

**NAIM HOLDINGS BERHAD (“NAIM” OR “THE COMPANY”)  
PROPOSED DISPOSAL BY NAIM LAND SDN BHD, A WHOLLY-OWNED  
SUBSIDIARY OF NAIM OF A PIECE OF LAND DESCRIBED AS LOT 5234  
BLOCK 25 MUARA TUANG LAND DISTRICT**

**1.0 INTRODUCTION**

The Board of Directors (“the Board”) of Naim wishes to announce that its wholly-owned subsidiary, Naim Land Sdn. Bhd. (“Naim Land”) has entered into a Conditional Sale and Purchase Agreement (hereinafter referred to as “the SPA”) with Onlyee Flora Sdn. Bhd. (hereinafter referred to as “OFSB” or “the Purchaser”) for the disposal by Naim Land of all that piece of land measuring approximately 180.8 hectares (hereinafter referred to as “the Land”), situated at Sungai Sajiram/Sungai Kuap, Sungai Merdang, Samarahan and described as Lot 5234 Block 25 Muara Tuang Land District for a cash consideration of RM223.38 million (“Disposal Consideration”), subject to the terms of the SPA (“Proposed Disposal”).

**2.0 PROPOSED DISPOSAL**

**2.1 Information on Naim Land**

Naim Land, a wholly owned subsidiary of the Company, was incorporated in Malaysia on 12 September 1993 with its registered address at 9th Floor, Wisma Naim, 2 ½ Mile, Rock Road, 93200 Kuching Sarawak. Its issued and fully paid-up share capital is RM80,000,000 divided into 80,000,000 ordinary shares. The principal activities of Naim Land are property developer, civil and building contractor.

The directors of Naim Land are:

Datuk Amar Abdul Hamed Bin Haji Sepawi  
Datuk Hasmi Bin Hasnan  
Emily Hii San San  
Shaharum Bin Ramli  
Haliza Binti Segar  
Mohamad Faisal Bin Ahmad Zaidin

**2.2 Information on OFSB**

OFSB was incorporated in Malaysia on 19 September 2017 as a private limited company with its registered address at No. 63-66, 2nd Floor, Kueh Hock Kui Commercial Centre, Jalan Tun Ahmad Zaidi Aduce, Kuching, Sarawak. Its issued and fully paid-up share capital is RM500,000 divided into 500,000 ordinary shares. Tan Sri Yee Ming Seng is the sole director and shareholder of OFSB. Its principal activities are holding companies and growing of oil palm (estate).

### 3.0 **INFORMATION ON THE LAND**

#### 3.1 **Information on the Land**

Title details: Lot 5234 Block 25 Muara Tuang Land District

Land area: approximately 180.8 hectares

Existing status: vacant land

Tenure: 99 years, expiring on 15 January 2112

Category of land use: mixed zone land

The Land is currently charged as security for a term loan facility of the Company.

### 4.0 **BASIS OF DISPOSAL CONSIDERATION**

The Disposal Consideration of RM223.38 million was based on the prevailing market price on an 'as is where is' basis.

The latest estimated market value of the Land, as appraised by an independent valuer, VPC Alliance (Sarawak) Sdn. Bhd. using the Comparative Method of valuation is approximately RM215.0 million as per its valuation certificate dated 25 June 2024.

The Disposal Consideration is about 4.0% higher than the market value of RM215.0 million as determined by the valuer and the Board deems the offer price of RM223.38 million is fair and reasonable.

### 5.0 **SALIENT TERMS OF THE SPA**

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

#### 5.1 **Conditions Precedent**

The sale and purchase of the Land is subject to the following conditions precedent being obtained within 6 months from the date of the SPA, namely:

- (a) consent from the Superintendent of Lands and Surveys, Samarahan Division for the charge of the Land to the Purchaser's financier as required under Section 31 of the Land Code, Sarawak (Cap. 81); and
- (b) consent from the existing chargee, for the sale and transfer of the Land to the Purchaser and to discharge the existing charge on the Land.

## 5.2 **Payment of the Disposal Consideration**

The Disposal Consideration of RM223.38 million will be paid by the Purchaser to Naim Land in the following manner:

- (a) a sum of RM22.34 million (being 10% of the Disposal Consideration) to be paid to Naim Land as deposit and part payment upon execution of the SPA (“the Deposit”);
- (b) the balance sum of RM201.04 million (being 90% of the Disposal Consideration) to be paid within 6 months from the unconditional date (i.e. when all the conditions precedent are fulfilled), where part of the balance sum shall be applied towards settlement of the existing charge and the balance thereof shall be released to Naim Land within 7 days upon issuance of Form “L” by the relevant Land Registry Office accepting the registration of the Memorandum of Transfer in respect of the Land in favour of the Purchaser.

In the event the Purchaser fails to pay the said balance sum within 6 months from the unconditional date, an extension of time of 3 months shall be given to the Purchaser.

## 5.3 **Delivery of Vacant Possession**

Vacant possession of the Land shall only be delivered to the Purchaser upon receipt of the full sum of the Disposal Consideration by Naim Land.

## 5.4 **Purchaser’s Default**

In the event the Purchaser fails to observe any of the terms and conditions of the SPA, Naim Land may either:

- (a) enforce specific performance of the SPA; or
- (b) at the expiry of 14 days’ written notice to the Purchaser, if the Purchaser fails to rectify its breach or default, the SPA shall be deemed to be annulled and Naim Land shall be entitled to have the Deposit to be forfeited as agreed liquidated damages and all other monies paid by the Purchaser shall be refunded to the Purchaser;

### **5.5 Landowner's Default**

In the event NLSB refuses to sell or transfer the Land to the Purchaser, the Purchaser may either:-

- (a) enforce specific performance of the SPA; or
- (b) at the expiry of 14 days' written notice to Naim Land, if Naim Land fails to rectify its breach or default, the SPA shall be deemed to be annulled and Naim Land shall refund to the Purchaser all monies paid therein and compensate and pay to the Purchaser a sum equivalent to the Deposit as agreed liquidated damages.

### **5.6 Land Deemed Inspected**

The Land shall be deemed to have been inspected by the Purchaser and the Purchaser shall be deemed to have purchased and accepted the same in the condition and state in which the same are in at the time of execution of the SPA.

### **5.7 Stamp Duties, Legal Fee and Other Charges**

All stamp duties, registration and duplicate fees payable in respect of the Memorandum of Transfer shall be borne equally by the parties while each party shall bear the legal fees of their respective solicitors.

### **5.8 Entry of Caveat**

The Purchaser is entitled to lodge a caveat against the Land provided the Deposit has been paid to Naim Land and the Purchaser is to execute in escrow the Withdrawal of Caveat for safe-keeping by Naim Land.

### **5.9 Unconditional Date**

Upon the fulfillment of the Conditions Precedent as mentioned above, the SPA shall then become unconditional on the date the last of the Conditions Precedent is fulfilled.

## **6. UTILISATION OF PROCEEDS**

Based on the Disposal Consideration of RM223.38 million, the Company intends to or may utilise the proceeds to be received from the Proposed Disposal in the following manner over the next 15 months upon the receipt of the sale proceeds:

- Partial repayment of Naim Group's existing bank borrowings of about RM67.50 million.

- Working capital purpose, including estimated expense and associated tax for the Proposed Disposal, of about RM155.88 million.

However, from time to time, the Company will review the above proposed utilisation of the proceeds and, may revise it where necessary, to support the business operations needs at the material time.

## 7. **LIABILITIES TO BE ASSUMED**

There are no liabilities, including contingent liabilities or guarantees to be assumed, by Naim and its subsidiaries (“Naim Group”) pursuant to the Proposed Disposal.

## 8. **ORIGINAL COST AND DATE OF INVESTMENT OF THE LAND**

The original cost of investment of the Land is RM23.15 million, which was acquired some 16 years ago on 29 May 2008.

The carrying amount of the Land, based on the audited financial statements for the year ended 31 December 2023, is about RM28.18 million.

## 9. **RATIONALE**

The Proposed Disposal forms part of the Group’s ongoing commitment to ensure long-term sustainability in its business operations in a tight property market dominated by substantial unsold properties as reported by the National Property Information Centre (NAPIC). With the available proceeds from the Proposed Disposal, the Group would be able to pare down part of its borrowings and provide adequate working capital to ramp up its focus towards developing affordable homes. The Board believes the Proposed Disposal would provide an opportunity to realise gains and unlock the value of its investment at fair and reasonable market value.

## 10. **RISK FACTOR**

The completion of the Proposed Disposal is conditional upon the fulfilment of conditions precedent and terms and conditions as set out in the SPA. The non-fulfilment of the aforementioned conditions precedent or any act of default may result in the termination of the SPA.

Notwithstanding the above, the Board will endeavour to take all necessary steps to ensure that the conditions precedent and any action required to be taken by Naim under the SPA is fulfilled and completed in a timely manner to facilitate the completion of the Proposed Disposal.

## 11. **EFFECTS OF THE PROPOSED DISPOSAL**

11.1 Issued share capital and substantial shareholders’ shareholdings

The Proposed Disposal will not have any effect on the issued share capital and the substantial shareholders' shareholdings of the Company as the Proposed Disposal does not involve the issuance of new shares in Naim.

#### 11.2 Earnings and Earnings per share ("EPS")

As the Proposed Disposal is expected to be completed by the 2<sup>nd</sup> quarter of 2025, it is not expected to have any material effect on Naim Group's earnings and EPS for the financial year ending 31 December 2024. However, based on the estimated completion time, the Board of Directors expects the Proposed Disposal to contribute positively to Naim Group's earnings and EPS for the year ending December 2025 upon its completion.

#### 11.3 Net assets ("NA") and gearing

The Proposed Disposal is expected to have positive effects on Naim Group's NA upon its completion.

The gearing of Naim Group is expected to improve as part of the proceeds from the Proposed Disposal would be utilised for the proposed partial repayment of some existing bank borrowings upon receipt of the Disposal Consideration.

### **12. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

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

### **13. HIGHEST APPLICABLE PERCENTAGE RATIO**

The highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 17.08%, based on the latest audited consolidated financial statements of Naim Group for the year ended 31 December 2023. The Proposed Disposal is therefore not subject to the approval of Naim's shareholders.

### **14. APPROVALS REQUIRED**

The Proposed Disposal is not subject to the approval of the shareholders of Naim, based on the highest applicable percentage ratio as computed in Section 13 above.

However, the consents as stated in Section 5.1 of this announcement are required to be obtained as part of Conditions Precedent of the SPA.

**15. DIRECTORS' STATEMENT**

The Board, after having considered all relevant aspects of the Proposed Disposal including the terms and conditions of the SPA, the basis and justification of the Disposal Consideration, rationale and effects of the Proposed Disposal, is of the opinion that the Proposed Disposal is in the best interest of Naim.

**16. ESTIMATED TIMEFRAME TO COMPLETION**

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed by the 2<sup>nd</sup> quarter of 2025.

**17. DOCUMENTS AVAILABLE FOR INSPECTION**

The SPA and the valuation certificate for the Proposed Disposal, are available for inspection at the Company's Registered Office at 9th Floor, Wisma Naim, 2 ½ Mile, Rock Road, 93200 Kuching from Mondays to Fridays (except public holidays) for three months from the date of this Announcement.

This announcement is dated 3 July 2024.