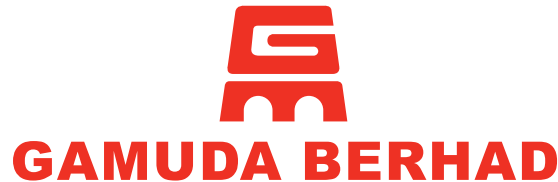


THIS CIRCULAR TO SHAREHOLDERS OF GAMUDA BERHAD ("GAMUDA" OR THE "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



(Company No. 29579-T)
(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 412,445,675 WARRANTS IN GAMUDA ("WARRANT(S)") AT AN ISSUE PRICE OF RM0.25 PER WARRANT ON THE BASIS OF ONE (1) WARRANT FOR EVERY SIX (6) EXISTING ORDINARY SHARES OF RM1.00 EACH HELD IN GAMUDA ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE OF WARRANTS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



RHB Investment Bank Berhad

(Company No. 19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting ("**EGM**") of Gamuda, to be held at Permai Room, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan on Monday, 7 December 2015 at 10.15 a.m., or immediately following the conclusion or adjournment (as the case may be) of the 39th Annual General Meeting ("**AGM**") of the Company, which will be held at the same venue and on the same day at 10.00 a.m., whichever is later, together with the accompanying Form of Proxy are enclosed with this Circular.

A member entitled to attend, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend and to vote on his/her behalf. In such event, the Form of Proxy must be lodged at the registered office of the Company at Menara Gamuda, D-16-01, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, not less than forty eight (48) hours before the time stipulated for holding the EGM as indicated below. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Saturday, 5 December 2015, at 10.15 a.m.

Date and time of the EGM..... : Monday, 7 December 2015, at 10.15 a.m., or immediately following the conclusion or adjournment (as the case may be) of the 39th AGM, which will be held at the same venue and on the same day at 10.00 a.m., whichever is later

This Circular is dated 9 November 2015

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

“Act”	: Companies Act, 1965, as amended from time to time and any re-enactment thereof
“Additional Undertaking(s)”	: Irrevocable undertaking(s) from the Undertaking Shareholder(s), who have irrevocably undertaken <i>inter alia</i> to apply and subscribe for 315,000,000 additional Warrants in the event that there are Warrants not subscribed by other Entitled Shareholders and/or their renouncees
“AGM”	: Annual general meeting of the Company
“Board”	: The Board of Directors of Gamuda
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd (165570-W)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (635998-W)
“Circular”	: This circular to shareholders of Gamuda dated 9 November 2015 in relation to the Proposed Rights Issue of Warrants
“Code”	: The Malaysian Code on Take-Overs and Mergers, 2010 as amended from time to time
“Deed Poll”	: The deed poll constituting the Warrants to be executed by the Company
“Director(s)”	: The director(s) of Gamuda and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007
“EGM”	: Extraordinary general meeting of the Company
“Entitled Shareholder(s)”	: The shareholders of Gamuda whose names appear in the Record of Depositors of the Company on the Entitlement Date pursuant to the Proposed Rights Issue of Warrants
“Entitlement Date”	: A date (to be determined and announced by the Board later) on which the names of the Entitled Shareholders must appear in the Record of Depositors in order to be entitled to the Warrants pursuant to the Proposed Rights Issue of Warrants
“Entitlement Undertaking(s)”	: Irrevocable undertaking(s) from the Undertaking Shareholder(s), who have irrevocably undertaken <i>inter alia</i> to apply and subscribe in full for its/their respective entitlements of the Warrants based on its/their shareholdings as at the Entitlement Date
“EPS”	: Earnings per share
“ESOS”	: Employee share option scheme
“FYE”	: Financial year ended/ending
“Foreign-Addressed Shareholders”	: The shareholders who have not provided to the Company a registered address or an address for service in Malaysia for the service of documents which will be issued in connection with the Proposed Rights Issue of Warrants
“Gamuda” or the “Company”	: Gamuda Berhad (29579-T)

DEFINITIONS (CONT'D)

“Gamuda Group” or the “Group”	: Gamuda and its subsidiary companies, collectively
“Gamuda Share(s)” or “Share(s)”	: Ordinary share(s) of RM1.00 each in Gamuda
“KVMRT”	: Klang Valley Mass Rapid Transit
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
“LPD”	: 15 October 2015, being the latest practicable date prior to the printing and despatch of this Circular
“Market Day(s)”	: Any day between Monday to Friday (inclusive), excluding public holidays, and any day on which Bursa Securities is open for trading of securities
“Maximum Scenario”	: Assuming that all of the Outstanding ESOS Options are exercised prior to the Entitlement Date
“Minimum Scenario”	: Assuming that none of the Outstanding ESOS Options are exercised prior to the Entitlement Date
“NA”	: Net assets
“Outstanding ESOS Options”	: 68,769,000 options granted and accepted but unexercised as at 18 September 2015, under the Company’s existing ESOS
“Price Fixing Date”	: The date (to be determined and announced later by the Board) on which the exercise price of the Warrants shall be fixed pursuant to the Proposed Rights Issue of Warrants
“Proposed Rights Issue of Warrants”	: The proposed renounceable rights issue of up to 412,445,675 Warrants to the Entitled Shareholders at an issue price of RM0.25 per Warrant, on the basis of one (1) Warrant for every six (6) existing Gamuda Shares held on the Entitlement Date
“Record of Depositors”	: A record of depositors established by Bursa Depository under the Rules of Bursa Depository
“RHB Investment Bank” or “Adviser”	: RHB Investment Bank Berhad (19663-P)
“RM” and “sen”	: Ringgit Malaysia and sen respectively
“Rules of Bursa Depository”	: The rules of Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991 of Malaysia as amended from time to time
“Undertaking Shareholder(s)”	: Certain substantial shareholders, Directors and persons connected to them, who have provided its/their respective Undertakings, names of whom are set out in Section 2.4 of this Circular
“Undertaking(s)”	: Collectively, the Entitlement Undertakings and Additional Undertakings
“VWAMP”	: Volume-weighted average market price

DEFINITIONS (CONT'D)

“Warrant(s)” : Up to 412,445,675 detachable new warrants to be allotted and issued pursuant to the Proposed Rights Issue of Warrants

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified. All references to “you” in this Circular are to the shareholders of Gamuda.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that Gamuda’s plans and objectives will be achieved.

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GAMUDA BERHAD

(Company No. 29579-T)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office

Menara Gamuda
D-16-01, Block D, PJ Trade Centre
No. 8, Jalan PJU 8/8A
Bandar Damansara Perdana
47820 Petaling Jaya
Selangor Darul Ehsan

9 November 2015

Board of Directors

Dato' Mohammed Hussein (*Independent Non-Executive Chairman*)
Dato' Lin Yun Ling (*Group Managing Director*)
Dato' Ir Ha Tiing Tai (*Deputy Group Managing Director*)
Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain (*Senior Independent Non-Executive Director*)
Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-Lah
(*Non-Independent Non-Executive Director*)
Dato' Haji Azmi bin Mat Nor (*Executive Director*)
Dato' Goon Heng Wah (*Executive Director*)
Saw Wah Theng (*Executive Director*)
Tunku Afwida binti Tunku A.Malek (*Independent Non-Executive Director*)
Ir Chow Chee Wah (*Alternate Director to Dato' Lin Yun Ling*)
Ubull a/l Din Om (*Alternate Director to Dato' Ir Ha Tiing Tai*)
Ir Chan Kong Wah (*Alternate Director to Dato' Goon Heng Wah*)
Soo Kok Wong (*Alternate Director to Saw Wah Theng*)

To: The shareholders of Gamuda Berhad

Dear Sir/ Madam,

PROPOSED RIGHTS ISSUE OF WARRANTS

1. INTRODUCTION

On 28 September 2015, RHB Investment Bank, on behalf of the Board, announced that the Company had proposed to undertake a renounceable rights issue of up to 412,445,675 Warrants in Gamuda at an issue price of RM0.25 for each Warrant on the basis of one (1) Warrant for every six (6) existing Gamuda Shares, on the Entitlement Date to be determined and announced later by the Board.

It was also announced that the Company intends to obtain written irrevocable undertakings from its substantial shareholders and directors to subscribe in full for their respective entitlements to the Warrants based on their shareholdings as at the Entitlement Date, and/or additional Warrants not taken up by the Entitled Shareholders, and that underwriting arrangements for the Proposed Rights Issue of Warrants, if any, will depend on the extent of undertakings obtained.

As at the date of this Circular, Gamuda has procured such Undertakings from the Undertaking Shareholders, who have collectively undertaken to subscribe in full for an aggregate of 355,331,049 Warrants. The details on the Undertakings are set out in **Section 2.4** of this Circular.

On 28 October 2015, RHB Investment Bank, on behalf of the Board, announced that Bursa Securities had vide its letter dated 28 October 2015, approved the admission of the Warrants to the official list of Bursa Securities, the listing of and quotation for the Warrants, and the listing of and quotation for the new Gamuda Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities, subject to the conditions disclosed in **Section 7** of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF GAMUDA WITH THE RELEVANT INFORMATION ON THE PROPOSED RIGHTS ISSUE OF WARRANTS AS WELL AS TO SEEK THE APPROVAL FROM THE SHAREHOLDERS OF GAMUDA FOR THE RESOLUTION PERTAINING TO THE PROPOSED RIGHTS ISSUE OF WARRANTS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

SHAREHOLDERS OF GAMUDA ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RIGHTS ISSUE OF WARRANTS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED RIGHTS ISSUE OF WARRANTS

The Proposed Rights Issue of Warrants involves the issuance of up to 412,445,675 Warrants, on the basis of one (1) Warrant for every six (6) existing Gamuda Shares. The Warrants will be provisionally allotted and issued to the shareholders of Gamuda whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date upon obtaining approvals from all relevant authorities and the shareholders respectively.

The aforesaid basis of one (1) Warrant for every six (6) existing Gamuda Shares held was arrived at after taking into consideration the quantum of funds intended to be raised by the Company (as set out in **Section 2.5** of this Circular based on the issue price of RM0.25 per Warrant) and the potential dilution in EPS upon the full exercise of the Warrants.

In any event, the actual number of Warrants to be issued will be determined based on the issued and paid-up share capital of Gamuda as at the Entitlement Date, after taking into consideration any shares to be issued prior to the Entitlement Date pursuant to the exercise of the Outstanding ESOS Options.

As at the LPD, the issued and paid-up share capital of Gamuda is RM2,405,905,055 comprising 2,405,905,055 Gamuda Shares. For illustrative purposes only, assuming all of the Outstanding ESOS Options have been exercised, 412,445,675 Warrants will be issued pursuant to the Proposed Rights Issue of Warrants.

For the purposes of this Circular, the effects of the Proposed Rights Issue of Warrants shall be based on the following scenarios:-

Minimum Scenario	: Assuming that none of the Outstanding ESOS Options are exercised prior to the Entitlement Date
Maximum Scenario	: Assuming that all of the Outstanding ESOS Options are exercised prior to the Entitlement Date

The Proposed Rights Issue of Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/or renounce their entitlements to the Warrants in full or in part. The Warrants which are unsubscribed or not taken up or not validly taken up shall be made available for excess applications by the other Entitled Shareholders and/or their renounees. It is the intention of the Board to allocate the excess Warrants in a fair and equitable manner on a basis to be determined by the Board and announced later by the Company.

Any fractional entitlements that may arise from the Proposed Rights Issue of Warrants shall be dealt with in such manner as the Board in its absolute discretion deems fit and expedient or in the best interest of the Company.

Each Warrant will give its holder an option to subscribe for one (1) new Gamuda Share at the exercise price of the Warrants, payable in full by way of cash, at any time within the exercise period of the Warrants, upon the terms and subject to the conditions contained in the Deed Poll.

The Warrants will be separately traded on the Main Market of Bursa Securities. The Warrants will be issued in registered form and constituted by the Deed Poll. The indicative salient terms of the Warrants are set out in **Appendix I** of this Circular.

For avoidance of doubt, the Proposed Rights Issue of Warrants is not undertaken on a minimum subscription level basis.

2.1 Basis of determination and justification for the issue price of the Warrants

The Board has fixed the issue price of RM0.25 per Warrant after taking into consideration, amongst others, the five (5)-day VWAMP of Gamuda Shares up to and including 18 September 2015 (being the latest practicable date prior to the announcement of the Proposed Rights Issue of Warrants) of RM4.65, and the quantum of funds intended to be raised by Gamuda for the purposes as set out in **Section 2.5** of this Circular.

For illustrative purposes, based on the issue price of RM0.25 per Warrant and the indicative exercise price of RM4.75 per Warrant, being the five (5)-day VWAMP of Gamuda Shares up to and including the LPD, the theoretical fair value of the Warrants as determined using the Black-Scholes Option Pricing Model as at the LPD is approximately RM0.98 per Warrant. The issue price for the Warrants of RM0.25 per Warrant represents a discount of 74.49% to the theoretical fair value of the Warrants. Such a discount is deemed appropriate and attractive as it will provide shareholders with an incentive to subscribe for the Warrants.

2.2 Basis of determining the exercise price of the Warrants

The exercise price of the Warrants will be determined by the Board at the Price Fixing Date, after taking into consideration, amongst others, the prevailing market conditions, (which may include, *inter alia*, volatility and/or trading volumes of the Malaysian stock market, interest rate environment and market sentiment) and the five (5)-day VWAMP of Gamuda Shares immediately preceding the Price Fixing Date. In any event, the exercise price shall not be lower than the par value of RM1.00 per Gamuda Share.

Notwithstanding the above, should the Board decide to fix the exercise price of the Warrants at a discount, the Warrants will be priced at a discount of not more than ten percent (10%) of the five (5)-day VWAMP of Gamuda Shares immediately preceding the Price Fixing Date (to be rounded up to the nearest whole sen). The maximum discount was derived after taking into consideration the issue price of the Warrants of RM0.25 per Warrant, and being an exercise price sufficiently attractive to entice the Warrants holders to exercise their Warrants in the future.

2.3 Ranking of the new Gamuda Shares to be issued pursuant to the exercise of the Warrants

The new Gamuda Shares arising from the exercise of the Warrants will, upon allotment and issuance, rank *pari passu* in all respects with the existing Gamuda Shares, except that they shall not be entitled to any dividends, rights, allotment and/or other distributions that may be declared, made or paid to shareholders of the Company, the entitlement date of which is prior to the date of allotment of the new Gamuda Shares.

2.4

Shareholder's undertaking and underwriting agreement

The following substantial shareholder, Directors and persons connected to them have provided the Undertakings to subscribe in full for their respective entitlements of the Warrants under the Proposed Rights Issue of Warrants as at the Entitlement Date as well as to subscribe for 315,000,000 additional Warrants in the event that there are Warrants that are not subscribed by other Entitled Shareholders and/or their renounees:-

Undertaking Shareholders	As at 18 September 2015		Entitlement Undertakings	Additional Undertakings	Total Warrants to be subscribed pursuant to the Undertakings		
	No. of Shares	%			No. of Warrants	Minimum Scenario (%)	Maximum Scenario (%)
Generasi Setia (M) Sdn Bhd	^(a) 123,000,000	5.11	20,500,000	50,000,000	70,500,000	17.58	17.09
Dato' Lin Yun Ling	73,535,736	3.06	12,255,956	100,000,000	112,255,956	28.00	27.22
Dato' Ir Ha Tiing Tai	^(b) 21,570,276	0.90	3,595,045	60,000,000	63,595,045	15.86	15.42
Dato' Goon Heng Wah	^(c) 21,383,732	0.89	3,563,954	40,000,000	43,563,954	10.86	10.56
Dato' Haji Azmi bin Mat Nor	316,000	0.01	52,666	15,000,000	15,052,666	3.75	3.65
Saw Wah Theng	804,775	0.03	134,129	15,000,000	15,134,129	3.77	3.67
Ir Chow Chee Wah	435,000	0.02	72,500	10,000,000	10,072,500	2.51	2.44
Ir Chan Kong Wah	400,000	0.02	66,666	10,000,000	10,066,666	2.51	2.44
Soo Kok Wong	315,800	0.01	52,633	10,000,000	10,052,633	2.51	2.44
Raja Dato' Seri Eleena Binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-Lah ("Raja Dato' Seri Eleena")	^(a) 225,000	0.01	37,500	5,000,000	5,037,500	1.26	1.22
Total	241,986,319	10.06	40,331,049	315,000,000	355,331,049	88.61	86.15

Notes:-

- (a) Raja Dato' Seri Eleena is a Director and major shareholder of Generasi Setia (M) Sdn. Bhd., which in turn is a substantial shareholder of Gamuda.
(b) Including 16,000 Gamuda Shares held by his spouse as at 18 September 2015.
(c) Including 5,755,432 Gamuda Shares held by his spouse as at 18 September 2015.

The abovementioned Undertaking Shareholders have also given the Undertakings to subscribe in full for their respective additional entitlement of the Proposed Rights Issue of Warrants, in the event that they increase their shareholdings in Gamuda, prior to the Entitlement Date.

The Undertakings provided by the Undertaking Shareholders reflect their commitment and confidence in growing the Group's business and driving the financial performance of the Group further.

Accordingly, the Undertaking Shareholders have each confirmed vide their respective Undertakings that they have sufficient financial resources to subscribe for the Warrants under the Proposed Rights Issue of Warrants. RHB Investment Bank has verified, to the extent possible, that the Undertaking Shareholders have sufficient financial resources to take up the number of Warrants as specified in their respective Undertakings.

There are no takeover implications under the Code pursuant to the Undertakings as the Undertakings relate to the subscription of Warrants rather than subscription of voting shares. In the event that only the Undertaking Shareholders subscribe for the Warrants pursuant to the Undertakings and subsequently exercise their Warrants, there will be no takeover implications under the Code arising from the increase in shareholdings of the respective Undertaking Shareholders.

The Company may procure further additional undertakings or underwriting arrangements for the remaining Warrants, amounting to up to 57,114,626 Warrants, representing 13.85% of the total Warrants under the Maximum Scenario which are not covered under the Undertakings. If the Company decides to procure underwriting arrangements, the underwriting arrangements will be finalised prior to the announcement of the Entitlement Date. The details of any such underwriting arrangements will be disclosed in an abridged prospectus to be issued to the shareholders of the Company in due course.

2.5 Utilisation of proceeds

Based on the issue price of RM0.25 per Warrant and assuming all the Entitled Shareholders subscribe in full for their respective entitlements, the gross proceeds to be raised from the Proposed Rights Issue of Warrants will total up to approximately RM103.11 million.

The proceeds are expected at this juncture to be utilised in the following manner:-

	Timeframe for utilisation	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
Repayment of borrowings ⁽¹⁾	Within 5 months	50,000	50,000
Working capital ⁽²⁾	Within 12 months	49,246	52,111
Estimated expenses for the Proposed Rights Issue of Warrants ⁽³⁾	Upon completion	1,000	1,000
Total		100,246	103,111

Notes:-

- (1) As at the LPD, the total bank borrowings of Gamuda Group stood at approximately RM4.15 billion of which RM1.12 billion are short term borrowings and RM3.03 billion are long term borrowings. The borrowings comprise of medium term notes, term loans, revolving credits and commercial papers.

The Company has earmarked RM50.0 million for the partial repayment of its existing RM100.0 million Islamic Commercial Papers ("ICP") (bearing an interest rate of 3.68% per annum). The ICP is due to mature in November 2015, with the flexibility to rollover every three (3) months. For illustrative purposes, based on the current interest rate of 3.68% per annum, such repayment is expected to result in interest savings of approximately RM1.84 million per annum.

Pending utilisation of the proceeds for the above purposes, the proceeds would be placed in deposits with financial institution(s) or short-term money market instrument(s) (including unit trusts).

- (2) The proceeds earmarked for working capital will be utilised to finance the day-to-day operations of Gamuda Group's existing construction and property development projects. Day-to-day expenses include, amongst others, the purchase of raw materials, sales and marketing expenses as well as payment of overheads.

The Group is currently involved in the construction of the KVMRT Sungai Buloh – Kajang Line and several on-going property development projects in the Klang Valley, the Iskandar Johor Region, Melbourne (Australia), Hanoi and Ho Chi Minh City (Vietnam) as well as Singapore. Recently the Group was appointed as the project delivery partner for KVMRT Sungai Buloh-Serdang-Putrajaya Line project and the Penang Transport Master Plan project. The Group's involvement in these development projects will further expand the scale of the Group's operations and hence a larger amount of funds is required to supplement its working capital requirements.

- (3) *The expenses relating to the Proposed Rights Issue of Warrants comprise of, amongst others, the estimated professional fees, fees payable to relevant authorities, expenses to convene the EGM, printing, advertisement expenses, underwriting fees (if required) and other ancillary expenses. If the actual expenses incurred are higher than the budgeted expenses, the deficit will be funded from the portion allocated for the Group's working capital. Conversely, any surplus of funds following the payment of expenses will be utilised as working capital for the Group.*

In any event, the allocation of the proceeds shall be adjusted based on the actual proceeds to be raised from the Proposed Rights Issue of Warrants.

The gross proceeds to be raised from the exercise of the Warrants are dependent on the final exercise price of the Warrants and the actual number of Warrants exercised during the tenure of the Warrants.

For illustrative purposes, based on the indicative exercise price of RM4.75 per Warrant, representing the five (5)-day VWAMP of Gamuda Shares up to and including the LPD, the maximum gross proceeds that are expected to be raised from the full exercise of the Warrants is approximately RM1.96 billion. Any proceeds arising from the exercise of the Warrants will be utilised for general investment opportunities in the related businesses of the Group (such as acquisition of land for property development and investment in plant and machinery for construction), repayment of borrowings and/or additional working capital to finance the Group's day-to-day operations. The Company is unable to provide a breakdown of the utilisation of the proceeds as the proceeds will be channelled in accordance with the requirements of the Group as and when the Warrants are exercised.

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2.6 Indicative salient terms of the Warrants

The Warrants will be traded on the Main Market of Bursa Securities, separately from the existing Shares. The Warrants will be issued in registered form and constituted by the Deed Poll.

The indicative salient terms of the Warrants pursuant to the Proposed Rights Issue of Warrants are set out in **Appendix I** of this Circular.

2.7 Listing of and quotation for the Warrants and new Gamuda Shares to be issued pursuant to the exercise of Warrants

The approval from Bursa Securities has been obtained vide its letter dated 28 October 2015 for the listing of and quotation for the Warrants and the new Gamuda Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities.

2.8 Foreign-Addressed Shareholders

Subject to the approvals disclosed in **Section 7** being obtained, an abridged prospectus pertaining to the Proposed Rights Issue of Warrants will be issued together with its accompanying documents. The abridged prospectus together with its accompanying documents or any other documents to be issued in connection with the Proposed Rights Issue of Warrants are not intended to comply with the laws of any jurisdiction other than Malaysia and will not be lodged, registered or approved under applicable securities legislation of any jurisdiction other than Malaysia. Accordingly, the Proposed Rights Issue of Warrants will not be offered for subscription in any countries or jurisdictions other than Malaysia.

The abridged prospectus together with its accompanying documents or any other documents relating to the Proposed Rights Issue of Warrants will only be sent to Entitled Shareholders who have a registered address or an address for service in Malaysia as registered in Gamuda's Record of Depositors on the Entitlement Date and will not be sent to Foreign-Addressed Shareholders as at the Entitlement Date. Foreign-Addressed Shareholders who wish to provide Malaysian addresses should inform their respective stockbrokers as well as the share registrar of Gamuda at Insurban Corporate Services Sdn Bhd, 149, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur to effect the change of address prior to the Entitlement Date. Such notification must be done prior to the Entitlement Date.

Alternatively, such Foreign-Addressed Shareholders may collect the abridged prospectus from Gamuda's share registrar who shall be entitled to request for such evidence as they deem necessary to satisfy themselves as to the identity and authority of the person collecting the abridged prospectus.

Gamuda will not make or be bound to make any enquiry as to whether the Entitled Shareholders have a registered address other than as stated in Gamuda's Record of Depositors as at the Entitlement Date and will not accept or to be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith.

Foreign-Addressed Shareholders may only exercise their rights in respect of the Proposed Rights Issue of Warrants to the extent that it would be lawful to do so and the Company and/or any of its advisers would not, in connection with the Proposed Rights Issue of Warrants, be in breach of the laws of any jurisdiction to which the applicants may be subject.

Foreign-Addressed Shareholders will be responsible for payment of any issue or transfer fees or costs, and any taxes or requisite payments due in such jurisdiction and Gamuda shall be entitled to be fully indemnified and held harmless by such foreign applicants for any issue, transfer or any other taxes or duties as such persons may be required to pay. They will have no claims whatsoever against Gamuda, its share registrar and/or any of its advisers in respect of their rights or entitlements under the Proposed Rights Issue of Warrants. Such applicants should also consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to exercise their rights in respect of the Proposed Rights Issue of Warrants.

The applicants shall be solely responsible to seek advice as to the laws of any jurisdiction to which they may be subject, and participation by the applicants in the Proposed Rights Issue of Warrants shall be on the basis of a warranty by the applicants that they are allowed to do so lawfully without the Company and/or the advisers being in breach of the laws of any jurisdiction.

Neither Gamuda nor any of its advisers to the Proposed Rights Issue of Warrants shall accept any responsibility or liability in the event that any acceptance by a Foreign-Addressed Shareholder of his/her rights in respect of the Proposed Rights Issue of Warrants is or shall become illegal, unenforceable, voidable or void in any country or jurisdiction.

Foreign-Addressed Shareholders who do not provide an address in Malaysia or who are not entitled to subscribe for the Warrants under the laws and jurisdiction to which they are subject, will have no claims whatsoever against the Company and/or any of its advisers in respect of their rights entitlements or any net proceeds arising from the Proposed Rights Issue of Warrants.

Gamuda reserves the right in its absolute discretion to treat any acceptance as being invalid if it believes or has reason to believe that such acceptance may violate applicable legal or regulatory requirements.

3. RATIONALE FOR THE PROPOSED RIGHTS ISSUE OF WARRANTS

The rationale for the Proposed Rights Issue of Warrants is as follows:-

- (i) The Proposed Rights Issue of Warrants seeks to reward the Entitled Shareholders by providing them with an opportunity to subscribe for an equity derivative of the Company at a relatively low entry cost. In addition, the Proposed Rights Issue of Warrants will enable the Entitled Shareholders to further increase their equity participation in the Company at a pre-determined exercise price during the tenure of the Warrants and to benefit from the future growth and any potential capital appreciation arising therefrom;
- (ii) Based on the issue price of RM0.25 per Warrant, Gamuda is expected to raise immediate gross proceeds of up to approximately RM103.11 million from the issuance of the Warrants which will be used for the purposes as set out in **Section 2.5** above;

Gamuda will also be able to raise further proceeds as and when the Warrants are exercised. The issuance and exercise of the Warrants will allow the Company to raise funds without incurring additional interest expenses. In addition, the exercise of the Warrants will increase Gamuda's shareholders' funds which will consequently improve its gearing levels;
- (iii) The issuance and exercise of the Warrants will further strengthen the capitalisation of the Company as well as potentially improve the trading liquidity of Gamuda Shares; and
- (iv) The Proposed Rights Issue of Warrants will not result in an immediate dilution of the EPS until such time new Gamuda Shares are issued pursuant to the exercise of the Warrants.

In addition, the Company's preceding rights issue of warrants exercise in 2010 had been well received by its shareholders being oversubscribed by approximately 10 times and prior to the expiry of the warrants on 25 May 2015, the warrants were almost fully exercised. Hence, the Board considers the Proposed Rights Issue of Warrants a suitable avenue for rewarding its shareholders while raising funds to sustain the growth of the Company.

4. INDUSTRY OVERVIEW AND OUTLOOK

4.1 Overview and outlook of the Malaysian economy

The Malaysian economy grew by 5.3% in the first half of 2015, driven by resilient domestic demand. Private sector expenditure contributed 5.3 percentage points to growth. Private investment and consumption remained robust growing by 7.5% and 7.6%, respectively. On the supply side, growth was mainly driven by the services and manufacturing sectors contributing 3 and 1.1 percentage points, respectively.

On the external front, Malaysia continues to be impacted by slower global growth and regional trade. Hence, the trade performance remained subdued during the first eight months of 2015 with exports and imports contracting by 1.4% and 2%, respectively (January – August 2014: 9.5%; 6.1%). Although weighed down by weak commodity prices, the steady demand for electrical and electronic (“E&E”) products saw exports of manufactured goods registering positive growth during the period. The current account posted a surplus of RM17.6 billion or 3.2% of Gross National Income (“GNI”) in the first half of the year (January – June 2014: RM34.5 billion; 6.6%).

With strong economic fundamentals, including resilient domestic demand, diversified sources of growth, low unemployment rate and benign inflation coupled with pro-growth fiscal and accommodative monetary policies, real Gross Domestic Product (“GDP”) is projected to grow between 4.5% and 5.5% in 2015 (2014: 6%). Nominal GNI is estimated to increase by 5.5% to RM1.13 trillion with income per capita rising by 4.2% to RM36,397 (2014: 8.6%, RM1.07 trillion; 7.2%, RM34,945).

The Malaysian economy is expected to remain steady in 2016, with real GDP growth between 4% and 5% led by domestic demand. Private sector expenditure will remain the main driver of growth with private consumption and investment expected to grow by 6.4% and 6.7%, respectively. Meanwhile, Government expenditure is forecast to expand, albeit at a moderate pace, in line with efforts to strengthen the fiscal position. On the supply side, growth is expected to be broad-based, with all the sectors registering positive growth. Malaysia's external position is forecast to remain positive supported by better prospects for global growth and trade.

Against this backdrop, the nominal GNI per capita is expected to increase by 5.6% from RM36,397 in 2015 to RM38,438 in 2016. With total investment surpassing savings, the savings-investment gap is expected to narrow between 0.5% and 1.5% of GNI. The economy will continue to operate under conditions of full employment with the unemployment rate remaining below 4%. Despite a weak ringgit, inflation is expected to remain benign attributed to low oil prices and the waning impact of Goods and Services Tax. For 2016, inflation is expected to range between 2% and 3%.

The Government remains committed to fiscal consolidation. The fiscal deficit is expected to further decline to 3.1% of GDP in 2016 (2015: 3.2%) while the Federal Government debt level will remain manageable within the prudent limit of 55% of GDP.

(Source: Economic Report 2015/2016, Ministry of Finance Malaysia)

4.2 Overview and prospects of the construction, property development and toll concession industries

Value-added of the construction sector grew at a moderate pace of 7.7% during the first half of 2015 (January – June 2014: 14.5%) on slower civil engineering and residential activities. The highest share was contributed by the residential (27.7%) followed by civil engineering (27.1%), non-residential (26.4%) and specialised construction activities (18.8%) subsectors.

The total value of construction work completed during the first half of 2015 expanded by 11.6% to RM56 billion with 20,056 construction projects registered (January – June 2014: 15.7%; RM50 billion; 19,649 projects). The non-residential subsector contributed 34.7% to the value of construction work, followed by civil engineering (30.4%), residential (30.2%) and specialized construction activities (4.7%) subsectors.

Amid the moderate growth outlook, the construction sector is expected to expand by 8.8% in 2015 (2014: 11.8%). The civil engineering subsector moderated to 1.3% (January – June 2014: 6.2%) following the completion of some major infrastructure projects. However, construction projects in the oil and gas industry, which started in 2015, such as piping and associated facilities at Petronas LNG Complex (PLC) Bintulu, as well as Pengerang Deepwater Petroleum Terminal with marine facilities and jetty, helped to cushion the moderation in growth of the subsector. The huge land reclamation activity in Southern Johor also supported the subsector. Further, the construction of a new deep water terminal at Kuantan Port; PanBorneo Highway; road upgrading works including Pulau Indah Highway and Bintulu – Samalaju road; as well as Kota Kinabalu flyover and third lane project, will continue to support construction growth over the medium term.

The residential subsector expanded moderately by 9.8% (January – June 2014: 22.1%) partly due to the decline in new housing approvals which decreased by 32.9% to 66,770 units (January – June 2014: 37.3%; 99,461 units), reflecting cautious sentiment among housing developers amid a challenging environment. However, the moderation was cushioned by the steady growth in incoming supply at 13.8% (January – June 2014: 10.3%).

In the non-residential subsector, construction activity grew by 14.5% (January – June 2014: 14.2%) as reflected in the expansion of incoming supply, particularly in the shop, shopping complex and industrial segments at 27.8%, 11.3% and 9.6%, respectively, (January – June 2014: 8.7%, 20%, 0.2%).

The construction sector is projected to increase by 8.4% in 2016 (2015: 8.8%), largely driven by infrastructure projects. The sector is expected to benefit, particularly from civil-engineering activities such as Pan-Borneo Highway, MRT Line 2 and Pengerang Integrated Complex (PIC) project. Meanwhile, the non-residential subsector is expected to expand led by ongoing construction of commercial buildings. Growth in the residential subsector is expected to be supported by ongoing Government initiatives to provide affordable housing.

In the first half of 2015, the transport and storage subsector expanded further by 5.6% (January – June 2014: 4.8%) attributed to higher highway, port and airport operations. The land transport segment grew by 5.6% during the first half of 2015 (January – June 2014: 6.1%). Traffic volume on tolled highways increased by 6.6% to 898.8 million vehicles (January – June 2014: 4.1%; 843.4 million) due to higher traffic during festivities amid lower fuel prices. Total production of passenger and commercial vehicles increased by 3.7% to 417,654 units during the first eight months of 2015 (January – August 2014: 4.4%; 402,688 units). Meanwhile, sales of motor vehicles fell to 434,282 units from 444,551 units in the corresponding period of 2014. This was mainly due to subdued business optimism and moderation in consumer sentiment.

(Source: Economic Report 2015/2016, Ministry of Finance Malaysia)

The construction sector is estimated to expand by 10.3% per annum during the period of the Eleven Malaysia Plan (“11MP”) from 2015 to 2020. This is attributed to continued civil engineering works and a growing residential subsector to fulfill the demand for housing, particularly from the middle-income group.

Demand for affordable housing by the low-income group will also remain favourable, which will be supported by several Government initiatives, such as Program Perumahan Rakyat 1Malaysia (“**PR1MA**”), Rumah Idaman Rakyat and Rumah Mesra Rakyat 1Malaysia. Other subsectors such as civil engineering and non-residential will remain robust in line with the development of major projects such as the Tun Razak Exchange, KL118 Tower, Refinery and Petrochemical Integrated Development (“**RAPID**”), and the Pan-Borneo Highway.

(Source: Eleventh Malaysia Plan 2016-2020, Economic Planning Unit, Government of Malaysia)

4.3 Prospects of the Gamuda Group

The Board is optimistic about the prospects of the Group in 2016 with the construction division being the mainstay for the Group supported by the Group’s steady concession business. Earnings from the Group’s domestic property segment for 2016 is expected to remain soft but would be cushioned by overseas property development projects. For the FYE 31 July 2015, the construction, property development and concession divisions have accounted for 25.9%, 30.0% and 44.1% respectively of the profit before taxation of the Group.

Gamuda (via a joint venture with MMC Corporation Berhad) (“**Gamuda JV**”) was appointed as the project delivery partner (“**PDP**”) by Mass Rapid Transit Corporation Sdn. Bhd. to implement the works packages of the KVMRT Sungai Buloh-Kajang Line project (“**SBK Line**”) in January 2011. Subsequently in March 2012, Gamuda JV won the tender to construct the underground works package of SBK Line. The works on the SBK Line are currently progressing well and are expected to be within the budgeted cost. The Group anticipates Phase 1 of the SBK Line to be completed on schedule in December 2016 and Phase 2 of the SBK Line including the underground works package to be completed in July 2017.

In October 2014, the Company (via a joint venture with MMC Corporation Berhad) was appointed as the PDP to implement the KVMRT Sungai Buloh-Serdang-Putrajaya Line project (“**SSP Line**”). Recently, the Company was also appointed the PDP for the Penang Transport Master Plan project. These two (2) projects are expected to boost the Group’s construction activities for the next few years. Moving forward, the Group will be tendering for the underground works package of the SSP Line and is also keen to participate in the Kuala Lumpur-Singapore High Speed Rail project when the opportunity arises.

With regards to the Group’s property division, the slowdown in demand for properties in the domestic market is expected to continue in the next year. Other than several on-going development projects in Klang Valley and the Iskandar Johor region, the Group is currently planning for launches of three (3) major future township developments located in Rawang (“**Serai Land**”), Tanjung 12 (next to Expressway Lingkaran Tengah) (“**Tanjung 12 Land**”) and adjacent to Kota Kemuning (“**KK257 Land**”). These three (3) projects with total gross land area of approximately 2,600 acres and estimated total gross development value (“**GDV**”) of approximately RM29.0 billion will contribute to future earnings and growth in the Group’s property division. Further details of the above projects are set out as follows:-

	Project description	Project tenure	Expected launch year	Expected completion year
(i)	Serai Land – Township development with a mix of residential and commercial properties	19 years	2017	2031
(ii)	Tanjung 12 Land – Township development with a mix of residential and commercial properties	24 years	2018	2037
(iii)	KK257 Land – Township development with a mix of residential and commercial properties	12 years	2017	2026

The sales of the Group's overseas properties in Hanoi and Ho Chi Minh City (Vietnam) continue to show encouraging growth in tandem with the robust outlook of Vietnam's economy and the liberalisation measures undertaken by the Vietnamese Government. Both on-going development projects in Hanoi and Ho Chi Minh City are township developments which are expected to complete in year 2028 and 2027 respectively.

To further diversify the Group's overseas property earnings, the division has recently launched its maiden project, a 30-storey tower comprising of apartments in Melbourne, Australia. The Company also intends to launch its first project in Singapore, a high-rise condominium, by 2017. The GDV of projects in Vietnam, Australia and Singapore are approximately RM15.6 billion, RM400.0 million and RM2.0 billion respectively. The Group will continuously seek opportunities for overseas development projects with good potential.

The Group currently operates and maintains 4 highway concessions in the Klang Valley via its subsidiary and associate companies. The 4 highway concessions, measuring approximately 100 km in length, includes the Shah Alam Expressway (SAE), Lebuhraya Damansara-Puchong (LDP), Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT Expressway) as well as the Stormwater Management and Road Tunnel (SMART). The highway concession businesses of the Group will continue to provide a steadily increasing source of income as car ownership rises (in line with the growth in the Malaysian economy) leading to growth in toll collections.

Premised on the Gamuda Group's existing and potential projects to be undertaken as well as the prospects of the construction and property development industries disclosed in **Section 4.2** of this Circular, the Board believes that the business of the Gamuda Group will continue to improve over the medium to long term.

(Source: Management of Gamuda)

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5. EFFECTS OF THE PROPOSED RIGHTS ISSUE OF WARRANTS

For illustration purposes, the effects of the Proposed Rights Issue of Warrants on the Company's issued and paid-up share capital, consolidated earnings and EPS, consolidated NA and gearing, and substantial shareholders' shareholdings are set out below.

5.1 Issued and paid-up share capital

The proforma effects of the Proposed Rights Issue of Warrants on the issued and paid-up share capital of Gamuda are as follows:-

	Minimum Scenario		Maximum Scenario	
	No. of Gamuda Shares ('000)	(RM'000)	No. of Gamuda Shares ('000)	(RM'000)
Issued and paid-up share capital as at the LPD	2,405,905	2,405,905	2,405,905	2,405,905
Assuming all Outstanding ESOS Options are exercised	-	-	68,769	68,769
	2,405,905	2,405,905	2,474,674	2,474,674
Assuming full exercise of Warrants	400,984	400,984	412,446	412,446
Enlarged issued and paid-up share capital	2,806,889	2,806,889	2,887,120	2,887,120

5.2 Earnings and EPS

The Proposed Rights Issue of Warrants is not expected to have any material effect on the consolidated earnings of Gamuda Group for the FYE 31 July 2016. However, the Company's EPS may be diluted as a result of the increase in the number of Gamuda Shares in issue as and when the Warrants are exercised. Nevertheless, the Proposed Rights Issue of Warrants is expected to contribute positively to the future earnings of Gamuda when the benefits of the utilisation of proceeds from the Proposed Rights Issue of Warrants and conversion of the Warrants into Shares are realised.

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5.3 NA per share and gearing

Based on the audited consolidated financial statements of Gamuda as at 31 July 2015, the proforma effects of the Proposed Rights Issue of Warrants on the consolidated NA and gearing of Gamuda are as follows:-

Minimum Scenario

	Audited as at 31 July 2015 (RM'000)	Proforma I After the Proposed Rights Issue of Warrants (RM'000)	Proforma II (3) After Proforma I and assuming full exercise of the Warrants (RM'000)
Share capital	2,405,905	2,405,905	2,806,889
Share premium	771,612	771,612	2,375,549
Options reserve	4,365	4,365	4,365
Capital reserve	121,375	121,375	121,375
Foreign exchange reserve	153,500	153,500	153,500
Warrants reserve	-	(1) 100,246	-
Retained earnings	2,880,437	(2) 2,879,437	2,879,437
Shareholders' equity/NA	6,337,194	6,436,440	8,341,115
No. of Gamuda Shares in issue ('000)	2,405,905	2,405,905	2,806,889
NA per Share (RM)	2.63	2.68	2.97
Total borrowings (RM'000)	4,135,441	(4) 4,085,441	4,085,441
Gearing (times)	0.65	0.63	0.49

Notes:-

- (1) Based on the issue price of RM0.25 per Warrant.
- (2) After deducting the estimated expenses of RM1.0 million relating to the Proposed Rights Issue of Warrants.
- (3) Based on an indicative exercise price of RM4.75 per Warrant and the transfer of warrants reserve into the share premium account upon full exercise of the Warrants.
- (4) Assuming repayment of debt amounting to approximately RM50.0 million derived from the proceeds as disclosed in **Section 2.5** of this Circular.

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Maximum Scenario

	Audited as at 31 July 2015 (RM'000)	Proforma I (1) After the exercise of Outstanding ESOS Options (RM'000)	Proforma II After Proforma I and the Proposed Rights Issue of Warrants (RM'000)	Proforma III (4) After Proforma II and assuming full exercise of the Warrants (RM'000)
Share capital	2,405,905	2,474,674	2,474,674	2,887,120
Share premium	771,612	1,085,886	1,085,886	2,735,669
Options reserve	4,365	-	-	-
Capital reserve	121,375	121,375	121,375	121,375
Foreign exchange reserve	153,500	153,500	153,500	153,500
Warrants reserve	-	-	(2) 103,111	-
Retained earnings	2,880,437	2,880,437	(3) 2,879,437	2,879,437
Shareholders' equity/NA	6,337,194	6,715,872	6,817,983	8,777,101
No. of Gamuda Shares in issue ('000)	2,405,905	2,474,674	2,474,674	2,887,120
NA per Share (RM)	2.63	2.71	2.76	3.04
Total borrowings (RM'000)	4,135,441	4,135,441	(5) 4,085,441	4,085,441
Gearing (times)	0.65	0.62	0.60	0.47

Notes:-

- (1) After taking into consideration the exercise of 68,769,000 Outstanding ESOS Options at the exercise price of RM5.16 per Share.
- (2) Based on the issue price of RM0.25 per Warrant.
- (3) After deducting the estimated expenses of RM1.0 million relating to the Proposed Rights Issue of Warrants.
- (4) Based on an indicative exercise price of RM4.75 per Warrant and the transfer of warrants reserve into the share premium account upon full exercise of the Warrants.
- (5) Assuming repayment of debt amounting to approximately RM50.0 million derived from the proceeds as disclosed in **Section 2.5** of this Circular.

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5.4 Substantial shareholders' shareholdings

The Proposed Rights Issue of Warrants is not expected to have any immediate effect on the shareholdings of the substantial shareholders of Gamuda until and unless new Gamuda Shares are issued pursuant to the exercise of the Warrants under the Proposed Rights Issue of Warrants. Notwithstanding this, the effect on the shareholdings of the substantial shareholders of Gamuda arising from the exercise of the Warrants will depend upon, amongst others, the subscription of their respective entitlements under the Proposed Rights Issue of Warrants, the subscription for additional Warrants as well as the number of Warrants exercised by the substantial shareholders and the other holders of the Warrants. Should all Entitled Shareholders subscribe for their respective entitlements and exercise their Warrants subsequently, the Proposed Rights Issue of Warrants will not dilute or increase existing substantial shareholders' equity interest.

For the purposes of illustration, assuming all Entitled Shareholders subscribe for their respective entitlements and subsequently a full exercise of the Warrants occur, the effects of the Proposed Rights Issue of Warrants on the respective substantial shareholders of the Company are as illustrated below:-

Minimum Scenario

	(1) Shareholdings as at the LPD				Proforma I After the Proposed Rights Issue of Warrants		Proforma II After Proforma I and assuming full exercise of the Warrants	
	Direct		Indirect		Direct	Indirect	Direct	Indirect
	No. of Shares ('000)	(1)%	No. of Shares ('000)	(1)%	No. of Shares ('000)	(1)%	No. of Shares ('000)	(2)%
Substantial shareholder								(2)%
Employees Provident Fund Board	255,181	10.61	-	-	255,181	10.61	297,711	10.61
Amanahraya Trustees Berhad – Skim Amanah Saham Bumiputera	181,870	7.56	-	-	181,870	7.56	212,182	7.56
Kumpulan Wang Persaraan (Diperbadankan)	137,136	5.70	-	-	137,136	5.70	159,992	5.70
Lembaga Tabung Haji	128,805	5.35	-	-	128,805	5.35	150,272	5.35
Generasi Setia (M) Sdn. Bhd.	123,000	5.11	-	-	123,000	5.11	143,500	5.11
Raja Dato' Seri Eleena	225	0.01	(3) 123,000	5.11	225	0.01	263	0.01
							(3) 143,500	5.11

Notes:-

- (1) Based on the issued and paid-up share capital of 2,405,905,055 Shares as at the LPD.
- (2) Based on the issued and paid-up share capital of 2,806,889,230 Shares after the full exercise of the Warrants.
- (3) Deemed interest through Generasi Setia (M) Sdn. Bhd.

Maximum Scenario

	(1) Shareholdings as at the LPD				Proforma I After the exercise of Outstanding ESOS Options				Proforma II After Proforma I and the Proposed Rights Issue of Warrants				Proforma III After Proforma II and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares (‘000)	(1)%	No. of Shares (‘000)	(1)%	No. of Shares (‘000)	(2)%	No. of Shares (‘000)	(2)%	No. of Shares (‘000)	(2)%	No. of Shares (‘000)	(2)%	No. of Shares (‘000)	(3)%	No. of Shares (‘000)	(3)%
Substantial shareholder																
Employees Provident Fund Board	255,181	10.61	-	-	255,181	10.31	-	-	255,181	10.31	-	-	297,711	10.31	-	-
Amanahraya Trustees Berhad – Skim Amanah Saham Bumiputera	181,870	7.56	-	-	181,870	7.35	-	-	181,870	7.35	-	-	212,182	7.35	-	-
Kumpulan Wang Persaraan (Diperbadankan)	137,136	5.70	-	-	137,136	5.54	-	-	137,136	5.54	-	-	159,992	5.54	-	-
Lembaga Tabung Haji	128,805	5.35	-	-	128,805	5.20	-	-	128,805	5.20	-	-	150,272	5.20	-	-
Generasi Setia (M) Sdn. Bhd.	123,000	5.11	-	-	123,000	4.97	-	-	123,000	4.97	-	-	143,500	4.97	-	-
Raja Dato' Seri Eleena	225	0.01	(4)123,000	5.11	225	0.01	(4)123,000	4.97	225	0.01	(4)123,000	4.97	263	0.01	(4)143,500	4.97

Notes:-

- (1) Based on the issued and paid-up share capital of 2,405,905,055 Shares as at the LPD.
- (2) Based on the issued and paid-up share capital of 2,474,674,055 Shares after taking into consideration the exercise of 68,769,000 Outstanding ESOS Options.
- (3) Based on the issued and paid-up share capital of 2,887,119,730 Shares after the full exercise of the Warrants.
- (4) Deemed interest through Generasi Setia (M) Sdn. Bhd.

5.5 Convertible securities

Save for the Outstanding ESOS Options, Gamuda does not have any outstanding convertible securities as at the LPD.

Pursuant to the provisions of the ESOS by-laws governing the ESOS, the Proposed Rights Issue of Warrants may give rise to adjustments to the exercise price of the Outstanding ESOS Options which remain outstanding as at the Entitlement Date.

Such adjustments, which shall be determined in accordance with the provisions of the ESOS by-laws governing the ESOS, are to ensure that the position of Outstanding ESOS Options holders is not prejudiced after the Proposed Rights Issue of Warrants. The rights and obligations of the Outstanding ESOS Options holders will remain unchanged, save for the abovesaid adjustments to the exercise price in respect of the Outstanding ESOS Options. Any necessary adjustments arising from the Proposed Rights Issue of Warrants in relation to the Outstanding ESOS Options will only be finalised on the Entitlement Date.

The adjustments arising from the Proposed Rights Issue of Warrants in relation to the Outstanding ESOS Options will be effective on the Market Day immediately following the Entitlement Date. Meanwhile, the details of the adjustments in relation to the Outstanding ESOS Options will be announced on the Market Day preceding the effective date of the adjustments.

6. HISTORICAL SHARE PRICES

The monthly high and low transacted market prices of Gamuda Shares traded on the Main Market of Bursa Securities for the past twelve (12) months from November 2014 to October 2015 are as follows:-

	High RM	Low RM
2014		
November	5.34	5.07
December	5.27	4.73
2015		
January	5.30	4.92
February	5.36	5.05
March	5.32	5.05
April	5.27	5.08
May	5.28	4.93
June	5.06	4.60
July	4.89	4.54
August	4.82	3.77
September	4.83	4.29
October	5.00	4.33
Last transacted market price on 25 September 2015 (being the Market Day prior to the announcement on the Proposed Rights Issue of Warrants)		4.49
Last transacted market price on 3 November 2015 (being the latest practicable date prior to the printing of this Circular)		4.49

(Source: Bloomberg)

7. APPROVALS REQUIRED/OBTAINED AND CONDITIONALITY OF THE PROPOSED RIGHTS ISSUE OF WARRANTS

The Proposed Rights Issue of Warrants is subject to approvals being obtained from the following:-

- (a) Bursa Securities for the following:-
 - (i) the admission of the Warrants to be issued pursuant to the Proposed Rights Issue of Warrants to the Official List of Bursa Securities;
 - (ii) the listing of and quotation for up to 412,445,675 Warrants to be issued pursuant to the Proposed Rights Issue of Warrants on the Main Market of Bursa Securities; and
 - (iii) the listing of and quotation for up to 412,445,675 new Gamuda Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities.

The approval of Bursa Securities was obtained vide its letter dated 28 October 2015 and subject to the following conditions:-

Condition(s)	Status of compliance
(i) Gamuda and RHB Investment Bank must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Proposed Rights Issue of Warrants;	To be complied with
(ii) Gamuda and RHB Investment Bank to inform Bursa Securities upon the completion of the Proposed Rights Issue of Warrants;	To be complied with
(iii) Gamuda to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Rights Issue of Warrants is completed;	To be complied with
(iv) To furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders of Gamuda in a general meeting approving the Proposed Rights Issue of Warrants; and	To be complied with
(v) To incorporate Bursa Securities' comments in respect of the draft circular to shareholders on the Proposed Rights Issue of Warrants.	Complied

- (b) the shareholders of Gamuda for the Proposed Rights Issue of Warrants at the forthcoming EGM;

- (c) any other relevant authorities, if required.

The Proposed Rights Issue of Warrants is not conditional upon any other corporate exercises undertaken or to be undertaken by Gamuda.

8. ESTIMATED TIMEFRAME FOR COMPLETION

The tentative timetable for the implementation of the Proposed Rights Issue of Warrants is set out below:-

Date	Events
7 December 2015	EGM for the Proposed Rights Issue of Warrants
Early January 2016	Announcement on the Entitlement Date for the Proposed Rights Issue of Warrants
Mid January 2016	Despatch of abridged prospectus, rights subscription form and notices of provisional allotment in relation to the Proposed Rights Issue of Warrants
Early February 2016	Last day for payment and acceptance for the Warrants and excess application
End February 2016	Listing of and quotation for the Warrants

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Board expects the Proposed Rights Issue of Warrants to be completed in the first (1st) quarter of calendar year 2016.

9. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors and/or major shareholders of Gamuda and/or person(s) connected to them have any interest, whether direct or indirect, in the Proposed Rights Issue of Warrants apart from their respective entitlements under the Proposed Rights Issue of Warrants which are available to all Entitled Shareholders, including their rights to subscribe for additional Warrants via excess application, to which all shareholders of Gamuda are similarly entitled.

10. CORPORATE PROPOSALS ANNOUNCED BUT NOT COMPLETED

The Board confirms that, save for the Proposed Rights Issue of Warrants (which are the subject matter of this Circular), there are no other outstanding corporate proposals announced by the Company but not yet completed as at the date of this Circular.

11. DIRECTORS' RECOMMENDATION

The Board, after due deliberation and having considered all aspects of the Proposed Rights Issue of Warrants, including the rationale and effects of the Proposed Rights Issue of Warrants as set out in **Section 3** and **Section 5** respectively, is of the opinion that the Proposed Rights Issue of Warrants is in the best interest of the Company and recommends that the shareholders of Gamuda vote in favour of the resolution pertaining to the Proposed Rights Issue of Warrants at the forthcoming EGM.

12. EGM

The EGM, the Notice of which is enclosed with this Circular, will be held at Permai Room, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan on Monday, 7 December 2015 at 10.15 a.m., or immediately following the conclusion or adjournment (as the case may be) of the 39th AGM, which will be held at the same venue and on the same day at 10.00 a.m., whichever is later, or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modification, the resolution to give effect to the Proposed Rights Issue of Warrants.

If the shareholders of Gamuda are unable to attend and vote in person at the EGM, the shareholders are requested to complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein, to be deposited at the registered office of the Company at Menara Gamuda, D-16-01, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, not less than forty eight (48) hours before the time and date stipulated for holding the EGM or at any adjournment thereof. The Form of Proxy should be completed strictly in accordance with the instruction contained therein. The lodging of the Form of Proxy shall not preclude the shareholders of Gamuda from attending and voting in person at the EGM should the shareholders of Gamuda subsequently wish to do so.

13. FURTHER INFORMATION

Shareholders are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
GAMUDA BERHAD

DATO' MOHAMMED HUSSEIN
Independent Non-Executive Chairman

INDICATIVE SALIENT TERMS OF THE WARRANTS

The indicative salient terms of the Warrants are as follows:-

Number of Warrants	: Up to 412,445,675 new Warrants to be issued to the Entitled Shareholders on the basis of 1 Warrant for every 6 Gamuda Shares held as at the Entitlement Date.
Form and Denomination	: The Warrants will be separately traded and will be issued in registered form and constituted by a Deed Poll to be executed by the Company.
Exercise Rights	: The Warrants entitle the registered holders, at any time during the Exercise Period, to subscribe for new Shares on the basis of 1 new Gamuda Share for 1 Warrant at the Exercise Price at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll.
Tenure of Warrants	: 5 years from the date of issuance of the Warrants.
Issue Price	: RM0.25 per Warrant.
Exercise Period	: The Warrants are exercisable at any time within 5 years commencing on and including the date of issuance of the Warrants. Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.
Exercise Price	: The Exercise Price of Warrants will be determined at a later date, after taking into consideration the theoretical ex-all price of Gamuda Shares at a price fixing date to be determined by the Board, subject to the exercise price not being less than the par value of the Gamuda Shares; subject further to adjustments in accordance with the provisions of the Deed Poll. The Exercise Price may be subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll governing the Warrants.
Expiry Date	: A date being 5 years from and including the date of issuance of the Warrants.
Mode of Exercise	: The registered holder of the Warrant is required to lodge a subscription form with the Company's registrar, duly completed, signed and stamped together with payment of the Exercise Price by bankers' draft or cashier's order drawn on a bank operating in Malaysia or a money order or postal order issued by a post office in Malaysia.
Mode of Transfer	: The Warrants may be transferred in accordance with the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Malaysia Depository Sdn. Bhd., and traded on Bursa Securities and subject to the provisions thereof, the Warrants shall be transferable in a board lot of 100 Warrants carrying the right to subscribe for 100 new Gamuda Shares, or in multiples thereof or in such other denomination as may be determined by Bursa Securities. No person shall be recognised by the Company as having title to the Warrants entitling the Warrant holder thereof to subscribe for a fractional part of a Gamuda Share or otherwise than as the sole holder of the entirety of such Gamuda Share and save as provided under the Deed Poll, the Warrants shall not be transferred prior to the listing of and quotation for the Warrants on the Bursa Securities.
Voting Rights of Warrants	: The Warrant holders are not entitled to any voting right or participation in any forms of distribution and/or offer of further securities in the Issuer until and unless such Warrant holders exercise the Warrants for the new Shares in accordance with the provisions of the Deed Poll and such new Shares have been allotted and issued to the Warrant holders. Each Warrant holder shall be deemed to remain the registered holder of the Warrants credited in his/her securities account until the name of the transferee is entered in the Record of Depositors.

INDICATIVE SALIENT TERMS OF THE WARRANTS (CONT'D)

Status of new Shares arising from the exercise of the Warrants	: The new Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment, issue and payment of the Exercise Price, rank <i>pari passu</i> in all respects with the then existing issued and fully-paid up Gamuda Shares, save and except that they shall not be entitled to any dividends, rights, allotment and/or other distributions which may be declared, made or paid to shareholders, the entitlement date of which (namely, the date as at the close of business on which shareholders must be entered in the Record of Depositors with Bursa Depository in order to participate in any dividends, rights, allotments or other distributions) is prior to the date of allotment of the new Shares.
Board Lot	: For the purpose of trading on the Bursa Securities, a board lot of Warrants shall comprise 100 Warrants carrying the right to subscribe for 100 new Gamuda Shares at any time during the Exercise Period, or such denomination as determined by Bursa Securities.
Listing Status	: Approval has been obtained from Bursa Securities on 28 October 2015 for the admission of the Warrants to the Official List of Bursa Securities and for the listing of and quotation for the Warrants and the new Gamuda Shares arising from the exercise of Warrants on the Main Market of Bursa Securities.
Adjustments in the Exercise Price and/or Number of Warrants	: The Exercise Price and/or number of unexercised Warrants may be adjusted, calculated or determined by the Board from time to time, at any time during the tenure of the Warrants in consultation with its professional advisers and certified by the auditors, in the event of alteration to the share capital of the Company, whether by way of, amongst others, rights issue, bonus issue, consolidation or subdivision or conversion of shares, reduction of capital, issuance of shares to shareholders of the Company by way of capitalisation of profits or reserves or capital distribution or allotment of shares, offer or invitation to its shareholders or any other events in accordance with the provisions of the Deed Poll.
Modification	: Save as expressly provided in the Deed Poll, no amendment or addition may be made to the provisions of this deed without the sanction of a special resolution unless the amendments or additions are required to correct any typographical errors or relate purely to administrative matters or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of the Company, will not be materially prejudicial to the interests of the Warrant holders. Any modification, amendment or addition to the Deed Poll (including the form and content of the warrant certificate) may be effected only (i) by deed executed by the Company and expressed to be supplemental thereof and (ii) subject to the provisions of the Deed Poll, if the approval of the Warrant holders by way of a special resolution has been obtained.
Rights in the Event of Winding-up, Liquidation, Compromise and/or Arrangement	: Where a resolution has been passed for a member's voluntary winding-up of the Company, or where there is a compromise or arrangement whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with one (1) or more companies, then for the purposes of such a winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant holders, or some persons designated by them for such purposes by a special resolution, shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrant holders in the event a notice is given by the Company to its shareholders to convene a general meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, and in any other case and subject to the provisions of the Deed Poll, every Warrant holder shall thereupon be entitled to exercise his Warrants at any time not more than 21 days prior to the proposed general meeting of the Company by submitting the subscription forms (by irrevocably surrendering his Warrants to the Company) duly completed authorising the debiting of his Warrants together with payment of the relevant Exercise Price, whereupon the Company shall as soon as possible but in any event prior to the date of the general meeting, allot the relevant new Gamuda Shares to the Warrant holder credited as fully paid subject to the prevailing laws, and such Warrant holder shall be entitled to receive out of the assets of the Company which would be available in liquidation if he had on such date been the holder of the new Gamuda Shares to which he would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly.
Governing Law	: Laws and regulations of Malaysia.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board, and the Directors individually and collectively accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements contained in this Circular or other facts, the omission of which would make any statements or information herein false or misleading.

2. CONSENTS

RHB Investment Bank, being the Adviser for the Proposed Rights Issue of Warrants, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATIONS OF CONFLICT OF INTEREST

RHB Investment Bank confirms that there are no equity and/or financial relationship with Gamuda, save and except that as at 12 October 2015, RHB Capital Berhad, the holding company of RHB Investment Bank and/or its related companies ("**RHB Banking Group**") had, in the ordinary course of business, extended various credit and/or financing facilities with a combined limit of up to an aggregate amount of approximately RM722.93 million to Gamuda Group.

In addition, the Employees Provident Fund Board ("**EPF**") is a common substantial shareholder of Gamuda and RHB Capital Berhad, which is the holding company of RHB Investment Bank.

RHB Investment Bank has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to Gamuda for the Proposed Rights Issue of Warrants on the basis that:-

- (a) the granting of credit and/or financing facilities is in the ordinary course of business of the RHB Banking Group;
- (b) the conduct of RHB Banking Group's business is regulated strictly by the Financial Services Act, 2013 and RHB Banking Group's own internal controls and checks; and
- (c) EPF is not involved in the day-to-day operations of Gamuda Group and RHB Investment Bank.

4. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, neither Gamuda nor its subsidiary companies are engaged in any other material litigation, claim or arbitration, either as plaintiff or defendant, which has or may have a material effect on the financial position or business of Gamuda and/or its subsidiary companies and the Board is not aware of any proceedings pending or threatened against Gamuda and/or its subsidiary companies or any fact likely to give rise to any proceedings which may materially or and adversely affect the financial position or business of the Group.

FURTHER INFORMATION (CONT'D)

(i) **Legal dispute between MMC-Gamuda Joint Venture and Wayss & Freytag (Malaysia) Sdn Bhd**

MMC-Gamuda Joint Venture ("**JV**") is an unincorporated joint venture comprising Gamuda and MMC Engineering Group Berhad. The JV had terminated Wayss & Freytag (Malaysia) Sdn Bhd ("**W&F**") as the sub-contractor for the North Tunnel of the Stormwater Management and Road Tunnel Project due to a breach of contract.

Following the termination, W&F and the JV filed in various claims against each other to be adjudicated by the Dispute Adjudication Board ("**DAB**") and according to the DAB's decisions based on the various claims filed by the parties, the JV is to pay to W&F a sum of RM102,366,880.42. Both parties, being dissatisfied with the DAB's decisions, referred the matter to arbitration.

On 16 April 2013, an arbitral award ("**the Award**") in respect of the arbitration between the JV and W&F was issued by the arbitral tribunal ("**Tribunal**"). In the Award, the Tribunal determined that W&F's claims against the JV succeeded in substantial part and dismissed the JV's claims against W&F. The Tribunal thus awarded the following reliefs to W&F:-

- (a) That the JV pays to W&F the sum of RM96,297,229.03;
- (b) That the JV pays to W&F interest at a simple rate of 4% per annum on the sum of RM96,297,229.03 from date of termination (23 January 2006) to date of the Award (amounting to RM28,247,187.18);
- (c) That JV pays to W&F interest at the simple rate of 5% per annum on the sum of RM96,297,229.03 from the date of the Award until payment in full; and
- (d) That the JV pays to W&F costs of RM9,000,000.

On 23 May 2013, the JV filed an application for a reference to the High Court in Kuala Lumpur on questions of law arising out of the Award and on determination of the said questions and for the Award to be set aside pursuant to Section 42 of the Arbitration Act 2005 ("**JV's Section 42 Application**").

On 14 June 2013, a copy of the W&F's application for *inter alia*, recognition and enforcement of the Award under Section 38 of the Arbitration Act 2005 ("**W&F's Enforcement Application**") was served on the JV.

On 4 July 2013, the JV filed another application to set aside the Award under Section 37 of the Arbitration Act 2005 whereby Yusof Holmes ("**Holmes**") was named the 2nd Defendant ("**JV's Section 37 Application**") on the basis that there has been *inter alia*, a breach of Holmes' statutory duty under the Arbitration Act 2005 and that the Award is in conflict with the public policy in Malaysia.

On 21 August 2013, Holmes filed a notice of application to stay the JV's Section 37 Application ("**Holmes' Stay Application**") pending the final disposal or conclusion of the following criminal proceeding against Holmes with the Penang Sessions Court and Kuala Lumpur Sessions Court Case.

On 7 November 2013, the JV's Section 42 Application was heard and was subsequently dismissed on 9 June 2014 with costs of RM75,000 to be paid to W&F. On 7 July 2014, the JV appealed to the Court of Appeal against the decision of the High Court in respect of the dismissal of the JV's Section 42 Application.

FURTHER INFORMATION (CONT'D)

Holmes' Stay Application was heard before the High Court Judge on 4 July 2014 and was dismissed on 10 July 2014,

On 24 July 2014, Holmes filed a notice of application to strike out the JV's Section 37 Application against him and for him to be removed as a party in the proceedings ("**Holmes' Striking Out Application**"). Holmes' Striking Out Application was heard on 2 September 2014 and allowed by the judge on 17 September 2014.

On 16 December 2014, the Court dismissed the JV's Section 37 Application with costs. Consequentially, W&F's Enforcement Application was allowed by the High Court judge.

On 30 December 2014, the JV filed notices of appeal to the Court of Appeal against the decisions of the High Court in relation to the dismissal of JV's Section 37 Application and W&F's Enforcement Application.

The JV's appeals to the Court of Appeal in respect of the dismissals of the JV's Section 37 Application, JV's Section 42 Application and W&F's Enforcement Application are fixed for the hearing before the Court of Appeal on 2 December 2015.

The solicitors acting for the JV in the abovesaid court proceedings, stated that they are unable to comment on or express any firm view as solicitors as to the probable outcome of the current proceedings given that the outcome of any case in legal proceedings cannot be predicted with certainty and they are also unable and not in the position to comment on whether there is any proceeding or action which might materially affect the position or business, financial or otherwise of any of the companies within the Group or which may affect the Group's title to or possession of the assets of the Group.

5. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, the Board is not aware of any material commitments incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on the financial results or position of the Group, save as disclosed below:-

Approved and contracted for	(RM'000)
Property, plant & equipment	900
Total	900

As at the LPD, the Board is not aware of any other contingent liabilities incurred or known to be incurred by the Group which, upon becoming enforceable, may have a material impact on the financial results or position of the Group.

FURTHER INFORMATION (CONT'D)

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at Menara Gamuda, D-16-01, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, during normal business hours between Mondays and Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

- (i) the Memorandum and Articles of Association of Gamuda;
- (ii) the Undertakings provided by the Undertaking Shareholders;
- (iii) the audited consolidated financial statements of Gamuda for the past two (2) financial years up to FYE 31 July 2015;
- (iv) the draft Deed Poll;
- (v) the letters of consent and declarations of conflict of interest referred to in **Section 2** and **Section 3** of this **Appendix II**; and
- (vi) the relevant cause papers in respect of the material litigation referred to in **Section 4** of this **Appendix II**.

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GAMUDA BERHAD

(Company No. 29579-T)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting ("**EGM**") of Gamuda Berhad ("**Gamuda**" or the "**Company**") will be held at Permai Room, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia on Monday, 7 December 2015 at 10.15 a.m., or immediately following the conclusion or adjournment (as the case may be) of the 39th Annual General Meeting, which will be held at the same venue and on the same day at 10.00 a.m., whichever is later, for the purpose of considering and if thought fit, passing with or without modification, the following resolution:-

ORDINARY RESOLUTION

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 412,445,675 WARRANTS IN GAMUDA ("WARRANT(S)"), AT AN ISSUE PRICE OF RM0.25 PER WARRANT ON THE BASIS OF ONE (1) WARRANT FOR EVERY SIX (6) EXISTING ORDINARY SHARES OF RM1.00 EACH HELD IN GAMUDA ("SHARE(S)") ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE OF WARRANTS")

"THAT, subject to the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the admission of the Warrants to the Official List of the Main Market of Bursa Securities, the listing of and quotation for the Warrants and new Shares to be issued pursuant to the exercise of the Warrants and the approval of other relevant authorities, the Board of Directors of the Company ("**Board**") be and is hereby authorised to:-

- (i) provisionally allot by way of a renounceable rights issue of up to 412,445,675 Warrants at an issue price of RM0.25 per Warrant to the shareholders of the Company whose names appear in the Record of Depositors at the close of business on an entitlement date to be determined by the Board ("**Entitled Shareholders**"), on the basis of one (1) Warrant for every six (6) existing Shares held by the Entitled Shareholders for the purpose and utilisation of proceeds as disclosed in the circular to shareholders dated 9 November 2015 ("**Circular**");
- (ii) enter into and execute a deed poll ("**Deed Poll**") with full powers to assent to any condition, modification, revaluation, variation and/or amendments (if any) as the Board may deem fit, necessary and/or expedient or as may be imposed by the relevant authorities and to take all steps as it may consider necessary and do all acts, deeds and things as it may deem fit or expedient in order to implement, finalise and give full effect to the Deed Poll and all provisions and adjustments contained therein; and
- (iii) enter into any underwriting agreement(s) for the underwriting of any part of the Proposed Rights Issue of Warrants and/or the Warrants and all other documents, agreements and/or arrangements in connection with the underwriting of the Proposed Rights Issue of Warrants and/or the Warrants with such parties and upon such terms and conditions as the Board may deem fit;

THAT, the Warrants and new Shares to be issued pursuant to the exercise of the Warrants shall be listed on the Main Market of Bursa Securities;

THAT, the proceeds of the Proposed Rights Issue of Warrants be utilised for the purposes as set out in the Circular, and the Board be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities;

THAT, the Board be and is hereby authorised to deal with any fractional entitlements of the Warrants that may arise from the Proposed Rights Issue of Warrants, in a fair and equitable manner as it shall in its absolute discretion deem fit and expedient, and to be in the best interest of the Company;

THAT, the Company shall allot and issue such number of additional warrants pursuant to the adjustments under the Deed Poll ("**Additional Warrants**") and to adjust from time to time the exercise price and/or the par value of the new Shares to which the holder(s) of the Warrants are entitled to subscribe as a consequence of the adjustments under the provisions in the Deed Poll and/or to effect such modifications, variations and/or amendments as may be imposed/required/permitted by Bursa Securities and any other relevant authorities or parties or otherwise;

THAT, the Company shall allot and issue such appropriate number of new Shares arising from the exercise by the holders of the Warrants in accordance with the provisions of the Deed Poll pursuant to the exercise of the Warrants and the exercise of Additional Warrants, and all new Shares to be issued pursuant thereto shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Shares, save and except that the new Shares will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the new Shares, save and except that the new Shares issued will not be entitled to any dividends, rights, allotment and/or other distributions where the entitlement date precedes the date of allotment of such new Shares;

THAT, the Board be and is hereby authorised to take all such necessary steps and do all acts, deeds and things and execute, sign, deliver and cause to be delivered on behalf of the Company all such transactions, arrangements, agreements and/or documents as may be necessary or expedient in order to implement, give effect to and complete the Proposed Rights Issue of Warrants with full powers to assent to any condition, modification, variation and/or amendment to the terms of the Proposed Rights Issue of Warrants as the Board may deem fit, necessary and/or expedient in the interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the said conditions, modifications, variations and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue of Warrants, including but not limited to determining and varying if deemed fit, necessary and/or expedient, the issue price and/or exercise price of any securities issued or to be issued in connection with the Proposed Rights Issue of Warrants;

AND THAT, this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Warrants, Additional Warrants and new Shares to be issued pursuant to or in connection with the Proposed Rights Issue of Warrants have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue of Warrants."

By Order of the Board,
GAMUDA BERHAD

LIM SOO LYE
Company Secretary

Petaling Jaya
9 November 2015

Notes:-

1. *A member of the Company who is entitled to attend and vote at the EGM is entitled to appoint a proxy but not more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of a proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
3. *Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. If more than one (1) proxy is appointed, the appointments shall be invalid unless the Authorised Nominee specifies the proportions of the shareholdings to be represented by each proxy.*
4. *Where a member is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed, the appointments shall be invalid unless the Exempt Authorised Nominee specifies the number of shares to be represented by each proxy.*
5. *If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.*
6. *In the case of a corporate member, the Form of Proxy shall be under its Common Seal or under the hand of its attorney.*
7. *The Form of Proxy must be deposited at the Company's Registered Office situated at Menara Gamuda, D-16-01, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty-eight (48) hours before the time set for holding the EGM or at any adjournment thereof.*
8. *For the purpose of determining a member's eligibility to attend and vote at this EGM, the Company shall obtain a General Meeting Record of Depositors as at 30 November 2015 from Bursa Malaysia Depository Sdn Bhd and only depositors whose names appear therein shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at this EGM.*



GAMUDA BERHAD

(Company No. 29579-T)
(Incorporated in Malaysia under the Companies Act, 1965)

CDS Account No.	No. of shares held

Form of Proxy

"A" I/We.....*NRIC/*Passport/*Company No.....
(FULL NAME IN BLOCK LETTERS) (COMPULSORY)

of.....
(ADDRESS)

telephone no.being a member/members of GAMUDA BERHAD, hereby appoint

.....*NRIC No/*Passport No.....
(FULL NAME OF A PROXY IN BLOCK LETTERS) (COMPULSORY)

of.....
(ADDRESS)

or failing him/her,.....*NRIC No/*Passport No.....
(FULL NAME OF A PROXY IN BLOCK LETTERS) (COMPULSORY)

of.....
(ADDRESS)

or failing him/her, the Chairman of the Meeting as my/our *first proxy to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at Permai Room, Kota Permai Golf & Country Club, No.1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia on Monday, 7 December 2015 at 10.15 a.m., or immediately following the conclusion or adjournment (as the case may be) of the 39th Annual General Meeting, which will be held at the same venue and on the same day at 10.00 a.m., whichever is later, or at any adjournment thereof.

Where it is desired to appoint a second proxy, this section must also be completed. Otherwise, it should be deleted.

"B" I/We.....*NRIC/*Passport/*Company No.....
(FULL NAME IN BLOCK LETTERS) (COMPULSORY)

of.....
(ADDRESS)

telephone no.being a member/members of GAMUDA BERHAD, hereby appoint

.....*NRIC No/*Passport No.....
(FULL NAME OF A PROXY IN BLOCK LETTERS) (COMPULSORY)

of.....
(ADDRESS)

or failing him/her,.....*NRIC No/*Passport No.....
(FULL NAME OF A PROXY IN BLOCK LETTERS) (COMPULSORY)

of.....
(ADDRESS)

or failing him/her, the Chairman of the Meeting as my/our *second proxy to attend and vote for me/us on my/our behalf at the EGM of the Company to be held at Permai Room, Kota Permai Golf & Country Club, No.1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia on Monday, 7 December 2015 at 10.15 a.m., or immediately following the conclusion or adjournment (as the case may be) of the 39th Annual General Meeting, which will be held at the same venue and on the same day at 10.00 a.m., whichever is later, or at any adjournment thereof.



The proportion of my/our shareholdings to be represented by my/our proxies is as follows:-

First Proxy 'A'		%
Second Proxy 'B'		%
	100	%

In case of a vote by a show of hands, *First Proxy 'A'/*Second Proxy 'B' shall vote on my/our behalf.

My/our proxy shall vote as follows:-

Please indicate with an "X" in the spaces below how you wish your vote to be cast. In the absence of such indication, the proxy/proxies will vote or abstain from voting as he/they may think fit.

	For	Against
Ordinary Resolution		
Proposed Rights Issue of Warrants		

Signed this _____ day _____ 2015.

Signature/Common Seal of Member

Notes:-

1. A member of the Company who is entitled to attend and vote at the EGM is entitled to appoint a proxy but not more than two (2) proxies to attend and vote in his stead. There shall be no restriction as to the qualification of a proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than 2 proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. If more than one (1) proxy is appointed, the appointments shall be invalid unless the Authorised Nominee specifies the proportions of the shareholdings to be represented by each proxy.
4. Where a member is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed, the appointments shall be invalid unless the Exempt Authorised Nominee specifies the number of shares to be represented by each proxy.
5. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
6. In the case of a corporate member, the Form of Proxy shall be under its Common Seal or under the hand of its attorney.
7. The Form of Proxy must be deposited at the Company's Registered Office at Menara Gamuda, D-16-01, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.
8. For the purpose of determining a member's eligibility to attend and vote at this EGM, the Company shall obtain a Record of Depositors as at 30 November 2015 from Bursa Malaysia Depository Sdn Bhd and only a depositor whose name appears therein shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at this EGM.

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AFFIX
STAMP

Registered Office
GAMUDA BERHAD (29579-T)
Menara Gamuda
D-16-01, Block D, PJ Trade Centre
No. 8, Jalan PJU 8/8A
Bandar Damansara Perdana
47820 Petaling Jaya
Selangor Darul Ehsan

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