

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.

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**PROPOSED VARIATION FOR THE UTILISATION OF PROCEEDS RAISED FROM THE INITIAL
PUBLIC OFFERING**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Our Company's Extraordinary General Meeting ("**EGM**") will be held as a virtual meeting via live streaming on Friday, 28 June 2024 at 11.00 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Company's EGM for the Proposed Establishment of a Long Term Incentive Plan, scheduled to be held via live streaming on the same day at 10.00 a.m., whichever is the later or at any adjournment thereof. The Notice of EGM for the Proposed Variation 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 Variation, 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://tiih.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 Variation, should you subsequently wish to do so.

Last day, date and time for lodging the Proxy Form : Wednesday, 26 June 2024 at 11.00 a.m.

Day, date and time of the EGM for the Proposed Variation : Friday, 28 June 2024 at 11.00 a.m.

This Circular is dated 7 June 2024

DEFINITIONS

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

| | | |
|--|---|--|
| Act | : | Companies Act, 2016, as may be amended, supplemented or modified from time to time |
| Announcement | : | The announcement dated 15 May 2024 in relation to the Proposed Variation |
| Board | : | Board of Directors of our Company |
| Bursa Securities | : | Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W)) |
| Circular | : | This circular to the shareholders dated 7 June 2024 in relation to the Proposed Variation |
| Director(s) | : | 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 |
| EGM | : | Extraordinary General Meeting |
| EGM for the Proposed Variation | : | EGM to be convened on 28 June 2024 for the Proposed Variation |
| FYE | : | Financial year ended / ending 31 March, as the case may be |
| IPO | : | Initial public offering exercise in conjunction with the listing of and quotation for SkyWorld Development's entire share capital on the Main Market of Bursa Securities on 10 July 2023 |
| Listing Date | : | 10 July 2023, being the date of listing of and quotation for SkyWorld Development's entire issued share capital on the Main Market of Bursa Securities |
| Listing Requirements | : | Main Market Listing Requirements of Bursa Securities |
| LPD | : | 28 May 2024, being the latest practicable date prior to the printing and despatch of this Circular |
| Proposed Variation | : | Proposed variation for the utilisation of proceeds raised from the IPO |
| Prospectus | : | Prospectus dated 20 June 2023 that was issued in conjunction with the IPO |
| Public Issue Proceeds | : | Gross proceeds raised of approximately RM166.40 million from the public issue under the IPO |
| NA | : | Net assets |
| RM and sen | : | Ringgit Malaysia and sen respectively, the lawful currency of Malaysia |
| SkyWorld Development or Company | : | SkyWorld Development Berhad (Registration No. 200601034211 (753970-X)) |
| SkyWorld Group or Group | : | SkyWorld Development and its subsidiaries |

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.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED VARIATION. 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 VARIATION BEFORE VOTING AT THE FORTHCOMING EGM.

| Key information | Description | Reference in Circular |
|--|---|------------------------------|
| Details of the Proposed Variation | <p>Our Company had completed the IPO exercise on 10 July 2023 and had raised gross proceeds of approximately RM166.40 million from the public issue under the IPO.</p> <p>As at the LPD, our Company has yet to utilise approximately RM[91.75] million of the Public Issue Proceeds earmarked for acquisition of land for development.</p> <p>The Proposed Variation is intended for our Company to widen the locality of lands to throughout Peninsular Malaysia in which our Company is able to acquire using the proceeds raised pursuant to the IPO instead of limiting the locality to lands within the Klang Valley including Kuala Lumpur and the state of Selangor as disclosed in the Prospectus.</p> | Section 2 |
| Rationale for the Proposed Variation | <p>Malaysia's residential property market continued its recovery momentum in the second half of 2023 to above pre-pandemic levels. The momentum of the property market is expected to persist, supported by various government initiatives to promote homeownership, as well as competitive financing conditions. While transactions have trended higher across all key states, it has indicated a healthy market outlook.</p> <p>To accelerate our business growth trajectory, our Group has embarked on the exploration of suitable land for development outside of Klang Valley. After careful consideration of the expansion requirements without resorting to external borrowings immediately which would result in increase in gearings and financing costs, our Board is of the view that the Proposed Variation would offer greater flexibility in our Group's capital commitments.</p> | Section 3 |
| Effects of the Proposed Variation | <p>The Proposed Variation will not have any effect on the issued share capital, substantial shareholders' shareholdings, net assets and earnings per share of our Group for FYE 2025. The Proposed Variation is expected to contribute positively to the future earnings of SkyWorld Group as and when the benefits of the revised utilisation of the proceeds are realised.</p> | Section 4 |
| Interests of Directors, major shareholders, chief executives and / or persons connected with them | <p>None of the Directors, major shareholder, chief executive of our Company and / or persons connected with them are deemed interested, direct or indirect, in the Proposed Variation.</p> | Section 6 |

EXECUTIVE SUMMARY (CONT'D)

| Key information | Description | Reference in Circular |
|--|--|------------------------------|
| Approvals required / obtained | The Proposed Variation is subject to the approval of our shareholders at the forthcoming EGM. | Section 5 |
| Directors' statement and recommendation | <p>Our Board, after having considered all aspects of the Proposed Variation, which include, but are not limited to, the rationale and justification as well as the effects of the Proposed Variation, is of the opinion that the Proposed Variation is in the best interest of our Company.</p> <p>Accordingly, our Board recommends that you vote in favour of the resolution pertaining to the Proposed Variation to be tabled at the EGM.</p> | Section 9 |

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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

7 June 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 VARIATION

1. INTRODUCTION

On 15 May 2024, our Board, announced that our Company proposed to undertake the Proposed Variation.

Further details of the Proposed Variation are set out in the ensuing sections of this Circular.

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

2. DETAILS OF THE PROPOSED VARIATION

Our Company had completed the IPO exercise on 10 July 2023 and had raised gross proceeds of approximately RM166.40 million from the public issue under the IPO.

As at the LPD, our Company has yet to utilise approximately RM91.75 million of the Public Issue Proceeds earmarked for acquisition of land for development. After taking into consideration the shift in business landscape post IPO to accelerate the growth trajectory, our Company had at the start of 2024 exploring prospective land acquisitions outside of the Klang Valley. Therefore, our Company wishes to have some degree of flexibility on utilising its proceeds and proposes to vary such unutilised amount as set out below:

| Details of utilisation | Proposed Variation | Proposed utilisation RM'000 | Actual utilisation as at the LPD RM'000 | Re-allocation RM'000 | Balance unutilised RM'000 | Estimated timeframe for utilisation upon Listing |
|--|--|-----------------------------|---|------------------------|---------------------------|--|
| Acquisition of land for development ⁽¹⁾ | Acquisition of land <u>in Peninsular Malaysia</u> for development ⁽²⁾ | 100,000 | 8,250 | - | 91,750 | Within 36 months |
| Working capital for project development | No variation | 35,192 | 22,618 | ⁽³⁾ 1,819 | 14,393 | Within 24 months |
| Repayment of bank borrowings | No variation | 20,000 | 20,000 | - | - | Within 12 months |
| Estimated listing expenses | No variation | 11,208 | 9,389 | ⁽³⁾ (1,819) | - | Immediate |
| Total | | 166,400 | 60,257 | - | 106,143 | |

Notes:

(1) As disclosed in the Prospectus, our Company has allocated RM100.00 million representing 60.10% of the Public Issue Proceeds for acquisition of landbank within the vicinity of our Company's existing landbank in Klang Valley including Kuala Lumpur and the state of Selangor for our Company's future development. As at the LPD, our Company had utilised RM8.25 million for the acquisition of land as follows:

- a) RM5.25 million as part payment pursuant to the Joint Venture Agreement dated 21 September 2023 ("JVA") entered into between Klasik Eramas Sdn Bhd ("KESB"), a wholly owned subsidiary of our Company, and Sinaran Senja Alam Sdn Bhd ("SSASB"), who is not a party related to our Group, to develop a 3.34 acres of land located in Taman Sri Murni, Mukim of Batu, Kuala Lumpur.

In consideration of SSASB granting the exclusive right to develop the land, KESB shall pay a total Joint Venture Entitlement of RM15.0 million to SSASB. The Joint Venture Entitlement shall be paid to SSASB progressively upon fulfilment of payment milestones. The final payment shall be made upon issuance of the Advertising Permit and Developer's License ("APDL") for the development of the land. The expected timeline for full settlement is 36 months from the date of the JVA.

Pursuant to the JVA, KESB has granted an option to terminate the JVA in the event the application for re-zoning of the land to 'residential' is rejected by competent authority or the approved density for the development is less than 250 units per acre. Upon the JVA being terminated, all payments made in relation to the Joint Venture Entitlement shall be refunded in its entirety to KESB by SSASB.

- b) *RM3.00 million as payment of refundable deposit pursuant to the Sale and Purchase Agreement dated 11 March 2024 entered into between SkyAvana Development Sdn Bhd (formerly known as SkyHill Development Sdn Bhd), a wholly owned subsidiary of our Company, and Ancubic Properties Sdn Bhd, who is not a party related to our Group, for the acquisition of 3.36 acres of land located in Bandar Selayang, Gombak, Selangor.*

The total consideration of the acquisition is approximately RM30.0 million and the transaction is expected to be completed no later than 6 months from the date of the Sale and Purchase Agreement.

Our Company will make the necessary announcements in accordance with the Listing Requirements (if required) as and when our Group enters into any agreement to acquire the lands.

- (2) *The Proposed Variation is intended for our Company to widen the locality of lands to throughout Peninsular Malaysia in which our Company is able to acquire using the proceeds raised pursuant to the IPO instead of limiting the locality to lands within the Klang Valley including Kuala Lumpur and the state of Selangor as disclosed in the Prospectus. Our Company is currently exploring prospective lands acquisitions in Penang and Johor.*
- (3) *Our Board has approved the re-allocation of the IPO proceeds from listing expenses in relation to the IPO to working capital for project development which is in accordance with the disclosure in the Prospectus.*

Pending the eventual utilisation of the remaining Public Issue Proceeds earmarked for the acquisition of landbank, the proceeds will continue to be placed in interest-bearing accounts with licenced financial institutions in Malaysia and / or money market deposit instruments / funds. The interests derived or gains arising from the money market deposit instruments / funds will be used as additional working capital requirements for our Company.

In accordance with paragraph 8.22(2)(a) of the Listing Requirements, a change to the utilisation of proceeds is considered material if such change is 25% or more of the total proceeds raised. As such, the Proposed Variation is deemed a material change to the use of the Public Issue Proceeds as the change in utilisation of RM100.00 million represents approximately 60.10% of the Public Issue Proceeds. Accordingly, the approval of the shareholders of our Company for the Proposed Variation is required to be obtained at an EGM.

3. RATIONALE FOR THE PROPOSED VARIATION

Malaysia's residential property market continued its recovery momentum in the second half of 2023 to above pre-pandemic levels, with further improvements in market activity against the backdrop of expansion in domestic demand and improving labour market conditions, which bolstered the demand for housing. The momentum of the property market is expected to persist, supported by various government initiatives to promote homeownership, as well as competitive financing conditions. While transactions have trended higher across all key states, it has indicated a healthy market outlook.

More than three-quarters of residential property transactions were for the purchase of properties in the more affordable mass-market segment. However, challenges are expected to persist for the housing affordability issues in the near term given elevated construction costs, which are likely to be passed on by developers to home buyers, and fewer launches relative to the pre-pandemic years constraining supply, particularly in the affordable housing segment.

In line with the above and to accelerate our business growth trajectory, our Group has embarked on the exploration of suitable land for development outside of Klang Valley. Following the exploration of several lands in Penang and Johor, our Group is currently in the midst of negotiating on the commercial terms for a land located in Penang. After careful consideration of the expansion requirements without resorting to external borrowings immediately which would result in increase in gearings and financing costs, our Board is of the view that the Proposed Variation would offer greater flexibility in our Group's capital commitments. This includes, but not limited to, acquiring land for development across Peninsular Malaysia e.g. Northern and Southern region. Thus, this will allow our Group to diversify our property portfolio

and cater to different market segments as well as capturing a larger market share. Eventually, this would provide a robust pipeline of developments over the longer term, thereby enhancing the long-term viability of our Group's business and financial performance.

Premised on the above, our Board is of the view that it is in the best interest of our Group to undertake the Proposed Variation.

4. EFFECTS OF THE PROPOSED VARIATION

The Proposed Variation will not have any effect on the issued share capital, substantial shareholders' shareholdings, net assets and earnings per share of our Group for FYE 2025. The Proposed Variation is expected to contribute positively to the future earnings of SkyWorld Group as and when the benefits of the revised utilisation of the proceeds are realised.

5. APPROVALS REQUIRED / OBTAINED

The Proposed Variation is subject to the approval of our shareholders at the forthcoming EGM.

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

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVES AND / OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholder, chief executive of our Company and / or persons connected with them are deemed interested, direct or indirect, in the Proposed Variation.

7. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Variation is expected to be completed by the 4th quarter of 2024.

8. OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Variation (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.

- (i) 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, whereupon:
 - (a) the parties agreed to remove the requirement for the Vendors to provide a valid Bank Guarantee amounting to VND105,000,000,000 to SkyWorld Vietnam;

- (b) the parties agreed that the deposit of VND105,000,000,000 (equivalent to approximately RM20,370,000) or 30% of the Purchase Consideration to be remitted to the Escrow Account to be maintained by SkyWorld Vietnam in accordance with the terms and conditions of the Escrow Agreement to be entered into between the parties; and
- (c) the parties agreed to extend the period for the fulfilment of the conditions precedent for the first instalment to 6 months from the date of the conditional sale and purchase agreement instead of 4 months and may be extended for an additional 3 months or another period as mutually agreement between the parties.

Our Company is currently pending the fulfilment of conditions by the Vendors as set out in the conditional sale and purchase agreement. The transaction is expected to be completed by the first half of year 2025.

- (ii) On 29 March 2024, our Company announced the proposed establishment of a long term incentive plan (“**LTIP**”) comprising an employee share option scheme and a performance share grant plan involving up to 10% of the total number of issued shares of our Company (excluding treasury shares, if any) (“**Proposed LTIP**”). On 3 May 2024, our Company had 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 ordinary shares in our Company, representing up to 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.

The Proposed LTIP is pending the approval of our shareholders at an EGM to be convened.

9. DIRECTORS’ STATEMENT AND RECOMMENDATION

Our Board, after having considered all aspects of the Proposed Variation, which include, but are not limited to, the rationale and justification as well as the effects of the Proposed Variation, is of the opinion that the Proposed Variation is in the best interest of our Company.

Accordingly, our Board recommends that you vote in favour of the resolution pertaining to the Proposed Variation to be tabled at the EGM.

10. 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 11.00 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Company’s EGM for the Proposed Establishment of a Long Term Incentive Plan, scheduled to be held via live streaming on the same day at 10.00 a.m., whichever is the later or at any adjournment thereof, for the purpose of considering the Proposed Variation contained herein and, if thought fit, passing with or without modifications, the resolutions to give effect to the Proposed Variation. The resolutions pertaining to the Proposed Variation are set out in the Notice of EGM which is enclosed in 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 11.00 a.m..

11. FURTHER INFORMATION

Shareholders are advised to refer to Appendix I as 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. 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.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

3.1 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:

| | Commitment for capital expenditure RM'000 | Source of Funds | |
|---|--|--|-------------------------------------|
| | | Internally generated funds / bank borrowings RM'000 | Proceeds from our Listing RM'000 |
| Approved and contracted for: | | | |
| • Capital expenditure for new build-to-rent developments ⁽¹⁾ | (1) 3,683 | 3,683 | - |
| • Acquisition of lands for property development | | | |
| - District 8, Ho Chi Minh City, Vietnam ⁽²⁾ | 67,900 | 67,900 | - |
| - Taman Sri Murni, Mukim of Batu, Kuala Lumpur, Malaysia ⁽³⁾ | 9,750 | - | 9,750 |
| - Bandar Selayang, Gombak, Selangor, Malaysia ⁽⁴⁾ | 27,000 | - | 27,000 |
| Total | 108,333 | 71,583 | 36,750 |

Notes:

- (1) As disclosed in the Prospectus, our Group is developing two build-to-rent properties, one of which Sama Square is a commercial retail property which comprises retail lots and commercial space, while the other is SkyBlox, a co-living property which comprises rooms for dwellings with common facilities. Both the properties have commenced its operation and currently tenanted.

Since the completion of our IPO, the costs of the development for build-to-rent properties have increased pursuant to additional enhancements works made to the properties. The details are set out below:

| Build-to-rent properties | Development costs RM'000 | Balance development costs RM'000 | Timing of construction commencement | Timing of construction completion |
|---------------------------------|---------------------------------|---|--|--|
| Sama Square | 23,503 | 3,057 | December 2022 | January 2024 |
| SkyBlox | 19,477 | 626 | December 2022 | August 2023 |
| | 42,980 | 3,683 | | |

- (2) Please refer to Section 8(i) of this Circular for further details.
- (3) Please refer to Note (1)(a) under Section 2 of this Circular for further details.
- (4) Please refer to Note (1)(b) under Section 2 of this Circular for further details.

3.2 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.

4. 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; and
- (ii) 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 12-months financial period ended 31 March 2024.

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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://tiih.online> on **Friday, 28 June 2024 at 11.00 a.m.** or immediately after the conclusion or adjournment (as the case may be) of the Company’s EGM for the Proposed Establishment of a Long Term Incentive Plan, scheduled to be held via the RPV facilities on the same day at 10.00 a.m., whichever is the later 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 VARIATION FOR THE UTILISATION OF PROCEEDS RAISED FROM THE INITIAL PUBLIC OFFERING (“PROPOSED VARIATION”)

“**THAT** subject to the approvals of all relevant authorities and/or parties being obtained, the Board be and is hereby authorised to vary the use of proceeds raised from the initial public offering in the manner set out in Section 2 of the Circular to shareholders dated 7 June 2024 of the Company.

AND 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 as may be necessary or expedient in order to implement, finalise, give effect and complete the Proposed Variation 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.”

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

7 June 2024

Explanatory Notes:

The details of the Proposed Variation are set out in the Circular to shareholders, 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://tiih.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 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 11.00 a.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., Proportion of Shareholdings (No. of Shares, %). Includes an Address row.

and

Table with 3 columns: Full Name (in Block Letters), MyKad/Passport No., 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")...

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

(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>.

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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

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