

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Period Ended 31 October 2017

Notes To The Interim Financial Statements

(The figures have not been audited)

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 July 2017.

The accounting policies and methods of computation adopted by the Group are consistent with those adopted in the audited financial statements for the year ended 31 July 2017, except for the adoption of the following amended Financial Reporting Standards (FRSs) mandatory for annual financial periods beginning on or after 1 January 2017:

Amendments to FRS 107	Statement of Cash Flows: Disclosure Initiative
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to FRSs	Annual Improvements to FRSs 2014 - 2016 Cycle

The adoption of the amended standards did not have any material effect on the financial performance or position of the Group.

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 six years and adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Company falls 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 2019. 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.

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2. Audit Report of Preceding Annual Financial Statements

The audit report of the Group's annual financial statements for the year ended 31 July 2017 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The business operations of the Group are not significantly affected by seasonal or cyclical factors.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

5. Changes in Estimates

There were no changes in estimates of amounts reported previously that have any material effect in the current quarter under review.

6. Changes in Debt and Equity Securities

During the financial period to-date, the Company increased its issued and paid up share capital from 2,450,745,143 as at 31 July 2017 to 2,455,041,343 as at 31 October 2017 by way of issuance of 4,062,000 and 234,200 new ordinary shares pursuant to the exercise of the Employees' Share Option Scheme and the conversion of warrants respectively.

There were no cancellations, repurchases, resale of equity securities for the current quarter to date.

7. Dividends Paid

No dividend was paid during the current quarter and previous corresponding quarter.

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8. Segmental Analysis

	Engineering and Construction	Property Development and Club Operations	Water and Expressway Concessions	Inter-segment Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
3 months period ended 31 October 2017					
REVENUE					
Revenue as reported	302,276	344,733	124,814	-	771,823
Share of joint venture companies' revenue	732,313	165,348	4,036	-	901,697
	1,034,589	510,081	128,850	-	1,673,520
Inter-segment sales	70,049	-	-	(70,049)	-
Total revenue	1,104,638	510,081	128,850	(70,049)	1,673,520
RESULTS					
Profit from operations	77,049	28,487	77,671	-	183,207
Finance costs	(2,180)	(9,471)	(14,281)	-	(25,932)
Share of profits of associated companies	335	520	51,600	-	52,455
Share of profits of joint ventures	25,062	25,547	(1,013)	-	49,596
Profit before taxation	100,266	45,083	113,977	-	259,326
Percentage of segment results	39%	17%	44%		
Taxation					(41,551)
Profit for the period					217,775
ASSETS & LIABILITIES					
Segment assets	2,911,176	7,975,739	2,115,899		13,002,814
Interest in associated companies	7,040	39,933	1,957,444		2,004,417
Interest in joint arrangements	194,700	688,397	49,418		932,515
					15,939,746
Segment liabilities	(1,991,318)	(4,895,941)	(1,038,320)		(7,925,579)
Total equity					8,014,167

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8. Segmental Analysis (cont'd)

	Engineering and Construction	Property Development and Club Operations	Water and Expressway Concessions	Inter- segment Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
3 months period ended 31 October 2016					
REVENUE					
Revenue as reported	196,294	183,008	125,579	-	504,881
Share of joint venture companies' revenue	499,731	88,943	4,338	-	593,012
	696,025	271,951	129,917	-	1,097,893
inter-segment sales	16,645	-	-	(16,645)	-
Total revenue	712,670	271,951	129,917	(16,645)	1,097,893
RESULTS					
Profit from operations	31,982	24,803	76,877	-	133,662
Finance costs	(4,744)	(5,900)	(15,877)	-	(26,521)
Share of profits of associated companies	583	207	54,493	-	55,283
Share of profits of joint ventures	23,540	21,774	(2,091)	-	43,223
Profit before taxation	51,361	40,884	113,402	-	205,647
Percentage of segment results	25%	20%	55%		
Taxation					(30,615)
Profit for the period					175,032
ASSETS & LIABILITIES					
Segment assets	2,338,328	7,317,596	1,987,108		11,643,032
Interest in associated companies	3,989	44,750	1,826,371		1,875,110
Interest in joint arrangements	144,763	637,509	152,727		934,999
					14,453,141
Segment liabilities	(1,442,340)	(4,326,591)	(1,178,802)		(6,947,733)
Total equity					7,505,408

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9. Valuation of Property, Plant and Equipment

The valuation of land and buildings has been brought forward without amendment from the previous audited financial statements as at 31 July 2017.

10. Material Events Subsequent to Balance Sheet Date

There were no material events subsequent to the end of the quarter under review.

11. Changes in Composition of the Group

There were no material changes in the composition of the Group for the period ended 31 October 2017 except for the following:-

On 28 November 2017, the Company entered into an Agreement with Malaysian Resources Corporation Berhad ("MRCB") to co-operate with each other to secure the award as the Project Delivery Partner ("PDP") for the project known as "Kuala Lumpur to Singapore High Speed Rail" ("Project"). The interest of Gamuda and MRCB in PDP will be 50:50 Joint Venture.

12. Dividends

The Board of Directors declare an interim dividend in respect of financial year ending 31 July 2018 as follows:

- (i) A single tier interim dividend of 6.00 sen per ordinary share;
- (ii) A single tier interim dividend of 6.00 sen per ordinary share capital was declared in previous corresponding period;
- (iii) The payment date of the interim dividend is 25 January 2018;
- (iv) In respect of deposited securities, entitlement to dividends to be determined on the basis of the record of depositors as at 5 January 2018.

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13. Review of Performance

	Current Year Quarter	Preceding Year Corresponding Period	Variance	
	31-Oct-17	31-Oct-16	%	Amount
	RM'000	RM'000		RM'000
<u>BY SEGMENT</u>				
Revenue				
Construction	1,034,589	696,025	49%	338,564
Property	510,081	271,951	88%	238,130
Concession	128,850	129,917	-1%	(1,067)
	<u>1,673,520</u>	<u>1,097,893</u>	52%	575,627
Profit before tax				
Construction	100,266	51,361	95%	48,905
Property	45,083	40,884	10%	4,199
Concession	113,977	113,402	1%	575
	<u>259,326</u>	<u>205,647</u>	26%	53,679
Net profit				
Construction	82,592	40,281	>100%	42,311
Property	39,608	36,683	8%	2,925
Concession	80,817	85,184	-5%	(4,367)
	<u>203,017</u>	<u>162,148</u>	25%	40,869
<u>BY GEOGRAPHY</u>				
Revenue				
Malaysia	1,395,805	990,375	41%	405,430
Overseas	277,715	107,518	>100%	170,197
	<u>1,673,520</u>	<u>1,097,893</u>	52%	575,627
Profit before tax				
Malaysia	230,017	186,553	23%	43,464
Overseas	29,309	19,094	53%	10,215
	<u>259,326</u>	<u>205,647</u>	26%	53,679

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13. Review of Performance (cont'd)

Current Quarter

Gamuda Berhad's revenue grew 52% to RM1.67 billion in the first quarter ended 31 October 2017 compared with RM 1.09 billion in the same quarter last year.

Meanwhile, net profit grew 25% to RM203 million or 8.3 sen per share in the first quarter ended 31 October 2017 compared with RM162 million or 6.7 sen in the same quarter last year.

The increase in revenue and net profit were mainly due to higher work progress from the Group's various construction projects coupled with stronger overseas property sales and several new property projects in Malaysia.

(a) GAMUDA ENGINEERING

The construction division's revenue grew 49% to RM1.03 billion for the first quarter ended 31 October 2017 compared with RM696 million in the same quarter last year. Current quarter's profit before tax ("PBT") grew by 95% to RM100 million compared with RM51 million in the same quarter last year.

The increase in revenue and PBT were mainly due to higher work progress from the KVMRT Line 2 project where the Group is the Project Delivery Partner and the sole underground works package contractor. Meanwhile, works on the Pan Borneo Sarawak Highway – Pantu Junction to Btg Skrang is progressing on schedule.

(b) GAMUDA LAND

The property division sold RM903 million worth of properties, more than double the RM430 million sold in last year's corresponding quarter. Meanwhile, the property division reported revenue of RM510 million and PBT of RM45 million in the current quarter compared with revenue of RM272 million and PBT of RM41 million in the same quarter last year.

The better sales and revenue performance were mainly due to stronger sales contribution from the overseas projects as well as local established projects such as Horizon Hills, Jade Hills, The Roberston and new project launches in Gamuda Gardens and twentyfive.7. PBT grew by 10% only as a result of higher upfront cost for new townships and more affordable housing sold this quarter.

(c) GAMUDA INFRASTRUCTURE CONCESSIONS

The division reported a revenue of RM129 million and PBT of RM114 million which is similar to last year's financial performance. Except for the SMART Expressway which experienced lower-than-expected traffic, the traffic volumes of other expressways have been stable and resilient.

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14. Comparison with immediate Preceding Quarter's Results

The Group's net profit grew by 97% to RM203 million in the current quarter ended 31 October 2017 compared with a net profit of RM103 million in the preceding quarter ended 31 July 2017 due to a one-off RM98 million impairment on the Smart expressway in the preceding quarter.

Excluding the one-off charge, the group's normalised net profit grew to RM203 in the current quarter ended 31 October 2017 compared with a net profit of RM 201 million in the preceding quarter ended 31 July 2017.

15. Other Comprehensive Income (OCI)

Included in other comprehensive income is a foreign exchange loss of RM52 million. The foreign exchange loss is resulted from the retranslation of the Group's assets in Vietnam, India, Australia and Singapore.

16. Current Year Prospects

Overall Prospects

The Group anticipates a better performance this year as the KVMRT Line 2's progress picks up pace, contributions from stronger property sales both overseas and in Malaysia; and steady earnings contribution from the expressway division.

The status of projects and prospects for the respective divisions of the Group are as follows:

(a) GAMUDA ENGINEERING

(i) Klang Valley Mass Rapid Transit: Sungai Buloh – Serdang – Putrajaya Line ("MRT Line 2")

Project Delivery Partner ("PDP") Line 2 :

Through MMC Gamuda KVMRT (PDP SSP) Sdn Bhd, our role as PDP is to deliver to the owner, Mass Rapid Transit Corporation Sdn Bhd ("MRT Corp"), a fully operational railway system within the agreed target cost and completion date.

To date, RM30.8 billion representing 97% of the overall works packages have been awarded. The overall cumulative progress at end of October 2017 is 13.3%.

Viaduct works comprising utilities relocation, earthworks and substructure works (piling and construction of piers and crossheads) are advancing for all packages. Deck launching continues as scheduled on the Northern packages V201 (Sungai Buloh to Persiaran Dagang) and V202 (Persiaran Dagang to Jinjang).

Rail systems concept design is completed and preliminary design is developing. The train mock-up has been delivered to Sg. Buloh and design is proceeding for the first two trains at the contractor's facility.

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16. Current Year Prospects (cont'd)

(a) **GAMUDA ENGINEERING (CONT'D)**

(i) **Klang Valley Mass Rapid Transit: Sungai Buloh – Serdang – Putrajaya Line (“MRT Line 2”) (cont'd)**

Underground Works Package (“UGW Line 2”):

MMC Corporation Berhad – Gamuda Berhad Joint Venture is the Works Package Contractor for the underground works package of the MRT SSP Line 2 (Sg. Buloh-Serdang-Putrajaya). The overall cumulative progress at end of October 2017 is 19.5%.

Diaphragm wall and secant bored pile construction continues at the SSP Line Stations, and station excavation is underway at Sentul West, Titiwangsa, Conlay, Chan Sow Lin and Bandar Malaysia North. Preparatory works for tunnelling continue with the first TBM now delivered to site. The first tunnel drive is expected to launch from Bandar Malaysia North in February 2018.

The startup of the SSP Line Underground Works has been delayed at six of the ten stations due to major design changes instructed by the client, MRT Corporation, and by late access to land required for the works from third parties. The impact of these has been a delayed start of the station diaphragm wall and secant bored pile works which, without mitigation, would potentially delay the completion of the project by up to nine months. Working with the client, MMC Gamuda have proactively considered measures to catch up these delays and have recently made an acceleration proposal to MRT Corporation that details such measures as required to achieve the original Line Opening date. The proposal is currently under review with the client with agreement on the way forward anticipated by year end.

(ii) **Pan Borneo Highway, Sarawak – WPC04 (Pantu Junction to Btg Skrang)**

Naim Engineering Sdn Bhd – Gamuda Berhad JV accepted the award of the WPC04 (Pantu Junction to Btg Skrang) for the Pan Borneo Sarawak project on 25 July 2016. The scope includes the widening and upgrading of the existing 89.30km long, 2-lane single carriageway road from Pantu Junction to Batang Skrang to a 4-lane dual carriageway of JKR R5 standard.

Overall cumulative progress at the end November 2017 was 11.7% and is on track.

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16. Current Year Prospects (cont'd)

(a) GAMUDA ENGINEERING (CONT'D)

(iii) Penang Transport Master Plan

On 14 August 2015, the Company's 60%-owned SRS Consortium received a Letter of Award ('LOA') from the Penang State Government appointing SRS Consortium as the Project Delivery Partner for the implementation of the Penang Transport Master Plan (PTMP).

The major components of Phase 1 of the Project are :

- a. The Light Rail Transit (LRT) from George Town to Bayan Lepas (Penang International Airport);
- b. The Pan Island Link (PIL) highway; and
- c. Reclamation Works (Penang South Reclamation).

On 29 Aug 2017, the Penang State Government has extended the validity of the LOA by another 12 months to 30 August 2018 due to the additional time required to comply with Federal Government approval processes.

Approvals for LRT

The Railway Scheme for the LRT has been submitted to Suruhanjaya Pengangkutan Awam Darat (SPAD) on 29th March 2016 for their review and approval. SPAD will also be integrating the LRT review process into their Land Public Transport Master Plan study for the Northern Region, which is currently ongoing and is expected to complete by 1st Quarter 2018.

The Environmental Impact Assessment (EIA) Report for the LRT has been submitted to the Department of Environment (DOE) on 18th May 2017 and the review process is on-going.

Approvals for Penang South Reclamation

The Final Environmental Impact Assessment (EIA) Report for Penang South Reclamation was submitted to DOE on 15 August 2017 and the review process is continuing.

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16. Current Year Prospects (cont'd)

(b) GAMUDA LAND

The property division is on track to achieve target sales of RM3.5 billion for FY2018, surpassing last year's sales of RM2.4 billion.

The better performance is due to stronger overseas sales, underpinned by Vietnam and the newly launched townships for Kundang Estates, Gamuda Gardens and twentyfive.7.

(i) Malaysia

Established projects at Horizon Hills, Jade Hills and The Robertson continued to receive strong demand. The Robertson which is 80% sold is on track for completion in April 2018.

Gamuda Gardens received overwhelming response for its first phase where the double storey terrace homes were fully sold during the launch. Gamuda Gardens has since launched its second phase in end-September 2017. twentyfive.7 in Kota Kemuning, launched in September 2017, continued to attract strong interest from the market.

Development approvals for Gamuda Cove, a future landmark township development with a GDV of RM19.3 billion on 1,530 acres located opposite the Cyberjaya/Putrajaya interchange along Expressway Lingkaran Tengah (ELITE Highway), are currently ongoing.

(ii) Overseas

Celadon City in Ho Chi Minh and Gamuda City in Hanoi continues to be the biggest contributors on the back of strong demand and robust economic outlook in Vietnam.

Both luxury high-rise condominiums; GEM Residences in Singapore and 661 Chapel Street in Melbourne Australia are also registering encouraging sales. 661 Chapel Street is targeted for completion in April 2018.

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16. Current Year Prospects (cont'd)

(b) GAMUDA LAND (CONT'D)

(iii) The remaining GDV of existing and new projects :

Projects	Balance Acreage	GDV (RM mil)
<u>Existing</u>	613	6,938
· Horizon Hills		
· Jade Hills		
· The Robertson		
· HighPark Suites		
· Others		
<u>New</u>	2,595	34,475
· Kundang Estates and Gamuda Gardens		
· twentyfive.7		
· Gamuda Cove		
<u>Overseas</u>	381	12,168
· Vietnam - Gamuda City and Celadon City		
· Melbourne - 661 Chapel Street		
· Singapore - Gem Residences		
Total	3,589	53,581

(c) GAMUDA INFRASTRUCTURE CONCESSIONS

(i) Expressway

Except for the SMART Expressway which experienced lower-than-expected traffic, the traffic volumes of other expressways have been stable and resilient. In the previous financial year, the group set aside RM 98 million as a one-off provision for impairment on the SMART Expressway.

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16. Current Year Prospects (cont'd)

(c) GAMUDA INFRASTRUCTURE CONCESSIONS (CONT'D)

(ii) Water

Negotiations with the Selangor State Government on its effort to acquire 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, are still ongoing.

The Selangor State Government and the Federal Government are still finalising certain matters amongst themselves in order to complete the takeover. They have mutually agreed to extend the takeover deadline to 4 July 2018.

The Company believes that it has reasonable grounds to sell Splash at book value. If Splash were to be sold at book value, there would be no loss on disposal in the Company's accounts.

There are precedents of take overs of water assets based on book value in 6 states - Melaka, Negeri Sembilan, Johor, Perlis, Penang and Perak.

17. Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

18. Income Tax

	Current Year Quarter	Preceding Year Corresponding Period
	31-Oct-17	31-Oct-16
	RM'000	RM'000
In respect of current period		
- Income tax	44,179	23,547
- Deferred tax	(2,628)	7,068
	<u>41,551</u>	<u>30,615</u>

The Group's effective tax rate (excluding the results of joint ventures and associates which is equity accounted net of tax) for the current period is higher than the statutory tax rate primarily due to certain expenses not being deductible for tax purposes.

19. Status of Corporate Proposal

As at 31 October 2017, there was no outstanding corporate proposal.

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20. Group Borrowings and Debt Securities

The details of the Group's borrowings as at the end of the period are as follows:-

	As At 31 Oct 17			As At 31 Oct 16		
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000
Long Term Borrowings						
Medium Term Notes						
- Gamuda	-	1,000,000	1,000,000	-	1,800,000	1,800,000
- Gamuda Gardens	-	500,000	500,000	-	500,000	500,000
- Kesas	465,000	-	465,000	645,000	-	645,000
Term Loans						
- Gamuda	-	819,404	819,404	-	595,173	595,173
- twentyfive.7	297,782	-	297,782	300,000	-	300,000
- Gamuda City	230,550	-	230,550	232,403	-	232,403
- Celadon City	386,299	-	386,299	333,795	-	333,795
- Chapel Street	-	202,744	202,744	-	31,896	31,896
- Gamuda Singapore	-	186,438	186,438	-	180,708	180,708
Revolving Credits						
- Jade Hills	84,301	-	84,301	70,821	-	70,821
- Gamuda Singapore	-	31,073	31,073	-	-	-
	1,463,932	2,739,659	4,203,591	1,582,019	3,107,777	4,689,796
Short Term Borrowings						
Medium Term Notes						
- Gamuda	-	800,000	800,000	-	348,019	348,019
- Kesas	90,000	-	90,000	-	-	-
Revolving Credits						
- Gamuda	-	42,315	42,315	-	8,000	8,000
- Pan Borneo	-	96,000	96,000	-	-	-
- Gamuda Singapore	-	-	-	-	30,118	30,118
	90,000	938,315	1,028,315	-	386,137	386,137
Total Borrowings	1,553,932	3,677,974	5,231,906	1,582,019	3,493,914	5,075,933

The Group borrowings and debt securities are denominated in the following currencies:

	As At 31 Oct 17		As At 31 Oct 16	
	Foreign Currency ('000)	RM'000 Equivalent	Foreign Currency ('000)	RM'000 Equivalent
RM	-	4,152,487	-	3,918,994
USD	10,000	42,315	83,000	348,019
VND	3,311,000,000	616,849	3,014,900,000	566,198
SGD	70,000	217,511	70,000	210,826
AUD	62,500	202,744	10,000	31,896
		5,231,906		5,075,933

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21. Changes in Contingent Liabilities or Contingent Assets

There are no significant contingent liabilities or contingent assets.

22. Provision of Financial Assistance

Pursuant to paragraph 8.23(1)(ii) of Bursa Malaysia Securities Berhad's Listing Requirements, the financial assistance provided by Gamuda Berhad ("Gamuda") is as follows:

1. MMC Corporation Berhad ("MMC") and Gamuda Berhad Joint Venture was awarded the underground works package of the MRT Line 1 and MRT Line 2. MMC and Gamuda established a special purpose vehicle ("SPV") known as MMC Gamuda KVMRT (T) Sdn Bhd to undertake the works package. The SPV is equally owned by MMC and Gamuda. As the works package is undertaken by a SPV, MMC and Gamuda issued Parent Company Guarantees to guarantee the due performance and obligations of the SPV.
2. MMC Corporation Berhad ("MMC") and Gamuda Berhad Joint Venture was appointed as the Project Delivery Partner ("PDP") for the MRT Line 2. MMC and Gamuda established a special purpose vehicle ("SPV 2") known as MMC Gamuda KVMRT (PDP SSP) Sdn Bhd to be the PDP. The SPV 2 is equally owned by MMC and Gamuda. As the work is undertaken by a SPV, MMC and Gamuda issued Parent Company Guarantees to guarantee the due performance and obligations of the SPV 2.

The Parent Company Guarantees for the above contracts mentioned above have not been called because the SPVs are performing and meeting their obligations in compliance with the terms of the contracts.

23. Capital Commitments

The amount for capital commitments not provided for in the interim financial statements as at 31 October 2017 are as follows:

	RM'000
Approved and contracted for :-	
Digital-intergrated Industrialised Building System (IBS)	
- includes factory and machineries	103,376
Tunnel Boring Machines (TBM)	80,374
Plant & Equipment	14,913
	<u>198,664</u>

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24. Material Litigation

On 27 June 2016, Gamuda Berhad announced that its jointly controlled entity, MMC Gamuda KVMRT (PDP) Sdn Bhd ("PDP") has, on 24 June 2016, been served with a writ and statement of claim filed by Accolade Land Sdn Bhd ("Accolade") against Mass Rapid Transit Corporation Sdn Bhd ("MRT Corp"), PDP and other parties.

The suit is premised on an alleged breach of an alleged contract between Accolade and MRT Corp relating to the acquisition of land belonging to Accolade by MRT Corp for the Klang Valley Mass Rapid Transit project.

Accolade is claiming, jointly and severally against the defendants, damages in the sum of RM303,534,216.00, with interest and costs.

On 4 August 2016, the PDP filed an application to strike out the Accolade's Writ and Statement of Claim on the premise that it discloses no reasonable cause of action, is scandalous, frivolous and vexatious and amounts to an abuse of process ("PDP's 1st Striking Out Application"). On 15 September 2016, the PDP filed an application to strike out parts of Accolade's Amended Reply to the PDP's Defence on the premise that they are scandalous, frivolous and vexatious and amounts to an abuse of process ("PDP's 2nd Striking Out Application"). The PDP's 1st Striking out Application and 2nd Striking Out Application were heard before the Judge on 23 November 2016 and 28 February 2017. On 20 April 2017 the Judge allowed the PDP's 1st Striking Out Application. As a result of the Judge's decision the PDP's 2nd Striking Out Application was struck out as the same has become academic. On 16 May 2017 Accolade has filed a Notice of Appeal against the decision of the Judge. The matter is fixed for case management on 18 January 2018.

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(The figures have not been audited)

25. Earnings Per Share

	Current Quarter 31-Oct-17
Basic	
Net profit attributable to shareholders (RM'000)	<u>203,017</u>
Number of ordinary shares in issue as at 1 Aug 2017 ('000)	2,450,745
Effect of shares issued during the period ('000)	<u>3,351</u>
Weighted average number of ordinary shares in issue ('000)	<u>2,454,096</u>
Basic earnings per ordinary share (sen)	<u>8.27</u>
Diluted	
Net profit attributable to shareholders (RM'000)	<u>203,017</u>
Weighted average number of ordinary shares in issue ('000)	2,454,096
- Assumed shares issued from the exercise of ESOS ('000)	27,201
- Assumed shares issued from the conversion of Warrants 2016/2020 ('000)	<u>93,749</u>
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	<u>2,575,046</u>
Diluted earnings per ordinary share (sen)	<u>7.88</u>

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(The figures have not been audited)

26. Trade Receivables

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

Receivables of the Group is analysed as follows:

	Note	As At 31-Oct-17 RM'000
Current		
Trade receivables		
Third parties		525,046
Due from associated companies	(a)	74,386
Due from joint venture	(b)	634,615
Due from joint venture partners		23,398
		1,257,445
Other receivables		1,463,160
		2,720,605

Ageing analysis of current trade receivables:-

Neither past due nor impaired		1,002,707
1 to 30 days past due not impaired		118,890
31 to 60 days past due not impaired		53,461
61 to 90 days past due not impaired		19,458
91 to 120 days past due not impaired		22,300
More than 121 days past due not impaired	(c)	40,629
		254,738
Impaired		-
		1,257,445

a) Due from associated companies

Included is an amount of RM53,909,000 due from an associated company, Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd. ("SPLASH") for the supply of treated water. SPLASH's client, Syabas only pays 37% of billings resulting in SPLASH's inability to fully settle its debt to operations and maintenance operators.

b) Due from joint venture

Included is an amount of RM592,307,000 due from MMC Gamuda KVMRT (T) Sdn. Bhd. ("MGKT"). MGKT is the underground works contractor for KVMRT Line 1 and Line 2.

c) More than 121 days past due not impaired

Included is mainly related to Kesas's outstanding toll compensation claim from Government of Malaysia. The amount will be received in 2018.

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(The figures have not been audited)

27. Notes to the Consolidated Statement of Comprehensive Income

Total comprehensive income for the year is arrived at after charging/(crediting) the following items:

	Current Year To Date 31-Oct-17
	RM'000
Interest income	(19,242)
Other income	(11,271)
Interest expense	25,932
Depreciation and amortisation	47,224
Provision for impairment of receivables	-
Provision for and write-off of inventories	-
Gain on disposal of quoted or unquoted investment	-
Gain on disposal of property, plant and equipment	(26)
Provision for impairment of assets	-
Gain on foreign exchange	350
Gain on derivatives	-

The above disclosure is prepared in accordance with paragraph 16 of Appendix 9B of the Main Listing Requirements ("MLR") issued by Bursa Malaysia Securities Berhad. Except for the above, the rest of the items required for disclosures pursuant to paragraph 16 of MLR are not applicable to the Group.

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28. Disclosure fo Realised and Unrealised Retained Profit / (Accumulated Losses)

The following analysis is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses as issued by the Malaysian Institute of Accountants.

	Note	As at 31-Oct-17	As at 30-Jul-17
		RM'000	RM'000
Total retained profits of the Company and its subsidiaries			
- Realised		2,743,826	2,777,030
- Unrealised	1	<u>(314,344)</u>	<u>(376,705)</u>
		<u>2,429,482</u>	<u>2,400,325</u>
Total share of retained profits from joint arrangements			
- Realised		786,448	665,406
- Unrealised	1	<u>(41,688)</u>	<u>(39,931)</u>
		<u>744,760</u>	<u>625,475</u>
Total share of retained profits from associated companies			
- Realised		1,836,684	1,725,684
- Unrealised	1	<u>(294,852)</u>	<u>(263,361)</u>
		<u>1,541,832</u>	<u>1,462,323</u>
Less : Consolidated adjustments	2	(979,835)	(954,901)
Total Group retained profits		<u>3,736,239</u>	<u>3,533,222</u>

The breakdown of retained profit of the Group into realised and unrealised profits or losses are as follows:

- Note 1 Unrealised profits/losses are mainly deferred tax provision and translation gains or losses of monetary items denominated in a currency other than the functional currency.
- Note 2 Consolidation adjustments are mainly elimination of pre-acquisition profits or losses, minorities share of retained profits or accumulated losses and other adjustments arising from the business combination.