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View our Annual Report, accounts and other information about Gamuda Berhad at [www.gamuda.com.my](http://www.gamuda.com.my)
Established in 1976, Gamuda has grown over the years to become **MALAYSIA’S LEADING INFRASTRUCTURE and PROPERTY DEVELOPER.**
### Malaysia

**Urban Rail Transport in Greater KL**
- Klang Valley Mass Rapid Transit (KVMRT)
  - Sungai Buloh-Kajang Line (Line 1)
  - Sungai Buloh-Serdang-Putrajaya Line (Line 2)

**First Digital IBS Factory in Malaysia**
- Gamuda Industrialised Building System (Gamuda IBS)

**Property Development**
- Gamuda Cove
- Gamuda Gardens
- twentyfive.7
- Horizon Hills
- Jade Hills
- Bukit Bantayan Residences
- Kundang Estates
- Madge Mansions
- The Robertson
- HighPark Suites
- Gamuda Walk
- Gamuda GM Klang
- Gamuda GM Bukit Bintang
- Kota Kemuning
- Valencia
- Bandar Botanic
- Gamuda Biz Suites

**Key Intra-Urban Expressways and Highways in Greater KL**
- Damansara-Puchong Highway (LDP)
- Shah Alam Expressway (SAE)
- Western Kuala Lumpur Traffic Dispersal Scheme (SPRINT)

**Inter-State Rail Transport**
- Electrified Double Track Project (EDTP) (Ipoh-Padang Besar)

**World’s First Dual-Purpose Tunnel**
- Stormwater Management and Road Tunnel (SMART)

**Water Regulating Dam, Water Treatment and Power Plant**
- Gamuda Water
- SPLASH
- Sungai Selangor Dam
- Rasa & Bukit Badong Water Treatment Plants (SSP1 & SSP3)
- Prai Power Station

**Urban Transformation in Penang**
- Penang Transport Master Plan (PTMP)

**Public Infrastructure**
- Pan Borneo Highway package (WPC-04)
- Kuantan Bridge
- Hospital Universiti Kebangsaan Malaysia
- Lumut Naval Harbour
- North Butterworth Container Terminal

### Taiwan

**Rail Transport**
- Kaohsiung Metropolitan Mass Rapid Transit

### Qatar

**Public Infrastructure**
- Dukhan Highway
- Hamad International Airport

### Vietnam

**Property Development**
- Celadon City, Ho Chi Minh City
- Gamuda City, Hanoi

**Sewage Treatment Plant**
- Yen So Sewage Treatment Plant, Hanoi

### Bahrain

**Bridges**
- Sitra Causeway Bridges

### India

**Key Urban Links**
- Durgapur Expressway
- Panagarh-Palsit Highway

### Singapore

**Property Development**
- GEM Residences
- Anchorvale

### Australia

**Property Development**
- 661 Chapel St., Melbourne
AUDIT COMMITTEE
- YM Tunku Afwida binti Tunku A.Malek (Chairperson)
- YBhg Dato’ Mohammed Hussein
- Puan Nazli binti Mohd Khir Johari

NOMINATION COMMITTEE
- YBhg Dato’ Mohammed Hussein (Chairman)
- YM Tunku Afwida binti Tunku A.Malek
- Puan Nazli binti Mohd Khir Johari

REMUNERATION COMMITTEE
- YBhg Dato’ Mohammed Hussein (Chairman)
- YTM Raja Dato’ Seri Eleena binti Almarhum Sultan Azlan Muhibbuddin Shah Al-Maghfur-lah
- YBhg Dato’ Lin Yun Ling

COMPANY SECRETARIES
- Ms Lim Soo Lye (LS 0006461)
- Ms Pang Siok Tieng (MAICSA 7020782)

COMPANY NO.
29579-T

DATE AND PLACE OF INCORPORATION
6 October 1976, Malaysia

REGISTERED OFFICE/CORPORATE OFFICE
Menara Gamuda
D-16-01, Block D, PJ Trade Centre
No. 8, Jalan PJU8/8A
Bandar Damansara Perdana
47820 Petaling Jaya, Selangor Darul Ehsan
Tel : 603-7726 9210
Fax : 603-7728 9811
Email : gbcosec@gamuda.com.my
Web : www.gamuda.com.my

AUDITORS
Messrs Ernst & Young (AF: 0039)
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damantela
Pusat Bandar Damansara
50490 Kuala Lumpur

INVESTOR RELATIONS
Mr Clarence Boudville
Menara Gamuda
Level 17, Block D, PJ Trade Centre
No. 8, Jalan PJU8/8A
Bandar Damansara Perdana
47820 Petaling Jaya
Selangor Darul Ehsan
Tel : 603-7491 2682
Fax : 603-7726 6875
Email : IR@gamuda.com.my

PRINCIPAL BANKER
Malayan Banking Berhad

SHARE REGISTRAR
Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 603-2783 9299
Fax : 603-2783 9222
Email : is.enquiry@my.tricorglobal.com
Web : www.tricorglobal.com

Tricor’s Customer Service Centre
Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad
Stock Code: Gamuda
Stock No: 5398

LISTING DATE
10 August 1992
CONSTRUCTION

Domestic

- Gamuda Engineering Sdn Bhd 100%
- Gamuda M&E Sdn Bhd (formerly known as Semarak Kuasa Sdn Bhd) 100%
- Gamuda Building Ventures Sdn Bhd (formerly known as Imbangan Integrai Sdn Bhd) 100%
- Gamuda Geo Sdn Bhd (formerly known as GL (MM2H) Sdn Bhd) 100%
- Masterpave Sdn Bhd 100%
- Gamuda Trading Sdn Bhd 100%
- Ganaz Bina Sdn Bhd 100%
- Gammau Construction Sdn Bhd 100%
- Gamuda Naim Engineering and Construction (GNEC) Sdn Bhd 65%
- SRS Consortium Sdn Bhd 60%
- MMC-Gamuda Joint Venture Sdn Bhd 50%
- MMC Gamuda KVMRT (PDP) Sdn Bhd 50%
- MMC Gamuda KVMRT (T) Sdn Bhd 50%
- MMC Gamuda KVMRT (PDP SSP) Sdn Bhd 50%
- MRCB Gamuda Sdn Bhd (formerly known as Lambang Perkasa Sdn Bhd) 50%
- Naim Gamuda (NAGA) JV Sdn Bhd 30%
- Lim Hoo Seng-Gamuda Engineering (Stonor 3) JV 50%
- Lim Hoo Seng-Gamuda Engineering (SCM) JV 50%
- GME-CI (GIBS2) JV 55%
- GME-CI (Serai) JV 55%
- Lim Hoo Seng-Gamuda Engineering JV 30%

International

- Gamuda-WCT (India) Private Limited 70%

Digital IBS and Quarrying

- Gamuda Industrial Building System Sdn Bhd 100%
- G. B. Kuari Sdn Bhd 100%

Investment and others

- Gamuda (Offshore) Private Limited 100%
- Gamuda Overseas Investment Ltd 100%
- Megah Management Services Sdn Bhd 100%
- Gamuda Paper Industries Sdn Bhd 95%

GROUP Corporate Structure

PUBLIC COMPANY LIMITED BY GUARANTEE

Yayasan Gamuda
Provides funds or support to Malaysian individuals by way of scholarships, grants, donations and other forms of financial assistance for educational, research and charitable purposes.

Enabling Academy, through funding by Yayasan Gamuda, conducts an employment transition programme that trains and places young adults with autism into companies.
### Property Development

**Domestic**
- Gamuda Land Sdn Bhd 100%
- Bandar Serai Development Sdn Bhd 100%
- Dinamik Atlantik Sdn Bhd 100%
- Gamuda Land (Botanic) Sdn Bhd 100%
- Gamuda Land (Kemuning) Sdn Bhd 100%
- Gamuda Land (T12) Sdn Bhd 100%
- Highpark Development Sdn Bhd 100%
- Idaman Robertson Sdn Bhd 100%
- Jade Homes Sdn Bhd 100%

**International**
- Gamuda (Australia) Pty Ltd 100%
- Gamuda (Singapore) Pte Ltd 100%
- Gamuda Land (HCMC) Joint Stock Company 100%

### Property Management, Maintenance and Landscaping

- Botanic Property Services Sdn Bhd 100%
- Gamuda Land Property Services Sdn Bhd 100%
- Jade Homes Property Services Sdn Bhd 100%
- Valencia Township Sdn Bhd 100%
- Megah Landscape Sdn Bhd 100%
- HGD Property Services Sdn Bhd 50%
- Horizon Hills Property Services Sdn Bhd 50%
- Kota Kemuning Nursery & Landscaping Sdn Bhd 50%

### Golf and Country Club

- Bandar Botanic Resort Berhad 100%
- Jade Homes Resort Berhad 100%
- Danau Permai Resort Berhad 50%
- Horizon Hills Resort Berhad 50%

### Concessions

### Expressway Tolling and Management

**Domestic**
- Kesas Sdn Bhd 70%
- Sistem Penyuraian Trafik KL Barat Sdn Bhd 52%
- Syarikat Mengurus Air Banjir & Terowong Sdn Bhd 50%
- Lingkaran Trans Kota Sdn Bhd 44%

**International**
- Mapex Infrastructure Private Limited (India) 50%
- Emas Expressway Private Limited (India) 50%

### Water Related

- Gamuda Water Sdn Bhd 80%
- Syarikat Pengeluar Air Sungai Selangor Sdn Bhd 40%

(Sold pending fulfillment of conditions in share purchase agreement)
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Dear Shareholders,

2018 will be remembered for the unprecedented peaceful transition of a new Government for Malaysia. The outlook is positive with anticipation for stronger governance, prudent public financial management and enhanced public service delivery which will set the country on a long-term dynamic growth path.

Against this backdrop of a transforming country, with sounder fundamentals and targeted new infrastructure builds, we are poised to leverage on our existing capabilities to contribute to nation building. Infrastructure investments will still be required to support the new growth trajectory of the country, not only in the Klang Valley, but across all states. The refocus towards innovation and technology as drivers of economic productivity, and the commitment to deliver affordable housing, are strategies that our business is well-aligned with.

YBHG DATO’ LIN YUN LING
Group Managing Director
As the country consolidates its fiscal position, large-scale infrastructure projects are under review. The HSR and MRT3 projects have been deferred, and after successful negotiations with the Government, the remaining works of the KVMRT Line 2 project shall now be completed as a turnkey contract at an agreed lump sum price.

Any transition to a new normal is rarely smooth and with such challenges upon us, we shall indeed heed the call of the Malaysia Baru Government to seek greater efficiencies through enhanced competitiveness and also new opportunities through continued innovation and deeper investments in technology. In so doing, we shall be both leaner and stronger to grow shareholder value in the long term.

**STRONG FINANCIAL PERFORMANCE IN FY2018**

For financial year 2018, we are pleased to have delivered another set of strong financial results, having made good progress on our construction contracts and meeting targets for the property division and infrastructure concession operations.

The Group posted a 26% increase in core revenue to a record RM7,169 million for FY2018. Core profit before tax (PBT) improved 12% to RM1,036 million year-on-year (excluding the one-off loss incurred from the sale of SPLASH).

For FY2018, Gamuda Engineering, our engineering and construction division, posted a 36% increase to RM367 million in core PBT on the back of a 22% rise in revenue to RM4,065 million year-on-year.

Gamuda Land, our property division, registered sales of RM3.6 billion, up 50% from RM2.4 billion in FY2017. Revenue increased 39% to RM2,592 million while core PBT rose by 14% to RM246 million over the previous year, contributed by our international and domestic projects.

Gamuda Infrastructure Concessions, which consists of highways and water concessions, is a stable earnings contributor and saw revenue rise 1% to RM512 million. Excluding the one-off loss recorded from the sale of SPLASH, core PBT posted a 4% decrease to RM423 million.

We distributed RM295 million in dividend to shareholders in FY2018.
FY2018 KEY ACHIEVEMENTS AND MILESTONES

The Group has continued to grow year-on-year and FY2018 was another year of achievements and milestones.

We saw the completion of our first project using digital IBS, the Rumah Selangorku (RSKU) Pangsapuri Gapura Bayu at Jade Hills, Kajang. Made up of 714 apartments in three 20-storey blocks, the project was completed in 24 months, shorter by 12 months compared to conventional building methods. The Gamuda IBS show units were accorded a high QLASSIC score of 85, well above the industry benchmark of 70, a testament to the superior quality of the homes. As at October this year, 1,800 units of apartments have been completed using digital IBS.

The construction of the Sungai Buloh-Serdang-Putrajaya Line (KVMRT Line 2) is progressing on schedule. Tunnelling works started in March 2018, and two of 12 tunnel boring machines (TBM) are already mining, with the balance being assembled and ready to mine in the coming months. This marks another milestone for the MMC Gamuda Joint Venture as the refurbished TBMs, improved with modifications after the completion of Sungai Buloh – Kajang Line (KVMRT Line 1), are being used again on KVMRT Line 2. The knowledge and expertise developed over the years have strengthened our capacity and capability to assemble, operate and refurbish TBMs. To date, all 19 sites are active with 40% of the works completed.

The property division has achieved a record-breaking year, achieving sales of RM3.6 billion, a 50% growth over the previous year, contributed by both international and domestic markets. This paves the way for strong future earnings in the coming years. Gamuda Gardens, a 810-acre township in Northern Kuala Lumpur, was launched in July 2017. This is a master-planned development with distinct offerings, including waterfront retail and a lifestyle hub. The take-up rate for both Phase 1 and Phase 2 has been encouraging.
Our overseas projects, including Vietnam, Singapore and Australia have performed strongly in FY2018, contributing to two-thirds of sales recorded this year.

The long-awaited disposal of SPLASH has come to a satisfactory close. The Selangor State Government has offered to acquire the entire equity of SPLASH for RM2.55 billion. The offer price was arrived at on a willing-buyer, willing-seller basis. This will result in an upfront cash payment of RM1.9 billion and balance payment of RM650 million shall be settled over the next nine years. Gamuda Water will continue to operate and maintain the SSP3 Water Treatment Plant and continue to generate recurring earnings for the Group.

OUTLOOK – TRENDS CREATING OPPORTUNITIES
The world we live in is changing and the way we work and the products we deliver must follow accordingly.

1. Technology and Innovation
Construction is going through a digital revolution. We see a future in building technology as construction moves increasingly offsite with greater reliance on technology. IBS utilises an integrated Building Information Modelling (BIM) design approach, which allows us to customise our designs with increased flexibility. This will enable us to cater for higher buildings, and also a wide range of products from strata to landed homes, as well as public or commercial buildings.

For the year ahead, we are on track for the completion of our second factory in Banting, thereby increasing our production from 3,000 to 8,000 units of apartments and also our range of product offering.

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

Conventional practices in the construction industry and heavy reliance on foreign workers have hampered productivity growth and is not going to be sustainable in the long run. A sustainable solution is what the country needs now for the future.

“FOR THE YEAR AHEAD, WE ARE ON TRACK FOR THE COMPLETION OF OUR SECOND FACTORY IN BANTING, THEREBY INCREASING OUR PRODUCTION FROM 3,000 TO 8,000 UNITS OF APARTMENTS AND ALSO OUR RANGE OF PRODUCT OFFERING.”
2. Building Sustainable Townships and Communities

At the heart of our town-making principles is the belief that sustainable integrated townships should be planned and built with the community and environment in mind. By listening to what the land has to tell us, we focus on the preservation of the natural topography and incorporate well-planned, multi-functional natural features to ensure the sustainability of the natural environment.

To this end, we have launched Gamuda Parks, a pledge to biodiversity enhancement and to strengthen our commitment to creating sustainable ecosystems for our townships. We are working in partnership with Wetlands International Malaysia, Forest Research Institute Malaysia (FRIM) and an environmental consultant to ensure a holistic approach to this initiative, including a formulation of a Biodiversity Policy and conducting a biodiversity audit as a scientific measurement to ensure sustainability of flora and fauna in our developments.

We are particularly excited with the launch of the first phase of Gamuda Cove in August 2018. This 1,530-acre township is dubbed ‘Nature Sanctuary, Future City’ and has been master-planned as a nature-inspired sanctuary with 250-acre of green area and a sustainable smart city. Intelligent mobility, waste and security solutions will be introduced within this development.

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

In the last two years, Gamuda Land has launched four new townships (2,700 acres) in the Klang Valley, with a total Gross Development Value of RM35 billion. Its overseas projects in Vietnam, Singapore and Australia have also contributed strongly to Gamuda Land’s FY2018 total sales of RM3.6 billion. As the property market remains buoyant in Vietnam, we expect a continuous trend of strong sales for the year ahead and will seek to replenish our landbank to further expand in this market. Backed by the success of our first development (GEM Residences) in Singapore, we look forward to strengthening our market presence in Singapore with our second development at Anchorvale Crescent in Sengkang.

3. Infrastructure and Growth

There continues to be a need to build good and sustainable public transportation networks that enhance intercity and intracity connectivity. The Penang Transport Master Plan (PTMP) project that consists of a Light Rail Transit (LRT) system, new highways and reclamation of land in the south of Penang Island is at an advanced planning stage. We expect PTMP to obtain the necessary approvals by the end of 2018. The SRS Consortium is ready to begin the next stage of detailed design before calling for open tenders and awarding the work packages.

The PTMP is a comprehensive economic transformation masterplan that delivers new land for the state. This prepares Penang for the future that will enable the primary growth engines for long-term sustainable development – E&E and services (tourism and business processes outsourcing). With this new liveable environment, it will improve the quality of life by providing affordable housing, public amenities and recreational spaces such as beaches, parks and a waterfront.
With regards to the tunnelling works on KVMRT Line 2, the project is scheduled to reach peak progress in FY2019 as it traverses challenging mixed soil conditions. All 12 TBMs, including eight which have been refurbished at the TBM Refurbishment Plant in Ipoh, will be in full operation. The tunnelling crew will be working towards the completion of tunnelling works targeted for the end of 2019.

In Sarawak, construction on the 91.1 km Pantu Junction-Batang Skrang stretch is expected to be at its peak in the next 12 months, as all major construction activities operate in full swing. The Naim-Gamuda (NAGA) JV has made important strides in safety and environmental training with local partners and suppliers and will continue to do so in the coming years.

In the coming year, we will continue to invest in technology and our people, to drive innovation and put us in a leading position to take on these new opportunities.

“IN SARAWAK, CONSTRUCTION ON THE 91.1 KM PANTU JUNCTION-BATANG SKRANG STRETCH IS EXPECTED TO BE AT ITS PEAK IN THE NEXT 12 MONTHS, AS ALL MAJOR CONSTRUCTION ACTIVITIES OPERATE IN FULL SWING.”

GROUP STRATEGY

The Group Strategy is underpinned by the 3C’s approach – building Capacity, Capability and Competitiveness. This year, we continue to focus on developing our people and leveraging on technology to achieve long-term sustainable growth.

IN SARAWAK, CONSTRUCTION ON THE 91.1 KM PANTU JUNCTION-BATANG SKRANG STRETCH IS EXPECTED TO BE AT ITS PEAK IN THE NEXT 12 MONTHS, AS ALL MAJOR CONSTRUCTION ACTIVITIES OPERATE IN FULL SWING.

1. Workforce Capital

In FY2018, we put in place a robust and structured Group-wide leadership succession planning review process for key senior management positions, assessing the capacity, level of readiness and aspiration of this leadership pool. To support career progression and succession management, development programmes have been introduced for first-time managers and high potential employees (HPE). This gives the employee clear directions on his or her career path, ensuring continuity, performance and results.
Key to effective workforce upskilling is a systematic development programme, including rotated exposure and on-the-job training and mentoring. As a result, we have seen how the knowledge transfer from KVMRT Line 1 has greatly benefitted KVMRT Line 2, as it provided a ready and well-equipped workforce.

Programmes under the Construction Training Centre, Railway Systems Training, BIM Academy, Tunnelling Training Academy (TTA) as well as various Government collaboration programmes with IKBN, Kolej Komuniti and Yayasan Peneraju, have been impactful and we will continue to invest in them.

Workplace diversity plays a key role in enhancing our Group’s capabilities through the contribution of different points of view, breadth of knowledge, skills and resources, thereby driving innovation and productivity. One of the key diversity programmes launched in 2018 was the Gamuda Women Empowerment Network (GWEN). Steered by YTM Raja Dato’ Seri Eleena as patron, GWEN’s mission is to positively move forward to shape the future of our women by providing opportunities for development and career advancements.

GWEN set off its first key initiative by fine-tuning our existing mentorship programme, by putting together a panel of external mentors consisting of men and women in leadership positions from different sectors and implementing a structured matching programme. The intention is to build capability through the different perspectives offered by these successful individuals external to our organisation.

2. Transforming the Way We Work

We continue to make strategic investments in technology to increase our operational capabilities with the view of helping us achieve competitiveness and agility to respond to changes in the market. Automation will also help us optimise operating costs.

The future of the construction industry is digital, data driven and benefits from the ability to collaborate. We strive to be at the forefront of changing the way we manage and integrate information on our construction projects with the adoption of Building Information Modelling (BIM) across all projects. Our goal is to reach full BIM adoption (beyond Level 2) by 2020.
Throughout the last financial year, Gamuda’s BIM Academy has carried out various training courses to upskill our employees. A total of 610 key personnel from the Engineering, Quantity Surveying and Architecture divisions have undergone BIM training. BIM training was also conducted for our supply chain vendors, where 12 of our contractors have undergone training so far.

Gamuda has taken field management to the next level by utilising an industry field management tool to improve information flow and collaboration among key project stakeholders. With training and new investments in tablets, we now have 690 active users, and the number continues to increase. This mobile digital platform allows workers to capture, share and report data on the field, leading to quality delivery and improved safety conditions at site.

Procurement and supply chain management are crucial denominators from the onset of every project that we undertake as a Group. In FY2018, we rolled out a Group Digital Procurement Platform to make procurement more effective – by using a consistent, collaborative approach leveraging on the SAP Ariba platform which embraces supply chain and procurement best practices to improve value and sustainable savings.

In an age of well-informed customers with high expectations, we are prioritising the enhancement of customer experience as an important brand differentiator for Gamuda Land. In addition to digitalising the sales process, the launch of our Customer Portal will provide an interactive platform for home buyers to view and manage their property details. Beyond the point of sale, our Residence Management mobile app with integrated services is designed to enhance the community living experience in the townships that we build.

Technology will enable us to focus our resources more strategically and enlarge the Group’s capacity to innovate.

“A TOTAL OF 610 KEY PERSONNEL FROM THE ENGINEERING, QUANTITY SURVEYING AND ARCHITECTURE DIVISIONS HAVE UNDERGONE BIM TRAINING. BIM TRAINING WAS ALSO CONDUCTED FOR OUR SUPPLY CHAIN VENDORS, WHERE 12 OF OUR CONTRACTORS HAVE UNDERGONE TRAINING SO FAR. ”
COMMITMENT TO SUSTAINABILITY

Sustainability is integral to our Group strategy to ensure long-term growth for our business.

This year, we have embarked on an extensive and robust process to engage with our stakeholders and prioritise the material economic, environmental and social matters (EES). An assessment on our long-term goal in the context of the environment we operate in and an internal review of our processes resulted in our Materiality Matrix, an illustration of the issues and its relative importance as seen by our key stakeholders.

The key material matters identified are economic performance and customer satisfaction, employee management, health and safety, supply chain management, innovation and governance. These have been mapped against the UN Sustainable Development Goals (SDGs).

Gamuda’s Group-wide Sustainability Framework has been developed by prioritising the identified material matters to streamline our strategy, measure performance and reflect the value creation to Gamuda’s overall vision and mission. It is our aspiration for such transparent disclosure to inspire and ensure accountability, identify and manage risks and enable the Group to seize new opportunities.

SUSTAINABILITY IS INTEGRAL TO OUR GROUP STRATEGY TO ENSURE LONG-TERM GROWTH FOR OUR BUSINESS.

BOARD CHANGES

We welcome to the Board Tan Sri Dato’ Setia Haji Ambrin bin Buang as an Independent Non-Executive Director and our Deputy Group Managing Director, Encik Mohammed Rashdan bin Mohd Yusof as an Alternate Director.

We would also like to put on record our deepest appreciation for our long serving directors who have stepped down from the Board; Dato’ Goon Heng Wah, Mr Saw Wah Theng, Dato’ Haji Ir Azmi bin Mat Nor and alternate directors, Dato’ Chow Chee Wah, Mr Chan Kong Wah and Mr Soo Kok Wong for their immense contribution over the years. This change was to facilitate compliance to Practice 4.1 of the Malaysian Code on Corporate Governance which recommends that the Board members of a Large Company comprise a majority of independent directors.

I would like to thank you, our employees, suppliers and customers for your continuous engagement, support and trust that have contributed greatly to our performance.

I have good faith that the experience and commitment of my colleagues, and the stewardship and wisdom of our Board, will guide us through these challenging times.

We will continue to grow our business through the right investments in technology and capabilities, and create long-term sustainable value for our stakeholders and shareholders.

YBHG DATO’ LIN YUN LING
Group Managing Director
Key Performance Indicators

PROPERTY SALES

2018: RM3.6 BILLION

2017: RM2.4 billion

A record-high property sales with 50% growth
Contributed by international and domestic markets.

REVENUE

2018: RM7,169(N1) MILLION

2017: RM5,703 million

A record revenue with 26% growth
Gamuda Engineering and Gamuda Land are the major contributors to the growth.

CORE NET PROFIT

2018: RM818(N2) MILLION

2017: RM700 million[N3]

A record core net profit
Group core net profit increased by 17% to RM818 million. To deliver continuous returns to shareholders.

CORE RETURN ON OWNERS’ EQUITY

2018: 10.8%

2017: 9.4%

Capital portfolio to deliver return on capital
To measure the Group’s profitability by examining the ability to generate revenue for each unit of shareholder equity. We continue to maintain our strong financial position.

NET DEBT TO EQUITY RATIO

2018: 0.52 TIMES

2017: 0.54 times

Maintain a net debt ratio of <0.7 times
The Group continued to maintain a prudent net gearing not exceeding 0.7 times.

DIVIDEND PAYOUT

2018: 57%

2017: 49%

To deliver favourable returns to shareholders
We create value for shareholders by distribution of at least 30% of annual earnings. Over the past five years, the Group paid between 39% to 49% of its earnings as dividends to shareholders.

[N1] Group revenue includes share of joint ventures’ revenue (e.g., KVMRT PDP works) but excludes revenue of associated companies.
[N2] Excluding one-off losses on disposal of SPLASH of RM300 million and impairment on investment in Gamuda Water of RM4 million.
[N3] Excluding one-off impairment of RM98.5 million on SMART’s expressway.
## Value Creation Strategy

### INPUTS

<table>
<thead>
<tr>
<th><strong>Financial Capital</strong></th>
<th>Shareholders, bondholders, banks, the financial markets and internally generated funds are our source of financial capital, providing the foundation for growth and stability.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Human Capital</strong></td>
<td>We employ a pool of talented employees. We strive to provide employees with a safe and inspiring workplace, as well as tools and training to develop capabilities and be equipped to create new opportunities.</td>
</tr>
<tr>
<td><strong>Manufactured Capital</strong></td>
<td>Gamuda is a market leader in construction capabilities, underpinned by our investments into innovative construction solutions.</td>
</tr>
<tr>
<td><strong>Intellectual Capital</strong></td>
<td>We develop and leverage on our expertise and experience to bring new and innovative solutions to clients and the communities we work in.</td>
</tr>
<tr>
<td><strong>Social and Relationship Capital</strong></td>
<td>We build trust with our network of customers, suppliers and local communities by complying with laws and regulations on ethics, safety, health, quality, labour standards, environmental standards and governance.</td>
</tr>
<tr>
<td><strong>Natural Capital</strong></td>
<td>We have invested in strategic landbanks to develop townships. Construction related activities heavily utilise water and electricity.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>VISION &amp; STRATEGY</strong></th>
<th><strong>VISION</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>We aim to lead the region in innovative breakthrough solutions for large scale public infrastructure and property development.</td>
</tr>
</tbody>
</table>

| **MISSION** | We reliably deliver innovative world-class infrastructure and premier lifestyle properties for our customers through our core businesses in infrastructure development and construction, operation of infrastructure facilities and property development. |

| **STRATEGY** | Our strategy to achieve sustainable growth is based on our 3C’s approach – **Capacity, Capability and Competitiveness** building. |

### VISION

**RM 13 billion**
Capital Employed

<table>
<thead>
<tr>
<th>4,100</th>
<th>Number of Employees</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>8,000</th>
<th>IBS Manufacturing Capacity</th>
</tr>
</thead>
</table>

| 12 | Tunnel Boring Machines |

<table>
<thead>
<tr>
<th>16,322</th>
<th>workers and employees completed the Underground Construction Skills Certification Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>42,311</td>
<td>workers and employees completed the SHE Passport Scheme</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>More than 340 scholarships awarded to date</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>40,000</th>
<th>GPOS trainees to date including subcontractors</th>
</tr>
</thead>
</table>

### VALUES

- Take Personal Ownership
- Walk The Walk
- Adopt Open and Honest Communication
- Demonstrate Real Teamwork
- Develop Our People
**ENGINEERING & CONSTRUCTION**

We are the leader in major transport infrastructure construction in Malaysia. We are also recognised for our capabilities in civil engineering, building and water projects.

To achieve competitiveness, efficiency and reliability, we strongly believe in and have invested in automation and data driven construction technology.

We create value by developing innovative infrastructure solutions that deliver high socio-economic impact.

**PROPERTY DEVELOPMENT**

We have a proven track record of creating holistic and sustainable communities, underpinned by thoughtful master planning, landscaping, recreational spaces and comprehensive infrastructure. Understanding emerging trends and customers expectations, our new townships adopt the Smart City Model which aims to provide lifestyle and safety solutions, as well as improve resource management (energy, water, waste). Our portfolio is geographically diversified across Vietnam, Australia and Singapore.

**INFRASTRUCTURE CONCESSIONS**

Our highway concessions are operationally mature and robust, and are anticipated to continue providing healthy future earnings for the Group.

---

**VALUE SHARED WITH StakeHOLDERS**

<table>
<thead>
<tr>
<th>Revenue[^N1]</th>
<th>Dividend per share</th>
<th>Core PBT[^N2]</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM 7,169 million</td>
<td>12 sen</td>
<td>RM 1,036 million</td>
</tr>
</tbody>
</table>

26% growth

12% growth

[^N1]: Including share of joint ventures’ revenue (e.g. KVMRT) but excludes revenue of associated companies.

[^N2]: Excluding the one-off loss incurred from the sale of SPLASH.

Women in the workforce: 30%

Women on the Board: 43%

ILHAM Malaysia’s Sustainable Landscape Award 2018 – Gold

Total training hours: 13.3 hours/employee

Apartments completed using IBS: 1,800 units

11 million man-hours without loss time injuries for PDP

5,847 trees

676,438 shrubs planted across our developments

---

[^N1]: Including share of joint ventures’ revenue (e.g. KVMRT) but excludes revenue of associated companies.

[^N2]: Excluding the one-off loss incurred from the sale of SPLASH.
Material Matters & Key Risks

The Group’s businesses span across engineering & construction, property development and infrastructure concessions. An efficient risk management system is in place and is key to supporting sustainable growth for our business and achievement of our objectives.

<table>
<thead>
<tr>
<th>Material Matters</th>
<th>Relevance and Context</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhancing Shareholder Value &amp; Customer Satisfaction</td>
<td>Our business is impacted by the economic climate we operate in. The success of our property segment in particular is reliant on healthy domestic consumption in the local and overseas markets we operate in. Changes in Government procurement and project priorities affect our engineering &amp; construction business segment.</td>
</tr>
<tr>
<td>Employee Management, Health &amp; Safety</td>
<td>There is competition for skilled employees in the market. The sustainability of the business requires effective acquisition, development and retention of talent. The well-being of employees directly affects productivity and sustainability of the business.</td>
</tr>
<tr>
<td>Supply Chain Management</td>
<td>The robustness of our supply chain (i.e. sourcing, supplier network etc) and efficient contract management underpins our capability to deliver on our commitments to our customers. This is particularly relevant in an increasingly competitive market environment.</td>
</tr>
<tr>
<td>Innovation</td>
<td>Innovation in our products, solutions and services provide opportunities for our business and keeps us ahead of the competition.</td>
</tr>
<tr>
<td>Governance</td>
<td>The integrity of our people, ethical behaviour and compliance with applicable rules and regulations are key to the sustainability of the business. Our internal policies and procedures must be robust to uphold stakeholder trust.</td>
</tr>
</tbody>
</table>
Our view of risks is determined by our strategy and objectives, shaped by our culture and values, and governed by our internal policies and system of controls. The potential impact of these risks are assessed according to financial, organisational, reputational and legal repercussions.

<table>
<thead>
<tr>
<th>Potential Impacts</th>
<th>Mitigating Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative impact on revenue, cashflow, profitability and sustainability.</td>
<td>• Focus on delivering differentiated value for our customers through innovative product offering and effective placemaking, and building a thriving local community within our townships. Besides Malaysia, develop a diversified project portfolio across Vietnam, Australia and Singapore.</td>
</tr>
<tr>
<td></td>
<td>• Focus on developing innovative infrastructure solutions that deliver high socio-economic impact.</td>
</tr>
<tr>
<td></td>
<td>• Invest in achieving competitiveness and strengthening capabilities through technological solutions and by ensuring that we have the necessary resources and skills.</td>
</tr>
</tbody>
</table>

| Lower productivity from accidents, breakdowns and failures. Workforce not adequately scalable to meet our growth ambitions. | • Focus on implementing a comprehensive human resource strategy, including career planning and development, diversity, mobility, learning, recruitment and compensation, ethics, well-being. |
|                                                                                                                  | • Implement skills training programmes at TTA and GPOS, as well as comprehensive management and technical programmes at Gamuda Learning Centre. |
|                                                                                                                  | • Work in partnership with our clients, subcontractors and relevant Government agencies to upgrade Safety, Health and Environment (SHE) in the construction sector. |

| Negative impact on profitability from supply chain pressures. Delay in completion of projects leading to reputational risks. | • Continuous engagement with suppliers, collaboration and work partnership to innovate and improve efficiencies throughout the supply chain. |
|                                                                                                                  | • Implement digital procurement system to achieve efficiencies through streamlining and management of supplier database. |

| Lack of differentiation in product offerings erodes ability to generate value creating solutions. | • Continuous investments into innovation initiatives, commitment to BIM adoption across the Group and further development of IBS product offerings. |
|                                                                                                                  | • Collaborate with clients, suppliers and partners to improve product quality and drive innovation. |

| Lack of compliance will be detrimental to our reputation and economic well-being. | • Consistent implementation of policies and procedures, Code of Ethics, Whistleblowing Policy, employee engagement. |
|                                                                                    | • Establish sustainable organisational structure and framework. |
|                                                                                    | • Regular internal and external audits of both financial and operational systems. |
FINANCIAL PERFORMANCE ANALYSIS

In financial year ended 31 July 2018, The Group achieved yet another record revenue of RM7,169 million, an increase of 26% year-on-year (YOY) compared with RM5,703 million last year. Net profit is lower at RM514 million, a decrease of 15% YOY due to one-off losses on disposal of Selangor Pengeluar Air Sungai Selangor Sdn Bhd (SPLASH) of RM300 million and impairment on investment in Gamuda Water Sdn Bhd (“Gamuda Water”) of RM4 million. Excluding this year’s one-off losses and last year’s one-off loss on investment in SMART of RM98 million, Gamuda Group achieved a record-high core net profit of RM818 million this year, an increase of 17% compared to core net profit of RM700 million in FY2017. Better growth in revenue and core profits derived mainly from higher property sales of its overseas projects in Vietnam and Singapore as well as the pick-up in work progress of its construction projects.

THE GROUP ACHIEVED YET ANOTHER RECORD REVENUE OF RM7,169 MILLION [AN INCREASE OF 26% YEAR ON YEAR (YOY)] AND RECORD-HIGH CORE NET PROFIT OF RM818 MILLION [AN INCREASE OF 17% YOY];

GAMUDA LAND POSTED A RECORD-HIGH PROPERTY SALES OF RM3.6 BILLION [AN INCREASE OF 50% YOY] WITH 70% FROM OVERSEAS PROPERTY SALES.

MR SAW WAH THENG
Group Finance Director
Gamuda Land posted a record-high property sales of RM3.6 billion for FY2018, surpassing its RM3.5 billion sales target. The property sales grew by 50% compared with last year’s sales of RM2.4 billion on the back of stronger sales from its projects in Vietnam and Singapore. Overseas property sales contributed 70% of the overall property sales during the year.

GROUP SEGMENTAL PERFORMANCE

<table>
<thead>
<tr>
<th>RM’million</th>
<th>2018</th>
<th>2017</th>
<th>Var</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering and Construction</td>
<td>4,065</td>
<td>3,327</td>
<td>22%</td>
</tr>
<tr>
<td>Property Development</td>
<td>2,592</td>
<td>1,868</td>
<td>39%</td>
</tr>
<tr>
<td>Water and Expressway</td>
<td>512</td>
<td>508</td>
<td>1%</td>
</tr>
<tr>
<td>Revenue(^{(N1)})</td>
<td>7,169</td>
<td>5,703</td>
<td>26%</td>
</tr>
<tr>
<td>GROUP NET PROFIT(^{(N2)})</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering and Construction</td>
<td>297</td>
<td>225</td>
<td>32%</td>
</tr>
<tr>
<td>Property Development</td>
<td>205</td>
<td>165</td>
<td>25%</td>
</tr>
<tr>
<td>Water and Expressway</td>
<td>316</td>
<td>310</td>
<td>2%</td>
</tr>
<tr>
<td>Core Net Profit</td>
<td>818(^{(N3)})</td>
<td>700(^{(N4)})</td>
<td>17%</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Loss on disposal of SPLASH</td>
<td>(300)</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>– Impairment loss on investment in Gamuda Water</td>
<td>(4)</td>
<td>–</td>
<td></td>
</tr>
<tr>
<td>– One-off Impairment on SMART’s Expressway</td>
<td>–</td>
<td>(98)</td>
<td></td>
</tr>
<tr>
<td>Net Profit</td>
<td>514</td>
<td>602</td>
<td>-15%</td>
</tr>
</tbody>
</table>

\(^{(N1)}\) Group revenue includes share of joint ventures’ revenue (eg. KVMRT PDP works) but excludes revenue of associated companies.

\(^{(N2)}\) Group net profit includes Group’s share of profits of joint ventures and associated companies.

\(^{(N3)}\) Excluding one-off losses on disposal of SPLASH and impairment on investment in Gamuda Water.

\(^{(N4)}\) Excluding one-off impairment on SMART’s expressway.
Gamuda Land posted a record-high property sales of RM3.6 billion for FY2018, surpassing its RM3.5 billion sales target. The property division’s reported revenue of RM2.6 billion an increase of 39% YOY and core net profit of RM205 million, an increase of 25% YOY, compared with revenue of RM1.9 billion and core net profit of RM165 million in the preceding year. The better performance is mainly due to stronger sales contribution from its overseas projects in Vietnam and Singapore.

The achievement is attributed to getting its town-making principles right. As part of the strategies, Gamuda Land has rolled out innovative and new-to-market products, enhanced branding and customer experience services, recognition by industry bodies through awards, as well as talent development to better drive the business.

The property sales grew 50% to RM3.6 billion compared with last year’s sales of RM2.4 billion on the back of stronger sales from established overseas projects, largely from Vietnam and Singapore, amounting to two-thirds of overall property sales. Today, Gamuda Land is the biggest Malaysian property player in Hanoi, and the first to introduce a nature-inspired sanctuary within the bustling city of Ho Chi Minh City. Both Gamuda City and Celadon City are well thought-out masterplans, designed to bring ample convenience and community building to the people with strong place-making elements. Newer townships such as Gamuda Gardens and twentyfive.7 are seeing better take-up rates since their official launches. Gamuda Cove, a future landmark township development with a GDV of RM20 billion on 1,530-acre located opposite the Cyberjaya, Putrajaya, interchange along the Elite Highway and 15 minutes from KLIA will be launched in Q4 of 2018.

In line with Gamuda Land’s strategy to diversify internationally and increase share of non-Ringgit revenue, Gamuda (Singapore) Pte Ltd, a wholly owned subsidiary of Gamuda in Singapore, in partnership with Evia Real Estate (8) Pte Ltd won the tender for the land parcel at Anchorvale Crescent site earmarked for the executive condominium development for SGD318.9 million.

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GAMUDA ENGINEERING

The construction division’s revenue grew 22% to a record high of RM4.1 billion compared to RM3.3 billion in the preceding year. Core net profit for the year grew by 32% to a record-high of RM297 million compared to RM225 million in the preceding year. The better performance is mainly due to higher work progress from KVMRT Line 2 and works on the Pan Borneo Sarawak Highway – Pantu Junction to Batang Skrang is progressing on schedule.

To-date, 98% of the KVMRT Line 2 work packages has been awarded. The overall cumulative progress at end of August is on track at 28%. Rail systems final design and procurement is in progress. Manufacture of the trains is ongoing at the contractor’s facility in Korea. For underground works package of KVMRT Line 2, the cumulative progress as at end of August is according to plan at 37%.

Pan Borneo Sarawak project’s scope which includes the widening and upgrading of the existing 89.30 km long from 2-lane single carriage road to a 4-lane dual carriageway is progressing well with overall cumulative progress at end of August 2018 was 29%, and is expected to be completed on schedule.

On Penang Transport Master Plan (PTMP) project, the Penang State Government has extended the validity of the Letter of Award (appointing 60% owned SRS Consortium as Project Delivery Partner for the implementation of the PTMP) to 30 August 2019 due to additional time required to comply with Federal Government approval process. The necessary approval are expected to be obtained by the end of 2018.

“CORE NET PROFIT FOR THE YEAR GREW BY 32% TO A RECORD-HIGH OF RM297 MILLION COMPARED TO RM225 MILLION IN THE PRECEDING YEAR.”
GAMUDA INFRASTRUCTURE CONCESSION

The division reported a revenue of RM512 million (excluding share of associated companies’ revenue) which is similar to last year’s financial performance, while core net profits (excluding one-off loss incurred from sale of SPLASH) increase by 2% to RM316 million from RM310 million.

WATER

The long-awaited disposal of SPLASH has come to a satisfactory close. On 28 September 2018, the Group’s 40% owned Syarikat Pengeluar Air Selangor Holdings Bhd (SPLASH Holdings) entered into a conditional share purchase agreement (SPA) with Air Selangor for the disposal of its wholly owned subsidiary, SPLASH, the concession holder of the Sungai Selangor Water Supply Scheme Phase 1 and 3 for a total cash consideration of RM2.55 billion. The disposal consideration shall be paid by Air Selangor to SPLASH Holdings with an upfront payment of RM1.9 billion upon completion of all condition precedents as prescribed in SPA. Thereafter, the balance purchase price of RM650 million shall be settled in nine annual instalments with an interest of 5.25% per annum.

On 27 August 2018, the Group’s 80% Gamuda Water accepted Air Selangor’s offer to:

- Settle Gamuda Water’s outstanding receivables arising from its existing operations and maintenance of the Sungai Selangor Water Treatment Plant Phase 3 (SSP3) at an amount equal 90% of the outstanding receivables as at the date to be mutually agreed by all the parties. 10% of the settlement sum shall be paid upfront and the balance shall be settled in nine equal annual instalments with an interest of 5.25% per annum; and

HIGHWAY

Except for SMART Expressway which experienced lower than expected traffic, the traffic volumes of other expressways continue to be resilient and continue to provide the Group of stable income stream.

OTHER COMPREHENSIVE LOSS – RM221 MIILION

Included in the other comprehensive loss for the year ended 31 July 2018 is a net foreign exchange loss of RM224 million. The net foreign exchange loss resulted from the loss on foreign currency translation of the Group’s overseas net assets due to stronger Ringgit Malaysia.

GAMUDA INFRASTRUCTURE

REVENUE

RM512 MILLION

INCREASE OF 1%
**CONSOLIDATED FINANCIAL POSITION ANALYSIS FOR FY2018**

<table>
<thead>
<tr>
<th>RM’million</th>
<th>2018</th>
<th>2017</th>
<th>Var</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>9,401</td>
<td>9,336</td>
<td>1%</td>
</tr>
<tr>
<td>Current assets</td>
<td>7,438</td>
<td>6,434</td>
<td>16%</td>
</tr>
<tr>
<td>Total assets</td>
<td>16,839</td>
<td>15,770</td>
<td>7%</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>5,115</td>
<td>5,358</td>
<td>-5%</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>3,773</td>
<td>2,567</td>
<td>47%</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>8,888</td>
<td>7,925</td>
<td>12%</td>
</tr>
<tr>
<td>Owners’ equity</td>
<td>7,568</td>
<td>7,476</td>
<td>1%</td>
</tr>
<tr>
<td>Current ratio (times)</td>
<td>2.0</td>
<td>2.5</td>
<td>-0.5</td>
</tr>
<tr>
<td>Net assets per share attributable to equity holders (RM)</td>
<td>3.07</td>
<td>3.05</td>
<td>0.02</td>
</tr>
</tbody>
</table>

**TOTAL ASSETS**

The Group’s total assets have increased 7% YOY to RM16,839 million due to increase in cash and bank balances and plant and equipments. Addition in plant and equipments comprises of the cost incurred for the second IBS factory of RM195 million, which is expected to complete end of 2018, and the costs related to tunnel boring machines of RM130 million for KVMRT Line 2.
TOTAL LIABILITIES

Total liabilities have increased 12% to RM8,888 million, mainly due to increase in borrowings and increase in payables of ongoing projects.

Borrowings are raised to finance the new townships locally such as Gamuda Gardens, twentyfive.7 and Gamuda Cove. The Group’s net gearing improved from 0.54 times to 0.52 times end of the FY2018. 47% of the borrowings are due for repayment after end of 2 years.

<table>
<thead>
<tr>
<th>Borrowings due for repayment in</th>
<th>&lt;1 year</th>
<th>1-2 years</th>
<th>&gt;2 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Term Borrowings</td>
<td>-</td>
<td>1,571</td>
<td>2,679</td>
<td>4,250</td>
</tr>
<tr>
<td>Short Term Borrowings</td>
<td>1,487</td>
<td>-</td>
<td>-</td>
<td>1,487</td>
</tr>
<tr>
<td>Total Borrowings</td>
<td>1,487</td>
<td>1,571</td>
<td>2,679</td>
<td>5,737</td>
</tr>
</tbody>
</table>

Current ratio (Current assets/Current liabilities)

At the end of the financial year, the Group’s current ratio, a yardstick that measures the state of the Group’s financial liquidity, stood at 2x (2017: 2.5x) due to higher short-term borrowings which are due for repayment. The current ratio indicates that the Group has adequate liquidity to meet its short-term commitments.

OWNERS’ EQUITY

Owners’ equity increased by 1% to RM7,568 million due to the increase in core earnings, exercise of the Employees’ Share Option Scheme (ESOS) and conversion of warrants, offset by one-off losses from disposal of SPLASH and impairment of investment in Gamuda Water, and the loss on foreign currency translation of the Group’s overseas net assets due to the stronger Ringgit Malaysia during the year.
CONSORTIUM CASHFLOW ANALYSIS FOR FY2018

<table>
<thead>
<tr>
<th>RM’million</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash generated from operating activities</td>
<td>502</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(320)</td>
</tr>
<tr>
<td>Net cash generated from financing activities</td>
<td>317</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents at year end</td>
<td>499</td>
</tr>
<tr>
<td>Effects of foreign rate exchanges</td>
<td>(21)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>499</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>977</td>
</tr>
<tr>
<td>Add: Investment securities and deposits (Tenures of &gt;3 months)</td>
<td>646</td>
</tr>
<tr>
<td>Total cash and bank balances and investment securities</td>
<td>1,623</td>
</tr>
</tbody>
</table>

Net cash generated from operating activities

The Group’s net operating inflow of RM502 million resulted principally from the construction progress and strong overseas sales. Higher construction progress for KVMRT Line 2 as the project is running at full steam with overall cumulative progress of 28% (elevated and underground) at end of August 2018.

Strong property sales of RM3.6 billion with 70% sales from projects in Vietnam and Singapore, also contributed to the operating cashflow. The Vietnam projects are at matured stage and the Singapore’s project, GEM Residences, is almost fully sold. On local front, the new township projects continue with their infrastructure and building works in Gamuda Gardens and Gamuda Cove. Gamuda Gardens has launched landed properties and is gearing to launch its serviced apartments. Gamuda Cove is expected to launch in the last quarter of 2018. These new townships are expected to contribute positively in the coming year.

Net cash used in investing activities

The Group’s net cash outflow from investing activities arose mainly from payments for the construction of the second IBS factory of RM195 million and cost incurred for tunnel boring machines of RM130 million for KVMRT Line 2 project.

Net cashflow generated from financing activities

The Group’s net financing cash inflow comprises of proceeds from exercise of ESOS and conversion of warrants (RM71 million), net drawdown of borrowings (RM576 million) and dividend payment to shareholders (RM295 million).

The drawdown from borrowings mainly utilised to finance the property development activities of several new townships in Malaysia.

CAPITAL EXPENDITURE REQUIREMENTS

Major capital expenditures for the coming year are for construction of second IBS factory and the purchase of the land parcel in Singapore at Anchorvale Crescent site earmarked for the executive condominium development for SGD318.9 million.
**CAPITAL MANAGEMENT**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cash &amp; bank balances, and investment securities</td>
<td>1,623</td>
<td>1,042</td>
</tr>
<tr>
<td>Total borrowings</td>
<td>5,737</td>
<td>5,243</td>
</tr>
<tr>
<td>Owners’ equity and non-controlling interests</td>
<td>7,952</td>
<td>7,845</td>
</tr>
<tr>
<td>Net gearing ratio (times)</td>
<td>0.52</td>
<td>0.54</td>
</tr>
</tbody>
</table>

The Group’s approach to capital management is to maintain a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group efficiently maintain a sizeable borrowing at competitive rates while optimizing shareholders’ return on equity (ROE) and keep a prudent net gearing of not exceeding 0.7 times.

As at end of the financial year, 74% of the Group’s borrowings are at fixed interest rates and 47% of the borrowings are due for repayment after end of 2 years.

The Group continues to maintain a healthy net gearing of 0.52 times which is lower than 0.54 times in the previous year. Although the borrowings have increased by 9% to RM5,737 million at end of the year, the Group has substantial liquid bank balances reserved for working capital and repayment of bank borrowings.

To provide a natural hedge on the Group’s foreign currency exposure, overseas ventures will be financed by borrowings denominated in the local currency of the country in which the business is located.

**DIVIDEND PAYOUT**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend per share (sen)</td>
<td>12.00</td>
<td>12.00</td>
</tr>
<tr>
<td>Dividend payout to earnings ratio (%)</td>
<td>57</td>
<td>49</td>
</tr>
<tr>
<td>Dividend yield (%)</td>
<td>3.3</td>
<td>2.3</td>
</tr>
</tbody>
</table>

The Group declared a dividend of 12 sen per share this financial year (FY2017 – 12 sen per share) or RM295 million.

Gamuda’s dividend payment guideline is to distribute at least 30% of its annual earnings. For FY2018, the dividend payout to earnings ratio was 57% Over the past 5 years, the Group paid between 39% to 49% of its earnings as dividends to shareholders.

**MR SAW WAH THENG**
Group Finance Director
Five Years Group Financial Highlights

REVENUE: RM7,169 million

Core Profit Before Taxation: RM1,036 million

Core Net Profit: RM818 million

Owners’ Equity: RM7,568 million

Total Assets: RM16,839 million

Total Borrowings: RM5,737 million

---

Group revenue includes share of joint ventures’ revenue (eg. KVMRT PDP works) but excludes revenue of associated companies.

Group profit before tax and net profit includes Group’s share of profits of joint ventures and associated companies.

Excluding one-off losses on disposal of SPLASH of RM300 million and impairment on investment in Gamuda Water of RM4 million.

Excluding one-off impairment of RM98.5 million on SMART’s expressway.

Core profit before tax and core net profit excluded one-off gain on remeasurement of existing interest in a subsidiary (RM194 million) and one-off impairment of goodwill (RM187 million). Net impact is a decrease in core profit before tax by RM7 million and core net profit by RM20 million.

---

Performance Review • Management Discussion & Analysis
## Summary of Five Years Financial Highlights

<table>
<thead>
<tr>
<th>RM’million</th>
<th>Financial Year ended July</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FINANCIAL RESULTS</strong></td>
<td></td>
</tr>
<tr>
<td>Revenue as reported in audited financial statements</td>
<td>4,227</td>
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<tr>
<td>Share of joint ventures’ revenue</td>
<td>2,942</td>
</tr>
<tr>
<td><strong>Revenue</strong>&lt;sup&gt;(N1)&lt;/sup&gt;</td>
<td>7,169</td>
</tr>
<tr>
<td>Core Profit Before Tax&lt;sup&gt;(N2)&lt;/sup&gt;</td>
<td>1,036&lt;sup&gt;(N3)&lt;/sup&gt;</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>– Loss on disposal of SPLASH</td>
<td>(300)</td>
</tr>
<tr>
<td>– Impairment loss on investment in Gamuda Water</td>
<td>(7)</td>
</tr>
<tr>
<td>– One-off impairment on SMART’s Expressway</td>
<td>–</td>
</tr>
<tr>
<td><strong>Profit Before Tax</strong></td>
<td>729</td>
</tr>
<tr>
<td>Core Net Profit&lt;sup&gt;(N2)&lt;/sup&gt;</td>
<td>818&lt;sup&gt;(N3)&lt;/sup&gt;</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>– Loss on disposal of SPLASH</td>
<td>(300)</td>
</tr>
<tr>
<td>– Impairment loss on investment in Gamuda Water</td>
<td>(4)</td>
</tr>
<tr>
<td>– One-off impairment on SMART’s Expressway</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>514</td>
</tr>
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</table>

### KEY INFORMATION OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Cash and Bank Balances and Investment Securities</td>
<td>1,623</td>
<td>1,042</td>
<td>1,473</td>
<td>1,438</td>
<td>920</td>
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<tr>
<td>Total Assets</td>
<td>16,839</td>
<td>15,770</td>
<td>14,169</td>
<td>13,326</td>
<td>10,353</td>
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<tr>
<td>Total Liabilities</td>
<td>8,888</td>
<td>7,925</td>
<td>6,955</td>
<td>6,633</td>
<td>4,191</td>
</tr>
<tr>
<td>Total Borrowings</td>
<td>5,737</td>
<td>5,243</td>
<td>4,808</td>
<td>4,135</td>
<td>2,531</td>
</tr>
<tr>
<td>Share Capital (Number of Shares)</td>
<td>2,468</td>
<td>2,451</td>
<td>2,419</td>
<td>2,406</td>
<td>2,323</td>
</tr>
<tr>
<td>Owners’ Equity</td>
<td>7,568</td>
<td>7,476</td>
<td>6,878</td>
<td>6,337</td>
<td>5,474</td>
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<tr>
<td>Total Equity</td>
<td>7,952</td>
<td>7,845</td>
<td>7,214</td>
<td>6,693</td>
<td>6,162</td>
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</table>

### FINANCIAL RATIOS

<table>
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</thead>
<tbody>
<tr>
<td>Core Earnings Per Share (sen)</td>
<td>33.27</td>
<td>28.84</td>
<td>25.99</td>
<td>28.94</td>
<td>30.45</td>
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<tr>
<td>Basic Earnings Per Share (sen)</td>
<td>20.89</td>
<td>24.78</td>
<td>25.99</td>
<td>28.94</td>
<td>31.29</td>
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<tr>
<td>Share Price at Year End (RM)</td>
<td>3.60</td>
<td>5.30</td>
<td>4.87</td>
<td>4.82</td>
<td>4.78</td>
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<tr>
<td>Core Price Earnings Ratio (times)</td>
<td>18.39</td>
<td>18.74</td>
<td>16.66</td>
<td>15.70</td>
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<tr>
<td>Price Earnings Ratio (times)</td>
<td>17.23</td>
<td>21.39</td>
<td>18.74</td>
<td>16.66</td>
<td>15.28</td>
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<td>Core Return on Owners’ Equity (%)</td>
<td>11%</td>
<td>9%</td>
<td>9%</td>
<td>11%</td>
<td>13%</td>
</tr>
<tr>
<td>Return on Owners’ Equity (%)</td>
<td>7%</td>
<td>8%</td>
<td>9%</td>
<td>11%</td>
<td>13%</td>
</tr>
<tr>
<td>Core Return on Total Assets (%)</td>
<td>5%</td>
<td>4%</td>
<td>4%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Return on Total Assets (%)</td>
<td>3%</td>
<td>4%</td>
<td>4%</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Dividend Payout to Earnings Ratio (%)</td>
<td>57%</td>
<td>49%</td>
<td>46%</td>
<td>42%</td>
<td>39%</td>
</tr>
<tr>
<td>Net Gearing Ratio (times)</td>
<td>0.52</td>
<td>0.54</td>
<td>0.46</td>
<td>0.40</td>
<td>0.26</td>
</tr>
</tbody>
</table>

<sup>(N1)</sup> Group revenue includes share of joint ventures’ revenue (eg. KVMRT PDP works) but excludes revenue of associated companies.

<sup>(N2)</sup> Group profit before tax and net profit include Group’s share of profits of joint ventures and associated companies.

<sup>(N3)</sup> Excluding one-off losses on disposal of SPLASH and impairment on investment in Gamuda Water.

<sup>(N4)</sup> Excluding one-off impairment on SMART’s expressway.

<sup>(N5)</sup> Core profit before tax and core net profit excluded one-off gain on remeasurement of existing interest in a subsidiary (RM194 million) and one-off impairment of goodwill (RM187 million). Net impact is a decrease in core profit before tax by RM7 million and core net profit by RM20 million.
## Group Segmental Performance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering and Construction</td>
<td>4,065</td>
<td>3,327</td>
<td>2,571</td>
<td>3,173</td>
<td>3,157</td>
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<tr>
<td>Property Development</td>
<td>2,592</td>
<td>1,868</td>
<td>1,122</td>
<td>1,165</td>
<td>1,307</td>
</tr>
<tr>
<td>Water and Expressway</td>
<td>512</td>
<td>508</td>
<td>478</td>
<td>422</td>
<td>172</td>
</tr>
<tr>
<td><strong>Total Revenue</strong>(N1)</td>
<td>7,169</td>
<td>5,703</td>
<td>4,171</td>
<td>4,760</td>
<td>4,636</td>
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<tr>
<td><strong>PROFIT BEFORE TAX</strong>(N2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering and Construction</td>
<td>367</td>
<td>269</td>
<td>192</td>
<td>222</td>
<td>260</td>
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<tr>
<td>Property Development</td>
<td>246</td>
<td>215</td>
<td>176</td>
<td>258</td>
<td>266</td>
</tr>
<tr>
<td>Water and Expressway</td>
<td>423</td>
<td>440</td>
<td>413</td>
<td>378</td>
<td>319</td>
</tr>
<tr>
<td><strong>Core Profit Before Tax</strong></td>
<td>1,036**(N3)**</td>
<td>924**(N4)**</td>
<td>781</td>
<td>858</td>
<td>845**(N5)**</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss on disposal of SPLASH</td>
<td>(300)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment loss on investment in Gamuda Water</td>
<td>(7)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One-off impairment on SMART’s Expressway</td>
<td>-</td>
<td>(98)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit Before Tax</strong></td>
<td>729</td>
<td>826</td>
<td>781</td>
<td>858</td>
<td>845</td>
</tr>
<tr>
<td><strong>NET PROFIT</strong>(N2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CORE NET PROFIT</strong></td>
<td>818**(N3)**</td>
<td>700**(N4)**</td>
<td>626</td>
<td>682</td>
<td>699**(N5)**</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss on disposal of SPLASH</td>
<td>(300)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment loss on investment in Gamuda Water</td>
<td>(4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One-off impairment on SMART’s Expressway</td>
<td>-</td>
<td>(98)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>514</td>
<td>602</td>
<td>626</td>
<td>682</td>
<td>699</td>
</tr>
</tbody>
</table>

**(N1)** Group revenue includes share of joint ventures’ revenue (eg. KVMRT PDP works) but excludes revenue of associated companies.

**(N2)** Group profit before tax and net profit include Group’s share of profits of joint ventures and associated companies.

**(N3)** Excluding one-off losses on disposal of SPLASH and impairment on investment in Gamuda Water.

**(N4)** Excluding one-off impairment on SMART’s expressway.

**(N5)** Core profit before tax and core net profit excluded one-off gain on remeasurement of existing interest in a subsidiary (RM194 million) and one-off impairment of goodwill (RM187 million). Net impact is a decrease in core profit before tax by RM7 million and core net profit by RM20 million.

### Core PBT contribution by segment

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering and Construction</td>
<td>35%</td>
</tr>
<tr>
<td>Property Development</td>
<td>24%</td>
</tr>
<tr>
<td>Water and Expressway</td>
<td>23%</td>
</tr>
</tbody>
</table>

### Revenue

<table>
<thead>
<tr>
<th>RM’million</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>5,508</td>
<td>4,563</td>
</tr>
<tr>
<td>Overseas</td>
<td>1,661</td>
<td>1,140</td>
</tr>
</tbody>
</table>

### Core Net Profit

<table>
<thead>
<tr>
<th>RM’million</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>627</td>
<td>191</td>
</tr>
<tr>
<td>Overseas</td>
<td>601</td>
<td>99</td>
</tr>
</tbody>
</table>
## Group Quarterly Performance

### 2018

**RM’million (For the period ended)**

<table>
<thead>
<tr>
<th></th>
<th>2018 YTD</th>
<th>4th Quarter Jul-18</th>
<th>3rd Quarter Apr-18</th>
<th>2nd Quarter Jan-18</th>
<th>1st Quarter Oct-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4,227</td>
<td>1,215</td>
<td>1,237</td>
<td>1,003</td>
<td>772</td>
</tr>
<tr>
<td>Share of joint ventures’ revenue</td>
<td>2,942</td>
<td>672</td>
<td>575</td>
<td>793</td>
<td>902</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>7,169</strong></td>
<td><strong>1,887</strong></td>
<td><strong>1,812</strong></td>
<td><strong>1,796</strong></td>
<td><strong>1,674</strong></td>
</tr>
<tr>
<td>Core Profit Before Tax</td>
<td>1,036(N3)</td>
<td>255(N3)</td>
<td>254</td>
<td>268</td>
<td>259</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Loss on disposal of SPLASH</td>
<td>(300)</td>
<td>(300)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Impairment loss on investment in Gamuda Water</td>
<td>(7)</td>
<td>(7)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit Before Tax</strong></td>
<td>729</td>
<td>(52)</td>
<td>254</td>
<td>268</td>
<td>259</td>
</tr>
<tr>
<td>Core Net Profit</td>
<td>818(N3)</td>
<td>203(N3)</td>
<td>201</td>
<td>211</td>
<td>203</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Loss on disposal of SPLASH</td>
<td>(300)</td>
<td>(300)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Impairment loss on investment in Gamuda Water</td>
<td>(4)</td>
<td>(4)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>514</td>
<td>(101)</td>
<td>201</td>
<td>211</td>
<td>203</td>
</tr>
<tr>
<td>Core earnings per share (sen)</td>
<td>33.27</td>
<td>8.24</td>
<td>8.16</td>
<td>8.60</td>
<td>8.27</td>
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<tr>
<td>Basic earnings per share (sen)</td>
<td>20.89</td>
<td>[4.10]</td>
<td>8.16</td>
<td>8.60</td>
<td>8.27</td>
</tr>
<tr>
<td>Dividend per share – single tier (sen)</td>
<td>12.00</td>
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<td>6.00</td>
<td>-</td>
<td>6.00</td>
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<tr>
<td>Net assets per share attributable to equity holders (RM)</td>
<td>3.07</td>
<td>3.07</td>
<td>3.15</td>
<td>3.07</td>
<td>3.12</td>
</tr>
</tbody>
</table>

(N1) Group revenue includes share of joint ventures’ revenue (eg. KVMRT PDP works) but excludes revenue of associated companies.

(N2) Group profit before tax and net profit include Group’s share of profits of joint ventures and associated companies.

(N3) Excluding one-off losses on disposal of SPLASH and impairment on investment in Gamuda Water.

### Revenue (RM’million)

<table>
<thead>
<tr>
<th></th>
<th>4th Quarter</th>
<th>3rd Quarter</th>
<th>2nd Quarter</th>
<th>1st Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1,887</td>
<td>1,812</td>
<td>1,796</td>
<td>1,674</td>
</tr>
<tr>
<td>2017</td>
<td>1,669</td>
<td>1,622</td>
<td>1,503</td>
<td>1,098</td>
</tr>
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</table>

### Core profit before tax (RM’million)

<table>
<thead>
<tr>
<th></th>
<th>4th Quarter</th>
<th>3rd Quarter</th>
<th>2nd Quarter</th>
<th>1st Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>255</td>
<td>254</td>
<td>268</td>
<td>259</td>
</tr>
<tr>
<td>2017</td>
<td>278</td>
<td>221</td>
<td>219</td>
<td>206</td>
</tr>
<tr>
<td></td>
<td>2017 YTD</td>
<td>4&lt;sup&gt;th&lt;/sup&gt; Quarter Jul-17</td>
<td>3&lt;sup&gt;rd&lt;/sup&gt; Quarter Apr-17</td>
<td>2&lt;sup&gt;nd&lt;/sup&gt; Quarter Jan-17</td>
</tr>
<tr>
<td>--------------------</td>
<td>----------</td>
<td>--------------------------------</td>
<td>--------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Revenue</td>
<td>3,212</td>
<td>1,013</td>
<td>840</td>
<td>854</td>
</tr>
<tr>
<td>Share of joint ventures’ revenue</td>
<td>2,491</td>
<td>656</td>
<td>782</td>
<td>460</td>
</tr>
<tr>
<td>Total Revenue&lt;sup&gt;(N1)&lt;/sup&gt;</td>
<td>5,703</td>
<td>1,669</td>
<td>1,622</td>
<td>1,314</td>
</tr>
<tr>
<td>Core Profit Before Tax&lt;sup&gt;(N2)&lt;/sup&gt;</td>
<td>924&lt;sup&gt;(N3)&lt;/sup&gt;</td>
<td>278&lt;sup&gt;(N3)&lt;/sup&gt;</td>
<td>221</td>
<td>219</td>
</tr>
<tr>
<td>Less: One-off impairment on SMART’s Expressway</td>
<td>(98)</td>
<td>(98)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>826</td>
<td>180</td>
<td>221</td>
<td>219</td>
</tr>
<tr>
<td>Core Net Profit&lt;sup&gt;(N2)&lt;/sup&gt;</td>
<td>700&lt;sup&gt;(N3)&lt;/sup&gt;</td>
<td>201&lt;sup&gt;(N3)&lt;/sup&gt;</td>
<td>171</td>
<td>166</td>
</tr>
<tr>
<td>Less: One-off impairment on SMART’s Expressway</td>
<td>(98)</td>
<td>(98)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Net Profit</td>
<td>602</td>
<td>103</td>
<td>171</td>
<td>166</td>
</tr>
<tr>
<td>Core earnings per share (sen)</td>
<td>28.84</td>
<td>8.23</td>
<td>7.04</td>
<td>6.86</td>
</tr>
<tr>
<td>Basic earnings per share (sen)</td>
<td>24.78</td>
<td>4.20</td>
<td>7.04</td>
<td>6.86</td>
</tr>
<tr>
<td>Dividend per share – single tier (sen)</td>
<td>12.00</td>
<td>–</td>
<td>6.00</td>
<td>–</td>
</tr>
<tr>
<td>Net assets per share attributable to equity holders (RM)</td>
<td>3.05</td>
<td>3.05</td>
<td>3.07</td>
<td>3.00</td>
</tr>
</tbody>
</table>

<sup>(N1)</sup> Group revenue includes share of joint ventures’ revenue (e.g. KVMRT PDP works) but excludes revenue of associated companies.

<sup>(N2)</sup> Group profit before tax and net profit include Group’s share of profits of joint ventures and associated companies.

<sup>(N3)</sup> Excluding one-off impairment on SMART’s expressway.
The statement of value added shows the total wealth created by the Group and its distribution to stakeholders, with the balance retained in the Group for reinvestment and future growth.

<table>
<thead>
<tr>
<th>RM’million</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>VALUE ADDED:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue[NI]</td>
<td>7,169</td>
<td>5,703</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(6,233)</td>
<td>(4,818)</td>
</tr>
<tr>
<td>Other income</td>
<td>185</td>
<td>152</td>
</tr>
<tr>
<td>Share of profits of associated companies and joint ventures</td>
<td>129</td>
<td>248</td>
</tr>
<tr>
<td><strong>Total value added</strong></td>
<td>1,250</td>
<td>1,285</td>
</tr>
<tr>
<td><strong>DISTRIBUTION:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Salaries and other staff costs</td>
<td>249</td>
<td>207</td>
</tr>
<tr>
<td>To Governments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Taxation</td>
<td>165</td>
<td>170</td>
</tr>
<tr>
<td>To providers of capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Dividends</td>
<td>295</td>
<td>292</td>
</tr>
<tr>
<td>– Finance cost</td>
<td>96</td>
<td>104</td>
</tr>
<tr>
<td>– Non-controlling interest</td>
<td>50</td>
<td>54</td>
</tr>
<tr>
<td>Retained for future reinvestment and growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Depreciation and amortisation</td>
<td>176</td>
<td>148</td>
</tr>
<tr>
<td>– Retained profits</td>
<td>219</td>
<td>310</td>
</tr>
<tr>
<td><strong>Total distributed</strong></td>
<td>1,250</td>
<td>1,285</td>
</tr>
<tr>
<td><strong>RECONCILIATION:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net profit for the year attributable to equity holders</td>
<td>514</td>
<td>602</td>
</tr>
<tr>
<td>Add: Depreciation and amortisation</td>
<td>176</td>
<td>148</td>
</tr>
<tr>
<td>– Finance cost</td>
<td>96</td>
<td>104</td>
</tr>
<tr>
<td>– Staff costs</td>
<td>249</td>
<td>207</td>
</tr>
<tr>
<td>– Taxation</td>
<td>165</td>
<td>170</td>
</tr>
<tr>
<td>– Non-controlling interest</td>
<td>50</td>
<td>54</td>
</tr>
<tr>
<td><strong>Total value added</strong></td>
<td>1,250</td>
<td>1,285</td>
</tr>
</tbody>
</table>

[NI] Group revenue includes share of joint ventures’ revenue.
### Share Performance

**STOCK EXCHANGE**
Bursa Malaysia Securities Bhd

**TRADING NAME**
Gamuda

**STOCK CODE**
5398

#### Share Price

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>High (RM)</td>
<td>5.45</td>
<td>5.40</td>
<td>5.33</td>
<td>5.26</td>
<td>4.99</td>
<td>5.31</td>
<td>5.19</td>
<td>5.21</td>
<td>5.24</td>
<td>5.16</td>
<td>3.74</td>
<td>4.07</td>
</tr>
<tr>
<td>Low (RM)</td>
<td>5.31</td>
<td>5.24</td>
<td>5.01</td>
<td>4.58</td>
<td>4.63</td>
<td>4.85</td>
<td>4.82</td>
<td>4.90</td>
<td>4.85</td>
<td>3.00</td>
<td>3.14</td>
<td>3.14</td>
</tr>
<tr>
<td>Daily Average Volume (’000)</td>
<td>5,288</td>
<td>4,397</td>
<td>7,212</td>
<td>7,884</td>
<td>3,711</td>
<td>4,899</td>
<td>4,119</td>
<td>4,329</td>
<td>5,006</td>
<td>17,423</td>
<td>2,125</td>
<td>8,320</td>
</tr>
</tbody>
</table>

#### Daily Average Volume ('000)

- **Aug-17**: 5,288
- **Sep-17**: 4,397
- **Oct-17**: 7,212
- **Nov-17**: 7,884
- **Dec-17**: 3,711
- **Jan-18**: 4,899
- **Feb-18**: 4,119
- **Mar-18**: 4,329
- **Apr-18**: 5,006
- **May-18**: 17,423
- **Jun-18**: 7,215
- **Jul-18**: 8,320
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.

Over the year, investors continued to keenly track the progress of KVMRT Line 2 as the project gained momentum in FY2018. Also, following the launches of our new townships, Gamuda Gardens and Kundang Estates, several project site visits were organised to introduce these projects to the investment community. Investors have also been keen to visit our Industrialised Building Systems (IBS) plant in Sepang.

The following is a summary of all IR activities during FY2018.

<table>
<thead>
<tr>
<th>Type of Event</th>
<th>Investment Centre</th>
<th>No. of Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investor Conferences</td>
<td>Kuala Lumpur, Taiwan, Hong Kong, London, Edinburgh, Singapore</td>
<td>10 trips</td>
</tr>
<tr>
<td>Investor Briefings</td>
<td>Kuala Lumpur</td>
<td>4</td>
</tr>
<tr>
<td>Project Site Visits</td>
<td>Kuala Lumpur</td>
<td>8 trips</td>
</tr>
<tr>
<td>Teleconference calls</td>
<td>Various</td>
<td>20</td>
</tr>
<tr>
<td>Private Meetings</td>
<td>Various</td>
<td>82</td>
</tr>
</tbody>
</table>

Key IR issues

During the first quarter of 2017, there was a significant increase in the level of investor interest in the Group, especially from those based overseas. To cater for several investors who were unable to visit the company personally, teleconference calls were arranged to update these investors.

On the Construction front, investors were keenly interested in tracking the progress of our KVMRT Line 2 and Pan Borneo Sarawak projects, as well as other potential upcoming infrastructure projects in the country. On the Property front, investors were interested in the launch schedules of our new township projects. Several project site briefings were organised to explain our development plans for these projects. Investors were also interested in the performance of our overseas projects in Vietnam and Singapore. 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.
1 **DIVIDENDS**

First Interim Dividend of 6 Sen
- Announcement: 15 December 2017
- Entitlement: 5 January 2018
- Payment: 25 January 2018

Second Interim Dividend of 6 Sen
- Announcement: 27 June 2018
- Entitlement: 16 July 2018
- Payment: 31 July 2018

2 **ANNOUNCEMENT OF CONSOLIDATED RESULTS**

1st QUARTER: 15 December 2017

2nd QUARTER: 23 March 2018

3rd QUARTER: 27 June 2018

4th QUARTER: 28 September 2018

3 **ANNUAL GENERAL MEETING**

Notice of Annual General Meeting: 9 November 2018

42nd Annual General Meeting: 6 December 2018
Gamuda Berhad

- 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.

- RM800 million Islamic Medium-Term Notes Programme (2008/2028).

- RM5 billion Islamic Medium-Term Notes Programme (2015/2045) RM2 billion Islamic Commercial Papers Programme (2015/2022) with a combined limit of RM5 billion.

Bandar Serai Development Sdn. Bhd.

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.

Kesas Sdn. Bhd.


Lingkaran Trans Kota Sdn. Bhd. (LITRAK)


- RM300 million Islamic Medium-Term Notes II Facility ("Sukuk Musharakah") (2008/2023).

Rating: AA3/STABLE/P1
Outlook: STABLE

Rating: AA3/STABLE/P1
Outlook: STABLE

Rating: AA3/STABLE/P1
Outlook: STABLE

Rating: AA2/STABLE
Outlook: STABLE

Rating: AA2/STABLE
Outlook: STABLE

Rating: AA2/STABLE
Outlook: STABLE
**Board of Directors**

- **YBhg Datu’ Mohamad Hussein**
  Chairman

- **Ytm Raja Datu’ Seri Eleena Binti Almarhum Sultan Azlan Mubinuddin Shah Al-Maghfur-Lah**
  Non-Independent Non-Executive Director

- **YBhg Datu’ Lin Yun Ling**
  Group Managing Director

- **YBhg Tan Sri Datu’ Setia Hajji Ambrin Bin Buang**
  Independent Non-Executive Director

- **Puan Nazli Binti Mohd Khair Johari**
  Independent Non-Executive Director

**Respective Board of Directors and ExcOs**

- **YBhg Datu’ Lin Yun Ling**
  Group Managing Director

- **YBhg Datu’ Ir Ha Ting Tai**
  Deputy Group Managing Director

**Infrastructure Concessions**

- KESAS
- LITRAK
- SPRINT
- SMART
- Gamuda Water

**Construction**

- **Klang Valley Mass Rapid Transit (KVMRT)**
  1. Sungai Buloh-Kajang Line (Line 1)
  2. Sungai Buloh-Serdang-Putrajaya Line (Line 2)

- **Gamuda Industrialised Building System**
  (digital IBS)

- **Pan Borneo Highway Package WPC-04**

- **Penang Transport Master Plan (PTMP)**
PROPERTY DEVELOPMENT

Malaysia
- Gamuda Cove
- Gamuda Gardens
- twentyfive.7
- Horizon Hills
- Jade Hills
- Bukit Bantayan Residences
- Kundang Estates
- Madge Mansions
- The Robertson
- HighPark Suites
- Gamuda Walk
- Gamuda GM Klang
- Gamuda GM Bukit Bintang
- Kota Kemuning
- Valencia
- Bandar Botanic
- Gamuda Biz Suites

Vietnam
- Celadon City, Ho Chi Minh City
- Gamuda City, Hanoi

Singapore
- GEM Residences
- Anchorvale

Australia
- 661 Chapel St., Melbourne

ALTERNATE DIRECTORS:

- ENCIK MOHAMMED RASHDAN BIN MOHD YUSOF
  Alternate to YBhg Dato’ Lin Yun Ling and Deputy Group Managing Director

- YBHG DATO’ UBULL DIN OM
  Alternate to YBhg Dato’ Ir Ha Tiing Tai and Managing Director of Gamuda Engineering

BOARD COMMITTEES

- Audit
- Risk Management
- Nomination
- Remuneration

HEAD OFFICE

- Finance & Management Accounting
- Information Services
- Human Resource & Administration
- Legal & Company Secretary
- Group Corporate Communications
- Corporate Development
- Business Development
- Investor Relations
- Internal Audit

YBHG DATO’ IR CHOW CHEE WAH
Chairman, Gamuda Land

MR NGAN CHEE MENG
Chief Executive Officer, Gamuda Land

ENCICK MOHAMMED RASHDAN MOHD YUSOF
Deputy Group Managing Director

YBHG DATO’ IR HA TIING TAI
Deputy Group Managing Director

YM TUNKU AFWIDA BINTI TUNKU A.MALEK
Independent Non-Executive Director
YBhg Dato’ Mohammed Hussein has been on the Board as Chairman since 12 December 2013.

Previously, Dato’ Mohammed Hussein was with the Malayan Banking Berhad (“Maybank”) Group for 31 years, during which time he held various senior management positions including Head of Corporate Banking, Head of Commercial Banking, Head of Malaysian Operations, Managing Director of Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad) and Executive Director (Business Group). The last position held prior to his retirement from the Maybank Group in January 2008 was Deputy President/Executive Director/Chief Financial Officer. Presently, he is also a member of the Corporate Debt Restructuring Committee sponsored by Bank Negara Malaysia to facilitate the resolution and restructuring of major corporate debts.

YBhg Dato’ Mohammed Hussein’s wide and varied organisational experience in commercial and investment banking and his exposure to many other industries has enabled him to provide advice to the Board and make him ideally suited to chair the Board as well as the Remuneration and Nomination Committees.

Appreciating the spirit of the new Malaysian Code on Corporate Governance where the Chairman of Audit Committee is not the Chairman of Board, he relinquished his chairmanship in the Audit Committee on 28 September 2018 and was redesignated as a member of the Audit Committee.

YBhg Dato’ Mohammed Hussein graduated with a degree in Bachelor of Commerce [Accounting] from the University of Newcastle, Australia in 1971. In 2003, he completed the Harvard Business School Advanced Management Program in Boston, USA. He is also a Fellow of the Asian Institute of Chartered Bankers.

YBhg Dato’ Mohammed Hussein has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YBhg Dato’ Mohammed Hussein attended all 5 board meetings held during the financial year ended 31 July 2018.
YBhg Dato’ Lin Yun Ling has been on the Board as Managing Director since 10 February 1981.

A civil engineer, YBhg Dato’ Lin joined Gamuda in 1978 as a senior project manager and became the Group Managing Director at the age of 26, four years later. He remains at the helm of the Group that has progressed from a small construction set-up to Malaysia’s leading infrastructure and property developer.

With his entrepreneurial vision and strategic leadership skills, he is focussed on growing the core businesses of the Group, leveraging on the differentiated strengths of its talent pool. The strategies for the Group have resulted in a sustained period of growth in revenues and earnings in each of its core businesses.

The growth of the Group has also been led by consistent and continuous innovation, the latest being significant investment into automated digital production technology. Group-wide, processes and systems are being placed on a common digital platform to ensure future competitiveness.

YBhg Dato’ Lin holds a Bachelor of Science (Honours) degree in Civil Engineering from King’s College, London, University of London, UK.

YBhg Dato’ Lin has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YBhg Dato’ Lin attended all 5 board meetings held during the financial year ended 31 July 2018.
YBhg Dato’ Ir Ha has been on the Board since 1 February 1990. He was promoted to Deputy Group Managing Director on 1 June 2012.

A civil engineer, YBhg Dato’ Ir Ha has 40 years of experience in the engineering and construction sectors. He has extensive experience in large-scale design-and-build (DAB) projects, build-operate-transfer (BOT) projects and project delivery partner implementation concept from project inception to project financing and implementation, both in Malaysia and overseas.

As Deputy Group Managing Director, YBhg Dato’ Ir Ha assists the Group Managing Director in managing the Group’s local and international engineering and construction and infrastructure concession business divisions. Currently, through the Company’s role as Project Delivery Partner (PDP), and Underground Works contractor, he also directs, oversees and manages the implementation of the massive KVMRT project. His expertise and extensive experience particularly in large and complex projects enable him to contribute significantly to the Group’s business and to the Board.

YBhg Dato’ Ir Ha holds a Bachelor of Engineering (Honours) degree from University of Malaya. He is a Professional Engineer registered with the Board of Engineers, Malaysia; a Chartered Structural Engineer and a Chartered Engineer registered with the Engineering Council, UK; a Fellow of The Institution of Engineers Malaysia; a Fellow of the Institution of Civil Engineers, UK; a Fellow of The Institution of Structural Engineers, UK and a Fellow of the Chartered Institution of Highways And Transportation, UK.

YBhg Dato’ Ir Ha has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YBhg Dato’ Ir Ha attended 4 out of the 5 board meetings held during the financial year ended 31 July 2018.
YTM RAJA DATO’ SERI ELEENA BINTI ALMARHUM SULTAN AZLAN MUHIBBUDDIN SHAH AL-MAGHFUR-LAH
Aged 58, Malaysian (Female)
Non-Independent Non-Executive Director

BOARD COMMITTEE MEMBERSHIP
Member of Remuneration Committee •

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES
KAF-Seagroatt & Campbell Berhad •
Yayasan Gamuda •
Yayasan Sultan Azlan Shah •
Yayasan Tuanku Bainun •

An advocate and solicitor, YTM Raja Dato’ Seri Eleena has been on the Board since 1 June 1992.

YTM Raja Dato’ Seri Eleena’s extensive experience in legal practice enables her to contribute significantly to the Board.

YTM Raja Dato’ Seri Eleena was a Barrister-at-Law from Lincoln’s Inn, London, UK. She was called to the English Bar in 1985. Upon returning to Malaysia, she worked with an international firm in Kuala Lumpur and was called to the Malaysian Bar in 1986. She set up her own legal practice Messrs Raja Eleena, Siew, Ang & Associates in 1987 of which she is presently a senior partner.

YTM Raja Dato’ Seri Eleena is also a trustee in several charitable organisations such as Yayasan Sultan Azlan Shah, Yayasan Tuanku Bainun, Yayasan Cemerlang, Yayasan Gamuda and Pusat Kreatif Kanak-Kanak Tuanku Bainun. These organisations conduct a variety of activities which focus on community development, improving and upholding education at all levels, promotion of sports, exploring and expanding children’s creativity through performing arts, and preservation of heritage and tradition, culture, social or art, which includes upkeep of the historical buildings and artefacts.

YTM Raja Dato’ Seri Eleena has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YTM Raja Dato’ Seri Eleena attended all 5 board meetings held during the financial year ended 31 July 2018.
YBhg Tan Sri Dato’ Setia Haji Ambrin Bin Buang joined the Board on 28 September 2018.

YBhg Tan Sri Dato’ Setia Haji Ambrin holds a Degree in Economics from the University of Malaya and a Masters in International Business from the University of South Carolina, USA.

He was appointed the Auditor General of Malaysia on 22 February 2006 upon his retirement after having served the Government (Malaysian Civil Service) for over 35 years. He completed his tenure as Auditor General of Malaysia on 22 February 2017.

His working career includes experience in the Ministry of Trade and Industry from 1971 to 1982 and was appointed as Deputy Director, Small Scale Industries Division in 1981. He has also served in the Malaysian Timber Industry Board from 1982 to 1987 and the National Institute of Public Administration from July 1987 to 1991.

YBhg Tan Sri Dato’ Setia Haji Ambrin was also attached to the Malaysian Embassy in Tokyo, Japan from 1992 to March 1999 as Minister for Economic Affairs and Deputy Head of Mission. He was a Senior General Manager for the Kuala Lumpur International Airport Berhad from April 1995 to February 1999. He was the State Secretary of the Selangor State Government from March 1999 to September 2001 and Secretary General of the Ministry of Education till his appointment as Auditor General of Malaysia.

On 16 May 2016, YBhg Tan Sri Dato’ Setia Haji Ambrin was conferred an Honorary Doctorate Award which carries the title Prof. (Dr.) by IIC University of Technology, Cambodia. In 2017, he was awarded an Honorary Doctorate in Accounting by Universiti Kebangsaan Malaysia and appointed Adjunct Professor by Universiti Utara Malaysia. He is currently a member of Dewan DiRaja Selangor. Formerly, he was a Board Member of the Malaysian Institute of Integrity.

For the past 11 years, he has been a frequent speaker presenting his views and perspective on public sector auditing, good governance and integrity at many seminars and conferences organised domestically and internationally.

YBhg Tan Sri Dato’ Setia Haji Ambrin was appointed as the Chairman of the Special Investigation Committee on procurement, governance and finance on 3 July 2018.

YBhg Tan Sri Dato’ Setia Haji Ambrin has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

As YBhg Tan Sri Dato’ Setia Haji Ambrin was appointed on 28 September 2018, he did not attend any board meetings held during the financial year ended 31 July 2018.
YM TUNKU AFWIDA BINTI TUNKU A.MALEK
Aged 53, Malaysian (Female)
Independent Non-Executive Director

BOARD COMMITTEE MEMBERSHIP
Chairperson of Audit Committee •
Member of Nomination Committee •
Member of Risk Management Committee •

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES
AND LISTED ISSUER
Export-Import Bank of Malaysia Berhad •
Lafarge Malaysia Berhad •
Telekom Malaysia Berhad •
i-VCAP Management Sdn Bhd •

A chartered accountant, YM Tunku Afwida joined the Board on 1 June 2012. She was redesignated as the Chairperson of Audit Committee on 28 September 2018.

YM Tunku Afwida has held senior roles in investment banks. From 2006 until 2008, she was Chief Executive Officer (CEO) and Executive Director (ED) of Kenanga Investment Bank Berhad. Prior to that, from 2003 to 2006, she was CEO and ED of MIMB Investment Bank Berhad (now known as Hong Leong Investment Bank Berhad) and from 1995 to 2003, she was ED/Chief Investment Officer of Commerce Asset Fund Managers Sdn Bhd. She is currently a Director and shareholder of Asia Equity Research Sdn Bhd, a company licensed by the Securities Commission of Malaysia to provide advisory services in corporate finance including compliance and funding advisory related services.

YM Tunku Afwida holds a Bachelor of Science (Honours) degree in Economics and Accountancy from City University London, UK; qualified as a Chartered Accountant from the Institute of Chartered Accountants in England and Wales and is a member of the Malaysian Institute of Accountants.

YM Tunku Afwida has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

YM Tunku Afwida attended 4 out of 5 board meetings held during the financial year ended 31 July 2018.

YM Tunku Afwida possesses vast financial, analytical and risk management experience, enabling her to provide invaluable input to the Board and Audit Committee.
Puan Nazli joined the Board on 7 March 2016.

After completing her tertiary education, Puan Nazli joined Aseambankers Malaysia Berhad [now known as Maybank Investment Bank Berhad] (ASEAM) from September 1981 to January 1996, holding various positions. Her last position before she left ASEAM was Head of Project Development.

In February 1996, Puan Nazli joined Percon Corporation Sdn Bhd (Percon), a wholly-owned subsidiary of Permodalan Nasional Berhad as the General Manager (Corporate Services). At Percon, she was tasked to put in place a financial and corporate restructuring scheme for the company. The job involved enhancing, strengthening and developing Percon’s competitive position in the field of engineering and construction and at the same time, developing the corporate direction for Percon. At group level, Puan Nazli represented Percon’s interests in various subsidiaries and associate companies ranging from road concession to property development, both locally and abroad. She left Percon in July 2002 and is not attached to any particular company at present.

Puan Nazli’s vast exposure in a variety of industries had contributed positively to her analytical and conceptual approach in decision-making. Her extensive people-management and general management experience both at corporate and line-management levels also enables her to provide invaluable inputs to the Board and Audit Committee.

Puan Nazli holds a Bachelor of Science in Business Administration from The George Washington University, Washington D.C., USA and a Master of Business Administration from Syracuse University, Syracuse, New York, USA.

Puan Nazli has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

She attended all 5 board meetings held during the financial year ended 31 July 2018.
Encik Mohammed Rashdan or widely known as Danny, joined Gamuda on 1 May 2018 and was appointed as the Alternate Director to YBhg Dato’ Lin Yun Ling on 28 September 2018.

Encik Rashdan, has 26 years of experience in the corporate finance and investment banking industry, corporate consultancy and the financial services sector. He served as Executive Director (Investments) of Khazanah Nasional Berhad from 2010 to 2012 and as Chief Executive Officer of Maybank Investment Bank Berhad from 2008 to 2010. Prior to that, he was Managing Director of BinaFikir Sdn Bhd from 2003 to 2008 and was Managing Director in QuantePhi Sdn Bhd, a boutique corporate finance advisory firm he founded in 2012, until December 2017.

Encik Rashdan currently leads the property business of Gamuda Land by providing strategic direction and exploring collaborative partnerships with the aim of harnessing the value of Gamuda Land’s vast landbank. He also spearheads Gamuda’s significant investment into technology and innovation under the Digital Transformation Roadmap to enhance the Group’s competitive edge. In line with this, he plays a key role in growing the business for Gamuda IBS, the country’s first digital and robotic Industrialised Building System facility in Malaysia.

Encik Rashdan holds a Master of Arts (Honours) Degree in Economics from the University of Cambridge, United Kingdom. He is a Chartered Accountant and a Member of the Institute of Chartered Accountants in England and Wales (ICAEW) and the Association of Corporate Treasurers (ACT) of the United Kingdom.

Encik Rashdan has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
YBhg Dato’ Ubull joined the Board as the Alternate Director to YBhg Dato’ Ir Ha Tiing Tai on 2 January 2015.

YBhg Dato’ Ubull joined Gamuda in 1988 and has held various positions in Gamuda group. For the next 29 years, he advanced rapidly through various business and operations roles within the Group and is currently the Managing Director of Gamuda Engineering Sdn Bhd. He has been involved in several notable projects, namely the Electrified Double Track Project (Ipoh-Padang Besar), Sungai Selangor Water Supply Scheme Phase 3, Shah Alam Expressway, Damansara-Puchong Expressway and SPRINT Highway. He is currently involved in the Tunnelling and Underground works for the KVMRT project.

YBhg Dato’ Ubull holds a Bachelor Degree in Housing, Building and Planning from Universiti Sains Malaysia. He is the Vice President of Master Builders Association Malaysia.

YBhg Dato’ Ubull has no family relationship with any Director and/or major shareholder of the Company, has no conflict of interest with the Company and has no conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
YBhg Dato’ Goon was on the Board since 1 June 1992. He resigned from the Board on 28 September 2018 but continue to be part of the Group’s Senior Management Team as the Group Executive Director.

A civil engineer, YBhg Dato’ Goon has years of experience in the fields of engineering, construction and infrastructure works and possesses a strong project implementation background. He held several senior management positions since joining Gamuda in 1978 and is responsible for the overall oversight, including the management and supervision of major projects such as the ongoing KVMRT project.

YBhg Dato’ Goon also has substantial regional responsibilities over the Group’s engineering and construction activities from India to the Middle East. His contribution is in his vast engineering expertise, in-depth knowledge and extensive experience in the construction industry, in particular large-scale infrastructure project mobilisation and implementation.

YBhg Dato’ Goon holds a Bachelor of Engineering (Honours) degree from the Polytechnic of South Bank, UK (now known as London South Bank University).

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES
• Danau Permai Resort Berhad

YBhg Dato’ Haji Azmi was on the Board since 24 September 2001. He resigned from the Board on 28 September 2018 but continue to be part of the Group’s Senior Management Team as the Group Executive Director.

A civil engineer, YBhg Dato’ Haji Azmi has worked as Resident Engineer at the Public Works Department (JKR) of Pahang and Selangor. His last position with the Public Works Department (JKR) was as Assistant Director of the Central Zone Design Unit of JKR Kuala Lumpur (Road Branch).

YBhg Dato’ Haji Azmi has extensive knowledge of developing and managing the implementation of complex infrastructure concession projects in Malaysia. He is heavily involved in the Company’s role as Project Delivery Partner in the implementation of the KVMRT project. His other significant contribution is in overseeing the operations of the Group’s infrastructure concessions, ranging from expressways to water-related and others.

YBhg Dato’ Haji Azmi holds a Bachelor of Science degree in Civil Engineering and a Master of Science degree in Highway Engineering, both from University of Strathclyde, Glasgow, Scotland, UK.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES
• Lingkaran Trans Kota Holdings Berhad
• Syarikat Pengeluar Air Selangor Holdings Berhad
• Kesas Holdings Berhad
A chartered accountant, Mr Saw has been on the Board since 1 February 1998. He resigned from the Board on 28 September 2018 but continue to be part of the Group’s Senior Management Team as the Group Executive Director.

As head of the finance function, Mr Saw is responsible for the Group’s budgetary control, treasury, tax and corporate finance including mergers and corporate restructuring exercises.

He also oversees the head office central support functions, namely Human Resource, Legal and Information Services.

He has extensive working experience in accounting, and corporate finance while he was attached to accounting and auditing firms in the United Kingdom and Malaysia, and as the Group Financial Controller of Hong Leong Industries Berhad, prior to joining the Gamuda Group.

Mr Saw was admitted as an Associate of the Institute of Chartered Accountants in England and Wales in 1985 and is a member of the Malaysian Institute of Accountants.

Mr Ngan was formerly the Chief Operating Officer before assuming the position as Chief Executive Officer of Gamuda Land on 1 January 2018.

Prior to joining Gamuda on 6 August 2001, he was a Senior Consultant with Coopers & Lybrand (now known as PricewaterhouseCoopers) and Group Accountant of the Building Materials Division at Hong Leong Industries Berhad. He had also served as senior finance manager with the SPRINT Highway concession.

Mr Ngan is a qualified accountant registered with the Malaysian Institute of Certified Public Accountants and a Chartered Accountant registered with the Malaysian Institute of Accountants.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- Kesas Holdings Berhad
- Danau Permai Resort Berhad
- Horizon Hills Resort Berhad
- Syarikat Pengeluar Air Selangor Holdings Berhad

- Bandar Botanic Resort Berhad
- Jade Homes Resort Berhad
Dato’ Hj Abdul Sahak assumed his current role as Executive Director in the Group’s property division on 1 July 2016. He is also an Alternate Director in UEM Sunrise-Gamuda Joint Venture of the Horizon Hills development in Johor Bahru.

Since joining the Group on 8 May 2001, he has been instrumental in the conceptualisation and planning of several landmark developments namely, Bandar Botanic in Klang, Valencia in Sungai Buloh and Horizon Hills in Nusajaya, Johor.

He is currently involved in the planning of Gamuda Cove, a new development in Selangor spanning over 1,530-acre, and Gamuda Gardens, an 810-acre mixed development located north of Kuala Lumpur.

Dato’ Hj Abdul Sahak was formerly with The Lion Group – Property & Construction Division before joining Gamuda Land.

He holds a Bachelor of Science (Honours) degree in Housing Building and Planning (Arch) from Universiti Sains Malaysia.

He is also an associate fellow in the Institute of Local Government Studies (ILGS), Universiti Utara Malaysia.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES
- None

A chartered accountant, Mr Soo Kok Wong joined the Board as Alternate Director to Mr Saw Wah Theng on 8 March 2013. He ceased to be an Alternate Director on 28 September 2018 but continue to be part of the Group’s Senior Management Team as the Group Financial Controller.

Mr Soo has vast experience in accounting, tax, audit, finance, treasury and budgetary control. He was attached to Price Waterhouse prior to joining the Company in 1996. He joined the Company as a Project Accountant in the Group’s construction division and was eventually promoted to head the Group’s Construction Division’s finance department. He has also served as the Group’s Head of Internal Audit. Presently, he heads the Company’s Financial Management and Accounting Department and oversees the Group’s finance and accounting functions.

Mr Soo is a Fellow member of the Association of Chartered Certified Accountants (ACCA), UK and a member of the Malaysian Institute of Accountants.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES
- None
En Adil was appointed as the Executive Director on 1 January 2015, and was also the Project Coordinator for MMC-Gamuda KVMRT Line 2.

He has extensive experience in managing and constructing large scale infrastructure projects, including the Lebuhraya Damansara-Puchong, Shah Alam Expressway and KVMRT Line 1 and 2.

In the early years of his career (joined on 16 November 2001), he was involved in the construction of the Ipoh-Lumut Highway as well as part of the North-South Expressway.

En Adil graduated with a Bachelor of Science in Civil Engineering from the California State University in Long Beach, USA. He is registered with the Board of Engineers Malaysia and is a member of the Institution of Engineers, Malaysia.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES
• None

Ms Lim joined Gamuda on 1 August 1996 as its Legal Manager and was promoted to her current position on 1 January 2011.

She commenced legal practice in 1990 and stayed on until 1995, after which she joined a public listed company as Head of its Legal Department.

Ms Lim graduated with an LLB degree from University of Malaya and qualified as an Advocate and Solicitor of the High Court of Malaya in 1990.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES
• None
MS SREEJAYA MENON  
Aged 50, Malaysian [Female]  
Senior General Manager, Group Corporate Communications, Gamuda Berhad  

Ms Sreejaya joined Gamuda as Head of Corporate Communications on 13 June 2016 and is responsible for the Group’s overall communication strategy, corporate branding and reputation management.

Prior to joining Gamuda, she was Head of Corporate Affairs at the Securities Commission, the regulator of the Malaysian capital market.

She has over 20 years’ experience in corporate and government relations, corporate citizenship, media relations, internal communications and branding given her stints in Citibank Berhad, American Express and Ogilvy & Mather.

Ms Sreejaya holds a Master of Arts (MA) in Communication Management from the University of South Australia, Adelaide.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES  
• None

MS MURNIRA ABDUL MURY  
Aged 45, Malaysian [Female]  
General Manager, Human Resources and Administration, Gamuda Land  

Ms Murnira joined the Group as Head of Organisational Development and Talent Management on 1 July 2014. She was appointed to head the Gamuda Land Human Resources and Administration Department on 1 January 2017.

Ms Murnira was previously with Lafarge, heading the Organisational Development and Learning, and later resume the role of HR Business Partner for Industrial Operations.

Ms Murnira is a certified Organisational Development (OD) Practitioner and a Certified Accelerated Learning Practitioner with the International Association of Accelerated Learning Practitioners (IAALP).

She graduated with a Degree in Business Administration from Coventry University, UK.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES  
• None

General Additional Information  
1. None of the Group Senior Management have any family relationship with and is not related to any director and/or major shareholder of Gamuda Berhad.  
2. None of the Group Senior Management have any conflict of interest with Gamuda Berhad.  
3. None of the Group Senior Management have conviction for any offences within the past five years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
Sustainability Statement

Introduction to Sustainability

Sustainable and inclusive development continue to be our core focus in order to remain resilient in today’s dynamic business landscape. To future-proof our business and create inclusive economic growth for all stakeholders, we continuously refine our strategic alignment with the National Development Plan, tap on future market trends and strive to be the forerunner in innovative construction technologies and customer solutions.

This year, we further integrate the principles of sustainability across our businesses by delivering value through innovation, building sustainable cities and communities while developing our human capital. Our initiatives aim to achieve broader value creation for our key stakeholders, while aligning ourselves to the United Nations Sustainable Development Goals.

Our leading track record in infrastructure construction is a testament to our capable human capital, which we have nurtured in our many construction projects. Echoing the 11th Malaysia Plan of strengthening human capital, it remains our priority to develop a multi-skilled local workforce with competitive expertise in underground construction work and high technology construction.

We embrace the circular economy by taking advantage of our ability to maximise our resources and minimise our environmental footprint, using novel processes afforded by technology. Our sustainable township development is underpinned by holistic environmental planning, which integrates the ecosystem and land use planning to connect our local communities with nature and improve liveability. We are officially the first developer in Malaysia to publicly pledge biodiversity audits for our new townships.

Moving forward, we believe that our sustainability strategy, human capital development and focus on innovation will underpin our growth in the region.
## OUR SUSTAINABILITY HIGHLIGHTS AND CONTRIBUTIONS TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

### DELIVERING VALUE THROUGH INNOVATION

<table>
<thead>
<tr>
<th>SDG</th>
<th>Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Digital Industrialised Building System (IBS)</td>
</tr>
<tr>
<td>9</td>
<td>Building Information Modelling (BIM)</td>
</tr>
<tr>
<td>11</td>
<td>Innovative Design in Our Property Development</td>
</tr>
<tr>
<td>11</td>
<td>Mobile Digital Platform (Viewpoint)</td>
</tr>
</tbody>
</table>

#### Our Initiatives
- Digital Industrialised Building System (IBS)
- Building Information Modelling (BIM)
- Innovative Design in Our Property Development
- Mobile Digital Platform (Viewpoint)

### SUSTAINABLE CITIES AND COMMUNITIES

<table>
<thead>
<tr>
<th>SDG</th>
<th>Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>1,800 apartment units completed using digital IBS</td>
</tr>
<tr>
<td>9</td>
<td>280 staff trained in BIM modelling</td>
</tr>
<tr>
<td>11</td>
<td>Provided RM$7.8 billion worth of underground-related contracts to 665 SMEs in KVMRT Line 2</td>
</tr>
<tr>
<td>11</td>
<td>5,847 trees and 676,438 shrubs planted across our development</td>
</tr>
<tr>
<td>11</td>
<td>5,181 of advanced tree planting</td>
</tr>
</tbody>
</table>

#### Our Initiatives
- Group Digital Procurement Platform (SAP Ariba)
- Smart Cities and Green Buildings
- Biodiversity Conservation Efforts
- Infrastructure and Empowering Local SMEs
- Local Sourcing

### HUMAN CAPITAL DEVELOPMENT

<table>
<thead>
<tr>
<th>SDG</th>
<th>Initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Recorded 11 million man-hours without lost time injuries for PDP</td>
</tr>
<tr>
<td>3</td>
<td>Awarded 34 Gamuda Scholarship worth RM$3.1 million</td>
</tr>
<tr>
<td>4</td>
<td>13.3 training hours per employee</td>
</tr>
<tr>
<td>5</td>
<td>43% women in Board of Directors</td>
</tr>
</tbody>
</table>

#### Our Initiatives
- Quality, Safety, Health and Environment (QSHE) Policy
- 4R Talent Management
- Yayasan Gamuda
- Enabling Academy (EA)
- Project Differently-Abled (DA)
REPORTING PERIOD AND SCOPE
This is our third Sustainability Statement in our journey towards becoming a leader in sustainability advocacy. It highlights our economic, environmental and social efforts, progress and commitments to our various stakeholder groups.

A full year’s data from 1 August 2017 to 31 July 2018 is included unless otherwise specified. The reporting period aligns with the Group’s financial year.

Unless otherwise specified, all information provided refers to initiatives undertaken by all our business operations and employees in Malaysia which we have direct managerial control over, excluding the below:
• Our expressway concessions, Kesas Holdings Berhad
• Our water concession, Gamuda Water Sdn Bhd
• Our joint ventures and associate companies

We are putting in place the required systems and processes to progressively improve our ability to monitor, collect, analyse and report quantitative data, to enhance the integrity and accuracy of our statements over the years.

REPORTING FRAMEWORK
This statement has been developed in accordance with Bursa Malaysia Securities Berhad’s Main Market Listing Requirements relating to Sustainability Statements in Annual Reports of Listed Issuers, with reference made to the Global Reporting Initiative (GRI) Standards. Going a step further, this year, we have mapped our sustainability strategies to the United Nations Sustainability Development Goals (SDGs).

INDEPENDENT ASSURANCE
We have not sought any external assurance for the current statement. However, we recognise the added value of an independent assessment and will consider such assurance as our reporting matures.

FEEDBACK
In line with our efforts to continuously engage with stakeholders and improve our sustainability reporting, we welcome your valuable feedback at gcc@gamuda.com.my.
Our Sustainability Framework

DURING THE YEAR, WE ENHANCED OUR SUSTAINABILITY AGENDA BY DEVELOPING A SUSTAINABILITY FRAMEWORK (THE FRAMEWORK), WHICH FOCUSES ON THE 3C’S OF OUR CORPORATE STRATEGY, NAMELY CAPACITY, CAPABILITY AND COMPETITIVENESS. THE 3C’S ALIGN OUR FOCUS TOWARDS DRIVING SUSTAINABLE GROWTH AND ULTIMATELY ACHIEVING OUR VISION AND MISSION.

Within the Framework, initiatives to manage our 18 material matters have been categorised according to their impact on the Sustainability Pillars of Economic Growth, Environmental Management and Social Contribution. Our initiatives are shaped by the targets in place for high priority material matters to achieve sustainability goals. These initiatives reflect the greater call by the United Nations to achieve sustainable development globally through the 17 SDGs.

Driving the entire Framework are our five core values that have helped us develop into the leading infrastructure and construction organisation that we are today. These values are further outlined in our Value Creation Strategy, on page 20 to 21 of this Annual Report. Adherence to these values, as well as with our Code of Ethics and Business Conduct and Whistleblowing Policy, ensures all our operations and dealings are conducted ethically.

For details of our Directors’ Code of Conduct and Whistleblowing Policy, please refer to Section 5 [Corporate Governance] of this Annual Report.
Sustainability Statement (Cont’d.)

VISION
We aim to lead the region in innovative breakthrough solutions for large scale public infrastructure and property development.

MISSION
We reliably deliver innovative world-class infrastructure and premier lifestyle properties for our customers through our businesses core in infrastructure development and construction, operation of infrastructure facilities and property development.

STRATEGY
To achieve sustainable growth through our 3C’s approach – Capacity, Capability and Competitiveness

SUSTAINABILITY PILLARS

Economic Growth
Achieving economic growth through effective innovation, improved productivity and reliability.

Environmental Management
Incorporating green mindset across our value chain.

Social Contribution
Enhance human capital and building talent for the nation.

MATERIAL MATTERS

- Customer Satisfaction
- Supply Chain Management
- Innovation
- Governance
- Economic Performance
- Indirect Economic Impacts
- Biodiversity
- Effluents and Waste
- Emissions
- Energy Management
- Water Management
- Materials
- Land Remediation, Contamination or Degradation
- Employee Management
- Health and Safety
- Stakeholder and Community Relations
- Customer Privacy
- Marketing and Labelling

OUR VALUES
- Take Personal Ownership
- Walk The Talk
- Adopt Open and Honest Communication
- Demonstrate Real Teamwork
- Develop Our People

Goals and Targets

Figure 1: Our sustainability framework
Our sustainability governance model provides a foundation and a formal structure that ensures our sustainability strategies are implemented and integrated into our business, delivering long-term value to our stakeholders.

The Board of Directors drives our sustainability agenda by ensuring that our goals are met through actions taken at the management and operational levels. Our Group Managing Director, mandated by the Board of Directors, has the overall responsibility over our strategic direction while the Sustainability Committee is responsible for the implementation of sustainability strategy.

The Sustainability Committee, represented by heads across business units and Group function, is tasked to drive governance and delivery of the Group’s sustainability agenda. Overseeing the functions in robustness of system and sustainability management, the Committee will champion the incorporation of sustainability into long-term strategic planning and our key business processes. To ensure quality and accuracy of reporting, the Sustainability Committee will also ensure that data integrity is upheld, driving accountability among our teams.

**BOARD OF DIRECTORS**
- Ultimate responsibility over sustainability
- Ensures business strategies consider sustainability

**GROUP MANAGING DIRECTOR**
- Sets the strategic direction and implementation of the Group’s sustainability agenda
- Approves Sustainability Strategy and Framework

**SUSTAINABILITY COMMITTEE**
- Develops Sustainability Strategy
- Evaluates key risks and opportunities
- Oversees functions in robustness of system of sustainability management
- Reports on management targets and performance of processes and controls

*Figure 2: Our sustainability governance*
ETHICAL BUSINESS CONDUCT

We recognise the importance of ethical business conduct across our operations to maintain our stakeholders’ trust. We conduct business with integrity through good governance as guided by our corporate governance framework and terms of reference. The Group’s corporate governance framework is supported by comprehensive guidelines, policies and procedures formulated by the Board.

We have zero-tolerance towards misconduct and encourage transparency and accountability within the Group. Our Whistleblowing Policy outlines the internal reporting procedure for employees to raise genuine concerns regarding wrongdoings.

RISK MANAGEMENT

We have a robust risk management framework in place to safeguard our business interest and that of our stakeholders. The framework is embedded in the Group’s management systems, with clearly defined responsibilities, authorities and accountability for implementing our risk management processes and internal control system. To ensure compliance with these guidelines, our internal audit department regularly reviews the integrity and effectiveness of the Group’s system of internal controls.

COMPLIANCE

Strong governance enables effective oversight of business compliance. With sound policies, systems, processes and internal controls in place, we adhere to all applicable laws and regulatory requirements, including environmental and social related regulations. We also strive to go beyond regulatory requirements, whenever possible.

In FY2018, there were zero reported incidents of major non-compliance with laws and regulations. No significant fine or non-monetary sanction was imposed on the Group.

Further information on our corporate governance and risk management can be found in:
- Corporate Governance Statement: pages 100 to 109
- Statement on Risk Management and Internal Control: pages 112 to 114
- Risk Management Committee Report: pages 115 to 117
Stakeholder Engagement

We have a wide range of stakeholders, whom we identify as groups that have a significant impact on, and keen interest in our operations. We seek to develop strong relationships based on trust with each group through engagement on different platforms. The aim is to understand our stakeholders’ needs and expectations for us to communicate in a transparent manner.

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Engagement Methods</th>
<th>Frequency</th>
<th>Topics of concern and interest</th>
<th>Our Responses</th>
<th>Material Matters</th>
</tr>
</thead>
</table>
| Employees         | • Town hall meetings, workshops, focus group discussions, SHE Committee meetings, surveys, events, internal communications and newsletter | On-going | Company direction and performance | • Town hall sessions to share company’s direction and performance | • Economic Performance  
• Employee Management  
• Health and Safety |
|                   |                    |           | Career development and training opportunities | • Provision of job-related training and workshops  
• Career planning discussions |               |
|                   |                    |           | Workplace health and safety  
• Well-being of employees | • Conduct health and safety related training and activities  
• Provision of centralised quarters for workers |               |
| Customers         | • Social media  
• Newsletter  
• Circulars  
• Electronic direct mail | Weekly  
• Quarterly  
• As needed  
• As needed | Customer service | • Launch of Customer Portal | • Customer Satisfaction  
• Health and Safety |
|                   |                    |           | Customer experience | • Implementation of Residence Management Application |               |
|                   |                    |           | Product quality | • Adherence to quality performance standards (QLASSIC, ISO, OHSAS certification and MyCESMM)  
• Application of industry best practices  
• Innovative technology (IBS and BIM)  
• Implementation of SnagR |               |
| Investors and Financiers | • Annual general meeting  
• Investor briefings and marketing roadshows  
• Corporate website | Annually  
• On-going | Operational and financial performance | • Provide timely updates of business performance e.g. well-attended quarterly and annual financial statements briefing session | • Economic Performance  
• Governance |
|                   |                    | On-going | Shareholder returns | |               |
|                   |                    |           | Business sustainability, risk management and corporate governance | • Regular engagement with investors, potential investors and providers of capital  
• Communicate EES strategies | |
### Stakeholder Group

<table>
<thead>
<tr>
<th>Stakeholder Group</th>
<th>Engagement Methods</th>
<th>Frequency</th>
<th>Topics of concern and interest</th>
<th>Our Responses</th>
<th>Material Matters</th>
</tr>
</thead>
</table>
| **Local Communities** | Community development programmes | On-going | Community development and support | • Provision of scholarships and sponsorships  
• Upskilling individuals with autism | • Stakeholder and Community Relations  
• Health and Safety  
• Environmental Management and Biodiversity |
| | Social media | On-going | Quality, safety, health and environment | • Adherence to health and safety regulations  
• Operational health and safety practices on site and in townships  
• Improvement in product quality and environmental preservation | |
| | Info centres, info kiosks and mobile info truck for KVMRT Line 1 and Line 2 | On-going | Communication on our development plans and projects | • Regular project updates through corporate website, media and roadshows | |
| **Government and Regulators** | Industry workshops | On-going | Regulatory compliance | • Reliable reporting and marketing communications  
• Monitoring of compliance through legal checklist | • Customer Satisfaction  
• Innovation  
• Governance |
| | Meetings and consultations | On-going | Improving construction sector productivity | • Workforce upskilling  
• Leveraging IT solutions  
• Application of new engineering and construction technologies | |
| | Reporting | On-going | | | |
| **Suppliers** | Procurement system | On-going | Transparency in procurement processes | • Implementation of robust supplier assessment, appointment and management system | • Supply Chain Management |
| | Supplier training programmes | On-going | Knowledge sharing and capacity building | • Workforce upskilling  
• Leveraging IT solutions  
• Application of new engineering and construction technologies | |
| **Media** | Press conferences | On-going | Company direction and performance | • Direct engagement and press statements | • Economic Performance |
| | Press releases | On-going | Timely and transparent communication | | |
| | Networking events | On-going | Complaints on products and services | | |

*Table 1: Our stakeholder engagement*
Materiality assessment provides the foundation of our sustainability direction, determining matters that have significant economic, environmental and social (EES) impacts on the Group and those that are considered important to our stakeholders.

**MATERIALITY ASSESSMENT**

In 2018, we set out to refine and improve our approach towards sustainability reporting. We engaged an external consultant to conduct a materiality assessment workshop to prioritise our EES matters. Our materiality assessment involved a structured process comprising the four steps below:

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Determine scope and boundary. We defined our scope of reporting to cover our business in Malaysia. Kindly refer to page 64 for details on our scope and boundaries.</td>
</tr>
<tr>
<td>2</td>
<td>Identification. A list of sustainability matters were identified from Bursa Malaysia Sustainability Reporting Guide, GRI Standards, desktop research, best practices, media reviews and other internal and external sources.</td>
</tr>
<tr>
<td>3</td>
<td>Prioritisation. A materiality assessment workshop was conducted with senior management of the Group to prioritise the sustainability matters through a voting session. The senior management were also required to identify the key stakeholders to the Group. Kindly refer to pages 69 to 70 for more details on our stakeholder engagement.</td>
</tr>
<tr>
<td>4</td>
<td>Validation and approval. The materiality matrix generated from the workshop was validated by the business division heads and presented to the Group’s Managing Director for approval. The Board of Directors is updated regularly on our sustainability journey.</td>
</tr>
</tbody>
</table>

*Figure 3: Materiality assessment process*
The seven high priority material matters indicated in the matrix above (top right quadrant) are seen to be key to our sustainability and form the focus of this year’s reporting. Moving forward, we will enhance our sustainability reporting disclosures to include the remaining medium and low priority matters progressively.
## OUR MATERIAL MATTERS

<table>
<thead>
<tr>
<th>Themes</th>
<th>Material Matters</th>
<th>Definition</th>
<th>Topic Boundary*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivering Value through Innovation</td>
<td>Innovation</td>
<td>New ideas to create value which includes new design, technology, services or processes</td>
<td>Gamuda Group</td>
</tr>
<tr>
<td></td>
<td>Customer Satisfaction</td>
<td>Measures in place to deliver and meet customer’s needs and expectations</td>
<td>Gamuda Group</td>
</tr>
<tr>
<td></td>
<td>Governance</td>
<td>Board and management oversight, ethics and transparency, anti-corruption</td>
<td>Gamuda Group</td>
</tr>
<tr>
<td></td>
<td>Supply Chain Management</td>
<td>Creating value, efficiencies and competitiveness by developing a robust supply chain</td>
<td>Gamuda Group including MMC Gamuda</td>
</tr>
<tr>
<td></td>
<td>Economic Performance</td>
<td>Economic value generated and distributed to stakeholders</td>
<td>Gamuda Group</td>
</tr>
<tr>
<td>Sustainable Cities and Communities</td>
<td>Biodiversity</td>
<td>Identification, assessment and management of risk associated with natural systems</td>
<td>Gamuda Land</td>
</tr>
<tr>
<td>Human Capital Development</td>
<td>Employee Management</td>
<td>Management of employees in terms of fair treatment, training, career development and diversity</td>
<td>Gamuda Group</td>
</tr>
<tr>
<td></td>
<td>Health and Safety</td>
<td>Anticipation, recognition, evaluation and control of hazards arising in or from the workplace that could impair the health and well-being of workers</td>
<td>Gamuda Group including MMC Gamuda</td>
</tr>
<tr>
<td></td>
<td>Stakeholder and Community Relations</td>
<td>Contribution to local communities’ needs and mitigating impact on local communities</td>
<td>Gamuda Group</td>
</tr>
</tbody>
</table>

* Gamuda Group refers to all business operations in Malaysia excluding our concessions, associate companies and joint ventures

Table 2: Our list of material matters
Delivering Value through Innovation

THE GROUP IS COGNISANT OF THE NEED TO EMBRACE INNOVATION IN LIGHT OF CURRENT SHIFTS IN THE BUSINESS LANDSCAPE. OUR FOCUS ON INNOVATION GIVES US A COMPETITIVE ADVANTAGE IN DELIVERING QUALITY PRODUCTS AND SERVICES.

CUSTOMER SATISFACTION

Customer satisfaction is essential to uphold our reputation as a leader in delivering innovative world-class infrastructure and premier lifestyle properties. We strive to deliver innovative designs, high standards of workmanship and value to meet our customers’ rising expectations.

We adopt the following best-in-class standards as part of our commitment towards delivering quality products and services.

<table>
<thead>
<tr>
<th>Engineering and Construction</th>
<th>Property Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Responsive Complaint Management System (CMS)</td>
<td>• Residence Management Application</td>
</tr>
<tr>
<td></td>
<td>• Customer Response Portal</td>
</tr>
</tbody>
</table>

**Quality Performance Standards**
- Malaysian Civil Engineering Standard Method of Measurement (MyCESMM)
- ISO and OHSAS Certification
- QLASSIC

**Digital Tools**
- BIM
- IBS
- SnagR

**Management Tool**
- Project Delivery Partner (PDP)

*Figure 5: Our approach towards meeting customer’s expectation*
Responsive Complaint Management System (CMS)

The Group has established among the most responsive and effective CMS for large-scale infrastructure projects in Malaysia. 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 our current KVMRT Line 1 and Line 2 worksites.

As the CMS works on real-time monitoring, it allows for quicker response and effective management of complaints, which eventually improves our overall performance and relationship with all affected stakeholders.

KVMRT Line 1 and Line 2 Stakeholder Engagement

<table>
<thead>
<tr>
<th>KVMRT Stakeholder Engagement</th>
<th>FY2018</th>
<th>FY2017*</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of stakeholders engaged</td>
<td>623</td>
<td>2,953</td>
<td>1,440</td>
</tr>
<tr>
<td>Engagement sessions</td>
<td>187</td>
<td>209</td>
<td>120</td>
</tr>
</tbody>
</table>

* KVMRT Line 1 was fully completed in July 2017

We engage with relevant stakeholders affected by the KVMRT Line 1 and Line 2. Stakeholders are engaged before construction starts, and continuously throughout the construction period. Line 1 engagements ceased in July 2017 as the project was fully completed and started operating. Line 2 engagements were initiated in 2016. This is reflected in the table above which shows high engagement in 2017 and 2016 when both Line 1 and Line 2 were under construction.

The value that we created year-on-year, through mindful planning has resulted in capital appreciation for our developments as attested by The Edge and The Association of Valuers, Property Managers, Estate Agent and Property Consultants in the Private Sectors Malaysia (PEPS) in the yearly The Edge-PEPS Value Creation Excellence Award. Gamuda Land has been the recipient of this award for 6 consecutive years, the only developer in the country to have achieved this feat.
PROPERTY DEVELOPMENT

This year, we embarked on a series of new customer-centric digital platforms in order to enhance customer experience.

<table>
<thead>
<tr>
<th>Customer Services</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SnagR</td>
<td>A web and mobile site inspection tool that allows management of issues and defects during the defect liability period.</td>
</tr>
<tr>
<td>Gamuda Land Residence Management Application</td>
<td>Enables residents to engage with our Township Management team on a single platform. Offers a variety of functions such as pre-registration of visitors, reporting of common facility defects, booking of common facilities, community chat and a home panic button.</td>
</tr>
<tr>
<td>Gamuda Land Customer Portal</td>
<td>A one-stop user-friendly platform for customers with features such as e-feedback and e-queries, property details, personal information and making seamless payment.</td>
</tr>
</tbody>
</table>

SUPPLY CHAIN MANAGEMENT

We are committed to enhancing our processes and engaging with our suppliers to identify and manage risks, increase productivity and efficiency within the supply chain, underpinned by values of integrity and transparency. We look to create value, by looking for opportunities to collaborate and to share best practices with our suppliers. Our procurement processes are guided by Group Procurement Policies and Procedures (G3P) as well as Our Procurement Code of Conduct (GPCC) which, together, ensure effective and fair business with the ultimate objective of obtaining the best products and services in the most cost effective and ethical manner.


E-Procurement

In 2018, we embarked on a digital platform provided by SAP Ariba to improve our procurement and supply chain management which will be fully implemented in FY2019. The system will enable us to announce open tenders on a cloud-based supplier marketplace, through which suppliers submit their bids electronically.

This will improve the quality of data, speed of processing and visibility across our supply chain. In addition, it will allow for efficient management of our large supplier database while promoting our efforts to go paperless.
**Supplier Management**

We build fair, ethical and lasting relationships with our suppliers. We have an assessment system to ensure our suppliers comply with local as well as international management system standard such as ISO 9001, ISO 14001, MS 1722 and OHSAS 18001. Our suppliers’ performance is monitored through regular Safety, Health and Environment [SHE] inspection, independent monthly audits and an online SHE Reporting System – Safetrack (that is used in KVMRT Line 1 and Line 2).

We emphasise on training and mentoring our suppliers to enhance their competency and competitiveness in the marketplace. Suppliers are invited to participate in related training programmes such as BIM and other operational efficiency related programmes.

As the PDP of the KVMRT Line 1 and Line 2, one of our primary roles is to manage the procurement process for all construction work packages jointly with the Government. Given that KVMRT Line 1 and Line 2 represent the largest infrastructure undertaking in the country to date, we have made a conscious effort to award as many packages as possible to local companies. In addition, we source our raw materials from local supply chain, boosting the local economy.

Work on the KVMRT Line 1 and Line 2 does not merely benefit local small and medium enterprise [SMEs] financially, but also increases their technical competency and capabilities, through the experience gained from underground tunnelling works which employ the latest, cutting edge systems. In addition, local companies stand to benefit from heightened awareness of best safety practices, and the ability to comply with the highest safety standards as a result of training provided through the KVMRT Training Centre, in collaboration with CIDB.

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**INNOVATION**

Innovation for our products, solutions and services provides opportunities for our businesses to continuously differentiate ourselves and keep us ahead of the curve. It is this mindset that drives our business to adopt new technologies and solutions, making us pioneers in areas such as using digital IBS to provide differentiated housing products and the creation of the Variable Density Tunnel Boring Machine (VD TBM) designed to bore through Klang Valley’s unique geological conditions.
Industrialised Building System (IBS)
IBS represents an advanced digital construction technology through which building components are prefabricated at a factory. It utilises an integrated BIM design which thrives on a Common Data Environment (CDE) that allows the sharing of integrated data among the project team during the entire construction process. IBS encourages the adoption of long-term design thinking, technology and innovation throughout the life cycle of a construction project.

We are the first engineering and construction organisation in Malaysia to have constructed a fully robotic IBS factory. Our first IBS factory in Sepang commenced operations on 15 June 2016. A second IBS factory is being constructed in Banting which will be ready by end 2018. Our investment in the two fully integrated digital IBS factories has allowed us to transition from the conventional construction method to a digital building system where components are prefabricated in a controlled environment and moved to the building site for installation.

As at July 2018, some 1,800 apartment units have been completed using our digital IBS. By the end of 2018, our IBS factories will have a combined capacity to produce 8,000 property units per year.

All Gamuda Land’s high-rise developments will be fully designed using BIM and digital IBS by 2020, following which the innovative systems will be expanded to other property segments. Our digitally integrated system will enable us to deliver buildings in all market segments with the same superior quality, be it affordable homes or luxury developments.

Building Information Modelling (BIM)
Building Information Modelling (BIM) is a computerised system that integrates multi-stakeholder coordination while allowing for greater precision and speed in the design and implementation of projects. It functions as a platform with real-time access to all design information coupled with 3-D visualisation and animated walkthroughs.

We believe the implementation of BIM will enhance our competitiveness in the market by delivering innovative design and construction solutions.

<table>
<thead>
<tr>
<th>FAST CONSTRUCTION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>DESIGN FLEXIBILITY</td>
<td></td>
</tr>
<tr>
<td>SUPERIOR QUALITY FINISH</td>
<td></td>
</tr>
<tr>
<td>SAFE CONSTRUCTION</td>
<td></td>
</tr>
<tr>
<td>MINIMUM PRODUCTION WASTE</td>
<td></td>
</tr>
<tr>
<td>COST SAVINGS</td>
<td></td>
</tr>
</tbody>
</table>

Figure 10: Benefits of BIM

Training and Development
Recognising the importance of BIM, we established the BIM Training Academy in 2017. The training modules upskill our employees and those of our contractors to enhance our capabilities in line with the latest construction industry standards.

<table>
<thead>
<tr>
<th>BIM Training Academy</th>
<th>FY2018</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of personnel trained</td>
<td>610</td>
<td>352</td>
</tr>
</tbody>
</table>

Table 5: Number of personnel trained by BIM Training Academy
**Viewpoint**

We have enhanced our on-site data sharing platform by introducing a digital data collection and field management platform, Viewpoint, for better coordination among our subsidiaries and business units in the supply chain process.

Going forward, we will roll out Viewpoint to all our business units to improve productivity and enable better decision-making.

**ECONOMIC PERFORMANCE**

Our financial growth is supported by our stakeholders confidence in our ability to deliver differentiated value through innovative product offerings and infrastructure solutions.

In FY2018, we registered revenue of RM7,169 million, core profit before tax of RM1,036 million, and core net profit of RM818 million. We have been delivering consistent results to our key stakeholders, as illustrated below:

![Value Added and Distributed](image_url)

In FY2017, we participated in the Malaysia Digital Economic Corporation (MDEC)’s Value Innovation Programme (VIP). The programme enables established companies to engage with technology start-ups to help identify pain points and opportunities for growth within the digital space.

Under this programme, Gamuda Land’s Township Management Department completed a pilot project with a start-up, Amtiss, focusing on asset management and solutions. The project saw a reduction of inspection man-hours by more than 60% through process digitisation and deployment of sensors in Gamuda Walk.

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**Further information on our economic performance can be found in:**

- Statement from the Group Managing Director: pages 10 to 18
- Five Years Group Financial Highlights: page 33
- Group Segmental Performance: page 35
- Statement of Value Added and Distribution: page 38
- Financial Statements: pages 126 to 323
Sustainable Cities and Communities

**SMART CITY**
There is a marked trend globally towards the development of smart cities as a response to the needs and desires of citizens. This has been reflected in the 11th Malaysia Plan. We recognise the role we play in the Plan and we work towards achieving these goals by integrating smart city features in our property developments.

Through Gamuda Land, we aim to deliver sustainable value to communities underpinned by three key principles that guide the creation of all our property developments.

**SMART SOLUTIONS FOR A MORE LIVEABLE ENVIRONMENT**
Smart cities incorporate design, data and digital technologies into infrastructure and services with the goal of making the urban environment more liveable, sustainable and productive. This year, we embarked on the development of a Smart City Model which encompasses two main segments – Smart Living and Smart Resource Management. This model will be piloted at Gamuda Cove to bring smart cities to life and create a self-sustaining township.

![Figure 12: Our smart city model](image)
A self-sustainable, connected and green smart township

**CONNECT WITH NATURE**
- Water Features (Lakes)
- Wetlands And Woodlands
- Landscape Design Rich With Flora And Fauna
- Biodiversity Conservation Efforts - Gamuda Parks And Biodiversity Audit

**MOBILITY**
- Tram
- Shuttle Bus
- Walking/Jogging/Cycling Paths
- Placemaking Nodes
- Smart Traffic System
- Electric Vehicle Charging Station

**GREEN CERTIFIED TOWNSHIP**
- Green Building Index (GBI) Gold rating for Gamuda Cove Central Business District

Green Buildings for Sustainable Cities

Integral to smart cities, green buildings are efficient buildings in terms of energy, water and materials usage, with reduced impact on human health and the environment.

Green Building Index (GBI) is a recognised industry standard for sustainable built environment in Malaysia. Our developments have obtained GBI certification as illustrated in Table 6.
Sustainability Statement (Cont’d.)

We ensure our developments have in-built energy and water savings mechanisms, are landscaped, provide good connectivity with public transport and infrastructure to ensure convenient accessibility.

<table>
<thead>
<tr>
<th>Development</th>
<th>Award level</th>
<th>Key features</th>
</tr>
</thead>
</table>
| The Robertson                    | Gold        | • Energy efficient materials to reduce heat absorption  
|                                  |             | • Rainwater harvesting                             
|                                  |             | • Material reuse                                   
|                                  |             | • Recycling points                                 |
| HighPark Suites                  | Gold        | • Rainwater harvesting                             
|                                  |             | • Landscape waste composting                       
|                                  |             | • Herb garden                                      |
| Gamuda Cove Central Business District | Gold    | • Sustainable biodiversity planning and design   
|                                  |             | • Sustainable stormwater design and management    
|                                  |             | • Green transport                                  |
| Gamuda Gardens                   | Silver      | • Sustainable biodiversity planning and design   
|                                  |             | • Sustainable stormwater design and management    |

*Table 6: Green Building Certification of our projects*

Our aim is to excel beyond the minimum certification requirements for all our developments.

**BIODIVERSITY**

"LISTENING TO WHAT THE LAND HAS TO TELL US.
A PHILOSOPHY OF DESIGNING FOR NATURE WITH NATURE"

We have always sought to protect the natural environment of areas that we develop and are committed to creating more liveable environments for our communities. We listen to the land to be able to preserve the hills, wetlands, water rolling terrain and water quality. Guided by this philosophy, our developments have matured over the years to encompass healthy green lungs that not only support the existence of plant and animal life but also create a sense of well-being for residents."
Environmental Compliance

Environmental Impact Assessment (EIA) serves as an environmental management tool to evaluate and minimise environmental damage resulting from our developments through timely, adequate, corrective and protective mitigation measures.

Recent developments for which we have conducted EIAs are Gamuda Cove, Gamuda Gardens and twentyfive.7. In the process, we have identified a number of endangered species within our developments. Table 7 lists a summary of the endangered species on the International Union for Conservation of Nature (IUCN) Red List found at our project areas and our conservation efforts to protect local biodiversity.

<table>
<thead>
<tr>
<th>Class</th>
<th>Types of species</th>
<th>Our conservation initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mammals</td>
<td>• Tree shrew</td>
<td>• Established a biodiversity manual that will be adhered to during construction</td>
</tr>
<tr>
<td>Birds</td>
<td>• Pink-necked pigeon</td>
<td>• We will monitor the natural ecosystem during construction and for a minimum of two years after completion</td>
</tr>
<tr>
<td></td>
<td>• White-rumped munia</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Magpie robin</td>
<td></td>
</tr>
<tr>
<td>Reptiles and Amphibians</td>
<td>• Common flying lizard</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Paradise tree snake</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Grass whip snake</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Common rat snake</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Malayan pond frog</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Green tree frog</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Monitor lizard</td>
<td></td>
</tr>
</tbody>
</table>

Table 7: Our initiatives to conserve IUCN Red List species in Gamuda Gardens
Enhancing Biodiversity through Gamuda Parks

Conscious efforts to design a township that reflects its natural surroundings encourage people to explore the outdoors and take part in activities together with family and friends for a healthier lifestyle. With this in mind, in 2018 we established Gamuda Parks in collaboration with Wetland International Malaysia and Forest Research Institute Malaysia (FRIM).

Its main role is to monitor and coordinate measures to protect the biodiversity within a development while implementing design and maintenance standards to enhance the quality of living. In carrying out its function, Gamuda Parks takes into consideration three ecosystems which is softscape, waterscape, materials and resources.

Improving Green Spaces

Green spaces are integral to creating a holistic sense of well-being and providing natural habitats for wildlife that helps to conserve biodiversity. In designing our landscapes, our green coverage exceeds the minimum requirement of 10%.

Advanced Tree Planting (ATR)

ATR involves the procurement of standard-sized young trees measuring 50mm to 75mm in diameter, nurturing them in an in-house nursery for at least two years before planting on site. We ensure an optimum mix of different plant species, including those that are native to the particular environment, in order to enhance the local ecosystem. ATR has been carried out in Gamuda Gardens, Gamuda Cove and Kundang Estates. Since 2016, we planted nearly 5,000 trees.

Retention Lakes and Ponds Design

Gamuda Land townships are well known for their parks and lakescapes. While these form part of planning compliance and play an important role in flood mitigation that is part of the Urban Stormwater Management Manual (MSMA), we sought to creatively transform this utilitarian necessity into unique landscape features that will be integral to the community.

Jade Hills, Kota Kemuning and Valencia are testaments of good masterplan designs which won numerous awards such as the Gold Award in Infrastructure Planning by the Singapore Institute of Planners. Please refer to Awards and Achievements on pages 124 to 125 in this report for more information.

<table>
<thead>
<tr>
<th>Project</th>
<th>% of Green Spaces</th>
<th>Trees Planted</th>
<th>Shrubs Planted</th>
</tr>
</thead>
<tbody>
<tr>
<td>HighPark Suites</td>
<td>15%</td>
<td>512</td>
<td>168,138</td>
</tr>
<tr>
<td>Jade Hills</td>
<td>14%</td>
<td>1,907</td>
<td>343,023</td>
</tr>
<tr>
<td>twentyfive.7</td>
<td>19%</td>
<td>1,180</td>
<td>82,938</td>
</tr>
<tr>
<td>Gamuda Gardens</td>
<td>17%</td>
<td>997</td>
<td>45,178</td>
</tr>
<tr>
<td>Kundang Estates</td>
<td>15%</td>
<td>1,251</td>
<td>37,161</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>–</td>
<td><strong>5,847</strong></td>
<td><strong>676,438</strong></td>
</tr>
</tbody>
</table>

Table 8: Green spaces, trees and shrubs planted across our developments
In May 2018, Yen So Park was awarded the World Gold Award in the Environmental (Rehabilitation/Conservation) category at the FIABCI World Prix d’Excellence Award 2018.

Gamuda Land completed the rehabilitation of Yen So Park and Yen So Lakes surrounding Gamuda City from a wasteland into a scenic parkland, in April 2013.

Yen So Park had been highly contaminated and the area was deemed inhospitable with growing public health concerns. To bring this wasteland back to life, we built a state-of-the-art sewage treatment plant to treat the highly polluted wastewater-plagued land in the eastern part of the Yen So Park township. Today, the plant treats up to 40% of Hanoi’s total wastewater discharge daily, greatly enhancing the quality of the city’s lakes and waterways. This has led to improved health and quality of life of the residents.

In May 2018, Yen So Park was awarded the World Gold Award in the Environmental (Rehabilitation/Conservation) category at the FIABCI World Prix d’Excellence Award 2018.
ENSURING SUSTAINABLE BIODIVERSITY AND ADVOCACY

In our commitment to the long-term maintenance of our new parks, we actively engage with our residents. Our Gamuda Parks Biodiversity Policy (GBP) outlines standards and guidelines for the management and maintenance of the softscape, waterscape, materials and resources to ensure the sustainability of our township developments.

To enhance general awareness of the importance of biodiversity, we organised a public biodiversity workshop on 26 to 27 May 2018 across our towns and developments in various states. We have also carried out a biodiversity audit as a scientific measurement of liveability and habitability of the environment in Gamuda Gardens and Gamuda Cove, which will help us in our future targeted conservation measures.

Gamuda Cove, a sprawling 1,530-acre mixed development in the Southern Klang Valley was previewed in September 2018. Surrounded by a forest reserve, the development when completed will encompass 153-acre of lush landscaped green spaces including parks as well as 97-acre of water features. In selecting the tree species to be planted, we will be guided by the surrounding forest and adjacent Paya Indah Wetlands. As they grow, these plants will support an increasingly broad range of birds, insects and butterflies that will enhance overall biodiversity.

To measure the biodiversity impact of Gamuda Cove, a conservation consultant, ESC Environ Solution Consultant was appointed to conduct a baseline flora and fauna audit of the site, prior to commencement of works, and will continue to monitor as the project develops. The team intends to engage residents and park users in the process as part of an educational and interpretive programme in future.
STAKEHOLDER AND COMMUNITY RELATIONS

We uplift the wellbeing of local communities through our corporate social responsibility initiatives. In line with SDG 4 - Quality Education, we invest in capacity-building of our local communities by offering both scholarships and development programmes to the underprivileged.

Yayasan Gamuda

Yayasan Gamuda, our foundation arm, was set up in 2016 to oversee the Group’s charitable activities. The Foundation focuses on the provision of educational aid and community enhancement programmes.

In FY2018, a total of RM5,508,000 was donated to various worthy causes, including Gamuda Scholarship, our Enabling Academy and the Star Golden Heart Awards as detailed in the following sections.

Gamuda Scholarship

A significant portion of Yayasan Gamuda funds is channelled towards Gamuda Scholarship. Since 1996, the scholarship programme has enabled more than 340 academically outstanding Malaysian students to pursue tertiary education at international and local higher education institutions. Aside from construction industry related courses, scholarships are also awarded for Accounting, Business, Information Technology and Human Resources. The scholarship covers full tuition fees and living allowance as well as employment upon graduation.
Enabling Academy

Globally, individuals with autism spectrum disorder (ASD) face employment challenges. In view of the untapped potential of these individuals, the Group launched the Enabling Academy (EA) in 2017 through funding by Yayasan Gamuda. EA provides an end-to-end sustainable career development path while promoting inclusivity and diversity at the workplace.

EA provides a learning platform through the Employment Transition Programme (ETP) which is designed to equip those with ASD with relevant soft skills and practical job training that are essential for white-collar jobs. We collaborate with partner companies to provide sustainable employment to the EA graduates. To date, we have trained 19 persons with autism, of whom 17 have gained internship and employment in 15 partner companies.

EA conducts awareness seminars and job coaching workshops to prepare partner companies in developing a skilled team to support their differently-abled employees.

List of partner companies with Enabling Academy

- Brick Dotcom Sdn Bhd
- Macro Dimension Concrete Sdn Bhd
- Lafarge Shared Services Sdn Bhd
- LafargeHolcim Regional Service Centre
- Gamuda GM Klang Sdn Bhd
- Feruni Ceramiche Sdn Bhd
- Hap Seng Land Sdn Bhd
- CIMB Bank Bhd
- A & A Architects
- Ringo Low & Associates
- DRB-HICOM Bhd
- Agrifert Malaysia Sdn Bhd
- Thistle Hotel Port Dickson
- Golden Screen Cinema Sdn Bhd
- Gamuda Group (Gamuda Land and Gamuda Engineering)

We are progressing towards registering EA as a Practical Assessment Centre for Accreditation of Prior Achievement. This programme is offered by the Department of Skills Development under the Ministry of Human Resources. With this accreditation, our EA graduates could take their existing ETP qualification further by obtaining industry-recognised certificates, diplomas or advanced diplomas. This would assist them to move up the value chain from their existing administrative roles.

Project Differently-Abled

We hire individuals with ASD through the Enabling Academy as well as our in-house recruitment programme, the “Project Differently-Abled (DA)”. This project is a forerunner of EA and was initiated back in 2013 as part of the Group’s effort to embrace diversity and inclusiveness in the workplace.

To date, we have recruited 20 DA full-time employees in administration, engineering, research and IT programming across various departments in the Group.

Each DA employee is assigned an experienced supervisor and buddy who provides psychological and functional support. DA colleagues undergo the same career and training development as other Gamudians.
**Upskilling Local Communities**

We collaborate with external partners in several training programmes that focus on construction-related skills and competencies.

<table>
<thead>
<tr>
<th>Programmes and Objectives</th>
<th>FY2018</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tunnelling Training Academy (TTA)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training on tunnelling related skills to support the rollout of the KVMRT Line 1 and Line 2 and other similar projects around the world</td>
<td>213</td>
<td>225</td>
<td>800*</td>
</tr>
<tr>
<td><strong>KVMRT Training Centre</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To upskill KVMRT Line 1 and Line 2 workers and contractors, with a strong focus on safety, health and environmental protection standards</td>
<td>7,500</td>
<td>6,808</td>
<td>8,047</td>
</tr>
<tr>
<td><strong>Gamuda Plant Operator School (GPPOS)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competency training assessed by Department of Occupational Safety and Health (DOSH) and CIDB for crane and plant operators</td>
<td>802</td>
<td>957</td>
<td>950</td>
</tr>
<tr>
<td><strong>Collaboration with Institut Kemahiran Belia Negara (IKBN)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skilled graduates for the construction industry</td>
<td>–</td>
<td>–</td>
<td>44</td>
</tr>
<tr>
<td><strong>Collaboration with Kolej Komuniti (KK)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IBS Production Technicians for the IBS factory</td>
<td>12</td>
<td>15</td>
<td>–</td>
</tr>
<tr>
<td><strong>Gamuda IBS Training Centre</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reskill graduates from technical and vocational training institutions in IBS application</td>
<td>110</td>
<td>175</td>
<td>80</td>
</tr>
</tbody>
</table>

* Cumulative since year 2012

*Table 9: Number of trainees benefitted from various partnered training programmes*
EMPLOYEE MANAGEMENT

Our talents, or “Gamudians”, are our most important assets as their level of engagement and productivity are key to the Group’s overall performance in delivering quality work and innovative solutions. We place great importance in providing a work environment that inspires our people and allows them to realise their true potential. This is achieved through effective Human Resources (HR) policies guided by our talent management 4R approach.

Recruit

We seek to attract the right skills and talents to meet the various business needs of the Group. While we source for experienced hires, we also place emphasis on recruiting and grooming young talents into promising leaders for the Group. They are sourced and developed through various tailored programmes and initiatives such as Gamuda Graduate Programme, Graduate Internship Programme and partnership with various academic and governmental institutions.

Figure 16: The Group’s new hires rate

<table>
<thead>
<tr>
<th>FY2018</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>22%</td>
<td>23%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Figure 17: The Group’s new hires headcount

<table>
<thead>
<tr>
<th>FY2018</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>692</td>
<td>620</td>
<td>328</td>
</tr>
</tbody>
</table>

Table 10: The Group’s number and rate of new hires

<table>
<thead>
<tr>
<th>Employee New Hires</th>
<th>FY2018</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Rate*</td>
<td>Number</td>
</tr>
<tr>
<td>By age group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 25</td>
<td>384</td>
<td>12%</td>
<td>143</td>
</tr>
<tr>
<td>25-34</td>
<td>200</td>
<td>6%</td>
<td>316</td>
</tr>
<tr>
<td>35-44</td>
<td>72</td>
<td>2%</td>
<td>95</td>
</tr>
<tr>
<td>45-54</td>
<td>32</td>
<td>1%</td>
<td>48</td>
</tr>
<tr>
<td>55-59</td>
<td>3</td>
<td>0%</td>
<td>12</td>
</tr>
<tr>
<td>60 and above</td>
<td>1</td>
<td>0%</td>
<td>6</td>
</tr>
<tr>
<td>By gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>199</td>
<td>6%</td>
<td>233</td>
</tr>
<tr>
<td>Male</td>
<td>493</td>
<td>15%</td>
<td>387</td>
</tr>
<tr>
<td>By region</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>690</td>
<td>22%</td>
<td>618</td>
</tr>
<tr>
<td>Others</td>
<td>2</td>
<td>0%</td>
<td>2</td>
</tr>
</tbody>
</table>

* New hire rate is calculated based on number of new hires divided by headcount at the end of the year
Retain

We retain our employees by offering a dynamic work environment and attractive remuneration package. Through town halls and regular engagements, we promote a sense of belonging while respecting our employees’ work-life balance needs.

Given the emphasis on employee retention, we have maintained a stable turnover rate, with Group attrition rate of 9% in FY2018. Our turnover rate for the past three years has been consistently below 10%, which is also below the industry average of 15%.

EMPLOYEE ENGAGEMENT

We keep our employees updated on corporate developments through newsletters, intranet, town hall meetings and Workplace by Facebook. We are able to maintain open, two-way dialogue and engender a feeling of connectedness among each other and with the Group.

Complementing these communication platforms, we also organise various engagement activities among employees across all levels. Through our in-house Sports Club, employees take part in sporting activities, annual trips and social activities at subsidised rates.

Figure 18: The Group’s turnover rate

Figure 19: The Group’s turnover headcount

Figure 20: Recreation trip at Siem Reap, Cambodia, July 2018
COMPETITIVE REMUNERATION

We offer a competitive compensation package and attractive benefits within the industry that help reward and retain our talents.

We adopt a flat benefit structure where most of the benefits are provided to all employees regardless of grade or position. The key benefits offered to all full-time permanent employees are listed below, but not limited to:

<table>
<thead>
<tr>
<th>Types of benefits</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leave</td>
<td>Annual Leave, No Pay Leave, Sick or Hospitalisation Leave, Marriage Leave, Paternity Leave, Maternity Leave, Childcare Leave, Examination Leave, Compassionate Leave, Prolonged Illness Leave, Replacement Leave</td>
</tr>
<tr>
<td>Flexi-Wellness</td>
<td>Outpatient, additional Pre and Post Natal expenses, Annual Medical Check-up, Wellness Membership, Optical, Dental, Vaccination</td>
</tr>
<tr>
<td>Subsidy</td>
<td>Childcare Subsidy</td>
</tr>
<tr>
<td>Insurance</td>
<td>Group Term Life Insurance*, Surgical and Hospitalisation Insurance, Personal Accident Insurance</td>
</tr>
<tr>
<td>Flexi-Work Arrangement</td>
<td>Staggered Working Hours, Flexi Time, Seasonal Flexi-Time, Flexi Place, Flexi Lunch Hours, Replacement Hours</td>
</tr>
<tr>
<td>Others</td>
<td>Car Park Facility, Retirement benefits, Bona Fide benefits, Employee Education Assistance</td>
</tr>
</tbody>
</table>

* In FY2018, we have extended the Group Term Life Insurance to contract employees

Table 11: Summary of the Group’s key benefits to full-time employees

We have set up Centralised Labour Quarters (CLQ) in recognising the well-being of our foreign construction workers. These gated-and-guarded quarters provide labourers working on the KVMRT Line 1 and Line 2 and Pan Borneo Highway projects clean accommodation complete with amenities for workers’ safety and comfort.
Family-friendly Employer

As a family-friendly employer, we provide additional paternity leave and childcare leave to entitled employees, beyond regulatory requirements. With these policies in place, these entitled employees are able to fulfil their family duties with a peace of mind while balancing their work life. This has resulted in a high retention rate among our employees as shown below:

<table>
<thead>
<tr>
<th>Family Leave</th>
<th>FY2018</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paternity Leave</td>
<td>72</td>
<td>52</td>
<td>24</td>
</tr>
<tr>
<td>Maternity Leave</td>
<td>54</td>
<td>40</td>
<td>28</td>
</tr>
<tr>
<td>Childcare Leave</td>
<td>95</td>
<td>60</td>
<td>45</td>
</tr>
</tbody>
</table>

*Table 12: Number of employees who utilised parental and childcare leave*

<table>
<thead>
<tr>
<th>Post Paternity and Maternity Leave</th>
<th>FY2018</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Return to work rates</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Retention rates</td>
<td>96%</td>
<td>89%</td>
<td>85%</td>
</tr>
</tbody>
</table>

*Table 13: Gamudians’ post-parental leave return to work and retention rate*

Gamuda Long Service Awards

Loyal employees who have served the Group for at least a decade are recognised at the annual Long Service Awards Night. We are pleased to have recorded an average length of service of more than 10 years especially among our management level employees.

<table>
<thead>
<tr>
<th>Gamuda Long Service Awards</th>
<th>FY2018</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees awarded</td>
<td>220</td>
<td>237</td>
<td>219</td>
</tr>
</tbody>
</table>

*Table 14: Number of employees who received Gamuda Long Service Awards*

<table>
<thead>
<tr>
<th>Employee Category</th>
<th>FY2018</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>20</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>Senior Management</td>
<td>13</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>Middle Management</td>
<td>9</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Executive</td>
<td>5</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Others</td>
<td>6</td>
<td>7</td>
<td>8</td>
</tr>
</tbody>
</table>

*Table 15: Average years of service by employee category*
Sustainability Statement (Cont’d.)

Replenish
By ‘replenishing’, we seek to strengthen our human capital through a diverse workforce. We believe that a diverse and inclusive workforce enriches our knowledge base by allowing us to harness the various perspectives of our people. We therefore nurture an environment that does not discriminate against race, gender, religion, age, socio-economic status or physical/neural ability. We employ based on merit and not background.

The racial composition within the Group is fairly representative of that of the nation. We are pleased to have a young and enthusiastic workforce, with 56% of our employees aged below 35.

* All diversity data covers headcounts of the Group’s local and overseas operations and joint ventures.
Women @ Work

Our policy on gender equity is exemplified through our Women @ Work programme. This programme aims to encourage and support the participation of women in our workforce, which is in line with the national initiative of achieving 30% women representation on public-listed Boards by 2020 (“The 30% Club Malaysia Chapter”).

We recognise that young working mothers face additional commitment of having to care for their children. Thus, a women-centric benefits package is offered to our working mothers which include 90-day maternity leave, childcare leave, childcare subsidy, day care centre, stork parking, nursing room as well as pre and postnatal expenses support.

These efforts have resulted in a fairly good gender mix within the Group, with female employees currently making up 30% of the total. At our Board level, female diversity has increased in FY2018, with 43% being female directors as compared to 33% in FY2017.

Gamuda Women’s Empowerment Network (GWEN)

We have launched GWEN this year to advance careers of women by providing a support network. GWEN aims to empower our women through a broader scope covering three pillars: Career Development, Engagement and Wellbeing.

We have kicked off the first initiative under GWEN that fine-tunes our existing mentorship programme by having a panel of external mentors in leadership positions from different sectors.

Leadership Development

We have adopted the Korn Ferry Hay Leadership Tool to measure current leadership style and future leadership potential within the organisation. The assessment has provided us a perspective to identify areas of improvement for succession planning and leadership development.

In line with our effort to develop our leaders, two leadership programmes have been introduced this year, namely “First-time Managers” and “Managerial Evolution”. Both programmes are designed to assist newly promoted managers as well as experienced managers to better transition into their new leadership roles.
Sustainability Statement (Cont’d.)

Renew

By ‘renewing’ our talent, we seek to develop multi-skilled employees by encouraging exposure to a range of functions, which gives our people a competitive edge and enables the Group to stay dynamic in the industry.

Career Development

The Career Development Unit (CDU) has been set up to provide internal career guidance and coaching to enhance employees’ competencies in current and future roles. The Strengths-Development-Opportunities-Career (SDOC) Staller tool is used to discover Gamudians’ personal strengths and development needs. With this, employees are able to identify and map out individualised career development plans.

Training and Capability Building

Our in-house Gamuda Learning Centre (GLC), the Group’s dedicated training arm utilises the career development plan to conduct Training Need Analysis. We provide skills-based and technical training for staff from all career levels and job streams.

Skills-based Training

The Construction Management Programme (CMP) was introduced to train our young site supervisors and engineers through real site work exposure. This annual programme focuses on internationally benchmarked construction skills adopted from best practices in Australia, Europe and Singapore. CMP courses are accredited by CIDB for Civil and Structural or Building and Architectural Works.

Most of the eligible employees have undertaken the CMP training within two years since its launch in 2016. In FY2018, the trainees mostly are new hires and employees that have previously deferred their training.

<table>
<thead>
<tr>
<th>CMP Training</th>
<th>FY2018</th>
<th>FY2017</th>
<th>FY2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees trained</td>
<td>40</td>
<td>111</td>
<td>109</td>
</tr>
</tbody>
</table>

Table 16: Number of employees trained in CMP

![Figure 25: Average training hours per employee](image)

Performance Management and Reward

Performance reviews are conducted for all Gamudians at least once a year to assess the quality of their work as well as to guide their career development. Our employees’ job performance and development potential are evaluated systematically based on respective team and personal Key Performance Indicators (KPIs). Rewards and compensation are offered on a merit basis, according to employees’ performance.
HEALTH AND SAFETY

We place health and safety as a top priority in our operations as we strive to safeguard all our employees, contractors, customers, suppliers, local communities, and other stakeholders. Steered by a robust Quality, Safety, Health and Environment (QSHE) management system, we strive to achieve zero fatality through continuous management, monitoring and improvement of the Group’s health and safety performance.

Safety and Health Management System

Our safety and health policies outline the relevant processes and procedures to continuously improve the sustainability of our operations by providing high-quality, cost-effective, reliable, safe and environment-friendly services. Policy reviews are done regularly to ensure that they remain relevant, appropriate and aligned with our business objectives.

The policies are supported by an effective management system to manage and continuously eliminate hazards and minimise safety and health risks. All our key business units have in place safety and health management systems that are certified to local and international standards. These certifications are renewed periodically to remain relevant with the latest industrial standards. For instance, Gamuda Berhad and Gamuda Engineering are certified by the Integrated Management System (IMS) which covers safety and health related standards, OHSAS 18001:2007 Occupational Health and Safety, and MS 1722:2011 Occupational Safety and Health Management Systems. We are also currently transitioning to ISO 45001:2018 Occupational Health and Safety Management System.

Hazard Identification, Risk Assessment and Determining Control

As part of our safety and health management system requirements, all activities must undergo the Hazard Identification, Risk Assessment and Determining Control (HIRADC) process before the commencement of any project.

All employees and workers shall promptly report all work-related hazards and hazardous situations encountered. Employees and workers shall remove themselves from work situations that may cause injury or ill health. Should they fear reprisals on account of their actions, they may report the matter directly to the Head of Project or SHE personnel for further investigation. Employees and workers shall discuss with their superiors to mitigate the risks before resuming work.

Reported incidents will be handled in accordance with our Incident Investigation and Reporting procedures. Analysed data and trends compiled from these incidents are reviewed critically and used to enhance existing strategies and procedures.

Figure 26: Key steps in the Group’s HIRADC process
Workers Participation, Consultation and Communication on Safety and Health related issues

Employees and workers are provided with the opportunity and platform to actively participate in the consultation, review and improvements in safety and health at the workplace. Employees may provide feedback to management through the following channels:

- Toolbox and pre-task briefing
- Involvement in HIRADC during Job Safety Analysis and Method Statement review
- During incident investigation process
- Discussions during corporate and project level SHE Committee meetings

Safety and Health Management for Contractors under Gamuda Engineering

As we work with a significant number of subcontractors, we conduct pre-qualifying screening to ensure standards on safety and health performance are met. In addition, continuous training, periodic inspections and audit are carried out throughout the construction period of a project.

Safety and Health Performance

With zero fatality as the ultimate goal, we strive to reduce the number of accidents throughout our operations through monitoring and constant process improvement.

In FY2018, we recorded improvement in safety performance at our PDP project site for KVMRT Line 2 (Klang Valley Mass Rapid Transit Sungai Buloh-Serdang-Putrajaya Line), and hit a milestone of 11 million man-hours without lost time injury (LTI).

Our underground team for KVMRT Line 2 Line has recorded 2.6 million man-hours without LTI, since commencement of the project while Gamuda Building Unit recorded 7.9 million man-hours without LTI to-date at their project sites.

In FY2018, our manufacturing factory, Gamuda IBS recorded 1.6 million man-hours without LTI while Gamuda Land recorded 1.1 million man-hours without LTI across project sites.

Raising Safety and Health Awareness

We regularly engage and educate our employees to inculcate a culture of safety and compliance through safety and health training and initiatives.

In FY2018, the key safety and health training conducted at respective business units include Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) training, chemical hazard risk control, scheduled waste handling training. At Gamuda Engineering, we have also rolled out several safety schemes to enhance safe working environment such as the Gamuda Construction Safety Passport (GCSP), which is accredited by CIDB that is equivalent to CIDB green card. Additional safety schemes include the KVMRT Line 1 and Line 2 PDP’s SHE Passport Scheme and Underground Construction Skills Certification Scheme.

<table>
<thead>
<tr>
<th>Gamuda Engineering</th>
<th>Gamuda Land</th>
<th>Gamuda IBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees and workers attended</td>
<td>437</td>
<td>33</td>
</tr>
</tbody>
</table>

Table 17: Number of employees and workers who attended safety and health training in FY2018
Our Safety and Health Activities Highlights:

World Occupational Safety and Health (OSH) Day Campaign

In conjunction with the World OSH Day 2018, MRT Corporation (MRTC) and MMC Gamuda KVMRT (PDP) Sdn Bhd conducted our second OSH campaign in April 2018. The theme this year was “Injury Incident and Prevention Programme”.

The programme aimed to increase awareness among workers on how to prevent incidents that could cause injuries. The two-day campaign took place at our KVMRT Training Centre.

More than 250 participants from over fifteen Work Package Contractors joined the programme.

QSHE In Construction Seminar 2018

Our inaugural QSHE In Construction Seminar 2018 was held on 29-30 January 2018. It was officiated by the then Deputy Director General of DOSH, Tuan Haji Omar B. Mat Piah (now the Director General of DOSH).

The event attracted a total of 120 participants. The seminar served as a platform for the sharing of knowledge and experiences among QSHE practitioners, subcontractors and related government agencies.