

**GAMUDA BERHAD (“GAMUDA” OR THE “COMPANY”)**

**PROPOSED OFFER TO PURCHASE ALL THE SECURITIES IN THE FOLLOWING COMPANIES:**

- (i) KESAS SDN BHD (“KESAS”);**
- (ii) SISTEM PENYURAIAN TRAFIK KL BARAT SDN BHD (“SPRINT”);**
- (iii) LINGKARAN TRANS KOTA SDN BHD (“LITRAK”); AND**
- (iv) SYARIKAT MENGURUS AIR BANJIR DAN TEROWONG SDN BHD (“SMART”)**

**BY MINISTER OF FINANCE (INCORPORATED) (“MOF INC”)**

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Reference is made to the Company’s announcement dated 25 February 2019 in relation to the statement issued by the Prime Minister’s Office on 23 February 2019 on the Proposed Acquisition of Tolled Highways.

On behalf of the Board of Directors of Gamuda, Hong Leong Investment Bank Berhad (“**HLIB**”) wishes to announce that Kesas Holdings Berhad (“**Kesas Holdings**”), its 70% owned subsidiary, had on 21 June 2019, received a Letter of Offer dated on even date from MOF Inc in respect of MOF Inc’s offer to acquire all the securities (including all ordinary shares, preference shares and loan stocks) of Kesas (“**Kesas Offer**”). Kesas is a wholly owned subsidiary of Kesas Holdings.

Simultaneously, each of the following associated companies and joint venture company of Gamuda had on 21 June 2019, received a Letter of Offer from MOF Inc for the following acquisitions:

- (i) Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd (“**SPRINT Holdings**”), Gamuda’s 52% associated company, in respect of all the securities (including all ordinary shares, preference shares and loan stocks) of SPRINT (“**SPRINT Offer**”). SPRINT is a wholly-owned subsidiary of SPRINT Holdings;
- (ii) Lingkaran Trans Kota Holdings Berhad (“**LITRAK Holdings**”), Gamuda’s 44% associated company, in respect of all the securities (including all ordinary shares, preference shares and loan stocks) of LITRAK (“**LITRAK Offer**”). LITRAK is a wholly-owned subsidiary of LITRAK Holdings; and
- (iii) Projek SMART Holdings Sdn Bhd (“**SMART Holdings**”), Gamuda’s 50% joint venture company, in respect of all the securities (including all ordinary shares, preference shares and loan stocks) of SMART (“**SMART Offer**”). SMART is a wholly-owned subsidiary of SMART Holdings.

(Kesas, SPRINT, LITRAK and SMART shall collectively be referred to as the “**Expressway Concession Companies**” and each a “**Expressway Concession Company**”, and Kesas Holdings, SPRINT Holdings, LITRAK Holdings and SMART Holdings shall collectively be referred to as the “**Concession Holding Companies**” and each a “**Concession Holding Company**”).

The Kesas Offer, SPRINT Offer, LITRAK Offer and SMART Offer are subject to satisfactory due diligence findings, the approval of the Cabinet of Malaysia, the execution of a definitive agreement in respect of the offers and adherence to the terms of these offers.

The Kesas Offer, SPRINT Offer, LITRAK Offer and SMART Offer are inter-conditional upon each other unless waived by MOF Inc or SPV in writing.

The Kesas Offer, SPRINT Offer, LITRAK Offer and SMART Offer will be undertaken by a special purpose company wholly-owned by MOF Inc. to be identified by MOF Inc at a later date (“**SPV**”).

The offer to each Concession Holding Company remains valid until 5.00 pm (Malaysian time) on 12 July 2019, after which the offers shall forthwith lapse and cease to have any force or effect unless MOF Inc agrees in writing to extend the period during which the offer shall continue to be valid.

The salient terms and conditions of the various offers are as follows:

	<b>Kesas Offer</b>	<b>SPRINT Offer</b>	<b>LITRAK Offer</b>	<b>SMART Offer</b>
<b>Purchase consideration</b>	Cash consideration payable on Completion (as defined herein) shall be a sum equivalent to RM1,377 million less any outstanding Indebtedness as at Completion	Cash consideration payable on Completion (as defined herein) shall be a sum equivalent to RM1,984 million less any outstanding Indebtedness as at Completion	Cash consideration payable on Completion (as defined herein) shall be a sum equivalent to RM2,470 million less any outstanding Indebtedness as at Completion	Cash consideration payable on Completion (as defined herein) shall be a sum equivalent to RM369 million less any outstanding Indebtedness as at Completion
<b>Indebtedness</b>	“ <b>Indebtedness</b> ” shall mean the aggregate of (a) any declared and/or accrued but unpaid dividends; and (b) the notional amount of any financing/debts together with any accrued profit/interest thereon owing by each Expressway Concession Company to their respective holding company and any banking, financial, acceptance credit, lending or other similar institution or organisation (including any outstanding capital market securities).			
<b>Residual Cash</b>	For avoidance of doubt, any cash balance retained by each Expressway Concession Company as at the Completion shall be for the benefit of their respective Concession Holding Company (“ <b>Residual Cash</b> ”).  The definitive agreement shall set out the mechanism for the payment of the Residual Cash to the respective Concession Holding Company and any additional adjustments to the purchase consideration if mutually deemed necessary, including but not limited to treatment of working capital balances as at Completion.			
<b>Condition precedent</b>	The proposed offer to purchase by MOF Inc shall be subject to the following conditions precedent (“ <b>Conditions Precedent</b> ”) being satisfied by 29 November 2019 or such other date as may be agreed between the Concession Holding Companies and either MOF Inc or SPV (“ <b>Long Stop Date</b> ”):  (i) the requisite shareholders’ approval(s) for the disposal of each Expressway Concession Company; and  (ii) the approval or consent of the creditors of the Concession Holding Companies and/or the Expressway Concession Companies, where applicable.  Notwithstanding anything to the contrary, if the Conditions Precedent are not satisfied by the Long Stop Date, then the offer (and any contract constituted under the offer) shall forthwith lapse and cease to have any further force or effect and thereafter none of the parties shall have any further claims against the other.			

	Kesas Offer	SPRINT Offer	LITRAK Offer	SMART Offer
<b>Completion</b>	<p>Provided there has been no breach of the applicable negative covenants, Completion shall take place on 31 December 2019 or such other date as may be mutually agreed upon in writing between the Concession Holding Companies and either MOF Inc or SPV.</p> <p>Unless otherwise required by law, MOF Inc or SPV shall be entitled to waive in writing any of the approvals and/or consent provided, required or envisaged under this offer.</p>			
<b>Acceptance</b>	<p>Upon acceptance of the offer and subject to (i) satisfactory due diligence findings (ii) the execution of a definitive agreement in respect of the offers, (iii) the approval of the Cabinet of Malaysia, and (iv) the Concession Holding Companies' adherence to the terms of their respective offer, each party will each use all reasonable endeavours to negotiate and finalise the terms of the definitive agreement in respect of the offer including detailed procedures for Completion, which will incorporate all the principal terms and conditions set forth in the offer, by 30 August 2019 or any other day and time that the Concession Holding Companies and either MOF Inc or SPV may mutually agree in writing ("<b>Cut-Off Date</b>"). If notwithstanding their reasonable endeavours the definitive agreement is not executed by the parties thereto for any reasons whatsoever by the Cut-Off Date, the offer notwithstanding acceptance, will forthwith lapse and cease to have any further force or effect and thereafter, none of the parties hereto shall have any further claims against the other.</p> <p>From the date of acceptance of the offer until the Cut-Off Date, the Concession Holding Companies shall deal with MOF Inc. and/or SPV exclusively on the proposed offer to purchase by MOF Inc. The Concession Holding Companies will not enter into any discussion, negotiation or agreement with any other party with respect to the sale of any securities or any interest therein involving the Concession Holding Companies at any time until the Cut-Off Date if a definitive agreement has not been executed by that date.</p>			

Accordingly, the purchase consideration for each Expressway Concession Company per the offer letters is effectively the enterprise value less indebtedness of the respective Expressway Concession Company as at Completion.

Premised on the aforesaid enterprise value of each Expressway Concession Company and indebtedness as at Completion, and based on normal operating conditions of each Expressway Concession Company (including the receipt of all receivables due to each Expressway Concession Company under the respective concession agreements, in particular receivables from the Government of Malaysia and barring any unforeseen circumstances), the Board of Directors of Gamuda anticipates the equity value of each Expressway Concession Company and Gamuda's share of the same to be as follows:

<b>Expressway Concession Company</b>	<b>Anticipated equity value RM'billion</b>	<b>Gamuda's effective interest</b>	<b>Gamuda's share of anticipated equity value RM'billion</b>
Kesas	1.23	70.0%	0.86
SPRINT	0.87	51.8%	0.45
LITRAK	2.34	43.6%	1.02
SMART	0.06	50.0%	0.03
<b>Total</b>	<b>4.50</b>		<b>2.36</b>

The Board of Directors of Gamuda will make the appropriate announcement in due course after going through due process internally and with its respective associated companies and joint venture company.

This announcement is dated 21 June 2019.