

**ACQUISITION OF EIGHT PARCELS OF FREEHOLD LAND MEASURING APPROXIMATELY 532 ACRES KNOWN AS LOTS 1383, 1442, 1444, 3420, 3451 MUKIM RAWANG, DAERAH GOMBAK AND LOTS 19793, 19395 AND PT 25686 BANDAR KUNDANG, DAERAH GOMBAK, SELANGOR (“SUBJECT LAND”) FOR A TOTAL PURCHASE CONSIDERATION OF RM360.0 MILLION (“KUNDANG JAYA ACQUISITION”)**

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## 1. INTRODUCTION

The Board of Directors (“**Board**”) of Gamuda Berhad [Co. Regn. No. 197601003632 (29579-T)] (“**Gamuda**” or “**Company**”) wishes to announce the Kundang Jaya Acquisition by its wholly owned subsidiary, Gamuda Land (Botanic) Sdn Bhd [Co. Regn. No. 199901016836 (491736-H)] (“**Gamuda Land**”) on 3 January 2023.

The Kundang Jaya Acquisition is synergistic to Gamuda Group since it is located next to its existing 810-acre Gamuda Gardens township in north Sungai Buloh and is easily accessible via three major expressways, namely: -

- ▶ North-South Expressway;
- ▶ LATAR Highway; and
- ▶ Guthrie Corridor Expressway.

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

## 2. DETAILS OF KUNDANG JAYA ACQUISITION

### (a) Site Location



**(b) Brief Details of Subject Land**

<b>Size</b>	Approximately 532 acres
<b>Title</b>	Freehold
<b>Intended Land Use</b>	Mixed development
<b>Existing Use</b>	Vacant land
<b>Market Valuation</b>	Based on latest land transactions recorded within 5 kilometres radius of the Subject Land
<b>Purchase Price</b>	RM360 million (RM15.53 per square feet)
<b>Gross Development Value (“GDV”)</b>	RM3.3 billion
<b>Project Duration</b>	10 years
<b>Mode of Payment</b>	<ul style="list-style-type: none"><li>• 10% deposit (RM36.0 million) has been placed with the Vendor’s solicitors as stakeholder (“<b>Stakeholder</b>”) upon execution of the sale and purchase agreement (“<b>SPA</b>”). Release of the said deposit to the Vendor is subject to fulfilment of the conditions precedent.</li><li>• Balance of 90% or RM324.00 million to be released to the Vendor only upon completion of the SPA.</li></ul>
<b>Conditional Period</b>	6 months from SPA date (subject to mutually agreed extension period).

**(c) Vendor Background**

<b>Vendor / Registered Owner</b>	Kundang Properties Sdn Bhd [Co. Regn. No. 199001010292 (201862-D)]
<b>Total Issued Share Capital</b>	RM15 million
<b>Principal activity</b>	Property development

**(d) Liabilities to be Assumed**

There are no liabilities to be assumed by Gamuda Group arising from the Kundang Jaya Acquisition.

**3. RATIONALE OF KUNDANG JAYA ACQUISITION**

The development of the Subject Land following the Kundang Jaya Acquisition is planned as an extension of the existing Gamuda Gardens township and aims to offer Gamuda’s branded homes with the right product concept and price to differentiate from other developers.

The strategic rationale for the Kundang Jaya Acquisition is as follows:

- ▶ Strengthening Gamuda's presence in the northern Klang Valley where Gamuda has developed and invested substantially in the very successful Gamuda Gardens.
- ▶ Replenishes Gamuda's landed residential offerings in the area as a continuation to the success of Gamuda Gardens. We anticipate a greater uptake for our future products with the upcoming retail, leisure and commercial properties in the next two years to tailor for the burgeoning market in this area.
- ▶ Unlock toll-free access from Gamuda Gardens to Rawang town, which will drive traffic to and from Gamuda Gardens and thus, bringing in substantial footfall. With this connectivity, the retail, leisure and commercial activities in the township can benefit a wider catchment.

The Kundang Jaya Acquisition is in line with Gamuda Group's 5-year business plan of achieving annual sales target of RM8 billion and coherent towards expanding into familiar areas.

#### **4. PROSPECTS OF KUNDANG JAYA ACQUISITION**

The Kundang Jaya Acquisition will unlock the potential for the existing Gamuda Gardens township where the population growth in the vicinity will augur well for Gamuda Group's commercial real estates including leisure and retail properties in Gamuda Gardens such as Gardens Square, Skyline Luge, Big Bucket Splash as well as upcoming commercial properties in Gamuda Gardens City Center. The addition of this Subject Land will also connect the Gamuda Gardens to the larger population in and around Rawang town.

#### **5. ESG INITIATIVES**

Leveraging on Gamuda Engineering's expertise, 100% of future developments of Gamuda Group will be built using a next generation digital industrialised building system ("IBS") which provide superior quality over conventional construction method and represents a much more sustainable construction method. Using the next generation digital IBS will help reduce 40% carbon footprint during construction and reduce dependency on foreign workers by 55%. Customers will also rejoice in knowing that their homes can be delivered at least 12 months ahead of scheduled delivery compared to conventional construction method. This gives both the customers and developer an added advantage.

#### **6. SOURCE OF FUND FOR THE KUNDANG JAYA ACQUISITION**

The Kundang Jaya Acquisition shall be satisfied by cash funded from internal generated funds and borrowings.

#### **7. FINANCIAL EFFECTS OF KUNDANG JAYA ACQUISITION**

##### **(a) Share capital and shareholdings of substantial shareholders**

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

**(b) Net Assets (“NA”) and NA Per Share**

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

**(c) Earnings and earnings per share**

With a GDV of RM3.3 billion, the development of the Subject Land following the Kundang Jaya Acquisition is set to contribute to the earnings of the Gamuda Group from 2026 onwards over the next six years as Gamuda continues to focus on high-value opportunities both in Malaysia and overseas where it has established its presence, namely Vietnam, Australia, Singapore and the United Kingdom.

**(d) Gearing**

Notwithstanding that the purchase consideration may be partly funded via bank borrowings, the Kundang Jaya Acquisition is not expected to have a material impact on the gearing of the Gamuda Group.

**8. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring unforeseen circumstances, the Kundang Jaya Acquisition is expected to be completed by the end of second quarter 2023.

**9. APPROVALS REQUIRED**

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

**10. 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 Kundang Jaya Acquisition.

This announcement is dated 3 January 2023.