

**子会社による株式買取契約書締結のお知らせ**

会社名：                      ワイ・ティー・エル・  
  コーポレーション・バーハッド

コード番号：                1773 東証1部（外国）

ワイ・ティー・エル・コーポレーション・バーハッド（以下「YTL」といいます。）の取締役会（以下「YTLの取締役会」といいます。）は、YTLの子会社であるワイ・ティー・エル・セメント・バーハッド（以下「YTLセメント」といいます。）が、アソシエイテッド・インターナショナル・セメント・リミテッド（以下「AICL」といいます。）との間で、2019年5月2日付で、ラファージュ・マレーシア・バーハッド（以下「LMB」といいます。）の発行済株式の約51.0%に相当する普通株式433,344,693株（以下、LMBの普通株式を「LMB株式」といい、買取対象となる株式を「本LMB株式」といいます。）の1,625,042,598.75マレーシア・リンギット（LMB株式1株当たり3.75マレーシア・リンギット）での買取（以下「本件買取」といいます。）に係る株式買取契約書（以下「本SPA」といいます。）を締結したことをお知らせいたします。

**1. 当該子会社の名称等****(1) 商号**

ワイ・ティー・エル・セメント・バーハッド (YTL Cement Berhad)

**(2) 本店所在地**

マレーシア 55100 クアラルンプール、ジャラン・ブキット・ビンタン 55、ヨー・ティオン・レイ・プラザ11階

(11th Floor, Yeoh Tiong Lay Plaza, 55, Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia)

**(3) 代表者氏名**

タン・スリ・ダト（ドクター）フランシス・ヨー・ソック・ピン（理学士号、PSM、CBE、FICE、SIMP、DPMS、DPMP、JMN、JP）

(Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, B.Sc., PSM, CBE, FICE, SIMP, DPMS, DPMP, JMN, JP)

**(4) 事業内容**

投資持株会社、管理会社及び車両賃貸

**(5) 資本金**

867,083,518.00マレーシア・リンギット

**2. 異動の理由**

本件買取は、YTLセメント及びその子会社（以下「YTLセメントグループ」と総称します。）の拡大戦略に基づき実施されます。LMBはYTLセメントグループのセメント事業と戦略的に適合しており、YTLセメントグループの既存の主幹事業を補完することが期待されております。

本件買取により、物流、流通、調達における業務の効率化といったシナジーや、規模の経済、重複する機能の削減若しくは排除、又は企業運営の統合により生じるコストシナジーをもたらすことが期待されています。

これらのシナジー効果の発現は、YTLセメントグループにおける業務効率の向上、操業・生産コストの管理に係る継続的な取り組みに沿うものであり、本件買取の完了後には、より拡大したYTLセメントグループの将来の収益及びキャッシュ・フローの向上に寄与することが期待されています。また、本件買取により、YTLセメントグループは、LMB及びその子会社（以下「LMBグループ」と総称します。）の既存の工場・設備が利用可能となることに伴い、その生産能力を拡大することができます。

加えて、LMBは、本件買取完了後にYTLセメントの子会社となります。これにより、YTLセメントは、

LMBグループの将来の戦略と事業の方向性を決定することができ、本件買収後に期待される利益を完全に変現することができます。

YTLの取締役会は、LMBグループの現在の財務実績に留意しましたが、LMBグループの買収による上記の潜在的なシナジー効果及び下記4記載のLMBグループの展望も考慮いたしました。かかる点やその他不測の事態も考慮した結果、YTLの取締役会は、本件買収及び下記11記載の本義務的買収提案は、長期的にYTLセメントグループの将来の収益及び株主価値の向上に貢献するものと考えています。

### 3. 異動の方法

本LMB株式は、AICLが負担を負うことなく、またAICLに付随する全ての権利及び利益（本SPAの締結日以降に支払われることになる全ての配当を受領する権利を含みます。）と共にYTLセメントに売却されます。

本LMB株式の総買取価格である1,625,042,598.75マレーシア・リンギット（以下「本買取対価」といいます。）は、YTLセメントがAICLに対して以下に記載する本実行日に支払われます。

本件買収は、ブルサ・マレーシア・セキュリティーズ・バーハッド（以下「マレーシア証券取引所」といいます。）が定める直接取引に関する規則及び指令に基づき、2019年5月15日から2営業日後又はAICLとYTLセメント間で別途書面で合意する日（以下「本実行日」といいます。）に、直接取引により移転します。

LMBの子会社であるラファージュ・セメント・センドリアン・バーハッド及びアソシエイテッド・パン・マレーシア・セメント・センドリアン・バーハッドの2社（以下「本LMB子会社」と総称します。）は、ラファージュホルシム・コンチネンタル・ファイナンス・リミテッド（以下「貸主」といいます。）から、元本合計21.0百万ユーロ（以下「元本合計」といいます。）の借入を行っています（以下「本件ローン」といいます。）。YTLセメントは、LMB及び本LMB子会社をして、2019年4月30日現在における元本合計約21.0百万ユーロを、本件ローンの全額の完済に至るまで年率1.704%の割合による利息を付して、2019年5月1日から本SPA完了後60日以内に、可及的速やかに貸主に返済させることを約束し、また、貸主に返済させるための全ての措置を講じることを約束します。

### 4. LMBの概要

#### (1) 商号

ラファージュ・マレーシア・バーハッド (Lafarge Malaysia Berhad)

#### (2) 本店所在地

レベル1、ウィスマ・ラファージュ、No. 2、ジャラン・キラノ51/206、46050 ペタリンジャヤ、セランゴール州、ダルル・エーサン、マレーシア

(Level 1, Wisma Lafarge, No. 2, Jalan Kilang 51/206, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia)

#### (3) 事業内容

投資対象資産の保有

#### (4) 資本金

1,950.7百万マレーシア・リンギット（2018年12月31日現在）

#### (5) 設立年月日

1950年6月5日

#### (6) 事業の状況等

不動産市況の軟化や一部の大型インフラ案件の遅延・中止が建設市場全体に影響を及ぼし、結果としてセメント需要にも影響を及ぼしています。2018年のセメント需要は、下半期の建設と共に減少傾向にありました。セメント業界は過剰設備に悩まされ続けており、販売価格への圧力となっています。エネルギーコストの上昇と相まって、国内売上高利益率は低下傾向が続いています。輸出面では、クリンカーの需要増や第4四半期を中心とした輸出価格の改善により、年後半に市場はプラスに転じました。

現在の競争環境において、LMBグループは、工場の信頼性を向上させるための方策をとり、生産性を向上させ、生産量を最大化し、生産コストを削減するために設備投資プロジェクトに投資してきました。ジオサイクル エンバイオメンタル サービスーズ セイドリアン バーハッドは、代替燃料や原燃料の開発・調達に注力している部門で、年々成長しており、燃料代替率の向上に貢献しています。

LMBグループは、2019年度の重点課題を、全ての工場が高い信頼性と低コストで稼働し、市場での競争力を強化するとともに、お客様への品質・デリバリーサービスの向上につなげていくこととしています。LMBグループは、改善された輸出市場を最大限に活用するために、全ての工場の生産を最大化しています。LMBグループのイノベーションハブである建設開発研究所の設立戦略が実を結び始めており、LMBグループは、今後も高度に複雑なプロジェクトにおいてニッチなイノベーションを生み出し、発展させていきます。

LMBグループでは、2018年半ばより経営構造の簡素化と徹底したコスト削減に着手し、生産性の向上とコスト削減に向けた基礎固めを行ってまいりました。LMBグループの計画を実行する能力は、従業員に依存しており、LMBグループは、人材の維持、従業員の学習及び能力開発、報酬と業務成績の合致のために必要な措置を講じています。また、LMBグループでは、若手エンジニア育成プログラムを継続的に実施しており、新たな人材の獲得に努めています。

2019年のマレーシアの国内セメント市場は、過剰設備やエネルギー価格の上昇などにより、引き続き厳しい状況が予想されます。しかしながら、輸出市場の先行きは明るく、旺盛な需要が続いています。LMBグループのランカウイ工場は、堅調な輸出市場を最大限に活用するために生産量を最大化します。

2018年度（2018年12月31日に終了）の監査済みの連結財務諸表によれば、LMBグループ株主に帰属する当期純損失は約3億1,940万マレーシア・リングgit、株主に帰属する純資産は約25億4,520万マレーシア・リングgitです。また、LMBグループは、2014年度（2014年12月31日に終了）、2016年度（2016年12月31日に終了）、2017年度（2017年12月31日に終了）及び2018年度（2018年12月31日に終了）において、減収となりました。また、過去3期（2014年12月期～2016年12月期）においても、税引後利益は減益となりました。さらに、LMBグループは、2017年度及び2018年度の税引後損失をそれぞれ213.6百万マレーシア・リングgit及び318.9百万マレーシア・リングgit計上しています。

（出典：LMBの2013年度～2018年度の年次報告書）

## 5. 異動の日程

不測の事態が生じない限り、本件買収は、2019年第2四半期までに完了する予定です。また、下記11記載の本義務的買取提案は、2019年第3四半期までに完了する予定です。

本件買収は、関係当局その他の者からの承認を条件とするものではありません。なお、本義務的買取提案は、本件買収の実施を条件とするものですが、本件買収は本義務的買取提案に条件付けられるものではありません。

## 6. 今後の見通し

### (1) 株式資本及び保有株式

本買取対価は、全て現金により支払われるため、YTLの株式資本及び実質株主の保有株式には、何ら影響を及ぼすものではありません。

## (2) 純資産、1株当たり純資産及びギアリングへの影響

YTL及びその子会社（以下「YTLグループ」といいます。）の純資産、1株当たり純資産及びギアリングに対して予想される本件買収及び下記11記載の本義務的買収提案の影響は、監査済みの2018年6月30日時点での連結財務諸表に基づき、同日時点で本件買収及び本義務的買収提案が行われたと仮定した場合、以下のとおりです。

	2018年6月30日現在 (監査済み)	本件買収実施後	本件買収及び本義務的買収提案実施後(*1)
株式資本 (千マレーシア・リングgit)	3,340,111	3,340,111	3,340,111
その他の準備金 (千マレーシア・リングgit)	1,009,646	1,009,646	1,009,646
利益剰余金 (千マレーシア・リングgit)	10,123,292	10,123,292	10,067,292 (*2)
自己株式 (千マレーシア・リングgit)	(337,142)	(337,142)	(337,142)
株主資本/純資産 (千マレーシア・リングgit)	14,135,907	14,135,907	14,079,907
YTLの発行済普通株式総数 (千株) (*3)	10,677,728	10,677,728	10,677,728
1株当たり純資産 (マレーシア・リングgit)	1.32	1.32	1.32
借入総額 (千マレーシア・リングgit)	21,564,865	24,027,341 (*4)	25,492,067 (*4)
ギアリング (倍) (*5)	1.53	1.70	1.81

(注)

(1) 本義務的買収提案が全て受諾されたことを前提とします。

(2) 本件買収及び本義務的買収提案に係る費用である56.0百万マレーシア・リングgitを踏まえた数値です。

(3) YTLが保有する自己株式232,831,818株を除きます。

(4) 本件買収に係る銀行借入である約16億2,500万マレーシア・リングgit、本義務的買収提案に係る銀行借入である約14億6,470万マレーシア・リングgit、並びにLMBグループの2018年12月31日現在の監査済みの借入額である約8億3,740万マレーシア・リングgitを含みます。

(5) 株主資本に係る借入金総額を元に算出しています。

## (3) 1株当たり当期純利益 (EPS)

本件買収は2019年第2四半期までに完了予定であるため、2019年6月30日に終了する事業年度に係るYTLの業績に与える影響は限定的なものとなる見込みです。なお、下記11記載の本義務的買収提案も2019年第3四半期までに完了予定であるため、2019年6月30日に終了する事業年度に与える影響は同様に限定的です。

もともと、LMBの業績に鑑みれば、本件買収及び本義務的買収提案はYTLグループの将来の収益に積極的に貢献するものと見込まれます。

## 7. AICLの概要

### (1) 商号

アソシエイテッド・インターナショナル・セメント・リミテッド  
(Associated International Cement Limited)

### (2) 事業内容

投資対象資産の保有

(3) 資本金

1 ポンド (2019年4月30日現在)

(4) 設立年月日

1949年6月28日

(5) 大株主及び持株比率

ブルーサークルインターナショナルホールディングス BV 100%  
(Blue Circle International Holdings BV)

8. 取得株数

普通株式433,344,693株

9. 取得金額

1,625,042,598.75マレーシア・リンギット

10. 本件買収前及び本件買収後の所有株式数及び所有割合

	所有株式数	所有割合
本件買収前	0株	0%
本件買収後	433,344,693株	約51%

11. その他の事項

本件買収が完了した時点で、YTLセメントのLMB株式の保有比率は0%から約51.0%に上昇します。したがって、2007年資本市場及びサービス法（以下「CMSA」といいます。）第218条第2項及び買収・合併及び強制取得に関する規則（以下「本規則」といいます。）第4.01(a)に従い、YTLセメントは、本件買収実施後もYTLセメントが保有していないLMB株式を、本件買収における1株当たりの買取価格と同額である1株当たり3.75マレーシア・リンギットの価格（以下「義務的買取価格」といいます。）で、義務的買取提案を実施する義務を負います（以下「本義務的買取提案」といいます。）。

YTLセメントは、本義務的買取提案により、LMB株式の合計90%以上を保有するに至り、LMBがマレーシア証券取引所のメイン・マーケット上場規則（以下「上場規則」といいます。）第8.02(1)に基づく流通株式要件（以下「流通株式要件」といいます。）を満たさなくなる場合を除き、LMBのマレーシア証券取引所のメイン・マーケットへの上場を維持する意向です。

本義務的買取提案により、YTLセメント及びその関連会社がLMB株式の75%以上90%未満を保有し、LMBが流通株式要件を満たさなくなる場合、YTLセメントは、LMBと協力して、本義務的買取提案の締切日から3ヶ月以内、又はLMBが流通株式要件を満たすために許可された延長期間内に、様々なオプションを提案又は検討します。なお、2019年5月2日現在において、このような提案の検討は行われていません。

YTLセメントが有効に本義務的買取提案を終了し、本義務的買取提案の結果、YTLセメント及びその関連会社が合計でLMB株式の90%以上を保有し、LMBが流通株式要件を満たさなくなる場合、本義務的買取提案の終了日から5営業日が経過した時点で、LMB株式のマレーシア証券取引所における取引は停止されます。その後、YTLセメントは、LMBをして、上場規則に基づき、LMBが上場廃止するために必要な措置を講じさせます。マレーシア証券取引所は、その裁量により、LMBを上場廃止させる上で必要な追加の条件を課すことができます。LMBの上場廃止が成功すれば、LMB株式はマレーシア証券取引所で取引されなくなります。

\*その他の詳細につきましては添付の英文をご参照下さい。

以上

**YTL CORPORATION BERHAD (“YTL CORP” OR “COMPANY”)**

- (I) PROPOSED ACQUISITION OF 433,344,693 ORDINARY SHARES IN LAFARGE MALAYSIA BERHAD (“LMB”) (ORDINARY SHARES IN LMB SHALL BE REFERRED TO AS “LMB SHARES”), REPRESENTING APPROXIMATELY 51.0% EQUITY INTEREST IN LMB, (“SALE SHARES”) BY YTL CEMENT BERHAD (“YTL CEMENT”), A SUBSIDIARY OF YTL CORP, FROM ASSOCIATED INTERNATIONAL CEMENT LIMITED (“AICL” OR “VENDOR”) FOR A TOTAL CASH CONSIDERATION OF RM1,625,042,598.75 OR RM3.75 PER LMB SHARE (“PROPOSED ACQUISITION”); AND**
- (II) PROPOSED MANDATORY TAKE-OVER OFFER (“MO”) FOR ALL THE REMAINING LMB SHARES NOT ALREADY OWNED BY YTL CEMENT AFTER THE PROPOSED ACQUISITION (“REMAINING SHARES”) FOR A CASH OFFER PRICE OF RM3.75 PER LMB SHARE (“PROPOSED MO”)**

**(COLLECTIVELY TO BE REFERRED TO AS “PROPOSALS”)**

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**1. INTRODUCTION**

On behalf of the Board of Directors of YTL Corp (“**Board**”), Maybank Investment Bank Berhad (“**Maybank IB**”) wishes to announce that YTL Cement has on 2 May 2019 entered into a sale and purchase of shares agreement with the Vendor for the Proposed Acquisition (“**SPA**”).

Upon completion of the Proposed Acquisition, YTL Cement’s shareholding in LMB will increase from nil to approximately 51.0%. Accordingly, pursuant to Section 218(2) of the Capital Markets and Services Act, 2007 (“**CMSA**”) and Paragraph 4.01(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions (“**Rules**”), YTL Cement will be obliged to extend the Proposed MO. The SPA is not subject to any conditions precedent and is unconditional on 2 May 2019. Maybank IB has, on behalf of YTL Cement, served a notice of MO on the Board of Directors of LMB today, in accordance with Paragraph 9.10(1)(b)(i) of the Rules (“**Notice**”).

**2. DETAILS OF THE PROPOSALS**

**2.1 Details of the Proposed Acquisition**

**2.1.1 Background information on the Proposed Acquisition**

The Proposed Acquisition entails the acquisition of the Sale Shares from the Vendor for a total cash consideration of RM1,625,042,598.75 or RM3.75 per LMB Share.

The Proposed Acquisition is subject to the terms and conditions of the SPA, salient terms of which are set out in Section 2.1.2 of this Announcement.

**2.1.2 Salient terms of the SPA**

**(i) Agreement for sale and purchase of the Sale Shares**

The Vendor agrees to sell, and YTL Cement agrees to purchase, the Sale Shares on the terms and conditions contained in the SPA. The Sale Shares are sold by the Vendor free from encumbrances and together with all rights and advantages attaching to them as at the date of the SPA (including the right to receive all dividends or distributions declared, made or paid on or after the date of the SPA).

**(ii) Purchase consideration**

The total purchase price of RM1,625,042,598.75 for the Sale Shares ("**Purchase Consideration**") is payable by YTL Cement to the Vendor on Completion Date (as defined below).

**(iii) Completion**

The sale and purchase of the Sale Shares will be completed by way of a direct business transaction in accordance with the rules and directives issued by Bursa Malaysia Securities Berhad ("**Bursa Securities**") with respect to direct business transactions two (2) market days from 15 May 2019 or such other date as may be mutually agreed in writing between the Vendor and YTL Cement ("**Completion Date**").

**(iv) Post completion**

Two subsidiaries of LMB, Lafarge Cement Sdn Bhd and Associated Pan Malaysia Cement Sdn Bhd ("**LMB Subsidiaries**"), have a loan for a principal sum of €21.0 million ("**Principal Sum**") from LafargeHolcim Continental Finance Ltd ("**Lender**") ("**Loan**"). YTL Cement undertakes to cause and to take all steps to cause LMB and/or the LMB Subsidiaries to repay the Lender the amount outstanding under the Loan of approximately €21.0 million as at 30 April 2019 together with interest accruing on the Principal Sum at the rate of 1.704% per annum from 1 May 2019 until the date of full payment of the Loan ("**Outstanding Loan**") as soon as possible and not later than 60 days from completion of the SPA.

**2.1.3 Background information on LMB**

LMB was incorporated in the Federation of Malaya under the Companies Ordinances, 1940-1946 as a public company limited by shares under the original name of Malayan Cement Berhad on 5 June 1950. On 27 May 2013, LMB assumed its present name. The shares of LMB were listed on the then Malayan Stock Exchange (now known as Bursa Securities) on 17 March 1961.

As at 31 December 2018, the share capital of LMB is RM1,950.7 million comprising 849,695,476 LMB Shares.

LMB is principally involved in investment holding, whilst the principal activities of its subsidiaries include, amongst others, the manufacture and sale of cement, clinker, ready-mix concrete and drymix products, produce and supply of aggregates and related products, trading of cement and other building materials, trading and quarrying of aggregates and related products, and granite and quarry products, shipping of bulk cement and chartering of vessels, management and operation of a jetty.

The operations of LMB and its subsidiaries ("**LMB Group**") are segmented into two main operating divisions comprising the cement division and aggregates and concrete division. The LMB Group has three integrated cement plants in Langkawi, Kanthan and Rawang, two grinding stations in Pasir Gudang, two drymix plants, more than 30 ready-mix concrete batching plants and two aggregates quarries throughout Peninsular Malaysia. These facilities are supported by a wide network of depots, terminals and distribution facilities, connected by road, rail and sea.

Based on the audited consolidated financial statements of LMB for the financial year ended (“**FYE**”) 31 December 2018, the net loss attributable to equity holders and net assets attributable to equity holders (“**NA**”) of the LMB Group are approximately RM319.4 million and RM2,545.2 million respectively.

*(Source: LMB’s 2013 and 2018 Annual Reports)*

#### **2.1.4 Basis and justification for the Purchase Consideration**

The Purchase Consideration was arrived at on a willing buyer-willing seller basis after taking into consideration the following:

- (i) historical and prevailing market prices of LMB Shares;
- (ii) audited NA of the LMB Group as at 31 December 2018 of approximately RM2,545.2 million;
- (iii) the rationale and benefits of the Proposed Acquisition as set out in Section 3 of this Announcement; and
- (iv) future earnings potential and prospects of the LMB Group as set out in Section 4 of this Announcement.

The Purchase Consideration of RM3.75 per LMB Share represents the following:

- (i) a premium of approximately 19.05%, 32.04% and 47.06% to the 5-day, 1-month and 3-month volume weighted average market price of the LMB Shares up to and including 30 April 2019 (being the last full trading day prior to this Announcement) of RM3.15, RM2.84 and RM2.55 respectively; and
- (ii) price-to-book ratio of approximately 1.25 times based on the audited NA per LMB Share as at 31 December 2018 of approximately RM3.00.

#### **2.1.5 Background information on the Vendor**

AICL is a private company limited by shares incorporated in the United Kingdom on 28 June 1949. AICL is principally involved in investment holding.

As at 30 April 2019, being the latest practicable date prior to this Announcement (“**LPD**”), the issued share capital of AICL is Great Britain Pound 1 comprising 562,003,700 ordinary shares.

As at the LPD, the details of the directors of AICL are as follows:

<b>Name</b>	<b>Nationality</b>
Simon Crossley	British
Howard Bruce Moller	British
Laurent Jaques	Swiss

None of the Directors of AICL has any shareholding in AICL as at the LPD.



As at the LPD, the substantial shareholders of AICL and their shareholdings in AICL are as follows:

Name	Country of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
Blue Circle International Holdings BV (“BCIH”)	Netherlands	562,003,700	100	-	-
LafargeHolcim Ltd	Switzerland	-	-	562,003,700 <sup>(1)</sup>	100
Lafarge International Holdings Limited (“LIHL”)	United Kingdom	-	-	562,003,700 <sup>(2)</sup>	100
Lafarge Finance Ltd (“LFL”)	Jersey	-	-	562,003,700 <sup>(3)</sup>	100
Lafarge Building Materials Limited (“LBML”)	United Kingdom	-	-	562,003,700 <sup>(4)</sup>	100
Financiere Lafarge SA (“FLSA”)	France	-	-	562,003,700 <sup>(5)</sup>	100
Societe Financiere Immobiliere et Mobiliere (“SOFIMO”)	France	-	-	562,003,700 <sup>(6)</sup>	100
Lafarge SA	France	-	-	562,003,700 <sup>(7)</sup>	100

**Notes:**

- (1) Deemed interest via its indirect interest in BCIH, LIHL, LFL, LBML, FLSA and SOFIMO, and direct interest in Lafarge SA.  
(2) Deemed interest by virtue of its 100% shareholding in BCIH.  
(3) Deemed interest by virtue of its shareholding in LIHL.  
(4) Deemed interest by virtue of its shareholding in LIHL and LFL.  
(5) Deemed interest by virtue of its 100% shareholding in LBML.  
(6) Deemed interest by virtue of its 100% shareholding in FLSA.  
(7) Deemed interest by virtue of its 100% shareholding in SOFIMO.

## 2.2 Details of the Proposed MO

Upon completion of the Proposed Acquisition, YTL Cement’s shareholding in LMB will increase from nil to approximately 51.0%. Accordingly, in accordance with Section 218(2) of the CMSA and Paragraph 4.01(a) of the Rules, YTL Cement will be obliged to extend a mandatory take-over offer for the Remaining Shares at a cash offer price of RM3.75 per LMB Share (“Offer Price”), which is the same price per Sale Share under the Proposed Acquisition.

The LMB Shares to be acquired pursuant to the acceptances under the Proposed MO shall be transferred:

- (i) free from any claim, charge, mortgage, lien, option, equity, power of sale, hypothecation, retention of title, right of pre-emption, right of first refusal or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing from the date of valid acceptances; and
- (ii) together with all rights and advantages attaching to them, including the right to receive all dividends and/or distributions (collectively referred to as **"Distributions"**) declared, made or paid on or after the date of the Notice.

Notwithstanding the above, if LMB declares, makes or pays any Distributions on or after the date of the Notice but prior to the closing date of the Proposed MO and the holders of the Remaining Shares are entitled to retain such Distributions, YTL Cement shall reduce the Offer Price by the amount equivalent to the net Distributions per LMB Share that the holders of the Remaining Shares are entitled to retain in respect of the LMB Shares.

YTL Cement intends to maintain the listing status of LMB on the Main Market of Bursa Securities unless YTL Cement receives valid acceptances resulting in YTL Cement and its associates holding in aggregate 90% or more of the LMB Shares and LMB does not comply with the public shareholding spread requirements under Paragraph 8.02(1) of the Main Market Listing Requirements of Bursa Securities (**"Listing Requirements"**) (**"Public Spread Requirement"**).

In the event YTL Cement receives valid acceptances resulting in YTL Cement and its associates holding in aggregate more than 75% but less than 90% of the LMB Shares and LMB does not comply with the Public Spread Requirement, YTL Cement will work together with LMB to explore various options or proposals within three (3) months from the closing date of the Proposed MO or such extended timeframe as allowed by Bursa Securities to help facilitate LMB to comply with the Public Spread Requirement. As at the date of this Announcement, no such arrangements have been made.

Any action taken to address the Public Spread Requirement may require the approvals of the relevant authorities and/or the shareholders of LMB. The actual course of action to be taken will depend on, amongst others, the circumstances as well as the prevailing market conditions at the relevant time. While YTL Cement will work together with LMB to attempt to rectify any shortfall in the Public Spread Requirement of LMB, there can be no assurance that the Public Spread Requirement of LMB can be rectified within the stipulated time frame as allowed by Bursa Securities.

In the event YTL Cement receives valid acceptances resulting in YTL Cement and its associates holding in aggregate 90% or more of the LMB Shares and LMB does not comply with the Public Spread Requirement, then upon expiry of five (5) market days from the closing date of the Proposed MO, the LMB Shares will be suspended from trading on Bursa Securities. Thereafter, YTL Cement will procure LMB to take the requisite steps to withdraw its listing status from the Official List of Bursa Securities (**"Official List"**) in accordance with the Listing Requirements. Bursa Securities may at its discretion impose additional conditions for the withdrawal of LMB's listing status from the Official List. If the de-listing of LMB from the Official List is successful, the LMB Shares will no longer be traded on the Main Market of Bursa Securities.

### **2.3 Liabilities to be assumed**

There are no liabilities, including contingent liabilities and guarantees, to be assumed by YTL Cement pursuant to the Proposals.

### **2.4 Source of funding**

The total consideration for the Proposals will be funded via a combination of internally generated funds and bank borrowings.

## **3. RATIONALE AND BENEFITS OF THE PROPOSALS**

The Proposed Acquisition represents an opportunity for YTL Cement and its subsidiaries (“**YTL Cement Group**”) to pursue its expansion strategy. LMB is a strategic fit to the YTL Cement Group’s cement business and is expected to complement the YTL Cement Group’s existing core business activities.

The Proposed Acquisition is expected to deliver synergies including operational efficiencies in logistics, distribution and procurement, as well as cost synergies realised from economies of scale, the reduction or elimination of duplicated functions and the consolidation of corporate overheads.

The realisation of the above synergies is in line with the YTL Cement Group’s continued efforts to improve operational efficiencies and manage its operating and production costs, and is expected to contribute positively to the future earnings and cash flows of the enlarged YTL Cement Group following the completion of the Proposed Acquisition. The Proposed Acquisition will also enable the YTL Cement Group to expand its production capacity by gaining access to the existing plants and facilities of the LMB Group.

In addition, LMB will become a subsidiary of YTL Cement upon the completion of the Proposed Acquisition, which would place YTL Cement in a better position to align the future strategy and business direction of the LMB Group to fully realise the benefits anticipated from the exercise.

While the Proposed MO is to be undertaken pursuant to Section 218(2) of the CMSA and Paragraph 4.01 of the Rules, it also provides an opportunity for YTL Cement to further increase its shareholding in LMB after the Proposed Acquisition.

The LMB Group has registered a decline in revenue for the FYEs 31 December 2014, 31 December 2016, 31 December 2017 and 31 December 2018. The LMB Group has also recorded a decline in profit after tax for the past three (3) FYEs 31 December 2014 to 31 December 2016. Furthermore, the LMB Group had recorded a loss after tax of approximately RM213.6 million and RM318.9 million for the FYEs 31 December 2017 and 31 December 2018 respectively.

Whilst the Board has taken note of the current financial performance of the LMB Group, the Board has also taken into consideration the potential synergies and prospects of the LMB Group as set out in Section 4 of this Announcement. Based on the above and barring any unforeseen circumstances, the Board believes that the Proposals would contribute positively to the future earnings and shareholders’ value of the YTL Cement Group in the long term.

#### 4. PROSPECTS OF THE LMB GROUP

The soft property market and the delay and suspension of some major infrastructure projects have impacted the construction market, which in turn has affected cement demand. Cement demand for 2018 declined marginally with contraction happening mainly in the second half of the year. The cement industry continued to be plagued by excess capacity and this has put pressure on selling prices. Coupled with higher energy costs, the profit margin in domestic sales continued to decline. On the export front, the market has turned more positive in the second half of the year with stronger demand for clinker and improvement in export prices especially in the 4th quarter.

In the current competitive environment, the LMB Group has taken steps to improve plant reliability and invest in capital expenditure projects which will improve productivity, maximise output and lower production costs. Geocycle Environmental Services Sdn Bhd, a unit focusing on developing and sourcing of alternative fuels and raw materials is growing from year to year and contributing to increasing its thermal fuel substitution rate.

The LMB Group's priorities for 2019 are to enable all its plants to run at high reliability and at lowest cost possible in order to compete effectively in the market and at the same time, to improve on its services to customers in terms of product quality and delivery services. The LMB Group is maximising the production of all its plants to take full advantage of the improving export markets. The LMB Group's earlier years' strategy to establish a construction development laboratory which is also its innovation hub has started to bear fruit and the LMB Group will continue to innovate and develop a niche in highly complex projects.

The LMB Group has embarked on simplifying the management structure and comprehensive cost reduction initiatives since mid-2018 and the LMB Group has laid the groundwork which will improve its productivity and lower its cost base. The LMB Group's ability to carry out what it plans to do relies on its employees and the LMB Group is taking the necessary steps on talent retention, its employees' learning and development and in making sure that rewards are matched with performance and results. The LMB Group is also continuing its Young Engineers Programme to attract new talent.

The domestic cement market in Malaysia is expected to remain challenging in 2019 with over-capacity in the industry and likely increase in energy prices. The outlook of the export market however is positive with demand continuing to be strong. The LMB Group's Langkawi plant will maximise its production to take full advantage of the robust export market.

*(Source : LMB's 2018 Annual Report)*

The government of Malaysia had announced that Malaysia will proceed with the East Coast Rail Link (ECRL) project. This should be a small win for LMB and a positive signal for the cement industry as: i) the RM270 million cement supply contract might be lifted following the suspension last year; and ii) potential revival of other mega projects to boost demand.

*(Source : Article by The Edge Financial Daily entitled Revival of ECRL project should be small win for Lafarge dated 16 April 2019)*

The Board has taken a long-term view on the prospects of the LMB Group as it considers the LMB Group to be a strategic fit to the YTL Cement Group's ongoing cement and aggregate and concrete businesses, and an opportunity to pursue its expansion strategy.

## 5. RISK FACTORS

Save as disclosed below, the Board does not foresee any other material inherent risks arising from the Proposals given that both the YTL Cement Group and LMB Group are presently involved in the cement and aggregates and concrete businesses, and the YTL Cement Group has business operations in the countries where the LMB Group presently operates in:

### 5.1 Integration risk

The various synergistic benefits to be reaped from the Proposals will depend on the successful integration of the YTL Cement Group and the LMB Group. The Proposals may potentially expose the YTL Cement Group to new risks including those associated with the assimilation of new operations and personnel, and inability to successfully integrate the LMB Group with the YTL Cement Group's current business. As such, there can be no assurance that the anticipated benefits from the Proposals will be realised and that the Company will be able to generate sufficient income to offset the costs associated with the exercise.

### 5.2 Investment risk

The Proposed Acquisition will enable YTL Corp and its subsidiaries ("YTL Corp Group") to consolidate LMB's earnings as its subsidiary company and is also expected to enhance the position of YTL Corp Group in the cement industry. Nonetheless, there can be no assurance that the anticipated benefits from the Proposed Acquisition will be realised and the duration required for YTL Corp to recoup its investment could be longer than anticipated. Nevertheless, the Board has considered the potential risks and benefits associated with the Proposed Acquisition and believes that the Proposed Acquisition will augur well for the YTL Corp Group, after taking into consideration, among others, the future earnings potential and prospects of the LMB Group as set out in Section 4 of this Announcement.

## 6. EFFECTS OF THE PROPOSALS

### 6.1 Share capital and substantial shareholders' shareholdings

The Proposals will not have any effect on the share capital and shareholdings of the substantial shareholders of YTL Corp as the Purchase Consideration and the consideration for the Proposed MO will be satisfied entirely in cash.

## 6.2 NA, NA per share and gearing

For illustrative purposes only, based on the audited consolidated statement of financial position of YTL Corp as at 30 June 2018 and assuming that the Proposals had been effected on that date, the proforma effects of the Proposals on the NA, NA per share and gearing of the YTL Corp Group are as follows:

	<b>Audited as at 30 June 2018</b>	<b>(I) After the Proposed Acquisition</b>	<b>(II) After (I) and the Proposed MO<sup>(1)</sup></b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
Share capital	3,340,111	3,340,111	3,340,111
Other reserves	1,009,646	1,009,646	1,009,646
Retained earnings	10,123,292	10,123,292	<sup>(2)</sup> 10,067,292
Treasury shares	(337,142)	(337,142)	(337,142)
<b>Shareholders' funds / NA</b>	<b>14,135,907</b>	<b>14,135,907</b>	<b>14,079,907</b>
No. of ordinary shares of YTL Corp in issue <sup>(3)</sup> ('000)	10,677,728	10,677,728	10,677,728
NA per share (RM)	1.32	1.32	1.32
Total borrowings (RM'000)	21,564,865	<sup>(4)</sup> 24,027,341	<sup>(4)</sup> 25,492,067
Gearing <sup>(5)</sup> (times)	1.53	1.70	1.81

### Notes:

- <sup>(1)</sup> Assuming full acceptances under the Proposed MO.  
<sup>(2)</sup> After taking into account the estimated expenses relating to the Proposals of RM56.0 million.  
<sup>(3)</sup> Excluding 232,831,818 treasury shares held by the Company.  
<sup>(4)</sup> Includes the bank borrowings relating to the Proposed Acquisition and Proposed MO of approximately RM1,625.0 million and RM1,464.7 million respectively, and the LMB Group's audited borrowings of approximately RM837.4 million as at 31 December 2018.  
<sup>(5)</sup> Computed based on total borrowings over shareholders' funds.

## 6.3 Earnings and earnings per share ("EPS")

The Proposals will not have any material effect on the earnings and EPS of the YTL Corp Group for the financial year ending 30 June 2019 as the Proposed Acquisition is expected to be completed by the second (2<sup>nd</sup>) quarter of 2019 whilst the Proposed MO is only expected to be completed by the third (3<sup>rd</sup>) quarter of 2019.

Nevertheless, the Proposals are expected to contribute positively to the future earnings of the YTL Corp Group after taking into consideration, amongst others, the prospects of the LMB Group as set out in Section 4 of this Announcement.

## 7. APPROVALS REQUIRED

The Proposals are not subject to the approvals from any relevant authority or party being obtained. The Proposed MO is conditional upon the Proposed Acquisition but not vice versa. The Proposals are not conditional upon any other corporate exercise/scheme of the Company.

**8. PERCENTAGE RATIO**

The highest percentage ratio applicable to the Proposals pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 22.5% based on the total consideration for the Proposals of approximately RM3,186.4 million compared with the audited consolidated NA of the Company as at 30 June 2018 of approximately RM14,135.9 million.

**9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED WITH THEM**

None of the Directors, major shareholders and/or persons connected with them has any interest, direct or indirect, in the Proposals. However, Datin Sri Tan Siew Bee, the spouse of Dato' Sri Michael Yeoh Sock Siong, an Executive Director of the Company, holds 2,100 LMB Shares as at the LPD.

**10. DIRECTORS' STATEMENT**

The Board, after having considered all aspects of the Proposals including the terms, rationale, benefits and effects of the Proposals, the salient terms of the SPA and the basis and justification for the Purchase Consideration for the Proposals, is of the opinion that the Proposals are in the best interest of the Company.

**11. ADVISER**

Maybank IB has been appointed as Adviser to YTL Cement for the Proposals.

**12. ESTIMATED TIME FRAME FOR COMPLETION**

Barring unforeseen circumstances, the Proposed Acquisition is expected to be completed by the second (2<sup>nd</sup>) quarter of 2019 whilst the Proposed MO is expected to be completed by the third (3<sup>rd</sup>) quarter of 2019.

**13. DOCUMENTS AVAILABLE FOR INSPECTION**

The SPA is available for inspection at the registered office of the Company at 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this Announcement.

This Announcement is dated 2 May 2019.