



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

### MEMORANDUM OF UNDERSTANDING BETWEEN SKYWORLD DEVELOPMENT (VIETNAM) COMPANY LIMITED, SKYVENUE LAND GROUP JOINT STOCK COMPANY AND SKYBRIDGE COMPANY LIMITED

*Unless otherwise stated and wherever applicable, the exchange rate of Vietnamese Dong (“VND”) 100.00: Ringgit Malaysia (“RM”) 0.0174, being the middle rate quoted by Bank Negara Malaysia (“BNM”) as at 30 August 2024 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 30 August 2024, entered into a Memorandum of Understanding (“**MOU**”) with (i) SkyVenue Land Group Joint Stock Company (“**SkyVenue**”), (ii) SkyBridge Company Limited (“**SkyBridge**”) and (iii) the existing shareholders of SkyVenue namely Mr Hang Vay Chi, Ms Vuong Hoa and TT Investment Company Limited (collectively referred to as the “**Parties**”) to jointly develop the remainder of the “Guocoland Commercial Complex” project (“**Project**”) on land lots located at Thuan An City, Binh Duong Province, Vietnam.

#### 2. Information on the Project

SkyBridge, legally owned by SkyVenue, has been duly registered to implement the Project and has been granted land use right certificates for land lots of a total area of 102,533.7m<sup>2</sup> located at Thuan An City, Binh Duong Province, Vietnam.

The Project, aimed at constructing and developing commercial buildings and complex residential areas, include several components with the land lots divided into multiple plots for specific functions and land use purposes, as detailed below:-

- (a) 2 plots accommodate the operational apartment buildings with the respective commercial names of Canary Homez and Canary Heights, which have been already completed;
- (b) 2 plots are reserved for future residential house development (“**Plots B and C**”);
- (c) 2 plots are designated for a mixed-use tower and hotel/serviced apartment complex (“**Service Plots**”); and
- (d) Other plots allotted to parks and transportation infrastructure.

#### 3. Information on SkyWorld Vietnam, SkyVenue and SkyBridge

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.

SkyVenue, formerly known as Guocoland Vietnam Company Limited, having the Enterprise code No. 3701668513 issued by the Department of Planning and Investment of Binh Duong Province, initially registered on 13 December 2009.

SkyBridge, formerly known as Guocoland Binh Duong Property Co. Ltd, a wholly-owned subsidiary of SkyVenue, having the Enterprise code No. 3700755234 issued by the Department of Planning and Investment of Binh Duong Province, initially registered on 22 September 2006.

#### 4. Salient terms of the MOU

The MOU is a non-binding agreement, the salient terms are set out below:-

- (i) The Project (i.e. the component projects to be developed on Plots B and C and the Service Plots) will be undertaken through the acquisition of up to 49% of SkyVenue's shares from its existing shareholders ("**Proposed Transaction**"). As at the date of this announcement, the fully-paid up shares issued by SkyVenue is VND317,395,258,769 (equivalent to approximately RM55,226,775.00).
- (ii) The objective of the MOU is to set out the principal terms and conditions for the Proposed Transaction which would serve as a preliminary basis for subsequent discussion and execution of the definitive transaction agreements between the Parties at a later date ("**Definitive Agreements**").
- (iii) Upon execution of the MOU, SkyWorld Vietnam shall make a deposit of VND15,000,000,000.00 (equivalent to approximately RM2,610,000.00) ("**Deposit**") to the shareholders of SkyVenue and SkyVenue shall grant an exclusive right to SkyWorld Vietnam to conduct the necessary due diligence and execution of the Definitive Agreements for a period of 2 months with an automatic extension of another 2 months, from the effective date of this MOU, unless otherwise agreed between the Parties.
- (iv) Upon the completion of the due diligence, SkyWorld Vietnam shall decide on whether to proceed with the Proposed Transaction and signing of the Definitive Agreements.
- (v) In the event of termination of this MOU, the shareholders of SkyVenue and SkyBridge are jointly obliged to unconditionally and fully return to SkyWorld Vietnam the entire Deposit (without being subject to any deduction or withholding) to its designated bank account within 3 working days from the date of termination of the MOU. Any delay in returning the deposit to SkyWorld Vietnam, the shareholders of SkyVenue and SkyBridge are jointly obligated to additionally pay to SkyWorld Vietnam a late payment interest of 20% per annum to be calculated on the entire late amount for each day elapsed.

#### 5. Rationale of the MOU

The MOU would allow SkyWorld Vietnam to explore potential opportunities in expanding its property development business in Vietnam in view that the Project is located at the most prime area in Binh Duong (next to AEON mall) and surrounded by various industrial park such as Vietnam Singapore Industrial Park, Viet Huong Industrial Park and many others.

The Project will also be one of the few parcels of development land in the market which has been fully converted into residential status and in line with the requirements of the new Land Law 2024 in Vietnam. This makes it on track for a quick launching schedule with masterplan 1/500 expected to be approved in the fourth quarter of 2024.

**6. Risk Factors**

There are no foreseeable significant risks during the MOU period.

**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 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, after having considered all aspects of the MOU, including the salient terms of the MOU, rationale and financial effects, 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 30 August 2024.