



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

MEMORANDUM OF UNDERSTANDING BETWEEN SKYWORLD DEVELOPMENT (VIETNAM) COMPANY LIMITED, DONG ME KONG CONSTRUCTION MANUFACTURE TRADING SERVICE COMPANY LIMITED AND PHU MY DEVELOPMENT INVESTMENT JOINT STOCK COMPANY

Unless otherwise stated and wherever applicable, the exchange rate of Vietnamese Dong (“VND”) 100.00: Ringgit Malaysia (“RM”) 0.0173, being the middle rate quoted by Bank Negara Malaysia (“BNM”) as at 11 April 2025 is used throughout this announcement.

1. Introduction

The Board of Directors of the Company (“**Board**”) wishes to announce that SkyWorld Development (Vietnam) Company Limited (“**SkyWorld Vietnam**”), a wholly-owned subsidiary of SkyWorld Development had on 11 April 2025, entered into a Memorandum of Understanding (“**MOU**”) with (i) Dong Me Kong Construction Manufacture Trading Service Company Limited (“**DMK**”) and (ii) Phu My Development Investment Joint Stock Company (“**PM**”) (collectively referred to as the “**Depository**”) (SkyWorld Vietnam and the Depository shall collectively referred to as the “**Parties**”) to secure an exclusive negotiation period with the Depository prior to the signing of a tri-partite conditional joint development agreement (“**CJDA**”) for SkyWorld Vietnam to jointly develop the Project Residential Complex No. 13D located at D13, Phong Phu Commune, Binh Chanh District, Ho Chi Minh City, Vietnam (“**13D Project**”).

2. Information on the 13D Project

PM, a wholly-owned subsidiary of DMK, is the recognised investor for the 13D Project. PM had on 3 September 2014, being granted the land use right certificate No. 474769 issued by the Director of the Department of Natural Resources and Environment of Ho Chi Minh City, Vietnam.

The details of the planning parameters for the 13D Project are as below:-

No.	Parameters	Unit	Plot A	Plot B	Plot C	Plot D	Plot E	Total
1.	Development	-	High rise apartment		Low rise linked house, shophouse & villa			-
2.	Land size	sqm	37,252	24,199	24,504	23,566	8,369	117,890
3.	Construction Density	%	40	40	70	70	70	-
4.	Land use	Residential land						

3. Information on SkyWorld Vietnam, DMK and PM

SkyWorld Vietnam is a 100% foreign-invested company duly incorporated and operating in Vietnam under the Vietnamese Laws, having the Enterprise Code No. 0315835115 issued by the Department of Planning and Investment of Ho Chi Minh City, Vietnam, initially registered on 6 August 2019.

DMK was duly incorporated and operating in Vietnam under the Vietnamese Laws, having the Enterprise Code No. 0301646333 issued by the Department of Planning and Investment of Ho Chi Minh City, Vietnam, initially registered on 8 March 1999.

PM was duly incorporated and operating in Vietnam under the Vietnamese Laws, having the Enterprise Code No. 0302175101 issued by the Department of Planning and Investment of Ho Chi Minh City, Vietnam, initially registered on 9 June 2000.

4. Salient terms of the MOU

- (i) Upon execution of this MOU, SkyWorld Vietnam will be granted an exclusive negotiation period with the Depository on the 13D Project for a period of three (3) months (“**Negotiation Period**”) and maybe be extended by mutual consent from both Parties from time to time.
- (ii) Throughout the Negotiation Period, the Depository commits to negotiate exclusively with SkyWorld Vietnam or its nominee(s) only to jointly develop the 13D Project.
- (iii) A deposit of VND40,000,000,000 (equivalent to approximately RM6,920,000) (“**MOU Deposit**”) shall be remitted by SkyWorld Vietnam into the escrow account to be opened and jointly owned by the Parties within seven (7) days from the date of signing of this MOU and successfully opening the escrow account.
- (iv) Upon signing of the CJDA, the entire MOU Deposit will continue to be held in the escrow account until the Depository meets the conditions as stipulated in the CJDA for releasing of the MOU Deposit. Specifically, the Depository shall provide a Bank Guarantee of VND440.0 billion (equivalent to approximately RM76.1 million) to SkyWorld Vietnam provided that, approval letter from the Ministry of Finance of Vietnam has been obtained for the joint development on 13D Project.
- (v) In the event the Negotiation Period expires without extension and/or the CJDA is not executed due to whatsoever reason, the Depository shall (i) refund all the MOU Deposit to SkyWorld Vietnam within seven (7) days from the date of termination of the negotiation without reaching an agreement on the CJDA; and (ii) terminate the exclusivity Negotiation Period with SkyWorld Vietnam.

5. Rationale of the MOU

The MOU allows SkyWorld Vietnam and the Depository to lay the foundation of negotiation terms of the CJDA to be entered in good faith and mutual cooperation to jointly develop the 13D Project. It presents an excellent opportunity for strategic collaboration with the Depository for SkyWorld Development to expand its property development business in Vietnam.

6. Risk Factors

The execution of the MOU is not expected to expose the Company to any new business risk as the MOU does not create any binding contractual obligations and in the event the Company enters into the relevant definitive agreements, the Company will exercise due care in considering the risks and benefits associated with the proposal.

7. Financial Effects of the MOU

The MOU shall not have any effect on the share capital and substantial shareholders' shareholdings of the Company. However, it is expected to contribute positively towards the revenue and earnings of the Group if the 13D Project is materialised.

8. Interest of Directors, Major Shareholders and/or persons connected to them

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

9. Directors' Statement

The Board is of the opinion that the entering into this MOU is in the best interest of the Company.

10. Approvals required

The MOU is not subject to the approval of the shareholders of the Company or any relevant authorities.

This announcement is dated 11 April 2025.