

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

**Gamuda Berhad
(Incorporated in Malaysia)**

7. Profit from operations (cont'd.)

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Interest income	(37,140)	(17,002)	(107,995)	(79,177)
Unwinding of discount				
- Notional interest income	(23,313)	(11,449)	(4,131)	-
Rental income				
- Subsidiaries	-	-	(3,791)	(3,791)
- Others	(4,507)	(3,325)	(1,487)	(1,270)
Impairment of:				
- Premium paid on water concession assets in an associated company (Note 19(c))	-	95,410	-	95,410
- Concession and quarry rights, and goodwill (Note 17)	-	91,652	-	-
- Investment in a subsidiary (Note 18(d))	-	-	-	70,215
	-	187,062	-	165,625

Included in the Company's net foreign exchange losses is unrealised foreign exchange losses of RM96,063,000 (2014: gain of RM22,664,000) arising from the translation of USD denominated loan that was taken to foreign exchange reserve of the Group in accordance with the accounting policy set out in Note 2.22(ii). Accordingly, the Group's net foreign exchange gain of RM247,610,000 (2014: gain of RM19,040,000) as disclosed in Note 30 has included the unrealised foreign exchange losses of RM96,063,000 (2014: gain of RM22,664,000).

8. Finance costs

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
Medium term notes	109,047	53,071	71,699	53,071
Revolving credits	2,731	2,201	2,731	2,201
Term loan	37,074	44,269	6,332	8,615
Unwinding of discount				
- Notional interest expense	9,618	1,597	903	14,208
Others	1,476	5,905	-	4,396
	159,946	107,043	81,665	82,491

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8. Finance costs (cont'd.)

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Less:				
Amount capitalised in qualifying assets:				
Land held for property development and property development costs (Note 13)	(36,033)	(37,913)	-	-
Investment properties (Note 14)	(171)	-	-	-
Costs of construction contracts (Note 25)	-	(2,691)	-	(2,691)
	<u>123,742</u>	<u>66,439</u>	<u>81,665</u>	<u>79,800</u>

9. Income tax expense

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Malaysian income tax	122,498	127,336	44,911	58,859
Foreign income tax	2,412	242	237	175
Over provision in prior years	(8,351)	(25,432)	(9,512)	(23,787)
	<u>116,559</u>	<u>102,146</u>	<u>35,636</u>	<u>35,247</u>
Deferred tax (Note 34):				
Relating to origination and reversal of temporary differences	18,162	(3,600)	(1,716)	(1,479)
(Over)/under provision in prior years	(1,990)	18,016	(1,357)	22,478
	<u>16,172</u>	<u>14,416</u>	<u>(3,073)</u>	<u>20,999</u>
	<u>132,731</u>	<u>116,562</u>	<u>32,563</u>	<u>56,246</u>

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 24% from the current year's tax rate of 25%, effective Year of Assessment 2016. The effect of the change in future tax rate to deferred tax of the Group and the Company is determined not to be significant.

Taxation for other jurisdictions is calculated at the rates prevailing in respective jurisdictions.

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9. Income tax expense (cont'd.)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	2015 RM'000	2014 RM'000
Group		
Profit before taxation	858,189	851,645
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	214,547	212,911
Effect of different tax rates in other countries	(10,134)	802
Income not subject to tax	(5,018)	(53,975)
Expenses not deductible for tax purposes	32,851	71,362
Effects of share of profits of associated companies and joint ventures	(94,986)	(107,436)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(125)	(963)
Deferred tax assets not recognised in respect of unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences	5,937	1,277
(Over)/under provision of deferred tax in prior years	(1,990)	18,016
Over provision of income tax in prior years	(8,351)	(25,432)
Tax expense for the year	132,731	116,562
	2015	2014
	RM'000	(restated) RM'000
Company		
Profit before taxation	572,658	672,927
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	143,165	168,232
Effect of different tax rates in other countries	(2,952)	-
Income not subject to tax	(140,509)	(172,126)
Expenses not deductible for tax purposes	43,728	61,449
(Over)/under provision of deferred tax in prior years	(1,357)	22,478
Over provision of income tax in prior years	(9,512)	(23,787)
Tax expense for the year	32,563	56,246

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9. Income tax expense (cont'd.)

Tax savings during the financial year arising from:

	Group	
	2015	2014
	RM'000	RM'000
Utilisation of previously unrecognised tax losses	-	641
Utilisation of previously unabsorbed capital allowances	125	322

Details of deferred tax asset not recognised are stated in Note 34 to the financial statements.

10. Earnings per share attributable to owners of the Company

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2015	2014
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	682,138	719,398
Weighted average number of ordinary shares in issue ('000)	2,356,984	2,299,315
Basic earnings per share (sen)	28.94	31.29

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10. Earnings per share attributable to owners of the Company (cont'd.)

(b) Diluted

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from exercise of ESOS and Warrants into ordinary shares. The ESOS and Warrants are deemed to have been converted into ordinary shares at the date of the issue of the ESOS and Warrants.

	2015	2014
Profit for the year attributable to ordinary equity holders of the Company (RM'000)	682,138	719,398
Weighted average number of ordinary shares in issue ('000)	2,356,984	2,299,315
Adjusted for:		
Assumed shares issued from the conversion of Warrants 2010/2015 ('000) *	-	35,524
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	2,356,984	2,334,839
Fully diluted earnings per share (sen)	28.94	30.81

* On 25 May 2015, the Warrants 2010/2015 had expired and the remaining unconverted warrants had lapsed.

69,947,000 share options granted to employees under the existing ESOS have not been included in the calculation of diluted earnings per share because they are anti-dilutive. The unexercised ESOS has no dilutive effect on the earnings per share as the ESOS's exercise price is higher than the market price per ordinary share at the reporting date.

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11. Dividends

	Group and Company			
	Amount		Net dividends per ordinary share	
	2015 RM'000	2014 RM'000	2015 sen	2014 sen
Dividends paid in respect of financial year ended 31 July 2015:				
- First interim dividend declared on 16 December 2014 and paid on 28 January 2015	140,889	-	6.0	-
- Second interim dividend declared on 23 June 2015 and paid on 29 July 2015	144,354	-	6.0	-
Dividends paid in respect of financial year ended 31 July 2014:				
- First interim dividend declared on 17 December 2013 and paid on 28 January 2014	-	137,993	-	6.0
- Second interim dividend declared on 26 June 2014 and paid on 23 July 2014	-	139,395	-	6.0
	285,243	277,388	12.0	12.0

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

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12. Property, plant and equipment

Group	Land and buildings* RM'000	Other property, plant and equipment ** RM'000	Total RM'000
At 31 July 2015			
Valuation/cost			
At 1 August 2014	246,986	240,941	487,927
Additions	1,082	22,949	24,031
Transfer from property development costs (Note 13(b))	32,591	-	32,591
Disposals	-	(23,530)	(23,530)
Write-offs	(19)	(1,126)	(1,145)
Exchange differences	3,779	1,585	5,364
At 31 July 2015	<u>284,419</u>	<u>240,819</u>	<u>525,238</u>
Representing:			
At cost	280,914	240,819	521,733
At valuation	3,505	-	3,505
	<u>284,419</u>	<u>240,819</u>	<u>525,238</u>
Accumulated depreciation and impairment loss			
At 1 August 2014	27,914	175,128	203,042
Charge for the year:			
Recognised in profit or loss (Note 7)	6,993	15,094	22,087
Capitalised in construction costs (Note 25)	-	3,697	3,697
Disposals	-	(16,748)	(16,748)
Write-offs	(2)	(1,087)	(1,089)
Exchange differences	707	1,260	1,967
At 31 July 2015	<u>35,612</u>	<u>177,344</u>	<u>212,956</u>
Net carrying amount			
At 31 July 2015			
At cost	247,087	63,475	310,562
At valuation	1,720	-	1,720
	<u>248,807</u>	<u>63,475</u>	<u>312,282</u>

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

**Gamuda Berhad
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12. Property, plant and equipment (cont'd.)

Group (cont'd.)	Land and buildings *	Other property, plant and equipment **	Total
	RM'000	RM'000	RM'000
At 31 July 2014			
Valuation/cost			
At 1 August 2013	243,568	256,392	499,960
Additions	1,321	15,316	16,637
Acquisition of a subsidiary (Note 18(g))	8,076	9,209	17,285
Disposals	-	(28,980)	(28,980)
Write-offs	-	(10,665)	(10,665)
Transfer to investment properties (Note 14)	(5,858)	-	(5,858)
Exchange differences	(121)	(331)	(452)
At 31 July 2014	<u>246,986</u>	<u>240,941</u>	<u>487,927</u>
Representing:			
At cost	243,481	240,941	484,422
At valuation	3,505	-	3,505
	<u>246,986</u>	<u>240,941</u>	<u>487,927</u>
Accumulated depreciation and impairment loss			
At 1 August 2013	17,759	182,662	200,421
Charge for the year:			
Recognised in profit or loss (Note 7)	5,333	11,542	16,875
Capitalised in construction costs (Note 25)	-	5,923	5,923
Acquisition of a subsidiary (Note 18(g))	5,494	7,110	12,604
Disposals	-	(21,288)	(21,288)
Write-offs	-	(10,518)	(10,518)
Transfer to investment properties (Note 14)	(649)	-	(649)
Exchange differences	(23)	(303)	(326)
At 31 July 2014	<u>27,914</u>	<u>175,128</u>	<u>203,042</u>
Net carrying amount			
At 31 July 2014			
At cost	217,267	65,813	283,080
At valuation	1,805	-	1,805
	<u>219,072</u>	<u>65,813</u>	<u>284,885</u>

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**Gamuda Berhad
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12. Property, plant and equipment (cont'd.)

*** Land and buildings**

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2015				
Valuation/cost				
At 1 August 2014	13,918	5,756	227,312	246,986
Additions	77	-	1,005	1,082
Transfer from property development cost (Note 13(b))	-	3,391	29,200	32,591
Write off	-	-	(19)	(19)
Exchange differences	-	262	3,517	3,779
At 31 July 2015	13,995	9,409	261,015	284,419
Representing:				
At cost	13,995	8,060	258,859	280,914
At valuation	-	1,349	2,156	3,505
	13,995	9,409	261,015	284,419
Accumulated depreciation and impairment loss				
At 1 August 2014	-	674	27,240	27,914
Charge for the year:				
Recognised in profit or loss	-	128	6,865	6,993
Write off	-	-	(2)	(2)
Exchange differences	-	4	703	707
At 31 July 2015	-	806	34,806	35,612
Net carrying amount				
At 31 July 2015				
At cost	13,995	7,808	225,284	247,087
At valuation	-	795	925	1,720
	13,995	8,603	226,209	248,807

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12. Property, plant and equipment (cont'd.)

*** Land and buildings (cont'd.)**

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2014				
Valuation/cost				
At 1 August 2013	15,568	5,756	222,244	243,568
Additions	-	-	1,321	1,321
Acquisition of a subsidiary	-	-	8,076	8,076
Transfer to investment properties (Note 14)	(1,650)	-	(4,208)	(5,858)
Exchange differences	-	-	(121)	(121)
At 31 July 2014	13,918	5,756	227,312	246,986
Representing:				
At cost	13,918	4,407	225,156	243,481
At valuation	-	1,349	2,156	3,505
	13,918	5,756	227,312	246,986
Accumulated depreciation and impairment loss				
At 1 August 2013	-	604	17,155	17,759
Charge for the year:				
Recognised in profit or loss	-	70	5,263	5,333
Acquisition of a subsidiary	-	-	5,494	5,494
Transfer to investment properties (Note 14)	-	-	(649)	(649)
Exchange differences	-	-	(23)	(23)
At 31 July 2014	-	674	27,240	27,914
Net carrying amount				
At 31 July 2014				
At cost	13,918	4,264	199,085	217,267
At valuation	-	818	987	1,805
	13,918	5,082	200,072	219,072

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**Gamuda Berhad
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12. Property, plant and equipment (cont'd.)

**** Other property, plant and equipment**

Group	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Total RM'000
At 31 July 2015				
Cost				
At 1 August 2014	28,773	52,925	159,243	240,941
Additions	3,491	8,195	11,263	22,949
Disposals	(5,365)	(565)	(17,600)	(23,530)
Write-offs	(198)	(592)	(336)	(1,126)
Exchange differences	106	1,075	404	1,585
At 31 July 2015	<u>26,807</u>	<u>61,038</u>	<u>152,974</u>	<u>240,819</u>
Accumulated depreciation				
At 1 August 2014	21,300	37,041	116,787	175,128
Charge for the year:				
Recognised in profit or loss	3,431	6,323	5,340	15,094
Capitalised in construction costs	411	263	3,023	3,697
Disposals	(3,846)	(536)	(12,366)	(16,748)
Write-offs	(198)	(553)	(336)	(1,087)
Exchange differences	87	848	325	1,260
At 31 July 2015	<u>21,185</u>	<u>43,386</u>	<u>112,773</u>	<u>177,344</u>
Net carrying amount				
At 31 July 2015	<u>5,622</u>	<u>17,652</u>	<u>40,201</u>	<u>63,475</u>

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**Gamuda Berhad
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12. Property, plant and equipment (cont'd.)

**** Other property, plant and equipment (cont'd.)**

Group	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Total RM'000
At 31 July 2014				
Cost				
At 1 August 2013	27,333	53,879	175,180	256,392
Additions	1,104	2,860	11,352	15,316
Acquisition of a subsidiary	5,872	3,337	-	9,209
Disposals	(3,963)	(746)	(24,271)	(28,980)
Write-offs	(1,557)	(6,206)	(2,902)	(10,665)
Exchange differences	(16)	(199)	(116)	(331)
At 31 July 2014	<u>28,773</u>	<u>52,925</u>	<u>159,243</u>	<u>240,941</u>
Accumulated depreciation				
At 1 August 2013	20,600	34,820	127,242	182,662
Charge for the year:				
Recognised in profit or loss	276	5,997	5,269	11,542
Capitalised in construction costs	508	409	5,006	5,923
Acquisition of a subsidiary	4,200	2,910	-	7,110
Disposals	(2,804)	(713)	(17,771)	(21,288)
Write-offs	(1,465)	(6,188)	(2,865)	(10,518)
Exchange differences	(15)	(194)	(94)	(303)
At 31 July 2014	<u>21,300</u>	<u>37,041</u>	<u>116,787</u>	<u>175,128</u>
Net carrying amount				
At 31 July 2014	<u>7,473</u>	<u>15,884</u>	<u>42,456</u>	<u>65,813</u>

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12. Property, plant and equipment (cont'd.)

Company	Land and buildings RM'000	* Other property, plant and equipment** RM'000	Total RM'000
At 31 July 2015			
Valuation/cost			
At 1 August 2014 (restated)	161,622	78,260	239,882
Additions	73	2,306	2,379
Disposals	-	(19,703)	(19,703)
Write-offs	-	(6)	(6)
Exchange difference	-	715	715
At 31 July 2015	<u>161,695</u>	<u>61,572</u>	<u>223,267</u>
Representing:			
At cost	158,292	61,572	219,864
At valuation	3,403	-	3,403
	<u>161,695</u>	<u>61,572</u>	<u>223,267</u>
Accumulated depreciation and impairment loss			
At 1 August 2014 (restated)	10,928	52,572	63,500
Charge for the year:			
Recognised in profit or loss (Note 7)	3,175	3,855	7,030
Capitalised in construction costs (Note 25)	-	1,492	1,492
Disposals	-	(13,782)	(13,782)
Write-offs	-	(3)	(3)
Exchange difference	-	630	630
At 31 July 2015	<u>14,103</u>	<u>44,764</u>	<u>58,867</u>
Net carrying amount			
At 31 July 2015			
At cost	144,458	16,808	161,266
At valuation	3,134	-	3,134
	<u>147,592</u>	<u>16,808</u>	<u>164,400</u>

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12. Property, plant and equipment (cont'd.)

Company (cont'd)	Land and buildings*	Other property, plant and equipment**	Total
	RM'000	RM'000	RM'000
At 31 July 2014 (restated)			
Valuation/cost			
At 1 August 2013 (restated)	159,841	107,474	267,315
Additions	1,781	3,437	5,218
Disposals	-	(24,273)	(24,273)
Write-offs	-	(8,295)	(8,295)
Exchange difference	-	(83)	(83)
At 31 July 2014 (restated)	<u>161,622</u>	<u>78,260</u>	<u>239,882</u>
Representing:			
At cost	158,220	78,260	236,480
At valuation	3,402	-	3,402
	<u>161,622</u>	<u>78,260</u>	<u>239,882</u>
Accumulated depreciation and impairment loss			
At 1 August 2013 (restated)	7,755	68,125	75,880
Charge for the year:			
Recognised in profit or loss (Note 7)	3,173	4,512	7,685
Capitalised in construction costs (Note 25)	-	5,730	5,730
Disposals	-	(17,459)	(17,459)
Write-offs	-	(8,263)	(8,263)
Exchange difference	-	(73)	(73)
At 31 July 2014 (restated)	<u>10,928</u>	<u>52,572</u>	<u>63,500</u>
Net carrying amount			
At 31 July 2014 (restated)			
At cost	148,371	25,688	174,059
At valuation	2,323	-	2,323
	<u>150,694</u>	<u>25,688</u>	<u>176,382</u>

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**Gamuda Berhad
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12. Property, plant and equipment (cont'd.)

*** Land and buildings**

Company	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2015				
Valuation/cost				
At 1 August 2014 (restated)	780	5,611	155,231	161,622
Additions	-	-	73	73
At 31 July 2015	<u>780</u>	<u>5,611</u>	<u>155,304</u>	<u>161,695</u>
Representing:				
At cost	-	4,407	153,885	158,292
At valuation	780	1,204	1,419	3,403
	<u>780</u>	<u>5,611</u>	<u>155,304</u>	<u>161,695</u>
Accumulated depreciation and impairment loss				
At 1 August 2014 (restated)	-	613	10,315	10,928
Charge for the year	-	68	3,107	3,175
At 31 July 2015	<u>-</u>	<u>681</u>	<u>13,422</u>	<u>14,103</u>
Net carrying amount				
At 31 July 2015				
At cost	-	3,872	140,586	144,458
At valuation	780	1,058	1,296	3,134
	<u>780</u>	<u>4,930</u>	<u>141,882</u>	<u>147,592</u>

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12. Property, plant and equipment (cont'd.)

*** Land and buildings (cont'd.)**

Company	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2014 (restated)				
Valuation/cost				
At 1 August 2013 (restated)	780	5,611	153,450	159,841
Additions	-	-	1,781	1,781
At 31 July 2014 (restated)	<u>780</u>	<u>5,611</u>	<u>155,231</u>	<u>161,622</u>
Representing:				
At cost	-	4,407	153,813	158,220
At valuation	780	1,204	1,418	3,402
	<u>780</u>	<u>5,611</u>	<u>155,231</u>	<u>161,622</u>
Accumulated depreciation and impairment loss				
At 1 August 2013 (restated)	-	545	7,210	7,755
Charge for the year	-	68	3,105	3,173
At 31 July 2014 (restated)	<u>-</u>	<u>613</u>	<u>10,315</u>	<u>10,928</u>
Net carrying amount				
At 31 July 2014 (restated)				
At cost	-	4,262	144,109	148,371
At valuation	780	736	807	2,323
	<u>780</u>	<u>4,998</u>	<u>144,916</u>	<u>150,694</u>

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

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12. Property, plant and equipment (cont'd.)

**** Other property, plant and equipment**

Company	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Total RM'000
At 31 July 2015				
Cost				
At 1 August 2014 (restated)	10,836	27,110	40,314	78,260
Additions	54	1,726	526	2,306
Disposals	(3,779)	(197)	(15,727)	(19,703)
Write-offs	-	(6)	-	(6)
Exchange difference	92	271	352	715
At 31 July 2015	<u>7,203</u>	<u>28,904</u>	<u>25,465</u>	<u>61,572</u>
Accumulated depreciation				
At 1 August 2014 (restated)	7,167	18,931	26,474	52,572
Charge for the year:				
Recognised in profit or loss	9	3,532	314	3,855
Capitalised in construction costs (Note 25)	360	259	873	1,492
Disposals	(3,080)	(173)	(10,529)	(13,782)
Write-offs	-	(3)	-	(3)
Exchange difference	78	263	289	630
At 31 July 2015	<u>4,534</u>	<u>22,809</u>	<u>17,421</u>	<u>44,764</u>
Net carrying amount				
At 31 July 2015	<u>2,669</u>	<u>6,095</u>	<u>8,044</u>	<u>16,808</u>

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**Gamuda Berhad
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12. Property, plant and equipment (cont'd.)

**** Other property, plant and equipment (cont'd.)**

Company	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Plant and machinery RM'000	Total RM'000
At 31 July 2014 (restated)				
Cost				
At 1 August 2013 (restated)	15,086	31,164	61,224	107,474
Additions	296	1,661	1,480	3,437
Disposals	(4,524)	(251)	(19,498)	(24,273)
Write-offs	(9)	(5,443)	(2,843)	(8,295)
Exchange difference	(13)	(21)	(49)	(83)
At 31 July 2014 (restated)	<u>10,836</u>	<u>27,110</u>	<u>40,314</u>	<u>78,260</u>
Accumulated depreciation				
At 1 August 2013 (restated)	10,000	20,175	37,950	68,125
Charge for the year:				
Recognised in profit or loss	24	4,057	431	4,512
Capitalised in construction costs (Note 25)	473	395	4,862	5,730
Disposals	(3,310)	(234)	(13,915)	(17,459)
Write-offs	(9)	(5,442)	(2,812)	(8,263)
Exchange difference	(11)	(20)	(42)	(73)
At 31 July 2014 (restated)	<u>7,167</u>	<u>18,931</u>	<u>26,474</u>	<u>52,572</u>
Net carrying amount				
At 31 July 2014 (restated)	<u>3,669</u>	<u>8,179</u>	<u>13,840</u>	<u>25,688</u>

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

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12. Property, plant and equipment (cont'd.)

Had the revalued land and buildings been carried at historical cost less accumulated depreciation, the net book value of the land and buildings that would have been included in the financial statements of the Group and of the Company are as follows:

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Land and buildings	1,629	1,708	1,188	1,239

13. Land held for property development and property development costs

(a) Land held for property development

Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
At 31 July 2015				
Cost				
At 1 August 2014	119,636	600,316	162,617	882,569
Additions	-	1,070,852	11,197	1,082,049
Acquisition of leasehold land through acquisition of subsidiary (Note 18 (f))	-	784,328	-	784,328
Transfer from property development cost (Note 13(b))	-	19,960	12,119	32,079
Transfer to property development costs (Note 13(b))	(26,660)	(72,402)	(16,022)	(115,084)
Exchange differences	-	29,110	16,200	45,310
At 31 July 2015	92,976	2,432,164	186,111	2,711,251

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13. Land held for property development and property development costs (cont'd.)

(a) Land held for property development (cont'd.)

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group (cont'd.)				
At 31 July 2014				
Cost				
At 1 August 2013	116,842	726,194	205,699	1,048,735
Additions	-	46,627	9,203	55,830
Transfer from property development costs (Note 13(b))	6,983	-	4,251	11,234
Transfer to property development costs (Note 13(b))	(4,189)	(170,121)	(54,308)	(228,618)
Exchange differences	-	(2,384)	(2,228)	(4,612)
At 31 July 2014	<u>119,636</u>	<u>600,316</u>	<u>162,617</u>	<u>882,569</u>

(b) Property development costs

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group				
At 31 July 2015				
Cumulative property development costs				
At 1 August 2014	319,751	933,453	2,124,041	3,377,245
Costs incurred during the year	184,283	249,864	587,375	1,021,522
Transfer to property, plant and equipment (Note 12)	-	(3,391)	(29,200)	(32,591)
Transfer to land held for property development (Note 13(a))	-	(19,960)	(12,119)	(32,079)
Transfer from land held for property development (Note 13(a))	26,660	72,402	16,022	115,084
Transfer to investment properties (Note 14)	(3,701)	(13,021)	(33,309)	(50,031)
Reversal of completed projects	(36,272)	(19,947)	(318,757)	(374,976)
Transfer to inventories	(12,075)	(9,858)	(87,431)	(109,364)
Exchange differences	(3,339)	79,457	313,243	389,361
At 31 July 2015	<u>475,307</u>	<u>1,268,999</u>	<u>2,559,865</u>	<u>4,304,171</u>

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

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13. Land held for property development and property development costs (cont'd.)

(b) Property development costs (cont'd.)

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group (cont'd.)				
At 31 July 2015 (cont'd.)				
Cumulative costs recognised in profit or loss				
At 1 August 2014	(52,245)	(51,910)	(1,620,934)	(1,725,089)
Recognised during the year	(43,400)	(256,950)	(278,971)	(579,321)
Reversal of completed projects	36,272	19,947	318,757	374,976
Exchange differences	-	(5,228)	(217,527)	(222,755)
At 31 July 2015	(59,373)	(294,141)	(1,798,675)	(2,152,189)
Property development costs at 31 July 2015	415,934	974,858	761,190	2,151,982
At 31 July 2014				
Cumulative property development costs				
At 1 August 2013	351,272	757,004	2,175,405	3,283,681
Costs incurred during the year	-	9,363	406,877	416,240
Transfer to land held for property development (Note 13(a))	(6,983)	-	(4,251)	(11,234)
Transfer from land held for property development (Note 13(a))	4,189	170,121	54,308	228,618
Reversal of completed projects	(27,875)	-	(246,271)	(274,146)
Transfer to inventories	(852)	-	(241,119)	(241,971)
Exchange differences	-	(3,035)	(20,908)	(23,943)
At 31 July 2014	319,751	933,453	2,124,041	3,377,245

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

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13. Land held for property development and property development costs (cont'd.)

(b) Property development costs (cont'd.)

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group (cont'd.)				
At 31 July 2014 (cont'd.)				
Cumulative costs recognised in profit or loss				
At 1 August 2013	(43,643)	(43,642)	(1,396,788)	(1,484,073)
Recognised during the year	(36,477)	(8,566)	(484,810)	(529,853)
Reversal of completed projects	27,875	-	246,271	274,146
Exchange differences	-	298	14,393	14,691
At 31 July 2014	(52,245)	(51,910)	(1,620,934)	(1,725,089)
Property development costs at 31 July 2014	267,506	881,543	503,107	1,652,156

Included in land held for property development and property development costs incurred during the year are:

	Group	
	2015	2014
	RM'000	RM'000
Staff costs (Note 5)	24,546	23,484
Finance costs (Note 8)	36,033	37,913

Included in leasehold land under land held for property development and property development costs are beneficial rights on land pursuant to investment certificates issued by the Government of Socialist Republic of Vietnam, with carrying value of RM360,402,000 (2014: RM385,402,000) and RM284,904,000 (2014: RM269,904,000) respectively. The Group plans to develop the leasehold land under land held for property development over the next 11 years.

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13. Land held for property development and property development costs (cont'd.)

Freehold land of the Group with a carrying value of RM122,728,000 (2014: RM123,427,000) has been pledged as securities for loan facility as set out in Note 35(b)(i).

The leasehold land under development of the Group with a carrying value of RM257,228,000 (2014: RM314,575,000) has been pledged as a security for a term loan as disclosed in Note 35(b)(ii).

14. Investment properties

Group	Freehold land RM'000	Buildings RM'000	Construction -in-progress RM'000	Total RM'000
At 31 July 2015				
Cost				
At 1 August 2014	10,991	35,431	54,168	100,590
Additions	-	14,315	-	14,315
Reclassification	-	54,793	(54,793)	-
Transfer from property development cost (Note 13(b))	3,701	-	46,330	50,031
Exchange differences	-	-	2,403	2,403
At 31 July 2015	<u>14,692</u>	<u>104,539</u>	<u>48,108</u>	<u>167,339</u>
Accumulated depreciation				
At 1 August 2014	-	2,550	-	2,550
Charge for the year (Note 7)	-	1,523	-	1,523
At 31 July 2015	<u>-</u>	<u>4,073</u>	<u>-</u>	<u>4,073</u>
Net carrying amount				
At 31 July 2015	<u>14,692</u>	<u>100,466</u>	<u>48,108</u>	<u>163,266</u>
Fair value				
At 31 July 2015	<u>29,511</u>	<u>138,931</u>	<u>48,108</u>	<u>216,550</u>

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14. Investment properties (cont'd.)

	Freehold land RM'000	Buildings RM'000	Construction -in-progress RM'000	Total RM'000
Group				
At 31 July 2014				
Cost				
At 1 August 2013	9,341	31,200	19,975	60,516
Additions	-	23	34,193	34,216
Transfer from property, plant and equipment (Note 12)	1,650	4,208	-	5,858
At 31 July 2014	10,991	35,431	54,168	100,590
Accumulated depreciation				
At 1 August 2013	-	1,194	-	1,194
Charge for the year (Note 7)	-	707	-	707
Transfer from property, plant and equipment (Note 12)	-	649	-	649
At 31 July 2014	-	2,550	-	2,550
Net carrying amount				
At 31 July 2014	10,991	32,881	54,168	98,040
Fair value				
At 31 July 2014	22,160	62,533	54,168	138,861
Company				
At 31 July 2015				
Cost				
At 1 August 2014		5,697	7,583	13,280
Addition		-	-	-
At 31 July 2015		5,697	7,583	13,280
Accumulated depreciation				
At 1 August 2014		-	2,552	2,552
Charge for the year (Note 7)		-	152	152
At 31 July 2015		-	2,704	2,704

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14. Investment properties (cont'd.)

Company (cont'd.)	Freehold land RM'000	Buildings RM'000	Total RM'000
At 31 July 2015			
Net carrying amount			
At 31 July 2015	5,697	4,879	10,576
Fair value			
At 31 July 2015	28,192	21,219	49,411
At 31 July 2014			
Cost			
At 1 August 2013	5,697	7,560	13,257
Addition	-	23	23
At 31 July 2014	5,697	7,583	13,280
Accumulated depreciation			
At 1 August 2013	-	2,399	2,399
Charge for the year (Note 7)	-	153	153
At 31 July 2014	-	2,552	2,552
Net carrying amount			
At 31 July 2014	5,697	5,031	10,728
Fair value			
At 31 July 2014	20,457	19,553	40,010

Included in investment properties incurred during the year are:

	Group	
	2015 RM'000	2014 RM'000
Staff costs (Note 5)	494	-
Finance costs (Note 8)	171	-

Fair value of investment properties was estimated by the directors based on internal appraisal of market values of comparable properties.

Other details of fair value of investment properties are further disclosed in Note 44.

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**Gamuda Berhad
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15. Land use rights

	Group	
	2015	2014
	RM'000	RM'000
At 1 August	3,595	4,020
Amortisation for the year (Note 7)	(425)	(425)
At 31 July	<u>3,170</u>	<u>3,595</u>

16. Expressway development expenditure

	Group	
	2015	2014
	RM'000	RM'000
Cost		
At 1 August	1,760,823	-
Acquisition of a subsidiary (Note 18(g))	-	1,760,823
Additions	16,027	-
At 31 July	<u>1,776,850</u>	<u>1,760,823</u>
Accumulated amortisation		
At 1 August	5,474	-
Amortisation for the year (Note 7)	78,539	5,474
At 31 July	<u>84,013</u>	<u>5,474</u>
Net carrying amount		
At end of year	<u>1,692,837</u>	<u>1,755,349</u>

The expressway development expenditure is pledged as securities for borrowings (Note 35(a)(ii)).

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**Gamuda Berhad
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17. Intangible assets

Group	Goodwill RM'000	Concession and quarry rights RM'000	Total RM'000
At 31 July 2015			
Cost			
At 1 August 2013/31 July 2014/31 July 2015	41,396	95,048	136,444
Accumulated amortisation			
At 1 August 2013	-	41,694	41,694
Amortisation for the year (Note 7)	-	3,098	3,098
Impairment loss (Note 7)	41,396	50,256	91,652
At 31 July 2014/31 July 2015	41,396	95,048	136,444
Net carrying amount			
At 31 July 2014/31 July 2015	-	-	-

Concession and quarry rights

The concession and quarry rights are attributable to the acquisition of Gamuda Water Sdn. Bhd. and G.B. Kuari Sdn. Bhd. respectively, which have been granted the rights to operate and maintain the water treatment plants of Sungai Selangor Water Supply Scheme Phase 3 and the quarry for a period of 30 years ending Year 2031 and Year 2022 respectively.

In prior year, an impairment of RM50,256,000 has been recognised on concession and quarry rights.

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18. Investments in subsidiaries

	Company	
	2015	2014
	RM'000	RM'000
Redeemable unsecured loan stocks	1,200,000	1,200,000
Unquoted shares, at cost	2,755,394	2,184,422
Less: Accumulated impairment losses	(70,215)	(70,215)
	<u>3,885,179</u>	<u>3,314,207</u>

(a) Capitalisation of amount due from subsidiaries into redeemable preference shares

The Company has converted the amounts due from the following subsidiaries amounting to RM292,810,000 for 2,928,100 redeemable preference shares of RM1 each at premium of RM99 as follows:

	RM'000
Lifestyle Heritage Sdn. Bhd.	120,390
Dinamik Atlantik Sdn. Bhd.	3,850
Gamuda Land (HCMC) Sdn. Bhd.	168,570
	<u>292,810</u>

(b) Capital injection in subsidiaries

The Company has injected additional capital into the following subsidiaries during the year:

	RM'000
Gamuda Industrial Building System Sdn. Bhd. (formerly known as GIT Services Sdn. Bhd.)	2,400
Gamuda Land Sdn. Bhd.	7,125
Highpark Development Sdn Bhd (formerly known as Reka Strategi Sdn. Bhd.)	500
Dinamik Atlantik Sdn Bhd	250
	<u>10,275</u>

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18. Investments in subsidiaries (cont'd.)

(c) Redemption of redeemable preference shares ("RPS") held by the Company in subsidiaries

During the year, the following wholly owned subsidiaries have redeemed 5,164,404 RPS held by the Company of RM1 each at premium of RM99 for cash consideration of RM516,440,400.

	RM'000
Idaman Robertson Sdn. Bhd.	50,250
Jade Homes Sdn. Bhd.	73,000
Madge Mansions Sdn. Bhd.	32,700
Highpark Development Sdn. Bhd. (formerly known as Reka Strategi Sdn. Bhd.)	34,350
Kesas Holdings Berhad	326,140
	<u>516,440</u>

(d) Impairment of investment in a subsidiary

The amount, representing the premium paid by the Company for the rights to operate and maintain the water treatment plants of Sungai Selangor Water Supply Scheme Phase 3, was impaired due to the uncertainty arising from the Selangor State Government's consolidation of the water industry in Selangor as disclosed in Note 28.

(e) Acquisition of remaining shareholding in Sai Gon Thuong Tin Tan Thang Investment Real Estate Joint Stock Company ("TTJSC")

On 30 June 2015, Gamuda Land (HCMC) Sdn. Bhd. ("GLHCMC"), a subsidiary of the Company, has completed acquisition of additional 40% of equity interest in TTJSC from its non-controlling interests for a cash consideration of VND1,014.0 million (RM174.6 million). Pursuant to this acquisition, TTJSC became a wholly-owned subsidiary of GLHCMC.

The following is the additional interest acquired in TTJSC:

	RM'000
Cash consideration paid to non-controlling interests	174,594
Fair value of the additional interest in TTJSC at the date of acquisition	180,443
Increase in the equity attributable to the owners of the Company	<u>(5,849)</u>

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18. Investments in subsidiaries (cont'd.)

(f) Acquisition of leasehold land through acquisition of Salak Land Development Sdn. Bhd. ("Salak Land")

As disclosed in Note 43(ii), the Company had completed acquisition of Salak Land on 9 March 2015.

The fair value of the identifiable assets acquired at the acquisition date are as follows:

	Fair value RM'000
Land held for development, representing fair value of the identifiable asset	<u>784,328</u>

The cash outflows on acquisition is as follows:

Cost of acquisition satisfied by cash, representing net cash outflow of the Group	<u>784,323</u>
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(g) Acquisition of Kesas Holdings Berhad ("Kesas")

In prior year, the Company has increased their shareholding in Kesas, as follows:

- (i) Acquired 20% equity interest of Kesas from Amcorp Properties Berhad for consideration of RM280 million, increasing the Company's proportion in ownership in Kesas to 50%.
- (ii) Acquired 20% equity interest of Kesas from Permodalan Nasional Berhad for consideration of RM290 million.

Consequently, the Company's ownership in Kesas has been increased to 70% and Kesas became a subsidiary of the Company.

The gain on remeasurement of previously held interest of 50% immediately before obtaining control is as follows:

Fair value of previously held interest	RM'000 725,000
Less: Cost of investment in previously held interest	(421,274)
Less: Pre-acquisition reserves	(109,523)
Gain on remeasurement of previously held interest (Note 7)	<u>194,203</u>

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18. Investments in subsidiaries (cont'd.)

(h) Interests in subsidiaries

The Company's interests in the subsidiaries are analysed as follows:

Name of Company	Proportion of ownership		Principal activities
	2015 %	2014 %	
Subsidiaries incorporated in Malaysia			
Gammau Construction Sdn. Bhd.	100	100	Property investment and holding
Gamuda Engineering Sdn. Bhd.	100	100	Civil engineering and construction
Ganaz Bina Sdn. Bhd.	100	100	Civil engineering and construction
G.B. Kuari Sdn. Bhd.	100	100	Operation of quarry, laying of road and manufacture of premix
Gamuda Land Sdn. Bhd.	100	100	Investment holding company
Gamuda Paper Industries Sdn. Bhd.	95	95	Rental of properties
GPI Trading Sdn. Bhd.	95	95	Dormant
Gamuda Trading Sdn. Bhd.	100	100	Trading of construction materials
Gamuda Water Sdn. Bhd. ("GWSB")	80	80	Operation and maintenance of water treatment plants
Gamuda Industrial Building System Sdn. Bhd. (formerly known as GIT Services Sdn Bhd)	100	100	Precast manufacturing and building system
Jade Homes Sdn. Bhd.	100	100	Property investment and development
	107		
	173		

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18. Investments in subsidiaries (cont'd.)

(h) Interests in subsidiaries (cont'd.)

The Company's interests in the subsidiaries are analysed as follows: (cont'd.)

Name of Company	Proportion of ownership		Principal activities
	2015 %	2014 %	
Subsidiaries incorporated in Malaysia (cont'd.)			
Megah Landscape Sdn. Bhd.	100	100	Supply of landscaping materials and provision of landscaping services
Jade Homes Resort Berhad	100	100	Proprietor and operator of a clubhouse
Jade Homes Property Services Sdn. Bhd. *	100	100	Property maintenance services
Harum Intisari Sdn. Bhd.	100	100	Property investment and development
Bandar Botanic Resort Berhad	100	100	Proprietor and operator of a clubhouse
Botanic Property Services Sdn. Bhd.	100	100	Property maintenance services
GL (MM2H) Sdn. Bhd. *	100	100	Agent of "Malaysia My Second Home" Programme
Masterpave Sdn. Bhd.	100	100	Manufacture, supply and laying of road surfacing materials
Megah Capital Sdn. Bhd.	100	100	Investment holding and trading
Megah Management Services Sdn. Bhd.	100	100	Insurance agency
Megah Sewa Sdn. Bhd.	100	100	Hire and rental of plant and machinery
Valencia Development Sdn. Bhd.	100	100	Property investment and development

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18. Investments in subsidiaries (cont'd.)

(h) Interests in subsidiaries (cont'd.)

The Company's interests in the subsidiaries are analysed as follows: (cont'd.)

Name of Company	Proportion of ownership		Principal activities
	2015 %	2014 %	
Subsidiaries incorporated in Malaysia (cont'd.)			
Valencia Township Sdn. Bhd.	100	100	Management of township and golf club and related maintenance services
Rebung Property Services Sdn. Bhd. *	100	100	Property maintenance and management services
Madge Mansions Sdn. Bhd.	100	100	Property investment and development
Highpark Development Sdn. Bhd. (formerly known as Reka Strategi Sdn. Bhd.)	100	100	Property investment and development
Idaman Robertson Sdn. Bhd.	100	100	Property investment and development
Setara Hati Sdn. Bhd.	100	100	Property investment and development
Gamuda Land (HCMC) Sdn. Bhd.	100	100	Property investment and development
Bandar Serai Development Sdn. Bhd. (formerly known as Temasek Eksklusif Sdn. Bhd. ("Bandar Serai"))	100	100	Property investment and development
Dinamik Atlantik Sdn. Bhd.	100	100	Property investment and development
Lifestyle Heritage Sdn. Bhd.*	100	100	Property investment and development

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

**Gamuda Berhad
(Incorporated in Malaysia)**

18. Investments in subsidiaries (cont'd.)

(h) Interests in subsidiaries (cont'd.)

The Company's interests in the subsidiaries are analysed as follows: (cont'd.)

Name of Company	Proportion of ownership		Principal activities
	2015 %	2014 %	
Subsidiaries incorporated in Malaysia (cont'd.)			
Salak Land Development Sdn. Bhd.	100	-	Property investment and development
Kesas Holdings Berhad ("Kesas")	70	70	Investment holding; holding company to the concession holder of an expressway
Kesas Sdn. Bhd.	70	70	Design, construction and maintenance of Shah Alam Expressway, and development and management of toll operations
Semarak Kuasa Sdn. Bhd.*	100	-	Dormant
Subsidiary incorporated in British Virgin Islands			
Gamuda Overseas Investment Ltd.	100	100	Investment holding
Subsidiary incorporated in Mauritius			
Gamuda (Offshore) Private Limited *	100	100	Investment holding
Subsidiary incorporated in India			
Held by Gamuda (Offshore) Private Limited:			
Gamuda - WCT (India) Private Limited * #	70	70	Civil engineering and construction

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

**Gamuda Berhad
(Incorporated in Malaysia)**

18. Investments in subsidiaries (cont'd.)

(h) Interests in subsidiaries (cont'd.)

The Company's interests in the subsidiaries are analysed as follows: (cont'd.)

Name of Company	Proportion of ownership		Principal activities
	2015 %	2014 %	
Subsidiary incorporated in Saudi Arabia			
Gamuda Saudi Arabia L.L.C.	100	100	In the process of winding up
Subsidiaries incorporated in the Socialist Republic of Vietnam			
Gamuda-Nam Long Development Limited Liability Company * #	70	70	Construction of villas for sale and lease
Gamuda Land Vietnam Limited Liability Company ^ #	100	100	Undertakes the Yen So Park, sewage treatment plant and Gamuda City Development in Hanoi, Socialist Republic of Vietnam
Held by Gamuda Land (HCMC) Sdn. Bhd.:			
Sai Gon Thuong Tin Tan Thang Investment Real Estate Joint Stock Company ("TTJSC") * #	100	60	Undertakes development of Celadon City in Ho Chi Minh City, Socialist Republic of Vietnam
Subsidiary incorporated in Singapore			
Gamuda (Singapore) Pte Ltd ^	100	-	Investment holding
Subsidiary incorporated in Australia			
Gamuda (Australia) Pty Ltd ^	100	-	Property development

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

**Gamuda Berhad
(Incorporated in Malaysia)**

18. Investments in subsidiaries (cont'd.)

(h) Interests in subsidiaries (cont'd.)

The Company's interests in the subsidiaries are analysed as follows: (cont'd.)

Name of Company	Proportion of ownership		Principal activities
	2015 %	2014 %	
Unincorporated subsidiaries in Malaysia			
Gamuda Berhad - Kumpulan Darul Ehsan Berhad - The Sweet Water Alliance Sdn. Bhd. Joint Venture ("GKTJV")	70	70	Civil engineering and construction
Gamuda Berhad - Mujur Minat Sdn. Bhd. Joint Venture ("GMMJV")	70	70	Civil engineering and construction

* Audited by firms of auditors other than Ernst & Young, Malaysia

Financial year end which does not coincide with that of its holding company

^ Audited by member firms of Ernst & Young Global in the respective countries.

For the purpose of consolidating the subsidiaries with different financial year ends, the last audited financial statements available and the management financial statements to the end of the accounting period of the subsidiaries have been used.

The details of the unincorporated subsidiaries are as follows:

Entity	Joint venture partners	Economic activity
GKTJV	Gamuda Berhad, Kumpulan Darul Ehsan Berhad and The Sweet Water Alliance Sdn. Bhd.	Undertakes civil engineering construction of the dam and water treatment facilities of Sungai Selangor Water Supply Scheme Phase 3
GMMJV	Gamuda Berhad and Mujur Minat Sdn. Bhd.	Undertakes civil engineering construction of the Western Kuala Lumpur Traffic Dispersal Scheme

Both GKTJV and GMMJV are unincorporated joint ventures formed under a contractual agreement. Pursuant to FRS 10: Consolidated Financial Statements, both GKTJV and GMMJV are deemed to be subsidiaries of Gamuda Berhad by virtue of its exposure or rights to variable returns from its investment with these entities and the power that give it the current ability to direct the relevant activities to affect its returns from these entities.

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

Gamuda Berhad
(Incorporated in Malaysia)

18. Investments in subsidiaries (cont'd.)

(i) Non-controlling interests ("NCI") in subsidiaries

The summarised financial information of the subsidiaries that has non-controlling interests which are material to the Company before intra-group elimination are as follows:

	GWSB		Kesas		TTJSC		Other individually immaterial subsidiaries		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
NCI percentage of ownership interest and voting interest (%)	20	20	30	30	-	40				
Carrying amount of NCI	75,566	64,032	257,696	438,506	-	164,321	22,757	20,536	356,019	687,395
Total comprehensive income/(expense) allocated to NCI	11,534	14,129	28,892	3,506	-	(2,651)	18,315	(770)	58,741	14,214
Summarised statements of financial position										
Non-current assets	193,336	159,513	1,698,126	1,762,820	-	508,579	20,720	6,632	1,912,182	2,437,544
Current assets	200,476	176,328	324,253	299,001	-	388,934	64,039	55,791	588,768	920,054
Non-current liabilities	(983)	(591)	(1,144,091)	(468,531)	-	(334,867)	-	-	(1,145,074)	(803,989)
Current liabilities	(15,000)	(15,090)	(19,300)	(131,603)	-	(151,843)	(2,584)	(2,280)	(36,884)	(300,816)
Net assets	377,829	320,160	858,988	1,461,687	-	410,803	82,175	60,143	1,318,992	2,252,793

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

**Gamuda Berhad
(Incorporated in Malaysia)**

18. Investments in subsidiaries (cont'd.)

(i) Non-controlling interests ("NCI") in subsidiaries (cont'd.)

The summarised financial information of the subsidiaries that has non-controlling interests which are material to the Company before intra-group elimination are as follows (cont'd.):

	GWSB		Kesas		TTJSC		Other individually immaterial subsidiaries		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Summarised statements of comprehensive income										
Revenue	141,540	133,689	259,089	240,362	-	65,131	618	600	401,247	439,782
Profit/(loss) for the year	57,820	70,646	96,420	125,933	-	(3,677)	432	583	154,672	193,485
Total comprehensive income/(expense)	57,670	70,646	96,305	125,933	-	(6,628)	4,563	583	158,538	190,534

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

**Gamuda Berhad
(Incorporated in Malaysia)**

18. Investments in subsidiaries (cont'd.)

(i) Non-controlling interests ("NCI") in subsidiaries (cont'd.)

The summarised financial information of the subsidiaries that has non-controlling interests which are material to the Company before intra-group elimination are as follows (cont'd.):

	GWSB		Kesas		TTJSC		Other individually immaterial subsidiaries		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Summarised statements of cash flows										
Cash flows (used in)/ generated from operating activities	(2,089)	3,916	216,741	17,743	-	22,420	113	15,983	214,765	60,062
Cash flows (used in)/ generated from investing activities	8,373	403	1,521	(5,048)	-	106	-	549	9,894	(3,990)
Cash flows used in financing activities	-	-	(172,028)	-	-	(18,387)	-	-	(172,028)	(18,387)
Net increase in cash and cash equivalents	6,284	4,319	46,234	12,695	-	4,139	113	16,532	52,631	37,685

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

**Gamuda Berhad
(Incorporated in Malaysia)**

19. Interests in associated companies

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unquoted shares, in Malaysia:				
At cost:				
- Ordinary shares	72,604	72,604	72,604	72,604
- Redeemable preference shares	420,350	425,350	420,350	425,350
	<u>492,954</u>	<u>497,954</u>	<u>492,954</u>	<u>497,954</u>
Group's share of post-acquisition reserves, net of dividends receivable	820,767	707,494	-	-
Less: Accumulated impairment losses	(97,214)	(97,214)	(97,214)	(97,214)
	<u>1,216,507</u>	<u>1,108,234</u>	<u>395,740</u>	<u>400,740</u>
Less: Reclassified to asset held for sale (Note 28)	-	(994,306)	-	(160,000)
	<u>1,216,507</u>	<u>113,928</u>	<u>395,740</u>	<u>240,740</u>
Unquoted shares, outside Malaysia:				
At cost:				
- Ordinary shares	11	11	-	-
- Redeemable preference shares	70,195	88,007	-	-
	<u>70,206</u>	<u>88,018</u>	<u>-</u>	<u>-</u>
Group's share of post-acquisition reserves	122,087	102,706	-	-
	<u>192,293</u>	<u>190,724</u>	<u>-</u>	<u>-</u>
	<u>1,408,800</u>	<u>304,652</u>	<u>395,740</u>	<u>240,740</u>
Quoted shares, in Malaysia:				
At cost:				
- Ordinary shares	59,623	59,623	59,624	59,624
Group's share of post-acquisition capital reserves	121,375	116,522	-	-
Group's share of post-acquisition reserves, net of dividends receivable	170,692	150,616	-	-
	<u>351,690</u>	<u>326,761</u>	<u>59,624</u>	<u>59,624</u>
Total	<u>1,760,490</u>	<u>631,413</u>	<u>455,364</u>	<u>300,364</u>
Market value:				
Quoted shares, in Malaysia	1,007,651	883,419	1,007,651	883,419

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

**Gamuda Berhad
(Incorporated in Malaysia)**

19. Interests in associated companies (cont'd.)

(a) Redemption of redeemable preferences shares ("RPS") held by the Company in an associated company

During the year, Hicom-Gamuda Development Sdn. Bhd. has redeemed 50,000 RPS held by the Company of RM1 each at premium of RM99 for cash consideration of RM5,000,000.

(b) Redemption of redeemable preferences shares ("RPS") held by Gamuda (Offshore) Private Limited in an associated company

During the year, Suria Holding (O) Pvt. Ltd. has redeemed RPS held by Gamuda (Offshore) Private Limited for a total cash consideration of RM17,812,000 (2014: RM5,469,000).

(c) Impairment of interest in an associated company

In prior year, the Company has recognised impairment losses of RM95,410,000, representing the premium paid by the Group and the Company for the rights to operate and maintain the water treatment plants of Sungai Selangor Water Supply Scheme Phase 3, which was impaired due to the uncertainty arising from the Selangor State Government's consolidation of the water industry in Selangor as disclosed in Note 28.

(d) Interests in associated companies

The Group's interests in the associated companies are analysed as follows:

Name of company	Proportion of ownership		Principal activities
	2015 %	2014 %	
Associated companies incorporated in Malaysia			
Syarikat Pengeluar Air Selangor Holdings Berhad ("Splash Holdings")	40	40	Investment holding and provision of management services; holding company to the concession holder of Sungai Selangor Water Supply Scheme Phase 1 and 3
Hicom-Gamuda Development Sdn. Bhd.	50	50	Property development
Madang Permai Sdn. Bhd. *	36	36	Dormant

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

**Gamuda Berhad
(Incorporated in Malaysia)**

19. Interests in associated companies (cont'd.)

(d) Interests in associated companies (cont'd.)

The Group's interests in the associated companies are analysed as follows (cont'd.):

Name of company	Proportion of ownership		Principal activities
	2015 %	2014 %	
Associated companies incorporated in Malaysia (cont'd.)			
Lingkaran Trans Kota Holdings Berhad ("Littrak") (Quoted shares in Malaysia)	45	45	Investment holding and provision of management services; holding company to the concession holder of an expressway
Sistem Penyuraian Trafik KL Barat Holdings Sdn. Bhd.	52	52	Investment holding; holding company to the concession holder of an expressway
Associated companies unincorporated in Malaysia			
Held by Gamuda Engineering Sdn. Bhd.:			
Lim Hoo Seng - Gamuda Engineering Joint Venture	30	-	Civil engineering and construction
Associated companies incorporated in Mauritius			
Held by Gamuda (Offshore) Private Limited: Suria Holding (O) Pvt. Ltd. * #	50	50	Investment holding; holding company to the concession holder of an expressway
Gamuda - WCT (Offshore) Private Limited * #	50	50	Investment holding; holding company to the concession holder of an expressway

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

**Gamuda Berhad
(Incorporated in Malaysia)****19. Interests in associated companies (cont'd.)****(d) Interests in associated companies (cont'd.)**

- * Audited by firms other than Ernst & Young, Malaysia
- # Financial year end of 31 July

All associated companies have financial year end of 31 March/31 December, other than those marked with #. For the purpose of applying the equity method for associated companies with financial year end of 31 March/31 December, the last audited financial statements available and the management financial statements to 31 July of the associated companies have been used.

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

**Gamuda Berhad
(Incorporated in Malaysia)**

19. Interests in associated companies (cont'd.)

(e) Summarised financial information of material associated companies

The summarised financial information of the material associated companies which are accounted for using the equity method are as follows:

	SPLASH		Littrak		Other individually immaterial associates		Total	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current assets	4,413,394	-	1,764,316	1,815,149	2,048,185	2,084,661	8,225,895	3,899,810
Current assets	1,357,189	-	476,562	407,393	617,901	586,996	2,451,652	994,389
Non-current liabilities	(1,845,067)	-	(1,563,766)	(1,573,123)	(1,635,242)	(1,340,897)	(5,044,075)	(2,914,020)
Current liabilities	(1,180,785)	-	(73,564)	(101,826)	(325,228)	(705,356)	(1,579,577)	(807,182)
Net assets	2,744,731	-	603,548	547,593	705,616	625,404	4,053,895	1,172,997

**Summarised
statements of
comprehensive
income**

Results								
Revenue	471,270	-	382,844	374,432	279,691	183,081	1,133,805	557,513
Profit for the year	258,975	-	147,395	137,217	48,595	48,028	454,965	185,245

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

**Gamuda Berhad
(Incorporated in Malaysia)**

19. Interests in associated companies (cont'd.)

(e) Summarised financial information of material associated companies (cont'd.)

The summarised financial information of the material associated companies which are accounted for using the equity method are as follows (cont'd.):

	SPLASH		Litrak		Other individually immaterial associates			Total
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	
Reconciliation of net assets to carrying amount as at year end								
Group's share of net assets	1,097,892	-	268,277	244,555	310,908	303,445	1,677,077	548,000
Fair value on acquisition in excess of net assets	-	-	83,413	83,413	-	-	83,413	83,413
Carrying amount in the statement of financial position	1,097,892	-	351,690	327,968	310,908	303,445	1,760,490	631,413
Group's share of profit for the year	103,590	119,886	65,517	61,254	29,937	62,532	199,044	243,672
Other information - Group's share of dividend	-	-	46,011	39,110	5,000	13,000	51,011	52,110

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

**Gamuda Berhad
(Incorporated in Malaysia)**

20. Interests in joint arrangements

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unquoted shares, at cost	421,444	279,352	254,727	254,476
Group's share of post-acquisition reserves, net of dividends receivable	438,827	322,782	-	-
	<u>860,271</u>	<u>602,134</u>	<u>254,727</u>	<u>254,476</u>

Details of the joint arrangements are as follows:

Name of joint operations	Proportion of ownership		Economic activity
	2015 %	2014 %	
Unincorporated in Malaysia			
Malaysia Mining Corporation Berhad - Gamuda Berhad Joint Venture ("MMC - Gamuda JV")	50	50	Undertake engineering, procurement and construction of an integrated Bypass Tunnel cum Motorway in Kuala Lumpur
Malaysia Mining Corporation Berhad - Gamuda Berhad Joint Venture Electrified Double Track Project ("MMC - Gamuda JV 2T")	50	50	Undertake engineering, procurement and construction of the Electrified Double-Tracking from Ipoh to Padang Besar Project
MMC - Gamuda KVMRT (T) Joint Venture	50	50	Undertake pre-qualifying and tendering of the tunnelling, underground works and such other works in relation to the underground works package for the Klang Valley Mass Rapid Transit Project

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

**Gamuda Berhad
(Incorporated in Malaysia)**

20. Interests in joint arrangements (cont'd.)

Details of the joint arrangements are as follows: (cont'd.)

Name of joint operations (cont'd.)	Proportion of ownership		Economic activity
	2015 %	2014 %	
Unincorporated in Malaysia (cont'd.)			
MMC Gamuda KVMRT (UGW) Joint Venture	50	50	Undertake the tunnelling, underground works and such other works in relation to the underground works package for the Klang Valley Mass Rapid Transit Project
Unincorporated in Taiwan			
New Asia Construction & Development Corporation - Gamuda Berhad Joint Venture ("New Asia - Gamuda JV") *	50	50	Undertake civil engineering construction of the Orange Line Package CO4 of the Kaohsiung Metropolitan Mass Rapid Transit System in Kaohsiung, Taiwan, Republic of China
Unincorporated in Qatar			
Sinohydro Corporation - Gamuda Berhad - WCT Engineering Berhad Joint Venture ("Sinohydro - Gamuda - WCT JV") ^	51	51	Design and construct the airfield facilities, tunnel and detention ponds of the New Doha International Airport in the State of Qatar
Gamuda Berhad - WCT Engineering Berhad Joint Venture ("Gamuda - WCT JV") ^ #	51	51	Undertake civil engineering construction of a new highway from the town of Shahaniya to the existing Zekreet interchange near the Dukhan industrial area in the State of Qatar
Gamuda Berhad - WCT Bahrain Berhad Joint Venture ("Gamuda - WCT Bahrain JV") ^	51	51	Supply materials for the construction of the New Doha International Airport in the State of Qatar

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

**Gamuda Berhad
(Incorporated in Malaysia)**

20. Interests in joint arrangements (cont'd.)

Details of the joint arrangements are as follows: (cont'd.)

Name of joint ventures	Proportion of ownership		Economic activity
	2015 %	2014 %	
Incorporated in Malaysia			
Projek Smart Holdings Sdn. Bhd.	50	50	Undertake, carry out and implement integrated Bypass Tunnel cum Motorway in Kuala Lumpur
MMC-Gamuda Joint Venture Sdn. Bhd.	50	50	Undertake, carry out and implement the Electrified Double-Tracking from Ipoh to Padang Besar Project
Horizon Hills Development Sdn. Bhd. ("Horizon Hills")	50	50	Undertake and carry out a mixed development mainly for residential purposes and a golf club in Johor Darul Takzim
MMC Gamuda KVMRT (PDP) Sdn. Bhd. ("KVMRT (PDP)")	50	50	Undertake the role of a project delivery partner to deliver fully functional operating railway system for the Klang Valley Mass Rapid Transit Project Sungai Buloh - Kajang Line ("KVMRT Line 1")
MMC Gamuda KVMRT (T) Sdn. Bhd.	50	50	Undertake the tunnelling, underground works and such other works in relation to the underground works package for the Klang Valley Mass Rapid Transit Project Sungai Buloh - Kajang Line
MMC Gamuda KVMRT (PDP SSP) Sdn. Bhd.	50	-	Undertake the role of a project delivery partner to deliver fully functional operating railway system for the Klang Valley Mass Rapid Transit Project Sungai Buloh - Serdang - Putrajaya Line ("KVMRT Line 2")

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

**Gamuda Berhad
(Incorporated in Malaysia)**

20. Interests in joint arrangements (cont'd.)

Details of the joint arrangements are as follows: (cont'd.)

Name of joint ventures (cont'd.)	Proportion of ownership		Economic activity
	2015 %	2014 %	
Incorporated in Malaysia (cont'd.)			
Held by Gamuda Land Sdn. Bhd.:			
Gamuda GM Sdn. Bhd.	50	50	Operating and building management of Tower 1 of Idaman Robertson Project, a 9-level commercial complex to be operated as a wholesale center
Gamuda GM Klang Sdn. Bhd.	50	50	Developer and operator of a wholesale hub in Bandar Botanic, Klang
Incorporated in Singapore			
GEM Homes Pte Ltd ^	50	-	Property investment and development

* Audited by firms other than Ernst & Young

^ Audited by member firms of Ernst & Young Global in the respective countries

The financial statements have been prepared on a going concern basis as the Joint Venture partners have agreed to provide adequate financial support

Pursuant to FRS 11: Joint Arrangements, Sinohydro-Gamuda-WCT JV, Gamuda-WCT JV and Gamuda-WCT Bahrain JV are deemed to be joint operations of Gamuda Berhad as the parties involved are undertaking economic activities that are subject to joint control.

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

**Gamuda Berhad
(Incorporated in Malaysia)**

20. Interests in joint arrangements (cont'd.)

The summarised financial information of the material joint ventures which are accounted for using the equity method are as follows:

	KVMRT (PDP)		Horizon Hills		Other individually immaterial joint ventures		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Summarised statements of financial position								
Non-current assets	34,808	24,876	191,433	151,677	1,214,979	683,723	1,441,220	860,276
Current assets	1,267,764	824,617	1,082,667	986,118	1,132,178	629,043	3,482,609	2,439,778
Non-current liabilities	(464,615)	(249,344)	(87,695)	(93,588)	(98,593)	(374,741)	(650,903)	(717,673)
Current liabilities	(725,987)	(547,919)	(292,668)	(362,616)	(1,460,195)	(467,579)	(2,478,850)	(1,378,114)
Net assets	111,970	52,230	893,737	681,591	788,369	470,446	1,794,076	1,204,267
Summarised statements of comprehensive income								
Results								
Revenue	3,183,965	2,884,422	613,777	811,065	2,277,775	3,106,307	6,075,517	6,801,794
Profit for the year	125,048	119,950	212,148	241,966	24,603	10,228	361,799	372,144

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

**Gamuda Berhad
(Incorporated in Malaysia)**

20. Interests in joint arrangements (cont'd.)

The summarised financial information of the material joint ventures which are accounted for using the equity method are as follows (cont'd.):

	KVMRT (PDP)		Horizon Hills		Other individually immaterial joint ventures		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Reconciliation of net assets to carrying amount as at year end								
Group's share of net assets	55,985	26,115	446,869	340,796	394,185	245,365	897,039	612,276
Elimination of unrealised profits	-	-	-	-	(36,768)	(10,142)	(36,768)	(10,142)
Carrying amount in the statement of financial position	55,985	26,115	446,869	340,796	357,417	235,223	860,271	602,134
Group's share of profit for the year	62,524	59,975	106,074	120,983	12,302	5,114	180,900	186,072
Other information - Group's share of dividend	32,500	71,000	-	-	-	-	32,500	71,000
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**Gamuda Berhad
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20. Interests in joint arrangements (cont'd.)

Comparatives

During the year, the Company had adjusted its comparatives in accordance with FRS 11: *Joint Arrangements*, the share of assets, liabilities, revenue and related expenses of joint operations is to be proportionately consolidated at both Group and Company level. As a result, the Company level comparatives were restated to reflect the share of assets, liabilities, revenue and related expenses of the joint operations, respectively.

Company

	As previously stated RM'000	Effect of FRS 11 RM'000	As restated RM'000
<u>Income statement for the year ended 31 July 2014</u>			
Revenue	878,237	793,385	1,671,622
Other income	93,454	(1,138)	92,316
Construction contract costs recognised as contract expenses	-	(802,460)	(802,460)
Staff costs	(30,085)	(1,175)	(31,260)
Depreciation	(7,727)	(111)	(7,838)
Other operating expenses	(27,465)	19,020	(8,445)
Finance costs	(63,886)	(15,914)	(79,800)
<u>Statement of comprehensive income for the year ended 31 July 2014</u>			
Foreign currency translation	1,091	(8,744)	(7,653)
<u>Statement of financial position as at 31 July 2014</u>			
Property, plant and equipment	159,156	17,226	176,382
Receivables (non-current)	-	47,328	47,328
Inventories	-	575	575
Receivables (current)	491,256	418,780	910,036
Due from subsidiaries (current)	500,105	(259,364)	240,741
Investment securities	24,520	66,900	91,420
Cash and bank balances	7,426	14,467	21,893
Reserves	(1,311,248)	(3,009)	(1,314,257)
Payables (non-current)	(1,906)	(36,298)	(38,204)
Payables (current)	(71,317)	(344,426)	(415,743)
Due to subsidiaries (current)	(230,385)	77,821	(152,564)

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**Gamuda Berhad
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20. Interests in joint arrangements (cont'd.)

Comparatives (cont'd.)

Company (cont'd.)

	As previously stated RM'000	Effect of FRS 11 RM'000	As restated RM'000
<u>Statement of cash flows</u>			
<u>as at 31 July 2014</u>			
Net cash generated from operating activities	20,248	18,011	38,259
Net cash used in investing activities	(390,101)	(85,577)	(475,678)
<u>Statement of financial position as at 1 August 2013</u>			
Property, plant and equipment	163,545	27,890	191,435
Receivables (non-current)	-	53,844	53,844
Inventories	-	641	641
Receivables (current)	57,300	400,909	458,209
Due from subsidiaries (current)	290,049	(110,277)	179,772
Cash and bank balances	125,587	57,513	183,100
Reserves	(867,587)	(15,729)	(883,316)
Payables (non-current)	(2,027)	(26,363)	(28,390)
Payables (current)	(62,426)	(366,958)	(429,384)
Due to subsidiaries (current)	(207,268)	(21,470)	(228,738)

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21. Other investments

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At cost				
Unquoted shares, in Malaysia	50	50	50	50
Investment in transferable club memberships	840	840	683	683
	<u>890</u>	<u>890</u>	<u>733</u>	<u>733</u>

The fair value of other investments are disclosed in Note 44.

22. Inventories

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 (restated) RM'000
Cost:				
Raw materials	2,155	1,896	-	-
Crusher run and aggregates	5,613	7,012	-	-
Consumable stores and spares	2,225	2,173	3	575
Properties held for sale	175,590	283,911	-	-
	<u>185,583</u>	<u>294,992</u>	<u>3</u>	<u>575</u>
Net realisable value:				
Properties held for sale	-	84	-	-
	<u>-</u>	<u>84</u>	<u>-</u>	<u>-</u>
	<u>185,583</u>	<u>295,076</u>	<u>3</u>	<u>575</u>

During the year, the amount of inventories recognised as an expense was RM273,074,000 (2014: RM62,008,000).

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23. Receivables

Receivables of the Group and of the Company are analysed as follows:

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
(a) Current				
Trade				
Trade receivables				
Third parties (i)	357,555	328,571	41,495	68,575
Associated companies (ii)	206,589	187,713	6,748	-
Joint venture partners	24	115	20	115
Joint ventures (iii)	417,659	292,007	393,425	311,041
Advances to subcontractors	55,567	-	37,440	-
Retention sums	93,183	79,696	89,672	75,602
Accrued billings	127,005	314,774	-	-
Due from customers on contracts (Note 25)	78,273	100,539	26,661	43,410
	<u>1,335,855</u>	<u>1,303,415</u>	<u>595,461</u>	<u>498,743</u>
Less: Allowance for impairment	(122)	(147)	-	-
	<u>1,335,733</u>	<u>1,303,268</u>	<u>595,461</u>	<u>498,743</u>
Non-trade				
Associated companies (ii)	3,834	561	1,525	389
Joint venture partners	319	-	-	-
Joint ventures (iii)	66,371	-	40,208	-
Deposits	8,185	468,287	1,060	394,983
Prepayments	5,951	4,482	1,633	1,964
Dividend receivable from subsidiary companies	-	-	113	-
Dividend receivable from associated companies	76	-	-	-
Sundry receivables	34,707	40,412	6,359	13,957
	<u>119,443</u>	<u>513,742</u>	<u>50,898</u>	<u>411,293</u>
	<u>1,455,176</u>	<u>1,817,010</u>	<u>646,359</u>	<u>910,036</u>

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

**Gamuda Berhad
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23. Receivables (cont'd.)

(a) Current (cont'd.)

(i) Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2014: 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.

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables are as follows:

	Group	
	2015	2014
	RM'000	RM'000
Neither past due nor impaired	453,895	683,914
1 to 30 days past due not impaired	76,980	81,274
31 to 60 days past due not impaired	123,986	7,978
61 to 90 days past due not impaired	146,767	5,601
91 to 120 days past due not impaired	84,576	189
More than 121 days past due not impaired	95,501	29,303
	<u>527,810</u>	<u>124,345</u>
Impaired	122	147
	<u>981,827</u>	<u>808,406</u>
	Company	
	2015	2014
	RM'000	(restated) RM'000
Neither past due nor impaired	167,562	163,966
1 to 30 days past due not impaired	65,109	-
31 to 60 days past due not impaired	56,488	56,488
61 to 90 days past due not impaired	119,374	119,374
91 to 120 days past due not impaired	-	-
More than 121 days past due not impaired	33,155	39,903
	<u>274,126</u>	<u>215,765</u>
Impaired	-	-
	<u>441,688</u>	<u>379,731</u>

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

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23. Receivables (cont'd.)

(a) Current (cont'd.)

(i) Trade receivables (cont'd.)

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. None of the Group's and Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM527,810,000 (2014: RM124,345,000) and RM274,126,000 (2014: RM215,765,000) respectively that are past due at the reporting date but not impaired. The receivables are related to customers with on-going transactions and/or progressive payments, and unsecured in nature.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	Individually impaired	
	2015	2014
	RM'000	RM'000
Trade receivables - nominal amounts	122	147
Less: allowance for impairment	(122)	(147)
	<u>-</u>	<u>-</u>
Movement in allowance accounts:		
At 1 August	147	166
Allowance for impairment written off	(25)	(19)
At 31 July	<u>122</u>	<u>147</u>

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted in payments. These receivables are not secured by any collateral or credit enhancements.

(ii) Due from associated companies

The amounts due from associated companies are unsecured, interest free and repayable on demand.

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

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23. Receivables (cont'd.)

(a) Current (cont'd.)

(iii) Due from joint ventures

The amounts due from joint ventures are unsecured, interest free and repayable on demand.

(b) Non-current

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Trade				
Trade receivables				
Third parties	231,471	104,359	201	-
Associated company	(i) 203,238	155,104	-	-
Joint ventures	(ii) 95,213	41,500	-	-
Advances to subcontractors	13,559	47,520	13,559	47,328
Retention sums	2,604	8,774	-	-
	<u>546,085</u>	<u>357,257</u>	<u>13,760</u>	<u>47,328</u>
Less: Allowance for impairment	-	-	-	-
	<u>546,085</u>	<u>357,257</u>	<u>13,760</u>	<u>47,328</u>
Non-trade				
Deposits	401	697	-	-
Prepayments	128	-	-	-
	<u>529</u>	<u>697</u>	<u>-</u>	<u>-</u>
	<u>546,614</u>	<u>357,954</u>	<u>13,760</u>	<u>47,328</u>

(i) Due from an associated company

The amount due from an associated company to a subsidiary of the Group is in respect of the supply of bulk quantity of treated water supplied to the associated company. In prior years, other than an amount of RM5,184,000 which is receivable in one annual instalment in December 2015, the amount due from an associated company is unsecured and repayable on demand.

(ii) Loan to a joint venture by a subsidiary

This represents the loan given to Gamuda GM Klang Sdn. Bhd., a joint venture, by Megah Capital Sdn. Bhd., a subsidiary of the Company. The loan is unsecured and repayable in 5 years or such other day mutually agreed upon. The interest of the loan is charged at 4.95% (2014: 4.95%) per annum.

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

**Gamuda Berhad
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23. Receivables (cont'd.)

(b) Non-current (cont'd.)

Other details of fair value of non-current receivables are further disclosed in Note 44.

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors, other than an amount of RM363,716,000 (2014: RM305,538,000) due from an associated company, Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd..

The following table analyses the financial assets of the Group and of the Company in the statements of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

Group	Note	Fair value through profit or loss RM'000	Loans and receivables RM'000	Total RM'000
At 31 July 2015				
Investment securities	24	509,643	-	509,643
Current receivables	23(a)			
Third parties		-	357,555	357,555
Associated companies		-	210,423	210,423
Joint venture partners		-	343	343
Joint ventures		-	484,030	484,030
Retention sums		-	93,183	93,183
Deposits		-	8,185	8,185
Sundry receivables		-	34,707	34,707
Non-current receivables	23(b)			
Third parties		-	231,471	231,471
Associated company		-	203,238	203,238
Joint ventures		-	95,213	95,213
Retention sums		-	2,604	2,604
Deposits		-	401	401
Cash and bank balances	27	-	928,059	928,059
Total financial assets		509,643	2,649,412	3,159,055

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

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23. Receivables (cont'd.)

Group	Note	Fair value through profit or loss RM'000	Loans and receivables RM'000	Total RM'000
At 31 July 2014				
Investment securities	24	120,502	-	120,502
Current receivables	23(a)			
Third parties		-	328,571	328,571
Associated companies		-	188,274	188,274
Joint venture partners		-	115	115
Joint ventures		-	292,007	292,007
Retention sums		-	79,696	79,696
Deposits		-	468,287	468,287
Sundry receivables		-	40,412	40,412
Non-current receivables	23(b)			
Third parties		-	104,359	104,359
Associated company		-	155,104	155,104
Joint ventures		-	41,500	41,500
Retention sums		-	8,774	8,774
Deposits		-	697	697
Cash and bank balances	27	-	799,250	799,250
Total financial assets		120,502	2,507,046	2,627,548
Company				
At 31 July 2015				
Investment securities	24	51,551	-	51,551
Current receivables	23(a)			
Third parties		-	41,495	41,495
Associated companies		-	8,273	8,273
Joint venture partners		-	20	20
Joint ventures		-	433,633	433,633
Retention sums		-	89,672	89,672
Deposits		-	1,060	1,060
Sundry receivables		-	6,359	6,359
Non-current receivables	23(b)			
Third parties		-	201	201
Due from subsidiaries	26	-	1,494,067	1,494,067
Cash and bank balances	27	-	79,234	79,234
Total financial assets		51,551	2,154,014	2,205,565

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23. Receivables (cont'd.)

Company	Note	Fair value through profit or loss RM'000	Loans and receivables RM'000	Total RM'000
At 31 July 2014 (restated)				
Investment securities	24	91,420	-	91,420
Current receivables	23(a)			
Third parties		-	68,575	68,575
Associated companies		-	389	389
Joint venture partners		-	115	115
Joint ventures		-	311,041	311,041
Retention sums		-	75,602	75,602
Deposits		-	394,983	394,983
Sundry receivables		-	13,957	13,957
Due from subsidiaries	26	-	964,671	964,671
Cash and bank balances	27	-	21,893	21,893
Total financial assets		91,420	1,851,226	1,942,646

24. Investment securities

	2015		2014 (restated)	
	Carrying amount RM'000	Fair value of quoted investments RM'000	Carrying amount RM'000	Fair value of quoted investments RM'000
Group				
Current				
Portfolios:				
Held as fixed deposit placements	440,635	440,635	82,781	82,781
Others	69,008	69,008	37,721	37,721
	509,643	509,643	120,502	120,502
Company				
Current				
Portfolios:				
Held as fixed deposit placements	36,295	36,295	91,420	91,420
Others	15,256	15,256	-	-
	51,551	51,551	91,420	91,420

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

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24. Investment securities (cont'd.)

Investment securities represent funds placed with licensed fund managers. The portfolio of securities managed by the fund managers comprise of money market funds, commercial papers, government bonds and fixed deposits. Investment securities held as fixed deposit placements allow prompt redemption at any time.

Other details of fair value of investment securities are further disclosed in Note 44.

Comparatives

Certain comparatives have been reclassified to conform with current year's presentation:

	As previously stated RM'000	Re- classification RM'000	As restated RM'000
Consolidated statement of financial position as at 31 July 2014			
Cash and bank balances	882,031	(82,781)	799,250
Investment securities	37,721	82,781	120,502
Statement of financial position as at 31 July 2014			
Cash and bank balances	113,313	(91,420)	21,893
Investment securities	-	91,420	91,420

25. Amount due from/(to) customers on contracts

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Construction contract costs incurred to date	9,053,379	9,999,275	8,670,148	7,692,054
Recognised profits less recognised losses	1,025,645	1,108,675	892,261	807,137
Progress billings received and receivable	<u>(10,227,090)</u>	<u>(11,056,662)</u>	<u>(9,735,378)</u>	<u>(8,484,188)</u>
	<u>(148,066)</u>	<u>51,288</u>	<u>(172,969)</u>	<u>15,003</u>

Represented by:

Due from customers on contracts (Note 23(a))	78,273	100,539	26,661	43,410
Due to customers on contracts (Note 33(b))	<u>(226,339)</u>	<u>(49,251)</u>	<u>(199,630)</u>	<u>(28,407)</u>
	<u>(148,066)</u>	<u>51,288</u>	<u>(172,969)</u>	<u>15,003</u>

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25. Amount due from/(to) customers on contracts (cont'd.)

The costs incurred to date on construction contracts include the following charges made during the financial year:

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Finance costs (Note 8)	-	2,691	-	2,691
Depreciation (Note 12)	3,697	5,923	1,492	5,730
Staff costs (Note 5)	57,224	88,177	52,633	77,626
Rental of premises	933	587	933	584
Hire of plant and equipment	2,191	7,122	3	7,122

Included in amount due from customers on contract is an amount due from the Government of Socialist Republic of Vietnam ("GOVT") to a subsidiary, Gamuda Land Vietnam Limited Liability Company ("GLVN") amounting to RM26,252,000 (2014: RM17,586,000) which is pending issuance of investment certificates for property development in Hanoi, Vietnam as consideration for the construction works by GLVN.

The directors do not foresee any issue in obtaining the investment certificates and therefore are of the opinion that this amount is recoverable.

26. Due from subsidiaries

	Company	
	2015	2014 (restated)
	RM'000	RM'000
Non-current		
Due from a subsidiary - non-trade	398,053	723,930
Current		
Due from subsidiaries		
- trade	1,025	1,453
- non-trade	1,094,989	239,288
Total	1,494,067	964,671

The trade amounts due from subsidiaries have a normal credit term which ranges from 30 to 90 days (2014: 30 to 90 days).

The non-trade amounts due from subsidiaries are unsecured, interest free and are repayable on demand except for advances of RM675,417,000 (2014: RM650,336,000) given to subsidiaries which bear interest at 4.50% to 5.10% (2014: 4.50% to 5.15%) per annum.

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27. Cash and bank balances

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	442,745	84,472	24,423	17,080
Housing Development Accounts	255,024	234,716	-	-
Total cash on hand and at banks	697,769	319,188	24,423	17,080
Deposits with licensed banks	230,290	480,062	54,811	4,813
	<u>928,059</u>	<u>799,250</u>	<u>79,234</u>	<u>21,893</u>

Included in total cash on hand and at banks of the Group and of the Company are interest bearing balances amounting to RM650,538,000 (2014: RM313,541,000) and RM19,125,000 (2014: RM13,807,424) respectively.

Housing Development Accounts held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

The weighted average effective interest rates of deposits as at reporting date was as follows:

	Group		Company	
	2015	2014	2015	2014
	%	%	%	%
Licensed banks				
Malaysia - RM	2.97	3.18	3.50	3.20
- USD	0.13	0.27	0.12	0.15
India	8.26	8.95	-	-
Australia	0.93	-	-	-
Vietnam	4.50	6.21	-	-

The range of maturities of deposits as at reporting date were as follows:

	Group		Company	
	2015	2014	2015	2014
	Days	Days	Days	Days
Licensed banks	2 - 90	2 - 90	1 - 35	1 - 35

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28. Asset held for sale reclassified (to)/from interests in associated companies

	Group		Company	
	2015	2014	2015	2014
At 1 August	994,306	-	160,000	-
Reclassified (to)/from interest in associated companies	(994,306)	994,306	(160,000)	160,000
At 31 July	-	994,306	-	160,000

On 26 February 2014, the Company received an offer from Kumpulan Darul Ehsan Berhad ("KDEB"), an entity wholly-owned by the Selangor State Government, to purchase 100% equity interest in Syarikat Pengeluar Air Selangor Holdings Berhad ("Splash Holdings"). Splash Holdings is the holding company of Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd. ("Splash") - the concession holder of Sungai Selangor Water Supply Scheme Phase 1 and 3. The Company has a 40% equity interest in Splash Holdings and the carrying amounts of investment in Splash Holdings in the Group's and the Company's financial statements as at 31 July 2015 is RM1,097,000,000 and RM160,000,000 (2014: RM994,306,000 and RM160,000,000) respectively. The offer was part of the Selangor State Government's effort to consolidate the various entities involved in the treatment, supply and distribution of water in the state of Selangor.

On 10 March 2014, the Company informed KDEB that it was constrained from accepting the said offer due to the adverse financial consequences on the Company. The net offer of RM250,600,000 for Splash Holdings when compared to its net asset value ("NAV") of RM2,540,000,000 as at 31 December 2013 will result in a huge divestment loss of RM920,000,000 to the Company. The offer of RM250,600,000 is below 10% of Splash Holdings' NAV. The offer is therefore not equitable nor reasonable for acceptance by the Company.

The Company informed KDEB that it is however, amenable to accepting an offer by KDEB to acquire its equity interest in Splash Holdings upon mutually agreed terms on a 'willing buyer – willing seller' basis, based on the following conditions which were already included in KDEB's earlier offers and accepted by the Company:

- (a) Payment of Splash Holdings' NAV (as agreed by KDEB in its letter of offer dated 20 February 2013 page 6 item 2(vi) and the State's offer dated 15 July 2009 page 2 item 6); and
- (b) The retention of the operations and maintenance operators of Splash (Gamuda Water Sdn. Bhd. and Sungai Harmoni Sdn. Bhd.) at existing terms (as agreed by the State in its letter of offer dated 15 July 2009 page 2 item 4).

The Company's rejection of the offer resulted in the State Government prompting to push for the enforcement of the Water Services Industry Act 2006 ("WASIA"), which empowers the Federal Government to direct the Suruhanjaya Perkhidmatan Air Negara ("SPAN") to assume control of the property, business and affairs of Splash and to carry on Splash's business and affairs if it was in the national interest to do so.

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28. Asset held for sale reclassified (to)/from interests in associated companies (cont'd.)

Having obtained independent legal advice, the Directors are of the opinion that even if the Federal Government invoke WASIA based on the request of the State Government, SPAN would only assume control of the property, business and affairs of Splash. Under such circumstances, if at all happens, SPAN does not take ownership of the property, business and affairs of Splash.

The management believes that it has reasonable grounds to sell Splash Holdings at NAV due to the following reasons:

- (aa) The NAV of Splash Holdings mainly comprises Splash's receivables arising from water tariffs billed pursuant to its water supply concession agreement amounted to RM2,800,000,000 as at 31 December 2014. In the event of termination or expropriation of Splash's water supply concession, Splash as an entity will remain. Termination or expropriation therefore does not affect Splash's right to recover those receivables. The offer from KDEB of RM250,600,000 for 100% equity in Splash Holdings is inferior as it is below 10% of Splash Holding's NAV and the offer does not address the recovery of receivables; and
- (bb) There are precedents of take overs of water assets by Pengurusan Asset Air Berhad ("PAAB") based on NAV in 6 states – Melaka, Negeri Sembilan, Johor, Perlis, Penang and Perak. PAAB is a company set up by the Federal Government to restructure the water services industry in the country.

Arising from the above developments, the carrying amount of interest in Splash Holdings was classified as asset held for sale in the Group's and Company's financial statements as at 31 July 2014.

Since the interest in Splash Holdings was classified as asset held for sale as at 31 July 2014, there were no further developments on the negotiations of selling prices and arrangement between State Government, KDEB, Splash Holdings and the Company. The management believes that the negotiation initiatives could conclude beyond one year from the reporting date.

Therefore, the amount previously classified as asset held for sale has been reclassified to interests in associated companies as at 31 July 2015.

29. Share capital

	Number of ordinary shares of RM1 each		Amount	
	2015 '000	2014 '000	2015 RM'000	2014 RM'000
Authorised:				
At beginning/end of year	3,000,000	3,000,000	3,000,000	3,000,000

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29. Share capital (cont'd.)

	Number of ordinary shares of RM1 each		Amount	
	2015 '000	2014 '000	2015 RM'000	2014 RM'000
Issued and fully paid:				
At beginning of year	2,323,357	2,276,644	2,323,357	2,276,644
Exercise of ESOS	-	36,101	-	36,101
Conversion of warrants	82,548	10,612	82,548	10,612
At end of year	<u>2,405,905</u>	<u>2,323,357</u>	<u>2,405,905</u>	<u>2,323,357</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

- (a) During the financial year, the Company increased its issued and paid-up share capital from RM2,323,357,479 to RM2,405,905,055 by way of issuance of 82,547,576 new ordinary shares of RM1.00 each for cash arising from the exercise of Warrants 2010/2015 at the exercise price of RM2.66 per warrant in accordance with the Deed Poll dated 15 April 2010.
- (b) On 26 May 2010, the Company allotted and issued 252,306,013 new Warrants 2010/2015 at an issue price of RM0.10 each on the basis of 1 Warrant 2010/2015 for every 8 existing ordinary shares held in the Company on 30 April 2010. Each Warrant 2010/2015 entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 26 May 2010 to 25 May 2015, at an exercise price of RM2.66 in accordance with the Deed Poll. Any Warrant 2010/2015 not exercised by the date of maturity will lapse thereafter and cease to be valid for all purposes. The remaining unexercised Warrants 2010/2015 of 1,188,066 have lapsed on 25 May 2015.

The total number of warrants converted during the year is as follows:

	Warrants 2010/2015	
	2015 '000	2014 '000
At beginning of year	83,736	94,348
Converted	(82,548)	(10,612)
Lapsed	(1,188)	-
At end of year	<u>-</u>	<u>83,736</u>

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- (c) The previous Employee Share Option Scheme ("ESOS") has lapsed on 5 July 2014. The Company's new ESOS was approved by shareholders at the Extraordinary General Meeting held on 4 December 2014 and became effective for 5 years from 10 April 2015 to 9 April 2020. On 10 April 2015, the Company issued options under the new ESOS for the eligible executive Directors and Employees of Gamuda Berhad and its subsidiaries.

The principal features of the ESOS were as follows:

- (i) Eligible employees are full-time monthly paid employees and Executive Directors of the Group (including contract and non-Malaysian employees with a minimum three years of contract of service) whose employment has been confirmed. The selection of eligible employee for participation in the ESOS shall be at the discretion of the Options Committee.
- (ii) The ESOS shall be in force for a period of 5 years from 10 April 2015 subject however to any extension or renewal for a further period of not exceeding 5 years commencing from the day after the date of expiration of the original 5 years period as may be approved by all relevant parties.
- (iii) The total number of shares to be offered shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time during the duration of the ESOS.
- (iv) The subscription price under the ESOS shall be the weighted average market price of the shares as shown in the Daily Official List issued by the Bursa Malaysia Securities Berhad for the 5 market days immediately preceding the date of offer of the options subject to a discount of not more than 10%, or at par value of the share, whichever is higher.
- (v) The aggregate number of shares to be offered to an eligible employee in accordance with the ESOS shall be determined at the discretion of the Options Committee after taking into consideration, amongst other factors, the position, performance, seniority and the length of service that the eligible employee has rendered and subject to the maximum allowable allotment of shares for each eligible employee.
- (vi) The number of shares under the ESOS which remained unexercised or the option price or both may be adjusted following any alteration in the capital structure of the Company during the option period, whether such alteration is by way of capitalisation of profits or reserves, right issues, consolidation of shares, sub-division of shares or reduction of capital or otherwise howsoever taking place, made by the Company.

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29. Share capital (cont'd.)

(c) (cont'd.)

The principal features of the ESOS were as follows (cont'd.):

- (vii) The options shall not carry any right to vote at any general meeting of the Company and a grantee shall not be entitled to any dividends, right or other entitlements on his unexercised options.
- (viii) The options granted under ESOS are not assignable.
- (ix) There is no restriction on the employee in exercising and selling their Gamuda Shares which were allotted and issued pursuant to the exercise of their options.

If the net proceeds from the disposal is less than the Exercise Value (being the Exercise Price multiplied by the number of Gamuda Shares sold), the entire net proceeds will be released to the employee.

However, if the net proceeds is more than the Exercise Value, an amount equivalent to the Exercise Value will be released to the employee. The balance proceeds not released to the employee will be placed in an interest bearing account for the benefit of the employee. The balance proceeds (being the net proceeds less Exercise Value) together with the attributable interest, if any, will be released to the employee over the period of the scheme in accordance with Gamuda's ESOS By-Law on each anniversary of the effective date of the scheme.

- (x) The new shares allotted upon any exercise of the option shall rank pari passu in all respects with the then existing issued and paid-up ordinary shares of the Company except that the new shares so issued will not rank for any dividends, rights, allotments and/or other distributions, the entitlement date (namely the date as at the close of business on which shareholders must be registered in order to be entitled to any dividends, rights, allotments or other distributions) of which is prior to the date of allotment of the new shares.
- (xi) The employees to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.
- (xii) Options to subscribe for ordinary shares of RM1.00 each under ESOS were granted in the following phase:

Grant date	Exercise price RM	Number of options '000	Exercise period
10 April 2015	5.16	69,947	10 April 2015 - 9 April 2020
	145		
	211		

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29. Share capital (cont'd.)

- (d) Breakdown of aggregate proceeds received from share options exercised during the financial year and the fair value, at exercise date, of ordinary shares issued are as follows:

	2015 RM'000	2014 RM'000
Ordinary shares	-	36,101
Share premium	-	78,008
Aggregate proceeds received on shares issued	-	114,109
Aggregate fair value of ordinary shares at exercise date	-	168,221

- (e) The number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year are as follows:

ESOS exercise price	← Number of share options Movement during the year →				Outstanding and exercisable at 31 July 2015
	Outstanding at 1 August 2014	Granted	Exercised	Lapsed	
	'000	'000	'000	'000	'000
RM5.16	-	69,947	-	-	69,947
WAEP	-	5.16	-	-	-

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29. Share capital (cont'd.)

(e) The number and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year are as follows: (cont'd.)

ESOS exercise price	← Number of share options Movement during the year →				Outstanding and exercisable at 31 July 2014 '000
	Outstanding at 1 August 2013 '000	Granted '000	Exercised '000	Lapsed '000	
RM1.54	2,651	-	(142)	(2,509)	-
RM2.32	1,396	-	(284)	(1,112)	-
RM3.24	12,417	-	(7,899)	(4,518)	-
RM2.66	2,264	-	(785)	(1,479)	-
RM2.04	1,253	-	(300)	(953)	-
RM1.73	927	-	(185)	(742)	-
RM2.42	982	-	(344)	(638)	-
RM2.49	12,281	-	(9,966)	(2,315)	-
RM3.33	958	-	(382)	(576)	-
RM3.26	280	-	(280)	-	-
RM3.37	537	-	(537)	-	-
RM3.46	10,326	-	(9,885)	(441)	-
RM3.61	2,127	-	(2,099)	(28)	-
RM4.38	-	3,635	(3,013)	(622)	-
	48,399	3,635	(36,101)	(15,933)	-
WAEP	2.89	4.38	3.16	2.62	-

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

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29. Share capital (cont'd.)

(f) Fair value of share options granted

The fair value of the share options granted under the ESOS is estimated at grant date using a binomial option pricing model, taking into account the terms and conditions upon which the instruments were granted.

The fair value of share options measured at the respective date and the assumptions are as follows:

ESOS

Option price, before rights issue of warrants (RM)	5.16
Fair value of share options, at grant date on 10 April 2015 (RM)	0.41
Weighted average share price (RM), at grant date	5.19
Expected volatility at grant date (per annum)	19.00%
Risk free rate at grant date (per annum)	3.22%
Expected dividend yield (per annum)	3.00%

The expected volatility is based on historical data and is not necessarily indicative of exercise patterns that may occur.

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30. Other reserves (non-distributable)

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Capital reserve				
At beginning of year	116,522	111,947	-	-
Movement in capital reserve in an associated company	4,853	4,575	-	-
At end of year	121,375	116,522	-	-
Foreign exchange reserve				
At beginning of year	(81,561)	(85,103)	(4,780)	2,873
Foreign currency translation Share of foreign currency translation of associated companies	247,610	19,040	15,940	(7,653)
	2,872	(16,969)	-	-
Less: Non-controlling interests	(15,421)	1,471	-	-
At end of year	153,500	(81,561)	11,160	(4,780)
Warrants reserve				
At beginning of year	8,375	9,436	8,375	9,436
Conversion of warrants	(8,255)	(1,061)	(8,255)	(1,061)
Transferred to retained profits	(120)	-	(120)	-
At end of year	-	8,375	-	8,375
Hedging reserve *				
At beginning of year	(1,903)	(4,400)	(1,903)	(4,400)
Fair value gain on cash flow hedges	1,903	2,497	1,903	2,497
At end of year	-	(1,903)	-	(1,903)
Total other reserves	274,875	41,433	11,160	1,692

* Hedging reserve represents the effective portion of the gain or loss on hedging instruments in the Company's cash flow hedge.

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31. Retained profits

The Company may distribute dividends out of its entire retained earnings under the single tier system.

32. Retirement benefit obligations

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its employees. Under the Scheme, eligible employees are entitled to retirement benefits of 2.5% on the last drawn monthly basic salary for each completed months of services on attainment of the retirement age of 60.

The amounts recognised in the statements of financial position are determined as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Present value of unfunded defined benefit obligations, representing net liability	29,860	18,174	2,723	1,906
Analysed as:				
Current (Note 33(b))	8	6	-	-
Non-current:				
Later than 1 year but not later than 2 years	81	7	-	-
Later than 2 years but not later than 5 years	4,459	139	321	-
Later than 5 years	25,312	18,022	2,402	1,906
Amount included in payables (Note 33(a))	29,852	18,168	2,723	1,906
	29,860	18,174	2,723	1,906

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32. Retirement benefit obligations (cont'd.)

The amounts recognised in profit or loss are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current service cost	908	1,332	201	594
Past service cost	2,749	-	-	-
Interest cost	983	893	105	101
Total, included in staff costs and directors' remuneration (Notes 5 and 6)	4,640	2,225	306	695

Movements in the net liabilities in the current year were as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At beginning of year	18,174	17,439	1,906	2,027
Recognised in profit or loss	4,640	2,225	306	695
Acquisition of a subsidiary	-	615	-	-
Contributions paid	(14)	(1,932)	-	(788)
Remeasurement losses/(gains) on defined benefit plan	7,060	(173)	511	(28)
At end of year	29,860	18,174	2,723	1,906

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

	Increase/ (decrease)	2015 RM'000	Increase/ (decrease)	2014 RM'000
Discount rate	+1%	(3,425)	+1%	(2,320)
	-1%	3,425	-1%	2,320
Expected rate of salary increases	+1%	3,959	+1%	2,580
	-1%	(3,959)	-1%	(2,580)

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32. Retirement benefit obligations (cont'd.)

Principal actuarial assumptions used:

	2015 %	2014 %
Discount rate	5.3	5.5
Expected rate of salary increases	7.0 - 11.0	6.0 - 10.0

The average duration of the defined benefit plan obligation at the end of the reporting year is 13 years.

33. Payables

(a) Non-current

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Trade				
Trade payables	209,218	-	499	-
Retention sums	61,354	70,460	30,377	36,298
	<u>270,572</u>	<u>70,460</u>	<u>30,876</u>	<u>36,298</u>
Non-trade				
Associated companies	561	-	554	-
Advance membership fees	2,909	18,878	-	-
Deferred income	59,633	66,660	-	-
Retirement benefit obligations (Note 32)	29,852	18,168	2,723	1,906
Third party	-	85,294	-	-
Sundry payables	27,278	-	-	-
Accruals	4,056	-	-	-
	<u>124,289</u>	<u>189,000</u>	<u>3,277</u>	<u>1,906</u>
	<u>394,861</u>	<u>259,460</u>	<u>34,153</u>	<u>38,204</u>

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33. Payables (cont'd.)

(a) Non-current (cont'd.)

Advance membership fees received are in connection with the provision of services by way of golfing, sporting and other recreational facilities. The advance membership fees are recognised as income over the tenure of the membership period which expires from 2058 to 2070.

Deferred income comprises advance maintenance fees and licence fees, and government compensation.

Included in trade payables (non-current) of the Group is RM208,719,000, representing balance payments of purchase consideration for acquisition of leasehold lands not due within next twelve months.

In prior year, the amount due to a third party represents the present value of amount payable to a non-controlling interest of a subsidiary for land cost and services provided by the non-controlling interest, repayable in equal annual instalments commencing from 1 January 2016 to 31 December 2019. During the financial year, the amount has been settled following the acquisition of the non-controlling interest as stated in Note 18(e).

(b) Current

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Trade				
Trade payables	857,616	409,091	28,550	119,993
Associated companies	431	-	-	-
Joint venture partners	-	612	6,429	612
Retention sums	112,490	117,132	34,204	47,077
Progress billings	2,394	2,881	-	-
Due to customers on contracts (Note 25)	226,339	49,251	199,630	28,407
Accruals	202,493	177,623	102,993	159,811
	<u>1,401,763</u>	<u>756,590</u>	<u>371,806</u>	<u>355,900</u>
Non-trade				
Associated companies	3,116	-	91	-
Retirement benefit obligations (Note 32)	8	6	-	-
Sundry payables	118,841	90,539	17,247	16,397
Accruals	57,798	83,087	29,607	43,446
	<u>179,763</u>	<u>173,632</u>	<u>46,945</u>	<u>59,843</u>
	<u>1,581,526</u>	<u>930,222</u>	<u>418,751</u>	<u>415,743</u>

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33. Payables (cont'd.)

(b) Current (cont'd.)

The normal trade credit term granted to the Group and the Company ranges from 30 to 90 days (2014: 30 to 90 days).

Included in trade payables (current) of the Group is RM563,000,000, representing balance payments of purchase consideration for acquisition of leasehold lands.

The amounts due to joint venture partners are in respect of advances received for construction contracts and the amounts are unsecured, interest free and repayable through contra with future progress billings.

The following table analyses the financial liabilities of the Group and of the Company in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis.

		Group		Company	
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	(restated) RM'000
Financial liabilities at amortised costs					
Current payables:	33(b)				
Trade payables		857,616	409,091	28,550	119,993
Associated companies		3,547	-	91	-
Joint venture partners		-	612	6,429	612
Retention sums		112,490	117,132	34,204	47,077
Sundry payables		118,841	90,539	17,247	16,397
Accruals		260,291	260,710	132,600	203,257
Non-current payables:	33(a)				
Trade payables		209,218	-	499	-
Associated companies		561	-	554	-
Retention sums		61,354	70,460	30,377	36,298
Third party		-	85,294	-	-
Sundry payables		27,278	-	-	-
Long term borrowings	35	3,358,355	1,738,572	1,851,440	1,493,103
Short term borrowings	36	777,086	792,159	551,100	479,295
Due to subsidiaries	38	-	-	44,954	152,564
		<u>5,786,637</u>	<u>3,564,569</u>	<u>2,698,045</u>	<u>2,548,596</u>

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34. Deferred tax (assets)/liabilities

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At beginning of year	364,725	34,740	(2,380)	(23,656)
Recognised in profit or loss (Note 9)	16,172	14,416	(3,073)	20,999
Acquisition of a subsidiary (Note 18(g))	-	316,855	-	-
Recognised in other comprehensive income	(1,459)	-	(128)	-
Exchange differences	(56)	(1,286)	-	277
At end of year	<u>379,382</u>	<u>364,725</u>	<u>(5,581)</u>	<u>(2,380)</u>
	-	-	-	-
Presented after appropriate offsetting as follows:				
Deferred tax assets	(40,625)	(26,231)	(5,581)	(2,380)
Deferred tax liabilities	420,007	390,956	-	-
	<u>379,382</u>	<u>364,725</u>	<u>(5,581)</u>	<u>(2,380)</u>

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Receivables RM'000	Accelerated capital allowances RM'000	Fair value adjustment on expressway development expenditure RM'000	Land RM'000	Total RM'000
At 1 August 2014	(3,744)	227,855	201,882	63,290	489,283
Recognised in profit or loss	6,528	(36,775)	(10,249)	(568)	(41,064)
Exchange differences	(56)	-	-	-	(56)
At 31 July 2015	<u>2,728</u>	<u>191,080</u>	<u>191,633</u>	<u>62,722</u>	<u>448,163</u>
At 1 August 2013	(6,167)	22,108	-	64,379	80,320
Recognised in profit or loss	2,423	(3,877)	-	(1,089)	(2,543)
Acquisition of a subsidiary	-	210,910	201,882	-	412,792
Exchange differences	-	(1,286)	-	-	(1,286)
At 31 July 2014	<u>(3,744)</u>	<u>227,855</u>	<u>201,882</u>	<u>63,290</u>	<u>489,283</u>

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34. Deferred tax (assets)/liabilities (cont'd.)

Deferred tax assets of the Group:

	Retirement benefit obligations RM'000	Provisions and accruals RM'000	Property development costs RM'000	Total RM'000
At 1 August 2014	(5,377)	(119,179)	(2)	(124,558)
Recognised in profit or loss	1,210	56,024	2	57,236
Recognised in other comprehensive income	(1,459)	-	-	(1,459)
At 31 July 2015	<u>(5,626)</u>	<u>(63,155)</u>	<u>-</u>	<u>(68,781)</u>
At 1 August 2013	(4,078)	(41,472)	(30)	(45,580)
Recognised in profit or loss	(1,155)	18,086	28	16,959
Acquisition of a subsidiary	(144)	(95,793)	-	(95,937)
At 31 July 2014	<u>(5,377)</u>	<u>(119,179)</u>	<u>(2)</u>	<u>(124,558)</u>

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM'000
At 1 August 2014	4,739
Recognised in profit or loss	(2,295)
At 31 July 2015	<u>2,444</u>
At 1 August 2013	2,789
Recognised in profit or loss	1,673
Exchange differences	277
At 31 July 2014	<u>4,739</u>

Deferred tax assets of the Company:

	Retirement benefit obligations RM'000	Provisions and accruals RM'000	Total RM'000
At 1 August 2014	(350)	(6,769)	(7,119)
Recognised in profit or loss	(203)	(575)	(778)
Recognised in other comprehensive income	(128)	-	(128)
At 31 July 2015	<u>(681)</u>	<u>(7,344)</u>	<u>(8,025)</u>

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34. Deferred tax (assets)/liabilities (cont'd.)

Deferred tax assets of the Company (cont'd.):

	Retirement benefit obligations RM'000	Provisions and accruals RM'000	Total RM'000
At 1 August 2013	(506)	(25,939)	(26,445)
Recognised in profit or loss	156	19,170	19,326
At 31 July 2014	<u>(350)</u>	<u>(6,769)</u>	<u>(7,119)</u>

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2015 RM'000	2014 RM'000
Unutilised tax losses	34,658	11,281
Unabsorbed capital allowances	8,559	9,058
Unutilised reinvestment allowances	1,457	1,457
Other deductible temporary differences	408	37
	<u>45,082</u>	<u>21,833</u>

The availability of the unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the Group are subject to no substantial changes in shareholdings of the Group and guidelines issued by the tax authority.

35. Long term borrowings

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Medium term notes (a)				
- secured	735,000	-	-	-
- unsecured	1,800,000	1,200,000	1,500,000	1,200,000
	<u>2,535,000</u>	<u>1,200,000</u>	<u>1,500,000</u>	<u>1,200,000</u>
Term loans				
- secured (b)	92,415	245,469	-	-
- unsecured (c)	730,940	293,103	351,440	293,103
	<u>3,358,355</u>	<u>1,738,572</u>	<u>1,851,440</u>	<u>1,493,103</u>

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35. Long term borrowings (cont'd.)

(a) Medium term notes ("MTN")

The MTNs are drawdown by the following entities:

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Gamuda Berhad	(i)	1,500,000	1,200,000	1,500,000	1,200,000
Bandar Serai	(i)	300,000	-	-	-
Kesas	(ii)	735,000	-	-	-
		<u>2,535,000</u>	<u>1,200,000</u>	<u>1,500,000</u>	<u>1,200,000</u>

The amount drawdown, maturity date and yield as at issuance dates of the MTN are as follows:

(i) Murabahah medium term notes - unsecured

Gamuda Berhad

	Amount drawdown RM'000	Issuance date	Maturity date	Yield at issuance date %
Non-current				
Issue No. 4	400,000	21.3.2013	21.3.2018	4.17
Issue No. 5	400,000	28.10.2013	26.10.2018	4.22
Issue No. 6	400,000	13.3.2014	13.3.2019	4.62
Issue No. 7	300,000	13.3.2015	13.3.2020	4.55
	<u>1,500,000</u>			

Issue No. 1 to No. 3 were redeemed upon maturity in previous years.

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35. Long term borrowings (cont'd.)

(a) Medium term notes (cont'd.)

(i) Murabahah medium term notes - unsecured (cont'd.)

Bandar Serai

	Amount drawdown RM'000	Issuance date	Maturity date	Yield at issuance date %
Non-current				
Tranche No.1	<u>300,000</u>	20.11.2014	20.11.2019	4.62%

The Islamic medium term notes were drawdown by Bandar Serai, a subsidiary of the Company for the purpose of financing of partial payment of the acquisition of leasehold land. The facilities are unconditionally guaranteed by the Company.

(ii) Sukuk Musharakah Medium Term Notes ("Sukuk") - secured

Kesas

	Group	
	2015 RM'000	2014 RM'000
Primary Sukuk	735,000	-
Secondary Sukuk	188,184	-
	<u>923,184</u>	-
Less: Unamortised profit element	(161,295)	-
	<u>761,889</u>	-
Less: Accumulated profit element charged to profit or loss	(26,889)	-
	<u>735,000</u>	-

The remaining maturities of the borrowings as at 31 July 2015 are as follows:

	Group	
	2015 RM'000	2014 RM'000
More than one year and less than two years	90,000	-
More than two years and less than five years	270,000	-
Five years or more	375,000	-
	<u>735,000</u>	-

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35. Long term borrowings (cont'd.)

(a) Medium term notes (cont'd.)

(ii) Sukuk Musharakah Medium Term Notes ("Sukuk") - secured (cont'd.)

Kesas (cont'd.)

On 2 October 2014, Kesas, a subsidiary of the Company, established its Islamic medium term notes with an aggregate nominal amount of RM735 million. The Sukuk is constituted by a Sukuk Musharakah Trust Deed dated 2 October 2014. The Sukuk were issued in 8 series, with maturities from October 2016 to October 2023. The profit margin ranges from 4.20% to 4.85% per annum.

The Sukuk was issued to fully redeem its previously issued bonds (BaIDS), Government support loan and Redeemable convertible unsecured loan stock ("RCULS").

The borrowings are secured by the following:

- (i) A principal debenture on all fixed and floating assets of the subsidiary, both present and future;
- (ii) A principal charge on the subsidiary's deposits with licensed banks and other financial institution as disclosed in Note 16;
- (iii) Assignments of the subsidiary's contractual rights, interest and benefit in and to the Project Documents and proceeds therefrom;
- (iv) Assignments of all relevant insurances required to be undertaken in respect of the expressway; and
- (v) Step-in-rights to rectify defaults amongst the project counterparties by way of assignments as mentioned in Note (iii) above and power of attorney for such assignments.

(b) Term loans - secured

The term loans are drawdown by the following entities:

		Group	
		2015	2014
		RM'000	RM'000
Jade Homes Sdn. Bhd.	36(a)(i)	-	28,673
TTJSC	(i)	92,415	216,796
		<u>92,415</u>	<u>245,469</u>

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35. Long term borrowings (cont'd.)

(b) Term loans - secured (cont'd.)

- (i) The term loan is drawdown by a subsidiary, Sai Gon Thuong Tin Tan Thang Investment Real Estate Joint Stock Company ("TTJSC") is secured by leasehold land under development as disclosed in Note 13 and bore interest rate ranging from 10.5% to 11.4% (2014: 11.4% to 12.2%) per annum.

Term loan is repayable as follows:

	Group	
	2015	2014
	RM'000	RM'000
Within one year (Note 36(a))	197,064	60,231
More than two years and less than five years	92,415	216,796
	<u>289,479</u>	<u>277,027</u>

(c) Term loans - unsecured

The term loans are drawdown by the following entities:

	Group	
	2015	2014
	RM'000	RM'000
Gamuda Berhad	351,440	293,103
Megah Capital Sdn. Bhd. (Note 44)	379,500	-
	<u>730,940</u>	<u>293,103</u>

Both loans are denominated in United States Dollar ("USD") and are drawn down for investments, working capital and to refinance existing credit facilities of the Group. As disclosed in Note 37(b), Megah Capital Sdn. Bhd. has swapped its term loan of USD100,000,000 at floating USD interest rate of LIBOR plus 1.30% per annum through cross currency interest rate swap into RM379,500,000 at fixed RM interest rate of 4.58% per annum, which resulted in the Group having a RM denominated loan of RM379,500,000.

The term loans mature five years from the date of first loan drawdown. The interests of the term loans are charged at 1.94% to 4.58% (2014: 1.90% to 2.06%) per annum. Term loan drawdown by Megah Capital Sdn. Bhd. is subject to offsetting arrangements as disclosed in Note 44.

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35. Long term borrowings (cont'd.)

(c) Term loans - unsecured

Term loan is repayable as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
More than two years and less than five years	730,940	293,103	351,440	293,103

36. Short term borrowings

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Secured:				
Term loan (a)	225,986	104,751	-	-
Government support loan (b)	-	108,113	-	-
Bithaman Ajil Islamic Debt Securities ("BalDS") (c)	-	100,000	-	-
Unsecured:				
MTN (d)	-	320,000	-	320,000
Commercial papers	150,000	-	150,000	-
Revolving credits	401,100	159,295	401,100	159,295
	<u>777,086</u>	<u>792,159</u>	<u>551,100</u>	<u>479,295</u>

(a) Term loans - secured

The term loans are drawdown by the following entities:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Jade Homes Sdn. Bhd. (i)	28,922	44,520	-	-
TTJSC (Note 35(b)(i))	197,064	60,231	-	-
	<u>225,986</u>	<u>104,751</u>	<u>-</u>	<u>-</u>

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

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36. Short term borrowings (cont'd.)

(a) Term loans - secured (cont'd.)

- (i) The term loan was drawn down by a subsidiary, Jade Homes Sdn. Bhd. for the purpose of repayment of shareholders' advances for cost incurred in relation to land costs, infrastructure, earth works and land conversion premium on the Jade Hills project. The facility is secured by a charge over freehold land under development as disclosed in Note 13.

The term loan bears a floating interest rate and the weighted average interest rate as at the reporting date for the term loan was 4.47% (2014: 4.42%) per annum.

Term loan is repayable as follows:

	Group	
	2015	2014
	RM'000	RM'000
Within one year	28,922	44,520
Between two to five years (Note 35(b))	-	28,673
	<u>28,922</u>	<u>73,193</u>

(b) Government support loan

The Government support loan was drawdown by a subsidiary, Kesas, in relation to construction costs on the Shah Alam Expressway project. The loan was initially repayable in 4 equal and consecutive instalments, commencing 30 April 2008 with final repayment on 30 April 2014. The said loan is interest-free for the period from the first drawdown to 31 December 1998 and thereafter bears interest at a fixed interest rate of 8.00% per annum.

On 14 August 2009, the Government had agreed to the proposal of Kesas for a further rescheduling of the loan to eight equal annual installments beginning 29 November 2010 to 29 November 2017. The loan was fully settled upon issuance of Sukuk Musharakah Medium Term Notes (Note 35(a)(ii)) on 2 October 2014.

(c) BaiDS

Pursuant to a Trust Deed between Kesas and Malaysian Trustees Berhad dated 11 October 2002, Kesas had issued RM800,000,000 secured BaiDS based on the Islamic financing principle of Al-Bai' Bithaman Ajil.

The primary BaiDS comprise 9 tranches, with total proceeds and redemption value of RM800,000,000, maturing annually from year 2006 to year 2014.

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36. Short term borrowings (cont'd.)

(c) BaIDS (cont'd.)

The secondary BaIDS are non-detachable from the primary BaIDS and represents the profit element attributable to the BaIDS. The secondary BaIDS have a redemption value of RM555,842,500 and are paid half yearly at approximately RM17,645,000. The margin of the profit element to the primary BaIDS ranges from 5.75% to 8.10% per annum.

The profit element on BaIDS are recognised as borrowing costs over the tenure of the BaIDS's tranches and are charged to profit or loss as an expense in the period they are incurred.

The facility was fully settled upon issuance of Sukuk Musharakah Medium Term Notes (Note 35(a)(ii)) on 2 October 2014.

(d) MTN

The MTNs are drawdown by the following entity:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Gamuda Berhad (Note 35(a))	-	320,000	-	320,000

The weighted average effective interest rates for long term and short term borrowings (per annum) as at reporting date are as follows:

	Group		Company	
	2015 %	2014 %	2015 %	2014 %
MTN	4.38	4.53	4.38	4.53
Islamic commercial papers	3.69	-	3.69	-
Revolving credits				
- USD	1.33	1.05	1.33	1.05
Term loan				
- USD	1.94 - 4.58	1.90	1.94	1.90
- Vietnam Dong	12.22	12.22	-	-
- Ringgit Malaysia	4.77	4.77	-	-
BaIDS	-	7.50	-	-
Government support loan	-	8.00	-	-
	164			
	230			

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37. Derivatives

		Group	
		2015	2014
		Assets	Liabilities
		RM'000	RM'000
Interest rate swaps	(a)	-	1,903
Cross currency interest rate swaps	(b)	1,255	-

The Group uses cross currency interest rate swap and interest rate swaps to manage some of the transaction exposure.

(a) Interest rate swaps

Interest rate swaps were interest rate arrangements entered into to partially hedge interest rate fluctuation on US Dollar ("USD") denominated loan by paying fixed interest rates from 1.845% to 2.495% (2014: 1.845% to 2.495%) per annum until maturity of the loan. It was fully settled during the financial year.

(b) Cross currency interest rate swaps

These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

During the year, the Group obtained a loan denominated in United States Dollar ("USD") amounting to USD100,000,000 ("USD loan") and at the same time entered into a cross currency interest rate swap ("CCIRS"). The CCIRS is to hedge against interest rate and foreign exchange movements for the USD loan.

For the financial year 2015

Contract amount	CCIRS	Maturity
-----------------	-------	----------

	The Group:	
USD100,000,000 (RM379,500,000)	(i) Pays fixed RM interest rate of 4.58% per annum on the RM contract amount in exchange for receiving floating USD interest rate of 1-month LIBOR plus 1.30% per annum on the USD contract amount; and	16 July 2020
	(ii) Receives USD in exchange for paying RM at a predetermined rate of RM3.795 to USD1.000;	

according to the scheduled principal and interest repayment.

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37. Derivatives (cont'd.)

Effectively, the Group has swapped the USD100,000,000 loan at floating USD interest rate of LIBOR plus 1.30% per annum into RM379,500,000 loan at fixed RM interest rate of 4.58% per annum, which resulted in the Group having a RM denominated loan of RM379,500,000.

Derivatives are neither past due nor impaired and are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

During the financial year, the Group recognised a gain of RM1,255,000 arising from fair value changes of derivative. The fair value changes are attributable to changes in interest rate and foreign exchange rate. The Group's USD loan and CCIRS's offset arrangement and the method and assumptions applied in determining the fair values of derivatives are disclosed in Note 44.

38. Due to subsidiaries

	Company	
	2015 RM'000	2014 (restated) RM'000
Due to subsidiaries		
- trade	467	762
- non-trade	44,487	151,802
	44,954	152,564

The trade amounts due to subsidiaries have a normal credit term which ranges from 30 to 90 days (2014: 30 to 90 days).

The non-trade amounts due to subsidiaries are unsecured, interest free and repayable on demand.

39. Provision for liabilities

Provision for liabilities of the Group is analysed as follows:

	Group	
	2015 RM'000	2014 RM'000
Current	55,021	29,096
Non-current	-	2,685
	55,021	31,781

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39. Provision for liabilities (cont'd.)

Group	Provision for development costs	Provision for club membership	Total
	Note (a) RM'000	Note (b) RM'000	
At 1 August 2014	27,956	3,825	31,781
Provision during the year	30,100	1,236	31,336
Utilisation during the year	(3,991)	(1,878)	(5,869)
Unused amounts reversed	(2,227)	-	(2,227)
At 31 July 2015	<u>51,838</u>	<u>3,183</u>	<u>55,021</u>
At 1 August 2013	27,327	8,057	35,384
Provision during the year	7,607	1,956	9,563
Utilisation during the year	(4,624)	(6,188)	(10,812)
Unused amounts reversed	(2,354)	-	(2,354)
At 31 July 2014	<u>27,956</u>	<u>3,825</u>	<u>31,781</u>

(a) Provision for development costs

Provision for development costs is in respect of development projects undertaken by its subsidiaries as they had a present obligation as a result of a past event and it was probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

During the financial year, based on the earlier estimation and development experience, management concluded that the provision for development costs exceeded the amount necessary to cover the development costs. Accordingly, RM2,227,000 (2014: RM2,354,000) of the provision for development costs has been reversed.

(b) Provision for club membership

Certain subsidiaries of the Group are obliged to offer club membership via incentive schemes offered.

40. Capital commitments

	Group	
	2015 RM'000	2014 RM'000
Approved and contracted for:		
Land for property development	-	1,041,793
Property, plant and equipment	2,330	16,049
Investment properties	-	19,700
	<u>-</u>	<u>1,077,542</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**Gamuda Berhad
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The arbitral award ("the Award") in respect of the arbitration between Wayss & Freytag (Malaysia) Sdn. Bhd. ("W&F") and MMC-Gamuda Joint Venture ("JV") was issued by the arbitral tribunal ("Tribunal") on 16 April 2013.

In the Award, the tribunal determined that the W&F's claims against the JV succeeded in substantial part and dismissed the JV's claims against W&F. The Tribunal thus awarded the following reliefs to W&F:

1. That the JV pays to W&F the sum of RM96,297,229;
2. That the JV pays to W&F interest at a simple rate of 4% per annum on the sum of RM96,297,229 from date of termination (23 January 2006) to date of the Award (amounting to RM28,247,187);
3. That JV pays to W&F interest at the simple rate of 5% per annum on the sum of RM96,297,229 from the date of the Award until payment in full; and
4. That the JV pays to W&F costs of RM9,000,000.

Following the request for some clerical corrections made by both parties, the Tribunal issued a corrective award on 30 May 2013 (the "Corrective Award") as follows:

1. The amount awarded to W&F has increased to RM97,574,035;
2. The amount of interest payable from the date of termination to date of the Award amounting to RM28,229,639;
3. The post award interest at the simple rate of 5% per annum from the date of the Award until payment in full is to be imposed on the sum of RM97,574,035; and
4. That the JV pays to W&F costs of RM9,000,000.

On 23 May 2013, the JV filed an application for a reference to the High Court in Kuala Lumpur on questions of law arising out of the Award and on determination of the said questions, for the Award to be set aside (JV's Section 42 Application). The JV's Section 42 Application was registered as Kuala Lumpur High Court Originating Summons No. 24C(ARB)-2-05/2013.

On 14 June 2013, a copy of W&F's application for inter alia, recognition and enforcement of the Award under Section 38 of the Arbitration Act 2005 (W&F's Enforcement Application) was served on the JV. W&F's Enforcement Application was registered as Kuala Lumpur High Court Originating Summons No. 24NCC(ARB)-26-06/2013.

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(Incorporated in Malaysia)****41. Material litigations (cont'd.)**

In addition to the JV's Section 42 Application, on 4 July 2013 the JV filed another application to set aside the Award under Section 37 of the Arbitration Act 2005 whereby Mr Yusof Holmes was named as the 2nd Defendant ("JV's Section 37 Application"). The JV's Section 37 Application was registered as Kuala Lumpur High Court Originating Summons No. 24C(ARB)-3-07/2013. This application was made on the basis that there has been inter alia, a breach of Mr Holmes' statutory duty under the Arbitration Act 2005 and that the Award is in conflict with the public policy in Malaysia.

The JV's Section 42 Application was heard before the Honourable Dato' Mary Lim Thiam Suan on 7 November 2013. On 9 June 2014, the learned Judge dismissed the JV's Section 42 Application with costs of RM75,000 to be paid to W&F. The JV had on 7 July 2014 appealed to the Court of Appeal against the decision of the High Court in respect of the JV's Section 42 Application.

On 24 July 2014, Mr Holmes filed a notice of application to strike out the JV's Section 37 Application against him and for him to be removed as a party in the proceedings ("Holmes' Striking Out Application"). Holmes' Striking Out Application was heard before the Honourable Dato' Mary Lim Thiam Suan on 2 September 2014. On 17 September 2014, the Judge allowed Holmes' Striking Out Application.

The JV's Section 37 Application was heard before the Honourable Dato' Mary Lim Thiam Suan on 20 October 2014. On 16 December 2014, the learned Judge dismissed the JV's Section 37 Application with costs. Consequentially, W&F's Enforcement Application was allowed by the learned High Court Judge.

On 30 December 2014, the JV filed notices of appeal to the Court of Appeal against the decisions of the High Court in relation to the JV's Section 37 Application and W&F's Enforcement Application.

On 5 February 2015, the JV and W&F mutually agreed to place the Corrective Award sum together with interest calculated up to 30 January 2015 with both parties' solicitors as stakeholders pending the outcome of the JV's appeals to the Court of Appeal.

The JV's appeals to the Court of Appeal in respect of the JV's Section 37 Application, the JV's Section 42 Application and W&F's Enforcement Application aforementioned are all currently pending the fixing of hearing dates before the Court of Appeal.

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42. Significant related party transactions

- (a) In addition to transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Professional services rendered by Raja Eleena, Siew Ang & Associates firm in which a director, YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah, has interest	1,105	2,063	-	-
Contract services rendered by GLC Architect, a company in which a person connected with a director, Y Bhg Dato' Goon Heng Wah, has interest	11	490	-	-
Sales of land to a joint venture	(46,250)	-	-	-
Contract services rendered to an associated company, Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd.	(143,405)	(133,689)	-	-
Rental received from subsidiaries	-	-	(3,791)	(3,791)
Interest receivable from subsidiaries	-	-	(101,980)	(75,120)

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42. Significant related party transactions (cont'd.)

(a) (cont'd.)

- (i) 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 package of the Klang Valley Mass Rapid Transit Project Sungai Buloh - Kajang Line ("KVMRT Line 1"). Tunnel JV is equally owned by MMC and the Company.
- (ii) The Company and its joint venture partner, MMC Corporation Berhad ("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 the Klang Valley Mass Rapid Transit Project Sungai Buloh-Serdang-Putrajaya Line ("KVMRT Line 2"). PDP SSP is equally owned by MMC and the Company.

The parent company guarantees for the 2 contracts mentioned above have not been called because Tunnel JV and PDP SSP 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) Compensation of key management personnel ("KMP"):

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity either directly or indirectly.

The remuneration of key management personnel during the year was as follows:

Total KMPs' remuneration

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total	18,448	11,215	12,260	6,894

The details of Board of Directors' remuneration are disclosed in Note 6.

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43. Significant events

- (i) MMC Gamuda KVMRT (PDP SSP) Sdn Bhd, a joint venture of the Company, has on 13 July 2015 executed the Project Delivery Partner Agreement ("PDP Agreement") with Mass Rapid Transit Corporation Sdn Bhd in respect of implementation of Klang Valley Mass Rapid Transit Project Sungai Buloh - Serdang - Putrajaya Line ("KVMRT Line 2").
- (ii) On 31 July 2014, the Company had entered into a Share Sale Agreement with Salak Park Sdn. Bhd. ("Salak Park") for the acquisition of 10,800,000 ordinary shares of RM1.00 each, representing the entire equity interest in Salak Land for a total cash consideration of RM784,328,031. Salak Land holds a piece of leasehold land, adjacent to the Expressway Lingkaran Tengah between kilometre 24 and 26.4, measuring approximately 619 hectares. The land is classified as an agricultural land with lease tenure expiring on 6 October 2093. The land is intended to be developed into a contemporary comprehensive township comprising residential and commercial properties.

In prior year, the Company had made payments of RM392,200,000, representing 50% of the total purchase consideration to Salak Park.

The acquisition was completed on 9 March 2015 upon the fulfillment of all conditions precedent as stipulated in the Share Sale Agreement with Salak Park and consequently, Salak Land became a wholly owned subsidiary of the Group.

- (iii) On 25 June 2015, the Housing Development Board of Singapore has accepted the tender submitted by the Company, Evia Real Estate (7) Pte Ltd ("EREPL") and Maxdin Pte Ltd ("MPL"), to acquire a piece of leasehold land measuring approximately 12,155 square meters located in Toa Payoh, Singapore, at the tender price of Singapore Dollars ("SGD") 346 million.

The leasehold land will be developed by a joint venture company, GEM Homes Pte Ltd ("GEM"), which was formed between the Group, EREPL and MPL during the financial year as disclosed in Note 20.

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44. Fair value of financial instruments

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

		Group		Company	
	Note	Carrying Amount RM'000	Fair value RM'000	Carrying Amount RM'000	Fair value RM'000
At 31 July 2015					
Financial assets:					
Unquoted investment in subsidiaries	18	-	-	3,885,179	*
Unquoted interests in associated companies	19	1,408,800	*	395,740	*
Quoted investment in an associated company	19	351,690	1,007,651	59,624	1,007,651
Unquoted interests in joint arrangements	20	421,444	*	254,727	*
Other investments:	21				
- Unquoted		50	*	50	*
- Investment in transferable club memberships		840	1,800	683	1,400
Retention sums	23(b)	2,604	2,843	-	-
Loan to a joint venture by a subsidiary	23(b)	95,213	95,648	-	-
Financial liabilities:					
Retention sums	33(a)	61,354	67,260	30,377	34,041
Long term borrowings:					
- Medium term notes	35	2,535,000	2,551,911	1,500,000	1,502,999
- Term loan	35	823,355	826,831	351,440	351,741

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44. Fair value of financial instruments (cont'd.)

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value (cont'd.)

	Note	Group		Company	
		Carrying Amount RM'000	Fair Value RM'000	Carrying Amount (restated) RM'000	Fair Value (restated) RM'000
At 31 July 2014					
Financial assets:					
Unquoted investment in subsidiaries	18	-	-	3,314,207	*
Unquoted interests in associated companies	19	304,652	*	240,740	*
Quoted investment in an associated company	19	326,761	883,419	59,624	883,419
Unquoted interests in joint arrangements	20	602,134	*	254,476	*
Other investments:	21				
- Unquoted		50	*	50	*
- Investment in transferable club memberships		840	1,800	683	1,400
Retention sums	23(b)	8,774	8,803	-	-
Loan to a joint venture by a subsidiary	23(b)	41,500	42,320	-	-
Financial liabilities:					
Retention sums	33(a)	70,460	74,054	36,298	37,473
Long term borrowings:					
- Medium term notes	35	1,200,000	1,201,944	1,200,000	1,201,944
- Term loan	35	538,572	537,331	293,103	293,065

* It is not practical to estimate the fair value of the Group's and the Company's non-current unquoted investments because of the lack of quoted market price and without incurring excessive costs.

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44. Fair value of financial instruments (cont'd.)

The following methods and assumptions are used to estimate fair values of the following classes of financial instruments:

(i) Quoted investment in an associated company and short term investments

Fair value is determined directly by reference to their published market bid price at the reporting date.

(ii) Non-current receivables and non-current borrowings

The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or borrowing arrangements as the reporting date.

(iii) Cash and bank balances, current receivables and current payables

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities:

Group	Fair value measurement using		
	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000
31 July 2015			
Assets for which fair values are disclosed			
Investment properties (Note 14)	216,550	-	216,550
Interests in associated companies (Note 19)	1,007,651	1,007,651	-
Other investments (Note 21):			
- Investment in transferable club memberships	1,800	-	1,800

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44. Fair value of financial instruments (cont'd.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities (cont'd.):

	Fair value measurement using		
	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000
Group (cont'd.)			
31 July 2015			
Assets for which fair values are disclosed (cont'd.)			
Receivables (Non-current) (Note 23(b)):			
- Retention sums	2,843	-	2,843
- Loan to a joint venture	95,648	-	95,648
Assets measured at fair value			
Derivatives assets (Note 37)	1,255	1,255	-
Investment securities (Note 24):	509,643	509,643	-
Liabilities for which fair values are disclosed			
Payables (Non-current) (Note 33(a)):			
- Retention sums	67,260	-	67,260
Long term borrowings (Note 35):			
- Medium term notes	2,551,911	-	2,551,911
- Term loan	826,831	-	826,831

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44. Fair value of financial instruments (cont'd.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities (cont'd.):

	Fair value measurement using		
	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000
Group			
31 July 2014			
Assets for which fair values are disclosed			
Investment properties (Note 14)	138,861	-	138,861
Interests in associated companies (Note 19)	883,419	883,419	-
Other investments (Note 21):			
- Investment in transferable club memberships	1,800	-	1,800
Receivables (Non-current) (Note 23(b)):			
- Retention sums	8,803	-	8,803
- Loan to a joint venture	42,320	-	42,320
Assets measured at fair value			
Investment securities (Note 24)	120,502	120,502	-
Liabilities for which fair values are disclosed			
Payables (Non-current) (Note 33(a)):			
- Retention sums	74,054	-	74,054
Long term borrowings (Note 35):			
- Medium term notes	1,201,944	-	1,201,944
- Term loan	537,331	-	537,331

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44. Fair value of financial instruments (cont'd.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities (cont'd.):

	Fair value measurement using		
	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000
Company			
31 July 2015			
Assets for which fair values are disclosed			
Investment properties (Note 14)	49,411	-	49,411
Interests in associated companies (Note 19)	1,007,651	1,007,651	-
Other investments (Note 21): - Investment in transferable club memberships	1,400	-	1,400
Assets measured at fair value			
Investment securities (Note 24)	51,551	51,551	-
Liabilities for which fair values are disclosed			
Payables (Non-current) (Note 33(a)) - Retention sums	34,041	-	34,041
Long term borrowings (Note 35): - Medium term notes	1,502,999	-	1,502,999
- Term loan	351,741	-	351,741

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44. Fair value of financial instruments (cont'd.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities (cont'd.):

	Fair value measurement using		
	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000
Company			
31 July 2014 (restated)			
Assets for which fair values are disclosed			
Investment properties (Note 14)	40,010	-	40,010
Interests in associated companies (Note 19)	883,419	883,419	-
Other investments (Note 21): - Investment in transferable club memberships	1,400	-	1,400
Assets measured at fair value			
Investment securities (Note 24):	91,420	91,420	-
Liabilities for which fair values are disclosed			
Payables (Non-current) (Note 33(a)) - Retention sums	37,473	-	37,473
Long term borrowings (Note 35): - Medium term notes	1,201,944	-	1,201,944
- Term loan	293,065	-	293,065

There have been no transfers between Level 1 and Level 2 during the year.

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44. Fair value of financial instruments (cont'd.)

Financial instruments subject to offsetting arrangements

The Group entered into a Cross Currency Interest Rate Swap ("CCIRS") to hedge against foreign currency and interest rate movements for term loans which have an arrangement to settle simultaneously on due dates at a net basis.

The Group's borrowings and derivatives that are off-set are as follows:

	Gross carrying amount RM'000	Gross amounts offset RM'000	Net amounts RM'000
As at 31 July 2015			
Derivatives (Note 37)	1,255	(1,255)	-
Borrowings (Note 35(c))	(380,755)	1,255	(379,500)

45. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, market risk and foreign currency risk.

The Group operates within clearly defined guidelines that are approved by the Board.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

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45. Financial risk management objectives and policies (cont'd.)

(a) Credit risk (cont'd.)

Exposure to credit risk (cont'd.)

Information regarding credit enhancements for trade and other receivables is disclosed in Note 23.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2015		2014	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	1,109,512	73%	909,622	82%
Middle East	941	0%	168	0%
Vietnam	401,014	27%	162,306	15%
India	282	0%	37,273	3%
	<u>1,511,749</u>	<u>100%</u>	<u>1,109,369</u>	<u>100%</u>
By industry sectors:				
Engineering and construction	556,294	37%	584,121	53%
Property development and club operations	548,906	36%	219,703	20%
Water and expressway concessions	406,549	27%	305,545	27%
	<u>1,511,749</u>	<u>100%</u>	<u>1,109,369</u>	<u>100%</u>

For the purpose of the above analysis, the following are included:

	Group	
	2015	2014
	RM'000	RM'000
Trade receivables	589,026	432,930
Due from associated companies - trade	409,827	342,817
Due from joint venture partners - trade	24	115
Due from joint ventures - trade	512,872	333,507
	<u>1,511,749</u>	<u>1,109,369</u>

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(Incorporated in Malaysia)****45. Financial risk management objectives and policies (cont'd.)****(a) Credit risk (cont'd.)**Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 23. Deposits with banks and other financial institutions and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 23.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by bank borrowings.

At the reporting date, approximately 19% (2014: 31%) of the Group's loans and borrowings (Note 36) will mature in less than one year based on the carrying amount reflected in the financial statements. Approximately 23% (2014: 24%) of the Company's loans and borrowings will mature in less than one year at the reporting date.

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45. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

Group	2015			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	
Financial liabilities:				
Trade and other payables	1,352,785	298,411	-	1,651,196
Loans and borrowings				
- Principal	777,086	2,983,355	375,000	4,135,441
- Interest	160,182	393,174	31,689	585,045
Total undiscounted financial liabilities	2,290,053	3,674,940	406,689	6,371,682

Group	2014			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	
Financial liabilities:				
Trade and other payables	878,084	155,754	-	1,033,838
Loans and borrowings				
- Principal	792,159	1,738,572	-	2,530,731
- Interest	123,587	214,913	-	338,500
Derivatives	1,903	-	-	1,903
Total undiscounted financial liabilities	1,795,733	2,109,239	-	3,904,972

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45. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	2015			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	
Company				
Financial liabilities:				
Trade and other payables	219,121	31,430	-	250,551
Due to subsidiaries	44,954	-	-	44,954
Loans and borrowings				
- Principal	551,100	1,851,440	-	2,402,540
- Interest	77,940	171,712	-	249,652
Total undiscounted financial liabilities	893,115	2,054,582	-	2,947,697

	2014 (restated)			Total RM'000
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	
Company				
Financial liabilities:				
Trade and other payables	387,336	36,298	-	423,634
Due to subsidiaries	152,564	-	-	152,564
Loans and borrowings				
- Principal	479,295	1,493,103	-	1,972,398
- Interest	70,477	178,429	-	248,906
Derivatives	1,903	-	-	1,903
Total undiscounted financial liabilities	1,091,575	1,707,830	-	2,799,405

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45. Financial risk management objectives and policies (cont'd.)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts. At the reporting date, approximately 65% (2014: 70%) of the Group's borrowings are at fixed rates of interest.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM5,922,000 (2014: RM3,250,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Market price risk

Market price risk is the risk that the fair value or the future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to market price risk arising from its investment in management fund. These instruments are classified as held for trading financial assets. The Group does not have exposure to commodity price risk.

Sensitivity analysis for market price risk

As at reporting date, if the quoted prices of the investment securities had been 5% higher/lower, with all other variables held constant, the Group and the Company's profit for the year would have been RM25,482,000 (2014: RM6,025,000) and RM2,578,000 (2014: RM4,571,000) higher/lower.

(e) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Transactions in foreign operation are mainly denominated in the functional currency of the country it operates, and other foreign currency transactions are kept to an acceptable level. The Group's revenue that are denominated in foreign currencies are as disclosed in Note 47.

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45. Financial risk management objectives and policies (cont'd.)

(e) Foreign currency risk (cont'd.)

Included in the following statements of financial position captions of the Group and of the Company as at the reporting date are balances denominated in the following major foreign currencies:

Group	Vietnam Dong RM'000	Indian Rupee RM'000	New Taiwan Dollar RM'000	United States Dollar RM'000	Qatari Riyal RM'000	Bahraini Dinar RM'000	Singapore Dollar RM'000	Australian Dollar RM'000	Total RM'000
At 31 July 2015:									
Cash and bank balances	88,869	2,426	362	14,355	1,924	492	28	8,344	116,800
Receivables	419,792	42,238	-	960	155,744	63,611	-	327	682,672
Payables	245,093	878	1	30	100,277	1,492	-	809	348,580
Borrowings	289,479	-	-	752,540	-	-	-	-	1,042,019
At 31 July 2014:									
Cash and bank balances	48,398	2,154	405	2,561	1,981	230	-	-	55,729
Receivables	797,369	39,496	-	40,191	110,755	53,384	-	-	1,041,195
Payables	268,369	2,015	9,293	2,040	66,623	12,912	-	-	361,252
Borrowings	277,027	-	-	452,398	-	-	-	-	729,425
				186					
				252					

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45. Financial risk management objectives and policies (cont'd.)

(e) Foreign currency risk (cont'd.)

Company	New Taiwan Dollar RM'000	United States Dollar RM'000	Qatari Riyal RM'000	Bahraini Dinar RM'000	Total RM'000
At 31 July 2015:					
Cash and bank balances	362	14,353	1,924	492	17,131
Receivables	-	-	155,744	63,383	219,127
Payables	1	-	100,277	1,486	101,764
Borrowings	-	752,540	-	-	752,540
At 31 July 2014 (restated):					
Cash and bank balances	405	406	1,981	230	3,022
Receivables	-	-	110,755	53,384	164,139
Payables	9,293	-	66,623	12,912	88,828
Borrowings	-	452,398	-	-	452,398

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including India, Qatar, Bahrain, Vietnam, Singapore and Australia. The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the business is located.

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45. Financial risk management objectives and policies (cont'd.)

(e) Foreign currency risk (cont'd.)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the VND, USD, BHD, NTD, QR, SGD, AUD and INR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

			Total comprehensive income for the year			
			Group		Company	
			2015	2014	2015	2014
			RM'000	RM'000	RM'000	(restated) RM'000
VND/RM	strengthened 5%	(2014: 5%)	(1,296)	15,019	-	-
	weakened 5%	(2014: 5%)	1,296	(15,019)	-	-
USD/RM	strengthened 5%	(2014: 5%)	(36,863)	(20,584)	(36,909)	(22,600)
	weakened 5%	(2014: 5%)	36,863	20,584	36,909	22,600
BHD/RM	strengthened 5%	(2014: 5%)	3,131	2,035	3,119	2,035
	weakened 5%	(2014: 5%)	(3,131)	(2,035)	(3,119)	(2,035)
NTD/RM	strengthened 5%	(2014: 5%)	18	(444)	18	(444)
	weakened 5%	(2014: 5%)	(18)	444	(18)	444
QR/RM	strengthened 5%	(2014: 5%)	2,870	2,306	2,870	2,306
	weakened 5%	(2014: 5%)	(2,870)	(2,306)	(2,870)	(2,306)
INR/RM	strengthened 5%	(2014: 5%)	2,189	1,982	-	-
	weakened 5%	(2014: 5%)	(2,189)	(1,982)	-	-
SGD/RM	strengthened 5%	(2014: 5%)	1	-	-	-
	weakened 5%	(2014: 5%)	(1)	-	-	-
AUD/RM	strengthened 5%	(2014: 5%)	393	-	-	-
	weakened 5%	(2014: 5%)	(393)	-	-	-

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

**Gamuda Berhad
(Incorporated in Malaysia)**

46. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The capital management approaches remain unchanged for the current and previous years.

The Group monitors and maintains a prudent level of net gearing ratio, which is net debt divided by total capital, to optimise shareholders value and to ensure compliance under debt covenants.

The Group includes within net debt, loans and borrowings less cash and bank balances and investment securities. Capital includes equity attributable to the owners of the parent and non controlling interests.

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Loans and borrowings	4,135,441	2,530,731	2,402,540	1,972,398
Less: Cash and bank balances	(928,059)	(799,250)	(79,234)	(21,893)
Investment securities	(509,643)	(120,502)	(51,551)	(91,420)
Net debt	<u>2,697,739</u>	<u>1,610,979</u>	<u>2,271,755</u>	<u>1,859,085</u>
Equity attributable to the owners of the Company	6,337,194	5,474,292	4,133,868	3,637,614
Non-controlling interests	356,019	687,395	-	-
Total capital	<u>6,693,213</u>	<u>6,161,687</u>	<u>4,133,868</u>	<u>3,637,614</u>
Net gearing ratio	<u>40%</u>	<u>26%</u>	<u>55%</u>	<u>51%</u>

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

**Gamuda Berhad
(Incorporated in Malaysia)****47. Segment information**

The Group reporting is organised and managed in three major business units. The segments are organised and managed to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

- (i) Engineering and construction - the construction of highways and bridges, airfield facilities, railway, tunnel, water treatment plants, dams, general and trading services related to construction activities;
- (ii) Property development and club operations - the development of residential and commercial properties and club operations; and
- (iii) Water and expressway concessions - the management of water supply and the management and tolling of highway operations.

The Group's chief operating decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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

**Gamuda Berhad
(Incorporated in Malaysia)**

47. Segment information (cont'd.)

2015

Revenue

Revenue as reported	1,157,740	841,549	400,629	-	2,399,918
Share of revenue of joint ventures	2,015,715	323,372	21,085	-	2,360,172
	3,173,455	1,164,921	421,714	-	4,760,090
Inter-segment sales	15,291	-	-	(15,291)	-
Total revenue	3,188,746	1,164,921	421,714	(15,291)	4,760,090

Result

Profit from operations	177,387	169,950	254,650	-	601,987
Finance costs	(20,474)	(31,449)	(71,819)	-	(123,742)
Share of profits of associated companies	406	5,112	193,526	-	199,044
Share of profits of joint ventures	64,959	114,090	1,851	-	180,900
Profit before taxation	222,278	257,703	378,208	-	858,189
Taxation					(132,731)
Profit for the year					725,458

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

**Gamuda Berhad
(Incorporated in Malaysia)**

47. Segment information (cont'd.)

2015	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Note	Consolidated RM'000
Assets and liabilities						
Segment assets excluding interests in associated companies and joint arrangements	2,288,779	5,952,736	2,463,423	-		10,704,938
Interests in associated companies	406	50,495	1,709,589	-		1,760,490
Interests in joint arrangements	118,353	585,509	156,409	-		860,271
						<u>13,325,699</u>
Segment liabilities	(2,277,042)	(3,111,317)	(1,244,127)	-		<u>(6,632,486)</u>
Other information						
Depreciation and amortisation	13,341	9,330	79,903	-		102,574
Additions to non-current assets	15,447	1,103,891	17,084	-	B	1,136,422
Non-cash items other than depreciation and amortisation	4,527	2,363	457	-	C	7,347

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

**Gamuda Berhad
(Incorporated in Malaysia)**

47. Segment information (cont'd.):

2014	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Note	Consolidated RM'000
Revenue	1,180,137	895,146	154,289	-		2,229,572
Revenue as reported	1,977,071	411,486	18,309	-		2,406,866
Share of revenue of joint ventures	3,157,208	1,306,632	172,598	-		4,636,438
Inter-segment sales	10,709	-	-	(10,709)	A	-
Total revenue	3,167,917	1,306,632	172,598	(10,709)		4,636,438
Result						
Profit from operations	229,590	111,905	146,845	-		488,340
Finance costs	(33,749)	(13,884)	(18,806)	-		(66,439)
Share of profits of associated companies	-	5,611	238,061	-		243,672
Share of profits of joint ventures	63,926	121,661	485	-		186,072
Profit before taxation	259,767	225,293	366,585	-		851,645
Taxation						(116,562)
Profit for the year						735,083

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

29579-T

Gamuda Berhad
(Incorporated in Malaysia)

47. Segment information (cont'd.)

2014	Engineering and construction RM'000	Property development and club operations RM'000	Water and expressway concessions RM'000	Eliminations RM'000	Note	Consolidated RM'000
Assets and liabilities						
Segment assets excluding interests in associated companies and joint arrangements	1,720,901	4,008,704	3,389,641	-	-	9,119,246
Interests in associated companies	-	55,383	576,030	-	-	631,413
Interests in joint arrangements	91,345	356,202	154,587	-	-	602,134
						<u>10,352,793</u>
Segment liabilities	(2,735,189)	(775,037)	(680,880)	-	-	<u>(4,191,106)</u>
Other information						
Depreciation and amortisation	19,218	3,912	3,449	-	-	26,579
Additions to non-current assets	12,471	94,035	177	-	B	106,683
Non-cash items other than depreciation and amortisation	8,569	37,123	652	-	C	46,344
						194
						260

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

**Gamuda Berhad
(Incorporated in Malaysia)**

47. Segment information (cont'd.)

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Additions to non-current assets consist of:

	Note	2015 RM'000	2014 RM'000
Property, plant and equipment	12	24,031	16,637
Investment properties	14	14,315	34,216
Land held for property development	13(a)	1,082,049	55,830
Expressway development expenditure	16	16,027	-
		<u>1,136,422</u>	<u>106,683</u>

C Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2015 RM'000	2014 RM'000
Property, plant and equipment written off	7	56	147
Unrealised gain on foreign exchange		(26,466)	(3,905)
Provisions		35,012	50,102
Fair value adjustments		(1,255)	-
		<u>7,347</u>	<u>46,344</u>

Geographical information

	Revenues		Non-current assets	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Malaysia	2,055,396	2,035,549	4,487,680	3,019,848
Outside Malaysia				
Qatar	-	9,089	4,204	555
Vietnam	344,522	182,055	923,283	361,803
Taiwan	-	2,879	-	-
Mauritius	-	-	14,253	186
	<u>344,522</u>	<u>194,023</u>	<u>941,740</u>	<u>362,544</u>
Consolidated	2,399,918	2,229,572	5,429,420	3,382,392
Share of revenue of joint ventures, in Malaysia	2,360,172	2,406,866	-	-
Total revenue	<u>4,760,090</u>	<u>4,636,438</u>	<u>5,429,420</u>	<u>3,382,392</u>

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

**Gamuda Berhad
(Incorporated in Malaysia)**

47. Segment information (cont'd.)

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	2015	2014
	RM'000	RM'000
Property, plant and equipment	312,282	284,885
Land held for property development	2,711,251	882,569
Investment properties	163,266	98,040
Prepaid land lease payments	3,170	3,595
Expressway development expenditure	1,692,837	1,755,349
Receivables	546,614	357,954
	<u>5,429,420</u>	<u>3,382,392</u>

48. Subsequent events

- (i) On 28 September 2015, the Company has announced that the proposed undertaking of renounceable rights of up to 412,445,675 warrants in Gamuda ("Warrant(s)") at an issue price of RM0.25 for each Warrant on the basis of one (1) Warrant for every six (6) existing ordinary shares of RM1.00 each held in the Company on the entitlement date to be determined and announced later.
- (ii) 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 comprising of road and public transport projects.

Discussions on the scope, terms and conditions of the project delivery partner agreement has commenced and the PDP agreement is expected to be executed within 6 months from the date of the LOA.

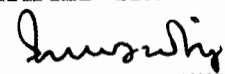
AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 JULY 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

**Gamuda Berhad
(Incorporated in Malaysia)**

49. Supplementary information – breakdown of retained profits into realised and unrealised

The breakdown of the retained profits of the Group and of the Company as at 31 July 2015 and 31 July 2014 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015	2014	2015	2014 (restated)
	RM'000	RM'000	RM'000	RM'000
Total retained profits of the Company and its subsidiaries				
Realised	1,959,300	1,850,351	821,946	655,055
Unrealised	(77,779)	(75,485)	(47,178)	11,719
	<u>1,881,521</u>	<u>1,774,866</u>	<u>774,768</u>	<u>666,774</u>
Total share of accumulated profits from joint ventures				
Realised	663,625	330,330	166,701	3,107
Unrealised	(19,910)	(114)	1,419	(114)
	<u>643,715</u>	<u>330,216</u>	<u>168,120</u>	<u>2,993</u>
Total share of retained profits from associated companies				
Realised	1,498,386	1,318,278	-	-
Unrealised	(385,517)	(342,038)	-	-
	<u>1,112,869</u>	<u>976,240</u>	<u>-</u>	<u>-</u>
(Less)/add: Consolidation adjustments	<u>(757,668)</u>	<u>(598,148)</u>	<u>(2,062)</u>	<u>16,470</u>
Retained profits as per financial statements	<u>2,880,437</u>	<u>2,483,174</u>	<u>940,826</u>	<u>686,237</u>

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF OUR GROUP FOR THE THREE (3)-MONTH FPE 31 OCTOBER 2015
CERTIFIED TRUE COPY

Director/Secretary
LIM SOO LYE

LS0006461

COMPANY SECRETARY
GAMUDA BERHAD (29579-T)
**Condensed Consolidated Income Statement
for the period ended 31 October 2015**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter	Comparative Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Oct-15	31-Oct-14	31-Oct-15	31-Oct-14
	RM'000	RM'000	RM'000	RM'000
Revenue (Note 1)	512,795	569,636	512,795	569,636
Operating expenses	(427,858)	(432,382)	(427,858)	(432,382)
Other income	24,203	12,606	24,203	12,606
Profit from operations	109,140	149,860	109,140	149,860
Finance costs	(30,185)	(27,030)	(30,185)	(27,030)
Share of profits of associated companies	50,144	55,649	50,144	55,649
Share of profits of joint ventures	63,451	50,359	63,451	50,359
Profit before taxation	192,550	228,838	192,550	228,838
Income tax expenses	(19,687)	(29,194)	(19,687)	(29,194)
Profit for the period	172,863	199,644	172,863	199,644
Profit attributable to :-				
Owners of the Company	161,233	185,849	161,233	185,849
Non-controlling interests	11,630	13,795	11,630	13,795
	172,863	199,644	172,863	199,644
Earnings per share attributable to Owners of the Company				
Basic earnings per share (sen)	6.70	8.00	6.70	8.00
Fully diluted earnings per share (sen)	6.70	7.87	6.70	7.87

Note 1

	Individual Quarter		Cumulative Period	
	31-Oct-15	31-Oct-14	31-Oct-15	31-Oct-14
Revenue as reported above	512,795	569,636	512,795	569,636
Share of joint venture companies' revenue (a)	720,098	589,854	720,098	589,854
Total revenue	1,232,893	1,159,490	1,232,893	1,159,490

(a) Pursuant to the Financial Reporting Standard (FRS) 11, Joint Arrangements, the revenue of joint venture companies (eg. KVMRT-PDP works) is excluded from the Group's revenue in the financial statements.

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2015 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF OUR GROUP FOR THE THREE (3)-MONTH FPE 31 OCTOBER 2015 (Cont'd)

GAMUDA BERHAD (29579-T)

**Condensed Consolidated Statement of Comprehensive Income
for the period ended 31 October 2015**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter	Comparative Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Oct-15	31-Oct-14	31-Oct-15	31-Oct-14
	RM'000	RM'000	RM'000	RM'000
Profit for the period	172,863	199,644	172,863	199,644
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Fair value gain on cash flow hedges	-	615	-	615
Foreign currency translation	133,150	33,108	133,150	33,108
Share of associated companies' foreign currency translation	15,054	1,132	15,054	1,132
Net asset accretion in an associated company arising from capital contribution	1,460	217	1,460	217
Other comprehensive income for the period, net of tax	149,664	35,072	149,664	35,072
Total comprehensive income for the period	322,527	234,716	322,527	234,716
Total comprehensive income attributable to :				
Owners of the Company	309,087	218,043	309,087	218,043
Non-controlling interests	13,440	16,673	13,440	16,673
	322,527	234,716	322,527	234,716

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2015 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF OUR GROUP FOR THE THREE (3)-
MONTH FPE 31 OCTOBER 2015 (Cont'd)**
GAMUDA BERHAD (29579-T)
**Condensed Consolidated Statement Of Financial Position
As at 31 October 2015**

	As at 31-Oct-15 RM'000	As at 31-Jul-15 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	329,100	312,282
Land held for property development	2,744,636	2,711,251
Investment properties	166,214	163,266
Land use rights	3,063	3,170
Expressway development expenditure	1,672,704	1,692,837
Interests in associated companies	1,747,230	1,760,490
Interests in joint arrangements	941,027	860,271
Other investments	890	890
Deferred tax assets	37,813	40,625
Receivables	575,172	546,614
	<u>8,217,849</u>	<u>8,091,696</u>
Current assets		
Property development costs	2,311,834	2,151,982
Inventories	160,662	185,583
Receivables	1,436,584	1,376,903
Amount due from customers for construction contracts	114,118	78,273
Tax recoverable	11,110	3,560
Investment securities (Note 2)	723,546	509,643
Cash and bank balances	697,882	928,059
	<u>5,455,736</u>	<u>5,234,003</u>
TOTAL ASSETS	<u>13,673,585</u>	<u>13,325,699</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	2,405,905	2,405,905
Reserves	4,243,173	3,931,289
Owners' equity	<u>6,649,078</u>	<u>6,337,194</u>
Non-controlling interests	369,459	356,019
TOTAL EQUITY	<u>7,018,537</u>	<u>6,693,213</u>
Non-current liabilities		
Payables	401,019	394,861
Deferred tax liabilities	426,934	420,007
Long term borrowings	3,566,158	3,358,355
	<u>4,394,111</u>	<u>4,173,223</u>
Current liabilities		
Short term borrowings	889,579	777,086
Payables	1,029,025	1,355,187
Amount due to customers for construction contracts	250,417	226,339
Provision for liabilities	54,761	55,021
Tax payable	37,155	45,630
	<u>2,260,937</u>	<u>2,459,263</u>
TOTAL LIABILITIES	<u>6,655,048</u>	<u>6,632,486</u>
TOTAL EQUITY AND LIABILITIES	<u>13,673,585</u>	<u>13,325,699</u>
Net assets per share attributable to Owners of the Company (RM)	2.76	2.63

Note 2 : Investment securities represent funds placed with licensed fund managers that invest in money market funds and fixed deposits. These funds allow for prompt redemption at any time.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2015 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF OUR GROUP FOR THE THREE (3)-MONTH FPE 31 OCTOBER 2015 (Cont'd)

GAMUDA BERHAD (29579-T)

Condensed Consolidated Statement of Changes in Equity

	Share capital		Attributable to owners of the Company			Total equity				
	RM'000	RM'000	Share premium	Non distributable Option reserves	Other reserves		Distributable Retained profits	Total	Non-Controlling interests	RM'000
FY 2016										
3 months ended 31 October 2015										
At 1 August 2015	2,405,905	-	771,612	4,365	274,875	2,880,437	6,337,194	356,019	6,693,213	
Total Comprehensive Income	-	-	-	-	147,854	161,233	309,087	13,440	322,527	
Share options granted under ESOS	-	-	-	2,797	-	-	2,797	-	2,797	
At 31 October 2015	2,405,905	-	771,612	7,162	422,729	3,041,670	6,649,078	369,459	7,018,537	
FY 2015										
3 months ended 31 October 2014										
At 1 August 2014	2,323,357	-	626,328	-	41,433	2,483,174	5,474,292	687,395	6,161,687	
Total Comprehensive Income	-	-	-	-	32,194	185,849	218,043	16,673	234,716	
Conversion of Warrants	954	1,679	-	-	(95)	-	2,538	-	2,538	
At 31 October 2014	2,324,311	628,007	-	-	73,532	2,669,023	5,694,873	704,068	6,398,941	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2015 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF OUR GROUP FOR THE THREE (3)-
MONTH FPE 31 OCTOBER 2015 (Cont'd)**
GAMUDA BERHAD (29579-T)
**Condensed Consolidated Statement Of Cash Flows
for the period ended 31 October 2015**

	3 months ended 31-Oct-15	3 months ended 31-Oct-14
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	192,550	228,838
Adjustments for non-cash items/non-operating items	(51,221)	(66,910)
Operating profit before working capital changes	141,329	161,928
<u>Changes in working capital</u>		
Net change in current assets	(136,252)	(174,846)
Net change in current liabilities	56,423	154,586
Net cash generated from operations	61,500	141,668
Tax paid	(30,036)	(35,812)
Others	(30,185)	(27,030)
Net cash generated from operating activities	1,279	78,826
Cash Flows From Investing Activities		
Purchase of land held for development	(352,956)	-
Purchase of property, plant and equipment	(19,968)	(2,548)
Additions to investment properties expenditures	(242)	(16,181)
Proceeds on disposal of plant and equipment	174	298
Additions to expressway development expenditures	(4,153)	-
Net purchase of investment securities	(213,903)	(116,673)
Distribution received from investment securities	4,054	3,378
Investment in joint ventures	(28,017)	(7,125)
Capital repayment from an associated company	34,038	18,346
Dividend received from associated companies	34,509	28,006
Dividend received from joint ventures	30,000	-
Interest received	9,259	11,713
Net cash used in investing activities	(507,205)	(80,786)
Cash Flows From Financing Activities		
Net proceeds from conversion of warrants	-	2,538
Net drawdown of borrowings	270,507	548,378
Net cash generated from financing activities	270,507	550,916
Net (decrease)/increase in cash and cash equivalents	(235,419)	548,956
Effects of exchange rate changes	5,242	685
Cash and cash equivalents at beginning of the period	928,059	799,250
Cash and cash equivalents at end of the period	697,882	1,348,891

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2015 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF OUR GROUP FOR THE THREE (3)-MONTH FPE 31 OCTOBER 2015 (Cont'd)**Gamuda Berhad (29579-T)****Quarterly Report On Consolidated Results
For The Period Ended 31 October 2015****Notes To The Interim Financial Statements**

(The figures have not been audited)

1. Basis of Preparation

- 1.1) 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.
- 1.2) The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 July 2015.
- 1.3) 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 2015.

1.4) Malaysian Financial Reporting Standards (MFRS Framework)

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

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

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

The 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 2018. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

2. Audit Report of Preceding Annual Financial Statements

The audit report of the Group's annual financial statements for the year ended 31 July 2015 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 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.

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6. Changes in Debt and Equity Securities

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

7. Segmental Analysis

	Engineering and Construction	Property Development and Club Operations	Water and Expressway Concessions	Total
	RM000	RM000	RM000	RM000
3 months period ended 31 Oct 2015				
REVENUE				
Revenue as reported	232,716	175,516	104,563	512,795
Share of joint venture companies' revenue	612,618	101,959	5,521	720,098
Total revenue	<u>845,334</u>	<u>277,475</u>	<u>110,084</u>	<u>1,232,893</u>
RESULTS				
Profit from operations	25,509	20,578	63,053	109,140
Finance costs	(5,174)	(11,839)	(13,172)	(30,185)
Share of profits of associated companies	77	386	49,681	50,144
Share of profits of joint ventures	22,318	42,332	(1,199)	63,451
Profit before taxation	<u>42,730</u>	<u>51,457</u>	<u>98,363</u>	<u>192,550</u>
Percentage of segment results	22%	27%	51%	
Taxation				<u>(19,687)</u>
Profit for the period				<u>172,863</u>
3 months period ended 31 Oct 2014				
REVENUE				
Revenue as reported	265,084	202,565	101,987	569,636
Share of joint venture companies' revenue	487,991	97,191	4,672	589,854
Total revenue	<u>753,075</u>	<u>299,756</u>	<u>106,659</u>	<u>1,159,490</u>
RESULTS				
Profit from operations	40,889	41,596	67,375	149,860
Finance costs	(4,405)	(11,485)	(11,140)	(27,030)
Share of profits of associated companies	-	4,411	51,238	55,649
Share of profits of joint ventures	14,999	35,348	12	50,359
Profit before taxation	<u>51,483</u>	<u>69,870</u>	<u>107,485</u>	<u>228,838</u>
Percentage of segment results	22%	31%	47%	
Taxation				<u>(29,194)</u>
Profit for the period				<u>199,644</u>

UNAUDITED CONSOLIDATED QUARTERLY RESULTS OF OUR GROUP FOR THE THREE (3)-MONTH FPE 31 OCTOBER 2015 (Cont'd)**Gamuda Berhad (29579-T)**
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(The figures have not been audited)**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.

9. Material Events Subsequent to Balance Sheet Date

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

10. Changes in Composition of the Group

There were no material changes in the composition of the Group for the quarter ended 31 October 2015.

11. Dividend

The Board of Directors declares an interim dividend in respect of financial year ending 31 July 2016 as follows:

- i. A single tier interim dividend of 6.00 sen per ordinary share;
- ii. A single tier interim dividend of 6.00 sen per ordinary share was declared in previous corresponding period;
- iii. The payment date of the interim dividend is 29 January 2016;
- iv. In respect of deposited securities, entitlement to dividends to be determined on the basis of the record of depositors as at 14 January 2016.

The total dividend for the current financial period is single tier dividend of 6.00 sen per ordinary share.

For the preceding year's corresponding period, the total dividend per share was single tier dividend of 6.00 sen per ordinary share was declared.

12. Dividend Paid

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

13. Review of PerformanceOverall Performance

The Group's revenue (including share of joint venture companies' revenue) and profit before taxation for the current quarter can be analysed as follows:

Current Quarter

The Group recorded revenue (including share of joint venture companies' revenue) and profit before taxation of RM1,233 million and RM193 million respectively as compared to RM1,159 million and RM229 million respectively in the preceding year comparative quarter.

The increase in revenue mainly resulted from higher work progress of the Klang Valley Mass Rapid Transit-Line 1 project.

The decrease in profit before taxation mainly resulted from the completion of the Electrified-Double Tracking Railway Project in November 2014 and softening of the property market in Malaysia.

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13. Review of Performance (cont'd)

The performances of the respective divisions of the Group are as follows:

(a) CONSTRUCTION DIVISION

The increase in revenue (including share of joint venture companies' revenue) mainly resulted from higher work progress of the KVMRT - Line 1 project.

The decrease in profit before taxation mainly resulted from the completion of the Electrified Double Tracking Railway Project in November 2014.

(b) PROPERTY DIVISION

The decrease in revenue and profit before tax mainly resulted from softening of the property market in Malaysia. Nevertheless, sales from properties in Vietnam continued to improve.

(c) WATER AND EXPRESSWAY CONCESSIONS DIVISION

The decrease in profit before taxation mainly resulted from the costs of periodic resurfacing works for expressways in India.

14. Comparison with immediate Preceding Quarter's Results

The Group's profit before taxation of RM193 million for the current quarter was slightly higher than the immediate preceding quarter's profit before taxation of RM191 million.

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15. Current Year Prospects

Overall Prospects

The Group anticipates a good performance this year from on-going construction projects and steady earnings from the water and expressway concessions division. However, with the softening residential and non-residential property market in Malaysia, weaker growth for the property division is expected over the coming quarters.

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

(a) CONSTRUCTION DIVISION

Klang Valley Mass Rapid Transit: Sungai Buloh – Kajang Line (“MRT Line 1”)

Project Delivery Partner (“PDP”):

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

Overall cumulative progress at the end of November 2015 was 76% completion. The project is on target for Phase 1 completion in December 2016 and full completion by July 2017, with no significant cost overruns so far.

Construction continues to achieve significant progress. The installation of rail tracks is progressing well, with 92% progress achieved for the Phase 1 (Northern section) from Sg. Buloh to Semantan.

Twenty-one electric trains have been delivered to the Sg Buloh Depot. They are undergoing dynamic testing on the test track. Overall, the systems works are 75% completed, with installation of systems at the stations, depots and guideways well under way. Testing of these systems has also commenced.

The planning for the Railway Systems Operational Readiness procedures has started, and the senior management team of the future Operator has been appointed. Recruitment of other Operator staff is on-going.

Underground Works Package:

The underground works package has achieved a progress of 83% at the end of November 2015.

Architectural and Building Services fit-out works are in full swing at all stations. Track installation and tunnel M&E equipment and services fit-out has commenced on several fronts.

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

MMC Corporation Berhad – Gamuda Berhad Joint Venture is the Project Delivery Partner for the implementation of MRT Line 2. The Final Railway Scheme was approved on 7 October 2015.

Two advance works packages have been awarded. Another ten tenders, which includes two main viaduct packages, are under way.

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15. Current Year Prospects (cont'd)

(a) CONSTRUCTION DIVISION (cont'd)

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

The PDP also established the KVMRT Training Centre in Sg Buloh to enhance safety consciousness and promote better safety posture for all personnel and workers involved in the MRT project. The PDP has provided 25 Master Trainers, who in turn will train another 170 trainers. In total 3,000 engineers and supervisors, 5,000 semi-skilled plant operators and crane drivers as well as 13,000 foreign general workers that are employed by all the works package contractors and their vendors and suppliers will be required to go through safety training before they can start work.

Penang Transport Master Plan

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

Discussions on the scope, terms and conditions of the project delivery partner agreement is ongoing and the agreement is expected to be executed within 6 months from the date of the LOA.

The two major components of the PTMP are the Light Rail Transit (LRT) from George Town to Bayan Lepas (Penang International Airport) and the Pan Island Link (PIL) highway. The environmental and social impact assessment studies have commenced concurrently with alignment option studies for both the LRT and the PIL.

The PTMP received strong support from the general public, NGOs and the business community during stakeholder engagement sessions held in November and early December.

(b) PROPERTY DIVISION

The division sold RM 270 million worth of properties in the current quarter, down from the previous quarter sales of RM 400 million due to the weak Malaysian property market especially the Iskandar Johor Region. Unbilled sales at the end of the current quarter were RM 1.2 billion.

Malaysia

The demand for properties is expected to remain soft in the next few quarters as a result of the various tightening measures imposed by Bank Negara Malaysia, rising cost of living following the implementation of the Goods and Services Tax and uncertainties in the economy due to the weakening Ringgit. On-going projects include Bandar Botanic in Klang, Jade Hills in Kajang, Madge Mansions and The Robertson in Kuala Lumpur and Horizon Hills in the Iskandar Johor Region.

HighPark Suites in Kelana Jaya and Bukit Bantayan Residences in Kota Kinabalu, were recently launched and are expected to be well received following the good response to its pre-view sales initiative. Both of these mid-range priced projects will generate a combined Gross Development Value ("GDV") of RM 1.4 billion.

Kundang Estates, a boutique low-rise residential enclave, and Bandar Serai, an 812-acre township, are scheduled to be launched in the second half of 2016. Both projects, strategically located at the intersections of the North-South, Guthrie Corridor and LATAR Expressways, will generate a combined GDV of RM7.6 billion.

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15. Current Year Prospects (cont'd)

(b) PROPERTY DIVISION (cont'd)

Malaysia (cont'd)

Other projects at various planning stages include a 1,530-acre development land located opposite the Cyberjaya/Putrajaya interchange along Expressway Lingkar Tengah (ELITE Highway) and 257 acres of land which is adjacent to the Kota Kemuning Township.

Overseas

Overseas projects, especially in Vietnam, continued its strong performance and contributed 60% of Group's property sales in the current quarter. At Gamuda City in Hanoi, sales continued to pick up in tandem with the sales surge of the overall property market in Hanoi.

At Celadon City in Ho Chi Minh City, sales continued to improve due to strong demand for its third block of apartments currently under construction. The first two completed blocks of apartments are almost fully occupied with various amenities available including the Aeon retail mall. A comprehensive Sports Centre, scheduled for completion by May 2016, is expected to further boost demand at Celadon City.

Together with the robust outlook on Vietnam's economy and further liberalisation of foreign ownership of properties in Vietnam, we expect that sales will continue to improve.

The division's maiden project in Australia was recently launched. 661 Chapel Street, located at Melbourne CBD, is a high rise development with a GDV of AUD 138 million. In Singapore, the 12,155 square metre plot of land in Toa Payoh is slated for a high rise residential development. It will be launched in March 2016 with a GDV of SGD 650 million. These projects are part of the division's strategy to diversify internationally and increase share of non-Ringgit revenue.

The remaining GDV of existing and new projects:

Projects	Balance Acreage	GDV (RM mil)
Existing	621	8,189
• Bandar Botanic		
• Horizon Hills		
• Jade Hills		
• Others		
New	2,706	30,742
• HighPark Suites (Kelana Jaya)		
• Kundang Estate and Bandar Serai (Rawang)		
• Tanjung Dua Belas		
• Others		
Overseas	571	17,432
• Gamuda City and Celadon City (Vietnam)		
• Melbourne		
• Singapore		
Total	3,898	56,363

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15. Current Year Prospects (cont'd)

(c) WATER AND EXPRESSWAY CONCESSIONS DIVISION

Expressway

Traffic volumes of the division's various expressways have been stable and resilient.

Water

As part of the Selangor State Government's effort to consolidate the various entities involved in the treatment, supply and distribution of water in the state of Selangor, the Selangor State Government intends to take over the water assets and operations of Syarikat Pengeluar Air Sungai Selangor Sdn Bhd ('Splash') – the concession holder of the Sungai Selangor Water Supply Scheme Phase 1 and 3.

Discussion with the Selangor State Government is currently ongoing.

16. Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

17. Taxation

The taxation is derived as below:

	3 months ended 31 October	
	2015	2014
	RM'000	RM'000
Malaysian & foreign income tax	19,687	29,194

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

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18. Group Borrowings and Debt Securities

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

	Foreign Currency '000	As at 31-Oct-15 RM Equivalent '000
<u>Long Term Borrowings</u>		
Medium Term Notes (Gamuda)		1,500,000
Medium Term Notes (Kesas)		735,000
Medium Term Notes (Bandar Serai - Rawang)		500,000
<u>Term Loan</u>		
-denominated in Ringgit Malaysia (Gamuda)		379,500
-denominated in US Dollar (Gamuda City)	81,778	351,318
-denominated in Vietnamese Dong (Celadon City)	520,551,074	100,340
		<u>3,566,158</u>
<u>Short Term Borrowings</u>		
Revolving Credits		
-denominated in US Dollar (Gamuda City)	113,000	485,448
Commercial Papers (Gamuda)		200,000
Term Loan (Jade Hills)		18,253
Term Loan		
-denominated in Vietnamese Dong (Celadon City)	964,309,818	185,878
		<u>889,579</u>
		<u>4,455,737</u>

19. Changes in Contingent Liabilities or Contingent Assets

There is no significant contingent liabilities or contingent assets.

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20. Provision of Financial Assistance

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

1. MMC Corporation Berhad ("MMC") and Gamuda Berhad Joint Venture was awarded the underground works package of the MRT Line 1. 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") known as MMC Gamuda KVMRT (PDP SSP) Sdn Bhd to be the PDP. The SPV 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.

The Parent Company Guarantees for the 2 contracts mentioned above have not been called because the SPVs are performing and meeting their obligations in compliance with the terms of the contracts.

21. Capital Commitments

The amount for capital commitments not provided for in the interim financial statements as at 31 October 2015 are as follows:

	RM'000
Approved and contracted for :-	
Plant & equipment	<u>100,819</u>

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22. Realised and Unrealised Profit or Losses

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

	<u>Note</u>	<u>As at 31-Oct-15</u>	<u>As at 31-Jul-15</u>
		RM'000	RM'000
Total retained profits of the Company and its subsidiaries			
- Realised		2,180,421	1,959,300
- Unrealised	1	(183,046)	(77,779)
		<u>1,997,375</u>	<u>1,881,521</u>
Total share of retained profits from joint arrangements			
- Realised		725,584	663,625
- Unrealised	1	(29,821)	(19,910)
		<u>695,763</u>	<u>643,715</u>
Total share of retained profits from associated companies			
- Realised		1,513,390	1,498,386
- Unrealised	1	(358,357)	(385,517)
		<u>1,155,033</u>	<u>1,112,869</u>
Less : Consolidated adjustments	2	(806,501)	(757,668)
Total Group retained profits		<u>3,041,670</u>	<u>2,880,437</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.

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23. Material Litigations

The arbitral award ("the Award") in respect of the arbitration between Wayss & Freytag (Malaysia) Sdn Bhd ("W&F") and MMC Gamuda Joint Venture ("JV") was issued by the arbitral tribunal ("Tribunal") on 16 April 2013.

In the Award, the Tribunal determined that the W&F's claims against the JV succeeded in substantial part and dismissed the JV's claims against W&F. The Tribunal thus awarded the following reliefs to W&F:

1. That the JV pays to W&F the sum of RM96,297,229.03;
2. That the JV pays to W&F interest at a simple rate of 4% per annum on the sum of RM96,297,229.03 from date of termination (23 January 2006) to date of the Award (amounting to RM28,247,187.18);
3. That JV pays to W&F interest at the simple rate of 5% per annum on the sum of RM96,297,229.03 from the date of the Award until payment in full; and
4. That the JV pays to W&F costs of RM9,000,000.

Following requests for some clerical corrections made by both parties, the Tribunal issued a corrective award on 30 May 2013 (the "Corrective Award") as follows:

1. The amount awarded to W&F has increased to RM97,574,035.39;
2. The amount of interest payable from the date of termination to date of Award now amounts to RM28,229,638.73;
3. The post award interest at the simple rate of 5% per annum from the date of the Award until payment in full is to be imposed on the sum of RM97,574,035.39; and
4. That the JV pays to W&F costs of RM9,000,000.

On 23 May 2013, the JV filed an application for a reference to the High Court in Kuala Lumpur on questions of law arising out of the Award and on determination of the said questions, for the Award to be set aside ("JV's Section 42 Application"). The JV's Section 42 Application was registered as Kuala Lumpur High Court Originating Summons No. 24C(ARB)-2-05/2013.

On 14 June 2013, a copy of W&F's application for inter alia, recognition and enforcement of the Award under Section 38 of the Arbitration Act 2005 ("W&F's Enforcement Application") was served on the JV. W&F's Enforcement Application was registered as Kuala Lumpur High Court Originating Summons No. 24NCC(ARB)-26-06/2013.

In addition to the JV's Section 42 Application, on 4 July 2013 the JV filed another application to set aside the Award under Section 37 of the Arbitration Act 2005 whereby Mr Yusof Holmes was named as the 2nd Defendant ("JV's Section 37 Application"). The JV's Section 37 Application was registered as Kuala Lumpur High Court Originating Summons No. 24C(ARB)-3-07/2013. This application was made on the basis that there has been inter alia, a breach of Mr Holmes' statutory duty under the Arbitration Act 2005 and that the Award is in conflict with the public policy in Malaysia.

The JV's Section 42 Application was heard before the Honourable Dato' Mary Lim Thiam Suan on 7 November 2013. On 9 June 2014, the learned Judge dismissed the JV's Section 42 Application with costs of RM75,000 to be paid to W&F. The JV had on 7 July 2014 appealed to the Court of Appeal against the decision of the High Court in respect of the JV's Section 42 Application.

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23. Material Litigations (cont'd)

On 24 July 2014, Mr Holmes filed a notice of application to strike out the JV's Section 37 Application against him and for him to be removed as a party in the proceedings ("**Holmes' Striking Out Application**"). Holmes' Striking Out Application was heard before the Honourable Dato' Mary Lim Thiam Suan on 2 September 2014. On 17 September 2014, the Judge allowed Holmes' Striking Out Application.

On 29 September 2014, the JV filed a Conversion Application under Order 28 rule 8 that the proceedings to be continued as if it had been begun by Writ and an Oral Evidence application under Order 28 rule 4 of the Rules of Court 2012 ("**JV's Conversion/Oral Applications**"). The JV's Conversion/Oral Applications were heard before the Honourable Dato' Mary Lim Thiam Suan on 1 October 2014 and on 20 October 2014.

The JV's Section 37 Application was heard before the Honorable Dato' Mary Lim Thiam Suan on 20 October 2014. On 16 December 2014, the learned Judge dismissed the JV's Section 37 Application with costs. Consequentially, W&F's Enforcement Application was allowed by the learned High Court Judge.

On 30 December 2014, the JV filed notices of appeal to the Court of Appeal against the decisions of the High Court in relation to the JV's Section 37 Application and W&F's Enforcement Application.

On 5 February 2015, the JV and W&F mutually agreed to place the Corrective Award sum together with interest calculated up to 30 January 2015 with both parties' solicitors as stakeholders pending the outcome of the JV's appeals to the Court of Appeal.

The JV's appeals to the Court of Appeal in respect of the JV's Section 37 Application, the JV's Section 42 Application and W&F's Enforcement Application aforementioned are now fixed for hearing before the Court of Appeal on 18 and 19 May 2016.

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24. Earnings Per Share

	Current Quarter 31-Oct-15
Basic	
Net profit attributable to shareholders (RM'000)	<u>161,233</u>
Number of ordinary shares in issue as at 1 Aug 2015 ('000)	2,405,905
Effect of shares issued during the period ('000)	<u>-</u>
Weighted average number of ordinary shares in issue ('000)	<u>2,405,905</u>
Basic earnings per ordinary share (sen)	<u>6.70</u>
Diluted	
Net profit attributable to shareholders (RM'000)	<u>161,233</u>
Weighted average number of ordinary shares in issue ('000)	2,405,905
- Assumed shares issued from the exercise of ESOS ('000) (Note 1)	-
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	<u>2,405,905</u>
Diluted earnings per ordinary share (sen)	<u>6.70</u>

Notes:

- 1) The unexercised ESOS has no dilutive effect on the Earnings Per Share as the ESOS's exercise price is higher than the market price of the ordinary shares at the reporting date.

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25. Notes to the Consolidated Statement of Comprehensive Income

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

	Current Quarter 31-Oct-15
	RM'000
Interest income	(17,728)
Other income	(6,434)
Interest expense	30,185
Depreciation and amortisation	29,979
Provision for and write-off 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	(41)
Impairment of assets	-
(Gain)/loss on foreign exchange	6,137
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.

DIRECTORS' REPORT



10.5 FEB 2016

Registered office:

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

To: The shareholders of Gamuda Berhad ("Gamuda" or the "Company")

Dear Sir / Madam,

On behalf of the Board of Directors of Gamuda ("**Board**"), I wish to report that after making due enquiries in relation to Gamuda and its subsidiary companies ("**Gamuda Group**" or the "**Group**") during the period between 31 July 2015, being the date on which the latest audited consolidated financial statements have been made up, and up to the date of this letter, being a date not earlier than fourteen (14) days before the issuance of this Abridged Prospectus that:-

- (a) the business of our Group has, in the opinion of our Board, been satisfactorily maintained;
- (b) in the opinion of our Board, no circumstances have arisen since the last audited consolidated financial statements of our Group, which have adversely affected the trading or the value of the assets of our Group;
- (c) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in this Abridged Prospectus, there are no material contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;
- (e) there have been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings in our Group since the last audited consolidated financial statements of Gamuda; and
- (f) save as disclosed in this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the profits of our Group since the last audited consolidated financial statements of Gamuda.

Yours faithfully,

For and on behalf of the Board
GAMUDA BERHAD (29579-T)

SAW WAH THENG
Executive Director

Gamuda Berhad (29579-T)

Menara Gamuda, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor, Malaysia.
T | 603 7491 8288 F | 603 7728 9811 W | www.gamuda.com.my

ADDITIONAL INFORMATION

1. SHARE CAPITAL

- (i) Save for the Warrants and the new Shares to be issued pursuant to the exercise of the Warrants, no securities shall be allotted or issued on the basis of this Abridged Prospectus later than twelve (12) months after the date of the issuance of this Abridged Prospectus.
- (ii) As at the date of this Abridged Prospectus, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely ordinary shares of RM1.00 each, all of which rank *pari passu* with one another.
- (iii) All the new Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the existing issued and paid-up ordinary share capital, save and except that such Shares will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid where the entitlement date precedes the date of allotment of such Shares.
- (iv) As at the date of this Abridged Prospectus, save as disclosed below, no person has been or is entitled to be granted an option to subscribe for any of our securities:-
 - (a) The Warrants to be provisionally allotted to our Entitled Shareholders under the Rights Issue of Warrants; and
 - (b) On 4 December 2014, an ESOS for the eligible employees and executive directors of our group was approved at the EGM of our Company. The ESOS became effective on 10 April 2015 and is in force for an initial period of five (5) years.

2. DIRECTORS' REMUNERATION

The provisions in our Company's Articles of Association in relation to the remuneration of our Directors are as follows:-

Article 107

The Directors shall be paid by way of fees for their services, such fixed sum as shall from time to time be determined by the Company in general meeting, and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of the fees related to the period during which he has held office Provided Always that:-

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission or a percentage of profits or turnover;
- (b) salaries payable to executive Directors may not include a commission on a percentage of turnover; and
- (c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

ADDITIONAL INFORMATION (Cont'd)**Article 108**

The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.

Article 109

If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director or travel or reside abroad for any business or purposes on behalf of the Company, he shall be entitled to receive special remuneration as the Directors may think fit, in addition to his Directors' fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged provided that any extra remuneration payable to a non-executive Director shall not include a commission or percentage of profits or turnover and to an executive Director shall not include a commission on or percentage of turnover.

3. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within the past two (2) years immediately preceding the date of this Abridged Prospectus:-

- (i) Share purchase agreement dated 16 January 2014 between Amcorp Properties Berhad as seller and Gamuda as purchaser in respect of the acquisition of 1,000,000 ordinary shares of RM1.00 each and 93,182,968 redeemable preference shares of RM1.00 each, representing 20% of the issued and paid-up share capital of Kesas Holdings Berhad for a total cash purchase consideration of RM280 million ("**Gamuda-Amcorp SPA**").

The Gamuda-Amcorp SPA has been completed on 31 March 2014;

- (ii) Share purchase agreement dated 19 June 2014 between Permodalan Nasional Berhad as seller and Gamuda as purchaser in respect of the acquisition of 1,000,000 ordinary shares of RM1.00 each and 93,182,968 redeemable preference shares of RM1.00 each, representing 20% of the issued and paid-up share capital of Kesas Holdings Berhad for a total cash purchase consideration of RM290 million ("**Gamuda-PNB SPA**").

The Gamuda-PNB SPA has been completed on 30 June 2014;

- (iii) Share sale agreement dated 31 July 2014 between Salak Park Sdn Bhd ("**Salak Park**") as vendor and Gamuda as purchaser in respect of the acquisition of 10,800,000 ordinary shares of RM1.00 each in Salak Land Development Sdn Bhd ("**Salak Land**"), representing 100% of the issued and paid-up share capital of Salak Land, for a total cash purchase consideration of RM784,328,030.64 ("**Gamuda-Salak Park SPA**").

Salak Land is a wholly-owned subsidiary of Salak Park and the registered owner of two (2) parcels of leasehold land held under PN 98056, Lot 68054 and PN 68057, Lot 68056, both in Mukim of Tanjong Duabelas, District of Kuala Langat, State of Selangor Darul Ehsan with a total land area measuring 619 hectares and 2.11 hectares respectively.

The Gamuda-Salak Park SPA has been completed on 9 March 2015;

ADDITIONAL INFORMATION (Cont'd)

- (iv) Sale and purchase agreement dated 1 December 2014 between Bukit Melati Sdn Bhd ("**Bukit Melati**") as vendor and Setara Hati Sdn Bhd ("**Setara Hati**"), a wholly-owned subsidiary of Gamuda, as purchaser in respect of the acquisition of all that parcel of leasehold land held under PN 95272, Lot 66166 in Mukim Tanjung Duabelas, District of Kuala Langat, State of Selangor Darul Ehsan and measuring approximately 104.1 hectares for a total cash purchase consideration of RM392,172,858 ("**Bukit Melati-Setara Hati SPA**").

The Bukit Melati-Setara Hati SPA has been completed on 3 August 2015;

- (v) The Underwriting Agreement for the Underwritten Warrants.

4. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and there are no proceedings pending or threatened against our Group or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business operations of our Group:-

- (i) **Legal dispute between MMC-Gamuda Joint Venture and Wayss & Freytag (Malaysia) Sdn Bhd**

MMC-Gamuda Joint Venture ("**JV**") is an unincorporated joint venture comprising Gamuda and MMC Engineering Group Berhad. The JV had terminated Wayss & Freytag (Malaysia) Sdn Bhd ("**W&F**") as the sub-contractor for the North Tunnel of the Stormwater Management and Road Tunnel Project due to a breach of contract.

Following the termination, W&F and the JV filed in various claims against each other to be adjudicated by the Dispute Adjudication Board ("**DAB**") and according to the DAB's decisions based on the various claims filed by the parties, the JV is to pay to W&F a sum of RM102,366,880.42. Both parties, being dissatisfied with the DAB's decisions, referred the matter to arbitration.

On 16 April 2013, an arbitral award ("**the Award**") in respect of the arbitration between the JV and W&F was issued by the arbitral tribunal ("**Tribunal**"). In the Award, the Tribunal determined that W&F's claims against the JV succeeded in substantial part and dismissed the JV's claims against W&F. The Tribunal thus awarded the following reliefs to W&F:-

- (a) That the JV pays to W&F the sum of RM96,297,229.03;
- (b) That the JV pays to W&F interest at a simple rate of 4% per annum on the sum of RM96,297,229.03 from date of termination (23 January 2006) to date of the Award (amounting to RM28,247,187.18);
- (c) That JV pays to W&F interest at the simple rate of 5% per annum on the sum of RM96,297,229.03 from the date of the Award until payment in full; and
- (d) That the JV pays to W&F costs of RM9,000,000.

ADDITIONAL INFORMATION (Cont'd)

Following request for some clerical corrections by both W&F and the JV, the Tribunal issued a corrective award on 30 May 2013 as follows:

- (i) The amount awarded to W&F has increased to RM97,574,035.39;
- (ii) The amount of interest payable from the date of termination to date of Arbitral Award now amounts to RM28,229,638.73;
- (iii) The post award interest at the simple rate of 5% per annum from the date of the Arbitral Award until payment in full is to be imposed on the sum of RM97,574,035.39; and
- (iv) That the JV pays to W&F costs of RM 9,000,000.

On 14 June 2013, a copy of the W&F's application for, inter alia, recognition and enforcement of the Award under Section 38 of the Arbitration Act 2005 ("**W&F's Enforcement Application**") was served on the JV.

On 23 May 2013, the JV filed an application for a reference to the High Court in Kuala Lumpur on questions of law arising out of the Award and on determination of the said questions and for the Award to be set aside pursuant to Section 42 of the Arbitration Act 2005 ("**JV's Section 42 Application**").

On 4 July 2013, the JV filed another application to set aside the Award under Section 37 of the Arbitration Act 2005 whereby Yusof Holmes ("**Holmes**") was named the 2nd Defendant ("**JV's Section 37 Application**") on the basis that there has been *inter alia*, a breach of Holmes' statutory duty under the Arbitration Act 2005 and that the Award is in conflict with the public policy in Malaysia.

On 21 August 2013, Holmes filed a notice of application to stay the JV's Section 37 Application ("**Holmes' Stay Application**") pending the final disposal or conclusion of the following criminal proceeding against Holmes with the Penang Sessions Court and Kuala Lumpur Sessions Court Case.

On 7 November 2013, the JV's Section 42 Application was heard and was subsequently dismissed on 9 June 2014 with costs of RM75,000 to be paid to W&F. On 7 July 2014, the JV appealed to the Court of Appeal against the decision of the High Court in respect of the dismissal of the JV's Section 42 Application.

Holmes' Stay Application was heard before the High Court Judge on 4 July 2014 and was dismissed on 10 July 2014,

On 24 July 2014, Holmes filed a notice of application to strike out the JV's Section 37 Application against him and for him to be removed as a party in the proceedings ("**Holmes' Striking Out Application**"). Holmes' Striking Out Application was heard on 2 September 2014 and allowed by the judge on 17 September 2014.

On 16 December 2014, the Court dismissed the JV's Section 37 Application with costs. Consequentially, W&F's Enforcement Application was allowed by the High Court judge.

On 30 December 2014, the JV filed notices of appeal to the Court of Appeal against the decisions of the High Court in relation to the dismissal of the JV's Section 37 Application and W&F's Enforcement Application.

The JV's appeals to the Court of Appeal in respect of the dismissals of the JV's Section 37 Application, JV's Section 42 Application and W&F's Enforcement Application are fixed for hearing before the Court of Appeal on 18 and 19 May 2016.

ADDITIONAL INFORMATION (Cont'd)

The solicitors acting for the JV in the abovesaid court proceedings have stated that they are unable to comment on or express any firm view as solicitors as to the probable outcome of the current proceedings given that the outcome of any case in legal proceedings cannot be predicted with certainty and they are also unable and not in the position to comment on whether there is any proceeding or action which might materially affect the position or business, financial or otherwise of any of the companies within the Group or which may affect the Group's title to or possession of the assets of the Group.

5. GENERAL

- (i) There is no existing or proposed service contract entered or to be entered into by our Company with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this Abridged Prospectus.
- (ii) Save as disclosed in this Abridged Prospectus, the financial conditions and operations of our Group are not affected by any of the following:-
 - (a) known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure of our Group;
 - (c) unusual, infrequent events or transactions or significant economic changes that will materially affect the amount of reported income from operations and to the extent to which income was so affected;
 - (d) known trends or uncertainties which have had or will have, a material favourable or unfavourable impact on our Group's revenue or operating income;
 - (e) substantial increase in revenue; and
 - (f) material information, including special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

6. CONSENTS

Our Principal Adviser, Company Secretary, Principal Banker, Share Registrar, Bloomberg and the Solicitors for the Rights Issue of Warrants have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names and all references thereto, in the form and context in which they appear in this Abridged Prospectus.

Our Auditors and Reporting Accountants have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names, the letter on the proforma consolidated statements of financial position of our Group as at 31 July 2015, the audited consolidated financial statements of our Group for the FYE 31 July 2015, and all references thereto, in the form and context in which they appear in this Abridged Prospectus.

ADDITIONAL INFORMATION (Cont'd)

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are made available for inspection at the registered office of our Company at Menara Gamuda, D-16-01, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, during normal business hours from Monday to Friday (except public holidays) for a period of twelve (12) months from the date of this Abridged Prospectus:-

- (i) Our Memorandum and Articles of Association;
- (ii) The Deed Poll constituting the Warrants;
- (iii) The material contracts referred to in **Section 3** of this **Appendix VII**;
- (iv) The relevant cause papers in respect of the material litigation referred to in **Section 4** of this **Appendix VII**;
- (v) Our audited consolidated financial statements for the past two (2) financial years up to the FYE 31 July 2015;
- (vi) Our unaudited consolidated results for the three (3)-month FPE 31 October 2015;
- (vii) The proforma consolidated statements of financial position of our Group as at 31 July 2015 together with the notes and Reporting Accountants' letter thereon as set out in **Appendix III** of this Abridged Prospectus;
- (viii) Our Directors' Report as set out in **Appendix VI** of this Abridged Prospectus;
- (ix) The consent letters referred to in **Section 6** of this **Appendix VII**; and
- (x) The Undertaking letters from the Undertaking Shareholders as referred to in **Section 9** of this Abridged Prospectus.

8. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

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

NOTICE OF PROVISIONAL ALLOTMENT OF WARRANTS

All abbreviations used herein shall have the same meaning as those defined in the "Definitions" section of the abridged prospectus dated 11 February 2016 ("Abridged Prospectus") unless stated otherwise. The provisional allotment of Warrants (as defined herein) are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 ("SICDA") and therefore, the SICDA and the Rules of Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") shall apply in respect of dealings in the provisional allotment of Warrants.



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

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

Principal Adviser and Underwriter



RHB Investment Bank Berhad
(Company No. 19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

To: The shareholders of Gamuda

Dear Sir/Madam,

Our Board of Directors ("Board") has provisionally allotted to you, in accordance with the approval of Bursa Malaysia Securities Berhad ("Bursa Securities") dated 28 October 2015 and the ordinary resolution passed by our shareholders at the extraordinary general meeting convened on 7 December 2015, the number of Warrants as indicated below ("**Provisional Allotment**").

We wish to advise that the following number of Warrants provisionally allotted to you in respect of the Rights Issue of Warrants have been confirmed by Bursa Depository upon acceptance, and will be credited into your Central Depository System ("**CDS**") account(s) subject to the terms and conditions stated in the Abridged Prospectus and the Rights Subscription Form ("**RSF**") issued by our Company.

The Provisional Allotment is made subject to the provisions in the Abridged Prospectus issued by our Company. Bursa Securities has already prescribed the securities of our Company listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Provisional Allotment arising from the Rights Issue of Warrants are prescribed securities and, as such, all dealings in the Provisional Allotment will be by way of book entries through CDS accounts and will be governed by the SICDA and the Rules of Bursa Depository.

ALL THE WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE OF WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING THE WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATES WILL BE ISSUED.

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

- (a) firstly, to minimise the incidence of odd lots;
- (b) secondly, for allocation to Entitled Shareholders who have applied for excess Warrants, on a pro-rata basis and in board lots, calculated based on their respective shareholdings as at the entitlement date;
- (c) thirdly, for allocation to Entitled Shareholders who have applied for excess Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess Warrants applied for; and
- (d) finally, for allocation to the transferee(s) and/or renounee(s) who have applied for excess Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess Warrants applied for.

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

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER		

NUMBER OF GAMUDA SHARES HELD AT 5.00 P.M. ON 11 FEBRUARY 2016	NUMBER OF WARRANTS PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.25 PER WARRANT (RM)

IMPORTANT RELEVANT DATES AND TIMES:	
Entitlement Date.....	Thursday, 11 February 2016 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	Thursday, 18 February 2016 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	Tuesday, 23 February 2016 at 4.00 p.m.
Last date and time for acceptance and payment.....	Friday, 26 February 2016 at 5.00 p.m.*
Last date and time for excess application and payment	Friday, 26 February 2016 at 5.00 p.m.*
* or such later date and time as the Board may determine, subject to the consent of our Underwriter, and announce not less than two (2) Market Days before the stipulated date and time.	

By order of the Board
LIM SOO LYE (LS 0006461)
Company Secretary

Share Registrar
INSURBAN CORPORATE SERVICES SDN BHD (76260-W)
149, Jalan Aminuddin Baki,
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel : 03-7729 5529
Fax : 03-7728 5948

THIS NOTICE OF PROVISIONAL ALLOTMENT IS DATED 11 FEBRUARY 2016.

WARNING: DO NOT DETACH ANY PART OF THIS DOCUMENT AND PLEASE SEND THIS DOCUMENT IN ITS ENTIRETY TO THE SHARE REGISTRAR.

NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS RSF

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT. IN ACCORDANCE WITH THE CAPITAL MARKETS AND SERVICES ACT, 2007, THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS DATED 11 FEBRUARY 2016 ("ABRIDGED PROSPECTUS").

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. If you have sold or transferred all your Gamuda Shares, you should at once hand the Abridged Prospectus together with the Notice of Provisional Allotment ("NPA") and RSF to the agent through whom you have affected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue of Warrants should be addressed to Gamuda's Share Registrar, Insurban Corporate Services Sdn Bhd, 149, Jalan Aminuddin Baki, Taman Tun Dr Ismail, 60000 Kuala Lumpur. **YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS TO WHICH THIS RSF RELATES BEFORE COMPLETING THIS RSF.**

The Rights Issue of Warrants is only for the entitled shareholders whose names are registered in the Record of Depositors maintained by Bursa Depository at 5.00 p.m. on Thursday, 11 February 2016. The Abridged Prospectus, together with the NPA and RSF are not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue of Warrants complies with the laws of any country or jurisdiction other than the laws of Malaysia. Any entitled shareholders and/or their renounee(s) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult your legal adviser as to whether the acceptance or renunciation (as the case may be) of your entitlements to the Rights Issue of Warrants would result in the contravention of any law of such countries or jurisdictions. Gamuda and RHB Investment Bank Berhad shall not accept any responsibility or liability, whatsoever, in the event that any acceptance or renunciation of provisional allotment by any entitled shareholders and/or their renounee(s) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

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

Approval from Gamuda's shareholders has been obtained at Gamuda's extraordinary general meeting held on 7 December 2015. Approval has also been obtained from Bursa Malaysia Securities Berhad ("Bursa Securities") via its letter dated 28 October 2015 for the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Warrants as well as the new Gamuda Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities. Admission to the Official List of Bursa Securities and quotation for the new securities are in no way reflective of the merits of the Rights Issue of Warrants.

The Board has seen and approved all the documentation relating to the Rights Issue of Warrants. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make the statements in the Abridged Prospectus, NPA and RSF false or misleading.

Unless otherwise stated, the unit of currency used in this RSF is Ringgit Malaysia or "RM" in abbreviation.

INSTRUCTIONS:

(I) LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT

The last date and time for acceptance of and payment for the Warrants is at 5.00 p.m. on Friday, 26 February 2016 or such later date and time as our Board may in its absolute discretion determine and announce not less than two (2) market days before the stipulated date and time.

(II) FULL OR PART ACCEPTANCE AND PAYMENT FOR THE WARRANTS

If you wish to accept all or any part of the Provisional Warrants, please complete Part I and Part III of this RSF in accordance with the notes and instructions contained herein and return this RSF, together with the appropriate remittance made in RM for the full amount payable for the Warrants accepted in the form of Banker's Draft(s), Cashier's Order(s), Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia crossed "ACCOUNT PAYEE ONLY", made payable to "GAMUDA BERHAD RIGHTS ISSUE OF WARRANTS ACCOUNT" and endorsed on the reverse side with your name, contact number, address and CDS account number in block letters, so as to be received by the Share Registrar by 5.00 p.m. on Friday, 26 February 2016 (or such later date and time as may be determined and announced by our Board not less than two (2) market days before the stipulated date and time).

The remittance must be made in the exact amount payable for the Warrants accepted. No acknowledgement of receipt of this RSF or application monies in respect of the Rights Issue of Warrants will be issued by our Company or the Share Registrar. However, if your application is successful, a notice of allotment will be despatched to you by ordinary post to the address as shown on the Record of Depositors provided by Bursa Depository at your own risk within eight (8) market days from the last date for acceptance of and payment for the Warrants or such other period as may be prescribed by Bursa Securities.

(III) APPLICATION FOR EXCESS WARRANTS

If you wish to apply for additional Warrants in excess to your entitlement, please complete Part II of this RSF (in addition to Parts I and III) and forward this RSF with a separate remittance made in RM for the full amount payable in respect of the excess Warrants applied for, to the Share Registrar. Payment for the excess Warrants applied for should be made in the same manner described in note (II) above, and in the form of Banker's Draft(s), Cashier's Order(s), Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia crossed "ACCOUNT PAYEE ONLY", made payable to "GAMUDA BERHAD EXCESS WARRANTS ACCOUNT" and endorsed on the reverse side with your name, contact number, address and CDS account number in block letters so as to be received by the Share Registrar by 5.00 p.m. on Friday, 26 February 2016 (or such later date and time as may be determined and announced by our Board not less than two (2) market days before the stipulated date and time).

No acknowledgement of receipt of this RSF or application monies in respect of the excess Warrants will be issued by our Company or the Share Registrar. However, if your application is successful, a notice of allotment will be despatched to you by ordinary post to the address as shown on the Record of Depositors provided by Bursa Depository at your own risk within eight (8) market days from the last date for application of and payment for the excess Warrants or such other period as may be prescribed by Bursa Securities.

In respect of unsuccessful or partially successful excess Warrants applications, the full amount or the balance of the application monies, as the case may be, shall be refunded without interest and shall be despatched to the applicant by ordinary post to the address as shown on the Record of Depositors provided by Bursa Depository at your own risk within 15 market days from the last date for application of and payment for the excess Warrants.

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

- (a) firstly, to minimise the incidence of odd lots; ;
- (b) secondly, for allocation to Entitled Shareholders who have applied for excess Warrants, on a pro-rata basis and in board lots, calculated based on their respective shareholdings as at the entitlement date;
- (c) thirdly, for allocation to Entitled Shareholders who have applied for excess Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess Warrants applied for; and
- (d) finally, for allocation to the transferee(s) and/or renounee(s) who have applied for excess Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess Warrants applied for.

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

(IV) SALE/TRANSFER OF THE PROVISIONAL ALLOTMENT OF WARRANTS

If you wish to sell or transfer all or part of your entitlement to the Provisional Warrants to one or more person(s), you may do so immediately through your stockbroker(s) for the period up to the last date and time for sale or transfer of such Provisional Warrants, without first having to request for a split of the Provisional Warrants standing to the credit of your CDS account. To sell or transfer all or part of your entitlement to the Provisional Warrants, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository.

If you have sold or transferred only part of the Provisional Warrants, you may still accept the balance of the Provisional Warrants by completing Parts I and III of this RSF.

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

Purchaser(s) or transferee(s) of the Provisional Warrants may obtain a copy of this RSF from his/her/their stockbroker(s), the Share Registrar, the Registered Office of Gamuda or the website of Bursa Securities (<http://www.bursamalaysia.com>).

(V) GENERAL INSTRUCTIONS

- (a) All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seals. You are advised to read, understand and consider carefully the contents of the Abridged Prospectus before signing this RSF.
- (b) Warrants subscribed by the entitled shareholders and/or their renounee(s) and/or their transferee(s) (if applicable) will be credited into their respective CDS accounts as stated in this RSF or the exact accounts appearing on Bursa Depository's Record of Depositors.
- (c) Any interest or other benefit accruing on or arising from or in connection with any application monies shall be for the benefit of our Company and our Company shall not be under any obligation to account for such interest or other benefit to you.
- (d) The contract arising from the acceptance of the Provisional Warrants by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract arising therefrom.
- (e) Our Board reserves the right not to accept or to accept any application in part only if the instructions herein stated are not strictly adhered to or which are illegible.
- (f) Malaysian Revenue Stamp (NOT POSTAGE STAMP) of RM10.00 must be affixed on this RSF. Entitled shareholders and/or their renounee(s) and/or their transferee(s) (if applicable) should note that the RSF and remittances so lodged with the Share Registrar shall not be subsequently withdrawn.