

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

**PROPOSED ACQUISITION OF ALL THAT PIECE OF FREEHOLD LAND HELD UNDER GERAN MUKIM 1697, LOT 1872, TEMPAT SUNGEI TEBA, MUKIM BATU, DAERAH KUALA LUMPUR, NEGERI WILAYAH PERSEKUTUAN KUALA LUMPUR, MEASURING APPROXIMATELY 3.032 ACRES (OR 1.227 HECTARE) BY RIMBA MAJU REALITI SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF SKYWORLD DEVELOPMENT, FOR A TOTAL CASH CONSIDERATION OF RM110,000,000.00**

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### 1. INTRODUCTION

Pursuant to Paragraph 10.06(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of the Company (“**Board**”) wishes to announce that Rimba Maju Realiti Sdn. Bhd. (“**RMRSB**”), a wholly-owned subsidiary of SkyWorld Development, has on 16 April 2025, entered into a Sale and Purchase Agreement (“**SPA**”) with M S Tan Corporation Sdn. Bhd. (“**M S Tan**” or the “**Vendor**”) for the acquisition of all that piece of freehold land held under Geran Mukim 1697, Lot 1872, Tempat Sungei Teba, Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, measuring approximately 3.032 acres (or equivalent to 1.227 hectare) (“**Land**”) for a total cash consideration of RM110,000,000.00 only (“**Purchase Price**”) (hereinafter referred to as “**Proposed Acquisition**”).

Details of the Proposed Acquisition are set out in the ensuing sections below.

### 2. DETAILS OF THE PROPOSED ACQUISITION

Pursuant to the SPA, the Vendor is desirous of selling and RMRSB is desirous of purchasing the Land on an “as is where is” basis, free from all encumbrances with vacant possession at the Purchase Price, upon and subject to all conditions of title whether express or implied and the existing category of land use as contained in the issue document of title and upon the terms and conditions as stipulated in the SPA.

#### 2.1 Information on the Land

The details of the Land are set out below:

Registered owner	: M S Tan Corporation Sdn. Bhd. (Registration No. 198801005879 (173236-V))
Title description	: Geran Mukim 1697, Lot 1872, Tempat Sungei Teba, Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur
Postal Address	: Not available yet
Tenure	: Freehold
Category of land use	: None
Express condition	: Special Conditions – NIL Nature of Cultivation – General
Existing use	: Vacant

Land area	:	Approximately 3.032 acres (or equivalent to 1.227 hectare)
Audited net book value	:	SkyWorld Development is unable to provide information on the latest audited net book value as it is not privy to such information
Proposed use	:	High-rise residential development
Encumbrances	:	None

## 2.2 Information on RMRSB

RMRSB is a private limited company incorporated in Malaysia on 25 July 2013 and having its business address at Level 7, Block B, Wisma NTP World, Excella Business Park, Jalan Ampang Putra, Ampang, 55100 Kuala Lumpur. As at the date of the announcement, the issued share capital of RMRSB is RM100,000.00 comprising 100,000 ordinary shares. Its principal activity is property development.

The directors of RMRSB are Datuk Seri Ng Thien Phing, Datuk Lam Soo Keong @ Low Soo Keong, Lee Chee Seng and Zafidi Bin Mohamad.

RMRSB is a wholly-owned subsidiary of the Company.

## 2.3 Information on M S Tan

M S Tan is a private limited company incorporated in Malaysia on 23 August 1988 and having its business address at No. 22, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur. It is principally an investment holding company.

As at the date of the announcement, the issued share capital of M S Tan is RM12,300,002.00 comprising 12,300,002 ordinary shares.

The directors of M S Tan are Tan Sri Dato' Tan Ming Swee, Calvin Lim Ka-Wing and Puan Sri Datin Ng Kwai Lin.

M S Tan is a wholly-owned subsidiary of M. S. Tan Holdings Sdn. Bhd.

The Vendor is the registered proprietor and beneficial owner of the Land and is not connected to any Directors or major shareholders of SkyWorld Development and/or its subsidiary companies.

## 2.4 Salient terms of the SPA

The salient terms and conditions of the SPA are as follows:

- I. The Purchase Price shall be satisfied in the following manner:
  - a. Deposit / Real Property Gains Tax Sum : RM3,300,000.00 shall be paid to RMRSB's solicitors upon the execution of the SPA.
  - b. Additional Deposit : RM7,700,000.00 shall be paid to the Vendor within 14 business days from the date on which the last

conditions precedent set out in the SPA is fulfilled or waived (the “**Unconditional Date**”).

- c. Balance Purchase Price : RM99,000,000.00 shall be paid to the Vendor’s solicitors on or before the expiry of three (3) months from the Unconditional Date or such extension of time as may be agreed by the Vendor (“**Completion Period**”).
- II. In the event RMRSB requires more time to pay the Balance Purchase Price, RMRSB shall, at least 7 days prior to the expiry of the Completion Period, issue a written notice to the Vendor to request for the extension of time. Upon receipt of the written request, the Vendor shall grant to RMRSB an extension of 3 months from the expiry of the Completion Period to pay the Balance Purchase Price PROVIDED THAT RMRSB shall pay to the Vendor interest on the Balance Purchase Price or any part thereof remaining outstanding calculated at the interest rate of 7% per annum for the actual number of days elapsed from the date after the expiry of the Completion Period to the Completion Date as defined in the SPA (both dates inclusive).
- III. RMRSB shall obtain planning permission to build 280 or more units of residential properties vide issuance of a development order from Dewan Bandaraya Kuala Lumpur.
- IV. The Vendor shall deliver vacant possession of the Land to RMRSB on an “as is where is” basis within 7 business days after the Balance Purchase Price together with the interests imposed (if any) have been paid and received by the Vendor. In the event the Vendor is unable to deliver vacant possession of the Land to RMRSB within the time stipulated in the SPA, then without prejudice to any other remedies available to RMRSB under the provisions of the SPA and/or in law, the Vendor shall be liable to pay to RMRSB interest on the Purchase Price at the interest rate of 7% per annum calculated on a day-to-day basis from the due date for delivery of vacant possession till the date of actual delivery of vacant possession.

### **3. BASIS OF AND JUSTIFICATION FOR THE PURCHASE PRICE**

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

- (i) Internal feasibility studies conducted on the potential of the Land as it is strategically located in an established commercial cum residential area with good infrastructure and connectivity; and
- (ii) Comparative studies on prevailing market value involving other similar properties in the surrounding vicinity of the Land and based on the valuation report from an independent valuer, namely Jordan Lee & Jaafar Sdn. Bhd., the Purchase Price is perceived to be fair and reasonable.

### **4. RATIONALE, BENEFIT AND PROSPECT OF THE PROPOSED ACQUISITION**

The Proposed Acquisition is in line with SkyWorld Development’s business plan to expand its urban property development business in Klang Valley by accumulating new suitable land to be included in SkyWorld Development Group’s landbank.

Based on the above, the Board is of the view that the Proposed Acquisition will contribute positively to the future earnings of SkyWorld Development Group.

## **5. SOURCE OF FUNDING**

The Proposed Acquisition will be satisfied in cash which shall be funded by a combination of internally generated funds, proceeds raised from initial public offering and/or bank borrowings. The exact quantum funding mix will be decided at a later date after due consideration of SkyWorld Development Group's gearing level, interest costs as well as working capital requirements for SkyWorld Development Group's business operations.

## **6. LIABILITIES TO BE ASSUMED**

Save for any potential bank borrowings that may arise from funding the Purchase Price or the obligations and liabilities arising from the SPA, there are no other liabilities including taxation liability, contingent liabilities and/or guarantees to be assumed by SkyWorld Development arising from the Proposed Acquisition.

## **7. ADDITIONAL FINANCIAL COMMITMENTS REQUIRED**

SkyWorld Development does not expect to incur any additional financial commitment on SkyWorld Development Group's business on-stream as it is an on-going entity with business operations.

## **8. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION**

### **(i) Issued Share Capital and Substantial Shareholders' Shareholdings**

The Proposed Acquisition will not have any effect on the issued share capital of SkyWorld Development and the substantial shareholders' shareholdings as it does not involve any issuance of new shares in SkyWorld Development.

### **(ii) Net Assets and Gearing**

The Proposed Acquisition is not expected to have any material effect on the net assets per share of the Company and of the Group for the financial year ended 31 March 2025.

The proforma effect on the gearing can only be determined upon finalisation of the funding mix for the Proposed Acquisition.

### **(iii) Earning and earnings per share ("EPS")**

The Proposed Acquisition is not expected to have any material effect on the earnings and EPS of the Company and of the Group for the financial year ended 31 March 2025. However, it is expected to contribute positively to the long-term future earnings and EPS of SkyWorld Development Group.

## **9. RISK FACTORS OF THE PROPOSED ACQUISITION**

The risk factors associated with the Proposed Acquisition are as follows:

### **9.1 Non-completion risk**

The completion of the Proposed Acquisition is conditional upon the fulfilment of the conditions precedent as set out in the SPA. In the event the conditions precedent are not met, the SPA may be terminated and RMRSB will not be able to complete the Proposed Acquisition. However, SkyWorld Development will take all reasonable steps to ensure that the conditions precedent as set out in the SPA are fulfilled within the stipulated timeframe in order to complete the Proposed Acquisition.

### **9.2 Business risk**

The Proposed Acquisition is subject to risk inherent in the property development business of which SkyWorld Development Group is already involved in. Such risks may include sensitivity to economic and political conditions, financing risk, delay in commencement and completion, competition from other property developers, labour and material supply shortage, fluctuations in the prices of building materials and costs of labour charges. Any adverse change in such conditions may have an adverse material effect in SkyWorld Development. These risks are addressed as part of the ordinary course of business and are not expected to represent new risks to the operations of SkyWorld Development.

### **9.3 Interest rate risk**

SkyWorld Development Group intends to finance the Proposed Acquisition via internally generated funds, proceeds raised from initial public offering and/ or bank borrowings. Interest rate exposure arises from the borrowings and deposits of SkyWorld Development Group. Fluctuation in interest rates could affect the interest charges incurred on the borrowings and hence affect the profitability of SkyWorld Development Group. To mitigate such risks, the Management regularly reviews its borrowing strategy to ensure that debt obligations are structured in a manner that balances interest rate risk exposure with the Group's financial objectives.

Save for the above, the Board does not foresee any specific risk/ risk factors arising from the Proposed Acquisition which could materially or adversely affect the financial and operating condition of the Company.

## **10. APPROVAL / CONSENT REQUIRED FOR THE PROPOSED ACQUISITION**

Save for the necessary consents or approval of the relevant authorities for the sale and purchase and transfer of the Land, the Proposed Acquisition is not subject to the approval of the shareholders of SkyWorld Development and is not conditional upon any other corporate exercise proposed or to be proposed by the Company.

## **11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

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

## **12. STATEMENT BY DIRECTORS**

The Board, having taken into consideration all aspects of the Proposed Acquisition, including but not limited to, the terms and conditions of the SPA, the rationale, prospect, risk factors and

financial effects, is of the opinion that the Proposed Acquisition is in the best interest of the Group.

**13. HIGHEST PERCENTAGE RATIO**

The highest percentage ratio applicable to the Proposed Acquisition pursuant to paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 13.05%, calculated based on the audited consolidated financial statements of SkyWorld Development for the financial year ended 31 March 2024.

**14. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to the fulfilment of all conditions as stipulated in the SPA, the Proposed Acquisition is expected to be completed within nine (9) months from the date of SPA.

**15. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the SPA is available for inspection at the registered office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur during office hours from Mondays to Fridays (except public holidays) for a period of not less than three (3) months from the date of this announcement.

This announcement is dated 16 April 2025.