

**REPLY TO BURSA MALAYSIA SECURITIES BERHAD'S QUERY  
[REF. IQL-10052021-00002]:  
ARTICLE ENTITLED "GAMUDA PLAN RM5.2 BIL HIGHWAY TRUST COMPANY"**

Reference is made to the query letter received by Gamuda Berhad [Co. Regn. No. 197601003632 (29579-T)] ("Gamuda" or "Company") from Bursa Malaysia Securities Berhad on 10 May 2021 under the reference no. IQL-10052021-00002 pertaining to a media article entitled "Gamuda plans RM5.2 bil highway trust company" which appeared in TheEdge Malaysia today, 10 May 2021.

Our official response is as follows:

On the weekend of 3-4 April 2021 (more than 5 weeks ago), the Edge Weekly carried the first speculative article entitled "*Highway trust proposal back on the drawing board*".

A few days later on 6 April 2021, several mainstream media news outlets quoted the honourable Minister of Works, YB Datuk Seri Fadillah Yusof as saying, "*The Government is reviewing its initial rejection of a proposal by Gamuda Berhad to take over four highways*".

*"Initially, the Cabinet decided against acquiring Gamuda's highways due to the concern of increased financial burden to the government."*

*"However, Gamuda came back with a new proposal for a new scheme as what was done by PLUS, where the concession will be extended, with a fixed rate but that is now under review,"* he said.

Following this on 30 April 2021, the Minister announced that toll hikes for all highway concessionaires (not just Gamuda related ones) for 2021 shall be postponed to at least 2022, and the Government would have to pay RM2.25 billion in compensation as a result. This latest announcement of toll-hike deferral had widespread media coverage. As a result, there was renewed media interest on our highway restructuring proposal and it was reported in the abovementioned queried Edge Weekly article, "**When contacted, Gamuda declined to comment**".

Notwithstanding the above, we are now responding to Bursa Malaysia Securities Berhad's official query:

We affirm the honourable Minister's statement above made on the 6 April 2021 and we affirm that our proposal to the Government does involve the sale of the highway concessions at fair market value, to an independent entity funded entirely by private debt capital markets, and that the speculated enterprise value of RM5.2 billion in the recent 8 May 2021 the Edge Weekly article, is incorrect.

We also affirm that the proposal involves keeping the current toll rates unchanged with no further increases, with a short concession extension in order to fully recuse the Government from paying any compensation (as is legally required of them as per the current Concession Agreements) for keeping the toll rates as they currently are, for the entire proposal period. In our proposal, the Government would have no stake nor interest in the buying entity, and therefore need not spend any of its own monies in the acquisition and further, need not provide any Government Guarantee.

We will update Bursa Malaysia Securities Berhad once we have a definitive decision regarding our proposal and all of its salient details, from the Government. Until then, we are unable to comment further as we are still in talks with the Government.

This announcement is dated 10 May 2021.