

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

PROPOSED ACQUISITION OF LEASEHOLD LANDS IN MUKIM RAWANG, DISTRICT OF GOMBAK, SELANGOR DARUL EHSAN FOR A TOTAL CASH CONSIDERATION OF RM620.0 MILLION (“PROPOSED ACQUISITION”)

1. INTRODUCTION

The Board of Directors of Gamuda (“**Board**”) wishes to announce that Gamuda has on 13 June 2013 resolved to accept TPPT Sdn Bhd’s (“**TPPT**” or “**Vendor**”) offer in relation to the Proposed Acquisition. The Proposed Acquisition involves the acquisition of leasehold lands held under the following title numbers:

- i) Lot 3804 to 3808;
- ii) Lot 3812 to 3815;
- iii) Lot 3817 to 3823;
- iv) Lot 3825 to 3829;
- v) Lot 3831 to 3833;
- vi) Lot 3836 to 3838;
- vii) Lot 4158 to 4180;
- viii) Lot 4182 to 4192;
- ix) Lot 4195 to 4196;
- x) Lot 4284 to 4288;
- xi) Lot 4494 to 4513;
- xii) Lot 4515 to 4556;
- xiii) Lot 4739; and
- xiv) Lot 4822 to 4825

all in the Mukim of Rawang, District of Gombak, Selangor Darul Ehsan (collectively “**Land**”), measuring in total approximately 724.292 acres, for a total cash consideration of RM620,000,000.00 (“**Purchase Consideration**”).

2. INFORMATION ON TPPT

TPPT, the registered proprietor of the Land, is a private limited company incorporated in Malaysia on 22 November 1990 and its principal activity is property development. The current authorised share capital of TPPT is RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each of which 250,000 shares are issued and fully paid up.

3. INFORMATION ON THE LAND

The Land is vacant parcels of leasehold lands measuring in total approximately 724.292 acres, which are all currently classified as agricultural land with lease tenures’ expiry ranging from year 2092 to 2095.

The Land is situated in Kampung Sungai Serai, Kuang, about 11 kilometres (“**km**”) south of Rawang Town. It is immediately next to the Rawang South Interchange of the North-South Expressway whereby the Guthrie Corridor Expressway and LATAR Highway connected on. Its distances from the following major cities are:

Petaling Jaya – 28 km
Kuala Lumpur – 30 km
Shah Alam – 28 km

4. SALE AND PURCHASE AGREEMENT

As at the date of this announcement, the sale and purchase agreement in relation to the Proposed Acquisition (“SPA”) has not been signed yet.

5. DETAILS OF THE PROPOSED ACQUISITION

5.1 Salient Terms of the Proposed Acquisition

5.1.1 Basis and Justification for the Purchase Consideration

The Purchase Consideration of RM620.0 million was made after taking into consideration, inter alia, the fair market value of the Land and the development potential and prospects of the Land.

5.1.2 Conditional Period

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

Upon the expiry of the Conditional Period, in the event the condition precedent relating to the procurement of the relevant authorities’ approval(s) or consent(s) is/are still not fulfilled, an extension of three (3) months from the Conditional Period shall be given to obtain such approval(s) or consent(s).

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 and/or waived as may be mutually agreed, whichever is the earlier (“**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:

	RM million
10% upon execution of the SPA (“ Deposit ”)	62.0
Within 3 months from UC	138.0
Within 12 months from UC (secured by bank guarantee)	210.0
Within 24 months from UC (secured by bank guarantee)	210.0
Purchase Consideration	<u>620.0</u>

5.1.4 Liabilities to be Assumed

There are no liabilities to be assumed by Gamuda and/or its subsidiary arising from the Proposed Acquisition.

5.1.5 Completion of the Proposed Acquisition

Barring unforeseen circumstances, the Proposed Acquisition is expected to be completed by the 3rd quarter of 2013.

6. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed 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 Proposed Acquisition is expected to contribute positively to the future earnings and thereby improve shareholders' value over the medium to long-term.

7. PROCUREMENT OF THE LAND

The Land was procured by way of an open tender. The invitation to tender was on 5 March 2013 and the closing tender date was 2 April 2013. All the parcels of land will be acquired on an "as is where is" basis and subject to the conditions of the Land titles.

8. THE FUTURE PLAN AND PROSPECTS OF THE LAND

8.1 Proposed Development Concept

The Land is envisaged to be developed into a premier residential and commercial enclave. The Management of Gamuda is confident of the prospect 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 sizable land allows a Masterplan for a comprehensive and an integrated township development comprising residential and commercial properties. With Gamuda's successful track record in township developments such as Kota Kemuning, Bandar Botanic and Horizon Hills, the new sizable land will be transformed into another prestige township which incorporates the Gamuda Land's four main pillars of development philosophy of:

- a) Safety and Security - assuring a safe and secure environment
- b) Community and Amenities - carefully crafted amenities for a healthy living
- c) Healthy Lifestyle - thematic parks and recreational grounds for wholesome family living
- d) Design Quality - optimum design precision for practicality and functionality

With strong connectivity to major highways and railway system, the proposed project on the Land was projected to be potentially able to generate a Gross Development Value of approximately RM5.0 billion over a sales period of 16 years.

8.2 Accessibility

There is a new interchange ("IC") under construction linking the Land directly into the Rawang South Interchange of the North South Expressway. The IC is fully funded by TPPT and construction had commenced in August 2012. It is expected to be completed by August 2014. Hence, this IC will improve connectivity of and accessibility into the Land.

Kuang KTM train station is situated in Kuang Town (Park and Ride facilities are provided) and it is about 2.6 km south of the Land. Kuang KTM train commuter station is merely one station away north of the Sungai Buluh KTM train station/MRT (mass rapid transit) Station.

With the KTM train commuter line interchange at Sungai Buluh Station for MRT Line 1, direct access to One Utama, Pasar Seni, Masjid Jamek, Bukit Bintang, Cheras and Kajang is convenient.

In addition, with the KTM train commuter line interchange at KL Sentral, access to the Putra LRT (light rail transit) Line, monorail coverage and ERL (express rail link) to the Kuala Lumpur International Airport (KLIA) is efficient.

Apart from railway linkages into the Klang Valley Public Transportation System and direct expressway accessibility, the local town authority (Majlis Perbandaran Selayang) has plans to introduce a bus rapid transit (“BRT”) departing from Kota Puteri (Ijok) and stopping at Kuang KTM (train) Station. The upcoming BRT will benefit the Land as it is connected to Jalan Kampung Sungai Serai which will allow commuters to travel to and fro the Kuang KTM (train) Station.

9. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

9.1 Share capital and shareholdings of substantial shareholders

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

9.2 Net Assets (“NA”) and NA per share

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

9.3 Earnings and earnings per share (“EPS”) and Gearing

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

10. APPROVALS REQUIRED

The Proposed Acquisition is conditional upon the approval(s) or consent(s) being obtained from the relevant governmental or statutory authorities.

The Proposed Acquisition is not subject to the approval of the shareholders of the Company.

11. PERCENTAGE RATIO

The highest percentage ratio for the Proposed 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 2012 is 15.3%

12. 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 Proposed Acquisition.

13. DIRECTORS’ STATEMENT

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

14. DOCUMENTS FOR INSPECTION

The signed SPA will be 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 the announcement that the SPA has been signed.

Gamuda will make further announcement upon the signing of the SPA.

This announcement is dated 13 June 2013.