

# **Gamuda Berhad (29579-T)**

## **Quarterly Report On Consolidated Results For The Period Ended 31 January 2020**

### **Notes To The Interim Financial Statements**

(The figures have not been audited)

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#### **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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report is unaudited and should be read in conjunction with the Group’s audited consolidated financial statements for the financial year ended 31 July 2019.

The accounting policies and presentations adopted for this interim financial report are consistent with those adopted for the audited consolidated financial statements for the financial year ended 31 July 2019.

The Group has not early adopted any new and amendments standards issued but not yet effective for the accounting period beginning 1 August 2019. The initial application of the MFRSs, Amendments to MFRSs and IC Interpretations, which will be applied prospectively or which requires extended disclosures, is not expected to have any significant financial impact on the interim financial statements of the Group.

#### **2. Audit Report of Preceding Annual Financial Statements**

The audit report of the Group’s annual financial statements for the year ended 31 July 2019 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 2,472,322,033 as at 31 July 2019 to 2,481,507,815 as at 31 January 2020 by way of issuance of 8,709,000 new ordinary shares pursuant to the exercise of the Employees’ Share Option Scheme and 476,782 conversion of warrants.

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

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#### 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 2019.

#### 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

There were no material changes in the composition of the Group for the period ended 31 January 2020.

#### 10. Dividends

a) The Board of Directors does not recommend any dividend for the current financial quarter. No dividend was declared in the previous corresponding quarter.

b) The total dividend declared for the current financial period is a dividend of 6.00 sen per ordinary share. In respect of the preceding year's corresponding period, a total interim dividend of 6.00 sen per ordinary share was declared.

#### 11. Dividend Paid/Payable

	6 months ended 31 January	
	2020	2019
	RM'000	RM'000
<u>Dividend in respect of financial year ending 31 July 2020</u>		
First interim dividend of 6.00 sen per ordinary share was declared on 13 December 2019 and was paid on 25 February 2020.	148,890 *	
* The dividend consists of 52% cash portion of 6 sen per ordinary share amounted to RM77,503,048.50; and 48% electable portion reinvested into Gamuda New Share at RM3.60 per ordinary share amounted to RM71,387,420.40.		
<u>Dividend in respect of financial year ended 31 July 2019</u>		
First interim dividend of 6.00 sen per ordinary share was declared on 14 December 2018 and was paid on 25 January 2019.		148,083
	<u>148,890</u>	<u>148,083</u>

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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
<b>6 months period ended 31 January 2020</b>					
<b>REVENUE</b>					
Revenue as reported	960,441	983,104	242,998	-	2,186,543
Share of joint venture companies' revenue	1,707,568	121,665	9,731	-	1,838,964
	2,668,009	1,104,769	252,729	-	4,025,507
Inter-segment sales	252,750	-	-	(252,750)	-
<b>Total revenue</b>	<b>2,920,759</b>	<b>1,104,769</b>	<b>252,729</b>	<b>(252,750)</b>	<b>4,025,507</b>
<b>RESULTS</b>					
Profit from operations	84,409	133,633	106,812	-	324,854
Finance costs	(1,462)	(40,058)	(17,433)	-	(58,953)
Share of profits/(loss) of associated companies	(87)	-	76,231	-	76,144
Share of profits/(loss) of joint ventures	83,630	12,570	(575)	-	95,625
<b>Profit before taxation</b>	<b>166,490</b>	<b>106,145</b>	<b>165,035</b>	<b>-</b>	<b>437,670</b>
<i>Percentage of segment results by PBT</i>	<i>38%</i>	<i>24%</i>	<i>38%</i>		<i>100%</i>
Taxation	(23,304)	(18,275)	(24,605)	-	(66,184)
Profit for the period	143,186	87,870	140,430	-	371,486
Non-controlling interest	(2,398)	-	(20,300)	-	(22,698)
<b>Profit attributable to Owners of the Company</b>	<b>140,788</b>	<b>87,870</b>	<b>120,130</b>	<b>-</b>	<b>348,788</b>

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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
<b>6 months period ended 31 January 2019</b>					
<b>REVENUE</b>					
Revenue as reported	968,091	809,249	251,670	-	2,029,010
Share of joint venture companies' revenue	1,185,896	255,611	8,504	-	1,450,011
	2,153,987	1,064,860	260,174	-	3,479,021
Inter-segment sales	261,967	-	-	(261,967)	-
Total revenue	2,415,954	1,064,860	260,174	(261,967)	3,479,021
<b>RESULTS</b>					
Profit from operations	137,652	72,742	142,082	-	352,476
Finance costs	(6,821)	(25,519)	(16,157)	-	(48,497)
Share of profits of associated companies	509	805	58,590	-	59,904
Share of profits/(loss) of joint ventures	42,191	44,865	(1,331)	-	85,725
<b>Profit before taxation</b>	173,531	92,893	183,184	-	449,608
<i>Percentage of segment results by PBT</i>	39%	21%	40%		100%
Taxation	(38,868)	(6,576)	(28,420)	-	(73,864)
Profit for the period	134,663	86,317	154,764	-	375,744
Non-controlling interest	(2,784)	-	(27,782)	-	(30,566)
<b>Profit attributable to Owners of the Company</b>	131,879	86,317	126,982	-	345,178

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#### 13. Review of Performance

	Current Year Quarter	Comparative Quarter		Current Year To Date	Preceding Year Corresponding Period	
	31-Jan-20	31-Jan-19	Var	31-Jan-20	31-Jan-19	Var
	RM'000	RM'000	%	RM'000	RM'000	%
<b>BY SEGMENT</b>						
<b>Revenue *</b>						
Construction	1,524,359	1,121,969	36%	2,668,009	2,153,987	24%
Property	574,681	617,856	-7%	1,104,769	1,064,860	4%
Concession	125,745	130,462	-4%	252,729	260,174	-3%
	2,224,785	1,870,287	19%	4,025,507	3,479,021	16%
<b>Net Profit</b>						
Construction	73,552	59,730	23%	140,788	131,879	7%
Property	40,142	51,322	-22%	87,870	86,317	2%
Concession	61,479	62,088	-1%	120,130	126,982	-5%
	175,173	173,140	1%	348,788	345,178	1%
<b>BY GEOGRAPHY</b>						
<b>Revenue *</b>						
Malaysia	1,832,198	1,475,935	24%	3,266,163	2,853,650	14%
Overseas	392,587	394,352	0%	759,344	625,371	21%
	2,224,785	1,870,287	19%	4,025,507	3,479,021	16%
<b>Net profit</b>						
Malaysia	130,890	90,640	44%	244,060	225,489	8%
Overseas	44,283	82,500	-46%	104,728	119,689	-12%
	175,173	173,140	1%	348,788	345,178	1%

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

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#### 13. Review of Performance (cont'd)

##### **Year to date : MRT Line 2 progress picked up pace; Vietnam property projects continued to deliver steady results**

Higher construction profit as MRT Line 2 progress picked up pace. Gamuda Land sold RM1 billion worth of properties for the first half of this year, lower than the RM1.3 billion sales for the same period last year due to a challenging Malaysia property market. Nevertheless, Vietnam property projects continued to deliver steady results. Overseas sales contributed two-thirds of overall property sales.

For the first half of this year, Gamuda Group posted a net profit of RM349 million as compared with a net profit of RM345 million for the same period last year.

##### **Current quarter : Higher profit contribution from MRT Line 2; Lower domestic property profit on the back of higher upfront cost for new townships**

Gamuda Group posted a higher net profit of RM175 million in 2QFY2020 as compared with a net profit of RM173 million in 2QFY2019 due to higher construction profit.

The performances of the respective divisions were as follows:-

(a) Gamuda Engineering

The higher construction profit was due to higher contribution from MRT Line 2.

(b) Gamuda Land

Lower property profit on the back of higher upfront cost for the newer townships in Malaysia.

(c) Gamuda Infrastructure Concession

This year's earnings is similar to last year's earning as the traffic volumes of all expressways have been stable and resilient.

#### 14. Comparison with immediate Preceding Quarter's Results

The Group's profit before tax for this quarter of RM220 million is slightly higher than the immediate preceding quarter's profit before tax of RM218 million.

#### 15. Other Comprehensive Income (OCI)

Included in other comprehensive income for the period ended 31 January 2020 is a net foreign exchange loss of RM32 million. The net foreign exchange loss resulted from the loss on foreign currency translation of the Group's overseas assets due to the stronger Ringgit Malaysia.

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#### 16. Current Year Prospects

##### Overall Prospects

There will be a great deal of uncertainty over the coming months due to the unfolding global health crisis, oil shock and turmoil in the financial markets affecting economic activity, investor confidence and consumer sentiment. The low oil price will also constrain the Government's plans. In view of this, the Group will remain prudent, while continuing to build resilience, navigating the change and to be fit and ready when the upturn ensues.

It is anticipated that current year's performance to be driven by overseas property sales especially Vietnam and the continued progress of MRT Line 2.

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

##### (a) **GAMUDA ENGINEERING**

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

MMC Gamuda is the Turnkey Contractor for the elevated and underground works for the Klang Valley MRT Line 2, with a contract price of RM30.53 billion.

The overall cumulative progress at the end of January 2020 for the:

- Elevated Works Package was on schedule at 72%; and
- Underground Works Package was on schedule at 72%.

Track work installation continues on the viaducts. Structural works and mechanical & electrical works are progressing well across all stations. Six tunnel drives have been completed with post tunnelling works in progress. It is anticipated that the tunnel drives will be completed by mid-2020.

Systems works are ramping up. Thirteen Electric Trains have been delivered to the Depot, with the balance undergoing assembly and testing.

Progress and earnings are on track, and no cost overruns are anticipated.

With the Movement Control Order ("MCO") in effect from 18 March 2020, all works are suspended except for critical tunnelling works as guided by the authorities due to public safety implications. All other works will continue once the MCO is lifted.

###### (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 of Jan 2020 was on track at 48%. No cost overruns are expected.

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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 (PDP) for the implementation of the Penang Transport Master Plan (PTMP). On 28 February 2020, the validity of the LOA has been extended by the State Government to 31 August 2020, and the PDP Agreement is expected to be signed in Q2 of 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 Islands;
- b. The Pan Island Link 1 (PIL1) highway; and
- c. Reclamation Works (Penang South Islands).

##### Approvals for LRT

The Railway Scheme was given Conditional Approval on 18 July 2019. The 3-month Public Inspection that started on 19 August 2019, and which ended on 19 November 2019 has garnered more than 97% support for the LRT. The Environmental Impact Assessment (EIA) report for LRT was approved by Department of Environment (DOE) through a letter dated 21 February 2020 and is now pending Final Railway Scheme approval by APAD. Government Guarantees to fund the LRT is still being developed.

##### 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. The PSR EIA report was approved on 25 June 2019. Detailed engineering design will commence upon signing of PDP Agreement with Penang State Government.

The Penang State Government has commissioned a "Masterplan Design Competition" for the PSR development. The competition attracted participation from world-renowned town planners and the result of the competition will be announced by mid-2020.

Reclamation works for the 2,300-acre Island A is targeted to commence in second half of 2020.

##### (iv) Taiwan

##### Marine Bridge Project

In March 2019, Gamuda's 70%-owned joint venture with a Taiwanese company won the tender to construct a 1.23 km marine bridge worth NTD3,955 million (equivalent to RM522 million) for CPC Corporation Taiwan, a state-owned petroleum company. The marine bridge connects a receiving terminal to a man-made island and the project is expected to be completed in November 2022. Preliminary works have started with the status as at end January 2020 was 6%.



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#### 16. Current Year Prospects (cont'd)

##### (a) GAMUDA ENGINEERING (cont'd)

##### (iv) Taiwan (cont'd)

##### Seawall for Reclamation Project

Gamuda's 70%-owned joint venture with a Taiwanese company has in December 2019 won the tender to construct 4,014 meters of seawall structure with contract price of NTD6,817 million (equivalent to RM932 million) for Taiwan International Ports Corporation, a state-owned port operation company. The project is expected to be completed by January 2025.

##### (v) Singapore

The Land Transport Authority of Singapore (LTA) awarded the SGD\$260mil contract for the Gali Batu Multi-Storey Bus depot to Greatearth Corporation-Gamuda Berhad Singapore Branch Joint Venture on 12 November 2019. The project consists of a Three-storey Administrative building, a Five-storey Dormitory and a Five-storey Main depot equipped with parking spaces for 715 buses, refuelling and washing facilities, repair and maintenance facilities and cutting edge technology to cater for the operation of electric buses. The contract duration is 41 months.

LTA has handed over the site to the JV, and mobilisation has commenced.

##### (vi) 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 to support the Government's target to build 1 million affordable homes in the coming decade. Apart from solid walls and slabs, our product portfolio now includes double-wall, pre-stressed slab and bathroom pod production.

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. This is in line with the Group's move towards Industry 4.0 in construction, utilising cloud-based digital tools and mobile devices, and using the insights from data analytics to optimise design, procurement, project management and site activities.

Gamuda IBS has been manufacturing homes for Gamuda Land, and will extend its digital manufacturing to all Gamuda Land's high rise developments and landed properties. Furthermore, we have also been producing panels for external projects from Perbadanan Kemajuan Negeri Selangor (PKNS), Worldwide Holdings Berhad, IOI Group and joint venture project. The Company is aiming to participate in more upcoming external projects

##### (vii) Gamuda (Australia) Branch

Gamuda (Australia) Branch and Gamuda Engineering (Australia) Pty Ltd are well established and expected to contribute positively. We are actively bidding for over AUD10 billion worth of projects in New South Wales, Victoria, Queensland and Western Australia.

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#### 16. Current Year Prospects (cont'd)

##### (b) GAMUDA LAND

The property division sold RM1 billion worth of properties in the first half of this year compared with RM1.3 billion in the same period last year. Overseas projects contributed two-thirds of overall sales. The property division remains committed to grow core business segments and to reduce inventories.

##### (i) Overseas

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 661 Chapel Street, a luxury high-rise condominium in Melbourne, is on-going while OLA executive condominium at Anchorvale Crescent in Singapore received good response for its maiden launch on 21 March 2020.

##### (ii) Malaysia

Established projects such as Horizon Hills and Jade Hills continued to deliver steady results.

The domestic property market is expected to remain soft in 2020 due to the prevailing overhang situation and low consumer confidence. In spite of this, newer townships such as Gamuda Gardens, twentyfive.7 and Gamuda Cove delivered encouraging results due to their location, product offering and the attractions of the various placemaking initiatives.

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

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

The construction of Quayside Mall at twentyfive.7 is on track, and due to open in June 2020, providing a variety of F&B, entertainment and shopping experience for the Kota Kemuning and greater Shah Alam communities.

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

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#### 16. Current Year Prospects (cont'd)

##### (c) GAMUDA INFRASTRUCTURE CONCESSIONS

###### (i) Expressway

The Group has agreed to dispose all our interests in the four highways namely KESAS, SPRINT, LITRAK and SMART to the Government. Gamuda's stakes in the four highways is valued at RM2.36 billion. The Cabinet under the previous Pakatan Harapan Government had approved the acquisition as announced during the Budget 2020 announcement. Due to the change in the Federal Government, the Group awaits further direction from the Ministry of Finance on the status of this acquisition

###### (ii) Water

The operations and maintenance of the Sungai Selangor Water Treatment Plant Phase 3 is going on smoothly.

#### 17. Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

#### 18. Income Tax

	3 months ended 31 January		6 months ended 31 January	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year	49,291	25,311	96,137	67,965
- Prior year	(4,358)	(26)	(4,647)	(5,307)
Deferred tax				
- Current year	(15,608)	9,257	(25,954)	9,584
- Prior year	4,485	(392)	648	1,622
	<u>33,810</u>	<u>34,150</u>	<u>66,184</u>	<u>73,864</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 is higher than the statutory tax rate mainly due to certain non-deductible expenses.

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#### 19. Status of Corporate Proposals

(i) On 14 December 2018 the Company announced to undertake the following proposals: -

(a) Proposed Dividend Reinvestment Plan

The proposed Dividend Reinvestment Plan provides the shareholders of Gamuda with an option to elect to reinvest entire portion of the First Interim Dividend into new Shares.

The Dividend Reinvestment Plan (“DRP”) was approved by the shareholders of the Company at the Extraordinary General Meeting held on 5 December 2019.

The Company’s first DRP in respect of the first interim dividend for FY2020 of 6 sen per share was completed on 26 February 2020 upon the listing and quotation of 19,829,839 new Gamuda Shares on the Main Market of Bursa Malaysia Securities Berhad.

(b) Proposed of new Warrants

A renounceable rights issue of warrants in Gamuda (“Warrant(s) F”) on the basis of one (1) Warrant F at an issue price of RM0.25 per Warrant F for every four (4) existing ordinary shares in Gamuda (“Gamuda Share(s)”) held on an entitlement date to be determined later (“Proposed Rights Issue of Warrants”); and

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

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

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

On 31 December 2019, the board of directors of Gamuda resolved not to proceed with the Proposed Rights Issue of Warrants.

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#### 19. Status of Corporate Proposals (cont'd)

(ii) 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) Lingkaran Trans Kota Holdings Berhad ("**LITRAK Holdings**"), Gamuda's 44% associated company, received a Letter of Offer from MOF in respect of its offer to acquire all the securities (including all ordinary shares, preference shares and loan stocks) of Lingkaran Trans Kota Sdn Bhd ("**LITRAK Offer**"). LITRAK is a wholly-owned subsidiary of LITRAK Holdings; and
- c) Projek SMART Holdings Sdn Bhd ("**SMART Holdings**"), Gamuda's 50% 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**").

The purchase considerations are as follows:

<b>KESAS Offer</b>	<b>SPRINT Offer</b>	<b>LITRAK Offer</b>	<b>SMART Offer</b>
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.

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#### 19. Status of Corporate Proposals (cont'd)

(ii) Offer from MOF to purchase all the securities in KESAS, SPRINT, LITRAK and SMART (cont'd)

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.

On 31 October 2019, MOF and each of the Concession Holding Company had mutually agreed to extend the following:

- (i) Cut-Off Date for the finalisation of the respective definitive agreements from 31 October 2019 to 31 December 2019;
- (ii) Long Stop Date to satisfy the conditions precedent from 29 November 2019 to 29 February 2020; and
- (iii) The completion date of the MOF Offers from 31 December 2019 to a date which shall be no later than 31 March 2020.

On 19 December 2019, MOF and each of the Concession Holding Company had mutually agreed to extend the following:

- (i) Cut-Off Date for the finalisation of the respective definitive agreements from 31 December 2019 to 29 February 2020; and
- (ii) Long Stop Date to satisfy the conditions precedent and the date of Completion to a date which shall be mutually agreed between MOF and each of the Concession Holding Companies.

Due to the change in the Federal Government, the Group will seek further direction from the MOF on the status of this acquisition.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 January 2020

### Notes To The Interim Financial Statements

(The figures have not been audited)

#### 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 Jan 20			As At 31 Jan 19		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Long Term Borrowings</b>						
<b>Medium Term Notes</b>						
- Gamuda	-	1,800,000	<b>1,800,000</b>	-	1,600,000	<b>1,600,000</b>
- Gamuda Gardens	-	100,000	<b>100,000</b>	-	600,000	<b>600,000</b>
- Kesas	285,000	-	<b>285,000</b>	375,000	-	<b>375,000</b>
<b>Term Loans</b>						
- Gamuda	-	430,061	<b>430,061</b>	-	827,036	<b>827,036</b>
- twentyfive.7	399,591	-	<b>399,591</b>	429,844	-	<b>429,844</b>
- Gamuda City	-	-	-	104,493	-	<b>104,493</b>
- Celadon City	-	-	-	253,770	-	<b>253,770</b>
- Gamuda Singapore	-	-	-	-	151,940	<b>151,940</b>
<b>Revolving Credits</b>						
- Jade Hills	57,527	-	<b>57,527</b>	72,389	-	<b>72,389</b>
- Gamuda Singapore	-	-	-	-	30,387	<b>30,387</b>
	742,118	2,330,061	3,072,179	1,235,496	3,209,363	4,444,859
<b>Short Term Borrowings</b>						
<b>Medium Term Notes</b>						
- Gamuda	-	300,000	<b>300,000</b>	-	400,000	<b>400,000</b>
- Kesas	90,000	-	<b>90,000</b>	90,000	-	<b>90,000</b>
- Gamuda Gardens	-	200,000	<b>200,000</b>	-	-	-
<b>Commercial Papers</b>						
- Gamuda	-	400,000	<b>400,000</b>	-	150,000	<b>150,000</b>
<b>Term Loans</b>						
- Gamuda	-	413,491	<b>413,491</b>	-	-	-
- twentyfive.7	39,365	-	<b>39,365</b>	-	-	-
- Gamuda City	-	-	-	34,831	-	<b>34,831</b>
- Celadon City	168,587	-	<b>168,587</b>	84,590	-	<b>84,590</b>
- Gamuda Singapore	-	150,145	<b>150,145</b>	-	-	-
- Chapel Street	-	-	-	-	66,884	<b>66,884</b>
<b>Revolving Credits</b>						
- Gamuda	-	821,409	<b>821,409</b>	-	630,295	<b>630,295</b>
- Pan Borneo	-	134,000	<b>134,000</b>	-	143,000	<b>143,000</b>
- Jade Home	5,036	-	<b>5,036</b>	2,167	-	<b>2,167</b>
- Gamuda Singapore	-	30,029	<b>30,029</b>	-	-	-
	302,988	2,449,074	2,752,062	211,588	1,390,179	1,601,767
<b>Total Borrowings</b>	1,045,106	4,779,135	<b>5,824,241</b>	1,447,084	4,599,542	<b>6,046,626</b>

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

	As At 31 Jan 20		As At 31 Jan 19	
	Foreign Currency ( '000)	RM'000 Equivalent	Foreign Currency ( '000)	RM'000 Equivalent
RM	-	5,400,104	-	5,221,473
USD	18,400	75,376	24,000	98,256
VND	956,250,000	168,587	2,700,000,000	477,685
SGD	60,000	180,174	60,000	182,328
AUD	-	-	22,500	66,884
		<b>5,824,241</b>		<b>6,046,626</b>

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 January 2020

### Notes To The Interim Financial Statements

(The figures have not been audited)

#### 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 joint venture partner, Naim Engineering Sdn Bhd ("NAIM") have issued parent company guarantees to guarantee the due performance and obligations of Naim Gamuda (NAGA) JV Sdn Bhd ("NAGA JV") in the works package contract for the development and upgrading of Pan Borneo Highway, Sarawak - WPC-04 (Pantu Junction to Btg Skrang). The Company owns a 30% stake in NAGA JV and balance 70% is owned by NAIM.

The parent company guarantees for the contracts in (1), (2) and (3) have not been called because Tunnel JV, PDP SSP and NAGA JV 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

	<b>As at 31-Jan-20 RM'000</b>
Non-interest bearing advances	<u>212,370</u>

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



# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 January 2020

### Notes To The Interim Financial Statements

(The figures have not been audited)

#### 23. Capital Commitments

The amount for capital commitments not provided for in the interim financial statements as at 31 January 2020 are as follows:

	<b>RM'000</b>
Approved and contracted for :-	
Integrated Industrialised Building System (IBS) factory	13,480
Tunnel Boring Machines	5,916
Plant & Equipment	777
	<u>20,172</u>

#### 24. Material Litigation

The Group was not engaged in any material litigation as at 17 March 2020, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report.

#### 25. Earning Per Share

	<b>Current Quarter 31-Jan-20</b>	<b>Current Year To Date 31-Jan-20</b>
<b>Basic</b>		
Net profit attributable to shareholders (RM'000)	<u>175,173</u>	<u>348,788</u>
Number of ordinary shares in issue as at 1 Aug 2019 ('000)	2,472,322	2,472,322
Effect of shares issued during the year ('000)	<u>4,770</u>	<u>2,763</u>
Weighted average number of ordinary shares in issue ('000)	<u>2,477,092</u>	<u>2,475,085</u>
Basic earnings per ordinary share (sen)	<u>7.07</u>	<u>14.09</u>
<b>Diluted</b>		
Net profit attributable to shareholders (RM'000)	<u>175,173</u>	<u>348,788</u>
Weighted average number of ordinary shares in issue ('000)	2,477,092	2,475,085
- Assumed shares issued from the exercise of ESOS ('000)	5,088	3,384
- Assumed shares issued from the conversion of Warrants 2016/2021 ('000)*	-	-
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	<u>2,482,180</u>	<u>2,478,469</u>
Diluted earnings per ordinary share (sen)	<u>7.06</u>	<u>14.07</u>

\* The calculation of diluted earnings per share does not assume the potential exercise of warrants as the effect on earnings per share is antidilutive.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 January 2020

### Notes To The Interim Financial Statements

(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	As At
	31-Jan-20	31-Jan-19
	RM'000	RM'000
<b>Current</b>		
<b>Trade receivables</b>		
	1,133,457	1,099,428
	19,211	155,607
(a)	615,226	719,071
	<b>1,767,894</b>	<b>1,974,106</b>
	(64,236)	(88,134)
	1,703,658	1,885,972
<b>Other receivables</b>		
	241,138	122,208
	<b>1,944,796</b>	<b>2,008,180</b>

#### Ageing analysis of current trade receivables:-

Neither past due nor impaired	1,361,965	1,642,984
1 to 30 days past due not impaired	245,236	62,542
31 to 60 days past due not impaired	14,965	21,741
61 to 90 days past due not impaired	16,831	22,412
91 to 120 days past due not impaired	20,494	35,199
More than 121 days past due not impaired	44,167	101,094
	341,693	242,988
Impaired	64,236	88,134
Total trade receivables	<b>1,767,894</b>	<b>1,974,106</b>

#### a) Due from joint venture

Included is an amount of RM577 million due from its 50% owned MMC Gamuda KVMRT (T) Sdn. Bhd. ("MGKT"). MGKT is the underground works contractor for KVMRT Line 2.

#### b) More than 121 days past due not impaired

Included is mainly related to Kesas outstanding toll compensation claim of RM32 million from Government of Malaysia.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Period Ended 31 January 2020

### Notes To The Interim Financial Statements

(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:

	<b>Current Quarter 31-Jan-20 RM'000</b>	<b>Current Year To Date 31-Jan-20 RM'000</b>
Interest income	(11,363)	(51,663)
Other income	(31,357)	(40,191)
Interest expense	23,691	58,953
Depreciation and amortisation	57,903	116,841
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	(174)	(647)
Gain on disposal of investment property	(1,736)	(1,736)
Provision for impairment of assets	-	-
Gain on foreign exchange	(119)	(120)
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.