



**MINUTES OF THE FORTY-SECOND (“42<sup>ND</sup>”) 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, 6 DECEMBER 2018 AT 10.00 A.M.**

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- 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)  
Encik Mohammed Rashdan bin Mohd Yusof  
 (“Danny Rashdan”)  
(Deputy Group Managing Director/  
Alternate Director to Y.Bhg. Dato’ Lin)  
Three Hundred and Thirty Two (332) Members,  
One Hundred and Sixty Two (162) Proxies (including Chairman)  
and One (1) Corporate Representative,  
holding 1,559,404,174 Ordinary Shares representing 63.15%,  
As per Attendance List (based on Headcounts)
- ABSENT WITH APOLOGIES** : Puan Nazli binti Mohd Khir Johari  
(Independent Non-Executive Director)
- BY INVITATION** : Mr. Saw Wah Theng  
(Group Executive Director/Finance Director)  
Mr. Ngan Chee Meng  
(Chief Operating Officer, Gamuda Land)  
Mr. Wong Tsien Loong  
(Chief Information 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)

## **1. CHAIRMAN**

Y. Bhg. Dato' Mohammed Hussein, the Chairman of the Board of Directors ("Board") of the Company chaired the 42<sup>nd</sup> AGM of the Company pursuant to Clause 72 of the Constitution of the Company.

## **2. WELCOME ADDRESS**

The Chairman welcomed and thanked the members of the Company ("Members") and the proxies for attending the 42<sup>nd</sup> AGM of the Company.

Before beginning the proceedings, 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 proxies or corporate representative) should use the microphones if they have any questions to raise pertaining to the business of this meeting; and
- Members (present in person or represented by proxies or corporate representative) should ensure that their questions are of a reasonable length of time and should also confined them to matters before this meeting;
- 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; and
- Taking photographs and audio or video recordings while the 42<sup>nd</sup> 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 42<sup>nd</sup> AGM duly convened at 10.00 a.m.

## **4. NOTICE**

The Notice convening the 42<sup>nd</sup> AGM together with the CD-Rom containing the Annual Report 2018 together with the Abridged Annual Report and the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-back Authority, all dated 9 November 2018 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.

The Chairman also took the opportunity to welcome the following newly appointed Directors who came on Board on 28 September 2018, namely: -

- (a) Y.Bhg. Tan Sri Dato' Setia Haji Ambrin bin Buang, the new Independent Director; and
- (b) Encik Mohammed Rashdan bin Mohd Yusof, the new Alternate Director to the Group Managing Director cum Deputy Group Managing Director.

## **6. PRELIMINARY**

### **(a) Poll Voting**

The Chairman informed the Members that all resolutions set out in the Notice of AGM dated 9 November 2018 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 42<sup>nd</sup> AGM.

### **(b) Company Presentation**

Upon the invitation of the Chairman, the Group Executive Director/Finance Director, Mr. Saw Wah Theng presented the responses by the Company to the questions raised by the Minority Shareholder Watch Group ("MSWG") vide their letter dated 27 November 2018 (copy enclosed as "Appendix I").

MSWG's questions and the responses from the Company were simultaneously displayed on screen in the meeting hall (copy enclosed as "Appendix I").

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

- (i) The Group's operations review, which included financial performance analysis, statement of financial position and highlights of financial year 2018; 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 both Mr. Saw and Mr. Danny Rashdan for their presentation and proceeded to invite the Members to raise questions, if any, before commencing with the first agenda for the 42<sup>nd</sup> AGM.

All questions raised were responded by the Chairman, Y.Bhg. Dato' Lin Yun Ling, Mr. Saw Wah Theng and Mr. Danny Rashdan accordingly. The details of the pertinent questions raised and the Company responses are set out in "Appendix II",

At this juncture and upon the enquiry of Mr. Festus a/l A Christ Dhas, a shareholder of the Company, on the progress of the rectification works of the vacuum sewerage system at Bandar Botanic, the Chairman invited Mr. Ngan Chee Meng, the Chief Executive Officer of Gamuda Land to give a presentation on the status of the said rectification works.

There being no further questions from the Members of the Company, the Chairman proceeded to the first agenda of the 42<sup>nd</sup> AGM.

## **7. MATTERS TABLED**

### **(a) Audited Financial Statements of the Group and of the Company for the Financial Year Ended 31 July 2018 together with the Reports of the Directors and Auditors thereon ("Audited Financial Statements")**

The Chairman informed the Members that the first agenda for the 42<sup>nd</sup> 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 Five Hundred and Ninety Thousand (RM590,000/-) only for the financial year ended 31 July 2018.

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 198 of the Financial Statements section in the Annual Report 2018 and page 341 of the Notice of AGM in the Annual Report or page 21 of the abridged version of the Annual Report.
- (ii) Evaluation of Directors' fees is performed once a year by the Remuneration Committee.
- (iii) The Directors' fees are 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 quantum of the Directors' fees and had recommended that the Directors' fees of the Independent Non-Executive Chairman in respect of his memberships in Board and Audit Committee be increased from RM175,000/- per annum to RM215,000/- per annum.

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 approved by the shareholders under **Resolution 1**.

The Chairman highlighted that pursuant to Section 230(1) of the new Companies Act 2016 which came into effect on 31 January 2017, the fees of the Directors, and any benefits payable to the Directors of a listed company and its subsidiaries are required to be approved by the shareholders at a general meeting.

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 7 December 2018 until the next AGM in 2019.

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 RM188,000/- only; and
- Directors' benefits payable of up to an amount of RM132,000/- only.

Explanatory on the Directors' remuneration is also provided on:

- pages 341 and 342 of the Notice of AGM in the Annual Report; or
- pages 21 and 22 of the Abridged version.

The Chairman further clarified that should the amount of Directors' benefits paid exceeds the estimated amount sought at this AGM, shareholders' approval will be sought at the next AGM in 2019.

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.T.M. Raja Dato' Seri Eleena Binti  
Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah  
(Resolution 3); and
- (ii) Y.Bhg. Dato' Ir Ha Tiing Tai (Resolution 4).

The Chairman then informed that Resolution 5 was on the re-election of Y.Bhg. Tan Sri Dato' Setia Haji Ambrin bin Buang, the newly appointed Independent Director who is due to retire in accordance with Clause 101 of the Constitution of the Company and being eligible for re-election, had offered himself for re-election.

The profiles of the aforesaid Directors were provided to the Members on pages 48, 49 and 50 of the Annual Report 2018.

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 its 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 42<sup>nd</sup> AGM.

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

The Chairman informed that Agenda 6 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 42<sup>nd</sup> 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 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.

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 42<sup>nd</sup> AGM.

**(g) Proposed Renewal of Share Buy-back Authority**

The Chairman informed that the last 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 9 November 2017.

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 questions and/or clarification sought, the Chairman proceeded to the poll voting.

#### **(h) 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 invited the Poll Administrator and the Independent Scrutineers to introduce themselves, namely: -

- (i) Ms. Wong Yoke Fun, Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”), the representative of the Poll Administrator; and
- (ii) Mr. Chuah Poo Sian, Coopers Professional Scrutineers Sdn Bhd, the representative of the Independent Scrutineers.

### **8. POLL VOTING PROCESS**

After the introduction and upon the invitation of the Chairman, Ms Wong Yoke Fun of Tricor briefed the shareholders on the procedures for the conduct of the poll at this meeting using Tricor’s e-Vote App.

Ms. Wong informed that when the Chairman announces the start of the voting session, shareholders now have the following option in regards to voting: -

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

For shareholders who opt to use their own mobile devices are 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	:	gamuda5398

A short tutorial video on the e-voting process was played at the meeting prior to the commencement of e-voting process at 12.15 p.m.

The Chairman then declared that the registration for attendance at the 42<sup>nd</sup> AGM closed at 12.15 p.m. for the conduct of electronic voting (“e-voting”) using “Tricor’s e-Vote App”. The 42<sup>nd</sup> AGM would be adjourned after the e-voting, and would resume for declaration of the poll results after the adjournment of the 42<sup>nd</sup> AGM.

At 12.25 p.m., the Poll Administrator announced that the voting session for the 42<sup>nd</sup> AGM has ended. The poll results were handed over to the Scrutineers for validation.

The Chairman then declared that 42<sup>nd</sup> AGM will now be adjourned for the declaration of poll results in respect of Resolutions 1 to 8.

## 9. ANNOUNCEMENT OF POLL RESULTS

At 12.34 p.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, copies of the poll results and together with the Scrutineers' letter confirming verification of the poll results are attached herewith as "Appendix III".

Upon the invitation of the Chairman, the Scrutineers, Mr. Chuah Poo Sian read out the poll results to the members and proxies present, as follows: -

### Resolution 1 Payment of Directors' Fees

	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1	1,452,027,834	99.998	24,200	0.002

It was resolved as follows: -

**"THAT the Directors' Fees amounting to Ringgit Malaysia Five Hundred and Ninety Thousand (RM590,000/-) only in respect of the financial year ended 31 July 2018, as recommended by the Board, be and is hereby approved with immediate effect."**

### Resolution 2 Payment of Directors' Remuneration (excluding Directors' Fees)

	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 2	1,452,031,734	99.998	22,100	0.002

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 7 December 2018 until the next AGM of the Company to be held in 2019 as recommended by the Board, be and is hereby approved with immediate effect."**

### 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	1,007,934,911	95.061	52,367,410	4.939

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 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 4**

**Re-election of Y.Bhg. Dato’ Ha Tiing Tai as Director**

	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 4	1,527,431,817	99.588	6,315,128	0.412

It was resolved as follows: -

**“THAT Y.Bhg. Dato’ Ha Tiing Tai, 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 5**

**Re-election of Y.Bhg. Tan Sri Dato’ Setia Haji Ambrin bin Buang as Director**

	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 5	1,538,707,166	98.949	16,347,055	1.051

It was resolved as follows: -

**“THAT Y.Bhg. Tan Sri Dato’ Setia Haji Ambrin bin Buang, the newly appointed Director retiring pursuant to Clause 101 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 6**

**Re-appointment of Messrs Ernst & Young as Company Auditors**

	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 6	1,553,361,221	96.763	3,695,200	0.237

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 Sections 75 and 76 of the Companies Act 2016**

	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 7	1,041,141,871	70.992	425,421,550	29.008

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**

	For		Against	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 8	1,208,461,921	100.00	0	0.00

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.”**

Based on the poll results which was also displayed on screen, the Chairman declared that all Resolutions 1 to 8 duly carried.

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. CLOSE OF MEETING**

On behalf of the Board of Directors, the Chairman thanked the Members for their attendance at the Meeting and declared the 42<sup>nd</sup> AGM duly closed at 12.40 p.m.

### **CONFIRMED AS CORRECT RECORDS:**

**- signed -**

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**DATO' MOHAMMED HUSSEIN  
CHAIRMAN**

Date :

# **Gamuda Berhad**

**ANNUAL GENERAL MEETING**

**6 December 2018**

## ***QUESTIONS RAISED BY MINORITY SHAREHOLDERS WATCH GROUP (MSWG) FY2018***

***4 questions on Strategy & Financial Matters***

***1 question on Corporate Governance***

**Question 1 (a)**

**What is Group's current order book? With the new Government, will there be any impact on the existing secured order book of the Group?**

**Answer**

i.

Projects	Current Order Book (RM'bil)
<b>KVMRT Line 2: Sungai Buloh - Serdang - Putrajaya (SSP)</b>	
- Elevated & System works	6.6
- Underground works	3.7
<b>Pan Borneo Highway, Sarawak : Pantu Junction to Batang Skrang</b>	0.7
<b>Residential building works for external parties</b>	0.9
<b>Total</b>	<b>11.9</b>

ii. The current order book has already reflected the cut in contract sum of KVMRT line 2 (SSP line) project as agreed with the new Government.

**Question 1 (b)**

**What are the current contracts being bid for and their value?**

**Answer**

<b>Projects</b>			
<b>Infra Works</b>	<b>RM6.5 bil</b>	<b>Building Works</b>	<b>RM1.7 bil</b>
- Intergrated Water Supply, Kuala Selangor		- Private Hospital Project, Kampar	
- Pulau Jerejak Bridge		- KL 168 Building Project, Setapak	
- Singapore North-South Corridor (Tunnel)		- Rumah Selangorku (RSKU), Shah Alam & Sungai Buloh	
- Rapid Transit System, Taiwan		- 600 Units Residential Building, Precinct 8, Putrajaya	
- Coastal Trunk Road Project, Sarawak		- Putrajaya Green Area & Buffer Zone, Precinct 11	
		- SkyMeridien & SkyAwani	
<b>Grand Total</b>			<b>RM8.2 bil</b>

**Question 1 (c) & (d)**

- 1. What is the progress of the current projects under the Construction Division?**
- 2. Is there any cost overrun for any ongoing projects?**

**Answer**

Projects	Progress as at 31 October 2018
KVMRT Line 2: Sungai Buloh - Serdang - Putrajaya (SSP) - Elevated & System works - Underground works	31% 41%
Pan Borneo Highway, Sarawak : Pantu Junction to Batang Skrang	32%

- All projects are progressing on schedule.**
- All cost spent to-date are within budget.**

### **Question 2 (a)**

**How many acres of development land does the Group currently have? How long will the current landbank (development) last if the current landbank is not replenished?**

### **Answer**

- **Currently, the Group has 3,300 acres of undeveloped landbank, representing a total GDV of RM57 billion (RM42 billion locally and RM15 billion overseas).**
- **Our current landbank will keep us busy for the next 10 years.**

**Question 2 (b)**

**What is the progress and take up rates of all the current development projects?**

**Answer**

	<b>Take-up rates for launched units</b>	<b>Balance GDV of undeveloped land (RM'bil)</b>
<b><u>Local</u></b>		
<b>Klang Valley</b>	<b>88%</b>	<b>37.8</b>
<b>Johor</b>	<b>85%</b>	<b>3.0</b>
<b>Sabah</b>	<b>54%</b>	<b>0.7</b>
<b><u>International</u></b>		
<b>Vietnam</b>	<b>84%</b>	<b>13.0</b>
<b>Singapore</b>	<b>98%</b>	<b>2.1</b>
<b>Australia</b>	<b>47%</b>	<b>0.2</b>
<b>Total</b>		<b>56.8</b>

## Question 2 (b)

What is the overall outlook of the property industry in the area that the Group is operating in?

### Answer

#### Local property outlook

- Newer townships in Malaysia such as Gamuda Gardens and twentyfive.7 are seeing better take-up rates since their official launches. In September 2018, Gamuda Cove soft-launched the first phase of residential terraced houses, with all 180 units that were on offer have been sold. Besides, Gamuda Cove has received 10,000 online registrations of interest in the past few months.
- The general property market has been experiencing some consolidation over the past few years and we believe the Malaysian property market has bottomed and more property purchasers are expected to return to the market.

**Question 2 (c)**

**As reported on page 14 of the Annual Report 2018, as the property market remains buoyant in Vietnam, the Group expects a continuous trend of strong sales for the year ahead and will seek to replenish its landbank to further expand in this market.**

**Please update shareholder on the property market outlook in Vietnam. What is the targeted landbank to be replenished in the next few years?**

## Answer

### i. Robust Vietnam property outlook

- Vietnam Economy continues to grow and many locals and foreign entities are seeking high-quality properties for ownership or investment. Many developers are capitalizing on this segmental trend by launching more mid to luxury projects to match the expectations of the local and foreign buyers. We opined that Vietnam property remains healthy with strong demand.

### ii. Hike in Foreign Direct Investment

- Foreign Direct Investment in Vietnam averaged USD 6.28 billion from 1991 until 2018, reaching an all time high of USD 17.50 billion in December of 2017. Foreign direct investment into Vietnam increased by 3.1% from a year earlier to USD 16.5 billion in January-November 2018.

### iii. Landbank replenishment focusing on overseas property

- Gamuda Land will increase its landbank in strategic location with potential demands in Vietnam and also in countries where we have presence, Singapore & Australia.

**Question 2 (d)**

**How will the Board address the increase in Properties Held for Sale from RM195.8 million in FY2017 to RM472.6 million in FY2018 (page 247 of the Annual Report 2018)?**

**Answer**

- **Property stocks increased in FY2018 is mainly due to high-rise residential property completed in FY2018 as follows:**

	<b>RM'mil</b>
<b><u>Local</u></b>	
- The Robertson <i>current take up rate is 95%</i>	<b>54</b>
<b><u>International</u></b>	
- 661 Chapel Street <i>current take up rate is 47%</i>	<b>200</b>
<b>Total</b>	<b>254</b>

### **Answer (cont'd)**

**The following strategies have been implemented to address the increase in property stocks:**

**a) Interior Design furnishing to actual units**

**Completed units with interior design to showcase the products and generate interest.**

**b) GL HOME**

**GL HOME (acronym for Home Ownership Made Easy) is a proactive strategy to assist potential buyers to make informed decisions about various financing options available and on ways to bridge the differential sum between the purchase price and loan eligibility.**

**Answer (cont'd)**

**c) GL Friends**

**“GL Friends”, a loyalty programme that continuously engage with our existing customers to promote referral and repeat purchase. Benefits include discounts of 1.5% to 3% for repeat purchases, 1% referral reward for successful referrals and other privileges.**

### **Question 3**

**What are the reasons for the increase in other operating expenses from RM157.2 million in FY2017 to RM288.5 million in FY2018?**

**How does the Group plan to manage the increase in these expenses (page148 of the Annual Report 2018)?**

### **Answer**

**The increase in other operating expenses from RM157.2 million (FY2017) to RM288.5 million (an increase of RM131.3 million) is mainly due to:**

	<u>RM'mil</u>
1) Impairment loss arising from 10% discount given on settlement scheme for Gamuda Water S/B's receivables. <i>[As disclosed in Page 251 of the Annual Report, Note 22(a)(ii)]</i>	70
2) Higher sales commission, advertising and promotional expenses which are related to overseas sales and new local townships, in line with the increase in property sales from RM2.4bil (FY2017) to RM3.6 bil.	41
3) General increase in overheads including expenses related to roll out of e-Procurement platform.	20
	<hr/> <b>131</b> <hr/>

#### **Question 4**

**What is the capital expenditure budgeted for the second IBS factory (page 31 of the Annual Report 2018)?**

#### **Answer**

- **The total budgeted capital expenditure for the second IBS factory is RM330 million (including land cost of RM80 mil).**
- **As of October 2018, RM290 million has been spent and the second IBS factory is expected to complete in December 2018.**

### **Question 5**

#### **Corporate Governance – Practice 12.3**

**The Company in its Corporate Governance Report has stated that it has applied Practice 12.3 of MCCG. Practice 12.3 refers to facilitating or providing platform for shareholders to vote remotely without being physically present at the Company’s AGM.**

**Based on the Company’s explanation given on the application of Practice 12.3, the Company has not applied the said Practice.**

### **Answer**

**We took note of MSWG’s comment on Practice 12.3. Meanwhile, the Company will study the costing and availability of such technology in the market and will set a realistic timeframe.**

**PERTINENT QUESTIONS AND ANSWERS AT THE 42<sup>ND</sup> AGM****Shareholder : Mr. Wan Heng Wah**

**Q1** What is the outlook for Klang Valley Mass Rapid Transit (“KVMRT”) Line 2 project upon conversion to turnkey model?

**A1** MMC-Gamuda has reached an agreement with the Government to convert the elevated works and the system works under the Project Delivery Partner (“PDP”) model, and the design and build underground works package to a single Turnkey Contract model for a combined contract price of RM30.53 billion. This is because MMC-Gamuda do not wish to prolong the deadlock further in the negotiation and in the interest of completing the KVMRT Line 2 project.

The reduction in contract sum from RM39.0 billion to RM30.0 billion or 22.45% will not have any adverse impact on Gamuda’s earnings since the cost reduction was achieved by:

- i. reducing the scope of works and the prescriptive control by MRT Corporation Berhad;
- ii. lowering overheads following conversion to turnkey contract model
- iii. savings achieved from completion of detailed design, contingencies and provisional sums from completed works.

**Q2** From the Operations Review, Gamuda IBS has completed its first project using the digital and robotic Industrialised Building System i.e. delivery of 714 apartment units at Jade Hills project in 24 months, shorter by 12 months compared to the conventional buildings methods. In October 2018, 1,800 units have also been completed. However, all these projects undertaken by Gamuda IBS are project awarded within the Gamuda Group.

Does Gamuda IBS has plans to procure projects from external parties?

**A2** In addition to fulfilling building projects for Gamuda Land, Gamuda IBS will look for partnerships with private developers, and is also well positioned to support the Government’s aspirations to meet the nation’s affordable housing demand. Currently, Gamuda IBS is building 864 units of affordable homes for PKNS in Cyber Valley and is in the midst of securing a few other projects.

**Q3**      **What is the total GDV for the Gamuda Cove project and what are the masterplan for the said project?**

**A3**      **First phase of Gamuda Cove was launched in August 2018. The 1,530-acre township is dubbed ‘Nature Sanctuary, Future City’ and has been master-planned as a nature-inspired sanctuary with 250-acre of green area and a sustainable smart city. Intelligent mobility, waste and security solutions will be introduced within this development. The entire project has a GDV of RM20 billion.**

**Gamuda Land, the property development arm of Gamuda is shifting its focus on its township towards commercial offerings and also looking at opportunities within the tourism segment, capitalising on lifestyle choices and attractions. Over the next 12 months, the Discovery Park in Gamuda Cove will be operational and will offer adventure activities, sporting facilities and plenty of F&B options.**

### **Shareholder : Ms. Chong Siew Yoon**

**Q4**      **On the legal suit filed by Tenaga Nasional Berhad (“TNB”) against Gamuda Water Sdn Bhd (“Gamuda Water”) which was premised on the failure by Gamuda Water in paying the electricity bills to TNB:**

- I.      Is there any financial impact on the Group?**
- II.     Why was Gamuda Water unable to pay the electricity bills which ballooned to RM39.5 million?**

**A4**      **The TNB Suit will not have any significant financial and operational impact on the Gamuda Group for the financial year ending 31 July 2019 since the outstanding electricity bills have been fully provided as and when they are incurred.**

**The unpaid electricity bills arose since Gamuda Water was not receiving full payment from Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (“Splash”) which in turn did not receive full payment from Syarikat Bekalan Air Selangor Sdn Bhd (“SYABAS”). Splash was only receiving 33% of billings to SYABAS.**

**In view of the partial payments by SYABAS, Gamuda Water in turn make partial payments for its electricity bills.**

## **Shareholder : Mr. Festus a/l A Christ Dhas**

**Q1** Sale of Splash for RM2.55 billion will be paid in the following manner: -

- Upfront cash payment of RM1.9 billion; and
- The balance sale consideration of RM650 million shall be settled over the next nine years.

As such, why did Gamuda recognised a one-off losses on the disposal of Splash of RM300 million instead of recognising on a proportionate basis in line with the manner on how the disposal consideration is paid?

<b>A1</b>	As confirmed with the Company auditors, the Malaysian Financial Reporting Standards requires the recognition of the one-off losses arising from the sale of Splash in the financial year that it was sold i.e. the execution of the sales and purchase agreement.
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**Q2** What is the status of the rectification works of the vacuum sewerage system in Bandar Botanic?

<b>A2</b>	Rectification works has started in January 2018. To date, the completed double chamber works and valve relocation at Jalan Kantan, Cemara and Kundang which affected 350 units of houses, have been completed. The residents at these areas have expressed their satisfaction and to date, no complaints were received. All rectification works are targeted to be completed in three years.
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## **Shareholder : Mr. Sze Kok Sing @ See Kok Sen**

**Q1** What is the expected reduction in financial cost for the financial year 2019 onwards if the sales proceed from the disposal of Gamuda's 40% equity interest in Splash is used to reduce the Group's borrowings?

<b>A1</b>	Gamuda's 40% share of RM1.9 billion upfront cash payment is RM760 million.  On the assumption that the average interest rate of the Group's borrowings is 4.8% and that all proceeds are used to repay the Group's borrowings, total saving in the financial cost is estimated to be approximately RM36.0 million per annum.
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**Q2** On the Government's announcement to freeze toll hikes for all highways including those highways under Gamuda, will Gamuda be entitled to compensation and if yes, how much compensation from the Government does the Company expect to receive?

**A2** In the event Government freezes toll hikes for all highways under Gamuda, the concession companies are entitled to compensation as provided in the respective concession agreements.

Accordingly, the Finance Minister has announced at the Malaysia 2019 Budget in October 2018 that RM700 million has been budgeted for toll compensation to all highway concessionaires.

**Q3** Following delays caused by the negotiation with the Government on the reduction in the contract sum for the KVMRT Line 2 project and also on the conversion of the PDP model to a turnkey contract model, will there be any delay in completing the said project i.e. will MMC-Gamuda Joint Venture be able to achieve full completion by July 2022?

What is the amount payable as Liquidated Damages in the event that the completion of the construction contracts are delayed?

Is the profit margin for the KVMRT Line 2 project and the Underground works project affected by the reduction in the contract sum?

**A3** To date, works are progressing well and is on track for full completion by July 2022.

The overall cumulative progress for:

- i. Elevated Works Package is on track at 31%;
- ii. Underground Works Package is on track at 41%.

The Liquidated Damages as per set out in the PDP Agreement (for KVMRT Line 2 project) and the Underground Works contract (for KVMRT Line 2 Underground project) is RM1.0 million per day.

The sacrifice in profit margin consequential to the reduction in contract sum was inevitable. However, Gamuda expects savings from the conversion to the Turnkey contract model but the amount of saving cannot be determined at this point of time.

**Q4 What is the project margin for Gamuda IBS in particular for the Affordable Housing projects undertaken by Gamuda IBS?**

**A4 Gamuda IBS profit margin is dependent on production volume. We are optimistic of Gamuda IBS involvement in the affordable housing development in the country and be part of the Government's aspirations to build 200,000 new affordable homes within the next two years. Using the IBS technology, construction of these homes can be completed earlier, without sacrificing on quality or costs.**

**Given our capacity to produce 8,000 units per year at both our IBS factories, we are in a leading position to deliver Government's promise to the people.**

**Q5 Is Gamuda expecting significant erosion of its profit margin for its property section in view that there are huge unsold properties in the market?**

**A5 Gamuda Land's projects overseas and local new projects here have enjoyed healthy take-up rates. This is evidenced by the Group's RM3.6 billion sales, which is 50% hike over the previous financial year. Both Vietnam and Singapore contributed 70% to overall sales in FY 2018.**

**Two of Gamuda Land's established projects, Horizon Hills and Jade Hills continue to sell well while newer townships like Gamuda Gardens and twentyfive.7 are seeing better take-up rates since their official launches. Gamuda Cove soft-launched its first phase of residential terraced houses have seen full take-up rate i.e. 180 units offered were all sold.**

**To address buyers' affordability and loan eligibility, the following marketing schemes were implemented by Gamuda Land: -**

- i. GL Home (acronym for Home Ownership Made Easy) program;**
- ii. GL Friends a brand new loyalty programme exclusively for purchasers of selected Gamuda Land properties has also been set up.**

## **Shareholder : Mr. Liew Tuck Wai**

**Q1** On the disclosures from pages 244 to 245 of the Financial Statements section, please give more information on the column “Other individually immaterial joint venture”.

**A1** The joint venture includes GEM Homes Pte Ltd, a 50 : 50 joint venture company undertaking the GEM Residences in Singapore.

**Q2** Following disposal of Gamuda’s interest in the water business, what is the outlook for the Gamuda’s Highway concessions?

**What is worst case scenario of Gamuda’s highway concessions business in the event that tolls are abolished since toll abolishment will likely lead to privatisation through Government takeover?**

**A2** Present Government is aware that they are required to abide by the concession agreements signed with the concession companies.

As informed earlier, the Government has budgeted a sum of RM700 million for toll compensations to highway concessionaires due to the toll hike freeze whereby the compensation receivable by the Gamuda’s highway concession companies is approximately RM200 million.

Discussions were held with the Government on the options/route available to take over these highway concessions. In light of the financial constraints faced by the present Government, the Government is aware that they need to assess the value of these toll operators in particular those listed on Bursa Malaysia Securities Berhad before making a decision for acquisition. The challenge would be getting at the acquisition price that will be accepted by all these toll operators’ shareholders.

## **Shareholder : Mr. Lee**

**Q1** What is the update on the litigation suit initiated by Emrail Sdn Bhd (“Emrail”) against MMC-Gamuda Joint Venture (“MGJV”)?

**A1** At the moment, no litigation suit has commenced as Emrail has only served the Notice of intention to commence arbitration (“Notice”) on 29 October 2018.

**MGJV will be filing an Originating Summons at the Kuala Lumpur High Court to seek for a declaration, among others, that: -**

- i. **the Notice is invalid; and**
- ii. **Emrail is not entitled to commence arbitration proceedings against MGJV.**

The Notice was premised on Emrail's alleged dispute and differences arising in the conditions of contract dated 23 December 2010 for the construction and maintenance of track works for the Electrified Double Track Project ("2T project"). MGJV was the then contractor for the 2T project between Ipoh and Padang Besar.

Upon completion of the 2T project, Loss & Expense ("L&E") claims arising from prolongation of the said project were submitted to Ministry of Transport ("MOT"). To enable 'back-to-back payment basis, Emrail's prolongation claims were incorporated into MGJV's L&E claims.

Accordingly, MOT has appointed their Independent Professional Quantity Surveyor ("QS") three years ago to assess MGJV's L&E claims. The QS has recommended payment of approximately RM600.0 million, which are deemed fair and reasonable. Out of the RM600.0 million, RM434 million was for MGJV while Emrail entitlement was approximately RM100.0 million with the balance to another Systems contractor. On the amount of claims, MGJV will stand guided by what is awarded by MOT.

## **Shareholder : Mr. Pang Chin Hong**

**Q1** In the Operations Review presented earlier, it was noted that Gamuda group is bidding for a few infra and building works projects with value totalling RM8.2 billion.

**What is the likelihood of Gamuda successfully securing all the projects listed and when will the outcome of these tender bids for the projects listed be announced? What are the profit margins for the projects listed?**

**A1** Profitability is very important for all projects tendered by Gamuda and as such, Gamuda assured the shareholders that this is achieved for all projects tendered by the group.

As to the future of the core businesses of the group post general election, Gamuda has evaluated its core businesses in light of the new changes and challenges faced by the group.

Moving forward, Gamuda needs to make improvements to its core business capabilities and at new markets as the group will continue to face challenges in the changing market. With all the hurdles in the local market, the group is looking to expand its construction business overseas i.e. Singapore, Vietnam and Australia.

**There are opportunities in Australia as the state governments of Victoria and New South Wales are looking to invest approximately A\$100 billion (RM300.13 billion) into railway and metro projects over the next 10 years, which will mainly be located in Sydney and Melbourne. With the group's vast experience and expertise in implementing mega construction projects locally and abroad which is lacking in Australian companies, it is the right time for the group to expand its horizon overseas.**

### **Shareholder : Mr. Loh**

**Q1      What is the justification for disposing Gamuda's 40% stake in Splash at a loss to Air Selangor?**

**A1      After much deliberation, the Board has concluded that the sale of Splash is in the best interest of Gamuda premised on the following: -**

- i.      In line with the state and federal governments' policy of consolidating all water concessionaires in the state of Selangor;**
- ii.     The sale marks an amicable conclusion to the protracted negotiations for the consolidation/restructuring of the water industry in the state of Selangor.**
- ii.     The sale consideration of RM2.55 billion is fair i.e. within the fair value range estimated by Moore Stephens (independent valuer).**

### **Proxy : Encik Rien Hashim**

**Q1      Will Gamuda continues to declare interim dividends of 12% per annum?**

**A1      Barring unforeseen circumstances, Gamuda will maintain a dividend rate of 12% per share per annum.**

**GAMUDA BERHAD**  
(29579-T)

**Appendix III**

**Forty-second Annual General Meeting**  
Permai Room, Kota Permai Golf & Country Club,

No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia  
On **06-December-2018** at **10:00AM**

**Result On Voting By Poll**

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
<b>Resolution 1</b>	1,452,027,834	99.998	24,200	0.002	1,452,052,034	100.000
<b>Resolution 2</b>	1,452,031,734	99.998	22,100	0.002	1,452,053,834	100.000
<b>Resolution 3</b>	1,007,934,911	95.061	52,367,410	4.939	1,060,302,321	100.000
<b>Resolution 4</b>	1,527,431,817	99.588	6,315,128	0.412	1,533,746,945	100.000
<b>Resolution 5</b>	1,538,707,166	98.949	16,347,055	1.051	1,555,054,221	100.000
<b>Resolution 6</b>	1,553,361,221	99.763	3,695,200	0.237	1,557,056,421	100.000
<b>Resolution 7</b>	1,041,141,871	70.992	425,421,550	29.008	1,466,563,421	100.000
<b>Resolution 8</b>	1,208,461,921	100.000	0	0.000	1,208,461,921	100.000

