Gamuda, KPS enter into agreements with Air Selangor for Splash disposal

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PETALING JAYA: Gamuda Bhd and <mark>Kumpulan Perangsang Selangor Bhd</mark> (KPS) have inked share purchase agreements to divest their 40% and 30% stake in Syarikat Pengeluar Air Selangor Holdings Bhd (Splash) to Pengurusan Air Selangor Sdn Bhd (Air Selangor).

The remaining 30% stake is held by The Sweet Water Alliance Sdn Bhd, which is controlled by businessman Tan Sri Wan Azmi Wan Hamzah.

The total purchase price of RM2.55 billion to be paid by Air Selangor for the 100% stake of Splash will be distributed via upfront sum of RM1.9 billion, followed by nine annual instalments for the remaining amount of RM650 million.

Once completed, Gamuda and KPS stand to receive total gross proceeds of RM1.02 billion and RM765 million for their shareholdings in Splash.

Gamuda said it intends to use the proceeds to pare down the interest-bearing borrowings; to fund the working capital requirements; to utilise for any other purposes as may be determined by the board from time to time within 12 months.

KPS noted that upon the completion of the disposal exercise, it is estimated to recognise about RM331.6 million in one-off loss on disposal, which is expected to have a significant impact on its net assets and earnings for the financial year ending December 31, 2018.

KPS CEO Ahmad Fariz Hassan said in deliberating the utilisation of the proceeds, the group will adopt a prudent approach on balancing current needs and future growth.

"In addition, we remain steadfast in implementing our value creation strategy in expanding our ongoing core businesses, achieving a lean balance sheet and ensuring the continued sustainability of the group's overall performance."

Barring any unforeseen circumstances, the disposal is expected to be completed by the end of 2018 and is subjected to the fulfilment of conditions precedents taking place prior to completion.

http://www.thesundaily.my/news/2018/09/28/gamuda-kps-enter-agreements-air-selangor-splash-disposal