

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

PROPOSED ACQUISITION OF APPROXIMATELY 12,154.6 SQUARE METERS OF LEASEHOLD LAND SITUATED AT LORONG 6, TOA PAYOH/LORONG 4, TOA PAYOH, SINGAPORE (“PROPOSED TOA PAYOH DEVELOPMENT”)

1. INTRODUCTION

The Board of Directors of Gamuda (“**Board**”) wishes to announce that the Housing Development Board of Singapore had on 23 June 2015 accepted the tender submitted jointly by Gamuda with Evia Real Estate (7) Pte Ltd (“**Evia**”) and Maxdin Pte Ltd (“**Maxdin**”) to acquire a piece of leasehold land measuring approximately 12,154.6 square meters as more particularly described in paragraph 4 below (“**Land**”) at the tender price of Singapore Dollars (“**SGD**”)345,860,000.00 (“**Purchase Consideration**”) via a joint venture company which shall be incorporated on the basis of 50% (Gamuda): 20% (Evia): 30% (Maxdin) (“**JVCo**”). The acquisition of the Land by JVCo shall be referred to as “Acquisition”. Gamuda’s participation in JVCo shall be via Gamuda’s wholly owned subsidiary, Gamuda (Singapore) Pte Ltd.

2. INFORMATION ON EVIA

Evia is a private limited company incorporated in Singapore on 15 July 2013 and its principal activities are investment holding. Evia is a wholly owned subsidiary of Evia Real Estate Management Pte Ltd (“**EREMPL**”).

The EREEMPL group of companies has completed one of its executive condominium developments in Singapore, namely Watercolours. The on-going developments are Heron Bay and Lake Life.

3. INFORMATION ON MAXDIN

Maxdin is a private limited company incorporated in Singapore on 4 April 1995 and its principal activities are providing business support services. Maxdin is a wholly owned subsidiary of Greatearth Holding Pte Ltd. Greatearth Holdings Pte Ltd is in turn wholly owned by Greatearth Pte Ltd.

The Greatearth group of companies has completed several notable projects in Singapore, namely Watercolours, Austville Residences, Ascentia Sky, Park Central @ AMK and Kovan Melody.

4. INFORMATION ON THE LAND

The Land is a vacant parcel of leasehold land measuring approximately 12,154.6 square meters with a lease tenure of 99 years, which shall commence on the date of full payment of the tender price. The Land is identified as Lot 10533N / MK17 located at Lorong 4/Lorong 6, Toa Payoh, Singapore. The current type of allowable development on the Land is condominium or flats or with written approval, a combination of flats and strata landed houses (serviced apartments are not allowed).

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 SGD345,860,000.00 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

There is no conditional period to be fulfilled.

5.1.3 Payment of the Purchase Consideration

The Purchase Consideration will be satisfied by JVCo in cash and bank borrowings and shall be paid in the following manner:

	SGD
25% :-	
(i) Tender deposit paid in response to the tender	8,650,000.00
(ii) Due on 29 June 2015	8,643,097.00
(iii) Balance by 20 July 2015	69,171,903.00
75% by 21 September 2015	259,395,000.00
Purchase Consideration	<u>345,860,000.00</u>

5.1.4 Liabilities to be Assumed

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

5.1.5 Completion of the Acquisition

Barring unforeseen circumstances, the Acquisition is expected to be completed by JVCo by the 3rd quarter of 2015.

6. RATIONALE FOR THE ACQUISITION

The Acquisition and Proposed Toa Payoh Development represent an excellent opportunity for the Group to make its maiden presence in Singapore and to participate in a development which is strategically located in a matured residential area. It is also one of Singapore’s choice locations in view of its proximity to MRT lines and stations. The Proposed Toa Payoh Development is expected to contribute positively to the future earnings and thereby improve shareholders’ value over the medium to long-term.

7. THE PROSPECTS OF THE LAND

Underlying fundamentals driving demand for Singapore properties to remain relatively unchanged, such as inherent land scarcity, attractiveness of Singapore residential properties and robustness of the Singapore economy.

Toa Payoh is located in the urban area of Singapore which is serviced by 3 MRT lines namely; North-South Line, North East Line and Circle Line. The nearest MRT station to the site is Braddell MRT station (North South Line), which is about 10 mins walk from the site. Toa Payoh is being observed as a much matured residential area in Singapore. It is observed that the supply of private residential property in this area is scarce.

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 not subject to the approval of the shareholders of the Company.

10. PERCENTAGE RATIO

The highest percentage ratio applicable for Gamuda's 50% portion of the Purchase Consideration 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 9%.

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 letter of acceptance 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 25 June 2015.