

4 November 2013

Board of Directors
Permodalan Nasional Berhad
Tingkat 4, Balai PNB
201-A, Jalan Tun Razak
50400 Kuala Lumpur

Attn: Puan Adibah Khairiah Ismail – Company Secretary

Dear Sirs,

OFFER TO ACQUIRE THE ENTIRE EQUITY INTEREST HELD BY PERMODALAN NASIONAL BERHAD (“PNB”) IN KESAS HOLDINGS BERHAD (“KESAS HOLDINGS”) (“OFFER”)

1. Introduction

1.1 Gamuda Berhad (“**Gamuda**”), hereby makes an offer to acquire PNB’s entire equity interest of 20% in Kesas Holdings comprising 1,000,000 ordinary shares of RM1.00 each and 93,182,968 redeemable preference shares of RM1.00 each (collectively “**Kesas Holdings Shares**”) upon the terms and conditions set out in this letter and subject to the execution of a definitive agreement in respect of the Offer (“**Definitive Agreement**”) (“**Proposed Acquisition**”).

1.2 Simultaneously with this Offer, Gamuda Berhad has also made similar offers to the following shareholders of Kesas Holdings to acquire the remaining equity interest in Kesas Holdings not held by Gamuda and PNB (“**Other Offers**”) as follows:

1.2.1 Amcorp Properties Berhad to acquire its entire equity interest of 20% in Kesas Holdings comprising 1,000,000 ordinary shares of RM1.00 each and 93,182,968 redeemable preference shares of RM1.00 each; and

1.2.2 Perbadanan Kemajuan Negeri Selangor to acquire its entire equity interest of 30% in Kesas Holdings comprising 1,500,000 ordinary shares of RM1.00 each and 139,774,452 redeemable preference shares of RM1.00 each.

2. Terms of the Offer

2.1 Subject to paragraph 2.3, the aggregate purchase consideration for this Offer for your entire equity interest in Kesas Holdings is RM250 million (“**Purchase Consideration**”). The Purchase Consideration shall be satisfied in cash.

2.2 The Kesas Holdings Shares will be acquired on the basis that they shall be free from any claim, charge, mortgage, lien, option, equity, power of sale, hypothecation, retention of title, right of pre-emption, right of first refusal or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing ("**Encumbrances**") and with all rights, benefits and advantages attaching thereto or accruing thereon on or after the date of this Offer ("**Offer Date**") including but without limitation, all dividends, bonuses, rights and distributions declared, paid or made in respect thereof on or after the Offer Date.

2.3 If Kesas Holdings declares and pays any dividends or distribution of any form after the Offer Date and prior to the Completion Date (as defined below), the Purchase Consideration shall be reduced by an amount equivalent to the net amount of such dividends or other distributions made per Kesas Holdings Share.

3. Conditions Precedent

3.1 Following upon the acceptance of this Offer, the completion of the Proposed Acquisition shall be conditional upon the fulfilment of the following conditions precedent ("**Conditions Precedent**"):

3.1.1 the approval of the shareholders of PNB for the disposal by PNB of its Kesas Holdings Shares to Gamuda, where required;

3.1.2 the approval of the shareholders of Gamuda for the Proposed Acquisition, where required;

3.1.3 the waiver of any pre-emption rights of the other shareholders of Kesas Holdings, where required, on terms acceptable to Gamuda;

3.1.4 the approval, consent or waiver of the creditors of Kesas Holdings and/or Kesas Sdn Bhd or any other parties, where required, for the Proposed Acquisition on terms acceptable to Gamuda; and

3.1.5 the approval, consent or waiver of any relevant regulatory authorities, the Government of Malaysia or any relevant ministry, where required, for the Proposed Acquisition on terms acceptable to Gamuda.

3.2 To the extent permitted by law, Gamuda may at any time waive in whole or in part and conditionally or unconditionally, the Conditions Precedent in paragraph 3.1 by notice in writing to PNB.

3.3 Gamuda and PNB shall co-operate and use their respective best endeavours to satisfy all the Conditions Precedent in paragraph 3.1 above.

3.4 If the Conditions Precedent in paragraph 3.1 above are not satisfied within 3 months from the date of acceptance of this Offer (or such longer period as Gamuda and PNB may agree), then the agreement constituted by the acceptance of this Offer shall forthwith lapse and cease to have any force or effect and thereafter none of the

parties shall have any claim against the other under the agreement constituted by the acceptance of this Offer.

4. Pre-Completion Undertakings

4.1 From the date of the acceptance of this Offer until the completion of the Proposed Acquisition, PNB undertakes with Gamuda that it shall not:

4.1.1 enter into any discussion or negotiation or agreement with any other party with respect to the sale of its equity interest in Kesas Holdings at any time; and

4.1.2 enter into any agreement or commitment to give or create nor permit any Encumbrance on or over the Kesas Holdings Shares or any part, or enter into any agreement, transaction or arrangement whatsoever (whether conditional or otherwise) to sell, dispose of, transfer, assign, convey or encumber the Kesas Holdings Shares or any part to or in favour of any other person.

4.2 From the date of the acceptance of this Offer until the completion of the Proposed Acquisition, PNB undertakes to use its best endeavours to procure and ensure that unless the prior consent in writing of Gamuda is obtained, each of Kesas Holdings and Kesas Sdn Bhd:

4.2.1 shall carry on its business as a going concern in the ordinary and usual course as carried on prior to the Offer Date so as to preserve its relationships with all parties including its senior management, to the end that its goodwill and going concern shall not be materially impaired at completion;

4.2.2 shall not enter into any agreement or commitment to give or create nor permit any Encumbrance on or over the shares of Kesas Sdn Bhd or any part, or enter into any agreement, transaction or arrangement whatsoever (whether conditional or otherwise) to sell, dispose of, transfer, assign, convey or encumber the shares of Kesas Sdn Bhd or any part to or in favour of any other person;

4.2.3 shall not do or cause or allow to be done or omitted, any act or thing which would result (or likely to result) in a breach of any of its lawful obligation; and

4.2.4 shall not enter into any guarantee, indemnity or other agreement to secure any obligation of a third party or create any Encumbrance over any of its assets or undertaking in any such case.

5. Completion

5.1 The completion of the Proposed Acquisition shall take place within 7 market days after the satisfaction of all the Conditions Precedent in paragraph 3.1 above and the approvals granted thereto remaining valid and not revoked or varied, or any other date and time that the parties may mutually agree in writing ("**Completion Date**").

5.2 On completion, PNB shall deliver the original share certificates in respect of the Kesas Holdings Shares and the corresponding duly executed and valid instruments of transfers to Gamuda or to its order together with the undated resignation letters of the directors of Kesas Holdings nominated by PNB and such other directors or shareholders resolutions and other documents as may be reasonably required by Gamuda to transfer good title of the Kesas Holdings Shares to Gamuda and/or its nominees and to enable Gamuda and/or its nominees to be registered as the shareholder of the Kesas Holdings Shares and in exchange therefor, Gamuda will pay the Purchase Consideration to PNB. It is acknowledged that Gamuda shall have the rights to direct the Kesas Holdings Shares to be transferred by Gamuda to any company or companies that Gamuda may nominate.

5.3 Stamp duty costs (if any) associated with the transfer of the Kesas Holdings Shares will be borne by Gamuda. Other than this, Gamuda and PNB will bear its own costs and expenses (including solicitor's fees) in relation to the Proposed Acquisition.

6. Default

6.1 Either Gamuda or PNB ("**Non-Defaulting Party**") may (but shall not be obliged to) forthwith terminate the agreement constituted by the acceptance of this Offer by written notice to the other party ("**Defaulting Party**") if the Defaulting Party is in breach of any term or condition of this letter and:

6.1.1 such breach is incapable of being remedied; or

6.1.2 where capable of remedy, is not remedied within 14 days of receipt of a notice in writing by the Non-Defaulting Party specifying the nature of the breach and requiring such remedy.

6.2 Such termination shall be without prejudice to the Non-Defaulting Party's rights and remedies under law. The Non-Defaulting Party shall be entitled to claim damages from the Defaulting Party in respect of such breach, and in such event all costs incurred in connection with this Offer shall be borne and paid by the Defaulting Party on a solicitor-client basis.

6.3 In no event shall either party be liable to the other party for any indirect loss, including loss of profits or business, or any exemplary, indirect, incidental, consequential or punitive damage of any kind whatsoever in respect of any breach or termination of the agreement constituted by the acceptance of this Offer.

7. Representations and Warranties

7.1 PNB represents and warrants to Gamuda on the date of the acceptance of this Offer and on the Completion Date, as follows:

7.1.1 that PNB is the beneficial owner of the Kesas Holdings Shares and has good and valid title to the Kesas Holdings Shares, free from all Encumbrances and that the Kesas Holdings Shares rank *pari passu* in all respects with other existing ordinary shares in the capital of Kesas Holdings;

- 7.1.2 that PNB has the corporate power to sell the Kesas Holdings Shares and no person has any conflicting right to purchase or to be offered for purchase the Kesas Holdings Shares;
 - 7.1.3 that PNB has the right, power and authority to execute and deliver, and to exercise its rights and perform its obligations under, the agreement constituted by the acceptance of this Offer;
 - 7.1.4 that the execution, delivery and performance of the agreement constituted by the acceptance of this Offer by it does not infringe any material law or regulation of Malaysia applicable to PNB and is not in any breach of the terms of, or constitute a default under, any material instrument or agreement to which PNB is a party or by which it or its material property is bound;
 - 7.1.5 that upon due execution, the agreement constituted by the acceptance of this Offer will constitute a legal, valid and binding obligation of PNB, subject in the event of enforcement to the laws of bankruptcy and other laws affecting the rights of creditors generally;
 - 7.1.6 that, where applicable, all consents and approvals of any court, government department or other regulatory body required by PNB for the sale of the Kesas Holdings Shares and the execution, delivery and performance of the agreement constituted by the acceptance of this Offer have been obtained and are in full force and effect; and
 - 7.1.7 that there has been no breach of the pre-completion undertakings in paragraph 4 above.
- 7.2** Gamuda represents and warrants to PNB on the date of the acceptance of this Offer and on the Completion Date, as follows:
- 7.2.1 that upon due execution the agreement constituted by the acceptance of this Offer will constitute a legal, valid and binding obligation, subject in the event of enforcement to the laws of bankruptcy and other laws affecting the rights of creditors generally;
 - 7.2.2 that Gamuda has the right, power and authority to execute and deliver, and to exercise its rights and perform its obligations under, the agreement constituted by the acceptance of this Offer;
 - 7.2.3 that the execution, delivery and performance of the agreement constituted by the acceptance of this Offer by it does not infringe any material law or regulation of Malaysia applicable to it and is not in any breach of the terms of, or constitute a default under, any material agreement to which it is a party or by which it or its material property is bound; and
 - 7.2.4 that, where applicable, all consents and approvals of any court, government department or other regulatory body required by it for the purchase of the Kesas Holdings Shares and the execution, delivery and performance of the

terms of the agreement constituted by the acceptance of this Offer have been obtained and are in full force and effect.

7.3 Gamuda may by notice to PNB given at any time prior to payment of the Purchase Consideration terminate the agreement constituted by the acceptance of this Offer if any of the representations and warranties contained in this paragraph 7 shall have been untrue in any material respect at the time of making thereof or shall subsequently have become untrue in any material respect or PNB shall have failed in any material respect to perform any of its pre-completion undertakings in paragraph 4 of this letter. Upon such notice of termination being given, the agreement constituted by the acceptance of this Offer shall terminate and be of no further effect and no party shall be under any liability to any other in respect of the agreement constituted by the acceptance of this Offer except for any liability of any party hereto arising before or in relation to such termination.

8. Governing Law and Dispute Resolution

This Offer and the agreement constituted by the acceptance of this Offer shall be governed by and construed in accordance with Malaysian law and the parties irrevocably submit to the jurisdiction of the courts of Malaysia.

9. Acceptance

9.1 This Offer shall remain open for acceptance until 5:00 p.m. on 18 November 2013 after which it shall forthwith lapse and cease to have any force or effect unless Gamuda agrees in writing to extend the period for which this Offer shall continue to be valid.

9.2 If you wish to accept this Offer on the terms stated in this letter, please execute the enclosed duplicate copy of this letter at the place indicated, and return the same to us so as to be received by us by the time and date stated in paragraph 9.1. The agreement constituted by the acceptance of this Offer shall be binding on and shall inure to the benefit of the parties and their successors.

9.3 Upon acceptance of this Offer by PNB and subject to paragraph 9.4, each party will each use all reasonable endeavours to negotiate and finalise the terms of the Definitive Agreement, which will incorporate the principal terms and conditions set forth in this Offer within 7 days from PNB's acceptance of this Offer or any other date and time that the parties may mutually agree in writing ("Cut-off Date"). If the parties hereto notwithstanding their reasonable endeavours fail to enter into the Definitive Agreement for any reason whatsoever by the Cut-Off Date, this Offer (and any agreement constituted by it) notwithstanding acceptance of this Offer by PNB, will forthwith lapse and cease to have any further force or effect and thereafter none of the parties hereto shall have any further rights against the other.

9.4 From the date of the acceptance of the terms of this Offer until the Cut-off Date, PNB shall deal with Gamuda exclusively on the Proposed Acquisition. PNB will not enter into any discussion or negotiation or agreement, with any other party with respect to the sale of any of Kesas Holdings Shares or any interest therein involving PNB at any

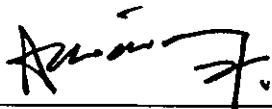
time until the Cut-off Date if the Definitive Agreement has not been executed by that date.

10. Conclusion

- 10.1** Should you require any clarification on the foregoing, please contact Mr Saw Wah Theng, Finance Director of Gamuda at +603 7491 8288.
- 10.2** In the meantime, we thank you for your kind consideration of this Offer, and we look forward to your favourable response.

Yours faithfully,

For and on behalf of **Gamuda Berhad**



SAW WAH THENG
Finance Director

Acceptance of Offer

We **Permodalan Nasional Berhad**, confirm that we accept this Offer on the terms stated in the letter dated 4 November 2013 from Gamuda Berhad.

Name
Director
For and on behalf of **Permodalan Nasional Berhad**

Date: