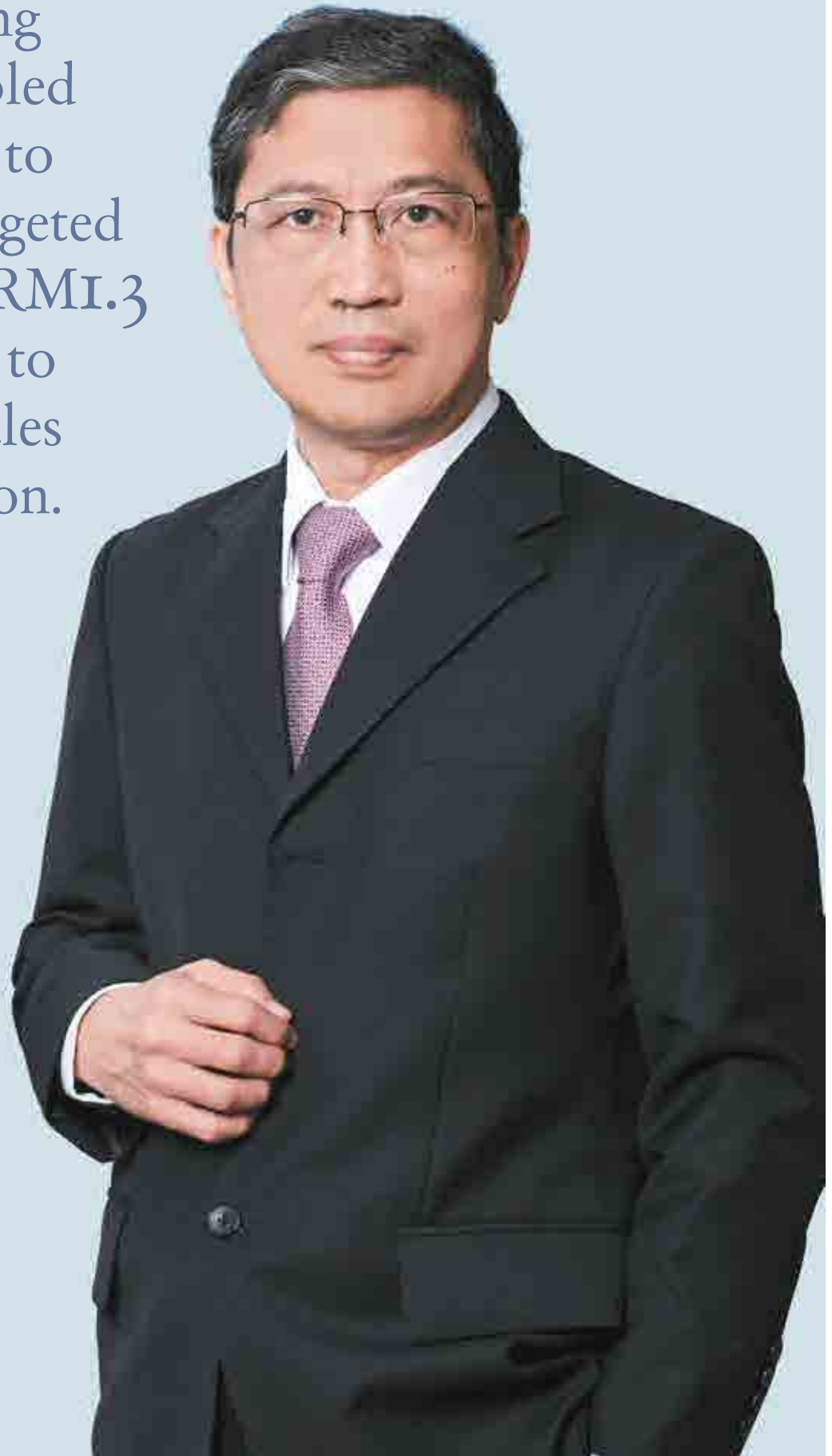


Our strategic response to the prevailing landscape enabled Gamuda Land to surpass our targeted sales figure of RM1.3 billion by 62% to reach a total sales of RM2.1 billion.



Statement by Gamuda Land

The quality of our developments is also a key priority, and is reflected in our unwavering focus on doing things right. Since adopting the Construction Quality Assessment System (CONQUAS) in 2003, we have put in place increasingly stringent quality measures and procedures, and require our contractors, consultants and suppliers to adhere to these standards. CONQUAS, administered by the Building and Construction Authority (BCA) of Singapore, is widely recognised and accepted internationally as a benchmarking tool for quality. Strict adherence to CONQUAS' guidelines has seen Gamuda Land achieve recognition from the regulatory body for various developments. In May 2016, our serviced apartment Jadite Suites in Kajang achieved the highest CONQUAS score of 82.8 out of 100 in the residential high-rise building category in Malaysia. In the previous year, this honour was given to Madge Mansions, our luxury 52-suite development in the heart of Kuala Lumpur. In the landed property category, Bandar Botanic with a score of 91.4 has remained the top CONQUAS scorer in Malaysia since 2012.

Meanwhile, Gamuda Land's clubs continued to accumulate more accolades. In November 2015, Kota Permai Golf & Country Club and Horizon Hills Golf & Country Club garnered second and third placing respectively in the inaugural Golf Magazine Top Ten Courses in Malaysia Awards. The two golf clubs followed through with more wins in March 2016 at the inaugural ParGolf People's Choice Awards, where Kota Permai was voted as having among the Top 3 Best Greens and being among the Top 3 Best Maintained, Best Corporate Tournament Venue as well as Best F&B Halfway Huts, while Horizon Hills was voted among the Top 3 for offering the Best Golfing Experience.

NEW PROSPECTS

Over the past few years, Gamuda Land has substantially increased our landbank through acquisitions totalling RM2.7 billion in the Klang Valley, Kota Kinabalu, Australia and Singapore. Consequently, we now have in

our possession about 3,800 acres of land which we plan to develop over the next 20 years to achieve a combined GDV of RM55 billion.

We will be embarking on four new township developments, with three to be launched in FY2017 – Gamuda Gardens and Kundang Estates in north Sungai Buloh as well as twentyfive.7 in Kota Kemuning. Gamuda Cove, along the ELITE expressway in Kuala Langat, will be launched in 2018. Having raised the bar in all aspects of planning and developing these new projects, we are confident that these truly unique offerings will get the public excited.

Together, Gamuda Gardens and Kundang Estates make up 900 acres of development situated ideally at the intersection of three major highways – the Kuala Lumpur-Kuala Selangor Expressway (LATAR), Guthrie Corridor Expressway and North-South Highway. Poised to change the face of northern Kuala Lumpur, they will generate a combined GDV of RM11 billion for the company.

The over 810-acre Gamuda Gardens is a mixed-use development that ingeniously combines lifestyle and nature in one township. Through careful preservation of the natural topography, Gamuda Gardens will feature five cascading lakes and a majestic waterfall integrated within a 50-acre central park. Buyers will have a choice of exclusive hilltop villas and lakeside homes, surrounded by lush greenery or our signature homes with striking facades. At the heart of this development will be a vibrant commercial Village, a lifestyle destination for not only the residents but nearby communities as well. The masterplan also includes an approximately 80-acre lifestyle retail and business park facing the North-South Expressway and Guthrie Corridor Expressway.

Kundang Estates, only 5km away from Gamuda Gardens, is an 89-acre, 573-unit boutique residential development offering modern countryside living. Over here, we are creating four interconnected parks with

special facilities such as the community farm, flying fox and extreme bike trail to cater to people of different ages.

Gamuda Gardens will be launched in early 2017 while Kundang Estates will be open for sale in November 2016.

Just south of our award-winning Kota Kemuning, we are building twentyfive.7 – a 257-acre lifestyle integrated development with a waterfront commercial village featuring trendy, new-concept retail and F&B offerings. This project will introduce striking designs and architecture that has never been seen in the Malaysian property landscape. twentyfive.7, with a GDV of RM3.8 billion, will be launched in the year of 2017.

Gamuda Cove is a satellite city sprawling across 1,530 acres in Kuala Langat, just south of Putrajaya. The development will unravel in phases over a period of 21 years with a GDV of RM19 billion. Strategically located within lush greenery, it is being designed as a nature sanctuary city boasting the latest technologies for business and residential use.

As we continue to develop and market our current landbank, we will keep a vigilant eye for new opportunities, both in Malaysia and overseas. We are, however, in the enviable position of being in no rush towards this end and have the luxury of being able to pick and choose from strategic landbanks that presents great potential to be transformed into value-creating assets.

While we expect the property market in the region to continue to be soft, we remain upbeat about our prospects as our developments, especially the upcoming ones, offer unique propositions. Differentiating Gamuda Land from other property developers and winning the hearts of our existing, as well as potential customers.

Kota Kemuning, Shah Alam.



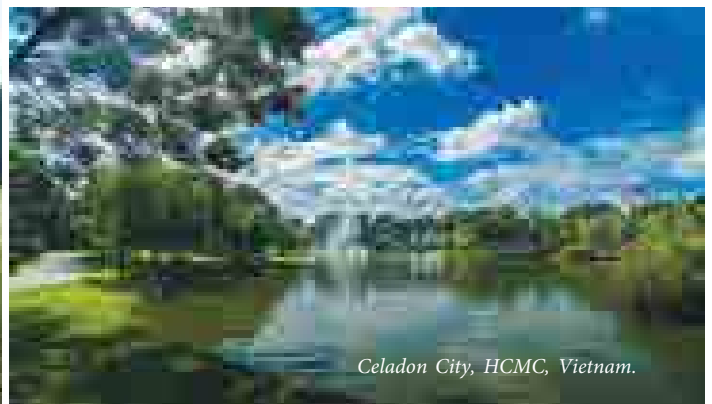
Valencia, Sungai Buloh.

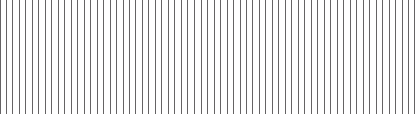


Kundang Estates, Kuang.



Celadon City, HCMC, Vietnam.





Statement by Gamuda Land



Valencia, Sungai Buloh.



Kota Kemuning, Shah Alam.



Bandar Botanic, Klang.



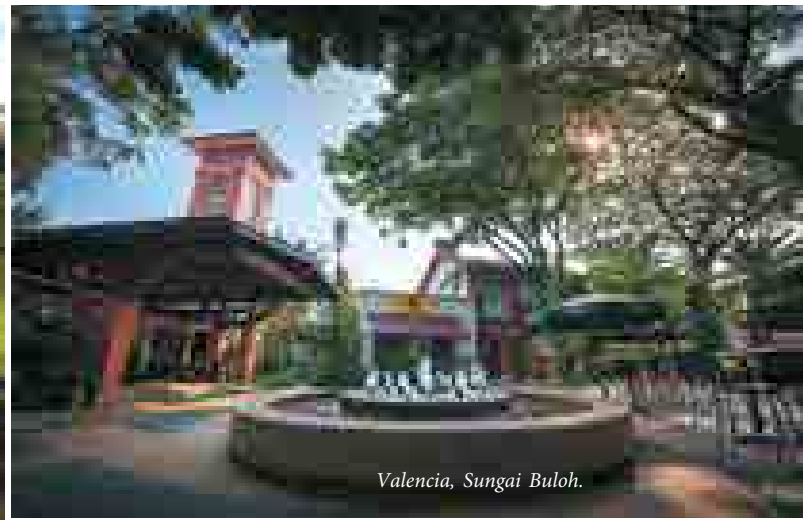
Gamuda Walk.



Bandar Botanic, Klang.



Horizon Hills, Iskandar Johor.



Valencia, Sungai Buloh.

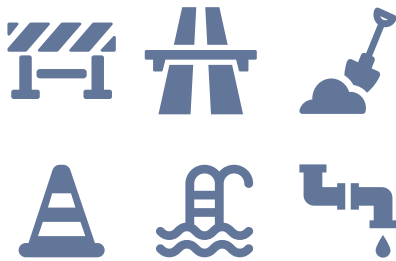


Jade Hills, Kajang.



HIGHWAY CONCESSIONS

As a concessionaire, we take pride in ensuring the the Damansara-Puchong Highway, Shah Alam Expressway, the SPRINT Highway and the Stormwater Management and Road Tunnel (SMART) are properly managed, maintained and upgraded. This is to ensure efficient traffic flow and management at all areas resulting in significant socioeconomic growth for the population, small businesses and property value.



INFRASTRUCTURE CONCESSIONS

Facts at a Glance

There are many ways to serve the people. For us, it's maintaining and operating infrastructure that benefits the lives around us, to help connect cities and the people who live within them.

We want our projects to empower change and to move forward into the future.



SUNGAI SELANGOR WATER SUPPLY SCHEME

Through Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (SPLASH), we operate the Selangor dam and two water treatment plants (Rasa and Bukit Badong) to supply fresh clean water to over 45% of residence in the Federal Territory and Selangor. Ensuring the water quality is always at an optimum level, the supply goes through a 14-step process that produces water that is clean and safe to use.



Statement by Gamuda Infrastructure Concessions

Executive Director

Dato' Haji Azmi Bin Mat Nor

The Concessions business – comprising the management of four highways within the Klang Valley and water treatment in the state of Selangor – continued to perform well, providing stable income to the Group.

Our highway business, it comprises the Damansara Puchong Highway (LDP), Shah Alam Expressway (KESAS), Western KL Traffic Dispersal System (SPRINT) and the Stormwater Management and Road Tunnel (SMART). Revenue from these highways increased steadily every year along with an increase in car ownership, and hence traffic volume. In 2015, despite a generally subdued economy, a total of 666,674 units of vehicles were sold in the country, which was 0.03% higher than the 666,487 units sold in 2014, marking the highest total industry volume (TIV) in Malaysian history.

A key development during the year was the increase in toll rates beginning 15 October 2015 affecting some 19 highways in the country, inclusive of those operated by Gamuda (with the exception of KESAS for Lebuhraya Shah Alam). This had a double-edged effect of increasing our revenue per vehicle, yet also decreasing traffic on the highways, especially in the first few months of the new price regime. Subsequently, however, traffic on all our highways picked up again and in the case of LDP, even surpassed the pre-toll hike rate, reflecting growth in car ownership and use.

The toll increase on KESAS was meant to have been implemented in January 2016, however Government approval for this has yet to be obtained.

Despite the delay in toll increase, KESAS saw the greatest quantum growth of 22% in revenue from RM259 million to RM315 million. Revenue from LDP, meanwhile, increased 22% to RM469 million. The performance of these highways more than compensated for the drop in revenue from SMART and SPRINT, in line with the 16% and 6% drop in traffic volume on the two highways, respectively. Revenue from SMART stood at RM39 million; and that from SPRINT was RM233 million.

Also adding to efficiencies, we started converting the toll systems at our highways from a mix of manual and electronic to becoming fully electronic, in line with the Government's aim of having fully automated toll payment systems nationwide by 2018. Conversion was completed at SMART on 9 September 2015, followed by KESAS and SPRINT highways on 2 March 2016. Meanwhile the LDP will be converted by November 2016. Not only will the electronic toll collection (ETC) enhance drivers' convenience, it will also help to reduce our manpower costs as we will no longer require personnel to man the toll booths.

In order to ensure the smooth transition from the mixed system to fully electronic, all our highway concessions collaborated with the Malaysian Highway Authority to create awareness of the change and educate the public of the advantages of ETC, namely faster flowing traffic and less bottlenecks at toll booths. The idea is for all highways in the country eventually to adopt the gantry system which is sensor operated. This would speed up traffic even more at toll booths, enabling us to offer greatest service efficiency to highway users.

As part of continuous efforts to maintain our highways and offer users the best possible experience, during the financial year, we upgraded the Awan Besar Rest & Service Area (RSA), and carried out road widening works at the Sg. Klang Bridge – both on the KESAS highway. In addition to infrastructure changes, we also facilitate the flow of traffic during peak hours via contra flow, whereby one or two lanes in the low-volume traffic direction are open to motorists from the opposite, high-traffic direction.

Quality in our operations is part of our DNA, as reflected in the conscientious efforts of our subsidiaries to continuously enhance their management systems. As a result, we are pleased to share that during the financial year KESAS received recognition for its Environment Management System and its Occupational Health and Safety Management by being awarded the ISO 14001:2004 and ISO 18001:2007, respectively.

The biggest challenge facing the division is to manage traffic congestion.



Statement by Gamuda Infrastructure Concessions

As for the water treatment business, negotiations with the Selangor State Government are ongoing with regard to its proposed takeover of Syarikat Pengeluar Air Selangor Holdings Berhad (SPLASH Holdings), the holding company to the water concession holder, Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (SPLASH), which produces treated water from the Sungai Selangor Water Supply Scheme Phases 1 and 3.

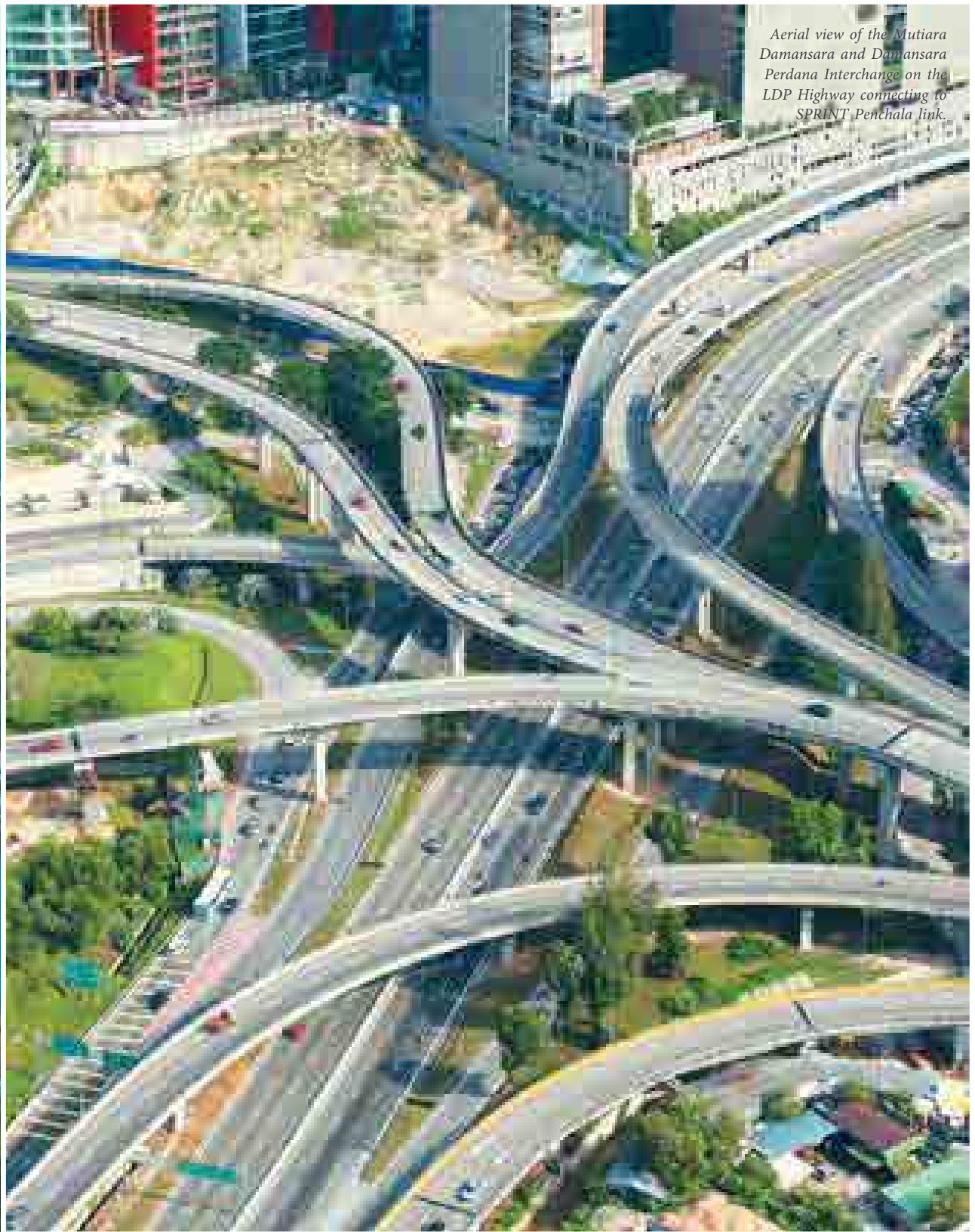
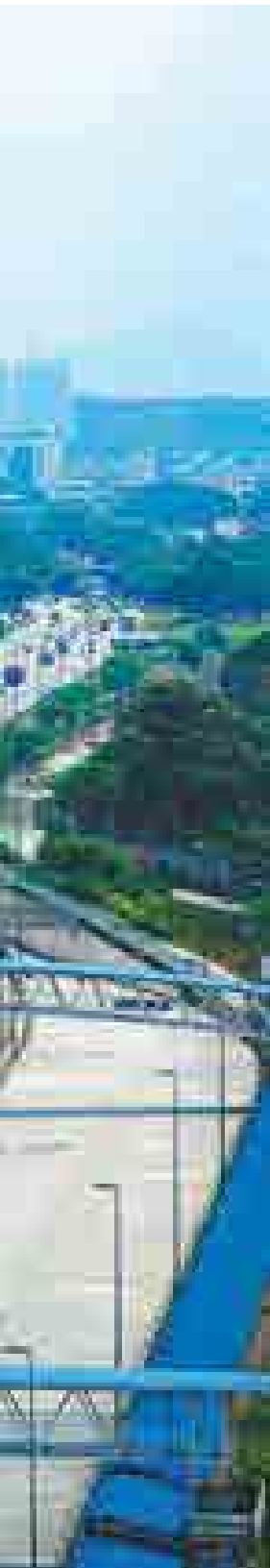
LOOKING FORWARD

The highway concession business has always been stable, with revenue increasing along with ever-increasing traffic. We do not, however, focus solely on deriving income from our highways but are committed to offering the best possible driver/rider experience and will continue to seek ways in which we are able to meet the challenges posed by increasing traffic.

Meanwhile we look forward to the successful conclusion to discussions with the State and Federal governments on the sale of SPLASH Holdings to the Selangor State Government, as this will enable us to focus on our remaining water operation comprising the Sungai Selangor Phase 3 (SSP3) water treatment plants operated and maintained by Gamuda Water Sdn Bhd. This subsidiary currently supplies about 25% of water supply to the State and we are confident of continuing to offer this service to the Selangor State Government even after the takeover of SPLASH Holdings, given Gamuda Water's proven record of being both efficient and cost effective.

Thousands of motorists use the SMART system as an alternative highway from the congested city centre.





Aerial view of the Mutiara Damansara and Damansara Perdana Interchange on the LDP Highway connecting to SPRINT Penchala link.

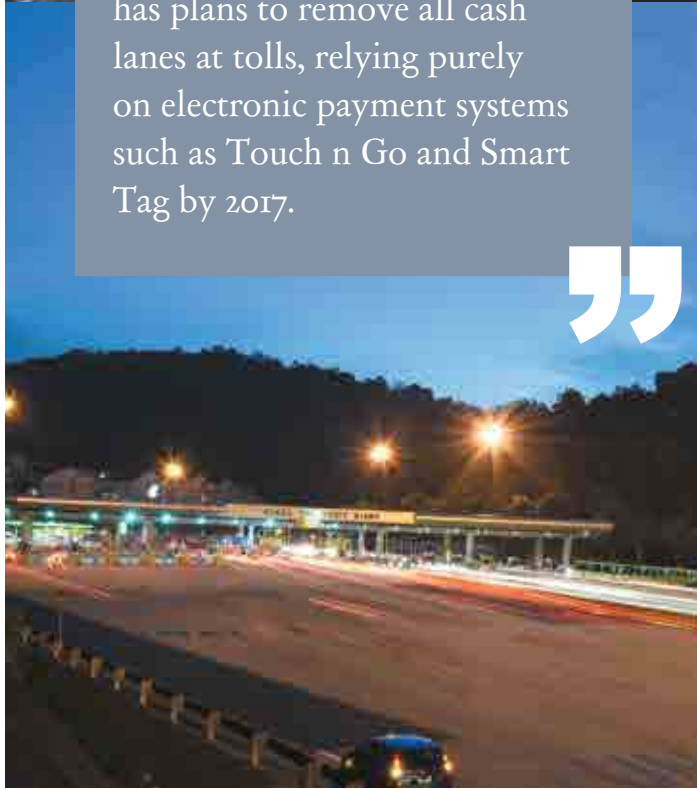
Statement by Gamuda Infrastructure Concessions

The Penchala Link is a 5.5km highway that provides a direct link from the Sungai Buloh-Damansara corridor to Mont' Kiara.





Complementing the division's efforts to sustain high ridership quality and efficiency on its highways, the Government has plans to remove all cash lanes at tolls, relying purely on electronic payment systems such as Touch n Go and Smart Tag by 2017.



SECTION 5

Performance Review



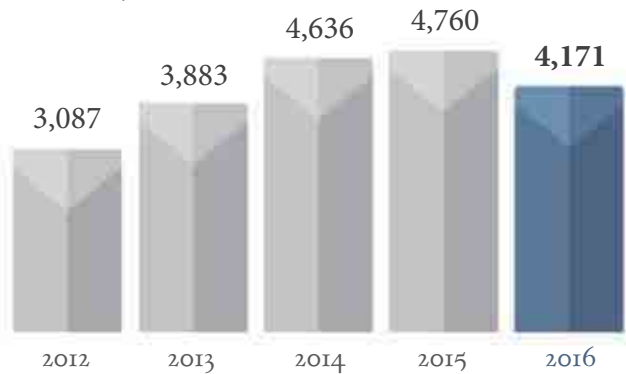
110	Group Financial Highlights
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Group Financial Highlights

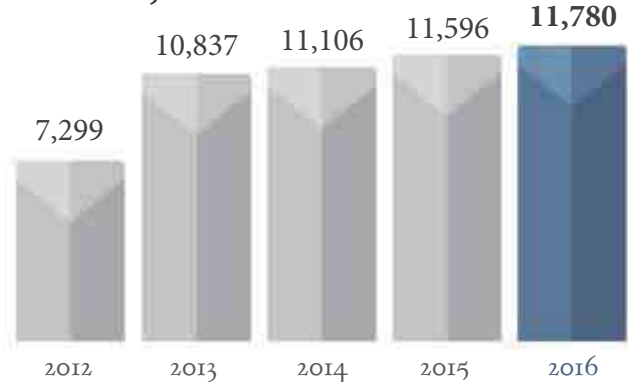
TOTAL REVENUE (RM'Million) (includes share of joint ventures' revenue)

RM4,171 million



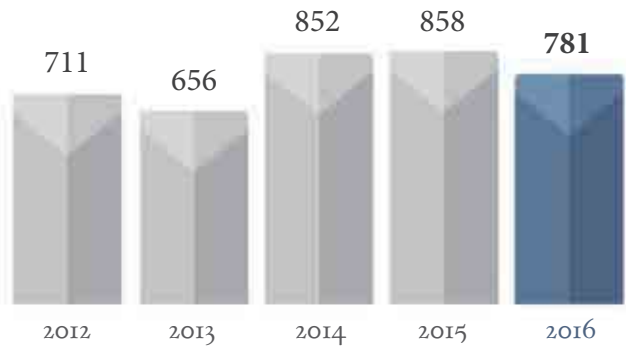
MARKET CAPITALISATION (RM'Million)

RM11,780 million



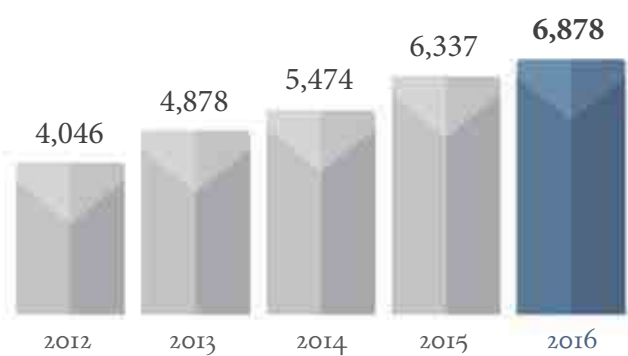
PROFIT BEFORE TAXATION (RM'Million)

RM781 million



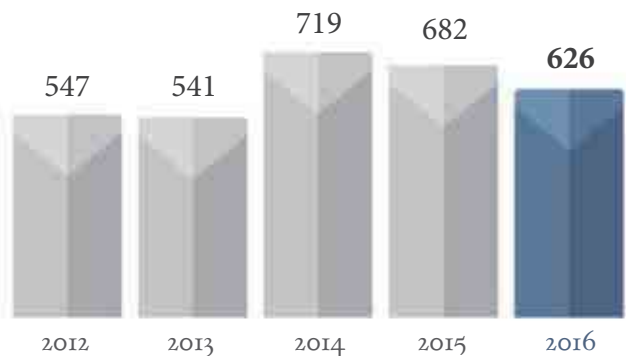
OWNER'S EQUITY (RM'Million)

RM6,878 million



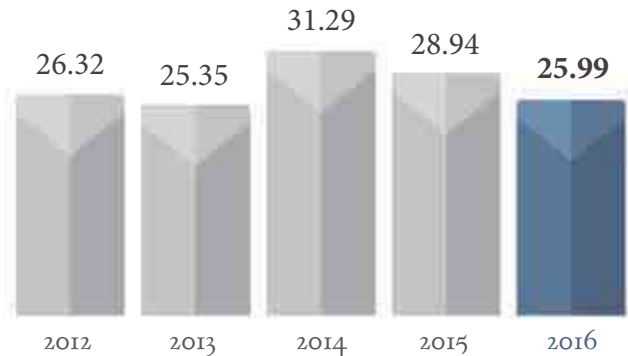
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS (RM'Million)

RM626 million



BASIC EARNINGS PER SHARE (Sen)

25.99 sen



Group Financial Highlights

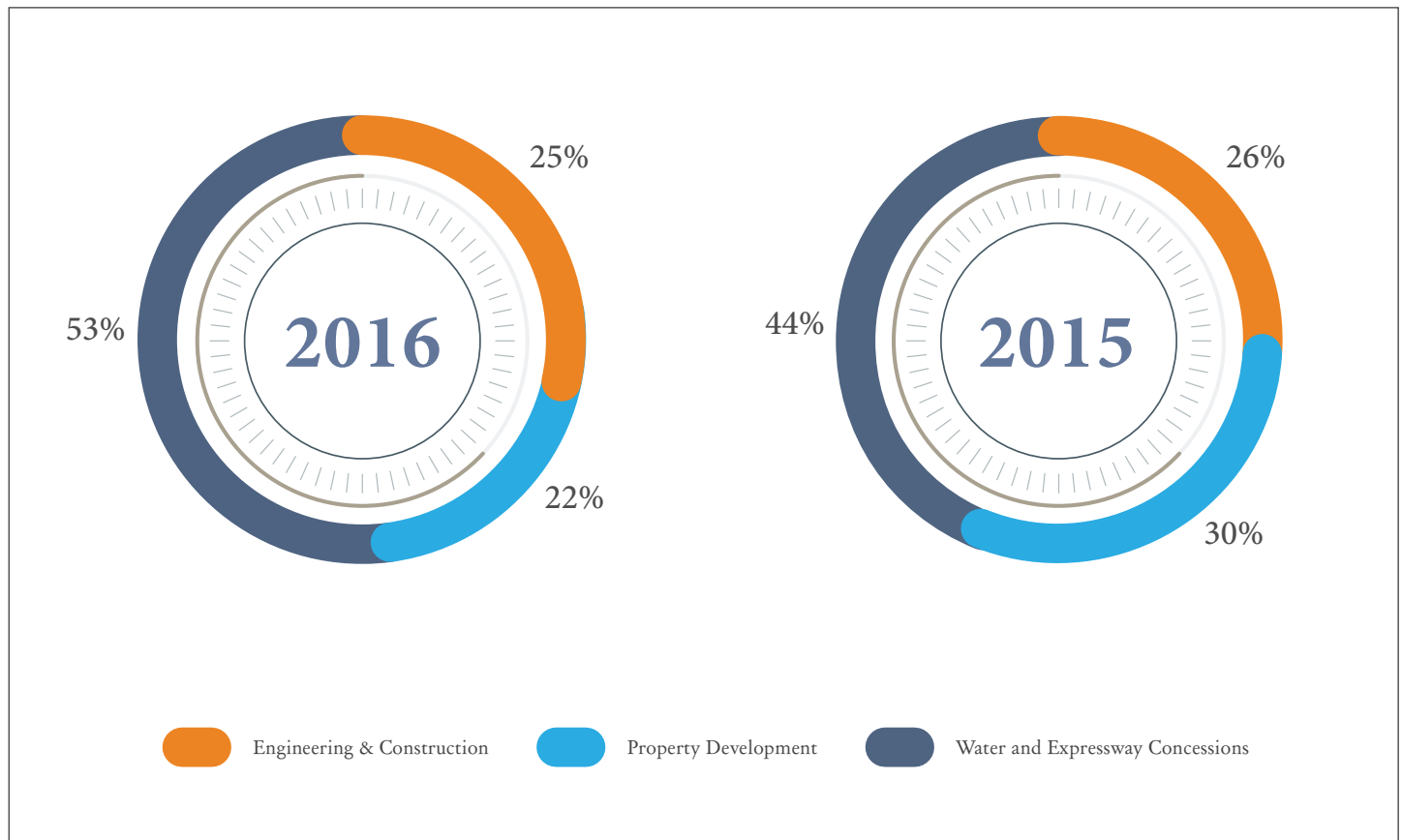
For the year ended 31 July						
	2012	2013	2014	2015	2016	
FINANCIAL RESULTS (RM'Million)						
Revenue as Reported	2,303	2,235	2,230	2,400	2,122	
Share of Joint Ventures' Revenue (N1)	784	1,648	2,406	2,360	2,049	
Total Revenue	3,087	3,883	4,636	4,760	4,171	
Profit Before Taxation	711	656	852	858	781	
Profit After Taxation	566	550	735	725	669	
Profit Attributable to Equity Holders	547	541	719	682	626	
FINANCIAL POSITION (RM'Million)						
Total Cash & Bank Balances and Investment Securities	1,005	1,306	920	1,438	1,473	
Total Assets	7,428	8,436	10,353	13,326	14,169	
Total Borrowings	1,895	1,973	2,531	4,135	4,808	
Total Net Assets	4,267	5,104	6,162	6,693	7,214	
Share Capital	2,079	2,277	2,323	2,406	2,419	
Owners' Equity	4,046	4,878	5,474	6,337	6,878	
FINANCIAL RATIOS						
Basic Earnings per Share	(sen)	26.32	25.35	31.29	28.94	25.99
Return on Equity	(%)	14%	11%	13%	11%	9%
Return on Total Assets	(%)	8%	7%	7%	5%	5%
Share Price at Year End	(RM)	3.51	4.76	4.78	4.82	4.87
Price Earnings Ratio	(times)	13	19	15	17	19
Dividend per Share	(sen)	12.0	12.0	12.0	12.0	12.0
Dividend Yield	(%)	3.39	2.86	2.66	2.43	2.56
Net Assets per Share Attributable to Equity Holders	(RM)	1.95	2.14	2.36	2.63	2.84
Net Gearing Ratio	(times)	0.21	0.13	0.26	0.40	0.46
Market Capitalisation	(RM'Million)	7,299	10,837	11,106	11,596	11,780

N1 Pursuant to the Financial Reporting Standard (FRS) 11 Joint Arrangements, the revenue of joint venture companies is excluded from the Group's revenue in the audited financial statements.

Group Segmental Performance

RM'Million	2012	2013	2014	2015	2016
OPERATING REVENUE					
Engineering & Construction	1,898	2,749	3,157	3,173	2,571
Property Development	1,067	1,015	1,307	1,165	1,122
Water and Expressway Concessions	122	119	172	422	478
Total Revenue (includes share of joint ventures' revenue)	3,087	3,883	4,636	4,760	4,171
PROFIT BEFORE TAXATION					
Engineering & Construction	225	152	260	222	192
Property Development	266	233	225	258	176
Water and Expressway Concessions	220	271	367	378	413
Total Profit Before Taxation	711	656	852	858	781

PROFIT BEFORE TAXATION



Group Quarterly Financial Performance

2016

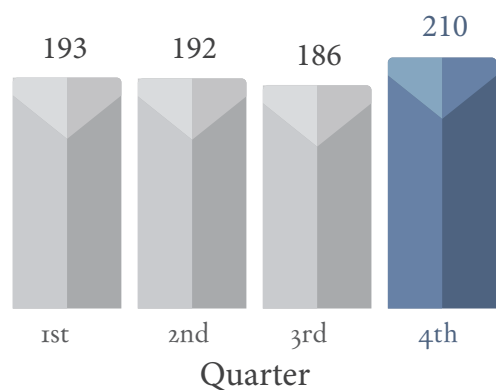
RM'Million	First Quarter Oct-15	Second Quarter Jan-16	Third Quarter Apr-16	Fourth Quarter Jul-16	2016 YTD
Revenue as Reported	513	527	468	614	2,122
Share of Joint Ventures' Revenue	720	422	447	460	2,049
Total Revenue	1,233	949	915	1,074	4,171
Profit Before Taxation	193	192	186	210	781
Profit After Taxation	173	170	165	161	669
Profit Attributable to Equity Holders	161	160	153	152	626
Basic Earnings per Share (sen)	6.70	6.65	6.34	6.29	25.99
Dividend per Share (sen)	6.00	-	6.00	-	12.00
Net Assets per Share Attributable to Equity Holders (RM)	2.76	2.76	2.77	2.84	2.84

2015

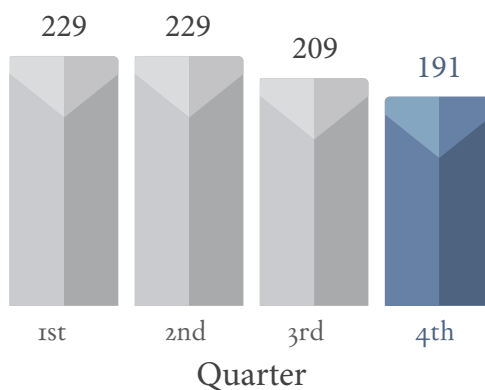
RM'Million	First Quarter Oct-14	Second Quarter Jan-15	Third Quarter Apr-15	Fourth Quarter Jul-15	2015 YTD
Revenue as Reported	570	653	554	623	2,400
Share of Joint Ventures' Revenue	590	536	537	697	2,360
Total Revenue	1,160	1,189	1,091	1,320	4,760
Profit Before Taxation	229	229	209	191	858
Profit After Taxation	200	193	177	155	725
Profit Attributable to Equity Holders	186	182	160	154	682
Basic Earnings per Share (sen)	8.00	7.78	6.81	6.39	28.94
Dividend per Share (sen)	6.00	-	6.00	-	12.00
Net Assets per Share Attributable to Equity Holders (RM)	2.45	2.54	2.58	2.63	2.63

PROFIT BEFORE TAXATION (RM million)

2016



2015

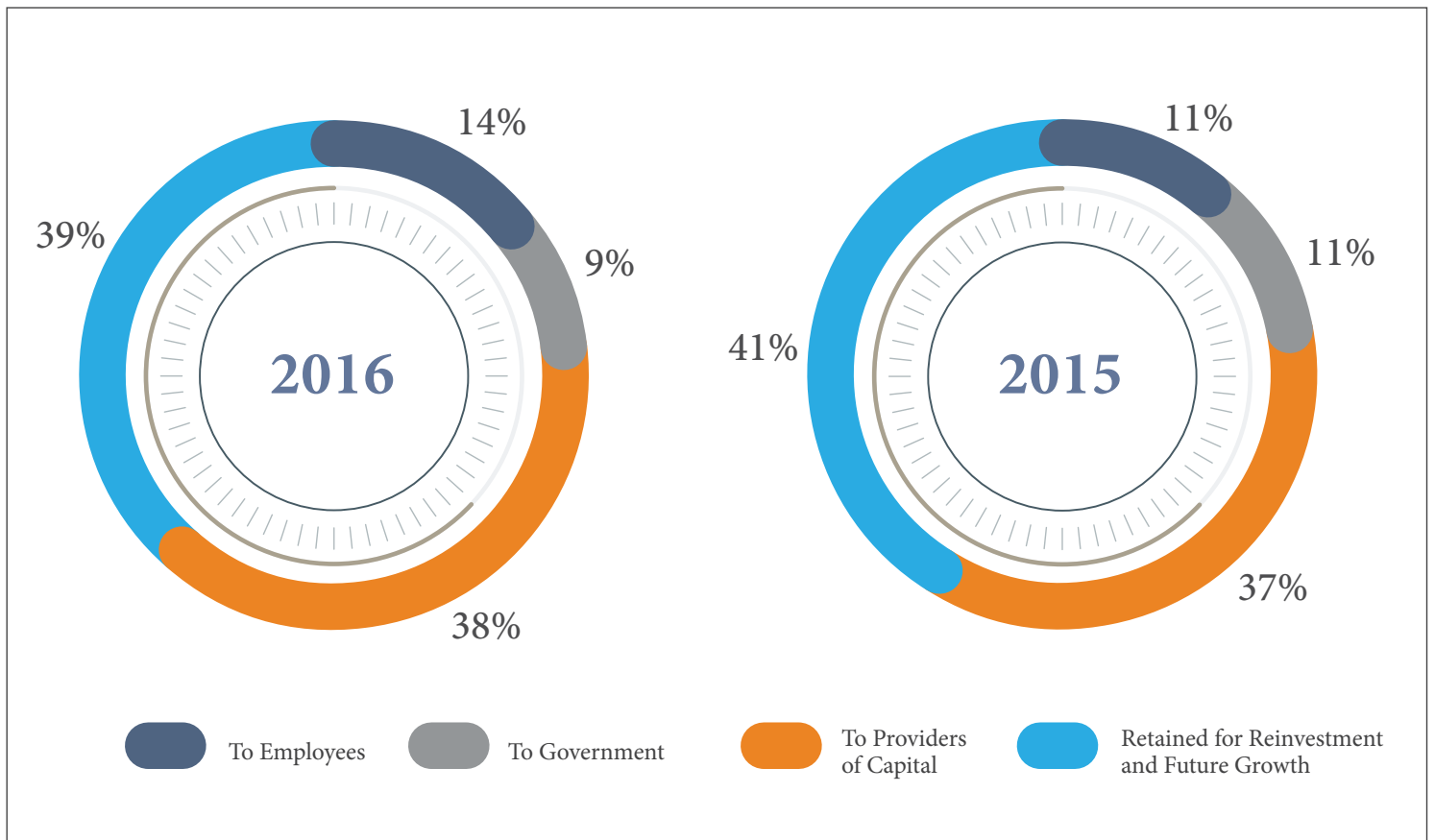
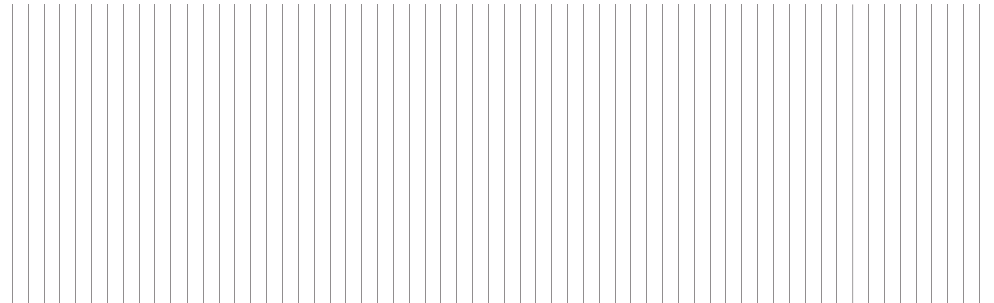


Statement of Value Added and Distribution

The statement of value added shows the total wealth created by the the Group and its distribution to stakeholders, with the balance retained in the Group for reinvestment and future growth.

	2016 RM'mil	2015 RM'mil
VALUE ADDED		
Revenue (includes share of joint ventures' revenue)	4,171	4,760
Operating Expenses	(3,296)	(3,836)
Other Income	109	101
Share of Profits of Associated Companies	211	199
Total Value Added for Distribution	1,195	1,224
DISTRIBUTION		
To Employees:		
– Salaries & Other Staff Costs	166	139
To Government:		
– Income Tax Expense	112	133
To Providers of Capital:		
– Finance Cost	126	124
– Dividends	289	285
– Non Controlling Interest	43	43
Retained for Reinvestment & Future Growth:		
– Depreciation and Amortisation	122	103
– Retained Profits	337	397
Total Distributed	1,195	1,224
Reconciliation		
Net Profit for the Year Attributable to Equity Holders	626	682
Add: Staff Costs	166	139
Depreciation and Amortisation	122	103
Finance Cost	126	124
Income Tax Expense	112	133
Non Controlling Interest	43	43
Total Value Added	1,195	1,224

Statement of Value Added and Distribution

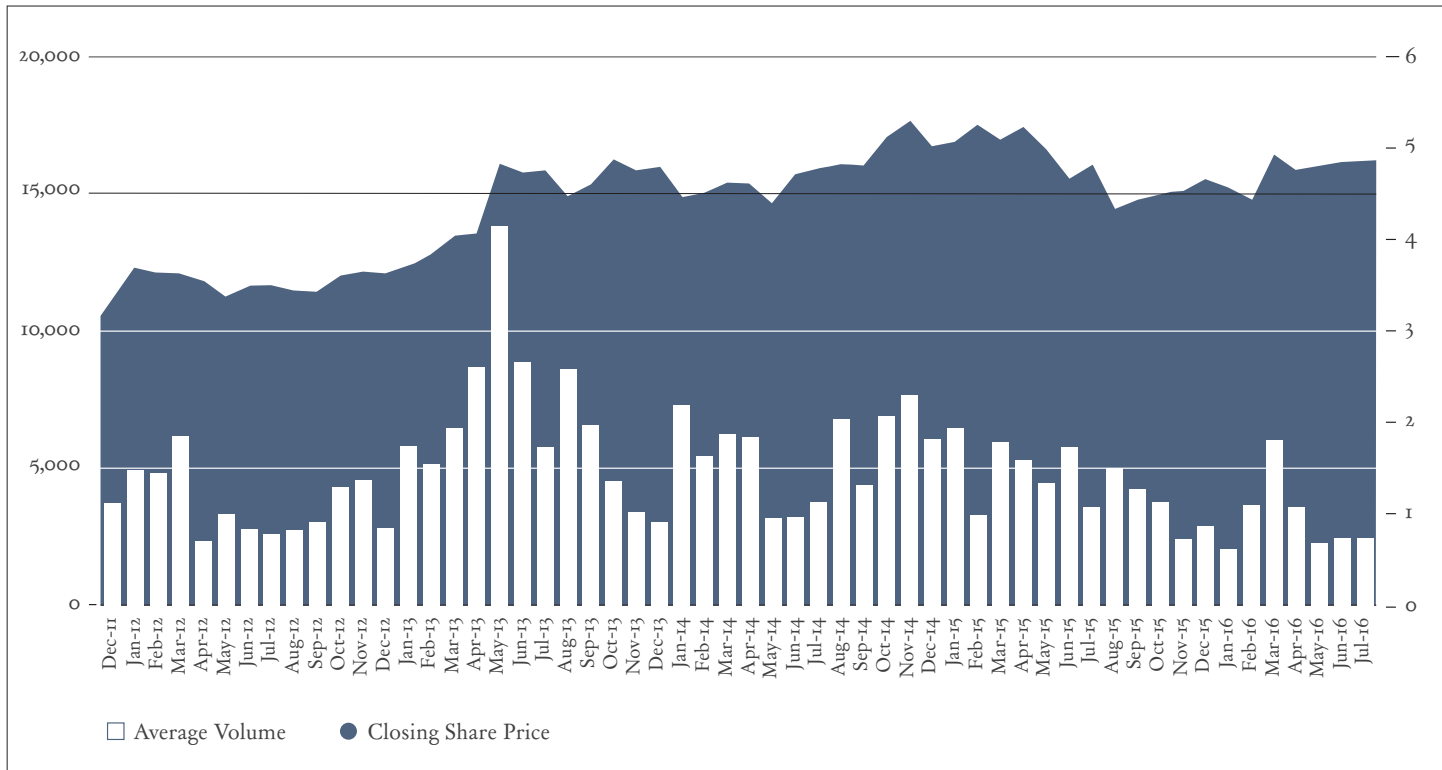


Share Performance

Stock Exchange
Bursa Malaysia Securities Berhad

Trading Name
Gamuda

Stock Code
5398



Share price	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
High	5.00	4.83	5.00	4.58	4.78	4.73	4.77	5.00	5.00	4.86	4.90	4.92
Low	4.72	4.29	4.33	4.68	4.30	4.38	4.35	4.44	4.64	4.59	4.65	4.78
Average Volume ('000)	5,023	4,276	3,796	2,436	2,923	2,082	3,693	6,041	3,612	2,299	2,496	2,496

Financial Calendar 2016

Dividends

First Interim Single Tier Dividend of 6 sen

Declaration: 16 December 2015

Entitlement: 14 January 2016

Payment: 29 January 2016

Second Interim Single Tier Dividend of 6 sen

Declaration: 29 June 2016

Entitlement: 18 July 2016

Payment: 28 July 2016

Annual General Meeting

9 November 2016

Notice of Annual General Meeting

8 December 2016

40th Annual General Meeting

Announcement of Consolidated Results

1st quarter

16 December 2015

2nd quarter

24 March 2016

3rd quarter

29 June 2016

4th quarter

28 September 2016

Bond and Credit Ratings

Rating : AA3/Stable/P1
Outlook : Stable

Gamuda Berhad

- (i) RM800 million Islamic Medium-Term Notes Programme (2013/2038) and RM100 million Islamic Commercial Papers Programme (2013/2020) with a combined limit of RM800 million.
- (ii) RM800 million Islamic Medium-Term Notes Programme (2008/2028) and RM100 million Islamic Commercial Papers Programme (2008/2015) with a combined limit of RM800 million.
- (iii) RM5 billion Islamic Medium-Term Notes Programme (2015/2045) and RM2 billion Islamic Commercial Papers Programme (2015/2022) with a combined limit of RM5 billion.

Rating : AA3/Stable/P1
Outlook : Stable

Bandar Serai Development Sdn Bhd

- (i) RM1 billion Islamic Medium-Term Notes Programme (2014/2044) and RM500 million Islamic Commercial Papers Programme (2014/2021) with a combined limit of RM1 billion.

Rating : AA2/Stable
Outlook : Stable

Kesas

- (i) RM735 million Islamic Medium-Term Notes Facility ("Sukuk Musharakah") (2014/2023)

Rating : AA2/Stable
Outlook : Stable

Smart

- (i) RM330 million Islamic Medium-Term Notes Facility ("Sukuk Murabahah") (2015/2032)



Investor Relations

– Policy, Practices and Programmes

The Board recognises Investor Relations (IR) as a key component of its Corporate Governance obligations. To meet the high expectations of the investment community, the Board has set up a dedicated IR unit headed by the Group Managing Director, and assisted by the Senior Group General Manager, Investor Relations, to provide direct access to top management in all matters pertaining to Investor Relations.

The Board's primary objective is to provide all necessary information to the financial community such that shareholders, investors and potential investors can make an informed judgement on the fair value of the company's shares consistently over time. By doing so, this will help to create demand for the company's shares, and eventually optimise the company's cost of capital. To enhance the effectiveness of the IR unit, the Board has instituted a comprehensive IR policy and programme with the following objectives, guidelines and mandates:-

1. EQUAL ACCESS TO INFORMATION

As a publicly listed group, the Board is acutely aware of the need to always provide fair and equal access to information for all classes of investors. Investors play an important role in the successful growth and development of the Group. The Board therefore treats all classes of investors equally, notwithstanding the wide range of investors, many of whom have differing investment objectives and mandates. The IR unit caters to the demands of all types of investors, including retail and institutional investors, short and long-term investors, and domestic and foreign investors.

In line with IR best practices, all investors are provided with the relevant corporate information as and when requested. Price sensitive information is always disclosed to Bursa Malaysia before being disclosed to any individual investor. As far as is practicable, all requests for investor meetings are completely fulfilled. In addition, the IR unit actively reaches out to overseas investors on a regular basis to meet with those who are not able to travel to Malaysia.

2. BUILDING TRUST AND CREDIBILITY

A highly regarded and credible management team is one of the prerequisites for any investor. The Board recognises that trust and credibility can only be built up over time, and requires a long-term commitment to protecting investors' interests. As such, the Board takes all necessary steps to ensure that critical investor issues are addressed promptly, effectively and accurately so that investors are always kept abreast of corporate developments and have a broad and clear understanding of strategic issues.

3. FOSTERING HIGH QUALITY RELATIONSHIPS

High quality relationships can only be nurtured by continuously engaging with the investment community, both through good times as well as during difficult periods. In this respect, the IR unit conducts regular scheduled dialogue sessions with investors to provide corporate updates, explain the group's strategic direction, outline business prospects, and clarify financial issues. Should circumstances require, unscheduled dialogue sessions are occasionally arranged to explain and clarify any major corporate developments. Through these dialogue sessions, valuable feedback on various issues is also often obtained from the investment community.

4. MAINTAINING OPEN AND HONEST COMMUNICATION CHANNELS

Given the cyclical nature of the Group's key business sectors, business prospects are not always necessarily positive. Given this reality, the Board believes in portraying an honest assessment of the group's business prospects, even if prospects may not be particularly bright. In doing so, it is hoped that investors will obtain a realistic understanding of the business cycles, and will be in a better position to make informed investment decisions.

PROGRAMMES AND ACTIVITIES

A dedicated Investor Relations (IR) unit has been set up by the Board to implement effective IR programmes and activities in line with its IR policies. This unit is ultimately headed by the Group Managing Director, whilst the day-to-day activities are handled by the unit's Senior Group General Manager.

As a proud founding member of the Malaysian Investor Relations Association (MIRA) several years ago, Gamuda today continues to actively support MIRA's IR objectives and activities as a Corporate Member.

IR Activities

Key IR activities during the year include holding regular investor briefings immediately after releasing the quarterly results and at other appropriate times during the year. These briefings are conducted by the IR unit, and provide the avenue for investors and financial analysts to understand, clarify and raise any questions or issues at hand. Occasionally, other senior management members may also be present at these briefings.

Other activities include participating in international and domestic investor conferences, going on marketing roadshows, hosting teleconferences, responding to email and telephone enquiries, catering to numerous requests for private meetings with investors and financial analysts, and organising trips for investors to visit our overseas and domestic project sites.

Notable observations during FY2016 include the high level of interest in visiting our various KVMRT project sites (both elevated and underground) in order to gain insights into the construction of this world-class project. On the Property front, despite the generally sluggish property sector, there was considerable interest in visiting some of our signature projects in Iskandar, Johore as well as in Hanoi and Ho Chi Minh City, Vietnam.

The following is a summary of all IR activities during FY2016.

Type of Event	Investment Centre	No of Meetings
Investor Conferences	Hong Kong, Singapore, Kuala Lumpur, London, Edinburgh	7 trips
Investor Briefings	Kuala Lumpur	4
Project Site Visits	Kuala Lumpur, Johore, Hanoi, Ho Chi Minh City	8 trips
Teleconference Calls	Various	6
Private Meetings	Various	70

Key IR issues

On the Construction front, investors were generally interested in tracking the progress of our KVMRT 1 project, as well as the implementation timeline of the second MRT Line, KVMRT 2. There was also growing interest in the progress of our proposed Penang Transport Master Plan project following the release of the project details by the Penang State Government. On the Property front, investors generally focussed on our land-banking efforts, as the property sector remained sluggish. On the Concessions front, investors were focussed on the progress made on the negotiations pertaining to the planned disposal of SPLASH.

Electronic Communication

Broader investor communication also takes place via our corporate website at www.gamuda.com.my as well as through the Annual Report, Annual General Meeting (AGM) and Extraordinary General Meeting (EGM).

There is a wealth of information online. All announcements made to Bursa Malaysia are updated on our corporate website as soon as practicable. In addition, slides and notes from the quarterly investor briefings are also uploaded on our website for the benefit of shareholders unable to attend these briefings.

Annual General Meeting

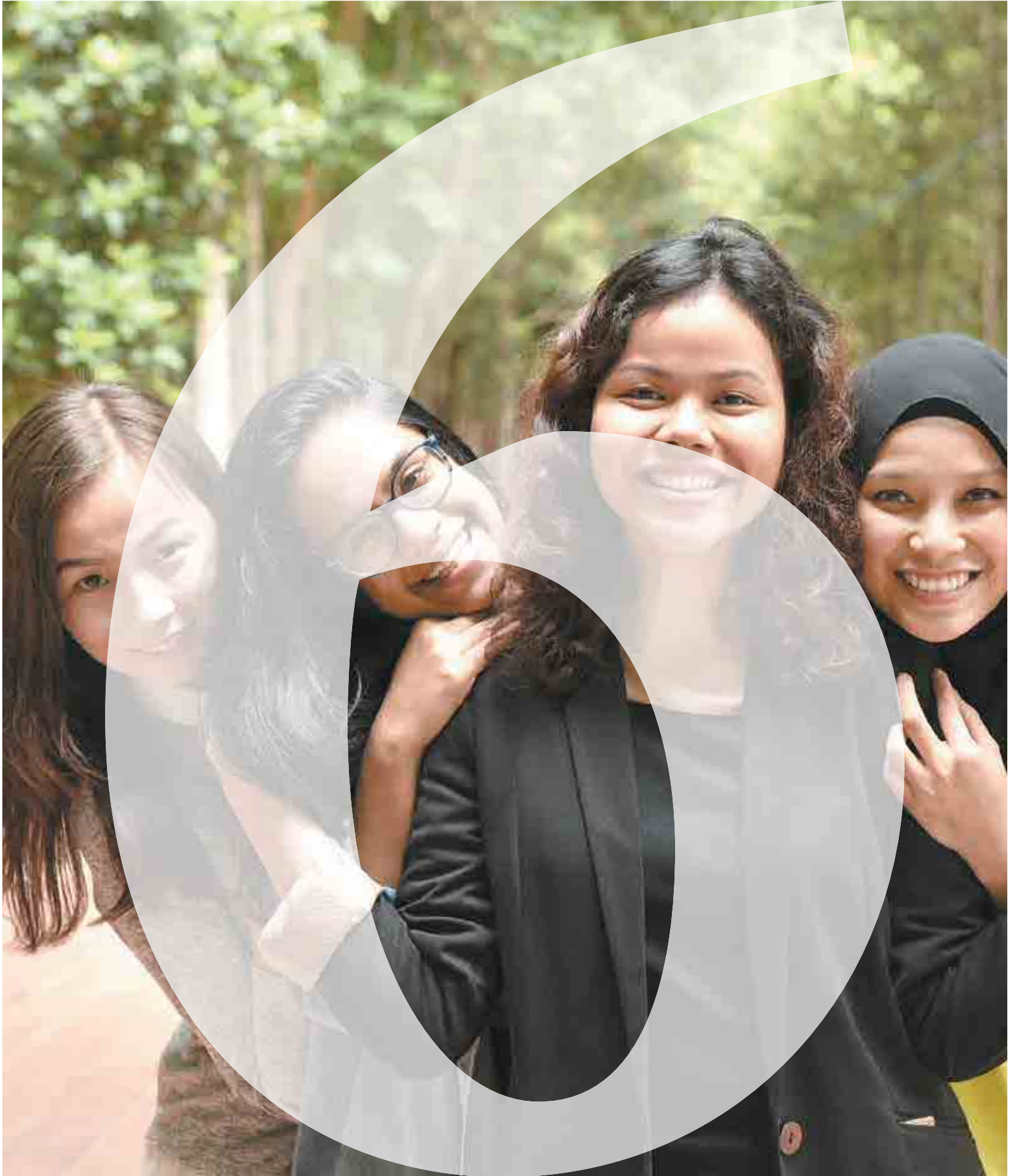
The Board seeks to encourage shareholder attendance at its AGM. The Chairmen of the Audit, Remuneration and Nomination Committees, together with other Directors will usually attend the AGM. Shareholders are encouraged to raise any pertinent issues at the meeting.

SECTION 6

Key Initiatives



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Talent Capital Development

40 Years of Values-Based Talent Development

In today's intensely competitive marketplace, key to maintaining an edge over others is to have high performance staff who are committed to their organisation's business vision. This is something we at Gamuda acknowledge, honouring the sheer hard work and values of our pioneers who laid the foundation of this Group, and the contribution of successive waves of employees who, collectively, are responsible for what Gamuda is today.

Attracting and developing the right talent has played a critical role throughout our 40-year journey, and continues to be a key focus of our group, representing one of our five core values. To bring out the best in our current corps of 4,300 personnel, we have an extensive human capital framework – coordinated and spearheaded by our Management Development Centre (MDC) – that provides the support required for them to realise their true potential.

Our efforts to develop human capital is, further, not restricted to the Group but extends to the industry more generally. We have four technical training centres that focus on equipping our own and our contractors' personnel with the knowledge and skills to conduct construction work safely and efficiently. As a result of the tailor-made programmes provided at the Tunnelling Training Academy (TTA), KVMRT Training Centre, Gamuda Plant Operators School (GPOS) and Construction Training Centre (CTC), we have contributed significantly to moving the entire construction industry human capital up the value chain. We developed workers who have the technical competencies to undertake some of the most challenging work in infrastructure development, especially in our core area of expertise, namely tunnelling.

A key initiative during the year under review has been to set up a Talent Council to identify successors and drive the career development of key incumbents. Through our own Strengths, Development, Opportunities and Career stagers (SDOC) review of all key employees, suitable development opportunities

are provided for them to achieve their career aspirations as they progress along career plans that are agreed with them. The initiative has the full support of our top management, with our Group Managing Director Dato' Lin Yun Ling himself serving as chair of the council.

Because we are a values-driven organisation, to us the best talent are not just the most knowledgeable and skilled. They also have the right values. Our talent development programme, therefore, encompasses instilling in our people values that we believe in. We remain firm in our conviction that our five core values – Take Personal Ownership; Walk the Talk; Adopt Open, Honest Communication; Demonstrate Real Teamwork; and Develop Our People – are critical to achieving our long-term goals.

We recognise that for employees to internalise these values, they have to be reinforced constantly. Hence, during the year, we ran a Values Campaign over a five-month period from April to August; and will follow up on this with various on-going initiatives to integrate our values into our day-to-day operations. By anchoring our growth on these values we are confident of building a truly sustainable organisation.

BUILDING CORPORATE TALENT

Our corporate talent management programme has one simple vision: to ensure Gamuda has a strong leadership, developed from within the organisation, to fulfil our current and future needs.

Building talent for the organisation begins at the recruitment stage, where every effort is made to attract those who are not only academically strong but who also have leadership potential. Because we believe in developing our own people, most of our new recruits are fresh graduates, with mid-level management brought in only to fill urgent gaps that appear as a result of our rapid expansion. In addition to standard channels of recruitment for mid-level management, we also partner with TalentCorp Malaysia (TalentCorp) in its Returning Expert

Programme (REP), under which we have brought on board Malaysian professionals previously working overseas.

Every year, we take on board 80-100 fresh graduates through the Gamuda Scholarship programme, Gamuda Graduate Programme, the Government's Skim Latihan 1Malaysia (SL1M-Gamuda) and through direct hires of fresh graduates based on needs.

Gamuda Scholarship

Since the Gamuda Scholarship programme was initiated in 1996, we have awarded an average of 20 scholarships a year, investing a total of almost RM34 million in enabling outstanding young Malaysians to pursue tertiary education in subjects relevant to our needs at the best local and foreign universities.

As with our general talent management framework, the scholarship programme has also evolved, and starting from 2012 we have included a rigorous one-day workshop to ensure we select those who truly fit Gamuda's corporate culture and values. During the workshop, the participants work in groups to manage a variety of possible scenarios. We believe this selection method is unique as it enables the participants to learn something about themselves apart from being observed and assessed for their behaviour, values and leadership potential.

This year, we received a record 927 applicants for the scholarship programme, of whom 120 were shortlisted, based on phone interviews, to undergo psychometric and aptitude tests. From this group, we selected 90 applicants to attend the workshop following which 60 were interviewed by an external panel and eventually 32 were awarded scholarships – a record number to date.

In line with our tagline "More than a Scholarship", we engage with our scholars throughout their three to four years at university. We set them up with buddies who guide them through university life; organise leadership and grooming workshops during term breaks; and offer them internship experience within Gamuda.

Gamuda Graduate Programme

Every year, we take in about 30 fresh graduates, who demonstrate personal and thought leadership, critical thinking skills, innovativeness and assertiveness. These graduates undergo an intensive three-year programme that provides on-the-job training in different functions. A calendar of activities and intervention sessions are embedded in the programme to develop the graduates' leadership skills and technical competencies to ensure they achieve their full potential. These include on-boarding, site visits, mentoring, values campaigns, cross-generational understanding and EQ development. Monthly engagement sessions are held by Talent Management.

TalentCorp Collaborations

As part of our collaboration with TalentCorp, since 2011, we have been taking in Public Service Department (JPA) scholars who have completed their degree programmes, providing an avenue for them to fulfil their government bond in the private sector. A total of 19 JPA scholars have joined us to date, of whom 13 have been offered full-time employment with Gamuda.

70:20:10 Training & Development Programme

Gamuda's professional training and development programme follows a 70:20:10 guide on on-the-job (OTJ) learning, mentoring and formal training.

- **On-the-Job Learning** represents a formal understudy programme under which employees are assigned to specific seniors, including expatriates, who guide them through assignments and projects. This provides our employees with on-site and off-site exposure within the country and abroad.
- **Mentoring** is provided to all fresh graduates, which helps them adjust to the working environment and particularly to the Gamuda culture. Mentors also counsel the graduates on any personal or career related issue they may have and help the young recruits establish a strong, supportive network within the



organisation. The initial mentoring partnership lasts for a year, after which our young employees have the choice of changing their mentor – who can come from any department or business unit within the organisation, or even from outside Gamuda – the idea being for them to find a good match so they benefit optimally from the relationship.

All employees are encouraged to have one or more mentors. To create awareness of this programme and to promote it, a Mentoring Week was organised to highlight its benefits.

In order to make the mentoring programme effective, we provide 'job coach' training to mid-level management. To date, we have trained a total of 307 coaches.

- **Formal Training** is provided on management, leadership, business communication, contract administration, finance, IT applications, QSHE and other relevant subject areas. These programmes are held at Gamuda Learning Centre (GLC), located within our headquarters. Since it was established in 1995, GLC has invested more than RM18 million in staff training, organising more than 2,300 programmes that have been attended by over 18,000 employees.

Key programmes held during the year included an Executive Development Programme, Women in Leadership, Management Development Programme, Senior Management Development Programme, Keepers of the Flame, Coaching and Mentoring, Supervisory Skills, Project Management, Contracts Administration and Business Communication.

English Learning Unit

A fresh development during the year under review was to set up an English Learning Unit dedicated to enhancing the language proficiency of all employees. As English is the lingua franca of international business, and key to accessing technical knowledge, we feel it is imperative to ensure all employees are up to mark in their ability to comprehend and communicate in the language.

As a first step, we conducted a proficiency assessment using the Cambridge English Placement Test on all employees, from our young graduates to managerial level, and identified individuals for whom positive intervention is needed. In order to make the training effective, we went a step further to identify specific areas of deficiency, such as grammar or spoken English, in order to tailor training programmes to overcome them.

Talent Capital Development



In addition to formal learning, the English Learning Unit has also introduced a number of social activities that employees can participate in to improve their language competency. These include English Sidekick on our internal Workspace where we post jokes and anecdotes; and Brown Bag Sharing, where groups have meals together and speak only in English. The objective is to create relaxed and fun avenues that motivate employees to become more fluent and confident in the language.

Special coaching sessions are made available for more senior managers, dealing with specific language issues.

Career Development Unit

We take a democratic view of career development, in the belief that this long-term process should be initiated by employees, with support given by the organisation. To encourage employees to take ownership of their careers, we have set up a Career Development Unit (CDU) where Gamudians have direct access to psychometric and other HR tools that enable them to discover their strengths and enhance their effectiveness in current and future roles. They can also engage with certified job coaches at the CDU to plan their careers and discuss the way forward.

In addition, the CDU provides members external executive coaching for some of senior management, to accelerate their leadership development.

Supporting National Talent Development

In addition to training our own people, Gamuda supports various government-driven programmes to nurture a more professional and skilled workforce in order to meet its Vision 2020 aspirations. This forms part of our contribution to achieving the targets of the 11th Malaysia Plan.

- **Skim Latihan 1Malaysia (SLIM).** We participate in this programme which seeks to improve the employability and marketability of Malaysian graduates who have not secured job placements, by re-skilling and up-skilling them in areas that are relevant to the industry. Under the programme, we have trained more than 300 and 89 were hired since 2012. The programme instils a greater sense of confidence in the graduates, who are job-market ready after their experience with us. Some are given full-time employment at Gamuda while others are offered jobs by our Work Package Contractors.
- **Internships.** We take in about 100 interns a year from local and foreign universities and provide them with exposure to a dynamic work environment in preparation for entry into the work space upon graduation. The interns are guided by mentors who ensure their experience with us is meaningful and makes a positive impact on the young students.

School Outreach Programme

We support the Government's initiative to promote interest in science, technology, engineering and mathematics (STEM) among secondary school students in order to ensure sufficient talent, especially women, to meet the nation's needs. Between April and July 2016, we visited eight schools in the Klang Valley, where our engineers delivered presentations aimed at inspiring the students to take up careers in engineering. Through this initiative, we were able to connect with 1,229 students, many of whom expressed interest in pursuing further studies in STEM subjects. We intend to continue with this programme to promote engineering and other science and technology-related career options among a greater number of students, with a special focus on girls. More information on School Outreach Programme can be found under Community Development within our Sustainability Statement.

BUILDING TECHNICAL EXPERTISE

As a leading engineering and construction corporation, Gamuda has a critical need for technically competent personnel who are able to undertake various construction projects efficiently and safely. Towards this end, we have invested in four training centres, both to upskill our employees as well as to train a cadre of quality workers in the industry. These centres are managed by our Construction Training Unit (CTU).

Tunnelling Training Academy

The Tunnelling Training Academy (TTA) was set up in 2011 to equip the local workforce in the skills needed to carry out tunnelling work, specifically for the Klang Valley MRT (KVMRT). TTA's primary focus is to train some 1,000 specialist welders, mechanics, electricians and technicians to operate tunnel boring machines (TBMs) to complete this extensive infrastructure project successfully.

To date, the workers have undergone various programmes at the RM10 million facility in Kota Kemuning, which is thought to be one of the first of its kind in the world. The facility boasts a life-sized TBM cutting wheel, shotcrete mould, testing unit for annular gap filing and grouting, testing unit for foam production, erector simulator, lab equipment and safety gear.



Other than train workers for the KVMRT lines, we also collaborate with the Higher Education Ministry and the Ministry of Youth and Sports to offer internships to students from community colleges and the National Youth Skills Institute (IKBN). The first batch of 17 trainees from the Higher Education Ministry gained immediate employment at underground worksites upon completion of their training.

As an extension of the TTA, we set up a TBM Refurbishment Plant in Pusing, Perak in 2015 to prepare the machines that had been used for the first KVMRT Line for work on the second line, which promises to be more challenging because of the more complex nature of the soil. Besides restoration and repair, the used Variable Density (VD) TBMs will be upgraded to ensure better performance, while the Earth Pressure Balance (EPB) TBMs will be modified and converted into regular TBMs. The refurbishment work will be carried out by local engineers, supervisors and graduates from TTA under the supervision of experts from our German partner, Herrenknecht AG.

KVMRT Training Centre

Focusing specifically on safety, we set up the KVMRT Training Centre in Sungai Buloh in 2015. Every worker involved in the KVMRT project will be trained here to obtain a Safety Passport certifying a high level of knowledge of safety processes and procedures.

Programmes offered at the centre have been developed in collaboration with MRT Corporation (MRTC), CIDB Holdings (CIDBH), the Department of Occupational Safety and Health (DOSH) and National Institute of Occupational Safety and Health (NIOSH). These aim to instil a strong safety culture and mindset among our workers, where each individual takes responsibility for his own safety and that of his colleagues.

Occupying 2.7 acres, the centre has an interactive SHE Display Area with real-life exhibits including a tool store and a first aid facility set up within containers; scaffold access; SBG safety protection; Peri temporary works and formwork models; a cofferdam including ground support and access; noise attenuation barriers; hand-dug caisson pile; slope protection samples; a silt trap; site storage area for fuel; a skid tank and bund; and wheel wash trough.

Gamuda Plant Operator School

Gamuda Plant Operator School (GPOS) was established in 1997 as a non-profit training centre dedicated to upgrading the competencies and skills of personnel in the construction industry. It is the largest and only one-stop training centre for plant operations in Malaysia; and an approved centre for crane operator certification which is required by DOSH for all crane operators. In addition to technical competence, trainees are inculcated to observe high standards of safety and proper plant maintenance techniques.

A total of RM31 million has been invested in the school, which offers state-of-the-art training facilities including a practical training field, classrooms, a workshop, canteen and hostel.

Courses offered are accredited by CIDBH and DOSH, and recognised by the Master Builders Association of Malaysia (MBAM), Human Resources Development Council (HRDC) and NIOSH.

Construction Training Centre

The Construction Training Centre (CTC) is a non-profit organisation set up to facilitate the training of skilled labour and equip sub-contractors and industry players with internationally benchmarked construction skills adopted from best practices in Australia, Europe and Singapore. It serves as a basic quality training ground for young Malaysians who seek to start a career in the construction industry, in line with the Government's aspiration to reduce dependency on foreign labour.

Among the comprehensive facilities available are a practical training site, classrooms, administration office, building materials and machinery. Experienced instructors conduct a variety of courses on wet trade skills including concreting, bar-bending and formwork as well as bricklaying, plastering and tiling.

CTC's training modules have been developed in collaboration with CIDBH's training arm Akademi Binaan Malaysia, and are accredited by CIDBH.

Project Differently-Abled



One initiative at Gamuda that truly sets us apart from other companies in Malaysia – not just among players in the construction and engineering industry – is our Project Differently-Abled (DA). As its name implies, the programme focuses on individuals who are ‘different’ yet have the ability to contribute to the workforce in a meaningful way. More specifically, it aims to provide gainful and sustainable job opportunities to those with autism spectrum disorder (ASD), a neurological disorder that affects the functioning of the brain, especially in areas related to social interaction and communication.

Recent research reports that an estimated one out of every 600 children in Malaysia is born with autism. Despite their setbacks, a number of those with autism have gone on to obtain diplomas and even degrees. Yet, most companies are not willing to employ them, seeing only their disabilities and not the skills they possess which could be positively harnessed in the workplace.

Gamuda is perhaps the only company in the country that employs a significant number of employees with autism, and has put in place a proper structure to recruit such individuals

as well as provide them with all the support necessary to enable them to become valued contributors to the Group.

Project DA forms part of a broader Diversity and Inclusion programme at Gamuda. Initiated by Group Managing Director Dato’ Lin Yun Ling, the scheme got off the ground in 2013, when we did the preparatory work of researching the needs of persons with autism and trained volunteers to helm the programme. Two volunteers were sent to Australia to undergo training in Relationship Development Intervention (RDI), an approach founded in the US specifically to address issues related with autism. The following year, on 1 March 2014, we brought in our first batch of DA employees. Today, we have a group of 18 DA staff within the organisation, aged between 18 and 39 years, of whom 16 are employees and two are interns.

Some of our DA staff have been referred by non-governmental organisations (NGOs) such as United Voice Malaysia, Malaysian Care and the National Autism Society of Malaysia (NASOM). Others, mainly our later recruits, applied to join the company. Once we have ascertained their suitability to be part of the

Gamuda family, we run a profiling assessment on them to match them to appropriate jobs. To date, we have placed DA staff in various departments from design engineering, human resources, trading, contracts and commercial, and group finance. Their roles include clerical work, IT support and programming, document control, environmental research, and golf buggy maintenance.

While some of our DA staff have undergone pre-employment training, those who have joined us directly may need additional support to make the transition into a work environment. This is provided by our DA team, comprising about 60 volunteers, all of whom have themselves received training to be job coaches by organisations such as Japan International Cooperation Agency (JICA), Job Coach Network Malaysia, Malaysian Care, United Voice and Foundation of People with Learning Disabilities, UK.

The DA team meets with the entire group of DA employees regularly to enable them to share their views and challenges, and to provide them with encouragement. For daily support, each DA is paired up with a ‘buddy’ and a supervisor, who play the role of a job coach.



Buddies involved in the programme have regular brainstorming sessions to come up with more effective ways of helping DA employees socially and functionally. Through the sharing of experiences, the team has discovered, for example, that DA employees perform best within a highly structured environment accompanied by step-by-step instructions. Accordingly, various templates have been created to help them carry out their duties efficiently. The support provided has proven effective, where a few of our DA staff have made good career progress. One of them has risen from being a junior clerk to an assistant data controller, and is now being groomed to become a data controller.

Recognising that employees not directly involved in Project DA would need some positive intervention to help them understand the initiative, we have put together a handbook on how to support DA colleagues at the workplace. We also organise awareness workshops by local experts as well as those from Britain and the United States. By and large, any reservation that our employees may have had about the project initially will have dissipated as they have come to better understand and appreciate their DA colleagues.

While there have been various challenges to the project, it has grown in strength – none of our DA colleagues have left the organisation, infact all of them vouch for the way in which their employment has changed their lives for the better. Simple activities that we take for granted, such as using the lift to get to a different floor or commuting by public transport, are major feats for our DA friends, and are just some of the positive changes they have achieved since working with Gamuda. Put simply, their employment has given them a heightened sense of self-worth and self-confidence, boosting their ability to do things independently and to be part of the mainstream.

David Foo Khee Choong, who works in the Group Human Resources department, was very reserved during the first few months of joining the company. “These days,” he says, “I try to participate in conversations, and sometimes I voice out my thoughts on certain issues.”

On the other side of the coin, as Gamudians have adapted to their DA colleagues, there has been a discernible positive change in the overall work culture. Employees are now

more caring and patient than before. Even more encouraging is the fact that integration between our DA employees and others has grown organically, in ways that we could not have anticipated. One of our DA staff, Dennis Liew, is a talented artist and holds quarterly ‘art jamming’ sessions at our headquarters for colleagues with an interest in painting.

Roger Khaw, who handles data entry and filing in the trading department, perhaps speaks for the rest of the DA group when he says: “I feel great working here. The best bit is, I’m appreciated and respected. It’s a good working environment and I learn something new each day.”



Driven by Innovation

Gamuda's transformation from a contractor to a leading infrastructure and property developer has been driven not merely by the strong work ethic and values of our founders, but also by our visionary leadership that has always sought to challenge boundaries to go beyond the norm. This 'out of the box' mindset has enabled the Group to pioneer many firsts in the country, each accomplishment being the result of a culture of innovation.

Broadly speaking, our innovation can be categorised into three main categories – technology, projects and processes.

INNOVATIVE PROJECTS

We made our mark as a leading tunnelling expert in 2002, when we undertook to build the Stormwater Management and Road Tunnel (SMART). Although this was our first major underground tunnelling project and involved cutting through highly challenging karstic limestone formation, we were not deterred.

The 9.7km (11.5km including the connections to the motorway) SMART itself represented the world's first dual dual-purpose tunnel serving both to manage and mitigate floods as well as to ease the flow of traffic in Kuala Lumpur city.

Subsequently, we partnered leading tunnelling technology experts Herrenknecht AG to train our workforce in advanced tunnelling technology, and collaborated with them to build the world's first Variable Density Tunnel Boring Machines (VD TBMs), which in 2015 was awarded the Technical Innovation of the Year by London-based New Civil Engineer and the Switzerland-based International Tunnelling and Underground Space Association. Without these cutting-edge machines, we

would not have been able to complete the tunnelling works for the KVMRT Line 1 project safely and competently.

The sharp rise in industrialisation and urban population growth in the Klang Valley in the late 1990s created a critical need for clean treated water.

This resulted in the development of the Sungai Selangor Water Supply Scheme Phase 3 (SSP3) through Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (SPLASH), serving as the last major resource from Selangor River in Selangor. SSP3 was built in 2000 and saw the completion of the Sungai Selangor regulation dam and two water treatment plants in Rasa and Bukit Badong.

The 110m rock-filled regulation dam with a storage capacity of 235 million cubic meters was constructed three months ahead of schedule. The water treatment facilities include raw water intake, pumps, pipes and balancing reservoirs with total treatment capacities of 1,050 million litres per day (mld), attesting to Gamuda's engineering capability.

We maintain an edge in the highly competitive property market by applying the principles of innovation to the entire chain of product design, from the master planning to value-add services we offer homebuyers. From townships that integrate the natural with the built environment seamlessly to create a holistic sense of well-being, to creative designs never before seen in Malaysia, we ensure every development we undertake offers the best possible solutions to enrich lives.

In this respect, our Kota Kemuning green street layout was the first of its kind, where all utility cabling, piping and drainage are concealed underground as part of our masterplan implementation. This set a new

benchmark where other developers went on to emulate this pioneer concept that we introduced in their respective developments, again a testament to our culture of thinking out of the box.

Currently, in the construction sector, we are spearheading the development of an innovative IT-based system called the Building Information Modelling (BIM), which integrates data from a project's multiple stakeholders to facilitate access and transparency of information. The system enhances efficiencies throughout the lifecycle of a project, enabling smooth progress from the design stage to completion while also reducing project costs.

Gamuda is also an industry leader in the adoption of the Industrialised Building System (IBS), which represents advanced construction technology through which building components are prefabricated at a factory, allowing for speedy on-site installation. We are the first engineering and construction organisation in Malaysia to have a fully robotic IBS factory with the capacity to produce up to 2,000 apartment units a year. IBS allows us to be more cost-effective by shortening the construction time by more than half, reducing our dependency on foreign labour and enhancing overall quality, occupational safety and health standards. The system is also environmentally-friendly as it decreases our carbon footprint and material wastage by up to 10%.

Production at our factory in Tanjung Industrial Park, Sepang started on 15 June 2016. We are currently using IBS for Group projects in the engineering and property divisions. In the KVMRT project, for example, the segmental tunnel linings are precast. Eventually, we will use the system to manufacture products for the industry.



INNOVATIVE PROCESSES

The spirit of innovation at Gamuda extends to our project management approach. In 2011, we developed the Project Delivery Partner (PDP) model and proposed it to the Government for the KVMRT project – which represents the largest public infrastructure project in the country to date. With this model, the Government is able to hand over an entire mega project to a single entity, the PDP, which assumes single-point accountability to oversee its end-to-end delivery. Recognising the time and cost benefits of this model, the Government accepted our proposal and engaged us as its first PDP ever, for the first KVMRT Line, in 2012. This project set a new benchmark for the delivery of large and complex

infrastructure projects of national interest, and the PDP model has been replicated in various other significant undertakings.

Gamuda, together with our relevant partners, has subsequently been awarded the PDP contract for the KVMRT Line 2, and most recently for the Penang Transport Master Plan (PTMP) and South Reclamation Scheme (SRS).

Innovation has become so entrenched in Gamuda, it is now part of our DNA. We encourage all employees to approach their work in an innovative fashion, always with an eye on doing things better and more efficiently. This is what gives us an edge, and reinforces our long-term sustainability.

Key Initiatives	1	2	3	4	5	6	7	8	9
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Sustainability Statement

DELIVERING VALUE – SUSTAINABILITY AT GAMUDA

Our values have been our guiding principle since the beginning, providing roots for the company's growth. In order for us to be the leading infrastructure and property developer in Malaysia, sustainability has been an integral part of our business.

We view our ability to contribute towards nation building as well as to meet current and future societal demands as crucial aspects of the growth of our business as a whole. We continue to uphold sustainable practices in everything that we do, embrace innovation and integrate environmental and social aspects across our business operations.

INAUGURAL SUSTAINABILITY STATEMENT

This inaugural Sustainability Statement underlines our commitment towards sustainable development and our endeavours to continuously improve across the three aspects of sustainability: economic, environmental and social (EES).

Throughout the Statement, we have provided insights on the approaches and strategies that we have undertaken to integrate sustainability across all our operations, the progress and key accomplishments that we have made during this financial year, and our plans on moving forward. Where possible, we have also listed the qualitative and quantitative data, as well as year-on-year comparison data for the required indicators. Such an approach was taken with a goal to ensure that all our stakeholders have access to better disclosure in regard to our sustainability performance and management throughout the years.

The Statement was prepared in accordance with the guidelines from Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to Sustainability Statement in Annual Reports of Listed Issuers. It details our non-financial performance for the financial period of 1 August 2015 to 31 July 2016 (unless stated otherwise), and covers our operations in Malaysia, key projects overseas and where possible, information across our supply chain.

MATERIALITY

To identify issues that are most material to our business, we conducted our very first materiality workshop in May 2016 with key internal stakeholders including senior management teams who had insights into strategic directions, operations and project performances. The findings of the workshop were further refined with analysis of internal policies, documents as well as comments by various departments.

Material Sustainability Issues




As part of our efforts for continual improvement, we will be refining our assessment of issues in order to enhance the level of disclosure for our future reporting. Some aspects such as quality, safety and health are already reasonably well established while others still require further assessment and data collection.

Key Initiatives	1	2	3	4	5	6	7	8	9
						6			

Sustainability Statement

MANAGING SUSTAINABILITY

Key sustainability issue at Gamuda are managed by various departments including the Company Secretary, Group Human Resources Department, Group Corporate Communications, Group Finance, as well as Group Quality, Safety, Health and Environment (QSHE) Department. We have also put in place an enterprise risk management framework to allow us to identify risks, and to strengthen the resilience and agility of our business. Sustainability governance is further strengthened by a set of existing systems and policies.







Category	Relevant Policies and Systems
Economic 	<ul style="list-style-type: none"> • Innovative Group Procurement Policies and Procedures (G3P) • Gamuda Procurement Code of Conduct (GPCC) • ISO 9001:2008 Quality Management Systems • ISO/IEC 17025:2005 General Requirements for the Competence of Testing and Calibration Laboratories
Environment 	<ul style="list-style-type: none"> • Gamuda QSHE Policy • ISO 14001:2004 Environmental Management Systems (EMS)
Social 	<ul style="list-style-type: none"> • Gamuda QSHE Policy • Human Resources & Administration Policies and Procedures (HRAPP) • Gifts and Benefits Policy • OHSAS 18001:2007 Occupational Health and Safety Management Systems • MS 1722:2011 Occupational Health and Safety Management Systems

A continuous approach towards ensuring sound business ethics, governance and excellent product stewardship in all our endeavours safeguards the long-term viability of not only our projects but also Gamuda as a whole. For details of our Code of Ethics and Business Conduct and Whistle Blowing Policy, please refer to Section 7 (Corporate Governance & Accountability) of this Report.

In 2015, Gamuda was recognised as a Top 100 Public-listed company by the Minority Shareholder Watchdog Group (MSWG), which ranks companies based on their transparency and performance. Our sustainability efforts were recognised at The Edge Billion Ringgit Club (BRC) Corporate Awards 2016 where we were awarded the Best Corporate Responsibility (CR) Initiatives Award in the Big Cap companies category.

ENGAGING OUR STAKEHOLDERS

We place a high value on open and honest two-way communication with all our stakeholders, individuals or groups who are impacted or have the ability to influence our business. As such, we continuously engage with stakeholders to address their needs and concerns on issues related to our business operations. In this regard, we have implemented engagement strategies that vary according to stakeholder groups. These diverse communication channels are as listed.

Stakeholder Groups	Communication Channels	FY2016 Highlights
Employees 	<ul style="list-style-type: none"> - Employee engagement survey - Town hall meetings - Internal communications - Interviews - Face-to-face meetings - Performance reviews - Gamuda Hub & Workplace 	<ul style="list-style-type: none"> • Succession planning: Town halls were conducted in batches in accordance with employee grades. Group Human Resources (HR) Department reviewed all feedbacks including executing career planning and career discussions, as well as importance of job rotation among young talents to gain sufficient exposure and experience. • Career discussions with panel members who work with our talent closely and are able to give feedback. • Monthly Values campaign to build deeper awareness on the meaning of each Gamuda core value through activities and events. • Living the Values Award – Gamuda Values Award. • Management Retreat. • A blogging or open microphone platform for employees to share their journey in career and personal growth with Gamuda in conjunction with Gamuda’s 40th anniversary. • Understanding Emotional Quotient (EQ) programme for newly hired fresh graduates and young engineers. • Managing across Generation programme for Generation Y, mid and senior management. • Engagement Workshop to educate employees on the nature of Gamuda’s internal engagement. • Employee Volunteerism campaign to encourage employees to participate in volunteerism. • Employer Brand Assessment to determine perception about Gamuda as an employer among professionals and students.
Customers 	<ul style="list-style-type: none"> - Surveys - Social media 	<ul style="list-style-type: none"> • Brand Audit and Brand Strategy Recommendations 2015/16.
Investors 	<ul style="list-style-type: none"> - Press releases - Briefings 	<ul style="list-style-type: none"> • Ongoing analyst briefings.
Local communities 	<ul style="list-style-type: none"> - Surveys - Town hall meetings - Community development programmes - Press releases 	<ul style="list-style-type: none"> • Discussion on the results from the environmental and social impact of the Penang Transport Master Plan (PTMP) project. • Traffic announcements from traffic management plans that are a part of works in ongoing projects. • Scholarship Facebook page to promote Gamuda Scholarship among students aged between 18 to 21. • School Outreach Programme to promote interest in science, technology, engineering and mathematics (STEM) among secondary school students. • A heritage impact assessment report has also been done for the KVMRT Line 2 to assess the impact against the tangible and intangible cultural heritage.
Government/Regulatory/local authorities 	<ul style="list-style-type: none"> - Town hall meetings - Press releases - Workshops - Face-to-face meetings 	<ul style="list-style-type: none"> • Timely stakeholder updates before approval and during a project. • Sharing of results from Public Inspection with the Land Public Transport Commission (SPAD) for the approval of the KVMRT Line 2 railway scheme.
Media 	<ul style="list-style-type: none"> - Ongoing engagement sessions 	<ul style="list-style-type: none"> • Ongoing project development and construction updates in order for public to be suitably updated. • Key issues affecting public or motorists are disclosed in a timely manner.

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Sustainability Statement

SUSTAINABILITY PERFORMANCE ON MATERIAL SUSTAINABILITY ISSUES

This year, in accordance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements Relating to Sustainability Statement in Annual Reports of Listed Issuers, we are reporting on our material sustainability issues that are listed in the Materiality section based on the Economic, Environmental and Social (“EES”) framework.

Economic Growth

Key Highlights
Awarded RM4.7 billion worth of contracts to 608 SMEs through the KVMRT project
CONQUAS score of 82.8 for Jadite Suites (Highest in Malaysia for residential high-rise building category)
Affordable housing: Commenced development of 714 apartment units using Industrialised Building System (IBS)
Improved project efficiency and delivery with Building Information Modelling (BIM)

Best-in-class Delivery Standards

To ensure excellent product quality and delivery standards, we have in place several key systems, benchmarking tools and quality assessment processes.

Project Delivery Partner (PDP)

At Gamuda, we take pride in delivering not just quality products but also in ensuring that the entire project development process

occurs smoothly and effectively. The Project Delivery Partner (PDP) model has set a new benchmark for the delivery of large-scale and complex infrastructure projects of national interest. Our approach has provided regulators the assurance that a separate entity – the PDP – will provide single-point accountability for project delivery.

The PDP is responsible for every stage of the project from its conceptualisation to the design, procurement, construction, integration and commissioning risks associated with it. It will also ensure that the project is completed on time and within budget. Whenever there is a gap in project delivery, the PDP will step in to assume the role by injecting resources and expertise to move ahead. Furthermore, it ensures the success of the project by engaging all relevant stakeholders such as the Government, the Project Owner, regulatory bodies/authorities, land owners and operators. Overall, the PDP has set us apart from our competitors and enables us to scale up and innovate in the industry.

Malaysian Civil Engineering Standard Method of Measurement (MyCESMM)

In 2016, we moved ahead with the MyCESMM after signing a MoU with the Construction Industry Development Board (CIDB) in August 2015. Gamuda is now a Committee Member for MyCESMM, which is a standardised measurement system that handles project tender submissions and budgets. Moving forward, all submission and evaluation of project tenders will be carried out in accordance with MyCESMM. For the KVMRT Line 2 project, two of the work packages (Package DPT 202 and 203) involving earthworks were undertaken using MyCESMM.

Construction Quality Assessment System (CONQUAS)

Gamuda Land operates based on the “Four Pillars of Quality”, which emphasises quality design, community and amenities, healthy lifestyle, as well as safety and security. Underlying our focus on quality, we adhere to the world-class standards of CONQUAS in the development of all our products.

CONQUAS is a widely accepted international benchmarking tool to assess the overall quality of a building’s workmanship during the various stages of construction. Developed by the Building Construction Authority (BCA) of Singapore, it is currently a trademark in Singapore, Malaysia, China, Hong Kong Special Administrative Region (SAR), United Kingdom, Australia, South Africa and India.

Through CONQUAS, we have implemented more stringent quality measures and requirements for all our projects. As such, all our contractors, consultants and suppliers have been required to adhere to CONQUAS standards.

In FY2016, our effort was rewarded with an average score of 82.8 for all our projects, which is the highest score since 2014. Jadite Suites, our exclusive serviced apartment in Kajang, also achieved the highest CONQUAS score in Malaysia in the residential high-rise building category. In the landed properties category, we have remained as the top CONQUAS scorer with Bandar Botanic scoring 88.6 out of 100.

Quality Assessment System in Construction (QLASSIC)

QLASSIC is a system adopted by the Construction Industry Development Board (CIDB) to evaluate the workmanship quality of a building’s construction based on the Construction Industry Standard (CIS 7:2006).

Gamuda Land benchmarks all property products against QLASSIC in order to attain the highest construction standards while also preserving the environment. Adaptation of QLASSIC plays a part in our journey towards achieving Green Building Index (GBI) certification. We have been incorporating various innovative eco-friendly elements in all our new and upcoming projects.

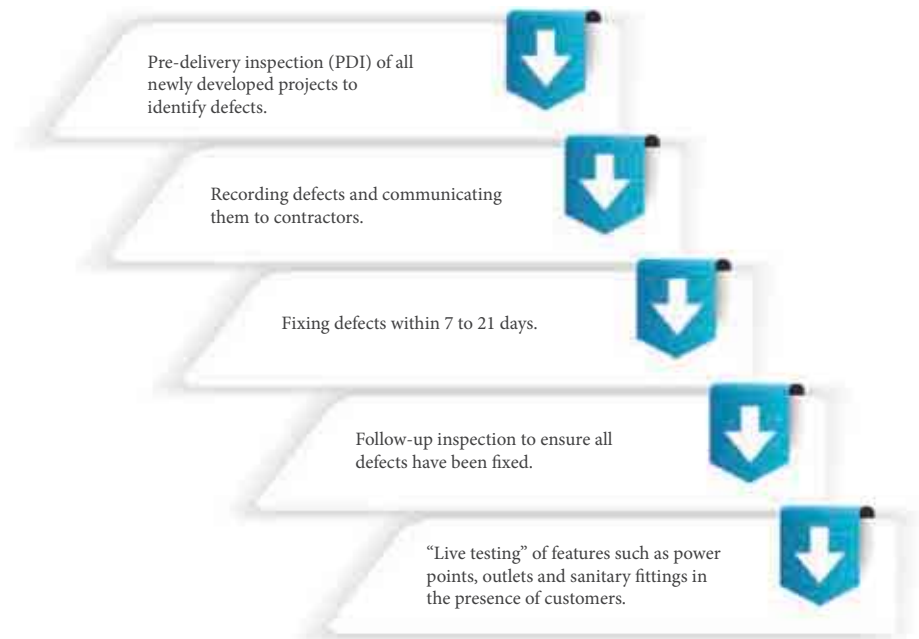
Our Gamuda Walk development in Kota Kemuning has attained a certified high QLASSIC score of 78%.

Green Building Index (GBI)

Two of our projects – The Robertson (a mixed development in the heart of Kuala Lumpur) and HighPark Suites (a SOHO development in Kelana Jaya) attained a provisional GBI Gold Rating. In addition to these achievements, this year our Bandar Serai township project in Rawang has attained a certified GBI Silver Rating.

Quality Assurance Solution (SnagR)

Gamuda Land is focused on customer experience. As such, we believe in delivering high-quality products in a timely manner and ensuring that the entire new property owning journey occurs as smooth as possible for all our customers. Our Construction Management and Township Management team undertakes several key steps prior to property handover.



Quality Assurance Steps Prior to Property Handover

We are tapping into SnagR, a Web and Mobile site inspection and defect management system that will allow our employees to manage workmanship during construction and defects during the defects liability period. With this system in place, laborious and error-prone paperwork can be done away with, and communication of information between relevant parties will also be more effective.

In FY2016, we successfully delivered 1,924 properties with 30% being completed 100 days before their target completion date.

Embracing Innovation through Industrialised Building System (IBS)

The fully automated, robotic Industrialised Building System (IBS) technology is anticipated to fulfil the nation’s demand for a skilled workforce.

It is also expected to boost productivity and cut dependency on manpower by 60%. This system, developed in Germany, is already being used at the Gamuda Industrial Building System Sdn Bhd (GIBS) fully robotic factory in Tanjung Industrial Park, Sepang.

For starters, the technology has already been used at our KVMRT worksites and our property project, Jade Hills, in Kajang. The key advantage of using IBS over conventional production systems is the consistent high quality of products manufactured with low material waste and labour needs. It also doubles the construction speed and enhances safety.

With IBS, the construction sector is able to meet the nation’s demand for a skilled workforce, reduce dependency on foreign labour and reduce carbon footprint.

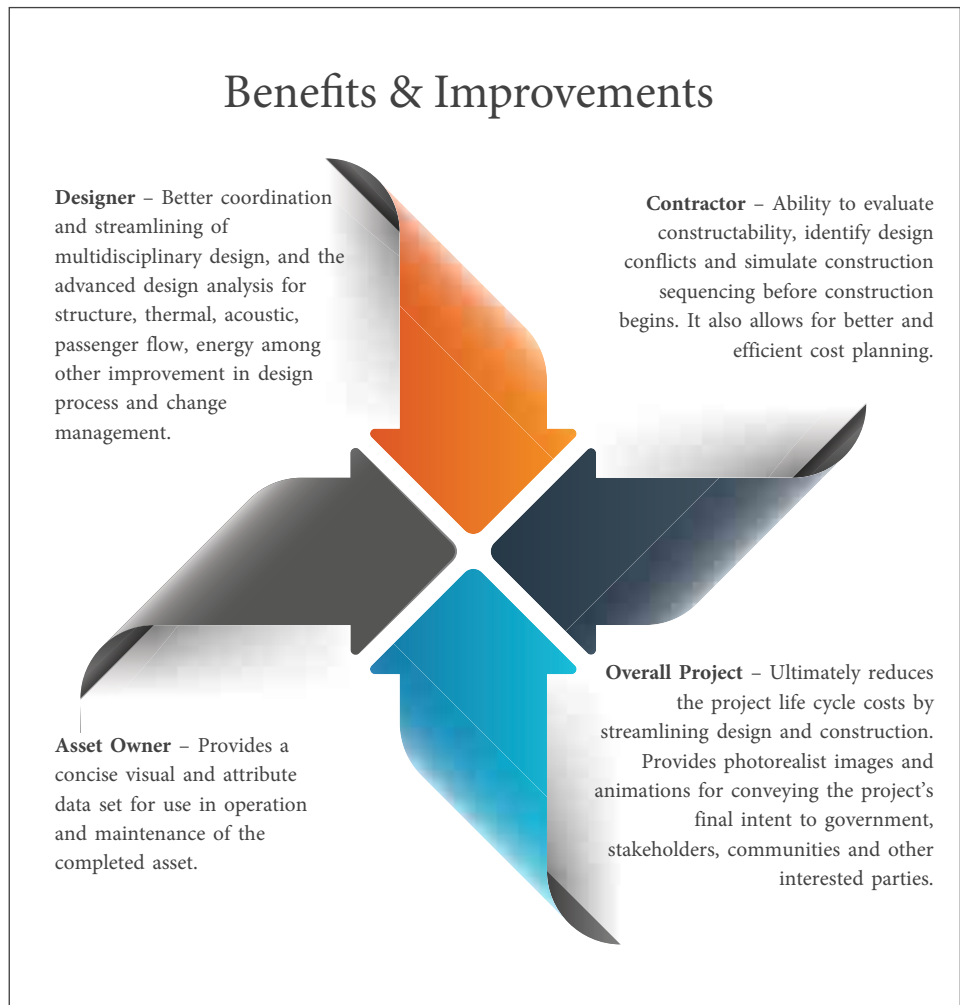
Key Initiatives	1	2	3	4	5	6	7	8	9
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Sustainability Statement

Improving Efficiency with Building Information Modelling (BIM)

Seamless integration of technology across the business has enabled us to improve efficiency and delivery. In the construction segment, we have benefitted from the utilisation of Building Information Modelling (BIM). The BIM is a three-dimensional (3-D) model-based process that involves the creation and management of digital information to facilitate the planning, designing, construction, operation and maintenance of a building or facility.

With the implementation of BIM, we will significantly improve efficiency in construction processes especially at the design stage. One of the key features of BIM is that it allows collaboration with multiple parties involved in the project. The BIM functions as a platform with real-time access to all design information coupled with 3-D visualisation and animated walkthroughs. Real-time data tracking enables early decision-making with regard to design and construction issues. As such, project outcomes will be greatly improved as it allows for efficient utilisation of time and effort while avoiding aborted works. Such features will also be advantageous for construction design analysis and optimisation. BIM is integrated easily with project management and is especially useful in improving project cost and schedule.



Yen So Urban Renewal Project, Vietnam

International Achievement Award for Yen So Urban Renewal Project – Malaysian Construction Industry Excellence Awards (MCIEA) 2015.

As with all developing countries, with rapid population growth and urbanisation, sewage generation increases tremendously as a consequence. In Hanoi, the effect can be clearly seen based on the daily generation of sewage of up to 470,000 m³, which comprises both domestic and industrial wastewaters. The high volume of sewage generated can potentially be a threat to both human health and the environment if not properly treated and allowed to enter the environment.

In this regard, Gamuda had taken the initiative to clean up what was previously a highly polluted wastewater-plagued land in the eastern part of the Yen So Park township development by building a new state of the art sewage-treatment-plant. The Yen So Urban Renewal Project completed in April 2013, is currently serving approximately 900,000 people living in the eastern part of Hanoi with its treatment capacity of 200 MLD. To date, the Yen So STP remains the largest and most advanced wastewater treatment plant in Vietnam. With the Yen So STP in place, pollution of the city's lakes and waterways has been greatly reduced and controlled. This has subsequently led to an improvement in the health and quality of life of the residents.

Surrounding the Yen So STP is the award-winning Yen So Park, which was developed by Gamuda Land Vietnam. Located in the southern gateway into the city of Hanoi and considered as one of the capital's green lungs, Yen So Park spans over 274 hectares and houses green parks, five rejuvenated lakes and recreational facilities. The well maintained and lushly landscaped park is now a focal point for residents with its art gallery, a boathouse, an amphitheatre, a maze garden, traditional architecture and a vast expanse of beautifully landscaped gardens.

In 2016, Gamuda Land won an award in the Property Developer category at the 8th Malaysia Landscape Architecture Awards (MLAA) for its efforts on Gamuda Gardens, a 73-hectare township nestled within the Yen So Park. Gamuda Gardens was built upon the five key pillars of design quality, community and amenities, safety and security, healthy lifestyle, and sustainable values. One of the notable features of Gamuda Gardens was the dedication of more than 60 percent of the total area to tree cover and public amenities.

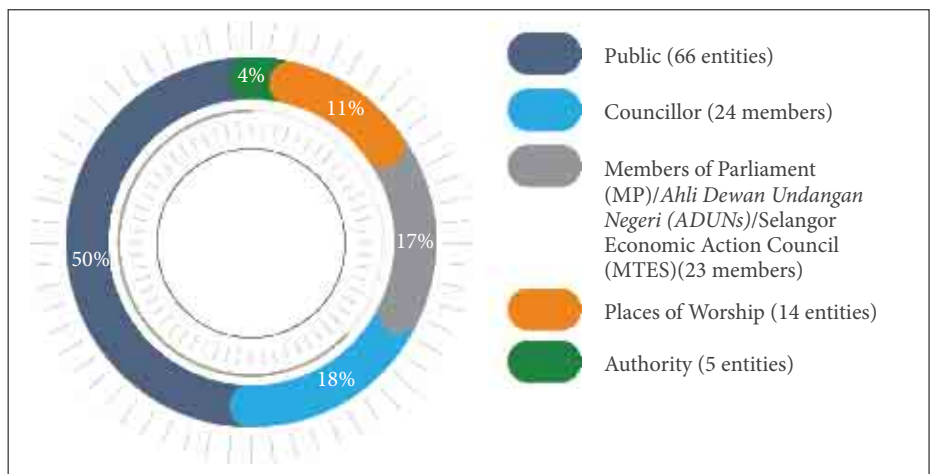
Klang Valley Mass Rapid Transit (KVMRT)

In recent years, the KVMRT development has become ubiquitous in Klang Valley and it is still a work in progress. Proposed and approved by the Malaysian government in 2010, it is the nation's largest public infrastructure project to date and when completed, it is expected to serve as a backbone to the nation's public transportation network. Ultimately, the goal of this project is to propel Kuala Lumpur and the Greater Kuala Lumpur metropolitan area to be on par with that of a developed, modern city.

For the construction of the KVMRT Line 1 and Line 2, we have taken steps to ensure that we comply with all the regulations and to minimise the impact of our work on the surrounding area. We continuously engage the communities living close to and those affected by the project site. In FY2016, we held 120 engagement sessions with a total of 1,440 stakeholders.

A large proportion of the engagement sessions held were during the Public Inspection stage for the 52.2km KVMRT Line 2. Post approval of the railway scheme in October 2015, we held engagement sessions in stages with the affected communities in accordance with the awarded construction packages. For the development of the KVMRT line, we also ensured that all communities were engaged before construction started.

Particulars	Year	
	2015	2016
Number of stakeholders engaged	1,500	1,440
Engagement sessions	132	120



KVMRT stakeholders engaged in 2016.

Sustainability Statement

Responsive Complaint Management System (CMS)

Our complaint management system is one of the most responsive and effective among large-scale infrastructure projects in Malaysia. Affected stakeholders of the KVMRT are provided with 24-hour access to the MRT Hotline, whereby resolutions are governed by a Standard Operating Procedure (SOP) and the status of these resolution are reviewed by the PDP and reported to MRT Corporation Sdn Bhd (MRT Corp) on a monthly basis.

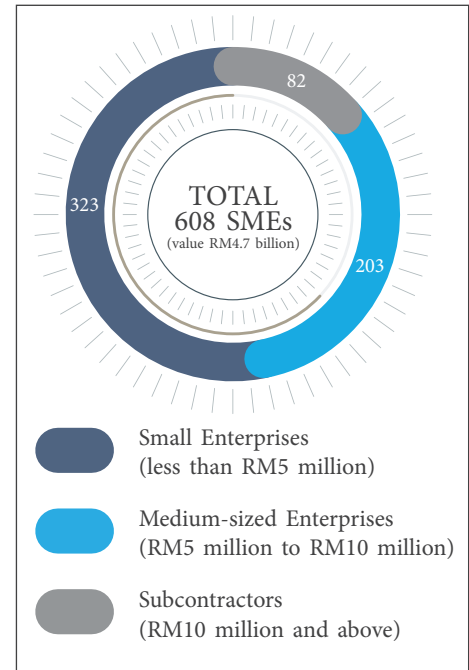
The CMS functions not only as a tool to gauge public satisfaction, but it is also used to evaluate Work Package Contractors' (WPCs) quality of work as well as their ability to identify and rectify potential safety, health and environmental risks at MRT worksites. As the CMS works are based on real-time monitoring including SMS and email notifications, it allows for quicker response and effective management of complaints, which eventually improves our overall performance and relationship with all affected stakeholders. Respective resolution timeline will be assigned to each task to ensure the task is resolved accordingly.

Building Local Strength

Through the large-scale infrastructure projects that we have undertaken, we have also helped to nurture a robust Small and Medium Enterprise (SME) ecosystem for the construction industry. In FY2016, we provided RM4.7 billion worth of contracts to 608 SMEs that employ a total of 27,864 workers.

This is an increase from our previous provisions in FY2015:

	Year	
	2015	2016
Contracts worth (RM billion)	4.3	4.7
Number of SMEs supported	480	608
Number of jobs created	22,000	27,864



Total number of Small and Medium Enterprises (SMEs) that were awarded KVMRT work packages.

Thus far, we have empowered SMEs by creating opportunities for them to invest in and own the latest equipment and machinery. We also promoted the growth of other local enterprises by giving preference to the procurement of local materials. The results are especially evident in the production of tunnel segment linings and segmental box girders of the KVMRT.

The KVMRT project has also contributed to the creation of a highly skilled and knowledgeable workforce, as well as significantly raised competency and delivery standards of SMEs. It is our hope that the ripple effect of the capacity building will eventually help local companies become globally competitive.

Improving Connectivity through Highways and Expressways

Gamuda, being the pioneer in privatised urban highway construction, has contributed greatly to the urbanisation of the Klang Valley through projects such as the Damansara-Puchong Highway (LDP), the Shah Alam Expressway (SAE), as well as the Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT). These highways have effectively connected the south-west and east of the Klang Valley to Kuala Lumpur city, leading to greater industrialisation and economic growth, as can be seen from the commercial and retail developments along these highways. They have also provided faster connectivity and contributed to the growth of vibrant townships in the Klang Valley such as Puchong, Desa Park City, Mont Kiara, Bandar Botanic and Kota Kemuning. As such, Gamuda has been continuously working on improving them to enhance motorist travelling experience.

Lingkar Trans Kota Holdings Berhad (LITRAK), a highway concessionaire owned by Gamuda, has been actively working to improve the LDP. One of the most recent initiatives done by LITRAK was to introduce a contra-flow scheme at one of the busiest sections of the LDP during the morning peak hour. This scheme was implemented to provide a dedicated bypass route for commuters travelling from Puchong to Kelana Jaya. The first phase of its implementation was successful as it significantly reduced travel time and shortened the queue length at the toll plaza.

Improvements have also been conducted on SAE, whereby RM70 million was invested into upgrading work such as lane expansion, lane widening and ramp construction. Upgrades on traffic management have also been conducted through the implementation of contra-flow during peak hours at stretches where there are no available corridors for lane expansion. To date, the SAE is the only stretch of highway that has a dedicated motorcycle lane built for the safety of all motorists. In March 2016, the Electronic Toll Collection (ETC) system was fully implemented in SAE.

As for the Stormwater Management and Road Tunnel (SMART), maintenance work has been continuously conducted to ensure that it remains safe to use. For this purpose, the tunnel has been closed for a total of 23 times throughout FY2016. SMART has also converted all its toll lanes from a mixed collection of cash and ETC systems to full ETC system in September 2015.

Aside from upgrading work, we have also embarked on a new highway project in Sarawak, which was awarded to us in July 2016. The award, which is worth RM1.57 billion under a joint venture with Naim Engineering Sdn Bhd, is to be used for the construction of the Pan Borneo Highway stretch from Pantu Junction to Batang Skrang. Overall, the highway is expected to improve the connectivity between Sarawak and Sabah, and ultimately, improve the living standards of communities in East Malaysia.

Business Continuity Management (BCM)

In our day-to-day operations, we consider it vital for us to ensure that our business will continue to stay on course regardless of any obstacles or disruptions. We have in place a business continuity management (BCM) plan that works as a solid framework for us to lean on in times of crisis.

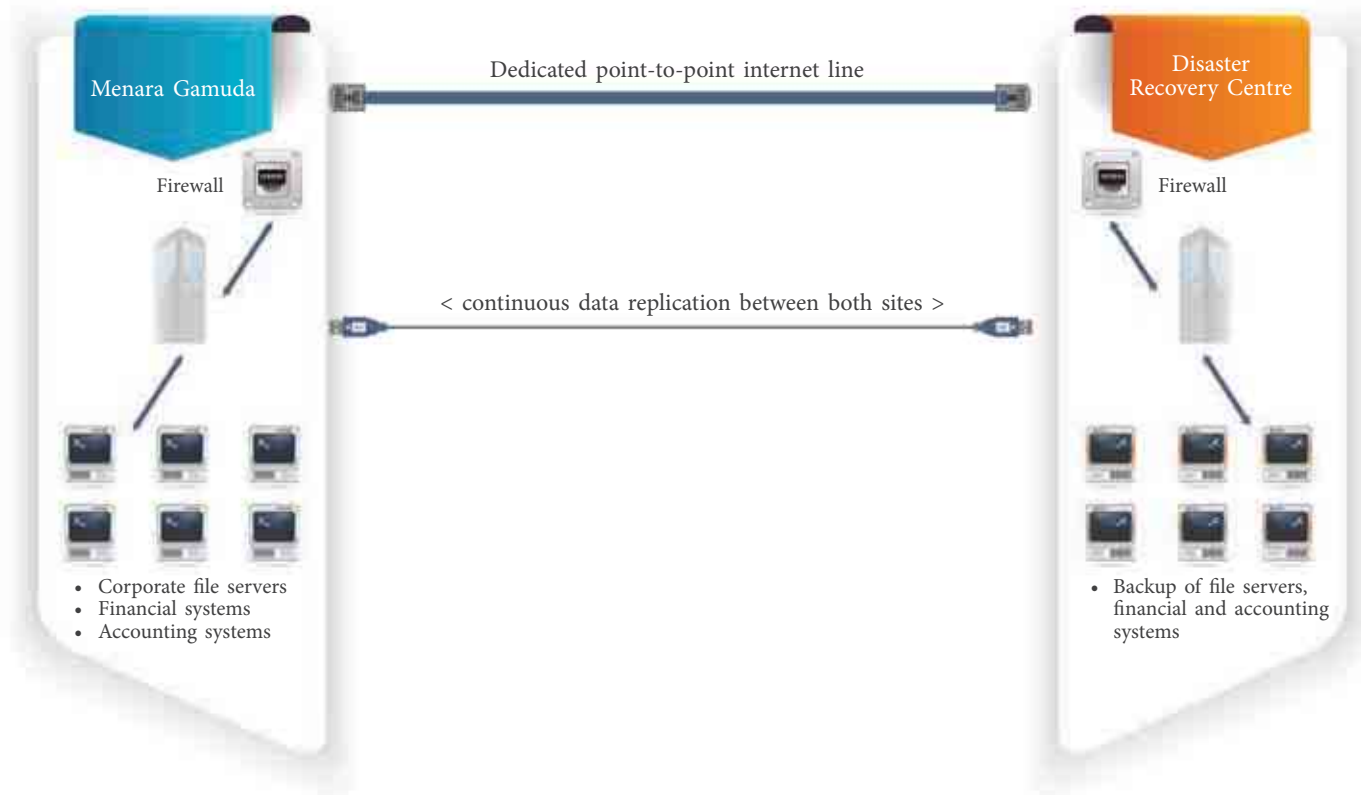
Our BCM plan is steered by our Business Continuity Team (BCT), which consists of heads from various departments and led by our senior management. Every member within the team is assisted by a 'second-in-command' and this system also serves as an important avenue for future leaders to be groomed.

The BCT is responsible for the identification of any potential threats to the business and to devise plans and strategies for the respective departments to recover quickly and effectively under different scenarios. We also periodically conduct training and workshops to ensure that we review our risks and that the organisation is ready to face any disasters or disruptions to our business processes.

Complementing our BCT is our Emergency Response Team (ERT) that swings into action during times of crisis. We also maintain a strong working relationship with the Fire and Rescue Department of Malaysia (BOMBA) and hospitals as external agencies to assist us during times of emergencies.

Sustainability Statement

To date, one of our most established BCM plans is the Disaster Recovery (DR) centre for IT systems that is located away from our headquarters. At the centre, vital data related to corporate file servers, human resource systems, financial and accounting systems are replicated every six hours to ensure continuity and to minimise data loss.



Gamuda's Disaster Recovery (DR) centre for IT systems

We have also engaged external service providers for their mobile generator sets and have in place our own standby sets to ensure that we will always have continuous power supply at our headquarters. This year, our preparedness was tested when our power supply was disrupted during a fire outside our building. Our BCM plan enabled us to respond quickly to the incident and power supply was restored.

Responsible Supply Chain Practices

Gamuda's success in all its endeavours is also largely dependent on the productiveness and reliability of its business supply chain. To ensure that our transactions with all our business supply chains are transparent, effective and fair, we employ our independent trading entity, Gamuda Trading, which acts as a third party to introduce potential vendors and suppliers for all our projects and undertakings. Gamuda Trading ensures strict compliance with specified standards as stated in the official agreements and contracts. It also assumes a supervisory role in the pre-selection of qualified vendors to be proposed to the Material Review Board (MRB) of Gamuda Land, and continuously reviews construction materials to minimise long-term impact to the environment.

For details of our Procurement Policy, please refer to <http://gamuda.com.my/procurement-policy/>

Environmental Management

We have been moving towards a greener approach in all our operations such as green engineering and the incorporation of environmentally friendly features in our new property developments. Our ongoing journey towards environmental management is beginning to scale up and we will continue to strive to do better by identifying core issues, gaps and improvement opportunities. Our environmental stewardship, is evident in the ISO 14001 Environmental Management System, which has been in place since 2008. We have been integrating more good practices in our management system since then.

To minimise our environmental footprint effectively, everyone has to play a part. We have undertaken various initiatives to instil a sense of environmental responsibility in all our employees via our Quality, Safety, Health and Environment (QSHE) policy, training as well as programmes and campaigns.

Ensuring Compliance

In all our operations, we constantly adhere to the highest environmental compliance procedures. This can especially be seen in the delivery of our KVMRT Line 1 project, where quarterly environmental reports are submitted to the Department of

Environment (DOE), Malaysia, as part of the project's Environmental Management Programme. Data in the report is based on monthly monitoring of water quality, silt trap discharge, air quality, noise, as well as vibration levels at the project site.

Green Engineering – Tunnel Boring Machines (TBMs)

The use of underground spaces especially for public transportation is one of the ways forward to sustainable development. Some of the clear environmental benefits of using underground spaces include energy efficiency and conservation; reduction of noise and air pollution; and most importantly, permits preservation of open land for habitat and environmental protection. Over the years, Gamuda has built capacity in the development and use of green engineering in the form of high-precision tunnel boring machines (TBMs).

For the construction of KVMRT Line 1, tunnelling works were required for the underground sections. Based on our previous experience in tunnelling works for the SMART project, we are now aware that the use of the conventional slurry TBMs results in ground loss, which is ground movement triggered by over-excavation or changes in soil conditions. We now use Earth Pressure Balance (EPB) – TBMs and Variable Density

(VD) – TBMs to work through highly challenging ground conditions. As a result, we have worked through Kuala Lumpur's various limestone formations without any incident.

To ensure that we will be ready for the next job, we have partnered with a TBM manufacturer, Herrenknecht AG to refurbish and upgrade our existing TBMs. MMC-Gamuda will be spending RM100 million to refurbish all eight TBMs that were used to construct the KVMRT Line 1. Besides restoration and repair, we will also be upgrading the performances of our existing VD-TBMs and converting our EPB-TBMs to VD-TBMs.

For this purpose, MMC-Gamuda has set up a TBM refurbishment plant at Waiko Engineering in Perak last year as part of the MRT Project Offset Programme. The programme serves as a platform to develop high technology in Malaysia through cooperation with foreign contractors and suppliers.

Refurbishment of TBMs at the plant will be conducted by a team of experienced local engineers, supervisors and trained tunnel crew from our tunnelling training academy (TTA). As such, the setup of the plant has created more than 50 local jobs and hired 100 short- to medium-term local vocational technicians throughout the two-year refurbishment programme.

At the plant, 70% of the parts to be used for TBM refurbishment were locally manufactured and almost RM50 million worth of local parts will be procured from the local supply chain. By refurbishing our TBMs locally, it will also help to reduce the tunnelling operation cost.

The use of TBMs has pushed the envelope for green construction on a global scale by enabling the development of underground spaces to increase business and commercial activities within the city centre.



Sustainability Statement

Green Development

For our property division at Gamuda Land, we are seeking to embrace innovations and designs that are in harmony with the surrounding environment. At present, we have adopted eco-friendly principles in all our developments with an aim to achieve the Green Building Index (GBI) for all new and upcoming properties. The target supports our pursuit of minimising our environmental footprint as green-rated buildings are more resource efficient - in terms of energy and materials used, and waste generated - in their construction, operation and maintenance. They are also designed to reduce the emission of toxic substances throughout their life cycle.

To date, two of our development projects – The Robertson and HighPark Suites – have been awarded provisional GBI Gold Ratings. This year, we have been awarded the GBI Silver Rating for Bandar Serai. The awards are in recognition of the features adopted in the projects such as rainwater harvesting, maximised natural lighting and ventilation, as well as the provision of facilities for recycling.

Managing Waste

In our daily operations, we pay special attention to reducing our environmental footprint through concerted efforts at elevating energy efficiency, reducing wastage and recycling materials on a consistent basis.

Within the Gamuda headquarters, all divisions have adopted the “3R” programme that focuses on “Reducing, Reusing and Recycling” materials to manage as well as to conserve resources at the workplace. We have provided dedicated 3R bins for paper, glass and aluminium, and plastics at the lift lobby of each floor in Menara Gamuda, PJ Trade Centre. Waste from the bins will be transferred to a main waste chamber before being collected by an appointed recycling contractor.

As paper accounts for most of the waste that is generated, steps have been taken to reduce wastage whereby, all our employees are encouraged to print on both sides of the paper; reuse used paper for non-crucial printing, internal notes and memos; increase communication via email to minimise printing; and recycle used envelopes for internal mail. Gamudians are also encouraged to use their own food containers whenever dining at the cafeteria in order to reduce and hopefully, eliminate the use of styrofoam boxes.

We organised a talk by the National Solid Waste Management Department (NSWMD) on waste segregation at source for our employees. The slogan for the talk “SEPARATE: IT’S THE RIGHT THING TO DO” was aimed at raising the awareness of our employees on the advantages of waste separation and to encourage them to start separating their waste both at work and home. Some of the key advantages of waste segregation that were highlighted at the talk include making recycling more efficient, reducing landfills and instilling a sense of social responsibility with regard to waste management.

At our project sites, we also ensure that we manage our construction waste in compliance with the Environmental Quality (Scheduled Wastes) Regulation 2005. Towards this end, we consistently ensure that all waste generated from our project site will be transported to the designated disposal site by appointed licensed contractors.

Using Resources Effectively and Efficiently

Water and electricity consumption at our headquarters, Menara Gamuda

Financial Year	2014	2015	2016
Water (m ³)	1,824	1,524	1,571
Electricity (kwh)	238,026	254,803	255,858

Despite the increase in employees, our overall consumption of water at Gamuda headquarters in FY2016 is still much lower than the recorded values in FY2014. This is mainly due to the reduction of water discharge for our cooling tower. We also ensure that there are no water leakages in the pantry and washrooms.

As for our electricity consumption, it is still increasing on a yearly basis but the increment is much lower in FY2016 (0.41%) than FY2015 (7.05%). For the most part, this can be attributed to air-conditioning as our main electricity usage, and the efficient use of air-conditioning. Some of the other initiatives that we have taken to conserve electricity include:

- Setting room thermostated at an average of 24°C in each department.
- Daily practice of late switch-on and early switch-off of air-conditioning at headquarters.
- Reducing the amount of fluorescent lights in the basement car park at night (energy savings of up to 40% in the car park).
- Use of LED lights at Gamuda car park.

In an effort to ensure that we continue to efficiently use water and electricity, we have set our resource KPI to not more than a 5% increase of the yearly average consumption. With determination, we hope to maintain or further advance our resource-use efficiency and move closer towards fully integrating sustainability at Gamuda.

Social Contribution

Aside from our economic and environmental impacts, we recognise that our business also has a strong impact on the lives of our employees and society at large. At Gamuda, our commitment and accountability to both groups are reflected in our efforts to provide a safe and conducive workplace for our employees, and to give the best possible support to our surrounding communities. In the long term, this will help us improve our relationship with both stakeholders and eventually, the viability of the Group as a whole.

Key Highlights

16 Differently-Abled (DA) colleagues and 2 interns for our Project DA

Group employee turnover rate of 8%

3 female members on Board (30%)

Enhanced Women@Work benefits to encourage more women participation in Gamuda

Workplace

As we continue to grow, so do our human capital needs. Therefore, we have intensified our efforts to recruit, train and retain our talent pool in order to support current and future business needs. In our talent capital development, we are guided by Gamuda's philosophy that encompasses a 4R approach to "Recruit, Retain, Replenish and Renew" talent. We strongly believe that nurturing a sustainable and competent workforce will continue to position us as the industry leader in Malaysia and beyond for many years to come.



Gamuda's Integrated Human Capital Development Approach (4R)

Recruit

Talent acquisition is the first step to acquiring the right skills and knowledge to cater to the requirements of the company's various business divisions. While sourcing for experienced talent is important for the advancement of our company, recruiting and grooming young talent to shape them the Gamuda way is our strategy of choice. Our candidates are sourced via popular employment channels such as LinkedIn, JobStreet, newspaper advertisement, career fairs and networking events such as Graduan. We also hire via employee referral programmes as our employees are familiar with our company culture and needs, and therefore, are well suited to recommend candidates for vacancies. In addition, we conduct career talks at institutions of higher learning and work with TalentCorp Malaysia on initiatives such as the Gamuda Graduate Programme (GGP), Gamuda Scholarship and Skim Latihan 1Malaysia (SL1M-Gamuda), which serve as pipeline for the identification and intake of new talent. We also make annual trips to Australia and UK to recruit talents, and for brand awareness.

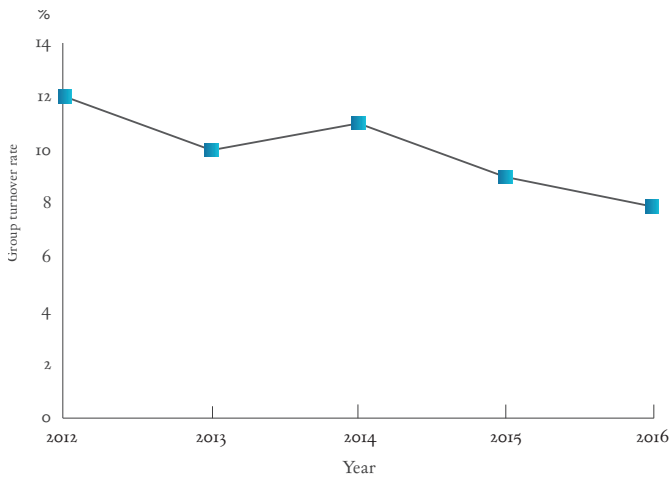
For more information on Talent Capital Development initiatives, please refer to page 122.

Sustainability Statement

Retain

Aside from recruitment, we also place a high value on the contribution of each of our current employees and we continuously work to meet their needs and concerns at the workplace. This includes engaging our employees so that they feel a sense of belonging in the company; motivating them to take ownership of their roles and responsibilities; respecting the need for balanced work-life integration; and providing for their well-being.

As testimony of our commitment to our employees, our annual overall turnover rate has been on a declining trend since 2012. Our Group turnover rate was at a five-year low at approximately 8% in FY2016, this was considered to be one of the lowest in the industry. One of the main reasons for this success is our commitment towards the creation of a harmonious work culture premised on a simple word: 'Community'. This represents our core employee value proposition, which we hold true in all our endeavours.



Gamuda annual turnover rate (2012-2016)

Employee Engagement

Open and honest two-way communication is one of the core values at Gamuda. As such, we constantly engage our top management and employees to cater to their needs and concerns, as well as to improve camaraderie and reinforce a sense of unity among employees across all levels. Senior management often meets with employees through one-on-one sessions and town hall dialogues to discuss key issues.

Gamuda Hub, a group-wide intranet, has also been strategically designed to facilitate open communication across the entire company. The site serves as a one-stop resource centre for Gamudians to connect with each other based on common and professional interests, as well as to get updates on the latest developments of the Group.

Gamuda Hub	Year
	2016
Average monthly visitors	1,471

Competitive Remuneration and Attractive Benefits

In the construction industry, Gamuda is known to offer some of the best remuneration and compensation packages. Gamuda employees who occupy top or specialised roles receive top quartile remuneration benefits while fresh graduates, as well as those who provide general and support skills are often offered some of the highest salaries benchmarked within the industry.

Gamuda employees are also provided with a range of pro-health, relevant, flexible and innovative benefit scheme designed to meet a wide spectrum of their needs. At the same time, the benefits framework serves to promote a more egalitarian workplace with reduced gaps between levels.

Work-Life Integration

There has been a significant shift in the work-life environment where employees are looking for work-life integration. We have been actively working to offer a range of Flexi-Wellness Benefits designed for optimal work-life integration, and personal effectiveness, which in turn inspires our people to contribute optimally to the Group.

Work-Life Integration	
Flexi-Wellness Benefits	All employees
Flexi Work Arrangement (FWA)	51 employees
Gamuda Long Service Awards 2016	Total: 219 10 years – 85 15 years – 47 20 years – 70 25 years – 15 35 years – 2

Total number of employees who applied for parental leave	
a. Male	Jan – Aug 2016 Paternity leave: 24
b. Female	Jan – Aug 2016 Childcare leave: 45 Maternity leave: 28

Flexi-Wellness

At Gamuda, employees are encouraged to adopt a healthy lifestyle where they are allowed to claim annual medical entitlements and to enrol for activities that promote holistic wellness. These include gym, swimming and martial arts classes, golf lessons, yoga, as well as music or art lessons. In 2016, we have enhanced our Flexi-Wellness scheme by making some positive changes to our existing outpatient medical treatment and optical benefits. Employees are now able to make claims for medical expenses for their elderly parents (applies to employees without dependents/unmarried) and vision correction treatment via LASIK (Laser Eye Surgery).

Flexi-Work Arrangement (FWA)

FWA allows for employees, who have served Gamuda for a minimum of two years, to adopt a staggered working hour structure, and to be flexible about where they work and the total number of hours worked. This scheme was put in place to ensure that our employees are able to meet the demands of both work and family. Employees who wish to adopt this scheme are required to discuss their options with respective line managers.

Flexible-Retirement Plans

The national official retirement age, in compliance with the Minimum Retirement Age Act 2012, is set at 60. However, Gamudians are provided with a flexible retirement plan, whereby they can opt for early retirement at ages 50 and 55. As a gesture of appreciation to our retiring employees, Gamuda offers tax-free retirement benefits based on the number of years served.

Employee Welfare

The Group Hospitalisation and Surgical (GHS) scheme was improved in FY2016.

Current	What's New?
Annual limit (GHS policy) RM60,000 to RM80,000	Total Protection RM120,000 to RM160,000

Further improvements were also made to Group Term Life (GTL) insurance coverage.

Current	What's New?
Existing employees who have exceeded the age limit of 70 cannot be covered under GTL (e.g. not accepted by insurance company).	Existing employees aged above 70 and cannot be covered under GTL will be directly covered by the company.

In addition to the Flexi-Wellness Benefits, employees at Gamuda are also entitled to a range of perks to help them deal with the rising cost of living and to encourage continuous learning among Gamudians. One such perk is the financial assistance schemes – encompassing study loans and non-paid leave – for employees who wish to further their education in order to enhance their careers.

Sustainability Statement

Additionally, employees are given a 50% reimbursement on their monthly toll expenses incurred at highways such as the LDP, SAE, SPRINT, and SMART.

This year, we have also enhanced some of our existing employee benefits as can be seen with the increment of pre- and post-natal expenses claims up to RM2,000 per confinement for our employees, as well as claims of up to RM100 for employees' handphone expenses and parking fees, respectively.

Gamuda Long Service Awards

Gamuda recognises that the success of the company is due to the dedication, sacrifice and contributions of our employees through the decades. As a gesture of appreciation, loyal employees who have served Gamuda for at least a decade will be awarded the Gamuda Long Service Award during the annual Gamuda Awards Night. The awards also serve to inspire Gamudians to stay motivated and to grow with the company. Every year, approximately 200 employees are conferred the awards and this serves as an indication of our employees' satisfaction with the Group.

Gamuda Sports Club

The sports club serves as an avenue for Gamuda employees to adopt a healthy lifestyle, and to network or build relationships with each other regardless of levels and divisions. All Gamudians are default members of the sports club and they can choose a variety of sports to participate in, from badminton, futsal and bowling to paintball, golf and basketball.

The club also organises exciting annual trips and social activities for Gamudians on an annual basis. This year, we organised annual trips, weekend trips, as well as trips to Kenyir Lake, Terengganu and Royal Belum Rainforest, Perak for our employees. Some of the social activities also include charitable events to give back to society. We encourage these activities among our employees as it helps to promote camaraderie and team spirit among Gamudians.

KVMRT Centralised Labour Quarters (CLQ)

Gamuda's care for well-being extends beyond its own employees whereby contractors employed by us are also taken care of. Gamuda pays special attention to this as we recognise that most of our construction workers are from countries like Indonesia, Bangladesh, Myanmar, India, Nepal, Pakistan and Vietnam. Therefore, we go the extra mile to ensure their safety and comfort, providing them with a conducive living environment.

The MMC Gamuda JV has invested and built four Centralised Labour Quarters (CLQs) that can accommodate approximately 10,000 KVMRT Line 1 workers. The CLQs are installed with proper washrooms, laundry facilities, sports courts, medical and first aid facilities, a television room, mini-market, cafeteria, mini-kitchens, and a surau (prayer hall). In total, the construction cost for all four CLQs located in Sg. Buloh, Cochrane, Cheras and Kajang is RM100 million.

We believe that this has nurtured a sense of belonging and security among the workers. This, in turn, creates a positive attitude towards their job and plays a crucial role in ensuring successful delivery of the KVMRT project.



Replenish

We place great value on diversity and aim to create a vibrant workforce where different skillsets and capabilities are valued. We have been working on strengthening our gender and racial diversity as well as our hiring process to ensure that we provide equal opportunities for employment.

Women@Work

In May 2016, the Malaysian 30% Club was launched as an initiative to triple the percentage of women on companies’ boards to 30% by 2016 and achieve better gender balances at all levels of an organisation. The initiative is a collaboration between PEMANDU (Performance Management & Delivery Unit, Prime Minister’s Department), Bursa Malaysia (Malaysia Stock Exchange), and the Ministry of Women, Family and Community Development. In tandem with the Government’s initiative of the Malaysian 30% Club, Gamuda’s talent growth strategy encompasses an approach that encourages and supports women participation in the workforce. We aim to provide a supportive environment for our female employees to reach their full potential in their career and family life. As of 2016, women make up about 36% of Gamuda’s workforce and we have also achieved our target of having 30% female participation on Board with our three female Board members. This year, we made a conscious effort to further support our female employees by enhancing the benefits package for them, which includes:

- **Childcare subsidies** – RM120 is provided to cover the cost of childcare services (for all female employees with pre-school child below seven or disabled child below 18).
- **Childcare leave** – Up to 5 days (maximum 10 days per annum) of paid leave per admission to hospital or deemed hospitalised can be given to mothers.
- **Extended maternity leave** – Female employees enjoy 90 days of maternity leave with full pay. Additionally, employees, if required and subject to approval, may apply to extend up to another 3 months on a no pay basis, allowing for a total maternity leave duration of 6 months.
- **Support facilities** – As of end 2014, we provide stork parking facility for expecting mothers in the office car park, a nursing room and a crèche for young children at our headquarters. The crèche along with other family-friendly facilities at Gamuda was set up by a committee consisting of four working mothers.
- **Others** – We also provide additional pre-post natal support; vaccination for young children’ and family hospitalisation insurance on a co-sharing basis.

We have also gone the extra mile by identifying high potential female employees and tailor-made their career plans for advancement within the Group.

The crèche at our headquarters, which is open to both Gamudians and members of the public, is a full-fledged nursery and kindergarten for children between 3 months old and 6 years old. On a daily basis, the crèche opens early and has long operating



hours to help meet the needs of working parents. To further assist our employees in fulfilling family obligations, we have also provided them a 20% rebate for signing up at the crèche. Overall, the crèche has been very well received particularly by Gamudians, whose children account for 80% of the total children there.

Employee Composition

Employee composition by race	Year
	2016
Bumiputera	61%
Non-Bumiputera	39%

Employee composition by gender	Year
	2016
Male	64%
Female	36%

Employee composition by age group	Year
	2016
Below 25	11%
25 to less than 35	40%
35 to less than 45	27%
45 to less than 55	16%
55 to less than 60	4%
60 and above	2%

Project Differently-Abled (DA)

Gamuda’s Project DA stemmed from a passion to go the extra mile and to engage individuals with different abilities in the hope of giving them an opportunity to be part of the national work force.

For more information on Project DA, please refer to page 126



Sustainability Statement

Renew

By “renew”, we refer to our commitment in providing an environment for our employees to enhance their skills and knowledge in the industry, which will not only project personal growth but also the company’s growth as a whole. Gamuda is in a unique position to allow for such career advancement given the breadth and depth of our business operations.

Our career development strategy consists of a three-pronged strategy, namely: 70% on on-the-job (OTJ) training, 20% mentoring and guided learning, and 10% formal training. All employees are required to plan their career development with their respective supervisors or managers via regular meetings to identify their key strengths, aspiration and career goals.

In 2015, Gamuda established a Management Development Centre (MDC) to oversee all activities related to employee career development such as training and development programmes encompassing OTJ training, coaching, mentoring, as well as formal training.

For more information on our training and skill development units such as Gamuda Learning Centre (GLC) and Construction Training Unit (CTU), please refer to page 124.

By “renew”, we also mean renewing our culture and values to ensure that our business growth is always founded on a bedrock of strong values and a culture that stays relevant and responsive to the changing social environment.

Quality, Safety, Health and Environment (QSHE)

The safety of our employees and contractors is always our number one priority. One of our first missions was to put in place a robust health and safety framework, which led to Gamuda’s successful acquisition of OHSAS 18001 and MS 1722 certifications by SIRIM in January 2008. Since then, we have continuously worked on improving our QSHE management system, and it is updated regularly to ensure that we maintain the highest standards in the industry

While our QSHE department is responsible for the management of all QSHE matters, we believe that safety is everyone’s responsibility. Thus, we invest considerably in creating a safety-conscious environment where all our employees are fully equipped with the knowledge and skills to ensure their own safety, as well as the safety of others at all times.

QSHE Policy Statement

Gamuda’s QSHE Policy outlines the Group’s commitment to continuously improve the sustainability of our operations by providing high-quality, cost-effective, reliable, safe and environment-friendly services.

We strive to:

- understand and consistently respond to the needs and expectations of our customers;
- manage our products and services systematically to enhance our shareholder value;
- develop and inculcate a self-regulating mindset among all employees to adhere to our QSHE Management System, which in turn contributes towards attainment of the Group’s objectives;
- continually improve our QSHE processes that facilitate the effective management and control of these areas;
- prevent negative environmental impacts through the proper and effective management of resources;
- identify and comply with the relevant safety and health, and environmental legislations and regulations; and
- provide appropriate training to our employees and other related parties to improve awareness and knowledge of these requirements.

Certification

In our pursuit to provide a safe and healthy work environment, while maintaining an environmentally responsible approach to our businesses, we have put in place an effective management system that is certified by international and local bodies. Our effort is reflected in the achievement of various international and national certifications such as ISO 9001, ISO 14001, OHSAS 18001 and MS 1722.

The following is a list of certifications achieved by the registered companies under Gamuda:

- Gamuda Berhad and Gamuda Engineering Sdn Bhd – ISO 9001:2008, OHSAS 18001:2007, MS 1722:2005, ISO 14001:2004
- MMC Gamuda KVMRT (T) Sdn Bhd – ISO 9001:2008
- Lingkaran Trans Kota Holdings Berhad (LITRAK) – ISO 9001:2008
- Kesas Sdn Bhd – ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007
- G.B. Kuari Sdn Bhd – ISO 9001:2008
- Megah Sewa Sdn Bhd – ISO 9001:2008
- Gamuda Land (Hicom-Gamuda Development Sdn Bhd, Valencia Development Sdn Bhd, Harum Intisari Sdn Bhd) – ISO 9001:2008
- Gamuda Land (Horizon Hills Development Sdn Bhd) – ISO 9001:2008
- Masterpave Sdn Bhd – MS 9001:2008

Management and Leadership Commitment

Gamuda’s top management has an uncompromising stand on QSHE matters and strict compliance to QSHE practices and standards are expected from all staff. Reviews are conducted annually on our QSHE performance and actions taken to rectify identified issues or improve our QSHE management system.

The culture and strategy of Gamuda’s safety and health management practice includes the following:

- Strong commitment and leadership from top management in spearheading safety and health at work.
- Empower middle management to ensure relevant safety and health procedures are implemented.
- Encourage all employees to participate in and sustain safety and health activities.
- Drive behavioural change, enhance awareness, knowledge and skills via training programmes.
- Adopt a holistic and proactive risk management approach at all levels at headquarters and project sites.

Safety and Health Initiatives

In order to promote and strengthen the QSHE culture among Gamudians, we have taken various initiatives such as:

- Gamuda Wellness Campaign – programmes aimed at promoting the wellness of employees. Various wellness, health and safety related activities are carried out during the campaign.
- Continuous training and campaigns at headquarters and project sites to promote behavioural-based practices in safety such as work-at-height, lifting operations, scaffolding, temporary works, electrical safety and risk assessment.
- SHE Reward Programme – an existing programme further enhanced with the inclusion of 5S elements (Sort, Set in Order, Shine, Standardise and Sustain), in the workplace inspection criteria to ensure SHE compliance.



- QSHE knowledge sharing – e-Library and Messenger (newsletter) serve as online or physical knowledge-sharing channels for all Gamudians. QSHE e-library aims at sharing knowledge and lessons learnt from past experiences to improve our techniques and processes in future undertakings. The library is an essential collection that includes valuable online documents prepared by our experienced staff from past and current projects, local and international construction standards, best practice guidelines, legal and other regulatory requirements. It is accessible by all our employees as a ready source of reference, anytime anywhere within our facilities.
- Building Safety Certification Scheme – a mandatory passport programme implemented at all our building construction sites aimed at enhancing safety and health knowledge and awareness of all personnel at site.
- Lessons learnt workshop – a periodic event aimed at sharing lessons learnt and best practices from various project sites for continuous improvement.
- Independent inspection by HQ QSHE team at building construction sites to gauge effectiveness of QSHE measures at site.
- Setting of key performance indicator (KPI) for QSHE for all our building construction sites to measure QSHE performance on a monthly basis and report to top management.
- Safety task force at project sites to closely monitor and report on safety and health violations.
- Development of training centres, working closely with authorities like CIDB and National Institute of Occupational Safety and Health (NIOSH).

Apart from the listed initiatives, Gamuda also places great emphasis on emergency preparedness. We are continuously working to identify potential emergencies, and we conduct training and drills to ensure that we will be prepared to handle any eventuality. Some of the training that we have conducted include flashover training, fire, rescue from confined space, deep shaft rescue, works train derailment and suspended rescue.

Safety Programmes for MRT Workers

QSHE is paramount in the KVMRT project as it traverses high-density populated areas and involves high-risk heavy civil engineering works. We ensure that works are carried out in compliance with international standards and practices. To date, approximately 17,000 workers have been provided with classroom and on-the-job training. Towards this end, Gamuda has taken various initiatives to inculcate safety awareness among workers such as:

- Construction Design Management – reduce risk and continuous assessment via Gate Review Process.
- Specifications and Contractual Knowledge – enforce higher standard of work and workplace practices.
- SHE Performance Scheme – a two-pronged approach where bonus will be given to WPCs and there will be deductions in contract payments of WPCs whose performance does not meet the threshold.
- KVMRT Safety Passport Scheme – ensures that all workers in the KVMRT project will undergo the required training before they are allowed to work. This will be implemented in the construction of the KVMRT Line 2 project and thus, an estimated total of 20,270 KVMRT Line 2 workers will be

Key Initiatives	1	2	3	4	5	6	7	8	9
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Sustainability Statement

targeted for the scheme. Aside from the KVMRT site workers, the senior management team for the project are required to attend the scheme as well.

- Master Trainer Programme – 15-day rigorous training courses that include Lifting Operations Training as well as Scaffolding and Temporary Works Training, and a 5-day ‘Train the Trainer’ programme to produce PDP master trainers, WPC master trainers, trainers and assessors. This programme aims to produce Master Trainer and trainers/ assessors, who in turn will train and prepare all workers on site for the delivery of the KVMRT Line 2 project.
- Signing of a Memorandum of Understanding (MoU) between MMC-Gamuda, CIDB Holdings, MRT Corp and NIOSH to enhance skills and competencies of all workers involved in the KVMRT project and, to develop new occupational, safety and health standards as well as guidelines for the project.

Safety and Health Performance

As a testament to our commitment towards safety and health at the work site, Gamuda along with our partner MMC achieved a Five Star Rating for Safety and Health Best Practices from DOSH Malaysia for the Tun Razak Exchange MRT Station in FY2016.

Continual Improvement

To gauge the effectiveness and to explore opportunities for improvement of our QSHE policies, our management system is being audited by SIRIM on a yearly basis. We continue to strive to maintain an excellent safety scorecard and ensure that all our QSHE targets are met.

Community Development

We are aware that our business and organisation as a whole is interconnected with our surrounding communities. As such, we are not only committed towards nation building via infrastructure and property development but we also pay special attention to giving back to society through various programmes. We believe that such initiatives are some of the best ways to empower and create long-lasting relationships with society. Ultimately, we hope that our efforts will assist in uplifting the lives of their families and communities, as well as narrow the gap between the marginalised and mainstream society.

Empowerment through Education

The Gamuda Scholarship Awards serve as the main instrument for Gamuda to promote higher education among young deserving Malaysian students. The scholarships also provide an excellent opportunity for young Malaysians to develop a rewarding career in the construction industry.

In our pursuit of building a knowledgeable and sustainable workforce for our nation, we have offered various training programmes to Malaysian youth with a focus on rail construction and tunnelling. Towards this end, we have set up training centres such as the KVMRT Training Centre, GPOS and CTC. To improve the employability of young Malaysians, especially those in rural areas or low-income families, we have been actively participating in the Government’s SLIM programme since 2011.

While these initiatives will contribute greatly to the construction industry, to the benefit of the nation and Gamuda, they will also serve to provide lifelong skills and knowledge to Malaysians, and uplift the lives of their families and communities.

School Outreach Programme

In 2016, Gamuda Engineering embarked on the School Outreach Programme to reach out to secondary school students in the Klang Valley. The programme aims to promote interest in science, technology, engineering and mathematics (STEM) among the students as well as to encourage them towards a choice in STEM-related courses in their tertiary education.

This programme ran for four months from April 2016 to July 2016 and received positive response from both teachers and students alike. In total, the programme reached eight schools in the Klang Valley and benefited 1,229 students:

Date	Schools	Total Attendance
13 April 2016	SMK Bandar Utama	130
14 April 2016	SMK Convent Bukit Nanas	150
15 April 2016	SMK Convent Jalan Peel	112
29 April 2016	SMK Cochrane	115
4 May 2016	SMJK (C) Chung Hwa	172
23 May 2016	SMK Jinjang	100
24 May 2016	SM Sains Alam Shah	160
20 July 2016	SM Teknik Cheras	290

Community Participation

Besides contributing to the community, we also encourage community participation in our projects. For our KVMRT project, we developed a bench design competition for the seven underground stations along Line 1. Each station had a designated theme and participants were required to design the benches accordingly. A total of 133 designs from 19 higher learning institutes around the country were submitted. After an initial round of screening by the judging committee (industry experts and senior management team from MRT Corp and MMC-Gamuda), 21 designs made it to the finals and were then put up for public voting. Winning bench designs will then be adapted and installed in the selected stations of the underground KVMRT Line 1 stations.

As for our townships, we collaborated with the Shah Alam City Council (MBSA) and ECO Warriors in November 2015 to plant trees in the Taman Tasik Kota Kemuning Park. On that day, more than 250 Gamudians and their family members, as well as almost 90 local community members planted over 1,000 trees. To promote species diversity, we included many trees that thrive in urban areas such as Bucida (*Pokok Teduh*), White Mussaenda (*Pokok Bunga Janda Kaya*), Cassia (*Kasia Kuning*) and Tecoma (*Sakura Malaysia*). Tree planting programmes are beneficial as trees not only provide carbon reduction benefits but also aid in the conservation of biodiversity.

In our efforts to conserve the environment, Gamuda in association with Persatuan Kebajikan Nelayan-nelayan Pantai Pulau Pinang also conducted a mangrove planting programme at Sg. Acheh, Nibong Tebal Pulau Pinang where 500 mangrove trees were planted.



EPIC Homes

In partnership with EPIC Homes organisation, Gamuda gathered a group of volunteers to build new homes for identified disadvantaged indigenous families. This initiative also allows Gamuda employees to develop genuine relationships with the larger community.

In FY2016, we gathered 35 Gamuda employees to build a new home for a family of 2 adults and 3 children in Kampung Orang Asli Serendah, Selangor, who used to live in a dilapidated shed by the riverbank. Previously, their home would be flooded when it rained and was overall, a non-conducive environment for their family especially for young children. Through EPIC Homes, we helped to lift the burden of Erman, the head of the family, by building a new home of 6 modules: 3 bedrooms, a living area, a kitchen and a foyer for his family. Erman can now focus on providing for his family in terms of food and education while knowing that his family can be raised in a safe environment.

In FY2017, we will aim to venture into other initiatives where we can further enrich the lives of other needy communities and to foster long-term relationships with them.

DiB Coffees of Hawaii

DiB Coffees of Hawaii is a unique community business project for the hearing-impaired. Located at Menara Gamuda, it is a gourmet coffee chain in Malaysia that is fully operated by the hearing-impaired. All employees at the DiB outlets are guided and trained by specialist hearing coaches.



SECTION 7

Corporate Governance & Accountability



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— The Board of Directors
(“Board”) of Gamuda Berhad
(“Gamuda” or “Company”) is committed to maintaining a high standard of corporate governance practices within Gamuda and its subsidiary companies (“Group”) and devotes considerable effort to identify and formalise best practices.

We believe that sound and effective corporate practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and stakeholders, and enhance shareholder value.

This statement relates to the Malaysian Code on Corporate Governance 2012 (“Code”) published by the Securities Commission. The Code can be found at www.sc.com.my and this Statement in the Gamuda corporate website at www.gamuda.com.my.

COMPLIANCE

Comprehensive guidelines, policies and procedures have been formulated by the Board in support of the Group's corporate governance framework, including the "Directors' Handbook", "Directors' Code of Conduct", "Corporate Disclosure Policy", "Whistleblowing Policy", "Diversity Policy" and the terms of reference for various board committees. These documents are reviewed regularly by the Board and the relevant board committees, and are updated in line with the amendments of applicable legislations and rules as well as current market practices.

The Board will continuously evaluate the status of the Group's corporate governance practices and procedures with a view to adopt and implement best practices relevant to the Group, bearing in mind the nature of the Group's businesses and the size of its business operations.

The Board is pleased to disclose below how the Group has applied the principles set out in the Code to its particular circumstances, having regard to the recommendations stated under each principle and governance standards prescribed and the provisions of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the extent to which it has complied with the principles and recommendations under the Code for the financial year ended 31 July 2016. The Group has also identified any recommendations under the Code which were not followed and provides reasons for these.

LEADERSHIP

The role of the Board

The primary role of the Board is to protect and enhance long-term shareholder value. The Board also sets the overall strategy for the Group, supervises executive management and ensures that good corporate governance policies and practices are implemented within the Group. In the course of discharging its duties, the Board acts in good faith, with due diligence and care, and in the best interests of the Company and its shareholders.

A framework of delegated authority is in place, consistent with the structure of delegation below the Board level. The Board reserves to itself certain key matters to approve, including the Group's strategic plans, major capital expenditure, corporate governance issues, dividend policy and external financial reporting. The Board delegates responsibility for the day-to-day operation of the business to the Executive Directors and recognises its responsibility for ensuring that the Company operates within a framework of prudent and effective controls.

Board Composition and Balance

There was no change in the Board's composition during the financial year under review except for the appointment of Puan Nazli binti Mohd Khir Johari as an Independent Director of Gamuda on 7 March 2016 to replace YBhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain who retired at the Thirty-Ninth ("39th") Annual General Meeting ("AGM") of the Company held on 7 December 2015.

As of the date of this statement, the Board comprises one (1) Group Managing Director, one (1) Deputy Group Managing Director, three (3) Executive Directors and a significant presence of four (4) Non-Executive Directors of whom three (3) are Independent Directors. The biographical details of the Directors are set out in the Profile of Board section of this annual report. An updated list of the Directors of the Company, their respective roles and functions, and their biographical details is maintained on the Company website.

Hence, the Company fully complies with the provisions of the Listing Requirements of Bursa Securities for independent non-executive directors to make up at least one third (1/3rd) of the Board membership and for a director who is qualified under Paragraph 15.09 (1) (c) of the Listing Requirements of Bursa Securities to sit on the Audit Committee.

Independent/Non-Executive/Executive Directors	
Executive	5
Non-Executive	1
Independent Director	3

The Board is satisfied that the current composition, with a balance mix of executive and non-executive members, does fairly represent the interest of the majority and minority shareholders in the Company. The current Board brings with it a broad range of business, financial, technical and public service background. This balance enables the Board to provide clear and effective leadership to the Group and bring informed and independent judgement to many aspects of the Group's strategy and performance. Furthermore, the current number of Board members is conducive for efficient deliberations at Board meetings and effective conduct of Board decision-making.

Roles of the Chairman and Group Managing Director

There is a clear division of responsibilities at the helm of the Company to ensure a balance of authority and power as the roles of the Chairman and the Group Managing Director are distinct and separate.

The Chairman of the Company is an independent non-executive Director who provides effective oversight of the Management and reflects the Company's commitment to uphold corporate governance. The division of responsibilities between the Chairman and the Group Managing Director is clearly established and agreed by the Board; this can be summarised as follows:-

Corporate Governance & Accountability	1	2	3	4	5	6	7	8	9
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Corporate Governance Statement

Chairman (YBhg Dato' Mohammed Hussein):-

- Leads the Board and ensures it is effective in its role and governance of the Board.
- Chairs the orderly conduct of meetings and facilitates discussions of all agenda items, in particular strategic issues and matters between the Board and investors.
- Promotes a culture of openness and debate by facilitating effective contributions of Independent Directors, and constructive relationships between Executive, Non-Executive and Independent Directors.
- Ensures that the Directors receive accurate and clear information on time.

Group Managing Director (YBhg Dato' Lin Yun Ling):-

- Manages the day-to-day business operations of the Group and ensures that appropriate standards of corporate governance permeate throughout the organisation.
- Recommends key strategies/policies and implements those agreed/approved by the Board, plans the future direction of the Group and delegates decision-making and responsibilities accordingly.
- Acts as the Group's official spokesperson and manages communication with shareholders and employees.
- Takes a leading role in establishing relationships with all external agencies and in promoting the Gamuda Group.

Senior Independent Director

The Group has complied throughout the financial year with the best practices of the Code except in the identification of a Senior Independent Non-Executive Director. Given the current composition of the Board which separates the roles of the Chairman and the Group Managing Director, the Board does not consider it necessary at this juncture to identify a Senior Independent Non-Executive

Director as the Board Chairman promotes an open environment for deliberation and ensures that Board meetings are conducted in a manner that allows Non-Executive Directors to participate in meaningful and active discussion. Furthermore, any concerns from the Company shareholders can be easily brought to the attention of the Board via the Company Secretaries.

Independence of Board

The Independent Non-Executive Directors play a crucial role of bringing objectivity to the decisions made by the Board. They provide independent judgement, experience and objectivity without being subordinated to operational considerations. They help to ensure that the interests of all stakeholders are taken into account and relevant issues are subjected to objective and impartial consideration by the Board.

The balance and independence of the Board is kept under review by the Nomination Committee of the Company.

The Code recommends that the length of tenure is a factor to consider when determining independence. The Board is mindful of the recommendation of the Code on limiting the tenure of independent directors to nine (9) years of service irrespective of whether it is a consecutive service of nine (9) years or a cumulative service of nine (9) years with intervals. The table shows the length of tenure of each of its Independent Director and it can be seen that none of the Independent Directors' tenure has exceeded a cumulative term of nine (9) years.

Length of tenure of Independent Directors	
4 – 6 years	1
0 – 3 years	2

The Board assesses the independence of its Independent Directors through a Self-Assessment of Independence of Independent Directors under the annual Board evaluation process. The assessment of independence is based on the criteria prescribed under the Listing Requirements and the Corporate Governance Guide issued by Bursa Malaysia Berhad.

During the financial year, none of the Independent Directors disclosed any relationships and/or transactions that could materially interfered with their independent judgements and decisions. The Board was satisfied with the level of independence demonstrated by all Independent Directors.

Board Diversity

The Board acknowledges the importance of diversity in its membership, including gender, ethnicity and age, and strives to maintain the right balance for effective functioning of the Board.

The Board also takes cognisance of the recommendation of the Code and by the Malaysian Government to have at least 30% women decision-makers in the corporate sector as promulgated by the Cabinet in 2011. This has then been highlighted again in the Corporate Governance Blueprint 2011 – Towards Excellence in Corporate Governance issued by the Securities Commission, Malaysia which has stipulated a goal for women participation on boards to reach 30% by 2016.

Recognising the benefits of diversity in its broad spectrum, the Board has adopted a Diversity Policy on 28 September 2016. With the appointment of Puan Nazli binti Mohd Khir Johari as an Independent Director of the Company on 7 March 2016, the Company has achieved the requirement for 30% women participation on Board.

The Company Directors are professionals in the fields of construction & engineering, finance, accounting, legal and toll infrastructure and senior public administration. Together, they bring a wide range of competencies, capabilities, technical skills and relevant business experience to ensure that the Group continues to be a competitive leader within its diverse industry segments with a strong reputation for technical and professional competence.

In evaluating candidates for appointment to the Board, the Nomination Committee and the Board evaluates and matches the criteria of the candidate based on experience, skills, competencies, knowledge, potential contributions and boardroom diversity (including gender, ethnicity and age).

The current board composition in terms of each of the Director's industry and/or background experience, age and ethnic composition is as follows:

Directors	Industry/ Background Experience					Age Composition			Ethnic Composition		Gender	
	Construction & Engineering	Public Services	Banking	Accounting/ Finance	Legal	40 to 49 years	50 to 59 years	60 to 69 years	Bumiputera	Non-bumiputera	Male	Female
YBhg Dato' Mohammed Hussein			✓					✓	✓		✓	
YBhg Dato' Lin Yun Ling	✓							✓		✓	✓	
YBhg Dato' Ir Ha Tiing Tai	✓							✓		✓	✓	
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah					✓		✓		✓			✓
YBhg Dato' Haji Azmi bin Mat Nor	✓	✓					✓		✓		✓	
YBhg Dato' Goon Heng Wah	✓							✓		✓	✓	
Mr. Saw Wah Theng				✓			✓			✓	✓	
YM Tunku Afwida binti Tunku A.Malek			✓	✓			✓		✓			✓
Puan Nazli binti Mohd Khir Johari	✓			✓				✓	✓			✓

The profile of the Board members are set out on pages 54 to 66 of this Annual Report.

Corporate Governance Statement

EFFECTIVENESS

Board charter

The Board articulates its roles and responsibilities in its Directors' Handbook, and describes those areas reserved for the Board's determination. The Board had adopted the Directors' Manual in 2002.

The Directors' Handbook specifies how Gamuda and the Group are governed, including Board roles and responsibilities, membership and operations, and decision-making structures, so as to promote Gamuda and protect the interests of shareholders.

The Board believes that the Directors' Handbook effectively encapsulates the essence of the suggested contents of a Board charter. The Handbook sets out the roles, duties and responsibilities of the Company Directors and the broader issues of Directors' ethics, amongst others, collectively with the various policies, procedures and practices that have been in place for a long time, the Articles of Association of the Company, and statutory and regulatory requirements.

Board appointments

The Board, through the Nomination Committee, reviews the suitability of an individual to be appointed to the Board based on his/her skills, expertise, background, experience and boardroom diversity (including gender, ethnicity and age). The decision as to who shall be nominated remains the responsibility of the full Board after considering the recommendations of the Nomination Committee.

Following the appointment, new Director(s) are briefed on the Company and Group's businesses, operations and management level to facilitate better overall understanding.

The Company Secretaries then ensures that all appointments are properly made, all the necessary information is obtained as well as all legal and regulatory obligations are met.

Re-election of Directors

The Articles of Association of the Company provides for all Directors to retire from office at least once every three (3) years at each AGM in line with the Listing Requirements. Each retiring Director is eligible for re-election. In addition, one third (1/3) of the Board, including the Group Managing Director, shall retire by rotation and shall be eligible for re-election at each AGM of the Company. This provides an opportunity for the Company's shareholders to renew their mandate. The said Articles of Association also provide that a Director appointed by the Board during the financial year shall be subjected to re-election at the AGM following his/her appointment.

Retiring Directors who are seeking re-election are subject to Directors' assessment overseen by the Nomination Committee. The Board, on the recommendation of the Nomination Committee, makes a determination as to whether it will endorse a retiring Director for re-election and/or re-appointment.

Upon the recommendations of the Nomination Committee, the Board has confirmed that the following Directors standing for re-election at this year's 40th AGM continue to perform effectively and demonstrate commitment to their roles:

- a. YBhg Dato' Lin Yun Ling retiring pursuant to Article 95 of the Articles of Association of the Company;
- b. YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah, retiring pursuant to Article 95 of the Articles of Association of the Company;
- c. YM Tunku Afwida binti Tunku A.Malek, retiring pursuant to Article 95 of the Articles of Association of the Company;
- d. Puan Nazli binti Mohd Khir Johari, retiring pursuant to Article 101 of the Articles of Association of the Company.

As a policy, the Board itself would also assess, evaluate and determine the independence of an Independent Director when he is due for retirement and/or re-appointment at the AGM of the Company.

Pursuant to Section 129 (6) of the Companies Act, 1965 ("Act"), Directors who reached the age of 70 years are required to retire at every AGM and may offer themselves for re-appointment to hold office until the next AGM. Nonetheless, the Board has established a policy that the mandatory retirement age of Directors shall be 75 years.

Board meetings and supply of information

Board Meetings are scheduled to be held regularly, at least four (4) times in a financial year with sufficient notice given for all Board Meetings of issues to be discussed. Additional Board Meetings may be called as and when significant issues arise and which require the Board's decision. The dates for Board Meetings for the ensuing financial year are scheduled well in advance and the Board has formal schedule of matters specifically reserved for the Board's discussion and/or approval. The schedule ensures that the direction and control of the Group are in the hands of the Board.

During the financial year ended 31 July 2016, the Board had met four (4) times whereby all Directors complied with the requirements in respect of Board Meeting attendance. This is as follows:

Name of Director	Number of Board Meetings	
	Held (during tenure)	Attended
YBhg Dato' Mohammed Hussein	4	4
YBhg Dato' Lin Yun Ling	4	3
YBhg Dato' Ir Ha Tiing Tai	4	4
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	4	4
YBhg Dato' Haji Azmi bin Mat Nor	4	4
YBhg Dato' Goon Heng Wah	4	4
Mr. Saw Wah Theng	4	4
YM Tunku Afwida binti Tunku A.Malek	4	4
Puan Nazli binti Mohd Khir Johari ^(Note 1)	2	2
YBhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain ^(Note 2)	1	1

Note 1:-
Appointed as Independent Director on 7 March 2016

Note 2:-
Retired as Independent Director on 7 December 2015

All issues discussed and all decisions made during the Board Meetings are properly recorded by the Company Secretaries and reviewed by the Board for completeness and accuracy. The minutes of Board Meetings are circulated to all Directors for their perusal prior to the confirmation of the minutes by the Chairman of the meetings; this is done at the commencement of the following Board Meeting. Senior Management staff members usually attend Board Meetings for the purpose of briefing the Board on various matters submitted for their consideration.

In between Board Meetings, approvals on matters requiring the sanction of the Board are sought by way of circular resolutions with attached relevant information to enable the Board to make informed decisions. All circular resolutions approved by the Board are tabled for notation and confirmation at the next Board Meeting.

Notices of meetings setting out the agenda, and the relevant Board papers in particular, financial information are promptly provided to all Directors for their reviews in a timely manner prior to meetings. Management presentations are given by the Management to facilitate proper consideration and debate of matters brought before the Board. Progress on key initiatives is reported regularly and documented together with routine matters such as financial performance and current progress of projects and operations in each of the Group's business activities. This enables the Board to make informed decisions on corporate and business issues

under consideration. When the Directors are unable to attend a meeting, they are advised to make their views known, if any, to the Chairman prior to the meeting.

More details affecting business units, ground operations, strategies and performances are usually presented and discussed at the Board Meetings. This includes specific matters reserved for the full Board's decision such as key corporate strategies and plan involving acquisitions and disposals of material assets, major investment decisions affecting the Group's direction and policies and approvals of all financial results and announcements.

The Board is also encouraged to visit the major business units to meet senior management teams in order to better understand the key issues facing the business or operations. These sessions are in addition to the written briefings presented at each Board meeting.

The Chairman of the Audit Committee informs the Directors at the Board Meetings of any salient matters raised at the Audit Committee Meetings and which requires the Board's notice or direction.

The Board has unrestricted and constant access to and interactions with the Senior Management of the Company and also full access to all information within the Company whether as a full Board or in their individual capacities, in furtherance of their duties.

The Board is supported by suitably qualified and competent Company Secretaries who are members of the relevant professional bodies. The appointment of Company Secretaries is based on the capability and proficiency determined by the Board. The Articles of Association of the Company permits the removal of Company Secretaries by the Board. All members of the Board, whether as a whole or in their individual capacity, have access to the advice and services of the Company Secretaries on all matters relating to the Group to assist them in the furtherance of their duties. The Board is regularly updated and kept informed by the

Corporate Governance Statement

Company Secretaries and the Management of requirements such as restriction in dealing with the securities of the Company and updates as issued by the various regulatory authorities including the latest developments in legislations and regulatory framework affecting the Group.

Where necessary, the Directors may, whether collectively as a Board or in their individual capacities, seek external and independent professional advice from experts on any matter in furtherance of their duties as they may deem necessary and appropriate at the Company's expense.

Board commitment

Recognising the substantial time commitment required of Directors, it is expected that Directors will serve on the boards of other companies only to the extent that such services do not detract from their ability to devote the necessary time and attention to the Company.

From the Board attendances (as illustrated on page 159 of this Annual Report), the Board is thus, satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. All the Directors complied with the Listing Requirements of Bursa Securities on the limit of five directorships in public listed companies.

Directors' training

Directors' Training is an on-going process as the Directors recognise the need to continually develop and refresh their knowledge and skills, and to update themselves on developments in the financial and business landscape, both domestically and internationally.

The Directors are aware and are encouraged to attend continuing education programmes, seminars and conferences to keep themselves abreast of the current developments and business environment affecting their roles and responsibilities to the Group.

All members of the Board have successfully completed the Mandatory Accreditation Programme ("MAP") as required by Bursa Securities. Pursuant to the Listing Requirements of Bursa Securities, a newly appointed Director (if appointed for the first time in a listed issuer) is required to attend MAP in full and to procure a certificate from the programme organiser approved by Bursa Securities confirming his/her completion of the MAP within four (4) months of his/her appointment.

The newly appointed Director, Puan Nazli binti Mohd Khir Johari attended and completed the MAP for Directors of Public Listed Companies on 4 and 5 May 2016 at Hilton Hotel, Petaling Jaya.

The Company Secretaries facilitate Directors' attendances at external seminars and programmes and keep a complete record of the training received or attended by the Directors.

The list of training programmes attended by the Board during the financial year ended 31 July 2016 is set out on page 166 of this Annual Report.

The Board continues to assess the training requirements/programmes which would enhance the Directors' effectiveness as Company Directors and their understanding of the economic sectors and businesses in which the Company is engaged in, including external seminars, courses, programmes and/or conference within or outside Malaysia.

Board evaluation

The effectiveness of the Board is vital to the success of the Group and the Company undertakes a formal evaluation each year in order to assess the effectiveness of the Board and the Audit Committee.

During the financial year 2016, an annual evaluation of the effectiveness of the Board as a whole and the Audit Committee was conducted. The evaluation process was led by the Nomination Committee's Chairman

and supported by the Company Secretaries. The evaluation results were considered by the Nomination Committee, which then made recommendations to the Board with the aim of helping the Board to discharge its duties and responsibilities. The evaluation was based on specific criteria such as Board composition and structure, principal responsibilities of the Board, the Board process and Board governance.

The 2015/2016 Evaluations of the Board's performance and the 2015/2016 Audit Committee Self-Assessment were structured to ensure a balanced and objective review by the Directors and the Audit Committee, respectively for the above key areas.

Following the two (2) evaluations, the Board concludes that the Board as a whole and its Board Committees have performed well, are effective and have all the necessary skills, experiences and qualities to lead the Company.

The Board had also undertaken an annual assessment of the independence of its Independent Directors. The criteria for assessing the independence of an Independent Director, which included the relationship between the Independent Director and the Company and his involvement in any significant transaction with the Company, were developed by the Nomination Committee with the support of the Company Secretaries.

As mentioned, an assessment of the Directors who are subject to retirement by rotation at the forthcoming 40th AGM in accordance with the provisions of the Articles of Association of the Company was also conducted.

Board Committees

The Board delegates specific responsibilities to Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and Risk Management Committee, all of which operate within defined terms of reference.

All these Board Committees do not have executive power but report to the Board on all matters they have considered and recommended thereon.

The Board Committees exercise transparency and full disclosure in their proceedings when necessary, and issues deliberated by the Board Committees are presented to the Board with appropriate recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

A summary of the various Board Committees at Gamuda and their compositions is as follows:-

Name of Director	Audit Committee (Note 1)	Remuneration Committee (Note 2)	Nomination Committee (Note 3)	Risk Management Committee
YBhg Dato' Mohammed Hussein	Chairman	Chairman	Chairman (Note 4)	
YBhg Dato' Lin Yun Ling	-	Member	-	Chairman
YBhg Dato' Ir Ha Tiing Tai	-	-	-	Member
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	-	Member (Note 5)	-	-
YBhg Dato' Haji Azmi bin Mat Nor	-	-	-	Member
YBhg Dato' Goon Heng Wah	-	-	-	Member
Mr. Saw Wah Theng	-	-	-	Member
YM Tunku Afwida binti Tunku A.Malek	Member	-	Member	Member
Puan Nazli binti Mohd Khir Johari (Note 6)	Member (Note 6)	-	Member (Note 6)	-
Ir Chow Chee Wah (Alternate to YBhg Dato' Lin Yun Ling)	-	-	-	Member
YBhg Dato' Ubull a/l Din Om (Alternate to YBhg Dato' Ir Ha Tiing Tai)	-	-	-	Member
Ir Chan Kong Wah (Alternate to YBhg Dato' Goon Heng Wah)	-	-	-	Member

Note 1:-
The Audit Committee is comprised entirely of Independent Directors (compliance with Paragraph 15.09 of the Listing Requirements of Bursa Securities)

Note 2:-
The Remuneration Committee is comprised mainly of Non-Executive Directors with a majority of Independent Directors (as recommended in the Code)

Note 3:-
The Nomination Committee is comprised entirely of Independent Directors (compliance with Paragraph 15.08A of the Listing Requirements of Bursa Securities)

Note 4:-
Redesignated as Chairman of Nomination Committee on 7 March 2016.

Note 5:-
Appointed as a member of the Remuneration Committee on 7 March 2016.

Note 6:-
Appointed as Independent Director and a member of the Audit Committee and Nomination Committee on 7 March 2016 respectively.

Corporate Governance Statement

Audit Committee

The Audit Committee takes on the role of assisting the Board in the discharge of its fiduciary duties and the responsibility of overseeing the financial reporting process, ensuring that the results of the Company's operations are fairly presented in its financial statements.

A full Audit Committee Report enumerating its composition and its activities and the Internal Audit Function and activities during the financial year under review are set out on page 169 of this Annual Report.

Nomination Committee

The Nomination Committee of the Company was established by the Board on 1 February 2002 comprising entirely Independent Directors to assist the Board in carrying out the following duties:

- a. To review, from time to time, the Policy Framework on the nomination and recommendation of candidates to be members of the Board. In making its recommendations, the Nomination Committee shall take into consideration candidates proposed by the Group Managing Director and, within the bounds of practicability, by any other Director or shareholder. The Nomination Committee shall evaluate candidates on the aspect of their:
 - skills, knowledge, expertise and experiences;
 - professionalism;
 - integrity; and
 - for position of independent non-executive director, the candidates' abilities to discharge such responsibilities/functions independently as expected from the independent non-executive director;

- b. To review annually the Board's required mix of skills, experience and other qualities including the core competencies which Non-Executive Directors should bring to the Board;
- c. To assess annually the effectiveness of the Board as a whole and the Audit Committee;
- d. To identify suitable training programmes for the Directors for each financial year end.

The terms of reference of the Nomination Committee is available at the Company's website at www.gamuda.com.my.

In line with the Code, the Nomination Committee carries out annual evaluations on the effectiveness of the Board as a whole and the Audit Committee to review the effectiveness of the decision-making process of the Board and the Audit Committee.

All assessments and evaluations carried out by the Nomination Committee are properly documented.

The Nomination Committee, in assessing the performances of the Board as a whole on an annual basis, also considers the succession planning for Principal Officers of the Company. The Group Managing Director, the Deputy Group Managing Director and the Executive Directors, identify and appoint their Alternate Directors. The Alternate Directors appointed are trusted personnel of the Company who will act in the stead of their appointed Directors in the event that they are unable to do so. Across the Group, the Management plans for succession planning for key posts.

A summary of the activities undertaken by the Nomination Committee in the discharge of its duty for the financial year ended 31 July 2016 is as follows:

- a. Reviews and make recommendations to the Board concerning new appointment to the Board having regard to the balance of skills, knowledge, experience and diversity of the Board;
- b. Re-election and retirement by rotation of Directors at the 40th AGM;
- c. Annual Board Assessment;
- d. Annual Audit Committee Self-Assessment; and
- e. Annual Independent Directors' Assessment.

The Nomination Committee met twice during the financial year ended 31 July 2016 with full attendance from its members.

Remuneration Committee

The Remuneration Committee was established by the Board on 1 February 2002 and comprises mainly Non-Executive Directors.

The Remuneration Committee's main responsibility is to review and recommend to the Board the framework for Executive Directors' remuneration, in particular, remuneration packages for the Executive Directors in all its forms, drawing from outside advice, where necessary and fees payable to Non-Executive Directors. The Remuneration Committee aims to ensure that Directors' remuneration is competitive, motivates good performance and loyalty, and supports growth in shareholder values.

Each Executive Director's remuneration package currently consists of basic salary, annual performance related bonus, contribution to the national pension fund and benefits-in-kind such as private medical care, car allowance and fuel, and the Group's club membership. Remuneration for the Non-executive Directors takes the form, primarily, of fees approved by the Company shareholders.

The Remuneration Committee, whilst establishing the appropriate levels of the Directors' remuneration package for the year 2016, has considered the information in the salary survey of comparator-listed companies provided by external sources and information from sources within the Company, taking into account external market data and conditions within the business and performance of the Group.

The Board as a whole determines the remuneration package of Non-Executive Directors. The respective Directors shall abstain from deliberations in respect of their own remuneration packages.

The Remuneration Committee met once during the financial year ended 31 July 2016 with full attendance by its members.

Detailed information on the Directors' remuneration is disclosed under Note 6 of the Financial Statements section in this Annual Report.

Risk Management Committee

In addition to the regular monthly and quarterly management reviews of project and business operations, an Independent Director and Executive Directors, together with the divisional Managing Directors and certain other Group Functional Heads meet at least once a year as the Risk Management Committee. This committee is under the chairmanship of the Group Managing Director.

The Risk Management Committee focuses on the Group's key risks or policy issues that could have an impact on the Group's viability and sustainability. The work of this committee forms an important part of the Group's control function and as such, the Committee works closely with the Audit Committee.

ACCOUNTABILITY, RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management and Internal control

The Board is responsible for all aspects of the Group's internal controls. The system of internal control, which is fully embedded into the operations of the Group, has been in place throughout the year, up to the date of this Annual Report. It includes financial, operation and compliance controls and risk management procedures. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the Company's business objectives. In pursuing these objectives, internal control can only provide reasonable but not absolute assurance against material misstatement or loss.

Significant risks faced by the business are identified and evaluated based on the likelihood and potential impact of each risk and where necessary, actions to mitigate the risks are also identified. The Board also takes into consideration advice from the Audit Committee and the Risk Management Committee, reports received from the external auditors and any other related matters which are brought to its attention.

The Statement on Risk Management and Internal Control which provides an overview of the state of internal control within the Group, is set out on pages 167 to 168 of this Annual Report.

Financial reporting

The Group has a comprehensive business planning and budgeting system and a structured system for reporting financial results to the Board.

Each business unit maintains financial controls and prepares monthly results with a comparison against budget. There are clearly defined guidelines for the review and approval of capital expenditure projects.

These include annual budgets, periodic reviews and designated levels of authority. The Group's centralised internal audit function reviews the systems and procedures in all business units and reports regularly to the Audit Committee, which in turn, reports to the Board.

The Board is responsible for the quality and completeness of publicly disclosed financial reports. In presenting the annual financial statements, quarterly reports and annual reports to the shareholders of the Company, the Board takes appropriate steps to present a clear and balanced assessment of the Group's position and prospects. This also applies to other price-sensitive public announcements and reports to the regulatory authorities.

The Group's financial statements and quarterly announcements, prepared using appropriate consistent accounting policies and supported by reasonable and prudent judgements and estimates, are reviewed and deliberated by the Audit Committee in the presence of the external auditors, internal auditors of the Company and the Finance Director prior to recommending them for adoption by the Board. The Audit Committee ensures that the information to be disclosed is accurate, adequate and in compliance with the various disclosure requirements imposed by the relevant authorities. The Board discusses and reviews the recommendations proposed by the Audit Committee prior to its adoption. The Board also ensures accurate and timely release of the Group's quarterly and annual financial results to Bursa Securities and to the Securities Commission.

The Board is thus satisfied that it has met its obligations in presenting a balanced and clear assessment of the Group's position and prospects.



Corporate Governance Statement

Directors' responsibility statement

The Directors are required by the Act to prepare financial statements for each financial year which give a true and fair view of the financial position and financial performance and cash flows of the Group and the Company.

In preparing the financial statements, the Directors have:

- applied appropriate and consistent accounting policies;
- made judgements and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and
- prepared financial statements on a "going concern" basis as the Directors have a reasonable expectation, having made enquiries that the Group and Company have adequate resources to continue operations for the foreseeable future.

The Directors have responsibility for ensuring that the Company keeps accounting records, which disclose with reasonable accuracy the financial position of the Company and the Group, and which enable them to ensure that financial statements comply with the provisions of the Act. The Directors have the overall responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

Relationship with external auditors

A formal mechanism has been established by the Audit Committee to ensure that there is frank, transparent and candid dialogues with external auditors. The external auditors attended two (2) out of the four (4) Audit Committee Meetings held during the financial year to discuss their audit plan, audit findings and financial statements. The external auditors highlights to the Audit

Committee and the Board on matters that require the Audit Committee's or the Board's attention together with the recommended corrective actions thereof. The Management of the Company is held responsible for ensuring that all these corrective actions are undertaken within an appropriate time frame.

The Audit Committee also meets with external auditors without the presence of the Executive Directors and Management as this allows for free and honest exchange of views and opinions on matters related to the external auditors' audit and their findings. For this purpose, the Audit Committee and the external auditors met twice (September 2015 and June 2016) during the financial year under review.

The Audit Committee had considered the provision of non-audit services by the external auditors during the financial year under review and concluded that the provision of these services did not compromise the external auditors' independence and objectivity as the amount of the fees paid for these services was not significant when compared to the total fees paid to the external auditors of RM984,530 (2015: RM706,000). The non-audit fees incurred for services rendered to the Group by the external auditors and its affiliates for the financial year ended 31 July 2016 was RM290,124 (2015: RM239,190).

The Audit Committee had on 28 September 2016, reviewed the suitability and independence of the external auditors and recommended their re-appointment for the ensuing financial year.

The external auditors had provided a confirmation of their independence to the Audit Committee that they were and had been independent throughout the conduct of the audit engagement during the financial year ended 31 July 2016 in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA By-Laws").

The engagement partner involved in the external audit of the Company for the financial year ended 31 July 2016 was rotated in accordance with the MIA By-Laws which requires that the engagement partner involved in the external audit should not remain in a key audit role beyond five (5) years and cannot be re-engaged to play a significant role in the audit of the Company for at least another two (2) successive years.

The Board, on the recommendation of the Audit Committee, is of the view that the declaration of independence, integrity and objectivity made by the external auditors in their audit report for each financial year under review would suffice to serve as a written assurance from the external auditors on their independence and integrity throughout the conduct of the audit engagement in accordance with the MIA By-Laws.

RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

Communications with shareholders and investors

The Company strives to maintain an open transparent channel of communication with its shareholders, institutional investors, analysts and the public at large with the objective of providing a clear and complete picture of the Group's performance and financial position. Communication with shareholders and investors is of considerable importance to the Company.

As part of its corporate governance initiatives, the Board has set up a full-time Investor Relations ("IR") unit primarily tasked to implement effective IR policies and programmes. A comprehensive Investor Relations report enumerating its policy, practices and programmes, during the financial year under review are as set out on pages 118 and 119 of this Annual Report.

ETHICS

Directors' Code of Conduct

The Board has adopted the Directors' Code of Conduct on 28 September 2016. In addition to the Company Directors' Code of Ethics established by the Companies Commission of Malaysia, the Directors' Code of Conduct is the Board's commitment towards establishing a corporate culture which engenders ethical conduct that permeates throughout the Company and ensuring the implementation of appropriate internal systems to support, promote and ensure its compliance.

The Directors' Code of Conduct is available for reference on Gamuda's corporate website at www.gamuda.com.my.

Code of practice

The Board is committed to ensuring that all its business activities operate with the highest standards of business ethics and integrity as summarised in the Company's written code on business practices, which are applicable group-wide, including Group operations overseas.

Employment contracts and policies specify acceptable business practices and the Group's position on ethical issues.

Corporate Disclosure Policy

The Board recognises the importance of prompt and timely dissemination of accurate and sufficient information concerning the Company and its Group to shareholders, investors and other stakeholders to enable them to make an informed decision.

A Corporate Disclosure Policy for the Group was adopted on 28 September 2016 to set out and to address policies and procedures on disclosure of material information of the Group following emphasis by Bursa Securities as outlined in the Bursa Securities' Corporate Disclosure Guide.

Accordingly, the Group Managing Director and/or the Finance Director evaluate(s) the release of all major communications to investors or Bursa Securities.

Whistleblowing Policy

There is a Whistleblowing reporting procedure which encourages transparency and accountability within the Group. The Whistleblowing Policy of the Company was adopted in August 2011 following the introduction of the Whistleblower Protection Act 2010 to enhance the coverage and protection to whistle-blowers.

This encompasses report of suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Group.

The aim of this policy is to encourage the reporting of such matters, in good faith, with the confidence that employees making such reports will, to the extent possible, be protected from reprisal.

The Whistleblowing Policy is posted on the Gamuda corporate website at www.gamuda.com.my for ease of access for reporting by employees and associates of the Group.

Sustainability of business

The Board is cognisant of the importance of business sustainability. In conducting the Group's businesses, the impact of the Group's businesses on the environmental, social and governance ("ESG") aspects are taken into consideration.

Information on the Group's corporate social responsibility activities appears in the Key Initiatives (Sustainability) section of this Annual Report.

This Corporate Governance Statement has been approved by the Board of Gamuda on 28 September 2016.

Training Programmes Attended By Directors

DIRECTORS' TRAINING

For the financial year ended 31 July 2016, all Directors have attended the following training programmes:-

Director	Topic
YBhg Dato' Mohammed Hussein	<ul style="list-style-type: none"> Directors' Remuneration Report 2015: Briefing Session for Directors
YBhg Dato' Lin Yun Ling	<ul style="list-style-type: none"> Whistle-Blowing and Cyber Fraud
YBhg Dato' Ir Ha Tiing Tai	<ul style="list-style-type: none"> Latest Emerging Issues for Company Directors
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	<ul style="list-style-type: none"> Latest Emerging Issues for Company Directors
YBhg Dato' Haji Azmi bin Mat Nor	<ul style="list-style-type: none"> Latest Emerging Issues for Company Directors
YBhg Dato' Goon Heng Wah	<ul style="list-style-type: none"> Whistle-Blowing and Cyber Fraud Annual Report Sustainability Statement Workshop
Mr. Saw Wah Theng	<ul style="list-style-type: none"> Whistle-Blowing and Cyber Fraud Latest Emerging Issues for Company Directors Annual Report Sustainability Statement Workshop
YM Tunku Afwida binti Tunku A.Malek	<ul style="list-style-type: none"> MIA International Conference 2015 Whistle-Blowing and Cyber Fraud
Puan Nazli binti Mohd Khir Johari ^(Note 1)	<ul style="list-style-type: none"> Latest Emerging Issues for Company Directors MAP for Directors of Public Listed Companies
Ir Chow Chee Wah (Alternate to YBhg Dato' Lin Yun Ling)	<ul style="list-style-type: none"> Whistle-Blowing and Cyber Fraud Latest Emerging Issues for Company Directors Annual Report Sustainability Statement Workshop
YBhg Dato' Ubull a/l Din Om (Alternate to YBhg Dato' Ir Ha Tiing Tai)	<ul style="list-style-type: none"> Whistle-Blowing and Cyber Fraud Annual Report Sustainability Statement Workshop
Ir Chan Kong Wah (Alternate to YBhg Dato' Goon Heng Wah)	<ul style="list-style-type: none"> Whistle-Blowing and Cyber Fraud Latest Emerging Issues for Company Directors Annual Report Sustainability Statement Workshop
Mr. Soo Kok Wong (Alternate to Mr. Saw Wah Theng)	<ul style="list-style-type: none"> Whistle-Blowing and Cyber Fraud Latest Emerging Issues for Company Directors

Note 1:-

Appointed as an Independent Director on 7 March 2016

Statement on Risk Management and Internal Control

BOARD'S RESPONSIBILITY

The Board of Gamuda Berhad (the Group and the Company) affirms the overall responsibility for maintaining a sound system of risk management and internal control so as to safeguard shareholders' interests and the Group's assets. The system of risk management and internal control is designed to manage, but may not totally eliminate the risk of failure to achieve business objectives. Accordingly, such systems can only provide reasonable and not absolute assurance against material error, misstatement or losses.

The Board confirms that there is an ongoing process of identifying, evaluating and managing all significant risks faced by the Group that has been in place for the year and up to the date of approval of this Statement for inclusion in Annual Report. The process is regularly reviewed by the Board and is in accordance with the Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers (SRMICG) and the Group's Risk Management Policies and Procedures.

RISK MANAGEMENT

The risk management framework, which is embedded in the management systems of the Group, clearly defines the authority and accountability in implementing the risk management process and internal control system. The Management assists the Board in implementing the process of identifying, evaluating and managing significant risks applicable to their respective areas of business and in formulating suitable internal controls to mitigate and control these risks.

The business development team is responsible for assessing and evaluating the feasibility and risk impact that prospective investments would have on the Group. For ongoing business operations, risk assessment and evaluation is an integral part of the annual business planning and budgeting process.

The Management of each business unit, in establishing its business objectives, is required to identify and document all possible risks that can affect their achievement, taking into consideration the effectiveness of controls that are capable of mitigating such risks.

Operational Managers or Heads of Departments are responsible for identifying risks that may have impact in meeting their unit's business objectives. Risks identified are evaluated in accordance with the likelihood of occurrence and significance. Thereafter, risks are ranked according to the impact on the Business Unit, and control measures are formulated to mitigate these risks. Identified risks and control measures are reviewed by the Head of the respective Business Unit. Each business unit's identified risks, and the controls and processes for managing them are tabulated in a risk assessment report.

During the year, the significant risks of business units were presented to the Risk Management Committee for their deliberation.

KEY RISK MANAGEMENT AND INTERNAL CONTROL FEATURES

The Group's risk management and internal control systems comprise of the following key processes:

- Clearly defined operating structure, lines of responsibilities and delegated authority. Various Board and Management Committees have been established to assist the Board in discharging its duties. Among the committees are:
 - Audit Committee
 - Risk Management Committee
 - Nomination Committee
 - Remuneration Committee
 - Budget Committee
 - ESOS Committee

- Feasibility study, risk impact and assessment on new investments/projects is evaluated by the business development team for the Board's deliberation.
- Internal control activities have been established in all business units with clearly defined lines of responsibilities, authority limits for major capital expenditure, contract awards and other significant transactions, segregation of duties, performance monitoring and safeguarding of assets.
- Systematically documented Policies, Procedures and Standard Operating Procedures are in place to guide employees in their day-to-day work. These policies and procedures are reviewed regularly and updated when necessary.
- An annual budgetary process that requires business units to prepare budgets, business plans and control measures is in place to mitigate identified risks for the forthcoming year. These budgets are deliberated by the Budget Committee before being presented to the Directors for approval.
- A comprehensive information system comprising budgets, key business indicators and performance results on operations are reported to the Management and the Directors. The regular and comprehensive flow of information allows the Management and the Directors to review business unit's performance against budgets and performance indicators on monthly basis.
- An Integrated Management System, incorporating ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 and MS 1722: Part 1: 2011 requirements has been established and implemented to continuously provide high quality, cost effective, reliable, safe and environmental friendly products and services.



Statement on Risk Management and Internal Control

- A performance management system with clearly defined business objectives and targets are set for relevant employees. Employees' performances are monitored, appraised and rewarded according to the achievement of targets set.
- Training and development programmes are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their performance and job expectations.
- An adequately resourced Internal Audit Department, which reports directly to the Audit Committee, conducts regular reviews on integrity and effectiveness of the Group's system of internal controls.
- Executive Directors and Senior Management conduct regular site visits and communicate with employees of different levels to have first-hand knowledge of significant operational matters and risks.
- The Board of our associated companies include our representatives. Information on the financial performance of these associated companies is provided regularly to the Management and Board of the Company via regular management reports and presentations at Board meetings.
- In respect of joint ventures entered into by the Group, the Management of the joint ventures, which consist of representations from the Group and other joint venture partners, are responsible to oversee the administration, operation and performance of the joint venture. Financial and operational reports of these joint ventures are provided regularly to the Management of the Company.

The Group Managing Director and the Finance Director have provided the Board with assurance that the Group risk management and internal control system is operating adequately and effectively. All internal control weaknesses identified during the period under review have been or are being addressed. There were no major internal control weaknesses that require disclosure in the Annual Report. The Management continues to review and take measures to strengthen the risk management and control environment.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on the Statement in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000, 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' and Recommended Practice Guide 5 (Revised), 'Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report'. They have reported to the Board that nothing has come to their attention that causes them to believe the Statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of SRMICG, nor is the Statement factually inaccurate.

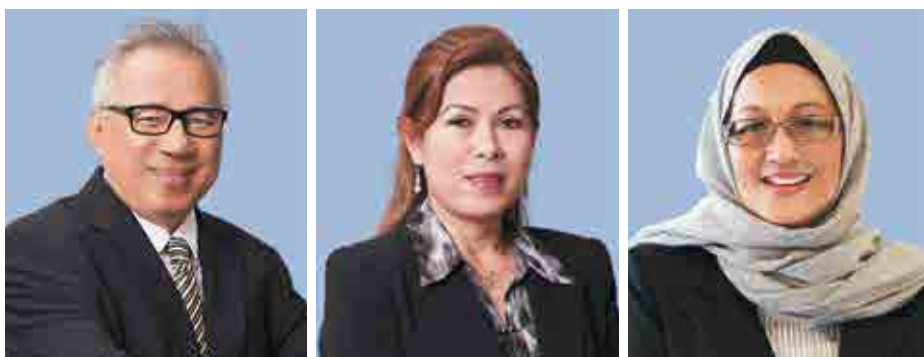
This Statement is made in accordance with the resolution of the Board dated 28 September 2016.

Audit Committee Report

MEMBERSHIP

The current composition of the Audit Committee is as follows:

1. YBhg Dato' Mohammed Hussein
Chairman/Independent Non-Executive Director
2. YM Tunku Afwida binti Tunku A.Malek
Member/Independent Non-Executive Director
3. Puan Nazli binti Mohd Khir Johari
Member/Independent Non-Executive Director
(Appointed with effect from 7 March 2016)
4. YBhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain
Member/Independent Non-Executive Director
(Retired with effect from 7 December 2015)



ATTENDANCE OF MEETINGS

During the financial year ended 31 July 2016, the Audit Committee met four times. The attendance of the Committee members is as follows:

Name of Directors	Attendance
YBhg Dato' Mohammed Hussein	4/4
YM Tunku Afwida binti Tunku A.Malek	4/4
Puan Nazli binti Mohd Khir Johari	2/2
YBhg Tan Sri Dato' Seri Dr Haji Zainul Ariff bin Haji Hussain	1/1

TERMS OF REFERENCE

The information on the terms of reference of the Audit Committee is available on the Company's website.

SUMMARY OF AUDIT COMMITTEE'S ACTIVITIES

During the financial year, the Audit Committee met four times. Activities carried out by the Audit Committee included the deliberation and review of:

- i. the Group's quarterly and year-end financial results prior to submission to the Board for consideration and approval, focusing particularly on matters relating to changes in major accounting policies, significant and unusual events, compliance with accounting standards and other disclosure requirements;
- ii. the audit planning memorandum of the External Auditors in a meeting to discuss their audit strategy, audit focus and resources prior to commencement of their annual audit;
- iii. matters arising from the audit of the Group in a meeting with the External Auditors without the presence of any executive officer of the Group;
- iv. the performance of the External Auditors and the recommendations to the Board on their reappointment and remuneration;
- v. the Audit Committee Report and its recommendation to the Board for inclusion in the Annual Report;

- vi. the Statement of Corporate Governance, Statement on Risk Management and Internal Control and its recommendation to the Board for inclusion in the Annual Report;
- vii. the risk-based annual audit plan and resource requirement proposed by the Internal Auditors for the Group;
- viii. the audit reports presented by the Internal Auditors on major findings, recommendations and Management's responses thereto;
- ix. the results of follow-up audits conducted by the Internal Auditors on the Management's implementation of audit recommendations;
- x. related party transactions as required under the Listing Requirements to ascertain that the transactions are conducted at arm's length prior to submission for the Board's consideration and, where appropriate, shareholders' approval; and
- xi. share option allocations pursuant to the ESOS of the Company during the financial year under review that was verified by the Internal Auditors. The Audit Committee was satisfied that the allocation of share options pursuant to the ESOS during the financial year ended 31 July 2016 was in compliance with the criteria set out in the ESOS by-laws and by the ESOS Committee.

— The Internal Audit function of the Company is performed by in-house Internal Audit Department (IAD). IAD reports directly to the Audit Committee and maintains its impartiality, proficiency and due professional care. The Internal Audit Charter defines the authority, duties and responsibilities of IAD.

The principal roles of IAD are to evaluate and improve the effectiveness of internal control, governance and risk management processes. Furthermore, IAD provides independent and objective assurance to the Board and Management on the adequacy and integrity of the company's internal control systems.

IAD adopts a risk-based audit approach when preparing its annual audit plan. Main factors to be taken into consideration are Risk Assessment, Budget and Business Plan, Senior Management's input and results of previous audits. The annual audit plan covers the business units and projects of the Group and is approved by the Audit Committee.

PRACTICES AND FRAMEWORK

IAD is guided by the internal policies and procedures as well as the Professional Practices Framework and the Internal Control Framework of the Committee of Sponsoring Organisation of the Treadway Commission (COSO) in assessing and reporting on the adequacy and effectiveness of the internal control, governance and risk management processes.

SCOPE AND COVERAGE

During the year, IAD has undertaken independent audit assignments on business units and projects of the Group in accordance with the approved annual audit plan. Among the scope of coverage are:

- i. Marketing and Sales;
- ii. Collection and Credit Control;
- iii. Customer Service;
- iv. Public Relations and Communications;
- v. Contracts Management;
- vi. Procurement Management;
- vii. Project Management;
- viii. Human Resource Management;
- ix. Office Administration;
- x. Management of Assets;
- xi. Statutory Compliance.

The relevant audit reports were presented to the Audit Committee for deliberation and forwarded to the Management for the necessary corrective actions to be taken.

The Internal Audit activities during the financial period is summarised below:

- i. prepared annual audit plan for deliberation and approval by the Audit Committee;
- ii. performed operational audits on business units and projects of the Group to ascertain the adequacy and integrity of their system of internal controls, governance and risk management;
- iii. performed statutory compliance audits including related party transactions and ESOS allocations;
- iv. made recommendations for improvement where weaknesses and/or non-compliances were found;
- v. conducted follow-up reviews to determine the adequacy, effectiveness and timeliness of actions taken by the Management on audit recommendations and provided updates on their status to the Audit Committee.

RESOURCES AND CONTINUOUS DEVELOPMENT

There are 18 internal auditors in the Group. The total cost incurred during the year was RM1,640,220 (This includes 10 auditors based at business units and projects. Cost incurred: RM422,920).

A majority of the staff have relevant qualifications and all staff are encouraged to continuously enhance their knowledge, skills and competencies through relevant professional courses, seminars, training courses and on-the-job training.

Risk Management Committee Report

MEMBERSHIP

The Risk Management Committee (RMC) is chaired by the Group Managing Director and comprise of not less than five members. The members of RMC are Executive Directors, Managing Directors of Business Divisions and an Independent Director.

1. Dato' Lin Yun Ling
Chairman/Group Managing Director
2. Dato' Ir Ha Tiing Tai
Member/Deputy Group Managing Director
3. Dato' Haji Azmi bin Mat Nor
Member/Executive Director, Head of Infrastructure Concessions Division
4. Dato' Goon Heng Wah
Member/Executive Director
5. Mr. Saw Wah Theng
Member/Executive Director
6. YM Tunku Afwida binti Tunku A.Malek
Member/Independent Non-Executive Director
7. Ir Chow Chee Wah
Member/Managing Director, Property Division
8. Dato' Ubull Din Om
Member/Managing Director, Engineering & Construction Division

TERMS OF REFERENCE

The RMC shall meet at least once a year, or at any time deemed appropriate by the RMC Chairman to discharge its duties. The quorum for any meeting of the RMC shall not be less than half of its composition.

The principal duties and responsibilities of the RMC are as follows:

- Identify current and potential business and operational risks that have a major impact on the Group's projects and businesses, which prevent it from achieving its goals and objectives.
- Advise the Board on risk related issues and recommend strategies to mitigate critical risks.
- Provide oversight, direction and guidance on the Group's risk management structure, process and support system.
- Review and assess adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risks.

MANAGING OPERATIONAL RISK

Risk Management Framework

Risk Management activities are guided by the Group's Risk Management Policies and Procedures. The risk universe covers a span of activities to determine the risk profile inherent from the nature of the business which would compromise the business objectives if it is not properly addressed.

Risk factors of Business Units and Projects are attached to the environment faced and the Management's operating style. Risk factors can be broadly classified into two main categories as follows:

- External Risk.
- Internal Risk.

Risk Identification, Evaluation and Ranking

The Management of each Business Unit and Project, in establishing its business objectives, is required to identify and document all possible risks that can affect their achievement taking into consideration of the effectiveness of controls that are capable of mitigating such risks.

Operational Managers or Heads of Departments are responsible to identify risks that may have impact in meeting their unit's business objectives.

Risk identification process shall also take into consideration of:

- Risk specific to the achievement of business objectives.
- Risk that have the potential impact on the success and continuity of the business.

Thereafter, identified risks are evaluated as follows:

- Probability or likelihood of occurrence.
- Significance of the risk.

Risk Mitigation Measures

Risk mitigation measures are formulated to manage risks. Among the risk mitigation measures are:

Engineering & Construction Division:

- Robust procurement management system.
- Close monitoring of construction work progress.
- Stringent quality and safety standards.
- Engage competent and experienced personnel.
- In touch with relevant government agencies on statutory requirements.
- Sustaining good client relationship.
- Adequate insurance coverage.
- Adequate security measures.
- Responsive Public Relations units.
- Effective emergency response teams.

Property Division:

- In touch with economic and market conditions.
- Effective strategies on product, pricing and promotions.
- Robust procurement management system.
- Close monitoring of construction work progress.
- Stringent quality and safety standards.
- Engage competent and experienced personnel.
- In touch with relevant government agencies on statutory requirements.
- Adequate insurance coverage.
- Adequate security measures.
- Responsive Customer Service units.

Infrastructure Concessions Division:

- Stringent quality and safety standards.
- Engage competent and experienced personnel.
- In touch with relevant government agencies on statutory requirements.
- Adequate insurance coverage.
- Adequate security measures.
- Responsive Public Relations units.
- Effective emergency response teams.

Identified risks and risk mitigation measures are reviewed and endorsed by Heads of Business Units and Projects before reporting to the RMC and the Board.

Risk Reporting and Monitoring

Each Business Unit's and Project's identified risks, the controls and processes for managing them are tabulated in a risk assessment report. Significant risks of Business Units and Projects are presented to the RMC for their deliberation.

Risk monitoring is an ongoing process, the RMC and the Board are monitoring the Group's business risks as part of their annual assessment for proper disclosure in the Annual Report.

Additional Compliance Information

1. UTILISATION OF PROCEEDS

The Company has on 11 March 2016 completed the Rights Issue of Warrants following the listing of, and quotation of 400,984,509 Warrants 2016/2021 on the Main Market of Bursa Securities on the same day.

The status of utilisation of proceeds raised from the said Rights Issue of Warrants as at 31 July 2016 was as follows:-

Details of Utilisation	Proposed Utilisation (RM'000)	Amount Utilised (RM'000)
Repayment of borrowings	50,000	(50,000)
Working capital	49,246	(49,246)
Expenses for the Rights Issue of Warrants	1,000	(1,000)

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered to the Company and the Group by the external auditors, or a firm or corporation affiliated to the external auditors' firm companies for the financial year ended 31 July 2016 were RM984,530 and RM290,124 respectively. As such, the non-audit fees incurred was not significant as it only accounted for 29.5% of the total fees payable.

3. MATERIAL CONTRACTS INVOLVING DIRECTORS'/CHIEF EXECUTIVES'/MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed under Note 40 of the Financial Statements in this Annual Report, there were no material contracts entered into by the Company or its subsidiaries involving the interest of its Directors, Chief Executive who is not a Director or major shareholders still subsisting at the end of the financial year ended 31 July 2016.

4. EMPLOYEES' SHARE OPTION SCHEME

The Employees' Share Option Scheme (2015/2020) of the Company ("ESOS") was implemented on 10 April 2015 and shall be in force for an initial period of five (5) years from 10 April 2015. The tenure of the ESOS may be extended for up to another five (5) years immediately from the expiry of the initial five (5) years provided the duration of the ESOS shall not be more than ten (10) years from the effective date of the ESOS.

The total number of options granted, exercised and outstanding (as adjusted and based on the par value of RM1.00 per ordinary share) under the ESOS, are set out in the table below:-

Description	Number of Options (Since commencement of ESOS to 31 July 2016)	
	Grand Total	Directors
(a) Granted	69,947,000	11,220,000
(b) Exercised	325,000	-
(c) Outstanding	69,622,000	11,220,000

Percentages of options applicable to Directors and Senior Management under the ESOS:-

Directors and Senior Management	During the financial year 2016	Since commencement up to 31 July 2016
(a) Aggregate maximum allocation	13%	28%
(b) Actual granted	13%	28%

Code of Conduct

1. OUR CLIENTS DESERVE OUR BEST EFFORTS

Our products and services in infrastructure engineering and construction, property development, concession operations and other businesses must be delivered based on proper research, analysis and thoughtful and innovative design, and efficient execution and delivery that exceed the expectations of our clients and deliver enduring benefits to the users.

2. WE TREAT EACH OTHER WITH RESPECT

We treat each other with due respect, consideration and courtesy. We shall create appropriate, healthy, supportive and safe work environments and relationships so that each and every one is able to contribute his/her best.

3. WE ACT IN THE BEST INTEREST OF THE GROUP

We work in the best interest of the group, safeguarding its interests, reputation, information and assets to achieve the group's objectives. We shall avoid situations of conflict of interest.

4. WE ENCOURAGE DIVERSITY

We value diversity and inclusiveness and recognise each and everyone's legitimate rights and innate potential, irrespective of one's gender, ethnic origin or social background. Each and every person, including the differently-abled and marginalised among us, shall have equal and adequate opportunity for learning, career progress and rewards.

5. BUSINESS PARTNERS ARE PART OF OUR TEAM

Our projects require the participation of consultants, suppliers, vendors and sub-contractors who provide the much needed expertise, technology, equipment and materials. They are a necessary part of our team and shall be accorded fair and proper consideration of their claims, access to relevant resources and information to efficiently perform their contractual obligations.

6. WE ARE PART OF THE COMMUNITY WE SERVE

We understand the needs and aspirations of the communities where we operate. We shall ensure that what we do will ultimately benefit them in a sustainable way.

SECTION 8

Milestones & Achievements



- 178 Media Milestones
- 180 Group Awards and Achievements



Gamuda sees Melbourne project fully taken up

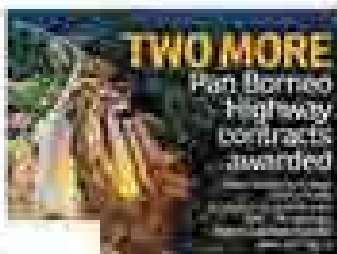
Gamuda has secured a contract to provide design and construction services for the Melbourne tram project. The project involves the construction of a new tram line in Melbourne, Australia. Gamuda's role includes the design and construction of the tram infrastructure, including the tracks, stations, and signaling systems. The project is expected to be completed by 2018.



Two more Pan Borneo Highway contracts awarded

Two more Pan Borneo Highway contracts awarded

Gamuda has been awarded two more contracts for the Pan Borneo Highway project. The contracts are for the design and construction of the highway infrastructure in Sarawak and Sabah. The project is a major infrastructure development in Borneo, aimed at improving connectivity and economic growth in the region.



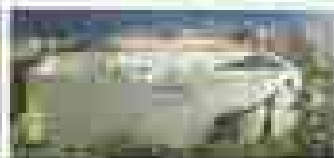
Gamuda City project on track for completion during 2012

The Gamuda City project is on track for completion during 2012. The project involves the construction of a new residential and commercial development in Gamuda City. The development includes a mix of housing units, retail spaces, and community facilities. Gamuda is committed to delivering high-quality infrastructure and services to the community.

Wujudkan rantaian bekalan tempatan



Engineered for success



Gamuda is committed to providing high-quality transport infrastructure and services. The company has a strong track record in the transport sector, with a focus on innovation and sustainability. Gamuda's expertise in transport infrastructure includes the design and construction of roads, bridges, and public transport systems. The company is dedicated to improving the quality of life for its customers through reliable and efficient transport solutions.

Gamuda the best transport infra proxy

Gamuda is recognized as the best transport infrastructure proxy. The company's expertise in transport infrastructure has earned it a reputation for excellence in the industry. Gamuda's commitment to quality and innovation has led to a series of successful projects and a strong track record. The company is proud to be recognized as a leader in the transport infrastructure sector.

Gamuda leases school to Eaton

Gamuda has leased a school to Eaton. The school is a modern educational facility with state-of-the-art equipment and facilities. Gamuda's commitment to education and community development is evident in this partnership. The school will provide a high-quality education for the students in the area, contributing to the community's growth and development.

RECOGNISING THE BEST IN CONSTRUCTION

Gamuda is recognized as the best in construction. The company's commitment to quality and innovation has earned it a reputation for excellence in the industry. Gamuda's expertise in construction infrastructure has led to a series of successful projects and a strong track record. The company is proud to be recognized as a leader in the construction sector.

Media Milestones

Kundang Estates to be launched next month

Keeping track of safety standards

Infrastructure projects to lift Gamuda share price

Builder of the Year Award

MMC-GAMUDA MAKES A DIFFERENCE IN NATION BUILDING

Harnessing her potential

Group Awards & Achievements



GAMUDA

- Builder of the Year Award, Malaysian Construction Industry Excellence Awards (MCIEA) 2016
- Best Corporate Responsibility (CR), Initiatives Award in the Big Cap companies category at The Edge, Billion Ringgit Club (BRC) Corporate Awards 2016
- The Edge Billion Ringgit Club Awards 2015 – Most Profitable company (Highest Return on Equity Over Three Years) and Best Performing Stock (Highest Returns to shareholders Over Three Years)
- International Achievement Award, Yen So Sewage Treatment Plant, Malaysian Construction Industry Excellence Awards (MCIEA) 2015
- 5-Star SCORE Rating, SCORE Programme 2014, Construction Industry Development Board Malaysia
- Highest Profit Growth Company (Construction), The Edge Billion Ringgit Club Awards 2013 and 2014
- MBAM Honorary Builder – Master Builders Association Malaysia Awards 2014
- Overall Best Managed Company in Malaysia – Mid Cap, Asia Money Awards 2013
- Best Performing Stock (Construction), The Edge Billion Ringgit Club Awards 2013
- Property and Construction Sector, Malaysia's 100 Leading Graduate Employers 2012
- Asia's Best Managed Companies, Euromoney
- Best Under a Billion 200 Companies, Forbes Global
- Best Managed Company and Strongest Commitment to Enhancing Shareholder Value, FinanceAsia
- Kaohsiung MRT, Air Quality Protection Model Award, The Environmental Bureau of Kaohsiung Country Government, Republic of China

GAMUDA LAND

- Gamuda Land, The Edge Malaysia Top Property Developers Awards, The Edge Malaysia Property Excellence Awards (2012-2015)
- Kota Kemuning, The Edge Top Property Developers Award, The Edge Malaysia Property Excellence Awards 2015
- Horizon Hills and Bandar Botanic (2014), Bandar Botanic and Kota Kemuning (2013), Kota Kemuning and Horizon Hills (2012), The Edge Malaysia – PEPS Value Creation Excellence Award, The Edge Malaysia Property Excellence Awards
- Horizon Hills, Jade Hills, Valencia and Yen So Park, Property Developer Category for Excellent Landscape Planning and Development, Malaysia Landscape Architecture Awards, Institute of Landscape Architects Malaysia (ILAM)
- Bandar Botanic, Engineering Awards, Association of Consulting Engineers Malaysia
- Kota Kemuning, Planning, Innovation and Concept Award, Malaysian Institute of Planners
- Kota Kemuning, Bandar Botanic, Valencia, Horizon Hills, Jade Hills, Top Rated on CONQUAS for Landed Residential and Institutional Buildings, BCA of Singapore
- Celadon City, Malaysia Landscape Architecture Awards 2014, Property Developer Category for Excellent Landscape Planning and Development, Institute of Landscape Architects Malaysia
- Kota Permai Golf and Country Club, HAPA Best Golf Excellence-Exhilarating Experience 2015, Hospitality Asia Platinum Awards
- Kota Permai Golf and Country Club, Best Course in Malaysia 2014, Asian Golf Awards
- Kota Permai Golf and Country Club, Malaysia's Best Golf Course 2015, Malaysian Golf Awards
- Kota Permai Golf and Country Club, Best Course in Malaysia 2015, IAGTO Excellence Awards

MMC-GAMUDA JOINT VENTURE

- KVMRT (Sungai Buloh-Kajang Line) – Underground, Winner for Technical Innovation of the Year Category for the Variable Density Tunnel Boring Machine (VD TBM), International Tunnelling and Underground Space Awards 2014
- KVMRT (Sungai Buloh-Kajang Line) – Underground, Winner of the International Safety Award year 2015 (with Distinction) from the British Safety Council
- KVMRT (Sungai Buloh-Kajang Line) – Underground, Honorary Certification for Safety and Health year 2015 during construction at TRX Station by Department of Occupational Safety and Health (DOSH)
- Electrified Double Track Project (EDTP) (Ipoh-Padang Besar), Best Major Infrastructure Project (Special Mention) Malaysian Construction Industry Excellence Awards (MCIEA) 2015
- Electrified Double Track Project (EDTP) (Ipoh-Padang Besar), Construction Category, National Occupational Safety and Health (OSH) Excellence Award 2012
- SMART, United Nations Scroll of Honour Award, World Habitat Day
- SMART, Specialised Project (Purpose Built) Category, Runner Up, FIABCI Prix d'Excellence Awards, International Real Estate Federation (FIABCI)
- SMART, Best International Project, British Construction Industry Award
- SMART, Design and Construction Excellence Award, Institution of Engineers Malaysia
- SMART, Special Award for National Contribution, Malaysia Property Award, International Real Estate Federation (FIABCI), Malaysian Chapter
- SMART, Best Contractor Award, CIDB Malaysian Construction Industry Excellence Award
- SMART, Special Award for Innovation, CIDB Malaysian Construction Industry Excellence Award
- SMART, Special Award for Environment, CIDB Malaysian Construction Industry Excellence Award

SECTION 9

Other Information



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Analysis of Securities of Company

as at 4 October 2016

ANALYSIS OF SHAREHOLDINGS

Authorised	: RM3,000,000,000	Voting rights	: 1 vote per share on a poll
Issued and fully paid	: RM2,421,274,645	No. of shareholders	: 12,524
Type of shares	: Ordinary shares of RM1.00 each		

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Holdings	%
Less than 100	365	2.91	5,843	0.00
100 – 1,000	3,068	24.50	2,506,701	0.10
1,001 – 10,000	6,605	52.74	26,620,558	1.10
10,001 – 100,000	1,731	13.82	53,701,596	2.22
100,001 – 121,063,731 (less than 5% of issued shares)	751	6.00	1,714,537,842	70.81
121,063,732 and above (5% and above of issued shares)	4	0.03	623,902,105	25.77
Total	12,524	100.00	2,421,274,645	100.00

SUBSTANTIAL SHAREHOLDERS

(as per Register of Substantial Shareholders and exclude bare trustee)

Name of Substantial Shareholder	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Employees Provident Fund Board	284,096,205	11.73	–	–
Kumpulan Wang Persaraan (Diperbadankan)	169,324,400	6.99	–	–
Amanahraya Trustees Berhad – Skim Amanah Saham Bumiputera	131,687,500	5.44	–	–
Lembaga Tabung Haji	131,631,900	5.44	–	–

DIRECTORS' INTEREST IN ORDINARY SHARES OF THE COMPANY

(as per Register of Directors' Shareholdings)

Name of Director	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
YBhg Dato' Mohammed Hussein	-	-	-	-
YBhg Dato' Lin Yun Ling	73,535,736	3.04	-	-
YBhg Dato' Ir Ha Tiing Tai	21,554,276 ^{*3}	0.89	16,000 ^{*1}	^{*5}
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	225,000	0.01	118,000,000 ^{*2}	4.87
YBhg Dato' Haji Azmi bin Mat Nor	316,600	0.01	-	-
YBhg Dato' Goon Heng Wah	15,628,300	0.65	5,755,432 ^{*1}	0.24
Mr. Saw Wah Theng	804,775 ^{*3}	0.03	-	-
YM Tunku Afwida Binti Tunku A.Malek	-	-	-	-
Puan Nazli Binti Mohd Khir Johari	-	-	-	-
Ir Chow Chee Wah (Alternate to YBhg Dato' Lin Yun Ling)	435,000	0.02	-	-
YBhg Dato' Ubull a/l Din Om (Alternate to YBhg Dato' Ir Ha Tiing Tai)	-	-	-	-
Ir Chan Kong Wah (Alternate to YBhg Dato' Goon Heng Wah)	400,000 ^{*4}	0.02	-	-
Mr. Soo Kok Wong (Alternate to Mr. Saw Wah Theng)	315,800 ^{*3}	0.01	-	-

Notes:

^{*1} Through spouse

^{*3} Held in own name and in nominee name

^{*2} Through Generasi Setia (M) Sdn Bhd

^{*4} Held in nominee name

^{*5} Negligible

Analysis of Securities of Company

as at 4 October 2016

TOP 30 SHAREHOLDERS AS PER RECORD OF DEPOSITORS

(without aggregating the securities from different securities accounts belonging to the same Depositors)

No.	Name	No. of shares held	%
1	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	223,733,505	9.24
2	Kumpulan Wang Persaraan (Diperbadankan)	138,581,200	5.72
3	Amanahraya Trustees Berhad – Amanah Saham Bumiputera	134,000,100	5.53
4	Lembaga Tabung Haji	127,587,300	5.27
5	Generasi Setia (M) Sdn Bhd	108,500,000	4.48
6	Dato' Lin Yun Ling	73,535,736	3.04
7	Amanahraya Trustees Berhad – Amanah Saham Wawasan 2020	56,506,000	2.33
8	Amanahraya Trustees Berhad – Amanah Saham Malaysia	55,475,000	2.29
9	Permodalan Nasional Berhad	55,436,900	2.29
10	Cartaban Nominees (Tempatan) Sdn Bhd – Exempt An for Eastspring Investments Berhad	51,082,463	2.11
11	Cartaban Nominees (Asing) Sdn Bhd – Exempt An for State Street Bank & Trust Company (WEST CLT OD67)	44,011,910	1.82
12	AMSEC Nominees (Tempatan) Sdn Bhd – MTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	40,168,200	1.66
13	HSBC Nominees (Asing) Sdn Bhd – BBH And Co Boston for Vanguard Emerging Markets Stock Index Fund	34,943,716	1.44
14	Amanahraya Trustees Berhad – AS 1Malaysia	32,665,900	1.35
15	Citigroup Nominees (Tempatan) Sdn Bhd – Exempt An for AIA Bhd	31,480,808	1.30
16	Cartaban Nominees (Asing) Sdn Bhd – GIC Private Limited for Government of Singapore (C)	31,303,803	1.29
17	Malaysia Nominees (Tempatan) Sendirian Berhad – Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	27,204,900	1.12
18	Amanahraya Trustees Berhad – Amanah Saham Bumiputera 2	25,552,900	1.06
19	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (U.S.A.)	25,004,716	1.03
20	Maybank Nominees (Tempatan) Sdn Bhd – Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)	25,000,000	1.03
21	Ng Kee Leen	24,768,980	1.02
22	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board (NOMURA)	23,134,900	0.96

TOP 30 SHAREHOLDERS AS PER RECORD OF DEPOSITORS (CONT'D.)

(without aggregating the securities from different securities accounts belonging to the same Depositors)

No.	Name	No. of shares held	%
23	Citigroup Nominees (Asing) Sdn Bhd – CBNY for United Nations Joint Staff Pension Fund	21,230,000	0.88
24	Amanahraya Trustees Berhad – Amanah Saham Didik	19,751,400	0.82
25	Amanahraya Trustees Berhad – Public Islamic Dividend Fund	17,416,100	0.72
26	Amanahraya Trustees Berhad – Public Islamic Select Enterprises Fund	16,442,300	0.68
27	Dato' Ir Ha Tiing Tai	15,929,276	0.66
28	Citigroup Nominees (Asing) Sdn Bhd – Exempt An for Citibank New York (Norges Bank 12)	15,855,600	0.65
29	Dato' Goon Heng Wah	15,628,300	0.65
30	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board (CIMB PRIN)	15,444,100	0.64
Total		1,527,376,013	63.08

SHARE OPTIONS HELD BY DIRECTORS OF THE COMPANY

(Share Options held under Gamuda Berhad Employees' Share Option Scheme)

Name of Director	No. of Share Options Held
YBhg Dato' Lin Yun Ling	3,000,000
YBhg Dato' Ir Ha Tiing Tai	1,600,000
YBhg Dato' Haji Azmi bin Mat Nor	1,000,000
YBhg Dato' Goon Heng Wah	1,200,000
Mr. Saw Wah Theng	1,200,000
Ir Chow Chee Wah (Alternate to YBhg Dato' Lin Yun Ling)	1,000,000
YBhg Dato' Ubull a/l Din Om (Alternate to YBhg Dato' Ir Ha Tiing Tai)	715,000
Ir Chan Kong Wah (Alternate to YBhg Dato' Goon Heng Wah)	1,000,000
Mr. Soo Kok Wong (Alternate to Mr. Saw Wah Theng)	505,000

Analysis of Securities of Company as at 4 October 2016

ANALYSIS OF WARRANT HOLDINGS

WARRANTS 2016/2021 (“WARRANTS”)

No. of Warrants unexercised	: 394,218,919	Voting rights at a meeting of	: 1 vote per warrant holder on a show of hands
Exercise price	: RM4.05	Warrant Holders	: 1 vote per warrant on a poll
Expiry date	: 6 March 2021	No. of Warrant Holders	: 6,892

DISTRIBUTION OF WARRANT HOLDINGS

Size of Holdings	No. of Holders	%	No. of Holdings	%
Less than 100	46	0.67	2,512	0.00
100 – 1,000	2,327	33.76	1,147,000	0.29
1,001 – 10,000	2,621	38.03	12,623,064	3.20
10,001 – 100,000	1,521	22.07	54,424,995	13.81
100,001 – 19,710,945 (less than 5% of total Warrants unexercised)	376	5.46	253,716,548	64.36
19,710,946 and above (5% and above of total Warrants unexercised)	1	0.01	72,304,800	18.34
Total	6,892	100.00	394,218,919	100.00

DIRECTORS' INTEREST IN WARRANTS

(as per Register of Directors' Warrant Holdings)

Name of Director	Direct Interest		Indirect Interest	
	No. of Warrants	%	No. of Warrants	%
YBhg Dato' Mohammed Hussein	–	–	–	–
YBhg Dato' Lin Yun Ling	12,883,600	3.27	–	–
YBhg Dato' Ir Ha Tiing Tai	3,782,000 ^{*3}	0.96	2,800 ^{*1}	^{*5}
YTM Raja Dato' Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah	40,300	0.01	18,663,000 ^{*2}	4.73
YBhg Dato' Haji Azmi bin Mat Nor	58,200	0.01	–	–
YBhg Dato' Goon Heng Wah	2,741,600	0.70	1,000,000 ^{*1}	0.25
Mr. Saw Wah Theng	143,500 ^{*3}	0.04	–	–
YM Tunku Afwida Binti Tunku A.Malek	–	–	–	–
Puan Nazli Binti Mohd Khir Johari	–	–	–	–
Ir Chow Chee Wah (<i>Alternate to YBhg Dato' Lin Yun Ling</i>)	78,000	0.02	–	–
YBhg Dato' Ubull a/l Din Om (<i>Alternate to YBhg Dato' Ir Ha Tiing Tai</i>)	–	–	–	–
Ir Chan Kong Wah (<i>Alternate to YBhg Dato' Goon Heng Wah</i>)	71,900 ^{*4}	0.02	–	–
Mr. Soo Kok Wong (<i>Alternate to Mr. Saw Wah Theng</i>)	57,000 ^{*3}	0.01	–	–

Notes:

- ^{*1} Through spouse
^{*2} Through Generasi Setia (M) Sdn Bhd
^{*3} Held in own name and in nominee name
^{*4} Held in nominee name
^{*5} Negligible

TOP 30 WARRANT HOLDERS AS PER RECORD OF DEPOSITORS

(without aggregating the securities from different securities accounts belonging to the same Depositors)

No.	Name	No. of shares held	%
1	Lembaga Tabung Haji	72,304,800	18.34
2	Generasi Setia (M) Sdn Bhd	17,000,000	4.31
3	Affin Hwang Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Koon Yew Yin	13,000,000	3.30
4	Dato' Lin Yun Ling	12,883,600	3.27
5	Maybank Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Koon Yew Yin	10,244,800	2.60
6	Maybank Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Tan Kit Pheng	8,852,400	2.25
7	Permodalan Nasional Berhad	8,000,000	2.03
8	Kumpulan Wang Persaraan (Diperbadankan)	7,616,618	1.93
9	HSBC Nominees (Asing) Sdn Bhd – BBH And Co Boston for Vanguard Emerging Markets Stock Index Fund	5,563,852	1.41
10	TA Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Heng Teng Kuang	5,000,000	1.27
11	Citigroup Nominees (Tempatan) Sdn Bhd – Exempt An for AIA Bhd.	4,634,534	1.18
12	Malaysia Nominees (Tempatan) Sdn Bhd – Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	4,534,150	1.15
13	Ng Kee Leen	4,333,800	1.10
14	Yap Yoon Kong	3,975,000	1.01
15	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (U.S.A.)	3,649,266	0.93
16	UOB Kay Hian Nominees (Asing) Sdn Bhd – Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	3,555,661	0.90
17	Cartaban Nominees (Tempatan) Sdn Bhd – Exempt An for Eastspring Investments Berhad	3,020,577	0.77
18	TA Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Koon Yew Yin	2,881,800	0.73
19	Heng Teng Kuang	2,853,023	0.72
20	Dato' Ir Ha Tiing Tai	2,795,100	0.71
21	Dato' Goon Heng Wah	2,741,600	0.70
22	Affin Hwang Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Ooi Ying Nee	2,600,000	0.66
23	HSBC Nominees (Asing) Sdn Bhd – HSBC BK PLC for Saudi Arabian Monetary Agency	2,234,700	0.57

Analysis of Securities of Company as at 4 October 2016

TOP 30 WARRANT HOLDERS AS PER RECORD OF DEPOSITORS (CONT'D.)

(without aggregating the securities from different securities accounts belonging to the same Depositors)

No.	Name	No. of shares held	%
24	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Chia Siya Heng (E-SS2)	2,150,000	0.55
25	TA Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Yap Sung Pang	2,111,300	0.54
26	Maybank Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Wong Siew Chan	2,040,900	0.52
27	Gan Lu Ter	1,953,600	0.50
28	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Chang Soke Hun (E-BBB/RLU)	1,950,000	0.49
29	ABB Nominee (Tempatan) Sdn Bhd – Pledged Securities Account for Generasi Setia (M) Sdn Bhd (1102095548)	1,663,000	0.42
30	Lee Foong Ngoh	1,518,833	0.39
Total		217,662,914	55.25

Authorised and Issued Share Capital

AUTHORISED SHARE CAPITAL

Date	Type of Share	Par Value (RM)	No. of shares Created	Cummulative (RM)
06.10.1976	Ordinary	1.00	1,000,000	1,000,000.00
05.05.1984	Ordinary	1.00	4,000,000	5,000,000.00
30.07.1988	Ordinary	1.00	5,000,000	10,000,000.00
29.04.1992	Ordinary	1.00	90,000,000	100,000,000.00
19.12.1994	Ordinary	1.00	100,000,000	200,000,000.00
03.12.1996	Ordinary	1.00	800,000,000	1,000,000,000.00
04.10.2007	Ordinary	1.00	2,000,000,000	3,000,000,000.00

ISSUED AND PAID-UP SHARE CAPITAL

Date/ Year of Allotment	No. of Shares Allotted	Description	Cummulative (RM)
06.10.1976	2	Cash – Subscribers' shares	2.00
26.12.1976	199,998	Cash	200,000.00
10.10.1977	200,000	Cash	400,000.00
30.07.1981	100,000	Cash	500,000.00
21.07.1984	500,000	Bonus Issue on the basis of 1 new ordinary share for every 1 existing ordinary share held	1,000,000.00
24.07.1985	250,000	Cash	1,250,000.00
29.07.1985	500,000	Issued as consideration for the acquisition of several companies	1,750,000.00
31.07.1986	750,000	Cash	2,500,000.00
30.07.1987	750,000	Bonus Issue in the proportion of 3 new ordinary shares for every 10 existing ordinary shares held	3,250,000.00
30.07.1988	1,750,000	Bonus Issue in the proportion of 7 new ordinary shares for every 10 existing ordinary shares held	5,000,000.00
30.07.1990	3,000,000	Bonus Issue in the proportion of 3 new ordinary shares for every 5 existing ordinary shares held	8,000,000.00
29.04.1992	11,000,000	Bonus Issue in the proportion of 1,375 new ordinary shares for every 1,000 existing ordinary shares held	19,000,000.00
29.04.1992	23,976,667	Issued as consideration for the acquisition of Gammau Construction Sdn Bhd and Ganaz Bina Sdn Bhd	42,976,667.00

Authorised and Issued Share Capital

ISSUED AND PAID-UP SHARE CAPITAL (CONT'D.)

Date/ Year of Allotment	No. of Shares Allotted	Description	Cummulative (RM)
05.06.1992	19,086,333	Right Issue in the proportion of 2,386 new ordinary shares for every 1,000 existing ordinary shares held	62,063,000.00
18.01.1995	20,687,667	Bonus Issue in the proportion of 1 new ordinary share for every 3 existing ordinary shares held	82,750,667.00
20.03.1995	7,757,875	Right Issue in the proportion of 1 new ordinary share for every 8 existing ordinary shares held	90,508,542.00
24.01.1996 – 26.12.1996	24,547,169	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1995/2000	115,055,711.00
16.01.1997	153,407,614	Bonus Issue in the proportion of 4 new ordinary share for every 3 existing ordinary shares held	268,463,325.00
12.03.1997	19,175,951	Right Issue in the proportion of 1 new ordinary share for every 6 existing ordinary shares held	287,639,276.00
20.01.1997 – 24.11.1997	2,057,133	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1995/2000	289,696,409.00
22.10.1998 – 31.12.1998	99,000	Issued pursuant to exercise of options under ESOS	289,795,409.00
07.01.1999 – 30.12.1999	15,979,428	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1995/2000	305,774,837.00
05.01.2000 – 16.07.2000	37,201,999	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1995/2000	342,976,836.00
03.03.2000	322,213,836	Bonus Issue in the proportion of 1 new ordinary share for every 1 existing ordinary share held	665,190,672.00
31.01.2001 – 19.12.2001	807,000	Issued pursuant to exercise of options under ESOS	665,997,672.00
02.01.2002 – 27.12.2002	8,646,002	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1996/2006 and 2001/2007	674,643,674.00
13.01.2003 – 31.12.2003	51,251,218	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1996/2006 and 2001/2007	725,894,892.00
07.01.2004 – 23.12.2004	13,209,252	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2001/2007	739,104,144.00
05.01.2005 – 29.12.2005	14,128,000	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2001/2007	753,232,144.00
26.10.2006 – 29.12.2006	37,982,965	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1996/2006 and 2001/2007	791,215,109.00
08.01.2007 – 28.12.2007	207,268,945	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 1996/2006 and 2001/2007	998,484,054.00

ISSUED AND PAID-UP SHARE CAPITAL (CONT'D.)

Date/ Year of Allotment	No. of Shares Allotted	Description	Cummulative (RM)
25.10.2007	994,963,054	Bonus Issue on the basis of on the basis of 1 new ordinary share for every 1 existing ordinary share held	1,993,447,108.00
09.01.2008 – 19.12.2008	12,736,000	Issued pursuant to exercise of options under ESOS	2,006,183,108.00
23.01.2009 – 22.12.2009	10,589,000	Issued pursuant to exercise of options under ESOS	2,016,772,108.00
11.01.2010 – 29.12.2010	29,439,485	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,046,211,593.00
04.01.2011 – 30.12.2011	21,563,311	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,067,774,904.00
03.01.2012 – 31.12.2012	18,690,762	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,086,465,666.00
07.01.2013 – 30.12.2013	205,859,001	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,292,324,667.00
06.01.2014 – 29.12.2014	49,464,512	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2010/2015	2,341,789,179.00
06.01.2015 – 22.06.2015	64,115,876	Conversion of Warrants 2010/2015	2,405,905,055.00
07.01.2016 – 10.10.2016	15,879,590	Issued pursuant to exercise of options under ESOS & Conversion of Warrants 2016/2021	2,421,784,645.00

List of Major Properties

Held as at 31 July 2016

No.	Location	Description	Area	Tenure	Date of Valuation/ Acquisition	Year of expiry	Approximate age of building (Years)	NBV (RM)
1	Block D, PJ Trade Centre No. 8, Jalan PJU 8/8A Bandar Damansara Perdana 47820 Petaling Jaya Selangor	20 storey office tower/ Menara Gamuda	2,048 sq m	Leasehold	2011	2104	7	140,459,418
2	No. 30, Jalan SS2/44 47300 Petaling Jaya, Selangor	Bungalow	501 sq m	Freehold	1991	-	30	295,000
3	No. 36/38, Jalan SS21/62 47400 Petaling Jaya, Selangor	2 blocks, 4 storey shoplot/office	286 sq m	Freehold	1991	-	22	915,001
4	No. 39, Jalan SS22/23 47400 Petaling Jaya, Selangor	4 storey shoplot/office	153 sq m	Freehold	2007	-	22	556,000
5	No. 53, Jalan SS22/23 47400 Petaling Jaya, Selangor	4 storey shoplot/office	153 sq m	Freehold	2006	-	27	1,241,116
6	No. 55-61, Jalan SS22/23 47400 Petaling Jaya, Selangor	4 blocks, 4 storey shoplot/office	612 sq m	Freehold	1992	-	25	4,720,627
7	No. 54-58, Jalan SS22/25 47400 Petaling Jaya, Selangor	3 blocks, 4 storey shoplot/office	460 sq m	Freehold	2006	-	24	4,400,290
8	HS (D) 54871 PT No. 56274 Mukim & District of Kelang Selangor	Industrial estate/ workshop	16,898 sq m	Freehold	1995	-	-	7,104,028
9	Lot 195821, 195822 195823, 195824, 195825 195826, 195827, 46482 57417 all in the Mukim of Kampar District of Kinta 31350 Ipoh, Perak	Granite hill, limestone hill and industrial land/quarry	469,493 sq m	Leasehold	1991	2022	-	2,744,394
10	PT 183485 Meru Industrial Estate Jelapang, 30020 Ipoh, Perak	Industrial estate/ workshop	12,144 sq m	Leasehold	1991	2050	20	522,967
11	PT 51683, Jalan Jelapang 30020 Ipoh, Perak	Industrial estate/ workshop	4,353 sq m	Leasehold	1991	2043	26	343,656
12	No. 152, Jalan Gopeng 31350 Ipoh, Perak	3 storey shoplot/ office	164 sq m	Leasehold	1991	2078	30	140,874
13	No. 158, Jalan Gopeng 31350 Ipoh, Perak	3 storey shoplot/ office	163 sq m	Leasehold	1991	2078	30	143,867

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the **Fortieth Annual General Meeting of Gamuda Berhad** (“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** on **Thursday, 8 December 2016 at 10.00 a.m.** for the purpose of transacting the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 July 2016 together with the Reports of the Directors and Auditors thereon. [Please refer to Explanatory Note 3 (a)]
2. To approve the payment of Directors’ fees for the financial year ended 31 July 2016. (Resolution 1)
3. To re-elect the following Directors of the Company who are retiring by rotation in accordance with Article 95 of the Articles of Association of the Company and, who being eligible, offer themselves for re-election:-
 - a. YBhg Dato’ Lin Yun Ling (Resolution 2)
 - b. YTM Raja Dato’ Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah (Resolution 3)
 - c. YM Tunku Afwida binti Tunku A.Malek (Resolution 4)
4. To re-elect Puan Nazli binti Mohd Khir Johari, a Director appointed during the year, who is retiring in accordance with Article 101 of the Articles of Association of the Company and, who being eligible, offers herself for re-election. (Resolution 5)
5. To re-appoint Messrs Ernst & Young, the retiring Auditors and to authorise the Directors of the Company to fix their remuneration. (Resolution 6)

As Special Business:-

To consider and, if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolutions:

6. **Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965** (Resolution 7)

“THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965, to issue and allot shares in the Company, from time to time, and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of, and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”



Notice of Annual General Meeting

7. Proposed Renewal of Share Buy-back Authority

(Resolution 8)

“THAT subject to the provisions of the Companies Act, 1965, the Articles of Association of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of RM1.00 each of the Company (“Proposed Share Buy-back”) as may be determined by the Directors of the Company, from time to time, through Bursa Securities upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares to be purchased pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital for the time being of the Company and an amount not exceeding the retained profits and/or share premium of the Company be and is hereby allocated by the Company for the Proposed Share Buy-back;

THAT at the discretion of the Directors of the Company, upon such purchase by the Company of its own shares, the purchased shares shall be cancelled and/or retained as treasury shares and subsequently be cancelled, distributed as dividends or resold on Bursa Securities;

THAT the Directors be and are hereby empowered to do all acts and things and to enter into and execute all commitments, transactions, deeds, agreements, arrangements, undertakings, indemnities, transfers, assignments and/or guarantees as the Directors may deem fit and expedient in order to implement, finalise and give full effect to the Proposed Share Buy-back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be required or imposed by any relevant authorities and/or any amendments, variations and/or modifications in the interest of the Company as may be approved by any relevant authorities if such approvals are required;

AND THAT the authority hereby given shall commence immediately upon the passing of this resolution and shall continue to be in force until:

- i. the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time it will lapse, unless by ordinary resolution passed at the AGM, the authority is renewed either unconditionally or subject to conditions; or
- ii. the expiration of the period within which the next AGM after that date is required by law to be held; or
- iii. revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase of its own shares by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of Bursa Securities’ Main Market Listing Requirements or any other relevant authorities.”

8. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

LIM SOO LYE (LS0006461)
PANG SIOK TIENG (MAICSA 7020782)
Company Secretaries

Petaling Jaya
9 November 2016

Notes:

1. General Meeting Record of Depositors

For purposes of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 67 of the Articles of Association of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 30 November 2016 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at this meeting or appoint a proxy or proxies to attend and/or vote on his/her behalf.

2. Appointment of Proxy(ies)

- a. A Member of the Company who is entitled to attend and vote at this meeting 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 and a Member may appoint any person to be his proxy without any restriction as to the qualification of the proxy. The provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- b. Where a Member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- c. Where a Member of the Company 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 appointment shall be invalid unless the Authorised Nominee specifies the proportions of the shareholdings to be represented by each proxy.
- d. 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 which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. If more than one (1) proxy is appointed in respect of each Omnibus Account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the number of shares to be represented by each proxy.
- e. If the appointor is a corporation, the Form of Proxy shall be under the corporation's seal or under the hand of an officer or attorney duly authorised.
- f. The Form of Proxy must be deposited at the Registered Office of the Company 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 before 11 a.m. on 7 December 2016 or not less than twenty-four (24) hours before the time appointed for the taking of the poll at this meeting, whichever is later.
- g. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by poll.

3. Explanatory Notes

a. Audited Financial Statements

The Audited Financial Statements are for discussion only as they do not require shareholders' approval pursuant to the provisions of Section 169(1) and Section 169(3) of the Companies Act, 1965. Hence, this matter will not be put for voting.

b. Resolution 1

The proposed payment of Directors' fees of RM488,750/- to Non-Executive Directors of the Company who have served during the financial year, is reflective of their responsibilities. The proposed payment if approved by the shareholders of the Company, shall be for the financial year ended 31 July 2016 and for each financial year thereafter, shall be determined by the Company in a general meeting.

c. Resolutions 4 & 5

The Board of Directors of the Company ("Board") (save for YM Tunku Afwida binti Tunku A.Malek and Puan Nazli binti Mohd Khir Johari) has vide the Nomination Committee, conducted the annual evaluation and assessment on the independence of both YM Tunku Afwida and Puan Nazli as Independent Directors of the Company and, supports the Nomination Committee's recommendation that YM Tunku Afwida and Puan Nazli (who being eligible and have offered themselves for re-election) be re-elected as Directors of the Company pursuant to Articles 95 and 101 of the Articles of Association of the Company.

d. Resolution 6

The Ordinary Resolution 6 proposed under item 5 of the Agenda relates to the re-appointment of Messrs Ernst & Young as Auditors of the Company. Pursuant to Recommendation 5.2 of Principle 5 (Uphold Integrity in Financial Reporting) of the Malaysian Code on Corporate Governance 2012, the Audit Committee with the assistance of the Group Finance of the Company, has assessed the suitability and independence of Messrs Ernst & Young as Auditors of the Company. The Audit Committee and the Board have recommended the re-appointment of Messrs Ernst & Young, who shall retire as Auditors of the Company at the Fortieth Annual General Meeting of the Company and, who have expressed their willingness to continue in office as Auditors of the Company for the ensuing financial year until the conclusion of the next Annual General Meeting at a fee to be determined by the Board.

e. Resolution 7

The proposed Resolution 7 if passed, will empower the Directors to issue shares of the Company up to a maximum of 10% of the issued share capital of the Company for the time being, for any possible fund raising activities for purposes of funding future investment projects, working capital, acquisitions and/or for strategic reasons. The approval is a renewal of a general mandate and is sought to provide flexibility and to avoid any delay and cost in convening a general meeting for such issuance of shares for fund raising activities, including placement of shares.

This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next annual general meeting of the Company. At this juncture, there is no decision to issue new shares. Should there be a decision to issue new shares after the authorisation is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

The Company did not issue any new shares under the general mandate which was approved at its Thirty-Ninth Annual General Meeting held on 7 December 2015.

f. Resolution 8

Shareholders are advised to refer to the Statement to Shareholders dated 9 November 2016 which is despatched together with the Annual Report 2016 for further information.

4. Statement Accompanying Notice of Annual General Meeting

[Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad]

- Details of individuals who are standing for election as Directors
There are no individuals who are standing for election as Directors at the Fortieth Annual General Meeting of the Company.
- Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
Details of the general mandate to issue securities in the Company pursuant to Section 132D of the Companies Act, 1965 are set out in Explanatory Note 3(e) of the Notice of this Meeting.

Administrative Details

40th Annual General Meeting (“AGM”)

Date : Thursday, 8 December 2016

Time : 10.00 a.m.

Place : Permai Room, Kota Permai Golf & Country Club, Kota Kemuning

REGISTRATION

1. Registration will start at 8.00 a.m. at the Permai Room 1 of Kota Permai Golf & Country Club and will remain open until the conclusion of the AGM or such time as may be determined by the Chairman of the Meeting.
2. Please read the signage to ascertain which registration area to register yourself for the meeting and join the queue accordingly.
3. Please produce your ORIGINAL identification Card (I/C) or passport (for foreigners) during registration to the registration staff for verification. Only original I/C or passport will be accepted as for purposes of identity verification. Please make sure you collect your I/C or passport thereafter.
4. No person will be allowed to register on behalf of another person even with the original I/C or passport of that other person.
5. Upon verification and registration:
 - please sign on the Attendance List and an **identification tag** (for attending the AGM) and a **passcode slip** (for poll voting purposes) will be provided at the registration counter; and
 - you will be given an identification wristband. If you are attending the AGM as a shareholder as well as proxy, you will be registered once and will only be given one identification wristband to enter the meeting hall. No person will be allowed to enter the meeting hall without wearing the identification wristband. There will be no replacement in the event that you lose/misplace the identification wristband.
6. After registration, please vacate the registration area immediately and proceed to Permai Room.
7. The registration counter will only handle verification of identity and registration of attendance.
8. Help desk support is available for any other enquiries/assistance/revocation of proxy's appointment.

VOTING PROCEDURE

1. The voting at the AGM will be conducted on a poll.
2. Tricor Investor & Issuing House Services Sdn Bhd is appointed as Poll Administrator to conduct the polling process.
3. Coopers Professional Scrutineers Sdn Bhd is appointed as Independent Scrutineers to verify the results of the poll.
4. All attendees at the AGM will be briefed and/or guided accordingly by the Poll Administrator before the commencement of and during the voting process.

ENTITLEMENTS TO ATTEND, SPEAK AND VOTE

Only Depositors registered in the Register of Members/Record of Depositors and whose names appear in the Register of Members/Record of Depositors as at 30 November 2016 shall be entitled to attend, speak and vote at the AGM or appoint proxy or proxies to attend, speak and vote on their behalf in respect of the number of shares registered in their names at that time.

DOOR GIFT

1. Door gift will be given upon registration subject to verification of identity by the share registrar for the AGM.
2. Each registered attendee, whether as a shareholder or proxy or both or as proxy for multiple shareholders, shall be eligible for **one (1) door gift only**.

PARKING

Ample indoor and outdoor parking is freely available at Kota Permai Golf & Country Club.

MOBILE DEVICES

Please ensure that all mobile devices i.e. phones/pagers/other sound emitting devices are switched off or put on silent mode during the AGM to ensure smooth and uninterrupted proceedings.

NO SMOKING POLICY

A no smoking policy is maintained inside the Kota Permai Golf & Country Club building. Your co-operation is much appreciated.

ENQUIRY

For general queries before the AGM day, you may wish to contact Ms. Didi Choong or Cik Forzana Ab Rashid during office hours, at phone no. +603-7726 9210 or fax your enquiries to +603-7728 9811.

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Form of Proxy



CDS Account No.	No. of Shares held

*I/We (full name and in block letters) _____

*NRIC/Passport/Company No. (compulsory) _____ Mobile Phone No.: _____

Address (in block letters): _____

being a member of **Gamuda Berhad** ("the Company") hereby appoint:-

First Proxy

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			

*or failing *him/her,

Second Proxy (as the case may be)

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			

or failing * him/her, the Chairman of the Meeting as * my/our Proxy to vote for * me/our behalf at the Fortieth Annual General Meeting 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 Thursday, 8 December 2016 at 10.00 a.m. and at any adjournment thereof.

Resolution	Ordinary Business	For	Against
1	Approval of Directors' fees		
2	Re-election of YBhg Dato' Lin Yun Ling as Director		
3	Re-election of YTM Raja Dato' Seri Eleena Binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah as Director		
4	Re-election of YM Tunku Afwida Binti Tunku A.Malek as Director		
5	Re-election of Puan Nazli Binti Mohd Khir Johari as Director		
6	Re-appointment of Messrs Ernst & Young as Auditors and to authorise the Directors to fix the Auditors' remuneration		
Special Business			
7	Ordinary Resolution: Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965		
8	Ordinary Resolution: Proposed Renewal of Share Buy-back Authority		

(Please indicate with an "X" in the appropriate box against the resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion)

Signed this _____ day of _____, 2016.

Signature/Common Seal of Shareholder

fold this flap for sealing

Notes:

1. A Member of the Company who is entitled to attend and vote at this meeting 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 and a Member may appoint any person to be his proxy without any restriction as to the qualification of the proxy. The provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
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5. If the appointor is a corporation, the Form of Proxy shall be under the corporation's seal or under the hand of an officer or attorney duly authorised.
6. 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.
7. To be valid, the original signed and/or sealed Form of Proxy must be deposited at the Registered Office of the Company 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 before 11 a.m. on 7 December 2016 or not less than twenty-four (24) hours before the time appointed for the taking of the poll at this meeting, whichever is the later.
8. Only a Depositor whose name appears in the Record of Depositors as at 30 November 2016 shall be entitled to attend, speak and vote at this meeting or appoints a proxy or proxies to attend and/or vote on his/her behalf.

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The Company Secretaries
Gamuda Berhad
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

**AFFIX
STAMP**

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Gamuda Berhad (29579-T)

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