

31 March 2014

The Board of Directors
Kesas Holdings Berhad
Wisma Kesas
No 1 Lebu Raya Shah Alam
47500 Subang Jaya
Selangor Darul Ehsan

Dear Sirs

**KESAS HOLDINGS BERHAD (“KHB”)
NOTICE OF MANDATORY TAKE-OVER OFFER (“NOTICE”)**

1. INTRODUCTION

- 1.1. On 16 January 2014, Gamuda Berhad (“**Gamuda**” of “**Offeror**”) had entered into a conditional share purchase agreement with Amcorp Properties Berhad (“**Amcorp**”) for the acquisition of up to 1,000,000 ordinary shares of RM1.00 each (“**KHB Shares**”) and 93,182,968 non-cumulative redeemable preference shares of RM1.00 each in KHB (“**KHB RPS**”) (“**SPA**”), representing 20% of the issued and paid-up share capital of KHB for a total purchase consideration of RM280 million (“**Acquisition**”) equivalent to RM2.973 for each KHB Share and each KHB RPS.

The SPA became unconditional on 31 March 2014. As a result, Gamuda’s shareholdings in KHB will increase from 30% to 50% and Gamuda will hold 2,500,000 KHB Shares and 232,957,420 KHB RPS, representing 50% of the issued and paid-up share capital of KHB upon completion of the Acquisition.

- 1.2. Accordingly, on behalf of the Offeror, CIMB Investment Bank Berhad (“**CIMB**”) hereby notifies you of the obligation of the Offeror to extend a mandatory take-over offer pursuant to Section 218(2) of the Capital Markets and Services Act, 2007 (“**CMSA**”) and Section 9(1), Part III of the Malaysian Code on Take-Overs and Mergers, 2010 (“**Code**”), to acquire all the remaining KHB Shares and KHB RPS not already held by the Offeror (“**Offer Shares**”) for a cash offer price of RM2.973 for each Offer Share (“**Offer Price**”) (“**Offer**”).

The Offer Price represents the purchase consideration of RM2.973 for each KHB Share and each KHB RPS under the Acquisition, and is also the highest price paid by the Offeror for the KHB Shares and KHB RPS during the six (6) months period prior to the beginning of the offer period.

- 1.3. The Offeror intends to seek an exemption from undertaking the mandatory general offer under Paragraph 20.1 of Practice Note 9 of the Code from the Securities Commission (“**SC**”) (“**Proposed Exemption**”). In this regard, Gamuda has received an undertaking from Perbadanan Kemajuan Negeri Selangor (“**PKNS**”) not to accept the Offer (“**PKNS Undertaking**”) and intends to procure an undertaking from Permodalan Nasional Berhad (“**PNB**”) not to accept the Offer (“**PNB Undertaking**”). In this regard, an application has been submitted to the SC (“**Application**”) for:

- (a) an extension of time of two months for the submission of the Offer Document to the SC for its consent and for the posting of the Offer Document, beyond the timing requirements under Section 12 of the Code; and

- (b) a waiver from complying with Paragraph 15.2 of Practice Note 9 of the Code which requires any application for an exemption to be submitted to the SC before a mandatory offer obligation is triggered.

On 19 March 2014, SC approved the Application. If the PNB Undertaking is obtained and the Proposed Exemption is approved by the SC, this Offer shall terminate with effect from the date of grant of the Proposed Exemption.

- 1.4. There are no persons acting in concert with the Offeror with respect to the Offer in accordance with Section 216 of the CMSA.
- 1.5. As at the date of this Notice, the issued and paid-up share capital of KHB comprises 5,000,000 KHB Shares and 465,914,840 KHB RPS. Upon completion of the Acquisition, which is expected to be no later than seven (7) business days (a day which is not a Saturday, a Sunday or a public holiday in Selangor and Kuala Lumpur) after the date the SPA becomes unconditional, the Offeror will hold 2,500,000 KHB Shares and 232,957,420 KHB RPS, representing 50% of the issued and paid-up share capital of KHB. As such, the Offer Shares shall comprise 2,500,000 KHB Shares and 232,957,420 KHB RPS which represent 50% of the issued and paid-up share capital of KHB. The purchase consideration for the Offer, to be satisfied entirely by cash, will amount to RM700 million if full acceptances are received.

2. THE OFFER

- 2.1. On behalf of the Offeror, we hereby serve this Notice to you in accordance with Section 11(8)(a) of the Code to acquire the Offer Shares at the Offer Price. The Offer is being made to each holder of the Offer Shares ("**Holder**"), subject to the terms and conditions of the Offer.
- 2.2. Holders who wish to accept the Offer will have to refer to the procedures for acceptance which will be detailed in the document outlining the terms and conditions of the Offer together with the accompanying Form of Acceptance and Transfer ("**Offer Document**"), to be posted to them in due course, subject to the consent of the SC.

3. TERMS AND CONDITIONS OF THE OFFER

The principal terms and conditions of the Offer, unless otherwise directed or permitted to be varied by the SC, are as follows:

3.1. Consideration for the Offer

The consideration for the Offer is RM2.973 per Offer Share and shall be satisfied in cash.

If KHB declares, makes or pays any dividends, bonuses, rights and/or distributions of any form prior to the Closing Date (as defined in Section 3.5(i) of this Notice) and the Holder is entitled to retain such dividends, bonuses, rights and/or distributions, the Offer Price shall be reduced by an amount equivalent to the net amount of such dividends, bonuses, rights and/or distributions made per Offer Share.

The Holders may accept the Offer in respect of all or part of their Offer Shares. The Offeror will not pay fractions of a sen to Holders who accept the Offer ("**Accepting Holders**"). Entitlement to the cash payment will be rounded down to the nearest whole sen.

3.2. **Conditionality of the Offer**

The Offer is conditional upon the Offeror having received, on or before the close of the Offer, valid acceptances (provided that such acceptances are not, where permitted, subsequently withdrawn) in respect of the Offer Shares, which would result in the Offeror holding, together with such KHB Shares and KHB RPS that are already acquired, held or entitled to be acquired or held by the Offeror, more than 50% of the voting shares or voting rights of KHB ("**Acceptance Condition**"). KHB RPS holders rank equal to, or *pari passu* with holders of KHB Shares in respect of voting at shareholders' meetings of KHB.

The Acceptance Condition shall be fulfilled on or before 5.00p.m. (Malaysian time) on the Closing Date (as defined under Section 3.5(i) of this Notice), failing which the Offer shall lapse and the Offer will cease to be capable of further acceptances and all acceptances shall be returned to Holders who accepted the Offer.

3.3. **Date of the Offer**

On 19 March 2014, further to our application made on behalf of the Offeror as referred to in paragraph 1.3, the SC had granted an extension of time of two months for the posting of the Offer Document. This is beyond the requisite twenty-one (21) days from the date of this Notice. Accordingly, the Offer will be made in conjunction with the posting of the Offer Document which will not be later than two months and twenty-one days from the date of this Notice ("**Posting Date**").

Subject to Section 3.9 of this Notice, the Offer Document will be posted to the Board of Directors of KHB and the Holders whose names appear on the Register of Members of KHB as at the latest practicable date before the Posting Date.

3.4. **Warranty**

The Offer Shares are to be acquired on the basis of an acceptance of the Offer by a Holder made in accordance with the provisions of the Offer Document. Such acceptance will be deemed to constitute an irrevocable and unconditional warranty by the Accepting Holder that the Offer Shares, to which the acceptance relates, are sold:

- (i) 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 from the date of valid acceptances; and
- (ii) with all rights, benefits and entitlements attached thereto, including the right to any dividends, bonuses, rights and/or distributions of any form declared, paid or made on or after the date of this Notice, subject to Section 3.1 of this Notice.

3.5. **Duration of the Offer**

- (i) The Offer shall remain open for acceptances until 5.00 p.m. (Malaysian time) on the twenty first (21st) day after the Posting Date ("**First Closing Date**"), or such later date(s) as we may announce on behalf of the Offeror ("**Closing Date**"), unless the Offeror withdraws the Offer with the SC's written approval and in such event, every person shall be released from any obligation incurred under the Offer.
- (ii) Where a competing take-over offer is made at any time between the Posting Date and the Closing Date, the Posting Date shall be deemed to be the date the competing take-over offer document was posted.

If the Offer is revised after the Posting Date, it will remain open for acceptances for a period of at least fourteen (14) days from the date of posting of the written notification of the revision to the Holders. Where any of the terms of the Offer are revised, the benefits of the revised Offer will be made available to any of the Holders who have previously accepted the Offer.

- (iii) The Offeror may not revise the Offer after the forty-sixth (46th) day from the Posting Date.
- (iv) Any extension of the date and time for acceptance of the Offer by the Offeror will be announced by CIMB, on behalf of the Offeror, at least two (2) days before the Closing Date. Such announcement will state the next expiry date of the Offer. Notices of such extension will be posted to the Holders accordingly.
- (v) Where the Offer has become or is declared unconditional as to acceptance of the Offer:
 - (a) on a day falling on or **BEFORE** the forty-sixth (46th) day from the Posting Date, the Offer will remain open for acceptances for at least fourteen (14) days from the date on which the Offer becomes and is declared unconditional which shall, in any event, be no later than the sixtieth (60th) day from the Posting Date;
 - (b) on a day falling on or **AFTER** the forty-sixth (46th) day from the Posting Date, the Offer will remain open for acceptances for at least fourteen (14) days from the date on which the Offer becomes and is declared unconditional which shall, in any event, be no later than the seventy-fourth (74th) day from the Posting Date.
- (vi) Without prejudice to Section 3.5(v)(a) and Section 3.5(v)(b) and subject to Section 3.5(i) of this Notice, the Offeror shall give not less than fourteen (14) days' notice in writing to the Holders before closing the Offer unless subject to the SC's approval, the Offer has become unconditional as to acceptances before the Closing Date and the Offer Document clearly states that the Offer will be closed on a specific date.
- (vii) The Offeror shall not give a written notice as stated in Section 3.5(vi) above where a competing take-over offer has been announced, unless the competing take-over offer has been declared unsuccessful.

3.6. Rights Of Withdrawal By An Accepting Holder

- (i) All acceptances of the Offer by an Accepting Holder **SHALL BE IRREVOCABLE**. However, a Holder is entitled to withdraw his or its acceptance in the following circumstances:
 - (a) if the Offeror fails to comply with any of the requirements set out in Section 3.9(i) of this Notice by the close of trading at Bursa Malaysia Securities Berhad ("**Bursa Securities**") on the market day after the day on which the Offer closes, becomes or is declared unconditional as to acceptances, revised or extended ("**Relevant Day**"), any Holder who has accepted the Offer is entitled to withdraw his acceptance immediately after the Relevant Day; or

- (b) if the Offer is extended, any Holder who has accepted the Offer is entitled to withdraw his or its acceptance twenty-one (21) days after the First Closing Date unless the Offer has become or is declared unconditional as to acceptances.
- (ii) Notwithstanding Section 3.6(i)(a) above, the SC may terminate the right of withdrawal above if:
 - (a) the Offeror has complied with the requirements of Section 3.9(i) of this Notice within eight (8) days from the Relevant Day where the expiry of the eight (8) day period from the Relevant Day shall not fall after the sixtieth (60th) day from the Posting Date; and
 - (b) the Offeror has confirmed in a statement by way of press notice and announce via Bursa Securities' Listing Information Network (also known as Bursa LINK) that the Offer is still unconditional as to acceptances.

However, the right of any Holder who has already withdrawn his or its acceptance under Section 3.6(i)(a) above shall not be prejudiced by the termination of such right of withdrawal by the SC.

3.7. **Withdrawal of the Offer by the Offeror**

The Offeror can only withdraw the Offer with the prior written consent of the SC.

3.8. **Method of Settlement**

If the Offeror deems the acceptance to be complete and valid in all respects in accordance with the terms and conditions set out in the Offer Document, settlement of the consideration for the Offer will be effected via remittance in the form of cheque(s), banker's draft(s) or cashier's order(s) which will be despatched by ordinary mail to the Accepting Holders (or their designated agents, as they may direct) at the Accepting Holders' registered Malaysian address last maintained with the Company Secretary of KHB at their own risk within ten (10) days from the date of the valid acceptances in such form as shall be agreed between the Offeror and Accepting Holder.

Except with the consent of the SC, which would only be granted in certain circumstances, all Holders are to be treated similarly, and other than the right of the Offeror to reduce the consideration for the Offer as set out in Section 3.1 of this Notice, settlement of the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counter-claim or other analogous rights to which the Offeror may otherwise be entitled against the Accepting Holder. This, however, is without prejudice to the right of the Offeror to make any claim against the Accepting Holder after such full settlement in respect of a breach of any of the warranties as set out in Section 3.4 of this Notice.

3.9. **Announcement of acceptances**

- (i) The Offeror shall inform the SC in writing and announce via Bursa LINK before trading commences on Bursa Securities on the Relevant Day, the following information:
 - (a) the position of the Offer, that is, as to whether the Offer is closed, becomes or is declared unconditional as to acceptances, revised or extended; and

- (b) the total number of Offer Shares (together with the percentage of the issued and paid-up share capital of KHB represented by such Offer Shares):
 - (aa) for which acceptances of the Offer have been received after the Posting Date;
 - (bb) held by the Offeror as at the Posting Date;
 - (cc) agreed to be acquired during the offer period but after the Posting Date; and
 - (dd) acquired after the Posting Date.
- (ii) In computing the acceptances of Offer Shares for announcement purposes, the Offeror may include or exclude acceptances which are not in order in all respects or which are subject to verification.
- (iii) References to the making of an announcement or the giving of notice by the Offeror shall include the following:
 - (a) release of an announcement by us, the Offeror, or the Offeror's advertising agent(s) to the press; and
 - (b) delivery of or transmission by telex, facsimile or Bursa LINK of an announcement to Bursa Securities.
- (iv) An announcement made otherwise than to Bursa Securities shall be notified simultaneously to Bursa Securities, if applicable.

3.10. **General**

- (i) All communications, notices, documents and payments to be delivered or sent to the Holders (or their designated agents, as they may direct) will be despatched by ordinary mail to the Holders' registered Malaysian address last registered with the Company Secretary of KHB at their own risk.

The Offeror and/or CIMB presumes that the delivery of the communication, notice, document or payment will be effected by properly addressing, prepaying and posting by ordinary mail the communication, notice, document or payment and presumes that delivery has been effected at the time when the document would have been delivered in the ordinary course of the mail.
- (ii) The Offer and all acceptances received under the Offer will be construed under and governed by Malaysian laws. The courts of Malaysia will have exclusive jurisdiction in respect of any proceedings brought in relation to the Offer.
- (iii) The Forms of Acceptance and Transfer accompanying the Offer Document will contain the following:
 - (a) provisions for the acceptance of the Offer and the transfer of the Offer Shares to the Offeror or its appointed nominees (if any);
 - (b) instructions to complete the Forms of Acceptance and Transfer; and
 - (c) other matters incidental to the acceptance of the Offer and the transfer of the Offer Shares to the Offeror or its appointed nominees (if any).

No acknowledgement of the receipt of the Forms of Acceptance and Transfer will be issued.

- (iv) The acceptance of a Holder shall not exceed his total holding of Offer Shares, failing which the Offeror has the right to treat such acceptance as invalid. Nonetheless, the Offeror also reserves the right to treat any acceptance of a Holder exceeding his total holding of Offer Shares as valid for and to the extent of his total holding of Offer Shares.
- (v) All costs and expenses of or incidental to the preparing and posting of the Offer Document (other than professional fees and other costs relating to the Offer incurred by KHB) will be borne by the Offeror. Malaysian stamp duty and Malaysian transfer fees, if any, resulting from acceptance of the Offer will also be borne by the Offeror. Accepting Holders will, however, bear all costs and expenses (including transfer fee) incidental to their acceptances. For the avoidance of doubt, the payment of any transfer fees, taxes, duties, costs, expenses, or other requisite payments due in a jurisdiction outside Malaysia or the payment of any levy for the repatriation of capital or income tax shall not be borne by the Offeror.
- (vi) Accidental omission to despatch the Offer Document to any Holder shall not invalidate the Offer in any way.

4. FINANCIAL RESOURCES OF THE OFFEROR

The Offeror confirms that the Offer would not fail due to insufficient financial capability and that every Holder who wishes to accept the Offer will be paid in full by way of cash.

CIMB is satisfied that the Offer would not fail due to insufficient financial capability of the Offeror and that every Holder who wishes to accept the Offer will be paid in full by way of cash.

5. DISCLOSURE OF INTERESTS IN KHB

In accordance with Sections 11(9)(d) and 11(9)(e) of the Code, the Offeror hereby discloses the following:

- (i) as at the date of this Notice, the Offeror holds 1,500,000 KHB Shares and 139,774,452 KHB RPS, representing 30% of the issue and paid-up share capital of KHB. Upon completion of the Acquisition, the Offeror will hold 2,500,000 KHB Shares and 232,957,420 KHB RPS, representing 50% of the issued and paid-up share capital of KHB. There are no persons with an indirect interest in KHB;
- (ii) as at the date of this Notice, the Offeror has not received any irrevocable undertaking from any Holder to accept the Offer;
- (iii) as at the date of this Notice, the Offeror has not entered into or been granted any option to acquire any Offer Shares;
- (iv) as at the date of this Notice, the Offeror has received the PKNS Undertaking; and
- (v) as at the date of this Notice, save for the SPA and the PKNS Undertaking, the Offeror is not aware of any existing or proposed agreement, arrangement or understanding in relation to the KHB Shares and KHB RPS between the Offeror and any of the Holders.

6. OFFEROR'S RESPONSIBILITY STATEMENT

The Directors of the Offeror have seen this Notice and have approved the issuance of this Notice. They collectively and individually accept full responsibility for the accuracy of the information contained in this Notice and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other material facts, the omission of which would make any statement in this Notice false or misleading.

7. PUBLIC RELEASE

In accordance with the provisions of the Code, copies of this Notice will be released to the press and forwarded to the SC and Bursa Securities for public release.

We would be grateful if you could acknowledge receipt by signing and returning to us the duplicate of this Notice.

Yours faithfully
For and on behalf of
CIMB INVESTMENT BANK BERHAD



David Cheah
Managing Director
Corporate Finance



Theresa Lim
Director
Corporate Finance



To: CIMB Investment Bank Berhad

We, Kesas Holdings Berhad, hereby acknowledge receipt of the Notice of Mandatory Take-Over Offer dated 31 March 2014.

Authorised Signatory

ABDUL RASHID RAHMAN

Name

Authorised Signatory

REBECCA LEE EWE AI

Name