

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**SKYWORLD DEVELOPMENT BERHAD**  
(Registration No. 200601034211 (753970-X))  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**PROPOSED ESTABLISHMENT OF A LONG TERM INCENTIVE PLAN (“LTIP”) COMPRISING AN EMPLOYEE SHARE OPTION SCHEME (“PROPOSED ESOS”) AND A PERFORMANCE SHARE GRANT PLAN (“PROPOSED PSGP”) INVOLVING UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF SKYWORLD DEVELOPMENT BERHAD (EXCLUDING TREASURY SHARES, IF ANY) (“PROPOSED LTIP”)**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*

**kenanga**

**Kenanga Investment Bank Berhad**

(Registration No. 197301002193 (15678-H))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Our Company’s Extraordinary General Meeting (“**EGM**”) will be held as a virtual meeting via live streaming on Friday, 28 June 2024 at 12.30 p.m. or at any adjournment thereof. The Notice of EGM for the Proposed LTIP together with the Proxy Form and this Circular are available for download at our Company’s website at <https://skyworldgroup.com.my/investor-relations>.

If you are unable to attend and vote at our Company’s EGM for the Proposed LTIP, you may appoint a proxy(ies) to do so by completing and depositing the Proxy Form in accordance with the instructions therein with our Company’s Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to submit the proxy form electronically via TIIH Online website at <https://tiah.online> not less than forty-eight (48) hours before the time appointed for holding the meeting. The lodging of the Proxy Form will not preclude you from participating and voting at the EGM for the Proposed LTIP, should you subsequently wish to do so.

Last day, date and time for lodging the Proxy Form : Wednesday, 26 June 2024 at 12.30 p.m.

Day, date and time of the EGM for the Proposed LTIP : Friday, 28 June 2024 at 12.30 p.m.

This Circular is dated 17 May 2024

---

## DEFINITIONS

---

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

<b>Act</b>	:	Companies Act, 2016, as may be amended, supplemented or modified from time to time
<b>Announcement</b>	:	The announcement dated 29 March 2024 in relation to the Proposed LTIP
<b>Award Letter</b>	:	A letter of offer to Eligible Person(s) issued pursuant to an offer made by the LTIP Committee under the By-Laws
<b>Board</b>	:	Board of Directors of our Company
<b>Bursa Depository</b>	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
<b>Bursa Securities</b>	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
<b>By-Laws</b>	:	The by-laws governing the rules, terms and conditions of the Proposed LTIP as may be modified, varied and / or amended from time to time, the draft of which is set out in Appendix II of this Circular
<b>CEO</b>	:	Chief executive officer of SkyWorld Development
<b>Circular</b>	:	This circular to the shareholders dated 17 May 2024 in relation to the Proposed LTIP
<b>Constitution</b>	:	The Constitution of SkyWorld Development
<b>Director(s)</b>	:	The director(s) of SkyWorld Development and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act, 2007
<b>Duration of the LTIP</b>	:	The duration of the Proposed LTIP as set out in the By-Laws and Section 2.4(iv) of this Circular
<b>Effective Date</b>	:	The date on which the LTIP comes into force following full compliance with the relevant requirements of the Listing Requirements
<b>EGM</b>	:	Extraordinary General Meeting
<b>EGM for the Proposed LTIP</b>	:	EGM to be convened on 28 June 2024 for the Proposed LTIP
<b>Eligible Person(s)</b>	:	(i) In the case of the Proposed ESOS, the CEO, Senior Management and any employee of our Group as may be determined at the discretion of the LTIP Committee from time to time who fulfil the eligibility criteria as set out in Section 2.4(ii) of this Circular; and  (ii) In the case of the Proposed PSGP, the Senior Management and any employee of our Group as may be determined at the discretion of the LTIP Committee from time to time who fulfil the eligibility criteria as set out in Section 2.4(ii) of this Circular
<b>EPS</b>	:	Earnings per Share

---

**DEFINITIONS (CONT'D)**

---

<b>ESOS Award(s)</b>	:	The grant of such number of ESOS Options to the Eligible Persons to subscribe for the Shares at the Exercise Price in the manner and subject to the terms and conditions provided in the By-Laws
<b>ESOS Award Date</b>	:	The date of the Award Letter in which an ESOS Award(s) is awarded to any Eligible Person pursuant to the ESOS Award made by the LTIP Committee
<b>ESOS Option(s)</b>	:	The right of an ESOS Participant to subscribe for new SkyWorld Shares at the Exercise Price pursuant to the ESOS pursuant to the contract constituted by the selected Eligible Person's acceptance of an ESOS Award in the manner as indicated in the By-Laws
<b>ESOS Participant(s)</b>	:	Eligible Person(s) who has accepted the ESOS Options in the manner provided in the By-Laws in accordance with the terms of the Proposed LTIP
<b>Exercise Price</b>	:	The price at which the ESOS Participant(s) shall be entitled to subscribe for every new SkyWorld Shares by exercising his / her ESOS Options as determined in accordance with the provisions of the By-Laws
<b>FYE</b>	:	Financial year ended / ending 31 March, as the case may be
<b>ICPS</b>	:	Irredeemable Convertible Preference Shares
<b>Interested Parties</b>	:	Eligible Person who is an Executive Director, major shareholder or CEO of our Company
<b>Kenanga IB</b>	:	Kenanga Investment Bank Berhad (Registration No. 197301002193 (15678-H))
<b>Listing</b>	:	Listing of SkyWorld Development on the Main Market of Bursa Securities on 10 July 2023
<b>Listing Requirements</b>	:	Main Market Listing Requirements of Bursa Securities
<b>LPD</b>	:	6 May 2024, being the latest practicable date prior to the printing and despatch of this Circular
<b>LTIP Award(s)</b>	:	The ESOS Award(s) and / or PSGP Award(s) (as the case may be)
<b>LTIP Award Date</b>	:	The date of which the LTIP Award is made by the LTIP Committee from time to time to an Eligible Person to participate in the Proposed LTIP in accordance with Section 2.4(ii) of this Circular
<b>LTIP Committee</b>	:	The committee comprising such Directors and / or Senior Management of our Group duly appointed from time to time and authorised by our Board to administer the Proposed LTIP in accordance with the By-Laws
<b>LTIP Participant(s)</b>	:	Collectively, the ESOS Participant(s) and the PSGP Participant(s) in relation to the Proposed LTIP who has accepted the LTIP Award in the manner provided in the By-Laws
<b>Maximum Allowable Allotment</b>	:	The maximum number of SkyWorld Shares in respect of the LTIP Award that can be offered and allotted to an Eligible Person in the manner as provided by the By-Laws

---

**DEFINITIONS (CONT'D)**

---

<b>Maximum Shares</b>	:	The aggregate maximum number of SkyWorld Shares which may be made available under the Scheme shall not in aggregate exceed ten percent (10%) of the total number of issued shares of our Company (excluding treasury shares) at any point in time during the duration of the Scheme
<b>MD</b>	:	Market day
<b>MFRS 2</b>	:	Malaysian Financial Reporting Standards 2 – Share-based payment
<b>NA</b>	:	Net assets
<b>Non-Eligible Executive Directors</b>	:	Collectively, Datuk Seri Ng Thien Phing and Datuk Lam Soo Keong @ Low Soo Keong
<b>Proposed ESOS</b>	:	Proposed establishment of an employees' shares option scheme pursuant to the Proposed LTIP
<b>Proposed LTIP or Scheme</b>	:	Proposed establishment of a long-term incentive plan which comprises the Proposed ESOS and the Proposed PSGP of up to 10% of the total number of issued shares of our Company (excluding treasury shares, if any) at any point in time during the duration of the Proposed LTIP for the Eligible Persons
<b>Proposed PSGP</b>	:	Proposed establishment of a performance share grant plan pursuant to the Proposed LTIP
<b>PSGP Award(s)</b>	:	The grant of award of such number of SkyWorld Share(s) to an Eligible Person at no payment by the Eligible Person
<b>PSGP Participant(s)</b>	:	Eligible Person(s) who has accepted the PSGP Award(s) in accordance with the terms of the Proposed LTIP
<b>RM and sen</b>	:	Ringgit Malaysia and sen respectively, the lawful currency of Malaysia
<b>Senior Management</b>	:	Employees of our Group who hold senior management positions and key roles within our Group
<b>SkyWorld Development Company</b>	or	SkyWorld Development Berhad (Registration No. 200601034211 (753970-X))
<b>SkyWorld Group or Group</b>	:	SkyWorld Development and its subsidiaries
<b>SkyWorld Share(s) or Share(s)</b>	:	Ordinary shares in SkyWorld Development
<b>Trust</b>	:	The trust that may be established to facilitate the implementation and administration of the Proposed LTIP, if deemed required upon the discretion of our Company and / or the LTIP Committee
<b>Trust Deed</b>	:	The trust deed constituting the Trust to be executed between the Trustee and our Company
<b>Trustee</b>	:	The trustee to be appointed by our Company to administer the Trust, if established
<b>VND</b>	:	Vietnamese Dong, the lawful currency of Vietnam
<b>VWAMP</b>	:	Volume weighted average market price

---

**DEFINITIONS (CONT'D)**

---

References to “we”, “us”, “our” and “ourselves” mean our Company, or where the context otherwise requires, our Group. All references to “you” and “your” in this Circular are to the shareholders of our Company.

Certain amounts and percentage figures included in this Circular have been subject to rounding adjustments. Any discrepancy in the figures included in this Circular between the amounts stated and the totals thereof are due to rounding.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

(The rest of this page is intentionally left blank)

---

**TABLE OF CONTENTS**

---

	<b>PAGE</b>
<b>EXECUTIVE SUMMARY</b>	vi
<b>CIRCULAR TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED LONG TERM INCENTIVE PLAN CONTAINING:</b>	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED LTIP	2
3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED LTIP	9
4. UTILISATION OF PROCEEDS	10
5. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS	10
6. EFFECTS OF THE PROPOSED LTIP	14
7. HISTORICAL SHARE PRICES	18
8. APPROVALS REQUIRED / OBTAINED	19
9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND / OR PERSONS CONNECTED WITH THEM	19
10. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION	20
11. FUND RAISING EXERCISES IN THE PAST 12 MONTHS	21
12. OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING COMPLETION	21
13. DIRECTORS' STATEMENT AND RECOMMENDATION	21
14. IMPLICATIONS FOR VOTING IN FAVOUR OF THE PROPOSED LTIP	22
15. EGM	23
16. FURTHER INFORMATION	23
<b>APPENDICES</b>	
APPENDIX I FURTHER INFORMATION	24
APPENDIX II DRAFT BY-LAWS	26
<b>NOTICE OF EGM</b>	<b>ENCLOSED</b>
<b>PROXY FORM</b>	<b>ENCLOSED</b>

## EXECUTIVE SUMMARY

**THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED LTIP. YOU ARE ADVISED TO READ THIS CIRCULAR IN ITS ENTIRETY AND NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSED LTIP BEFORE VOTING AT THE FORTHCOMING EGM.**

Key information	Description	Reference in Circular
<b>Details of the Proposed LTIP</b>	<p>Our Company proposes to establish and implement the Proposed LTIP, which comprises of the Proposed ESOS and Proposed PSGP to the Eligible Persons.</p> <p>The Proposed LTIP serves to attract, retain, motivate and reward the Eligible Persons through the award of options with rights to subscribe for SkyWorld Shares or the award of SkyWorld Shares.</p> <p>The Proposed LTIP will be administered in accordance with the By-Laws by the LTIP Committee. The LTIP Committee will have the absolute discretion in administering the Proposed LTIP.</p> <p>The maximum number of new SkyWorld Shares which may be allotted and issued under the Proposed LTIP shall not exceed, in the aggregate, 10% of the total number of issued shares of SkyWorld Development (excluding treasury shares, if any) at any point in time over the Duration of the LTIP.</p>	Section 2
<b>Rationale and justifications for the Proposed LTIP</b>	<p>The Proposed LTIP serves to align the interest of the Eligible Persons with the corporate goals and long-term objectives of our Group. The Proposed LTIP will provide the Eligible Persons with an opportunity to have equity participation in our Company and help achieve the objectives as set out below:</p> <ul style="list-style-type: none"><li>(i) to serve as a long-term incentive plan to reward the Eligible Persons to align their interest with the corporate goals and objectives of our Group and allowing Eligible Persons through the LTIP Awards to have equity participation in our Group;</li><li>(ii) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of our Group;</li><li>(iii) to attract and reward the Eligible Persons by allowing them through the LTIP Awards to participate in our Group's profitability and eventually realise any capital gains arising from appreciation in the value of the Shares;</li><li>(iv) to motivate the Eligible Persons towards achieving improved performance through greater productivity and loyalty;</li><li>(v) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of our Company; and</li></ul>	Section 3

**EXECUTIVE SUMMARY (CONT'D)**

<b>Key information</b>	<b>Description</b>	<b>Reference in Circular</b>
	(vi) possibly retain the Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level.	
<b>Interests of Directors, major shareholders, chief executive and / or persons connected</b>	<p>Lee Chee Seng (in his capacity as the CEO of our Company) is entitled to participate in the Proposed LTIP and is deemed interested in the Proposed LTIP by virtue of his eligibility for the LTIP Awards and in respect of his proposed allocations as well as the proposed allocations to persons connected with him under the Proposed LTIP, if any.</p> <p>Lee Chee Seng has abstained and will continue to abstain from all Board deliberations (in his capacity as the CEO of our Company) and voting and will abstain from voting in respect of his direct and / or indirect shareholdings, if any, at the EGM to be convened on the ordinary resolutions to be tabled for his proposed allocations, if any, as well as the proposed allocations to the persons connected to him, if any.</p> <p>Lee Chee Seng will ensure that persons connected with him, if any, will abstain from voting in respect of their direct and / or indirect shareholdings, if any, in our Company, on the resolutions pertaining to their respective proposed allocations at an EGM to be convened, if any.</p> <p>For the avoidance of doubt, the Proposed LTIP is not extended to the Non-Eligible Executive Directors and Non-Executive Directors of our Company. Accordingly, no LTIP Awards shall be granted to the Non-Eligible Executive Directors and Non-Executive Directors of our Company.</p>	Section 9
<b>Approvals required / obtained</b>	<p>The Proposed LTIP is subject to the following approvals being obtained:</p> <p>(i) Bursa Securities, which was obtained vide its letter dated 3 May 2024, for the listing of and quotation for such number of SkyWorld Shares representing 10% of the total number of issued shares of SkyWorld Development (excluding treasury shares, if any) pursuant to the imposed conditions stated in Section 8 of this Circular; and</p> <p>(ii) the approval of our shareholders (including the waiver of pre-emptive rights under Section 85(1) of the Act read together with Clause 12(3) of our Constitution) at the EGM to be convened.</p>	Section 8
<b>Directors' recommendation</b>	<p>Our Board (save for Lee Chee Seng who has abstained from forming any opinion and making any recommendations relating to his proposed allocations as well as the proposed allocations to persons connected to him, if any), after having considered all aspects of the Proposed LTIP, which include, but are not limited to, the basis, the rationale and justification as well as the effects of the Proposed LTIP, is of the opinion that the Proposed LTIP is in the best interest of our Company.</p>	Section 13



---

**EXECUTIVE SUMMARY (CONT'D)**

---

<b>Key information</b>	<b>Description</b>	<b>Reference in Circular</b>
	<p>Lee Chee Seng has abstained and will continue to abstain from deliberating and making any recommendations at all relevant Board meetings (in his capacity as the CEO of our Company) in relation to his allocation as well as allocations to persons connected with him, if any, under the Proposed LTIP. He will also abstain and has undertaken that he will ensure that the persons connected to him, if any, will abstain from voting in respect of his direct and / or indirect interests in our Company, on the resolutions pertaining to his proposed allocations as well as the proposed allocations to persons connected to him, if any, under the Proposed LTIP at the EGM of our Company to be convened.</p> <p>Where the resolutions are not related to their respective proposed allocations or proposed allocations to the persons connected with them, if any, under the Proposed LTIP, our Board recommends that you vote in favour of the resolutions pertaining to the Proposed LTIP to be tabled at the EGM to be convened.</p>	

(The rest of this page is intentionally left blank)



**SKYWORLD DEVELOPMENT BERHAD**  
(Registration No. 200601034211 (753970-X))  
(Incorporated in Malaysia)

**Registered Office**

Unit 30-01, Level 30, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia

17 May 2024

**Board of Directors**

Datuk Seri Ng Thien Phing (*Non-Independent Executive Chairman*)  
Datuk Lam Soo Keong @ Low Soo Keong (*Non-Independent Executive Director*)  
Lee Chee Seng (*Non-Independent Executive Director / Chief Executive Officer*)  
Chan Seng Fatt (*Independent Non-Executive Director*)  
Ong Soo Chan (*Independent Non-Executive Director*)  
Phang Sze Fui (*Independent Non-Executive Director*)  
Zalinah Binti A Hamid (*Independent Non-Executive Director*)

**To: Our shareholders**

Dear Sir / Madam,

**PROPOSED LTIP**

---

**1. INTRODUCTION**

On 29 March 2024, Kenanga IB had, on behalf of our Board, announced that our Company proposed to establish and implement the Proposed LTIP, which comprises of the Proposed ESOS and the Proposed PSGP.

On 5 April 2024, Kenanga IB had, on behalf of our Board, announced that the additional listing application in relation to the Proposed LTIP has been submitted to Bursa Securities.

On 3 May 2024, Kenanga IB had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 3 May 2024, resolved to approve the listing of and quotation for such number of new SkyWorld Shares, representing up to ten percent (10%) of the total number of issued shares of our Company (excluding treasury shares, if any) which are to be issued under the Proposed LTIP at any point in time during the Duration of the LTIP, on the Main Market of Bursa Securities, subject to, amongst others, the conditions as set out in Section 8 of this Circular.

**THE PURPOSE OF THIS CIRCULAR TOGETHER WITH THE APPENDICES IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED LTIP, TOGETHER WITH OUR BOARD'S RECOMMENDATION THEREON AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED LTIP TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF OUR FORTHCOMING EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED LTIP TO BE TABLED AT OUR FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSED LTIP**

The Proposed LTIP serves to attract, retain, motivate and reward the Eligible Persons, who fulfil the eligibility criteria as set out in Section 2.4(ii) of this Circular through the award of options with rights to subscribe for SkyWorld Shares or the award of SkyWorld Shares.

For avoidance of doubt, the parties who are eligible to participate in the Proposed LTIP are as follows:

- (i) in the case of the Proposed ESOS, the CEO, Senior Management and any employee of our Group as may be determined at the discretion of the LTIP Committee from time to time who fulfil the eligibility criteria as set out in Section 2.4(ii) of this Circular; and
- (ii) in the case of the Proposed PSGP, the Senior Management and any employee of our Group as may be determined at the discretion of the LTIP Committee from time to time who fulfil the eligibility criteria as set out in Section 2.4(ii) of this Circular.

The Proposed LTIP will be administered in accordance with the By-Laws by the LTIP Committee. The members of the LTIP Committee shall comprise of such number of Directors and / or senior management personnel of our Group to be duly appointed by our Board from time to time. The LTIP Committee will have the absolute discretion in administering the Proposed LTIP. Any liberty, power or discretion which may be exercised or any decision or determination which may be made by the LTIP Committee pursuant to the By-Laws may be exercised at the LTIP Committee's sole and absolute discretion having regard to the terms of reference which our Board may establish to regulate and govern the LTIP Committee's functions and responsibilities.

The Proposed ESOS and Proposed PSGP are intended to allow our Company to award share options and / or SkyWorld Shares to the Eligible Persons, respectively, subject to them fulfilling certain vesting conditions as determined by the LTIP Committee at a later date after the establishment and implementation of the Proposed LTIP.

In implementing the Proposed LTIP and subject to the Listing Requirements of Bursa Securities, the LTIP Committee may at its absolute discretion decide that the LTIP Awards may be satisfied by the following methods:

- (i) issuance of new SkyWorld Shares;
- (ii) acquisition of existing Shares from the open market of Bursa Securities;
- (iii) transfer of our Company's existing Shares (if any);
- (iv) any other methods as may be permitted by the Act and the Listing Requirements, as amended from time to time and any re-enactment thereof; or
- (v) a combination of any of the above.

The salient terms of the Proposed LTIP are set out in Sections 2.1 to 2.4 of this Circular:

## **2.1 Proposed ESOS**

Under the Proposed ESOS, the LTIP Committee may at its sole and absolute discretion, from time to time within the tenure of the Proposed LTIP, grant such number of ESOS Options in writing to the Eligible Persons to subscribe for SkyWorld Shares at a prescribed Exercise Price, in accordance with the terms and conditions of the By-Laws set out in Appendix II of this Circular.

Upon acceptance of the ESOS Awards by the ESOS Participants, the ESOS Awards will be vested to the ESOS Participants over the tenure of the Proposed LTIP, subject to the ESOS Participants fulfilling certain vesting conditions (if any) as determined by the LTIP Committee at a later date after the establishment and implementation of the Proposed LTIP.

Subject to any adjustments made under the By-Laws, the Exercise Price shall be based on a price to be determined by our Board upon recommendation of the LTIP Committee based on the 5MD-VWAMP of SkyWorld Shares at the ESOS Award Date pursuant to an Award Letter, with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities and / or any other relevant authorities from time to time during the Duration of the LTIP.

## **2.2 Proposed PSGP**

Under the Proposed PSGP, the LTIP Committee may at its sole and absolute discretion, from time to time within the tenure of the Proposed LTIP, grant PSGP Awards to the Eligible Persons, in accordance with the terms and conditions of the By-Laws set out in Appendix II of this Circular.

Upon acceptance of the PSGP Awards by the PSGP Participants, the PSGP Awards will be vested to the PSGP Participants over the tenure of the Proposed LTIP at no cost, subject to the PSGP Participants fulfilling certain vesting conditions (if any) as determined by the LTIP Committee at a later date after the establishment and implementation of the Proposed LTIP. The reference price of the PSGP Awards to be awarded will be determined based on the fair value of the PSGP Awards, which will take into account, amongst others, the market price of SkyWorld Shares immediately prior to the award date of the PSGP Awards.

## **2.3 Trust Arrangement**

For the purpose of facilitating the implementation of the Proposed LTIP, our Company may, if required, establish a Trust to be administered by a Trustee in accordance with the Trust Deed to be entered with the Trustee. Under the By-Laws, our Company shall have the power to appoint or rescind the appointment of any Trustee as it deems fit for the purpose of administering the Proposed LTIP, in accordance with the provisions of the Trust Deed.

If the Trust is established, the Trustee may subscribe for new Shares or acquire existing Shares from the Main Market of Bursa Securities and transfer them to an LTIP Participant at such times as the LTIP Committee shall direct. To enable the Trustee to subscribe for new Shares or acquire existing Shares from the Main Market of Bursa Securities for the purpose of the Proposed LTIP, and to pay for expenses in relation to the administration of the Trust, the Trustee may, to the extent permitted by law and subject to the By-Laws, be entitled to accept funding or assistance, from our Group for the purpose of the Trust.

## 2.4 Indicative salient terms of the Proposed LTIP

### (i) Maximum number of Shares available under the Proposed LTIP

As at the LPD, our Company has an issued share capital of RM244,959,957 comprising 1,000,000,000 SkyWorld Shares (excluding treasury shares) and RM150,000,000, comprising 187,500,000 ICPS <sup>(1)</sup>.

**Note:**

(1) Every one (1) ICPS will be converted into one (1) new SkyWorld Share.

As at the LPD, save for the 187,500,000 ICPS, our Company does not have any other outstanding convertible securities and does not hold any treasury shares.

The maximum number of SkyWorld Shares which may be made available under the Proposed LTIP shall not in aggregate exceed 10% of the total number of issued shares of our Company (excluding treasury shares, if any) at any point in time during the Duration of the LTIP as set out in Section 2.4(iv) of this Circular.

For illustrative purposes, the total number of SkyWorld Shares which may be allotted and issued under the Proposed LTIP are as below:

Description	Minimum Scenario	Maximum Scenario
	Assuming none of the outstanding ICPS are converted into new SkyWorld Shares prior to the Proposed LTIP.	Assuming all the outstanding ICPS are converted into new SkyWorld Shares prior to the Proposed LTIP.
<b>No. of new Shares to be issued</b>	Up to 100,000,000 Shares	Up to 118,750,000 Shares

In the event the aggregate number of Shares which may be awarded under the Proposed LTIP exceeds the Maximum Shares at any point in time as a result of our Company purchasing or cancelling Shares in accordance with the provisions of the Act or undertaking any corporate proposal(s) resulting in the reduction of our Company's total number of issued Shares, no further LTIP Awards shall be granted by the LTIP Committee until such aggregate number of Shares already awarded under LTIP Awards falls below the Maximum Shares. During this period, entitlement to the Shares arising from LTIP Awards which have already been granted at that point in time shall remain valid and exercisable in accordance with the provisions of By-Laws.

### (ii) Eligibility to participate in the Proposed LTIP

Subject to the discretion of the LTIP Committee, only the Eligible Persons who fulfil the following conditions as at the date of the LTIP Awards shall be eligible to participate in the Proposed LTIP:

- (1) is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (2) is employed by our Group on a full-time basis or under an employment contract with our Group for a fixed duration of at least 1 year (or any other contract as may be determined by the LTIP Committee) and the contract shall have not expired within 3 months from the LTIP Award Date and is on the payroll of any company within our Group (which is not dormant) and has not served a notice of resignation or received notice of termination;

- (3) must have been in employment of our Group for such period as may be determined by the LTIP Committee prior and up to the LTIP Award Date and has not served a notice to resign nor received a notice of termination;
- (4) is confirmed in writing as a full-time employee of our Group prior to and up to the LTIP Award Date; and
- (5) fulfills any other criteria and / or falls within such category as may be determined by the LTIP Committee at its sole and absolute discretion from time to time,

provided always that the selection of any employee for participation in the Proposed LTIP and the number of LTIP Awards to be awarded to an employee under the Proposed LTIP shall be at the sole discretion of the LTIP Committee and the decision of the LTIP Committee shall be final and binding.

Notwithstanding that the Proposed LTIP is intended to reward the CEO and Senior Management of our Company, the LTIP Committee may, in its absolute discretion, waive any of the conditions of eligibility as set out in the By-Laws (save for the conditions set out in Sections 2.4(ii)(1) and 2.4(ii)(2) and has the sole discretion for the selection of any employee of SkyWorld Group, who is not the CEO and / or the Senior Management, for participation in the Proposed LTIP and the number of LTIP Awards to be awarded to the said employee under the Proposed LTIP.

Subject to Section 2.4(ii) of this Circular, there are performance targets to be achieved by the LTIP Participants before the ESOS Options can be exercised into SkyWorld Shares and PSGP Awards can be vested. These performance targets may be determined based on, amongst others, our Group's profit after tax and total shareholder return. Notwithstanding this, the LTIP Committee may from time to time at its own discretion decide on the performance targets in the future prior to granting of the LTIP Awards.

No allotment and / or vesting of the SkyWorld Shares pursuant to the Proposed LTIP shall be made to any Eligible Person who are Interested Parties or a person connected with any of the Interested Parties, unless approved by the shareholders of our Company at a general meeting. If the approval of the shareholders of our Company is required, the Interested Parties and person connected with them must not vote on the resolution(s) approving their respective allocation and / or vesting of the SkyWorld Shares and allocation and / or vesting of SkyWorld Shares to the persons connected to them pursuant to the Proposed LTIP.

For the avoidance of doubt, the Proposed LTIP is not extended to the Non-Eligible Executive Directors and Non-Executive Directors of our Company. Accordingly, no LTIP Awards shall be granted to the Non-Eligible Executive Directors and Non-Executive Directors of our Company.

**(iii) Maximum allowable allotment and basis of allocation**

The allocation of SkyWorld Shares to be made available for the LTIP Awards shall be determined by the LTIP Committee from time to time during the tenure of the Proposed LTIP as determined by the LTIP Committee.

Subject to the By-Laws and any adjustments which may be made under the By-Laws, the maximum number of SkyWorld Shares to be awarded to any one Eligible Person under the Proposed LTIP at any point in time in each LTIP Award shall be at the sole and absolute discretion of the LTIP Committee after taking into consideration, inter alia, the Eligible Person's seniority, job grading, performance, length of service, contribution to our Group, the profit after tax of our Group, total shareholder return and / or such other factors as the LTIP Committee deems fit, and subject to the following conditions:

- (1) the total number of SkyWorld Shares made available under the Proposed LTIP shall not exceed the amount in Section 2.4(i) of this Circular;
- (2) not more than 10% of the total number of issued Shares made available under the Proposed LTIP shall be allocated to any Eligible Person, who either singly or collectively through persons connected (as defined in the Listing Requirements) with the Eligible Person, holds 20% or more of the total number of issued Shares of our Company (excluding treasury shares, if any);
- (3) not more than 20% of the total number of SkyWorld Shares which may be made available under the Proposed LTIP shall be allocated to the Directors who are Eligible Persons, whereas not more than 80% of the total number of SkyWorld Shares under the Proposed LTIP shall be allocated to the Senior Management of our Group (excluding subsidiaries of our Company which are dormant) who are Eligible Persons. The maximum allowable allocation to the Directors and Senior Management of our Group is determined after taking into consideration, amongst other factors, the seniority, job grading performance, length of services, contribution to our Group, the profit after tax of our Group and the total shareholder return; and
- (4) the Eligible Person(s) shall not participate in the deliberation or discussion of their respective allocations as well as to persons connected with them, if any,

provided always that it is in accordance with the Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.

The LTIP Committee shall be entitled to determine the maximum number of LTIP Awards that will be made available to an Eligible Person under the Proposed LTIP, in the manner provided in the By-Laws in relation to each class or grade of the Eligible Persons and the aggregate maximum number of LTIP Awards that can be awarded to the Eligible Persons under the Proposed LTIP from time to time, and the decision of the LTIP Committee shall be final and binding.

For the avoidance of doubt, the LTIP Committee may at its sole and absolute discretion determine whether granting of the LTIP Awards to the Eligible persons will be staggered over the duration of the Proposed LTIP or in one (1) single grant and / or whether the LTIP Awards will be subject to any vesting period and if so, to determine the vesting conditions including whether such vesting conditions are subject to performance targets, the determination of which will be carried out at a later date after the establishment and implementation of the Proposed LTIP.

Our Company shall ensure that the allocation of LTIP Awards to the Eligible Persons are verified by our Audit & Risk Management Committee at the end of each financial year as being in compliance with the criteria for allocation of LTIP Awards which have been disclosed in the By-Laws (where relevant).

**(iv) Duration of the Proposed LTIP**

Subject to the By-Laws, the Proposed LTIP shall take effect on the Effective Date and shall be in force for a period of ten (10) years from the Effective Date.

**(v) Exercise Price**

For the Proposed ESOS, subject to any adjustments that may be made in accordance with the By-Laws and pursuant to the Listing Requirements, the Exercise Price shall be determined by our Board upon recommendation of the LTIP Committee based on the 5MD-VWAMP of SkyWorld Shares at the ESOS Award Date with a discount of not more than 10% or such other percentage as may be permitted by Bursa Securities and / or any other relevant authorities from time to time during the Duration of the LTIP.

For the avoidance of doubt, the new Shares pursuant to the Proposed PSGP will vest with the PSGP Participants at no cost to the PSGP Participants. The reference price of the PSGP Awards to be awarded will be determined based on the fair value of the PSGP Awards which will take into account, amongst others, the market price of SkyWorld Shares immediately prior to the award date of the PSGP Awards.

The LTIP Participants will be required to pay a nominal sum RM1.00 only as non-refundable consideration for the acceptance of each ESOS Award and / or PSGP Award (regardless of the number of Shares comprised in the respective LTIP Awards).

**(vi) Rights attaching to the ESOS Options and ranking of new Shares arising from the exercise of the ESOS Options and / or upon vesting of the PSGP Award**

The ESOS Options shall not carry any right to vote at any general meeting of our Company until and unless such ESOS Participants exercise their ESOS Options into new Shares.

The new Shares to be issued under the Proposed LTIP pursuant to the exercise of the ESOS Options or vesting of the PSGP Awards shall, upon allotment and issuance, rank equally in all respects with the existing SkyWorld Shares, save and except that the new Shares will not be entitled to any dividends, rights, allotments and / or any other forms of distribution where the entitlement date of such dividends, rights, allotments and / or any other forms of distribution precedes the relevant date of allotment and issuance of the new SkyWorld Shares.

In the event that any existing Shares are to be transferred upon the vesting of any Shares under the PSGP Awards, the existing Shares shall be transferred together with all dividends, rights, allotments and / or other distributions declared, the entitlement date of which is on or after the date the Shares are credited to the CDS Accounts of the relevant PSGP Participants.

The Shares to be allotted and issued and / or transferred pursuant to the Proposed LTIP will be subjected to all provisions of the constitution of our Company and such amendments thereafter, if any.

**(vii) Retention Period**

The LTIP Committee shall be entitled to prescribe or impose, in relation to any offer, any condition relating to any retention period of the Shares to be issued and / or transferred pursuant to the Proposed LTIP as it deems fit.

The Shares to be issued / transferred to an LTIP Participant shall not be subject to any retention period. However, our Company encourages LTIP Participants to hold the Shares subscribed for by them as a long-term investment and not for any speculative and / or realisation of any immediate gain.

For the avoidance of doubt, in the event of the liquidation of our Company, all unexercised or unvested or partially unexercised or partially unvested ESOS Options and PSGP Awards shall lapse and cease to be valid.

**(viii) Alteration of share capital**

Subject to the By-Laws, in the event of any alteration in the capital structure of our Company during the duration of the Proposed LTIP, whether by way of capitalisation of profits or reserves, rights issues, bonus issue, subdivision or consolidation of shares or capital reduction or any other variation of capital shall take place or if our Company shall make a capital distribution during the duration of the Proposed LTIP, our Company shall cause such adjustment to be made to:



- (1) the Exercise Price;
- (2) the number of new Shares which shall be exercisable or vested under an ESOS Option(s) or PSGP Award(s); and / or
- (3) the method and / or manner in the exercise of ESOS Options comprised in the ESOS Awards or the vesting of Shares comprised in the PSGP Awards.

The following provisions shall apply in relation to an adjustment which is made pursuant to the By-Laws:

- (1) any adjustment to the Exercise Price shall be rounded up to the nearest one (1) sen; and
- (2) in determining a LTIP Participant's entitlement to subscribe for SkyWorld Shares and / or number of SkyWorld Shares to be vested, any fractional entitlements will be disregarded.

**(ix) Modification, variation and / or amendment to the Proposed LTIP**

Subject to the By-Laws and compliance with the Listing Requirements, the LTIP Committee may at any time and from time to time recommend to our Board any additions, modifications or amendments to or deletions of the By-Laws as it shall, at its sole discretion, deems fit and our Board shall have the power at any time and from time to time by resolution to add, amend, modify and / or delete all or any of the terms in the By-Laws upon such recommendation and subject to our Company submitting the amended By-Laws and a letter of compliance to Bursa Securities each time an amendment and / or modification is made, stating that the amendment and / or modification is in compliance with the provisions of the Listing Requirements and the rules of Bursa Depository.

Subject to the By-Laws, the approval of our shareholders in a general meeting shall not be required in respect of any additions, amendments to, or deletions of the By-Laws except that subject to any applicable laws, no addition, amendment or deletion shall be made to the By-Laws without the prior approval of our shareholders in a general meeting which will:

- (1) prejudice any rights which would have accrued to any LTIP Participant without his / her prior consent; or
- (2) alter to the advantage of any LTIP Participant without the prior approval of our shareholders in a general meeting unless in accordance with the provisions set out in the By-Laws; or.
- (3) prejudice any rights of our shareholders; or
- (4) increase the number of new Shares available under the Proposed LTIP beyond the maximum number of Shares imposed under Section 2.4(i) above.

**(x) Termination of the Proposed LTIP**

Subject to compliance with the Listing Requirements and any other relevant authorities, the Proposed LTIP may be terminated by the LTIP Committee at any time before the date of expiry of the Proposed LTIP in accordance with the terms of the By-Laws provided that an announcement is released to Bursa Securities on the following:

- (1) the effective date of termination;
- (2) the number of ESOS Options exercised pursuant to the Proposed ESOS and / or SkyWorld Shares vested pursuant to the Proposed PSGP; and

- (3) the reasons and justification for termination.

Upon expiry or termination of the Proposed LTIP, any LTIP Awards which have yet to be exercised or vested (as the case may be and whether fully or partially) shall be deemed cancelled and shall be null and void.

Subject to the requirements under the Listing Requirements, approval or consent of our shareholders by way of a resolution in a general meeting and written consent of the LTIP Participants in relation to the unexercised ESOS Options and / or unvested SkyWorld Shares are not required to effect the termination of the Proposed LTIP.

## **2.5 Listing of SkyWorld Shares issued under the Proposed LTIP**

Bursa Securities had vide its letter dated 3 May 2024 approved the listing of and quotation for such new Shares representing up to 10% of the total number of issued Shares of our Company (excluding treasury shares) to be issued pursuant to the Proposed LTIP on the Main Market of Bursa Securities.

## **3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED LTIP**

The Proposed LTIP serves to align the interests of the Eligible Persons with the corporate goals and long-term objectives of our Group. The Proposed LTIP will provide the Eligible Persons with an opportunity to have equity participation in our Company and help achieve the objectives as set out below:

- (i) to serve as a long-term incentive plan to reward the Eligible Persons to align their interest with the corporate goals and objectives of our Group and allowing Eligible Persons through the LTIP Awards to have equity participation in our Group;
- (ii) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of our Group;
- (iii) to attract and reward the Eligible Persons by allowing them through the LTIP Awards to participate in our Group's profitability and eventually realise any capital gains arising from appreciation in the value of the Shares;
- (iv) to motivate the Eligible Persons towards achieving improved performance through greater productivity and loyalty;
- (v) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of our Company; and
- (vi) possibly retain the Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level.

(The rest of this page is intentionally left blank)

#### **4. UTILISATION OF PROCEEDS**

Our Company will receive proceeds pursuant to the exercise of the ESOS Options by the Eligible Persons. However, the actual amount of proceeds to be raised from the Proposed ESOS will be dependent on the number of the ESOS Options granted and exercised at the relevant point in time and the Exercise Price payable upon the exercise of the ESOS Options. As such, the exact amount of proceeds to be received cannot be determined at this juncture.

The proceeds arising from the exercise of the ESOS Options will be utilised for the future working capital requirements of our Group. The working capital would be used to fund our Group's day-to-day operations to support existing business operations which shall include, but not limited to staff costs such as salaries, statutory contributions and employee benefits, maintenance costs, utilities and other operating expenses. Our Company expects to utilise the proceeds for the said working capital requirements within a period of 12 months, as and when the proceeds are received throughout tenure of the Proposed LTIP.

Our Company will not receive any proceeds pursuant to the Proposed PSGP as the PSGP Participants will not be required to pay for the new Shares to be issued and allotted to them pursuant to the PSGP Award.

Pending utilisation of proceeds raised as and when the ESOS Options are exercised, the proceeds will be placed in deposits with licensed financial institutions or short-term money market instruments as the Board deems fit. The interests derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used to fund our Group's working capital requirement.

#### **5. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS**

##### **5.1 Overview and outlook of the Malaysian economy**

In 2022, despite the headwinds throughout the year, the domestic economy expanded by 8.7% (2021: 3.1%). This was mainly due to the full upliftment of containment measures, resilient growth in exports, particularly commodity exports, revival of tourism activity and continued policy support. Nonetheless, the pace of recovery was uneven as some sectors still remained below pre-pandemic levels such as leisure-related services, mining and quarrying, agriculture and construction sectors. Gradual recovery in tourist arrivals, oil and gas facility closures for maintenance purposes, labour shortages and higher input prices have restrained the growth of these sectors.

Growth in 2022 was largely driven by domestic demand, mainly from firm private sector expenditure. Improved labour market conditions and wage growth led to an increase in household spending, supported by the realisation of pent-up demand and continued policy support. In line with the reopening of the economy, public and private investment improved significantly. The improvement was contributed by public infrastructure projects, resumption of construction activity, as well as continued investments by firms to automate and digitalise their operations. Furthermore, external demand remained resilient and provided support to the economic growth in 2022.

*(Source: Economic and Monetary Review 2022, Bank Negara Malaysia)*

In 2023, the global economy is projected to show a moderate growth of 3%, following slow growth in advanced economies; volatile financial market due to tightening monetary policy; prolonged geopolitical tensions; and increasing climatic changes, after anticipating a period of economic downturn. It is projected to persist across most regions in the upcoming years. Nevertheless, Malaysia's economy still remains resilient.

For the first half of 2023, the domestic economy continued to expand, with a favourable growth of 4.2%, underpinned by robust domestic demand buoyed by expansion in consumption and investment spending. The service sector contributed to the economy growth with higher tourist arrivals and improved consumer spending. Meanwhile, the acceleration of infrastructure projects and realization of investments in residential and non-residential developments helped to expand the construction sector. These developments cushioned the negative impact from the external sector and bolstered the economy's resilience.

Furthermore, other factors such as favourable labour market conditions, healthy foreign reserves, current account surplus, high national savings and robust financial sector also helped to boost the economy. The growth momentum is also supported by the Government's pragmatic measures and initiatives, specifically with the support by firm policies and action plans from the framework of Ekonomi Madani. For the full year of 2023, the economic growth is anticipated to expand around 4%.

For the second half of 2023, the economy is expected to grow moderately at 4% in line with growing domestic demand from higher tourist arrivals and improved consumer spending. Meanwhile, the enhancements in the domestic economy and improvement in labour market are expected to sustain growth momentum. Hence, the GDP is anticipated to register a growth of approximately 4% in 2023.

In line with the global economic outlook, the economy is expected to further expand at 4% - 5% in 2024, induced by stronger domestic demand. This is due to the expectations of private consumption being boosted through cash transfer by government to targeted groups and growing social commerce trend. On the other hand, private investment is poised to accelerate further driven by improved business environment in consonance with positive response towards Government's strategies and measures in attracting high-tech and high-value investments, increasing external demand.

The growth is foreseen to be broad-based, led by the services sector. The intermediate and finals services groups are anticipated to rise further driven by sustained domestic consumption and improved export activities. Whereas the wholesale and retail trade subsector are anticipated to be the key contributor of the services sector, contributing an expected growth of 5.6%, with the expansion in retail segment through digital transactions. Retail trade, accommodation and restaurants as well as communication segments are expected to increase in line with consumption trend, while the wholesale trade segment and transport and storage subsector will benefit from higher trade-related activities. Hence, the nation's GDP is forecast to expand between 4% - 5% in 2024.

*(Source: Economic Outlook 2024, Ministry of Finance)*

In the third quarter of 2023, the domestic economy recorded a growth of 3.3% (2Q 2023: 2.9%). Expansion in domestic demand, continued improvement in labour market conditions, further recovery in tourism activities and higher construction activity are the drivers for growth. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 2.6% (2Q 2023: 1.5%). There is also a lower headline inflation at 2.0%, particularly a lower inflation on food and non-alcoholic beverages products of 4.1% (2Q 2023: 5.6%). Private consumption remained moderate at 4.6% (2Q 2023: 4.3%) in both necessities and discretionary spending, while public consumption grew at a rapid pace of 5.8% (2Q 2023: 3.8%), due to higher supplies and services spending.

*(Source: Bank Negara Malaysia Quarterly Bulletin 3Q 2023, Bank Negara Malaysia)*

## 5.2 Overview and outlook of the Property Development Industry in Malaysia

Despite the challenging global financial and economic environment, the property development market managed to stay poised and posted a marginal softening in market activity in the first half of 2023 compared to the previous year. The property market performance is seen to moderate in the first half of 2023 despite a number of headwinds such as increasing borrowing costs, continuous downtrend in Consumer Sentiment Index and concerns on weaker external demands. As the national economy is projected to expand to the lower end of the 4% - 5% range in 2023 supported by continued resilient domestic growth prospects, the property market performance is expected to remain cautiously optimistic.

In the first half of 2023, the property market activity recorded a total of 184,140 transactions worth RM85.37 billion, reduce by 2.1% in volume but increased slightly by 1.1% in value against corresponding period. 32.1% (59,090) and 63.6% (117,129) of transfers were recorded in 2022 and 2023 respectively while the remaining percentage share was for prior years' transfers. Sectoral market activity performance declined marginally: residential (-1.0%), industrial (-2.5%) and agriculture (-12.4%) with the exception of commercial and development land sub-sector, which increased by 16.0% and 1.4% respectively.

The transactions for property development market is led by the residential sub-sector with a contribution of 62.4%, following by agriculture (19.8%) and commercial subsector (9.6%). Whereas the development land and others, and industrial both contributed 6.2% and 2.0% respectively. In terms of value, residential took the lead with 52.5% share, followed by commercial (19.6%), industrial (12.8%), agriculture (8.3%) and development land and others (6.8%).

*(Source: Property Market Report First Half 2023, Valuation and Property Services Department by Ministry of Finance)*

The outlook for the property sector in Malaysia in the second half of the year is expected to be positive, underpinned by the current healthy loan applications, higher loan approvals and potential new infrastructure projects. Loan applications are expected to retain positive growth as Bank Negara Malaysia has maintained a 3% OPR in November. In September 2023, the loan applications for purchase of properties recorded a growth of 15.6% on a yearly basis whilst the approvals of loan applications recorded a growth of 5% , signaling a better overall new sales outlook for the property sector. This indicated a strong property buying interest following the reopening of the country's borders and resumption of economic activities.

*(Source: 2023 Property – Positive Outlook Intact, Malaysian Industrial Development Finance)*

For 2023, the real estate and business services subsector is expected to grow 7.3%, with an increase of 9.8% in the first half and 5% in the second half of the year. The real estate segment is anticipated to grow with various Government's initiatives which include the affordable housing ownership scheme, the MADANI Neighbourhood rental scheme, 100% stamp duty exemption for first-time homeowners on purchase of properties valued up to RM500,000 and enhanced loan schemes under Syarikat Jaminan Kredit Perumahan Berhad. Additionally, it is anticipated that robust growth in the civil engineering and residential building subsectors will play a pivotal role in supporting the recovery of the construction sector for the remaining period of the Twelfth Plan. The construction sector continued to expand in tandem with the acceleration of infrastructure projects and realisation of investment in non-residential and residential developments. In 2024, the real estate and business services subsector is poised to grow by 5.4% attributed to sustained demand for professional services, owing to increase in non-residential and residential property transactions.

The non-residential buildings and residential buildings subsectors also registered positive growth in line with vibrant economic activities. For 2023, performance of the sector is expected to remain steady and grow by 6.3%. The residential buildings subsector is buoyed by Government's initiatives such as i-MILIKI and Housing Credit Guarantee Scheme in assisting first-time home buyers, spurring demand for home ownership. Similarly, the non-residential buildings subsector is envisaged to increase, particularly with the realisation of approved private investments. Hence, the sector is forecast to expand by 6.8% in 2024.

*(Source: Economic Outlook 2024, Ministry of Finance)*

### **5.3 Prospects of SkyWorld Development Group**

The performance of our Group will be supported by progressive revenue recognised from ongoing projects and sales of completed inventories. As at the LPD, our Group's unbilled sales amounted to RM510.0 million.

Throughout 2023, our Group successfully launched two new developments with combined Gross Development Value ("**GDV**") of approximately RM1.2 billion, which underscores our Group's commitment to growth. Looking ahead, our Group is poised to launch additional developments with a combined GDV of not less than RM3.0 billion in the next 3 financial years. Furthermore, leveraging on our Group's healthy cash position and robust balance sheet as well as our Group' positive net cash flow of RM125.54 million based on our Group's latest unaudited quarterly result for the 9-month financial period ended 31 December 2023, our Group is currently focusing on expanding our product offerings through strategic land acquisitions in the urban areas of Malaysia and Vietnam.

Despite challenging and uncertainties in both local and global economic outlook, our Board is cautiously optimistic that the financial and operation performances of our Group remains satisfactory in FYE 2024.

*(Source: Management of our Group)*

(The rest of this page is intentionally left blank)

## 6. EFFECTS OF THE PROPOSED LTIP

### 6.1 Issued share capital

The Proposed LTIP is not expected to have an immediate effect on the existing issued share capital of our Company until such time when the new Shares are issued pursuant to the Proposed LTIP. The issued share capital of our Company will increase progressively depending on the number of new Shares to be allotted and issued arising from the exercise of the ESOS Options that may be granted under the ESOS Award and / or pursuant to the vesting of the new Shares under the PSGP Award. However, if existing Shares are to be transferred via treasury shares or existing Shares to Eligible Persons pursuant to the Proposed LTIP, there will be no effect on the issued share capital of our Company.

For illustrative purposes, the proforma effects of the Proposed LTIP on the issued share capital of our Company based on the assumption that the number of LTIP Awards granted amounts to 10% of the total number of issued Shares of SkyWorld Development (excluding treasury shares, if any) as at the LPD, are set out below:

	Minimum Scenario		Maximum Scenario	
	No. of Shares '000	RM'000	No. of Shares '000	RM'000
Share capital as at the LPD	1,000,000	244,960	1,000,000	244,960
Number of Shares to be issued assuming full conversion of ICPS	(1) -	(1) -	(2)(3) 187,500	150,000
Total issued share capital	1,000,000	244,960	1,187,500	394,960
Shares to be issued pursuant to the Proposed LTIP	100,000	(4) 55,890	118,750	(4) 66,369
<b>Enlarged issued share capital</b>	<b>1,100,000</b>	<b>300,850</b>	<b>1,306,250</b>	<b>461,329</b>

#### Notes:

- (1) Assuming none of the outstanding ICPS are exercised into new SkyWorld Shares.
- (2) Assuming all 187,500,000 ICPS are fully converted at a conversion ratio of 1 ICPS into 1 new SkyWorld Share.
- (3) For information purposes, the ICPS shall only be converted within a period commencing from the third (3<sup>rd</sup>) anniversary of the issuance date of ICPS i.e. 3 May 2026.
- (4) For illustrative purpose only, the indicative issue price is calculated based on RM0.5589, which represents a discount of RM0.0621 or approximately 10% to the 5MD-VWAMP of SkyWorld Shares up to and including the LPD of RM0.6210 per SkyWorld Share.

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

Pursuant to the Proposed LTIP, save for the potential impact of MFRS 2 issued by the Malaysian Accounting Standards Board, as elaborated in Section 6.3 of this Circular, the Proposed LTIP is not expected to have any immediate effect on the NA, NA per Share and gearing of our Group until such time when the new Shares are issued under the Proposed LTIP.

Any potential effect on the NA, NA per Share and gearing of our Group in the future will depend on factors such as the actual number of Shares to be issued which can only be determined at the point of the exercise of the ESOS Options, the Exercise Price and / or the vesting of the PSGP Awards.

### **6.3 Earnings and Earnings per Share (“EPS”)**

The Proposed LTIP is not expected to have any immediate material effect on the earnings and EPS of our Group until such time when the ESOS Options are vested and exercised and / or PSGP Awards are vested.

Any potential effects on the EPS of our Group in the future will depend on factors such as the number of ESOS Options vested and exercised, the Exercise Price payable upon the exercise of the ESOS Options under the Proposed ESOS and the number of Shares granted under the Proposed PSGP, as well as the non-cash expenses arising from the LTIP Awards under MFRS 2.

However, the EPS of our Group may be diluted as a result of the increase in total number of issued new Shares as and when the ESOS Options are exercised into new SkyWorld Shares under the Proposed ESOS as well as the number of new SkyWorld Shares issued under the Proposed PSGP, depending on the number of new SkyWorld Shares issued.

In accordance with MFRS 2, the cost arising from the issuance of the ESOS Options is measured by the fair value of the ESOS Options, which is expected to vest at each date of offer and is recognised as expense in the statements of profit or loss and other comprehensive income over the vesting period of the ESOS Options, thereby reducing the earnings of our Group. The fair value of the ESOS Options is determined after taking into consideration, amongst others, the historical volatility of the Shares, the risk-free rate, the Exercise Price of the ESOS Options and time to maturity of the ESOS Options from the vesting date of the ESOS Options. Hence, the potential effect on the EPS of our Group, as a consequence of the recognition of said cost, cannot be determined at this juncture.

Under the MFRS 2, the potential cost of awarding the Shares under the Proposed PSGP will need to be measured at fair value on the date of award and recognised as an expense in the statement of profit or loss and other comprehensive income of our Group over the vesting period of such Shares under the PSGP Award. The extent of the effect of the Proposed PSGP on our Group’s EPS cannot be determined at this juncture as it would depend on the fair value of the PSGP Awards at the respective dates of the PSGP Award.

However, it is important to note that the potential cost of the award pursuant to the Proposed ESOS and Proposed PSGP does not represent a cash outflow and is only an accounting treatment. Nevertheless, our Company has taken note of the potential impact of the MFRS 2 on our Group’s future earnings and shall take into consideration such impact on the allocation and award of ESOS Options and / or the Shares to the Eligible Persons.

(The rest of this page is intentionally left blank)



#### 6.4 Substantial shareholders' shareholdings

The Proposed LTIP is not expected to have any immediate effect on the shareholdings of our substantial shareholders until the new Shares are issued pursuant to the Proposed LTIP, which should result in a dilution in their shareholdings.

Any potential effect on their shareholdings will depend on the number of ESOS Options granted and new Shares to be issued arising from the exercise of the ESOS Options under the Proposed ESOS as well as the number of new SkyWorld Shares to be issued pursuant to the Proposed PSGP at the relevant point in time.

For illustrative purposes, assuming that the LTIP Awards are satisfied via the issuance of new SkyWorld shares, the pro forma effects of the Proposed LTIP on the substantial shareholders' shareholdings are set out below:

##### **Minimum Scenario**

Substantial Shareholders	Shareholdings as at the LPD				After the Proposed LTIP			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1) %	No. of Shares	(1) %	No. of Shares	(2) %	No. of Shares	(2) %
Datuk Seri Ng Thien Phing	424,373,952	42.44	-	-	424,373,952	38.58	-	-
Datuk Lam Soo Keong @ Low Soo Keong	102,757,679	10.28	-	-	102,757,679	9.34	-	-
Lee Chee Seng	50,082,469	5.01	-	-	<sup>(3)</sup> 50,082,469	4.55	-	-

##### **Notes:**

- (1) Computed based on the total number of issued Shares of our Company of 1,000,000,000 Shares as at the LPD.
- (2) Computed based on the enlarged number of issued Shares of our Company of 1,100,000,000 (assuming 100,000,000 new Shares are issued pursuant to the Proposed LTIP to the Eligible Persons under the Minimum Scenario).
- (3) Assuming no provision has been made for the allotment of LTIP Awards to Lee Chee Seng as the LTIP Committee has yet to decide on the quantum to be allocated to Eligible Persons.

## Maximum Scenario

Substantial Shareholders	Shareholdings as at the LPD				Shareholdings assuming full conversion of the ICPS				After the Proposed LTIP			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(1) %	No. of Shares	(1) %	No. of Shares	(2) %	No. of Shares	(2) %	No. of Shares	(3) %	No. of Shares	(3) %
Datuk Seri Ng Thien Phing	424,373,952	42.44	-	-	558,625,407	47.04	-	-	558,625,407	42.77	-	-
Datuk Lam Soo Keong @ Low Soo Keong	102,757,679	10.28	-	-	141,469,628	11.91	-	-	141,469,628	10.83	-	-
Lee Chee Seng	50,082,469	5.01	-	-	61,619,065	5.19	-	-	<sup>(4)</sup> 61,619,065	4.72	-	-

### **Notes:**

- (1) Computed based on the total number of issued Shares of our Company of 1,000,000,000 Shares as at the LPD.
- (2) Computed based on the total number of issued Shares of our Company of 1,187,500,000 Shares assuming full conversion of the ICPS.
- (3) Computed based on the enlarged number of issued Shares of our Company of 1,306,250,000 (assuming 118,750,000 new Shares are issued pursuant to the Proposed LTIP to the Eligible Persons under the Maximum Scenario).
- (4) Assuming no provision has been made for the allotment of LTIP Awards to Lee Chee Seng as the LTIP Committee has yet to decide on the quantum to be allocated to Eligible Persons.

(The rest of this page is intentionally left blank)

## 6.5 Convertible securities

Save for the 187,500,000 ICPS, our Company does not have any other outstanding convertible securities as at the LPD. For the avoidance of doubt, the Proposed LTIP will not have any impact to the ICPS.

## 7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of the Shares as traded on Bursa Securities for the last 10 months preceding the date of this Circular (since our Listing on 10 July 2023) are as follows:

	<u>High</u> <u>(RM)</u>	<u>Low</u> <u>(RM)</u>
<b><u>2023</u></b>		
July	0.81	0.69
August	0.74	0.65
September	0.72	0.58
October	0.63	0.52
November	0.60	0.56
December	0.57	0.53
<b><u>2024</u></b>		
January	0.59	0.54
February	0.59	0.55
March	0.68	0.55
April	0.66	0.58
Last transacted price of SkyWorld Shares on 27 March 2024, being the last trading day prior to the date of announcement of the Proposed LTIP on 29 March 2024		0.65
Last transacted price of SkyWorld Shares as at the LPD		0.62

*(Source: Bloomberg)*

(The rest of this page is intentionally left blank)

## 8. APPROVALS REQUIRED / OBTAINED

The Proposed LTIP is subject to approvals being obtained from the following:

- (i) Bursa Securities for the listing of and quotation for the new SkyWorld Shares to be issued pursuant to the Proposed LTIP;

The approval from Bursa Securities was obtained vide its letter dated 3 May 2024 and is subject to the following conditions:

No.	Conditions	Status of compliance
<b>Proposed LTIP</b>		
1.	SkyWorld Development and Kenanga IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed LTIP.	To be complied
2.	Kenanga IB is required to submit a confirmation to Bursa Securities of full compliance of the Proposed LTIP pursuant to paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in a general meeting approving the Proposed LTIP.	To be complied
3.	SkyWorld Development to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the Proposed LTIP as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

- (ii) The approval of our shareholders (including the waiver of pre-emptive rights under Section 85(1) of the Act read together with Clause 12(3) of our Constitution) at the forthcoming EGM.

The Proposed LTIP is not conditional upon any other corporate exercise / scheme being or proposed to be undertaken by our Company.

## 9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND / OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the Directors, major shareholder, chief executives of our Company and / or persons connected with them are deemed interested, direct or indirect, in the Proposed LTIP.

Lee Chee Seng (in his capacity as the CEO of our Company) is entitled to participate in the Proposed LTIP and is therefore deemed interested in the Proposed LTIP by virtue of his eligibility for the LTIP Awards and in respect of his proposed allocations as well as the proposed allocations to persons connected with him under the Proposed LTIP, if any.

Lee Chee Seng has abstained and will continue to abstain from all Board deliberations (in his capacity as the CEO of our Company) and voting and will abstain from voting in respect of his direct and / or indirect shareholdings, if any, at the EGM of our Company to be convened on the ordinary resolutions to be tabled for his proposed allocations, if any, as well as the proposed allocations to the persons connected to him, if any.

Lee Chee Seng has also undertaken that he will ensure that persons connected with him, if any, will abstain from voting in respect of their direct and / or indirect shareholdings, if any, in our Company, on the ordinary resolutions pertaining to their respective proposed allocations at the EGM of our Company to be convened, if any.

For the avoidance of doubt, the Proposed LTIP is not extended to the Non-Eligible Executive Directors and Non-Executive Directors of our Company. Accordingly, no LTIP Awards shall be granted to the Non-Eligible Executive Directors and Non-Executive Directors of our Company.

The shareholdings of our Directors as at the LPD are as below:

	<b>Direct</b>	
	<b>No. of Shares</b>	<b>(1) %</b>
<b><u>Director and Major Shareholders</u></b>		
Datuk Seri Ng Thien Phing	424,373,952	42.44
Datuk Lam Soo Keong @ Low Soo Keong	102,757,679	10.28
<b><u>Directors</u></b>		
Lee Chee Seng (CEO of SkyWorld Development)	50,082,469	5.01
Chan Seng Fatt	-	-
Ong Soo Chan	100,000	0.01
Phang Sze Fui	100,000	0.01
Zalinah Binti A Hamid	-	-

**Note:**

(1) Based on the total number of issued SkyWorld Shares of 1,000,000,000 as at the LPD.

**10. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION**

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed LTIP is expected to be implemented by the 4<sup>th</sup> quarter of 2024.

The tentative timetable in relation to the Proposed LTIP is set out below:

<b>Key Events</b>	<b>Tentative Timeline</b>
EGM for the Proposed LTIP	28 June 2024
Effective date for the implementation of the Proposed LTIP	By December 2024

## 11. FUND RAISING EXERCISES IN THE PAST 12 MONTHS

Save for the initial public offering which our Company undertook in conjunction with our Listing on 10 July 2023, our Company had not undertaken any equity fund raising exercises in the past 12 months prior to the date of this Circular.

As at the LPD, the proceeds raised from our Listing are utilised as follows:

<u>Details of utilisation</u>	<u>Proposed utilisation RM'000</u>	<u>Actual utilisation RM'000</u>	<u>Re-allocation RM'000</u>	<u>Balance unutilised RM'000</u>	<u>Estimated timeframe for utilisation upon Listing</u>
Acquisition of land for development	100,000	8,250	-	91,750	Within 36 months
Working capital for project development	35,192	22,618	1,819	14,393	Within 24 months
Repayment of bank borrowings	20,000	20,000	-	-	Within 12 months
Estimated listing expenses	11,208	9,389	(1,819)	-	Immediate
	<u>166,400</u>	<u>60,257</u>	<u>-</u>	<u>106,143</u>	

## 12. OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed LTIP (which is the subject matter of this Circular) and as disclosed below, our Board is not aware of any other outstanding proposals which have been announced but not yet completed as at the LPD.

On 7 September 2023, our Company announced that SkyWorld Development (Vietnam) Company Limited ("**SkyWorld Vietnam**"), a wholly-owned subsidiary of our Company, had on even date, entered into a conditional sale and purchase agreement with (i) Mr. Nguyen Son Hai Long; (ii) Ms. Nguyen Thuy Thoai Phuong; and (iii) Ms. Nguyen Thuy Diem Phuong (the individuals are collectively referred to as the "**Vendors**"); and (iv) Thuan Thanh Trading Production and Real Estate Trading Joint Stock Company ("**Project Company**") for the acquisition of the entire fully paid-up 1,700,000 ordinary shares of VND100,000 each in the share capital of the Project Company for a total cash consideration of VND350,000,000,000 (equivalent to approximately RM67,900,000). On 8 December 2023, our Company had announced that SkyWorld Vietnam had entered into an amendment of the conditional sale and purchase agreement to vary and modify the terms in the conditional sale and purchase agreement.

## 13. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board (save for Lee Chee Seng who has abstained from forming any opinion and making any recommendations relating to his proposed allocations as well as the proposed allocations to persons connected to him, if any), after having considered all aspects of the Proposed LTIP, which include, but are not limited to, the basis, the rationale and justification as well as the effects of the Proposed LTIP, is of the opinion that the Proposed LTIP is in the best interest of our Company.

Lee Chee Seng has abstained and will continue to abstain from deliberating and making any recommendations at all relevant Board meetings (in his capacity as the CEO of our Company) in relation to his allocation as well as allocations to persons connected with him, if any, under the Proposed LTIP. He will also abstain and has undertaken that he will ensure that the persons connected to him, if any, will abstain from voting in respect of their direct and / or indirect interests in our Company, on the resolutions pertaining to his allocations as well as allocations to persons connected to him, if any, under the Proposed LTIP at the EGM of our Company to be convened.

As of this juncture, our Company has not proposed any allocation to Lee Chee Seng and / or persons connected to him under the Proposed LTIP. Therefore, no resolution and shareholders' approval for any proposed allocation to Lee Chee Seng and / or persons connected to him under the Proposed LTIP will be sought at the EGM of our Company to be convened. In the event our Company proposes to allocate to Lee Chee Seng and / or persons connected to him under the Proposed LTIP, our Company will seek our shareholders' approval at a general meeting.

Where the resolutions are not related to their respective proposed allocations or proposed allocations to the persons connected with them, if any, under the Proposed LTIP, our Board recommends that you vote in favour of the resolutions pertaining to the Proposed LTIP to be tabled at the EGM.

#### 14. IMPLICATIONS FOR VOTING IN FAVOUR OF THE PROPOSED LTIP

Section 85(1) of the Act provides that:

*“Subject to the constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.”*

Clause 12(3) of the Constitution states that:

*“(a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.*

*(b) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company.*

*(c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.*

Accordingly, in conjunction with the Proposed LTIP, we wish to seek your approval for a waiver of your pre-emptive rights under Section 85(1) of the Act (which is to be read together with Clause 12(3) of the Constitution) (“**Pre-emptive Rights**”). Such waiver has been incorporated in the ordinary resolution pertaining to the Proposed LTIP to be tabled at the forthcoming EGM and set out in the notice of EGM which is enclosed in this Circular. Essentially, if the ordinary resolution pertaining to the Proposed LTIP is approved by you at the forthcoming EGM, such approval signifies your agreement to waive your Pre-emptive Rights in respect of the new shares to be allotted and issued by our Company pursuant to the Proposed LTIP, which will result in a dilution to your shareholding in our Company.

**15. EGM**

Our EGM, the notice of which is enclosed in this Circular, will be conducted as a virtual meeting via live streaming on Friday, 28 June 2024, at 12.30 p.m. or at any adjournment thereof for the purpose of considering the Proposed LTIP contained herein and, if thought fit, passing with or without modifications, the resolutions to give effect to the Proposed LTIP. The resolutions pertaining to the Proposed LTIP are set out in the Notice of EGM which is enclosed with this Circular.

If you are unable to attend and vote in person at the EGM, you may complete, sign and return the enclosed Proxy Form in accordance with the instructions contained therein as soon as possible, so as to arrive at the office of our Company's share registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to submit the proxy form electronically via TIIH Online website at <https://tiih.online>, not later than Wednesday, 26 June 2024 at 12.30 p.m..

**16. FURTHER INFORMATION**

Shareholders are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,  
For and on behalf of the Board  
**SKYWORLD DEVELOPMENT BERHAD**

**DATUK SERI NG THIEN PHING**  
Non-Independent Executive Chairman



## APPENDIX I – FURTHER INFORMATION

### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the completeness and accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there is no false or misleading statement or other facts, the omission of which would make any information in this Circular false or misleading.

### 2. CONSENT AND CONFLICT OF INTEREST

Kenanga IB, being the Principal Adviser to our Company for the Proposed LTIP, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context which they so appear in this Circular.

Kenanga IB has confirmed that there is no conflict of interest which exists or likely to exist in its capacity as the Principal Adviser for the Proposed LTIP.

### 3. MATERIAL LITIGATION

As at the LPD, our Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant and our Board is not aware and does not have any knowledge of any proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group.

### 4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

#### 4.1 Material Commitments

As at the LPD, save as disclosed below, our Board is not aware of any material commitments incurred or known to be incurred by our Group, which may have a material impact on the results or financial position of our Group:

	Source of Funds		
	Commitment for capital expenditure RM'000	Internally generated funds / bank borrowings RM'000	Proceeds from our Listing RM'000
<b>Approved and contracted for:</b>			
• Capital expenditure for new build-to-rent developments	3,146	3,146	-
• Acquisition of lands for property development	104,650	67,900	36,750
<b>Total</b>	<b>107,796</b>	<b>71,046</b>	<b>36,750</b>

**4.2 Contingent Liabilities**

As at the LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group that have not been provided for, which upon becoming enforceable may have a material impact on the results or financial position of our Group.

**5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of our Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200, Kuala Lumpur, during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to the date of the EGM:

- (i) the Constitution of our Company;
- (ii) draft By-Laws as set out in Appendix II of this Circular;
- (iii) the audited consolidated financial statements of our Group for the past 2 FYE 2023 and FYE 2022 and the latest unaudited consolidated financial statements of our Group for the 9-months financial period ended 31 December 2023; and
- (iv) the letter of consent and conflict of interest referred to in Section 2 of this Appendix I.

(The rest of this page is intentionally left blank)

**1. DEFINITIONS AND INTERPRETATIONS**

1.1 Except where the context otherwise requires, the following expression in these By-Laws shall have the following meanings:

Act	:	Companies Act 2016, as amended from time to time and all regulations made thereunder, including any re-enactment thereof
Adviser	:	A person who is permitted to carry on the regulated activity of advising corporate finance under the Capital Markets and Services Act 2007, which includes a Principal Adviser as defined in the Securities Commission Malaysia's Licensing Handbook (Chapter 7A)
Authorised Nominee	:	A person who is authorised to act as a nominee as specified in accordance with the schedule prescribed under Part VIII of the Rules of the Bursa Depository
Board	:	The Board of Directors of the Company
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
By-Laws	:	The rules, terms and conditions of the Scheme (as may be modified, varied and/or amended from time to time)
CDS	:	Central Depository System
CDS Account	:	An account established by Bursa Depository for a depositor for the recording of deposits and withdrawal of securities and for dealings in such securities by a depositor
Central Depositories Act	:	The Securities Industry (Central Depositories) Act 1991, as amended from time to time including all subsidiary legislations made thereunder and any re-enactment thereof
CEO	:	Chief Executive Officer of the Company
Constitution	:	The constitution of the Company, including any amendments thereto that may be made from time to time
Date of Expiry	:	Last day of the duration of the Scheme or last day of any extended period pursuant to By-Law 13.2 (as the case may be)  If such date is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day, but excluding those days during that period on which the Record of Depositors is closed
Director	:	A natural person who holds a directorship in the Company or any company within the Group, whether in an executive or non-executive capacity, and shall have the meaning of Section 2(1) of the Capital Markets and Services Act 2007 as amended from time to time including any re-enactment thereof

---

**APPENDIX II – DRAFT BY-LAWS (CONT'D)**

---

Effective Date	:	The date on which the Scheme comes into force as provided in By-Law 13.1
Eligible Person(s)	:	(i) In the case of the ESOS, the CEO, Senior Management Employee and any Employee as may be determined at the discretion of the LTIP Committee from time to time who meets the criteria of eligibility for participation in the Scheme as set out in By-Law 4 hereof; and  (ii) In the case of the PSGP, the Senior Management Employee and any Employee as may be determined at the discretion of the LTIP Committee from time to time who meets the criteria of eligibility for participation in the Scheme as set out in By-Law 4 hereof
Employee	:	A natural person who is employed by and on the payroll of the Company or any company within the Group
Entitlement Date	:	The date as at the close of business on which shareholders' names must appear in the record of depositors of the Company maintained at Bursa Depository in order to be entitled to any dividends, rights, allotments and/or other distributions
ESOS	:	Employees' share option scheme as stipulated in Section 2 of these By-Laws
ESOS Award(s)	:	The award of such number of ESOS Option(s) to an Eligible Person to subscribe for the Shares at the Exercise Price in the manner and subject to the terms and conditions provided in these By-Laws
ESOS Award Date(s)	:	The date of which an ESOS Award(s) is awarded to an Eligible Person pursuant to a LTIP Award letter
ESOS Option(s)	:	The right of ESOS Participant(s) to subscribe for the Share(s) at the Exercise Price in the manner provided in By-Law 36
ESOS Participant(s)	:	Eligible Person(s) who has accepted the ESOS Award(s) in the manner provided in By-Law 35
ESOS Vesting Date(s)	:	The date upon which all or any part of the ESOS Options awarded to ESOS Participant(s) are eligible to be vested and are entitled to exercise the ESOS Options upon fulfilment of all terms and Vesting Conditions, if any, as determined by the LTIP Committee
Executive Director	:	A director on the board of any corporation within the SkyWorld Group holding office in an executive capacity who is involved in the day-to-day management and on the payroll of any company within SkyWorld Group
Exercise Price	:	The price at which ESOS Participant(s) shall be entitled to subscribe for the Share(s) upon the exercise of the ESOS Option(s), as initially determined and as may be adjusted, pursuant to the provisions of By-Law 38
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities including all amendments thereto and any Practice Notes issued in relation thereto

---

**APPENDIX II – DRAFT BY-LAWS (CONT'D)**

---

LTIP	:	Long Term Incentive Plan as stipulated in these By-Laws
LTIP Award(s)	:	Means the PSGP Award(s) and/or the ESOS Award(s), as the case may be
LTIP Award Date(s)	:	Means the PSGP Award Date(s) and/or the ESOS Award Date(s), as the case may be
LTIP Award Vesting Date(s)	:	Means the PSGP Vesting Date(s) and/or the ESOS Vesting Date(s), as the case may be
LTIP Committee	:	The committee comprising such persons as may be appointed and duly authorised by the Board pursuant to By-Law 14 to implement and administer the Scheme
LTIP Participant(s)	:	Means the PSGP Participant(s) and/or the ESOS Participant(s), as the case may be
LTIP Scheme or Scheme	:	The long term incentive plan for the award of PSGP Award(s) and/or ESOS Award(s) to any Eligible Person in accordance with the provisions of these By-Laws and such scheme shall be known as the “ <b>SkyWorld’s Long Term Incentive Plan</b> ”
Market day	:	A day on which Bursa Securities is open for trading in securities
Maximum Allowable Allotment	:	The maximum number of Shares in respect of the LTIP Awards that can be made available to an Eligible Person as set out in By-Law 5 hereof
Person connected	:	Has the meaning ascribed to "person connected" in Paragraph 1.01 of the Listing Requirements
PSGP	:	Performance Share Grant Plan as stipulated in Section 1 of these By-Laws
PSGP Award(s)	:	The award of such number of Shares to an Eligible Person in the manner and subject to the terms and conditions provided in these By-Laws
PSGP Award Date(s)	:	The date of which a PSGP Award(s) is awarded to an Eligible Person pursuant to a LTIP Award letter
PSGP Participant(s)	:	Eligible Person(s) who has accepted PSGP Award(s) in the manner provided in By-Law 30
PSGP Vesting Date(s)	:	The date upon which all or any parts of the Shares awarded to PSGP Participant(s) are eligible to be vested upon fulfilment of all terms and Vesting Conditions, if any, as determined by the LTIP Committee
Record of Depositors	:	A record provided by Bursa Depository to a listed issuer under Chapter 24 of the Rules of Bursa Securities, including any amendment that may be made from time to time
RM and sen	:	Ringgit Malaysia and sen respectively
Rules of Bursa Depository	:	The rules of Bursa Depository, as issued pursuant to the Central Depositories Act

---

**APPENDIX II – DRAFT BY-LAWS (CONT'D)**

---

Senior Management Employee	:	Employees of the SkyWorld Group who hold senior management positions and key roles within the Group
SkyWorld or the Company	:	SkyWorld Development Berhad (Registration No. 200601034211 (753970-X))
SkyWorld Group or the Group	:	The Company and its subsidiary companies as defined in Section 4 of the Act, and in the context of the LTIP, shall exclude subsidiary companies which are dormant. Subject to the foregoing, subsidiary companies include subsidiary companies which are existing as at the Effective Date and subsidiary companies which are incorporated or acquired at any time during the duration of the Scheme but exclude subsidiaries which have been divested in the manner provided in By-Law 11
SkyWorld Share(s) or Share(s)	:	Ordinary share(s) in SkyWorld
Trust	:	The trust that may be established to facilitate the implementation of the Scheme
Trust Deed	:	The trust deed(s) constituting the Trust to be executed between the Trustee and the Company (if applicable)
Trustee	:	The trustee(s) or its authorised nominee that may be appointed by the Company for the Scheme from time to time
Vesting Conditions	:	The conditions which are required to be fulfilled by a LTIP Participant before the ESOS Option(s) and/or PSGP Award(s) is capable of being vested onto the LTIP Participant pursuant to the terms of these Bylaws

1.2 In these By-Laws:

- (i) any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision and Listing Requirements and any policies and/or guidelines of the relevant authorities (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the reasonable commercial practice of persons to whom such requirements, policies and/or guidelines are addressed to by Bursa Securities and/or the relevant authorities);
- (ii) any reference to a statutory provision shall include that provision as from time to time modified or re-enacted whether before or after the date of these By-Laws so far as such modification or re-enactment applies or is capable of applying to any LTIP Award(s) awarded and accepted during the duration of the Scheme and shall also include any past statutory provision (as from time to time modified or re-enacted) which such provision has directly or indirectly replaced;
- (iii) words denoting the singular shall include the plural and vice versa and references to gender shall include both genders and the neuter;
- (iv) any liberty or power which may be exercised or any determination which may be made hereunder by the LTIP Committee may be exercised in the LTIP Committee's absolute discretion and the LTIP Committee shall not be under any obligation to give any reasons thereof, except as may be required by the relevant authorities;
- (v) the heading in these By-Laws are for convenience only and shall not be taken into account in the interpretation of these By-Laws;

- (vi) if an event is to occur on a stipulated day which is not a Market Day, then the stipulated day will be taken to be the first Market Day after that day;
- (vii) any reference to the Company and/or other person shall include a reference to its successors-in-title and permitted assigns; and
- (viii) unless otherwise stated herein and whenever applicable, the currency adopted for any matter referred to in this Bylaws is RM and sen, being the lawful currency of Malaysia.

## **2. NAME AND OBJECTIVE OF SCHEME**

2.1 This Scheme shall be called the “**SkyWorld’s Long Term Incentive Plan**”.

2.2 The objectives of the Scheme are as follows:

- (a) to serve as a long-term incentive plan to reward the Eligible Persons to align their interest with the corporate goals and objectives of the Group and allowing Eligible Persons through the LTIP Awards to have equity participation in the Group;
- (b) to recognise the contribution of the Eligible Persons whose services are valued and considered vital to the operations and continued growth of the Group;
- (c) to attract and reward the Eligible Persons by allowing them through the LTIP Awards to participate in the Group's profitability and eventually realise any capital gains arising from appreciation in the value of the Shares;
- (d) to motivate the Eligible Persons towards achieving improved performance through greater productivity and loyalty;
- (e) to inculcate a greater sense of belonging and dedication as the Eligible Persons are given the opportunity to participate directly in the equity of the Company; and
- (f) possibly retain the Eligible Persons, hence ensuring that the loss of key personnel is kept to a minimum level.

## **3. MAXIMUM NUMBER OF NEW SHARES AVAILABLE UNDER THE SCHEME**

3.1 The maximum number of the Shares which may be made available under the Scheme shall not in aggregate exceed 10% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the Scheme as provided in By-Law 13.2.

3.2 Notwithstanding the provision of By-Law 3.1 above and any other provisions contained herein, in the event the total number of the Shares that may be made available under the Scheme exceeds 10% of the total number of issued shares of the Company (excluding treasury shares, if any) as a result of the Company purchasing, cancelling and/or reducing the Shares in accordance with the provisions of the Act or the Company undertaking any corporate proposal and thereby diminishing the total number of issued shares of the Company, then such LTIP Award(s) awarded prior to the adjustment of the issued shares of the Company (excluding treasury shares, if any) shall remain valid and exercisable in accordance with the provisions of this Scheme. However, in such a situation, the LTIP Committee shall not make any further LTIP Award(s) until the total number of Shares under the subsisting LTIP Award(s) falls below 10% of the total number of issued shares of the Company (excluding treasury shares, if any).

3.3 Notwithstanding the above, the Company may implement more than one (1) long term incentive plan during the duration of this Scheme provided that the aggregate Shares available for issuance under all the share issuance schemes implemented by the Company are not more than 10% of the total number of issued shares of the Company (excluding treasury shares, if

any) at any one time or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time.

**4. ELIGIBILITY**

- 4.1 Subject to the sole discretion of the LTIP Committee, only Eligible Persons who fulfil the following conditions as at the LTIP Award Date shall be eligible to participate in the Scheme:
- (a) is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (b) is employed by SkyWorld Group on a full-time basis or under an employment contract with SkyWorld Group for a fixed duration of at least 1 year (or any other contract as may be determined by the LTIP Committee) and the contract shall have not expired within 3 months from the LTIP Award Date and is on the payroll of any company within SkyWorld Group and has not served a notice of resignation or received notice of termination;
  - (c) must have been in employment of the SkyWorld Group for such period as may be determined by the LTIP Committee prior and up to the LTIP Award Date and has not served a notice to resign nor received a notice of termination;
  - (d) is confirmed in writing as a full time Employee of SkyWorld Group prior to and up to the LTIP Award Date; and
  - (e) fulfils any other criteria and/or falls within such category as may be determined by the LTIP Committee at its sole and absolute discretion from time to time.

Provided that, in the case of an Eligible Person who is also an Executive Director, the LTIP Awards offered or granted to him/her under the LTIP must have been approved by the shareholders of the Company at a general meeting.

For avoidance of doubt, the Scheme is not extended to Datuk Seri Ng Thien Phing and Datuk Lam Soo Keong @ Low Soo Keong (collectively, “**Non-Eligible Executive Directors**”) and the Non-Executive Directors of SkyWorld. Accordingly, no LTIP Awards shall be granted to the Non-Eligible Executive Directors and Non-Executive Directors of SkyWorld.

- 4.2 Notwithstanding the above, the LTIP Committee may, at its sole and absolute discretion, waive any of the eligibility conditions as set out in By-Law 4.1 above (save for By-Law 4.1(a) and 4.1(b)). The selection of any Employee for participation in the Scheme, eligibility and number of LTIP Award(s) to be awarded to an Eligible Person under the Scheme shall be at the sole and absolute discretion of the LTIP Committee and the decision of the LTIP Committee shall be final and binding. In determining the eligibility of an Eligible Person to participate in the Scheme, the LTIP Committee may take into account amongst other factors, job grading, performance, length of service, contribution to the Group, the profit after tax of the Group, total shareholder return and/or such other factors that the LTIP Committee may in its sole and absolute discretion deem fit.
- 4.3 The LTIP Committee shall have the discretion to determine whether any vesting condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, and further to amend any Vesting Conditions if the LTIP Committee decides that a changed performance target would be a fairer measure of performance.
- 4.4 Notwithstanding By-Law 4.1, the LTIP Award(s) to be awarded to any Eligible Person, who is a Director, major shareholder or chief executive of the Company or persons connected with such Director, major shareholder or chief executive (as defined in the Listing Requirements), shall also be approved by the shareholders of the Company in general meeting to be convened.
- 4.5 Any Eligible Person who holds more than 1 position within SkyWorld Group and by holding such positions, the Eligible Person is in more than 1 category, shall only be entitled to the



Maximum Allowable Allotment of any 1 of those category/designation of employment. The LTIP Committee shall be entitled at its sole discretion to determine the applicable category/designation of employment.

- 4.6 A Senior Management Employee of a dormant company within SkyWorld Group is not eligible to participate in the Scheme.
- 4.7 An Employee who during the duration of the Scheme becomes an Eligible Person may, at the sole discretion of the LTIP Committee, be eligible to participate in the Scheme, subject to the Maximum Allowable Allotment and the decision of the LTIP Committee shall be final and binding.
- 4.8 Eligibility under the Scheme does not confer on an Eligible Person any claim or right to participate in or any right whatsoever under the Scheme and an Eligible Person does not acquire or has any right over or in connection with the LTIP Award(s) unless the LTIP Award(s) has been made by the LTIP Committee to the Eligible Person and the Eligible Person has accepted the LTIP Award(s) in accordance with these By-Laws.

**5. BASIS OF ALLOCATION AND MAXIMUM ALLOWABLE ALLOCATION**

- 5.1 The allocation of the Shares to be made available for the LTIP Award(s) under the Scheme shall be determined by the LTIP Committee.
- 5.2 Subject to By-Law 3 and any adjustment which may be made under By-Law 9, the maximum number of Shares to be awarded to an Eligible Person under the Scheme at any point of time in each LTIP Award shall be at the sole and absolute discretion of the LTIP Committee after taking into consideration, inter alia, the Eligible Person's seniority, job grading, performance, length of service, contribution to the Group, the profit after tax of the Group, total shareholder return and/or such other matters as the LTIP Committee deems fit in its sole and absolute discretion, and subject to the following conditions:
- (i) the total number of Shares made available under the Scheme shall not exceed the amount in By-Law 3.1 above;
  - (ii) not more than 10% of the total number of issued shares of the Company made available under the Scheme shall be allocated to any Eligible Person who, either singly or collectively through persons connected (as defined in the Listing Requirements) with the Eligible Person, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any);
  - (iii) not more than 20% of the total number of SkyWorld Shares which may be made available under the LTIP Scheme shall be allocated to the Directors who are Eligible Persons, whereas not more than 80% of the total number of SkyWorld Shares under the LTIP Scheme shall be allocated to the Senior Management Employee of the Group (excluding subsidiaries of the Company which are dormant) who are Eligible Persons. The maximum allowable allocation to the Directors and Senior Management Employee of the Group is determined after taking into consideration, amongst other factors, the seniority, job grading performance, length of services, contribution to our Group, the profit after tax of our Group and the total shareholder return; and
  - (iv) the Eligible Person shall not participate in the deliberation or discussion of their respective allocations as well as to persons connected with them, if any;

PROVIDED ALWAYS THAT it is in accordance with the Listing Requirements or any prevailing guidelines issued by Bursa Securities or any other relevant authorities, as amended from time to time.

- 5.3 The LTIP Committee shall determine the maximum number of Shares for the LTIP Award(s) that will be made available to an Eligible Person under the Scheme, in the manner provided in these By-Laws in relation to the CEO and each class or grade of Senior Management

Employees and the aggregate maximum number of LTIP Award(s) that can be awarded to the CEO and Senior Management Employees under the Scheme from time to time, and the decision of the LTIP Committee shall be final and binding. For the avoidance of doubt, the LTIP Committee shall not be obliged in any way to offer an Eligible Person the LTIP Award(s) for all the specified Maximum Allowable Allotment applicable to such Eligible Person under the Scheme.

- 5.4 In the event that an Employee is promoted and becomes an Eligible Person, the Maximum Allowable Allotment applicable to such Eligible Person shall be the Maximum Allowable Allotment that may be awarded corresponding to the category of employee of which he/she then is a party, subject always to the maximum number of Shares available under the Scheme as stipulated under By-Law 3.1.
- 5.5 In the event that an Eligible Person who is demoted/re-designated to a lower grade below Senior Management Employee for whatsoever reason shall no longer be entitled to the participation of the LTIP Scheme unless an award has been made and accepted by him before such demotion/re-designated or subject to the discretion of the LTIP Committee.
- 5.6 The Company shall ensure that the LTIP Award(s) awarded pursuant to the Scheme is verified by the Audit and Risk Management Committee of SkyWorld Group at the end of each financial year as being in compliance with the award criteria of the LTIP Award(s) which have been disclosed to the Eligible Person.
- 5.7 The LTIP Committee may at its sole and absolute discretion determine whether the LTIP Award(s) to the Eligible Person(s) will be made on staggered basis over the duration of the Scheme or in a single award and/or whether the LTIP Award(s) are subject to any vesting period and if so, to determine the Vesting Conditions.
- 5.8 If any Eligible Person is a member of the LTIP Committee, such Eligible Person shall not participate in the deliberation or discussion of his/her LTIP Award(s).
- 5.9 The selection of any Eligible Person to participate in the Scheme will be at the sole discretion of the LTIP Committee and the decision of the LTIP Committee shall be final and binding.
- 5.10 At the time the LTIP Award(s) is awarded in accordance with these By-Laws, the LTIP Committee shall set out the basis of award, identifying the category or grade of the Eligible Person and the Maximum Allowable Allotment that may be awarded to such Eligible Person under the LTIP Award(s).
- 5.11 Subject to By-Law 5.2, nothing herein shall prevent the LTIP Committee from awarding more than 1 LTIP Award(s) to an Eligible Person **PROVIDED THAT** the total aggregate number of Shares comprised in the LTIP Award(s) awarded to such Eligible Person during the duration of the Scheme shall not exceed the Maximum Allowable Allotment that an Eligible Person is entitled under the LTIP Award(s).

## **6. RIGHTS OF LTIP PARTICIPANT(S)**

- 6.1 The LTIP Award(s) shall not carry any right to vote at any general meeting of the Company.
- 6.2 The Shares which are credited into the LTIP Participants' CDS Account or the CDS Account of his/her Authorised Nominee upon vesting of the PSGP Awards and/or exercising of the ESOS Options, would carry rights to vote at the general meeting of the Company, if the LTIP Participant(s) is registered in the Record of Depositors on the Entitlement Date to be entitled to attend and vote at the general meeting.
- 6.3 A LTIP Participant(s) shall not be entitled to any dividends, rights and/or other distributions or entitlements on his/her unvested PSGP Awards and/or unexercised ESOS Options.

**7. RIGHTS ATTACHING TO THE SHARES**

- 7.1 The Shares arising upon vesting of PSGP Awards and/or exercising of the ESOS Options shall, upon allotment and issuance, rank equally in all respects with the existing Shares and together with the Shares procured by the Company, via the Trustee, for transfer shall:
- (i) be subject to the provisions of the Constitution; and
  - (ii) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the date on which the Shares are credited into the CDS Account of the LTIP Participant(s) and shall in all other respects rank equally with other existing Shares then in issue.
- 7.2 Notwithstanding any provision in these By-Laws, the LTIP Participant(s) shall not be entitled to any rights, dividends, allotments or other distributions attached to the Shares prior to the date on which such Shares are credited into their respective CDS Accounts or of which is prior to the date of allotment of such new Shares.
- 7.3 In the event that any existing Shares are to be transferred upon the vesting of any Shares under PSGP Awards, the existing Shares shall be transferred together with all dividends, rights, allotments and/or other distributions declared, the Entitlement Date of which is on or after to the date the Shares are credited not the CDS Accounts of the relevant PSGP Participants.

**8. RETENTION PERIOD**

- 8.1 The Shares arising upon vesting of PSGP Awards and/or exercising of the ESOS Options will not be subjected to any retention period or restriction on transfer. However, LTIP Participant(s) are encouraged to hold the Shares as a long-term investment and not for any speculative and/or realisation of any immediate gain. The expression “retention period” shall mean the period in which the Shares awarded and issued pursuant to the Scheme must not be sold, transferred, assigned or otherwise disposed of by the LTIP Participant(s).
- 8.2 Notwithstanding to the above By-Law 8.1, the LTIP Committee shall be entitled at its discretion to prescribe or impose, in relation to any LTIP Award(s), any condition relating to any retention period or restriction on transfer (if applicable) as the LTIP Committee sees fit.

**9. ALTERATION OF SHARE CAPITAL AND ADJUSTMENT**

- 9.1 Subject to By-Law 9.5 hereof, in the event of any alteration in the capital structure of the Company during the duration of the Scheme, whether by way of capitalisation of profits or reserves, rights issue, bonus issue, capital reduction, capital repayment, sub-division or consolidation of capital (save for set-off against accumulated losses), declaration of any special dividend or distribution or any other variation of capital howsoever shall take place during the duration of the Scheme, the Company shall cause such adjustment to be made:
- (i) in relation to PSGP:
    - (a) the number of Shares comprised in the PSGP Award(s) to the extent not yet vested; and/or
    - (b) the method and/or manner in the vesting of the Shares comprised in the PSGP Award(s).
  - (ii) in relation to ESOS:
    - (a) the Exercise Price and/or number of ESOS Options comprised in the ESOS Award(s) to the extent not yet vested or exercised; and/or

- (b) the method and/or manner in the vesting of the ESOS Options comprised in the ESOS Awards.

9.2 The following provisions shall apply in relation to an adjustment which is made pursuant to By-Law 9.1:

- (i) any adjustment to the Exercise Price shall be rounded up to the nearest 1 sen; and
- (ii) in determining a LTIP Participant's entitlement to have the Shares vested and/or to exercise the ESOS Options, any fractional entitlements will be disregarded.

9.3 Subject to By-Law 9.2, the Exercise Price for the ESOS Award(s) and/or the number of new Shares unvested/ESOS Options relating to the LTIP Award(s) awarded to each LTIP Participant(s) shall from time to time be adjusted, calculated and determined by the LTIP Committee in accordance with the following relevant provisions in consultation with the external auditors of the Company or adviser identified by the LTIP Committee (acting as experts and not arbitrators) who must confirm the adjustment in writing to be in their opinion, fair and reasonable:

**(i) Consolidation and subdivision**

Whenever a Share by reason of any consolidation or subdivision, the total number of issued shares shall be different. Then, the Exercise Price for the ESOS Award(s) and/or the number of additional SkyWorld Shares/ESOS Options relating to the LTIP Award(s) to be issued shall be adjusted, calculated or determined in the following formula:

- (a) New Exercise Price

$$\text{New Exercise Price} = \text{EP} \times \frac{\text{Former total number of issued shares before the consolidation or subdivision}}{\text{Revised total number of issued shares after the consolidation or subdivision}}$$

- (b) Number of additional Shares/ESOS Options

$$\text{Number of additional Shares/ESOS Options} = T \times \frac{\text{Revised total number of issued shares after the consolidation or subdivision}}{\text{Former total number of issued shares before the consolidation or subdivision}} - T$$

Where:

EP = Existing Exercise Price; and

T = Existing number of Shares/ESOS Options relating to the LTIP Award(s) awarded.

Such adjustment will be effective from the close of business on the Market Day immediately following the Entitlement Date on which the consolidation or subdivision becomes effective (being the date when the Shares are traded on Bursa Securities), or such other period as may be prescribed by Bursa Securities.

**(ii) Capitalisation of profits/reserves**

If and whenever the Company shall make any issue of new Shares to ordinary shareholders credited as fully paid-up, by way of bonus issue or capitalisation issue from profits or reserves (whether of a capital or income nature and including any capital redemption reserve fund), the Exercise Price for the ESOS Award(s) shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{A + B}$$

and the number of additional Shares/ESOS Options relating to the LTIP Award(s) to be issued shall be calculated as follows:

Number of additional Shares/ESOS Options =

$$T \times \left[ \frac{A+B}{A} \right] - T$$

Where:

A = the aggregate number of issued and fully paid-up Shares immediately before such bonus issue or capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to ordinary shareholders of the Company credited as fully paid-up by way of bonus issue or capitalisation of profits or reserves (whether of a capital or income nature and including any capital redemption reserve fund); and

T = as T above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the Entitlement Date for such issue.

**(iii)** If and whenever the Company shall make:

**(a) Capital Distribution**

a Capital Distribution (as defined below) to ordinary shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or

**(b) Rights issue of Shares**

any offer or invitation to its ordinary shareholders whereunder they may acquire or subscribe for new Shares by way of rights; or

**(c) Rights issue of convertible securities**

any offer or invitation to ordinary shareholders by way of rights whereunder they may acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares attached thereto,

then and in respect of each such case, the Exercise Price for the ESOS Award(s) shall be adjusted by multiplying it by the following fraction:

$$\frac{C - D}{C}$$

and in respect of the case referred to in By-Law 9.3(iii)(b) hereof, the number of additional Shares/ESOS Options comprised in the LTIP Award(s) to be issued shall be calculated as follows:

Number of additional Shares/ESOS Options =

$$T \times \left[ \frac{C}{C - D^*} \right] - T$$

Where:

T = as T above;

C = the current market price of each Share on the Market Day immediately preceding the date on which the Capital Distribution or, as the case may be, the offer or invitation is publicly announced to Bursa Securities or (failing any such announcement) immediately preceding the date of the Capital Distribution or, as the case may be, of the offer or invitation; and

D = (aa) in the case of an offer or invitation to acquire or subscribe for new Shares under By-Law 9.3(iii)(b) above or for securities convertible into Shares or securities with rights to acquire or subscribe for new Shares under By-Law 9.3(iii)(c) above, the value of rights attributable to 1 existing Share (as defined below); or

(bb) in the case of any other transaction falling within By-Law 9.3(iii) hereof, the fair market value as determined by the external auditor of the Company of that portion of the Capital Distribution attributable to 1 existing Share.

D\* = the value of rights attributable to 1 existing Share (as defined below).

For the purpose of definition “(aa)” of D above, the “**value of rights attributable to 1 existing Share**” shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

Where:

C = as C above;

E = the subscription price for 1 additional Share under the terms of such offer or invitation to acquire or subscribe for the Share or subscription price of 1 additional security convertible into Shares or 1 additional security with rights to acquire or subscribe for the Shares;

F = the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for 1 additional Share or subscribe for security convertible into 1 additional Share or rights to acquire or subscribe for 1 additional Share; and

For the purpose of definition “D\*” above, the “**value of rights attributable to 1 existing Share**” shall be calculated in accordance with the formula:

$$\frac{C - E^*}{F^* + 1}$$

Where:

C = as C above;

E\*= the subscription price for 1 additional Share under the terms of such offer or invitation to acquire or subscribe for Shares; and

F\*= the number of existing Shares which is necessary to hold in order to be offered or invited to acquire or subscribe for 1 additional Share.

For the purpose of By-Law 9.3(iii) hereof, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of new Shares (not falling under By-Law 9.3(ii) hereof) or other securities issued by way of capitalisation of profits or reserves of the Company (whether of a capital or income nature and including any capital redemption reserve fund).

Any distribution out of profits or reserves (including any capital redemption reserve fund) made (whenever paid and howsoever described) shall be deemed to be a Capital Distribution unless the distribution is paid out of the aggregate of the net profits attributable to the ordinary shareholders as shown in the audited consolidated statements of profit or loss and other comprehensive income of the Company.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the Entitlement Date for such issue.

**(iv) Capitalisation of profits/reserves and rights issue of Shares/ convertible securities**

If and whenever the Company makes any allotment to its ordinary shareholders as provided in By-Law 9.3(ii) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 9.3(iii)(b) or (c) above and Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price for the ESOS Award(s) shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I)}{(G + H + B) \times C}$$

and where the Company makes any allotment to its ordinary shareholders as provided in By-Law 9.3(ii) above and also makes any offer or invitation to its ordinary shareholders as provided in By-Law 9.3(iii)(b) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the number of additional Shares comprised in the LTIP Award(s) to be issued shall be calculated as follow:

Number of additional Shares (ESOS Options) =

$$T \times \left[ \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

Number of additional Shares (PSGP Award) =

$$T \times \left[ \frac{(G + H + B) \times C}{(G \times C) + (H \times I)} \right] - T$$

Where:

B = as B above;

C = as C above;

- G = the aggregate number of issued and fully paid-up Shares on the Entitlement Date;
- H = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for the Shares by way of rights or under an offer or invitation by way of rights to acquire or subscribe for securities convertible into the Shares or rights to acquire or subscribe for the Shares, as the case may be;
- H\* = the aggregate number of new Shares under an offer or invitation to acquire or subscribe for the Shares by way of rights;
- I = the subscription price of 1 additional Share under the offer or invitation to acquire or subscribe for the Shares or the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for 1 additional Share, as the case may be;
- I\* = the subscription price of 1 additional Share under the offer or invitation to acquire or subscribe for the Shares; and
- T = as T above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the Entitlement Date for such issue.

**(v) Rights issue of the Shares and rights issue of convertible securities**

If and whenever the Company makes any offer or invitation to its ordinary shareholders to acquire or subscribe for new Shares as provided in By-Law 9.3(iii)(b) above together with an offer or invitation to acquire or subscribe for securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares as provided in By-Law 9.3(iii)(c) above and the Entitlement Date for the purpose of the allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price for the ESOS Award(s) shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J) \times C}$$

and the number of additional Shares/ESOS Options comprised in the LTIP Award(s) shall be calculated as follows:

Number of additional Shares (ESOS Options) =

$$T \times \left[ \frac{(G + H^*) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

Number of additional Shares (PSGP Award) =

$$T \times \left[ \frac{(G + H + J) \times C}{(G \times C) + (H \times I) + (J \times K)} \right] - T$$

Where:

C = as C above;



- G = as G above;
- H = as H above;
- H\* = as H\* above;
- I = as I above;
- I\* = as I\* above;
- J = the aggregate number of the Shares to be issued to its ordinary shareholders upon conversion of such securities or exercise of such rights to subscribe for the Shares by the ordinary shareholders;
- K = the exercise price on conversion of such securities or exercise of such rights to acquire or subscribe for 1 additional Share; and
- T = as T above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the Entitlement Date for such issue.

**(vi) Capitalisation of profits/reserve, rights issue of the Shares and rights issue of convertible securities**

If and whenever the Company makes an allotment to its ordinary shareholders as provided in By-Law 9.3(ii) above and also makes an offer or invitation to its ordinary shareholders to acquire or subscribe for the Shares as provided in By-Law 9.3(iii)(b) above, together with rights to acquire or subscribe for securities convertible into new Shares or with rights to acquire or subscribe for the Share as provided in By-Law 9.3(iii)(c) above, and the Entitlement Date for the purpose of allotment is also the Entitlement Date for the purpose of the offer or invitation, the Exercise Price for the ESOS Award(s) shall be adjusted by multiplying it by the following fraction:

$$\frac{(G \times C) + (H \times I) + (J \times K)}{(G + H + J + B) \times C}$$

and the number of additional Shares/ESOS Options comprised in the LTIP Award(s) shall be calculated as follows:

Number of additional Shares (ESOS Options) =

$$T \times \left[ \frac{(G + H^* + B) \times C}{(G \times C) + (H^* \times I^*)} \right] - T$$

Number of additional Shares (PSGP Award) =

$$T \times \left[ \frac{(G + H + J + B) \times C}{(G \times C) + (H \times I) + (J \times K)} \right] - T$$

Where:

- B = as B above;
- C = as C above;

- G = as G above;
- H = as H above;
- H\* = as H\* above;
- I = as I above;
- I\* = as I\* above;
- J = as J above;
- K = as K above; and
- T = as T above

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day following the Entitlement Date for such issue.

**(vii) Others**

If and whenever (otherwise than pursuant to a rights issue available to all ordinary shareholders of the Company and requiring an adjustment under By-Laws 9.3(iii)(b), (iii)(c), (iv), (v) or (vi) above), the Company shall issue either new Shares or any securities convertible into new Shares or any rights to acquire or subscribe for the Shares, and in any such case, the Total Effective Consideration per Share (as defined below) is less than 90% of the Average Price (as defined below) for one (1) Share or, as the case may be, the price at which the Shares will be issued upon conversion of such securities or exercise of such rights is determined, the Exercise Price for the ESOS Award(s) shall be adjusted by multiplying it by the following fraction:

$$\frac{L + M}{L + N}$$

Where:

- L = the number of the Shares in issue at the close of business on Bursa Securities on the Market Day immediately preceding the date on which the relevant adjustment becomes effective;
- M = the number of the Shares which the Total Effective Consideration (as defined below) would have purchased at the Average Price (as defined below) (exclusive of expenses); and
- N = the aggregate number of the Shares so issued or, in the case of securities convertible into the Shares or securities with rights to acquire or subscribe for the Shares, the maximum number (assuming no adjustment of such rights) of the Shares issuable upon full conversion of such securities or the exercise in full of such rights.

For the purpose of By-Law 9.3(vii), the “**Total Effective Consideration**” shall be determined by the LTIP Committee with the concurrence of the external auditor of the Company and shall be:

- (i) in the case of the issue of new Shares, the aggregate consideration receivable by the Company on payment in full for such Shares; or
- (ii) in the case of the issue by the Company of securities wholly or partly convertible into new Shares, the aggregate consideration receivable by the Company on payment in full for such securities or such part of the securities

as is convertible together with the total amount receivable by the Company upon full conversion of such securities (if any); or

- (iii) in the case of the issue by the Company of securities with rights to acquire or subscribe for new Shares, the aggregate consideration attributable to the issue of such rights together with the total amount receivable by the Company upon full exercise of such rights;

in each case without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**Total Effective Consideration per Share**” shall be the Total Effective Consideration divided by the number of new Shares issued as aforesaid or, in the case of securities convertible into new Shares or securities with rights to acquire or subscribe for new Shares, by the maximum number of new Shares issuable on full conversion of such securities or on exercise in full of such rights.

For the purpose of By-Law 9.3(vii), “**Average Price**” of a Share shall be the average market price of 1 Share as derived from the last traded prices for one or more board lots of Shares as quoted on Bursa Securities on the Market Days comprised in the period used as a basis upon which the issue price of such Shares is determined.

Such adjustment will be calculated (if appropriate, retroactively) from the close of business on Bursa Securities on the Market Day immediately following the date on which the issue is announced, or (failing any such announcement) on the next Market Day immediately following the date on which the Company determines the subscription price of such Shares. Each such adjustment will be effective (if appropriate, retroactively) from the commencement of the next Market Day immediately following the completion of the above transaction.

For the purpose of By-Laws 9.3(iii), (iv), (v) and (vi), the current market price in relation to 1 existing Share for any relevant day shall be based on the volume weighted average market price of the Shares for the 5 consecutive Market Days before such date or during such other period as may be determined in accordance with any guidelines issued, from time to time, by the relevant authorities.

Such adjustment must be confirmed in writing by the external auditors of the Company for the time being (acting as experts and not as arbitrators), upon reference to them by the LTIP Committee, to be in their opinion, fair and reasonable, PROVIDED ALWAYS THAT:

- (a) any adjustment to the Exercise Price shall be rounded up to the nearest 1 sen;
- (b) in the event that a fraction of a new Share arising from the adjustment referred to in these By-Laws would otherwise be required to be issued upon vesting of the PSGP Awards and/or exercising of an ESOS Option by the LTIP Participant(s), the LTIP Participant(s)' entitlement shall be round down to the nearest whole number;
- (c) upon any adjustment being made pursuant to these By-Laws, the LTIP Committee shall, within 30 days of the effective date of the alteration in the capital structure of the Company, notify the LTIP Participant(s) (or his legal representatives where applicable) in writing informing him of the adjusted Exercise Price for the ESOS Award(s) thereafter in effect and/or the number of the Shares/ESOS Options comprised in the LTIP Award(s);
- (d) any adjustments made must be in compliance with the provisions for adjustments provided in these By-Laws.

For avoidance of doubt, any adjustments to the Exercise Price for the ESOS Award(s) and/or the number of the Shares/ESOS Options comprised in the LTIP Award(s) so far as unvested and/or unexercised arising from bonus issue, subdivision or consolidation

of the Shares need not be confirmed in writing by the external auditors of the Company.

- 9.4 Save as expressly provided for herein, the external auditors of the Company must confirm in writing that the adjustments are in their opinion fair and reasonable. The opinion of the external auditors of the Company shall be final, binding and conclusive.
- 9.5 The provisions of By-Law 9 shall not apply where the alteration in the capital structure of the Company arises from any of the following:
- (i) an issue of Shares pursuant to the vesting of LTIP Award(s) under the Scheme; or
  - (ii) an issue of securities as consideration or part consideration for an acquisition of any other securities, assets or business; or
  - (iii) private placement or restricted issue or special issue of new Shares by the Company; or
  - (iv) a special issue of securities to Bumiputera parties or investors nominated by the Ministry of International Trade and Industry and/or other government authority to comply with the government's policy on Bumiputera capital participation; or
  - (v) a purchase by the Company of its own Shares and cancellation of all or a portion of such Shares purchased pursuant to Section 127 of the Act; or
  - (vi) an issue of new Shares arising from the exercise of any conversion rights attached to securities convertible to new Shares or upon exercise of any other rights including warrants and convertible loan stocks or other instruments (if any) issued by the Company.
- 9.6 In the event that the Company enters into any scheme of arrangement or reconstruction pursuant to Part III (Division 7, Subdivision 2) of the Act, By-Law 9.1 shall be applicable in respect of such part(s) of the scheme which involves any alteration(s) in the capital structure of the Company to which By-Law 9.1 is applicable, but By-Law 9.1 shall not be applicable in respect of such part(s) of the scheme which involves any alteration(s) in the capital structure of the Company to which By-Law 9.1 is not applicable as described in By-Law 9.5.
- 9.7 An adjustment pursuant to By-Law 9.1 shall be made according to the following terms:
- (a) in the case of a right issue, bonus issue or other capitalisation issue, on the next Market Day following the Entitlement Date in respect of such issue; or
  - (b) in the case of a consolidation or subdivision of the Shares or reduction of capital, on the next Market Day immediately following the date on which the consolidation or subdivision or capital reduction becomes effective or such period as may be prescribed by Bursa Securities.
- Upon any adjustment being made, the LTIP Committee shall give notice in writing within 30 days from the date of adjustment to the LTIP Participant(s), or his/her legal representative, where applicable, to inform him/her of the adjustment and the event giving rise thereto.
- 9.8 Notwithstanding the provisions referred to in these By-Laws, the LTIP Committee may exercise its sole discretion to determine whether any adjustments to the Exercise Price for ESOS Award(s) and/or the number of the Shares/ESOS Options comprised in the LTIP Award(s) be calculated on a different basis or date or should take effect on a different date or that such adjustments be made to the Exercise Price for the ESOS Award(s) and/or the number of the Shares/ESOS Options comprised in the LTIP Award(s) notwithstanding that no such adjustment formula has been explicitly set out in these By-Laws.

**10. TAKE-OVERS AND MERGERS, SCHEMES OF ARRANGEMENT, AMALGAMATIONS, RECONSTRUCTIONS AND DISPOSAL OF ASSETS**

10.1 In the event of:

- (i) a take-over offer being made for, under the Malaysian Code on Take-Overs and Mergers 2016 and Rules on Take-Overs, Mergers and Compulsory Acquisitions (or any replacement thereof), to acquire the whole of the issued ordinary share capital of the Company (or such part thereof not at the time held by the person making the take-over (“**Offeror**”) or any persons acting in concert with the Offeror); or
- (ii) the Offeror becoming entitled or bound to exercise the right of compulsory acquisition of the Shares under the provisions of any applicable statutes, rules and/or regulations and gives notice to the LTIP Participant(s) that it intends to exercise such rights on a specific date (“**Specified Date**”); or
- (iii) the Company disposes of all or substantially all of its assets and the disposal becomes unconditional;

the LTIP Committee may at its discretion to the extent permitted by law permit the vesting of the LTIP Awards and the LTIP Participant(s) will be entitled within such period to be determined by the LTIP Committee, to subscribe and/or exercise all or any of his/her LTIP Awards and the Directors of the Company shall use their best endeavours to procure that such a general offer be extended to the new Shares that may be issued pursuant to the LTIP Award(s) under these By-Law.

In the foregoing circumstances, all LTIP Award(s) which the LTIP Committee permits to be vested and/or exercisable, shall automatically lapse and become null and void to the extent remain unvested and/or unexercised by the date prescribed by the LTIP Committee notwithstanding that the LTIP Award Vesting Date has not commenced or has not expired.

10.2 Notwithstanding to the provisions of these By-Laws and subject to the sole discretion of the LTIP Committee, in the event of the court sanctioning a compromise or arrangement between the Company and its members proposed for the purpose of, or in connection with, a scheme of arrangement and reconstruction of the Company under Section 366 of the Act or its amalgamation with any other company or companies under Section 370 or any other provisions of the Act or the Company decided to merge with other company or companies, the LTIP Committee may at its absolute discretion decide whether a LTIP Participant(s) may be entitled to be vested and/or to exercise all or any of his/her unvested and/or unexercised LTIP Awards at any time commencing from the date upon which the compromise or arrangement is sanctioned by the court and ending on the date upon which it becomes effective PROVIDED ALWAYS THAT no LTIP Awards shall be vested and LTIP Awards shall be subscribed and/or exercised after the expiry of the LTIP Award Vesting Date. Upon the compromise or arrangement becoming effective, all unvested and/or unexercised LTIP Awards shall automatically lapse and become null and void and of no further force and effect.

**11. DIVESTMENT FROM AND TRANSFER TO/FROM THE GROUP**

11.1 If a LTIP Participant(s) is in the employment of a company within the Group and such company is subsequently divested, wholly or in part, from SkyWorld Group, the LTIP Participant(s):

- (i) shall cease to be capable of being vested with any unvested LTIP Awards awarded to him/her under the Scheme from the date of completion of such divestment or the Date of Expiry, whichever expires first; and
- (ii) will not be entitled to exercise any unexercised vested ESOS Options from the date of completion of such divestment,

unless the LTIP Committee at its discretion permit such exercise of the unexercised vested ESOS Option or the vesting of the unvested LTIP Awards including its allocation thereof. For

the avoidance of doubt, save and except to the extent permitted by the LTIP Committee, all existing LTIP Awards shall automatically lapse and become null and void and of no further force and effect; and

- (iii) shall not be eligible to participate for further LTIP Award(s) under the Scheme as from the date of completion of such divestment.

11.2 For the purposes of By-Law 11.1 above, a company shall be deemed to be divested from SkyWorld Group or disposed of from SkyWorld Group in the event that the effective interest of the Company in such company is reduced from above 50% to 50% or below so that such company would no longer be a subsidiary of the Company pursuant to Section 4 of the Act (other than pursuant to a takeover, scheme of arrangement, amalgamation, reconstruction, merger or otherwise as provided under the By-Law 10).

11.3 In the event that:

- (i) an employee who was employed in a company which is not related to the Company pursuant to Section 7 of the Act (that is to say, a company which does not fall within the definition of "SkyWorld Group") and is subsequently transferred from such company to any company within SkyWorld Group; or
- (ii) an employee who was in the employment of a company which subsequently becomes a company within SkyWorld Group as a result of a restructuring or acquisition exercise or otherwise involving the Company and/or any company within SkyWorld Group with any of the first mentioned company stated in (i) above;

(the first abovementioned company in (i) and (ii) herein referred to as the "**Previous Company**"), such an employee of the Previous Company will be eligible to participate in this Scheme for the remaining duration of the Scheme, if the affected employee becomes an "Eligible Person" within the meaning under these By-Laws.

For the avoidance of doubt, in the event of any acquisition or incorporation of any company into SkyWorld Group pursuant to part (ii) above as a subsidiary as defined in Section 4 of the Act or any other statutory regulation in place thereof during the duration of the Scheme, the Scheme shall apply to the employees of such company on the date of such company becomes a subsidiary of SkyWorld Group (PROVIDED THAT such subsidiary is not dormant) falling within the meaning of the expression of "Eligible Person" under By-Law 1 and the provisions of these By-Laws shall apply.

## **12. WINDING UP**

12.1 All outstanding LTIP Awards under the Scheme shall be automatically terminated and be of no further force and effect in the event that a resolution is passed or a court order is made for the winding up of the Company commencing from the date of such resolution or the date of the court order. In the event a petition is presented in court for the winding-up or liquidation of the Company, all rights to exercise the ESOS Options and/or vest in the LTIP Awards pursuant to the Scheme shall automatically be suspended from the date of the presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to exercise the ESOS Options and/or vest the LTIP Awards pursuant to the Scheme shall accordingly be unsuspended.

**13. DURATION AND TERMINATION OF THE SCHEME**

13.1 The Effective Date for the implementation of the Scheme shall be at the date of full compliance with all relevant requirements in the Listing Requirements, including but not limited to the following:

- (i) submission of the final copy of the By-Laws to Bursa Securities together with a letter of a compliance pursuant to Paragraph 2.12 of the Listing Requirements and checklist showing compliance with Appendix 6E of the Listing Requirements;
- (ii) receipt of the approval or approval-in-principle, as the case may be, from Bursa Securities for the listing of and quotation for the new Shares to be issued under the Scheme;
- (iii) procurement of the shareholders' approval for the Scheme in a general meeting;
- (iv) receipt of the approval of any other relevant authorities whose approvals are necessary in respect of the Scheme; and
- (v) fulfilment or waiver (as the case may be) of all conditions attached to any of the abovementioned approvals, if any.

The Company shall through its Adviser submit a confirmation letter to Bursa Securities of full compliance with the relevant requirements of Bursa Securities stating the Effective Date of implementation of the Scheme together with a certified true copy of the relevant resolution passed by the shareholders of the Company in the general meeting. The confirmation letter shall be submitted to Bursa Securities no later than 5 Market Days after the Effective Date.

13.2 The Scheme, when implemented, shall be in force for a period of ten (10) years from the Effective Date.

13.3 LTIP Award(s) can only be made from the Effective Date and before the Date of Expiry.

13.4 Notwithstanding anything to the contrary, all unvested LTIP Awards and/or unexercised vested ESOS Options shall lapse and become null and void on the Date of Expiry.

13.5 Subject to compliance with the requirements of Bursa Securities and any other relevant authorities, the Scheme may be terminated by the LTIP Committee at any time before the Date of Expiry PROVIDED THAT an announcement is released to Bursa Securities on the following:

- (i) the effective date of termination ("**Termination Date**");
- (ii) the number of the Shares vested pursuant to the PSGP and/or number of ESOS Option(s) exercised pursuant to the ESOS; and
- (iii) the reasons and justification for termination.

13.6 In the event of termination as stipulated in By-Law 13.5 above, the following provisions shall apply:

- (i) no further LTIP Award(s) shall be awarded by the LTIP Committee from the Termination Date;
- (ii) all LTIP Award(s) which have yet to be accepted by the Eligible Persons shall automatically lapse and become null and void on the Termination Date; and
- (iii) any LTIP Award(s) which have yet to be vested or exercised (as the case may be and whether fully or partially) awarded under the Scheme shall automatically lapse and be deemed cancelled and be null and void.

13.7 Subject to the requirements under the Listing Requirements, approval or consent of the shareholders of the Company by way of a resolution in a general meeting and written consent of LTIP Participant(s) who have yet to vest their LTIP Awards and/or exercise their vested ESOS Options are not required to effect a termination of the Scheme.

#### **14. ADMINISTRATION AND IMPLEMENTATION OF THE SCHEME**

14.1 The Scheme shall be administered by the LTIP Committee. The LTIP Committee shall, subject to these By-Laws, administer the Scheme in such manner as it shall deem fit and with such powers and duties as are conferred upon it by the Board. The decision of the LTIP Committee shall be final and binding.

14.2 Without limiting the generality of By-Law 14.1, the LTIP Committee may, for the purpose of administering the Scheme, do all acts and things, rectify any error(s) in the LTIP Award(s), execute all documents and delegate any of its powers and duties relating to the Scheme as it may at its sole discretion consider to be necessary or desirable for giving effect to the Scheme including the powers to:

- (i) subject to the provisions of the Scheme, construe and interpret the Scheme and LTIP Award(s) awarded under it, to define the terms therein and to recommend to the Board to establish, amend and revoke rules and regulations relating to the Scheme and its administration. The LTIP Committee in the exercise of this power may correct any defects, supply any omission, or reconcile any inconsistency in the Scheme or in any agreement providing for the LTIP Award(s) in a manner and to the extent it shall deem necessary to expedite and make the Scheme fully effective; and
- (ii) determine all question of policy and expediency that may arise in the administration of the Scheme and generally exercise such powers and perform such acts as are deemed necessary and/or expedient to promote the best interests of the Company.

14.3 The Board shall have power at any time and from time to time to approve, rescind and/or revoke the appointment of any person in the LTIP Committee as it shall deem fit.

14.4 In implementing the Scheme, the LTIP Committee may at its absolute discretion decide that the LTIP Awards be satisfied by the following methods:

- (i) issuance of new Shares;
- (ii) acquisition of existing Shares from the open market of Bursa Securities;
- (iii) transfer of the Company's treasury shares (if any) or any other methods as may be permitted by the Act and the Listing Requirements, as amended from time to time and any re-enactment thereof; or
- (iv) a combination of any of the above.

14.5 For the purpose of facilitating the implementation of the Scheme, the Company and/or the LTIP Committee may, but shall not be obligated to, establish a Trust to be administered by a Trustee in accordance with the Trust Deed. Accordingly, the Company shall have the power to appoint or rescind the appointment of any Trustee as it deems fit for the purpose of administering the Scheme, in accordance with the provision of the Trust Deed. The Company shall have the power from time to time, at any time, to negotiate with the Trustee to amend the provisions of the Trust Deed.

14.6 For the purpose of administering the Trust, if and when the Trust is established, the Trustee shall do all such acts and things and enter into any transaction, agreement, deed, document or arrangement or make rules, regulations or impose terms and conditions or delegate part of its power relating to the administration of the Trust, as the LTIP Committee may in its absolute discretion direct for the implementation and administration of the Trust which are expedient for



the purpose of giving effect to and carrying out the powers and duties conferred on the Trustee by the Trust Deed.

- 14.7 The Trustee shall, at such times as the LTIP Committee shall direct, subscribe for and/or acquire the necessary number of existing Shares from the open market of Bursa Securities to accommodate any transfer of the Shares to the CDS account of the LTIP Participant(s). For this purpose, the Trustee will be entitled, from time to time, to the extent permitted by law and as set out under these By-Laws to accept funding and/or assistance, financial or otherwise from the Company and/or any company within the Group. The LTIP Committee shall have the discretion to instruct the Trustee to subscribe for new Shares and/or acquire existing Shares from time to time and also to revoke or suspend any such instruction that has earlier been given to the Trustee.
- 14.8 Should the Trust be terminated pursuant to the Trust Deed, the Trustee shall sell the remaining Shares held by the Trustee and/or its authorised nominee(s) and deal with such funds in accordance with the instructions of the LTIP Committee.

## **15. MODIFICATION, VARIATION AND/OR AMENDMENT TO THE SCHEME**

- 15.1 Subject to By-Law 15.2 and compliance with the Listing Requirements, the LTIP Committee may at any time and from time to time recommend to the Board any additions, modifications or amendments to or deletions of these By-Laws as it shall at its sole discretion deem fit and the Board shall have the power, at any time, by resolution to, add, amend, modify and/or delete all or any of the terms in these By-Laws upon such recommendation and the Company will submit the amended By-Laws together with a confirmation letter to Bursa Securities confirming that such amendment and/or modification is in compliance with the provisions of the Listing Requirements pertaining to the Scheme and the Rules of Bursa Depository.
- 15.2 Subject to By-Law 15.3, the approval of the shareholders of the Company in general meeting shall not be required in respect of any additions, modifications or amendments to or deletions of these By-Laws PROVIDED THAT no additions, modifications or amendments to or deletions of these By-Laws shall be made which will:
- (i) prejudice any rights which would have accrued to any LTIP Participant(s) without the prior consent or sanction of that LTIP Participant(s); or
  - (ii) increase the number of the Shares available under the Scheme beyond the maximum amount set out in By-Law 5 above; or
  - (iii) prejudice any rights of the shareholders of the Company; or
  - (iv) alter to the advantage of an Eligible Person and/or LTIP Participant(s) in respect of any matters which are required to be contained in these By-Laws without the prior approval of the Company's shareholders obtained in a general meeting unless allowed by the provisions of the Listing Requirements.

Such amendment or modification to the By-Laws does not need the prior approval of Bursa Securities. However, the Company shall submit to Bursa Securities a confirmation letter that the amendment or modification does not contravene any of the provisions of the Listing Requirements pertaining to the Scheme no later than 5 Market Days after the effective date of the said amendment or modification is made.

- 15.3 The LTIP Committee shall within 10 Market Days of any amendment and/or modification made pursuant to these By-Laws notify the LTIP Participant(s) in writing of any amendment and/or modification made pursuant to these By-Laws.

**16. INSPECTION OF THE AUDITED ACCOUNTS**

- 16.1 All LTIP Participant(s) are entitled to inspect the latest audited accounts of the Company at the registered office of the Company during normal business hours on any working day of the registered office.

**17. SCHEME NOT A TERM OF EMPLOYMENT**

- 17.1 This Scheme shall not confer or be construed to confer on an Eligible Person any special rights or privileges over the Eligible Person's terms and conditions of employment in SkyWorld Group under which the Eligible Person is employed nor any rights additional to any compensation or damages that the Eligible Person may be normally entitled to arising from the cessation of such employment. The Scheme shall not form part of or constitute or be in any way construed as a term or condition of employment of any Eligible Person.

**18. NO COMPENSATION FOR TERMINATION**

- 18.1 No Eligible Person shall be entitled to any compensation for damages arising from the termination of the LTIP Awards(s) or this Scheme pursuant to the provisions of these By-Laws.

- 18.2 Notwithstanding any provisions of these By-Laws:

- (i) this Scheme shall not form part of any contract of employment between the Company or any company within SkyWorld Group and any Eligible Person of any company of SkyWorld Group. The rights of any Eligible Person under the terms of his/her office and/or employment with any company within SkyWorld Group shall not be affected by his/her participation in the Scheme, nor shall such participation or the LTIP Award(s) or consideration for the LTIP Award(s) afford such Eligible Person any additional rights to compensation or damages in consequence of the termination of such office or employment for any reason;
- (ii) this Scheme shall not confer on any person any legal or equitable right or other rights under any other law (other than those constituting the LTIP Award(s)) against the Company or any company within SkyWorld Group, directly or indirectly, or give rise to any course of action in law or in equity or under any other law against any company within SkyWorld Group.
- (iii) no LTIP Participant(s) or his/her personal or legal representative (as the case may be) shall bring any claim, action or proceeding against any company within SkyWorld Group, the LTIP Committee or any other party for compensation, loss or damages whatsoever and howsoever arising from the suspension/cancellation of his/her rights to his/her LTIP Award(s) or his/her LTIP Award(s) ceasing to be valid pursuant to the provisions of these By-Laws; and
- (iv) the Company, the Board (including Directors that had resigned but were on the Board during the duration of the Scheme) or the LTIP Committee shall in no event be liable to the LTIP Participant(s) or his/her personal or legal representative (as the case may be) or any other person or entity for any third party claim, loss of profits, loss of opportunity, loss of savings or any punitive, incidental or consequential damage, including without limitation lost profits or savings, directly or indirectly arising from the breach or non-performance of these By-Laws or any loss suffered by reason of any change in the price of the Shares or from any other cause whatsoever whether known or unknown, contingent, absolute or otherwise, whether based in contract, tort, equity, indemnity, breach of warranty or otherwise and whether pursuant to common law, statute, equity or otherwise, even if any company within SkyWorld Group, the Board or the LTIP Committee has been advised of the possibility of such damage.

**19. DISPUTES**

- 19.1 In case any dispute or difference shall arise between the LTIP Committee and an Eligible Person or a LTIP Participant or in the event of an appeal by an Eligible Person, as the case may be, as to any matter of any nature arising hereunder, such dispute or appeal must have been referred to and received by the LTIP Committee during the duration of the Scheme. The LTIP Committee then shall determine such dispute or difference by a written decision (without the obligation to give any reason thereof) given to the Eligible Person and/or the LTIP Participant, as the case may be PROVIDED THAT where the dispute is raised by a member of the LTIP Committee, the said member shall abstain from voting in respect of the decision of the LTIP Committee in that instance. In the event the Eligible Person or the LTIP Participant(s), as the case may be, shall dispute the same by written notice to the LTIP Committee within 14 days of the receipt of the written decision, then such dispute or difference shall be referred to the Board, whose decision shall be final and binding in all respects, PROVIDED THAT any Director of the Company who is also in the LTIP Committee shall abstain from voting and no person shall be entitled to dispute any decision or certification which is stated to be final and binding under these By-Laws. Notwithstanding anything herein to the contrary, any costs and expenses incurred in relation to any dispute or difference or appeal brought by any party to the LTIP Committee shall be borne by such party.
- 19.2 Notwithstanding the foregoing provisions of By-Law 19.1 above, matters concerning adjustments made pursuant to By-Law 9 shall be referred to external auditors of the Company or the Adviser of the Company who shall act as experts and not as arbitrators and whose decision shall be final and binding in all respects.

**20. COSTS AND EXPENSES**

- 20.1 Unless otherwise stipulated by the Company in the LTIP Award(s), all fees, costs and expenses incurred in relation to the Scheme including but not limited to the fees, costs and expenses relating to the allotment and issuance and/or transfer of the Shares pursuant to the exercise or vesting of LTIP Award(s), shall be borne by the Company. Notwithstanding this, the LTIP Participant(s) shall bear any fees, costs and expenses incurred in relation to his/her acceptance of the LTIP Award(s) and/or exercise of the ESOS Option(s) under the Scheme and any holding or dealing of the Shares after the Shares have been successfully issued and allotted or transferred to the LTIP Participant(s) pursuant to the LTIP Award(s), including but not limited to the opening and maintenance of his or her own CDS Account, brokerage commissions and stamp duties.

**21. CONSTITUTION**

- 21.1 In the event of a conflict between any of the provisions of these By-Laws and the Constitution, the provisions of the Constitution shall at all times prevail save and except where such provisions of the By-Laws are included pursuant to the Listing Requirements.

**22. TAXES**

- 22.1 For the avoidance of doubt, all other costs, fees, levies, charges and/or taxes (including, without limitation, income tax), if any, arising from the acceptance and vesting of the Shares pursuant to the PSGP Award(s) and/or exercising of the ESOS Option(s) and any holding or dealing of such Shares (including but not limited to brokerage commissions and stamp duty) under the Scheme shall be borne by the LTIP Participant(s) for his own account and the Company shall not be liable for any one or more of such costs, fees, levies, charges and/or taxes.

**23. LISTING OF AND QUOTATION FOR THE SHARES**

- 23.1 An application will be made by the Company for the listing of and quotation for such new Shares to be issued pursuant to LTIP Award(s) on the Main Market of Bursa Securities.

---

**APPENDIX II – DRAFT BY-LAWS (CONT'D)**

---

- 23.2 The Company and the LTIP Committee shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and however relating to the delay on the part of the Company in allotting and issuing the Shares or in procuring Bursa Securities to list the Shares for which the LTIP Participant(s) are entitled to.

**24. NOTICE**

- 24.1 Any notice under the Scheme required to be given to or served upon the LTIP Committee by an Eligible Person or LTIP Participant(s) or any correspondence to be made between an Eligible Person or LTIP Participant(s) to the LTIP Committee shall be given or made in writing and either delivered by hand or sent to the LTIP Committee or the Company by email or ordinary letter. Notwithstanding the foregoing, proof of posting shall not be evidence of receipt of the letter.

- 24.2 Any notice or request which the Company is required to give, or may desire to give, to any Eligible Person or the LTIP Participant(s) pursuant to the Scheme shall be in writing and shall be deemed to be sufficiently given;

- (i) if it is sent by ordinary post by the Company to the Eligible Person or the LTIP Participant(s) at the last address known to the Company as being his/her address such notice or request shall be deemed to have been received 3 Market Days after posting;
- (ii) if it is delivered by hand to the Eligible Person or the LTIP Participant(s), such notice or request shall be deemed to have been received on the date of delivery; and
- (iii) if it is sent by electronic media, including but not limited to electronic mail to the Eligible Person or the LTIP Participant(s), such notice or request shall be deemed to have been received by the recipient on the Market Day immediately following the day on which the electronic mail is sent or (in the case of communication by other digital means) on the Market Day immediately following the day on which such communication is effected.

Any change of address of the Eligible Person or the LTIP Participant(s) shall be communicated in writing to the Company by email or ordinary letter.

- 24.3 Where any notice which the Company or the LTIP Committee is required to give, or may desire to give, in relation to matters which may affect all the Eligible Persons or all the LTIP Participant(s) (as the case may be) pursuant to the Scheme, the Company or the LTIP Committee may give such notice through an announcement to all employees of SkyWorld Group to be made in such manner deemed appropriate by the LTIP Participant(s) (including via electronic media). Upon the making of such an announcement, the notice to be made under By-Law 24.2 above shall be deemed to be sufficiently given, served or made to all affected Eligible Persons or LTIP Participant(s), as the case may be.

**25. SEVERABILITY**

- 25.1 Any term, condition, stipulation or provision in these By-Laws which is or becomes illegal, void, prohibited or unenforceable shall be ineffective to the extent of such illegality, voidness, prohibition or unenforceability without invalidating the remaining provisions hereof, and any such illegality, voidness, prohibition or unenforceability shall not invalidate or render illegal, void or unenforceable any other term, condition, stipulation or provision herein contained.

**26. DISCLOSURES IN ANNUAL REPORT**

- 26.1 The Company will make such disclosures in its annual report for as long as the Scheme continues in operation as from time to time required by the Listing Requirements.

**27. SUBSEQUENT LONG TERM INCENTIVE PLAN**

- 27.1 Subject to the approval of Bursa Securities and other relevant authorities, the Company may establish a new long term incentive plan after the expiry date of this Scheme or upon termination of this Scheme.
- 27.2 The Company may implement more than 1 scheme PROVIDED THAT the aggregate number of shares available under all the Schemes does not breach the maximum limit prescribed in the prevailing guidelines issued by Bursa Securities, the Listing Requirements or any other relevant authorities as amended from time to time.

**28. GOVERNING LAW AND JURISDICTION**

- 28.1 The Scheme, these By-Laws, all LTIP Award(s) awarded and actions taken under the Scheme shall be governed by and construed in accordance with the laws of Malaysia.
- 28.2 The Eligible Persons, by accepting the LTIP Award(s) in accordance with these By-Laws and terms of the Scheme and the Constitution, irrevocably submit to the exclusive jurisdiction of the courts in Malaysia.

**SECTION 1 – PSGP****29. PSGP AWARD**

- 29.1 During the duration of the Scheme as provided under By-Law 13, the LTIP Committee may, at its sole discretion, at any time and from time to time award the PSGP Award(s) in writing to an Eligible Person subject to the Maximum Allowable Allotment as set out in By-Law 5 and further subject to other terms and conditions of these By-Laws. Each PSGP Award(s) awarded to the selected Eligible Person(s) shall be separate and independent from any previous or subsequent PSGP Award(s) awarded by the LTIP Committee to that Eligible Person.
- 29.2 The actual number of the Shares which may be awarded to an Eligible Person shall be at the discretion of the LTIP Committee, subject to any adjustments that may be made under By-Law 9. The number of the Shares arising from the vesting of the PSGP Award(s) shall not be less than 100 Shares nor more than the Maximum Allowable Allotment as set out in By-Law 5 and shall be in multiples of 100 Shares. The LTIP Committee may stipulate any terms and conditions it deems appropriate in a PSGP Award(s) and the terms and conditions of each may differ.
- 29.3 The LTIP Committee shall, in its LTIP Award letter to an Eligible Person, state, amongst others:
- (i) the number of the Shares which the Eligible Person shall be entitled upon acceptance of the PSGP Award(s);
  - (ii) the PSGP Award Date;
  - (iii) the manner of acceptance of the PSGP Award(s);
  - (iv) the closing date for acceptance of the PSGP Award(s);
  - (v) the Vesting Conditions, if any;
  - (vi) the PSGP Vesting Date(s); and
  - (vii) any other terms and conditions deemed necessary by the LTIP Committee.
- 29.4 Under the PSGP, the reference price of the PSGP Awards to be awarded will be determined based on the fair value of the PSGP Awards, which will take into account, amongst others, the market price of the Shares immediately prior to the award date of the PSGP Awards.
- 29.5 Without prejudice to By-Law 14, in the event the LTIP Award letter contains an error on the part of the Company in stating any of the particulars in By-Law 29.3 above, as soon as possible but in any event no later than 1 month after discovery of the error, the Company shall issue a supplemental LTIP Award letter, stating the correct particulars referred to in By-Law 29.3.

**30. ACCEPTANCE**

- 30.1 The PSGP Award(s) shall be valid for acceptance by the Eligible Person(s) for a period of 30 days from the PSGP Award Date (inclusive) or such period as may be determined by the LTIP Committee at its sole discretion on a case to case basis.
- 30.2 The PSGP Award(s) shall be accepted by an Eligible Person within the time as aforesaid by written notice to the Company accompanied by a nominal non-refundable payment to the Company of a sum of RM1.00 only, as acceptance of the PSGP Award(s).
- 30.3 The day of receipt by the Company of such written notice shall constitute the date of acceptance of the PSGP Award(s).
- 30.4 If the PSGP Award(s) is not accepted in the manner as set out in By-Law 30.2 and within the time as set out in By-Law 30.1 or in the event of death or cessation of employment of the Eligible

Person or the Eligible Person becomes a bankrupt prior to his/her acceptance of the PSGP Award(s), the PSGP Award(s) shall automatically lapse and become null and void. The PSGP Award(s) may, at the discretion of the LTIP Committee, be re-offered to other Eligible Person.

- 30.5 Upon acceptance of the PSGP Award(s) by the Eligible Person(s), the PSGP Award(s) will be vested to the PSGP Participant(s) on the PSGP Vesting Date(s) during the duration of the Scheme subject to the PSGP Participant(s) fulfilling the Vesting Conditions, if any, as determined by the LTIP Committee.
- 30.6 The PSGP Participant is not required to pay for the Shares they are entitled to receive upon vesting of the PSGP Award(s).

### **31. PSGP VESTING CONDITIONS**

- 31.1 The LTIP Committee shall, as and when it deems necessary, review and determine at its own discretion the Vesting Conditions. The Shares to be issued under the PSGP Award(s) shall be vested to the PSGP Participant(s) on the PSGP Vesting Date once the Vesting Conditions, if any, are fully and duly satisfied which includes amongst others, the following:
- (i) the PSGP Participant(s) must remain as an employee and shall not have given a notice to resign or receive a notice of termination as at the PSGP Vesting Date; and
  - (ii) any other conditions which are determined by the LTIP Committee.
- 31.2 If applicable, where the LTIP Committee has determined that the Vesting Conditions have been fully and duly satisfied, the LTIP Committee shall notify the PSGP Participant(s) of the number of the Shares vested or which will be vested to him/her on the PSGP Vesting Date ("**PSGP Vesting Notice**").
- 31.3 No PSGP Participant(s) shall have the right to or interest in the Shares under the PSGP Award(s) until and unless such number of new Shares are credited into their respective CDS Accounts.
- 31.4 The PSGP Participant(s) shall provide all information as required in the PSGP Vesting Notice and subject to the provisions of the Listing Requirements, the Central Depositories Act, the Rules of Bursa Depository, the Constitution and any other relevant laws, the Company shall within 8 Market Days from the PSGP Vesting Date or such other period as may be prescribed or allowed by Bursa Securities,
- (i) allot and issue such number of new Shares and/or transfer the relevant number of existing Shares to the PSGP Participant(s) (subject to absolute discretion of the LTIP Committee); and
  - (ii) despatch notices of allotment and/or notice of transfer to the PSGP Participant(s) accordingly, if applicable.
- 31.5 The Shares arising from the vesting of the PSGP Award(s) shall be credited directly to the CDS Account of the PSGP Participant(s) or his Authorised Nominee, and no physical share certificate will be issued and delivered to the PSGP Participant(s) or his Authorised Nominee as the case may be. The PSGP Participant(s) shall provide the LTIP Committee with his CDS Account number or the CDS Account number of his Authorised Nominee when accepting the PSGP Award(s). Any change to the PSGP Participant(s)' CDS Account number will need to be made in writing to the LTIP Committee.
- 31.6 Any failure to comply with the procedures specified by the LTIP Committee or to provide information as required by the Company in the PSGP Vesting Notice or inaccuracy in the CDS Account number provided shall result in the PSGP Vesting Notice being rejected at the sole discretion of the LTIP Committee. The LTIP Committee shall inform the PSGP Participant of the rejection of the PSGP Vesting Notice within 5 Market Days from the date of rejection and the PSGP Participant shall then be deemed not to have vested his/her PSGP Award(s).

- 31.7 Notwithstanding anything contrary contained in these By-Laws, the LTIP Committee shall have the right, at its sole discretion by notice in writing to the relevant PSGP Participant(s) to that effect, to suspend the unvested PSGP Award(s) of any PSGP Participant(s) who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such PSGP Participant or are found to have had no basis or justification) pending the outcome of such disciplinary proceedings.
- 31.8 In addition to the right to suspend, the LTIP Committee may impose such terms and conditions as the LTIP Committee shall deem appropriate at its sole discretion, on the PSGP Participant's unvested PSGP Award(s) having regard to the nature of the charges made or brought against such PSGP Participant, PROVIDED ALWAYS THAT:
- (i) in the event such PSGP Participant is found not guilty of the charges which gave rise to such disciplinary proceedings, the LTIP Committee shall reinstate the unvested PSGP Award(s) of such PSGP Participant;
  - (iii) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such PSGP Participant, all or any part of any unvested PSGP Award(s) of the PSGP Participant shall immediately lapse and become null and void and of no further force and effect, without notice to the PSGP Participant, upon pronouncement of the dismissal or termination of service of such PSGP Participant notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the PSGP Participant in any other forum;
  - (iii) in the event the PSGP Participant is found guilty but no dismissal or termination of service is recommended, the LTIP Committee shall have the right to determine at its sole discretion whether or not the PSGP Participant may continue to satisfy the Vesting Conditions of the unvested PSGP Award(s).

and nothing herein shall impose any obligations on the LTIP Committee to enquire into or investigate the substantiveness and/or validity of such disciplinary proceedings and the LTIP Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the LTIP Committee's exercise of or failure to exercise any of its rights under these By-Laws.

## **32. NON-TRANSFERABILITY**

- 32.1 A PSGP Award(s) is personal to the Eligible Person(s) and shall be accepted solely by that Eligible Person(s) and is not capable of being accepted by any third party on behalf of that Eligible Person(s) by his/her representative or any other persons.
- 32.2 Subject to the provisions in these By-Laws, a PSGP Award(s) is personal to the PSGP Participant(s) during his/her employment or appointment within SkyWorld Group and it shall not be transferred, assigned or disposed of by the PSGP Participant(s).

## **33. TERMINATION OF PSGP AWARD(S)**

- 33.1 Prior to the full vesting of any PSGP Award(s) in the manner as provided for under By-Law 31.2, such PSGP Award(s) that remain unvested shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company in the following circumstances:
- (i) termination or cessation of employment of the PSGP Participant(s) within SkyWorld Group for any reason whatsoever, in such event the unvested PSGP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within SkyWorld Group on the day the PSGP Participant(s)' employer accepts his/her notice of resignation or the PSGP



Participant(s)' employer notifies the PSGP Participant(s) of termination of his/her employment or on the day the PSGP Participant(s) notifies his/her employer of his/her resignation or on the PSGP Participant(s)' last day of employment, whichever is the earlier; or

- (ii) bankruptcy of the PSGP Participant(s), in such event the unvested PSGP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within SkyWorld Group on the date a receiving order is made against the PSGP Participant(s) by a court of competent jurisdiction; or
- (iii) upon the happening of any other event which results in the PSGP Participant(s) being deprived of the beneficial ownership of the unvested PSGP Award(s), in such event the unvested PSGP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within SkyWorld Group on the date such event occurs; or
- (iv) winding up or liquidation of the Company, in such event the unvested PSGP Award(s) shall be automatically terminated and/or cease to be valid on the following date:
  - (a) in the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
  - (b) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
- (v) the subsidiary which employs the PSGP Participant(s) ceasing to be part of the SkyWorld Group in such event the PSGP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid on the date the subsidiary ceases to be part of the SkyWorld Group; or
- (vi) termination of the Scheme pursuant to By-Law 13.5, in such event the unvested PSGP Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within SkyWorld Group on the termination date,

whichever shall be applicable.

33.2 Upon the termination of the unvested PSGP Award(s) pursuant to By-Laws 33.1 above, the PSGP Participant(s) shall have no right to compensation or damages or any claim against the Company or any company within SkyWorld Group from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance or vesting of any PSGP Award(s) or his/her PSGP Award(s) ceasing to be valid.

33.3 Notwithstanding By-Law 33.1(i) above, the LTIP Committee may at its discretion allow for all or any part of any unvested PSGP Award(s) to vest in accordance with the provisions of these By-Laws on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:

- (i) retirement upon or after attaining the age in accordance with the Company's retirement policy; or
- (ii) retirement before attaining the normal retirement age with the consent of his/her employer; or
- (iii) ill-health, injury, physical or mental disability; or

- (iv) redundancy or retrenchment pursuant to the acceptance by that PSGP Participant(s) or a voluntary separation scheme offered by a company within SkyWorld Group; or
- (v) any other circumstance as may be deemed as acceptable to the LTIP Committee in its sole discretion,

PROVIDED THAT no PSGP Award(s) shall vest after the expiry of the vesting period. Unless the LTIP Committee in its discretion permits such vesting in accordance with this By-Law 33.3, any unvested PSGP Award(s) shall cease or be deemed to cease to be capable of vesting to the PSGP Participant(s) without any liability or right to claim against the Company and/or the LTIP Committee and/or the Board.

- 33.4 Where a PSGP Participant(s) dies before the expiry of the vesting period for the PSGP Award(s), the LTIP Committee may at its discretion determine that all or any part of any unvested PSGP Award(s) held by the PSGP Participant(s), be vested to the executor or administrator of that deceased PSGP Participant(s), and the times or periods at or within which such PSGP Award(s) may vest, PROVIDED ALWAYS THAT no PSGP Award(s) may vest after the expiry of the vesting period. In this regard, the LTIP Committee may require the executor or administrator of that deceased PSGP Participant(s) to provide evidence satisfactory to the LTIP Committee of his status as such executor or administrator, as the case may be.
- 33.5 Notwithstanding By-Law 33.4 above, the PSGP Participant(s) may, during his/her lifetime, nominate any of his/her immediate family members who have attained the age of 18 years at the time of nomination to receive the PSGP Award(s) (which are unvested at the time of the death of the deceased PSGP Participant(s)) after the death of the deceased PSGP Participant(s) but in any event during the duration of the scheme. The PSGP Award(s) awarded pursuant to the provision of this By-Law 33.5 may be for the benefit of the estate of the PSGP Participant(s) or the personal benefit of the nominated person. The nomination as aforesaid shall be made by the PSGP Participant(s) during his/her lifetime and shall be in the prescribed form approved by the LTIP Committee and the Shares to be allotted and issued will be in the name of the deceased PSGP Participant(s)'s estate or in the name of the nominated person as the PSGP Participant(s) shall elect in his/her lifetime. In the event no nomination is made by the PSGP Participant(s) during his/her lifetime, the LTIP Committee may at its discretion determine that his/her unvested PSGP Award(s) shall only vested to the legal personal representatives pursuant to By-Law 33.4 above.
- 33.6 For the purposes of By-Law 33.5 above, the term "immediate family members" shall include the spouse, parent, child (including legally adopted child but excluding step child), brother and sister of the PSGP Participant(s).

## **SECTION 2 – ESOS**

### **34. ESOS AWARD**

- 34.1 During the duration of the Scheme as provided under By-Law 13, the LTIP Committee may, at its sole discretion, at any time and from time to time award the ESOS Award(s) in writing to an Eligible Person subject to the Maximum Allowable Allotment as set out in By-Law 5 and further subject to other terms and conditions of these By-Laws. Each ESOS Award(s) awarded to selected Eligible Person(s) shall be separate and independent from any previous or subsequent ESOS Award(s) awarded by the LTIP Committee to that Eligible Person.
- 34.2 The actual number of ESOS Option(s) which may be awarded to an Eligible Person shall be at the discretion of the LTIP Committee, subject to any adjustments that may be made under By-Law 9. The number of the Shares which may be allotted and issued upon exercising the ESOS Option(s) shall not be less than 100 Shares nor more than the Maximum Allowable Allotment as set out in By-Law 5 and shall be in multiples of 100 Shares. The LTIP Committee may stipulate any terms and conditions it deems appropriate in a ESOS Award(s) and the terms and conditions of each may differs.
- 34.3 The LTIP Committee shall, in its LTIP Award letter to an Eligible Person, state, amongst others:

- (i) the number of ESOS Option(s) under the ESOS Award(s) that are being awarded to the Eligible Person;
  - (ii) the number of the Share(s) which the Eligible Person shall be entitled to subscribe for upon the exercise of the ESOS Option(s);
  - (iii) the ESOS Award Date;
  - (iv) the manner of acceptance of the ESOS Award(s);
  - (v) the Exercise Price;
  - (vi) the closing date for acceptance of the ESOS Award(s);
  - (vii) the Vesting Conditions, if any;
  - (viii) ESOS Vesting Date(s); and
  - (ix) any other terms and conditions deemed necessary by the LTIP Committee.
- 34.4 Without prejudice to By-Law 14, in the event the LTIP Award letter contains an error on the part of the Company in stating any of the particulars in By-Law 34.3 above, the following provisions shall apply:
- (i) as soon as possible but in any event no later than 1 month after discovery of the error, the Company shall issue a supplemental LTIP Award letter, stating the correct particulars referred to in By-Law 34.3;
  - (ii) in the event that the error relates to particulars other than the Exercise Price, the Exercise Price applicable in the supplemental LTIP Award letter shall remain as the Exercise Price as per the original LTIP Award letter; and
  - (iii) in the event that the error relates to the Exercise Price, the applicable Exercise Price shall be the Exercise Price in the supplemental LTIP Award letter and with effect as at the date of the supplemental LTIP Award letter, save and except with respect to any ESOS Option(s) which have already been exercised as at the date of issue of the supplemental LTIP Award letter.
- 35. ACCEPTANCE**
- 35.1 The ESOS Award(s) shall be valid for acceptance by the Eligible Person(s) for a period of 30 days from the ESOS Award Date (inclusive) or such period as the LTIP Committee at its sole discretion on a case to case basis.
- 35.2 The ESOS Award(s) shall be accepted by an Eligible Person within the time as aforesaid by written notice to the Company accompanied by a nominal non-refundable payment to the Company of a sum of RM1.00 only, as acceptance of the ESOS Award(s).
- 35.3 The day of receipt by the Company of such written notice shall constitute the date of acceptance of ESOS Award(s).
- 35.4 If the ESOS Award(s) is not accepted in the manner as set out in By-Law 35.2 and within the time as set out in By-Law 35.1 or in the event of death or cessation of employment of the Eligible Person or the Eligible Person becomes a bankrupt prior to his/her acceptance of the ESOS Award(s), the ESOS Award(s) shall automatically lapse and become null and void. The ESOS Award(s) may, at the discretion of the LTIP Committee, be re-offered to other Eligible Person.
- 35.5 Upon acceptance of the ESOS Award(s) by the Eligible Person(s), the ESOS Award(s) will be vested to the ESOS Participant(s) on the ESOS Vesting Date(s) during the duration of the

Scheme, subject to the ESOS Participant(s) fulfilling the vesting condition(s), if any, as determined by the LTIP Committee.

**36. ESOS VESTING CONDITIONS AND EXERCISE OF OPTIONS**

- 36.1 Subject to the provisions of these By-Laws, the ESOS Option(s) awarded to the ESOS Participant(s) are exercisable by that ESOS Participant(s) during his/her employment in SkyWorld Group during the duration of the Scheme. All unexercised ESOS Options shall become null and void after the expiry date of this Scheme without any claim against the Company or any company within SkyWorld Group.
- 36.2 The LTIP Committee shall, as and when it deems necessary, review and determine at its own discretion the Vesting Conditions. The ESOS Option(s) can be exercised by the ESOS Participant(s) on the ESOS Vesting Date once the Vesting Conditions, if any, are fully and duly satisfied which includes amongst others, the following:
- (i) the ESOS Participant(s) must remain as an employee and shall not have given a notice to resign or receive a notice of termination on the ESOS Vesting Date; and
  - (ii) any other conditions which are determined by the LTIP Committee.
- 36.3 If applicable, where the LTIP Committee has determined that the Vesting Conditions have been fully and duly satisfied, the LTIP Committee shall notify the ESOS Participant(s) the number of ESOS Options vested or which will be vested to him/her on the ESOS Vesting Date ("**ESOS Vesting Notice**").
- 36.4 A ESOS Participant shall exercise his/her vested ESOS Option(s) by notice in writing to the Company in such form as the LTIP Committee may prescribe or approve. The procedure for the exercise of the ESOS Option(s) to be complied with by a ESOS Participant shall be determined by the LTIP Committee from time to time.
- 36.5 Every written notice to exercise the ESOS Option(s) shall state the number of the Shares that a ESOS Participant intends to subscribe and shall state his CDS Account or the CDS Account of his Authorised Nominee ("**Notice of Exercise**").
- 36.6 The ESOS Participant(s) shall complete the Notice of Exercise together with the remittance for the full amount of the subscription monies payable in respect thereof in Ringgit Malaysia in the form of a banker's draft or cashier's order drawn and payable in Malaysia or any other mode acceptable to the LTIP Committee for the full amount of the Exercise Price in relation to the number of Shares in respect of which the Notice of Exercise is given and subject to the provisions of the Listing Requirements, the Central Depositories Act, the Rules of Bursa Depository, the Constitution and any other relevant laws, the Company shall within 8 Market Days from the date of receipt of the Notice of Exercise or such other period as may be prescribed or allowed by Bursa Securities,
- (i) allot and issue such number of new Shares and/or transfer the relevant number of existing Shares to the ESOS Participant(s) (subject to absolute discretion of the LTIP Committee); and
  - (ii) despatch a notice of allotment to the ESOS Participant, if applicable.
- 36.7 The Shares arising from the exercising of the ESOS Award(s) shall be credited directly to the CDS Account of the ESOS Participant(s) or his Authorised Nominee and no physical share certificate will be issued and delivered to the ESOS Participant(s) or his Authorised Nominee as the case may be. The ESOS Participant(s) shall provide the LTIP Committee with his/her CDS Account number or the CDS Account number of his Authorised Nominee when accepting the ESOS Award(s). Any change to the ESOS Participant(s)' CDS Account number will need to be made in writing to the LTIP Committee.

---

**APPENDIX II – DRAFT BY-LAWS (CONT'D)**

---

- 36.8 Any failure to comply with the procedures specified by the LTIP Committee or to provide information as required by the Company in the Notice of Exercise or inaccuracy in the CDS Account number provided shall result in the Notice of Exercise being rejected at the sole discretion of the LTIP Committee. The LTIP Committee shall inform the ESOS Participant of the rejection of the Notice of Exercise within 5 Market Days from the date of rejection and the ESOS Participant shall then be deemed not to have exercised his/her ESOS Option(s).
- 36.9 The LTIP Committee may with its power under By-Law 14, at any time and from time to time, before and after the ESOS Award(s) is awarded, limit the exercise of the ESOS Options to a maximum number of Shares and/or such percentage of the total Shares comprised in the ESOS Options and impose any other terms and/or conditions deemed appropriate by the LTIP Committee in its sole discretion including amending or varying any terms and conditions imposed earlier.
- 36.10 A ESOS Participant shall exercise the ESOS Option(s) awarded to him/her in whole or part multiples of 100 new Shares or such other units of the Shares constituting 1 board lot as may be determined by the LTIP Committee, save and except where a ESOS Participant's balance of ESOS Option(s) exercisable in accordance with these By-Laws shall be less than one 100 new Shares or such other units of the Shares constituting 1 board lot as may be determined by the LTIP Committee, in which case the said balance shall, if exercised, be exercised in a single tranche. Such partial exercise of an ESOS Option shall not preclude the ESOS Participant from exercising the ESOS Option(s) as to the balance of any ESOS Option(s).
- 36.11 Notwithstanding anything contrary contained in these By-Laws, the LTIP Committee shall have the right, at its sole discretion by notice in writing to the relevant ESOS Participant(s) to that effect, to suspend the right of any ESOS Participant(s) who is being subjected to disciplinary proceedings (whether or not such disciplinary proceedings may give rise to a dismissal or termination of service of such ESOS Participant or are found to have had no basis or justification) to exercise his/her ESOS Option(s) pending the outcome of such disciplinary proceedings.
- 36.12 In addition to the right to suspend, the LTIP Committee may impose such terms and conditions as the LTIP Committee shall deem appropriate at its sole discretion, on the ESOS Participant's right to exercise his/her ESOS Option(s) having regard to the nature of the charges made or brought against such ESOS Participant, PROVIDED ALWAYS THAT:
- (i) in the event such ESOS Participant is found not guilty of the charges which gave rise to such disciplinary proceedings, the LTIP Committee shall reinstate the right of such ESOS Participant to exercise his/her ESOS Option(s);
  - (ii) in the event the disciplinary proceedings result in a recommendation for the dismissal or termination of service of such ESOS Participant, all unexercised and partially exercised ESOS Option(s) of the ESOS Participant shall immediately lapse and become null and void and of no further force and effect, without notice to the ESOS Participant, upon pronouncement of the dismissal or termination of service of such ESOS Participant notwithstanding that such recommendation, dismissal and/or termination of service may be subsequently challenged or disputed by the ESOS Participant in any other forum;
  - (iii) in the event the ESOS Participant is found guilty but no dismissal or termination of service is recommended, the LTIP Committee shall have the right to determine at its sole discretion whether or not the ESOS Participant may continue to exercise his/her ESOS Option(s) or any part thereof and if so, to impose such terms and conditions as it deems appropriate, on such exercise right.

and nothing herein shall impose any obligations on the LTIP Committee to enquire into or investigate the substantiveness and/or validity of such disciplinary proceedings and the LTIP Committee shall not under any circumstances be held liable for any costs, losses, expenses, damages or liabilities, gains or profits foregone, arising from the LTIP Committee's exercise of or failure to exercise any of its rights under these By-Laws.

**37. NON-TRANSFERABILITY**

- 37.1 An ESOS Award(s) is personal to the Eligible Person(s) and shall be accepted solely by that Eligible Person(s) and is not capable of being accepted by any third party on behalf of that Eligible Person(s) by his/her representative or any other persons.
- 37.2 Subject to the provisions in these By-Laws, an ESOS Award(s) is personal to the ESOS Participant(s) during his/her employment or appointment within SkyWorld Group and it shall not be transferred, assigned or disposed of by the ESOS Participant(s).

**38. EXERCISE PRICE**

- 38.1 Subject to any adjustments in accordance with By-Law 9 and pursuant to the Listing Requirements, the Exercise Price shall be based on a price to be determined by the Board upon recommendation of the LTIP Committee, based on the volume weighted average price of the Shares for the 5 Market Days at the ESOS Award Date with a discount of not more than 10% or such other percentage of discount as may be permitted by Bursa Securities and / or any other relevant authorities from time to time during the duration of the Scheme.

**39. TERMINATION OF ESOS AWARD(S)**

- 39.1 Prior to the full vesting of any ESOS Award(s) in the manner as provided for under By-Law 36.3, such ESOS Award(s) that remain unvested shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company in the following circumstances:
- (i) termination or cessation of employment of the ESOS Participant(s) within SkyWorld Group for any reasons whatsoever, in which event the ESOS Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within SkyWorld Group on the day the ESOS Participant(s)' employer accepts his/her notice of resignation or the ESOS Participant(s)' employer notifies the ESOS Participant(s) of termination of his/her employment or on the day the ESOS Participant(s) notifies his/her employer of his/her resignation or on the ESOS Participant(s)' last day of employment, whichever is the earlier; or
  - (ii) bankruptcy of the ESOS Participant(s), in which event the ESOS Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within SkyWorld Group on the date a receiving order is made against the ESOS Participant(s) by a court of competent jurisdiction; or
  - (iii) upon the happening of any other event which results in the ESOS Participant(s) being deprived of the beneficial ownership of the ESOS Award(s), in such event the ESOS Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within SkyWorld Group on the date such event occurs; or
  - (iv) winding up or liquidation of the Company, in such event the ESOS Option(s) shall be automatically terminated on the following date:
    - (a) in the case of a voluntary winding up, the date on which a provisional liquidator is appointed by the Company; or
    - (b) in the case of an involuntary winding up, the date on which a petition for winding up is served on the Company; or
  - (v) the subsidiary which employs the ESOS Participant(s) ceasing to be part of the SkyWorld Group in such event the ESOS Award(s) shall be automatically terminated

and cease or be deemed to cease to be valid on the date the subsidiary ceases to be part of the SkyWorld Group; or

- (vi) termination of the Scheme pursuant to By-Law 13.5, in such event the ESOS Award(s) shall be automatically terminated and cease or be deemed to cease to be valid without any claim against the Company or any company within SkyWorld Group on the termination date;

whichever shall be applicable.

39.2 Upon the termination of the ESOS Award(s) pursuant to By-Laws 39.1 above, the ESOS Participant(s) shall have no right to compensation or damages or any claim against the Company or any company within SkyWorld Group from any loss of any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed, whether for wrongful dismissal or breach of contract or loss of office or otherwise howsoever arising from him/her ceasing to hold office or employment or from the suspension of his/her entitlement to the award of, acceptance or vesting of any SOP Award(s) or his/her ESOS Award(s) ceasing to be valid.

39.3 Notwithstanding By-Law 39.1 above, the LTIP Committee may at its discretion allow a ESOS Participant to continue to hold and to exercise any ESOS Option(s) held by him/her in accordance with the provisions of these By-Laws on such terms and conditions as it shall deem fit if the cessation of employment occurs as a result of:

- (i) retirement upon or after attaining the age in accordance with the Company's retirement policy; or
- (ii) retirement before attaining the normal retirement age with the consent of his/her employer; or
- (iii) ill-health, injury, physical or mental disability; or
- (iv) redundancy, retrenchment pursuant to the acceptance by that ESOS Participant(s) or voluntary separation scheme offered by a company within SkyWorld Group; or
- (v) any other circumstances as may be deemed as acceptable to the LTIP Committee in its sole discretion.

39.4 Applications under By-Law 39.3 above shall be made during the duration of the Scheme and:

- (i) in a case where By-Law 39.3(i), (ii) or (v) is applicable, within 1 month before the ESOS Participant(s)' last day of employment, the ESOS Participant(s) may be vested with such number of unvested Shares under the ESOS Award(s) within the said 1-month period. In the event that no application is received by the LTIP Committee within the said period, any such number of unvested Shares under the ESOS Award(s) at the expiry of the said period shall be automatically terminated;
- (ii) in a case where By-Law 39.3(iii) is applicable, within 1 month after the ESOS Participant(s) notifies his/her employer of his/her resignation due to ill-health, injury, physical or mental disability, the ESOS Participant(s) may be vested with such number of unvested Shares under the ESOS Award(s) within the said 1-month period. In the event that no application is received by the LTIP Committee within the said period, any unvested Shares under the ESOS Award(s) at the expiry of the said period shall be automatically terminated; and
- (iii) in a case where By-Law 39.3(iv) is applicable, within 1 month after the ESOS Participant(s) are notified that he/she will be retrenched or, where he/she is given an offer by his/her employer as to whether he/she wishes to accept retrenchment upon certain terms, within 1 month after he/she accepts such offer. Thereafter, any such number of unvested and/or unexercised Shares under the ESOS Award(s) at the expiry of the said period shall be automatically terminated.

- 39.5 The LTIP Committee shall consider applications under By-Law 39.3 on a case to case basis and may at its sole discretion approve or reject any application in whole or in part without giving any reasons thereof and may impose any terms and conditions in granting an approval. The decisions of the LTIP Committee shall be final and binding. In the event the LTIP Committee approves an application in whole or in part, the ESOS Participant(s) may exercise the ESOS Option(s) which are the subject of the approval for such period so approved by the LTIP Committee during the duration of the Scheme and subject to the provisions of By-Law 36. Any ESOS Option(s) in respect of which an application is rejected shall be deemed automatically terminated on the date of termination stipulated in the relevant paragraph of By-Law 39.1 or on the date of the LTIP Committee's decision, whichever is the later.
- 39.6 In the event a ESOS Participant(s) dies before the expiration of the duration of the Scheme and at the time of his/her death held unexercised ESOS Option(s), such unexercised ESOS Option(s) may be exercised by the representative of the deceased ESOS Participant(s) after the date of his/her death PROVIDED THAT such exercise shall be within the duration of the Scheme subject to the approval of the LTIP Committee.
- 39.7 Notwithstanding By-Law 39.6 above, the ESOS Participant(s) may, during his/her lifetime, nominate any of his/her immediate family members who have attained the age of eighteen (18) years at the time of nomination to exercise the ESOS Option(s) (which are unexercised at the time of the death of the deceased ESOS Participant(s)) or after the death of the deceased ESOS Participant(s) but in any event during the duration of the scheme. The ESOS Option(s) exercised pursuant to the provision of this By-Law 39.7 may be for the benefit of the estate of the ESOS Participant(s) or the personal benefit of the nominated person. The nomination as aforesaid shall be made by the ESOS Participant(s) during his/her lifetime and shall be in the prescribed form approved by the LTIP Committee and the Shares to be allotted and issued will be in the name of the deceased ESOS Participant(s)'s estate or in the name of the nominated person as the ESOS Participant(s) shall elect in his/her lifetime. In the event no nomination is made by the ESOS Participant(s) during his/her lifetime, his/her unexercised ESOS Option(s) shall only be exercised by the legal personal representatives pursuant to By-Law 39.6 above.
- 39.8 For the purposes of By-Law 39.7 above, the term "immediate family members" shall include the spouse, parent, child (including legally adopted child but excluding step child), brother and sister of the ESOS Participant(s).





**SKYWORLD DEVELOPMENT BERHAD**  
Registration No. 200601034211 (753970-X)  
(Incorporated in Malaysia)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (“**EGM**”) of SkyWorld Development Berhad (“**SkyWorld Development**” or “**the Company**”) will be conducted fully virtual through live streaming from the online meeting platform and online remote voting via the Remote Participation and Voting (“**RPV**”) facilities at <https://tjih.online> on **Friday, 28 June 2024 at 12.30 p.m.** or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following ordinary resolution with or without modification(s):-

### **ORDINARY RESOLUTION**

**PROPOSED ESTABLISHMENT OF A LONG TERM INCENTIVE PLAN (“LTIP”) COMPRISING AN EMPLOYEE SHARE OPTION SCHEME (“PROPOSED ESOS”) AND A PERFORMANCE SHARE GRANT PLAN (“PROPOSED PSGP”) INVOLVING UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (EXCLUDING TREASURY SHARES, IF ANY) AT ANY POINT IN TIME DURING THE DURATION OF THE LTIP (“PROPOSED LTIP”)**

“**THAT** subject to the approvals of all relevant authorities and/or parties being obtained, and to the extent permitted by law and the Constitution of the Company, the Board be and is hereby authorised for the following:

- (i) to establish the Proposed LTIP comprising a Proposed ESOS and a Proposed PSGP, involving up to 10% of the total number of issued shares of the Company (excluding treasury shares, if any) from time to time for the Chief Executive Officer of SkyWorld Development (“**CEO**”) and eligible employees who hold senior management positions and key roles within SkyWorld Development and its subsidiaries (excluding those which are dormant), who fulfil the eligibility criteria for participation in the Proposed LTIP (“**Eligible Persons**”) in accordance with the draft by-laws governing the Proposed LTIP (“**By-Laws**”) as set out in Appendix II of the Circular;
- (ii) to establish, appoint and authorise a committee (“**LTIP Committee**”) to implement and administer the Proposed LTIP for the benefit of the Eligible Persons, in accordance with the By-Laws;
- (iii) to allot and issue and / or procure the transfer of such number of ordinary shares in the Company (“**SkyWorld Share(s)**” or “**Share(s)**”) as may be required from time to time pursuant to the Proposed LTIP, **PROVIDED THAT** the total number of new Shares to be allotted and issued and / or transferred under the Proposed LTIP shall not in aggregate exceed 10% of the total number of issued Shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the Proposed LTIP **AND THAT** the new Shares to be allotted and issued pursuant to the Proposed LTIP will, upon allotment and issuance, rank equally in all respects with the existing Shares, save and except that the new Shares will not be entitled to any dividends, rights, allotments, and / or any other forms of distribution where the entitlement date(s) are prior to the date(s) on which the new Shares are credited into the central depository system (“**CDS**”) accounts of the Eligible Persons and such new Shares will be subject to all the provisions of the Company’s Constitution relating to transfer, transmission and otherwise;
- (iv) to add, amend, modify, and / or delete all or any part of the terms in the By-Laws from time to time as may be required / permitted by the authorities or deemed necessary by the authorities or the Board **PROVIDED THAT** such additions, amendments, modifications, and / or deletions are effected and permitted in accordance with the provisions of the By-Laws relating to modifications, variations and / or amendments, deeds or undertakings and to deliver and / or impose such terms

and conditions and / or delegate part of its powers as may be necessary or expedient in order to implement, finalise and give full effect to the Proposed LTIP; and

- (v) to establish a trust, if required, to be administered by the trustee (“**Trust**”) to be appointed by the Company from time to time for the administration of the Trust (“**Trustee**”), in accordance with the terms and conditions of a trust deed to be executed between the Trustee and the Company, to facilitate the implementation and administration of the Proposed LTIP and be entitled from time to time to the extent permitted by law and as set out under the By-Laws to accept funding and / or assistance, financial or otherwise from the Company and / or the subsidiaries of the Company to enable the Trustee to subscribe for new Shares and / or acquire existing Shares for the purpose of the Proposed LTIP and to pay expenses in relation to the administration of the Trust, if required.

**THAT** pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 12(3) of the Company’s Constitution, approval be and is hereby given for the waiver of the pre-emptive rights of the existing shareholders of the Company to be offered new Shares ranking equally to the existing issued Shares of the Company arising from the allotment and issuance of the new Shares to be issued pursuant to the Proposed LTIP;

**THAT** the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements (including without limitations, the affixation of the Company’s Common Seal in accordance with the Company’s Constitution) as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed LTIP and the terms of the By-Laws with full powers to assent to any conditions, modifications, variations and / or amendments in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company;

**AND THAT** the draft By-Laws, as set out in Appendix II of the Circular, be and is hereby approved and adopted.”

By Order of the Board

**FOO PEI KOON (MAICSA 7067238) (SSM PC NO. 202108000380)**

**TE HOCK WEE (MAICSA 7054787) (SSM PC NO. 202008002124)**

**WONG CHEE WAI (BC/W209) (SSM PC NO. 202108000410)**

Company Secretaries

Kuala Lumpur

17 May 2024

**Explanatory Notes:**

Pursuant to Section 85(1) of the Act read together with Clause 12(3) of the Company’s Constitution, the shareholders of the Company have a statutory pre-emptive right to be offered any new Shares which rank equally to the existing Shares issued by the Company. By voting in favour of the proposed Ordinary Resolution 1, the shareholders of the Company will be waiving their statutory pre-emptive rights and the proposed Ordinary Resolution if passed, will exclude the statutory pre-emptive rights of the shareholders of the Company to be offered any new Shares to be issued by the Company pursuant to the Proposed LTIP, which will result in a dilution of the existing shareholders’ shareholdings in the Company.

The details of the Proposed LTIP are set out in the Circular, which is available on the Company’s website at <https://skyworldgroup.com.my/investor-relations>.

**NOTES:**

1. *The EGM will be conducted fully virtual through live streaming from the online meeting platform at <https://tjih.online>.*

Shareholders are to attend, speak (including posing question to the Board via real time submission of typed texts) and vote remotely at the EGM via the RPV facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIIH Online website at <https://tiih.online>.

For further information, kindly refer to the Administrative Guide for the EGM.

2. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 21 June 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, participate, speak and vote on his behalf.
3. A member of the Company who is entitled to attend and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
4. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than 2 proxies to attend, participate, speak and vote instead of the member at the general meeting.
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member, an authorised nominee or an exempt authorised nominee appoints more than 1 proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportion of his shareholdings to be represented by each proxy.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote:
  - (i) In hard copy form  
To be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
  - (ii) By electronic means via Tricor TIIH Online website at <https://tiih.online>  
Please refer to the Administrative Guide of the EGM for further information on electronic submission of proxy form via TIIH Online.
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notariially

*and / or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*

10. *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*
11. *Last day, date and time for lodging the proxy form is **Wednesday, 26 June 2024 at 12.30 p.m.***
12. *For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form with the Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia if this has not been lodged with the Company's Share Registrar earlier.*
13. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the EGM will be put to vote by way of poll.*



PROXY FORM

SKYWORLD DEVELOPMENT BERHAD
Registration No. 200601034211 (753970-X)
(Incorporated in Malaysia)

CDS Account No.

No. of shares held

I/We [Full name in block, MyKad/Passport/Company No.] Tel:
of [Full address]

being a Member of the abovenamed Company, hereby appoint the following person(s):

Table with 3 columns: Full Name (in Block Letters), MyKad/Passport No., and Proportion of Shareholdings (No. of Shares, %). Includes an Address row.

and

Table with 3 columns: Full Name (in Block Letters), MyKad/Passport No., and Proportion of Shareholdings (No. of Shares, %). Includes an Address row.

or failing him / her, the Chairman of the meeting, as my / our proxy / proxies to vote for me / us and on my / our behalf at the Extraordinary General Meeting ("EGM") of SkyWorld Development Berhad ("the Company") which will be conducted fully virtual through live streaming from the online meeting platform and online remote voting via the Remote Participation and Voting ("RPV") facilities at https://tjih.online on Friday, 28 June 2024 at 12.30 p.m. or at any adjournment thereof, and to vote as indicated below:-

Table with 3 columns: Description of Ordinary Resolution, For, and Against. Row: Proposed LTIP

(Please indicate with "X" how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from so doing at his / her discretion)

Signed this day of

Signature\*
Member

\* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, one of whom shall be a director; or

- (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

**NOTES:**

1. The EGM will be conducted fully virtual through live streaming from the online meeting platform at <https://tjih.online>.

Shareholders are to attend, speak (including posing question to the Board via real time submission of typed texts) and vote remotely at the EGM via the RPV facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIH Online website at <https://tjih.online>.

For further information, kindly refer to the Administrative Guide for the EGM.

2. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 21 June 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, participate, speak and vote on his behalf.
3. A member of the Company who is entitled to attend and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
4. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than 2 proxies to attend, participate, speak and vote instead of the member at the general meeting.
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member, an authorised nominee or an exempt authorised nominee appoints more than 1 proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportion of his shareholdings to be represented by each proxy.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote:
- (i) In hard copy form  
To be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
- (ii) By electronic means via Tricor TIH Online website at <https://tjih.online>  
Please refer to the Administrative Guide of the EGM for further information on electronic submission of proxy form via TIH Online.

9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and / or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
11. Last day, date and time for lodging the proxy form is **Wednesday, 26 June 2024 at 12.30 p.m.**
12. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form with the Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia if this has not been lodged with the Company's Share Registrar earlier.
13. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the EGM will be put to vote by way of poll.

FOLD HERE

---

AFFIX  
STAMP

The Share Registrar  
**SKYWORLD DEVELOPMENT BERHAD**  
Registration No. 200601034211 (753970-X)

Tricor Investor & Issuing House Services Sdn Bhd  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South, No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur

FOLD HERE

---