

Gamuda Berhad (29579-T)

Quarterly Report On Consolidated Results For The Year Ended 31 July 2016

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.

Malaysian Financial Reporting Standards (MFRS Framework)

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

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

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for six years and adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Company falls within the scope definition of Transitioning Entities and accordingly, the Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 July 2019. In presenting its first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

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.

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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 year to date, except for the issuance of 6,350,000 and 6,738,000 new ordinary shares of RM1 each, pursuant to the exercise of the Employees' Share Option Scheme and the conversion of warrants respectively.

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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
12 months period ended 31 July 2016				
REVENUE				
Revenue as reported	905,215	757,869	458,815	2,121,899
Share of joint venture companies' revenue	1,665,379	363,887	19,732	2,048,998
Total revenue	<u>2,570,594</u>	<u>1,121,756</u>	<u>478,547</u>	<u>4,170,897</u>
RESULTS				
Profit from operations	140,076	80,441	273,621	494,138
Finance costs	(19,534)	(38,238)	(68,252)	(126,024)
Share of profits of associated companies	116	1,548	209,055	210,719
Share of profits of joint ventures	71,620	131,796	(1,591)	201,825
Profit before taxation	<u>192,278</u>	<u>175,547</u>	<u>412,833</u>	<u>780,658</u>
Percentage of segment results	25%	22%	53%	
Taxation				<u>(111,918)</u>
Profit for the year				<u>668,740</u>
12 months period ended 31 July 2015				
REVENUE				
Revenue as reported	1,157,740	841,549	400,629	2,399,918
Share of joint venture companies' revenue	2,015,715	323,372	21,085	2,360,172
Total revenue	<u>3,173,455</u>	<u>1,164,921</u>	<u>421,714</u>	<u>4,760,090</u>
RESULTS				
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	<u>222,278</u>	<u>257,703</u>	<u>378,208</u>	<u>858,189</u>
Percentage of segment results	26%	30%	44%	
Taxation				<u>(132,731)</u>
Profit for the year				<u>725,458</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 year ended 31 July 2016.

11. Dividends

- The Board of Directors does not recommend the payment of any final dividend in respect of the financial year ended 31 July 2016.
- The total dividend per share for the current financial year ended 31 July 2016 was single tier dividend of 12.00 sen per ordinary share.
- The total dividend per share for the previous financial year ended 31 July 2015 was single tier dividend of 12.00 sen per ordinary share.

12. Dividend Paid

	12 months ended 31 July	
	2016	2015
	RM'000	RM'000
<u>First Interim Dividends</u>		
First interim dividend comprising single tier dividend of 6.00 sen per ordinary share for the year ended 31 July 2016 was paid on 29 January 2016	144,354	-
(First interim dividend comprising single tier dividend of 6.00 sen per ordinary share for the year ended 31 July 2015 was paid on 28 January 2015)	-	140,889
<u>Second Interim Dividends</u>		
Second interim dividend comprising single tier dividend of 6.00 sen per ordinary share for the year ended 31 July 2016 was paid on 28 July 2016	145,105	-
(Second interim dividend comprising single tier dividend of 6.00 sen per ordinary share for the year ended 31 July 2015 was paid on 29 July 2015)	-	144,354
	<u>289,459</u>	<u>285,243</u>

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13. Review of Performance

Overall Performance

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

Current Quarter

The Group recorded revenue (including share of joint venture companies' revenue) and profit before taxation of RM1,074 million and RM210 million respectively as compared to RM1,320 million and RM191 million respectively in the preceding year comparative quarter.

The decrease in revenue for the current quarter is mainly due to tapering of underground and elevated works of the KVMRT – Line 1. The increase in profit before tax for current quarter is mainly due to cost saving arising from near completion of KVMRT – Line 1.

Current Year to date

The Group recorded revenue (including share of joint venture companies' revenue) and profit before taxation of RM4,171 million and RM781 million respectively as compared to RM4,760 million and RM858 million respectively in the preceding year corresponding period.

The decrease in revenue and profit before taxation for the current year to date mainly resulted from softening of the property market in Malaysia and tapering of underground and elevated works of the KVMRT – Line 1 project.

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

(a) CONSTRUCTION DIVISION

The decrease in revenue (including share of joint venture companies' revenue) and profit before taxation for the current year to date resulted from tapering of underground and elevated works of the KVMRT - Line 1 project.

(b) PROPERTY DIVISION

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

(c) WATER AND EXPRESSWAY CONCESSIONS DIVISION

The increase in revenue and profit before tax for the current year to date resulted from the toll rate hike of certain expressways.

14. Comparison with immediate Preceding Quarter's Results

The Group's profit before taxation of RM210 million for the current quarter was higher than the immediate preceding quarter's profit before taxation of RM186 million mainly due to higher contribution from construction division due to cost savings arising from near completion of KVMRT – Line 1.

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15. Next Year Prospects

Overall Prospects

The Group anticipates a good performance next year from on-going construction projects and steady earnings from the expressway concessions division. The property division's performance is expected to pick up in the next few quarters due to the launches of several new projects in Malaysia and overseas.

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 Line 1"):

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 August 2016 was 91% 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.

The Systems works for the SBK Line has reached 92%, as scheduled. Systems Acceptance Tests and System Integration Tests for Phase 1 and construction/installation for Phase 2 (Southern Section and Underground) are well underway.

Forty-four electric trains (out of which 22 trains have been earmarked for Phase 1 operations) have been delivered to the Depots. They are undergoing dynamic testing in the depot and on the Mainline to fine tune stopping accuracy and reliability of the rolling stock, signalling and train control systems.

Railway Systems Operational Readiness preparation is well under way. Operation and Maintenance Manuals have been prepared. Personnel of the Operator's company under Prasarana are going through Operation and Maintenance training by Master Instructors provided by PDP, in anticipation of the Trial Operation of Phase 1 commencing October 2016.

Underground Works Package ("UGW Line 1"):

The underground works package has achieved a progress of 92% at the end of August 2016.

Architectural and Building Services fit-out works continue at all stations and are moving into the final stages, with testing and commissioning of station systems ongoing. The external finishes and reinstatement works to surface areas at station entrances, shafts and portals are underway. The tunnels are substantially complete including rails and are now undergoing railway systems installation.

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15. Next Year Prospects (cont'd)

(a) CONSTRUCTION DIVISION (CONT'D)

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

Project Delivery Partner (“PDP Line 2”):

MMC Corporation Berhad – Gamuda Berhad Joint Venture is the Project Delivery Partner for the implementation of MRT Line 2.

Preparatory works such as relocation of utilities and site clearance are progressing well at various locations including Package V201 (Sungai Buloh to Persiaran Dagang), Package V202 (Persiaran Dagang to JinJang), Advance Work (Jalan Chan Sow Lin). Manufacturing of Segmental Box Girders are well under way.

Contract award programme is on track with 22 work packages for construction of MRT Line 2 awarded, comprising eight advance works packages, four viaduct packages, one underground work package, six system work packages, two designated supplier work packages and one depot work package. The tenders and awards for the remaining main elevated civil works and system package are expected to be substantially completed by the 4th quarter of 2016.

Underground Works Package (“UGW Line 2”):

Works in progress include site clearing works, site establishment works, demolition of existing structures, soil investigation and the procurement of the contractors for the retaining wall systems are underway. Assessment of the structural integrity of existing buildings and structures along the tunnel drives and adjacent to underground stations are ongoing.

There will be a total of 16 tunnel drives, utilising 12 tunnel boring machines (TBMs). Eight TBMs that were previously used for MRT Line 1 are undergoing refurbishment, while orders for the remaining TBMs have been placed.

The first TBM to be launched is targeted for the 4th quarter of 2017.

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). The SRS Consortium has accepted an extension of the validity of the LOA from the Penang State Government to 28th February 2017.

The major components of Phase 1 of the Project are (1) the Light Rail Transit (LRT) from George Town to Bayan Lepas (Penang International Airport), (2) the Pan Island Link (PIL) highway and (3) Reclamation Works.

The detail environmental impact and assessment studies (DEIA) are at the final stages and are due to be completed by end of 2016. The Railway Scheme for the LRT has been submitted to Suruhanjaya Pengangkutan Awam Darat (SPAD) on 29 March 2016 for their review and approval.

Discussions on the scope, terms and conditions of the project delivery partner agreement is ongoing and the agreement is expected to be executed by the first quarter of 2017.

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15. Next Year Prospects (cont'd)

(a) CONSTRUCTION DIVISION (CONT'D)

Pan Borneo Highway – WPC 04

On 28 July 2016, the Company's 30%-owned Naim Engineering Sdn Bhd – Gamuda Berhad JV accepted the award of the Works Package Contract – WPC 04 (Pantu Junction to Btg Skrang in Sarawak) from Lebuhraya Borneo Utara Sdn Bhd. The contract value of RM1,567,200,000 is for a project duration of 51 months.

(b) PROPERTY DIVISION

The division achieved a full year sales of RM 2.1 billion resulting in a 75% jump from last year's RM1.2 billion sales. The jump was mainly contributed by the strong sales performance of its overseas projects especially Singapore.

Malaysia

On-going projects include:

- Madge Mansions and The Robertson in Kuala Lumpur
- HighPark Suites in Kelana Jaya
- Jade Hills in Kajang
- Bandar Botanic in Klang
- Horizon Hills in Iskandar Johor Region
- Bukit Bantayan Residences in Kota Kinabalu

Property sales continued to be weak on the back of the soft market. However, sales is expected to pick up in the next few quarters due to launches of several new projects.

Kundang Estates, an 89-acre boutique development offering modern countryside living in the north of Sungai Buloh will be launched in September 2016 and will generate a GDV of RM600 million.

Gamuda Gardens, an 812-acre mixed-use development strategically located at the intersections of the North-South Expressway, Guthrie Corridor Expressway and LATAR Expressway, is scheduled to be launched in early 2017 with a GDV of RM10 billion.

Twentyfive.7, a lifestyle integrated development on 257-acre of land adjacent to the award-winning Kota Kemuning Township will be launched in the first half of 2017. The project will generate a GDV of RM3.8 billion.

Planning and development approvals for the 1,530-acre development land at Tanjung Dea Belas, located opposite the Cyberjaya/Putrajaya interchange along Expressway Lingkaran Tengah (ELITE Highway) are currently ongoing.

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15. Next Year Prospects (cont'd)

(b) PROPERTY DIVISION (CONT'D)

Overseas

Overseas projects, especially in Singapore and Vietnam, delivered a strong performance and contributed 75% of the division's total project sales.

The division's maiden foray into Singapore, GEM Residences in Toa Payoh, received good response since its launch at end May 2016 with 56% of units sold to-date. The project is expected to generate an estimated GDV of SGD650 million.

Sales performance in Vietnam continued to be robust, aided by improved economic and infrastructure conditions and lower interest rates. At Gamuda City in Hanoi, sales continued to pick up in tandem with the increasing demand of the property market.

At Celadon City in Ho Chi Minh City, sales of the third and fourth apartment blocks continued to improve with various facilities available, including the Aeon retail mall and its own Celadon Sports & Resort Club which was opened in July 2016.

Officially launched in August 2016, 661 Chapel Street is a luxury high rise development located in South Yarra, Melbourne, Australia. The development is expected to garner interest among the locals and foreign investors alike due to its strategic location in a mature and affluent neighbourhood with easy access to schools and lifestyle amenities.

The remaining GDV of existing and new projects:

Projects	Balance Acreage	GDV (RM mil)
<u>Existing</u>	628	7,899
• Horizon Hills		
• Jade Hills		
• HighPark Suites		
• The Robertson		
• Others		
<u>New</u>	2,705	34,542
• Kundang Estates and Gamuda Gardens		
• Twentyfive.7 in Kota Kemuning		
• Tanjung Dua Belas		
• Others		
<u>Overseas</u>	477	13,303
• Vietnam - Gamuda City and Celadon City		
• Melbourne - 661 Chapel Street		
• Singapore - Gem Residences		
Total	3,810	55,744

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15. Next 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 at an advanced stage. An agreement on the disposal of Splash is expected to be reached by end 2016.

16. Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

17. Taxation

	3 months ended 31 July		12 months ended 31 July	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
The taxation is derived as below:				
Malaysian & foreign income tax	49,414	35,528	111,918	132,731

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

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18. Status of Corporate Proposals

On 28 September 2015, the Company announced its proposal to undertake a renounceable rights issue of up to 412,445,675 warrants ("Warrants") on the basis of one (1) Warrant for every six (6) existing Gamuda shares ("Shares") held at an issue price of RM0.25 per Warrant ("Proposal").

Bursa Malaysia Securities Berhad ("Bursa Securities") vide its letter dated 28 October 2015 approved the listing of and quotation for the Warrants as well the new Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities. On 7 December 2015, the shareholders of the Company approved the Proposal at an Extraordinary General Meeting held. Subsequently on 18 January 2016, the Company announced that the exercise price of the Warrants had been fixed at RM4.05 per Warrant and it was further announced on 22 January 2016 that the entitlement date for the Proposal would be fixed as at the close of business on 11 February 2016.

As at the closing of the Warrants application on 26 February 2016, the Company had received valid acceptances and excess applications for a total of 1,037,550,990 Warrants, representing an over-subscription of 636,566,481 Warrants or 158.75% of the total number of Warrants available for subscription.

The Proposal was completed on 11 March 2016 with the listing of and the quotation for 400,984,509 Warrants on the Main Market of Bursa Securities.

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19. Group Borrowings and Debt Securities

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

	Foreign Currency '000	As at 31-Jul-16 RM Equivalent '000
<u>Long Term Borrowings</u>		
Medium Term Notes (Gamuda)		1,800,000
Medium Term Notes (Kesas)		645,000
Medium Term Notes (Gamuda Gardens)		500,000
<u>Term Loan</u>		
-denominated in Ringgit Malaysia (Gamuda)		388,173
-denominated in Ringgit Malaysia (Twentyfive.7)		300,000
-denominated in Vietnamese Dong (Gamuda City)	1,237,500,000	223,245
-denominated in Vietnamese Dong (Celadon City)	1,688,500,000	304,606
-denominated in Australian Dollar (Chapel Street)	2,500	7,634
		<u>4,168,658</u>
<u>Short Term Borrowings</u>		
Medium Term Notes (Kesas)		90,000
Revolving Credits		
-denominated in US Dollar (Gamuda City)	110,000	447,370
Commercial Papers (Gamuda)		100,000
Term Loan (Jade Hills)		2,289
		<u>639,659</u>
		<u>4,808,317</u>

20. Changes in Contingent Liabilities or Contingent Assets

There is no significant contingent liabilities or contingent assets.

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21. 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 and MRT Line 2. MMC and Gamuda established a special purpose vehicle ("SPV") known as MMC Gamuda KVMRT (T) Sdn Bhd to undertake the works package. The SPV is equally owned by MMC and Gamuda. As the works package is undertaken by a SPV, MMC and Gamuda issued Parent Company Guarantees to guarantee the due performance and obligations of the SPV.
2. MMC Corporation Berhad ("MMC") and Gamuda Berhad Joint Venture was appointed as the Project Delivery Partner ("PDP") for the MRT Line 2. MMC and Gamuda established a special purpose vehicle ("SPV 2") known as MMC Gamuda KVMRT (PDP SSP) Sdn Bhd to be the PDP. The SPV 2 is equally owned by MMC and Gamuda. As the work is undertaken by a SPV, MMC and Gamuda issued Parent Company Guarantees to guarantee the due performance and obligations of the SPV 2.

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

22. Capital Commitments

The amount for capital commitments not provided for in the interim financial statements as at 31 July 2016 are as follows:

	RM'000
Approved and contracted for :-	
Plant & equipment	<u>3,322</u>

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23. 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-Jul-16</u>	<u>As at 30-Apr-16</u>
		<u>RM'000</u>	<u>RM'000</u>
Total retained profits of the Company and its subsidiaries			
- Realised		2,009,150	1,928,178
- Unrealised	1	<u>(193,419)</u>	<u>(54,528)</u>
		<u>1,815,731</u>	<u>1,873,650</u>
Total share of retained profits from joint arrangements			
- Realised		886,412	847,155
- Unrealised	1	<u>(39,324)</u>	<u>(22,526)</u>
		<u>847,088</u>	<u>824,629</u>
Total share of retained profits from associated companies			
- Realised		1,562,794	1,437,711
- Unrealised	1	<u>(212,169)</u>	<u>(202,807)</u>
		<u>1,350,625</u>	<u>1,234,904</u>
Less : Consolidated adjustments	2	<u>(796,333)</u>	<u>(723,065)</u>
Total Group retained profits		<u>3,217,111</u>	<u>3,210,118</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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24. Material Litigations

- (a) 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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(The figures have not been audited)

24. 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 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 were heard before the Court of Appeal on 2 and 3 August 2016. The Court of Appeal had on 26 August 2016 dismissed the JV's appeals with cost. The JV intends to file a notice of appeal for leave of the Federal Court against the Court of Appeal's dismissal.

- (b) On 27 June 2016, Gamuda Berhad announced that its jointly controlled entity, MMC Gamuda KVMRT (PDP) Sdn Bhd ("PDP") has, on 24 June 2016, been served with a writ and statement of claim filed by Accolade Land Sdn Bhd ("Accolade") against Mass Rapid Transit Corporation Sdn Bhd ("MRT Corp"), PDP and other parties.

The suit is premised on an alleged breach of an alleged contract between Accolade and MRT Corp relating to the acquisition of land belonging to Accolade by MRT Corp for the Klang Valley Mass Rapid Transit project.

Accolade is claiming, jointly and severally against the defendants, damages in the sum of RM303,534,216.00, with interest and costs.

On 4 August 2016, the PDP filed an application to strike out the Accolade's Writ and Statement of Claim on the premise that it discloses no reasonable cause of action, is scandalous, frivolous and vexatious and amounts to an abuse of process ("PDP's 1st Striking Out Application"). On 15 September 2016, the PDP filed an application to strike out parts of Accolade's Amended Reply to the PDP's Defence on the premise that they are scandalous, frivolous and vexatious and amounts to an abuse of process ("PDP's 2nd Striking Out Application"). The PDP's 1st Striking out Application has been fixed for hearing before the Judge on 5 October 2016. No hearing date has been fixed in respect of the PDP's 2nd Striking Out Application. PDP will take steps to defend itself and oppose the legal suit.

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Notes To The Interim Financial Statements

(The figures have not been audited)

24. Earnings Per Share

	Current Quarter 31-Jul-16	Current Year To Date 31-Jul-16
Basic		
Net profit attributable to shareholders (RM'000)	<u>152,098</u>	<u>626,133</u>
Number of ordinary shares in issue as at 1 Aug 2015 ('000)	2,405,905	2,405,905
Effect of shares issued during the period ('000)	<u>10,316</u>	<u>3,443</u>
Weighted average number of ordinary shares in issue ('000)	<u>2,416,221</u>	<u>2,409,348</u>
Basic earnings per ordinary share (sen)	<u>6.29</u>	<u>25.99</u>
Diluted		
Net profit attributable to shareholders (RM'000)	<u>152,098</u>	<u>626,133</u>
Weighted average number of ordinary shares in issue ('000)	2,416,221	2,409,348
- Assumed shares issued from the exercise of ESOS ('000)	19,434	16,088
- Assumed shares issued from the conversion of Warrants 2016/2020 ('000)	<u>62,293</u>	<u>54,523</u>
Adjusted weighted average number of ordinary shares for calculating diluted earnings per ordinary share ('000)	<u>2,497,948</u>	<u>2,479,959</u>
Diluted earnings per ordinary share (sen)	<u>6.09</u>	<u>25.25</u>

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(The figures have not been audited)

25. Notes to the Consolidated Statement of Comprehensive Income

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

	Current Quarter 31-Jul-16 RM'000	Current Year To Date 31-Jul-16 RM'000
Interest income	(24,802)	(67,137)
Other income	(7,240)	(41,129)
Interest expense	36,971	126,024
Depreciation and amortisation	31,989	121,531
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	(321)	(708)
Impairment of assets	-	-
(Gain)/loss on foreign exchange	(505)	6,440
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.