



## 45<sup>th</sup> ANNUAL GENERAL MEETING 8 December 2021

### ***QUESTIONS RAISED BY MINORITY SHAREHOLDERS WATCHDOG GROUP (MSWG) FY2021***

- ***Operational & Financial Matters  
- 5 questions***
- ***Sustainability Matters  
- 3 questions***



## (A) Operational & Financial Matters

### 1. Financial Performance

The Group reported a higher net profit of RM588 million in FY2021 compared to the net profit of RM377 million in FY2020. This represents a positive variance of 56% (Page 19 of the Annual Report 2021).

Is the good performance sustainable in FY2022?

### Our Response

- **Our full year earnings rose 56% due to stronger construction and property earnings as works on all fronts picked up pace on the back of our rigorous Covid control measures.**
- **We expect to sustain this performance next year as we continue with our Covid control measures while we remain vigilant on outbreaks of new variants.**

**(A) Operational & Financial Matters**

2. Other operating expenses increased significantly from RM2,164,000 in FY2020 to RM71,648,000 in FY2021 (Page 195 of the Annual Report 2021).

What are the reasons for the significant increase in other operating expenses?

**Our Response**

**The increase is mainly due to a RM48 mil ad-hoc expense to write-off 50% of the bid costs for 2 unsuccessful tenders in Australia. This write off is disclosed in page 237 of the Annual Report 2021.**

**The balance 50% bid cost is not written off as it is reimbursed by the Australian client in accordance with the terms of the tenders.**

## (A) Operational & Financial Matters

### 3. Engineering and Construction

a) What is the current progress of the division's on-going projects? Are the projects on schedule?

#### Our Response

**Our on-going projects are on schedule, in Malaysia, Taiwan and Singapore, with no immediate delivery concerns.**

## (A)Operational & Financial Matters

### 3. Engineering and Construction

b) The Group is underpinned by its construction order book of RM4.5 billion, which will see the Group through the next two years (Page 15 of the Annual Report 2021).

What is the targeted order book replenishment from the local and international markets in the next two financial years?

#### Our Response

**We are carrying forward our orderbook replenishment target of RM 10 bil from last year to this financial year, just under half of which comes from PSI and the remainder from Australia.**

**The PSI project was set back by about 6 to 8 months given the court ruling to revoke the Environmental Impact Assessment (EIA) approval and we are awaiting the results of some tenders which have been delayed in Australia due to impacts from the pandemic.**

## (A) Operational & Financial Matters

### 3. Engineering and Construction

#### c) MRT3 Project

“Gamuda has proposed to the government that, for the MRT3 project, the funding for the first two years will be borne by Gamuda under a private finance initiative (PFI), given that the government’s finances are currently limited. And after the two years are up, the project will then be handed over to the government once there is more fiscal space. Gamuda’s proposal is to take on the role as project manager”, the source tells The Edge. (Source: The Edge Markets dated 22 November 2021).

What is the latest development on the abovementioned proposal?

#### Our Response

**On the PFI, we have no further details to offer on this matter at this juncture. Additionally, we hope the Government will announce the way forward for MRT3 project implementation for continuity of our workforce and supply chain from MRT2 which is coming to an end.**

## (A) Operational & Financial Matters

### 3. Engineering and Construction

d) Australia will be a key market for Gamuda in the coming years and the Group expecting this market to contribute to half of Gamuda's new engineering and construction order book in the near future (Page 15 of the Annual Report 2021).

- i. Is the Group actively tendering for any projects in Australia? If so, what are the project tenders and how much contract value is expected to be awarded to the Group under the current project tenders?

#### Our Response

**We are actively bidding for a number of projects in New South Wales, Victoria and South Australia, targeting an order book of AUD 5 to 6 billion in the next three to five years given the strength of Australia's announced project pipeline of over AUD 100 billion for infrastructure development in the next decade.**

## (A) Operational & Financial Matters

### 3. Engineering and Construction

- ii. What competitive advantages does the division have over its peers in the Australian market?

#### Our Response

**Given our proven delivery track record in Malaysia on mega infrastructure projects, not just on the MRT Kajang and Putrajaya Lines, but also on the Electrified Double Track Project etc, we are confident that we should be as competitive as the other Tier 1 players in the Australian market.**

**Our delivery capabilities have also recently been recognised by industry peers in the form of two International Project of the Year awards at the International Tunnelling Awards 2021 and the Ground Engineering Awards 2021.**

**(A) Operational & Financial Matters****4. Property Development**

(a) What is the latest take-up rates for the division's local and overseas projects? What are the targeted take-up rates for FY2022?

**Our Response**

**Placemaking initiatives in all our key townships, namely Gamuda Cove, Gamuda Gardens and twentyfive.7, have driven footfall as well as home seeker and investor interest due to “seeing is believing” effect. Hence, the following launches achieved strong take up rates within 3 months despite pandemic conditions:**

- i. Illaria (double-storey link homes) Phase 1 & 2, Gamuda Gardens – 90% take up.**
- ii. Enso Woods (garden terrace homes) Phase 1 & 2, Gamuda Cove – 85% take up.**
- iii. Townsquare (European-inspired lifestyle retail hub) Phase 1, Gamuda Cove – 70% take up.**
- iv. 18 Enclave (semi-detached homes), Jade hill – 100% take up.**

**Overseas, OLA Residences in Singapore has achieved a take-up rate exceeding 90%. This is coupled with 100% sales take-up rates for our Vietnamese projects.**

**We expect this strong sales momentum to sustain strong presales over the next few years.**

## (A)Operational & Financial Matters

### 4. Property Development

#### (b) Unsold completed properties

As of 31 July 2021, the unsold completed properties stood at RM781 million consisting 40 percent landed and 60 percent high-rise properties located mainly in Klang Valley and Johor (Page 23 of the Annual Report 2021).

- i. What is the targeted value of the unsold properties to be cleared in FY2022 for landed and high-rise properties?

#### Our Response

**We are targeting to clear RM550m stocks, which is equivalent to 70% of total stocks. We expect pent-up demand for residential properties to drive sales in coming years, as seen in other regional markets, as well as investor interest catalysed by revisions to real property gains tax (RPGT) guidelines under Budget 2022. This is backed by historically low interest rates, as well as the national Home Ownership Campaign in the short-term.**

**(A) Operational & Financial Matters**

4. ii. What are the efforts being taken by the division to clear-off the unsold completed properties?

**Our Response**

- **Placemaking and commercial activation will be the key strategies to clear the unsold completed properties. This is how we differentiate ourselves from other developers and envision our township as a vibrant township.**
- **Placemaking initiatives and commercial launches in key townships include:**
  - i. **Gamuda Cove: Heart of Cove will introduce SplashMania, Asia's largest rainforest themed water park in a lush green setting, while the Forest Park and Wetlands Arboretum position the township as a nature sanctuary. The Discovery Park and Paya Indah Discovery Wetlands cater for resurging eco-tourism. Meanwhile, Townsquare will serve as a lifestyle retail hub**
  - ii. **Gamuda Gardens: Xploria will bring together entertainment and lifestyle draws such as Skyline Luge and Big Bucket Splash, while Gardens Square delivers commercial vibrancy, leveraging on Klang Valley North's growing demographics**
  - iii. **twentyfive.7: Quayside District, centered around Quayside Mall, will be the township's central business district, driving commercial growth and footfall**
- **Aside from expediting the clearing of unsold completed properties, these efforts will also bring socioeconomic benefits such as job creation, tourism footfall and more, enhancing the long term sustainability of key townships and surrounding communities.**

**(A) Operational & Financial Matters****5. Expressway**

Traffic volume recovering strongly to pre-MCO level after movement restriction was lifted (Page 25 of the Annual Report 2021).

- a) What is the latest traffic volume? What is the expected traffic volume in FY2022?
- b) What is the outlook for expressway business and its contribution to the Group's cash flows and operating result in FY2022 compared to the previous financial year?

**Our Response**

- **Traffic on all 4 highways returning to pre-MCO level as Malaysian lockdown was lifted in Oct 2021.**

	Measured as % of traffic pre-MCO 1.0 (Mar 2020) level		Traffic Volume per day
	End July 2021	As at 29 Nov 2021	As at 29 Nov 2021
LITRAK	60%	97%	403,000
KESAS	58%	90%	273,000
SPRINT	24%	89%	149,000
SMART	12%	77%	15,000

**(A) Operational & Financial Matters****5. Expressway****Our Response (Cont'd)**

- **Barring any future lockdowns, our 4 highway businesses are expected to recover fully in FY2022 with the return of traffic to pre-MCO level, as compared to FY2021 where there were more stringent lockdowns in Klang Valley to contain the outbreak of Covid-19 pandemic. Higher traffic will translate into better cashflow to the concession companies.**

## (B) Sustainability Matters

1. Gamuda Green Plan 2025, a comprehensive framework that commits the entire Group with specific steps to reduce direct and indirect corporate greenhouse gas emissions intensity by 30 percent in 2025, and by 45 percent in 2030 (Page 10 of the Annual Report 2021).
  - a) What is the progress on reducing direct and indirect corporate greenhouse gas emissions?
  - b) What are the commitments that Gamuda has decided to meet in the next two financial years?

### Our Response

- **There is an urgent need to address climate action in the next ten years to reduce GHG emissions by 50%. The country first needs measures starting with the emission trading system and putting a price to carbon. These are important steps to kickstart a line of things such as regulations, policies, carbon measurement for each sector of the economy.**

## **(B) Sustainability Matters**

**1.**

### **Our Response (cont'd)**

- A key focus on climate change is addressing our national Scope 2. The need to decarbonise electricity, and quickly take coal plants out of the equation with the replacement of ambitious Renewable Energy (RE) implementation. Given our availability of land and our climate - solar is the best viable option. At the moment, about 50% of our national energy generation is from coal. The recently announced national target for renewable energy is 31% by 2025 and 40% 2035, while we are currently at 23%. To be in-line with international targets and pathways to net-zero by 2050, Malaysia as a developing country should be targeting at least 50% RE by 2030, meaning that we would need to install at least ~1GW of RE per annum between now and 2030.**
- At our level, the Gamuda Green Plan 2025 details our commitments in reducing our direct and indirect corporate GHG emissions intensity by 30 percent in 2025, and by 45 percent in 2030. As a start, we are currently installing solar power for our own assets and additionally we are pursuing the development of over 300MW of renewable energy plants in the next five years. Recently we are also the early signatories to the Green Electricity Tariff (GET) programme launched by the Energy and Natural Resources Ministry (KeTSA) in Nov 2021.**

**(B) Sustainability Matters**

2. **The Group is closely monitoring the evolving developments of the Science Based Targets initiative (SBTi) and Task Force on Climate-related Financial Disclosures (TCFD) which are two acronyms that will undoubtedly continue to gain traction. However, there remains the need to address certain inconsistencies and shortfalls in both (Page 11 of the Annual Report 2021).**

**What are the inconsistencies and shortfalls that the Company needs to address?**

**Our Response**

**The taxonomy of each of these reporting systems are still being streamlined by global experts which we are closely monitoring the evolving reporting standards so we are aligned with the current best practices and regulatory requirements.**

## (B) Sustainability Matters

### 3. Enhancing Sustainability via Digitalisation

To improve the Group's digital engineering landscape and promote innovation opportunities, the Group has the Gamuda Excellence Transformation (GET) unit comprising its best digital and data experts to raise its digitalisation standard by working with business units across the Group (Page 55 of the Annual Report 2021).

What is the progress on the abovementioned initiative, and what are the achieved improvements, to-date?

#### Our Response

**GET has launched a number of in-house programmes to elevate digital excellence and literacy across the Group and will continue to expand these in the year ahead. A BIM Committee has also been established to streamline BIM standards and management throughout the organisation which has led to the recent nation's first ISO19650 certification from the British Standard Institution for Gamuda Engineering.**



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**45<sup>th</sup> ANNUAL GENERAL MEETING**  
**8 December 2021**

*Pre-Submitted Questions received  
from Shareholders*

*- 9 questions*



Engineering & Construction | Property Development | Infrastructure Concessions

## Question 1

Earlier this year, The Edge reported that Gamuda has proposed to the government the idea of a highway trust. Is there any progress on this or do the company wanted to comment on this matter?

## Answer

- We have not been offered by any party for our highways as at this material time, since the last offer from the Government dated 21 June 2019.
- We will make the necessary announcements if or when we receive a definitive offer from a potential buyer complete with clear terms of such a potential takeover proposal, as would have been agreed by the Government at that time.
- Until then, we are unable to make any further comment.

## Question 2

**Gamuda's on-site PCR lab is key in its pandemic management strategy. How much investment was made by Gamuda for this initiative? Could the company share the infectivity rate/is there any site closure as a result of huge cluster detected at construction sites for shareholders to gauge the success of this investment?**

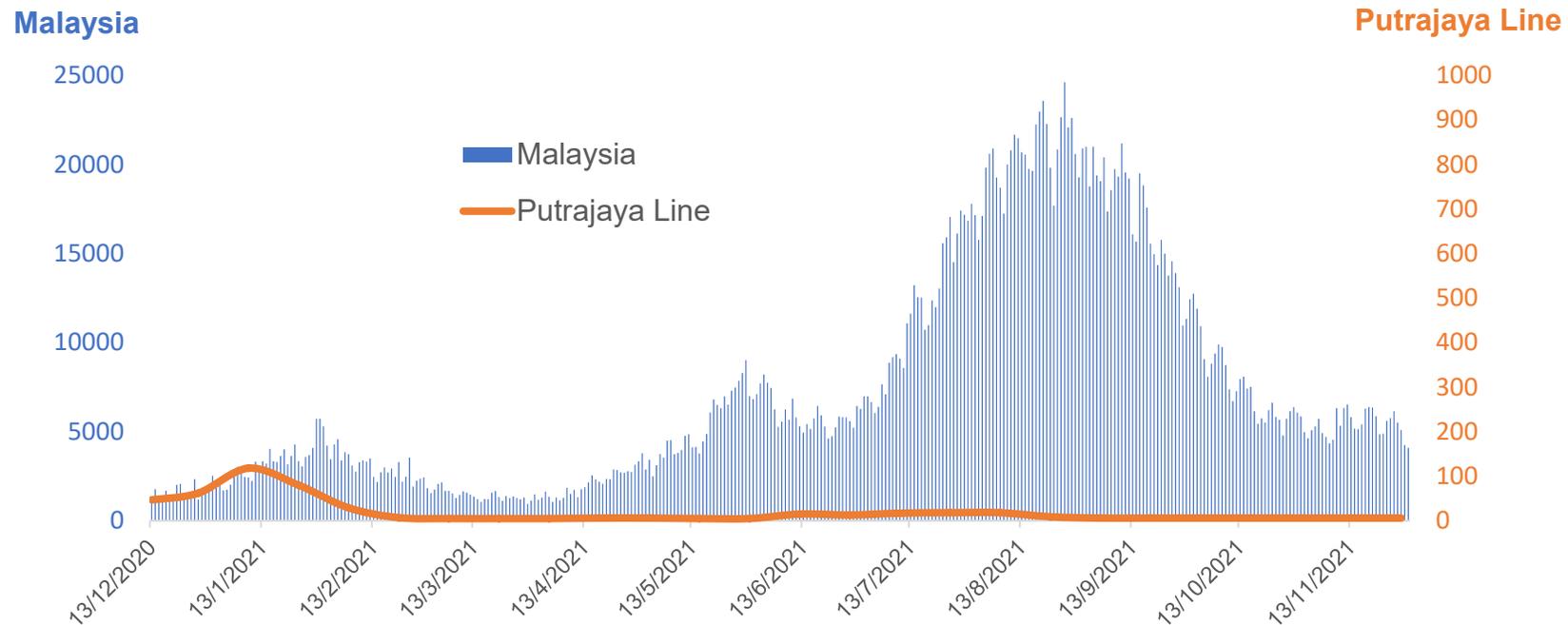
## Answer

- **Our Covid-19 management ecosystem not only comprises our RT-PCR laboratory which carries out fortnightly screening of our entire workforce but also includes a triage centre to provide advanced care to Category 2 positive cases, as well as our reconfigured Centralised Labour Quarters (CLQs) which have segregated facilities to curb the spread of Covid-19.**
- **Our CLQs also have dedicated Centralised Quarantine Quarters (CQQs) for positive cases and close contacts as well as digital systems for access control, tracking of vaccination and test results, etc. These facilities were touted as a gold standard for Covid-resilient worker accommodation by local authorities as well as covered extensively in local media as a model to follow.**

## Question 2

**Gamuda's on-site PCR lab is key in its pandemic management strategy. How much investment was made by Gamuda for this initiative? Could the company share the infectivity rate/is there any site closure as a result of huge cluster detected at construction sites for shareholders to gauge the success of this investment?**

## Answer



- **Through these efforts, we have succeeded in keeping the infectivity rate low at our construction sites (currently at <math><0.1\%</math>) with minimal work disruption.**

### Question 3

**Did the company get any help from the government Covid-19 stimulus package?**

### Answer

**The Government Stimulus Package are meant for the micro, small, and medium-sized enterprises (MSMEs) and the Rakyat. Large corporations like us do not generally benefit from the scheme.**

## Question 4

**Does Gamuda Taiwan project experience any covid related cost that is not budgeted in the contract sum? Is the company expected to take a big hit, just like another Malaysian company who had windmill project in Yunlin?**

## Answer

**Taiwan has been minimally impacted by any Covid-19 lockdowns given the low case counts in the country and our projects there remain on budget and on schedule.**

**To the best of our knowledge, the cost overruns for the referenced wind farm in Yunlin by another Malaysian company are not associated with Covid-19 impacts.**

## Question 5

**How much capitals will be required by PSI and the Australian infrastructure projects should they go ahead? What are the sources of funding, and in what proportion?**

## Answer

- **The PSI project will require not more than RM4 bil in capital at its peak, but only 4-5 years after commencement.**
- **If we are successful in winning any Australian projects, the only requirement for capital is to fund the work-in-progress portion, as these projects will be funded by the respective Australian governments.**
- **Any funding required will be sourced internally and from new borrowings, if necessary.**

## Question 6

**Gamuda Cove's leisure activities such as Aerobar/Discovery Park has started operation. How is the public response to these attractions? When is the water park expected to be operational? What is the selling point of this water park for it to compete with more established water park such as Sunway Lagoon ?**

## Answer

- **Gamuda Cove's leisure components present unique eco-tourism opportunities differentiating them from similar offerings in the Klang Valley and have seen strong footfall, attributed to demand for outdoor activities and connections to nature post-lockdown. From Oct-Nov 2021, the Discovery Park and Paya Indah Discovery Wetlands saw more than 17,000 visitors.**
- **Other attractions include the Aerobar and Goosebumps Rope Course at the Discovery Park – the first of its kind in Malaysia, this solid structure is built with 11 climbing elements for kids and 57 climbing elements for adults including a giant swing, abseiling and even a rooftop event platform**
- **First in Malaysia and Asia with one world's first, the SplashMania is targeted to open in December 2022 with 24 latest water slides and 15 key attractions. Lush rainforest themed water park, SplashMania leverages on the natural beauty of the surrounding landscape in Southern Klang Valley, with sustainable design including water-efficient fittings and a focus on renewable energy. In addition, 70% of SplashMania's landscape will be dedicated to green spaces.**
- **Emphasizing on sustainability mobility, the attractions will have seamless connectivity with Tram access.**



## Question 7

**Based on tax expert advice, is the company expected to be hit adversely by Cukai Makmur and taxation of foreign sourced income as the company has overseas operations?**

## Answer

### a) Cukai Makmur

**A few companies within the Group are subject to this one-off excess profit tax next year. Including the excess profit tax, these companies incur a blended 30% tax on their profits instead of the normal 24% tax.**

### b) Tax on remittance of foreign sourced income

**This tax will only be imposed when the foreign earnings are remitted into Malaysia. As the Group's foreign earnings will be reinvested overseas such as Vietnam and Australia, we will not be subject to this tax in the foreseeable future.**

**Question 8**

**Will Gamuda declare dividend this year (FY2022)?**

**Answer**

**We intend to resume dividend payment in FY2022 and we will seek the Board's consent for a normalized payout in the upcoming board meeting.**

## Question 9

**Since the company has not been paying any dividends to shareholders, as such I would like to request that the board of directors to consider giving e-voucher and/or Xploria Voucher as token of appreciation for attending today's virtual AGM?**

## Answer

- **Our on-going efforts to contain the spread of Covid-19 and to ensure the safety of all shareholders, we are conducting virtual AGM this year.**
- **Under Administrative Details in page 368 of the Annual Report, we have informed that there will be NO door gift or lunch pack for Members or proxies who participate at the 45<sup>th</sup> AGM of the Company since the 45<sup>th</sup> AGM will be conducted on a fully virtual basis.**
- **The Board would like to thank all its Members for their kind co-operation and understanding on this matter.**



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## 45<sup>th</sup> ANNUAL GENERAL MEETING 8 December 2021

***LIVE QUESTIONS***

***(13 Questions)***



**Question 1:**

**How is the development of the Group succession planning?**

**Our Response**

**For long term sustainability of the Group, we have brought in few members in their 30s to the respective board of directors in Gamuda Engineering and Gamuda Land. We believe in giving them long runway to learn and acquire knowledge while we are still around to guide them. A lot of new ideas and strategies have been introduced by the younger group and we are happy with their progress and results.**

## **Question 2**

**Refer page 37 of Annual Report, the Islamic Medium-Term Notes Facility for Kesas and Litrak will mature in 2023. Given that there are still a few more years for the concession period, and given that current interest rate remains low, will new financing be arranged for years beyond 2023?**

## **Our Response**

**Litrak and Kesas have balance concession period of 9 years and 7 years, respectively.**

**We will revisit the financing of the concession companies when it is closer to the loans maturity in 2023, depending on their cashflows requirement at that point of time, especially with the lingering problem from covid-19 which is affecting the traffic plying the highways.**

### **Question 3**

**How is the performance of Gamuda ESG rating? How is Gamuda preparation in facing Omicron variant?**

### **Our Response**

**On our ESG ratings, this year we have unveiled our Gamuda Green Plan 2025 charting tangible ESG targets with a specific focus on the next five years, with an extended view to 2030 and beyond which also includes our publicly disclosed carbon reduction targets.**

**In the last year, we have also demonstrated improvements in sustainability and ESG with notably improved rankings and ratings in the DJSI, MSCI and the FTSE4Good Index. For example, in the DJSI we have improved our score from 30 to 38 this year (2021). This is even more encouraging given that the global average score declined for the engineering and construction sector from 30 to 28 this year (2021). In the MSCI, we went from B to a double BB rating, and FTSE4Good from 2 star to 3 star this year (2021).**

## **Question 3**

### **Our Response (Cont'd)**

**We are tracking the Omicron developments very closely. Early indications are that it is more transmissible but may have less severe symptoms but most experts still say its too early to tell. If this escalates globally, it will be a problem for everyone, not just Gamuda. Regardless, our proven Covid-19 management ecosystem which we have continuously refined in the last year (2020) should help us hopefully fare better than most.**

## Question 4

**Gamuda has developed many Guarded and Gated Housing Projects where owners sign the DMC to manage the housing scheme. However when DMC term comes to an end, the RA formed by the residents is to take over from the developer. Gamuda should know that the RA constitution prepared by residents was a simple generic one thus does not cover extensively all the clauses in the DMC. Why can't Gamuda incorporate a clause in the DMC to hand over to a corporation eg CLBG and not RA?**

## Our Response

**The Deed of Mutual Covenants (DMC) was used to enable the residence to govern the guarded gated township before the introduction of the Strata Title Act (STA) and Strata Management Act (SMA) in 2013. The DMC gives flexibility to the residence to form the entity to fit their needs. The introduction of STA and SMA no longer permit such flexibility.**

**Whatever form of entity, the governance is still subjected to the cooperation among the residents. Any dispute can be referred to the Commissioner of Building at the respective local council. If not, the dispute can be taken to court commercially and the court, based on our experience, will refer to the provision in the STA and SMA for guidance.**

## **Question 5**

- 1. Sewerage problem ie the failed vacuum system (suppose to be state of the art system) implemented in Ambang Botanic is a headache for most residents. Having paid high value for Gamuda's guarded and gated property it's unfair for owners to endure such a problem for a long time ie unable to use the WC when the system does not work. Previous upgrade and rectifications of the sewer line has brought some relief but most of the time short lived.**
- 2. It's only fair for Gamuda to engage expertise to ensure professional work is done not superficial to satisfy Residents. Can Gamuda undertake to ensure they monitor the vacuum system even if hand over to IWK?**
- 3. Due to the wrong decision to implement Sewerage - Vacuum System in few housing projects how much did it cost to undertake rectifications works over the years?**

## **Question 5**

### **Our Response**

**We are please to inform that Phase 1 of the rehabilitation work has been completed in June 2020. This cover precinct Casia, Bidara, Kantan, Cemara and Kundang. SPAN and IWK shared that the residents are happy with outcome of the work. All these were done with the SPAN leading with professional consultants and IWK ensuring continuous maintenance. The vacuum system was introduced based on SPAN's study and approval as the most suitable system due to the marine clay soil condition in the area.**

**The second phase covering Kiara, Rhu and the other precincts in Bandar Botanic plus some part of Ambang Botanic just started in mid November 2021 is expected to complete in 12 months. With the completion, IWK will have an upgraded system that will be effective to maintain.**

**SPAN organises quarterly meeting with the residents and as such, residents can share their view.**

## Question 6

**In the 1990s, Gamuda successfully diversified its earnings to be less dependent on construction into long term concession assets in water and toll roads. With the disposal of the water concession and the expiry of most of the toll concessions in Malaysia in about 10 years, what are the Board's strategies going forward to enable Gamuda to obtain business with more recurrent earnings?**

## Our Response

- **The Group is making preparation to invest significantly in renewable energy (RE). Solar and hydro are currently the most promising and viable in Malaysia. The Group is planning to develop, own and operate 300MW of RE assets in the next 5 years.**
- **Also relevant is the adoption of RE for our new projects. For example, the Green Tech Park in Silicon Island, which is the first island of the PSI project - the entire Park will be powered by 100% RE as most of the EnE industry clientele have respective carbon neutral targets to achieve.**
- **These new inroads and investments into the RE space, shall provide the Group with both revenue growth and meaningful recurring income, in years to come.**

## Question 7

**Any updates on the judicial review for the EIA revocation?**

**The Penang State Govt has communicated in the media that should the Penang South Island reclamation project is not approved by the DOE, it will go ahead with its Penang Transportation Master Plan for the construction of the LRT. Has Gamuda initiated its interest for the LRT project and submitted any proposals in this respect?**

### Our Response

- **Judicial review is a matter to be taken up by Penang State Government against the Appeal Board's decision to revoke the environmental impact assessment (EIA). At the same time, the State will resubmit the EIA for approval in the next 6 months or so. And we believe with the two-pronged approach taken, the PSI project should be back on track in mid-2022.**
- **As for LRT project (where we are the PDP), State has requested PDP to prepare and call for a "Request for Proposal"(RFP) exercise to be carried out. The scope of the RFP shall include Design, Construct and Financing proposal. The LRT construction will only commence once the financial and technical proposals submitted are approved and agreeable with the State.**

## Question 8

**Most of Gamuda's recently pursuing projects (PTMP with land reclamation arrangement, proposed early-stage funding for MRT3, and Australia's bidding projects), all seems to required our company to fork out substantial cash in the early years for these projects, before we can reap the fruits in later years.**

- (a) How the company plan to finance this ventures?**
- (b) Will it significantly increase the company's interest costs?**
- (c) Will it cause tight cash flow that limits our dividend payout?**

## Our Response

- The Group has healthy balance sheet and strong cash position. With gearing of 0.2x, the Group can easily gear up to finance PSI (Penang South Islands), MRT 3 and Australia's project. The PSI project will require not more than RM4 bil in capital at its peak, and will be spent over the 4-5 years period. For MRT 3 or Australia's project, it will be paid for by the Government through progress billings. Only some working capital is required and we can bridge the funding through internal fund or new borrowings. Additional borrowings or interest costs will have no adverse impact to the Group's balance sheet.**
- We intend to resume dividend payment in FY2022 , subject to the approval of the Board.**

## Question 9

**An amount for RM48.094 million was written off as costs for unsuccessful bid for projects in Australia. What is the reason for such a high amount written-off for project bids?**

## Our Response

**As in all markets, there is a cost to tendering but it is worth noting that the bidding cost in Australia is higher than in most markets we participate in by a factor of 3 or 4. This is because the tenders are very involved with continuous interactive sessions across many months with our clients. This is a market norm and while each tender is different, some of these tender costs are reimbursed. For example, the quoted RM48.094 mil arises from the costs associated with our M6 and SMW Central Tunnelling Package tenders of which 50% of the costs were reimbursed by the Client.**

## **Question 10**

**In 2019 MoF offered to pay RM4.5 billion cash and to shoulder the liabilities of the four expressways under the Group. The offer did not go through. But lately it was reported that the group submitted a proposal to the government which was under review.**

- a) What is the current status?**
- b) If the proposal is not accepted by the government, what are the other alternatives to monetize these expressway?**
- c) By when the Group may start pursuing alternatives, given the concession period is shorter now?**

## **Our Response**

**MoF's offer was for RM6.2 billion for the entire enterprise value of the four expressways, and their offer had lapsed sometime ago already.**

**If the Government does not approve our current proposal, we are under no duress nor time pressure to dispose of the highways, and we can continue to extract meaningful cash dividends from them.**

**There are still many years left in the concession period, and hence we are confident that alternatives would present themselves within that time frame; for example – If a commercial buyer were to present us with a good offer to buy the highways, then we can of course consider it positively, together with other present shareholders of the highways.**

## **Question 11**

**Due to the Pandemic, how is Gamuda mitigating the overseas projects?**

### **Our Response**

**For Gamuda Engineering and Gamuda Land, PCR tests are conducted regularly in these markets. In addition, Vietnam and Singapore governments have different systems for testing, tracking and quarantine specifically catering for their local conditions. So far, impacts to project progress have been minimal.**

## Question 12

1. How much spending has been made on Covid 19 preventive measures?
2. Profit/loss contribution came from which projects?

## Our Response

- We have invested about RM8 mil in our Covid-19 management ecosystem comprising our PCR laboratory which carries out fortnightly screening of our entire workforce of 20,000 personnel from senior management down to site operatives. This also includes a triage centre to provide advanced care to Category 2 positive cases. We have also reconfigured our Centralised Labour Quarters to enable better social distancing with segregated facilities and implemented digital systems for access control, tracking of vaccination and test results.

With this Covid-19 management ecosystem, we have succeeded in keeping the infectivity rate low at our construction sites (currently at <0.1%) with minimal work disruption. All in all, it was money well spent given that it has enabled all of our critical work fronts to work at almost full capacity throughout the nationwide lockdowns.

## **Question 12**

### **Our Response (Cont'd)**

- **For Engineering & Construction, the bulk of the profit comes from the Putrajaya line MRT2 project. Having said that, all of our other major projects are also on schedule, profitable and have no immediate delivery concerns.**

**On the property development side, overseas projects particularly in Vietnam and Singapore contributed the bulk of the profit.**

## **Question 13**

**Its unfair to shareholders above the age of 65 to use online facilities. Have some concern to those senior age shareholders.**

**It is most unfair to have the AGM under online live streaming. When Election, other wedding function with almost 800 people can attend with SOP, why Gamuda BOD cannot organise a proper AGM to face the shareholders? Pandemic excuse does not hold water. Look around follow SOP. The Chairman and BOD should have worked hard to face the Shareholders not in this manner remotely.**

## **Our Response**

**Gamuda will continue to promote remote participation and voting (RPV) as it encourages shareholders' participation and is also environmentally friendly and socially safer.**

**The decision to conduct the 45th AGM entirely through live streaming is to uphold the health and safety of our shareholders, directors and employees in the face of the COVID-19 pandemic, while allowing higher shareholders' participation.**

## **Question 13**

### **Our Response (Cont'd)**

**Furthermore, all Q&As from shareholders and MSWG will be published on our corporate website at [www.gamuda.com.my](http://www.gamuda.com.my)) except for those that we are not at liberty to disclose due to sensitivities to competition law and Bursa Securities' Listing Requirements.**

**In a recent survey conducted by the Securities Commission Malaysia, 76% of shareholders who responded indicated that they would like to continue having the option of participating in general meetings online.**



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