

**DEVELOPMENT OF THE ULU PADAS HYDROELECTRIC PROJECT IN SABAH THROUGH A PRIVATE FINANCE INITIATIVE****- LETTER OF NOTIFICATION**

---

**1. INTRODUCTION**

Pursuant to the announcement made on 30 October 2023 (“**Previous Announcement**”), the Board of Directors (“**Board**”) of Gamuda Berhad [Co. Regn. No. 197601003632 (29579-T)] (“**Gamuda**”) is pleased to update that Upper Padas Power Sdn Bhd (“**UPPSB**”) has signed acceptance of a Letter of Notification (“**LoN**”) from the Energy Commission of Sabah (“**ECoS**”) on 6 September 2024 for the development of the Ulu Padas Hydroelectric Project with an installed capacity of 187.5 MW (“**the Project**”).

**2. DETAILS OF THE PROJECT**

The Project will be developed by UPPSB, a wholly owned subsidiary of UPP Holdings Sdn Bhd (“**JV Company**”) whereby a Joint Venture Agreement (“**JVA**”) was entered into on 30 October 2023.

The JVA became effective as of 14 August 2024 with Gamuda holding a 45% indirect interest in UPPSB via the JV Company.

The equity interest breakdown of the JV Company is as follows:-

<b>No.</b>	<b>Shareholders</b>	<b>Co. Regn. No.</b>	<b>Equity Interest</b>
1	Gamuda	197601003632 (29579-T)	45%
2	Sabah Energy Corporation Sdn Bhd (“ <b>SEC</b> ”)	199601009602 (381950-H)	40%
3	Kerjaya Kagum Hitech JV Sdn Bhd (“ <b>KKHJV</b> ”)	201501022501 (1147830-V)	15%

The Project involves the construction of a dam located in Tenom and Sipitang districts of Sabah and will deliver an average of 1,052GWh of clean energy per annum. Once completed, the Project is expected to generate revenue exceeding RM400 million per annum.

Construction is estimated to be completed within six (6) years with Scheduled Commercial Operation Date (“**SCOD**”) to be on or before 31 December 2030.

In addition, as a condition of the LoN, UPPSB is to propose and implement a floating solar solution integrated with the Project, which is to achieve SCOD before 31 December 2031.

### **3. RATIONALE AND BENEFITS OF THE PROJECT**

- i. As published in the Sabah Energy Roadmap and Master Plan 2040, Sabah's dependable capacity of electricity is approximately 1,180 MW as of 2021, of which less than 105 MW is from renewable energy sources.

The Project will contribute to Sabah's electricity generation, increasing the current dependable capacity by approximately 15% and doubling the renewable energy mix upon completion.

- ii. The Project is also in line with Gamuda's long-term ESG strategy and commitment.

### **4. SOURCE OF FUNDS FOR THE PROJECT**

Funding for the Project shall remain consistent with Gamuda's Previous Announcement, drawing from a mixture of internally generated funds and borrowings with minimum debt to equity ratio of 80:20.

### **5. FINANCIAL EFFECTS OF THE PROJECT**

The Project is expected to contribute positively to the earnings of Gamuda upon commencement of construction and provide yearly recurring income post SCOD.

The Project will not have any effect on the total issued paid-up share capital, substantial shareholders' shareholdings of Gamuda and the gearing of Gamuda.

### **6. ESTIMATED TIMEFRAME FOR COMPLETION**

The Project is expected to start major construction in 2025 after UPPSB has signed a 40-year Power Purchase Agreement ("PPA") with Sabah Electricity Sdn Bhd, the offtaker.

Construction is estimated to be completed within six (6) years with SCOD to be on or before 31 December 2030.

### **7. SHAREHOLDER APPROVAL NOT REQUIRED**

The Project is not subject to approval from the shareholders of Gamuda.

### **8. 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 Project.

### **9. DIRECTORS' STATEMENT**

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

This announcement is dated 6 September 2024.