

## **GAMUDA BERHAD (“GAMUDA” OR “THE COMPANY”)**

### **ACQUISITION OF A PIECE OF LEASEHOLD LAND IN MUKIM TANJONG DUABELAS, DAERAH KUALA LANGAT, NEGERI SELANGOR DARUL EHSAN BY SETARA HATI SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF GAMUDA, FOR A TOTAL CASH CONSIDERATION OF RM392,172,858.00 (“THE ACQUISITION”)**

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#### **1. INTRODUCTION**

The Board of Directors of Gamuda (“**Board**”) wishes to announce that Setara Hati Sdn Bhd (“**SHSB**” or “**Purchaser**”), a wholly-owned subsidiary of Gamuda, has on 1 December 2014 entered into a sale and purchase agreement (“**SPA**”) with Bukit Melati Sdn Bhd (“**Bukit Melati**” or “**Vendor**”) for the acquisition of all that piece of leasehold land held under PN 95272, Lot 66166 in Mukim Tanjong Duabelas, Daerah Kuala Langat, Negeri Selangor Darul Ehsan measuring approximately 104.1 hectares (“**Land**”) for a total cash consideration of RM392,172,858.00 (“**Purchase Consideration**”).

#### **2. INFORMATION ON SHSB**

SHSB is a private limited company incorporated in Malaysia on 7 November 2002 and its principal activities are property investment and development. The current authorised share capital of SHSB is RM1,000,000.00 comprising 100,000 ordinary shares of RM1.00 each and 900,000 redeemable preference shares of RM1.00 each, of which 100,000 ordinary shares and 99,000 redeemable preference shares are issued and fully paid up.

#### **3. INFORMATION ON BUKIT MELATI**

Bukit Melati, the registered proprietor of the Land, is a private limited company incorporated in Malaysia on 8 May 1990 and its principal activities are oil palm cultivation and management of oil palm plantation. The current authorised share capital of Bukit Melati is RM1,000,000.00 comprising 1,000,000 ordinary shares of RM1.00 each of which 100,000 shares are issued and fully paid up.

#### **4. INFORMATION ON THE LAND**

The Land is a vacant parcel of leasehold land measuring approximately 104.1 hectares, which is currently classified as agricultural land with a lease tenure of 99 years expiring on 16 September 2111.

The Land is located 2 kilometres (“km”) from Kota Kemuning. Its distances from the following major cities are:

Petaling Jaya - 26 km  
Kuala Lumpur - 34 km  
Shah Alam - 15 km

#### **5. DETAILS OF THE ACQUISITION**

##### **5.1 Salient Terms of the Acquisition**

##### **5.1.1 Basis and Justification for the Purchase Consideration**

The Purchase Consideration of RM392,172,858.00 was arrived on an “as is where is” basis and free from all encumbrances and with vacant possession after taking into consideration, inter alia, the development potential and prospects of the Land.

### 5.1.2 Conditional Period

The SPA is conditional upon the conditions precedent being fulfilled no later than six (6) months from the date of the SPA (“**Conditional Period**”).

If by the expiry of the Conditional Period the condition precedent relating to the procurement of the relevant authorities’ approval(s) or consent(s) is/are still not fulfilled, an automatic extension of six (6) months from the Conditional Period shall be given or until the day on which the outcome of the second appeal is received by SHSB, whichever is the later.

The SPA shall become unconditional on the date on which the last of the Conditions Precedent as set out in the SPA has been fulfilled (“**Unconditional Date**” or “**UC**”).

### 5.1.3 Payment of the Purchase Consideration

The Purchase Consideration will be entirely satisfied in cash, which will be financed via internally generated funds and/or bank borrowings.

The Purchase Consideration shall be payable in the following manner:

	<b>RM</b>
10% upon execution of the SPA (“ <b>Deposit</b> ”)	39,217,285.80
Within 3 months from UC	352,955,572.20
Purchase Consideration	<u><b>392,172,858.00</b></u>

### 5.1.4 Liabilities to be Assumed

There are no liabilities to be assumed by Gamuda and SHSB arising from the Acquisition.

### 5.1.5 Completion of the Acquisition

Barring unforeseen circumstances, the Acquisition is expected to be completed by the 2<sup>nd</sup> quarter of 2015.

## 6. RATIONALE FOR THE ACQUISITION

The Acquisition enables Gamuda to increase its land bank to further establish its position in property development and increasing its investment property portfolio to provide long term earnings growth. The Land is situated in a matured area of Selangor with positive prospects for mix property development. The Acquisition is expected to contribute positively to the future earnings and thereby improve shareholders’ value over the medium to long-term.

## 7. THE FUTURE PLAN AND PROSPECTS OF THE LAND

### 7.1 Proposed Development Concept

The Land is envisaged to be developed into an exclusive signature address, catering to investors/end users residing within a 10 km radius, especially in matured neighbourhoods such as Kota Kemuning, Bukit Rimau, Puchong, Subang and Shah Alam. The Management of Gamuda is confident of the prospects of the Land and is optimistic that the future development on the Land will contribute positively to the earnings of the Gamuda Group in the near future.

The Land will serve as an extension to Kota Kemuning, by introducing intimate clusters of homes providing privacy and character creating an unmatched value and investment gain with an advantage of having a ready stream of buyers from Kota Kemuning, Shah Alam, Subang and Klang.

The Land is located within a matured environment and enjoys diverse accessibility and connectivity, with good road frontage and high traffic exposure. There is dynamic potential in this land with great prospects to introduce a new dimension and definition in real estate in this matured location, be it from the business or investors standpoint.

## **7.2 Accessibility**

A ready network of modern infrastructure and highways serve the location, benefitting the Land automatically with unending opportunities, bringing diversity to the business and investment.

Existing highways serving the Land include the Shah Alam Expressway (KESAS) and Lebuhraya Kemuning-Shah Alam (LKSA) via the main spine road (Persiaran Anggerik Mokara) in Kota Kemuning which extends right through to Thangamalay Estate. Further, upon completion of the connection road from Kota Kemuning to Bandar Saujana Putra, accessibility to the Land will be tremendously enhanced via the Expressway Lingkaran Tengah (ELITE) and the South Klang Valley Expressway (SKVE.)

## **8. FINANCIAL EFFECTS OF THE ACQUISITION**

### **8.1 Share capital and shareholdings of substantial shareholders**

The Acquisition will not have any effect on the issued and paid-up share capital and substantial shareholders' shareholdings of Gamuda as the Acquisition does not involve any issuance of Gamuda shares.

### **8.2 Net Assets ("NA") and NA per share**

The Acquisition is not expected to have any material effect on the NA and NA per share of the Gamuda Group.

### **8.3 Earnings and earnings per share**

The Acquisition is expected to contribute positively to the future earnings of the Gamuda Group.

### **8.4 Gearing**

Notwithstanding that the Purchase Consideration may be partly funded via bank borrowings, the Acquisition is not expected to have a material impact on the gearing of the Gamuda Group.

## **9. APPROVALS REQUIRED**

The Acquisition is conditional upon the approval(s) or consent(s) being obtained from the relevant governmental or statutory authorities. The Acquisition is not subject to the approval of the shareholders of the Company.

**10. PERCENTAGE RATIO**

The highest percentage ratio for the Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, based on the latest audited consolidated financial statements of Gamuda for the financial year ended 31 July 2014 is 7.16%.

**11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED**

None of the Directors and major shareholders of Gamuda and/or persons connected to them have any interest, direct or indirect, in the Acquisition.

**12. DIRECTORS' STATEMENT**

The Board, after having considered all aspects of the Acquisition, is of the opinion that the Acquisition is in the best interest of the Gamuda Group.

**13. DOCUMENTS FOR INSPECTION**

The signed SPA is available for inspection at the registered office of Gamuda at Menara Gamuda, D-16-01, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Mondays to Fridays (except public holidays) for a period of one (1) month from the date of this announcement.

This announcement is dated 1 December 2014.