

GAMUDA BERHAD ("GAMUDA" OR THE "COMPANY")

PROPOSED BONUS ISSUE OF UP TO 2,978,945,287 NEW ORDINARY SHARES IN GAMUDA ("GAMUDA SHARE(S)" OR "SHARE(S)") ("BONUS SHARE(S)") ON THE BASIS OF 1 BONUS SHARE FOR EVERY 1 EXISTING GAMUDA SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE") ("PROPOSED BONUS ISSUE OF SHARES")

1. INTRODUCTION

On behalf of the Board of Directors of Gamuda ("**Board**"), RHB Investment Bank Berhad ("**RHB Investment Bank**") wishes to announce that the Company proposes to undertake an issuance of up to 2,978,945,287 Bonus Shares on the basis of 1 Bonus Share for every 1 existing Gamuda Share held on the Entitlement Date.

Further details of the Proposed Bonus Issue of Shares are set out in the ensuing sections of this Announcement.

2. DETAILS OF THE PROPOSED BONUS ISSUE OF SHARES

2.1 Basis and number of Bonus Shares to be issued

As at 19 September 2024, being the latest practicable date prior to the date of this Announcement ("**LPD**"), the Company has an issued share capital of RM4,773,819,999.50 comprising 2,819,594,287 Gamuda Shares. For shareholders' information, as at the LPD, the Company does not hold any treasury shares.

The Company has implemented an employees' share option scheme ("**ESOS**") for the eligible executive Directors and employees of Gamuda and its subsidiaries ("**Gamuda Group**" or "**Group**") effective on 8 December 2021 and in force until 31 January 2027. As at the LPD, the Company has 159,351,000 outstanding options pursuant to the ESOS ("**ESOS Options**") at exercise prices ranging from RM2.53 to RM7.29 each.

Assuming prior to the implementation of the Proposed Bonus Issue of Shares, all the outstanding ESOS Options are fully exercised, the Proposed Bonus Issue of Shares will entail the issuance of up to 2,978,945,287 Bonus Shares on the basis of 1 Bonus Share for every 1 existing Gamuda Share held by the shareholders of Gamuda whose names appear in the Record of Depositors of the Company as at the close of business on the Entitlement Date ("**Entitled Shareholders**"). Accordingly, the enlarged number of issued shares of the Company will increase to up to 5,957,890,574 Gamuda Shares based on up to 2,978,945,287 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares.

The actual number of Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares will depend on the total number of issued shares of the Company as at the Entitlement Date. The Entitlement Date will be determined by the Board and announced by the Company at a later date upon receipt of all relevant approvals for the Proposed Bonus Issue of Shares.

The Proposed Bonus Issue of Shares is not expected to give rise to any fractional entitlements in respect of the Bonus Shares.

The entitlement basis for the Proposed Bonus Issue of Shares was determined after taking into consideration the following:

- (i) effects arising from the issuance of the Bonus Shares on the consolidated earnings per Share ("**EPS**") and net assets ("**NA**") per Share of the Company; and
- (ii) compliance with Paragraph 6.30(1A) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") which states that the Company must ensure that its share price adjusted for the Proposed Bonus Issue of Shares is not less than RM0.50 based on the daily volume weighted average share price ("**VWAP**") during the 3-month period before the date of the listing application to Bursa Securities.

For shareholders' information, Gamuda's share price will be adjusted pursuant to the Proposed Bonus Issue of Shares. For illustrative purposes, based on the 5-day VWAP of Gamuda Shares up to and including the LPD as well as the lowest daily VWAP of Gamuda Shares during the 3-month period before the LPD, the theoretical ex-bonus prices ("**TEBP**") of Gamuda Shares after the Proposed Bonus Issue of Shares is set out below:

	VWAP before the Proposed Bonus Issue of Shares RM	TEBP after the Proposed Bonus Issue of Shares RM
5-day VWAP up to and including the LPD	7.7587	3.8794
Lowest daily VWAP during the 3-month period before the LPD	7.1481	3.5741

Based on the above, the Board confirms that the share price adjusted for the Proposed Bonus Issue of Shares is not less than RM0.50 based on the daily VWAP of Gamuda Shares during the 3-month period before the LPD in accordance with Paragraph 6.30(1A) of the Listing Requirements.

The Proposed Bonus Issue of Shares will be implemented in a single issuance and not on a staggered basis over a period of time.

2.2 No capitalisation of reserves

The Bonus Shares will be issued as fully paid, at no consideration and without capitalisation of the Company's reserves. For the avoidance of doubt, the Proposed Bonus Issue of Shares will increase the number of Gamuda Shares in issue but will not increase the value of the share capital of the Company.

2.3 Ranking of the Bonus Shares

The Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the existing Gamuda Shares. However, such Bonus Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid to shareholders of the Company, the entitlement date of which is prior to the relevant date of allotment and issuance of such Bonus Shares.

2.4 Listing and quotation of the Bonus Shares

An application will be made to Bursa Securities for the listing and quotation of the Bonus Shares on the Main Market of Bursa Securities. The Bonus Shares shall be listed and quoted on the Main Market of Bursa Securities on the next market day following the Entitlement Date.

2.5 Equity fundraising exercises in the past 12 months

The Company has not undertaken any fundraising exercises in the past 12 months up to the date of this Announcement.

3. RATIONALE FOR THE PROPOSED BONUS ISSUE OF SHARES

After taking into consideration the various options available, the Board is of the view that the Proposed Bonus Issue of Shares is the most appropriate avenue to reward its shareholders for their continuous support as the Proposed Bonus Issue of Shares will:

- (i) increase their equity participation in the Company in terms of the number of Shares held whilst maintaining their percentage equity shareholding without incurring any cost;
- (ii) encourage the trading liquidity of the Shares on the Main Market of Bursa Securities at a lower adjusted trading price and increased number of Shares in issue without affecting the size of the market capitalisation of the Company; and
- (iii) maintain the Company's reserves as the Proposed Bonus Issue of Shares will be implemented via the adoption of the enhanced bonus issue framework without capitalisation of its reserves.

4. EFFECTS OF THE PROPOSED BONUS ISSUE OF SHARES

The pro forma effects of the Proposed Bonus Issue of Shares are illustrated based on the following scenarios:

Minimum Scenario : Assuming none of the 159,351,000 outstanding ESOS Options as at the LPD are exercised into new Gamuda Shares on or prior to the Entitlement Date

Maximum Scenario : Assuming all 159,351,000 outstanding ESOS Options as at the LPD are exercised into new Gamuda Shares on or prior to the Entitlement Date

4.1 Issued share capital

The pro forma effects of the Proposed Bonus Issue of Shares on the issued share capital of the Company are set out below:

	<-----Minimum Scenario----->		<-----Maximum Scenario----->	
	No. of Shares	RM	No. of Shares	RM
Issued share capital as at the LPD	2,819,594,287	4,773,819,999.50	2,819,594,287	4,773,819,999.50
Add: New Shares to be issued assuming full exercise of all outstanding ESOS Options	-	-	159,351,000 ⁽¹⁾	663,846,817.32 ⁽¹⁾
	<u>2,819,594,287</u>	<u>4,773,819,999.50</u>	<u>2,978,945,287</u>	<u>5,437,666,816.82</u>
Add: Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares	2,819,594,287	-(2)	2,978,945,287	-(2)
Enlarged issued share capital	<u>5,639,188,574</u>	<u>4,773,819,999.50</u>	<u>5,957,890,574</u>	<u>5,437,666,816.82</u>

Notes:

- (1) Assuming all the outstanding ESOS Options as at the LPD are fully exercised at the respective exercise prices as set out below and after taking into consideration the transfer of the option reserve of approximately RM144.12 million to share capital arising from the exercise of the outstanding ESOS Options:

Exercise price RM	No. of outstanding ESOS Options	Amount RM
2.53	5,668,400	14,341,052
2.55	92,849,800	236,766,990
3.35	16,485,900	55,227,765
3.94	14,746,500	58,101,210
4.31	10,305,900	44,418,429
5.03	13,180,500	66,297,915
7.29	6,114,000	44,571,060
Total	159,351,000	519,724,421

- (2) The Bonus Shares will be issued as fully paid, at no consideration and without capitalisation of the Company's reserves.

4.2 NA, NA per Share and gearing

For illustrative purposes, based on the latest audited consolidated financial statements of the Company as at 31 July 2023, the pro forma effects of the Proposed Bonus Issue of Shares on the consolidated NA, NA per Share and gearing of the Company are set out below:

Minimum Scenario:

	Audited as at 31 July 2023 RM'000	I After adjustments for subsequent events up to the LPD⁽¹⁾ RM'000	II After I and the Proposed Bonus Issue of Shares RM'000
Share capital	4,078,131	4,773,820	4,773,820
Reserves	6,712,973	6,218,387	6,218,087 ⁽²⁾
Equity attributable to owners of the Company/NA	10,791,104	10,992,207	10,991,907
Non-controlling interests	135,458	135,458	135,458
Total equity	10,926,562	11,127,665	11,127,365
No. of Shares in issue (^{'000})	2,662,736	2,819,594	5,639,189
NA per Share ⁽³⁾ (RM)	4.05	3.90	1.95
Net debt ⁽⁴⁾ (^{'000})	2,746,427	2,746,427	2,746,427
Gearing ratio ⁽⁵⁾ (times)	0.25	0.25	0.25

Notes:

- (1) After adjusting for the following subsequent events up to the LPD:
- (a) a second interim single tier dividend of 6 sen per Gamuda Share amounting to approximately RM159,804,812 in respect of the financial year ended ("FYE") 31 July 2023, of which RM123,717,674 was reinvested into 31,163,142 new Gamuda Shares at an issue price of RM3.97 per new Gamuda Share pursuant to the Company's Dividend Reinvestment Plan ("DRP") while the balance of RM36,087,138 was paid in cash on 1 September 2023;
- (b) a first interim single tier dividend of 6 sen per Gamuda Share amounting to approximately RM164,205,742 in respect of the FYE 31 July 2024, of which RM126,215,763 was reinvested into 28,491,143 new Gamuda Shares at an issue price of RM4.43 per new Gamuda Share pursuant to the Company's DRP while the balance of RM37,989,979 was paid in cash on 28 February 2024;

- (c) a second interim single tier dividend of 10 sen per Gamuda Share amounting to approximately RM278,873,711 in respect of the FYE 31 July 2024, of which RM197,547,921 was reinvested into 27,667,776 new Gamuda Shares at an issue price of RM7.14 per new Gamuda Share pursuant to its DRP while the balance of RM81,325,790 was paid in cash on 5 September 2024;
- (d) exercise of the following ESOS Options from 1 August 2023 up to the LPD at the respective exercise prices and after taking into consideration the transfer of the option reserve of approximately RM51.51 million to share capital arising from the exercise of the ESOS Options as set out below:

Exercise price RM	No. of ESOS Options exercised	Amount RM
2.53	2,518,000	6,370,540
2.55	49,330,500	125,792,775
3.35	10,111,700	33,874,195
3.94	5,392,400	21,246,056
4.31	2,174,100	9,370,371
5.03	9,500	47,785
Total	69,536,200	196,701,722

(Collectively, the "Subsequent Events").

- (2) After deducting the estimated expenses of approximately RM300,000 in relation to the Proposed Bonus Issue of Shares.
- (3) Calculated based on equity attributable to owners of the Company/NA over the number of Shares in issue.
- (4) Net debt comprises subordinate debts and borrowings less cash and bank balances as well as investment securities.
- (5) Calculated based on net debt over total equity.

Maximum Scenario:

		I	II	III
	Audited as at 31 July 2023 RM'000	After adjustments for the Subsequent Events⁽¹⁾ RM'000	After I and assuming full exercise of all outstanding ESOS Options⁽²⁾ RM'000	After II and the Proposed Bonus Issue of Shares RM'000
Share capital	4,078,131	4,773,820	5,437,666	5,437,666
Reserves	6,712,973	6,218,387	6,074,265	6,073,965 ⁽³⁾
Equity attributable to owners of the Company/NA	10,791,104	10,992,207	11,511,931	11,511,631
Non-controlling interests	135,458	135,458	135,458	135,458
Total equity	10,926,562	11,127,665	11,647,389	11,647,089
No. of Shares in issue ('000)	2,662,736	2,819,594	2,978,945	5,957,891
NA per Share ⁽⁴⁾ (RM)	4.05	3.90	3.86	1.93
Net debt ⁽⁵⁾ ('000)	2,746,427	2,746,427	2,746,427	2,746,427
Gearing ratio ⁽⁶⁾ (times)	0.25	0.25	0.24	0.24

Notes:

- (1) After adjusting for the Subsequent Events as set out in Note 1 of Section 4.2 (Minimum Scenario) of this Announcement.

- (2) *Assuming all the outstanding ESOS Options as at the LPD are fully exercised at the respective exercise prices as set out in Note 1 of Section 4.1 of this Announcement and after taking into consideration the transfer of the option reserve of approximately RM144.12 million to share capital.*
- (3) *After deducting the estimated expenses of approximately RM300,000 in relation to the Proposed Bonus Issue of Shares.*
- (4) *Calculated based on equity attributable to owners of the Company/NA over the number of Shares in issue.*
- (5) *Net debt comprises subordinate debts and borrowings less cash and bank balances as well as investment securities.*
- (6) *Calculated based on net debt over total equity.*

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4.3 Substantial shareholders' shareholdings

The Proposed Bonus Issue of Shares will not have any effect on the shareholdings of the substantial shareholders of the Company as the Bonus Shares will be allotted and issued on a pro-rata basis to all Entitled Shareholders. However, the number of Gamuda Shares held by the substantial shareholders will increase proportionately as a result of the Proposed Bonus Issue of Shares.

For illustrative purposes, the pro forma effects of the Proposed Bonus Issue of Shares on the substantial shareholders' shareholdings in Gamuda are set out below:

Minimum Scenario:

Substantial shareholder	Shareholdings as at the LPD				After the Proposed Bonus Issue of Shares			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Employees Provident Fund Board	285,287,164	10.12	-	-	570,574,328	10.12	-	-

Notes:

- (1) Calculated based on the total number of 2,819,594,287 Gamuda Shares in issue as at the LPD.
(2) Calculated based on the enlarged total number of 5,639,188,574 Gamuda Shares in issue after the Proposed Bonus Issue of Shares.

Maximum Scenario:

Substantial shareholder	Shareholdings as at the LPD				I Assuming full exercise of all outstanding ESOS Options				II After I and the Proposed Bonus Issue of Shares			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(3)%	No. of Shares	(3)%
Employees Provident Fund Board	285,287,164	10.12	-	-	285,287,164	9.58	-	-	570,574,328	9.58	-	-

Notes:

- (1) Calculated based on the total number of 2,819,594,287 Gamuda Shares in issue as at the LPD.
(2) Calculated based on the enlarged total number of 2,978,945,287 Gamuda Shares in issue assuming all 159,351,000 outstanding ESOS Options are fully exercised prior to the Entitlement Date of the Proposed Bonus Issue of Shares.
(3) Calculated based on the enlarged total number of 5,957,890,574 Gamuda Shares in issue after the Proposed Bonus Issue of Shares.

4.4 Earnings and EPS

The Proposed Bonus Issue of Shares is expected to be completed by the 4th quarter of 2024 and is not expected to have any material effect on the consolidated earnings of the Group for the financial year ending 31 July 2025. However, the EPS of the Group will be adjusted due to the additional Shares issued pursuant to the Proposed Bonus Issue of Shares.

For illustrative purposes, based on the audited consolidated financial statements of Gamuda for the FYE 31 July 2023 and assuming that the Proposed Bonus Issue of Shares had been completed at the beginning of the FYE 31 July 2023, the pro forma effects of the Proposed Bonus Issue of Shares on the earnings and EPS of Gamuda are set out below:

Minimum Scenario:

	Audited for the FYE 31 July 2023 RM'000	I After adjustments for the Subsequent Events ⁽¹⁾ RM'000	II After I and the Proposed Bonus Issue of Shares RM'000
Profit after tax attributable to owners of the Company (RM'000)	1,838,401	1,838,401	1,838,101 ⁽²⁾
No. of Shares in issue ('000)	2,662,736	2,819,594	5,639,189
EPS (sen)	69.04	65.20	32.60

Notes:

- (1) After adjusting for the Subsequent Events as set out in Note 1 of Section 4.2 (Minimum Scenario) of this Announcement.
- (2) After deducting the estimated expenses of approximately RM300,000 in relation to the Proposed Bonus Issue of Shares.

Maximum Scenario:

	Audited for the FYE 31 July 2023 RM'000	I After adjustments for the Subsequent Events ⁽¹⁾ RM'000	II After I and assuming full exercise of all outstanding ESOS Options ⁽²⁾ RM'000	III After II and the Proposed Bonus Issue of Shares RM'000
Profit after tax attributable to owners of the Company (RM'000)	1,838,401	1,838,401	1,838,401	1,838,101 ⁽³⁾
No. of Shares in issue ('000)	2,662,736	2,819,594	2,978,945	5,957,891
EPS (sen)	69.04	65.20	61.71	30.85

Notes:

- (1) After adjusting for the Subsequent Events as set out in Note 1 of Section 4.2 (Minimum Scenario) of this Announcement.

- (2) *Assuming all 159,351,000 outstanding ESOS Options as at the LPD are fully exercised at the respective exercise prices as set out in Note 1 of Section 4.1 of this Announcement.*
- (3) *After deducting the estimated expenses of approximately RM300,000 in relation to the Proposed Bonus Issue of Shares.*

4.5 Convertible securities

As at the LPD, the Company has 159,351,000 outstanding ESOS Options which have not been exercised. Save for the outstanding ESOS Options, the Company does not have any other convertible securities in issue as at the LPD.

In accordance with the provisions of the by-laws governing the ESOS, the Proposed Bonus Issue of Shares will give rise to adjustments to the exercise price and/or number of Shares to be allotted and issued pursuant to the exercise of the ESOS Options ("**Adjustments**"). Any such Adjustments will only be finalised by the Company at a later date and the holders of the ESOS Options will be notified accordingly. For the avoidance of doubt, save for the Adjustments, the rights and obligations of the holders of the ESOS Options will remain unchanged.

5. APPROVALS REQUIRED

The Proposed Bonus Issue of Shares is subject to the following approvals being obtained:

- (i) Bursa Securities, for the listing and quotation of up to 2,978,945,287 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares on the Main Market of Bursa Securities;
- (ii) the shareholders of Gamuda, for the Proposed Bonus Issue of Shares at an extraordinary general meeting to be convened by way of poll; and
- (iii) any other relevant authorities and/or parties, if required.

The Proposed Bonus Issue of Shares is not conditional upon any other proposals undertaken or to be undertaken by the Company.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of the Company and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Bonus Issue of Shares, save for their respective entitlement under the Proposed Bonus Issue of Shares which is available to all Entitled Shareholders on a pro-rata basis.

7. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Bonus Issue of Shares, is of the opinion that the Proposed Bonus Issue of Shares is in the best interest of the Company.

8. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to receipt of all required approvals, the Board expects the Proposed Bonus Issue of Shares to be completed by the 4th quarter of 2024.

9. APPLICATION TO THE RELEVANT AUTHORITIES

Barring any unforeseen circumstances, the application to the relevant authorities will be made within 1 month from the date of this Announcement.

10. PRINCIPAL ADVISER

RHB Investment Bank has been appointed as the Principal Adviser to Gamuda for the Proposed Bonus Issue of Shares.

This Announcement is dated 26 September 2024.