

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Period Ended 30 April 2018

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 2,462,129,951 as at 30 April 2018 by way of issuance of 11,019,000 and 365,808 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.

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7. Segmental Analysis

	Engineering and Construction	Property Development and Club Operations	Water and Expressway Concessions	Inter- segment Elimination	Total
9 months period ended 30 April 2018	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
Revenue as reported	1,465,469	1,179,501	367,278	-	3,012,248
Share of joint venture companies' revenue	1,650,437	607,151	12,242	-	2,269,830
	3,115,906	1,786,652	379,520	-	5,282,078
Inter-segment sales	283,424	-	-	(283,424)	-
Total revenue	3,399,330	1,786,652	379,520	(283,424)	5,282,078
RESULTS					
Profit from operations	229,296	93,228	216,249	-	538,773
Finance costs	(8,655)	(28,548)	(39,514)	-	(76,717)
Share of profits of associated companies	915	1,375	150,382	-	152,672
Share of profits of joint ventures	92,249	77,138	(2,560)	-	166,827
Profit before taxation	313,805	143,193	324,557	-	781,555
Percentage of segment results	40%	18%	42%		
Taxation					(127,036)
Profit for the period					654,519

NET ASSETS

Segment assets (net of liabilities)	1,039,883	6,701,029	1,340,523		9,081,435
Interest in associated companies	7,619	40,788	2,014,174		2,062,581
Interest in joint arrangements	223,888	634,841	47,870		906,599
	1,271,390	7,376,658	3,402,567		12,050,615
Financed by:-					
Owners' equity					7,756,178
Net borrowings					4,294,437
					12,050,615

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7. 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
9 months period ended 30 April 2017					
REVENUE					
Revenue as reported	952,649	885,873	359,725	-	2,198,247
Share of joint venture companies' revenue	1,578,791	243,512	12,607	-	1,834,910
	<u>2,531,440</u>	<u>1,129,385</u>	<u>372,332</u>	<u>-</u>	<u>4,033,157</u>
Inter-segment sales	111,528	-	-	(111,528)	-
Total revenue	<u>2,642,968</u>	<u>1,129,385</u>	<u>372,332</u>	<u>(111,528)</u>	<u>4,033,157</u>
RESULTS					
Profit from operations	152,217	107,689	212,306	-	472,212
Finance costs	(9,256)	(30,135)	(47,449)	-	(86,840)
Share of profits of associated companies	2,022	2,139	161,064	-	165,225
Share of profits of joint ventures	51,584	47,668	(4,297)	-	94,955
Profit before taxation	<u>196,567</u>	<u>127,361</u>	<u>321,624</u>	<u>-</u>	<u>645,552</u>
Percentage of segment results	30%	20%	50%		
Taxation					<u>(112,875)</u>
Profit for the period					<u>532,677</u>

NET ASSETS

Segment assets (net of liabilities)	849,753	6,153,379	1,418,915		8,422,047
Interest in associated companies	5,544	44,182	1,914,352		1,964,078
Interest in joint arrangements	<u>147,975</u>	<u>677,829</u>	<u>150,522</u>		<u>976,326</u>
	<u>1,003,272</u>	<u>6,875,390</u>	<u>3,483,789</u>		<u>11,362,451</u>
Financed by:-					
Owners' equity					7,459,107
Net borrowings					<u>3,903,344</u>
					<u>11,362,451</u>

8. 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.

9. Material Events Subsequent to Balance Sheet Date

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

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10. Changes in Composition of the Group

There were no material changes in the composition of the Group for the period ended 30 April 2018 except for the following:-

The Company has on 28 November 2017 entered into a 50:50 Joint Venture Agreement with Malaysian Resources Corporation Berhad ("MRCB") to secure the award as the Project Delivery Partner ("PDP") for the project known as "Kuala Lumpur to Singapore High Speed Rail" ("Project").

On 2 May 2018, the 50:50 Consortium known as MRCB Gamuda Consortium accepted a letter of appointment from MyHSR Corporation Sdn Bhd appointing the Consortium as the PDP for the northern section of the HSR project.

However, with the new government in place after the Malaysian 14th General Election, the HSR project has consequently been postponed until further notice.

11. Dividends

The Board of Directors declares a second interim dividend in respect of financial year ending 30 April 2018 as follows:

- i) A single tier second interim dividend of 6.00 sen per ordinary share;
- ii) A single tier second interim dividend of 6.00 sen per ordinary share was declared in previous corresponding period;
- iii) The payment date of the second interim dividend is on 31 July 2018;
- iv) In respect of deposited securities, entitlement to dividends to be determined on the basis of the record of depositors as at 16 July 2018.

The total dividend for the current financial period is single tier dividend of 12.00 sen per ordinary share.

For the preceding year's corresponding period, the total single tier dividend of 12.00 sen per ordinary share was declared.

12. Dividends Paid

	9 months ended 30 April	
	2018	2017
	RM'000	RM'000
<u>First Interim Dividends</u>		
First interim dividend comprising single tier dividend of 6.00 sen per ordinary share for the year ending 31 July 2018 was paid on 25 January 2018	147,347	-
(First interim dividend comprising single tier dividend of 6.00 sen per ordinary share for the year ended 31 July 2017 was paid on 25 January 2017)	-	145,461
	<u>147,347</u>	<u>145,461</u>

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13. Review of Performance

	Current Year Quarter 30-Apr-18 RM'000	Comparative Quarter 30-Apr-17 RM'000	Var %	Current Year To Date 30-Apr-18 RM'000	Preceding Year Corresponding Period 30-Apr-17 RM'000	Var %
BY SEGMENT						
* Revenue						
Construction	1,020,167	1,050,681	-3%	3,115,906	2,531,440	23%
Property	670,375	453,540	48%	1,786,652	1,129,385	58%
Concession	121,914	116,966	4%	379,520	372,332	2%
	1,812,456	1,621,187	12%	5,282,078	4,033,157	31%
Profit before tax						
Construction	102,042	73,546	39%	313,805	196,567	60%
Property	50,533	43,314	17%	143,193	127,361	12%
Concession	101,338	104,431	-3%	324,557	321,624	1%
	253,913	221,291	15%	781,555	645,552	21%
Net profit						
Construction	79,272	62,671	26%	244,311	154,742	58%
Property	46,131	35,152	31%	129,607	110,224	18%
Concession	75,285	73,109	3%	241,043	234,374	3%
	200,688	170,932	17%	614,961	499,340	23%
BY GEOGRAPHY						
* Revenue						
Malaysia	1,353,207	1,360,361	-1%	4,184,537	3,430,458	22%
Overseas	459,249	260,826	76%	1,097,541	602,699	82%
	1,812,456	1,621,187	12%	5,282,078	4,033,157	31%
Profit before tax						
Malaysia	190,336	198,508	-4%	672,466	567,788	18%
Overseas	63,577	22,783	>100%	109,089	77,764	40%
	253,913	221,291	15%	781,555	645,552	21%
Net profit						
Malaysia	147,443	149,600	-1%	517,399	427,079	21%
Overseas	53,245	21,332	>100%	97,562	72,261	35%
	200,688	170,932	17%	614,961	499,340	23%

* Including the Group's share of joint ventures' revenue.

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13. Review of Performance (cont'd)

Current quarter

Gamuda Group's revenue grew 12% to RM1.8 billion for current quarter ended 30 April 2018 compared with RM 1.6 billion in the preceding year comparative quarter.

Meanwhile, net profit grew 17% to RM201 million or 8.16 sen per share as compared with RM171 million or 7.04 sen per share in the preceding year comparative quarter.

Year to date

The Group's revenue grew 31% to RM5.3 billion for the nine months ended 30 April 2018 compared with RM 4.0 billion in the same period last year.

Meanwhile, net profit grew 23% to RM615 million or 25.03 sen per share as compared with RM499 million or 20.60 sen per share in preceding year corresponding period.

The increase in revenue and net profit for the current quarter and year to date 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.

The performance of the respective divisions of the Group for the current year to date are as follows:

(a) GAMUDA ENGINEERING

The construction division's revenue grew 23% to RM3.1 billion for the nine months ended 30 April 2018 compared with RM2.5 billion in the preceding year corresponding period. Year to date profit before tax ("PBT") grew by 60% to RM314 million compared with RM197 million in the preceding year corresponding period.

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 sales grew by 85% to RM2.6 billion worth of properties for the nine months ended 30 April 2018 compared with RM1.4 billion in last year's corresponding period. Meanwhile, the property division reported revenue of RM1.8 billion and PBT of RM143 million in the current year to date compared with revenue of RM1.1 billion and PBT of RM127 million in the preceding year corresponding period.

The better sales, revenue and profit performance were mainly due to stronger sales contribution from the overseas projects, underpinned by Singapore and Vietnam, new project launches in Gamuda Gardens and twentyfive.7. PBT grew by 12% as a result of higher upfront cost for new townships and more affordable housing sold this year.

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13. Review of Performance (cont'd)

(c) GAMUDA INFRASTRUCTURE CONCESSIONS

The division reported a revenue of RM380 million (excluding share of associated companies' revenue) and PBT of RM325 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.

14. Comparison with immediate Preceding Quarter's Results

The Group's net profit of RM201 million in the current quarter ended 30 April 2018 slightly lower than RM211 million recorded in the preceding quarter ended 31 January 2018.

15. Other Comprehensive Income (OCI)

Included in other comprehensive income for the nine months ended 30 April 2018 is a net foreign exchange loss of RM256 million. The net foreign exchange loss resulted from the loss on foreign currency translation of the Group's overseas net assets due to the stronger Ringgit Malaysia.

16. Current Year Prospects

Overall Prospects

The Group's performance is on track for this year as the progress for MRT Line 2 picks up pace, higher property sales driven by overseas projects especially Vietnam and the launching of new townships 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 dates.

To date, RM 31 billion representing 98% of the overall works packages have been awarded. The overall cumulative progress at the end of May 2018 is on track at 22%.

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 as at end of May 2018 is according to plan at 31.5%.

The first two tunnel boring machine (“TBM”) drives, both launching from Bandar Malaysia North Station to Chan Saw Lin Station commenced in March 2018 and May 2018 respectively.

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16. Current Year Prospects (cont'd)

(a) GAMUDA ENGINEERING (CONT'D)

(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. The scope includes the widening and upgrading of the existing 89.30km long, 2-lane single carriageway road to a 4-lane dualcarriageway of JKR R5 standard.

Overall cumulative progress at the end of May 2018 was 25%.

(iii) Penang Transport Master Plan

On 14 August 2015, the Company's 60%-owned SRS Consortium received a Letter of Award 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 the Project are :

- a. The Light Rail Transit (LRT) from George Town to Bayan Lepas (Penang International Airport);
- b. The Pan Island Link 1 (PIL1) highway; and
- c. Reclamation Works (Penang South Reclamation).

The Railway Scheme for the Light Rail Transit; and the Environmental Impact Assessment (EIA) reports for the Pan Island Link 1 and reclamation works have been submitted to the relevant Federal Government agencies. Discussions with the relevant State and Federal Government agencies have intensified, and we target to obtain the approvals by Q4, 2018.

(iv) Kuala Lumpur – Singapore High Speed Rail (HSR) Project

On 2 May 2018, the Company's 50:50 consortium known as MRCB Gamuda Consortium ("Consortium") accepted a Letter of Appointment from MyHSR Corporation Sdn Bhd ("MyHSR Corp") appointing the Consortium as the Project Delivery Partner for the northern section of the HSR project.

Subsequently, the Consortium has on 31 May 2018 received a letter from MyHSR Corp informing that following the announcement by the Government of Malaysia on the cancellation of the HSR Project, all negotiations would be suspended and the signing of the Articles of Agreements and Conditions of Contract scheduled on 1 June 2018 would no longer take place.

(b) GAMUDA LAND

The property division sold RM2.6 billion worth of properties for the first three quarters of this year, 85% more than the RM1.4 billion sales for the same period last year. The property division is on track to achieve full year target sales of RM3.5 billion.

The strong sales are mainly driven by overseas projects, largely from Vietnam and Singapore.

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16. Current Year Prospects (cont'd)

(b) GAMUDA LAND (CONT'D)

(i) Malaysia

Horizon Hills, The Robertson and Jade Hills continued to sell well due to its established brand name.

Newer townships such as Gamuda Gardens and twentyfive.7 are seeing healthy take-up rates since their official launches. Both townships are gearing up for the maiden launch of their respective serviced apartments.

The North Tower of the Robertson development was handed over in January 2018 while the final block - the South Tower – was handed over in May 2018.

Gamuda Cove, a future landmark township development with a GDV of RM20 billion on 1,530 acres located opposite the Cyberjaya/Putrajaya interchange along Expressway Lingkaran Tengah (ELITE Highway) and 15 minutes from Kuala Lumpur International Airport will be launched in Q4 of 2018.

Local projects contributed 30% of overall sales.

(ii) Overseas

The two developments in Vietnam namely Gamuda City located in Hanoi and Celadon City in Ho Chi Minh continued to deliver steady results and remained the biggest contributor of overseas sales.

GEM Residences in Singapore is already 99% sold and construction expected to be completed in the first half of 2019. The construction of 661 Chapel Street, Australia was completed in April 2018.

The overseas projects contributed 70% of overall sales.

(c) GAMUDA INFRASTRUCTURE CONCESSIONS

(i) Expressway

Except for the SMART Expressway which experienced lower-than-expected traffic, the traffic volumes of other expressways continue to be stable and resilient.

(ii) Water

Syarikat Pengeluar Air Sungai Selangor Sdn Bhd ('Splash'), the concession holder of the Sungai Selangor Water Supply Scheme Phase 1 and 3 is awaiting the offer from the Selangor State Government on the takeover of its water assets and operations.

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17. Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

18. Income Tax

	3 months ended 30 April		9 months ended 30 April	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year	41,693	31,388	127,844	107,980
- Prior year	(8,315)	4,475	(2,637)	5,577
Deferred tax	7,806	6,970	1,829	(682)
	<u>41,184</u>	<u>42,833</u>	<u>127,036</u>	<u>112,875</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 quarter and year to date 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 30 April 2018, 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 30 April 18			As At 30 April 17		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Long Term Borrowings						
Medium Term Notes						
- Gamuda	-	1,500,000	1,500,000	-	1,400,000	1,400,000
- Gamuda Gardens	-	500,000	500,000	-	500,000	500,000
- Kesas	465,000	-	465,000	645,000	-	645,000
Term Loans						
- Gamuda	-	818,456	818,456	-	818,240	818,240
- twentyfive.7	346,347	-	346,347	297,413	-	297,413
- Gamuda City	175,845	-	175,845	236,855	-	236,855
- Celadon City	330,270	-	330,270	356,272	-	356,272
- Chapel Street	-	221,820	221,820	-	97,326	97,326
- Gamuda Singapore	-	177,552	177,552	-	186,528	186,528
Revolving Credits						
- Jade Hills	85,677	-	85,677	-	75,948	75,948
- Gamuda Singapore	-	29,592	29,592	-	-	-
	1,403,139	3,247,420	4,650,559	1,535,540	3,078,042	4,613,582
Short Term Borrowings						
Medium Term Notes						
- Gamuda	-	800,000	800,000	-	400,000	400,000
- Kesas	90,000	-	90,000	-	-	-
Commercial Papers						
- Gamuda	-	-	-	-	50,000	50,000
Revolving Credits						
- Gamuda	-	-	-	-	117,153	117,153
- Pan Borneo	-	110,000	110,000	-	83,000	83,000
- Celadon City	57,506	-	57,506	-	-	-
- Gamuda Singapore	-	-	-	-	31,088	31,088
	147,506	910,000	1,057,506	-	681,241	681,241
Total Borrowings	1,550,645	4,157,420	5,708,065	1,535,540	3,759,283	5,294,823

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

	As At 30 April 18		As At 30 April 17	
	Foreign Currency ('000)	RM'000 Equivalent	Foreign Currency ('000)	RM'000 Equivalent
RM	-	4,772,986	-	4,269,601
USD	-	-	27,000	117,153
VND	2,930,770,000	506,115	3,098,900,000	593,127
SGD	70,000	207,144	70,000	217,616
AUD	75,000	221,820	30,000	97,326
		<u>5,708,065</u>		<u>5,294,823</u>

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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:

a) Company Guarantees

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.

b) Advances to sub-contractors

	As at 30-Apr-18 RM'000	As at 31-Jan-18 RM'000
Non-interest bearing advances	<u>273,885</u>	<u>337,218</u>

The financial assistance provided during the quarter does not have any material effect on the earnings, net assets and liquidity of Gamuda Group.

23. Capital Commitments

The amount for capital commitments not provided for in the interim financial statements as at 30 April 2018 are as follows:

Approved and contracted for :-	RM'000
Integrated Industrialised Building System (IBS) factory	136,978
Tunnel Boring Machines	42,266
Plant & Equipment	<u>21,832</u>
	<u>201,076</u>

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24. Material Litigation

- (i) 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. Accolade's appeal is now fixed for hearing before the Court of Appeal on 24 October 2018.

- (ii) On 9 March 2018, Gamuda Berhad announced that its 80% owned subsidiary, Gamuda Water Sdn Bhd ("Gamuda Water") has received four writs of summons filed by Tenaga Nasional Berhad ("TNB"). The suits are premised on the failure by Gamuda Water in paying four electricity bills amounted to RM39,512,062.75. . On 18 May 2018, upon the application of Gamuda Water, the Court granted an order to consolidate all four writs. At the case management on 5 June 2018, Gamuda Water's solicitors informed the Court that Gamuda Water intends to file an Application for the Stay of Proceedings ("Stay Application"). Gamuda Water filed the Stay Application on 12 June 2018. The next hearing date is fixed on 13 August 2018.
- (iii) On 2 April 2018, Gamuda Berhad announced that Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (a 40% associate company) ("SPLASH") was served with two third party notices ("Third Party Suits") by Sungai Harmoni Sdn Bhd ("SHSB") in respect of the two suits filed by TNB against SHSB for outstanding electricity charges. In the Third Party Suits, SHSB is claiming against SPLASH the sum of RM621,576,212.76 for the supply of treated water and an indemnification sum of RM8,014,837.69 against TNB's claim together with interest and cost. On 26 April 2018 SPLASH served on SHSB its application to stay the proceedings of the Third Party Suits ("Stay Application"). The Stay Application is fixed for hearing on 4 July 2018.

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(The figures have not been audited)

24. Material Litigation (cont'd)

(iv) On 9 April 2018, Gamuda Berhad announced that SPLASH has commenced legal proceedings against Syarikat Bekalan Air Selangor Sdn Bhd ("SYABAS") for the recovery of RM4,217,911,712.85 outstanding receivables owing by SYABAS to SPLASH together with interest and costs. On 26 April 2018, SYABAS filed its Defence and Counter Claim. On 27 April 2018 SYABAS served on SPLASH its application to strike out SPLASH's claim ("Striking Out Application"). SPLASH served on SYABAS its summary judgment application ("Summary Judgment Application") on 21 May 2018. The Striking Out Application is now fixed for hearing on 11 July 2018.

25. Earnings Per Share

	Current Quarter 30-Apr-18	Current Year To Date 30-Apr-18
Basic		
Net profit attributable to shareholders (RM'000)	200,688	614,961
Number of ordinary shares in issue as at 1 Aug 2017 ('000)	2,450,745	2,450,745
Effect of shares issued during the period ('000)	8,923	5,737
Weighted average number of ordinary shares in issue ('000)	2,459,668	2,456,482
Basic earnings per ordinary share (sen)	8.16	25.03
Diluted		
Net profit attributable to shareholders (RM'000)	200,688	614,961
Weighted average number of ordinary shares in issue ('000)	2,459,668	2,456,482
- Assumed shares issued from the exercise of ESOS ('000)	19,710	20,772
- Assumed shares issued from the conversion of Warrants 2016/2020 ('000)	77,739	80,213
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	2,557,117	2,557,467
Diluted earnings per ordinary share (sen)	7.85	24.05

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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 30-Apr-18 RM'000
Current		
Trade receivables		
Third parties		1,313,538
Due from associated companies	(a)	56,541
Due from joint venture	(b)	831,877
Due from joint venture partners		688
		2,202,644
Other receivables		
Accrued billings		644,478
Sundry receivables		354,271
		3,201,393
Ageing analysis of current trade receivables:-		
Neither past due nor impaired		1,820,841
1 to 30 days past due not impaired		163,433
31 to 60 days past due not impaired		75,361
61 to 90 days past due not impaired		17,604
91 to 120 days past due not impaired		16,345
More than 121 days past due not impaired	(c)	84,658
		357,401
Impaired		24,402
Total trade receivables		2,202,644

a) Due from associated companies

Included is an amount of RM38,771,000 due from an associated company, Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd. ("SPLASH") for the supply of treated water.

b) Due from joint venture

Included is an amount of RM742,345,000 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 September 2018.

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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 Quarter 30-Apr-18	Current Year To Date 30-Apr-18
	RM'000	RM'000
Interest income	(21,167)	(60,326)
Other income	(6,813)	(30,711)
Interest expense	27,052	76,717
Depreciation and amortisation	39,020	134,906
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	(3,669)	(6,459)
Provision for impairment of assets	-	-
Gain on foreign exchange	(2,318)	(4,038)
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 30-Apr-18	As at 31-Jan-18
		RM'000	RM'000
Total retained profits of the Company and its subsidiaries			
- Realised		3,034,386	2,884,148
- Unrealised	1	<u>(528,658)</u>	<u>(537,568)</u>
		<u>2,505,728</u>	<u>2,346,580</u>
Total share of retained profits from joint arrangements			
- Realised		988,571	818,262
- Unrealised	1	<u>(98,698)</u>	<u>(32,595)</u>
		<u>889,873</u>	<u>785,667</u>
Total share of retained profits from associated companies			
- Realised		1,821,965	1,689,107
- Unrealised	1	<u>(300,237)</u>	<u>(206,924)</u>
		<u>1,521,728</u>	<u>1,482,183</u>
Less : Consolidated adjustments	2	(916,493)	(814,282)
Total Group retained profits		<u>4,000,836</u>	<u>3,800,148</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.