



MINUTES OF FORTY-THIRD (“43ND”) ANNUAL GENERAL MEETING (“AGM”) OF GAMUDA BERHAD [COMPANY REGISTRATION NO. 197601003632 (29579-T)] (“GAMUDA” OR “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, 5 DECEMBER 2019 AT 10.00 A.M.

PRESENT : Y.Bhg. Dato’ Mohammed Hussein
(Chairman)
Y.Bhg. Dato’ Lin Yun Ling
(Group Managing Director)
Y.Bhg. Dato’ Ir. Ha Tiing Tai
(Deputy 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. Tan Sri Dato’ Setia Haji Ambrin bin Buang
(Independent Non-Executive Director)
Y.M. Tunku Afwida binti Tunku A. Malek
(Independent Non-Executive Director)
Puan Nazli binti Mohd Khir Johari
(Independent Non-Executive Director)
Encik Mohammed Rashdan bin Mohd Yusof
 (“Danny Rashdan”)
(Deputy Group Managing Director/
Alternate Director to Y.Bhg. Dato’ Lin)
Two Hundred and Ninety-four (294) Members,
One Hundred and Twenty-seven (127) Proxies
(including Chairman) and
One (1) Corporate Representative, holding
1,600,470,765 Ordinary Shares representing 64.67%,
As per Attendance List (based on Headcounts)

BY INVITATION : Mr. Soo Kok Wong
(Chief Financial Officer)
Mr. Terence Tan Shium Jye
(Representatives from Messrs Ernst & Young)
Ms. Shernice Heng Xin Yi
(Representatives from Messrs Ernst & Young)
Mr. Jerry Ang Zi Kang
(Representatives from Messrs Ernst & Young)

IN ATTENDANCE : Ms. Lim Soo Lye
(Company Secretary)
Ms. Jasmine Pang Siok Tieng
(Company Secretary)

Gamuda Berhad [Company No. 197601003632 (29579-T)]

Menara Gamuda, PJ Trade Centre, No. 8, Jalan PUJ 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Malaysia

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1. CHAIRMAN

Y. Bhg. Dato' Mohammed Hussein, the Chairman of the Board of Directors ("Board") of the Company chaired the 43rd AGM of the Company pursuant to Clause 72 of the Constitution of the Company.

2. WELCOME ADDRESS

The Chairman welcomed and thanked the shareholders of the Company and the proxies (collectively "Members") for attending the 43rd AGM of the Company.

Before beginning the proceedings of the 43rd AGM, the Chairman reminded the Members to observe the following house rules: -

- All mobile phones are to be put to silent mode;
- Members (present in person or represented by proxy or proxies or corporate representative) should use the microphones if they have any questions to raise pertaining to the business of today's meeting; and
- Members (present in person or represented by proxy or proxies or corporate representative) should ensure that their questions are of a reasonable length of time and should also confined them to matters before today's meeting;
- Members (present in person or represented by proxy or 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; and
- Taking photographs and audio or video recordings while the 43rd AGM is in session are strictly prohibited.

3. QUORUM

The requisite quorum being present pursuant to Clause 70 of the Constitution of the Company, the Chairman declared the 43rd AGM duly convened at 10.05 a.m.

4. NOTICE

The Notice convening the 43rd AGM together with the CD-ROM containing the Annual Report 2019 together with the Abridged Annual Report and the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-back Authority, all dated 8 November 2019 were taken as read.

5. INTRODUCTION OF DIRECTORS

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

6. PRELIMINARY

(a) Poll Voting

The Chairman informed the Members that all resolutions set out in the Notice of the 43rd AGM dated 8 November 2019 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 43rd AGM.

(b) Company Presentation

Upon the invitation of the Chairman, the Deputy Group Managing Director, Mr. Danny Rashdan presented the responses by the Company to the questions raised by the Minority Shareholder Watch Group (“MSWG”) vide their letter dated 21 November 2019.

MSWG’s questions and the responses from the Company were simultaneously displayed on screen in the meeting hall (copy enclosed as “Appendix A”).

Thereafter, Mr. Danny Rashdan proceeded with his presentation on the performance of the Group for the financial year under review which covered the following: -

- (i) The Group’s operations review, which included statement of financial position, financial performance analysis, and highlights of financial year 2019; and
- (ii) The business outlook of the core businesses of the Company, namely Construction, Property and Concession;

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

The Chairman thanked Mr. Danny Rashdan for his presentation and proceeded to invite the Members to raise questions, if any, before commencing with the first agenda for the 43rd AGM.

All questions raised were responded by the Chairman, Y.Bhg. Dato' Lin Yun Ling, Y.Bhg. Dato' Ir. Ha Tiing Tai and Mr. Danny Rashdan accordingly. The details of the pertinent questions raised and the Company responses are set out in "Appendix B",

There being no further questions from the Members of the Company, the Chairman proceeded to the first agenda of the 43rd AGM.

7. MATTERS TABLED

(a) Audited Financial Statements of the Group and of the Company for the Financial Year Ended 31 July 2019 together with the Reports of the Directors and Auditors thereon ("Audited Financial Statements")

The Chairman informed the Members that the first agenda for the 43rd AGM is to receive the Audited Financial Statements.

Under Section 340 (1)(a) of the Companies Act 2016, the Audited Financial Statements which have been approved by the Board and audited by its external auditors are only required to be laid before the Company at its AGM.

Since all questions by shareholders have been raised earlier after the Company presentation, the Audited Financial Statements were duly received by the shareholders of the Company.

(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 Seven Hundred and Seventy-four Thousand Four Hundred and Seventeen (RM774,417/-) only for the financial year ended 31 July 2019.

The Chairman informed the shareholders as follows: -

- (i) The details of the fees payable to each individual Non-Executive Directors of the Company which were displayed on screen, can be found on page 248 of the Audited Financial Statements section in the Annual Report 2019 and page 399 of the Notice of AGM in the Annual Report or page 23 of the abridged version of the Annual Report.

- (ii) Evaluation of Directors' fees was performed once a year by the Remuneration Committee.
- (iii) The Directors' fees were in respect of the Non-Executive Directors' memberships in Board and Audit Committee.
- (iv) The Board on the recommendation of the Remuneration Committee, has considered the positioning of the Directors' fees over the past three (3) financial years from 2017 to 2019, had recommended an increase of RM30,000 per annum in respect of the Non-Executive Directors' (including Independent Directors but excluding Independent Chairman) memberships in the Board.

There being no questions, the Chairman proceeded to Agenda 3.

**(c) Payment of Directors' Remuneration
(Excluding Directors' Fees)**

The Chairman informed the Members that Agenda 3 is to seek shareholders' approval for the payment of Directors' benefits which excludes Directors' fees since the Directors' fees has been tabled and deliberated by the Members under Resolution 1.

The Chairman highlighted that pursuant to Section 230(1) of the new Companies Act 2016, the fees of the Directors, and any benefits payable to the Directors of listed companies and its subsidiaries are required to be approved by shareholders at general meetings.

Accordingly, **Resolution 2** is to authorise the payment of Directors' benefits of up to an amount of RM320,000/-, as and when incurred, to the Non-Executive Directors for the period from 6 December 2019 until the next AGM in 2020.

The Chairman explained that the current Directors' benefits paid/payable to the Non-Executive Directors of the Company comprises meeting allowances and benefits-in-kind of the Company, as follows: -

- Directors' meeting allowances of up to an amount of RM160,000/- only; and
- Directors' benefits payable of up to an amount of RM160,000/- only.

Explanatory on the Directors' remuneration is also provided on:

- pages 399 and 400 of the Notice of AGM in the Annual Report 2019; or
- page 24 of the abridged version of the Annual Report 2019.

The Chairman further clarified that should the amount of Directors' benefits paid exceeds the estimated amount sought at this 43rd AGM, shareholders' approval will be sought at the next AGM in 2020.

There being no questions, the Chairman proceeded to Agenda 4.

(d) Re-Election of Directors in accordance with the Constitution of the Company

The Chairman informed the Members that Agendas 4 relates to the re-election of the following Company Directors who retire in accordance with Clause 95 of the Constitution of the Company and being eligible for re-election, have offered themselves for re-election, namely: -

- (i) Y.Bhg. Dato' Lin Yun Ling **(Resolution 3)**;
- (ii) Y.M. Tunku Afwida binti Tunku A.Malek **(Resolution 4)**;
and
- (iii) Puan Nazli binti Mohd Khir Johari **(Resolution 5)**.

The profiles of the aforesaid Directors were provided to the Members on pages 49, 53 and 54 of the Annual Report 2019.

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 endorsed the recommendation of the Nomination Committee that the aforesaid Directors are eligible to stand for re-election.

The Chairman invited questions from the floor in connection with the aforesaid resolutions. As there was no question and/or clarification sought, the Chairman informed that voting on Resolutions 3, 4 and 5 shall be conducted by poll upon completion of the remaining businesses of the 43rd AGM.

(e) 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 being satisfied that EY has met the relevant criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which was concluded through the assessment carried out by the Audit Committee on the suitability and independence of EY, 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 43rd AGM.

(f) Authority to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016

The Chairman proceeded to the next Agenda which is a Special Business to empower the Company Directors to issue ordinary shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016, to the Members for their consideration and approval.

The Chairman assured the Members that should there be any decision to issue new shares after the authorisation is sought, the Company would make an announcement accordingly of the actual purpose and the utilisation of proceeds arising from such issuance of shares. 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**.

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 43rd AGM.

(g) Proposed Renewal of Share Buy-back Authority

The Chairman informed that the next agenda, which is also a Special Business relates to the proposed renewal of share buy-back authority where the details of the proposal are set out in the Share Buy-Back Statement dated 8 November 2019.

The Chairman reiterated the Board's opinion as disclosed in the said Share Buy-back Statement that the proposed renewal of share buy-back authority is in the best interest of the Company.

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

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 43rd AGM.

**(h) Special Resolution:
Proposed Adoption of a New Constitution**

The Chairman informed that the last agenda is to consider and if thought fit to pass the Special Resolution on the Proposed Adoption of New Constitution where the details of the proposal are set out in Part B of the Circular to Shareholders dated 8 November 2019.

The Proposed Adoption of New Constitution is undertaken primarily to:

- streamline the existing Constitution with the new Companies Act, which came into effect on 31 January 2017, the Listing Requirements and other relevant regulatory provisions.
- provide clarity on certain provisions thereof; and
- render consistency throughout in order to facilitate and further enhance administrative efficiency.

The Chairman reiterated that the Board is of the opinion that the said proposal is in the interest of the Company and is administrative in nature.

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

As there was no questions and/or clarification sought, the Chairman proceeded to adjourn the 43rd AGM.

(i) 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.

8. POLL VOTING PROCESS

The Chairman informed the shareholders that an Extraordinary General Meeting (“EGM”) has been scheduled immediately following the adjournment (as the case may be) of the 43rd AGM.

Since there were no objection from the shareholders present, the Chairman informed that the poll voting will be conducted after the EGM and he shall continue with the proceedings of the EGM.

As such, the briefing by Tricor on the procedures for the conduct of the poll voting using Tricor e-Vote Application will be done upon the adjournment of the EGM.

Nevertheless, the Chairman informed that Members who do not wish to attend the EGM, may proceed to the voting kiosk located at the registration room to cast their votes now.

At 11.30 a.m., the Chairman declared that the registration for attendance at the 43rd AGM be and is hereby closed and that the 43rd AGM shall now be adjourned for purposes of poll voting after the adjournment of the EGM.

Upon the adjournment of the EGM (which was held immediately following the adjournment, as the case may be of the 43rd AGM) at 12.10 p.m., the Chairman invited the Poll Administrator and the Independent Scrutineers to introduce themselves, namely: -

- (i) Ms. Wong Yoke Fun, the representative of the Poll Administrator from Tricor; and
- (ii) Mr. Chuah Poo Sian, the representative of the Independent Scrutineers.

Ms. Wong of Tricor explained the procedures for the conduct of the poll voting at the 43rd AGM using Tricor's e-Vote App. Accordingly, Members now have the following options in regards to the e-voting:-

- Members may vote using their own mobile devices while they remain seated at the meeting hall; or
- Members may queue up at the voting kiosks set up in the registration room where they registered themselves earlier.

For Members who opt to use their own mobile devices were required to download the Tricor e-Vote App and once downloaded, to connect to the following WI-FI network:

WI-FI Name : Tricor_eVote
Password : Gamuda0512

The tutorial video to guide the Members on how to vote using the Tricor e-Vote App which was played in the registration room earlier was once again played inside the meeting hall.

Ms. Wong handed-over the meeting to the Chairman upon conclusion of the briefing of the said polling procedures.

At 12.15 p.m. the Chairman adjourned the 43rd AGM again for 15 minutes for the poll voting, The Chairman informed that the Poll Administrator would assist Members facing any difficulties during the e-voting process.

At 12.25 p.m., the Poll Administrator announced that the e-voting session for the 43rd AGM has ended. The poll results were handed over to the Scrutineers for validation.

After 15 minutes, the Chairman then called the 43rd AGM to order for declaration of poll results for Resolutions 1 to 8 and the Special Resolution respectively.

9. ANNOUNCEMENT OF POLL RESULTS

The 43rd AGM was re-convened at 12.35 p.m. where, 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.

Upon the invitation of the Chairman, the Scrutineers, Mr. Chuah Poo Sian confirmed that the poll voting results as projected on the screen in the meeting hall have been duly verified. He then moved on to read out the poll results to the Members present, as follows: -

Resolution 1

Payment of Directors' Fees

Ordinary Resolution 1	For		Against	
	No. of Shares	%	No. of Shares	%
	1,496,235,270	99.9930	104,400	0.0070

It was **resolved** as follows: -

“THAT the Directors’ Fees amounting to Ringgit Malaysia Seven Hundred and Seventy-four Thousand Four Hundred and Seventeen (RM774,417/-) only in respect of the financial year ended 31 July 2019, as recommended by the Board, be and is hereby approved with immediate effect.”

Resolution 2

Payment of Directors' Remuneration (excluding Directors' Fees)

Ordinary Resolution 2	For		Against	
	No. of Shares	%	No. of Shares	%
	1,496,339,370	99.9998	2,400	0.0002

It was **resolved** as follows: -

“THAT the Directors’ Remuneration (excluding Directors’ fees) of up to an amount of RM320,000/-) only payable for the period from 6 December 2019 until the next AGM of the Company to be held in 2020 as recommended by the Board, be and is hereby approved with immediate effect.”

Resolution 3

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

Ordinary Resolution 3	For		Against	
	No. of Shares	%	No. of Shares	%
	1,465,976,423	91.6768	133,094,347	8.3232

It was **resolved** as follows: -

“THAT Y.Bhg. Dato’ Lin Yun Ling, the Director retiring by rotation pursuant to Clause 95 of the Constitution of the Company and being eligible, has offered himself 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	1,598,295,870	99.9515	774,900	0.0485

It was **resolved** as follows: -

“THAT Y.M. Tunku Afwida binti Tunku A.Malek, the Director retiring by rotation pursuant to Clause 95 of the Constitution of the Company and being eligible, has 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	1,409,337,873	88.1348	189,732,897	11.8652

It was **resolved** as follows: -

“THAT Puan Nazli binti Mohd Khir Johari, the Director retiring pursuant to Clause 95 of the Constitution of the Company and being eligible, has 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	1,594,175,344	99.6939	4,895,426	0.3061

It was **resolved** as follows: -

“THAT Messrs. Ernst & Young, who have expressed their 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 Sections 75 and 76 of the Companies Act 2016

Ordinary Resolution 7	For		Against	
	No. of Shares	%	No. of Shares	%
	1,144,167,407	71.8441	448,403,363	28.1559

It was **resolved** as follows: -

“THAT subject always to the Companies Act 2016, the Constitution of the Company and the approvals of the relevant governmental regulatory authorities (if required), the Directors of the Company be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot shares in the Company, from time to time, and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of, and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company.”

Resolution 8

Proposed Renewal of Share Buy-back Authority

Ordinary Resolution 8	For		Against	
	No. of Shares	%	No. of Shares	%
	1,178,112,170	99.7153	3,363,900	02847

It was **resolved** as follows: -

“THAT subject to the provisions of the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant governmental regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of the Company (“Proposed Share Buy-back”) as may be determined by the Directors of the Company, from time to time, through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of ordinary shares to be purchased pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being of the Company and an amount not exceeding the retained profits of the Company be and is hereby allocated by the Company for the Proposed Share Buy-back.

THAT at the absolute discretion of the Directors of the Company, upon such purchase by the Company of its own shares, the purchased shares shall be cancelled and/or retained as treasury shares and subsequently be cancelled, distributed as dividends or resold on Bursa Malaysia Securities Berhad and/or in any other manner as prescribed by the Companies Act 2016.

THAT the Directors of the Company 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 to be 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 the Main Market Listing Requirements of Bursa Malaysia Securities Berhad or any other relevant authorities.”

Special Resolution

Proposed Adoption of New Constitution of the Company

Special Resolution	For		Against	
	No. of Shares	%	No. of Shares	%
	1,599,069,770	99.999	1,000	0.0001

“THAT approval be and is hereby given for the Company to revoke its existing Memorandum and Articles of Association with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Appendix II of the Statement/Circular to Shareholders dated 8 November 2019 be and is hereby adopted as the Constitution of the Company with immediate effect (“Proposed New Constitution”);

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed New Constitution with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by any relevant authorities.”

Based on the poll results as projected on the screen, the Chairman declared all Resolutions 1 to 8 and the Special Resolution tabled at the 43rd AGM carried.

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

10. CLOSE OF MEETING

On behalf of the Board of Directors, the Chairman thanked the Members for their attendance at the 43rd AGM and declared the 43rd AGM duly closed at 12.39 p.m.

CONFIRMED AS CORRECT RECORDS:

- signed -

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DATO’ MOHAMMED HUSSEIN
CHAIRMAN

Date : 19 December 2019

APPENDIX A

Gamuda Berhad

ANNUAL GENERAL MEETING

5 December 2019

***QUESTIONS RAISED BY MINORITY SHAREHOLDERS
WATCH GROUP (MSWG) FY2019***

5 questions

Question 1 (a)

The Group is disposing four toll highways concessions namely KESAS, LITRAK (LDP), SPRINT and SMART to the Government of Malaysia. MSWG noted in the Statement from the Group Managing Director (Page 11 of the Annual Report 2019) that the Group's role as the Project Delivery Partner of the Penang Transport Master Plan Development and the Penang South Islands project, would provide the Group with future recurring earnings to replace the lost earning contributions from the toll concessions.

How much of the proceeds from the disposal of the four highways will be reinvested into the project in Penang?

Answer

Gamuda's share of proceeds from the disposal of the four highways is RM2.36 billion. A meaningful amount of proceeds will be paid out as special dividend, whilst the significant remainder will be utilised as working capital for the Penang Transport Master Plan (PTMP) and Australia projects.

Question 1 (b)

To what extent will the abovementioned future recurring earnings be able to replace the lost earning contributions from the toll concessions?

Answer

The PTMP project revolves around 3 workstreams – Light Rail Transit (LRT), Pan Island Link (PIL) and Penang South Islands reclamation. The Project budget is approximately RM20 billion for both LRT and PIL and RM10 billion for the first Penang South Island reclamation. Being the Project Delivery Partner (PDP), we are entitled to PDP fee at the rate to be agreed with the Penang State Government. The PDP agreement is target to sign in January 2020.

In Australia's venture, we are to bid for more than AUD\$20 billion of work over the next year or so. These Penang and Australia ventures will provide substantial earnings contribution for the Group.

Question 2

Sales of now completed 661 Chapel Street, a luxury condominium in Melbourne, Australia is on-going (Page 28 of the Annual Report 2019).

What is the latest take up rate of the condominium?

Answer

We continue to have encouraging demand and interest in Chapel Street. To-date, we have surpassed the halfway mark and have sold 65 units of the total 116 units, a take up rate of 56%.

Question 3 (a)

New Growth in Australia

MSWG noted in the Statement from the Group Managing Director (Page 13 of the Annual Report 2019) that the Group has identified Australia as a country that it aims to build a second construction base and it intends to do selective tendering to establish a foothold in this market with an Infrastructure development pipeline estimated at A\$300 billion by the Australian Trade Commission. To accelerate the Group expansion into Australia, the Group had in September agreed to invest in 50% stake in Martinus Rail Pty Ltd, the largest independent specialist rail constructor in the country.

As the next growth frontier for the Group, what are the challenges that the Group will face in Australia? How does the Group plan to overcome these challenges?

Question 3 (a)

Answer

- **Gamuda are learning fast to deal with the unfamiliar business terrain in Australia. In Australia, there is a lack of experienced constructors in delivering mega projects, relatively limited diversity in construction techniques and an acute shortage in skilled labour.**
- **Gamuda have vast experience in infrastructure delivery, development of leading edge innovative technology and ground-breaking job expansion initiatives such as the Tunnel Training Academy. Gamuda hope to replicate all these in Australia.**

Question 3 (b)

The Group's partner is, Martinus Rail Pty Ltd. Please explain why the Group chose this company over others as its partner in Australia.

Answer

- **The acquisition of Martinus Rail (MR) provides an immediate Australian presence, with local crew, track record and access to supply chain. Martinus Rail is the largest independent, privately-owned specialist rail constructor in Australia with a track record of having successfully delivered large rail projects exceeding RM600 million in New South Wales, Victoria and Queensland.**
- **We are also forming joint ventures with other large companies to bid for mega projects emerging in the horizon.**

Question 3 (c)

What is the total contract value that the Group expects to bid for in Australia for the next few years?

Answer

The Group will expect to bid for more than AUD\$20 billion of work over the next year or so.

Question 3 (d)

What are the Group's targeted margins and returns?

Answer

Margins and returns are dependent on the type of projects, size of projects and duration of construction. High single digit margin is achievable.

Question 4

MSWG noted in the Statement from the Group Managing Director (Page 15 of the Annual Report 2019) that in relation to automation and digitalisation, the Group focuses on technological innovation to remain resilient, customising solutions and mapping future market trends and opportunities.

What is the capital expenditure budgeted for this initiative? Please explain in greater detail how you intend to leverage on technological innovation.

Question 4 (Cont'd)

Answer

No	Description	Focus area	Actual	Projection
			(FY2017-FY2019) RM 'mil	(FY2020 - FY2022) RM 'mil
1	Digital Construction Technology & Industrial Automation	<u>Industrial Building System (IBS)</u> Digital manufacturing in construction using pre-fabrication technology	183	36
2	Digital Procurement & Enterprise Resource Planning (ERP)	- <u>Digital procurement</u> for improved sourcing capabilities, transparency & cost savings - Replacing legacy IT systems	13	42
3	Customer Experience & Digital Marketing	<u>Enhancing customer experience</u> to drive sales & increase customer retention	2	14
4	Digital Engineering	Improving digital engineering capabilities with <u>building information modelling (BIM)</u>	7	7
5	IT Infrastructure & Cybersecurity	- <u>Cyber security</u> to protect our digital systems, data & assets - Maintaining IT infrastructure	48	46
	Total		253	145

Question 5

On sustainability matters, what are the critical areas that Group has identified for improvement?

Answer

3 critical areas that the Group has identified for improvement are as follows:

	Industry, Innovation & Infrastructure	Sustainable Cities & Communities	Climate Action
Initiatives	<p>Building Information Modelling (BIM)</p> <ul style="list-style-type: none"> • BIM implementation and training academy to build talents in innovative construction technology. <p>Group Digital Procurement Platform</p> <ul style="list-style-type: none"> • To drive transparent, ethical sourcing and stimulate local business growth. 	<p>Smart Cities</p> <ul style="list-style-type: none"> • Smart township planning for improved liveability. <p>Gamuda Parks</p> <ul style="list-style-type: none"> • Beyond EIA compliance, Gamuda voluntarily monitors and expands natural ecosystem. 	<p>Carbon action initiatives</p> <ul style="list-style-type: none"> • Energy management. • Innovative technology. • Green materials (ie. Low carbon concrete).

PERTINENT QUESTIONS AND ANSWERS RAISED AT 43rd AGM**Shareholder : Mr. Ong Hock Soon**

Q1 How much would be the conservative contribution anticipated from the Penang Transport Master Plan (“PTMP”) project?

A1 Gamuda’s role in the PTMP is solely as a project delivery partner (“PDP”) to assist the State Government of Penang in the implementation of this massive project.

In terms of future earnings to the Group, Gamuda’s role as PDP, we are negotiating a commensurate fee comparable to our previous PDP roles, on the awarded work contracts. PTMP comprises of three main components, namely: -

- The Pan Island Link (PIL) highway;
- Reclamation Works (Penang South Islands); and
- The Light Rail Transit (LRT) from George Town to Island A of the Penang South Islands.

The PTMP project budget is approximately RM20 billion for both LRT and PIL, and RM10 billion for the first Penang South Island reclamation.

Q2 What is the benefits derived from its industrial building system (“IBS”) in monetary terms for Gamuda group i.e. cost effectiveness and/or cost efficiency?

A2 With the opening of Gamuda’s second plant in May 2019, Gamuda’s aggregate combined capacity is now at 10,000 homes per year.

A fully automated and digitalised IBS plant, has high fixed production cost related to the machinery involved. Similar to all manufacturing industries, cost efficiency is achieved, with higher economies of scale. As this business is relatively new, we have yet to achieve the optimum production level.

The benefits of adopting Gamuda IBS are:

- a. 70% reduction in labour. Hence reducing reliance on foreign workers and reducing our nation’s foreign exchange outflow;
- b. Faster construction will significantly reduce cost of financing for projects – upwards of 30%. compared to conventional method and reduce construction period by 12 months.

Shareholder : Mr. Sze Kok Sing @ See Kok Seng

Q1 What are the challenges faced from Gamuda IBS business?

A1 Gamuda IBS is able to build a wide range of products, be it affordable homes, luxurious landed homes and high-rise buildings. The main challenge is to increase its order book from external projects is paramount, and given that Malaysia property market remains weak and the rollout of affordable housing by the Government is slow, we have to depend on our Group's own housing projects such as Gamuda Cove (1,500 acres), Gamuda Kemuning (257 acres) and Gamuda Garden (810 acres) to fill in the gaps. These township developments will keep the IBS factories busy for many years. The strategic selection of IBS plants at Sepang and Banting which are located near to these township developments has brought advantages to Gamuda Land in terms of logistic planning, increase productivity, reduce wastage, shorten the construction period and reduce the number of skilled workers on site as well as reducing construction cost and improving profit margin.

Shareholder : Mr. Lee Cheng Hock

Q1 From the response to MSWG presented earlier, it was mentioned that upon completion of the disposal the four toll highways concessions to the Government of Malaysia, a meaningful amount of the proceeds from Gamuda's share of the proceeds from the said disposal will be paid out as special dividends.

Is the special dividend included in the 12 sen dividend declared by Gamuda annually and if it is not included, what is the rate of the special dividend?

A1 The special dividend is not part of the 12 sen dividend declared by the Company annually.

However, the rate of the special dividend can only be determined upon the completion of the disposal of the four toll highways concessions.

Proxy : Mr. Tan Ging Tuang

Q1 On page 125 of the annual report pertaining to safety and health, it was reported that Gamuda strives to reduce the number of accidents in its operation through continuous monitoring and process improvement.

However, the number of LTI (Lost Time Injury) frequency rate and accident rate have increased. LTI frequency rate has increased by four-folds from 0.57 (2018) to 1.94 (2019).

Please explain the reason for the increase?

A1 In FY 2019, Gamuda's workforce and total manhours work at project sites have also increased by 44% and 28% respectively, as compared with FY2018. Most of the incidents recorded are minor in nature which required less than two days medical leave. Apart from reporting incidents transparently, Gamuda also seek to learn from all incidents no matter how minor they are in order for us to investigate, analyse and implement effective corrective actions to prevent recurrence.

Furthermore, in order for Gamuda to benchmark against developed country, we also adopted a more stringent calculation requirements for our LTI frequency rate which is in line with Australia Standard.

Gamuda is committed to improve safety & health at our workplace. This is evident with our British Safety Council's 5 STAR and Sword of Honour Awards in Year 2019. We are also the first construction company in Malaysia who has been accredited by the Office of Federal Safety Commissioner, Australia.

Just in November 2019, MMC Gamuda received another two awards from the British Safety Council, one for overall excellence in upholding health and safety at the workplace, and the another for acing a comprehensive safety audit.

Shareholder : Mr. Jeremy Ting Keng Fui

Q1 On 2 October 2019, it was reported in the newspapers that Gamuda has agreed to purchase a 50% stake in Australian contractor Martinus Rail Pty Ltd (“Martinus Rail”)

What is the status of Gamuda’s venture into Australia i.e. has the deal been concluded?

What is the outlook and what kind of contribution is expected from Gamuda’s investment in Australia?

Which state in Australia is the Company focusing its’ investment in Australia and any potential projects identified?

A1 As reported in the news, Gamuda’s wholly owned subsidiary, Gamuda Engineering Australia has in September 2019 executed a binding agreement with Martinus Rail. The acquisition will give Gamuda an immediate presence in the construction market in Australia.

Martinus Rail is a New South Wales-based rail construction outfit and based on their track records, they can only bid for projects amounting to A\$100 million and below.

In our partnership with Martinus Rail, Gamuda is targeting to bid for 6 to 7 railway construction projects with amounts between A\$100 million to A\$500 million for the next 12 months. We are hopeful to secure approximately at least A\$2 billion worth of projects in Australia.

For railway construction projects with amount above A\$500 million, Gamuda (Australia) branch is actively identifying other potential partner companies i.e. tier one contractor companies in Australia like John Holland, CPB Contractors, etc. Gamuda plan to bid for more than A\$20 billion of work over the next year or so jointly with the aforesaid tier one contractors.

Looking at the tender pipelines for rail infrastructure in Australia, the main two regions that Gamuda is focussing on for its expansion to Australia would be Victoria, New South Wales, Melbourne and Sydney.

Q2 For the PTMP project which will be using the PDP model, will the State Government of Penang scrap the PDP model for the turnkey model and if the PDP model is scrapped, the impact on Gamuda?

A2 The arrangement for PTMP project is under the PDP model. Should the Penang State Government decided to cease the PDP model, similar with Klang Valley Mass Rapid Transit (MRT) Line 2 project, Gamuda is amenable to cooperate with the state government to convert the PTMP project from a PDP model to a turnkey model.

Q3 For IBS where the Group Managing Director has mentioned earlier that achieving the economies of scale is the key to effectively reduce development cost.

In the face of the affordable housing conundrum where the government is reducing affordable housing projects and urging developers to lower property prices at the same time, how do Gamuda IBS achieve the economy of scale i.e. can Gamuda property projects help Gamuda IBS achieve the economy of scale?

A3 Gamuda IBS has been manufacturing panels for Gamuda Land and for external projects i.e. Perbadanan Kemajuan Negeri Selangor (“PKNS”), Worldwide Holdings Berhad, IOI Group and joint venture projects.

With the Government planning to build more affordable housing to meet its target of 100,000 homes a year nationwide, Gamuda IBS is in a good position to utilise its capacity to help the Government, and deliver the affordable homes at half the time than it normally takes.

Q4 What is the turnover or return expected from its water operator, Gamuda Water Sdn Bhd?

A4 Gamuda Water still has 9 years concession and contributes profit of approximately RM40 million per annum to the Group.