Gamuda and its subsidiaries (collectively referred to as the "Group") and the related notes as set out in Appendix 1, prepared by the Directors of Gamuda. The applicable criteria on the basis of which the Directors of Gamuda have compiled the pro forma consolidated statements of financial position are specified in the accompanying notes set out in Appendix 1.

The pro forma consolidated statements of financial position have been compiled by the Directors of Gamuda to illustrate the impact of the Rights Issue of Warrants on the Group's financial position as at 31 July 2015 as if the Rights Issue of Warrants had taken place on 31 July 2015. As part of this process, information about the financial position has been extracted by the Directors of Gamuda from the relevant sources as described on Appendix 1.

The Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Directors of the Company are responsible for compiling the pro forma consolidated statements of financial position on the basis of the applicable criteria.

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 JULY 2015 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**Our responsibilities**

Our responsibility is to express an opinion as required by the Securities Commission Malaysia ("SC"), about whether the pro forma consolidated statements of financial position have been compiled, in all material respects, by the Directors of the Company on the basis of the applicable criteria.

We conducted our engagement in accordance with the Malaysian Approved Standard on Assurance Engagements, *ISAE 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma consolidated statements of financial position on the basis of the applicable criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statement of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statement of financial position.

The purpose of pro forma consolidated statements of financial position included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial position of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors of the Company in the compilation of pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statements of financial position reflect the proper application of those adjustments to the unadjusted statements of financial position.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the pro forma consolidated statements of financial position have been compiled, and other relevant engagement circumstances.

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 JULY 2015 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



Our responsibilities (cont'd.)

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma consolidated statements of financial position have been compiled, in all material respects, on the basis of the applicable criteria as set out in Appendix 1.

Other matters

This letter is issued for the purpose of inclusion in the Abridged Prospectus in connection with the Rights Issue of Warrants. Our work had been carried out in accordance with Malaysian Approved Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Rights Issue of Warrants described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the Rights Issue of Warrants.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Ernst & Young'.

Ernst & Young
AF: 0039
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Abraham Verghese'.

Abraham Verghese A/L T. V. Abraham
No. 1664/10/16(J)
Chartered Accountant

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 JULY 2015 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

GAMUDA BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2015

	As at 31 July 2015 RM'000	Exercise of ESOS RM'000	Pro forma I RM'000	Rights Issue of Warrants RM'000	Transaction expenses RM'000	Pro forma II RM'000	Full exercise of warrants RM'000	Pro forma III RM'000
Assets								
Non-current assets								
Property, plant and equipment	312,282		312,282			312,282		312,282
Land held for property development	2,711,251		2,711,251			2,711,251		2,711,251
Investment properties	163,266		163,266			163,266		163,266
Land use rights	3,170		3,170			3,170		3,170
Expressway development expenditure	1,692,837		1,692,837			1,692,837		1,692,837
Interests in associated companies	1,760,490		1,760,490			1,760,490		1,760,490
Interests in joint arrangements	860,271		860,271			860,271		860,271
Other investments	890		890			890		890
Deferred tax assets	40,625		40,625			40,625		40,625
Receivables	546,614		546,614			546,614		546,614
	<u>8,091,696</u>		<u>8,091,696</u>			<u>8,091,696</u>		<u>8,091,696</u>
Current assets								
Property development costs	2,151,982		2,151,982			2,151,982		2,151,982
Inventories	185,583		185,583			185,583		185,583
Receivables	1,455,176		1,455,176			1,455,176		1,455,176
Tax recoverable	3,560		3,560			3,560		3,560
Investment securities	509,643		509,643			509,643		509,643
Cash and bank balances	928,059	9	928,068	50,246	(1,000)	977,314	1,623,987	2,601,301
	<u>5,234,003</u>		<u>5,234,012</u>			<u>5,283,258</u>		<u>6,907,245</u>
Total assets	<u>13,325,699</u>		<u>13,325,708</u>			<u>13,374,954</u>		<u>14,998,941</u>
Equity and liabilities								
Equity attributable to shareholders of the Company								
Share capital	2,405,905	2	2,405,907			2,405,907	400,985	2,806,892
Reserves								
Share premium	771,612	8	771,620			771,620	1,323,248	2,094,868
Option reserves	4,365	(1)	4,364			4,364		4,364
Other reserves	274,875		274,875	100,246		375,121	(100,246)	274,875
Retained profits	2,880,437		2,880,437		(1,000)	2,879,437		2,879,437
Owners' equity	6,337,194		6,337,203			6,436,449		8,060,436
Non-controlling interests	356,019		356,019			356,019		356,019
Total equity	<u>6,693,213</u>		<u>6,693,222</u>			<u>6,792,468</u>		<u>8,416,455</u>
Non-current liabilities								
Payables	394,861		394,861			394,861		394,861
Deferred tax liabilities	420,007		420,007			420,007		420,007
Long term borrowings	3,358,355		3,358,355			3,358,355		3,358,355
	<u>4,173,223</u>		<u>4,173,223</u>			<u>4,173,223</u>		<u>4,173,223</u>
Current liabilities								
Short term borrowings	777,086		777,086	(50,000)		727,086		727,086
Payables	1,581,526		1,581,526			1,581,526		1,581,526
Provision for liabilities	55,021		55,021			55,021		55,021
Tax payable	45,630		45,630			45,630		45,630
	<u>2,459,263</u>		<u>2,459,263</u>			<u>2,409,263</u>		<u>2,409,263</u>
Total liabilities	<u>6,632,486</u>		<u>6,632,486</u>			<u>6,582,486</u>		<u>6,582,486</u>
Total equity and liabilities	<u>13,325,699</u>		<u>13,325,708</u>			<u>13,374,954</u>		<u>14,998,941</u>
Net assets attributable to equity holders of the Company ("NA") (RM'000)								
Number of ordinary shares ('000)	2,405,905		2,405,907			2,405,907		2,806,892
NA per ordinary share (RM)	2.63		2.63			2.68		2.87
Total borrowings	4,135,441		4,135,441			4,085,441		4,085,441
Gearing ratio (times)	0.65		0.65			0.63		0.51

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 JULY 2015 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Appendix 1

**GAMUDA BERHAD
NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION****1. Basis of preparation**

The pro forma consolidated statements of financial position as at 31 July 2015 of Gamuda Berhad ("Gamuda" or the "Company") have been prepared by the directors of Gamuda, for illustrative purpose, in connection with the Rights Issue of Warrants.

The pro forma consolidated statements of financial position as at 31 July 2015 of Gamuda have been prepared based on the audited consolidated statements of financial position as at 31 July 2015 of Gamuda and on a basis consistent with both the format of the audited financial statements and the accounting policies adopted by Gamuda in preparation of the audited consolidated financial statements of Gamuda for the financial year ended 31 July 2015, which is in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards, to show the effects had the Rights Issue of Warrants been completed on that date. The directors of Gamuda are responsible for the preparation of the pro forma consolidated statements of financial position for inclusion in the Abridged Prospectus to shareholders of Gamuda.

The pro forma consolidated statements of financial position do not purport to predict the future financial position of Gamuda.

The pro forma consolidated statements of financial position is presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000").

2. Pro forma adjustments**(i) Pro forma I**

Pro forma I incorporates the effects arising from the exercise of 2,000 options granted under the Company's employees share option scheme ("ESOS") at an exercise price of RM4.45 per new Gamuda share. The 2,000 new Gamuda shares were listed on 11 January 2016.

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 JULY 2015 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Appendix 1

**GAMUDA BERHAD
NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

2. Pro forma adjustments (cont'd.)

(ii) Pro forma II

Pro forma II incorporates the effects of Pro forma I and the Rights Issue of Warrants, together with the estimated expenses to be incurred for the Rights Issue of Warrants of approximately RM1 million.

The effect of the Rights Issue of Warrants are summarised below:

Other reserves	RM'000
As per Pro forma I	274,875
Warrant reserves arising from Rights Issue of Warrants at an issue price of RM0.25 per warrant	100,246
As per Pro forma II	375,121
 Retained profits	 RM'000
As per Pro forma I	2,880,437
Less: Estimated expenses	(1,000)
As per Pro forma II	2,879,437
 Short term borrowings	 RM'000
As per Pro forma I	777,086
Less: Utilisation of proceeds for repayment of existing bank borrowings	(50,000)
As per Pro forma II	727,086
 Cash and bank balances	 RM'000
As per Pro forma I	928,068
Add: Remaining proceeds from Rights Issue of Warrants after repayment of existing bank borrowings	50,246
Less: Utilisation of proceeds for the estimated expenses	(1,000)
As per Pro forma II	977,314

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 JULY 2015 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

Appendix 1

**GAMUDA BERHAD
NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

2. Pro forma adjustments (cont'd.)

(ii) Pro forma III

Pro forma III incorporates the effects of Pro forma II and arising from the exercise of 400,984,509 warrants at an exercise price of RM4.05 payable in respect of each new Gamuda share. The effects of the full exercise of warrants are summarised as below:

Number of shares in issue	'000
As per Pro forma II	2,405,907
Arising from full exercise of warrants from the Rights Issue of Warrants	400,985
As per Pro forma III	2,806,892
Share capital	RM'000
As per Pro forma II	2,405,907
Arising from full exercise of warrants	400,985
As per Pro forma III	2,806,892
Share premium	RM'000
As per Pro forma II	771,620
Arising from full exercise of warrants	1,323,248
As per Pro forma III	2,094,868
Other reserves	RM'000
As per Pro forma II	375,121
Transfer of warrant reserves to share premium	(100,246)
As per Pro forma III	274,875
Cash and bank balances	RM'000
As per Pro forma II	977,314
Total proceeds upon the full exercise of warrants	1,623,987
As per Pro forma III	2,601,301

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON



**GAMUDA BERHAD
(29579-T)
(Incorporated in Malaysia)**

**Directors' Report and Audited Financial
Statements
31 July 2015**

CERTIFIED TRUE COPY

Abraham Vergheese
.....
EY Ernst & Young (AF: 039)
Chartered Accountants
ABRAHAM VERGHESE
PARTNER

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

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 2015.

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 18, 19 and 20 to the financial statements respectively.

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

Results

	Group RM'000	Company RM'000
Profit for the year	<u>725,458</u>	<u>540,095</u>
Attributable to:		
Owners of the Company	682,138	540,095
Non-controlling interests	<u>43,320</u>	<u>-</u>
	<u>725,458</u>	<u>540,095</u>

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.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

Dividends

The amount of dividends declared and paid by the Company since 31 July 2014 were as follows:

In respect of the financial year ended 31 July 2015:	RM'000
First interim dividend of 6 sen per ordinary share declared on 16 December 2014 and paid on 28 January 2015	140,889
Second interim dividend of 6 sen per ordinary share declared on 23 June 2015 and paid on 29 July 2015	144,354
	<u>285,243</u>

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

Directors

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

Y Bhg Dato' Mohammed bin Haji Che Hussein
 Y Bhg Dato' Lin Yun Ling
 Y Bhg Dato' Ir. Ha Tiing Tai
 Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain
 YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah
 Y Bhg Dato' Haji Azmi bin Mat Nor
 Y Bhg Dato' Goon Heng Wah
 Saw Wah Theng
 YM Tunku Afwida binti Tunku A.Malek
 Ir. Chow Chee Wah (alternate to Y Bhg Dato' Lin Yun Ling)
 Ir. Chan Kong Wah (alternate to Y Bhg Dato' Goon Heng Wah)
 Soo Kok Wong (alternate to Saw Wah Theng)
 Ubull a/l Din Om (alternate to Y Bhg Dato' Ir. Ha Tiing Tai) (appointed on 2 January 2015)
 Ir. Adrian Brian Lam (alternate to Y Bhg Dato' Ir. Ha Tiing Tai) (resigned on 2 January 2015)

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.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

Directors' benefits (cont'd.)

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 as shown in Note 6 to the financial statements or the fixed salary of a full-time employee of the Company) 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 42 to the financial statements.

Directors' interests

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

	<----- Number of ordinary shares of RM1 each ----->			
	1 August 2014	Conversion of warrants	Sold	31 July 2015
Gamuda Berhad				
Direct holding				
Y Bhg Dato' Lin Yun Ling	70,500,000	3,035,736	-	73,535,736
Y Bhg Dato' Ir. Ha Tiing Tai	19,275,876	2,278,400	-	21,554,276
Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	120,000	-	-	120,000
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	200,000	25,000	-	225,000
Y Bhg Dato' Haji Azmi bin Mat Nor	480,000	36,600	(200,000)	316,600
Y Bhg Dato' Goon Heng Wah	13,980,000	1,648,300	-	15,628,300
Saw Wah Theng	757,400	47,375	-	804,775
Ir. Chow Chee Wah	435,000	-	-	435,000
Ir. Chan Kong Wah	400,000	-	-	400,000
Soo Kok Wong	91,000	224,800	-	315,800

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

Directors' interests (cont'd.)

	<----- Number of ordinary shares of RM1 each ----->			
	1 August 2014	Conversion of warrants	Sold	31 July 2015
Gamuda Berhad				
Indirect holding				
Y Bhg Dato' Ir. Ha Tiing Tai #	14,200	1,800	-	16,000
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah*	125,000,000	-	(2,000,000)	123,000,000
Y Bhg Dato' Goon Heng Wah #	5,104,032	651,400	-	5,755,432

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

Deemed interest through spouse

Employees' Share Option Scheme

	Option price RM	<----- Number of options ----->			
		1 August 2014	Allotted	Exercised	31 July 2015
Y Bhg Dato' Lin Yun Ling	5.16	-	1,500,000	-	1,500,000
Y Bhg Dato' Ir. Ha Tiing Tai	5.16	-	800,000	-	800,000
Y Bhg Dato' Haji Azmi bin Mat Nor	5.16	-	500,000	-	500,000
Y Bhg Dato' Goon Heng Wah	5.16	-	600,000	-	600,000
Saw Wah Theng	5.16	-	600,000	-	600,000
Ir. Chow Chee Wah	5.16	-	500,000	-	500,000
Ir. Chan Kong Wah	5.16	-	500,000	-	500,000
Ubull a/I Din Om	5.16	-	325,000	-	325,000
Soo Kok Wong	5.16	-	253,000	-	253,000

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)
Directors' interests (cont'd.)**

Warrants 2010/2015

	<----- Number of warrants ----->			
	1 August 2014	Bought	Converted/ Sold	31 July 2015
Direct holding				
Y Bhg Dato' Lin Yun Ling	3,035,736	-	(3,035,736)	-
Y Bhg Dato' Ir. Ha Tiing Tai	2,278,400	-	(2,278,400)	-
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	25,000	-	(25,000)	-
Y Bhg Dato' Haji Azmi bin Mat Nor	36,600	-	(36,600)	-
Y Bhg Dato' Goon Heng Wah	1,648,300	-	(1,648,300)	-
Saw Wah Theng	47,375	-	(47,375)	-
Ir. Chow Chee Wah	20,200	-	(20,200)	-
Ir. Chan Kong Wah	680,000	-	(680,000)	-
Soo Kok Wong	224,800	-	(224,800)	-
Indirect holding				
Y Bhg Dato' Ir. Ha Tiing Tai #	1,800	-	(1,800)	-
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah*	1,400,000	-	(1,400,000)	-
Y Bhg Dato' Goon Heng Wah #	651,400	-	(651,400)	-

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

Deemed interest through spouse

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

Issue of shares

During the financial year, the Company increased its issued and paid-up share capital from RM2,323,357,479 to RM2,405,905,055 by way of issuance of 82,547,576 new ordinary shares of RM1.00 each for cash arising from the exercise of Warrants 2010/2015 at the exercise price of RM2.66 per warrant in accordance with the Deed Poll dated 15 April 2010 as disclosed in Note 29(b) to the financial statements.

The ordinary shares issued from the conversion of Warrants 2010/2015 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.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

Employees' share option scheme ("ESOS")

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

The principal features of the ESOS, details of share options exercised during the financial year and outstanding at the end of the financial year are disclosed in Note 29(c) and Note 29(e) to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of options, other than directors, who have been granted options to subscribe for less than 358,000 ordinary shares of RM1.00 each. The names of the option holders granted options to subscribe for 358,000 ordinary shares of RM1.00 each during the financial year are as follows:

Name	Expiry date	Number of option
Ir. Adrian Brian Lam	9 April 2020	358,000
Yeoh Hin Kok	9 April 2020	358,000
Tham Yim Yok	9 April 2020	358,000

Details of options granted to directors are disclosed in the section on Directors' Interests in this report.

Warrants 2010/2015

Each Warrant 2010/2015 entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 26 May 2010 to 25 May 2015, at an exercise price of RM2.66 in accordance with the Deed Poll dated 15 April 2010. Any Warrant 2010/2015 not exercised by the date of maturity will lapse thereafter and cease to be valid for all purposes. The remaining unexercised Warrants 2010/2015 as at 25 May 2015 of 1,188,066 have lapsed.

The ordinary shares issued from the exercise of Warrants 2010/2015 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 Warrants 2010/2015.

Proposed rights issue of warrants

On 28 September 2015, the Company has proposed to undertake a renounceable rights issue of up to 412,445,675 warrants in Gamuda at an issue price of RM0.25 for each warrant on the basis of one (1) Warrant for every six (6) existing ordinary shares of RM1.00 each held in the Company on the entitlement date to be determined and announced later.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)****Other statutory information**

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for any bad debts or the amount of the provision 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.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**Gamuda Berhad
(Incorporated in Malaysia)****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 four subsidiaries from having to comply with Section 168(1)(b) of the Companies Act, 1965 to adopt a financial year end which coincides with that of its holding company for the financial year ended 31 July 2015 as follows:
- (i) Gamuda-Nam Long Development Limited Liability Company and Sai Gon Thuong Tin Tan Thang Investment Real Estate Joint Stock Company with December financial year end;
 - (ii) Gamuda Land Vietnam Limited Liability Company with June financial year end; and
 - (iii) Gamuda - WCT (India) Private Limited with March financial year end.
- (h) With effect from 13 August 2014, Kesas Holdings Berhad has changed its financial year end from 31 March to 31 July for the financial year ended 31 July 2015 pursuant to Section 168(1)(b) of the Companies Act, 1965.

Significant events

Significant events are as disclosed in Note 43 to the financial statements.

Subsequent events

Details of subsequent events are disclosed in Note 48 to the financial statements.

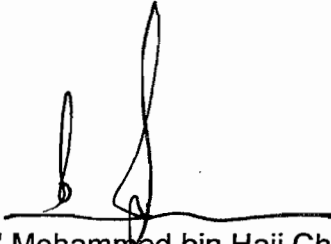
AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

Gamuda Berhad
(Incorporated in Malaysia)

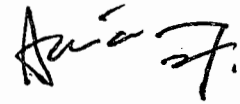
Auditors

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 19 October 2015.



Y Bhg Dato' Mohammed bin Haji Che Hussein
Chairman



Saw Wah Theng
Finance Director

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

Gamuda Berhad
(Incorporated in Malaysia)

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

We, Y Bhg Dato' Mohammed bin Haji Che Hussein and Saw Wah Theng, 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 14 to 196 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2015 and of their financial performance and cash flows for the year then ended.

The information set out in Note 49 to the financial statements on page 197 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors dated 19 October 2015.

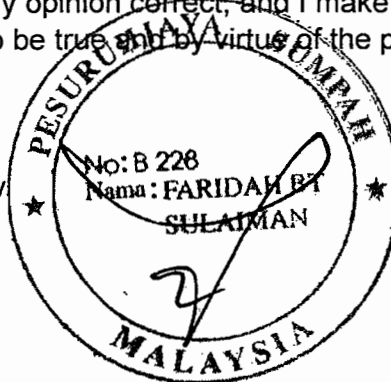
Y Bhg Dato' Mohammed bin Haji Che Hussein
Chairman

Saw Wah Theng
Finance Director

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

I, Saw Wah Theng, being the director primarily responsible for the financial management of Gamuda Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 14 to 197 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 Saw Wah Theng
at Petaling Jaya in Selangor Darul
Ehsan on 19 October 2015



Saw Wah Theng

Before me,

No. 42C (3rd floor)
Jalan SS 22/21, Damansara Jaya
47400 Petaling Jaya
Selangor Darul Ehsan

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)



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29579-T

Independent auditors' report to the members of Gamuda Berhad (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Gamuda Berhad, which comprise the statements of financial position as at 31 July 2015 of the Group and of the Company, and the income statements, the 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 a summary of significant accounting policies and other explanatory information, as set out on pages 14 to 196.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)



29579-T

**Independent auditors' report to the members of
Gamuda Berhad (cont'd.)
(Incorporated in Malaysia)**

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 July 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 28 to the financial statements which describes the uncertainty relating to Selangor State Government's effort to consolidate the various entities involved in the treatment, supply and distribution of water in the state of Selangor and its consequent effects, if any, on the Group's interest in its associated company, Syarikat Pengeluar Air Selangor Holdings Berhad.

Report on other legal and regulatory requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 18 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)Building a better
working world

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Independent auditors' report to the members of
Gamuda Berhad (cont'd.)
(Incorporated in Malaysia)

Other matters

The supplementary information set out in Note 49 on page 197 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
19 October 2015

Abraham Verghese A/L T.V. Abraham
No. 1664/10/16(J)
Chartered Accountant

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

**Consolidated income statement
For the financial year ended 31 July 2015**

	Note	2015 RM'000	2014 RM'000
Revenue	4	2,399,918	2,229,572
Other income		100,529	67,692
Gain on remeasurement of previously held interest in Kesas Holdings Berhad immediately before obtaining control	7	-	194,203
Construction contract costs recognised as contract expenses		(710,640)	(762,154)
Land and development costs		(594,856)	(609,846)
Highway maintenance and toll operations		(28,902)	(2,460)
Changes in inventory of finished goods and work in progress		(16,929)	(3,864)
Purchases - raw materials		(77,749)	(43,011)
- trading materials		(82,668)	(122,083)
Production overheads		(53,996)	(35,093)
Staff costs	5	(139,495)	(105,876)
Depreciation and amortisation		(102,574)	(26,579)
Impairment of premium paid on water concession assets and goodwill	7	-	(187,062)
Other operating expenses		(90,651)	(105,099)
Profit from operations	7	601,987	488,340
Finance costs	8	(123,742)	(66,439)
Share of profits of associated companies		199,044	243,672
Share of profits of joint ventures		180,900	186,072
Profit before taxation		858,189	851,645
Income tax expense	9	(132,731)	(116,562)
Profit for the year		725,458	735,083
Profit attributable to:			
Owners of the Company		682,138	719,398
Non-controlling interests		43,320	15,685
		725,458	735,083
Earnings per share attributable to owners of the Company (sen)			
Basic	10(a)	28.94	31.29
Diluted	10(b)	28.94	30.81
Net dividends per ordinary share (sen)	11	12.0	12.0

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

**Consolidated statement of comprehensive income
For the financial year ended 31 July 2015**

	2015 RM'000	2014 RM'000
Profit for the year	725,458	735,083
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Fair value gain on cash flow hedges	1,903	2,497
Foreign currency translation	247,610	19,040
Share of associated companies' foreign currency translation	2,872	(16,969)
Net asset accretion in an associated company arising from capital contribution	4,853	4,575
	<u>257,238</u>	<u>9,143</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Remeasurement (losses)/gains on defined benefit plan (Note 32)	(7,060)	173
Income tax effect	1,459	-
Other comprehensive income for the year, net of tax	<u>251,637</u>	<u>9,316</u>
Total comprehensive income for the year	<u>977,095</u>	<u>744,399</u>
Total comprehensive income attributable to:		
Owners of the Company	918,354	730,185
Non-controlling interests	58,741	14,214
	<u>977,095</u>	<u>744,399</u>

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

**Consolidated statement of financial position
As at 31 July 2015**

	Note	2015 RM'000	2014 RM'000
Assets			
Non-current assets			
Property, plant and equipment	12	312,282	284,885
Land held for property development	13(a)	2,711,251	882,569
Investment properties	14	163,266	98,040
Land use rights	15	3,170	3,595
Expressway development expenditure	16	1,692,837	1,755,349
Intangible assets	17	-	-
Interests in associated companies	19	1,760,490	631,413
Interests in joint arrangements	20	860,271	602,134
Other investments	21	890	890
Deferred tax assets	34	40,625	26,231
Receivables	23(b)	546,614	357,954
		<u>8,091,696</u>	<u>4,643,060</u>
Current assets			
Property development costs	13(b)	2,151,982	1,652,156
Inventories	22	185,583	295,076
Receivables	23(a)	1,455,176	1,817,010
Tax recoverable		3,560	31,433
Investment securities	24	509,643	120,502
Cash and bank balances	27	928,059	799,250
		<u>5,234,003</u>	<u>4,715,427</u>
Asset held for sale reclassified to/from interests in associated companies	28	-	994,306
		<u>5,234,003</u>	<u>5,709,733</u>
Total assets		<u>13,325,699</u>	<u>10,352,793</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

**Consolidated statement of financial position
As at 31 July 2015 (cont'd.)**

	Note	2015 RM'000	2014 RM'000
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	29	2,405,905	2,323,357
Reserves		3,931,289	3,150,935
Owners' equity		6,337,194	5,474,292
Non-controlling interests		356,019	687,395
Total equity		6,693,213	6,161,687
Non-current liabilities			
Payables	33(a)	394,861	259,460
Provision for liabilities	39	-	2,685
Deferred tax liabilities	34	420,007	390,956
Long term borrowings	35	3,358,355	1,738,572
		4,173,223	2,391,673
Current liabilities			
Short term borrowings	36	777,086	792,159
Payables	33(b)	1,581,526	930,222
Provision for liabilities	39	55,021	29,096
Tax payable		45,630	46,053
Derivatives	37	-	1,903
		2,459,263	1,799,433
Total liabilities		6,632,486	4,191,106
Total equity and liabilities		13,325,699	10,352,793

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)
Consolidated statement of changes in equity
For the year ended 31 July 2015**

Group	Attributable to owners of the Company										Total equity RM'000	
	Non-distributable			Distributable				Non-controlling interests				
	Share capital RM'000	Share premium RM'000	Option reserves RM'000	Other reserves (Note 30) RM'000	Retained profits RM'000	Total RM'000	Share premium RM'000	Option reserves RM'000	Other reserves (Note 30) RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000
At 1 August 2013	2,276,644	517,471	17,445	31,880	2,034,566	4,878,006	-	-	10,614	719,571	730,185	14,214
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners:												
Issuance of ordinary shares pursuant to:												
Exercise of ESOS (Note 29(d))	36,101	78,008	-	-	-	114,109	-	-	-	-	114,109	-
Conversion of Warrants (Notes 29(b) and 30)	10,612	18,677	-	(1,061)	-	28,228	-	-	-	-	28,228	-
Transfer from option reserves to retained profits	-	-	(6,425)	-	6,425	-	-	-	-	-	-	-
Share options granted under ESOS	-	-	1,152	-	-	1,152	-	-	-	-	1,152	-
Share options exercised under ESOS	-	12,172	(12,172)	-	-	-	-	-	-	-	-	-
Issuance of shares by a subsidiary to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	12,094
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	435,000
Dividends (Note 11)	-	-	-	-	(277,388)	(277,388)	-	-	-	-	(277,388)	-
Total transactions with owners	46,713	108,857	(17,445)	(1,061)	(270,963)	(133,899)	41,433	(1,061)	(270,963)	447,094	313,195	447,094
At 31 July 2014	2,323,357	626,328	-	41,433	2,483,174	5,474,292	-	-	-	687,395	6,161,687	6,161,687

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

Gamuda Berhad
(Incorporated in Malaysia)

Consolidated statement of changes in equity
For the year ended 31 July 2015 (cont'd.)

Group	Attributable to owners of the Company						Total equity RM'000
	Share capital RM'000	Share premium RM'000	Option reserves RM'000	Other reserves (Note 30) RM'000	Retained profits RM'000	Non-controlling interests RM'000	
At 1 August 2014	2,323,357	626,328	-	41,433	2,483,174	687,395	6,161,687
Total comprehensive income	-	-	-	241,817	676,537	58,741	977,095
Transactions with owners:							
Issuance of ordinary shares pursuant to conversion of Warrants (Notes 29(b) and 30)	82,548	145,284	-	(8,255)	-	-	219,577
Transfer from warrants reserve to retained profits	-	-	-	(120)	120	-	-
Share options granted under ESOS	-	-	4,365	-	-	-	4,365
Capital repayment by a subsidiary to non-controlling interests	-	-	-	-	-	(139,774)	(139,774)
Acquisition of stake from non-controlling interests (Note 18(e))	-	-	-	-	5,849	(180,443)	(174,594)
Dividends paid by a subsidiary to non-controlling interests	-	-	-	-	-	(69,900)	(69,900)
Dividends (Note 11)	-	-	-	-	(285,243)	-	(285,243)
Total transactions with owners	82,548	145,284	4,365	(8,375)	(279,274)	(390,117)	(445,569)
At 31 July 2015	2,405,905	771,612	4,365	274,875	2,880,437	356,019	6,693,213

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

**Consolidated statement of cash flows
For the financial year ended 31 July 2015**

	2015	2014
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	858,189	851,645
Adjustments for:		
Amortisation of concession and quarry rights	-	3,098
Amortisation of land use rights	425	425
Amortisation of expressway development expenditure	78,539	5,474
Depreciation		
- Property, plant and equipment	22,087	16,875
- Investment properties	1,523	707
Property, plant and equipment written off	56	147
Impairment of premium paid on water concession assets and goodwill	-	187,062
Net provision for liabilities	29,109	7,209
Provision for retirement benefit obligations	4,640	2,225
Provision for short term accumulating compensated absences	1,263	467
Net gain on disposal of property, plant and equipment	(953)	(2,000)
Share of profits from associated companies	(199,044)	(243,672)
Share of profits from joint ventures	(180,900)	(186,072)
Gain on remeasurement of previously held interest in Kesas Holdings Berhad immediately before obtaining control	-	(194,203)
Share options granted under ESOS	4,365	1,152
Unrealised gain on foreign exchange	(26,466)	(3,905)
Fair value adjustments	(1,255)	-
Distribution from investment securities	(6,792)	(20,331)
Net unwinding of discount	(13,695)	(9,852)
Interest income	(37,140)	(17,002)
Interest expense	114,124	64,842
Operating profit before working capital changes	648,075	464,291
(Increase)/decrease in development properties	(42,884)	134,904
Decrease in inventories	129	41,775
Increase in receivables	(216,275)	(683,579)
Increase/(decrease) in payables	80,192	(20,356)
Cash generated from/(used in) operations	469,237	(62,965)
Income taxes paid	(90,623)	(102,256)
Interest paid	(150,328)	(105,446)
Retirement benefit obligations paid	(14)	(1,932)
Net cash generated from/(used in) operating activities	228,272	(272,599)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

**Consolidated statement of cash flows
For the financial year ended 31 July 2015**

	2015	2014
	RM'000	RM'000
Cash flows from investing activities		
Purchase of land held for development	(791,996)	(150,929)
Purchase of property, plant and equipment	(24,031)	(16,637)
Additions to investment properties	(14,315)	(34,216)
Proceeds from disposal of property, plant and equipment	7,735	9,692
Additions to expressway development expenditures	(16,027)	-
Net (purchase)/proceeds from disposal of investment securities	(389,141)	309,027
Capital repayment from associated companies	22,812	5,469
Investments in joint ventures	(142,092)	(11,250)
Acquisition of additional interest in an associated company	-	(280,000)
Acquisition of stake from non-controlling interests	(174,594)	-
Net cash outflow on acquisition of a subsidiary	-	(32,133)
Distribution received from investment securities	6,792	20,331
Dividend received from associated companies	51,011	52,110
Dividend received from a joint venture	32,500	71,000
Interest received	37,140	17,002
Net cash used in investing activities	<u>(1,394,206)</u>	<u>(40,534)</u>
Cash flows from financing activities		
Repayment of borrowings	(696,766)	(510,385)
Drawdown of borrowings	2,257,942	868,486
Net proceeds from exercise of ESOS	-	114,109
Net proceeds from conversion of warrants	219,577	28,228
Issuance of shares by a subsidiary to non-controlling interests	-	12,094
Capital repayment by a subsidiary to non-controlling interests	(139,774)	-
Dividends paid to shareholders	(285,243)	(277,388)
Dividends paid to non-controlling interests	(69,900)	-
Net cash generated from financing activities	<u>1,285,836</u>	<u>235,144</u>
Net increase/(decrease) in cash and cash equivalents	119,902	(77,989)
Effects of exchange rate changes	8,907	685
Cash and cash equivalents at beginning of year	799,250	876,554
Cash and cash equivalents at end of year (Note 27)	<u>928,059</u>	<u>799,250</u>

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

**Income statement
For the financial year ended 31 July 2015**

	Note	2015 RM'000	2014 (restated) RM'000
Revenue	4	1,282,656	1,671,622
Other income		133,426	92,316
Construction contract costs recognised as contract expenses		(604,130)	(802,460)
Staff costs	5	(44,462)	(31,260)
Depreciation		(7,182)	(7,838)
Impairment of premium paid on water concession assets	7	-	(165,625)
Net foreign exchange (losses)/gains	7	(94,785)	4,417
Other operating expenses		(11,200)	(8,445)
Profit from operations	7	654,323	752,727
Finance costs	8	(81,665)	(79,800)
Profit before taxation		572,658	672,927
Income tax expense	9	(32,563)	(56,246)
Profit for the year		540,095	616,681
Net dividends per ordinary share (sen)	11	12.0	12.0

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

**Statement of comprehensive income
For the financial year ended 31 July 2015**

	2015	2014 (restated)
	RM'000	RM'000
Profit for the year	540,095	616,681
Other comprehensive income:		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Fair value gain on cash flow hedges	1,903	2,497
Foreign currency translation	15,940	(7,653)
	<u>17,843</u>	<u>(5,156)</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Remeasurement (losses)/gains on defined benefit plan (Note 32)	(511)	28
Income tax effect	128	-
Other comprehensive income/(loss) for the year, net of tax	<u>17,460</u>	<u>(5,128)</u>
Total comprehensive income for the year	<u>557,555</u>	<u>611,553</u>

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

**Statement of financial position
As at 31 July 2015**

		2015	2014	2013
	Note	RM'000	(restated) RM'000	(restated) RM'000
Assets				
Non-current assets				
Property, plant and equipment	12	164,400	176,382	191,435
Investment properties	14	10,576	10,728	10,858
Investments in subsidiaries	18	3,885,179	3,314,207	2,657,027
Interests in associated companies	19	455,364	300,364	702,049
Interests in joint arrangements	20	254,727	254,476	254,476
Other investments	21	733	733	733
Deferred tax assets	34	5,581	2,380	23,656
Receivables	23(b)	13,760	47,328	53,844
Due from a subsidiary	26	398,053	723,930	622,437
		<u>5,188,373</u>	<u>4,830,528</u>	<u>4,516,515</u>
Current assets				
Inventories	22	3	575	641
Receivables	23(a)	646,359	910,036	458,209
Due from subsidiaries	26	1,096,014	240,741	179,772
Investment securities	24	51,551	91,420	113,146
Cash and bank balances	27	79,234	21,893	183,100
		<u>1,873,161</u>	<u>1,264,665</u>	<u>934,868</u>
Asset held for sale reclassified to/from interests in associated companies	28	-	160,000	-
		<u>1,873,161</u>	<u>1,424,665</u>	<u>934,868</u>
Total assets		<u>7,061,534</u>	<u>6,255,193</u>	<u>5,451,383</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

**Statement of financial position
As at 31 July 2015 (cont'd.)**

	Note	2015 RM'000	2014 (restated) RM'000	2013 (restated) RM'000
Equity and liabilities				
Share capital	29	2,405,905	2,323,357	2,276,644
Reserves		1,727,963	1,314,257	883,316
Owners' equity		4,133,868	3,637,614	3,159,960
Non-current liabilities				
Payables	33(a)	34,153	38,204	28,390
Long term borrowings	35	1,851,440	1,493,103	1,168,614
Derivatives	37	-	-	1,755
		1,885,593	1,531,307	1,198,759
Current liabilities				
Short term borrowings	36	551,100	479,295	415,185
Payables	33(b)	418,751	415,743	429,384
Due to subsidiaries	38	44,954	152,564	228,738
Tax payable		27,268	36,767	16,712
Derivatives	37	-	1,903	2,645
		1,042,073	1,086,272	1,092,664
Total liabilities		2,927,666	2,617,579	2,291,423
Total equity and liabilities		7,061,534	6,255,193	5,451,383

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)
Statement of changes in equity
For the year ended 31 July 2015**

Company	Non-distributable				Distributable Retained profits (Note 31) RM'000	Total RM'000
	Share capital RM'000	Share premium RM'000	Option reserves RM'000	Other reserves (Note 30) RM'000		
At 1 August 2013 (As previously stated)	2,276,644	517,471	17,445	15,620	317,051	3,144,231
Effects of FRS 11 (Note 20)	-	-	-	(7,711)	23,440	15,729
At 1 August 2013 (restated)	2,276,644	517,471	17,445	7,909	340,491	3,159,960
Total comprehensive income	-	-	-	(5,156)	616,709	611,553

Transactions with owners:

Issuance of ordinary shares pursuant to:						
Exercise of ESOS (Note 29(d))	36,101	78,008	-	-	-	114,109
Conversion of Warrants (Notes 29(b) and 30)	10,612	18,677	-	(1,061)	-	28,228
Transfer from option reserves to retained profits	-	-	(6,425)	-	6,425	-
Share options granted under ESOS	-	-	1,152	-	-	1,152
Share options exercised under ESOS	-	12,172	(12,172)	-	-	-
Dividends (Note 11)	-	-	-	-	(277,388)	(277,388)
Total transactions with owners	46,713	108,857	(17,445)	(1,061)	(270,963)	(133,899)
At 31 July 2014 (restated)	2,323,357	626,328	-	1,692	686,237	3,637,614

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

**Statement of changes in equity
For the year ended 31 July 2015 (cont'd.)**

Company	Non-distributable				Distributable		Total RM'000
	Share capital RM'000	Share premium RM'000	Option reserves RM'000	Other reserves (Note 30) RM'000	Retained profits (Note 31) RM'000		
At 1 August 2014 (restated)	2,323,357	626,328	-	1,692	686,237	3,637,614	
Total comprehensive income	-	-	-	17,843	539,712	557,555	
Transactions with owners:							
Issuance of ordinary shares pursuant to conversion of Warrants (Notes 29(b) and 30)	82,548	145,284	-	(8,255)	-	219,577	
Transfer from warrant reserves to retained profits	-	-	-	(120)	120	-	
Share options granted under ESOS	-	-	4,365	-	-	4,365	
Dividends (Note 11)	-	-	-	-	(285,243)	(285,243)	
Total transactions with owners	82,548	145,284	4,365	(8,375)	(285,123)	(61,301)	
At 31 July 2015	2,405,905	771,612	4,365	11,160	940,826	4,133,868	

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

**Statement of cash flows
For the financial year ended 31 July 2015**

	2015	2014 (restated)
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	572,658	672,927
Adjustments for:		
Depreciation		
- Property, plant and equipment	7,030	7,685
- Investment properties	152	153
Provision for retirement benefit obligations	306	695
Provision of short term accumulating absences	86	21
Net gain on disposal of property, plant and equipment	(561)	(629)
Property, plant and equipment written off	3	32
Unrealised loss/(gain) on foreign exchange	91,015	(21,049)
Share options granted under ESOS	4,365	1,152
Dividend income	(519,786)	(687,172)
Distribution from investment securities	(4,559)	(2,337)
Net unwinding of discount	(3,228)	14,208
Interest income	(107,995)	(79,177)
Interest expense	80,762	65,592
Impairment of premium paid on water concession assets	-	165,625
Operating profits before working capital changes	120,248	137,726
Increase in due from subsidiaries	(526,168)	(175,897)
Decrease in due to subsidiaries	(106,576)	(76,174)
Decrease in inventories	572	66
Decrease/(increase) in receivables	298,737	(439,581)
Increase/(decrease) in payables	9,778	(10,017)
Cash used in operations	(203,409)	(563,877)
Dividend received	519,786	679,990
Income taxes paid	(45,135)	(8,783)
Interest paid	(76,631)	(68,283)
Retirement benefit obligations paid	-	(788)
Net cash generated from operating activities	194,611	38,259
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,379)	(5,218)
Additions to investment properties	-	(23)
Proceeds from disposal of property, plant and equipment	6,482	7,443
Net proceeds from disposal of investment securities	39,869	21,726
Net investment in subsidiaries	(570,972)	(727,395)
Net investment in associates	5,000	146,275
Net investment in jointly controlled entities	(251)	-
Distribution received from investment securities	4,559	2,337
Interest received	107,995	79,177
Net cash used in investing activities	(409,697)	(475,678)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

**Statement of cash flows
For the financial year ended 31 July 2015**

	2015	2014
	RM'000	(restated) RM'000
Cash flows from financing activities		
Repayment of borrowings	(485,564)	(410,663)
Drawdown of borrowings	819,643	821,926
Net proceeds from exercise of ESOS	-	114,109
Net proceeds from conversion of warrants	219,577	28,228
Dividends paid to shareholders	(285,243)	(277,388)
Net cash generated from financing activities	<u>268,413</u>	<u>276,212</u>
Net increase/(decrease) in cash and cash equivalents	53,327	(161,207)
Effects of exchange rate changes	4,014	-
Cash and cash equivalents at beginning of year	21,893	183,100
Cash and cash equivalents at end of year (Note 27)	<u>79,234</u>	<u>21,893</u>

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**Gamuda Berhad
(Incorporated in Malaysia)****Notes to the financial statements - 31 July 2015****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 18, 19 and 20 respectively. There were no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19 October 2015.

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 Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia.

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

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

2.2 Changes in accounting policies

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

On 1 August 2014, the Group and the Company adopted the following new and amended FRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2014.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

Effective for annual periods beginning on or after 1 January 2014:

Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

Effective for annual periods beginning on or after 1 July 2014:

Amendments to FRS 119	Defined Benefit Plans: Employee Contributions
Amendments to FRSs	Annual Improvements to FRSs 2010 - 2012 Cycle
Amendments to FRSs	Annual Improvements to FRSs 2011 - 2013 Cycle

Amendments to FRS 132 Offsetting Financial Assets and Financial Liabilities

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and "simultaneous realisation and settlement". These amendments are to be applied retrospectively. These amendments have no significant impact on the Group.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont'd.)

2.3 Standards and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Effective for annual periods beginning on or after 1 January 2016:

FRS 14	Regulatory Deferral Accounts
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 10 and FRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to FRS 127	Equity Method in Separate Financial Statements
Amendments to FRS 101	Disclosure Initiatives
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to FRSs	Annual Improvements to FRSs 2012 - 2014 Cycle

Effective for annual periods beginning on or after 1 January 2018:

FRS 15	Revenue from Contracts with Customers
FRS 9	Financial Instruments

The directors expect that the adoption of the standards and interpretations above will have no significant impact on the financial statements in the period of initial application, except as disclosed below:

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**Gamuda Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.3 Standards and interpretations issued but not yet effective (cont'd.)****Amendments to FRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations**

The amendments to FRS 11 require that a joint operator which acquires an interest in a joint operation which constitute a business to apply the relevant FRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to FRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

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

The amendments clarify that:

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

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**Gamuda Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.3 Standards and interpretations issued but not yet effective (cont'd.)****FRS 15 Revenue from Contracts with Customers**

FRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. FRS 15 will supersede the current revenue recognition guidance including FRS 118 Revenue, FRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of FRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under FRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group and the Company will assess the impact of adoption of the new standard and will adopt the new standard on the required effective date.

FRS 9 Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group and the Company will assess the impact of adoption of the new standard and will adopt the new standard on the required effective date.

Amendments to MFRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying MFRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of MFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to MFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont'd.)

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

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework). This is in line with the need for convergence with International Financial Reporting Standards (IFRS) in 2012.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for five years and adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 July 2018. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

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.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont'd.)

2.4 Basis of consolidation (cont'd.)

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated income statement, consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

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(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.5 Business combinations**

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

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.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through 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 over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.9(a).

2.6 Subsidiaries

A subsidiary is an entity over which the Company controls and the policy to determine the criteria for control is in accordance with Note 2.4.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**Gamuda Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.7 Interests 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 unanimous consent of the parties sharing control.

On acquisition of an interest in an associated company or joint venture, any excess of the cost of investment over the Group's share of net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

Under the equity method, the investment in an associated company or a joint venture is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associated company or joint venture after the date of acquisition. Goodwill relating to the associated company or joint venture is not tested for impairment individually. When the Group's share of losses in an associated company or a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associated company or joint venture.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**Gamuda Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.7 Interests in associated companies and joint ventures (cont'd.)**

Profits and losses resulting from upstream and downstream transactions between the Group and its associated company or joint venture are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associated company or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associated companies and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to align the accounting policies of the associated companies and joint ventures with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to its interests in the associated companies or joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in the associated companies or joint ventures is impaired. If there is such evidence, the carrying amount of the interests in the associated companies or joint ventures is tested for impairment, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associated companies or joint control over the joint ventures, the Group measures and recognises any restrained investment as its fair value. Any difference between the carrying amount of the associated company or joint venture upon loss of significant influence or joint control and the fair value of the restrained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, interests in associated companies and joint ventures are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

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Gamuda Berhad
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2. Summary of significant accounting policies (cont'd.)**2.8 Interests 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 its interests in joint operations:

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operation;
- (iv) its share of the revenue from the sale of the output by the joint operation; and
- (v) its expenses, including its share of any expenses incurred jointly.

The Group and the Company account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation 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.

2.9 Intangible assets**(a) Goodwill**

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**Gamuda Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.9 Intangible assets (cont'd.)****(a) Goodwill (cont'd.)**

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, to the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.22.

(b) Expressway development expenditure

Expressway development expenditure ("EDE") comprises development and upgrading expenditure (including interest charges relating to financing of the development of the expressway) incurred in connection with the concession. EDE is classified as an intangible asset and is measured on initial recognition at cost. Following initial recognition, EDE is carried at cost less accumulated amortisation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.15.

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

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2. Summary of significant accounting policies (cont'd.)

2.9 Intangible assets (cont'd.)

(b) 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.

$$\left(\frac{\text{Current Year Actual Toll Revenue}}{\text{Current Year Actual Toll Revenue plus Projected Toll Revenue for the remaining concession period}} \times \text{Opening Net Carrying Amount of EDE plus Current Year Additions} \right)$$

Periodic traffic studies are performed by an independent traffic consultant in order to support the projected toll revenue for the remaining concession period. The latest traffic study was performed in 2014.

(c) Other intangible assets

Other intangible assets of the Group comprise concession and quarry rights.

Other intangible assets acquired separately are measured initially at cost. The cost of other intangible assets acquired in a business combination is their fair value as at the date of acquisition. 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 are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing 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 profit or loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

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2. Summary of significant accounting policies (cont'd.)

2.10 Property, plant and equipment and depreciation

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

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. 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.

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

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

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 2.15.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

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(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.11 Investment properties**

Investment properties consist of land and buildings which are held either to earn rental income or for capital appreciation or for both. Such properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. The depreciation policy for investment properties is consistent with that for depreciable property, plant and equipment as described in Note 2.10. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.15.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. When an entity uses the cost model, transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

2.12 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 2.14. Where the Group performs more than one service under the arrangement, consideration received or receivable is allocated to the components by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Group recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction services. Financial assets are accounted for in accordance with the accounting policy set out in Note 2.23.

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 2.9.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**Gamuda Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.12 Service concession arrangements (cont'd.)**

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 2.10. When the Group has contractual obligations that it must fulfill 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 2.18. Repairs and maintenance and other expenses that are routine in nature are expensed to profit or loss as incurred.

2.13 Land held for property development and property development costs**(i) Land held for property development**

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.15.

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.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

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.

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2. Summary of significant accounting policies (cont'd.)**2.13 Land held for property development and property development costs (cont'd.)****(ii) Property development costs (cont'd.)**

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.

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

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(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.15 Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets, other than construction contract assets, property development costs, deferred tax assets and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

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(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.16 Inventories**

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

Cost of inventories are accounted for using the weighted average cost method. The cost of raw materials includes the cost of purchase and other direct charges. The cost of finished goods and work-in-progress comprise raw materials, direct labour, other direct costs and appropriate proportions of production overheads. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

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

2.17 Leases**(a) As lessee**

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the 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 charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated 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 and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.21.

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(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.18 Provisions**

Provisions for liabilities 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 economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

2.19 Income taxes**(a) Current tax**

Current 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 by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or 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 taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where 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.

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(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.19 Income taxes (cont'd.)****(b) Deferred tax (cont'd.)**

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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:

- where 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 ventures, 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 reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to 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.

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2. Summary of significant accounting policies (cont'd.)

2.19 Income taxes (cont'd.)

(b) Deferred tax (cont'd.)

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 other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Goods and Services Tax ("GST") or Value Added Tax ("VAT")

The net amount of GST or VAT being the difference between output and input of GST or VAT, 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.

2.20 Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees 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. –

(ii) 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 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.

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Gamuda Berhad
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2. Summary of significant accounting policies (cont'd.)

2.20 Employee benefits (cont'd.)

(iii) 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 actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained profits within equity and 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.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont'd.)

2.20 Employee benefits (cont'd.)

(iv) Share based compensation

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

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

2.21 Revenue and other income recognition

Revenue and other income are recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the revenue can be reliably measured. Revenue and other income are measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue and other income is recognised:

(a) Revenue

(i) Engineering and construction contracts

Revenue from engineering and construction contracts is accounted for by the stage of completion method as described in Note 2.14.

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Gamuda Berhad
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2. Summary of significant accounting policies (cont'd.)**2.21 Revenue and other income recognition (cont'd.)****(a) Revenue (cont'd.)****(ii) Development properties**

Revenue from sale of development properties is accounted for by the stage of completion method in respect of all building units that have been sold. 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.

(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 concession revenue are recognised on cash basis when customers pass through the highway toll booths.

(vi) Government compensation

Pursuant to the concession awarded by the Government ("Government") to a subsidiary and associated companies of the Group (collectively referred to as "Concession Agreements"), the Government reserves its rights to restructure or to restrict the imposition of unit toll rate increases by the Group. The Government shall compensate the Group for any reduction in toll concession revenue as a consequence of such restructure or restriction imposed, subject to negotiation and other consideration that the Government may deem fit.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**Gamuda Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.21 Revenue and other income recognition (cont'd.)****(a) Revenue (cont'd.)****(vi) Government compensation (cont'd.)**

The amount of Government compensation are recognised in profit or loss when the right to receive payment is established.

(vii) Dividend income

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

(b) Other income**(i) Interest income**

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

(ii) Rental income

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

2.22 Foreign currencies**(i) Functional and presentation currency**

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**Gamuda Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.22 Foreign currencies (cont'd.)****(ii) Foreign currency transactions**

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont'd.)

2.22 Foreign currencies (cont'd.)

(iii) Foreign operations

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

	2015	2014
	RM	RM
United States Dollar	3.820	3.186
Indian Rupee	0.060	0.053
New Taiwan Dollar	0.121	0.106
Qatari Riyal	1.048	0.876
Bahraini Dinar	10.062	8.497
100 Vietnam Dong	0.018	0.015
Australian Dollar	2.786	-
Singapore Dollar	2.782	-

2.23 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

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

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

Gamuda Berhad
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2. Summary of significant accounting policies (cont'd.)

2.23 Financial assets (cont'd.)

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

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**Gamuda Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.24 Impairment of financial assets**

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.25 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**Gamuda Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.26 Share capital and share issuance expenses**

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

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

2.27 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(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.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(b) Other financial liabilities

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

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**Gamuda Berhad
(Incorporated in Malaysia)****2. Summary of significant accounting policies (cont'd.)****2.27 Financial liabilities (cont'd.)****(b) Other financial liabilities (cont'd.)**

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.28 Derivative financial instruments and hedge accounting

The Group and the Company use derivative financial instruments such as interest rate swaps and cross currency interest rate swaps to hedge its interest rate and foreign currency rate fluctuation risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value at each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting and the ineffective portion of an effective hedge, are taken directly to profit or loss.

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 (except for foreign currency risk); or
- Cash flow hedges, when hedging 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.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

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2. Summary of significant accounting policies (cont'd.)**2.28 Derivative financial instruments and hedge accounting (cont'd.)****Cash flow hedges**

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group 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 or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that met the strict criteria for hedge accounting are accounted for as follows:

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income into cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss as other operating expenses.

Amounts recognised in other comprehensive income previously are reclassified from equity to profit or loss when the hedged transaction affects profit or loss, such as when the hedged interest income or interest expense is recognised or when a forecast sale occurs. Where the hedged item is a non-financial asset or a non-financial liability, the amounts recognised previously in other comprehensive income are removed and included in the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remain in equity until the forecast transaction or firm commitment affects profit or loss.

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

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

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2. Summary of significant accounting policies (cont'd.)

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

Cash flow hedges (cont'd.)

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

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

2.29 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.30 Deferred revenue

Deferred revenue comprise the following:

(a) Advance maintenance fees and licence 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.

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2. Summary of significant accounting policies (cont'd.)

2.30 Deferred revenue (cont'd.)

Deferred revenue comprise the following: (cont'd.)

(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.

2.31 Fair value measurement

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

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

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

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

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

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

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

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

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2. Summary of significant accounting policies (cont'd.)

2.31 Fair value measurement (cont'd.)

- (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

2.32 Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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

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

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

A disposal group qualifies as discontinued operation if it is:

- A component of the Group that is a CGU or a group of CGUs;
- Classified as held for sale or distribution or already disposed in such a way; or
- A major line of business or major geographical area.

2.33 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.

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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.

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) Depreciation and impairment of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of the property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescences and legal or other limits on the use of the relevant assets.

In addition, the estimation of the useful lives of property, plant and equipment is based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimate of useful lives and residual values of property, plant and equipment brought about by changes in factors mentioned above. The Group also performs annual review of the assumptions made on useful lives and residual values to ensure that they continue to be valid.

The carrying amount of the Group's property, plant and equipment at the reporting date is disclosed in Note 12. A 5% difference in the expected useful lives of these assets from management's estimates would result in approximately RM25,562,000 (2014: RM23,700,000) variance in the Group's profit for the year.

The Group also carried out impairment test, which required the estimation of the value-in-use of certain property, plant and equipment.

(b) Amortisation of expressway development expenditure ("EDE")

The cost of EDE is amortised over the concession period by applying the formula as disclosed in Note 2.9(b).

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3. Significant accounting estimates and judgements (cont'd.)

Key sources of estimation uncertainty (cont'd.)

(b) Amortisation of expressway development expenditure ("EDE") (cont'd.)

The denominator of the formula includes projected total toll revenue for subsequent years and is based on the latest available base case traffic volume projections prepared by independent traffic consultants multiplied by the toll rates in accordance with the concession agreement. The assumptions to arrive at the traffic volume projections take into consideration the growth rate based on current market and economical conditions. Changes in the expected traffic volume could impact future amortisation charges.

The carrying amount of the Group's expressway development expenditure at the reporting date is disclosed in Note 16. A 5% difference in the projected total toll revenue for the remaining concession from management's estimates would result in approximately RM29,632,000 (2014: RM274,000) variance in the Group's profit for the year.

(c) Amount due from/(to) customers for construction contracts and property development

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

Significant judgement 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 judgement, the Group evaluates based on past experience 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). A 5% difference in the estimated total property development cost would increase/decrease the Group's profit for the year by RM33,580,000 (2014: RM39,162,000).

The carrying amount of the Group's amount due from/(to) customers for construction contracts at the reporting date is disclosed in Note 25. A 5% difference in the estimated total contract cost would increase/decrease the Group's profit for the year by RM46,773,000 (2014: RM47,527,000).

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(Incorporated in Malaysia)****3. Significant accounting estimates and judgements (cont'd.)****Key sources of estimation uncertainty (cont'd.)****(d) 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 34.

(e) Impairment of investments

At reporting date, management determines whether the carrying amounts of its investments are impaired. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include the use of discounted cash flow analysis, considering the current market value indicators and recent arms-length market transactions. These estimates provide reasonable approximations to the computation of recoverable amounts.

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

Based on management's review, no further impairment is required for the investments of the Group and the Company during the current financial year.

(f) Share-based payments to employees

The cost of providing share-based payments to employees and directors is charged to profit or loss over the vesting period of the related share options. The cost is based on the fair value of the options at grant date and the number of options expected to vest. The fair value of each option is determined using the binomial model valued by an independent valuer.

The valuation of these share-based payments requires judgements to be made in respect of the fair value of the options at grant date and the number of options that are expected to vest. Details of assumptions made in respect of the share-based payment scheme are disclosed in Note 29(f).

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3. Significant accounting estimates and judgements (cont'd.)

Key sources of estimation uncertainty (cont'd.)

(g) Defined benefit pension plans

The cost of defined benefit pension plans as well as the present value of the pension obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return of assets, future salary increases, mortality rates and future pension increases. The net employee liability of the Group and the Company at the reporting date is disclosed in Note 32.

(h) 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 is disclosed in Note 39.

If the actual claims differ by 10% from management's estimates, the Group's profit for the year will increase/decrease by RM5,407,000 (2014: RM2,796,000).

(i) Timing of settlement of trade receivables in an associated company

Included in the carrying amount of interests in associated companies is the Group's share of receivables due substantially from Syarikat Bekalan Air Selangor Sdn. Bhd. ("Syabas") to Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd. ("Splash"), an associated company, amounting to RM1,154,000,000 (2014: RM964,000,000).

The slower recovery of receivables by Splash from Syabas is primarily due to partial payments received from Syabas. The directors are of the opinion that the amount will be fully settled by Syabas within two years.

(j) Timing of settlement of trade receivables in a subsidiary

Included in trade receivables is an amount due from an associated company, Splash to a subsidiary, Gamuda Water Sdn. Bhd. ("GWSB") amounting to RM363,716,000 (2014: RM305,538,000) for the supply of treated water.

Pursuant to the agreement with Splash, GWSB's agreed trade credit term is 7 days from the date Splash receives its payment from Syabas. The slower recovery of debt by GWSB from Splash is primarily due to partial payments received by Splash from Syabas.

The directors are of the opinion that this amount will be fully settled within two years.

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3. Significant accounting estimates and judgements (cont'd.)

Key sources of estimation uncertainty (cont'd.)

(k) Impairment of intangible assets

Goodwill and concession and quarry rights are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill, and concession and quarry rights are allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable pre-tax discount rate in order to calculate the present value of those cash flows. Further details of the carrying value and key assumptions applied in the impairment assessment of goodwill, and concession and quarry rights are disclosed in Note 17.

In prior year, management has assessed that an impairment of RM91,652,000 was required for the intangible assets of the Group as disclosed in Note 17.

(l) Impairment of investments in subsidiaries

At reporting date, management determines whether the carrying amounts of its investments in subsidiaries are impaired. This involves measuring the recoverable amounts by applying the method as disclosed in Note 3(e).

In prior year, management has assessed that an impairment of RM70,215,000 was required for investment in a subsidiary of the Company as disclosed in Note 18(d).

(m) Impairment of interests in associated companies

At reporting date, management determines whether the carrying amounts of its interests in associated companies are impaired. This involves measuring the recoverable amounts by applying the method as disclosed in Note 3(e).

In prior year, management has assessed that an impairment of RM95,410,000 was required for the interest in an associated company of the Group and of the Company as disclosed in Note 19(c).

Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

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3. Significant accounting estimates and judgements (cont'd.)

Judgements made in applying accounting policies (cont'd.)

Reclassification of asset held for sale

During the year, the Group reclassified its asset held for sale to interests in associated companies. As set out in Note 2.32, the determination of what is "highly probable" requires judgement. In making this judgement, the Group has considered the various factors in relation to the overall Selangor State Government's water restructuring plan as disclosed in Note 28 to the financial statements.

4. Revenue

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

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Engineering and construction contracts	920,779	992,430	762,870	984,450
Sales of development properties	830,716	887,777	-	-
Quarry sales	45,509	34,063	-	-
Trading of construction materials	91,314	113,335	-	-
Sales of manufactured products	78,973	25,420	-	-
Supply of water and related services	141,540	133,689	-	-
Toll concession revenue	253,456	20,168	-	-
Dividend income	-	-	519,786	687,172
Others	37,631	22,690	-	-
	<u>2,399,918</u>	<u>2,229,572</u>	<u>1,282,656</u>	<u>1,671,622</u>

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

	2015 RM'000	2014 RM'000
Revenue of the Group	2,399,918	2,229,572
Share of revenue of joint ventures:		
Engineering and construction contracts	2,015,715	1,977,071
Property development and club operations	323,372	411,486
Water and expressway concessions	21,085	18,309
	<u>4,760,090</u>	<u>4,636,438</u>

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5. Staff costs

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	124,011	116,615	39,537	50,814
- Company	13,002	11,426	13,002	11,426
- Joint operations	26,535	39,388	26,535	39,388
- Subsidiaries	84,474	65,801	-	-
Bonus	35,357	29,997	14,153	13,874
Directors' remuneration (Note 6)	18,448	11,215	12,260	6,894
Short term accumulating compensated absences	1,263	467	86	21
Defined contribution plans	16,909	15,967	6,760	8,029
Provision for retirement benefit obligations	4,171	2,215	147	685
Share options granted under ESOS	4,017	1,152	4,131	1,152
Social security costs	1,728	1,239	205	415
Other staff related expenses	27,088	38,670	19,816	27,002
	<u>232,992</u>	<u>217,537</u>	<u>97,095</u>	<u>108,886</u>
Less: Amount capitalised in qualifying assets:				
Property development costs (Note 13(b))	(24,546)	(23,484)	-	-
Investment properties (Note 14)	(494)	-	-	-
Costs of construction contracts (Note 25)	(57,224)	(88,177)	(52,633)	(77,626)
Less: Amount classified as highway maintenance and toll operations	(11,233)	-	-	-
	<u>139,495</u>	<u>105,876</u>	<u>44,462</u>	<u>31,260</u>

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6. Directors' remuneration

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Directors				
Executive:				
Salaries	7,854	6,978	5,282	4,244
Bonus	7,463	2,515	5,856	1,618
Defined contribution plans	2,032	1,417	581	856
Provision for retirement benefit obligations	469	10	159	10
Share options granted under ESOS	348	-	234	-
Other emoluments				
- Allowances	282	295	148	166
- Benefits-in-kind	192	188	94	40
	<u>18,640</u>	<u>11,403</u>	<u>12,354</u>	<u>6,934</u>
Non-executive:				
Fees	520	414	520	414
Other emoluments				
- Allowances	87	134	87	134
- Benefits-in-kind	7	7	7	7
	<u>614</u>	<u>555</u>	<u>614</u>	<u>555</u>
Total	<u>19,254</u>	<u>11,958</u>	<u>12,968</u>	<u>7,489</u>
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 5)	18,448	11,215	12,260	6,894
Total non-executive directors' remuneration excluding benefits-in-kind (Note 7)	<u>607</u>	<u>548</u>	<u>607</u>	<u>548</u>
Total directors' remuneration excluding benefits-in-kind	<u>19,055</u>	<u>11,763</u>	<u>12,867</u>	<u>7,442</u>

- (a) On 2 January 2015, one alternate director resigned and another alternate director has been appointed.
- (b) On 12 December 2013, there was one director being appointed as the non-executive chairman.
- (c) On 5 December 2013, three directors retired as non-executive directors and one director retired as an executive director of the Company.

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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 2015 and 31 July 2014 are as follows:

	Salaries, bonus and EPF			Fees		Other emoluments *		Total RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
2015								
Directors								
Executive:								
Y Bhg Dato' Lin Yun Ling	5,248	-	-	-	55	-	5,303	
Y Bhg Dato' Ir. Ha Tiing Tai	3,159	-	-	-	59	-	3,218	
Y Bhg Dato' Haji Azmi bin Mat Nor	1,834	-	-	-	37	-	1,871	
Y Bhg Dato' Goon Heng Wah	1,911	-	-	-	39	-	1,950	
Saw Wah Theng	1,606	-	-	-	61	-	1,667	
Ir. Chow Chee Wah	1,145	-	-	-	47	-	1,192	
Ir. Adrian Brian Lam **	387	-	-	-	40	-	427	
Ir. Chan Kong Wah	1,118	-	-	-	57	-	1,175	
Soo Kok Wong	599	-	-	-	28	-	627	
Ubull a/I Din Om ^	342	-	-	-	51	-	393	
	17,349	-	-	-	474	-	17,823	
Non-executive:								
Y Bhg Dato' Mohammed bin Haji Che Hussein	-	-	175	-	71	-	246	
Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	-	-	125	-	11	-	136	
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-iah	-	-	95	-	3	-	98	
YM Tunku Afwida binti Tunku A.Malek	-	-	125	-	9	-	134	
	-	-	520	-	94	-	614	

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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 2015 and 31 July 2014 are as follows: (cont'd.)

2014	Salaries, bonus and EPF RM'000	Fees RM'000	Defined benefit plans paid RM'000	Other emoluments * RM'000	Total RM'000
Directors					
Executive:					
Y Bhg Dato' Lin Yun Ling	2,464	-	-	56	2,520
Y Bhg Dato' Ir. Ha Tiing Tai	1,545	-	-	52	1,597
Y Bhg Dato' Haji Azmi bin Mat Nor	1,185	-	290	53	1,528
Y Bhg Dato' Goon Heng Wah	1,210	-	-	42	1,252
Saw Wah Theng	979	-	278	40	1,297
Ir. Chow Chee Wah	903	-	293	58	1,254
Ir. Adrian Brian Lam	730	-	-	39	769
Ir. Chan Kong Wah	989	-	-	58	1,047
Soo Kok Wong	520	-	-	16	536
Y Bhg Dato' Seri Ir. Kamarul Zaman bin Mohd Ali #	385	-	-	69	454
	10,910	-	861	483	12,254
Non-executive:					
Y Bhg Dato' Mohammed bin Haji Che Hussein ^^	-	86	-	34	120
Y Bhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	-	79	-	16	95
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	-	60	-	5	65
YM Tunku Afwida binti Tunku A.Malek	-	90	-	9	99
YM Raja Dato' Seri Abdul Aziz bin Raja Salim #	-	47	-	67	114
Y Bhg Tan Sri Dato' Mohd Ramli bin Kushairi #	-	31	-	9	40
Y Bhg Dato' Ng Kee Leen #	-	21	-	1	22
	-	414	-	141	555

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

** This represents the remuneration paid to this Director until his resignation as Director on 2 January 2015.

^ This represents the remuneration paid to this Director subsequent to his appointment on 2 January 2015.

^^ This represents the remuneration paid to this Director subsequent to his appointment as Non-Executive Chairman on 12 December 2013.

This represents the remuneration paid to this Director until his retirement on 5 December 2013.

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7. Profit from operations

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

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Amortisation of land use rights (Note 15)	425	425	-	-
Amortisation of expressway development expenditure (Note 16)	78,539	5,474	-	-
Amortisation of concession and quarry rights	-	3,098	-	-
Auditors' remuneration				
- Statutory audits				
- Group's auditors	706	530	277	265
- Other auditors	150	90	43	39
- Other services	239	94	46	36
Depreciation				
- Property, plant and equipment (Note 12)	22,087	16,875	7,030	7,685
- Investment properties (Note 14)	1,523	707	152	153
Non-executive directors' remuneration (Note 6)	607	548	607	548
Property, plant and equipment written off (Note 12)	56	147	3	32
Net gain on disposal of property, plant and equipment	(953)	(2,000)	(561)	(629)
Net provision for liabilities (Note 39)	29,109	7,209	-	-
Rental expense of land	129	149	-	-
Rental expense of premises	303	885	263	214
Hire of plant and equipment	366	6,937	-	-
Net foreign exchange losses /(gains) #	2,447	21,152	94,785	(4,417)
Professional fees	10,494	3,412	5,351	1,575
Gain on remeasurement of previously held interest in Kesas Holdings Berhad immediately before obtaining control (Note 18(g))	-	(194,203)	-	-
Distribution from investment securities	(6,792)	(20,331)	(4,559)	(2,337)
Fair value adjustments	(1,255)	-	-	-

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