

**THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

Bursa Malaysia Securities Berhad did not peruse the contents of this Statement, and takes no responsibility for the contents of this Statement, 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 Statement.



**STATEMENT TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The Ordinary Resolution in respect of the above proposal will be tabled at the 40<sup>th</sup> Annual General Meeting (“AGM”) to be held at the Permai Room, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan on Thursday, 8 December 2016 at 10.00 a.m.

The Notice of AGM together with the Form of Proxy are enclosed in the Annual Report 2016 which is despatch together with this Statement. 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 before 11.00 a.m. on 7 December 2016. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the 40<sup>th</sup> AGM if you wish to do so.

This Statement is dated 9 November 2016

---

## DEFINITIONS

---

For the purpose of this Statement, except where the context otherwise requires, the following definitions shall apply: -

<b>Act</b>	:	The Companies Act, 1965 as amended from time to time and any re-enactment thereof
<b>AGM</b>	:	Annual General Meeting of the Company
<b>Annual Report 2016</b>	:	The annual report of Gamuda issued for the financial year ended 31 July 2016
<b>Authorised Period</b>	:	The period where authority is granted by the shareholders for the Proposed Share Buy-back which is effective upon the passing of the ordinary resolution at the forthcoming AGM and may continue to be in force until:-  (a) the conclusion of the next AGM; or (b) the expiration of the period within which the next AGM after that date is required by law to be held; or (c) revoked or varied by ordinary resolution passed by the shareholders in a general meeting,  whichever occurs first
<b>Board</b>	:	The Board of Directors of Gamuda
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad (635998-W)
<b>Director(s)</b>	:	The director(s) of Gamuda and shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007
<b>Code</b>	:	Malaysian Code on Take-Overs and Mergers 2016 and any amendments made thereto from time to time
<b>EPS</b>	:	Earnings per share
<b>Gamuda or Company</b>	:	Gamuda Berhad (29579-T)
<b>Gamuda Group or Group</b>	:	Gamuda and its subsidiary companies, collectively
<b>Listing Requirements</b>	:	Main Market Listing Requirements of Bursa Securities including any amendments that may be made from time to time
<b>NA</b>	:	Group's consolidated net assets

---

**DEFINITIONS (Cont'd)**

---

<b>Proposed Share Buy-back</b>	:	Proposed renewal of authority for Gamuda to purchase its own Shares of up to 10% of its issued and paid-up share capital
<b>RM and sen</b>	:	Ringgit Malaysia and sen respectively
<b>Share(s)</b>	:	Ordinary share(s) of RM1.00 each in Gamuda
<b>Treasury Shares</b>	:	The purchased Shares which are retained by the Company and shall have the meaning under Section 67A of the Act

All references to “you” in this Circular/Statement are to the shareholders of our Company.

Words denoting the singular number shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations.

Any reference in this Circular/Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to time of day and date of this Circular/Statement is a reference to Malaysian time and date, unless otherwise stated.



# **GAMUDA BERHAD**

(Company No. 29579-T)

(Incorporated in Malaysia under the Companies Act, 1965)

## **PROPOSED SHARE BUY-BACK STATEMENT**

---

### **1. INTRODUCTION**

At the 39<sup>th</sup> AGM held on 7 December 2015, the Company had obtained the shareholders' mandate to purchase its own Shares of up to ten percent (10%) of the issued and paid-up share capital. The said mandate shall lapse at the conclusion of the forthcoming 40<sup>th</sup> AGM scheduled to be held on 8 December 2016.

The Company had on 28 September 2016, announced that the Board proposes to seek the shareholders' approval for the Proposed Share Buy-back at the forthcoming 40<sup>th</sup> AGM.

**THE PURPOSE OF THIS STATEMENT IS TO PROVIDE YOU WITH RELEVANT INFORMATION FOR THE PROPOSED SHARE BUY-BACK AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK TO BE TABLED AT OUR FORTHCOMING 40<sup>th</sup> AGM.**

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK TO BE TABLED AT THE FORTHCOMING 40<sup>th</sup> AGM.**

The Notice of the AGM together with the Form of Proxy are enclosed in the Annual Report 2016.

### **2. RATIONALE FOR THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-back if implemented is expected to benefit the Company and its shareholders in the following ways: -

- (a) The Proposed Share Buy-back will have the effect of stabilising the supply and demand of the Shares on Bursa Securities, which may in turn have a favourable impact on the Share price. It is to be carried out when the Share price is transacted at levels which do not reflect the potential earning capability and/or underlying asset value of the Group.

- (b) The Proposed Share Buy-back may also improve the EPS of the Group and the return on equity as a result of a reduced share capital base (if the Shares purchased are not resold on Bursa Securities or distributed as dividends).
- (c) The Shares purchased by the Company may be cancelled or retained as Treasury Shares. As Treasury Shares, they may be resold on Bursa Securities at a higher price than their cost of purchase and therefore, realising a potential gain to the Company.
- (d) In the event the Treasury Shares are distributed as share dividends to the shareholders of the Company, it would serve as a reward to the shareholders.

### **3. POTENTIAL ADVANTAGES AND DISADVANTAGES**

The Proposed Share Buy-back, if implemented, will reduce the financial resources of the Group. This may result in the Group foregoing future investment opportunities and any income that may be derived from the deposit of funds in interest bearing instruments. The Proposed Share Buy-back may also reduce the amount of financial resources available for the repayment of the Group's borrowings, for working capital or for distribution in the form of dividends to the shareholders of the Company.

However, the financial resources of the Group may increase upon the resale of the Treasury Shares at prices higher than the purchase price. The other advantages of the Proposed Share Buy-back are stated in Section 2 above.

Nevertheless, the Board will be mindful of the interest of the Group and the shareholders of the Company in implementing the Proposed Share Buy-back and/or any subsequent resale of the Treasury Shares.

### **4. SOURCE OF FUNDS**

The purchase of the Company's own Shares pursuant to the Proposed Share Buy-Back will be funded from internally generated funds and/or borrowings; and the maximum amount allocated shall not exceed the sum of retained profits and share premium of the Company.

Based on the latest audited financial statements as at 31 July 2016, the Company has in its retained profits and share premium account RM1,372,902,000 and RM813,365,000 respectively. Accordingly, the Board will ensure that the total consideration for the purchase of its own Shares shall not exceed the total amounts of the retained profits and share premium of the Company.

The amount of funds to be allocated for the purchase of its own Shares pursuant to the Proposed Share Buy-back will be financed from internally generated funds and/or external borrowings, the proportion of which will only be determined later and will depend on the available internally generated funds, Group's borrowings, the price and actual number of Shares to be purchased and other relevant cost factors.

If the Company partly finances the purchase of its own Shares by borrowings, the Board would ensure that the Company has sufficient funds to repay the borrowings and that the repayment would have no material impact on the cash flow of the Company or the Group.

## 5. EFFECTS OF THE PROPOSED SHARE BUY-BACK

The effects of the Proposed Share Buy-back on the issued and paid-up share capital, NA, Group's working capital, consolidated earnings and EPS, and dividends are set out below.

### 5.1 Issued and Paid-up Share Capital

Assuming the Proposed Share Buy-back is carried out in full and the Company purchases 242,178,464 Shares representing ten percent (10%) of its issued and paid-up share capital as at 14 October 2016 and that all the Shares purchased are cancelled, the effect on the issued and paid-up share capital of the Company is as follows: -

	<u>No. of Shares</u>
Issued and paid-up share capital of Gamuda as at 14 October 2016	2,421,784,645
Less:	
Cancellation of Shares purchased pursuant to the Proposed Share Buy-back	(242,178,464)
Resultant issued and paid-up share capital	<u><u>2,179,606,181</u></u>

The Proposed Share Buy-back will not have any effect on the issued and paid-up share capital of the Company if all the Shares purchased are retained as Treasury Shares.

However, the rights attaching to them as to voting, dividends and participation in other distributions and otherwise are suspended and the Treasury Shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares for any purposes including substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

### 5.2 NA

The Proposed Share Buy-back may increase or decrease the NA per share depending on the purchase price(s) of the Shares to be bought. NA per share is likely to decrease if the purchase price of the Shares exceeds the NA per share at the relevant point in time. On the contrary, the NA per share is likely to increase when the purchase price of the Shares is less than the NA per share at the relevant point in time.

### **5.3 Working Capital**

The Proposed Share Buy-back is likely to reduce the working capital of Gamuda Group, the quantum of which depends, amongst others, on the purchase price and the number of Shares purchased and any associated costs incurred in making the purchase. However, if the Treasury Shares are subsequently resold on Bursa Securities, the working capital of the Group will increase if the Company realises a gain from the resale.

### **5.4 Earnings and EPS**

The effects of the Proposed Share Buy-back on the consolidated earnings of Gamuda Group are dependent on the purchase price, the number of Shares purchased and the effective funding cost of the purchases. The reduced number of Shares applicable in computing the EPS subsequent to the Proposed Share Buy-back will generally have a positive impact, all else being equal, on the EPS of Gamuda Group.

### **5.5 Dividends**

For the financial year ended 31 July 2016, Gamuda had paid: -

- (a) a single tier first interim dividend of 6 sen per Share on 29 January 2016; and
- (b) a single tier second interim dividend of 6 sen per Share on 28 July 2016.

Assuming the Proposed Share Buy-back is implemented in full and the dividend quantum is maintained at historical levels, it will have the effect of increasing the dividend rate of the Company as a result of the reduction in the issued and paid-up share capital of the Company.

## **6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

Assuming that the Proposed Share Buy-back is implemented in full and that the Shares purchased are from shareholders other than the Directors and/or substantial shareholders of the Company, the effects of the Proposed Share Buy-back on the shareholdings of the Directors and/or substantial shareholders of the Company based on the Registers of Directors and Substantial Shareholders as at 14 October 2016, are illustrated below.

## 6.1 Directors

Directors	Proposed Share Buy-back							
	Before				After			
	No. of Shares				No. of Shares			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Dato' Mohammed Bin Hussein	-	-	-	-	-	-	-	-
Dato' Lin Yun Ling	73,535,736	3.04	-	-	73,535,736	3.37	-	-
Dato' Ir. Ha Tiing Tai	21,554,276 <sup>#</sup>	0.89	16,000 <sup>*</sup>	<sup>+</sup>	21,554,276 <sup>#</sup>	0.99	16,000 <sup>*</sup>	<sup>+</sup>
Raja Dato' Seri Eleena Binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	225,000	0.01	118,000,000 <sup>^</sup>	4.87	225,000	0.01	118,000,000 <sup>^</sup>	5.41
Dato' Haji Azmi bin Mat Nor	316,600	0.01	-	-	316,600	0.01	-	-
Dato' Goon Heng Wah	15,628,300	0.65	5,755,432 <sup>*</sup>	0.24	15,628,300	0.72	5,755,432 <sup>*</sup>	0.26
Saw Wah Theng	804,775 <sup>#</sup>	0.03	-	-	804,775 <sup>#</sup>	0.04	-	-
Tunku Afwida Binti Tunku A.Malek	-	-	-	-	-	-	-	-
Nazli Binti Mohd Khir Johari	-	-	-	-	-	-	-	-
Ir. Chow Chee Wah (Alternate to Dato' Lin Yun Ling)	435,000	0.02	-	-	435,000	0.02	-	-
Ir. Chan Kong Wah (Alternate to Dato' Goon Heng Wah)	400,000 <sup>~</sup>	0.02	-	-	400,000 <sup>~</sup>	0.02	-	-
Dato' Ubull a/l Din Om (Alternate to Dato' Ir. Ha Tiing Tai)	-	-	-	-	-	-	-	-
Soo Kok Wong (Alternate to Saw Wah Theng)	315,800 <sup>#</sup>	0.01	-	-	315,800 <sup>#</sup>	0.01	-	-

\* Deemed interest through spouse

<sup>^</sup> Deemed interest through Generasi Setia (M) Sdn Bhd

<sup>#</sup> Held in own name and nominee name

<sup>~</sup> Held in nominee name

<sup>+</sup> Negligible



## 6.2 Substantial Shareholders

Substantial Shareholders	Proposed Share Buy-back							
	Before				After			
	No. of Shares				No. of Shares			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Employees Provident Fund Board	287,671,105	11.88	-	-	287,671,105	13.20	-	-
Kumpulan Wang Persaraan (Diperbadankan)	170,286,700	7.03	-	-	170,286,700	7.81	-	-
Lembaga Tabung Haji	131,682,100	5.44	-	-	131,682,100	6.04	-	-

## 7. PUBLIC SHAREHOLDING SPREAD

As at 14 October 2016, the public shareholding spread of the Company was approximately 90.19%. If the Proposed Share Buy-back is implemented in full and assuming it will not reduce the number of Shares currently held by the Directors, the substantial shareholders of the Company or persons connected with Directors and/or substantial shareholders, the public shareholding spread of the Company is expected to reduce to approximately 89.10%.

## 8. IMPLICATION RELATING TO THE CODE

Based on the assumption that the Proposed Share Buy-back is carried out in full, as at 14 October 2016, the respective shareholdings of each substantial shareholder of the Company, whether acting individually or in concert with other shareholders, are not expected to increase beyond 33%. As such, there would not be any mandatory general offer implications under the Code arising from the Proposed Share Buy-back.

## 9. PURCHASES IN THE LAST FINANCIAL YEAR

The Company did not make any purchase of its own Shares during the financial year ended 31 July 2016.

## 10. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the inadvertent proportionate increase in the percentage of the shareholdings and/or voting rights in their capacity as shareholders of the Company as a consequence of the implementation of the Proposed Share Buy-back, none of the Directors or substantial shareholders of the Company or persons connected with them has any interest, direct or indirect, in the Proposed Share Buy-back.

## **11. DIRECTORS' RECOMMENDATION**

The Board, having considered all aspects of the Proposed Share Buy-back, is of the opinion that the Proposed Share Buy-back is in the best interest of the Company. Accordingly, they recommend that you vote in favour of the ordinary resolution pertaining to the Proposed Share Buy-back to be tabled at the forthcoming 40<sup>th</sup> AGM.