



MINUTES OF THE FORTIETH (“40TH”) ANNUAL GENERAL MEETING (“AGM”) OF GAMUDA BERHAD (COMPANY NO. 29579-T) (“GAMUDA” OR THE “COMPANY”) HELD AT THE PERMAI ROOM, KOTA PERMAI GOLF & COUNTRY CLUB, NO. 1, JALAN 31/100A, KOTA KEMUNING, SECTION 31, 40460 SHAH ALAM, SELANGOR DARUL EHSAN ON THURSDAY, 8 DECEMBER 2016 AT 10.00 A.M.

PRESENT : Y.Bhg. Dato’ Mohammed Hussein
(Chairman)

Y.Bhg. Dato’ Lin Yun Ling
(Group Managing Director)

Y.T.M. Raja Dato’ Seri Eleena binti
Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah
(Non-Independent Non-Executive Director)

Y.Bhg. Dato’ Haji Azmi bin Mat Nor
(Executive Director)

Mr. Saw Wah Theng
(Executive Director)

Y.M. Tunku Afwida binti Tunku A.Malek
(Independent Non-Executive Director)

Puan Nazli binti Mohd Khir Johari
(Independent Non-Executive Director)

One Hundred and Ninety Four (194) Members,
One Hundred and Six (106) Proxies (including Chairman) and
One (1) Corporate Representative, holding 1,300,820,554
Ordinary Shares representing 56.97%,
As per Attendance List (based on Headcounts)

ABSENT WITH APOLOGIES : Y.Bhg. Dato’ Ir. Ha Tiing Tai
(Deputy Group Managing Director)

Y.Bhg. Dato’ Goon Heng Wah
(Executive Director)

BY INVITATION : Mr. Chow Chee Wah
(Managing Director, Gamuda Land Sdn Bhd)

Mr. Terence Tan
(Representatives from Messrs Ernst & Young)

Mr. Lim Eng Hoe
(Representatives from Messrs Ernst & Young)

IN ATTENDANCE : Ms. Lim Soo Lye
(Company Secretary)

Ms. Jasmine Pang Siok Tieng
(Company Secretary)

1. CHAIRMAN

Y. Bhg. Dato' Mohammed Hussein, the Chairman of the Board of Directors ("Board") of the Company chaired the 40th AGM of the Company pursuant to Article 72 of the Articles of Association of the Company.

2. QUORUM

The requisite quorum being present pursuant to Article 70 of the Articles of Association of the Company, the Chairman declared the 40th AGM duly convened at 10.03 a.m.

3. NOTICE

The Notice convening the 40th AGM together with the CD-Rom containing the Annual Report 2016 and the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-back Authority, all dated 9 November 2016 were taken as read.

4. WELCOME ADDRESS

The Chairman welcomed and thanked the members of the Company ("Members") and the proxies for attending the 40th AGM of the Company.

Before beginning the proceedings, the Chairman reminded the Members to observe the following house rules: -

- Mobile phones are required to be switched to silent mode;
- Members (present in person or represented by proxies or corporate representative) should use the microphones if they have any questions to raise; and
- Members (present in person or represented by proxies or corporate representatives) are required to state their full names and whether they are a shareholder or a proxy as well as their shareholdings before proceeding with their questions.

5. INTRODUCTION OF DIRECTORS

The Chairman introduced each member of the Board as well as the Company Secretary who were in attendance.

The Chairman took the opportunity to welcome Puan Nazli Binti Mohd Khir Johari who came on Board on 7 March 2016.

6. PRELIMINARY

(a) Poll Voting

The Chairman informed the Members that all resolutions set out in the Notice of AGM dated 9 November 2016 would be put to vote by poll, as stated in Note 2(g) of the said Notice pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Chairman further informed the Members that the Company had appointed Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") as the Poll Administrator to conduct the electronic poll voting whilst Coopers Professional Scrutineers Sdn Bhd ("Scrutineers") is the Independent Scrutineers appointed to verify the poll vote results. He added that the poll voting using electronic devices for all resolutions will be conducted upon completion of the deliberation of all items to be transacted at the 40th AGM.

(b) Company Presentation

Upon the invitation of the Chairman, the Finance Director, Mr. Saw Wah Theng presented the Operations Review and Business Outlook of the Group for the financial year under review and his briefing covered the following: -

- (i) The Group's operations review, which included income statement, balance sheet and key highlights of the financial year 2016; and
- (ii) The financial performance and business outlook of the divisions, namely Construction, Property and Concession;

Mr. Saw also presented the responses of the Company to the questions raised by the Minority Shareholder Watchdog Group ("MSWG") vide their letter dated 1 December 2016 (copy enclosed as "Appendix I").

Upon completion of the Company Presentation, Mr Saw handed over the meeting to the Chairman.

The Chairman thanked Mr. Saw for the presentation and proceeded to the first agenda for the 40th AGM.

7. MATTERS TABLED

(a) Audited Financial Statements of the Group and of the Company for the Financial Year Ended 31 July 2016 together with the Reports of the Directors and Auditors thereon (“Audited Financial Statements”)

The Chairman informed the Members that the first agenda for the 40th AGM is to receive the Audited Financial Statements.

The Chairman then proceeded to invite the Members to raise questions, if any, on the Audited Financial Statements.

The questions were responded by the Chairman, Y.Bhg. Dato’ Lin Yun Ling and Mr. Saw Wah Theng accordingly. The details of the questions raised and the Company responses are set out in “Appendix II”,

There being no further questions from the Members of the Company, the Audited Financial Statements were received, following the completion of the clarifications to the Members in connection therewith.

(b) Directors' Fees

The Chairman then moved on to table **Resolution 1** whereby shareholders’ approval was sought on the payment of Directors’ fees amounting to Malaysian Ringgit Four Hundred and Eighty Eight Thousand Seven Hundred and Fifty Thousand (RM488,750/-) only for the financial year ended 31 July 2016.

The Chairman invited questions from the floor in connection with Resolution 8. As there was no further question and/or clarification sought, the Chairman informed that voting on this resolution shall be conducted by poll upon completion of the remaining businesses of the 40th AGM.

(c) Re-Election of Directors in accordance with Articles of Association of the Company

The Chairman informed the Members that Agendas 3 relates to the re-election of the following Company Directors who retire in accordance with Article 95 of the Articles of Association of the Company and being eligible for re-election, they have offered themselves for re-election, namely: -

- (i) Y.Bhg. Dato’ Lin Yun Ling (Resolution 2);
- (ii) Y.T.M. Raja Dato’ Seri Eleena Binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah (Resolution 3); and
- (iii) Y.M. Tunku Afwida Binti Tunku A.Malek (Resolution 4).

The Chairman then informed that Resolution 5 was on the re-election of Puan Nazli Binti Mohd Khir Johari, the newly appointed Director who is due to retire in accordance with Article 101 of the Articles of Association of the Company and being eligible for re-election, had offered herself for re-election.

The profiles of the aforesaid Directors were provided to the Members on pages 55, 57, 61 and 62 of the Annual Report 2016.

In line with the recommendation of the Malaysian Code of Corporate Governance, the Board has conducted the necessary assessment on each of the aforesaid Directors standing for re-election. In this respect, the Board has approved the recommendation of its Nomination Committee that the aforesaid Directors are eligible to stand for re-election.

The Chairman invited questions from the floor in connection with Resolution 8. As there was no question and/or clarification sought, the Chairman informed that voting on Resolutions 2, 3, 4 and 5 shall be conducted by poll upon completion of the remaining businesses of the 40th AGM.

(d) Re-Appointment of Messrs Ernst & Young as Auditors of the Company

The Chairman informed that Agenda 5 relates to the re-appointment of Messrs. Ernst & Young ("EY") as Auditors of the Company for the ensuing financial year and to authorise the Company Directors to fix their remuneration.

The Chairman informed that EY had expressed their willingness to continue in office and the Board had endorsed the recommendation of the Audit Committee for EY to be re-appointed as Auditors.

The Chairman invited questions from the floor in connection with Resolution 6. As there was no question and/or clarification sought, the Chairman informed that voting on this resolution shall be conducted by poll upon completion of the remaining businesses of the 40th AGM.

(e) Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965

The Chairman moved on to the next Agenda which is a Special Business to empower the Directors of the Company to issue ordinary shares of the Company pursuant to Section 132D of the Companies Act, 1965, to the Members for their consideration and approval.

The Chairman assured the Members that should there be a decision to issue new shares, the Company would make an announcement accordingly of the actual purpose and utilisation of proceeds. The approval of the relevant authorities would still be required before any share can be issued by the Company.

The Chairman invited questions from the floor in connection with Resolution 7.

Questions raised by a shareholder was responded by the Chairman accordingly and is append as "Appendix II" of this minutes.

As there was no further questions and/or clarification sought, the Chairman informed that voting on this resolution shall be conducted by poll upon completion of the remaining businesses of the 40th AGM.

(f) Proposed Renewal of Share Buy-back Authority

The Chairman moved on to the last agenda, which is also a Special Business on the proposed renewal of share buy-back authority where the details of the proposal are set out in the Share Buy-Back Statement dated 9 November 2016.

The Chairman reiterated the Board's opinion that the proposed renewal of share buy-back authority was in the best interest of the Company.

The Chairman informed that voting on Resolution 8 shall be conducted by poll upon completion of the remaining businesses of the 40th AGM.

The Chairman invited questions from the floor in connection with Resolution 8.

As there was no questions and/or clarification sought, the Chairman proceeded to the poll voting.

(g) Any Other Business

The Chairman, upon confirmation with the Company Secretary that the Company did not received any notice for transaction of any other business to be transacted at this meeting.

The Chairman then declared that the registration for attendance at the 40th AGM closed at 11.00 a.m. for purposes of the poll vote. He informed that 10 e-voting counters had been set up for the purpose of conducting the poll electronically. The voting session will be opened for approximately ten (10) minutes. The poll results will be announced immediately once the Scrutineers have completed their verification.

8. POLL VOTING PROCESS

Upon the invitation of the Chairman, Ms Wong Yoke Fun of Tricor, the Poll Administrator explained the procedures for the conduct of the poll at this meeting using Tricor e-voting system. Each of the 10 e-voting counters was equipped with an iPad and a barcode reader. Each shareholder/proxy would be directed to the e-voting counter with his/her personalised passcode slip which was issued during registration for the meeting.

The e-voting tutorial video on the e-voting process was played at the meeting prior to the commencement of e-voting process at 11.10 p.m.

9. ANNOUNCEMENT OF POLL RESULTS

At 11.30 a.m. the Chairman called the meeting to order for the declaration of the poll results. He informed that he had received the poll results from Tricor and the Scrutineers. Based on the poll results which was displayed on screen, the Chairman declared that the Resolutions 1 to 8 were carried, as follows: -

Resolution 1 **Payment of Directors' Fees**

	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1	1,379,963,181	100.0000	0	0

It was resolved as follows: -

“THAT the Directors’ Fees amounting to Ringgit Malaysia Four Hundred And Eighty Eight Thousand Seven Hundred and Fifty (RM488,750/-) only in respect of the financial year ended 31 July 2016, as recommended by the Board, be and is hereby approved with immediate effect.”

Resolution 2 **Re-election of Y.Bhg. Dato’ Lin Yun Ling as Director**

	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 2	1,300,506,664	95.2254	65,208,017	4.7746

It was resolved as follows: -

“THAT Y.Bhg. Dato’ Lin Yun Ling, the Director retiring by rotation pursuant to Article 95 of the Articles of Association of the Company and being eligible, offered himself for re-election, be and is hereby re-elected as a Director of the Company.”

Resolution 3
Re-election of Y.T.M. Raja Dato' Seri Eleena Binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah as Director

	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 3	1,164,841,736	96.6626	40,218,045	3.3374

It was resolved as follows: -

“THAT Y.T.M. Raja Dato' Seri Eleena Binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah, the Director retiring by rotation pursuant to Article 95 of the Articles of Association of the Company and being eligible, offered herself for re-election, be and is hereby re-elected as a Director of the Company.”

Resolution 4
Re-election of Y.M. Tunku Afwida Binti Tunku A.Malek as Director

	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 4	1,372,664,981	99.9999	900	0.0001

It was resolved as follows: -

“THAT Y.M. Tunku Afwida Binti Tunku A.Malek, the Director retiring by rotation pursuant to Article 95 of the Articles of Association of the Company and being eligible, offered herself for re-election, be and is hereby re-elected as a Director of the Company.”

Resolution 5
Re-election of Puan Nazli Binti Mohd Khir Johari as Director

	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 5	1,372,664,981	99.9999	900	0.0001

It was resolved as follows: -

“THAT Puan Nazli Binti Mohd Khir Johari, the Director retiring by rotation pursuant to Article 101 of the Articles of Association of the Company and being eligible, offered herself for re-election, be and is hereby re-elected as a Director of the Company.”

Resolution 6
Re-appointment of Messrs Ernst & Young as Company Auditors

	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 6	1,377,748,181	99.8395	2,215,000	0.1605

It was resolved as follows: -

“THAT Messrs. Ernst & Young having expressed their willing willingness to continue in office, be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company AND THAT the Directors of the Company be and are hereby authorised to fix their remuneration.”

Resolution 7
Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 7	1,028,646,218	82.1356	223,729,463	17.8644

It was resolved as follows: -

“THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised with full powers to allot and issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued share capital for the time being of the Company and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued.”

Resolution 8
Proposed Renewal of Share Buy-back Authority

	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 8	1,379,863,181	99.9928	100,000	0.0072

It was resolved as follows: -

“THAT subject to the provisions of the Companies Act, 1965, the Articles of Association of the Company, Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements and the approvals of all relevant government and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of RM1.00 each of the Company (“Proposed Share Buy-back”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares to be purchased pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital for the time being of the Company and an amount not exceeding the retained profits and/or share premium of the Company be allocated by the Company for the Proposed Share Buy-back;

THAT at the discretion of the Directors, upon such purchase by the Company of its own shares, the purchased shares will be cancelled and/or retained as treasury shares and subsequently be cancelled, distributed as dividends or resold on Bursa Securities;

THAT the Directors be and are hereby empowered to do all acts and things and to enter into and execute all commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as the Directors may deem fit and expedient in order to implement, finalise and give full effect to the Proposed Share Buy-back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be required or imposed by any relevant authorities and/or any amendments, variations and/or modifications in the interest of the Company as may be approved by any relevant authorities if such approvals are required;

AND THAT the authority hereby given shall commence immediately upon the passing of this resolution and shall continue in force until:

- i. the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time it will lapse, unless by ordinary resolution passed at the AGM, the authority is renewed either unconditionally or subject to conditions; or**

- ii. the expiration of the period within which the next AGM after that date is required by law to be held; or
- iii. revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase of its own shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of Bursa Securities' Main Market Listing Requirements or any other relevant authorities.”

A copy of the above poll results prepared by Tricor are enclosed herewith as “Appendix III” together with the Scrutineers' letter confirming verification of the poll results.

10. CLOSURE OF MEETING

The Chairman informed the Members that the Company did not received any notice of any other business to be transacted at this 40th AGM.

On behalf of the Board of Directors, the Chairman thanked the Members for their attendance at the Meeting and declared the 40th AGM duly closed at 11.31 a.m.

CONFIRMED AS CORRECT RECORDS:

- signed -

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DATO' MOHAMMED HUSSEIN
CHAIRMAN

APPENDIX I

Gamuda Berhad

QUESTIONS RAISED BY MINORITY SHAREHOLDER WATCHDOG GROUP (MSWG) FY2016

ANNUAL GENERAL MEETING
8 December 2016

1

QUESTIONS RAISED BY MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) FY2016

Question 1

Could the Board share with shareholders their views/thoughts on the developments pertaining to the construction industry and their potential impact to the Group, for instance, the volatility in the crude oil prices, drastic depreciation of Ringgit against US\$ and the government’s policies on minimum wage and foreign workers’ levies hike?

Please update on the latest situation and the negative implications to the Group and explain how these external factors would impact its operation and financial performance.

Answer

➤ Crude oil price

- KVMRT Line 2 PDP

As the project delivery partner, construction cost for the project is borne by MRT Corp. Therefore, the crude oil price changes will only have a pass-through effect on the PDP.

- KVMRT Line 2 underground works

Fuel consumption is minimal. Moreover, Tunnel Boring Machine (TBM) is powered by electricity.

2

QUESTIONS RAISED BY MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) FY2016

- Depreciation of Ringgit against USD or Euro
 - The foreign content for underground works is mainly the TBMs which are priced in EURO. Out of 12 TBMs required for this project, 8 units were previously used for KVMRT Line 1, while 4 new TBMs worth about EURO 40 million (RM190 million) will be acquired.
 - Weakening of RM against other currencies (eg. VND, SGD, AUD) have indirectly increased the value of the Group’s property developments in Vietnam, Singapore and Australia when translated into RM. The foreign exchange gain from these property developments form a substantial portion of the RM179 million foreign exchange gain as disclosed on page 111 - Note 28 to the Financial Statements in the Annual Report.
- Government policy on minimum wage and foreign workers’ levies hike
 - The impact is minimal.

QUESTIONS RAISED BY MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) FY2016

Question No. 2

It was reported in the media that shareholders of Syarikat Pengeluar Air Selangor Holdings Berhad (“SPLASH”) have offered the Federal Government a proposed disposal consideration of RM3.2 billion being the book value for SPLASH and the Federal Government may consider to accept the offer with a discount of 15% to the book value.

- (i) What was the latest update on the disposal of SPLASH? When would the disposal of SPLASH be expected to be completed?

Answer

- Negotiation with the Selangor State Government is at an advanced stage. An offer from the Selangor State Government to acquire SPLASH is expected to be received in the first quarter of 2017.

QUESTIONS RAISED BY MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) FY2016

- (ii) Please enlighten shareholders on the latest net asset value (“NAV”) of SPLASH and the carrying amounts of investment in SPLASH in the Group’s and the Company’s financial statements in FY 2016.

Answer

- The net asset value (NAV) of SPLASH in FY2016 is RM3.2 billion.
- The carrying amounts of investment in SPLASH in the Group’s and the Company’s financial statement in FY2016 are RM1.2 billion and RM160 million respectively.

- (iii) What would be the impact to the Group if the Federal Government had considered accepting the disposal consideration at a discount of 15% to the NAV of SPLASH?

Answers

- The disposal price under negotiation with the Selangor State Government is at approximately SPLASH’s NAV.
- For illustration purposes, a 15% discount on the NAV of SPLASH amounts to RM480 million. Our 40% share of the discount is RM190 million.

QUESTIONS RAISED BY MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) FY2016

Question 3

As stated in the statement by the Managing Director of Gamuda Engineering, the Group’s joint venture with MMC Corporation Berhad (“MMC Corp”), MMC Gamuda KVMRT (T) Sdn Bhd (“MGKT”) was awarded the Underground Works Package by MRT Corp for a contract sum of RM15.47 billion.

- (i) What is the status of the proposed joint venture?

Answer

- The contract for this project was signed in Sept 2016.
- Works in progress include site clearing works, site establishment and demolition of existing structures.

- (ii) How much fund will the Group require to inject into MGKT?

Answer

- No equity injection is required as the project is 100% financed by bank loans.
- The project company has already secured the required bank loans.

QUESTIONS RAISED BY MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) FY2016

(iii) What would be the expected contribution from Underground Works Package project to the Group’s revenue and profit in FY 2016 and going forward?

Answer

- The project’s profit contribution to FY2016 is insignificant as the project has just commenced at end FY2016. Going forward, the project will contribute substantially to the Group’s revenue and profit.

QUESTIONS RAISED BY MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) FY2016

Question 4

The Chairman’s statement reported that the Infrastructure Concessions division provided a cushion to the Group’s revenue as the recent increase in toll rates on certain highways contributed to an increase in revenue and PBT.

In view of the above, what are the Board’s strategic plans and how would the Board stabilize the Group’s revenue and earnings in toll revenue given that the growth in toll revenue is slow, gradual and earnings often be affected by direct costs in toll operations and provisions for heavy repairs amid the government’s restraint on toll rates increase over the long term?

Answer

- All our highways are mature and hence, traffic growth is minimal. Future revenue growth comes from the toll rate hikes which are stipulated in the Concession Agreements. So far the Government has compensated the concessionaires when the toll rate hikes are not approved as scheduled.

QUESTIONS RAISED BY MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”) FY2016

- Whilst we can expect the direct cost and heavy repair costs to increase in line with inflation, this increase will easily be offset by lower borrowing costs going forward as the concessionaires’ debts are pared down.
- Moving forward, with the ramping up of the KVMRT Line 2 underground works and the pick up in property sales due to launches of several new projects, the percentage of highways profit contribution to the Group will reduce.

End of Presentation

APPENDIX II

PERTINENT QUESTIONS AND ANSWERS AT THE 40TH AGM

Shareholder : Mr. Wan Heng Wah

Q1 Pertaining to the Klang Valley Mass Rapid Transit (“KVMRT”) Line 1 project, is the project on track and completed on time?

A1 The KVMRT Line 1 project is on schedule and within the targeted cost. Construction of Phase 1 (from Sungai Buloh to Semantan Station) is on track for public operation by 16 December 2016.

Q2 On the award of the Underground Works (“UGW”) Package comprised in the KVMRT Line 2 project, what was the length of the said project and how many stations were proposed for the said project?

A2 The UGW Package of KVMRT Line 2 is approximately 42% longer than that of KVMRT Line 1 and is the largest works package for the KVMRT Line 2 project. It encompasses the planning, design, construction and completion of the tunnels, 11 underground stations and associated structures such as cross overs, portals and escape shafts for the 13.5 km alignment from Jalan Ipoh North Escape Shaft to the Desa Waterpark South Portal.

Q3 What is the progress of the Yen So Park development in South Hanoi and how much of the land are still not developed?

A3 The Yen So Park (spanning over 323 hectares) and the Yen So Sewage Plant are parts of the integrated Gamuda City mixed development project of the Group in Hanoi, Vietnam.

Gamuda City, the township development spanning 426 acres, still have a remaining gross development value of RM8.7 billion over the next 10 years, representing 86%.

The Yen So Sewerage Treatment Plant has been completed and handed over in 2013, while Yen SO Park has been officially opened to the public in year 2014.

Q4 Will the Company be participating in the in the Pan Borneo Highway (Sabah portion)?

A4 As the remaining packages are targeted to be awarded by end-2017, the Company is still reviewing the feasibility of the Sabah portion of the Pan Borneo Highway.

Q5 What is progress of the works package contract for Pantu Junction to Batang Skrang comprised in the Pan Borneo Highway project?

A5 Works under the works package contract has commenced two months ago and is progressing according to schedule.

Q6 With the recent cases of accidents at the industrial work project site, what are the safety measures, including training and/or certifications taken by the Company to prevent accidents?

A6 Safety continues to be given top priority in all of our projects. Quality, Safety, Health and Environment (“QSHE”) is paramount in the KVMRT project.

We ensure that works are carried out in compliance with international standards and practices. UGW Contract requires tunnelling works to comply with UK standards.

Towards this end, Gamuda has taken various initiatives to inculcate safety awareness among workers, such as:

- Construction Skills Certification Scheme (UK) [CSCS] – adopted for the UGW contract with 5600 staff already inducted.
- Construction Design Management - reduce risk and continuous assessment via Gate Review Process.
- Specifications and Contractual Knowledge – enforce higher standard of work and workplace practices.
- SHE Performance Scheme – a two pronged approach where bonus will be given to work package contractors and there will be deductions in contract payments of work package contractors whose performance does not meet the threshold.
- Accident and Incident Rates (AIR) based on UK Construction Industry – benchmarking on UK industry achieved on KVMRT Line 1 and continued to KVMRT Line 2 for the UGW.

- **KVMRT Safety Passport Scheme** – ensures that all workers in the KVMRT project will undergo the required training before they are allowed to work. Aside from the KVMRT site workers, the senior management team for the project are required to attend the scheme as well.
- **Master Trainer Programme** – 15-day rigorous training courses that include Lifting Operations Training as well as Scaffolding and Temporary Works Training, and a 5-day ‘Train the Trainer’ programme to produce PDP master trainers, WPC master trainers, trainers and assessors. The purpose of this programme is to produce Master Trainer and trainers/ assessors, who in turn will train and prepare all workers on site for the delivery of the KVMRT Line 2 project.
- **Signing of a Memorandum of Understanding (MoU)** between MMC-Gamuda, CIDB Holdings, MRT Corp and NIOSH to enhance skills and competencies of all workers involved in the KVMRT project and, to develop new occupational, safety and health standards as well as guidelines for the project.

To gauge the effectiveness and to explore opportunities for improvement of our QSHE policies, our management system is being audited by SIRIM on a yearly basis. We continue to strive to maintain an excellent safety scorecard and ensure that all our QSHE targets are met.

Shareholder : Mr. Veiven Goon

Q1 Following the softening of the property market, what are the Company strategy and/or plan to overcome this impact on the Company’s development projects, in particular the Horizon Hills, Iskandar Malaysia, Johor?

A1 While we expect the property market in the region to continue to be soft, Gamuda remains upbeat about the prospects of our developments. We are continuously reviewing our developments products and if necessary, changes to products will be made to mitigate the impact of the softening property market.

As for our joint development project, Horizon Hills which initial focus was on higher end products, we are looking into shifting our focus to mid-high price products to cater for the current property buyers’ demand.

Q2 When will the Government award the MRT Line 3 project?

A2 Upon taking all the factors mentioned below into consideration, the Government will decide on the most appropriate time to implement MRT Line 3 project. To Gamuda, the best time to award the KVMRT Line 3 project would be in early year 2019 in consideration of the following factors:

- the third route which will be built entirely underground will be more expensive.
- to build KVMRT Line 3 project concurrently with KVMRT Line 2 project will stretch the supply chain.

Shareholder : Mr. Jeremy Ting Keng Fui

Q1 On the Group's segmental performance on page 112 of the Annual Report 2016, what is the breakdown of the revenue and profit before taxation ("PBT") between water and the expressway concessions as these are two different types of concessions?

Comparing the revenue of RM478 million against the PBT of RM413 million in respect of water and expressway concession for the financial year 2016, it implied that the water and expressway concession are very lucrative.

A1 The concession projects are undertaken by Gamuda's associated companies. For accounting purposes, Gamuda can only book in its share of the associated companies' profits. Gamuda does not book in its shares of the associated companies' revenue.

On the breakdown of the revenue and PBT derived from its water and expressway concessions, contribution from these two concessions are equal i.e. 50% : 50%.

Q2 **The Company has reported consistent revenue of over RM4.0 billion for current and past financial years.**

What is the dividend policy of the Company since the Company has always maintained its dividend pay-out rate at 12 sen for the past financial years?

Will the Company consider increasing the dividend rate?

A2 **Gamuda does not have a dividend policy. However, we have a dividend pay-out guideline which prescribed that a minimum 30% of the net profit for the year shall be distributed to the shareholders as dividend.**

For the past few financial years, the dividend pay-out rate has been consistently maintained at 12 sen. This is because the Company is massively expanding its core businesses and funding are required for this purpose. Even though we recognise the profits from the water concession but in term of cash flows, we are only receiving 40% of the total billings made to SYABAS.

Q3 **If the Company have no specific plan to utilise the mandate sought under Section 132D for the financial year 2017, the Company should consider withdrawing the proposed resolution to seek shareholders' approval on the authority for the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965.**

A3 **The Company is of the view that the proposed resolution on the authority for Directors to issue shares pursuant to Section 132D of the Companies Act, 1965 is necessary as it provides the following benefits to the Company and its shareholders: -**

- enhance flexibility of fund raising to cope with volatile market and relevant factors;**
- reduce procedures and time as well as reduce expenses of holding a general meeting to approve a capital increase each time funds are needed;**
- provide stand-by working capital in accordance with the business needs of the Company;**
- in any case, the maximum dilution effect is limited to 10 percent of the issued and paid-up share capital of the Company**

Corporate Representative of MSWG : Mr. Wong Kin Wing

Q1 Please confirm that the joint venture formed between Gamuda and MMC Corporation Berhad to undertake the UGW Package, is not a related party transaction pursuant to Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

A2 Even though both MMC Corporation Berhad and Gamuda have a common shareholder i.e. Amanah Trustee Berhad, the joint venture is not regarded as a related party transaction pursuant to paragraph 10.08 (11) (m). Furthermore, Amanah Trustee Berhad is a collective investment scheme company, is not involved in the management of both listed companies and is not represented on the Board of both listed companies.

Shareholder : Mr. See Yoot Wah

Q1 It is noted that the tunnel boring machines (“TBM”) used by the Company for its UGW Package are operated by electricity.

Will it be cheaper to use fuel to operate the TBMs instead of electricity?

A1 There are no known records of any earlier versions of the TBMs consuming fuel. Even if TBMs could be designed to operate on fuel, working in a tunnel with the risk of fire from the fuel is unacceptable.

Q2 As the disposal of SPLASH will result in a divestment loss to the Company, should the Company reconsider keeping SPLASH until the expiry of the water concession?

A2 The disposal of SPLASH is part of the Selangor State Government’s efforts to consolidate the various entities involved in the treatment, supply and distribution of water in the state of Selangor.

As such, it is not a matter of choice on Gamuda’s part. The Company will try its utmost best to negotiate for a best price for SPLASH, bearing in mind, the interest of the shareholders of the Company.