

LINGKARAN TRANS KOTA HOLDINGS BERHAD (“LITRAK HOLDINGS” OR THE “COMPANY”)

RECEIPT OF OFFER TO PURCHASE ALL THE SECURITIES (AS DEFINED HEREIN) IN LINGKARAN TRANS KOTA SDN BHD (“LITRAK”) AND SISTEM PENYURAIAN TRAFIK KL BARAT SDN BHD (“SPRINT”) FROM AMANAT LEBUHRAYA RAKYAT BERHAD (“ALR”)

On behalf of the Board of Directors of LITRAK Holdings, Hong Leong Investment Bank Berhad (“HLIB”) wishes to announce that:

- (i) the Company had on 2 April 2022, received a conditional letter of offer from ALR in respect of ALR’s offer to acquire all the securities (including all ordinary shares, preference shares and loan stocks, where applicable) (“**Securities**”) of LITRAK (“**LITRAK Offer**”). LITRAK is a wholly-owned subsidiary of LITRAK Holdings.
- (ii) Sistem Penyuraian Trafik KL Barat Holdings Sdn Bhd (“**SPRINT Holdings**”), LITRAK Holdings’ 50.0% associated company, had on 2 April 2022, received a conditional letter of offer from ALR in respect of ALR’s offer to acquire all the Securities of SPRINT (“**SPRINT Offer**”). SPRINT is a wholly-owned subsidiary of SPRINT Holdings.

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

Each of the SPRINT Offer and LITRAK Offer has been given by ALR on a standalone basis and is mutually exclusive from each other.

Each Offer is conditional upon fulfilling the Offer Conditions (as defined on page 3 of this announcement).

As extracted from the conditional letter of offer, ALR is a public limited company incorporated under the Companies Act 2016 whose shareholders are “not-for-profit”, has the mandate of the Government of Malaysia (“**GoM**”) to assist them in a proposed restructuring of certain tolled highway concessions to absolve the GoM from paying compensation payments to those identified concession companies from 1 January 2022. Please refer to ALR’s website at <https://www.amanatlr.com/> for more information on ALR.

ALR’s mandate includes looking after the economic interests of the road users of the targeted highway concessions concerned, and therefore;

- (i) ALR must maintain the current toll rates with no further increases, including in any period of extension of the existing concession required to facilitate the success of restructuring; and
- (ii) ALR shall accelerate the return of the concession(s) back to the GoM upon full settlement of all of ALR’s financial debts incurred in acquiring the identified highway concession(s) (based on agreed terms).

To facilitate ALR’s mandate as set out above, ALR shall channel all available profits and cash surpluses over and above its operational needs, solely to the servicing and (possible early) settlement of its financial debts. In this manner, the full settlement of ALR’s financial debts would facilitate the concession(s) to be returned as early as possible, thus facilitating the possible abolishment of tolls altogether on these highways.

The Offers shall remain open for acceptance until 5.00 pm (Malaysian time) on 30 April 2022, after which the Offers shall forthwith lapse and cease to have any force or effect unless ALR agrees in writing to extend the period during which the Offers shall continue to be valid.

The terms and conditions of the Offers are not intended to be exhaustive and shall in any event be superseded by the terms and conditions as ALR and SPRINT Holdings/LITRAK Holdings (collectively referred to as the “**Parties**” and each a “**Party**”) may negotiate and agree to be included in each of the definitive agreement to be executed between ALR and each Concession Holding Company in respect of the respective Offers (each referred to as “**Definitive Agreement**”).

Notwithstanding acceptance of any of the Offers, ALR may still terminate any of the Offers at any point in time prior to the execution of the respective Definitive Agreement. Each Party agrees to hold the other Party and its Board of Directors (whether individually or collectively) harmless upon the termination of any Offer.

Upon execution of the respective Definitive Agreement, such Definitive Agreement shall be conditional upon a successful fund-raise by ALR to have the necessary funds to make all payments required to complete the acquisition under the Offer in accordance with the terms of the respective Definitive Agreement.

The salient terms and conditions of the Offers are as follows:

	LITRAK Offer	SPRINT Offer
Purchase Consideration	<p>ALR conditionally offers to purchase all the Securities of LITRAK based on an enterprise value (“EV”) of RM2,119 million as at 31 December 2021 (“Valuation Date”).</p> <p>ALR acknowledges LITRAK Holdings’ rights to cash and cash equivalents held in LITRAK and cash compensation due from the GoM as at the Valuation Date, provided such right is modified to facilitate LITRAK not having a net current liability position as at the Valuation Date.</p> <p>Cash consideration attributable to LITRAK Holdings as at the Valuation Date is subject to a 2.0% p.a. holding cost calculated on a daily rest basis from the Valuation Date up to and including the Completion Date (as defined herein).</p> <p>The finalisation of LITRAK’s financial position as at the Valuation Date shall be mutually agreed by the Parties upon the execution of the Definitive Agreement, which shall also set out the mechanism for the payment of cash consideration to LITRAK Holdings (adjusted for any dividends declared by LITRAK after the Valuation Date).</p>	<p>ALR conditionally offers to purchase all the Securities of SPRINT based on an EV of RM1,808 million as at the Valuation Date.</p> <p>ALR acknowledges SPRINT Holdings’ rights to cash and cash equivalents held in SPRINT and cash compensation due from the GoM as at the Valuation Date, provided such right is modified to facilitate SPRINT not having a net current liability position as at the Valuation Date.</p> <p>Cash consideration attributable to SPRINT Holdings as at the Valuation Date is subject to a 2.0% p.a. holding cost calculated on a daily rest basis from the Valuation Date up to and including the Completion Date.</p> <p>The finalisation of SPRINT’s financial position as at the Valuation Date shall be mutually agreed by the Parties upon the execution of the Definitive Agreement, which shall also set out the mechanism for the payment of cash consideration to SPRINT Holdings (adjusted for any dividends declared by SPRINT after the Valuation Date).</p>
Exclusivity Period	<p>For a period of one hundred twenty five (125) days commencing from the date of acceptance of the Offer by LITRAK Holdings/SPRINT Holdings (“Exclusivity Period”), LITRAK Holdings/SPRINT Holdings shall not, and shall further procure that its management and/or any of its personnel shall not directly or indirectly, approach or initiate, enter into or engage in any discussions with any other potential purchaser for disposal of the Securities of LITRAK/SPRINT. Details of any unsolicited offer(s) for LITRAK/SPRINT received by LITRAK Holdings/SPRINT Holdings during this exclusivity period, must be immediately disclosed to ALR upon its receipt by LITRAK Holdings/SPRINT Holdings.</p>	

	LITRAK Offer	SPRINT Offer
<p>Conditions of Offer to be fulfilled prior to the execution of the Definitive Agreement</p>	<p>The Offer shall be subject to the following conditions (“Offer Conditions”) being satisfied prior to the execution of the Definitive Agreement which shall be executed by 31 July 2022 or such other extended date as may be mutually agreed between the Parties (“Definitive Agreement Execution Date”):</p> <ul style="list-style-type: none"> (i) the completion of due diligence exercise on LITRAK/SPRINT, to the satisfaction of ALR; (ii) approval by the relevant regulatory authority (including the GoM) for the Offer, to the satisfaction of ALR; (iii) execution by LITRAK/SPRINT and the GoM of a supplemental concession agreement based on terms and conditions to be approved by ALR; (iv) approval of an income tax exemption and stamp duty exemption from GoM (or such relevant government authority) for ALR and LITRAK/SPRINT upon completion of the Offer, to the satisfaction of ALR; and (v) the requisite shareholders’ approval(s) for the disposal of LITRAK/SPRINT by LITRAK Holdings/SPRINT Holdings in accordance with the terms of the agreed format of the Definitive Agreement. <p>For the avoidance of doubt, the above conditions for each of the LITRAK Offer and SPRINT Offer is on a standalone basis and is mutually exclusive from each other</p> <p>Upon acceptance of the Offer, Parties shall co-operate and use their respective best endeavours to fulfil all the Offer Conditions.</p> <p>Notwithstanding anything to the contrary, if the Offer Conditions are not satisfied by the Definitive Agreement Execution 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 rights against the other.</p>	
<p>Conditions Precedent to be included in the Definitive Agreement</p>	<p>Provided that the Definitive Agreement has been executed, the Offer as finally agreed and reflected in the Definitive Agreement shall be subject to the following conditions precedent (“Conditions Precedent”) being satisfied within a certain period from the Definitive Agreement Execution Date to be agreed between the Parties in the Definitive Agreement:</p> <ul style="list-style-type: none"> (i) evidence that approval from the existing lenders of LITRAK/SPRINT and/or LITRAK Holdings/SPRINT Holdings (where relevant) for the refinancing of LITRAK/SPRINT’s and/or LITRAK Holdings/SPRINT Holdings’ indebtedness shall have been obtained; and (ii) a successful fund-raise by ALR to have the necessary funds to make all payments required to complete the acquisition under the Offer in accordance with the terms of the Definitive Agreement. 	

	LITRAK Offer	SPRINT Offer
Completion Date	<p>The Completion Date shall be the date of completion of the acquisition under the Offer which shall be specified in the Definitive Agreement and which for avoidance of doubt shall take place within 1 business day upon the fulfilment of the Conditions Precedent, or such other date as may be mutually agreed upon in writing.</p> <p>On the Completion Date, all the Securities of LITRAK/SPRINT will be transferred to ALR. Such transfer shall be completed by LITRAK Holdings/SPRINT Holdings delivering to ALR all such rights, title, interests, documents, certificates or otherwise, in such manner as shall be necessary to confer legal and beneficial ownership of the Securities of LITRAK/SPRINT to ALR and to be agreed by Parties in the Definitive Agreement.</p>	

Based on the aforesaid EV of each Expressway Concession Company and estimated adjustments as at the Valuation Date (including any dividends declared by each Expressway Concession Company after the Valuation Date), the Board of Directors of LITRAK Holdings anticipates the equity value of each Expressway Concession Company (as at the Valuation Date) and LITRAK Holdings' share of the same to be as follows:

Expressway Concession Company	EV RM'million	Anticipated equity value ⁽¹⁾ RM'million	LITRAK Holdings' interest	LITRAK Holdings' share of anticipated equity value ⁽¹⁾ RM'million
LITRAK	2,119	2,246	100.0%	2,246
SPRINT	1,808	904	50.0%	452
Total	3,927	3,150		2,698

Note:

(1) Excluding 2.0% p.a. holding cost calculated on a daily rest basis from the Valuation Date up to and including the Completion Date.

The implied equity value of the Company pursuant to the Offers and including the net cash position of the Company as at the Valuation Date translate to an implied equity value of RM5.08 per LITRAK Holdings' share ("**Implied Equity Value**"). For avoidance of doubt, the Implied Equity Value as at the Valuation Date has already been adjusted to take into consideration the interim dividend of 15 sen per LITRAK Holdings share paid by the Company on 30 March 2022.

The Implied Equity Value is yielding the following premium to the last traded market price/ volume-weighted average market price ("**VWAMP**") of the ordinary shares of LITRAK Holdings ("**LITRAK Holdings' Shares**"):

	Last traded market price/ VWAMPs	Premium of the Implied Equity Value to the last traded market price/ VWAMPs of the LITRAK Holdings' Shares	
	RM	RM	%
Up to the last full trading day prior to the Offer: (1 April 2022)			
Last traded market price	4.030	1.050	26.1
5-market days VWAMP	3.987	1.093	27.4
10-market days VWAMP	3.907	1.173	30.0
1-month VWAMP	3.838	1.242	32.4

(Source: Bloomberg)

The Board of Directors of LITRAK Holdings will make the appropriate announcement in due course after going through due process internally and with SPRINT Holdings.

The shareholders of LITRAK Holdings and potential investors are advised to exercise caution when dealing in the shares of LITRAK Holdings, as there is no certainty that the LITRAK Offer and/or SPRINT Offer may proceed or may result in a binding agreement.

This announcement is dated 4 April 2022.

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