

## PROPOSED INVESTMENT OF 20% EQUITY STAKE IN CLOUD SPACE SDN BHD

### 1. INTRODUCTION

The Board of Directors of Gamuda Berhad (Co. Regn. No. 197601003632 (29579-D)) (“**Gamuda**”) wishes to inform that Gamuda has on 10 December 2024 entered into a Shareholders’ Cum Subscription and Acquisition Agreement (“**SSAA**”) to acquire a 20% equity interest in Cloud Space Sdn Bhd (Co. Regn. No. 202201036977 (1482674-H)) (“**Cloud Space**”) for total consideration of up to RM18 million (“**Consideration**”) (“**Proposed Investment**”).

The Proposed Investment is to be disbursed via three (3) tranches, upon Cloud Space achieving financial milestones.

This is a voluntary announcement under Paragraph 10.05(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

### 2. ABOUT CLOUD SPACE

Cloud Space was established in 2022 by a team of experienced professionals in Information and Communication Technology (“**ICT**”) specialising in Cloud Computing, Artificial Intelligence (“**AI**”) & Data Automation, and Cybersecurity Solutions.

Cloud Space is a Google Cloud Premier Partner, which provides solutions and services for Google Cloud, Google Workspace, Chrome Enterprise, and Google for Education, to government and private sectors in Malaysia.

It is recognised as Google Cloud Partner All-star (in marketing and solutions engineering) in 2024, and Google Cloud Partner All-star (in solutions engineering) in 2023. The shareholders of Cloud Space (“Promoters”) shall be as below:

Shareholders	Number of Ordinary Share	Approximate Shareholding Percentage
Eric Tan Chin Siong	39,200	16.3%
Lim Chiew Shan	39,200	16.3%
Aaron Chong Chia Shew	78,400	32.7%
Wilson Chuah Hong Chen	39,200	16.3%
Benjamin Kok Yi Tong	39,200	16.3%
Kishan Singh a/l Karthar Singh	4,800	2.0%
TOTAL	240,000	100.0%

### **3. SALIENT TERMS OF SSAA**

#### **a. Consideration and Payment Structure**

An amount of up to RM18 million, payable by Gamuda in cash for a 20% equity interest in Cloud Space comprising:

i. Up to RM9 million as a cash injection via:

- Tranche 1: subscription of new Redeemable Convertible Cumulative Preference Shares (“**RCCPS**”);
- Tranche 2 : subscription of new ordinary shares

Tranche 1 and Tranche 2 will be disbursed progressively based on Cloud Space’s working capital needs; and

ii. Tranche 3: up to RM9 million for the purchase of existing ordinary shares in Cloud Space, contingent upon Cloud Space achieving its financial targets over the next 3 - 5 years.

#### **b. Utilisation of Funds**

The RM9 million new cash injection shall be utilised for business expansion, including talent investment and hiring, marketing and operations, product development and project financing / working capital.

The remaining balance of up to RM9 million shall be allocated for the acquisition of Promoters’ investment, contingent upon achieving financial targets set out in the SSAA.

#### **c. First Right to Collaborate**

Gamuda shall have first right to form any equity partnership with Cloud Space for any new large-scale cloud projects in Malaysia, with a minimum equity stake of 50%.

#### **d. Board Representation**

Gamuda shall be entitled to one board seat and one shareholder representation upon holding ordinary shares in Cloud Space.

#### **e. Conditions Precedent**

The Proposed Investment shall be conditional upon the satisfactory completion of due diligence by Gamuda.

#### **4. CONSIDERATION BASIS**

Consideration for the Proposed Investment is based on a valuation range of RM75 million – RM90 million, subject to the achievement of Cloud Space's financial targets. This valuation range was determined on a willing-buyer, willing-seller basis, taking into account, among other factors, the trading multiples of comparable local and global companies, Cloud Space's projected financials, and its growth prospects in the cloud computing sector.

#### **5. RATIONALE OF PROPOSED INVESTMENT**

Malaysia is actively embracing AI as a key driver of technological advancement to spur the nation's economic growth. This is evident via the launch of the Malaysia Artificial Intelligence Roadmap (MAIR) and the more recent establishment of National AI Office (NAIO) which will be launched in December 2024.

Malaysia's promising digital economy and capacity to drive long term growth is shared and recognised by leading global data and cloud players.

This is evident in the announced plans of global hyperscalers to invest in Malaysia, notably USD2 billion by Google to house its data centre in Malaysia as part of Google Cloud region in May 2024.

The Proposed Investment aims to accelerate Gamuda's digital ambitions in Cloud and AI technologies. Cloud Space's deep expertise in cloud engineering, augments Gamuda's in-house technology and digital capabilities in delivering large-scale complex engineering and construction projects. In combination, Gamuda and Cloud Space will have strong technical and financial resource to jointly access the emerging and fast-growing cloud adoption opportunities in Malaysia.

In addition, the Proposed Investment is in line with Gamuda's overall ambition to support and nurture home-grown talents in the Cloud and AI space, continuing the momentum from the launch of Gamuda AI Academy in partnership with Google, in October 2024.

The Proposed Investment aims to support Cloud Space, as pioneer in cloud engineering and AI fields to grow and expand its business in Malaysia as the nation advances digitally.

#### **6. FINANCIAL EFFECT OF PROPOSED INVESTMENT**

The Proposed Investment is not expected to have any immediate material impacts on the share capital, substantial shareholders' shareholdings of Gamuda, net assets, gearing, revenue and earnings per share of Gamuda group of companies for the financial year ending 31 July 2025.

**7. APPROVAL REQUIRED**

The Proposed Investment is not subject to the approval of shareholders of Gamuda and/or any regulatory authority.

**8. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST**

None of the Directors, major shareholders, or persons connected to them has any interest, direct or indirect, in the Proposed Investment.

This announcement is dated 10 December 2024.