

PROPOSED ACQUISITION OF 60% EQUITY INTEREST IN SAI GON THUONG TIN TAN THANG INVESTMENT REAL ESTATE JOINT STOCK COMPANY (“TAN THANG COMPANY”)

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General Announcement

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1. INTRODUCTION

Gamuda Berhad (“Gamuda” or “the Company”) wishes to announce that Gamuda Land (HCMC) Sdn Bhd (formerly known as Klasik Mentari Sdn Bhd) (“Gamuda HCMC”), a wholly-owned subsidiary of Gamuda, has today entered into the following agreements:-

- (a) Sale of Shares Agreement (“SSA”) with Sai Gon Thuong Tin Real Estate Joint Stock Company (“Sacomreal”) for the proposed acquisition by Gamuda HCMC of a 60% equity interest in Tan Thang Company comprising 64,200,000 ordinary shares of Vietnamese Dong (“VND”)10,000 each (“Sale Shares”) from Sacomreal for a total cash consideration of VND equivalent to USD82,800,000 (“Consideration”) (the proposed acquisition of the 60% equity interest in Tan Thang Company shall hereinafter be referred to as the “Proposed Share Acquisition”);
- (b) an Escrow Agreement (“Escrow Agreement”) with Sacomreal and The Hong Leong Bank Vietnam Limited (“Escrow Agent”) to create an escrow account to facilitate the payment of the Consideration in accordance with the terms of the SSA;
- (c) a Shareholders’ Agreement (“Shareholders’ Agreement”) with Sacomreal and Ms. Chau Kim Yen to regulate their rights and obligations vis-à-vis each other in the Tan Thang Company.

2. BACKGROUND INFORMATION*Gamuda HCMC*

Gamuda HCMC was incorporated in Malaysia on 23 June 2009. Its present authorised and issued paid-up share capital are RM100,000 and RM2 respectively. Gamuda HCMC is presently dormant and its intended principal activities are property development and investment.

Sacomreal

Sacomreal was incorporated in Ho Chi Minh City, Vietnam on 29 March 2004 as a joint stock company. Its present charter capital is VND1,000 billion.

Sacomreal was previously involved in providing real estate services but has since expanded to developing and marketing of high quality apartments. Its projects in Ho Chi Minh City included the Sao Mai Deluxe Apartment Building, District 5, The EverRich Business Centre, Apartment and Complex, District 11, Sacomreal-584 Deluxe Apartment Building, Tan Thu District and Sealinks Golf Resort Villas in Phan Thiet, An Phu-An Khanh Apartments, District 2.

Tan Thang Company

Tan Thang Company was incorporated in Ho Chi Minh City, Vietnam on 19 August 2009 as a joint stock company pursuant to a Business Registration Certificate No. 0309133615 (the "BRC") issued by the Ho Chi Minh City Department of Planning and Investment. Its present charter capital is VND1,070,000,000,000 divided into 107,000,000 ordinary shares of VND10,000 each.

Upon the completion of the Proposed Share Acquisition, the equity of Tan Thang Company shall be held as follows:

Gamuda HCMC	:	60%;
Sacomreal	:	30%; and
Ms Chau Kim Yen	:	10%

Ms Chau Kim Yen is a Vietnamese individual and she is not related to any directors of Gamuda or Gamuda HCMC.

Tan Thang Company has the rights for the investment and construction of a parcel of land located at Son Ky Ward, Tan Phu District, Ho Chi Minh City, Vietnam measuring approximately 825,216.5 square metres ("the Land") into a project known as "Tan Thang residential, sports and educational complex at Son Ky Ward, Tan Phu District" ("Project").

(The Proposed Share Acquisition and the Project are hereinafter collectively referred to as "the Proposal").

3. INFORMATION ON THE PROPOSED DEVELOPMENT

Tan Thang Company will undertake the Project comprising medium-end and premium residential apartments, a sports complex and an educational complex on the Land.

The Project is expected to generate a Gross Development Value of RM6 billion. The first sales launch is expected to commence in the second half of this year and over a 7-year period.

4. SALIENT TERMS OF THE AGREEMENTS

SSA

Terms of Payment

Gamuda HCMC shall pay:-

- (a) USD16,560,000 equivalent to 20% of the Consideration ("Initial Payment") to an escrow account ("Escrow Account") created pursuant to the Escrow Agreement within 14 Business Days (being a day, other than Saturday or Sunday, on which banks are open in Vietnam to the general public for business) from the date of the SSA or the Escrow Agreement (whichever is the later); and
- (b) a sum of USD66,240,000 being the balance of the Consideration ("Balance Consideration") to the Escrow Account:-

- (i) within 14 Business Days of the issuance of the unconditional amended BRC by the Ho Chi Minh City Department of Planning and Investment (“DPI”) (“Amended BRC”) in accordance with the application dossier to amend the BRC to record that Gamuda HCMC owns the Sale Shares and for the issuance of the Amended BRC, and in accordance with the SSA and the Shareholders’ Agreement; or
- (ii) within 14 Business Days from the date of fulfillment of all conditions imposed by DPI in the Amended BRC;

whichever is the later.

Release from Escrow Account

The Consideration shall be released to Sacomreal by the Escrow Agent as follows:

- (i) the Initial Payments within 3 months from the date of the SSA provided that all the conditions as stipulated in the SSA are fulfilled; and
- (ii) the Balance Consideration within 6 months from the date of the SSA provided that the relevant authorities have issued its confirmation that the Land has been fully compensated and the Investment Certificate for the Project has been issued by the relevant authorities confirming that Tan Thang Company has right to undertake the Project.

LOAN AGREEMENT

Sacomreal has agreed to grant a shareholders loan of an amount in VND equivalent to USD66,240,000 to Tan Thang Company upon the terms and conditions as stipulated in the Loan Agreement. The interest payable on the said loan is 13% per annum which was mutually agreed upon after taking into consideration the current prevailing interest rate of between 12% to 15% for VND denominated loans. The said loan shall be repaid to Sacomreal upon Tan Thang Company having secured and drawdown from the Project’s lender.

SHAREHOLDERS’ AGREEMENT

The Shareholders’ Agreement regulates the rights and obligations of Gamuda HCMC, Sacomreal and Ms. Chau Kim Yen vis-à-vis each other in Tan Thang Company. The Shareholders’ Agreement shall become effective from the date of the Amended BRC.

5. BASIS OF ARRIVING AT THE PROPOSED SHARE ACQUISITION PRICE

The Consideration of the Proposed Share Acquisition to be paid in VND equivalent to USD82,800,000 (64,200,000 shares at approximately USD1.29 per share) was arrived at on a “willing-buyer willing-seller” basis.

6. LIABILITIES TO BE ASSUMED

There are no liabilities to be assumed by Gamuda HCMC arising from the Proposal.

7. SOURCE OF FUNDS

Gamuda HCMC will fund its share of equity participation in Tan Thang Company via shareholder’s advance from Gamuda using internally generated funds and/or bank borrowings.

The parties plan to undertake the Project via their capital investments and the Land will be made available as security to raise financing for further working capital requirement.

8. RATIONALE FOR THE PROPOSAL

The Project will enable Gamuda to strengthen its position in the property development industry in Vietnam.

9. PROSPECTS

In light of macroeconomic factors, the Company is of the view that the prospects for property development activities in Vietnam are positive and is not aware of any risk factors arising from the Proposal other than the usual market and global economic risks.

10. EFFECTS OF THE PROPOSAL

Share Capital and Substantial Shareholders' Shareholdings

The Proposal will not have any effect on the share capital and substantial shareholders' shareholdings of Gamuda.

Net Assets ("NA")

The future earnings from the Project are expected to enhance the NA of the Gamuda Group.

Earnings

The Proposal is not expected to have any material effect on the earnings of the Gamuda Group for the financial year ending 31 July 2010 but is expected to contribute positively to the future earnings of the Gamuda Group.

11. ESTIMATED TIME FRAME FOR COMPLETION OF THE PROPOSED SHARE ACQUISITION

Barring any unforeseen circumstances and subject to the approval of the relevant authorities of Vietnam, the Proposed Share Acquisition is estimated to be completed within 6 months from the date of the SSA.

12. APPROVAL(S) REQUIRED

The Proposed Share Acquisition does not require approval from the shareholders of Gamuda or any relevant government authorities of Malaysia.

13. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the Directors or substantial shareholders of Gamuda, or persons connected with them, has any interest, direct or indirect, in the Proposal.

14. STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors of Gamuda is of the opinion that the Proposal is in the best interest of the Gamuda Group.

This announcement is dated 10 March 2010.