

**GAMUDA BERHAD (29579-T)**

**Condensed Consolidated Income Statement**

|   | INDIVIDUAL QUARTER                             |   | CUMULATIVE PERIOD                              |  |
|---|--|---|--|--|
|   | Current Year<br>Quarter<br>31-Jan-10<br>RM'000 | Comparative<br>Quarter<br>31-Jan-09<br>RM'000 | Current Year<br>To Date<br>31-Jan-10<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>31-Jan-09<br>RM'000 |
| Revenue   | 603,242  | 591,731                                       | 1,227,202                                      | 1,205,695  |
| Operating expenses  | (552,811)                                      | (556,473)                                     | (1,128,644)                                    | (1,128,111)  |
| Other income  | 9,129  | 7,753   | 16,469   | 13,483   |
| <b>Profit from operations</b>   | <b>59,560</b>                                  | <b>43,011</b>                                 | <b>115,027</b>                                 | <b>91,067</b>  |
| Finance costs   | (9,532)  | (11,433)                                      | (20,699)                                       | (22,206)   |
| Share of results of<br>associated companies                                 | 40,156   | 35,062  | 79,344   | 69,756   |
| <b>Profit before tax</b>  | <b>90,184</b>                                  | <b>66,640</b>                                 | <b>173,672</b>                                 | <b>138,617</b>   |
| Taxation  | (19,998)                                       | (15,792)                                      | (37,462)                                       | (30,295)   |
| <b>Profit for the period</b>  | <b>70,186</b>                                  | <b>50,848</b>                                 | <b>136,210</b>                                 | <b>108,322</b>   |
| Attributable to :-  |  |   |  |  |
| <b>Equity holders of the Company</b>  | <b>68,033</b>                                  | <b>49,056</b>                                 | <b>131,050</b>                                 | <b>104,092</b>   |
| Minority interests  | 2,153  | 1,792   | 5,160  | 4,230  |
|   | <b>70,186</b>                                  | <b>50,848</b>                                 | <b>136,210</b>                                 | <b>108,322</b>   |
| <b>Earnings per share attributable<br/>to equity holders of the Company</b> |  |   |  |  |
| Basic earnings per share (sen)  | <b>3.37</b>                                    | 2.45  | <b>6.50</b>                                    | 5.19   |
| Fully diluted earnings per share (sen)                                      | <b>3.36</b>                                    | 2.44  | <b>6.48</b>                                    | 5.18   |

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial statements.

**GAMUDA BERHAD (29579-T)**  
**Condensed Consolidated Balance Sheet**

|   | As at<br>31 Jan 10<br>RM'000 | As at<br>31 July 09<br>RM'000 |
|---|------------------------------|-------------------------------|
| <b>ASSETS</b>   |                              |                               |
| <b>Non-current assets</b>   |                              |                               |
| Property, plant and equipment   | 336,742                      | 364,419                       |
| Land held for property development                                      | 437,531                      | 482,678                       |
| Investment properties   | 2,629                        | 2,648                         |
| Prepaid land lease payments   | 6,429                        | 6,650                         |
| Motorway development expenditure  | 325,466                      | 326,271                       |
| Concession and quarry rights  | 64,198                       | 65,747                        |
| Investment in associated companies                                      | 1,341,430                    | 1,286,680                     |
| Other investments   | 733                          | 733                           |
| Deferred tax assets   | 24,876                       | 23,114                        |
| Receivables   | 40,306                       | 40,306                        |
|   | 2,580,340                    | 2,599,246                     |
| <b>Current assets</b>   |                              |                               |
| Property development costs  | 455,301                      | 440,186                       |
| Inventories   | 65,637                       | 101,082                       |
| Receivables   | 1,033,093                    | 1,079,815                     |
| Amount due from customers for construction contracts                    | 328,405                      | 379,319                       |
| Tax recoverable   | 13,938                       | 24,114                        |
| Marketable securities   | 182,303                      | 100,668                       |
| Cash and bank balances  | 1,367,095                    | 1,154,029                     |
|   | 3,445,772                    | 3,279,213                     |
| <b>TOTAL ASSETS</b>   | 6,026,112                    | 5,878,459                     |
| <b>EQUITY AND LIABILITIES</b>   |                              |                               |
| <b>Equity attributable to equity holders of the Company</b>             |                              |                               |
| Share capital   | 2,017,485                    | 2,009,257                     |
| Reserves  | 1,194,876                    | 1,151,754                     |
| Shareholders' equity  | 3,212,361                    | 3,161,011                     |
| <b>Minority interests</b>   | 52,337                       | 46,763                        |
| <b>Total equity</b>   | 3,264,698                    | 3,207,774                     |
| <b>Non-current liabilities</b>  |                              |                               |
| Other payables  | 16,614                       | 15,651                        |
| Deferred tax liabilities  | 16,828                       | 17,083                        |
| Long term borrowings  | 1,264,036                    | 1,210,500                     |
|   | 1,297,478                    | 1,243,234                     |
| <b>Current liabilities</b>  |                              |                               |
| Short term borrowings   | 258,645                      | 328,165                       |
| Payables  | 652,145                      | 690,980                       |
| Amount due to customers for construction contracts                      | 527,716                      | 393,488                       |
| Tax payable   | 25,430                       | 14,818                        |
|   | 1,463,936                    | 1,427,451                     |
| <b>Total liabilities</b>  | 2,761,414                    | 2,670,685                     |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                     | 6,026,112                    | 5,878,459                     |
| Net assets per share attributable to equity holders of the Company (RM) | 1.59                         | 1.57                          |

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial statements.

**GAMUDA BERHAD (29579-T)**
**Condensed Consolidated Statement of Changes in Equity**

|   | ← Attributable to equity holders of the Company → |                            |                              |                             |                               |                 |                                 |                           |
|---|---|----------------------------|------------------------------|-----------------------------|-------------------------------|-----------------|---------------------------------|---------------------------|
|   | Share<br>Capital<br>RM'000                        | Share<br>premium<br>RM'000 | Option<br>reserves<br>RM'000 | Other<br>reserves<br>RM'000 | Retained<br>profits<br>RM'000 | Total<br>RM'000 | Minority<br>Interests<br>RM'000 | Total<br>equity<br>RM'000 |
| <b>Current Year To date</b>                         |   |                            |                              |                             |                               |                 |                                 |                           |
| <b>At 1 August 2009</b>                             | 2,009,257   | 31,989                     | 26,679                       | 105,290                     | 987,796                       | 3,161,011       | 46,763                          | 3,207,774                 |
| Currency translation differences                    | -   | -                          | -                            | (6,640)                     | -                             | (6,640)         | 414                             | (6,226)                   |
| Net income/(expenses) recognised directly in equity | -   | -                          | -                            | (6,640)                     | -                             | (6,640)         | 414                             | (6,226)                   |
| Profit for the period                               | -   | -                          | -                            | -                           | 131,050                       | 131,050         | 5,160                           | 136,210                   |
| Total recognised income and expense for the period  | -   | -                          | -                            | (6,640)                     | 131,050                       | 124,410         | 5,574                           | 129,984                   |
| Exercise of Employees' Share Options ("ESOS")       | 8,228   | 8,573                      | -                            | -                           | -                             | 16,801          | -                               | 16,801                    |
| Share options granted under ESOS                    | -   | -                          | 2,194                        | -                           | -                             | 2,194           | -                               | 2,194                     |
| Share options exercised under ESOS                  | -   | 2,044                      | (3,312)                      | -                           | -                             | (1,268)         | -                               | (1,268)                   |
| Dividends   | -   | -                          | -                            | -                           | (90,787)                      | (90,787)        | -                               | (90,787)                  |
| <b>At 31 January 2010</b>                           | 2,017,485   | 42,606                     | 25,561                       | 98,650                      | 1,028,059                     | 3,212,361       | 52,337                          | 3,264,698                 |
| <b>At 1 August 2008</b>                             | 2,005,016   | 27,353                     | 15,366                       | 89,150                      | 914,697                       | 3,051,582       | 45,901                          | 3,097,483                 |
| Currency translation differences                    | -   | -                          | -                            | (37,779)                    | -                             | (37,779)        | (1,838)                         | (39,617)                  |
| Net expenses recognised directly in equity          | -   | -                          | -                            | (37,779)                    | -                             | (37,779)        | (1,838)                         | (39,617)                  |
| Profit for the period                               | -   | -                          | -                            | -                           | 104,092                       | 104,092         | 4,230                           | 108,322                   |
| Total recognised income and expense for the period  | -   | -                          | -                            | (37,779)                    | 104,092                       | 66,313          | 2,392                           | 68,705                    |
| Exercise of Employees' Share Options ("ESOS")       | 1,217   | 927                        | -                            | -                           | -                             | 2,144           | -                               | 2,144                     |
| Share options granted under ESOS                    | -   | -                          | 5,733                        | -                           | -                             | 5,733           | -                               | 5,733                     |
| Share options exercised under ESOS                  | -   | 280                        | (2,998)                      | -                           | -                             | (2,718)         | -                               | (2,718)                   |
| Dividends   | -   | -                          | -                            | -                           | (60,185)                      | (60,185)        | -                               | (60,185)                  |
| <b>At 31 January 2009</b>                           | 2,006,233   | 28,560                     | 18,101                       | 51,371                      | 958,604                       | 3,062,869       | 48,293                          | 3,111,162                 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial statements.

**GAMUDA BERHAD (29579-T)**  
**Condensed Consolidated Cash Flow Statement**

|  | <b>6 months ended</b> |                  |
|--|-----------------------|------------------|
|  | <b>31-Jan-10</b>      | <b>31-Jan-09</b> |
|  | <b>RM'000</b>         | <b>RM'000</b>    |
| <b>Cash Flows From Operating Activities</b>            |                       |                  |
| Profit before tax                                      | 173,672               | 138,617          |
| Adjustments for non-cash items/non-operating items     | (32,934)              | (48,951)         |
| Operating profit before changes in working capital     | <u>140,738</u>        | <u>89,666</u>    |
| <u>Changes in working capital</u>                      |                       |                  |
| Net change in current assets                           | 127,626               | (60,934)         |
| Net change in current liabilities                      | 103,958               | (121,660)        |
| Cash generated from/(used in) operations               | <u>372,322</u>        | <u>(92,928)</u>  |
| Dividend received from associated companies            | 32,531                | 73,271           |
| Tax paid   | (32,837)              | (38,786)         |
| Others   | (21,175)              | (22,207)         |
| Net cash generated from/(used in) operating activities | <u>350,841</u>        | <u>(80,650)</u>  |
| <b>Cash Flows From Investing Activities</b>            |                       |                  |
| Purchase of property, plant and equipment              | (7,782)               | (22,615)         |
| Proceeds on disposal of plant and equipment            | 4,446                 | 2,158            |
| Capital repayment from an associated company           | -                     | 213,953          |
| Additional investment in associated companies          | -                     | (20,522)         |
| Purchase of marketable securities                      | (81,635)              | -                |
| Interest received                                      | 13,864                | 8,258            |
| Net cash (used in)/generated from investing activities | <u>(71,107)</u>       | <u>181,232</u>   |
| <b>Cash Flows From Financing Activities</b>            |                       |                  |
| Net proceeds from issuance of shares                   | 16,801                | 2,144            |
| Net repayment of borrowings                            | (15,983)              | (99,939)         |
| Dividend paid to shareholders                          | (60,405)              | (60,185)         |
| Net cash used in financing activities                  | <u>(59,587)</u>       | <u>(157,980)</u> |
| Net increase/(decrease) in cash and cash equivalents   | 220,147               | (57,398)         |
| Effects of exchange rate changes                       | (7,081)               | 7,657            |
| Cash and cash equivalents at beginning of the period   | <u>1,154,029</u>      | <u>845,610</u>   |
| Cash and cash equivalents at end of the period         | <u>1,367,095</u>      | <u>795,869</u>   |

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial statements.

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

## **Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 January 2010**

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

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#### **1. Basis of Preparation**

- a) The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard ("FRS") 134: Interim Financial Reporting.
- b) The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 July 2009.
- c) The accounting policies and methods of computation adopted by the Group are consistent with those adopted in the preparation of the financial statements for the year ended 31 July 2009 except for the adoption of FRS 8 – Operating Segments which became effective for financial periods beginning on and after 1 July 2009. The adoption of FRS 8 does not have any financial impact on the Group.

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

The audit report of the Group's annual financial statements for the year ended 31 July 2009 was not subject to any qualification.

#### **3. Seasonal or Cyclical Factors**

The business operations of the Group are not affected by any significant seasonal or cyclical factors.

#### **4. Unusual Items**

There are no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review.

#### **5. Changes in Estimates**

There are 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 during the financial year, except for the issuance of 8,228,000 new ordinary shares of RM1 each, pursuant to the exercise of the Employees' Share Option Scheme.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 January 2010

### Notes To The Financial Statements

#### 7. Segmental Analysis

|  | Engineering<br>and Construction | Property<br>Development<br>and Club<br>Operations | Water related<br>and<br>Expressway<br>Concessions | Inter-<br>segment<br>Elimination | Total                 |
|--|---------------------------------|---|---|----------------------------------|-----------------------|
|  | RM'000                          | RM'000  | RM'000  | RM'000                           | RM'000                |
| <b>6 months period<br/>ended 31 January 2010</b> |                                 |   |   |                                  |                       |
| <b>Revenue</b>                                   |                                 |   |   |                                  |                       |
| External   | 923,208                         | 244,473   | 59,521  | -                                | 1,227,202             |
| Inter segment                                    | 10,869                          | -   | -   | (10,869)                         | -                     |
|  | <u>934,077</u>                  | <u>244,473</u>                                    | <u>59,521</u>                                     | <u>(10,869)</u>                  | <u>1,227,202</u>      |
| <b>Segment results</b>                           |                                 |   |   |                                  |                       |
| Profit from operations                           | 43,113                          | 42,789  | 30,531  | (1,406)                          | 115,027               |
| Finance costs                                    | (11,017)                        | (5,326)   | (5,762)   | 1,406                            | (20,699)              |
| Share of results of<br>associated companies      | -                               | 6,587   | 72,757  | -                                | 79,344                |
| Profit before tax                                | <u>32,096</u>                   | <u>44,050</u>                                     | <u>97,526</u>                                     | <u>-</u>                         | <u>173,672</u>        |
| <b>Percentage of segment results</b>             | <b>18%</b>                      | <b>25%</b>  | <b>57%</b>  |                                  |                       |
| Taxation   |                                 |   |   |                                  | <u>(37,462)</u>       |
| Profit for the period                            |                                 |   |   |                                  | <u><u>136,210</u></u> |
| Attributable to:-                                |                                 |   |   |                                  |                       |
| Equity holders of the Company                    |                                 |   |   |                                  | 131,050               |
| Minority interests                               |                                 |   |   |                                  | <u>5,160</u>          |
|  |                                 |   |   |                                  | <u><u>136,210</u></u> |
| <b>6 months period<br/>ended 31 January 2009</b> |                                 |   |   |                                  |                       |
| <b>Revenue</b>                                   |                                 |   |   |                                  |                       |
| External   | 962,460                         | 193,274   | 49,961  | -                                | 1,205,695             |
| Inter segment                                    | 2,227                           | 6,427   | -   | (8,654)                          | -                     |
|  | <u>964,687</u>                  | <u>199,701</u>                                    | <u>49,961</u>                                     | <u>(8,654)</u>                   | <u>1,205,695</u>      |
| <b>Segment results</b>                           |                                 |   |   |                                  |                       |
| Profit from operations                           | 27,850                          | 35,524  | 27,693  | -                                | 91,067                |
| Finance costs                                    | (12,646)                        | (2,567)   | (6,993)   | -                                | (22,206)              |
| Share of results of<br>associated companies      | -                               | 8,004   | 61,752  | -                                | 69,756                |
| Profit before tax                                | <u>15,204</u>                   | <u>40,961</u>                                     | <u>82,452</u>                                     | <u>-</u>                         | <u>138,617</u>        |
| <b>Percentage of segment results</b>             | <b>11%</b>                      | <b>30%</b>  | <b>59%</b>  |                                  |                       |
| Taxation   |                                 |   |   |                                  | <u>(30,295)</u>       |
| Profit for the period                            |                                 |   |   |                                  | <u><u>108,322</u></u> |
| Attributable to:-                                |                                 |   |   |                                  |                       |
| Equity holders of the Company                    |                                 |   |   |                                  | 104,092               |
| Minority interests                               |                                 |   |   |                                  | <u>4,230</u>          |
|  |                                 |   |   |                                  | <u><u>108,322</u></u> |

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 January 2010

### Notes To The Financial Statements

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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 are 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 during the financial period ended 31 January 2010.

#### 11. Dividend

- a) The Board of Directors does not recommend any dividend for the current financial quarter. No dividend was declared in the previous corresponding quarter.
- b) The total dividend per share for the current period is 6.00 sen less 25% taxation. For the preceding year's corresponding period, a total dividend per share of 4.00 sen less 25% taxation was declared.

#### 12. Dividend paid

|   | <b>6 months ended<br/>31 January</b> |                        |
|---|--------------------------------------|------------------------|
|   | <b>2010<br/>RM'000</b>               | <b>2009<br/>RM'000</b> |
| <b>Interim Dividends</b>  |                                      |                        |
| Second interim dividend for the year ended 31 July 2009 paid on 18 August 2009 : 4% less 25% taxation (First interim dividend for the year ended 31 July 2009 paid on 3 February 2009 : 4% less 25% taxation) | 60,405                               | 60,185                 |

#### 13. Changes in Contingent Liabilities or Contingent Assets

|  | <b>31 January 2010<br/>RM'000</b> | <b>31 July 2009<br/>RM'000</b> |
|--|-----------------------------------|--------------------------------|
| Performance and retention sum guarantees | 709,840                           | 676,315                        |

The contingent liabilities mainly relate to payment guarantees and performance bonds for the construction projects undertaken by the Group.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 January 2010

### Notes To The Financial Statements

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#### 14. Review of Performance

For the current quarter under review, the Group recorded revenue and profit before tax of RM603.2 million and RM90.2 million respectively as compared to RM591.7 million and RM66.6 million respectively in the comparative quarter. For the current year to date, the Group recorded revenue and profit before tax of RM1,227.2 million and RM173.7 million respectively as compared to RM1,205.7 million and RM138.6 million respectively in the comparative year. The increase in profit before tax is due to higher contributions from all divisions.

#### 15. Comparison with Immediate Preceding Quarter's Results

For the current quarter under review, the Group's profit before tax of RM90.2 million, is higher than the immediate preceding quarter's profit before tax of RM83.5 million. The higher profit before tax is mainly due to higher contributions from the construction division and the property division.

#### 16. Current Year Prospects

##### Overall Prospects

With the existing construction projects progressing on schedule and the recovery of the property market, the Group's performance is expected to perform well in the remaining quarters of the current financial year. The status of the major projects undertaken by the Group is as follows:

##### a) Construction Division

###### Electrified Double Track Project

The work progress has improved and to-date 93% of the land has been handed over to the project company. The work progress is expected to accelerate in the next 2 quarters.

###### New Doha International Airport Project (Qatar)

The project is progressing on schedule with 80% of the works completed. Progress payments from the Qatar Government continue to be on time.

###### Yenso Park and Sewage Treatment Plant Projects (Vietnam)

Yenso Park and Sewage Treatment Plant projects are progressing well. The recent devaluations of the Vietnamese Dong have no significant near term impact on the Group.

##### b) Property Division

The Group's property division continues to benefit from improved market sentiments. The products in good demand are semi-detached houses and bungalow homes in gated and guarded parcels. The property division's performance is expected to improve further in the remaining quarters of the financial year.

##### c) Water-related Concession Division

The offer dated 15 July 2009 from the Selangor State Government ("SSG") to Syarikat Pengeluar Air Sungai Selangor Sdn Bhd ("Splash") in respect of the taking over of the water assets and operations of Splash had lapsed on 30 November 2009.

On 24 March 2010, Splash has made an offer of RM10,750 million to the Federal Government and the SSG to take over the water services industry of the Selangor State.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 January 2010

### Notes To The Financial Statements

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

This is not applicable to the Group.

#### 18. Taxation

| The taxation is derived as below: | 3 months ended<br>31 Jan |                | 6 months ended<br>31 Jan |                |
|-----------------------------------|--------------------------|----------------|--------------------------|----------------|
|                                   | 2010<br>RM'000           | 2009<br>RM'000 | 2010<br>RM'000           | 2009<br>RM'000 |
| Malaysia income tax               | 19,998                   | 15,792         | 37,462                   | 30,295         |

The Group's effective tax rate (excluding the results of 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.

#### 19. Profits/(Losses) on Sale of Unquoted Investments/Properties

There is no sale of investments/properties for the current quarter under review.

#### 20. Quoted Investments

There was no transaction on quoted investment in the current quarter year under review.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 January 2010

### Notes To The Financial Statements

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#### 21. Status of Corporate Proposals

- a) On 22 December 2009, the Company announced its proposal to undertake a renounceable rights issue of up to 267,696,915 Warrants at an issue price of RM0.10 per Warrant on the basis of one Warrant for every eight existing Ordinary Shares of RM1.00 each held at an entitlement date to be announced later ("the Proposal").

Bank Negara Malaysia had vide its letter dated 23 February 2010, approved the issuance of the Warrants to non-resident shareholders of the Company pursuant to the Proposal. Bursa Securities had also vide its letter dated 23 February 2010, approved the admission of the Warrants to the Official List of the Main Market of Bursa Securities, the listing and quotation of the Warrants on the Main Market of Bursa Securities, and the listing of the new Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities. The Proposal is now pending approval by the shareholders at an Extraordinary General Meeting to be held on 5 April 2010.

- b) On 10 March 2010, Gamuda Land (HCMC) Sdn Bhd (formerly known as Klasik Mentari Sdn Bhd) ("Gamuda HCMC"), a wholly-owned subsidiary of the Company, has entered into the following agreements:-

- (1) Sale of Shares Agreement ("SSA") with Sai Gon Thuong Tin Real Estate Joint Stock Company ("Sacomreal") for the proposed acquisition by Gamuda HCMC of a 60% equity interest in Sai Gon Thuong Tin Tan Thang Investment Real Estate Joint Stock Company ("Tan Thang Company") from Sacomreal for a total cash consideration of USD82.8 million ("Consideration");
- (2) an Escrow Agreement with Sacomreal and The Hong Leong Bank Vietnam Limited to create an escrow account to facilitate the payment of the Consideration in accordance with the terms of the SSA;
- (3) a Shareholders' Agreement with Sacomreal and Ms. Chau Kim Yen to regulate their rights and obligations vis-à-vis each other in the Tan Thang Company.

Upon the completion of the proposed acquisition, the equity of Tan Thang Company shall be held as follows:

|                 |             |
|-----------------|-------------|
| Gamuda HCMC     | 60%         |
| Sacomreal       | 30%         |
| Ms Chau Kim Yen | 10%         |
|                 | <u>100%</u> |

Tan Thang Company has the rights for the investment and construction of a parcel of land located at Son Ky Ward, Tan Phu District, Ho Chi Minh City, Vietnam, measuring approximately 825,216.5 square metres. The project comprises developments of residential, sports and educational complex with an estimated gross development value of RM6 billion.

- c) On 24 March 2010, Syarikat Pengeluar Air Sungai Selangor Sdn Bhd ("SPLASH"), an associated company of Gamuda Berhad has made an offer of RM10,750 million to the Federal Government and the Selangor State Government ("SSG") to take over the water services industry of the Selangor State.

The salient terms of the offer are stated in the announcement dated 24 March 2010.

Other than the above corporate proposals, there is no other corporate proposal announced but not completed.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 January 2010

### Notes To The Financial Statements

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#### 22. Group Borrowings and Debt Securities

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

|                                    |      | At 31 Jan 2010      |                  |
|------------------------------------|------|---------------------|------------------|
|                                    |      | Foreign<br>Currency | RM<br>Equivalent |
|                                    | Note | '000                | '000             |
| <u>Short Term Borrowings</u>       |      |                     |                  |
| Revolving Credits                  |      | 64,500              | 223,645          |
| - denominated in US Dollar ("USD") |      |                     |                  |
| Commercial Papers (Horizon Hills)  |      |                     | 35,000           |
|                                    |      |                     | <u>258,645</u>   |
| <u>Long Term Borrowings</u>        |      |                     |                  |
| Medium Term Notes (Bandar Botanic) |      |                     | 300,000          |
| Medium Term Notes (Horizon Hills)  |      |                     | 100,000          |
| Medium Term Notes (Gamuda)         |      |                     | 480,000          |
| Term Loan (Smart Project)          | 1    |                     | 161,500          |
| Term Loan (Jade Homes)             |      |                     | 222,536          |
|                                    |      |                     | <u>1,264,036</u> |
| Total                              |      |                     | <u>1,522,681</u> |

Note:

1. The term loan for Smart Project was obtained by a jointly controlled entity, Syarikat Mengurus Air Banjir & Terowong Sdn Bhd in relation to the motorway development of the Stormwater Channel and Motorway Works. The term loan is secured on the Smart Project and is on a non-recourse basis to Gamuda Group.

The term loan is consolidated into Gamuda Group's borrowings as a result of the Group's adoption of the revised FRS 131-Interests in Joint Ventures, whereby the interests in the jointly controlled entities are proportionately consolidated.

#### 23. Off Balance Sheet Financial Instruments

##### Currency forwards

The Group has entered into forward foreign currency contracts to limit its exposure to potential changes in foreign exchange rates with respect to estimated receipts denominated in foreign currency.

The details of the outstanding forward foreign currency contracts are as follows:

|   | Contract amount | Maturity period |
|---|-----------------|-----------------|
| Forwards used to hedge receivables in USD | USD6.4 million  | March 2010      |

There is minimal credit and market risk as the contracts are entered with a reputable bank.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 January 2010

### Notes To The Financial Statements

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#### 24. Material Litigations

- a) On 31 October 2008 Wayss & Freytag (Malaysia) Sdn Bhd (“W&F”) filed a Writ of Summons and a Statement of Claim (“the Court Action”) against the MMC-Gamuda Joint Venture (“JV”) for inter-alia, a court declaration that the JV is in breach of the sub-contract dated 16 April 2003 (“the Sub-Contract”) by failing to make payment for the sum of RM102,366,880.42 awarded by the Dispute Adjudication Board (“DAB”) to W&F in respect of various claims arising out of the Sub-Contract and for damages of the same amount.

On 15 May 2009, the Court allowed the JV’s application for stay of proceedings of the Court Action and unconditionally stayed the Court Action initiated by W&F.

On 1 June 2009, W&F filed an appeal against the Court’s decision to stay the proceedings.

On 30 October 2009, the court dismissed W&F’s appeal against the Court’s earlier decision to stay the Court Action. The Court Action has now been fixed for mention on 6 September 2010.

On 17 December 2008, in accordance with the terms of the Sub-Contract, the JV commenced arbitration proceedings by serving on W&F a notice of arbitration. W&F also commenced arbitration proceedings by filing its Notice of Arbitration on 15 January 2009. A preliminary meeting between the Arbitral Tribunal members and the parties’ respective solicitors was held on 17 September 2009. At the preliminary meeting, the Arbitral Tribunal had set down various directions for the conduct of the arbitration. Among other things, it was directed that the arbitration proceedings commenced by both parties be heard together over the period 4 July 2011 till 15 July 2011.

- b) Bahrain Asphalt Establishment B.S.C (Closed) (“BAE”) had on 4 March 2010 served a Request For Arbitration against Gamuda Berhad (“Company”) (as the 1st Respondent), WCT Berhad (as the 2nd Respondent) and Gamuda-WCT Joint Venture, Qatar (“the JV”) (as the 3rd Respondent), to refer certain alleged disputes to arbitration in Qatar. The Company’s and WCT Berhad’s interests in the JV are in the proportions of 51% and 49% respectively.

BAE was appointed as the sub-contractor for the works known as the granular sub-base and flexible pavement works (“Sub-contract Works”) for the JV’s project known as “Dukhan Highway From Shahaniya to Zekreet” which involves the construction of a 43 km new highway from Shahaniya to Zekreet in Qatar.

BAE is claiming from the Respondents, jointly and severally, a total quantified sum of QAR 109,267,214 (approximately RM101,058,548) comprising:-

- (a) QAR 94,867,841 for alleged prolongation, escalation, collateral and associated costs for 728 days’ delay in completion of the Sub-contract works;
- (b) QAR 13,434,404 for alleged Gabbro Aggregate overcharge/wrongful deductions;
- (c) QAR 964,969 for alleged wrongful deduction for supply of bitumen;

and further unquantified sums for legal costs, arbitration costs and interest (collectively referred to as “the Claims”).

The Company is of the opinion that the Request For Arbitration by BAE is pre-mature as the preconditions stipulated in the arbitration clause have not been met. In addition to the fact that the request is pre-mature, the Company is also of the view that the Respondents have a good defence against the Claims.

Accordingly, the Company intends to pursue all available legal avenues to oppose the Request For Arbitration and, if necessary, to challenge the Claims.

Other than the above litigations, there is no other material litigation since the last annual balance sheet date to a date not earlier than seven (7) days from the date of issue of this report.

# Gamuda Berhad (29579-T)

## Quarterly Report On Consolidated Results For The Financial Quarter Ended 31 January 2010

### Notes To The Financial Statements

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#### 25. Earnings Per Share

|   | <b>Current<br/>Quarter<br/>31 January<br/>2010</b> | <b>Current<br/>Year To Date<br/>31 January<br/>2010</b> |
|---|--|---|
| <b>Basic</b>  |  |   |
| Net profit attributable to shareholders (RM'000)  | 68,033   | 131,050   |
| Number of ordinary shares in issue as at 1 August 2009 ('000)   | 2,009,257  | 2,009,257   |
| Effect of shares issued during the period ('000)  | 7,638  | 6,694   |
| Weighted average number of ordinary shares in issue ('000)  | 2,016,895  | 2,015,951   |
| Basic earnings per ordinary share (sen)   | 3.37   | 6.50  |
| <b>Diluted</b>  |  |   |
| Net profit attributable to shareholders (RM'000)  | 68,033   | 131,050   |
| Weighted average number of ordinary shares in issue ('000)  | 2,016,895  | 2,015,951   |
| Assumed shares issued from exercise of ESOS ('000)  | 5,037  | 5,996   |
| Adjusted weighted average number of ordinary shares<br>for calculating diluted earnings per ordinary share ('000) | 2,021,932  | 2,021,947   |
| Fully diluted earnings per ordinary share (sen)   | 3.36   | 6.48  |