



SKYWORLD DEVELOPMENT BERHAD (“SKYWORLD DEVELOPMENT” OR “THE COMPANY”)

- Acceptance of Letter of Acceptance (“**LOA**”) from Perbadanan PR1MA Malaysia (“**PR1MA**”) to develop quality affordable homes for PR1MA at Brickfields 2 at Lot 20005 Seksyen 95 (PT28), Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur (“**the Development Land**”) by Aspirasi Cekap Sdn Bhd, a wholly-owned subsidiary of SkyWorld Development (“**Proposed Development**”)
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1. INTRODUCTION

The Board of Directors of SkyWorld Development is pleased to announce that, Aspirasi Cekap Sdn Bhd (“**ACSB**”), a wholly-owned subsidiary of the Company has accepted the LOA from PR1MA to undertake and carry out the Proposed Development and construction of PR1MA Homes along with all associated components, amenities and infrastructure in the Development Land subject to the terms and conditions as stipulated in the LOA.

A Joint Development Agreement (“**JDA**”) will be entered into between ACSB and PR1MA within sixty (60) calendar days from the date of the LOA or such other date as may be determined by PR1MA. Salient terms will be announced upon execution of the JDA. The LOA shall be valid, binding and effective from the date of acceptance until the JDA is executed.

2. DETAILS OF THE PROPOSED DEVELOPMENT

PR1MA will be providing the Development Land for the Proposed Development and SkyWorld Development will be responsible to develop and complete the Proposed Development using its own funds.

The Proposed Development consists of 491 units of PR1MA Homes. In consideration of the development rights, the Company will pay PR1MA RM32,170,000.00.

3. RISK FACTORS

The risks associated with the Proposed Development are mainly operational risk and financing risk. Notwithstanding that, SkyWorld Development shall ensure strict

compliance to the safety and operational procedures in carry out the Proposed Development to minimize any operational risk exposure. The exposure to financing risk will also be monitored on an on-going basis.

4. FINANCIAL EFFECTS OF THE PROPOSED DEVELOPMENT

The Proposed Development will not have any effect on the issued share capital and substantial shareholders' shareholdings of SkyWorld Development. However, it is expected to contribute positively to the future earnings and enhance the net assets of SkyWorld Development Group.

5. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors and/or major shareholders of SkyWorld Development or persons connected with them has any interest, whether direct or indirect, in the Proposed Development.