

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Year Ended 31 July 2019

Notes To The Interim Financial Statements

(The figures have not been audited)

1. Basis of Preparation

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

The interim financial report is unaudited and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 July 2018, which have been prepared in accordance with Financial Reporting Standards (“FRS”) and the Companies Act 2016.

The date of transition to the MFRS Framework is 1 August 2018 and the interim financial statements of the Group for the period ended 31 October 2018 are the first set of interim financial statements prepared in accordance with the MFRS Framework issued by Malaysian Accounting Standard Board (“MASB”). This MFRS framework was introduced by MASB in order to fully converge Malaysia’s existing FRS framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board.

At the transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1.

Changes in accounting policies and methods of computation

The significant accounting policies, method of computation and basis of consolidation applied in the consolidated condensed interim financial statements for the year ended 31 July 2019 have been prepared in accordance with the MFRS Framework and are consistent with those of the audited financial statements for the financial year ended 31 July 2018, except for the adoption of the following two new accounting standards:

a) **MFRS 15: Revenue from Contracts with Customers**

Changes arising from this new accounting standard mainly affects the property development activities of the Group as follows:

i) Multiple promises from the sale of each development property

The sales and purchase agreement (‘SPA’) for each property sold may include multiple promises to customers including the sale of property with furniture and fittings. The previous accounting standard prescribed that the Group account for the bundled sales as one deliverable and recognise revenue over time. However, in accordance with the new accounting standard, each promise in the SPA is recognised as separate deliverable resulting in revenue for some deliverable to be recognised over the construction period while revenue for other deliverable are recognised upon completion of the property.

ii) Cost incurred in fulfilling a contract

The previous accounting standard prescribed that the commissions paid to sales agents and free legal fees were expensed off to the Income Statement as and when these costs were incurred. However, in accordance with the new accounting standard, these costs are eligible to be capitalised and amortised over the construction period. Any unamortised costs can be capitalised as contract assets in the Balance Sheet.

iii) Variable consideration

The previous accounting standard prescribed that sales rebates and incentives to buyers be recognised as an expense to the Income Statement. However, in accordance with the new accounting standard, sales rebates and incentives to buyers are recognised as a deduction to revenue line item. This amounts to a reclassification within the Income Statement.

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1. Basis of Preparation (cont'd)

b) MFRS 9: Financial Instruments

The key effect of the adoption of this new accounting standard would principally be in respect of the assessment of impairment losses of outstanding debts based on an "expected credit loss" model instead of the "incurred loss" model. The assessment has no material impact to the Group as at 31 July 2018 and 31 July 2019

The effects to the financial statements from the adoption of MFRS 15 are as follows:

	As previously stated	Effect of adoption MFRS 15	Restated under MFRS
	RM'000	RM'000	RM'000
Condensed Consolidated Income Statement 3 months ended 31 July 2018			
Revenue	1,214,812	(3,174)	1,211,638
Operating expenses	(1,144,725)	(6,292)	(1,151,017)
Other income	87,772	1,185	88,957
Profit from operations	157,859	(8,281)	149,578
Finance costs	(19,353)	4,918	(14,435)
Share of profit of associated companies	(247,600)	-	(247,600)
Share of profit of joint ventures	56,841	(1,744)	55,097
Profit before taxation	(52,253)	(5,107)	(57,360)
Income tax expenses	(37,909)	2,546	(35,363)
Profit for the period	(90,162)	(2,561)	(92,723)
Profit attributable to :-			
Owners of the Company	(101,078)	(2,561)	(103,639)
Non-controlling interests	10,916	-	10,916
	(90,162)	(2,561)	(92,723)
Earning per share attributable to			
Owners of the Company (sen)			
Basic	(4.10)		(4.20)
Diluted	(4.09)		(4.20)

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1. Basis of Preparation (cont'd)

The effects to the financial statements from the adoption of MFRS 15 are as follows: (cont'd)

	As previously stated RM'000	Effect of adoption MFRS 15 RM'000	Restated under MFRS RM'000
Condensed Consolidated Income Statement 12 months ended 31 July 2018			
Revenue	4,227,060	(10,509)	4,216,551
Operating expenses	(3,715,695)	16,718	(3,698,977)
Other income	185,267	2,723	187,990
Profit from operations	696,632	8,932	705,564
Finance costs	(96,070)	4,918	(91,152)
Share of profit of associated companies	(96,303)	-	(96,303)
Share of profit of joint ventures	225,043	3,513	228,556
Profit before taxation	729,302	17,363	746,665
Income tax expenses	(164,945)	(1,068)	(166,013)
Profit for the year	564,357	16,295	580,652
Profit attributable to :-			
Owners of the Company	513,883	16,295	530,178
Non-controlling interests	50,474	-	50,474
	564,357	16,295	580,652
Earning per share attributable to Owners of the Company (sen)			
Basic	20.89		21.56
Diluted	20.88		21.54

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1. Basis of Preparation (cont'd)

The effects to the financial statements from the adoption of MFRS 15 are as follows: (cont'd)

	As previously stated	Effect of adoption MFRS 15	Restated under MFRS
	RM'000	RM'000	RM'000
Condensed Consolidated Statement of Financial Position As at 1 August 2018			
ASSETS			
Non-current assets			
Land held for property development	2,783,457	(128,320)	2,655,137
Investment in properties	363,578	308	363,886
Interests in joint arrangements	1,002,187	(1,649)	1,000,538
Deferred tax assets	39,219	2,182	41,401
Other assets	5,212,892	-	5,212,892
	9,401,333	(127,479)	9,273,854
Current assets			
Property development costs	2,175,988	(107,197)	2,068,791
Contract assets	1,262,742	13,637	1,276,379
Other assets	3,999,144	-	3,999,144
	7,437,874	(93,560)	7,344,314
TOTAL ASSETS	16,839,207	(221,039)	16,618,168
EQUITY AND LIABILITIES			
EQUITY			
Share capital	3,452,940	-	3,452,940
Retained profits	3,751,678	28,780	3,780,458
Reserves	363,227	-	363,227
Owners' equity	7,567,845	28,780	7,596,625
Non-controlling interests	383,681	-	383,681
TOTAL EQUITY	7,951,526	28,780	7,980,306
Non-current liabilities			
Provision for liabilities	258,705	(235,879)	22,826
Deferred tax liabilities	400,672	6,647	407,319
Other liabilities	4,455,149	-	4,455,149
	5,114,526	(229,232)	4,885,294
Current liabilities			
Contract liabilities	526,089	5,020	531,109
Provision for liabilities	74,320	(25,607)	48,713
Other liabilities	3,172,746	-	3,172,746
	3,773,155	(20,587)	3,752,568
TOTAL LIABILITIES	8,887,681	(249,819)	8,637,862
TOTAL EQUITY AND LIABILITIES	16,839,207	(221,039)	16,618,168

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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 2018 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 item affecting assets, liabilities, equity, net income or cash flows of the Group.

5. Changes in Estimates

There were no changes in estimates of amounts reported previously that have any material effect in the current period 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 (excluding share premium) from 2,467,991,951 as at 31 July 2018 to 2,472,322,033 as at 31 July 2019 by way of issuance of 3,228,000 new ordinary shares pursuant to the exercise of the Employees' Share Option Scheme and 1,102,082 conversion of warrants.

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

7. 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 2018.

8. Material Events Subsequent to Balance Sheet Date

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

9. Changes in Composition of the Group

- (i) On 5 October 2018, Gamuda Engineering Sdn. Bhd. ("Gamuda Engineering"), a wholly-owned subsidiary of the Company, has acquired one ordinary share in Gamuda Building Ventures Sdn Bhd (formerly known as Iimbangan Integrasi Sdn Bhd) ("Gamuda Building Ventures") representing 100% of the total issued share capital of Gamuda Building Ventures, for a total cash consideration of RM1.00 only ("Acquisition"). Gamuda Building Ventures was incorporated in Malaysia on 27 March 2018 as a private limited company. Following the Acquisition, Gamuda Building Ventures has become a wholly-owned subsidiary of Gamuda Engineering, which in turn is a wholly-owned subsidiary of Gamuda. Gamuda Building Ventures' principal activity is to undertake infrastructure and building works.

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9. Changes in Composition of the Group (cont'd)

- (ii) On 19 October 2018, a joint venture company, Anchorvale Pte.Ltd. was incorporated with equity participation in the joint venture consist of Gamuda Singapore Pte. Ltd. (50%), H10 Holdings Pte.Ltd. (30%) and Evia Real Estate (8) Pte. Ltd. (20%) to carry out the development project on the land parcel at Anchorvale Crescent site earmarked for executive condominium development.
- (iii) On 19 December 2018, Gamuda Engineering has acquired one (1) ordinary share in Gamuda Tunnel Engineering Sdn. Bhd. (formerly known as Megah Integrasi Sdn Bhd) ("Gamuda Tunnel Engineering") representing 100% of the total issued share capital of Gamuda Tunnel Engineering, for a total cash consideration of RM1.00 only ("Acquisition"). Following the Acquisition, Gamuda Tunnel Engineering has become a wholly-owned subsidiary of Gamuda Engineering, which in turn is a wholly-owned subsidiary of Gamuda. Gamuda Tunnel Engineering was incorporated in Malaysia on 28 October 2018 as a private limited company. The intended principal activity is to specialise in tunnelling works.
- (iv) On 5 March 2019, Gamuda Berhad had formed a new wholly owned subsidiary, Intensif Inovatif Sdn. Bhd. ("Intensif Inovatif"). Intensif Inovatif is incorporated as a private company limited by shares with an initial issued share capital of RM1.00 representing one (1) ordinary share which is fully subscribed and paid by Gamuda Berhad. The intended principal activity of Intensif Inovatif is to carry out property related businesses.

10. Dividends

The Board of Directors does not recommend the payment of any final dividend for the fourth quarter in respect of the financial year ended 31 July 2019.

The total dividend per ordinary share in respect of the current and last financial year ended 31 July 2019 and 31 July 2018 are as follows :-

	<u>2019</u>	<u>2018</u>
First Interim Dividend	6 sen	6 sen
Second Interim Dividend	6 sen	6 sen
Total Dividends	<u>12 sen</u>	<u>12 sen</u>

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11. Dividend Paid

	12 months ended 31 July	
	2019	2018
	RM'000	RM'000
<u>First Interim Dividend</u>		
First interim dividend comprising single tier dividend of 6.00 sen per ordinary share for the year ending 31 July 2019 was paid on 25 January 2019.	148,083	
First interim dividend comprising single tier dividend of 6.00 sen per ordinary share for the year ended 31 July 2018 was paid on 25 January 2018.		147,347
<u>Second Interim Dividend</u>		
Second interim dividend comprising single tier dividend of 6.00 sen per ordinary share for the year ended 31 July 2019 was paid on 6 August 2019.	- *	
Second interim dividend comprising single tier dividend of 6.00 sen per ordinary share for the year ended 31 July 2018 was paid on 28 July 2018.		148,080
	<u>148,083</u>	<u>295,427</u>

* On 27 June 2019, the Directors declared a second interim dividend in respect of the financial year ended 31 July 2019 of 6 sen per share paid on 6 August 2019 amounted to RM148,271,642.

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12. Segmental Analysis

	Engineering and Construction	Property Development and Club Operations	Water and Expressway Concessions	Inter- segment Elimination	Total
	RM000	RM000	RM000	RM000	RM000
12 months period ended 31 July 2019					
REVENUE					
Revenue as reported	1,939,326	2,146,457	479,279	-	4,565,062
Share of joint venture companies' revenue	2,198,418	400,403	17,315	-	2,616,136
	4,137,744	2,546,860	496,594	-	7,181,198
Inter-segment sales	1,362,895	-	-	(1,362,895)	-
Total revenue	5,500,639	2,546,860	496,594	(1,362,895)	7,181,198
RESULTS					
Profit from operations	178,303	282,868	228,133	-	689,304
Finance costs	(21,592)	(42,651)	(27,688)	-	(91,931)
Share of profits of associated companies	20,207	-	106,427	-	126,634
Share of profits/(loss) of joint ventures	105,935	82,147	(3,240)	-	184,842
Profit before taxation (Note 5)	282,853	322,364	303,632	-	908,849
Percentage of segment results	31%	36%	33%		
Taxation					(150,654)
Profit for the year					758,195
Ow ners of the Company					706,113
Non-controlling interests					52,082
					758,195

Note 5

Percentage of segment results	31%	36%	33%		
Core profit before taxation	282,853	322,364	303,632	-	908,849
One-off item	-	-	-	-	-
Profit before tax as reported	282,853	322,364	303,632	-	908,849

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12. Segmental Analysis (cont'd)

	Engineering and Construction	Property Development and Club Operations	Water and Expressway Concessions	Inter- segment Elimination	Total
	RM000	RM000	RM000	RM000	RM000
12 months period ended 31 July 2018 (Restated)					
REVENUE					
Revenue as reported	1,924,558	1,796,342	495,651	-	4,216,551
Share of joint venture companies' revenue	2,140,996	778,919	16,170	-	2,936,085
	4,065,554	2,575,261	511,821	-	7,152,636
Inter-segment sales	438,071	-	-	(438,071)	-
Total revenue	4,503,625	2,575,261	511,821	(438,071)	7,152,636
RESULTS					
Profit from operations	252,543	200,302	252,719	-	705,564
Finance costs	(10,917)	(43,662)	(36,573)	-	(91,152)
Share of profits of associated companies	1,411	-	(97,714)	-	(96,303)
Share of profits/(loss) of joint ventures	124,456	106,967	(2,867)	-	228,556
Profit before taxation (Note 6)	367,493	263,607	115,565	-	746,665
Percentage of segment results	49%	35%	16%		
Taxation					(166,013)
Profit for the year					580,652
Ow ners of the Company					530,178
Non-controlling interests					50,474
					580,652

Note 6

Percentage of segment results	35%	25%	40%		
Core profit before taxation	367,493	263,607	422,900	-	1,054,000
<u>Less: One-off items</u>					
i) Loss on disposal of Splash	-	-	(300,051)	-	(300,051)
ii) One-off pre-tax discount on Gamuda Water's trade receivables	-	-	(7,284)		(7,284)
Profit before tax as reported	367,493	263,607	115,565	-	746,665

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13. Review of Performance

	Current Year Quarter	Comparative Quarter (Restated)	Var	Current Year To Date	Preceding Year Corresponding Period (Restated)	Var
	31-Jul-19	31-Jul-18		31-Jul-19	31-Jul-18	
	RM'000	RM'000	%	RM'000	RM'000	%
BY SEGMENT						
Revenue *						
Construction	1,005,406	949,648	6%	4,137,744	4,065,554	2%
Property	862,218	798,858	8%	2,546,860	2,575,261	-1%
Concession	109,956	132,301	-17%	496,594	511,821	-3%
	1,977,580	1,880,807	5%	7,181,198	7,152,636	0%
Profit before tax						
Construction	37,883	53,688	-29%	282,853	367,493	-23%
Property	144,082	97,944	47%	322,364	263,607	22%
Concession	41,720	98,343	-58%	303,632	422,900	-28%
	223,685	249,975	-11%	908,849	1,054,000	-14%
Less: One-off items						
i) Loss on disposal of Splash	-	(300,051)		-	(300,051)	
ii) One-off pre-tax discount on Gamuda Water's trade receivables	-	(7,284)		-	(7,284)	
	223,685	(57,360)		908,849	746,665	
	223,685	(57,360)		908,849	746,665	
BY GEOGRAPHY						
Revenue *						
Malaysia	1,411,699	1,394,417	1%	5,576,445	5,568,358	0%
Overseas	565,881	486,390	16%	1,604,753	1,584,278	1%
	1,977,580	1,880,807	5%	7,181,198	7,152,636	0%
Core profit before tax						
Malaysia	152,756	111,283	37%	653,449	789,616	-17%
Overseas	70,929	138,692	-49%	255,400	264,384	-3%
	223,685	249,975	-11%	908,849	1,054,000	-14%

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

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13. Review of Performance (cont'd)

Year to date : Gamuda posts strong property sales from Vietnam projects; overseas projects contributed two-thirds of overall property sales

Gamuda Land posted its second-highest annual property sales of RM3.1 billion in FY2019, lower than the record-high sales of RM3.6 billion achieved last year due to a challenging Malaysian property market. Nevertheless, overseas property sales underpinned by the two projects in Vietnam remained strong. Overseas sales contributed two-thirds of overall property sales.

Meanwhile, Gamuda Group posted a lower net profit of RM706 million as compared with last year's core net profit (excluding last year's one-off losses arising from the disposal of Splash and a one-off discount on Gamuda Water's trade receivables) of RM835m due to the sale of Splash and MRT Line 2's contract value reduction.

Current quarter : Gamuda posts RM1.1 billion property sales on the back of stronger Vietnam sales

Gamuda Land sold RM1.1 billion worth of properties in the fourth quarter of FY2019. The two projects in Vietnam, Celadon City in Ho Chi Minh City and Gamuda City in Hanoi, continued to deliver steady results and remained the biggest contributor of overseas sales.

Gamuda Group posted a lower net profit of RM185 million in 4QFY19 as compared with a core net profit of RM201 million (excluding last year's one-off losses arising from the disposal of Splash and a one-off discount on Gamuda Water's trade receivables) for the same quarter last year due to the sale of Splash and MRT Line 2's contract value reduction.

The performances of the respective divisions were as follows :-

- (a) Gamuda Engineering
The lower construction earnings was mainly due to the reduction in MRT Line 2's contract value following the re-negotiation with the Government to undertake the elevated and underground works as a single Turnkey Contract.
- (b) Gamuda Land
Overseas projects continued to perform well with overseas sales contributing two-thirds of group property sales; bolstering property earnings.
- (c) Gamuda Infrastructure Concession
The lower core earnings (excluding last year's one-off losses arising from the disposal of Splash and one-off discount on Gamuda Water's trade receivables) was due to the sale of Splash. The Group stopped recognising its share of Splash profits at the end of last year.

14. Comparison with immediate Preceding Quarter's Results

The Group's profit before tax for this quarter of RM224 million is lower than the immediate preceding quarter's profit before tax of RM236 million.

15. Other Comprehensive Income (OCI)

Included in other comprehensive income for the year to date ended 31 July 2019 is a net foreign exchange gain of RM31 million. The net foreign exchange gain resulted from the gain on foreign currency translation of the Group's overseas net assets due to the weaker Ringgit Malaysia.

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16. Next Year Prospects

Overall Prospects

The Group anticipates next year's performance to be driven by overseas property sales especially Vietnam and the progress of MRT Line 2 that continues to pick up pace.

The status of projects for the respective division are as follows :

(a) GAMUDA ENGINEERING

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

MMC Gamuda reached an agreement with the Government to convert the elevated works under a Project Delivery Partner ('PDP') model, and the design and build underground works package to a single Turnkey Contract for a combined contract price of RM30.53 billion.

The overall cumulative progress at the end of July 2019 for the:

- Elevated Works Package is on track at 59%; and
- Underground Works Package is on track at 60%.

The final design for Rail Systems is being completed; track laying has been completed for the Sungai Buloh Depot while the Phase 1 viaducts and the installation of other systems are progressing well. Two Electric Trains have been delivered to the Depot with the remaining at various stages of completion in the assembly plant at Rasa. For tunnelling work, three tunnel drives have been completed, with another ten TBMs making good progress.

(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 July 2019 was 45% and is on track.

(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 (PDP) for the implementation of the Penang Transport Master Plan (PTMP). The PDP Agreement is almost finalised. On 30 August 2019, the validity of the LOA has been extended by the State Government to 29 February 2020.

The major components of Phase 1 of the project are :

- a. The Light Rail Transit (LRT) from George Town to Island A of the Penang South Reclamation component;
- b. The Pan Island Link 1 (PIL1) highway; and
- c. Reclamation Works (Penang South Reclamation).

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16. Next Year Prospects (cont'd)

(a) GAMUDA ENGINEERING (cont'd)

(iii) Penang Transport Master Plan (cont'd)

Approvals for LRT

The Railway Scheme was given Conditional Approval on 18 July 2019. The 3-month Public Inspection started on 19 August and would end by 19 November 2019. The Environmental Impact Assessment (EIA) report for LRT will be submitted in September 2019 with approval anticipated by December 2019.

Approval for Pan Island Link 1 (PIL1) Highway

The EIA report for PIL1 has been approved by DOE in letter dated on 10 April 2019. Detailed engineering design will commence upon signing of PDP agreement with Penang State Government.

Approvals for Penang South Reclamation

Penang South Reclamation (PSR) Project was presented to Majlis Perancang Fizikal Negara (MPFN) on 18 Apr 2019.

EIA report was approved on 25 June 2019. Detailed engineering design will commence upon signing of PDP agreement with Penang State Government. Reclamation works for 2,300 acres Island A is targeted to commence in mid-2020.

(iv) Gamuda Industrialised Building Systems ('Gamuda IBS')

Gamuda IBS commenced operations in June 2016 with the first factory in Sepang and a second factory in Banting in May 2019. With these two factories, we have the capacity to produce 10,000 units per year. We have also expanded our product portfolio beyond solid walls and slabs to include double-wall, pre-stressed slab and bathroom pod production. We look forward to the roll-out of projects in support of the Government's target to build 1 million affordable homes in the coming decade.

With the use of Building Information Modelling (BIM) platform integrated with a robotic manufacturing line, Gamuda IBS is able to optimise resource allocations to maximise output. The benefits are:

- a. Improved factory-finished quality
- b. Enhanced worker safety and health
- c. Environmental friendly and reducing wastage to below one per cent
- d. Reducing reliance on manual labour by 70%
- e. Shortening construction period by 12 months

For the current financial year, apart from Gamuda Land, we have also delivered units to other property developers such as Perbadanan Kemajuan Negeri Selangor (PKNS) and Worldwide Holdings Berhad.

By 2020, all of Gamuda Land's high rise developments will be manufactured at Gamuda IBS. Additionally, Gamuda IBS will also extend its digital manufacturing capabilities to landed properties, starting with the first phase of Gamuda Cove.

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16. Next Year Prospects (cont'd)

(a) GAMUDA ENGINEERING (cont'd)

(v) Gamuda (Australia) Branch

The staff force with a combination of Australians and Malaysians had been set up to participate in tenders for Australian infrastructure projects. The prospects for public infrastructure in Australia are promising, with the Australian Government investing A\$100 billion over the next 10 years.

We have established a local presence in both Melbourne and Sydney, to actively engage with local contractors, engineering consultants and government authorities in Australia to improve our success rate in winning targeted major infrastructure projects.

(b) GAMUDA LAND

The property division sold RM3.1 billion worth of properties this year compared with RM3.6 billion last year. Overseas projects contributed two-thirds of overall sales.

(i) Overseas

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

Sales at the now-completed 661 Chapel Street, a luxury high-rise condominium in Melbourne, Australia is on-going while construction works for Anchorvale Crescent in Singapore commenced in June 2019.

(ii) Malaysia

Established projects such as Horizon Hills and Jade Hills continued to sell well due to its product offerings. Newer townships such as Gamuda Gardens, twentyfive.7 and Gamuda Cove saw improved take up rates.

The two waterfalls and four lakes in Gamuda Garden's 50-acre central park and the near-completion of the 100,000 square feet-Waterfront Village helped attract footfalls to the project. Another key attraction is the New Zealand-based Skyline Luge Enterprise's first luge attraction in Malaysia. Comprising the Skyline Luge and Skyline Zoom Ziplines, the attraction is to be built on a 60,000 square metres hill site overlooking the township.

Meanwhile, the construction of Quayside Mall at twentyfive.7 is at an advanced stage with its opening scheduled in June 2020. Other attractions such as the Buzz.ar and The Field, an international-sized football field professionally managed by the Football Talent Asia (FTA), has further improved sales of the project.

The ELITE highway's interchange connecting directly to Gamuda Cove was officially opened on 6 September 2019. The first phase of the 50-acre Discovery Park featuring key attractions such as Malaysia's first Aerobar, a tethered hot air balloon station, a beach pool club and a Starbucks drive-thru outlet is targeted for opening in the first half of 2020.

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16. Next Year Prospects (cont'd)

(c) GAMUDA INFRASTRUCTURE CONCESSIONS

(i) Expressway

The traffic volumes of all expressways have been stable and resilient.

On 21 June 2019, the Government offered to take over Gamuda's four highways namely KESAS, SPRINT, LITRAK and SMART. Gamuda's stakes in the four highways were valued at RM2.36 billion. Following the acceptance of the offers by the boards of directors of Gamuda and the four highways' concession holding companies, the offers are now subject to the approvals of Gamuda Berhad's shareholders, Litrak Holdings Berhad's shareholders and the Cabinet of Malaysia. Negotiations with the Government to finalise the terms and conditions of the definitive agreements are expected to commence soon.

(ii) Water

Splash, 40% owned by Gamuda, was sold to Pengurusan Air Selangor Sdn Bhd ("Air Selangor") for RM2.55 billion last year and the upfront payment of RM1.9 billion was received on 23 April 2019, thus fulfilling the final Condition Precedent for the completion of the sale. The balance purchase price of RM650 million will be settled in nine equal annual instalments.

On 24 May 2019, Gamuda Water, 80% owned by Gamuda, and Air Selangor signed a debt settlement agreement and a new operations & maintenance agreement for the Sungai Selangor Water Treatment Plant Phase 3.

17. Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

18. Income Tax

	3 months ended 31 July		12 months ended 31 July	
	2019	2018 (Restated)	2019	2018 (Restated)
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year	26,731	20,988	154,330	148,832
- Prior year	21,740	(1,287)	27,997	(3,924)
Deferred tax				-
- Current year	(12,656)	8,352	(28,578)	12,799
- Prior year	(4,759)	7,310	(3,095)	8,306
	<u>31,056</u>	<u>35,363</u>	<u>150,654</u>	<u>166,013</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 current year are higher than the statutory tax rate mainly due to certain expenses not being deductible for tax purposes.

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19. Status of Corporate Proposals

(i) Disposal of Splash in FY2018

The Group's 40%-owned associated company, Syarikat Pengeluar Air Selangor Holdings Berhad ("SPLASH Holdings") has on 28 September 2018 entered into a conditional share purchase agreement with Pengurusan Air Selangor Sdn Bhd ("Air Selangor") in respect of Air Selangor's purchase of 100% equity in Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd. ("SPLASH"). SPLASH, the concession holder of the Sungai Selangor Water Supply Scheme Phase 1 and 3 is a wholly-owned subsidiary of SPLASH Holdings.

The acquisition of SPLASH by Air Selangor consist of:

- 50,000,000 ordinary shares in SPLASH ("SPLASH Shares"), being 100% of the issued and paid up ordinary share capital of SPLASH;
- 350,000,000 Redeemable Unsecured Loan Stocks issued by SPLASH to SPLASH Holdings ("SPLASH RULS"), being 100% of SPLASH RULS,

for a combined total purchase consideration of RM2.55 billion, which shall paid in the following manner:

- an upfront payment of RM1.9 billion;
- the balance purchase price of RM650 million to be settled in 9 annual instalments, with an interest of 5.25% per annum.

The upfront payment of RM1.9 billion was received in April 2019 upon the completion of all condition precedents prescribed in the share purchase agreement. Hence, Gamuda has disposed of its effective 40% equity stake in SPLASH via SPLASH Holdings.

(ii) Gamuda Water – New operations and maintenance agreement ("OMA") of the Sungai Selangor Water Treatment Plant Phase 3 "SSP 3"

The Group's 80%-owned Gamuda Water Sdn Bhd ("Gamuda Water") has accepted Air Selangor's offer to :-

- settle Gamuda Water's outstanding receivables arising from its existing operations and maintenance of the Sungai Selangor Water Treatment Plant Phase 3 ("SSP 3") at an amount equal to 90% of the outstanding receivables as at a date to be mutually agreed by all parties. 10% of the settlement sum shall be paid upfront and the balance shall be settled in 9 equal annual instalments; and
- enter into a new operations and maintenance agreement ("OMA") to replace the existing OMA for the continued operation and maintenance of SSP 3. The rates in the new OMA represent an approximately 2 sen/m³ reduction to the rates in the existing OMA.

On 24 May 2019, Gamuda Water, 80% owned by Gamuda, and Air Selangor signed a debt settlement agreement and a new operations & maintenance agreement for the Sungai Selangor Water Treatment Plant Phase 3.

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19. Status of Corporate Proposals (cont'd)

(iii) Proposal of new Warrants

On 14 December 2018 the Company announced that it proposes to undertake the following proposals: -

- a) a renounceable rights issue of warrants in Gamuda ("Warrant(s) F") on the basis of one (1) Warrant F at an issue price of RM0.25 per Warrant F for every four (4) existing ordinary shares in Gamuda ("Gamuda Share(s)") held on an entitlement date to be determined later ("Proposed Rights Issue of Warrants"); and
- b) an establishment of a dividend reinvestment plan that provides the shareholders of Gamuda with an option to elect to reinvest their cash dividends in new Gamuda Shares.

collectively referred to as the "Proposals".

On 6 September 2019, Bursa Malaysia Securities Berhad ("Bursa Securities") granted the Company:

- (i) extension of time until 31 December 2019 for Gamuda to issue the circular in relation to the Proposals to its shareholders; and
- (ii) extension of time until 26 February 2020, to complete the implementation of the Proposed Rights Issue of Warrants.

The extension of time for (i) and (ii) above was granted as the requisite approvals for the Proposed Acquisition of Toll Highways by the Government of Malaysia have not been obtained.

(iv) Offer from MOF to purchase all the securities in KESAS, SPRINT, LITRAK and SMART

On 21 June 2019, KESAS Holdings Berhad ("**KESAS Holdings**"), Gamuda's 70% owned subsidiary, received a Letter of Offer from the Minister of Finance (Incorporated) ("MOF") in respect of its offer to acquire all the securities (including all ordinary shares, preference shares and loan stocks) of KESAS Sdn Bhd ("**KESAS Offer**"). KESAS is a wholly owned subsidiary of KESAS Holdings.

Simultaneously, each of the following associated companies and joint venture company of Gamuda had on 21 June 2019, received a Letter of Offer from MOF for the following acquisitions:

- a) Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd ("**SPRINT Holdings**"), Gamuda's 52% associated company, received a Letter of Offer from MOF in respect of its offer to acquire all the securities (including all ordinary shares, preference shares and loan stocks) of Sistem Penyuraian Trafik KL Barat Sdn Bhd ("**SPRINT Offer**"). SPRINT is a wholly-owned subsidiary of SPRINT Holdings;
- b) Lingkar Trans Kota Holdings Berhad ("**LITRAK Holdings**"), Gamuda's 44% associated company, received a Letter of Offer from MOF in respect of its offer to acquire all the securities (including all ordinary shares, preference shares and loan stocks) of Lingkar Trans Kota Sdn Bhd ("**LITRAK Offer**"). LITRAK is a wholly-owned subsidiary of LITRAK Holdings; and
- c) Projek SMART Holdings Sdn Bhd ("**SMART Holdings**"), Gamuda's 50% joint venture company, received a Letter of Offer from MOF in respect of its offer to acquire all the securities (including all ordinary shares, preference shares and loan stocks) of Syarikat Mengurus Air Banjir & Terowong Sdn Bhd ("**SMART Offer**"). SMART is a wholly-owned subsidiary of SMART Holdings.

(KESAS, SPRINT, LITRAK and SMART shall collectively be referred to as the "**Expressway Concession Companies**" and each a "**Expressway Concession Company**", and KESAS Holdings, SPRINT Holdings, LITRAK Holdings and SMART Holdings shall collectively be referred to as the "**Concession Holding Companies**" and each a "**Concession Holding Company**").

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19. Status of Corporate Proposals (cont'd)

- (iv) Proposed offer from MOF to purchase all the securities in Four Toll Highway companies (KESAS, SPRINT, LITRAK and SMART) (cont'd)

The purchase considerations are as follows:

KESAS Offer	SPRINT Offer	LITRAK Offer	SMART Offer
Cash consideration payable on completion equivalent to RM1,377 million less any outstanding Indebtedness as at completion	Cash consideration payable on completion equivalent to RM1,984 million less any outstanding Indebtedness as at completion	Cash consideration payable on completion equivalent to RM2,470 million less any outstanding Indebtedness as at completion	Cash consideration payable on completion equivalent to RM369 million less any outstanding Indebtedness as at completion
Any cash balance retained by each Expressway Concession Company as at completion shall be for the benefit of their respective Concession Holding Company			

KESAS Holdings, SPRINT Holdings and LITRAK Holdings had accepted the respective offer by MOF on 3 July 2019 and SMART Holdings on 5 July 2019. The Group is expected to receive RM2.36 billion from the sale of its stakes in the four highways.

Each Concession Holding Company shall negotiate and finalise the definitive agreements with MOF by 30 August 2019 or such other date as may be mutually agreed ("Cut-Off Date"), subject to the following:

- (i) The results of the due diligence exercise being satisfactory to MOF; and
- (ii) The approval of Cabinet of Malaysia.

Upon finalisation of the definitive agreements, each Concession Holding Company shall satisfy the following conditions precedent ("Conditions Precedent") by 29 November 2019 or such other date as may be mutually agreed:

- (i) The requisite shareholders' approval for the disposal of respective Expressway Concession Company; and
- (ii) The approval or consent of the creditors of the respective Concession Holding Company and/or Expressway Concession Company, where applicable.

The offers from MOF are inter-conditional upon each other.

On 29 August 2019, MOF and each of the Concession Holding Company had mutually agreed to extend the Cut-Off Date for the finalisation of the respective definitive agreement from 30 August 2019 to 31 October 2019. Other terms of the offers from MOF remained unchanged.

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20. Group Borrowings and Debt Securities

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

	As At 31 Jul 19			As At 31 Jul 18		
	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	-	1,300,000	1,300,000	-	1,500,000	1,500,000
- Gamuda Gardens	-	300,000	300,000	-	500,000	500,000
- Kesas	375,000	-	375,000	465,000	-	465,000
Term Loans						
- Gamuda	-	433,128	433,128	-	818,487	818,487
- twentyfive.7	401,395	-	401,395	360,631	-	360,631
- Gamuda City	-	-	-	124,028	-	124,028
- Celadon City	84,958	-	84,958	250,958	-	250,958
- Gamuda Singapore	-	-	-	-	149,230	149,230
Revolving Credits						
- Jade Hills	63,260	-	63,260	81,630	-	81,630
	924,613	2,033,128	2,957,741	1,282,247	2,967,717	4,249,964
Short Term Borrowings						
Medium Term Notes						
- Gamuda	-	300,000	300,000	-	800,000	800,000
- Kesas	90,000	-	90,000	90,000	-	90,000
- Gamuda Gardens	-	300,000	300,000	-	-	-
Commercial Papers						
- Gamuda	-	150,000	150,000	-	100,000	100,000
Term Loans						
- Gamuda	382,402	-	382,402	-	-	-
- twentyfive.7	39,365	-	39,365	-	-	-
- Gamuda City	-	-	-	54,128	-	54,128
- Celadon City	169,916	-	169,916	83,653	-	83,653
- Chapel Street	-	-	-	-	113,096	113,096
- Gamuda Singapore	-	150,750	150,750	-	29,846	29,846
Revolving Credits						
- Gamuda	-	450,298	450,298	-	50,000	50,000
- Pan Borneo	-	118,000	118,000	-	134,000	134,000
- Jade Home	5,036	-	5,036	2,167	-	2,167
- Gamuda Singapore	-	30,150	30,150	-	29,846	29,846
	686,719	1,499,198	2,185,917	229,948	1,256,788	1,486,736
Total Borrowings	1,611,332	3,532,326	5,143,658	1,512,195	4,224,505	5,736,700

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

	As At 31 Jul 19		As At 31 Jul 18	
	Foreign Currency ('000)	RM'000 Equivalent	Foreign Currency ('000)	RM'000 Equivalent
RM	-	4,654,246	-	4,901,914
USD	13,000	53,638	-	-
VND	1,434,375,000	254,874	2,930,770,000	512,768
SGD	60,000	180,900	70,000	208,922
AUD	-	-	37,500	113,096
		5,143,658		5,736,700

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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. The Company and its joint venture partner, MMC Corporation Berhad ("MMC"), issued parent company guarantees to guarantee the due performance and obligations of MMC - Gamuda KVMRT (T) Sdn. Bhd. ("Tunnel JV") in the underground works packages of the Klang Valley Mass Rapid Transit Project Sungai Buloh - Kajang Line ("KVMRT Line 1") and Klang Valley Mass Rapid Transit Project Sungai Buloh - Serdang - Putrajaya Line ("KVMRT Line 2"). Tunnel JV is equally owned by MMC and the Company.
2. The Company and its joint venture partner, MMC, have also issued parent company guarantees to guarantee the due performance and obligations of MMC - Gamuda KVMRT (PDP SSP) Sdn. Bhd. ("PDP SSP") as the Project Delivery Partner ("PDP") of KVMRT Line 2. PDP SSP is equally owned by MMC and the Company.
3. The Company and its partner, WCT Holdings Berhad formed a 51%: 49% joint venture ("GWJV") to undertake the design and to construct the airfield facilities, tunnel and detention ponds of the New Doha International Airport Project in the state of Qatar. Pursuant to the conditions of contract, GWJV is required to issue a performance bond of QAR336 million (approximately RM378 million at the prevailing exchange rate on 31 July 2019) to the client to guarantee the due performance and obligations of GWJV in the project. In January 2014, GWJV was issued with the initial acceptance certificate signifying the completion of the project, pending issuance of the final acceptance certificate upon expiry of the maintenance period in January 2015. The airport commenced operations in April 2014. To-date, the performance bond has not been returned to GWJV even though the project has been completed. GWJV has performed the works and has met all its obligations in accordance with the terms of the contract. The performance bond remains enforceable in perpetuity unless it is returned by the client for cancellation.

The parent company guarantees for the contracts in (1) and (2) and the performance bond issued in (3) have not been called because Tunnel JV, PDP SSP and GWJV have performed and met their obligations in compliance with the terms of the contract.

The directors are of the opinion that the transactions above have been entered into in the normal course of business.

b) Advances to sub-contractors

	As at 31-Jul-19 RM'000
Non-interest bearing advances	171,751

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

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23. Capital Commitments

The amount for capital commitments not provided for in the interim financial statements as at 31 July 2019 are as follows:

	RM'000
Approved and contracted for :-	
Integrated Industrialised Building System (IBS) factory	22,434
Tunnel Boring Machines	8,772
Plant & Equipment	6,815
	<u>38,021</u>

24. Material Litigation

(i) Accolade Sdn Bhd claim against MMC Gamuda KVMRT (PDP) Sdn Bhd

On 27 June 2016, Gamuda Berhad announced that its jointly controlled entity, MMC Gamuda KVMRT (PDP) Sdn Bhd ("PDP") had, 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 5 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 filed a Notice of Appeal against the decision of the Judge. On 25 April 2019, Accolade withdrew its appeal against PDP.

(ii) Tenaga Nasional Berhad claim against Gamuda Water Sdn Bhd

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 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. Gamuda Water filed an application for stay of proceedings ("Stay Application") on 12 June 2018. On 19 July 2018, TNB served on Gamuda Water its application for summary judgment ("Summary Judgment"). The hearing date for the Stay Application and the Summary judgment are fixed on 15 August 2019. On 15 August 2019, TNB withdrew the suits against Gamuda Water.

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24. Material Litigation (cont'd)

- (iii) Third party suits by Sungai Harmoni Sdn Bhd (“SHSB”) against Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (“SPLASH”) in respect of the suits filed by Tenaga Nasional Berhad (“TNB”) against SHSB

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 (1) the sum of RM621,576,212.76 for the supply of treated water (less the indemnified sum claimed by TNB in the two suits) and an indemnification sum of RM8,014,837.69 against TNB’s claim together with interest and cost, and (2) an indemnification sum of RM27,692,527.95 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”). On 31 July 2018, the court allowed the Stay Application. As at 24 April 2019, SPLASH ceases to be an associate company of Gamuda Berhad upon completion of the Share Purchase Agreement dated 28 September 2018, between Syarikat Pengeluar Air Selangor Holdings Berhad and Pengurusan Air Selangor Sdn Bhd.

- (iv) Emrail Sdn Bhd claims against MMC-Gamuda Joint Venture Sdn Bhd

On 29 October 2018, Gamuda Berhad announced that its 50% jointly controlled entity, MMC-Gamuda Joint Venture Sdn Bhd (“MGJV”) have been served with the Notice by Emrail Sdn Bhd (“Emrail”) in respect of an alleged dispute and differences arising out of the Conditions of Contract dated 23 December 2010 for the Construction, Completion, Testing, Commissioning and Maintenance of Track Works for the Electrified Double Track Project between Ipoh and Padang Besar.

On 6 December 2018, MGJV has notified the Company that they have filed an Originating Summons at the Kuala Lumpur High Court to seek for a declaration, among others, that the Notice is invalidly issued and Emrail is not entitled to commence arbitration proceedings against MGJV. Emrail has withdrawn the Notice against MGJV and consequently, on 16 May 2019, MGJV withdrew its Originating Summons filed at the Kuala Lumpur High Court.

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25. Earnings Per Share

	Current Quarter 31-Jul-19	Current Year To Date 31-Jul-19
Basic		
Net profit attributable to shareholders (RM'000)	184,948	706,113
Number of ordinary shares in issue as at 1 Aug 2018 ('000)	2,467,991	2,467,991
Effect of shares issued during the year ('000)	2,114	622
Weighted average number of ordinary shares in issue ('000)	2,470,105	2,468,613
Basic earnings per ordinary share (sen)	7.49	28.60
Diluted		
Net profit attributable to shareholders (RM'000)	184,948	706,113
Weighted average number of ordinary shares in issue ('000)	2,470,105	2,468,613
- Assumed shares issued from the exercise of ESOS ('000)	1,725	476
- Assumed shares issued from the conversion of Warrants 2016/2020 ('000)	-	-
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	2,471,830	2,469,089
Diluted earnings per ordinary share (sen)	7.48	28.60

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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:

	As At 31-Jul-19 RM'000	As At 31-Jul-18 RM'000
Current		
Trade receivables		
Third parties	1,094,393	1,140,152
Due from associated companies	96,957	147,684
Due from joint venture	676,811	430,931
Due from joint venture partners	-	1,153
	1,868,161	1,719,920
Other receivables		
Sundry receivables	69,869	122,268
	1,938,030	1,842,188

Ageing analysis of current trade receivables:-

Neither past due nor impaired	1,536,577	1,362,769
1 to 30 days past due not impaired	72,302	40,284
31 to 60 days past due not impaired	20,828	41,492
61 to 90 days past due not impaired	13,874	43,633
91 to 120 days past due not impaired	7,024	11,569
More than 121 days past due not impaired	90,120	131,765
	204,148	268,743
Impaired	127,436	88,408
Total trade receivables	1,868,161	1,719,920

a) Due from joint venture

Included is an amount of RM640,401,000 due from its 50% owned MMC Gamuda KVMRT (T) Sdn. Bhd. ("MGKT"). MGKT is the underground works contractor for KVMRT Line 1 and Line 2.

b) More than 121 days past due not impaired

Included is mainly related to Kesas outstanding toll compensation claim of RM74 million from Government of Malaysia. The amount is expected to be received in October 2019.

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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 31-Jul-19	Current Year To Date 31-Jul-19
	RM'000	RM'000
Interest income	(45,287)	(146,401)
Other income	(13,204)	(46,577)
Interest expense	18,555	91,931
Depreciation and amortisation	52,117	192,129
Provision for impairment of receivables	38,311	38,311
Provision for and write-off of inventories	-	-
Gain on disposal of quoted or unquoted investment	-	-
Gain on disposal of property, plant and equipment	(187)	(511)
Gain on disposal of investment property	(24,055)	(24,055)
Provision for impairment of assets	-	-
Loss on foreign exchange	1,144	1,157
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.