

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Period Ended 31 October 2014

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 2014.
- 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 2014, except for the adoption of the following Financial Reporting Standards (FRSs) and Amendments to FRSs and IC Interpretations:

Effective for annual periods beginning on or after 1 January 2014:

Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, 12 & 127	Investment Entities
FRS 136	Recoverable Amount Disclosures for Non-Financial Assets (Amendments to FRS 136)
FRS 139	Novation of Derivatives and Continuation of Hedge Accounting (Amendments to FRS 139)
IC Interpretation 21	Levies

Effective for annual periods beginning on or after 1 July 2014:

Amendments to FRS 119	Defined Benefit Plans: Employee Contributions
Amendments to FRSs	Annual Improvements to FRSs 2010 – 2012 Cycle
Amendments to FRSs	Annual Improvements to FRSs 2011 – 2013 Cycle

The above FRSs, Amendments to FRSs and IC interpretations do not have any significant impact on the financial performance and position of the Group.

Malaysian Financial Reporting Standards (MFRS Framework)

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

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

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for 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.

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1. Basis of Preparation (cont'd)

1.4) Additional information

With effect from 1 August 2013, the Group recognised its interests in joint ventures pursuant to FRS 11 Joint Arrangements.

The following are the impact of FRS 11 on the Group's Consolidated Income Statements:-

	Before FRS 11 RM'000	Effect of adopting FRS 11 RM'000	After FRS 11 RM'000
<u>For the quarter ended 31 October 2014</u>			
Revenue	1,159,490	(589,854)	569,636
Operating expenses	(958,435)	526,053	(432,382)
Other income	19,050	(6,444)	12,606
Profit from operations	220,105	(70,245)	149,860
Finance costs	(29,350)	2,320	(27,030)
Share of profits of associated companies	55,649	-	55,649
Share of profits of joint ventures	-	50,359	50,359
Profit before taxation	246,404	(17,566)	228,838
Taxation	(46,760)	17,566	(29,194)
Profit for the period	199,644	-	199,644
Profit attributable to :-			
Owners of the Company	185,849	-	185,849
Non-controlling interests	13,795	-	13,795
	199,644	-	199,644

	Before FRS 11 RM'000	Effect of adopting FRS 11 RM'000	After FRS 11 RM'000
<u>For the quarter ended 31 October 2013</u>			
Revenue	1,206,077	(719,957)	486,120
Operating expenses	(1,050,077)	653,907	(396,170)
Other income	14,508	(1,768)	12,740
Profit from operations	170,508	(67,818)	102,690
Finance costs	(16,744)	2,733	(14,011)
Share of profits of associated companies	57,439	-	57,439
Share of profits of joint ventures	-	45,337	45,337
Profit before taxation	211,203	(19,748)	191,455
Taxation	(44,813)	19,748	(25,065)
Profit for the period	166,390	-	166,390
Profit attributable to :-			
Owners of the Company	165,480	-	165,480
Non-controlling interests	910	-	910
	166,390	-	166,390

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2. Audit Report of Preceding Annual Financial Statements

The audit report of the Group's annual financial statements for the year ended 31 July 2014 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.

6. Changes in Debt and Equity Securities

There were no cancellations, repurchases, resale of equity securities for the current quarter, except for the issuance of 954,200 new ordinary shares of RM1 each, pursuant to the conversion of warrants.

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7. Segmental Analysis

	Engineering and Construction	Property Development and Club Operations	Water and Expressway Concessions	Total
	RM'000	RM'000	RM'000	RM'000
3 months period ended 31 October 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>
3 months period ended 31 October 2013				
REVENUE				
Revenue as reported	276,635	178,962	30,523	486,120
Share of joint venture companies' revenue	616,385	99,007	4,565	719,957
Total revenue	<u>893,020</u>	<u>277,969</u>	<u>35,088</u>	<u>1,206,077</u>
RESULTS				
Profit from operations	49,985	39,073	13,632	102,690
Finance costs	(4,415)	(4,588)	(5,008)	(14,011)
Share of profits of associated companies	-	1,756	55,683	57,439
Share of profits of joint ventures	13,578	31,755	4	45,337
Profit before taxation	<u>59,148</u>	<u>67,996</u>	<u>64,311</u>	<u>191,455</u>
Percentage of segment results	31%	35%	34%	
Taxation				<u>(25,065)</u>
Profit for the period				<u>166,390</u>

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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 2014, except for the following:-

On 29 August 2014, the Company acquired the entire issued and paid-up share capital of Semarak Kuasa Sdn Bhd ("SKSB") comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00. SKSB is currently dormant and its intended principal activity is property development.

11. Dividend

The Board of Directors declares an interim dividend in respect of financial year ending 31 July 2015 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 28 January 2015;
- iv. In respect of deposited securities, entitlement to dividends to be determined on the basis of the record of depositors as at 14 January 2015.

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.

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13. Review of Performance

Overall Performance

The Group's revenue and profit before taxation for the current quarter can be analysed as follows:

Current Quarter

The increase in revenue mainly resulted from the recognition of revenue from Kesas Sdn Bhd, which is the concession holder of Shah Alam Expressway. The increase in profit before taxation resulted from higher contribution from property and water and expressway concessions division.

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

(a) CONSTRUCTION DIVISION

The decrease in revenue and profit before taxation for the current quarter resulted from the completion of the Electrified Double Tracking Railway Project in early November 2014.

(b) PROPERTY DIVISION

The increase in revenue and profit before taxation for the current quarter resulted from higher work progress from on-going projects.

(c) WATER AND EXPRESSWAY CONCESSIONS DIVISION

The increase in revenue and profit before taxation for the current quarter resulted from higher contribution from the Group's various expressways, particularly the Group's additional stake in Kesas Sdn Bhd.

14. Comparison with immediate Preceding Quarter's Results

	INDIVIDUAL QUARTER	
	Current Year Quarter 31-Oct-14 RM'000	Comparative Quarter 31-Jul-14 RM'000
Profit before taxation (excluding the following items)	228,838	228,622
Gain on remeasurement of existing interest in a subsidiary upon obtaining control	-	194,203
Write offs - premium paid for water concession assets and goodwill	-	(187,062)
Profit before taxation as reported	<u>228,838</u>	<u>235,763</u>

The Group's profit before taxation of RM228.8 million for the current quarter was slightly higher than the immediate preceding quarter's profit before taxation (excluding gain on remeasurement of existing interest in a subsidiary upon obtaining control and write offs - premium paid for water concession assets and goodwill) of RM228.6 million.

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15. Current Year Prospects

Overall Prospects

The Group anticipates a good performance this year from on-going construction projects, substantial unbilled sales of the property division and steady earnings from the water and expressway concessions division.

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

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.

Cumulative progress at the end of November 2014 was 56% 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 as works on elevated viaducts, stations and underground tunnels pick up pace. Substructure works (piling, pilecaps and piers) are substantially completed. Segmental box girders that will form the elevated guideway of the twin rail tracks are 55% completed, with 21 launching gantries in operation.

Systems works are at the final stages of design. The test track at the Sg Buloh Depot is completed and is ready to commence the testing of the first 2 MRT electric trains. 8 sets of works trains that will be used by the works package contractors for the installation of the MRT systems have been delivered.

Underground Works Package:

The underground works package has achieved a certified progress of 72% at the end of November 2014.

Only 2 TBMs are currently mining, and both are expected to complete by end March 2015. The TBMs from the completed tunnel drives have been decommissioned, retrieved and are undergoing refurbishment in Ipoh, ready to start the next project.

Construction of the 7 underground stations is also progressing well. Major works are centred on the construction of the superstructures of the multi-level stations such as the station box and floor slabs.

Klang Valley Mass Rapid Transit: Sungai Buloh – Serdang – Putrajaya Line / Line 2 Project

On 28 October 2014, MMC Corporation Berhad – Gamuda Berhad Joint Venture (“JV”) received a Letter of Award from MRT Corp appointing the JV as the Project Delivery Partner for the implementation of the Line 2 project. Discussion on the terms of the project delivery partner agreement is currently ongoing.

Electrified Double Tracking Railway Project

With the completion of the remaining section from Bukit Mertajam to Butterworth (Spur line) in early November 2014, the project was handed over to the client on time.

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15. Current Year Prospects (cont'd)

(b) PROPERTY DIVISION

The division achieved sales of RM 243 million for the first quarter of this financial year, down from the previous quarter sales of RM 308 million due to the sluggish property markets in Klang Valley and Johor as a result of the tightening measures imposed by Bank Negara Malaysia. Unbilled sales at the end of this quarter were RM 1.5 billion.

Malaysia

In the immediate future, property sales in Malaysia is expected to be more challenging as a result of the various tightening measures imposed by Bank Negara Malaysia. Projects still in the planning stage include a 5-acre high rise development at Kelana Jaya and two parcels of land, 724 acres at Serai and 89 acres at Kundang, which will be developed into a comprehensive integrated township comprising residential and commercial properties. The total Gross Development Value ("GDV") for these new projects is estimated at RM 6 billion.

The division acquired 2 plots of land in Selangor – 1,530 acres of leasehold land located along the Expressway Lingkaran Tengah ("ELITE Highway") and 257 acres of leasehold land located 2 kilometres southeast of Kota Kemuning, Shah Alam – with a combined GDV of RM 22 billion.

Vietnam

The Vietnamese market continued to show signs of improvement. At Gamuda City in Hanoi, sales has increased noticeably following the completion of the residential landed properties and the setting up of a reputable international school there.

Similarly at Celadon City in Ho Chi Minh City, sales continued to improve following the completion of the two blocks of apartments and the opening of Aeon retail mall in January 2014.

In tandem with robust outlook on Vietnam's economy and further liberalisation of foreign ownership of properties in Vietnam, we expect that sales will continue to pick up.

The remaining Gross Development Value for existing and new projects:

Projects	Balance Acreage	GDV (RM mil)
<u>Existing</u>	750	8,000
• Bandar Botanic		
• Horizon Hills		
• Jade Hills		
• Others		
<u>New</u>	2,650	28,700
• High Park Residences (Kelana Jaya)		
• Serai / Kundang		
• Tanjung Dua Belas		
• Others		
<u>Overseas</u>	500	10,300
• Gamuda City		
• Celadon City		
Total	3,900	47,000

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15. Current Year Prospects (cont'd)

(c) WATER AND EXPRESSWAY CONCESSIONS DIVISION

(i) Expressway

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

(ii) Water

Discussions with the Selangor State Government had commenced.

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	
	2014	2013
	RM'000	RM'000
Malaysian & foreign income tax	29,194	25,065

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 lower than the statutory tax rate primarily due to certain countries have lower effective tax rate.

18. Status of Corporate Proposals

Water

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 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. 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 RM250.6 million for Splash Holdings when compared to its net asset value ("NAV") of RM2.54 billion as at 31 December 2013 will result in a huge divestment loss of RM920 million to the Company. The offer of RM250.6 million is below 10% of Splash Holdings' NAV. The offer was therefore not reasonable for acceptance by the Company.

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18. Status of Corporate Proposals (cont'd)

The Company informed KDEB that it was however, amenable to accepting an offer by KDEB to acquire the equity of 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).
- (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).

On 6 March 2014, Splash received a letter from Lembaga Urus Air Selangor ("LUAS") informing Splash that its existing license to extract raw water expiring on 30 June 2014 will not be renewed after its expiry ("LUAS' Decision"). On 24 April 2014, Splash filed an application in the Kuala Lumpur High Court for leave to issue Judicial Review proceedings ("JR proceedings") against LUAS' Decision. On 20 June 2014, the High Court Judge granted leave to Splash to issue JR proceedings and a stay order against LUAS' Decision.

Discussions with the Selangor State Government had commenced.

19. 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-14 RM Equivalent '000
Long Term Borrowings		
Medium Term Notes (Gamuda)		1,200,000
Medium Term Notes (KESAS)		735,000
Term Loan		
-denominated in US Dollar (Gamuda)	92,000	302,625
-denominated in Vietnamese Dong (Celadon City)	1,433,836,042	223,248
Term Loan (Jade Homes)		17,916
		<u>2,478,789</u>
Short Term Borrowings		
Revolving Credits		
-denominated in US Dollar (Gamuda)	53,000	174,338
Medium Term Notes (Gamuda)		320,000
Term Loan		
-denominated in Vietnamese Dong (Celadon City)	398,353,818	62,024
Term Loan (Jade Homes)		44,520
		<u>600,882</u>
		<u>3,079,671</u>

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20. Derivative Financial Instruments and Fair Value Changes in Financial Liabilities

The Group has entered into the following Interest Rate Swap ("IRS") contracts to hedge the payment of interest on bank borrowings from a floating rate to a fixed rate.

Interest Rate Swap	Interest		Contract amount in foreign currency USD'000	Maturity		Fair value of Derivative Liabilities RM'000	Contract dates	Maturity dates
	From floating rate	To fixed rate		1 to 3 years RM'000	More than 3 years RM'000			
USD	3 month LIBOR	1.845% to 2.495%	45,000	148,023	-	1,288	Nov 2009 to July 2010	Nov 2014 to July 2015

The basis of fair value measurement is the difference between the contracted IRS rates and the market IRS rates. The losses are due to the unfavourable fluctuation in market interest rates.

There is minimal counter party credit risk as the IRS were entered into with reputable banks.

21. Changes in Contingent Liabilities or Contingent Assets

There is no significant contingent liabilities or contingent assets.

22. Provision of Financial Assistance

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

MMC Corporation Berhad ("MMC") and Gamuda Berhad Joint Venture was awarded the RM8.28 billion underground works package of the Klang Valley Mass Rapid Transit Project. 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.

Work on this package has commenced. The Parent Company Guarantees have not been called because the SPV has performed and met its obligations in compliance with the terms of the contract.

23. Capital Commitments

The amount for commitments for capital expenditure not provided for in the interim financial statements as at 31 October 2014 are as follows:

	RM'000
Approved and contracted for :-	
Land for property development	1,025,787
Property, plant & equipments	13,622
Investment property	16,207
	<u>1,055,616</u>

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24. Realised and Unrealised Profit or Losses

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

	<u>Note</u>	<u>As at 31-Oct-14</u>	<u>As at 31-Jul-14</u>
		<u>RM'000</u>	<u>RM'000</u>
Total retained profits of the Company and its subsidiaries			
- Realised		2,025,097	1,850,351
- Unrealised	1	<u>(126,580)</u>	<u>(75,485)</u>
		<u>1,898,517</u>	<u>1,774,866</u>
Total share of retained profits from joint arrangements			
- Realised		429,261	330,330
- Unrealised	1	<u>(24,612)</u>	<u>(114)</u>
		<u>404,649</u>	<u>330,216</u>
Total share of retained profits from associated companies			
- Realised		1,302,504	1,318,278
- Unrealised	1	<u>(309,587)</u>	<u>(342,038)</u>
		<u>992,917</u>	<u>976,240</u>
Less : Consolidated adjustments	2	(627,060)	(598,148)
Total Group retained profits		<u>2,669,023</u>	<u>2,483,174</u>

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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25. 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 RM 96,297,229.03;
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.

On 21 August 2013, Mr 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 Mr Holmes:

- 1) Penang Sessions Court (1) Case No: 62(R)-141-6/2013; and
- 2) Kuala Lumpur Sessions Court Case No: 62R-005-07-2013.

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25. Material Litigations (cont'd)

On 6 September 2013, W&F filed an application under Order 15 rule 5(1) of the Rules of Court 2012 to bifurcate the JV's Section 37 Application against W&F and Mr. Holmes ("W&F's Order 15 Application").

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 has appealed against the decision of the High Court in respect of the JV's Section 42 Application and the appeal is currently pending before the Court of Appeal.

Following the dismissal of the JV's Section 42 Application, the learned Judge gave the following directions in respect of the JV's Section 37 Application:

- (i) Holmes' Stay Application and W&F's Order 15 Application are fixed for hearing on 30 June 2014 at 10.30am; and
- (ii) Further directions for the management of the JV's Section 37 Application will be provided after the abovementioned interlocutory applications have been disposed of.

The hearing of Holmes' Stay Application and W&F's Order 15 Application was held on 4 July 2014 and decision was fixed for 10 July 2014. On 10 July 2014, Holmes' Stay Application was dismissed with costs in the cause and in view of the dismissal of Holmes' Stay Application, W&F decided to withdraw the Order 15 Application. The Court also fixed the JV's Section 37 Application for hearing on 20 October 2014.

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. The Judge directed that the JV's Conversional/Oral Applications is to be heard on 20 October 2014.

On 20 October 2014, the JV's Section 37 Application was heard before the Honourable Dato' Mary Lim Thiam Suan. At the conclusion of the hearing, the learned Judge fixed the JV's Section 37 Application for decision on 26 November 2014 and mention of W&F's Enforcement Application. Further directions on the JV's Conversion/Oral Applications will be made on 26 November 2014 (if necessary¹).

By way of letter dated 25 November 2014, the Court informed the parties that the decision date on 26 November 2014 had been adjourned to 16 December 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 learned High Court Judge.

¹ **Explanatory Note:** During the first hearing date of the JV's Conversion/Oral Applications on 1 October 2014, the parties discussed the way to deal with the said application. W&F's counsel took the position that the JV's Conversion/Oral Applications is unnecessary because even if all the matters stated in the JV's affidavits (in relation to Holmes are taken to be true), those matters are not relevant for the purpose of the JV's Section 37 Application. Therefore, W&F was prepared to proceed with the hearing of the JV's Section 37 Application on the basis that the contents of the JV's affidavits are true. Counsel for W&F added, if the parties are to take this approach in dealing with the JV's Conversion/Oral Applications and the JV's Section 37 Application, W&F would need a fall-back position i.e. in the event if Court is of the view that the matters stated in JV's affidavits in relation to Holmes are in fact, relevant for the JV's Section 37 Application. The fall-back position is, the JV would then have to prove/substantiate the matters which the Court found to be relevant for the purpose of the JV's Section 37 Application (through the JV's Conversion/Oral Applications).

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(The figures have not been audited)

25. Material Litigations (cont'd)

¹ Explanatory Note (cont'd)

The parties agreed to deal with both the JV's Conversion/Oral Applications and the JV's Section 37 Application in the manner as suggested by the counsel for W&F. Indeed, on 20 October 2014, the hearing of the JV's Section 37 Application proceeded on the basis that all the matters stated in the JV's Affidavits are true. Therefore, depending on the learned judge's findings based on the submissions by the counsel on 20 October 2014, on 26 November 2014, the Court may give directions on the JV's Conversion/Oral Applications (if necessary).

26. Earnings Per Share

	Current Quarter 31-Oct-14
Basic	
Net profit attributable to shareholders (RM'000)	185,849
Number of ordinary shares in issue as at 1 Aug 2014 ('000)	2,323,357
Effect of shares issued during the period ('000)	689
Weighted average number of ordinary shares in issue ('000)	2,324,046
Basic earnings per ordinary share (sen)	8.00
Diluted	
Net profit attributable to shareholders (RM'000)	185,849
Weighted average number of ordinary shares in issue ('000)	2,324,046
Assumed issued from exercise of Warrants 2010/2015 ('000)	37,380
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	2,361,426
Diluted earnings per ordinary share (sen)	7.87

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(The figures have not been audited)

27. 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-14
	RM'000
Interest income	(8,180)
Other income	(4,345)
Interest expense	27,030
Depreciation and amortisation	24,339
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	(81)
Impairment of assets	-
Loss on foreign exchange	603
Gain on derivatives	(615)

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.