

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

- (I) **PROPOSED JOINT DEVELOPMENT BETWEEN SKYWORLD DEVELOPMENT, THE PENANG DEVELOPMENT CORPORATION AND PDC PROPERTIES SDN BHD TO JOINTLY DEVELOP LAND MEASURING APPROXIMATELY 195.5 ACRES IN BATU KAWAN, PENANG AND SEBERANG JAYA, PENANG (“PROPOSED JOINT DEVELOPMENT”); AND**
- (II) **PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OPERATIONS OF SKYWORLD DEVELOPMENT TO INCLUDE THE MANUFACTURING OF PREFABRICATED AND PREFINISHED MODULAR SYSTEMS (“PROPOSED DIVERSIFICATION”)**

(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

UOB Kay Hian

UOB Kay Hian Securities (M) Sdn Bhd
(Registration No. 199001003423 (194990-K))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting (“**EGM**”) of SkyWorld Development to be held at **Level 1, Block D, Excella Business Park, Jalan Ampang Putra, Ampang, 55100 Kuala Lumpur, Malaysia** on **Tuesday, 29 April 2025** at **10.00 a.m.**, or at any adjournment thereof, together with the accompanying Proxy Form are enclosed herein.

A member who is entitled to attend, speak and vote at the EGM may appoint a proxy or proxies to attend, speak and vote on his behalf. In such event, the Proxy Form must be deposited at the office of the 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, to submit the Proxy Form electronically via TIIH Online website at <https://tjih.online> not less than forty-eight (48) hours before the time appointed for holding the EGM as indicated below. The lodging of the Proxy Form will not preclude you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

Last day, date and time for lodging the Proxy Form : Sunday, 27 April 2025 at 10.00 a.m.

Day, date and time of the forthcoming EGM : Tuesday, 29 April 2025 at 10.00 a.m., or at any adjournment thereof

This Circular is dated 14 April 2025

DEFINITIONS

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

“Act”	: Companies Act 2016, as amended from time to time and includes any re-enactment thereof
“Board”	: The Board of Directors of SkyWorld Development
“Bursa Securities”	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
“Circular”	: This circular to the shareholders of SkyWorld Development dated 14 April 2025 in relation to the Proposals
“Collaboration”	: A collaboration between SkyWorld Development and Teambuild via Prefab Master, established in accordance with the terms and conditions set out in the Shareholders’ Agreement
“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 which includes any person who is a director or a chief executive of SkyWorld Development or any other company which is a subsidiary or holding company of SkyWorld Development
“EGM”	: Extraordinary general meeting
“EPS”	: Earnings per Share
“FPE”	: Financial period ended or financial period ending, as the case may be
“FYE”	: Financial year ended or financial year ending, as the case may be
“GDV”	: Gross development value
“HDB”	: Housing and Development Board, the national public housing authority of Singapore
“Henry Butcher” or the “Valuer”	: Henry Butcher Malaysia (Penang) Sdn Bhd (Registration No. 198901000192 (177498-P))
“JDA”	: Joint development agreement between SkyWorld Development, PDC and PDCP dated 10 December 2024, the salient terms of which are set out in Appendix I of this Circular
“Land”	: Development land consisting of Plot A and Plot B
“Landowner’s Entitlement”	: In accordance with the JDA, PDC shall be entitled to an aggregate guaranteed cash entitlement of RM502,678,044, subject to the 6% Annual Increment for contributing the Land to the Developer for the Proposed Joint Development
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“Lot 5320”	: Lot 5320, Pajakan Negeri 10926, Mukim 01, District of Seberang Perai Tengah, State of Pulau Pinang measuring approximately 31.29 acres
“Lot 10848”	: Lot 10848 (previously held under PT 5066), Geran 186062 (previously held under Hakmilik Sementara 63866), Mukim 01, District of Seberang Perai Tengah, State of Pulau Pinang measuring approximately 2.75 acres

DEFINITIONS (CONT'D)

“LPD”	:	28 March 2025, being the latest practicable date prior to the printing and despatch of this Circular
“Management Committee”	:	Management Committee of Prefab Master, details of which are set out in Appendix III of this Circular
“NA”	:	Net assets
“New Talent Homes Madani” or “Rumah Bakat Baru Madani”	:	The residential components to be constructed by the Developer or its Nominee(s) on the Land, comprising RBBM1, RBBM2 and RBBM3, as outlined in the Planning Permission
“Nominee(s)”	:	SkyWorld Development’s nominated wholly-owned subsidiary(ies)
“Parcel(s)”	:	Alienated individual parcels of lands located on Plot A
“PATAMI”	:	Profit after taxation and minority interest
“PBT”	:	Profit before taxation
“PDC” or the “Landowner”	:	The Penang Development Corporation, a body corporate established under the Penang Development Corporation Enactment 1971
“PDCP” or the “Project Manager”	:	PDC Properties Sdn Bhd (Registration No. 199501020920 (350123-K)), a wholly-owned subsidiary of PDC as the appointed manager to act on behalf of PDC to oversee the implementation of the Proposed Joint Development
“Planning Permission”	:	The planning permissions granted by the Seberang Perai City Council or “Majlis Bandaraya Seberang Perai” on 6 February 2025 based on the submitted Proposed Master Plan to the Nominees of the Developer (i.e. Skyworld Mutiara Development Sdn Bhd and Skyworld Cassia Development Sdn Bhd)
“Plot A”	:	A parcel of development land located along Jalan Cassia Barat 1, within Mukim 13, District of Seberang Perai Selatan, State of Pulau Pinang, measuring approximately 161.50 acres or 7,034,940 sq ft
“Plot B”	:	Two (2) parcels of development land identified as Lot 5320, measuring approximately 31.29 acres or 1,362,905 sq ft, and Lot 10848 measuring approximately 2.75 acres or 119,705 sq ft
“Plot B SPA”	:	Sale and purchase agreement between PDC and SkyWorld Staris Development Sdn Bhd (presently known as SkyWorld Mutiara Development Sdn Bhd) (Registration No. 202101025030 (1425330-T)) dated 10 December 2024, the salient terms of which are set out in Appendix II of this Circular
“PPVC”	:	Prefabricated and prefinished volumetric construction
“Prefab Master”	:	Prefab Master Sdn Bhd (Registration No. 202401002508 (1548358-D)), a 70%-direct owned subsidiary of SkyWorld Development and 30%-direct owned associate company of Teambuild
“Prefab Master Penang”	:	Prefab Master (Penang) Sdn Bhd (Registration No. 202401003092 (1548942-V)), a wholly-owned subsidiary of Prefab Master
“Prefabricated Manufacturing Business”	:	The business of manufacturing of prefabricated and prefinished modular systems

DEFINITIONS (CONT'D)

“Project”	:	Proposed development to undertake a new housing development under the New Talent Homes Madani scheme as part of the Proposed Joint Development
“Project Management Fee”	:	Project management fee of not less than 8% of the Landowner’s Entitlement, equivalent to RM40,214,243.52 based on the Landowner’s Entitlement
“Proposals”	:	Proposed Joint Development and Proposed Diversification
“Proposed Diversification”	:	Proposed diversification of the existing business operations of SkyWorld Development to include the Prefabricated Manufacturing Business
“Proposed Joint Development”	:	Proposed joint development comprising of New Talent Homes Madani on the Land in accordance with the terms and conditions set out in the JDA
“Proposed Master Plan”	:	Master plan as proposed by the Developer and/or any of its Nominee(s) for the development of the entire Land which includes (without limitation) the type of development for different areas or parts of the Land, the development data for each and every component and all other supporting infrastructures, the public utilities and amenities, as well as all other relevant or associated details pertaining to the development of the Land
“Property Development Business”	:	The business of property development
“RBBM1”	:	Rumah Bakat Baru Madani 1, outlined in the Planning Permission as part of the New Talent Homes Madani or “Rumah Bakat Baru Madani” scheme to be sold at a purchase price between RM225,000 and RM247,500 and be built at the size of 900 sq ft
“RBBM2”	:	Rumah Bakat Baru Madani 2, outlined in the Planning Permission as part of the New Talent Homes Madani or “Rumah Bakat Baru Madani” scheme to be sold at a purchase price of not more than RM350,000 and be built at the size of 900 sq ft
“RBBM3”	:	Rumah Bakat Baru Madani 3, outlined in the Planning Permission as part of the New Talent Homes Madani or “Rumah Bakat Baru Madani” scheme to be sold at a purchase price of not more than RM420,000 and be built at the size of 900 sq ft
“Shareholders’ Agreement”	:	Shareholders’ agreement between SkyWorld Development, Teambuild and Prefab Master dated 20 January 2025, the salient terms of which are enclosed in Appendix III of this Circular
“SkyWorld Development” or our “Company” or the “Developer”	:	SkyWorld Development Berhad (Registration No. 200601034211 (753970-X))
“SkyWorld Development Group” or our “Group”	:	Collectively, SkyWorld Development and its subsidiaries
“SkyWorld Development Share(s)” or “Share(s)”	:	Ordinary share(s) in SkyWorld Development

DEFINITIONS (CONT'D)

“SPA”	:	A sale and purchase agreement between PDC and SkyWorld Development and/or any of its Nominee(s) to be executed for the sale and purchase of each Parcel(s)
“State Authority”	:	State Government of Penang and/or Lembaga Perumahan Negeri Pulau Pinang, as the case may be
“Teambuild”	:	Teambuild Holding (S) Pte Ltd (Registration No. 199407739K)
“Territory”	:	Malaysia and any other area or country in ASEAN (excluding Singapore), and any other territory which SkyWorld Development, Prefab Master and Teambuild may agree to from time to time
“Tricor” or the “Share Registrar”	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
“UOBKH” or the “Adviser”	:	UOB Kay Hian Securities (M) Sdn Bhd (Registration No. 199001003423 (194990-K))
“Valuation Certificate”	:	The valuation certificate of Plot A and Plot B dated 31 December 2024 by Henry Butcher, enclosed as Appendix IV of this Circular
“6% Annual Increment”	:	An annual increase in the sale price of each Parcel by not less than 6%, based on a starting price of RM43 per sq ft, for any Parcel under Plot A for which an SPA has yet to be signed, with such increase taking effect on each anniversary of the JDA

Currencies

“RM” and “Sen”	:	Ringgit Malaysia and sen, respectively
“SGD”	:	Singapore Dollar, the lawful currency of Singapore
“VND”	:	Vietnamese Dong, the lawful currency of Vietnam

Units

“sq ft”	:	Square feet
“sq m”	:	Square metre

All references to “we”, “us”, “our” and “ourselves” are references to SkyWorld Development. All references to “you” in this Circular are references to the shareholders of SkyWorld Development.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References 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.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that SkyWorld Development’s plans and objectives will be achieved.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposals. You are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposals before voting at the forthcoming EGM.

Key information	Description	Reference to Circular
<p>Summary of the Proposals</p>	<p><u>Proposed Joint Development</u></p> <p>On 10 December 2024, our Company had entered into a JDA with PDC and PDCP to undertake the Proposed Joint Development in accordance with the terms of the JDA.</p> <p><u>Proposed Diversification</u></p> <p>On 20 January 2025, our Company proposed to diversify our Group's existing business operations to include the Prefabricated Manufacturing Business, through the Collaboration in accordance with the terms of the Shareholders' Agreement.</p>	<p>Section 2</p>
<p>Rationale and justifications for the Proposals</p>	<p><u>Proposed Joint Development</u></p> <p>The Proposed Joint Development reaffirms our Group's expansion efforts to increase our presence in the affordable housing segment and widen our development portfolio.</p> <p>With an estimated GDV of RM13 billion that will span over a 15 year period, the Proposed Joint Development will increase the revenue of our Group's Property Development Business and contribute positively to the future earnings and profitability of SkyWorld Development Group.</p> <p>Our Board believes that the Proposed Joint Development will further enhance the reputation and track record of SkyWorld Development as a developer of quality homes in Malaysia as well as provide a solid foundation for SkyWorld Development to capitalise on the opportunities of the real estate market in the coming years.</p> <p><u>Proposed Diversification</u></p> <p>The Proposed Diversification is part of our Group's effort of identifying and applying new processes and innovative technology in our Property Development Business that can enhance the overall quality and reliability of the homes being delivered to our customers.</p> <p>Our Board believes that venturing into the Prefabricated Manufacturing Business will significantly enhance our Group's operational efficiency, create valuable synergies and position SkyWorld Development with a competitive edge, particularly in undertaking large development projects such as the Proposed Joint Development.</p>	<p>Section 3</p>
<p>Risk factors of the Proposals</p>	<p>Pursuant to the Proposals, SkyWorld Development Group will be exposed to risks inherent in the Property Development Business (of which our Group is already involved and will be addressed as part of our Group's ordinary course of business) and Prefabricated Manufacturing Business which include, but are not limited to, the following:-</p> <ul style="list-style-type: none"> (i) business and operational risk; (ii) failure to fulfil the terms of the JDA; (iii) financing and repayment of borrowing risks; (iv) business diversification risk; and (v) dependency on the Collaboration and Management Committee. 	<p>Section 5</p>

EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to Circular
Approvals required	The Proposals are subject to the approval being obtained from the shareholders of SkyWorld Development at the EGM to be convened.	Section 8
Interest of Directors, major shareholders and/or persons connected with them	None of the Directors and/or major shareholders of our Company, as well as persons connected with them, have any interest, whether direct or indirect, in the Proposals.	Section 12
Directors' statement and recommendation	<p>Our Board, after having considered all aspects of the Proposals (including but not limited to the rationale, prospects and risk factors of the Proposals), is of the opinion that the Proposals are in the best interest of our Company.</p> <p>Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.</p>	Section 14

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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

14 April 2025

Board of Directors

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

To: The shareholders of SkyWorld Development

Dear Sir/Madam,

- (i) PROPOSED JOINT DEVELOPMENT; AND**
- (ii) PROPOSED DIVERSIFICATION**

(COLLECTIVELY REFERRED TO AS “PROPOSALS”)

1. INTRODUCTION

UOBKH had, on behalf of our Board made the following announcements:-

- (i) on 10 December 2024, it was announced that our Company had entered into a JDA with PDC and PDCP to undertake the Proposed Joint Development in accordance with the terms of the JDA; and
- (ii) on 20 January 2025, it was announced that our Company proposes to diversify our Group’s existing business operations to include the Prefabricated Manufacturing Business, through the Collaboration in accordance with the terms of the Shareholders’ Agreement.

Further details on the Proposals are set out in the ensuing sections.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS AND TO SEEK YOUR APPROVAL ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF 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 CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Joint Development

The Proposed Joint Development entails a joint development between PDC (the Landowner or eventual owner of the Land), PDCP (the project manager of the development of the Land) and SkyWorld Development (the appointed developer for the Project) on the Land in accordance with the terms of the JDA, the salient terms of which are set out in **Appendix I** of this Circular. As SkyWorld Development may develop the Proposed Joint Development in phases, the Land is to be contributed in separate Parcels free from all encumbrances over a development period of 15 years. Further, SkyWorld Development is entitled to nominate our Nominees to enter into SPAs with PDC for the acquisition and development of each Parcel at different stages in accordance with the terms of the JDA.

The Proposed Joint Development will be implemented as follows:-

- (i) in respect of Plot A, PDC will apply to the State Authority to register itself as the proprietor of Plot A and alienate Plot A into not more than five (5) Parcels. PDC and SkyWorld Development and/or any of our Nominee(s) will execute separate SPAs for each Parcel. As at the LPD, no SPA has been signed in regards to Plot A.

We will not obtain the approval of our shareholders for the subsequent SPAs to be entered into by us or our Nominees with PDC for the acquisition and development of each of these five (5) Parcels at different stages of the Proposed Joint Development as the function of these SPAs is mainly to facilitate the terms of the JDA. Nonetheless, we shall make the necessary announcement(s) at the appropriate time when required in relation to the execution of the forthcoming SPAs in order to update our shareholders on the status of the Proposed Joint Development; and

- (ii) in respect of Plot B, SkyWorld Development, via SkyWorld Staris Development Sdn Bhd (presently known as SkyWorld Mutiara Development Sdn Bhd), a wholly-owned subsidiary of SkyWorld Development, had on 10 December 2024 entered into an SPA with PDC for the purchase of Plot B at a purchase consideration of RM200,175,624 which forms part of the Landowner's Entitlement. Please refer to **Appendix II** of this Circular for the salient terms of the Plot B SPA.

In accordance with the JDA, we and/or any of our Nominee(s) has agreed to, at our own cost and expense, undertaken to design, build and complete the Project on the Land. In addition, PDC shall be entitled to the Landowner's Entitlement for contributing the Land to the Developer for the Proposed Joint Development. Lastly, PDCP shall be entitled to the Project Management Fee for its service as the Project Manager. Aside from the aforementioned, PDC and PDCP shall not be entitled to any other profits or benefits in regards to the Proposed Joint Development.

The payment schedule for the Landowner's Entitlement and Project Management Fee is set out in **Section 2.1.2** of this Circular.

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A summary of the Proposed Joint Development is set out as follows:-

Name of project	:	Yet to be determined and it entails development for the New Talent Homes Madani.		
Type of development	:	<table border="0"> <tr> <td style="vertical-align: top;"> <u>Initial as per the JDA⁽¹⁾</u> (i) 10% of total development must be affordable homes to be sold at a purchase price as required by the State Authority ("Affordable Homes"); (ii) 90% of total development must be new talent homes to be sold at a purchase price of not more than RM420,000 subject to approval by PDC and State Authority ("New Talent Homes"); and (iii) a maximum of 20% of the total built-up of residential area for commercial use to provide services to the local community⁽¹⁾. </td> <td style="vertical-align: top; padding-left: 20px;"> <u>Revised as per the Planning Permission⁽²⁾</u> (i) 20% of total development to be allocated to RBBM1; (ii) 80% of total development to be allocated to RBBM2 and RBBM3; and </td> </tr> </table>	<u>Initial as per the JDA⁽¹⁾</u> (i) 10% of total development must be affordable homes to be sold at a purchase price as required by the State Authority (" Affordable Homes "); (ii) 90% of total development must be new talent homes to be sold at a purchase price of not more than RM420,000 subject to approval by PDC and State Authority (" New Talent Homes "); and (iii) a maximum of 20% of the total built-up of residential area for commercial use to provide services to the local community ⁽¹⁾ .	<u>Revised as per the Planning Permission⁽²⁾</u> (i) 20% of total development to be allocated to RBBM1; (ii) 80% of total development to be allocated to RBBM2 and RBBM3; and
<u>Initial as per the JDA⁽¹⁾</u> (i) 10% of total development must be affordable homes to be sold at a purchase price as required by the State Authority (" Affordable Homes "); (ii) 90% of total development must be new talent homes to be sold at a purchase price of not more than RM420,000 subject to approval by PDC and State Authority (" New Talent Homes "); and (iii) a maximum of 20% of the total built-up of residential area for commercial use to provide services to the local community ⁽¹⁾ .	<u>Revised as per the Planning Permission⁽²⁾</u> (i) 20% of total development to be allocated to RBBM1; (ii) 80% of total development to be allocated to RBBM2 and RBBM3; and			
Estimated GDV⁽³⁾	:	Approximately RM13 billion over a development period of 15 years.		
Landowner's Entitlement	:	RM502,678,044 Subject to the 6% Annual Increment.		
Project Management Fee	:	RM40,214,243 or any rate not less than 8% of the Landowner's Entitlement, subject to the 6% Annual Increment. Other than the 6% Annual Increment, the Project Management Fee shall be subject to further increase based on mutual agreement between PDC, PDCP and SkyWorld Development. ⁽⁴⁾		
Current stage or percentage of completion	:	Not applicable as the Project has not yet commenced.		
Expected commencement date and completion date	:	The Project is expected to commence in the first quarter of 2026 and be completed within 15 years from the date of the JDA.		

Notes:-

- (1) Based on the description provided in the JDA, as set out in **Paragraph 1(b)** of **Appendix I** of this Circular.
- (2) Revised development components pursuant to the Planning Permission obtained by the Developer on 6 February 2025, which varies from the initial development components set out in the JDA. Please refer to **Note (1)** in **Paragraph 1(b)** of **Appendix I** of this Circular.
- (3) The internal estimation by the management of SkyWorld Development is based on the Proposed Master Plan and the Planning Permission. Notwithstanding the revisions to the development components pursuant to the Planning Permission, an increased allocation of affordable homes under RBBM1 to 20% from the original 10% Affordable Homes allocation, both Plot A and Plot B have also been granted an increased plot ratio of 1:4.14 and 1:4.20 respectively, from the initial expected plot ratio of 1:4.00, allowing the Project to maintain its overall viability. However, the estimated GDV is expected to vary subject to amongst others, the development components of the Proposed Joint Development, final approvals for each phase to be developed and the demand and supply conditions at the time of launch over the development period of 15 years.
- (4) In the event the parties determine that the actual scope of work and efforts required to fulfil the role as Project Manager as outlined in the JDA exceed the initial expectations, a revised Project Management Fee rate subject to a minimum of 8% of the Landowner's Entitlement, shall be proposed. Such circumstances may include, but are not limited to, resubmission of authority approvals due to changes in the development plans by the Developer and/or any of our Nominees.

As at the LPD, the Developer has yet to obtain approvals from the relevant authorities, save for the following:-

Description	Date of approval granted
(i) Planning Permission was granted by the Seberang Perai City Council to the Developer's Nominees to carry out the development on Plot A, with size measuring approximately 161.5 acres or 7,034,940 sq ft, in accordance with the Proposed Master Plan, which includes the type of development, the public utilities and amenities for the Land and other relevant details pertaining to the development of the Land.	6 February 2025
(ii) Planning Permission was granted by the Seberang Perai City Council to the Developer's Nominees to carry out the development on Lot 10848 in accordance with the Proposed Master Plan which includes the type of development, the public utilities and amenities for the Land and other relevant details pertaining to the development of the Land.	6 February 2025
(iii) Planning Permission was granted by the Seberang Perai City Council to the Developer's Nominees to carry out the development on Lot 5320 in accordance with the Proposed Master Plan which includes the type of development, the public utilities and amenities for the Land and other relevant details pertaining to the development of the Land. ⁽¹⁾	6 February 2025
(iv) Building plan approval was granted by the Seberang Perai City Council to carry out the development on Lot 10848, which entails a building comprising of New Talent Homes Madani, commercial units and community areas.	6 February 2025
(v) Building plan approval was granted by the Seberang Perai City Council to carry out partial development on Plot A, with size measuring approximately 25.9 acres or 1,128,230 sq ft, which entails six (6) blocks of buildings comprising of New Talent Homes Madani, commercial units and community areas.	6 February 2025

Note:-

(1) *As at the LPD, no building plan approval has been obtained for Lot 5320. The management of SkyWorld Development is currently in the process of applying for such approval.*

As stipulated in the JDA, the Developer shall accept the possession of the Land and every Parcel thereof on an "as is where is" basis, subject to PDC receiving the full payment of the sale price for that Parcel or a bank guarantee securing the payment of the balance of the sale price of the Parcel or such outstanding payable to PDC. The Developer shall take all such necessary action for the application and submission of plans for the Project together with the related components and all requisite infrastructures, public utilities and amenities such as obtaining all such necessary approvals for the application and submission of plans to the relevant authorities for the Proposed Joint Development as well as other matters relating to the Proposed Joint Development.

2.1.1 Information on the Land

(a) Information on Plot A

Plot A is located along Jalan Cassia Barat 1, off the main thoroughfare of Lebuhraya Bandar Cassia. It is sited on the north-western part of Batu Kawan, an island situated off the western coast of District of Seberang Perai Selatan in between Penang Island and the mainland of Penang State as depicted in the map below:-



Bandar Cassia, Batu Kawan is the third satellite township of Penang after Bayan Lepas and Seberang Jaya. It is to be developed in clusters by a few major key property developers i.e. Aspen Vision City jointly developed by Aspen (Group) Holdings Limited and Ikano Pte Ltd, Eco Horizon and Eco Sun by Eco World Development Group Berhad, Utropolis Batu Kawan by Paramount Corporation Berhad, and Design Village Outlet Mall and Anggun Residences by Pansar Berhad.

As at the LPD, Plot A remains vacant. Details of Plot A are set out as follows:-

Criteria	Details	
Title no. and Lot no. / PT no.⁽¹⁾	:	N/A
Location	:	Mukim 13, Bandar Cassia, District of Seberang Perai Selatan, State of Pulau Pinang
Land area	:	161.50 acres (Equivalent to 653,567.31 sq m)
Land tenure⁽²⁾	:	Freehold
Category of land use⁽²⁾	:	Building
Encumbrances	:	Nil
Restriction in interest	:	The land cannot be subdivided, transferred, charged or leased unless the consent of the State Authority is obtained
Express condition⁽²⁾	:	Business and housing
Market value⁽³⁾	:	RM309,500,000

Notes:-

(1) Individual title and lot no. for Plot A have not been issued and is subject to PDC obtaining the relevant approvals from the State Authority to alienate Plot A. Pursuant to the JDA, the application for alienation will only be submitted by PDC upon the signing of the SPA(s) for each individual Parcel(s).

- (2) Based on the assumption that PDC obtains the relevant approvals from the State Authority to alienate Plot A in accordance with the provisions of the National Land Code (Revised 2020) Act 828 for perpetuity (Freehold) under a qualified title subject to the category of land use of "building" and express conditions for "business and housing" use.
- (3) Based on the market value as ascribed by the independent firm of valuers appointed by our Company, namely Henry Butcher in its Valuation Certificate dated 31 December 2024 using the comparison method. The value ascribed is based on vacant possession and there has been no value assigned to the existing structures on Plot A.

(b) Information on Plot B

Plot B consists of two (2) lots, Lot 5320 and Lot 10848. Plot B is located in the satellite township of Seberang Jaya as depicted in the map below:-



This township is jointly developed by PDC as well as Sunway Berhad which consists of government buildings, factories (Seberang Jaya Industrial Park), cluster houses, terraced and semi-detached houses, low-cost flats, medium-cost apartments and 3-storey shop offices.

As at the LPD, Plot B remains vacant. Details of Plot B are set out as follows:-

Criteria	Lot 5320	Lot 10848
Title no.	: Pajakan Negeri 10926	Geran 186062 (Previously held under Hakmilik Sementara 63866)
Location	: Mukim 01, District of Seberang Perai Tengah, State of Pulau Pinang	Mukim 01, District of Seberang Perai Tengah, State of Pulau Pinang
Lot no. / PT no.	: Lot 5320	Lot 10848 (Previously held under PT 5066)
Land area	: 31.29 acres (Equivalent to 126,618 sq m)	2.75 acres (Equivalent to 11,121 sq m)
Land tenure	: Leasehold of 90 years, expiring on 25 April 2090 ⁽¹⁾	Freehold
Category of land use	: None ⁽¹⁾	Building

Criteria	Lot 5320	Lot 10848
Encumbrances	: Nil	Nil
Restriction in interest	: The land cannot be subdivided, transferred, charged or leased unless written consent of the State Authority is obtained	The land cannot be transferred, charged, leased or tenanted unless written consent of the State Authority is obtained
Express condition	: Recreation ⁽¹⁾	Housing
Market value ⁽²⁾	: RM185,400,000	RM16,300,000
Combined market value	: RM201,700,000	

Notes:-

- (1) *Based on the assumption that PDC obtains the relevant approvals from the State Authority to convert the tenure of Lot 5320 to perpetuity (Freehold) under a qualified title subject to the category of land use of "building" and express conditions for "business and housing" use.*

The application for a qualified title was submitted by PDC on 8 January 2025. The qualified title is expected to be issued by the State Authority by the second quarter of 2025.

- (2) *Based on the market value as ascribed by the independent firm of valuers appointed by our Company, namely Henry Butcher in its Valuation Certificate dated 31 December 2024 using the comparison method. The value ascribed is based on vacant possession and there has been no value assigned to the existing structures on Plot B.*

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2.1.2 Mode of satisfaction of Landowner's Entitlement and Project Management Fee

Pursuant to the terms of the JDA, the Landowner's Entitlement and Project Management Fee are subject to the 6% Annual Increment, and shall be fully satisfied in cash by SkyWorld Development over a maximum period of ten (10) years from the date of the JDA.

The schedule of payment of the Landowner's Entitlement and Project Management Fee are as follows:-

Payment milestones	%	Landowner's Entitlement ⁽¹⁾		Project Management Fee ⁽¹⁾		Total (RM)
		Plot A (RM)	Plot B (RM)	Plot A (RM)	Plot B (RM)	
(i) Upon execution of the JDA	10.00	30,250,242	20,017,563	2,420,020	1,601,405	⁽²⁾ 54,289,230
(ii) 18 months from the date of execution of the SPA for each Parcel	30.00	90,750,726	60,052,687	7,260,058	4,804,215	162,867,686
(iii) 24 months from the date of execution of the SPA for each Parcel	30.00	90,750,726	60,052,687	7,260,058	4,804,215	162,867,686
(iv) 48 months from the date of execution of the SPA for each Parcel	30.00	90,750,726	60,052,687	7,260,058	4,804,215	162,867,686
Total	100.00	302,502,420	200,175,624	24,200,194	16,014,050	542,892,288
			502,678,044	40,214,244		

Notes:-

- (1) For illustrative purposes, the figures are based on the minimum Landowner's Entitlement and Project Management Fee as at the LPD.
- (2) As at the LPD, a total sum of RM54,289,230 has been paid to PDC, as the Landowner, in respect of the Landowner's Entitlement and Project Management Fee in relation to the Land. The details of the payments are as follows:-

Payment date(s)	Payment details	Landowner's Entitlement (RM)	Project Management Fee (RM)	Total (RM)
10 September 2024	As earnest deposit on the entire joint development to the request for the Proposed Joint Development	5,000,000	-	5,000,000
10 December 2024	Upon execution of the JDA	45,267,805	4,021,425	49,289,230
				54,289,230

2.1.3 Basis and justification of arriving at the Landowner's Entitlement and Project Management Fee

The Landowner's Entitlement and Project Management Fee were secured through a request for proposal/open tender process conducted by PDC, taking into consideration our Group's existing track record and commitment to deliver sufficient affordable homes to meet local housing demand within the prescribed delivery timeline.

In respect of the Project Management Fee, the rate was established on a "willing-buyer willing-seller" basis, after carefully factoring in the commercial viability of the Project and the expected efforts required to fulfil the role of Project Manager. With PDGP's involvement as the Project Manager, the approval process when dealing with the relevant authorities is expected to be expedited, facilitating timely project development, especially as this marks SkyWorld Development's first project in Penang.

In respect of the Landowner's Entitlement, it was based on SkyWorld Development's internal assessment which took the following factors into consideration:-

- (i) the aggregate market value of the Land of RM511,200,000, comprising of a market value of RM309,500,000 and RM201,700,000 for Plot A and Plot B, respectively, as ascribed by the Valuer in its Valuation Certificate dated 31 December 2024. The Landowner's Entitlement of RM502,678,044 represents a discount of RM8,521,956 or approximately 1.67% to the aggregate market value of RM511,200,000 as ascribed by the Valuer;
- (ii) the rationale and benefits of the Proposed Joint Development as set out in **Section 3.1** of this Circular; and
- (iii) the percentage of the Landowner's Entitlement over the Project's estimated GDV of approximately RM13 billion over 15 years is approximately 3.87%. This is below the range of the percentage share of landowner's entitlements to GDV of precedent joint ventures/developments for property development in Peninsular Malaysia undertaken by companies listed on Bursa Securities (with GDV in excess of RM1.0 billion), indicating that our Proposed Joint Development presents more favourable economics compared to other projects with GDV exceeding RM1.0 billion. For information purposes, the above selection parameters had resulted in none of the comparable projects being located in Penang. The details of the comparable projects are tabulated below:-

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Company	Details of the joint venture / development	Landowner's entitlement as a percentage of the GDV
Announcement by Magna Prima Berhad ("MPB") dated 18 January 2024	Joint development between Twinicon (M) Sdn Bhd (a wholly-owned subsidiary of MPB) and Golden Rainbow View Sdn Bhd for the development of five (5) parcels of freehold land located in Kuala Lumpur with an estimated GDV of RM1.20 billion over the development period of six (6) years.	10% of the GDV
Announcement by Salcon Berhad ("Salcon") dated 24 March 2023	Joint development between Nusantara Megajuta Sdn Bhd (a wholly-owned subsidiary of Salcon) and Exsim Kebun Teh Sdn Bhd for the development of two (2) pieces of 99 years leasehold land located in Johor Bahru with an estimated GDV of RM1.40 billion over the development period of five (5) years.	10% of the GDV
Announcement by Matrix Concepts Holdings Berhad ("MCHB") dated 2 May 2019	Joint venture agreement between Matrix Concepts (Southern) Sdn Bhd (a wholly-owned subsidiary of MCHB) and Koperasi Kemajuan Tanah Negeri Johor Berhad for the purpose of carrying out mixed development projects on a piece of land located in Mukim and District of Kluang and the State of Johor with an estimated GDV of RM1.20 billion over the development period of ten (10) years.	7.6% of the GDV
Announcement by Tropicana Corporation Berhad ("Tropicana") dated 24 January 2019	Proposed collaboration between Tropicana and Pantai Kok Resort Development Sdn Bhd, Sinaran Ramah Sdn Bhd, Suci Padu Sdn Bhd and Ibarat Sdn Bhd for the development of land located in Langkawi, Wilayah Persekutuan and Johor with an aggregate estimated GDV of RM4.78 billion over the development period of maximum 15 years.	12% of the GDV
Announcement by MB World Group Berhad ("MBW") dated 1 January 2018	Development rights agreement between Dagna Palm Sdn Bhd (a wholly-owned subsidiary of MBW) and PIJ Property Development Sdn Bhd for the development of a leasehold land located at Mukim of Plentong, State of Johor with an estimated GDV of RM1.46 billion over the development period of ten (10) years.	7% of the GDV
Announcement by Paramount Corporation Berhad ("PCB") dated 22 December 2017	Development rights agreement between Aneka Sepakat Sdn Bhd (a wholly-owned subsidiary of PCB) and Kumpulan Hartanah Selangor Berhad for the proposed development of two (2) contiguous parcel of leasehold land situated in Section 14, Bandar Petaling Jaya, State of Selangor with an estimated GDV of RM1.0 billion over the development period of ten (10) years.	16% of the GDV

For clarification purposes, the Landowner's Entitlement is subject to an adjustment of the 6% Annual Increment on the price per sq ft on the anniversary of the JDA for each remaining Parcel for which an SPA has yet to be executed. This 6% Annual Increment for the extended period over which the SPA for each Parcel to be executed, potentially stretching over a period of ten (10) years or within such extended time as approved by PDC pursuant to the JDA, accounts for the expected appreciation in value of Plot A in the forthcoming years together with the staggered payment as outlined in **Section 2.1.2** of this Circular. Meanwhile, the Developer and/or any of our Nominee(s) benefits from not being required to incur substantial upfront capital outlay. Further details are set out in the salient terms of the JDA in as set out in **Appendix I** of this Circular.

2.2 Proposed Diversification

2.2.1 Background

As at the LPD, our Group has four (4) operating segments, as follows:-

Operating segments	Description
Property Development Business	Comprising development of high-rise residential, commercial and affordable homes
Property management, management services and investment holding	Supervision of third-party management company, provision of management services to the subsidiaries, and investment holding
Property investment	Comprising build-to-rent developments
E-commerce platform	Provision of connection services for SkyWorld Development homeowners with third-party product and service providers such as interior design, renovations, furniture, home appliances, telecommunications subscription services, home movers and other services

A summary of our Group's financial performance based on our audited consolidated financial statements for the past three (3) years up to the FYE 31 March 2024 is as follows:-

Key financial performance	Audited FYE 31 March		
	2022	2023	2024
	RM'000	RM'000	RM'000
Revenue ⁽¹⁾	790,437	841,411	688,038
PBT	150,018	204,784	159,934
PATAMI	106,035	143,996	106,784

Note:-

(1) A summary of SkyWorld Development Group's revenue based on our existing business divisions for the past three (3) financial years up to the FYE 31 March 2024 is set out as follows:-

Business divisions	Audited FYE 31 March					
	2022		2023		2024	
	RM'000	%	RM'000	%	RM'000	%
Property Development Business	790,369	99.99	840,784	99.92	685,923	99.69
Property management, management services and investment holding	68	0.01	51	0.01	118	0.02
Property investment	-	-	-	-	1,239	0.18
E-commerce platform	-	-	576	0.07	758	0.11
Total	790,437	100.00	841,411	100.00	688,038	100.00

Based on the table above, our Group is highly dependent on the Property Development Business which was the main revenue contributor, whereby the percentage contribution of the Property Development Business remains at 99% and above for the past three (3) financial years.

Commentary on historical financial performance

(i) FYE 31 March 2022 (“FYE 2022”)

Our Group recorded a revenue of approximately RM790.4 million in the FYE 2022 as compared to a revenue of approximately RM488.8 million in the FYE 31 March 2021 (“FYE 2021”). The increase in revenue of approximately 61.7% was mainly attributable to the progressive revenue recognition from the on-going projects such as SkyMeridien Residences, SkySierra Residences (The Valley), SkyAwani IV Residences, and SkyAwani V Residences; the sales of two (2) on-going developments, SkyVogue Residences and EdgeWood Residences; and the sales of completed inventories, mainly commercial properties from SkyAwani Residences.

As a result of an improvement in our revenue, our Group’s PATAMI increased by RM46.5 million to approximately RM106.0 million in the FYE 2022, which represents an increase of 78.2% as compared to the PATAMI of approximately RM59.5 million registered in the FYE 2021.

(ii) FYE 31 March 2023 (“FYE 2023”)

Our Group recorded a revenue of approximately RM841.4 million in the FYE 2023, compared to a revenue of approximately RM790.4 million reported in the FYE 2022. The slight increase in revenue of approximately 6.5% was primarily attributed to the progressive revenue recognition from the on-going projects, namely SkySierra Residences (The Valley), EdgeWood Residences, SkyVogue Residences, SkyAwani III Residences, SkyAwani IV Residences and SkyAwani V Residences; as well as the sales of completed inventories mainly from SkyMeridien Residences.

Our Group’s PATAMI increased by RM38.0 million to approximately RM144.0 million in the FYE 2023, which represents an increase of 35.9%, as compared to the PATAMI of approximately RM106.0 million registered in the FYE 2022. This increase was primarily contributed by the improvement of revenue and reduction in construction and finance costs.

(iii) FYE 31 March 2024 (“FYE 2024”)

Our Group recorded a revenue of approximately RM688.0 million in the FYE 2024 as compared to a revenue of approximately RM841.4 million in the FYE 2023. The 18.2% decrease in revenue was mainly attributable to the lower progressive revenue recognised from SkySierra Residences (The Valley), which was completed and delivered to our customers in the second quarter of FYE 2024.

As the result of a decline in our revenue, our Group’s PATAMI decreased by RM37.2 million to approximately RM106.8 million in the FYE 2024, which represents a decrease of 25.8% as compared to the PATAMI of approximately RM144.0 million registered in the previous financial year.

Our Group's financial performance over the past financial years under review had relied heavily on the Property Development Business. While our Group remains focused on enhancing the performance of our existing Property Development Business, our Group had also been actively seeking other strategic opportunities and/or business ventures that could enhance shareholders' value in the long run by expanding our revenue and earnings base as well as diversifying our Group's business risks.

In pursuit thereof, our Group intends to venture into the Prefabricated Manufacturing Business by collaborating with Teambuild via the Collaboration, which was identified through direct negotiations after considering their extensive expertise and proven track record in the industry. The Collaboration aims to leverage our combined resources and expertise for our Group's new venture into the Prefabricated Manufacturing Business. Further details of the Collaboration are set out in **Section 2.2.2** of this Circular.

Our Group undertook cost-benefit assessments before entering into the Collaboration, evaluating potential cost savings in large-scale developments, efficiency gains in construction timelines, and the overall impact on project margins. The use of PPVC technology is expected to enhance construction efficiency, resulting in a time saving of up to 12 months as compared to the conventional construction methods. This acceleration will improve the Project's cash flow thereby enhancing the internal rate of return. However, the actual time savings will depend on various factors, including but not limited to, the project design, project specifications, and site conditions. The PPVC technology is also expected to enhance the project quality, as the housing components are manufactured in a more controlled environment with greater precision using machinery, ensuring higher consistency, better workmanship, and reduced material wastage. Furthermore, in large scale developments, the standardisation of product design enables economies of scale, making PPVC technology more cost effective.

The Prefabricated Manufacturing Business will be able to leverage on the experience gained from the adoption of PPVC in the Project to improve operational efficiencies and to secure prefabricated manufacturing contracts for projects outside our Group. Given the lack of prefabricated and prefinished modular systems in Malaysia, the Collaboration represents an excellent opportunity for our Group to introduce this innovative construction technology to the Malaysian market.

Barring any unforeseen circumstances, our Board anticipates that the Proposed Diversification could contribute 25% or more to the net profits of our Group and/or result in the diversion of more than 25% to the NA of our Group from the FYE 31 March 2028 onwards.

Pursuant thereto, our Board proposes to seek the approval from the shareholders of SkyWorld Development for the Proposed Diversification pursuant to paragraph 10.13(1) of the Listing Requirements which states that a listed issuer must obtain its shareholders' approval in a general meeting for any transaction or business arrangement which might reasonably be expected to result in either:-

- (i) the diversion of 25% or more of the NA of the listed issuer to an operation which differs widely from those operations previously carried on by the listed issuer; or
- (ii) the contribution from such an operation of 25% or more of the net profits of the listed issuer.

2.2.2 Details of the Collaboration

Pursuant to the Collaboration, a private limited liability company in Malaysia, Prefab Master, has been incorporated, with SkyWorld Development holding a 70% equity interest and Teambuild holding a 30% equity interest. Prefab Master will be the vehicle to undertake the Prefabricated Manufacturing Business in accordance with the terms of the Shareholders' Agreement, the salient terms of which are set out in **Appendix III** of this Circular. The scope of the Prefabricated Manufacturing Business to be undertaken by Prefab Master comprises:-

- (i) the design, research, and development of prefabricated and prefinished modular systems, as well as the provision of technical advisory support to its subsidiary(ies);
- (ii) the retention of ownership over all intellectual property rights associated with its Prefabricated Manufacturing Business within the Territory; and
- (iii) the establishment of subsidiary(ies) to manage the manufacturing, sale, and installation of prefabricated and prefinished modular systems within the Territory.

The Prefabricated Manufacturing Business is envisaged to adopt PPVC technology which is a cutting-edge three-dimensional industrialised building system methodology. PPVC technology addresses critical industry challenges such as product quality, labour shortages, and timely delivery. Prefab Master is poised to introduce these advancements to Malaysia, where PPVC adoption remains nascent. Concurrently, Prefab Master Penang has been incorporated to serve the Penang prefabricated manufacturing market, while SkyWorld Development intends to expand their Prefabricated Manufacturing Business within the Territory through establishing additional subsidiaries in the future.

2.2.3 Details of Prefab Master and Prefab Master Penang

Prefab Master was incorporated in Malaysia under the Act by SkyWorld Development and Teambuild on 17 January 2024 as an investment holding company. It was established to undertake the Prefabricated Manufacturing Business through its subsidiary, Prefab Master Penang, and to perform research and development activities for the Prefabricated Manufacturing Business. Prefab Master has an issued share capital of RM100.00 comprising 100 ordinary shares ("**Prefab Master Share(s)**"). The shareholdings of Prefab Master are as follows:-

Name	Place of incorporation	Shareholdings as at the LPD			
		Direct		Indirect	
		No. of Prefab Master Shares	(1)%	No. of Prefab Master Shares	%
SkyWorld Development	Malaysia	70	70.00	-	-
Teambuild	Singapore	30	30.00	-	-
Total		100	100.00	-	-

Note:-

(1) Based on the existing issued share capital of 100 Prefab Master Shares as at the LPD.

Prefab Master Penang, a wholly-owned subsidiary of Prefab Master, was incorporated in Malaysia under the Act on 19 January 2024 to manufacture and supply modular systems with an issued share capital of RM100.00 comprising 100 ordinary shares.

Prior to identifying a suitable location to set up the prefabricated manufacturing facilities in Penang, Prefab Master and Prefab Master Penang shall operate their businesses from Ground Floor, Block B, Wisma NTP World, Excella Business Park, Jalan Ampang Putra, Ampang, 55100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia. As at the LPD, Prefab Master and Prefab Master Penang are still dormant.

2.2.4 Background information on Teambuild

Teambuild is a private company limited by shares registered in Singapore on 25 October 1994 as an investment holding company and having its business address at 9 Defu South Street 1, Teambuild Connect, Singapore 533844.

As at the LPD, Teambuild has a total issued share capital of SGD500,000 comprising 500,000 ordinary shares ("**Teambuild Share(s)**"). The details of the shareholders of Teambuild and their respective shareholdings in Teambuild as at the LPD are as follows:-

Name	Nationality	Direct		Indirect	
		No. of Teambuild Shares	(1)%	No. of Teambuild Shares	%
Lee Kay Sin	Malaysian	40,474	8.09	-	-
Lee Keh Ha	Singaporean	40,474	8.09	-	-
Seow Heng Choo	Singaporean	47,106	9.42	-	-
Seow Mee Cheong @ Seow Hon Cheong	Malaysian	7,526	1.51	-	-
Seow Seng Wei	Singaporean	250,947	50.19	-	-
Shiow Moi Moi @ Seow Lian Moi	Malaysian	1,526	0.31	-	-
Siow Kong Cheong @ Seow Kuan Chong	Malaysian	16,421	3.28	-	-
Tang Hee Sung	Malaysian	95,526	19.11	-	-

Note:-

(1) Based on the existing issued share capital of Teambuild comprising 500,000 Teambuild Shares as at the LPD.

The details of the directors of Teambuild and their respective shareholdings in Teambuild as at the LPD are as follows:-

Name	Nationality	Direct		Indirect	
		No. of Teambuild Shares	(1)%	No. of Teambuild Shares	%
Seow Heng Choo	Singaporean	47,106	9.42	-	-
Lee Keh Ha	Singaporean	40,474	8.09	-	-
Seow Seng Wei	Singaporean	250,947	50.19	-	-

Note:-

(1) Based on the existing issued share capital of Teambuild comprising 500,000 Teambuild Shares as at the LPD.

For information purposes, the substantial shareholder and director of Teambuild, Seow Seng Wei (“**Mr. Seow**”), is also the co-founder and Chief Executive Officer of Teambuild Construction Group (“**Teambuild Group**”).

2.2.5 Key management personnel

At this juncture, SkyWorld Development Group has identified and appointed Mr. Lee Chee Seng (“**Mr. Lee**”) and Mr. Seow to form the Management Committee, to lead and oversee the Collaboration as well as the overall development, communication and execution of strategic plans and initiatives for the Prefabricated Manufacturing Business. The Management Committee consists of representatives appointed by SkyWorld Development and Teambuild.

Further details of the qualifications and experiences of the Management Committee are set out below:-

(i) Mr. Lee Chee Seng

Mr. Lee, a Malaysian aged 53, is the Chief Executive Officer of SkyWorld Development Group. He is responsible for overseeing and managing the day-to-day operations of our Group. He graduated with a Bachelor of Business Studies from Charles Sturt University with the HELP University External Programme in 2004.

He began his career with Zalam Corporation Sdn Bhd (formerly known as Zalam YTK Sdn Bhd) (“**Zalam**”), a construction and property development company, in 1994, whereby he was involved in overseeing project planning and implementation. After joining SkyWorld Development Group in 2013 as Chief Product Officer, he played a passive role at Zalam until his resignation in December 2017.

(ii) Mr. Seow Seng Wei

Mr. Seow, a Singaporean aged 63, is the Chief Executive Officer of Teambuild Group. He co-founded the Teambuild Group in 1992. He graduated with a Bachelor Degree in Civil Engineering from the University of New Mexico, USA in 1983, and a Masters in Project Management from the National University of Singapore in 1996.

In 2013, Mr. Seow and his colleagues spearheaded Teambuild Group's early adoption of development in PPVC. Teambuild Group became the first firm in Singapore to construct and complete both public and private housing projects using concrete PPVC. For over 12 years, Teambuild Group has specialised in the manufacturing and implementation of prefabricated and prefinished modular units for both public and private property development projects in Singapore. Mr. Seow also championed the integration of building information modelling, robotics, automation, and artificial intelligence, transforming traditional methodologies into more efficient, data-driven operations. Under his stewardship, Teambuild Group established a multi-storey integrated construction and prefabrication hub, embracing the potential of advanced manufacturing and automation.

A brief description of Mr. Seow's past involvements in PPVC construction projects, his role in providing PPVC consultation, and overseeing the production and delivery of PPVC modules in a number of projects including those set out below:-

Project / Location	Developer	Contract duration	Total PPVC modules	Completion year of PPVC modules
West Terra, Bukit Batok, Singapore	HDB	12 months	3826	2016
Valley Spring, Yishun, Singapore	HDB	12 months	3711	2018
Fernvale Glades, Sengkang West Way, Singapore	HDB	12 months	6695	2020
Garden Court, Tengah, Singapore	HDB	12 months	3846	2023
Grove Spring, Yishun, Singapore	HDB	25 months	5932	2024
Parc Clover, Tengah, Singapore	HDB	29 months	5702	2023
The Brownstone, Sembawang, Singapore	Canvey Developments Pte Ltd	12 months	4436	2016
Parc Botannia, Sengkang, Singapore	Sing Holdings Limited	18 months	2350	2021
The Woodleigh Residences, Toa Payoh, Singapore	Kajima Development & Singapore Press Holdings Ltd	20 months	2382	2023

Based on the above, our Board believes that Mr. Lee and Mr. Seow's extensive expertise will facilitate a smooth transition for our Group's venture into the Prefabricated Manufacturing Business. Mr. Lee and Mr. Seow will spearhead the Prefabricated Manufacturing Business and they will be supported by our Group's existing team for all back-end functions such as accounting, human resources and administrative matters at the initial stage of the Prefabricated Manufacturing Business. Under the guidance of Mr. Lee and Mr. Seow, Prefab Master shall establish a professional management team and recruit additional manpower with relevant experiences in prefabricated manufacturing in order for Prefab Master to operate independently.

The Management Committee will facilitate this transition and oversee the management of the Prefabricated Manufacturing Business. Details and size of the recruitment can only be determined at a later stage depending on the nature and scale of the future property development portfolio as well as the operating requirements at the material time. At this juncture, our Group has not identified any new recruits, and that our Group's transition into this venture will be monitored and overseen by the aforesaid Management Committee in the interim.

2.3 Liabilities to be assumed

Save for the obligations and liabilities in and arising from and in connection to the implementation and completion of the Proposed Joint Development and Collaboration, there are no liabilities, including contingent liabilities to be assumed by SkyWorld Development pursuant to the Proposals.

2.4 Source of funding

In respect of the Landowner's Entitlement and Project Management Fee for Plot B, based on preliminary estimates, it may be funded by a combination of bank borrowings and balance proceeds raised from the Initial Public Offering, at a proportion of 80% and 20% respectively. As at the LPD, the balance proceeds from Initial Public Offering for the purpose of land acquisition is approximately RM41.68 million.

The Landowner's Entitlement and Project Management Fee for Plot A will be funded by a combination of balance proceeds raised from the Initial Public Offering, if any, internally generated funds and bank borrowings. The exact proportions are to be determined at a later date taking into consideration the gearing level of SkyWorld Development Group, interest costs and internal cash requirements for our Group's business operations.

Additionally, SkyWorld Development Group intends to fund the Collaboration through a combination of internally generated funds, our existing Islamic Commercial Paper and Islamic Medium Term Notes programme and bank borrowings. The exact quantum of which has not been determined at this juncture as Prefab Master Penang has yet to conclude the location and specifications for the prefabricated manufacturing facilities setup, and as a result, the associated costs cannot be ascertained at this time.

2.5 Additional financial commitments required

Based on preliminary estimates, the financial commitments required for the Proposals over the next three (3) financial years are set out as follows:-

	FYE 31 March		
	2026	2027	2028
	RM'000	RM'000	RM'000
Proposed Joint Development			
- Land Entitlement	-	86,770	130,459
- Project Management Fee	-	6,942	10,437
Collaboration⁽¹⁾	-	-	-

Note:-

(1) For the Collaboration, the quantum of which has not been determined at this juncture as outlined in **Section 2.4** of this Circular.

Save for the financial commitments required for the implementation and completion of the Proposals, SkyWorld Development is not expected to incur any other additional financial commitment for the Proposals.

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Joint Development

This Proposed Joint Development reaffirms our Group's expansion efforts to increase our presence in property development in the affordable housing segment and widen our development portfolio. Our Group entered into a joint development agreement with PR1MA Corporation Malaysia on 9 October 2024, with an expected GDV of RM191.5 million, to undertake the proposed development and construction of quality affordable homes together with all the amenities and infrastructure in Brickfields, Kuala Lumpur.

The Proposed Joint Development also marks our Group's first property venture outside of Klang Valley (excluding Vietnam) and aligns with our Group's objective of establishing a stable and sizeable base of operations in Penang over the next 15 years. This strategic expansion supports our geographical diversification strategy and positions SkyWorld Development to meet the growing demand for affordable housing driven by Penang's thriving electrical and electronics ("E&E") sector.

With an estimated GDV of RM13 billion that will span over a 15 year period, the Proposed Joint Development will increase the revenue of our Group's Property Development Business and contribute positively to the future earnings and profitability of SkyWorld Development Group. Additionally, the mode of satisfaction of Landowner's Entitlement and Project Management Fee pursuant to the JDA, as outlined in **Section 2.1.2** of this Circular, allows us to conserve current cash reserves to be utilised for our operations whilst minimising the potential impact on our gearing, as the staggered payment of the Landowner's Entitlement will be made over a maximum period of ten (10) years from the date of the JDA.

Premised on the foregoing, our Board believes that the Proposed Joint Development will further enhance the reputation and track record of SkyWorld Development as a developer of quality homes in Malaysia as well as to provide a solid foundation for SkyWorld Development to capitalise on the opportunities of the real estate market in the coming years.

3.2 Proposed Diversification

As at the LPD, SkyWorld Development is principally involved in the Property Development Business, provision of management services to our subsidiary companies, as well as investment holding, property investment, and e-commerce platform. SkyWorld Development has mainly relied on the Property Development Business since 2014. Based on the summary of our Group's financial performance for the past three (3) financial years as set out in **Section 2.2.1** of this Circular, the financial performance of our Group has been fluctuating in tandem with our Group's property launches and recognition of sales for on-going projects.

The Proposed Diversification is part of SkyWorld Development Group's effort of identifying and applying new processes and innovative technology in our Property Development Business that can enhance the overall quality and reliability of the homes being delivered to customers. By leveraging on the competitive advantages of PPVC technology, our Group anticipates an improvement in the construction quality, speed of project delivery and better cost efficiency across our Group's projects for which the benefits are expected to be passed on to the end customer. Our Board believes that the Collaboration will enable our Group to smoothly venture into the Prefabricated Manufacturing Business, leveraging on the extensive experience and expertise of Mr. Seow in the manufacturing of prefabricated and prefinished modular systems, as well as its proficiency in utilising PPVC technology.

Our Board believes that venturing into the Prefabricated Manufacturing Business will significantly enhance our Group's operational efficiency, create valuable synergies and position SkyWorld Development with a competitive edge, particularly in undertaking large development projects such as the Proposed Joint Development. Our Board believes that the Prefabricated Manufacturing Business could revolutionise construction methodologies in Malaysia and position our Group as an industry leader.

Premised on the foregoing, our Board believes that it is in the best interest of our Group to diversify and expand our Group's existing business activities to include the Prefabricated Manufacturing Business which, in turn, is expected to further enhance SkyWorld Development's reputation and prospects in the property development industry.

4. INDUSTRY OUTLOOK, OVERVIEW AND PROSPECT

4.1 Overview and outlook for the Malaysian economy

The growth in 2025 is projected between 4.5% and 5.5%, supported by a resilient external sector, benefitting from improved global trade and stronger demand for E&E goods, leveraging the country's strategic position within the semiconductor supply chain. Additionally, robust domestic demand, fuelled by strong private sector expenditure, will support the expansion, through continued implementation of key national master plans and ongoing initiatives. A pertinent initiative which is the Government-linked enterprises Activation and Reform Programme (GEAR-uP), will synergise efforts across government-linked entities to catalyse growth in high growth sectors, encompassing energy transition, advanced manufacturing, food security, healthcare, Islamic finance and biopharmaceuticals. The potential investment from this initiative is expected to amount to RM120 billion over the span of five (5) years. On the production side, most sectors are expected to expand, highlighting the resilience and agility of Malaysia's economy.

On the supply side, the services sector continues to uphold its position as the main driver of growth contributed by tourism activities, sustained exports and acceleration of the information and communication technology ("ICT") related activities. Tourism-related industries, particularly food & beverages, accommodation and retail trade segments, are expected to increase further, while the wholesale trade as well as air and water transportations segments will benefit from sustained trade-related activities. Industries such as the utilities and professional services are anticipated to rise in tandem with the acceleration of ICT development, particularly in data centres. The manufacturing sector is projected to expand further attributed to better performance in export-oriented industries, primarily the E&E segment, as external demand for semiconductors continues to increase. Additionally, the domestic-oriented industries is anticipated to remain favourable in line with higher domestic consumption and investment. The construction sector is expected to rise attributed to growth in all subsectors. Prospects for the agriculture sector remain positive supported by higher production of crude palm oil and demand from food-related industries. On the contrary, the mining sector is forecast to decline marginally due to scheduled plants shutdown for maintenance purposes.

On the demand side, growth will be buoyed by strong private sector expenditure and stable global trade. Accounting for about 60% of the economy, private consumption is projected to continue spearheading growth, backed by firm labour market conditions and income growth amid manageable inflation. Gross fixed capital formation or total investment remains high, underpinned by the realisation of private investment, acceleration of public sector strategic projects and initiatives under the GEAR-uP as well as new and ongoing multi-year projects in the services and manufacturing sectors.

(Source: Economic Outlook 2025, Ministry of Finance Malaysia)

4.2 Overview and outlook of the property market and property development industry in Malaysia

The Property Market Report 2024 highlights exceptional performance, recorded the highest volume and value of property transactions in Malaysia over the past decade. This impressive growth was fueled by a robust expansion in market activities across all sub-sectors. The volume and value of transactions expanded by 5.4% and 18.0%, respectively, reaching 420,545 transactions worth RM232.30 billion, compared to 2023 (399,008 transactions worth RM196.83 billion). The highest achievement of the property market was supported by the strong growth of Malaysia's economy and the continuous government support, including the full implementation of the New Industrial Master Plan 2030, the National Energy Transition Roadmap, and the Twelve Malaysia Plan. Market activity was further supported by strong transaction volumes across nearly all states, particularly in Kelantan, which experienced a substantial growth exceeding 96%, following the fully implementation of stamping applications and stamp duty payments through Stamp Duty Assessment and Payment System.

The growth in the 2024 property market is highly supported by the implementation of various government efforts and initiatives to drive Malaysia's economy and simultaneously stimulating the expansion of the property market nationwide through the MADANI Economy Framework.

The residential sub-sector sustained its expansion and solidified its position as the largest contributor to the national transaction activity, recording a marginal growth in both volume and value. By price range, the segment above RM1.0 million recorded the highest growth at 15.0%, while other price ranges showed more modest increases. This growth can be attributed to government initiatives outlined in Budget 2024, which increased confidence in the property market, including the easing of requirements for the Malaysia My Second Home Overview 2 program. Additionally, strong performance in the commercial sub-sector acted as a catalyst for transaction activity with significant increases of 13.6% and 51.6% in value and volume, respectively, as compared to the previous year.

Residential market activity continued to strengthen, recording a marginal increase of 4.0% in volume and 5.9% in value, driven by higher transaction volume in all states except Pulau Pinang, Sabah, Sarawak, Terengganu, and Perlis. There were 260,516 transactions worth RM106.92 billion recorded in 2024 (2023: 250,586 transactions worth RM100.93 billion). Selangor sustained as the main contributor, capturing 21.6% (56,167 transactions) in volume and 29.6% (RM31.68 billion) in value. The four major states, namely Wilayah Persekutuan Kuala Lumpur, Johor, Selangor, and Pulau Pinang, formed over 50% of the total national residential volume transactions.

Affordable houses priced at RM300,000 and below continued to see strong demand, making up 52.5% of total residential transactions. The RM300,001 to RM500,000 price range ranked second at 24.5%, followed by RM500,001 to RM1 million at 17.5%, and houses priced over RM1 million at 5.5%. By property type, demand remained strongest for terraced houses, which accounted for 43.1% of total residential transactions. This was followed by vacant plots at 16.0%, high-rise units (13.9%), low-cost houses/flats (10.5%), semi-detached houses (7.7%), and other property types.

The residential overhang situation improved in 2024 as the numbers gradually reduced. There were 23,149 overhang units worth RM13.94 billion recorded, decreased by 10.3% and 21.2% in volume and value, respectively, compared to 2023 (25,816 overhang units worth RM17.68 billion).

(Source: Property Market Report 2024, National Property Information Centre)

4.3 Overview and outlook of the property market and the property development industry in the northern region of Malaysia

The performance of the Northern Region property market was moderate in 2024. The volume and value of transactions showed a mixed performance compared to 2023. The region registered 107,653 transactions worth RM36.51 billion, showing a 2.5% increase in volume compared to 2023 but value decreased by 1.5%. Combined, the region formed 25.6% and 15.7% of the national volume and value transactions.

The property market activity for two states showed an upward trend in the review period, led by Perak (4.7%) followed by Kedah (3.6%), while two states showed the opposite trend, led by Perlis (7.1%) and followed by Pulau Pinang (1.0%).

On a similar note, transaction values for two states showed an upward trend in the review period, led by Perak (9.8%), followed by Perlis (0.1%), while two other states showed the opposite, a decline of 6.7% and 6.3% in Pulau Pinang and Kedah respectively. Perak recorded the highest volume of transactions (46,538 transactions), which contributed 43.2% of the total transactions of the Northern Region. However, in terms of transactions value, Pulau Pinang led the region with 43.6% (RM15.92 billion) of the total.

For the Northern Region, residential property continued to be the most actively transacted sub-sector, representing 58.0% (62,459 transactions) of the total transactions. Main contributors of residential transactions were Perak, Pulau Pinang, and Kedah. Likewise, the residential sub-sector dominated the region's overall property transactions value with a 53.5% share. The transaction volume for the residential sub-sector improved for Perak which saw transaction increase by 6.4%, followed by Kedah (0.3%), while Perlis experienced a drop of 17.0%, followed by Pulau Pinang (2.9%). In terms of transaction value, two states showed upward trend in the review period, led by Perak (7.7%), followed by Pulau Pinang (2.0%), while two other states showed the opposite, a decline of 10.3% and 6.5% in Perlis and Kedah respectively

The residential overhang situation remained challenging in Kedah and Perlis as the number and value of overhang continued to increase in the review period. In contrast, Perak and Pulau Pinang showed better performance with the reduction of overhang units and value. Nevertheless, the overhang numbers and value for both states are among the highest in the region.

(Source: Northern Region Property Market Report 2024, National Property Information Centre)

4.4 Prospects of SkyWorld Development Group

SkyWorld Development Group operates primarily through our Property Development Business, and as at the LPD has two (2) ongoing developments, with a total GDV of RM1.2 billion, which the details are as follows:-

- (i) Curvo Residences. The development was launched in January 2023 and is approximately 72.2% completed as at the LPD; and
- (ii) Vesta Residences. The development was launched in August 2023 and is approximately 19.98% completed as at the LPD.

Our management acknowledges that a significant segment of Malaysia's residential property market is shaped by a young demographic profile, and this trend is expected to drive demand for affordable residential properties going forward. Excluding Vietnam, our Group's developments have been focused in Malaysia's Klang Valley region.

The Proposed Joint Development allows our Group to expand our operations into the northern region in a strategic manner with PDC and PDCP. The Proposed Joint Development is part of PDC's new affordable housing scheme, New Talent Homes Madani, in anticipation of the growing market demands of high-end quality residential properties at affordable prices by the upcoming workforce. The allocated Land for the Proposed Joint Development sits in Bandar Cassia, Batu Kawan, Pulau Pinang and Seberang Jaya, Pulau Pinang. Both locations are upcoming satellite townships with a number of developments and potential developments in the surrounding areas. Please refer to **Section 2.1.1** of this Circular for further details of the Land.

In conjunction with the Proposed Joint Development, our Group intends to undertake the Proposed Diversification via the Collaboration to manufacture prefabricated and prefinished modular systems, which are intended to be used in our development projects. The Proposed Joint Development is to be our Group's first development project to pioneer the use of PPVC technology.

The Collaboration between SkyWorld Development and Teambuild presents a unique opportunity to bring PPVC technology advancements to Malaysia. Mr. Seow has led Teambuild Group to be recognised for delivering Singapore's first PPVC-built private residential project in 2014. Under Mr. Seow's leadership, Teambuild Group has consistently pushed the boundaries of innovation, achieved numerous milestones and garnered over 150 industry accolades, with state-of-the-art factories in Johor Bahru and Singapore. Our Board has confidence that with the Collaboration, our Group will continue to thrive at the forefront of the Malaysian property development industry. Based on the estimates made by the management of our Group, the Prefabricated Manufacturing Business is expected to start contributing profit to our Group in the FYE 31 March 2028.

Premised on the above, our Board believes that the Proposed Diversification will allow our Group to enhance our competitiveness in the property development sector, in which the successful implementation of the Collaboration is expected to contribute positively to our Group's financial performance. While at the same time the Proposed Joint Development with due consideration given to its affordability concept and strategic location near to the existing established residential developments and public amenities, are expected to bode well for the demand and marketability of the Project. Given the prospects of the Proposals and their complementary nature to each other, our Board believes that our Group will be able to continue to grow and reap the financial benefits while enhancing shareholders' value in the long-term.

(Source: The management of SkyWorld Development Group)

5. RISK FACTORS

Pursuant to the Proposals, SkyWorld Development Group will be exposed to risks inherent in the Property Development Business (of which our Group is already involved and will be addressed as part of our Group's ordinary course of business) and Prefabricated Manufacturing Business which include, but are not limited to, the following:-

5.1 Business and operational risk

The Proposed Joint Development is subject to inherent risks in the property development industry, of which our Group is already involved in and will be addressed as part of our Group's ordinary course of business. Some of these risks may include, but not limited to, market risk, and political economic and regulatory risk.

The real estate market is highly dependent on the demand and supply factors which are mainly affected by prevailing economic conditions, government regulations, and competition with other property developers. There may be a possibility of occurrence of property overhang at the time of completion of the Project. In addition, the progress of the Proposed Joint Development is dependent on the Collaboration. Therefore, the termination of the Collaboration may disrupt our Group's Prefabricated Manufacturing Business operations, which could, in turn impact the progress of the Proposed Joint Development. This will affect the sale of our Group's property projects and consequentially affect our Group's future financial performance.

Adverse changes in political, economic and regulatory conditions in Malaysia could materially affect the financial and prospects of the property development industry. Amongst the political economic and regulatory uncertainties are the changes in the risks of economic downturn, unfavourable monetary and fiscal policy changes, exchange control regulations or introductions of new rules or regulations affecting the property development industry, changes in interest rates, inflation, taxation method, general employment outlook and political leadership.

5.2 Failure to fulfil the terms of the JDA

The Proposed Joint Development is also subject to the parties' continued fulfilment of their respective obligations, covenants and duties set out in the JDA. Any breach of material obligations, amongst others, is an event of default and may entitle the non-defaulting party to terminate the JDA and the non-defaulting party could take actions necessary to claim damages or seek other remedies for any losses incurred as a result of the default or breach.

As such, there is no assurance that SkyWorld Development Group will realise the anticipated benefits from the Proposed Joint Development and/or recover all costs or losses incurred arising from the termination of the JDA.

Our Company shall endeavour to ensure that it is in continued compliance with our obligations, covenants and duties set out in the JDA. In the event the Developer commits a material breach of the JDA, PDC is entitled to specific performance of the JDA or to treat the JDA as having been repudiated by the Developer and may immediately rescind the JDA by notice, subject to the provisions of the JDA.

5.3 Financing and repayment of borrowing risks

(a) Proposed Joint Development

SkyWorld Development may finance the implementation and completion of the Project through external financing. Our Group's ability to arrange for external financing and the cost of such financing are dependent on several factors which include amongst others general economic and capital market conditions, interest rate and investors' confidence. Furthermore, there can be no assurance that the necessary financing will be available in amount or terms acceptable to our Group. In addition, our Group could potentially be exposed to fluctuations in interest rates on such external financing obtained, leading to higher borrowing costs which may adversely affect our Group's future results of operations and financial performance as well as our Group's ability to service future loan repayment obligations.

Nevertheless, SkyWorld Development will continuously monitor and review our debt portfolio, which includes taking into consideration our gearing level, interest costs as well as cash flows in achieving an overall optimal capital structure.

(b) Proposed Diversification

Pursuant to the Proposed Diversification, our Group may need to incur borrowings to fund the working capital requirements of the Collaboration. In view of the foregoing, any borrowings and/or unexpected increase in interest rates may result in an increase in interest expense, which may affect our Group's profitability and debt repayment obligations. There can be no assurance that our Group will be able to meet our borrowing commitments imposed by the financial institutions in the event of any unexpected increase in interest rates in the future. In addition, our Group's credit facilities may also be subject to review by the financial institutions and contain certain covenants, which may limit our Group's operating and financing flexibility. Nonetheless, our Group will take all reasonable steps (i.e. monitor our debt levels and adopt cost-effective financing actions) to prevent the failure of our Group to fulfil our payment obligations and thereby mitigating the aforesaid risks.

5.4 Business diversification risk

Pursuant to the Proposed Diversification, SkyWorld Development Group's business will be subject to risks inherent in the prefabricated manufacturing industry. These include, but are not limited to, competition from existing and established prefabricated manufacturer as well as new market entrants to the prefabricated manufacturing industry, changes in the supply and demand of properties, changes in the regulatory framework relating to the property development, increase in building materials or labour costs, downturns in the global, regional and/or national economies, changes in law and tax regulations, and changes in business and credit conditions.

Notwithstanding that, SkyWorld Development Group seeks to conduct a periodic review of our business and site operations, and adopt prudent financial management and efficient operating procedures to limit the impact of the aforementioned risks. However, there can be no assurance that SkyWorld Development Group will be able to successfully mitigate the various risks inherent in both the property development industry and prefabricated manufacturing industry, and if unable to do so, the business operation and financial performance of SkyWorld Development Group may be adversely affected.

5.5 Dependency on the Collaboration and Management Committee

The operations of the Prefabricated Manufacturing Business will depend significantly on the capabilities and expertise of the Management Committee. The Management Committee, including Mr. Seow and Mr. Lee, will spearhead the Prefabricated Manufacturing Business and assist Prefab Master to establish a professional management team and recruit additional manpower with relevant experiences in prefabricated manufacturing in order for Prefab Master to operate independently, as outlined in **Section 2.2.5** of this Circular.

The termination of the Collaboration as well as the loss of key personnel and/or relevant personnel without suitable and timely replacements and the inability to attract or retain qualified and suitable personnel may have an adverse impact on our Group's Prefabricated Manufacturing Business.

As such, our Group will implement appropriate measures to identify and retain experienced personnel, including offering competitive remuneration packages and long-term incentive plans.

6. EFFECTS OF THE PROPOSALS

6.1 Issued share capital and substantial shareholders' shareholdings

The Proposals will not have any effect on the share capital and the substantial shareholders' shareholdings of our Company as the Proposals do not involve any issuance of new ordinary shares.

6.2 NA, NA per Share and gearing

The Proposals are not expected to have any immediate material impact on the NA, NA per Share and gearing of SkyWorld Development Group for the FYE 31 March 2025. However, the impact on the future NA, NA per Share and/or gearing of our Group will depend on the development timeframe of the Proposed Joint Development and the future profit contribution arising from the Prefabricated Manufacturing Business.

6.3 Earnings and EPS

The Proposals are not expected to have any immediate material impact on the earnings and EPS of SkyWorld Development for the FYE 31 March 2025 as the Proposed Joint Development is expected to commence in 2026 and earnings from the Prefabricated Manufacturing Business is expected to be realised in 2028. Nevertheless, the Proposals are expected to contribute positively to the future earnings of our Group as and when the Proposals progress.

7. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Joint Development pursuant to paragraph 10.02(g) of the Listing Requirements is approximately 64.41% computed based on the aggregate value of consideration over the audited consolidated NA of our Group for the FYE 31 March 2024.

8. APPROVALS REQUIRED

The Proposals are subject to the approval being obtained from the shareholders of SkyWorld Development at the EGM to be convened.

9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposals will take immediate effect upon obtaining the approval from the shareholders of SkyWorld Development at the forthcoming EGM.

10. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, which are the subject matters of this Circular, the following outstanding proposals have been announced and are pending completion as at the LPD:-

- (i) on 7 September 2023, our Board announced that SkyWorld Development (Vietnam) Company Limited ("**SkyWorld Vietnam**"), a wholly-owned subsidiary of SkyWorld Development has, entered into a conditional shares sale and purchase agreement with (i) Mr. Nguyen Son Hai Long; (ii) Ms. Nguyen Thuy Thoai Phuong; and (iii) Ms. Nguyen Thuy Diem Phuong; 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) only subject to the terms and conditions stated in the sale and purchase agreement.

As at the LPD, the acquisition of the Project Company is pending the fulfilment of the conditions precedent of the sale and purchase agreement. The outstanding conditions include (i) issuance of land use rights of the lands owned by several individuals under the Project Company's name; (ii) issuance of official decision from relevant authority permitting the execution of the acquisition; (iii) obtaining development approval in accordance with the design and parameters provided by SkyWorld Vietnam; and (iv) vacating and complete the access road to the project land. The period for fulfilling the conditions precedent fulfilments has been extended to September 2025;

- (ii) on 30 August 2024, our Board announced that SkyWorld Development (Vietnam) Company Limited, a wholly-owned subsidiary of SkyWorld Development had entered into a Memorandum of Understanding with (i) SkyVenue Land Group Joint Stock Company (“**SkyVenue**”), (ii) SkyBridge Company Limited; and (iii) the existing shareholders of SkyVenue namely Mr Hang Vay Chi, Ms Vuong Hoa and TT Investment Company Limited to jointly develop the remainder of the “Guocoland Commercial Complex” project on land lots located at Thuan An City, Binh Duong Province, Vietnam.

As at the LPD, the joint development is pending the conclusion and execution of the definitive transaction agreements. The parties had mutually agreed to further extend the Memorandum of Understanding to 15 April 2025 to conclude the definitive transaction agreements; and

- (iii) on 9 October 2024, our Board announced that Aspirasi Cekap Sdn Bhd, a wholly-owned subsidiary of SkyWorld Development, had entered into a joint development agreement with PR1MA Corporation Malaysia to undertake the proposed development and construction of quality affordable homes together with all the amenities and infrastructure on a leasehold land measuring approximately 1.97 acres located at Brickfields at Lot 20005 Seksyen 95 (PT28), Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur for a total consideration of RM32,170,000.

As at the LPD, the joint development is pending the fulfilment of the conditions precedent of the joint development agreement.

Save for the above, our Board is not aware of any other outstanding proposals which have been announced but not yet completed as at the LPD.

11. INTER-CONDITIONALITY OF THE PROPOSALS

The Proposals are not inter-conditional on each other.

The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.

12. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and/or major shareholders of our Company, as well as persons connected with them, have any interest, whether direct or indirect, in the Proposals.

13. EGM

The EGM will be held at Level 1, Block D, Excella Business Park, Jalan Ampang Putra, Ampang, 55100 Kuala Lumpur, Malaysia on Tuesday, 29 April 2025 at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without any modifications to the resolutions to give effect to the Proposals. The Notice of EGM together with the accompanying Proxy Form are enclosed herein.

If you are unable to attend, speak and vote in person at the EGM, please complete, sign and return the enclosed Proxy Form in accordance with the instructions contained therein, which Proxy Form shall be deposited at the office of the 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, to submit the Proxy Form electronically via TIIH Online website at <https://tiih.online> not less than forty-eight (48) hours before the time and date appointed for the holding of the EGM or at any adjournment thereof. The Proxy Form should be completed strictly in accordance with the instructions contained therein. The lodging of the Proxy Form will not prevent you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

14. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, after having considered all aspects of the Proposals (including but not limited to the rationale, prospects and risk factors of the Proposals), is of the opinion that the Proposals are in the best interest of our Company.

Accordingly, our Board recommends that you vote in favour of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

15. FURTHER INFORMATION

You are advised to refer to **Appendix V** set out in this Circular for further information.

Yours faithfully
For and on behalf of our Board
SKYWORLD DEVELOPMENT BERHAD

Datuk Seri Ng Thien Phing
Non-Independent Executive Chairman

SALIENT TERMS OF THE JDA

The salient terms and conditions of the JDA are as follows:-

1. Agreement for Joint Development

- (a) PDC as the owner or eventual owner of the Land has agreed to allow the Developer and/or any of its Nominee(s) and the Developer or Nominee has agreed to, at its own cost and expense, undertake to design, build and complete the Project on the Land in accordance with the terms and conditions set out in the JDA. PDCP has agreed to undertake the role as appointed project manager to oversee the implementation of the Project by the Developer or Nominee on behalf of PDC.
- (b) The Project will comprise of the following development components, on the following basis/proportion:-

Plot	Approximate size (acres)	Type of development ⁽¹⁾
A	161.50	(i) 10% of total development must be affordable homes to be sold at a purchase price as required by the State Authority (" Affordable Homes "); (ii) 90% of total development must be new talent homes to be sold at a purchase price of not more than RM420,000 subject to approval by PDC and State Authority (" New Talent Homes "); and (iii) a maximum of 20% of the total built-up of residential area for commercial use to provide services to the local community.
B		
(i) Lot 5320	31.29	(i) 10% of total development must be Affordable Homes;
(ii) Lot 10848	2.75	(ii) 90% of total development must be New Talent Homes; and
		(iii) a maximum of 20% of the total built-up of residential area for commercial use to provide services to the local community.

together with the related components and all requisite infrastructures, public utilities and amenities to be constructed on the Land in phases or by stages and completed by the Developer or its Nominee(s) within fifteen years (15) from the date of the JDA ("**Development Completion Period**") subject to the terms and conditions in the JDA.

Note:-

- (1) *In accordance with the Planning Permission, the initial development components outlined in (i) and (ii) of the Project have been updated and substituted with the following:-*

- (i) 20% of total development to be allocated to RBBM1; and
 (ii) 80% of total development to be allocated to RBBM2 and RBBM3.

All references to the 'Affordable Homes' and 'New Talent Homes' shall be construed accordingly.

SALIENT TERMS OF THE JDA (CONT'D)

2. Conditions precedent

- (a) The implementation of the JDA is conditional upon:-
- (i) the Developer, at its own costs and expense, procuring the approval of its shareholders for the transactions contemplated under the JDA including all financial considerations relating thereto within six (6) months from the date of the JDA (“**CP1**”); and
 - (ii) the Developer or Nominee, at its own costs and expense, obtaining the planning permission⁽¹⁾ for the Project at a plot ratio of 1:4 (“**Plot Ratio Approval**”) from the relevant authorities within six (6) months from the date of the JDA (“**CP2**”)⁽²⁾.

Note:-

- (1) *The Nominees of SkyWorld Development (i.e. Skyworld Mutiara Development Sdn Bhd and Skyworld Cassia Development Sdn Bhd) had on 6 February 2025 obtained the Planning Permission.*
 - (2) *Pursuant to the revised Planning Permission, both Plot A and Plot B have been granted an increased plot ratio of 1:4.14 and 1:4.20 respectively.*
- (b) In the event CP1 is not fulfilled within the period stipulated in paragraph 2(a)(i) above (“**CP1 Fulfilment Period**”), the Developer may apply to PDC for an extension of time at PDC’s discretion. If CP1 cannot be fulfilled within the CP1 Fulfilment Period or any such extension of time as may be granted by PDC, PDC may terminate the JDA by providing a written notice.
- (c) In the event CP2 is not fulfilled within the period stipulated in paragraph 2(a)(ii) above (“**CP2 Fulfilment Period**”), the CP2 Fulfilment Period shall be automatically extended for six (6) months from the expiry of the CP2 Fulfilment Period (“**Extended CP2 Fulfilment Period**”). If CP2 cannot be obtained within CP2 Fulfilment Period, the Extended CP2 Fulfilment Period or any such further extension of time as may be granted by PDC, the Developer or Nominee may, at its option, proceed with the approved plot ratio or terminate the JDA by providing a written notice.
- (d) If the JDA is terminated as above, the earnest deposit amounting to RM5,000,000.00 (“**Earnest Deposit**”) and all other sums paid by the Developer or Nominee to PDC towards the settlement of the Landowner’s Entitlement and shall be refunded to the Developer or Nominee free of interest within ninety (90) days from the date of such termination, failing which, the Developer or Nominee shall be entitled to a late payment interest on the outstanding sum. All money paid towards the Project Management Fee shall not be refundable to the Developer or Nominee.

If the JDA is terminated as above, the earnest deposit amounting to RM5,000,000.00 (“**Earnest Deposit**”) and all other sums paid by the Developer or Nominee to PDC towards the settlement of the Landowner’s Entitlement and shall be refunded to the Developer or Nominee free of interest within ninety (90) days from the date of such termination, failing which, the Developer or Nominee shall be entitled to a late payment interest on the outstanding sum. All money paid towards the Project Management Fee shall not be refundable to the Developer or Nominee.

3. Key obligations of the parties

- (a) PDC will, among others:-
- (i) execute sale and purchase agreements with the Developer or the Nominee and memorandum of transfers to the Developer or Nominee for the sale of each Parcel;

SALIENT TERMS OF THE JDA (CONT'D)

- (ii) withdraw all and any existing approvals and applications submitted to the relevant authorities related to the Land; and
 - (iii) terminate the services of and settle all fees, expenses and claims of the consultants, contractors and/or subcontractors in relation to the Land. PDC shall keep the Developer or Nominee fully indemnified against all claims made by the said consultants, contractors and/or subcontractors qualified up to the date of the JDA.
- (b) PDPCP will, among others:-
- (i) assist the Developer or Nominee in submitting the Proposed Master Plan (defined in sub-paragraph (c)(i) below) to the State Planning Committee and relevant authorities for approval;
 - (ii) assist the Developer or Nominee in its application for the approval by the State Authority and/or other relevant authorities or technical agencies related to the Project; and
 - (iii) assist the Developer or Nominee to request a list of buyers' names from the Lembaga Perumahan Negeri Pulau Pinang.
- (c) The Developer or Nominee shall, among others:-
- (i) submit the Proposed Master Plan to PDC for its approval within 60 days from the date of the JDA;
 - (ii) deliver a performance bond within eighteen (18) months from the date of execution of the SPA for the first Parcel or upon the date of obtaining the first planning permission for the Development by the Developer or the Nominee, whichever is earlier;
 - (iii) obtain the approvals by the State Planning Committee and the relevant authorities on the Proposed Master Plan within a period of 12 months from the date of the JDA;
 - (iv) prepare, submit to and obtain all approvals by the relevant authorities including environment impact assessment (EIA) report, traffic impact assessment (TIA) report, social impact assessment (SIA) report, and such other technical reports as may be required by the relevant authorities for the Project;
 - (v) comply with the terms and conditions imposed by the relevant authorities to secure the required approvals from the relevant authorities for the Project on the Land and every Parcel thereof;
 - (vi) comply with the terms and conditions imposed by the relevant authorities in the Project until completion and upon completion thereof, to obtain the Certificate of Completion and Compliance and all other necessary certificates certifying the completion from the relevant authorities;
 - (vii) commence work for the Project on each Parcel within six (6) months from the date of obtaining the planning permission for the Proposed Master Plan for each Parcel or within four (4) months from issuance of individual title for each Parcel, whichever is later, the (4) months period shall commence only upon the Developer or Nominee receiving a copy of the individual title for each Parcel from PDC;

SALIENT TERMS OF THE JDA (CONT'D)

- (ix) taking into account the surrounding area and provide connection and/or access to neighbouring properties owned by PDC and incorporating considerations into the Developer's master plan;
- (x) undertake the construction and completion of all requisite infrastructures, public utilities, and amenities integral to the Project;
- (xi) execute the first SPA simultaneously with the JDA, and thereafter at least one (1) SPA in every two (2) years, or within such extended time as may be approved by PDC, for each subsequent Parcel in accordance with the JDA;
- (xii) throughout the Development Completion Period, to sell the (A) residential units under the 'Affordable Homes' scheme to purchasers at the price required by the Penang State Authority; and (B) to sell 50% of the residential units under the 'New Talent Homes' scheme at a price not exceeding RM350,000.00 and the remaining 50% at a price not exceeding RM420,000.00 or such other prices as may be approved by PDC from time to time⁽¹⁾;
- (xiii) submit to PDC for its approval of an implementation schedule for each Parcel setting out various pre-development activities and the overall time to implement the Development plan;
- (xiv) to bear all charges and adhere to conditions imposed by the relevant authorities including the State's technical agencies and local authorities related to the Development, except for costs and expenses arising from the alienation and parcelisation in paragraph 4 below, issuance of new title for each Parcel and such other costs to be paid by PDC as stated in the JDA;
- (xv) to ensure PDC and PDCP are not made parties to sale and purchase agreements of the residential units with purchasers; and
- (xvi) to submit a detailed work programme to PDCP in relation to the development for each Parcel within four (4) months from the date the building plan is approved.

Note:-

- (1) *In accordance with the Planning Permission, the residential components under the 'Affordable Homes' and 'New Talent Homes' schemes have been updated and substituted with the 'New Talent Homes Madani' scheme comprising RBBM1, RBBM2 and RBBM3. All references to the 'Affordable Homes' and 'New Talent Homes' shall be construed accordingly.*

4. Alienation and parcelisation

- (a) In view of the aggregate size of the Land which may be too onerous to develop at the same time, PDC agreed that the Developer or Nominee may undertake the Project on the Land in phases for each Parcel. For such purpose, PDC shall apply to the State Authority for the alienation of Plot A to itself parcel by parcel with an individual issue document of title to be issued for every Parcel ("**Individual Title**") in accordance with the demarcation plan prepared by the Developer or Nominee and approved by PDC. The total number of parcels for Plot A shall not be more than five (5).
- (b) PDC shall bear the alienation fees, the premium (if any), the survey fees and the fees in connection with the preparation and registration of the qualified title for Plot A in the name of PDC. The payment obligation of PDC shall be confined to one time only for each Parcel for Plot A.

SALIENT TERMS OF THE JDA (CONT'D)

- (c) The Developer shall be entitled to nominate our Nominees to enter into SPAs with PDC for the acquisition and development of the Parcel at different stages in accordance with the terms of the JDA.

5. Delivery of possession of each Parcel

- (a) In order for the Developer or Nominee to take possession of a Parcel, the Developer or Nominee shall pay the sale price for that Parcel in full to PDC, or alternatively deliver bank guarantees from a licensed bank or financial institution guaranteeing the payment of the balance of the sale price of the Parcel or such outstanding part thereof to PDC, prior to the delivery of possession of that Parcel to the Developer or Nominee.
- (b) The Developer or Nominee shall accept possession of the Land and every part thereof on an "as is where is" basis.

6. Landowner's Entitlement and Project Management Fee, schedule of payment, performance deposit, late interest and performance bond

6.1 Landowner's Entitlement

In consideration of PDC making the Land available for the Project and allowing the Developer to undertake and complete the Project, PDC shall be entitled to share the profits arising therefrom in cash by way of sale of the Land equivalent to the sum of RM502,678,044.00 only (calculated at the rate of RM43 per square foot for Plot A and RM135 per square foot for Plot B) subject to the 6% Annual Increment, with the increase taking effect from each anniversary of the JDA.

The table below is the agreed 6% Annual Increment applicable for Plot A:-

Year	Plot A (price per square foot)
Year 1	RM43.00
Year 2	RM45.58
Year 3	RM48.31
Year 4	RM51.21
Year 5	RM54.29
Year 6	RM57.54
Year 7	RM61.00
Year 8	RM64.66
Year 9	RM68.54
Year 10	RM72.65

6.2 Project Management Fee

In consideration of PDCP undertaking the role of Project Manager to implement, oversee and manage the Project, PDCP shall be entitled to a sum of RM40,214,243.52 being a sum equivalent to 8% of the Landowner's Entitlement, subject to such adjustments resulting from the 6% Annual Increment. Apart from adjustments reflecting the 6% Annual Increment, any further increase to the Project Management Fee shall be based on mutual agreement between the parties.

SALIENT TERMS OF THE JDA (CONT'D)

6.3 Schedule of payment

Subject to the 6% Annual Increment, the Landowner's Entitlement and Project Management Fee shall be fully paid in cash by the Developer over a maximum period of ten (10) years from the date of the JDA as follows:-

	Payment Period	Landowner's Entitlement (%)	Project Management Fee (%)
1.	Upon execution of the JDA	10.00 (equivalent to the Performance Deposit, which is inclusive of Earnest Deposit paid)	10.00
2.	18 months from the date of execution of the SPA for each Parcel	30.00	30.00
3.	24 months from the date of execution of the SPA for each Parcel	30.00	30.00
4.	48 months from the date of execution of the SPA for each Parcel	30.00	30.00

6.4 Performance deposit

A sum of RM54,289,228.75, equivalent to ten per centum (10%) of the aggregate sums of the Landowner's Entitlement and the Project Management Fee is payable by the Developer to PDC upon the signing of the JDA. Out of such sum, RM50,267,804.40 (being 10% of the Landowner's Entitlement) is paid as security for the Developer's due observance and performance of the terms and conditions of the JDA ("**Performance Deposit**"). The Performance Deposit shall be deemed as the aggregate of the ten per centum (10%) of each Parcel, so that each and every Parcel has a sum to be held by PDC as security as aforesaid.

6.5 Late interest

An interest of eight percent (8%) per annum calculated on a 365 day-year basis on any outstanding portion of the Landowner's Entitlement or Project Management Fee, commencing from the date following the expiry of the payment period specified in the JDA until full payment is made.

6.6 Performance bond

The Developer agrees to deliver a performance bond in the form of an irrevocable bank guarantee for an aggregate of RM20,000,000.00 issued by a licensed bank or financial institution in favour of PDC ("**Performance Bond**") within eighteen (18) months from the date of the first SPA for the first Parcel or upon obtaining the first planning permission for the Project, whichever is earlier.

7. Events of default**7.1 Default by the Developer**

In the event that the Developer shall at any time:-

- (i) fail to deliver the Performance Bond in accordance with the JDA; or
- (ii) fail to diligently carry out work with delay of more than 30% of progress shown under the detailed work programme related to a Parcel or complete the Development within the Development Completion Period in accordance with the JDA; or

SALIENT TERMS OF THE JDA (CONT'D)

- (iii) fail to pay the Landowner's Entitlement or Project Management Fee of each Parcel or any part thereof or any moneys payable by the Developer or Nominee under the SPA for each Parcel within the time stipulated; or
- (iv) prior to the completion of the Project, become insolvent or unable to pay its debts or admit in writing its inability to pay its debts as they fall due or enter into any composition or arrangement with or for the benefit of its creditors or make a general assignment for the benefit of its creditors or have execution or distress levied on its property and such execution or distress is not lifted within twenty-one (21) working days after it is imposed; or
- (v) prior to the completion of the Project, have an administrator or receiver or receiver and manager appointed over the whole or any part of its undertaking or assets or have a receiving or adjudicating order made against them; or
- (vi) otherwise breach or be in default of or fail to observe or perform any other terms, conditions, warranties or stipulations contained in the JDA,

and shall have failed to remedy such breach within thirty (30) days for payment-related breaches or ninety (90) days for non-payment-related breaches, after receiving a written notice from PDC or PDCP requiring the Developer to remedy such breach within the stipulated time.

PDC shall be entitled to either specific performance of the JDA or at its option, treat the JDA as having been repudiated by the Developer and to immediately by notice to rescind the JDA.

7.2 Right of termination by PDC

- (a) Notwithstanding paragraph 7.1 above and provided always that no application and payment for issuance of the Individual Title has been made to the State Authority, PDC may serve a ninety (90) day-notice on the Developer to terminate the JDA and pursuant thereto, both parties shall be released of its respective obligations under the JDA.
- (b) In the event PDC exercises such right of termination, the provisions in paragraph 7.3(b) below shall apply.

7.3 Events of default or termination by PDC or PDCP

- (a) If PDC or PDCP shall be in default of or fails to observe or perform fulfil any terms or conditions of the JDA and does not remedy such breach within ninety (90) days of receiving written notice from the Developer or Nominee, the Developer or Nominee shall be entitled to either specific performance of the JDA or at its option, treat the JDA as having been repudiated by PDC or PDCP and to immediately by notice rescind the JDA.
- (b) Upon termination by PDC pursuant to paragraph 7.2 above or rescission by the Developer or Nominee of the JDA due to PDC or PDCP's default pursuant to paragraph 7.3 above, the following provisions shall apply:-
 - (i) save where the Performance Bond shall be returned to the Developer, the provisions on recission due to the default by the Developer in paragraph 7.4 below shall apply mutatis mutandis as applicable; and
 - (ii) the Developer shall be entitled to recover all reasonable damages from the Landowner.

SALIENT TERMS OF THE JDA (CONT'D)

7.4 Recission

Upon recission of the JDA pursuant to an event of default by the Developer, the following provisions shall, among others, apply:-

- (a) where the sale and purchase of any Parcel has been completed and registered in the name of the Developer or Nominee, and the sale price of the said Parcel has been fully paid for, and foundation works has commenced or sale of the development units to end purchasers has been made, the Developer shall not be entitled to any refund of monies in respect of the said Parcel and shall proceed to complete the development on the said Parcel in accordance with the terms of the JDA and all proceeds received from the said Parcel shall belong absolutely to the Developer or Nominee;
- (b) if the Parcel has been registered in the name of the Developer or Nominee and sale price of the said Parcel has been partially paid and foundation works has commenced or sale of the development units to end purchasers has been made, PDC shall be entitled to call upon the bank guarantee on the balance outstanding sale price of the said Parcel and the Developer or Nominee shall not be entitled to any refund of monies in respect of the said Parcel and shall proceed to complete the Development on the said Parcel in accordance with the terms of the JDA and all proceeds received from the said Parcel shall belong absolutely to the Developer or Nominee; and
- (c) if the Parcel has been registered in the name of the Developer or Nominee and sale price of the said Parcel has been partially paid but foundation works has yet to commence and sale of the development units to end purchasers has yet to be made ("**Defaulted Parcel**"), the following shall apply, among others:-
 - (i) PDC shall have the option to resume possession of the Defaulted Parcel; and
 - (ii) PDC shall have the right to deal with or otherwise dispose of the Defaulted Parcel as PDC may in its absolute discretion deem fit as if the JDA has not been entered into; and
 - (iii) PDC shall be entitled to forfeit ten per cent (10%) of the sale price of the Defaulted Parcel; and
 - (iv) all money paid towards the PDCP's Project Management shall be forfeited absolutely by PDCP; and
 - (v) the Developer shall or procure the Nominee to forthwith at their sole costs and expense execute a valid and registrable memorandum of transfer of the Defaulted Parcel free from all encumbrances in favour of PDC and deliver such memorandum of transfer and the original issue document of title in respect of the Defaulted Parcel to PDC; and
 - (vi) PDC shall be entitled to deal with or otherwise dispose of the Defaulted Parcel together with all such earthworks, buildings or structures and materials thereon as PDC may in its absolute discretion deem fit as if the JDA has not been entered into; and
 - (vii) PDC shall refund all other monies paid toward the settlement of the sale price for the Defaulted Parcel within ninety (90) days from the date the title of the Defaulted Parcel is re-transferred to PDC, failing which the Developer or Nominee shall be entitled to late interest on the outstanding refundable sum.

SALIENT TERMS OF THE PLOT B SPA

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

1. Agreement for the sale and purchase

- (a) PDC as the registered owner of Plot B ("**Vendor**") has agreed to sell and SkyWorld Development, via SkyWorld Staris Development Sdn Bhd (presently known as SkyWorld Mutiara Development Sdn Bhd), a wholly-owned subsidiary of SkyWorld Development, as the nominee of the Developer ("**Purchaser**") has agreed to purchase Plot B comprising Lot 5320 and Lot 10848 (previously held under PT 5066) (details of which are set out in **Section 2.1.1.2** of this Circular) on an 'as is where is' basis, to carry out and to complete the Project upon the terms under the JDA and the Plot B SPA.
- (b) The Vendor shall at its own cost and expense apply to the State Authority to convert Lot 5320 to perpetuity (Freehold) under a qualified title subject to the category of land use of "Building" and express conditions for "perumahan dan perniagaan" use (hereinafter referred to as "**Lot 5320 Land Exercises Approval**").

2. Purchase price

- (a) The purchase price of Plot B is RM200,175,624.00 being the sum equivalent to RM135 per square foot ("**Purchase Price**").
- (b) Upon the execution of JDA, RM20,017,562.40 being the sum equivalent to ten per centum (10%) of the Purchase Price has been paid by the Developer and received by the Vendor as deposit and part payment towards the Purchase Price ("**Deposit Sum**").
- (c) The balance purchase price of RM180,158,061.60 being the sum equivalent to ninety per centum (90%) of the Purchase Price ("**Balance Purchase Price**") shall be paid in full within the time period as detailed in paragraph 3 below ("**Completion Period**").

3. Manner of payment

- (a) The Purchaser shall pay the Balance Purchase Price within the respective Completion Period as follows:-
 - (i) RM60,052,687.20, being the sum equivalent to thirty per centum 30% of the Purchase Price, within 18 months from the date of the Plot B SPA ("**First Payment**");
 - (ii) RM60,052,687.20, being the sum equivalent to thirty per centum 30% of the Purchase Price, within 24 months from the date of the Plot B SPA ("**Second Payment**"); and
 - (iii) RM60,052,687.20, being the sum equivalent to thirty per centum (30%) of the Purchase Price, within 48 months from the date of the Plot B SPA ("**Third Payment**").

4. Conditions precedent

- (a) The Plot B SPA shall be subject to the fulfilment of the following conditions precedent:-
 - (i) the Vendor at its own cost and expenses, procuring the Lot 5320 Land Exercises Approval and the written consent of the Penang State Authority to transfer the Land to the Purchaser ("**SA Consent to Transfer**"), collectively within six (6) months from the date of the Plot B SPA; and

SALIENT TERMS OF THE PLOT B SPA (CONT'D)

(ii) the Vendor at its own cost and expenses, procuring the issuance of the issue document of title in respect of Lot 5320 in accordance with the Lot 5320 Land Exercises Approval within twelve (12) months from the date of the Vendor obtaining Lot 5320 Land Exercises Approval; and

(iii) the JDA shall have become unconditional in accordance with its terms;

(Collectively, the “**Conditions Precedent**”) within the specific period specified in each of the Conditions Precedent above (collectively, “**Approval Period**”), subject to an automatic extension of time of another two (2) months from the expiry of the Approval Period (“**Extended Approval Period**”).

(b) In the event the Conditions Precedent are not fulfilled within the Extended Approval Period, the Purchaser shall be entitled to exercise its option, whether to grant a further extension of time to the Vendor, or to terminate the Plot B SPA where upon the serving of its notice of termination (“**Termination Notice**”), the Purchaser shall re-deliver vacant possession within ninety (90) days of the Termination Notice, and the Vendor shall within ninety (90) days from such re-delivery refund all monies paid by the Purchaser towards the Purchase Price without interest.

5. Events of default by the Purchaser

(a) In the event the Purchaser shall at any time:-

- (i) fail to diligently carry out work with delay of more than 30% of progress shown under the detailed work programme in respect of the Parcel in accordance with the JDA; or
- (ii) fail to pay the Balance Purchase Price or any part thereof or any moneys payable by the Purchaser under the Plot B SPA within the respective Completion Period; or
- (iii) before the completion of the Project on Plot B in accordance with the JDA, become insolvent or be unable to pay its debts or admit in writing its inability to pay its debts as they fall due or enter into any composition or arrangement with or for the benefit of its creditors or make a general assignment for the benefit of its creditors or have execution or distress levied on its property and such execution or distress is not lifted within twenty-one (21) days after it is imposed; or
- (iv) before the completion of the Project on Plot B in accordance with the JDA, have an administrator or receiver or receiver and manager appointed over the whole or any part of its undertaking or assets or have a receiving or adjudicating order made against them; or
- (v) otherwise breach or be in default of or fail to observe or perform any other terms, conditions, warranties or stipulations in the Plot B SPA and on its part to be observed or performed,

and shall have failed to remedy such breach within thirty (30) days for payment-related breaches or ninety (90) days for non-payment-related breaches, after receiving a written notice from the Vendor requiring the Purchaser to remedy such breach within the stipulated time.

The Vendor shall be entitled to either specific performance of the Plot B SPA or at its option, treat the Plot B SPA as having been repudiated by the Developer and to immediately by notice rescind the Plot B SPA.

SALIENT TERMS OF THE PLOT B SPA (CONT'D)

- (b) Upon rescission as above, the provisions governing rescission under the JDA shall apply mutatis mutandis. In circumstances where the Purchaser is required to execute and deliver a memorandum of transfer to cause the transfer of the Land or any part thereof to the Vendor, the following consequences shall be read together with the JDA:-
- (i) the Vendor shall have the option to resume possession of Plot B;
 - (ii) the Vendor shall have the right to resume possession of, and to deal with or otherwise dispose of Plot B as the Vendor may in its absolute discretion deem fit as if the Plot B SPA has not been entered into;
 - (iii) the Purchaser shall at its own costs and expense execute a valid and registrable memorandum of transfer of Plot B free from all encumbrances in favour of the Vendor and deliver such memorandum of transfer and the original issue document of title in respect of Plot B;
 - (iv) the Vendor shall be entitled to deal with or otherwise dispose of Plot B together with all such earthworks, buildings or structures and materials thereon as the Vendor may in its absolute discretion deem fit as if the Plot B SPA has not been entered into;
- the Deposit Sum shall be forfeited to the Vendor absolutely as agreed liquidated damages ("**Agreed Liquidated Damages**");
- (v) after deducting the Agreed Liquidated Damages, if there is any balance of the Purchase Price received by the Vendor under the Plot B SPA ("**Balance Sum**"), the Balance Sum shall be utilized by the Vendor to, among others, settle or make the payments for all or any quit rents, rates, assessments and other outgoings payable in respect of the Plot B which shall remain owing and unpaid by the Purchaser; and
 - (vi) the remaining of the Balance Sum after settling the aforesaid payment, if any, shall be refunded to the Purchaser without interest within ninety (90) days from the date the title of Plot B is re-transferred to the Vendor, failing which, the Purchaser shall be entitled to late interest amounting to 8% ("**Late Interest**") on the outstanding amount,
- thereafter, neither party shall have any further claims or liabilities against the other, save for any antecedent breach.

6. Right of termination by the Vendor

- (a) Notwithstanding paragraph 5(a) above and provided always that no application and payment for issuance of the individual title for Plot B has been made to the State Authority, the Vendor may serve a ninety (90) day-notice on the Purchaser to terminate the Plot B SPA and pursuant thereto, both parties shall be released of its respective obligations under the Plot B SPA.
- (b) In the event the Vendor exercises such right of termination, the provisions in paragraph 7(b) below shall apply.

SALIENT TERMS OF THE PLOT B SPA (CONT'D)

7. Events of default or termination by the Vendor

- (a) In the event the Vendor shall be in default of or fail to observe or perform any other terms and conditions of the Plot B SPA, and does not remedy such breach within ninety (90) days after the receiving written notice by the Purchaser specifying the breach and requiring the Vendor to remedy the said breach, the Purchaser shall be entitled to either specific performance of the Plot B SPA or at its option, treat the Plot B SPA as having been repudiated by the Vendor and to immediately by notice rescind the Plot B SPA.
- (b) Upon rescission or termination (pursuant to paragraph 6(b) above) of the Plot B SPA due to the Vendor's default, the following provisions shall apply:-
 - (i) the provisions on rescission due to the default by the Developer in the JDA shall apply mutatis mutandis as applicable; and
 - (ii) the Purchaser shall be entitled to recover all reasonable damages from the Vendor.

8. Non-registration of documents

- (a) If for any reason which is not due to the fault of any of the parties, the registration of the memorandum of transfer cannot be completed in favour of the Purchaser by the relevant land office/land registry and where all necessary remedial action(s) has been exhausted by the parties, the Purchaser shall have the option to either:-
 - (i) terminate the Plot B SPA whereby the Vendor shall refund to the Purchaser the full Purchase Price and all monies paid by the Purchaser to the Vendor towards payment of the Purchase Price, free of interest, within 90 days and in exchange thereof the Purchaser shall re-deliver to the Vendor vacant possession of the Land; or
 - (ii) with the Vendor's written consent, proceed to jointly develop Plot B whereby the Vendor shall remain as the landowner of Plot B, and the Purchaser shall keep the Vendor indemnified against all costs, losses, damages and/or any other claims or liabilities whatsoever that may be incurred by the Vendor as a result thereof, and in such case, engage in discussions with the Vendor regarding the mechanism to proceed, to be done in good faith to ensure the continued progress of the Development.
- (b) In the event that either party wilfully refuses or neglects to rectify the issue or take remedial action(s) for registration of the memorandum of transfer, such refusal or neglect shall constitute a default by that Party, and the provisions governing events of default shall apply accordingly.

SALIENT TERMS OF THE SHAREHOLDERS' AGREEMENT

The salient terms and conditions of the Shareholders' Agreement are as follows:-

1. Shareholding proportion

SkyWorld Development and Teambuild agreed that their respective shareholding proportions ("**Shareholding Proportion**") in Prefab Master are as follows:-

Shareholders	Prefab Master Shares	Percentage of shareholding (%)
SkyWorld Development	70	70.00
Teambuild	30	30.00
Total	100	100.00

2. Composition of the board of Directors of Prefab Master ("Board of Prefab Master")

The Board of Prefab Master shall at all times comprise no more than five (5) directors of which three (3) directors shall be appointed by SkyWorld Development and two (2) directors shall be appointed by Teambuild. The Chairman of the Board of Prefab Master shall be one of the directors nominated by SkyWorld Development and shall not be entitled to a second or casting vote.

3. Management Committee

- (i) The Management Committee shall comprise:-
- (a) an equal number of representatives appointed by each shareholder of Prefab Master;
 - (b) the C-suite officers (including the Chief Executive Officer and the Chief Financial Officer) and/or other equivalent head officers overseeing the overall factory operations of the Group, as appointed by the Board of Prefab Master ("**Principal Officers**"); and
 - (c) a chairman who shall be nominated by SkyWorld Development from time to time.
- (ii) The Management Committee shall be responsible for the negotiation, discussion and structuring matters in relation to the Prefabricated Manufacturing Business, including but not limited to business model and strategies, financial matters, factory setup and operations and other vital components to shape the Prefabricated Manufacturing Business.
- (iii) The Management Committee shall meet on a fortnightly basis or at other intervals as required by the shareholders of Prefab Master to ensure efficient and effective negotiation and discussion.
- (iv) Upon the expiry of six (6) months from the commencement of operations of the Prefabricated Manufacturing Business or such extended period as may be determined by the Board of Prefab Master to ensure smooth operations of Prefab Master and its subsidiary(ies), the Management Committee may then be dissolved by the shareholders.

SALIENT TERMS OF THE SHAREHOLDERS' AGREEMENT (CONT'D)

4. Contribution

- (i) Each shareholder shall contribute to the capital of Prefab Master, and provide corporate guarantee(s), if needed, to secure credit facility(ies) obtained by Prefab Master from financial institutions to support its business operations and to meet its funding requirements, in accordance with their respective Shareholding Proportion, up to an amount set out in the initial annual business plan and annual budget.
- (ii) In respect of additional working capital requirements set out in Prefab Master's subsequent annual business plan and annual budget or any costs overrun exceeding the requirements set out in the annual business plan and annual budget approved by the Board of Prefab Master, Prefab Master shall use all reasonable endeavours to procure that such additional funding requirements (to the extent not met out of the subscription monies or its funds) shall be satisfied as far as practicable by borrowings from banks and other financial institutions.

5. Directors' meeting

- (i) The quorum for transacting any business at any meetings of the Board of Prefab Master shall be minimum of two (2) directors present in person or by alternate consisting of at least one (1) director representing each of SkyWorld Development and Teambuild respectively unless the shareholders otherwise agree in writing.
- (ii) Not less than fourteen (14) days' notice by electronic mail of every meeting of the Board of Prefab Master shall be given to each director unless otherwise agreed by all the directors.
- (iii) If no quorum is present within sixty (60) minutes of the time appointed for the meeting, such meeting will stand automatically adjourned to any day after not less than seven (7) days' notice by electronic mail of the adjourned meeting of the Board of Prefab Master has been given to each director and where such director has an alternate, to such alternate also, at the same time and place (the "**adjourned meeting**"). If no quorum is present within thirty (30) minutes of the time appointed for the adjourned meeting, then the adjourned meeting may proceed with a quorum of any two (2) of the directors but if no such quorum of two (2) is present, then the meeting shall be dissolved.
- (iv) Any resolution tabled for consideration at a meeting of the Board of Prefab Master shall only be passed by the affirmative vote of the majority of the directors present and voting, save and except on any of the following reserved matters, which shall be valid only if passed by an affirmative vote at least one (1) director representing each of SkyWorld Development and Teambuild ("**Board Reserved Matters**"):-
 - (a) the exercise of borrowing powers by Prefab Master and/or any of its subsidiaries (collectively, "**Prefab Group**" or each a "**Prefab Group Company**") (other than borrowings approved in the annual budget that has been separately approved as a Board Reserved Matter under sub-paragraph (g) hereof) or the creation of any encumbrance over any Prefab Group Company;
 - (b) recommendation of declaration or payment of dividends or other distribution of profits of Prefab Master;
 - (c) any disposal or the acquisition of, or investment in, any undertaking, assets or shares or other equity interests by any Prefab Group Company;

SALIENT TERMS OF THE SHAREHOLDERS' AGREEMENT (CONT'D)

- (d) the commencement, defence or settlement by any Prefab Group Company of any litigation, arbitration or administrative proceedings other than as plaintiff in the collection of debts arising in the ordinary course of business;
- (e) the exercise of any Prefab Group Company's powers to provide guarantees or indemnities;
- (f) the adoption of, or any significant change in, the accounting policies of any Prefab Group Company, other than as required by law or accounting policies generally accepted in the relevant country of incorporation from time to time;
- (g) the approval of the annual business plan and annual budget (including any amendments, modifications, addendum or additions thereto) of any Prefab Group Company;
- (h) the provision by any Prefab Group Company of any credit, or the making of any loan (including any loans to the parties of the Shareholders' Agreement) or advance to, or for, any person, company or body, save and except for any advances between the Prefab Group Companies;
- (i) the approval of the audited accounts (including any amendments, modifications, addendum or additions thereto) of any Prefab Group Company;
- (j) the appointment of or any subsequent change in the Principal Officer(s) of any Prefab Group Company;
- (k) the approval of the remuneration (including salary, allowances and benefits) of the directors and Principal Officer(s) of any Prefab Group Company;
- (l) the incurring by any Prefab Group Company of any capital expenditure for more than RM500,000 in aggregate during the financial year (including the acquisition of any undertaking or asset whether under lease or hire purchase or otherwise) other than capital expenditure approved in the annual budget in accordance with sub-paragraph (g) above; and
- (m) the establishment of policies and guidelines within which the Principal Officer(s) and other personnel or employees of any Prefab Group Company shall perform the Prefabricated Manufacturing Business and commercialization of the Prefabricated Manufacturing Business and to this effect, the granting of powers to any agents or attorneys appointed for such purpose and the determination of the rights, duties and benefits of the Principal Officer(s) and other officers and employees of any Prefab Group Company.

6. Profit sharing and distribution

The parties of the Shareholders' Agreement agree that unless otherwise from time to time mutually agreed upon in writing, Prefab Master shall only upon recommendation of its Board, and subject to the approval of its Board as a Board Reserved Matter, declare and distribute as dividends to its shareholders in respect of each accounting period such amount of its net distributable profit as it deems fit of that accounting period. Dividends shall be distributed in accordance with the shareholders' respective Shareholding Proportion.

7. Transfer of shares

- (i) None of the shareholders of Prefab Master shall sell, transfer, or in any other way dispose of or deal with all or any part of its shares unless and until the rights of pre-emption conferred under the Shareholders' Agreement have been exhausted.

SALIENT TERMS OF THE SHAREHOLDERS' AGREEMENT (CONT'D)

- (ii) None of the shareholders of Prefab Master shall, except with the prior written approval of the other shareholders, create or permit to subsist any pledge, lien or charge over, or grant any rights or other encumbrance or security interest on or over all of any of the shares held by it (otherwise than by a transfer of the same in accordance with the provisions of the Shareholders' Agreement or any security granted in connection with borrowings from banks and other financial institutions as agreed to by all the shareholders) and any persons in whose favour any such pledge, lien or charge is created or permitted to subsist or such rights are granted or such interest is disposed of shall be subject to the same limitations and provisions as are contained in the Shareholders' Agreement.

8. Right of first refusal

In the event any shareholder of Prefab Master is offered a business opportunity to undertake a business venture in any Southeast Asia countries (excluding Singapore) in relation to Prefabricated Manufacturing Business, such shareholder shall first have given the other shareholder a first right of refusal to jointly undertake such business venture⁽¹⁾.

Note:-

- (1) *For example, if SkyWorld Development intends to establish a prefabricated manufacturing facility in other parts of South East Asia, SkyWorld Development must first offer Teambuild the right to participate on the same terms. SkyWorld Development would be free to proceed only if Teambuild declines to participate.*

Effective date, term and termination

- (i) Save for certain prescribed clauses, the Shareholders' Agreement shall come into force and effect upon SkyWorld Development having obtained the approval of its shareholders in the general meeting for the transactions contemplated thereunder and all relevant approvals required to convene the said general meeting pursuant to any relevant laws or listing requirements applicable to SkyWorld Development) (the "**Effective Date**").
- (ii) The Shareholders' Agreement shall be effective from the Effective Date and continue in full force and effect for an indefinite period of time until Prefab Master is wound-up, dissolved or otherwise cease to exist as a separate entity or when the parties of the Shareholders' Agreement mutually agree to terminate the Shareholders' Agreement.
- (iii) In relation to a shareholder which has transferred all of its shares as permitted by the Shareholders' Agreement, the Shareholders' Agreement shall thereupon cease to have any force or effect save for such rights, benefits and obligations which have accrued to it or been incurred by it at the date of its ceasing to be a shareholder.

9. General meeting

- (i) The requisite quorum for each general meeting of the shareholders shall be not less than two (2) shareholders, including SkyWorld Development and Teambuild.
- (ii) At any meeting of the shareholders convened, if no quorum is present within sixty (60) minutes of the time appointed for the meeting, such meeting will stand automatically adjourned to any day after not less than seven (7) days' notice by electronic mail of the adjourned meeting of the shareholders of Prefab Master has been given to each shareholder, at the same time and place (the "**adjourned meeting**"). If no quorum is present within thirty (30) minutes of the time appointed for such adjourned meeting, then the adjourned meeting may proceed with a quorum of any one (1) of the shareholders but if no such quorum of one (1) is present, then the meeting shall be dissolved.

SALIENT TERMS OF THE SHAREHOLDERS' AGREEMENT (CONT'D)

Except where a greater majority is required by the Companies Act 2016, any resolution tabled for consideration by the members at a general meeting shall be passed by a simple majority of votes on a poll save that any resolutions which deal with following reserved matters, shall require the affirmative votes of each of the shareholders ("**Shareholder Reserved Matters**"):-

- (a) any change in the nature and/or scope of the business of any Prefab Group Company;
- (b) the dissolution, liquidation, or winding-up of any Prefab Group Company;
- (c) any amendment to the articles of association or equivalent constitutional document of any Prefab Group Company;
- (d) any change to the share capital of any Prefab Group Company (including but not limited to the issue of any new shares, the issue or grant over any option over unissued shares, the issue of any convertible securities, any repurchase, cancellation or redemption of share capital);
- (e) any Prefab Group Company entering into, varying, waiving any breach of, discharging any liability under, or terminating, any contract or arrangement (whether legally binding or not) with any related party;
- (f) any amalgamation or reconstruction of any Prefab Group Company, or any merger of any Prefab Group Company with any corporation, firm or other body;
- (g) the appointment or removal of, or change in, the auditors;
- (h) the grant by any Prefab Group Company of any power of attorney the subject matter of which is connected in any way to a Board Reserved Matter or a Shareholder Reserved Matter;
- (i) the establishment of any committee of the board of directors or equivalent organ of any Prefab Group Company and delegation of its powers to any such committee (other than the Management Committee); and
- (j) the establishment of any branch or representative office of any Prefab Group Company, or the entry by any Prefab Group Company into any partnership or joint venture or co-operation agreement with any other party, save and except for the any partnership or joint venture that results in potential divestment of equity in Prefab Master Penang of up to fifteen percent (15%), which exception is agreed by the shareholders.

VALUATION CERTIFICATE



HENRY BUTCHER MALAYSIA
International Asset Consultants

Our Ref : V/PG/DY24114 & 24115 (AG)
Date : 31st December 2024

PRIVATE & CONFIDENTIAL
SKYWORLD DEVELOPMENT BERHAD
G Floor, Block B, Wisma NTP World,
Excella Business Park,
Jalan Ampang Putra,
55100 Ampang, Kuala Lumpur,
Malaysia.

Dear Sirs,

VALUATION CERTIFICATE OF :-

- (A) LOT NO. 5320 HELD UNDER TITLE NO. PAJAKAN NEGERI 10926, MUKIM 1, DISTRICT OF SEBERANG PERAI TENGAH, STATE OF PULAU PINANG ("SUBJECT PROPERTY A");
 - (B) LOT NO. 10848 HELD UNDER TITLE NO. GERAN 186062 (FORMERLY KNOWN AS LOT NO. PT 5066 HELD UNDER HAKMILIK SEMENTARA 63866), MUKIM 1, DISTRICT OF SEBERANG PERAI TENGAH, STATE OF PULAU PINANG ("SUBJECT PROPERTY B"); AND
 - (C) A PARCEL OF DEVELOPMENT LAND MEASURING APPROXIMATELY 161.50 ACRES IDENTIFIED AS PLOT A LOCATED ALONG JALAN CASSIA BARAT 1, WITHIN MUKIM 13, DISTRICT OF SEBERANG PERAI SELATAN, STATE OF PULAU PINANG ("SUBJECT PROPERTY C").
- (A) TO (C) ABOVE COLLECTIVELY REFERRED HEREIN AS THE "SUBJECT PROPERTIES".

This Valuation Certificate has been prepared for the inclusion in the Circular to shareholders of SkyWorld Development Berhad ("SDB") pursuant to the proposed joint development between The Penang Development Corporation ("PDC"), PDC Properties Sdn. Bhd. ("PDCP"), a wholly-owned subsidiary of PDC, and SDB.

In accordance with the instruction from SDB, we have valued the Subject Properties vide our valuation reports bearing Reference Nos. V/PG/DY24114 (AG) for Subject Property A & Subject Property B and V/PG/DY24115 (AG) for Subject Property C, both dated 31st December 2024. The material date of valuation for these valuation exercises is taken as at 17th December 2024.

This Valuation Certificate is a summary of the relevant facts and information set out in our valuation reports and to be read in conjunction with our valuation reports bearing Reference Nos. V/PG/DY24114 (AG) and V/PG/DY24115 (AG), both dated 31st December 2024.

The valuation has been carried out in compliance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia (6th Edition of MVS and effective from 1st January 2019) and the Asset Valuation Guidelines (1st Revision Series No. SC-GL/AV-2009 (R1-2017) dated 19th January 2017 and effective from 20th March 2017) issued by the Securities Commission Malaysia.

The basis of valuation adopted for the purpose of this valuation is **Market Value**. The term **Market Value**, as defined in the Malaysian Valuation Standards 6th Edition 2019, is "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

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VALUATION CERTIFICATE (CONT'D)

TERMS OF REFERENCE

We are instructed by SDB to ascertain the Market Values of the Subject Properties for the purpose of submission to Bursa Malaysia Securities Berhad as well as inclusion of the Valuation Certificate in the circular to shareholders in conjunction with the proposed joint development between PDC, PDCP and SDB on the following bases :-

- a) We are specifically instructed by SDB to determine the Market Values of the Subject Properties taking into account the terms and conditions that are relevant and have material valuation impact as per the terms and conditions of the Letter of Award dated 25th November 2024 bearing Reference No. PPPP/PDCP/T2/2024 ("LOA"), the Joint Development Agreement dated 10th December 2024 ("JDA") made between PDC (the "Land Owner"), PDCP (the "Project Manager") and SDB (the "Developer") and the Sale and Purchase Agreement (for Subject Property A and Subject Property B only) dated 10th December 2024 made between PDC (the "Vendor") and SkyWorld Staris Development Sdn. Bhd. (presently known as SkyWorld Mutiara Development Sdn. Bhd.) (the "Purchaser") ("SPA").
- b) We are also instructed by SDB to value the Subject Properties based on the land areas stated in Second Schedule of the SPA for Subject Property A and Subject Property B i.e. 126,618 sq. metres and 11,121 sq. metres respectively as well as the land area stated in the demarcation plan under Appendix D of the JDA of approximately 161.50 acres for Subject Property C.
- c) Individual titles for Subject Property A and Subject Property B have been issued while the individual title for Subject Property C has not been issued yet as at date of the valuation. We are instructed by SDB to disregard the existing individual title of the Subject Property A and to value the Subject Property A and Subject Property C on the basis that new individual titles in respect of the Subject Property A and Subject Property C conveying freehold interests subject to all the conditions of the titles, category of land use, express condition and restriction-in-interest as set out in Section 6.6 of the JDA are forthcoming and when issued, will be free from all encumbrances, endorsements, statutory notices and outgoing.

The summary of the aforementioned conditions of the forthcoming individual titles in respect of Subject Property A and Subject Property C is as follows:-

Tenure	Freehold
Category of Land Use	"Bangunan"
Express condition	"Perumahan dan Perniagaan"
Restriction-in-interest	"Tanah yang diberimilik ini tidak boleh dipindahmilik, cagar, pajak atau pajakan kecil atau dengan apa-apa urusan niaga sekalipun tanpa kebenaran bertulis daripada Pihak Berkuasa Negeri"

As stated in Item C under the Recitals section of the SPA, we noted that the cost and expenses related to the application for the aforementioned qualified title of Subject Property A shall be covered by the Vendor.

As stated under Section 6.3 of the JDA, we noted that the cost and expenses related to the preparation and registration of the qualified title of the Subject Property C shall be covered by PDC.

- d) We are also instructed by SDB to value the Subject Properties based on the maximum development plot ratio of 4 as outlined under Section 3.1 of the JDA.

We understand from SDB that applying for the maximum development plot ratio of 4 of the Subject Properties does not involve any additional costs and is solely subject to approval by the State Planning Committee, except for development charges, which apply to all development land located in Penang State approved with a higher plot ratio.

THIS VALUATION IS BASED ON THE INFORMATION PROVIDED BY SDB WHICH IS ASSUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS ON THE CONTENTS OF THIS VALUATION (INCLUDING MARKET VALUES) IF ANY OF THE INFORMATION PROVIDED IS INVALID / INCORRECT.

VALUATION CERTIFICATE (CONT'D)

INTEREST TO BE VALUED

The interests to be valued comprise the following:-

Subject Property A comprises a parcel of development land measuring approximately 126,618 sq. metres, subject to the forthcoming individual title with freehold interest, category of land use of "Bangunan", express condition which permits the land to be used for "Perumahan dan Perniagaan" as well as a maximum plot ratio of 4 located along Jalan Todak, Seberang Jaya, Pulau Pinang.

Subject Property B comprises a parcel of freehold development land identified as Lot No. 10848 held under Title No. Geran 186062 (formerly known as Lot No. PT 5066 held under Hakmilik Sementara 63866), Mukim 1, District of Seberang Perai Tengah, State of Pulau Pinang measuring approximately 11,121 sq. metres and subject to the maximum plot ratio of 4 located along Jalan Tenggiri, Seberang Jaya, Pulau Pinang.

Subject Property C comprises a parcel of development land identified as Plot A measuring approximately 161.50 acres, subject to the forthcoming individual title with freehold interest, category of land use of "Bangunan", express condition which permits the land to be used for "Perumahan dan Perniagaan" as well as a maximum plot ratio of 4 and is located along Jalan Cassia Barat 1, within Mukim 13, District of Seberang Perai Selatan, State of Pulau Pinang.

JOINT DEVELOPMENT AGREEMENT

SDB had entered into a JDA with PDC, and PDCP, a wholly-owned subsidiary of PDC, to undertake a new affordable housing development comprising of Affordable Homes and New Talent Homes (the "Project") on the parcels of land held under Mukim 13, Bandar Cassia, Seberang Perai Selatan, Pulau Pinang measuring approximately 161.50 acres ("Plot A") and Lot 5320, Pajakan Negeri 10926, Mukim 01, Daerah Seberang Perai Tengah, Pulau Pinang measuring approximately 31.29 acres ("Lot 5320") and Lot 10848 (previously held under PT 5066), Geran 186062 (previously held under Hakmilik Sementara 63866), Mukim 01, Daerah Seberang Perai Tengah, Pulau Pinang measuring approximately 2.75 acres ("Lot 10848") (Lot 5320 and Lot 10848 are collectively known as "Plot B" measuring approximately 34.04 acres), (Plot A and Plot B are collectively known as the "Land"), in accordance with the terms and conditions set out in the JDA ("Proposed Joint Development").

The salient terms and conditions of the JDA are as follows: -

1. Agreement for Joint Development

PDC as the owner or eventual owner of the Land has agreed to allow the Developer and/or any of its nominated wholly-owned subsidiaries ("Nominee(s)") and the Developer or Nominee has agreed to, at its own cost and expense, undertake to design, build and complete the Project on the Land in accordance with the terms and conditions set out in the JDA. PDCP has agreed to undertake the role as appointed project manager to oversee the implementation of the Project by the Developer or Nominee on behalf of PDC.

The Project will comprise of residential components under the 'Affordable Homes' and 'New Talent Homes' schemes, and commercial components to serve the local community, together with the related components and all requisite infrastructures, public utilities and amenities to be constructed on the Land in phases or by stages and completed by the Developer or Nominee within fifteen years (15) from the date of the JDA ("Development Completion Period") subject to the terms and conditions in the JDA.

2. Conditions Precedent

- (a) The implementation of the JDA is conditional upon:
- (i) the Developer, at its own costs and expense, procuring the approval of its shareholders for the transactions contemplated under the JDA including all financial considerations relating thereto within six (6) months from the date of the JDA ("CP1"); and

VALUATION CERTIFICATE (CONT'D)

- (ii) the Developer or Nominee, at its own costs and expense, obtaining the planning permission for the Project at a plot ratio of 1:4 ("**Plot Ratio Approval**") from the relevant authorities within six (6) months from the date of the JDA ("**CP2**");
- (b) In the event CP1 is not fulfilled within the period stipulated in paragraph 2(a)(i) above ("**CP1 Fulfilment Period**"), the Developer may apply to PDC for an extension of time at PDC's discretion. If CP1 cannot be fulfilled within the CP1 Fulfilment Period or any such extension of time as may be granted by PDC, PDC may terminate the JDA by providing a written notice.
- (c) In the event CP2 is not fulfilled within the period stipulated in paragraph 2(a)(ii) above ("**CP2 Fulfilment Period**"), the CP2 Fulfilment Period shall be automatically extended for six (6) months from the expiry of the CP2 Fulfilment Period ("**Extended CP2 Fulfilment Period**"). If CP2 cannot be obtained within CP2 Fulfilment Period, the Extended CP2 Fulfilment Period or any such further extension of time as may be granted by PDC, the Developer or Nominee may, at its option, proceed with the approved plot ratio or terminate the JDA by providing a written notice.
- (d) If the JDA is terminated as above, the earnest deposit amounting to RM5,000,000.00 ("**Earnest Deposit**") and all other sums paid by the Developer or Nominee to PDC towards the settlement of the Landowner's Entitlement (defined under Section 6.1 below) and shall be refunded to the Developer or Nominee free of interest within ninety (90) days from the date of such termination, failing which, the Developer or Nominee shall be entitled to a late payment interest on the outstanding sum. All money paid towards the Project Management Fee (defined under Section 6.2 below) shall not be refundable to the Developer or Nominee.

3. Key obligations of the Parties

- (a) PDC will, among others:
- (i) execute sale and purchase agreements with the Developer or the Nominee and memorandum of transfers to the Developer or Nominee for the sale of each Parcel;
 - (ii) withdraw all and any existing approvals and applications submitted to the relevant authorities related to the Land; and
 - (iii) terminate the services of and settle all fees, expenses and claims of the consultants, contractors and/or subcontractors in relation to the Land. PDC shall keep the Developer or Nominee fully indemnified against all claims made by the said consultants, contractors and/or subcontractors qualified up to the date of the JDA.
- (b) PDCP will, among others:
- (i) assist the Developer or Nominee in submitting the Proposed Master Plan (defined in sub-paragraph (c)(i) below) to the State Planning Committee and relevant authorities for approval;
 - (ii) assist the Developer or Nominee in its application for the approval by the State Authority of Penang and/or other relevant authorities or technical agencies related to the Project; and
 - (iii) assist the Developer or Nominee to request a list of buyers' names from the *Lembaga Perumahan Negeri Pulau Pinang*.
- (c) The Developer or Nominee shall, among others:
- (i) submit a master plan as proposed by the Developer for the Project ("**Proposed Master Plan**") to PDC for its approval within 60 days from the date of the JDA;

VALUATION CERTIFICATE (CONT'D)

- (ii) deliver a performance bond within eighteen (18) months from the date of execution of the SPA for the first Parcel or upon the date of obtaining the first planning permission for the Development by the Developer or the Nominee, whichever is earlier;
- (iii) obtain the approvals by the State Planning Committee and the relevant authorities on the Proposed Master Plan within a period of 12 months from the date of the JDA;
- (iv) prepare, submit to and obtain all approvals by the relevant authorities including environment impact assessment report, traffic impact assessment report, social impact assessment report, and such other technical reports as may be required by the relevant authorities for the Project;
- (v) comply with the terms and conditions imposed by the relevant authorities to secure the required approvals from the relevant authorities for the Project on the Land and every Parcel thereof;
- (vi) comply with the terms and conditions imposed by the relevant authorities in the Project until completion and upon completion thereof, to obtain the Certificate of Completion and Compliance and all other necessary certificates certifying the completion from the relevant authorities;
- (vii) commence work for the Project on each Parcel within six (6) months from the date of obtaining the planning permission for the Proposed Master Plan for each Parcel or within four (4) months from issuance of individual title for each Parcel, whichever is later, the four (4) months period shall commence only upon the Developer or Nominee receiving a copy of the individual title for each Parcel from PDC;
- (viii) taking into account the surrounding area and provide connection and/or access to neighboring properties owned by PDC and incorporating considerations into the Developer's master plan;
- (ix) undertake the construction and completion of all requisite infrastructures, public utilities, and amenities integral to the Project;
- (x) execute the first SPA simultaneously with the JDA, and thereafter at least one (1) SPA in every two (2) years, or within such extended time as may be approved by PDC, for each subsequent Parcel in accordance with the JDA;
- (xi) throughout the Development Completion Period, to sell the (A) residential units under the 'Affordable Homes' scheme to purchasers at the price required by the Penang State Authority; and (B) to sell 50% of the residential units under the 'New Talent Homes' scheme at a price not exceeding RM350,000.00 and the remaining 50% at a price not exceeding RM420,000.00 or such other prices as may be approved by PDC from time to time;
- (xii) submit to PDC for its approval of an implementation schedule for each Parcel setting out various pre-development activities and the overall time to implement the Development plan;
- (xiii) to bear all charges and adhere to conditions imposed by the relevant authorities including the State's technical agencies and local authorities related to the Development, except for costs and expenses arising from the alienation and parcelisation in paragraph 4 below, issuance of new title for each Parcel and such other costs to be paid by PDC as stated in the JDA;
- (xiv) to ensure PDC and PDCP are not made parties to sale and purchase agreements of the residential units with purchasers; and
- (xv) to submit a detailed work programme to PDCP in relation to the Development for each Parcel within four (4) months from the date the building plan is approved.

VALUATION CERTIFICATE (CONT'D)

4. Alienation and Parcelisation

- (a) In view of the aggregate size of the Land which may be too onerous to develop at the same time, PDC agreed that the Developer or Nominee may undertake the Project on the Land in phases for each Parcel. For such purpose, PDC shall apply to the State Authority for the alienation of Plot A to itself parcel by parcel with an individual issue document of title to be issued for every Parcel ("**Individual Title**") in accordance with the demarcation plan prepared by the Developer or Nominee and approved by PDC. The total number of parcels for Plot A shall not be more than five (5).
- (b) PDC shall bear the alienation fees, the premium (if any), the survey fees and the fees in connection with the preparation and registration of the qualified title for Plot A in the name of PDC. The payment obligation of PDC shall be confined to one time only for each Parcel for Plot A.
- (c) The Developer shall be entitled to nominate its Nominees to enter into SPAs with PDC for the acquisition and development of the Parcel at different stages in accordance with the terms of the JDA.

5. Delivery of possession of each Parcel

- (a) In order for the Developer or Nominee to take possession of a Parcel, the Developer or Nominee shall pay the sale price for that Parcel in full to PDC, or alternatively deliver bank guarantees from a licensed bank or financial institution guaranteeing the payment of the balance of the sale price of the Parcel or such outstanding part thereof to PDC, prior to the delivery of possession of that Parcel to the Developer or Nominee.
- (b) The Developer or Nominee shall accept possession of the Land and every part thereof on an "as is where is" basis.

6. Landowner's Entitlement and Project Management Fee, Schedule of Payment, Performance Deposit, Late Interest and Performance Bond**6.1 Landowner's Entitlement**

In consideration of PDC making the Land available for the Project and allowing the Developer to undertake and complete the Project, PDC shall be entitled to share the profits arising therefrom in cash by way of sale of the Land equivalent to the sum of RM502,678,044.00 only (calculated at the rate of RM43 per square foot ("**sq. ft.**") for Plot A and RM135 per sq. ft. for Plot B) subject to an increase in the sale price of each Parcel for Plot A of not less than 6% per year ("**6% Annual Increment**") for the parcel that has yet to enter into a Sale and Purchase Agreement between PDC and the Developer or its Nominee, with the increase taking effect from each anniversary of this Agreement.

The table below is the agreed 6% Annual Increment applicable for Plot A:

Year	Plot A (price per sq. ft.)
Year 1	RM43.00
Year 2	RM45.58
Year 3	RM48.31
Year 4	RM51.21
Year 5	RM54.29
Year 6	RM57.54
Year 7	RM61.00
Year 8	RM64.66
Year 9	RM68.54
Year 10	RM72.65

VALUATION CERTIFICATE (CONT'D)

6.2 Project Management Fee

In consideration of PDCP undertaking the role of Project Manager to implement, oversee and manage the Project, PDCP shall be entitled to a sum of RM40,214,243.52 being a sum equivalent to 8% of the Landowner's Entitlement, subject to such adjustments resulting from the 6% Annual Increment. Apart from adjustments reflecting a 6% Annual Increment, any further increase to the Project Management Fee shall be based on mutual agreement between the parties.

6.3 Schedule of Payment

Subject to the 6% Annual Increment, the Landowner's Entitlement and Project Management Fee shall be fully paid in cash by the Developer over a maximum period of ten (10) years from the date of the JDA as follows: -

	Payment Period	Landowner's Entitlement (percentage %)	Project Management Fee (percentage %)
1.	Upon execution of the JDA	10% (equivalent to the Performance Deposit, which is inclusive of Earnest Deposit paid)	10%
2.	18 months from the date of execution of the SPA for each Parcel	30%	30%
3.	24 months from the date of execution of the SPA for each Parcel	30%	30%
4.	48 months from the date of execution of the SPA for each Parcel	30%	30%

6.4 Performance Deposit

A sum of RM50,267,804.40, equivalent to ten per centum (10%) of the aggregate sums of the Landowner's Entitlement is payable by the Developer to PDC upon the signing of the JDA. The Landowner's Entitlement is paid as security for the Developer's due observance and performance of the terms and conditions of the JDA ("**Performance Deposit**"). The Performance Deposit shall be deemed as the aggregate of the ten per centum (10%) of each Parcel, so that each and every Parcel has a sum to be held by PDC as security as aforesaid.

6.5 Late Interest

An interest of eight percent (8%) per annum calculated on a 365 day-year basis on any outstanding portion of the Landowner's Entitlement or Project Management Fee, commencing from the date following the expiry of the payment period specified in the JDA until full payment is made.

6.6 Performance Bond

The Developer agrees to deliver a performance bond in the form of an irrevocable bank guarantee for an aggregate of RM20,000,000.00 issued by a licensed bank or financial institution in favour of PDC ("**Performance Bond**") within eighteen (18) months from the date of the first SPA for the first Parcel or upon obtaining the first planning permission for the Project, whichever is earlier.

VALUATION CERTIFICATE (CONT'D)

DESCRIPTION AND LOCATION OF THE SUBJECT PROPERTIES
Subject Property A and Subject Property B

Subject Property A and Subject Property B are located in the satellite township of Seberang Jaya. This township is jointly developed by PDC as well as Sunway Group which consists of government buildings, factories (Seberang Jaya Industrial Park), cluster houses, terraced and semi-detached houses, low-cost flats, medium-cost apartments and 3-storey shopoffices.

Prominent landmarks within this township include the Sunway Carnival Mall, Billion Hypermarket, Sunway Medical Centre Penang, Sunway Hotel Seberang Jaya, Sunway Business Park Seberang Jaya, Sunway Sports Centre, The Blanket Hotel, Federation of Malaysian Manufacturers (FMM Penang Branch), Penang Bird Park, Arulmigu Karumariamman Temple, Guan Yin Buddhist Temple Seberang Jaya, Persatuan Buddhist Temple, Seberang Jaya Church, Gurdwara Seberang Jaya (Sikh), Thai Temple, Street of Harmony Seberang Jaya, Arulmigu Sri Bala Murugan Temple, TNB Corporate Building, Petronas, Shell and Caltex petrol and service stations, Penang State's Library and The Light Hotel.

Government administrative centres situated within Seberang Jaya comprise the Penang State Royal Custom Department, Seberang Jaya Community Polyclinic, PERKESO Building, Employees Provident Fund of Malaysia office and the Companies Commission of Malaysia office.

Subject Property A is approachable from the Butterworth Penang Sentral via Jalan Metcher, Lebuhraya Luar Butterworth (E17), Jalan Chain Ferry and thence onto Jalan Todak while Subject Property B is approachable from the Butterworth Penang Sentral via Jalan Metcher, Lebuhraya Luar Butterworth (E17), Jalan Kurau, Lorong Kurau 19, Tingkat Kurau 8, Jalan Siakap and thence onto Jalan Tenggiri, all being well-maintained metalled roads.

Subject Property A is elongated in shape and Subject Property B is almost rectangular in shape. They are separated by a 12 cables overhead power line and a river.

Subject Property A and Subject Property B are generally flat in terrain and are lie at about the same level with the existing metalled roads i.e. Jalan Todak and Jalan Tenggiri respectively. The boundaries of the sites are not physically demarcated by any form of fencing.

Subject Property A was formerly a private club known as Safira Country Club but already ceased operation and currently abandoned with several dilapidated buildings and structures on the site. The remaining site is generally covered with grass, wild trees, natural vegetation and thick undergrowth.

Subject Property B is erected with a single-storey community hall known as Dewan Orang Ramai Sri Tenggiri. The remaining site is generally overgrown with grass, wild trees, natural vegetation and thick undergrowth.

We understand from SDB that the abovementioned buildings and structures erected on the sites will be demolished in due course for the purpose to carry out development on the sites.

In view of the above, we have valued the Subject Property A and Subject Property B based on vacant possession and did not assign any value on the above-mentioned buildings and structures erected on the sites.

Subject Property C

Subject Property C is located along Jalan Cassia Barat 1, off the main thoroughfare of Lebuhraya Bandar Cassia. It is sited on the north-western part of Batu Kawan, an island situated off the western coast of District of Seberang Perai Selatan in between Penang Island and the mainland of Penang State.

VALUATION CERTIFICATE (CONT'D)



Bandar Cassia, Batu Kawan is the third satellite township of Penang after Bayan Lepas and Seberang Jaya. The township's development is being carried out in clusters by phases by several key developers, including Aspen Vision City, a joint venture by Aspen Group and Ikano Group; Eco Horizon and Eco Sun by Eco World Group; Utopolis Batu Kawan by Paramount Group and Design Village Outlet Mall along with Anggun Residences by PE Land Group.

Batu Kawan Stadium (Penang State Stadium), Batu Musang Jetty, Batu Kawan Industrial Park, Batu Kawan Technology Park, Penang Science Park, Valdor Industrial Park, Juru Industrial Park and Bukit Minyak Industrial Park are also located in the immediate localities.

Subject Property C is approachable from the Bukit Tambun Interchange of the North-South Highway via Jalan Bukit Tambun, Jalan Batu Kawan, Lebuhraya Bandar Cassia and thence onto Jalan Cassia Barat 1, all being well-maintained metalled roads.

Subject Property C is irregular in shape. It is generally flat in terrain and lies slightly below the level of the existing metalled road i.e. Jalan Cassia Barat 1. The boundaries of the site are not physically demarcated by any form of fencing. The site is mainly covered with grass, wild trees, natural vegetation and thick undergrowth.

At the date of inspection, we noted that there are several temporary cabin type workers' quarters located on the north-eastern portion of the site. The remaining site is mainly covered with grass, wild trees, natural vegetation and thick undergrowth.

We understand from SDB that the aforementioned temporary cabins will be removed in due course for the purpose to carry out development on the site.

In view of the above, we have valued the Subject Property C based on vacant possession and did not assign any value on the above-mentioned buildings erected on the Subject Property C.

TITLES PARTICULARS

Individual titles for Subject Property A and Subject Property B have been issued while the individual title for Subject Property C has not been issued yet as at date of the valuation.

We are instructed to disregard the existing individual title of the Subject Property A and to value the Subject Property A and Subject Property C on the basis that new individual titles in respect of the Subject Property A and Subject Property C conveying the freehold interests, subject to all the conditions of the titles, category of land use, express condition and restriction-in-interest as set out in Section 6.6 of the JDA are forthcoming and when issued, will be free from all encumbrances, endorsements, statutory notices and outgoings.

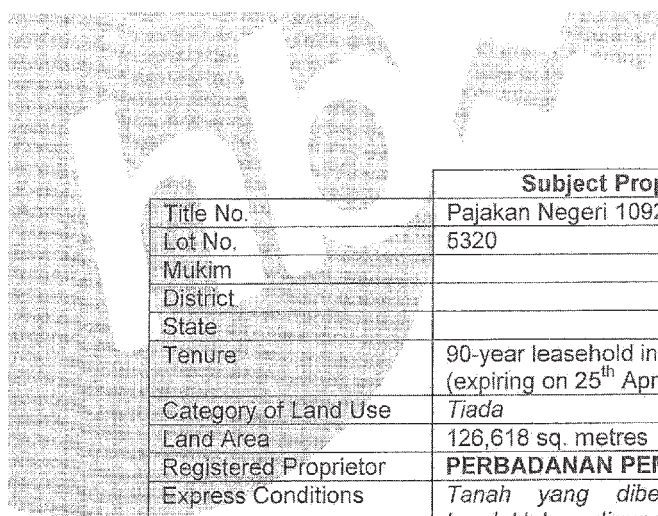
The summary of the aforementioned conditions of the forthcoming individual titles in respect of Subject Property A and Subject Property C is as follows:-

Tenure	Freehold
Category of Land Use	"Bangunan"
Express condition	"Perumahan dan Perniagaan"
Restriction-in-interest	"Tanah yang diberimilik ini tidak boleh dipindahmilik, cagar, pajak atau pajakan kecil atau dengan apa-apa urusan niaga sekalipun tanpa kebenaran bertulis daripada Pihak Berkuasa Negeri"

For Subject Property A and Subject Property B only

In accordance with the existing Certified True Copy and private search of the Registered Document of Titles in respect of Subject Property A and Subject Property B, conducted and obtained from the Penang Land Registry (*Pejabat Tanah dan Galian Negeri Pulau Pinang*), both dated 20th November 2024, the following entries are noted:-

VALUATION CERTIFICATE (CONT'D)



	Subject Property A	Subject Property B
Title No.	Pajakan Negeri 10926	Geran 186062
Lot No.	5320	10848
Mukim	1	
District	Seberang Perai Tengah	
State	Pulau Pinang	
Tenure	90-year leasehold interest (expiring on 25 th April 2090)	Freehold interest
Category of Land Use	Tiada	Bangunan
Land Area	126,618 sq. metres	11,121 sq. metres
Registered Proprietor	PERBADANAN PEMBANGUNAN PULAU PINANG – full share	
Express Conditions	Tanah yang diberi milik ini hendaklah digunakan untuk tujuan rekreasi sahaja	Tanah yang diberi milik ini hendaklah digunakan untuk tujuan "perumahan" sahaja
Restriction-In-Interest	Tanah yang diberimilik ini tidak boleh dipecah sempadan, pindah milik, cagar, pajak, pajakan kecil tanpa kebenaran bertulis daripada Pihak Berkuasa Negeri.	Tanah yang diberimilik ini tidak boleh dipindahmilik, dicagar, dipajak, dipajak kecil, tenansi disewakan atau terlibat dengan apa-apa urusan sekiranya tanpa kebenaran bertulis daripada Pihak Berkuasa Negeri.
Encumbrances	Nil	
Endorsement	Nil	

LOCAL AUTHORITY SEARCHES

In accordance with the Zoning Verification Letters issued by Town Planning Department, Seberang Perai City Council (*Jabatan Perancang Bandar Dan Desa, Majlis Bandaraya Seberang Perai / "M.B.S.P."*), we noted that the planning aspects of Subject Property A and Subject Property B are tabulated as follows :-

Lot No.	Rancangan Struktur Negeri Pulau Pinang 2030 ("RSNPP 2030")	Peta Cadangan Draf Rancangan Tempatan Seberang Perai 2030 ("DRTSP 2030")	Plot Ratio
Subject Property A			
5230	Kawasan Keutamaan Pembangunan 1 ("KKP1")	Perniagaan & Perkhidmatan	1:2 permissible & 1:3 with infrastructure contribution
Subject Property B			
10848	KKP1	Tanah Lapang & Rekreasi, Kemudahan Awan	-

Our informal enquires with the Town Planning Department of M.B.S.P. revealed that the maximum plot ratio of development in the area within which the Subject Properties are located is Four (4).

In view of the above and as per the Terms of Reference, we are instructed by SDB to value the Subject Properties based on Residential and Commercial use with the maximum development plot ratio of 4 as outlined under Section 3.1 and Section 6.6 of the JDA.

VALUATION CERTIFICATE (CONT'D)

VALUATION METHODOLOGY

We have adopted the **Comparison Approach** of valuation to assess the Market Values of the Subject Properties.

Comparison Approach is the Market Approach of comparing the Subject Properties with similar properties that were transacted recently, due consideration is given to factors such as time (market improvement), size (land area), location, power line, flood prone, planning approving permission, seaview, tenure and soil condition to arrive at our opinion of Market Values of the Subject Properties.

It is pertinent to note that valuation of property for submission to Bursa has to be undertaken by two recognised Methods of Valuation (Paragraph 4.06 of Asset Valuation Guidelines). However, we have adopted only one method of valuation i.e. Comparison Approach in this valuation as other alternative methods such as the Income Approach or Cost approach as defined in the *Malaysian Valuation Standards Sixth Edition 2019* are not applicable. The reason is due to the fact that the Subject Properties comprise three (3) parcels of development land without any development planning approval granted by the Local Authorities as at the date of valuation.

SUMMARY OF COMPARISON APPROACH

For the purpose of this valuation, we have utilised 3 comparables similar aspects located in the Districts of Seberang Perai Utara and Seberang Perai Tengah for Subject Property A and Subject Property B and 3 comparables located at Bandar Cassia, in the District of Seberang Perai Selatan for Subject Property C in our valuation computation of Comparison Approach.

Property particulars	For Subject Property A and Subject Property B only		
	Comparable No. 1	Comparable No. 2	Comparable No. 3
Property particulars	Lot No. 10127 held under Title No. Geran Mukim 1193, Mukim 7, District of Seberang Perai Tengah, State of Pulau Pinang.	Lot No. 451 held under Title No. Geran 31340, Section 4, Town of Butterworth, District of Seberang Perai Utara, State of Pulau Pinang.	Lot No. 10115 (formerly known as Lot No. 59) held under Title No. H.S.(D) 40681, Section 1, Town of Butterworth, District of Seberang Perai Utara, State of Pulau Pinang.
Location	Jalan Perda Selatan, Bandar Perda, Bukit Mertajam (next to the abandoned mall previously known as Perda City Mall)	Off the main thoroughfare of Jalan Heng Choon Thian and Jalan Kampung Benggali, Butterworth	Along Jalan Bagan Jermal, Butterworth (next to Petronas Bagan Jermal)
Distance between Subject Property A	8.2 km	4.5 km	7.0 km
Distance between Subject Property B	6.5 km	5.4 km	7.9 km
Type of property	A parcel of commercial development land		
Vendor	Darul Ikon (M) Sdn Bhd	Builtson Holdings Sdn Bhd	Star Sanctuary Land Sdn Bhd
Purchaser	Jadem White Sdn Bhd	Kheng Seng Letrik (M) Sdn Bhd	Bukit Punchor Development Sdn Bhd
Transaction date	18 th October 2023	18 th March 2021	22 nd September 2022
Zoning (DRTSP 2030)	Perniagaan dan Perkhidmatan		
Tenure	Freehold interest		
Share	Full Share		
Source	Jabatan Penilaian dan Perkhidmatan Hartanah		
Land area	84,368 sq. ft.	80,284 sq. ft.	72,958 sq. ft.
	1.937 acres	1.843 acres	1.675 acres
Consideration	RM9,280,428	RM10,838,390	RM21,000,000
Based Value	RM110.00 per sq. ft.	RM135.00 per sq. ft.	RM287.84 per sq. ft.

VALUATION CERTIFICATE (CONT'D)

We would like to draw attention to the fact that there is no transaction of similar development land located in the Districts of Seberang Perai Utara and Seberang Perai Tengah, Pulau Pinang which are similar in terms of land size, location, tenure and other aspects over the last 5 years. However, the most cogent evidences of value are the aforesaid sales transactions.

We would also wish to highlight that restrictions have been imposed on the development of the residential and commercial components of the Subject Property A and Subject Property B stated in the JDA as follows:-

- (i) 10% of total development must be Affordable Homes;
- (ii) 90% of total development must be New Talent Homes; and
- (iii) A maximum of 20% of the total built-up of residential area for commercial use to provide service to the local community.

Definitions of Affordable Homes and New Talent Homes stated in the JDA as follows:-

"Affordable Homes" means residential units to be constructed by the Developer on the land and sold by the Developer in accordance with the following:-

- (a) each unit comprising 3 bedrooms, 2 bathrooms, kitchen, dining room, living room and 1 carpark bay;
- (b) type, size and purchase price of the units as set out in the latest affordable housing policy or guideline by the State Government of Penang and/or *Lembaga Perumahan Negeri Pulau Pinang*; and
- (c) 30% of the purchasers of the units shall be from the name list to be obtained from *Lembaga Perumahan Negeri Pulau Pinang* and the balance 70% thereof shall be procured by the Developer from open market provided that the purchase price of the units shall be increased by 10%;

subject to further approvals and/or changes by the State Government of Penang and/or *Lembaga Perumahan Negeri Pulau Pinang*.

"New Talent Homes" means the residential scheme to be also known as "*Rumah Bakat Baru*" which shall be constructed by the Developer on the Land and sold by the Developer in accordance with the following:-

- (a) each unit measuring 800 to 1,000 sq. ft.;
- (b) each unit comprising 3 bedrooms, 2 bathrooms, kitchen, dining room, living room and 1 carpark bay; and
- (c) the purchase price shall not be more than RM350,000.00 (for 50% of the total units) and not more than RM420,000.00 (for balance 50% of the total units) subject to any revised price as may be approved by PDC,

subject to necessary approvals by the State Government of Penang.

(Affordable Homes and New Talent Homes are collectively referred to as the **"Restricted Development Components"**)

In view of the component of the New Talent Homes forms the majority of the development (90% of the total residential units), our valuation analysis primarily focuses on this aspect to evaluate the impact of controlled pricing restrictions. This assessment is conducted by analysing the Gross Development Value ("**GDV**") of the component of development of the New Talent Homes and compared them with the prevailing market prices of residential condominium developments in the surrounding area.

VALUATION CERTIFICATE (CONT'D)

The GDV of the New Talent Homes is analysed at RM438 per sq. ft. (for selling price of RM350,000 and built-up area of 800 sq. ft. each) and RM525 per sq. ft. (for selling price of RM420,000 and built-up area of 800 sq. ft. each), both based on the minimum requirements for the New Talent Homes set in the JDA.

Based on Henry Butcher Research, we noted that the secondary market transactions of similar condominiums in the surrounding area are ranging from RM441 per sq. ft. and RM476 per sq. ft..

The above transactions in the secondary market demonstrate that the GDV of the New Talent Homes (RM438 per sq. ft. and RM525 per sq. ft.) is within the range of the prevailing market prices of similar condominiums in the surrounding area. This indicates that the controlled pricing restrictions imposed in the JDA do not result in a significant deviation from market norms.

As such, it is concluded that the controlled pricing restrictions do not have a material impact on the valuation of the Subject Property A and Subject Property B.

Therefore, no adjustment has been made to reflect the factor of the Restricted Development Components in the Comparison Approach of the valuations.

Remarks :-	Remarks & Adjustments made for Subject Property A		
	Comparable No. 1	Comparable No. 2	Comparable No. 3
- Time difference	14.0 months	45.9 months	26.9 months
- Size (land area)	Smaller	Smaller	Smaller
- Location	Poorer	Poorer	Poorer
- Power Line	Nil (Better)	Nil (Better)	Nil (Better)
- Flood Prone Area	Yes (Poorer)	Nil (Similar)	Nil (Similar)
- Planning Approval	Nil (Similar)	Nil (Similar)	Yes (Better)
- Seaview	Nil (Similar)	Yes - Partly (Better)	Yes - Fully (Better)
Adjustments	General adjustments are made for "Size (land area)", "Location", "Power Line" and "Flood Prone" factors.	General adjustments are made for "Size (land area)", "Location", "Power Line" and "Seaview" factors.	General adjustments are made for "Size (land area)", "Location", "Power Line", "Planning Approval" and "Seaview" factors.
Adjusted Value	RM137.50 per sq. ft.	RM101.25 per sq. ft.	RM129.53 per sq. ft.
Maximum Plot Ratio	4.00	3.00	4.00
Adjusted Value Per Plot Ratio	RM34.37 per sq. ft.	RM33.75 per sq. ft.	RM32.38 per sq. ft.

Justification for Subject Property A :-

Despite the significant land size differences between Subject Property A (31.288 acres) and the Comparable Properties (ranging from 1.675 acres to 1.937 acres), we have only applied a downward adjustment of 10% for Comparable Nos. 1 & 2 and 15% for Comparable No. 3.

We are of the opinion that "Size (land area)" adjustment take into consideration a number of factors, in which case applying a strict percentage-based size adjustment would undervalue the larger parcel, Subject Property A, and fail to reflect real market conditions. In high-demand and well-established areas, the value of development land is driven primarily by its strategic importance rather than absolute size.

Therefore, we are of the opinion that the "Size (land area)" adjustment applied in our valuation computation is fair and reasonable.

Post adjustments have been made to the Comparables after taking into consideration of the positive and negative factors of "Size (land area)", "Location", "Power Line", "Flood Prone", "Planning Approval" and "Seaview". From these Comparables, we have concluded that Comparable No. 1 would be a reasonable benchmark due to the fact that Comparable No. 1 is the latest similar freehold commercial development land transaction (both with maximum plot ratio of 4). Having considered the above, we have adopted **RM34.00 per sq. ft. per plot ratio** (rounded down from RM34.37 per sq. ft. per plot ratio) to be the fair market rate applicable to Subject Property A.

VALUATION CERTIFICATE (CONT'D)

Remarks :-	Remarks & Adjustments made for Subject Property B		
	Comparable No. 1	Comparable No. 2	Comparable No. 3
- Time difference	14.0 months	45.0 months	26.9 months
- Size (land area)	Smaller	Smaller	Smaller
- Location	Poorer	Poorer	Poorer
- Power Line	Nil (Better)	Nil (Better)	Nil (Better)
- Flood Prone Area	Yes (Poorer)	Nil (Similar)	Nil (Similar)
- Planning Approval	Nil (Similar)	Nil (Similar)	Yes (Better)
- Seaview	Nil (Similar)	Yes - Partly (Better)	Yes - Fully (Better)
Adjustments	General adjustments are made for "Size (land area)", "Location", "Power Line" and "Flood Prone" factors.	General adjustments are made for "Size (land area)", "Location", "Power Line" and "Seaview" factors.	General adjustments are made for "Size (land area)", "Location", "Power Line", "Planning Approval" and "Seaview" factors.
Adjusted Value	RM137.50 per sq. ft.	RM101.25 per sq. ft.	RM129.53 per sq. ft.
Maximum Plot Ratio	4.00	3.00	4.00
Adjusted Value Per Plot Ratio	RM34.37 per sq. ft.	RM33.75 per sq. ft.	RM32.38 per sq. ft.

Justification for Subject Property B :-

Post adjustments have been made to the Comparables after taking into consideration of the positive and negative factors of "Size (land area)", "Location", "Power Line", "Flood Prone", "Planning Approval" and "Seaview". From these Comparables, we have concluded that Comparable No. 1 would be a reasonable benchmark due to the fact that Comparable No. 1 is the latest similar freehold commercial development land transaction (both with maximum plot ratio of 4). Having considered the above, we have adopted **RM34.00 per sq. ft. per plot ratio** (rounded down from RM34.37 per sq. ft. per plot ratio) to be the fair market rate applicable to Subject Property B.

Property particulars	For Subject Property C only		
	Comparable No. 1	Comparable No. 2	Comparable No. 3 ⁽¹⁾
Property particulars	A parcel of development land identified as Plot 1, Mukim 13, District of Seberang Perai Selatan, State of Pulau Pinang.	A parcel of development land identified as Plot 4, Mukim 13, District of Seberang Perai Selatan, State of Pulau Pinang.	Lot No. PT 5258 held under Title No. H.S.(D) 45956, Mukim 13, District of Seberang Perai Selatan, State of Pulau Pinang.
Location	At the intersection of Lebuhraya Bandar Cassia and Persiaran Cassia Timur 1, Bandar Cassia	At the intersection of Lingkaran Cassia Timur and Persiaran Cassia Timur 1, Bandar Cassia	At the intersection of Lebuhraya Bandar Cassia and Jalan Batu Kawan, Bandar Cassia
Distance between Subject Property C	1.0 km	1.5 km	500 meter
Type of property	A parcel of development land		
Vendor	The Penang Development Corporation	The Penang Development Corporation	Penaga Pesona Sdn. Bhd. & Batu Kawan Development Sdn. Bhd.
Purchaser	Green Camour Property Sdn. Bhd.	Georgetown Resources Sdn. Bhd.	Eco Horizon Sdn. Bhd.
Transaction date	18 July 2022	17 February 2023	28 June 2016
Share	Full Share		
Zoning	Mixed Development (Residential and Commercial)		
Tenure	Freehold interest		99-year leasehold interest (commencing on 24 th December 2112)
Source	Sale & Purchase Agreement		
Land area	818,575 sq. ft. 18.792 acres	802,667 sq. ft. 18.427 acres	3,183,408 sq. ft. 73.081 acres
Consideration	RM53,207,385.40	RM52,173,358	RM143,253,376
Based Value	RM65.00 per sq. ft.	RM65.00 per sq. ft.	RM45.00 per sq. ft.

VALUATION CERTIFICATE (CONT'D)

	For Subject Property C only (cont.)		
	Comparable No. 1	Comparable No. 2	Comparable No. 3 ⁽¹⁾
Remarks :-			
- Time difference	29.0 months	22.0 months	101.7 months
- Size (land area)	Smaller	Smaller	Smaller
- Location	Better (Facing main road)	Better (Facing main road)	Better (Facing main road)
- Tenure	Similar	Similar	Poorer (99-year leasehold)
- Soil Condition	Better (oil palm estate)	Better (oil palm estate)	Better (oil palm estate)
Adjustments	General adjustments are made for "Size (land area)", "Location" and "Soil Condition" factors.	General adjustments are made for "Size (land area)", "Location" and "Soil Condition" factors.	General adjustments are made for "Time (market improvement)", "Size (land area)", "Location", "Tenure" and "Soil Condition" factors.
Adjusted Value	RM32.50 per sq. ft.	RM32.50 per sq. ft.	RM45.00 per sq. ft.
Maximum Plot Ratio	3.00	3.00	4.00
Adjusted Value Per Plot Ratio	RM10.83 per sq. ft.	RM10.83 per sq. ft.	RM11.25 per sq. ft.

Notes :-

- (1) We would like to draw attention to the attention that although Comparable No. 3 was transacted about 8.5 years ago, we are of the opinion that it remains a relevant reference for the subject valuation due to the fact that there is no recent major development land transaction (more than 50 acres) in Bandar Cassia, Batu Kawan over the past five (5) years, and this Comparable is located just 500 meters from the Subject Property C and with both having the same plot ratio of 4.

We would also wish to highlight that the Restricted Development Components have been imposed on the development of the residential and commercial components of the Subject Property C.

Based on Henry Butcher Research, we noted that the secondary market transactions of similar condominiums in the surrounding area are ranging from RM446 per sq. ft. and RM493 per sq. ft..

The above transactions in the secondary market demonstrate that the GDV of the New Talent Homes (RM438 per sq. ft. and RM525 per sq. ft.) is within the range of the prevailing market prices of similar condominiums in the surrounding area. This indicates that the controlled pricing restrictions imposed in the JDA do not result in a significant deviation from market norms.

As such, it is concluded that the controlled pricing restrictions do not have a material impact on the valuation of the Subject Property C.

Therefore, no adjustment has been made to reflect the factor of the Restricted Development Components in the Comparison Approach of the valuation.

Justification for Subject Property C :-

Post adjustments have been made to the Comparables after taking into consideration of the positive and negative factors of "Time (market improvement)", "Size (land area)", "Location", "Tenure" and "Soil Condition". From these Comparables, we have concluded that Comparable No. 2 would be a reasonable benchmark due to the fact that Comparable No. 2 is the latest freehold commercial development land transaction within Bandar Cassia. Having considered the above, we have adopted **RM11.00 per sq. ft. per plot ratio** (rounded up from RM10.83 per sq. ft. per plot ratio) to be the fair market rate for the Subject Property C.

VALUATION CERTIFICATE (CONT'D)**Summary of Comparison Approach:-**

	Land Area	Market Rate	Maximum Plot Ratio	Market Value
Subject Property A	1,362,905 sq. ft.	RM34 per sq. ft.	4	RM185,355,080
			say	RM185,400,000
Subject Property B	119,705 sq. ft.	RM34 per sq. ft.	4	RM16,279,880
			say	RM16,300,000
Subject Property C	7,034,940 sq. ft.	RM11 per sq. ft.	4	RM309,537,360
			say	RM309,500,000
Summation of Market Value				RM511,200,000

REGISTERED TRANSACTIONS / TRANSACTION HISTORY

Based on the Sale and Purchase Agreement dated 10th December 2024 made between The Penang Development Corporation (the Vendor) and SkyWorld Staris Development Sdn. Bhd. (presently known as SkyWorld Mutiara Development Sdn. Bhd.) (the Purchaser), we noted that Subject Property A and Subject Property B were transacted at a total consideration of RM200,175,624.00.

There is no record of any transfer involving the Subject Property C within the past 2 years from the date of this valuation.

OPINION OF VALUES

Having regard to the foregoing, our opinion of the **Market Values** of the Subject Properties as at 17th December 2024 with vacant possession and subject to the new individual titles of the Subject Property A and Subject Property C conveying freehold interests over the land areas of 126,618 sq. metres for Subject Property A and 161.50 acres for Subject Property C are forthcoming and when issued, will be free from all encumbrances, endorsements, statutory notices and outgoings and subject to the existing title of Subject Property B being good, registrable, free from all encumbrances, endorsements, statutory notices and outgoings are as follows :-

	Market Value	
Subject Property A	RM185,400,000	(Ringgit Malaysia One Hundred Eighty Five Million And Four Hundred Thousand Only)
Subject Property B	RM16,300,000	(Ringgit Malaysia Sixteen Million And Three Hundred Thousand Only)
Subject Property C	RM309,500,000	(Ringgit Malaysia Three Hundred Nine Million And Five Hundred Thousand Only)
Summation of Market Value	RM511,200,000	(Ringgit Malaysia Five Hundred Eleven Million And Two Hundred Thousand Only)

Yours faithfully,
HENRY BUTCHER MALAYSIA (PENANG) SDN BHD



SR. DR. TEOH POH HUAT (V-296)
FRICS, FRISM
Chartered Surveyor / Registered Valuer
Designation: Managing Director
Registered Number: V-296

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT AND DECLARATION OF CONFLICT OF INTEREST

UOBKH, being the Adviser for the Proposals, 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 in which they appear in this Circular.

Henry Butcher, being the Independent Valuer of the Land in relation to the Proposed Joint Development, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, Valuation Certificate and all references thereto in the form, manner and context in which they appear in this Circular.

As at the LPD, Zalinah Binti A Hamid ("**Zalinah**"), an Independent Director of UOBKH, is also the Independent Non-Executive Director of SkyWorld Development.

Notwithstanding the above, UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Adviser for the Proposals in view of the following:-

- (i) Zalinah is not involved in any capacity in relation to UOBKH's role as the Adviser in respect of the Proposals;
- (ii) Zalinah has made the relevant disclosures in relation to her directorship in UOBKH to the Board of Directors of SkyWorld Development; and
- (iii) Zalinah was not involved in the deliberations of UOBKH and SkyWorld Development in respect of the Proposals.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, the Landowner confirmed that to the best of its knowledge, there are no material litigations, claims and/or arbitration involving the Land, and the Landowner confirmed that to the best of its knowledge, there are no proceedings, pending or threatened, involving the Land.

4. MATERIAL COMMITMENTS

As at the LPD, save as disclosed below, there are no material commitments incurred or known to be incurred by our Group for which, upon becoming enforceable, may have a material impact on the financial results or position of our Group:-

	RM'000
Approved and contracted for:-	
Capital expenditure for new build-to-rent developments	652
Acquisition of lands for property development	287,161
Property, plant and equipment	3,823

FURTHER INFORMATION (CONT'D)

5. CONTINGENT LIABILITIES

As at the LPD, there are no contingent liabilities incurred or known to be incurred which upon becoming enforceable, may have a material impact on the profits or NA position of our Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (i) our Constitution;
- (ii) the JDA, Plot B SPA and Shareholder's Agreement;
- (iii) the Valuation Certificate referred to in **Appendix IV** of this Circular pertaining to the valuation of the Land issued by Henry Butcher;
- (iv) audited consolidated financial statements of our Group for the past four (4) financial years up to the FYE 31 March 2024 as well as the latest unaudited financial results of our Group for the 9-month FPE 31 December 2024; and
- (v) the letter of consent and declaration of conflict of interest referred to in **Section 2** of Appendix V.

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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 held at **Level 1, Block D, Excella Business Park, Jalan Ampang Putra, Ampang, 55100 Kuala Lumpur, Malaysia** on **Tuesday, 29 April 2025 at 10.00 a.m.** or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:-

ORDINARY RESOLUTION 1

PROPOSED JOINT DEVELOPMENT BETWEEN SKYWORLD DEVELOPMENT, THE PENANG DEVELOPMENT CORPORATION (“PDC”) AND PDC PROPERTIES SDN BHD (“PDCP”), A WHOLLY-OWNED SUBSIDIARY OF PDC TO JOINTLY DEVELOP LAND MEASURING APPROXIMATELY 195.5 ACRES IN BATU KAWAN, PENANG AND SEBERANG JAYA, PENANG (“PROPOSED JOINT DEVELOPMENT”)

“**THAT** subject to the relevant approvals being obtained, approval be and is hereby given to SkyWorld Development to undertake the Proposed Joint Development, in accordance with the terms and conditions as stipulated in the Joint Development Agreement dated 10 December 2024 (“**JDA**”);

THAT the JDA entered into between the Company, PDC and PDCP on 10 December 2024 in connection with the Proposed Joint Development be and is hereby ratified, approved and confirmed;

THAT any and all actions taken by the Board in connection with the JDA or as may be incidental to, ancillary to or expedient in connection with the Proposed Joint Development to-date be and are hereby ratified, approved and confirmed;

AND THAT the Board be and is hereby authorised to act, for and on behalf of SkyWorld Development, and to take all such steps and do all such acts, matters and things as the Board deems fit or may consider necessary, desirable, appropriate or expedient to implement, finalise and give full effect to the Proposed Joint Development, with full powers to give all or any notices, directions, consents and authorisations in respect of any matter arising from or in connection with the Proposed Joint Development, and to assent to any term, condition, modification, variation and/or amendment relating to the Proposed Joint Development as may be approved/required by the relevant regulatory authorities and/or as the Board deems fit.”

ORDINARY RESOLUTION 2

PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OPERATIONS OF SKYWORLD DEVELOPMENT AND ITS SUBSIDIARIES (THE “GROUP”) TO INCLUDE THE BUSINESS OF THE MANUFACTURING OF PREFABRICATED AND PREFINISHED MODULAR SYSTEMS (“PROPOSED DIVERSIFICATION”)

“**THAT** subject always to the relevant approvals being obtained, approval be and is hereby given to SkyWorld Development to diversify the Group’s existing business operations to include the business of the manufacturing of prefabricated and prefinished modular systems;

THAT the Shareholders’ Agreement entered into between the Company, Teambuild and Prefab Master on 20 January 2025 (“Shareholders’ Agreement”) in connection with the Proposed Diversification be and is hereby ratified, approved and confirmed;

THAT any and all actions taken by the Board in connection with the Shareholders' Agreement or as may be incidental to, ancillary to or expedient in connection with the Proposed Diversification to-date be and are hereby ratified, approved and confirmed;

AND THAT the Board be and is hereby authorised to act, for and on behalf of SkyWorld Development, and to take all such steps and do all such acts, matters and things as the Board deems fit or may consider necessary, desirable, appropriate or expedient to implement, finalise and give full effect to the Proposed Diversification, with full powers to give all or any notices, directions, consents and authorisations in respect of any matter arising from or in connection with the Proposed Diversification, and to assent to any term, condition, modification, variation and/or amendment relating to the Proposed Diversification as may be approved/required by the relevant regulatory authorities and/or as the Board deems fit."

BY ORDER OF THE BOARD

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

LEE YIN BIN (MAICSA 7074794) (SSM PC NO. 202508000014)

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

Company Secretaries

Kuala Lumpur

14 April 2025

Explanatory Notes:

The details of the Proposals 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. 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 **22 April 2025**. 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.
2. 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.
3. 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.
4. 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 two (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.
5. 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.
6. 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.
7. 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 forty-eight (48) hours before the time appointed for holding the EGM or at any adjournment thereof, 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.
 - (ii) By electronic means via Tricor TIIH 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 TIIH Online.
8. 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 not less than forty-eight (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.
9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last day, date and time for lodging the proxy form is **Sunday, 27 April 2025 at 10.00 a.m.**
11. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).
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 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.

Notes:-

1. 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 **22 April 2025**. 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.
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 - (i) In hard copy form

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Please refer to the Administrative Guide of the EGM for further information on electronic submission of proxy form via TIIH 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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