

NCT ALLIANCE BERHAD (“NCT” OR THE “COMPANY”)

PROPOSED ACQUISITION BY NCT PANORAMA SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY, OF 1,785,000 ORDINARY SHARES IN SETARA JUARA SDN BHD (“SJSB”), REPRESENTING 51% EQUITY INTEREST IN SJSB FOR A TOTAL PURCHASE CONSIDERATION OF RM22.0 MILLION (“PROPOSED ACQUISITION”)

1. INTRODUCTION

Reference is made to the Company’s announcements dated 20 September 2024, 19 November 2024 and 19 February 2025 in relation to the Memorandum of Understanding entered into by the Company, Lee Show Kien @ Herman Lee Show Kien and Melvin Lee Ying. Further to this, the Board of Directors of NCT (“**Board**”) wishes to announce that its wholly-owned subsidiary, NCT Panorama Sdn Bhd (“**NCT Panorama**” or the “**Purchaser**”), had on 19 March 2025 entered into a conditional Sale of Shares Agreement (“**SSA**”) with Lee Show Kien @ Herman Lee Show Kien and Melvin Lee Ying (“collectively referred to as the “**Vendors**”) for the acquisition of 1,785,000 ordinary shares in Setara Juara Sdn Bhd (“**SJSB**” or the “**Target Company**”) (“**Sale Shares**”), representing 51% equity interest in SJSB for a total purchase consideration of RM22.0 million which will be satisfied through a combination of cash amounting to RM8.8 million and the remaining by way of contra parcels amounting to RM13.2 million (“**Purchase Consideration**”).

(NCT Panorama and the Vendors are collectively referred to as the “Parties”)

Pursuant to the SSA, the Parties and SJSB, had on 19 March 2025, entered into a Shareholders’ Agreement (“**SHA**”) to regulate the relationship of the Parties in respect of SJSB.

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 (“**Bursa Securities**”) (“**Listing Requirements**”) is 3.6%, based on the audited financial statements of NCT for the financial year ended 31 December 2023. As the percentage ratio of the Proposed Acquisition does not exceed 5% and the Purchase Consideration is to be satisfied through a combination of cash and contra parcels, pursuant to Paragraph 10.05(1) of the Listing Requirements, the Company is not required to announce the Proposed Acquisition to Bursa Securities.

However, the Company wishes to voluntarily announce the Proposed Acquisition under paragraph 10.05(2) of the Listing Requirements.

2. PROPOSED ACQUISITION

2.1 Details of the Proposed Acquisition

Pursuant to the Proposed Acquisition, the Vendors have agreed to sell and the Purchaser has agreed to acquire the Sale Shares, representing 51% equity interest in SJSB, free from all claims, charges, liens and encumbrances whatsoever together with all rights attached thereto subject to the terms and conditions as set out in the SSA. Details of the Vendors and the number of Sale Shares to be acquired from them are as follows:-

| Vendors | No. of Sale Shares | % held in the Target Company | Purchase Consideration |
|--------------------------------------|---------------------------|-------------------------------------|-------------------------------|
| Lee Show Kien @ Herman Lee Show Kien | 892,500 | 25.5 | RM11,000,000 |
| Melvin Lee Ying | 892,500 | 25.5 | RM11,000,000 |
| | 1,785,000 | 51.0 | RM22,000,000 |

Upon completion of the Proposed Acquisition, SJSB will become a 51%-owned subsidiary of NCT Panorama and in turn, a 51%-owned indirect subsidiary of NCT.

The shareholding structure in SJSB upon completion of the Proposed Acquisition shall be as follows:

| Shareholders | Role | Before the Proposed Acquisition | | After the Proposed Acquisition | |
|--------------------------------------|----------|---------------------------------|--------------|--------------------------------|--------------|
| | | No. of ordinary shares in SJSB | % | No. of ordinary shares in SJSB | % |
| NCT Panorama | - | - | - | 1,785,000 | 51.0 |
| Lee Show Kien @ Herman Lee Show Kien | Director | 1,750,000 | 50.0 | 857,500 | 24.5 |
| Melvin Lee Ying | Director | 1,750,000 | 50.0 | 857,500 | 24.5 |
| Total | | 3,500,000 | 100.0 | 3,500,000 | 100.0 |

2.2 Information on SJSB

SJSB is a private limited company incorporated in Malaysia under the Companies Act 1965 on 10 October 2013 and is deemed registered under the Companies Act 2016. SJSB's registered address is at Lot No.8, 2nd Floor, Block G, Lorong Pusat Komersil 88/1, 88 Market Place, Kepayan Ridge Phase 104, Jalan Penampang, Kepayan Ridge, 88200 Kota Kinabalu, Sabah.

The current issued share capital of SJSB is RM3,500,000 comprising 3,500,000 ordinary shares. SJSB is principally involved in property development and owns the development rights over three (3) parcels of land measuring approximately 101.037 hectares (249.67 acres) located in Putatan, Sabah, along Jalan Kota Kinabalu-Lok Kawi, to be named as Ion Marina Bay ("**Project**").

2.3 Basis and Justification for the Purchase Consideration

The Purchase Consideration was arrived at on a willing-buyer willing-seller basis, after taking into consideration the benefits expected to be derived from the Proposed Acquisition, as set out in the rationale of the Proposed Acquisition in Section 3 of this announcement.

2.4 Salient Terms of the SSA

2.4.1 Mode of Settlement for the Purchase Consideration

The Purchase Consideration shall be paid in the following manner:

| No. | Milestones | % of Purchase Consideration | Cash (RM'000) | Contra Parcels (RM'000) |
|-----|---|-----------------------------|---------------|-------------------------|
| 1. | Upon signing of the SSA | 10.0 | 2,200 | - |
| 2. | Within five (5) business days from the later of the unconditional date and the date of: a. SJSB obtaining approval for both the Development Plan and Building Plan for the maiden phase; and b. SJSB obtaining issuance of the Advertising Permit and Developer's License | 60.0 | - | 13,200 |

| | | | | |
|----|--|--------------|--------------|---------------|
| | (“ APDL ”) from the Ministry of Local Government and Housing Sabah for the maiden phase (Hereinafter referred to as the “ Second Instalment ”) | | | |
| 3. | Within five (5) business days from the launch of the maiden phase | 10.0 | 2,200 | - |
| 4. | Within five (5) business days from the date of completion of one hundred and fifty (150) units of single-storey terrace houses under the maiden phase as evidenced by the certificate issued by the Architect of the Project | 20.0 | 4,400 | - |
| | Total | 100.0 | 8,800 | 13,200 |

The SSA shall be deemed completed on the later of the date of the payment of the Second Instalment and the date of registration of the Sale Shares in the name of the Purchaser.

2.4.2 Conditions Precedent

The SSA is conditional upon the satisfaction of the following conditions precedent by the Vendor within twelve (12) months from the date of the SSA with an extension of a further two (2) months from the expiry of the conditions precedent period:

- (i) SJSB and the landowner entering into a supplementary agreement to the Joint Venture Agreement, within three (3) months from the date of the SSA or such period as may be mutually agreed by the parties, containing the terms and conditions as stipulated in the Fourth Schedule of the SSA;
- (ii) SJSB procuring the landowner to grant to SJSB a new power of attorney which states the new title details of the lands and which empowers SJSB to take inter alia the actions as stated in the Fourth Schedule of the SSA, within three (3) months from the date of the SSA or such period as may be mutually agreed by the parties herein;
- (iii) All the private caveats and Collector’s Caveats (hereinafter referred to as “**the Existing Caveats**”) are removed and uplifted within three (3) months from the date of the SSA with an automatic extension of three (3) months;
- (iv) The lands are free from any encumbrances, whether legal or equitable, save for the Existing Caveats;
- (v) The original documents of title of the lands are deposited with SJSB’s solicitors, within three (3) months from the date hereof with an automatic extension of three (3) months;

- (vi) SJSB, Permodalan Capital Berhad and a third party nominated by the Vendor to sign a novation agreement; and
- (vii) The Purchaser being satisfied with the outcome of a due diligence review by the Purchaser over all related affairs and status of SJSB and the Sale Shares.

2.5 Salient Terms of the SHA

2.5.1 Conditions Precedent

The rights and obligations of the Parties pursuant to the SHA are conditional upon the fulfilment of the conditions precedent as set out in Fourth Schedule of the SSA.

2.5.2 Composition of the Board of Directors of SJSB ("SJSB Board")

- (i) Each shareholder shall have the right to appoint their respective representative to the SJSB Board in accordance with the agreed directors ratio of 2:2.
- (ii) The Chairman of the SJSB Board shall be a NCT director who shall have a second or casting vote in the event of an equality of votes for any resolution brought up before the board for decision.

2.5.3 Joint Development Committee ("JDC")

- (i) The Parties agree to procure SJSB Board to form a JDC with the following roles and responsibilities: -
 - (a) to recommend to the SJSB Board matters related to the gross development cost and gross development value of the Project including but not limited to the product pricing, review and approve financial statements, etc; and
 - (b) to manage the financial and operational matters of the Project and to recommend to the SJSB Board the appointment and review of sub-contractors, suppliers, the sales and marketing, sales credit administration of the Project, preparation of management accounts, review and monitor the progress of all development and constructions works and/or matters related to the Project.
- (ii) The JDC shall comprise of four (4) members, with NCT being entitled to appoint two (2) members and the Vendors being entitled to appoint two (2) members. The Chairman of the JDC shall be one (1) of the two (2) members appointed by NCT.

2.6 Source of funding

The Purchase Consideration will be funded via the Company's internally generated funds and/or bank borrowings and contra parcels.

2.7 Liabilities to be assumed arising from the Proposed Acquisition

There are no liabilities, including contingent liabilities and guarantees to be assumed by NCT pursuant to the Proposed Acquisition.

The Sale Shares will be acquired free from all encumbrances, liens, charges and other encumbrances whatsoever and with all the rights accruing to those Sale Shares.

3. RATIONALE AND PROSPECTS FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is in line with the Group's strategic plan of continuously seeking acquisition opportunities of landbanks and property development projects to further expand its property development business. Upon completion of the Proposed Acquisition, NCT will become the controlling shareholder of SJSB, giving it immediate access to a new development project with potential GDV worth RM3.4 billion. Following the completion of first landbank acquisition in Sabah in 2024, the Proposed Acquisition marks the Group's second development project in Sabah.

The Project is situated at a strategic location which is 2km from Putatan Town Centre and 5km from the Kota Kinabalu Airport. The Project is planned for a mixed development project. Based on preliminary plans and subject to authorities' approval, Ion Marina Bay will feature single storey and double storey terrace houses, condominium and commercial shoplots. The Project is expected to be developed over a period of nine (9) years from 2025 to 2033.

4. RISK FACTORS

The Proposed Acquisition would subject the Company to risks inherent in the property development business of which the Group is already involved in. Save as disclosed below which are by no means exhaustive, the Board does not foresee any additional risks arising from the Proposed Acquisition.

4.1 Non-completion of the Proposed Acquisition

The completion of the Proposed Acquisition is conditional upon the conditions precedent stipulated in the SSA being satisfied. If any of such conditions are not fulfilled or waived in accordance with the SSA, the SSA may be terminated and the Company will not be able to complete the Proposed Acquisition.

Nevertheless, the Company will take all necessary and reasonable steps to ensure the fulfilment of the conditions as set out in the SSA in a timely manner and to perform its obligations in accordance with the terms of the SSA to facilitate the completion of the Proposed Acquisition.

5. EFFECTS OF THE PROPOSED ACQUISITION

5.1 Share capital and shareholdings of substantial shareholders

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

5.2 Earnings

The Proposed Acquisition is expected to contribute positively to the future earnings of NCT and its subsidiaries ("**NCT Group**").

5.3 Net assets ("NA**") and gearing**

The Proposed Acquisition is not expected to have a material effect on the NA and gearing of the NCT Group.

6. APPROVALS REQUIRED

The Proposed Acquisition is not subject to the approval of the shareholders of the Company or any other relevant authorities.

7. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS OF NCT AND PERSONS CONNECTED WITH THEM

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

8. DIRECTORS' STATEMENT

The Board, after having considered all aspects of the Proposed Acquisition, including the terms of the SSA and SHA, rationale and benefits of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of the Company.

9. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all the condition precedents in the SSA being fulfilled, the Board expects the Proposed Acquisition to be completed by the third quarter of 2025.

10. DOCUMENT FOR INSPECTION

A copy of the SSA and SHA is available for inspection at the registered office of NCT at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan during normal office hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 19 March 2025.