

7. BUSINESS OVERVIEW

7.1 HISTORY AND MILESTONES

Our Company was incorporated in Malaysia under the CA 1965 as a private limited company on 22 November 2006 and is deemed registered under the Act, under the name of Varsity Networks Sdn Bhd, which was subsequently changed to NTP World Development Sdn Bhd on 6 February 2008. On 5 December 2014, our Company's name changed to SkyWorld Development Sdn Bhd. We subsequently converted to a public limited company on 20 September 2022 and assumed our present name of SkyWorld Development Berhad. Our present principal activity is in investment holding, provision of management services to our Subsidiaries and property development.

We are an urban property developer focusing on the development of high-rise residential, commercial and affordable properties in FT Kuala Lumpur. Since the commencement of our property development business in October 2014 up to the LPD, we have successfully launched and completed 7 developments with a total GDV of RM3.05 billion. As at 31 January 2023, we have 6 on-going developments in Setapak, Setiawangsa, Sentul and Taman Desa with a total GDV of RM2.81 billion and these are expected to be completed progressively between 2023 and 2026.

The history of our Group can be traced back to November 2006 with the incorporation of Varsity Networks as a private limited company by Datuk Seri Ng, our founder and Non-Independent Executive Chairman who initially held 50.00% equity interest and the remaining 50.00% was held by a third-party individual, Lim Kok Kwang who later disposed all his equity interests after various restructuring to Datuk Seri Ng to focus on his own business ventures. Lim Kok Kwang is not a person connected to our Directors, Promoters and shareholders.

Since incorporation, Varsity Networks remained as a dormant company and changed its name to NTP World Development in February 2008. The company commenced operations in the general trading and contracting activities in February 2009. Our company acquired 60.00% of NTP World Corporation in May 2011. Subsequently in April 2014, our Subsidiary, NTP World Corporation secured 2 plots of land through the Land Swap Agreement. In October 2014, NTP World Development launched Ascenda Residences, its maiden development. Thereafter in December 2014, NTP World Development changed its name to SkyWorld Development.

In October 2008, Datuk Lam joined our Group as Executive Director and subsequently became a 15.00% shareholder of our Company in November 2008. Later in January 2015, he was designated as the Deputy Group Managing Director and re-designated as Executive Director in January 2022.

In February 2013, Lee Chee Seng joined our Group as Chief Product Officer. He was re-designated as the Chief Operating Officer in January 2015 and was appointed to our Board as Executive Director on 1 April 2016 before he assumed the role of Deputy Chief Executive Officer in January 2021. He was subsequently promoted to Chief Executive Officer in January 2022, a position he currently holds.

In December 2014, the shareholders of our Company were Datuk Seri Ng (who held 77.00% equity interest), Datuk Lam (who held 22.00% equity interest) and Zafidi Bin Mohamad (who held the remaining 1.00% equity interest). In January 2018, Datuk Seri Ng and Datuk Lam transferred 4.80% and 1.35% equity interest respectively to Lee Chee Seng who subsequently held a collective 6.15% equity interest. After various restructuring, the shareholders of our Company and their respective equity interests as at the LPD are Datuk Seri Ng (71.60%), Datuk Lam (20.65%), Lee Chee Seng (6.15%) and Zafidi Bin Mohamad (1.60%).

7. BUSINESS OVERVIEW (CONT'D)

The table below sets out the key events and milestones in the history and development of our business:

Year	Key Events and Milestones
2009	<ul style="list-style-type: none"> NTP World Development (now known as SkyWorld Development Berhad) commenced operations initially in the general trading and contracting activities.
2014	<ul style="list-style-type: none"> Our Subsidiary, NTP World Corporation entered into the Land Swap Agreement for the acquisition of 2 plots of land with total land areas of 30.55 acres where we design and build a sports complex namely the SkyArena Sports Complex in exchange for the said plots of land in Setapak for a total consideration of RM133.60 million. The physical construction of the SkyArena Sports Complex was completed in FYE 2020 whereas the CCC for the SkyArena Sports Complex was obtained in December 2021. Pursuant to this, we have a total land bank of 30.55 acres for our property development. Launched a Master Development Plan for SkyArena, our maiden development in Setapak, Kuala Lumpur which comprises 4 phases. Phase 1 of the SkyArena Master Development is Ascenda Residences, Phase 2 is Bennington Residences and Phase 3 is Curvo Residences, while the remaining Phase 4 development is our planned mixed development. Further details of our planned developments are set out in Section 7.7.2 of this Prospectus. Launched Phase 1 of the SkyArena Master Development, Ascenda Residences, our first high-rise urban residential property in Setapak, FT Kuala Lumpur with a total GDV of RM398.85 million. The development was completed in September 2017. As at the LPD, Ascenda Residences is 100% sold.
2015	<ul style="list-style-type: none"> Launched SkyAwani Residences, our first high-rise mixed development comprising high-rise affordable condominium with shops and office units in Sentul, FT Kuala Lumpur. The development was completed in June 2018 and is 100% sold as at the LPD. Our SkyAwani Series of affordable developments are under the Residensi Wilayah affordable housing scheme introduced by the Government.
2016	<ul style="list-style-type: none"> Launched Phase 2 of SkyArena Master Development, Bennington Residences in Setapak, FT Kuala Lumpur with a total GDV of RM444.24 million. The development was completed in June 2019 and has a take-up rate of approximately 96% as at the LPD. Launched our first high-rise serviced apartments namely SkyLuxe On The Park Residences in Bukit Jalil, Kuala Lumpur with a GDV of RM409.67 million. The development was completed in February 2020 which was 100% sold as at the LPD. We entered into a Joint Development Agreement ("JDA") with various private land owners to acquire 9.97 acres of land in Setapak, FT Kuala Lumpur with a total purchase consideration of RM161.38 million via our Subsidiary, SkySanctuary Development. Subsequently in 2017, we received approval from the Federal Territories Land and Mines Office for the amalgamation of the said land with a premium payment of RM14.00 million. Pursuant to the amalgamation of land, we have 19.14 acres of land under our Subsidiary, SkySanctuary Development.
2017	<ul style="list-style-type: none"> Launched SkyAwani II Residences, a mixed development comprising affordable residential and commercial properties in Sentul, FT Kuala Lumpur with a GDV of RM265.15 million. The development was completed in February 2020. As at the LPD, the residential units were 100% sold while the commercial units had a take-up rate of approximately 43%. Our Subsidiary, SkyWorld Capital, established a RM600 million IMTN and RM400 million ICP programme in November 2017 followed by the issuance of RM50 million IMTN in December 2017 and issuance of ICP totalling RM29.46 million between January 2018 and July 2018. The IMTN and ICP were fully redeemed in 2018 and the IMTN and ICP programmes were subsequently retired in July 2020.

7. BUSINESS OVERVIEW (CONT'D)

Year	Key Events and Milestones
	<ul style="list-style-type: none"> Launched a mobile application namely SW Connects, a value-added service to the home owners with features including site progress update, reservation of common facilities and monthly financial record keeping, and customer service.
2018	<ul style="list-style-type: none"> Launched our SkyWorld Quality Centre in Setapak, FT Kuala Lumpur to showcase our commitment to QCLASSIC, a quality assessment system in construction introduced by CIDB. The quality centre is designed to educate the general public on the quality of workmanship of a development. This is in line with our management's emphasis and commitment on providing quality property developments to the market. Launched SkyMeridien Residences comprising high-rise serviced apartments in Sentul, FT Kuala Lumpur with a total GDV of RM488.95 million. The development was completed in February 2022 and as at the LPD, we achieved a take-up rate of approximately 93%. Launched SkyAwani III Residences, a high-rise affordable condominium in Setapak, FT Kuala Lumpur with a total GDV of RM572.67 million. The development was completed in April 2022 and as at the LPD, it is 100% sold.
2019	<ul style="list-style-type: none"> Our Subsidiary, SkySierra Development entered into a SPA for the acquisition of 13.61 acres of land in Setiawangsa, FT Kuala Lumpur ("SkySierra Land") from Datuk Bandar at a total consideration of RM176.51 million comprising RM127.00 million for the land acquisition and RM49.51 million for the cost of relocation of the sports complex erected on part of the second parcel of SkySierra Land ("Parcel 2") ("MSN Sports Complex"). The relocation works include construction of a new sports complex at Bandar Baru Nilai ("Nilai Sports Complex") and relocation of MSN's equipment from MSN Sports Complex to Nilai Sports Complex. The relocation of the MSN Sports Complex was completed in June 2020. <p>Please refer to Section 15.5 of this Prospectus for further details on the SPA pertaining to the SkySierra Land.</p> <ul style="list-style-type: none"> Launched our SkyHome Campaign by participating in Maybank Islamic Berhad's HouzKEY programme under the Rent To Own (RTO) scheme. HouzKEY is a programme to facilitate homeownership where the potential home owners can rent a property for up to five years and after the first year, the lessee has the option to purchase the property based on the price fixed at the time the lease agreement was signed. As at the LPD, we sold 157 units of our developments under the HouzKEY 2.0 programme where the SPA for the purchase of the property is signed with Maybank Islamic Berhad. Subsequently, in 2021, we also participated in the HouzKEY 4.0 programme where the SPA for the purchase of the property is signed directly with the individual purchaser. As at the LPD, we sold 198 units of our developments under the HouzKEY 4.0 programme. Launched SkyAwani IV Residences, a high-rise affordable apartment in Setapak, FT Kuala Lumpur with a total GDV of RM534.90 million. This is an on-going development which is expected to be completed by 2023. As at the LPD, we achieved a take-up rate of approximately 99%. Launched SkySierra, an integrated development in Setiawangsa, FT Kuala Lumpur. The SkySierra development comprises 4 phases where Phase 1 of SkySierra development is SkySierra Residences (The Valley), a high-rise residential development with a total GDV of RM759.68 million. This is an on-going development which is expected to be completed by 2023. As at the LPD, we achieved a take-up rate of approximately 94%. The remaining phase 2, 3 and 4 are for our planned developments. <p>Please refer to Section 7.7.2 of this Prospectus for further details on our planned development.</p>

7. BUSINESS OVERVIEW (CONT'D)

Year	Key Events and Milestones
2020	<ul style="list-style-type: none"> Launched SkyAwani V Residences, a high-rise affordable apartment in Sentul, FT Kuala Lumpur with a total GDV of RM188.29 million. This is an on-going development which is expected to be completed by 2024. We achieved a take-up rate of approximately 99% as at the LPD. Launched SkyVogue Residences, a high-rise condominium in Taman Desa, FT Kuala Lumpur with a total GDV of RM278.89 million. This is an on-going development which is expected to be completed by 2025. We achieved a take-up rate of approximately 95% as at the LPD.
2021	<ul style="list-style-type: none"> Launched the SkySanctuary development where the main theme features park and lakeside living with access to a private 2.92-acre landscaped park in Setapak, FT Kuala Lumpur. The SkySanctuary development comprises 5 phases where Phase 1 of SkySanctuary is EdgeWood Residences with a total GDV of RM517.92 million. As at the LPD, the take-up rate was approximately 76%. The development is expected to be completed by 2025. The phases 2, 3 and 4 are for our planned apartment development, while the remaining phase 5 is reserved for future development. <p>Please refer to Section 7.7.2 of this Prospectus for further details on our planned development.</p>
2022	<ul style="list-style-type: none"> As part of our management's intention to improve our customer experience while providing convenience and accessibility to services, we launched an additional module namely Solution Plus (Solution+) to SW Connects in March 2022. This enhanced feature is designed to connect SkyWorld home owners with products and services such as interior design, renovations, furniture, home appliances, telecommunications subscription services, home movers and other services. In April 2022, we launched SkyCraft, an online interactive website designed to obtain preliminary feedback from the market including preferred colour scheme, preferred concept and building design, type of facilities, interior design and landscape design for upcoming developments.
2023	<ul style="list-style-type: none"> In January 2023, we launched Curvo Residences, a high-rise condominium in Setapak, FT Kuala Lumpur with a total GDV of RM526.00 million. this is an on-going development which is expected to be completed by 2026.

7.2 KEY AWARDS, CERTIFICATIONS AND RECOGNITIONS**7.2.1 Key awards and recognitions**

For the Financial Years Under Review and up to the LPD, we have obtained the following awards and recognitions:

Year	Key Awards	Awarding Party
2019	<ul style="list-style-type: none"> Winner of the All Star Award for the Top Ranked Developer of the Year category Winner of the Family Friendly Award for the Best Family Centric Development category for SkyMeridien Residences 	Star Property Awards, Star Property Sdn Bhd
	<ul style="list-style-type: none"> Winner of the BCI Asia Top 10 Developers 2019 in Malaysia 	BCI Asia Awards, BCI Media Group
2020	<ul style="list-style-type: none"> The Wow Award – Most Iconic Development category (Public Building) for SkyArena Sports Complex in 2020 All Star Awards – Best Profit Growth category 	Star Property Awards, Star Property Sdn Bhd

7. BUSINESS OVERVIEW (CONT'D)

Year	Key Awards	Awarding Party
	<ul style="list-style-type: none"> All Star Award – Best Overall Champion category 	
	<ul style="list-style-type: none"> Bronze Winner for the Malaysia's Best Managed and Sustainable Property Award 2020 – below 10 years multi-own strata residential category for Ascenda Residences 	The Edge Communications Sdn Bhd
	<ul style="list-style-type: none"> Ranked 20th in The Edge Top Property Developers Awards 2020 	
	<ul style="list-style-type: none"> Bronze award for the Provisional GreenRE Certification Residential Category for the EdgeWood Residences 	GreenRE Sdn Bhd
2021	<ul style="list-style-type: none"> Excellence in the Distinctive Awards – Best Boutique Development for SkyVogue Residences Excellence in the Landscape Award – Best Landscaped Development (High-rise) for EdgeWood Residences Excellence in the Landscape Award – Best Landscaped Development (High-rise) for the SkySierra Residences (The Valley) Excellence in the Skyline Award – Best High-rise Residential Development for SkySierra Residences (The Valley) Excellence in the Starter Home Award – Best Primary Home Development (High-rise) for SkyAwani V Residences Honours in the Proximity Award – Best Integrated Development for the SkySierra Integrated Development Starproperty All Stars Award 	Star Property Awards, Star Property Sdn Bhd
	<ul style="list-style-type: none"> The Edge Property Excellence Awards 2021 under the Merit in PEPS Value Creation Excellence Award category for the SkyLuxe On The Park Residences Ranked 18th in The Edge Top Property Developers Awards 2021 	The Edge Media Group
	<ul style="list-style-type: none"> Silver winner for Multiple Residential (High-rise) category for SkyLuxe On The Park Residences 	PAM Awards, Malaysian Institute of Architects
	<ul style="list-style-type: none"> BCI Asia Top 10 Developer Award 2021 	BCI Asia Awards, BCI Media Group
2022	<ul style="list-style-type: none"> Recognised as Malaysia's Highest Residential SkyBridge (170.55 m above ground) for SkyAwani III Residences 	Malaysia Book of Records Sdn Bhd
	<ul style="list-style-type: none"> Winner of the BCI Asia Top 10 Developers 2022 in Malaysia 	BCI Asia Awards, BCI Media Group
	<ul style="list-style-type: none"> Winner of Affordable Urban Housing Excellence Award 2022 for the SkyAwani II Residences 	The Edge Media Group
	<ul style="list-style-type: none"> Winner of Excellence in Place Regeneration Award 2022 for the SkyArena Sports Complex 	

7. BUSINESS OVERVIEW (CONT'D)**7.2.2 QCLASSIC, SHASSIC and CONQUAS Awards and Certifications**

Since the commencement of our property development business in 2014, we have obtained the following QCLASSIC awards:

Year	Awards	Awarding Party
2019	• Construction Quality Excellence Award 2019, QCLASSIC Special Appreciation Government Project for the SkyAwani Residences	CIDB
2021	• High QCLASSIC Achievement for the SkyLuxe On The Park Residences	CIDB
2022	• Safety and Health Environment and Quality Day 2022, QCLASSIC excellence award for the MSN Sports Complex	CIDB

Since the commencement of our property development business in 2014, we have obtained the following QCLASSIC, SHASSIC and CONQUAS certification scores:

Year	Developments	Star	Score
Quality Assessment System in Construction (QCLASSIC) ⁽¹⁾			
2017	Ascenda Residence	-	76%
2018	SkyAwani Residences	-	76%
2019	Bennington Residences	-	78%
2020	SkyArena Sports Complex ⁽⁴⁾	-	81%
	SkyAwani II Residences	-	79%
	SkyLuxe On The Park Residences	-	85%
2021	Nilai Sports Complex ⁽⁵⁾	-	81%
2022	SkyMeridien Residences	-	82%
	SkyAwani III Residences	-	79%
Safety and Health Assessment System (SHASSIC) ⁽²⁾			
2018	Bennington Residences	4 stars ⁽²⁾	78%
2019	SkyAwani II Residences	4 stars ⁽²⁾	71%
	SkyLuxe On The Park Residences	3 stars ⁽²⁾	67%
2022	SkySierra Residences (The Valley)	5 stars ⁽³⁾	93%
Construction Quality Assessment System (CONQUAS)			
2020	SkyLuxe On The Park Residences (Architectural works)	-	80.8%

Notes:

- (1) Based on publicly available information from CIDB, the overall average QCLASSIC score for 2017, 2018, 2019, and 2020 was 72%, 73%, 69% and 71% respectively.
- (2) The SHASSIC star rating system is based on the CIS 10:2008 standard which was introduced by CIDB in 2008 where 39% and less = 1 star; 40% to 54% = 2 stars; 55% to 69% = 3 stars; 70% to 84% = 4 stars; 85% to 100% = 5 stars.
- (3) The SHASSIC star rating system is based on the CIS 10:2020 standard which was effective from 4 January 2021 where 49% and less = certificate of participation; 50% to 59.9% = 1 star; 60% to 69.9% = 2 stars; 70% to 79.9% = 3 stars; 80% to 89.9% = 4 stars; 90% to 100% = 5 stars.
- (4) The design and build of the SkyArena Sports Complex pursuant to the Land Swap Agreement.
- (5) This was part of the relocation works for the acquisition of SkySierra Land.

7. BUSINESS OVERVIEW (CONT'D)

7.2.3 Green Building Index Certification

The Green Building Index (GBI) is an environmental rating system for buildings developed by the Malaysia Institute of Architects and the Association of Consulting Engineers Malaysia. The criteria evaluated under the GBI include energy efficiency, indoor environment quality, sustainable site planning and management, materials and resources, water efficiency and innovation.

Since the commencement of our property development business in 2014, our developments that were awarded with GBI Certification are as follows:

Year	Development	Assessment
2016	Bennington Residences	Design assessment ⁽¹⁾
2017	SkyMeridien Residences	Design assessment ⁽¹⁾
2020	Bennington Residences	Completion and verification assessment ⁽²⁾
	SkySierra Residences (The Valley)	Design assessment ⁽¹⁾
2021	SkyLuxe On The Park Residences	Completion and verification assessment ⁽²⁾
2022	SkyVogue Residences	Design assessment ⁽¹⁾

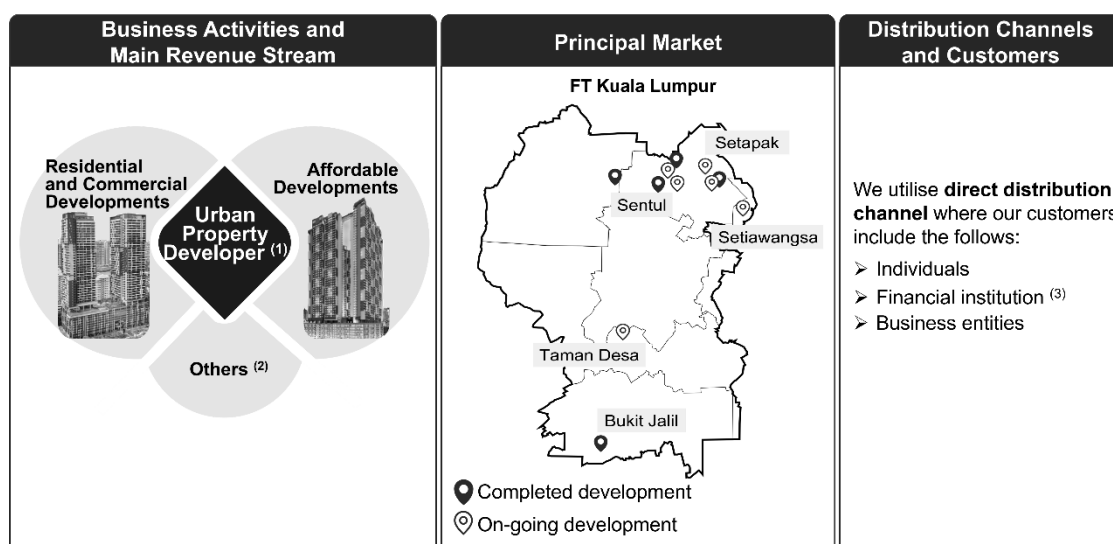
Notes:

- (1) The application for GBI Design Assessment is submitted when all the key criteria of the design are finalised
- (2) The application for GBI Completion and Verification Assessment is submitted within 12 months after the completion of the building or when the building becomes 50.00% occupied.

7.3 PRINCIPAL BUSINESS ACTIVITIES AND PRODUCTS / SERVICES

7.3.1 Our business model

Our business model is as follows:



7. BUSINESS OVERVIEW (CONT'D)**Notes:**

- (1) For the Financial Years Under Review, revenue from property development accounted for 95.52% (RM500.36 million), 99.88% (RM488.20 million) and 99.99% (RM790.37 million) for FYE 2020, FYE 2021 and FYE 2022 respectively.
- (2) Other activities namely management services and construction accounted for 4.49% (RM23.50 million), 0.12% (RM0.60 million) and 0.01% (RM0.07 million) for FYE 2020, FYE 2021 and FYE 2022 respectively.
- (3) Financial institution refers to Maybank Islamic Berhad where the properties were sold under the Rent To Own financing scheme under the HouzKEY 2.0 programme.

Property development

We are an urban property developer focusing on the development of high-rise residential and commercial as well as affordable properties. For the Financial Years Under review, all our property developments are in FT Kuala Lumpur.

Since the commencement of our property development operations in 2014 and up to the LPD, we have completed 7 developments with a total GDV of RM3.05 billion on 23.78 acres of land comprising:

- 2 residential developments (Ascenda Residences and Bennington Residences);
- 2 commercial developments (SkyMeridien Residences and SkyLuxe On The Park Residences); and
- 3 affordable developments (SkyAwani Residences, SkyAwani II Residences and SkyAwani III Residences).

As at 31 January 2023, we have 6 on-going developments with a total GDV of RM2.81 billion on 19.42 acres of land comprising:

- 4 residential developments (SkySierra Residences (The Valley), EdgeWood Residences, SkyVogue Residences and Curvo Residences); and
- 2 affordable developments (SkyAwani IV Residences and SkyAwani V Residences).

For further details of our completed and on-going projects, please refer to Sections 7.4.2 and 7.4.3 of this Prospectus.

The price range of our residential developments are targeted at more than RM300,000 segment while our affordable residential units under our SkyAwani Series are priced at RM300,000. This is to meet the varying needs and requirements of our customers. Our SkyAwani Series are developed under the Residensi Wilayah (formerly known as RUMAWIP) affordable housing scheme introduced by the Government.

For the Financial Years Under Review and up to the LPD, we have completed 5 developments with a total of 4,552 units of residential, commercial and affordable properties, of which approximately 97% of these respective units have been sold as at the LPD. As at the LPD, we have 6 on-going developments with a total of 5,829 units, of which approximately 80% of these respective units have been sold. For further details on the take-up rate of our completed and on-going projects, please refer to Section 7.4.4 of this Prospectus.

7. BUSINESS OVERVIEW (CONT'D)

As a property developer, we are responsible for all aspects of the property development from identification of land for development, assessing the feasibility, design conceptualisation, construction, workmanship quality assurance and up to the sale of the properties. We engage professionals including architects, land surveyors, town planners, engineering consultants as well as quantity surveyors to prepare the necessary plans for submission to the local council. In addition, we engage contractors to carry out the construction of our property development under our direct project management, subject to our development plans, time schedule and compliance to regulatory and safety requirements.

As at 31 January 2023, we have a total landbank of 55.66 acres in FT Kuala Lumpur for our planned developments and future developments. For further information on our business strategies and future plans, please refer to Section 7.7 of this Prospectus.

Others**(i) Management services**

A small proportion of our revenue is derived from management services which we undertake for our own completed developments for a maximum of 2 years. Our responsibilities under management services involves the supervision of third-party property management companies during their course of managing the properties.

(ii) Construction

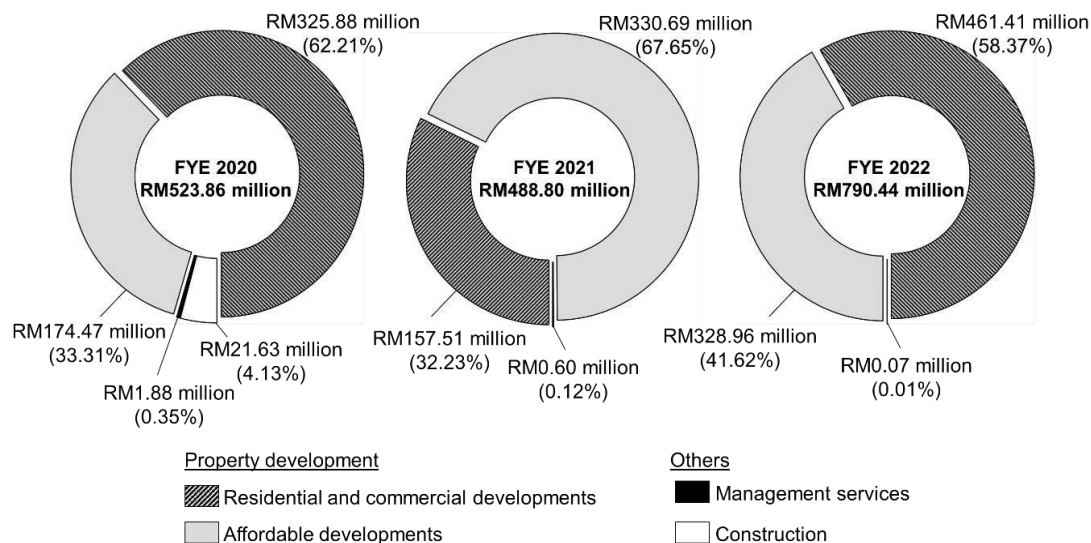
Our Group is not principally involved in the construction business. In FYE 2020, we recorded revenue from the design and build of SkyArena Sports Complex in Setapak pursuant to the Land Swap Agreement.

(iii) E-commerce platform

In March 2022, we launched an additional module, Solution Plus (Solution+) within our SW Connects mobile application. Solution+ is an e-commerce platform which connects SkyWorld home owners with third party product and service providers such as interior design, renovations, furniture, home appliances, telecommunications subscription services, home movers and other services. The Solution+ platform is designed with payment gateway where SkyWorld home owners can purchase products and services and make payment on the Solution+ platform. Upon the delivery or fulfilment of the order, we are entitled to a commission at a pre-determined rate of the value of products and services transacted while the remaining transacted amount will be released to the third party product and service providers. The commission rate varies among the providers within the same category of products and services. The product and service providers are required to be registered with us on the Solution+ platform as a seller where they will submit the necessary documents such as business licence before listing their products and services on the platform. We do not offer any warranties for the products and services that are transacted on the Solution+ platform. However, there may be warranties provided by the product and service provider to the customer. Following the launch of Solution+ in March 2022, our revenue generated from the platform was RM0.41 million up to the LPD and there was no revenue generated from the e-commerce platform for the Financial Years Under Review.

7. BUSINESS OVERVIEW (CONT'D)**Revenue segmentation**

For the Financial Years Under Review, our revenue segmentation by business activities and segments are as follows:

**Note:**

- (1) In FYE 2020, our Group has recognised construction revenue amounting to RM21.63 million pursuant to the Land Swap Agreement. The transaction falls within the scope of MFRS 15 Revenue from contracts with customers and the recognition of revenue as construction revenue in the consolidated financial statements of our Group are appropriate.

For the Financial Years Under Review, our revenue from property development including residential, commercial and affordable development accounted for 95.52% (RM500.36 million), 99.88% (RM488.20 million) and 99.99% (RM790.37 million) of our total revenue for FYE 2020, FYE 2021 and FYE 2022 respectively.

Within the property development segment, residential and commercial developments accounted for 62.21% (RM325.88 million), 32.23% (RM157.51 million) and 58.37% (RM461.41 million) of our total revenue for FYE 2020, FYE 2021 and FYE 2022 respectively. Meanwhile affordable developments accounted for 33.31% (RM174.47 million), 67.65% (RM330.69 million) and 41.62% (RM328.96 million) of our total revenue for FYE 2020, FYE 2021 and FYE 2022 respectively.

The remainder of our revenue was contributed by others comprising management services and construction services. Management services accounted for 0.35% (RM1.88 million), 0.12% (RM0.60 million) and 0.01% (RM0.07 million) of our total revenue for FYE 2020, FYE 2021 and FYE 2022 respectively. In FYE 2020, there was construction revenue which accounted for 4.13% (RM21.63 million) of our total revenue for FYE 2020 following the completion of the physical construction of SkyArena Sports Complex pursuant to the Land Swap Agreement. The CCC of SkyArena Sports Complex was subsequently obtained in December 2021.

Principal market

Our principal market is Malaysia and all of our property developments since the commencement of our property development business up to the LPD are in FT Kuala Lumpur.

7. BUSINESS OVERVIEW (CONT'D)

Distribution channel and customer base

We utilise a direct distribution channel where we sell our properties directly to the customers who are mainly individuals, financial institution and business entities. For the Financial Years Under Review, our customers can be broadly categorised as follows:

- (i) individuals: Our customers are mainly individuals who purchase the property as their place of residence or as an investment mainly to obtain rental income and / or capital gains appreciation.
- (ii) financial institution: Our customers also include financial institutions namely Maybank Islamic Berhad under the Rent-To-Own (RTO) financing scheme for the HouzKEY 2.0 programme.
- (iii) business entities: A small proportion of our revenue were from business entities mainly for the purchase of commercial properties from our mixed developments.

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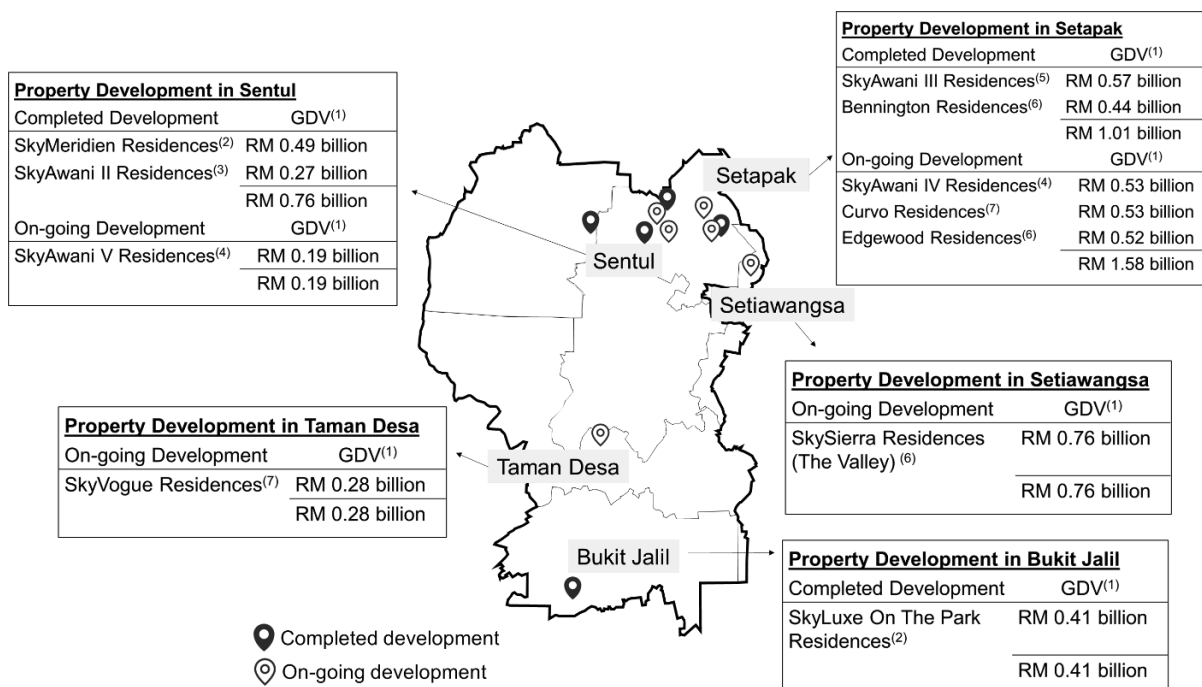
7. BUSINESS OVERVIEW (CONT'D)

7.4 PRINCIPAL BUSINESS SEGMENTS AND MARKETS

7.4.1 Property development

Overview

For the Financial Years Under Review and up to the LPD, our completed and on-going developments by location within FT Kuala Lumpur are depicted as follows:



Notes:

- (1) GDV refers to the estimated sales value of the properties within a development project. GDV comprises total value of units sold based on SPA price and total value of unsold units based on listing price.
- (2) The type of development is serviced apartment.
- (3) The type of development is mixed development under our SkyAwani series of affordable homes.
- (4) The type of development is apartment under our SkyAwani series of affordable homes.
- (5) The type of development is condominium under our SkyAwani series of affordable homes.
- (6) The type of development is apartment.
- (7) The type of development is condominium.

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7. BUSINESS OVERVIEW (CONT'D)

For the Financial Years Under Review, our revenue for property development by type of properties is as below:

	FYE 2020		FYE 2021		FYE 2022	
	RM'000	(1) %	RM'000	(1) %	RM'000	(1) %
Residential and commercial developments						
Residential developments	118,308	22.59	82,265	16.84	241,394	30.54
<i>Apartment</i>	118,308	22.59	78,224	16.01	214,543	27.14
<i>Condominium</i>	-	-	4,041	0.83	26,851	3.40
Commercial developments	207,575	39.62	75,247	15.39	220,018	27.83
<i>Serviced apartment</i>	207,575	39.62	75,247	15.39	220,018	27.83
Total	325,883	62.21	157,512	32.23	461,412	58.37
Affordable developments						
Residential developments	103,278	19.72	329,532	67.42	304,122	38.48
<i>Apartment</i>	10,760	2.06	111,795	22.87	154,338	19.53
<i>Condominium</i>	92,518	17.66	217,737	44.55	149,784	18.95
Commercial developments	71,196	13.59	1,156	0.23	24,835	3.14
<i>Mixed development</i>	71,196	13.59	1,156	0.23	24,835	3.14
Total	174,474	33.31	330,688	67.65	328,957	41.62
Property development revenue	500,357	95.52	488,200	99.88	790,369	99.99

Note:

(1) In proportion to our Group's revenue.

7. BUSINESS OVERVIEW (CONT'D)

Residential developments – Apartment

(i) Bennington Residences



Bennington Residences is a rainforest themed development comprising 2 blocks of 39-storey apartments with a total of 580 units and related facilities in Setapak, FT Kuala Lumpur. The development's main features include Triplex Sky Lounge and Sky Gym, SkyPark and Gardens, infinity pool and other facilities. Bennington Residences was launched in January 2016 and completed in June 2019.

(ii) SkySierra Residences (The Valley)



SkySierra Residences (The Valley), consist of Phase 1 of our on-going SkySierra development in Setiawangsa, FT Kuala Lumpur. SkySierra Residences (The Valley) comprises 3 blocks (1 block of 45-storey apartments, 1 block of 50-storey apartments and 1 block of 56-storey apartments) with a total of 1,309 units and related facilities. The development features a variety of facilities including, among others, lounges, gardens, swimming pools, gym, kindergarten, function hall and rock climbing facility. SkySierra Residences (The Valley) was launched in December 2019 and is expected to be completed by June 2023.

Note: As the development is still on-going, the above artist impression is for indicative purposes only and may be subject to changes.

7. BUSINESS OVERVIEW (CONT'D)

(iii) EdgeWood Residences



Note: As the development is still on-going, the above artist impression is for indicative purposes only and may be subject to changes.

EdgeWood Residences comprises 2 blocks of 42-storey apartments with a total of 960 units and related facilities in Setapak, FT Kuala Lumpur. The development is GreenRE certified by REHDA with direct access to a 2.92-acre private park. The facilities featured in this development include among others, mini cinema, function pavilions, playgrounds, swimming pools, garden lobby lounge and gym. The development is equipped with automated waste management system. EdgeWood Residences was launched in April 2021 and is expected to be completed by June 2025.

(iv) SkyAwani IV Residences



Note: As the development is still on-going, the above artist impression is for indicative purposes only and may be subject to changes.

SkyAwani IV Residences is part of our SkyAwani Series of affordable homes which comprises 2 blocks of 55-storey apartments with a total of 1,782 units and related facilities in Setapak, FT Kuala Lumpur. The facilities in this development include direct access to a 1-acre park, various gardens and lounges, swimming pools, jogging path, multi-purpose hall and other facilities. SkyAwani IV Residences was launched in September 2019 and is expected to be completed by December 2023.

7. BUSINESS OVERVIEW (CONT'D)

(v) SkyAwani V Residences



Note: As the development is still on-going, the above artist impression is for indicative purposes only and may be subject to changes.

SkyAwani V Residences is part of our SkyAwani Series of affordable homes which comprises 1 block of 38-storey apartments with a total of 615 units and related facilities in Sentul, FT Kuala Lumpur. The facilities featured in this development include, among others, a tree house, multi-purpose court, outdoor terrace lawn seating, infinity pool, lounge garden as well as indoor and outdoor gym. SkyAwani V Residences was launched in August 2020 and is expected to be completed by September 2024.

7. BUSINESS OVERVIEW (CONT'D)

Residential developments – Condominiums

(i) SkyAwani III Residences



SkyAwani III Residences is part of our SkyAwani Series of affordable homes which comprises 3 blocks of 52-storey condominium with a total of 1,905 units and related facilities in Setapak, FT Kuala Lumpur. The development's main features include, among others, swimming pools, lounge, playground, basketball court and garden. It is also equipped with a SkyBridge at level 52 which is recognised as Malaysia's Highest Residential SkyBridge by the Malaysia Book of Records in 2022. SkyBridge connects 3 blocks of condominium with a viewing deck and jogging path that offers a panoramic view of the Kuala Lumpur city. SkyAwani III Residences was launched in February 2018 and completed in April 2022.

7. BUSINESS OVERVIEW (CONT'D)

(ii) SkyVogue Residences



Note: As the development is still on-going, the above artist impression is for indicative purposes only and may be subject to changes.

SkyVogue Residences comprises 1 block of 44-storey condominium with a total of 333 units and related facilities in Taman Danau Desa, FT Kuala Lumpur. The development features a seamless mobile access system, automated waste management system, destination control elevator system and digital locks. The development also complies to the GBI standard introduced by the Malaysian Institute of Architects. The facilities featured in this development include, among others, infinity pool, garden gazebo, family pavilion, gym, herb garden and other facilities. SkyVogue Residences was launched in September 2020 and is expected to be completed by March 2025.

(iii) Curvo Residences



Note: As the development is still on-going, the above artist impression is for indicative purposes only and may be subject to changes.

Curvo Residences comprises 2 blocks (1 block of 45-storey condominium, 1 block of 31-storey condominium) with a total of 830 units and related facilities in Setapak, FT Kuala Lumpur. The facilities featured in this development include among others, playgrounds, swimming pools, garden, yoga lawn, and gym. Curvo Residences was launched in January 2023 and is expected to be completed by August 2026.

7. BUSINESS OVERVIEW (CONT'D)

Commercial developments – Serviced apartment**(i) SkyLuxe On The Park Residences**

SkyLuxe On The Park Residences comprises 2 blocks of 44-storey serviced apartments with a total of 477 units and related facilities in Bukit Jalil, FT Kuala Lumpur. The development is located in the Bukit Jalil Recreational Park and has facilities including, among others, a maze garden, swimming pool, games room, library, sauna / steam room and gym. SkyLuxe On The Park Residences was launched in September 2016 and completed in February 2020.

(ii) SkyMeridien Residences

SkyMeridien Residences comprises 2 blocks of service apartments (1 block of 39-storey and 1 block of 40-storey) with a total of 780 units and related facilities in Sentul, FT Kuala Lumpur. SkyMeridien Residences is located 300 metres from the light rail transit (LRT) in Sentul Timur. The facilities featured in this development include, among others, childcare centre, cycling track, basketball court, futsal court, rock climbing facilities, gyms including indoor, outdoor and hydro gym, an Olympic size swimming pool and gardens. SkyMeridien Residences was launched in February 2018 and completed in February 2022.

7. BUSINESS OVERVIEW (CONT'D)

Commercial developments – Mixed developments

(i) SkyAwani II Residences



SkyAwani II Residences is part of our SkyAwani Series of affordable homes. SkyAwani II Residences is a mixed development which comprises 2 blocks of condominium (1 block of 39-storey and 1 block of 44-storey) with a total of 708 units of condominium, 82 office units and 20 shop units. The development is located in Sentul, FT Kuala Lumpur. The development features facilities including, among others, swimming pools, gardens, playground, games room, gym, lounge and multi-purpose hall. The development was launched in March 2017 and completed in February 2020.

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7. BUSINESS OVERVIEW (CONT'D)

7.4.2 Our completed developments

Since the commencement of our property development operations in 2014 and up to the LPD, our completed property developments are as follows:

Development name and location	Land size (acre) / land title	Type of property	Unit price range (RM'000)	No. of units developed	No. of units sold as at LPD	Take-up rate as at LPD (%)	⁽¹⁾ GDV (RM'000)	⁽²⁾ Commencement date	⁽³⁾ Completion date
Residential and commercial development									
Ascenda Residences / Setapak	3.41 acre / leasehold	Apartment	529 - 790	650	⁽⁴⁾ 650	100	398,850	October 2014	September 2017
SkyMeridien Residences / Sentul	2.94 / leasehold	Serviced apartment	388 - 1,009	780	⁽⁵⁾ 726	⁽¹²⁾ 93	⁽⁵⁾ 488,952	February 2018	February 2022
SkyLuxe On The Park Residences / Bukit Jalil	1.86 / freehold	Serviced apartment	589 - 1,751	477	⁽⁶⁾ 477	100	⁽⁶⁾ 409,667	September 2016	February 2020
Bennington Residences / Setapak	2.69 / leasehold	Apartment	613 - 1,052	580	⁽⁷⁾ 559	⁽¹²⁾ 96	⁽⁷⁾ 444,239	January 2016	June 2019
Affordable development									
SkyAwani Residences / Sentul	5.53 / leasehold	Mixed-development	Residential units: 300 Commercial units: 689 - 2,906	⁽⁸⁾ 1,286	⁽⁹⁾ 1,286	100	⁽⁹⁾ 472,262	October 2015	June 2018
SkyAwani Residences II / Sentul	2.77 / leasehold	Mixed-development	Residential units: 300 Commercial units: 200 - 1,547	⁽¹⁰⁾ 810	⁽¹¹⁾ 753	⁽¹²⁾ ⁽¹³⁾ 93	⁽¹¹⁾ 265,152	March 2017	February 2020

7. BUSINESS OVERVIEW (CONT'D)

Development name and location	Land size (acre) / land title	Type of property	Unit price range (RM'000)	No. of units developed	No. of units sold as at LPD	Take-up rate as at LPD (%)	(1) GDV (RM'000)	(2) Commencement date	(3) Completion date
SkyAwani Residences / Setapak	III / leasehold	Condominiums	300	1,905	1,905	100	572,665	February 2018	April 2022

Notes:

- (1) GDV refers to the estimated sales value of the properties within a development project. GDV comprises total value of units sold based on SPA price and total value of unsold units based on listing price.
- (2) Commencement date based on the date of the first APDL of the development.
- (3) Completion date based on the issuance date of CCC of the development which indicate the completion of construction works for the development. The date of CCC is not stipulated in the SPA. The date stipulated in the SPA is the vacant possession date which typically ranges between 36 months and 48 months from
- (4) Including 1 unit with a GDV of RM0.53 million as contra payment for the acquisition of the land in Setapak, Kuala Lumpur ("**SkySanctuary Land**"). This is based on the payment term agreed with the landowners for the said acquisition. It also took into consideration our cashflow management whereby the land acquisition is settled via cash payment and contra payment i.e. units of our existing developments, thus our Group is able to manage the immediate cash outlay required during the initial stages of developing SkySanctuary Land. Overall, the total consideration for the acquisition of SkySanctuary Land was RM161.38 million, of which RM105.98 million was settled by cash while the remaining RM55.40 million was settled via contra payments.
- (5) Including 1 unit with a GDV of RM0.57 million as contra payment for the acquisition of SkySanctuary Land. Please refer to Note (4) above for further details.
- (6) Including 1 unit with a GDV of RM0.62 million as contra payment for the acquisition of land in Sentul, FT Kuala Lumpur ("**SkyAwani 5 Land**"). This is based on the payment term agreed between SkyAwani 5 Development and Nik Hussain Holdings Sdn Bhd. It also takes into consideration the cashflow management whereby the land acquisition is settled via cash payment and contra payment i.e. units of our existing developments, thus our Group is able to manage the immediate cash outlay required during the initial stages of developing SkyAwani 5 Land. Overall, the total consideration for the acquisition of SkyAwani 5 Land was RM29.00 million, of which RM20.30 million was settled by cash while the remaining RM8.70 million was settled via contra payments. Further details of the sale and purchase agreement are set out in Section 15.5 of this Prospectus.
- (7) Including 8 units of contra sales and 87 units of payment in kind comprising:
- 8 units with a total GDV of RM6.67 million attributed to the contra payment against the outstanding payables to Zalam Corporation Sdn Bhd pursuant to the tripartite settlement agreement in FYE 2021. The contra payment takes into consideration our Group's cashflow management. Overall, the total settlement sum for the tripartite settlement agreement was RM13.56 million, of which RM6.89 million was settled by cash while the remaining RM6.67 million was settled via contra payment. Further details of the tripartite settlement agreement are set out in Section 15.5 of this Prospectus.
 - 77 units with a total GDV of RM51.58 million attributed to payment in kind to 77 landowners for the acquisition of SkySanctuary Land pursuant to the JDA agreement in 2016. Please refer to Note (4) above for further details.
 - 10 units with a total GDV of RM8.10 million attributed to payment in kind to the landowner as part settlement for the acquisition of SkyAwani 5 Land. Please refer to Note (6) above for further details.
- (8) SkyAwani Residences development include 1,226 apartment units, 32 office units and 28 shop units.
- (9) Including 1 unit with a GDV of RM0.80 million as contra payment for the acquisition of SkySanctuary Land. Please refer to Note (4) above for further details.

7. BUSINESS OVERVIEW (CONT'D)

- (10) *SkyAwani II Residences development include 708 condominium units, 82 office units and 20 shop units.*
- (11) *Including 1 unit with a total GDV of RM0.30 million as contra payment for the acquisition of SkySanctuary Land. Please refer to Note (4) above for further details.*
- (12) *Unsold units are recorded as “inventories – completed properties” in the consolidated statement of financial position. Subsequent sales of unsold units will be recognised at a point in time where the control of the properties has been passed to the buyers. Please refer to the basis of accounting in page 21 and page 29 of the Reporting Accountants’ Report.*
- (13) *The unsold commercial units of SkyAwani II Residences are lease out to external entities to collect rental income. Generally, the rental agreement of the commercial units are renewable on a yearly basis. Meanwhile, our Group continue to carry out marketing and sales of the remaining unsold units where once the units is sold, the tenancy agreement will be novated to the purchaser. The rental income received by our Group will be recognised under “other operating income” in the financial statement.*

7. BUSINESS OVERVIEW (CONT'D)

7.4.3 Our on-going developments

For the Financial Years Under Review and up to the LPD, our on-going property developments are as follows:

Development name and location	Land size (acre) / land title	Type of property	Unit price range (RM'000)	No. of units developed	No. of units sold as at LPD	Take-up rate as at LPD (%)	⁽¹⁾ GDV (RM'000)	⁽²⁾ Commencement date	⁽³⁾ Expected Completion date	Percentage of completion as at LPD
Residential and Commercial development										
SkySierra Residences (The Valley) / Setiawangsa	4.66 / leasehold	Apartments	393 - 817	1,309	⁽⁴⁾ 1,224	94	⁽⁴⁾ 759,680	December 2019	June 2023	67.95%
EdgeWood Residences / Setapak	3.79 / leasehold	Apartments	447 - 726	960	732	76	517,922	April 2021	June 2025	22.81%
SkyVogue Residences / Taman Desa	1.34 / leasehold	Condominiums	656 - 1,747	333	317	95	278,888	September 2020	March 2025	22.57%
Curvo Residences / Setapak	4.44 / leasehold	Condominiums	564 - 1,046	830	-	-	526,000	January 2023	August 2026	-
Affordable development										
SkyAwani IV Residences / Setapak	3.15 / leasehold	Apartments	300	1,782	1,781	99	534,900	September 2019	December 2023	66.99%
SkyAwani V Residences / Sentul	2.04 / leasehold	Apartments	300	615	611	99	188,288	August 2020	September 2024	39.05%

7. BUSINESS OVERVIEW (CONT'D)

Notes:

- (1) *GDV refers to the estimated sales value of the properties within a development project. GDV comprises total value of units sold based on SPA price and total value of unsold units based on listing price.*
- (2) *Commencement date based on the date of the first APDL of the development.*
- (3) *Expected completion date based on planning which takes into consideration the expected CCC date (based on construction work progress and period to obtain approvals to be obtained from authorities), current sales status as well as marketing period.*
- (4) *Including 3 units with a total GDV of RM1.62 million as contra payment for the acquisition of SkySanctuary Land. Please refer to Section 7.4.2, Note (4) of this Prospectus for further details.*

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7. BUSINESS OVERVIEW (CONT'D)

7.4.4 Summary of take-up rate for our completed and on-going developments

For the Financial Years Under Review and up to the LPD, our total completed and on-going developments, number of units sold and percentage of take-up rate are set out below:

Types of property	Completed developments			On-going developments		
	Units developed	Units sold up to the LPD	Percentage of properties units sold up to the LPD	Units to be developed	Units sold up to the LPD	Percentage of properties units sold up to the LPD
Property development	4,552	4,420	97%	5,829	4,665	80%
Residential and Commercial development	1,837	1,762	96%	3,432	2,273	66%
Residential	580	559	96%	3,432	2,273	66%
<i>Apartment</i>	580	⁽²⁾ 559	96%	3,099	1,956	63%
<i>Condominium</i>	-	-	-	333	317	95%
Commercial	1,257	1,203	96%	-	-	-
<i>Serviced apartment</i>	1,257	1,203	96%	-	-	-
Affordable development	2,715	2,658	98%	2,397	2,392	99%
Residential	1,905	1,905	100%	2,397	2,392	99%
<i>Apartment</i>	-	-	-	2,397	2,392	99%
<i>Condominium</i>	1,905	1,905	100%	-	-	-
Commercial	810	753	93%	-	-	-
<i>Mixed development ⁽¹⁾</i>	810	753	93%	-	-	-

Notes:

(1) Including condominiums, shops and offices.

(2) Including 8 units of contra sales and 87 units of payment in kind comprising:

- 8 units with a total GDV of RM6.67 million attributed to the contra payment against the outstanding payables to Zalam Corporation Sdn Bhd pursuant to the tripartite settlement agreement in FYE 2021. Please refer to Section 7.4.2, Note (7) of this Prospectus for further details. Further details of the tripartite settlement agreement are set out in Section 15.5 of this Prospectus.
- 77 units with a total GDV of RM51.58 million attributed to payment in kind to 77 landowners for the acquisition of SkySanctuary Land pursuant to the JDA agreement in 2016. Please refer to Section 7.4.2, Note (4) of this Prospectus for further details.
- 10 units with a total GDV of RM 8.10 million attributed to payment in kind to the landowner as part settlement for the acquisition of SkyAwani 5 Land. Please refer to Section 7.4.2, Note (6) of this Prospectus for further details.

7. BUSINESS OVERVIEW (CONT'D)

For the Financial Years Under Review and up to the LPD, we have completed 5 developments with a total of 4,552 units of residential, commercial and affordable properties, of which approximately 97% of these respective units have been sold as at the LPD. The details are as follows:

- (i) within residential and commercial development segment, we have completed 3 developments with a total of 1,837 units, of which approximately 96% of these respective units have been sold as at the LPD; and
- (ii) within affordable development segment, we have completed 2 developments with a total of 2,715 units, of which approximately 98% of these respective units have been sold as at the LPD.

As at the LPD, we have 6 on-going developments with a total of 5,829 units, of which approximately 80% of these respective units have been sold. The details are as follows:

- (i) within residential and commercial development segment, we have 4 on-going developments with a total of 3,432 units, of which approximately 66% of these respective units have been sold as at the LPD; and
- (ii) within affordable development segment, we have 2 on-going developments with a total of 2,397 units, of which approximately 99% of these respective units have been sold as at the LPD.

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7. BUSINESS OVERVIEW (CONT'D)

7.5 MODES OF OPERATIONS

7.5.1 Land acquisition for property development

Our land bank is mainly acquired either through outright purchase from land owners or through land exchange arrangement with the local government. This is generally based on the following approaches:

- (i) we acquire land directly from land owners at an agreed price.
- (ii) we acquire land through a land exchange arrangement. Under the land exchange arrangement, we may construct government facilities using our own financial resources in exchange for the agreed land. Some of our obligations under the land exchange arrangement includes design guarantee bond, maintenance bond, performance bond and defect liability period.

7.5.2 Progress billing of our developments

For the sales of property development in progress, the collection is based on progress billings where we typically bill our customers based on phases as set out below:

(i) Signing of SPA

Upon the signing of the SPA, we will collect 10.00% of the total property price from the customer.

(ii) Construction completion phase

During the construction phase, our billings to the customer are based on the completion of the various construction stages of the property.

The construction stages include the following:

- substructure works including piling and foundation works;
- structural works including reinforced concrete framework and floor slabs;
- erection of walls and installation of door and window frames;
- ceiling works, mechanical and electrical works including electrical wiring, plumbing, telephone trunking and cabling installation works;
- internal and external plastering works;
- sewerage works;
- drainage works; and
- construction of access roads.

A certificate of the stage completion will be issued by the architect which will allow us to bill the customer between 2.50% and 15.00% of the purchase price upon the completion of each of the construction stages. Upon the completion of the various construction stages, our billings to customer will collectively amount to 75.00% of the purchase price of the property.

(iii) Vacant possession

We will bill the customer the remaining 25.00% of the property's purchase price upon delivery of the vacant possession to the customer.

Generally, our customers will use the loan that is secured from the financial institution to finance the purchase of the property. As such, the collections are typically collected from the financial institution based on progress billing issued to customers.

7. BUSINESS OVERVIEW (CONT'D)

For the sales of completed properties, we will collect 10.00% of the total property price from the customer upon the signing of SPA. Similarly, our customers will typically use the loan that is secured from the financial institution to finance the purchase of the property. As such, the remaining outstanding amount will be collected from the financial institution within the period stipulated in the SPA. Upon the completion of settlement, the completed property will be handed over to the customer.

(iv) SPA arrangement

The sales of our properties are based on SPAs where some of the terms stipulated in the agreement are as follows:

(a) LAD for vacant possession

Our Group will be liable for LAD claims in the event of any delays in the delivery of vacant possession of the said property based on the agreed schedule stipulated in the SPA. The purchaser may claim LAD for each day of the delay based on a predetermined rate of 10% per annum of the purchase price of the property.

Depending on the property development, the delivery of vacant possession of our property development typically ranges between 36 months and 48 months from the date of SPA.

For the Financial Years Under Review and up to the LPD, there were no material LAD payments to our customers for delay in the delivery of vacant possession.

(b) LAD for common facilities

Our Group will be liable for any LAD claims in the event of any delays in the completion of common facilities stipulated in the agreement. The purchaser may claim LAD for each day of the delay based on a predetermined rate of 10% per annum of the last 20% of the purchase price.

Depending on the property development, the agreed completion of common facilities of our property development typically ranges between 36 months and 48 months from the date of SPA.

For the Financial Years Under Review and up to the LPD, there were no LAD payments to our customers for the delay in completion of the common facilities.

(c) Defect liability period (DLP)

Our Group is responsible for the rectification of defects during the DLP, which ranges between 12 months and 24 months from the date of vacant possession depending on the property development as follows:

- for the developments in progress, the DLP is 24 months from the date of vacant possession as stipulated in the SPA agreement; and
- for completed properties, the DLP is 24 months from the completion date of development based on the CCC.

We have a back-to-back arrangement with the contractors where the rectification works will be carried out by the respective contractors under our supervision, control and management. The cost of these rectification works will be borne by the contractors.

7. BUSINESS OVERVIEW (CONT'D)

For the Financial Years Under Review and up to the LPD, we have not experienced any DLP claims by customers for our property developments.

7.6 OUR COMPETITIVE STRENGTHS

Our competitive strengths are important in sustaining our business and providing our Group with future growth opportunities.

7.6.1 We have a proven track record in property development supported by the completion of 7 developments in FT Kuala Lumpur

Since the commencement of our business in 2014, we have a proven track record of 8 years in property development and this is supported by the completion of 7 property developments including residential, commercial and affordable properties with a total GDV of RM3.05 billion.

The developments that we have completed include Ascenda Residences, SkyMeridien Residences, SkyLuxe On The Park Residences, Bennington Residences, SkyAwani Residences, SkyAwani II Residences, SkyAwani III Residences. Out of the 7 property developments, 4 have been fully sold and these are Ascenda Residences, SkyLuxe On The Park Residences, SkyAwani Residences and SkyAwani III Residences. The take-up rate of our remaining completed developments namely SkyMeridien Residences, Bennington Residences and SkyAwani II Residences were approximately 93%, 96% and 93% sold as at the LPD.

In addition, we have 6 on-going property developments with a total GDV of RM2.81 billion and these include SkySierra Residences (The Valley), EdgeWood Residences, SkyVogue Residence, SkyAwani IV Residences and SkyAwani V Residences which are expected to be progressively completed between 2023 and 2026. As at the LPD, the take-up rate of SkySierra Residences (The Valley), EdgeWood Residences, SkyVogue Residences, SkyAwani IV Residences, SkyAwani V Residences and Curvo Residences were approximately 94%, 76%, 95%, 99%, 99% and 0% respectively. For further details of the take-up of our completed and on-going developments, please refer to Sections 7.4.2 and 7.4.3 of this Prospectus.

The take-up rate which refers to the proportion of the number of units sold out of the total number of units for sale of our completed developments demonstrates the market acceptance of our property developments. More importantly, it indicates that our property developments are able to meet the needs and requirements of our customers. As at the LPD, our completed developments have a collective take-up rate of 97% and we have a total sold and unbilled GDV of RM1.01 billion which will be recognised progressively between FYE 2023 and FYE 2026. Further details on the take-up rate of our developments are set out in Section 7.4.4 of this Prospectus. Our focus as a property developer includes high-rise residential and commercial properties that appeal to various market segments comprising affordable properties priced at RM300,000 each, as well as market segments ranging from more than RM300,000 up to RM1.05 million for each residential unit and from RM200,000 up to RM2.91 million for each commercial unit in FT Kuala Lumpur.

7.6.2 We place emphasis on the quality of our property developments and this is supported by our quality certifications from CIDB

As a property developer, we place significant emphasis and commitment on the quality of our property development and this is demonstrated by the quality certifications from CIDB.

The quality of our property development was assessed using QLASSIC, a system introduced by CIDB to measure and evaluate the quality of workmanship of building construction work based on the Construction Industry Standard. QLASSIC serves as a benchmark for the quality of construction against industry standards based on a scoring system.

7. BUSINESS OVERVIEW (CONT'D)

Since the commencement of our property development operations in 2014 and up to the LPD, all of our completed property developments were assessed by the CIDB based on the QLASSIC system. We achieved QLASSIC scores ranging between 76% and 85% for 7 of our property developments and 2 sports complexes as set out below:

- Ascenda Residences (76%);
- SkyAwani Residences (76%);
- Bennington Residences (78%);
- SkyAwani II Residences (79%);
- SkyAwani III Residences (79%)
- Nilai Sports Complex (81%);
- SkyArena Sports Complex (81%);
- SkyMeridien Residences (82%) and
- SkyLuxe On The Park Residences (85%).

Our QLASSIC scores exceeded the overall average scores for the industry which ranges between 69%* and 73%* between 2017 and 2020 (Source: *CIDB, being the latest available information). Out of the 9 QLASSIC scores, 4 of these scores exceeded 80%. We also received awards from CIDB for QLASSIC Special Appreciation Government Project for SkyAwani Residences in 2019 and High QLASSIC achievement for SkyLuxe On The Park Residences in 2021.

In addition to QLASSIC, we have obtained numerous awards for our developments for the Financial Years Under Review. For further information on our awards and recognitions, please refer to Section 7.2 of this Prospectus.

In 2018, we launched SkyWorld Quality Centre in Setapak, FT Kuala Lumpur which comprises a training centre, a mini auditorium and comprehensive show units to educate and train our personnel, contractors, consultants as well as the public on the assessment of workmanship quality using QLASSIC assessment system as the industry standard.

Our achievements and recognitions in quality further reinforces the importance we place on the workmanship of our developments to our existing and potential customers.

7.6.3 We have on-going and future planned property developments at strategic locations

As an urban property developer, our on-going and planned developments are strategically located within FT Kuala Lumpur. As at the LPD, we have on-going property developments in Taman Desa (SkyVogue Residences), Setiawangsa (SkySierra Residences (The Valley)), Setapak (EdgeWood Residences, SkyAwani IV Residences and Curvo Residences) and Sentul (SkyAwani V Residences). Some of the key parameters in our selection of potential developments include the following:

- (i) located within a developed township with access to among others, educational, healthcare, commercial, retail and leisure facilities;
- (ii) access to major highways and should be within 5km to 8km to the KL city centre; and
- (iii) access to public transportation facilities such as LRT and MRT.

The strategic locations of our properties are one of the components in facilitating the take-up rate of our developments.

7.6.4 As at 31 January 2023, we have a sizeable land bank of 55.66 acres to sustain our property development business

Since commencement and up to 31 January 2023, we have developed 43.20 acres of land (comprising land used for completed and on-going developments). As at 31 January 2023, we

7. BUSINESS OVERVIEW (CONT'D)

have a total land bank of approximately 55.66 acres in various locations including Setapak, Setiawangsa, Bukit Jalil, Taman Desa and Cheras which are reserved for future developments. All of which are our own land bank.

As at the LPD, our land bank which is segmented by location is set out in the table below:

Location	Land size (acre)	Land type	Intended developments
Setapak	⁽¹⁾ 37.05	Commercial and residential	⁽³⁾ SkyArena Parcel 5, ⁽³⁾ SkySanctuary 2, ⁽³⁾ SkySanctuary 3, ⁽³⁾ SkyRia Residences, ⁽³⁾ SkySanctuary 4 and future developments
Setiawangsa	8.01	Commercial and residential	⁽³⁾ Vesta Residences, ⁽³⁾ SkySierra Commercial P3 and ⁽³⁾ SkySierra (Office)
Bukit Jalil	2.74	Residential	Future developments
Taman Desa	3.00	Agriculture ⁽²⁾ and Residential	Future developments
Cheras	4.86	Residential	⁽³⁾ SkyAmanyi, and ⁽³⁾ SkyAmaner
Total	55.66		

Notes:

- (1) Including 8.42 acres acquired through the Land Swap Agreement.
- (2) We will submit application to the local authority for the conversion of land type from agriculture land to residential land for future development.
- (3) The proposed new developments that have obtained approved development orders.

The available land bank will be utilised for planned development as well as future developments which will continue to provide business and growth opportunities for our Group. Out of the 55.66 acres of land, we have allocated approximately 37.17 acres of land for our planned developments and the remaining 18.49 acres are reserved for our future developments. We expect the approved planned developments on our existing land bank will provide us with property development opportunities up until 2026. For further details on our planned developments, please refer to Section 7.7.2 of this Prospectus.

7.6.5 We have experienced executive officers and key senior management to lead and manage the business operations

We have experienced executive officers and key senior management to manage our business operations led by our founder and Non-Independent Executive Chairman, Datuk Seri Ng who brings with him 8 years of experience in property development. As the founder, Datuk Seri Ng has contributed significantly to the growth and development where he is responsible for the formulation of business strategies as well as the setting of the business directions of our Group. He is supported by our Non-Independent Executive Director, Datuk Lam who is responsible for implementing business strategies and directing business development of our Group and our Non-Independent Executive Director and Chief Executive Officer, Lee Chee Seng who is responsible for overseeing and managing the day-to-day operations of the business.

Our executive officers are supported by our key senior management team which consists of the following:

7. BUSINESS OVERVIEW (CONT'D)

- Low Weng Cheong, our Head of Finance has approximately 25 years in finance matters, is responsible for overseeing the overall finance functions including accounting, taxation and cash management.
- Tan Lea Chin, our Head of Sales, has 26 years of experience in the property development industry, is responsible for planning, formulation and implementation of sales strategies, processes and policies as well as overseeing the sales operation.
- Ng Hong Haw, our Head of Business Venture, has 16 years of experience in the property development industry, is responsible for the evaluation of new business ventures, managing the Asset Under Management business model and the generation of income for unutilised land and assets.

The leadership of our experienced executive officers together with the support of our key senior management team will provide us with the platform for continuing business expansion.

7.6.6 We placed significant emphasis on customer service with the objective of enhancing our customer's experience and develop customer loyalty

As part of our intention to enhance our customer's experience and develop customer loyalty, we provide value-added services such as the SW Connects mobile application to SkyWorld home owners with features including site progress updates, reservation of common facilities and monthly financial record keeping, and customer service. In addition, the SW Connects mobile application added a module called Solution Plus (Solution+) which connects SkyWorld home owners with suppliers of products and services such as interior design, renovations, furniture, home appliances, telecommunications subscription services, home movers and other services. This is part of our portfolio of customer service to provide convenience and ease of accessibility to services which are usually required by home owners.

Upon the completion and vacant possession of our developments, we will also provide personalised service in arranging for an exclusive introductory tour of the development to the new home owners. This also enables us to obtain any feedback directly from our customers as part of our continuous improvement process.

7.7 OUR BUSINESS STRATEGIES AND FUTURE PLANS

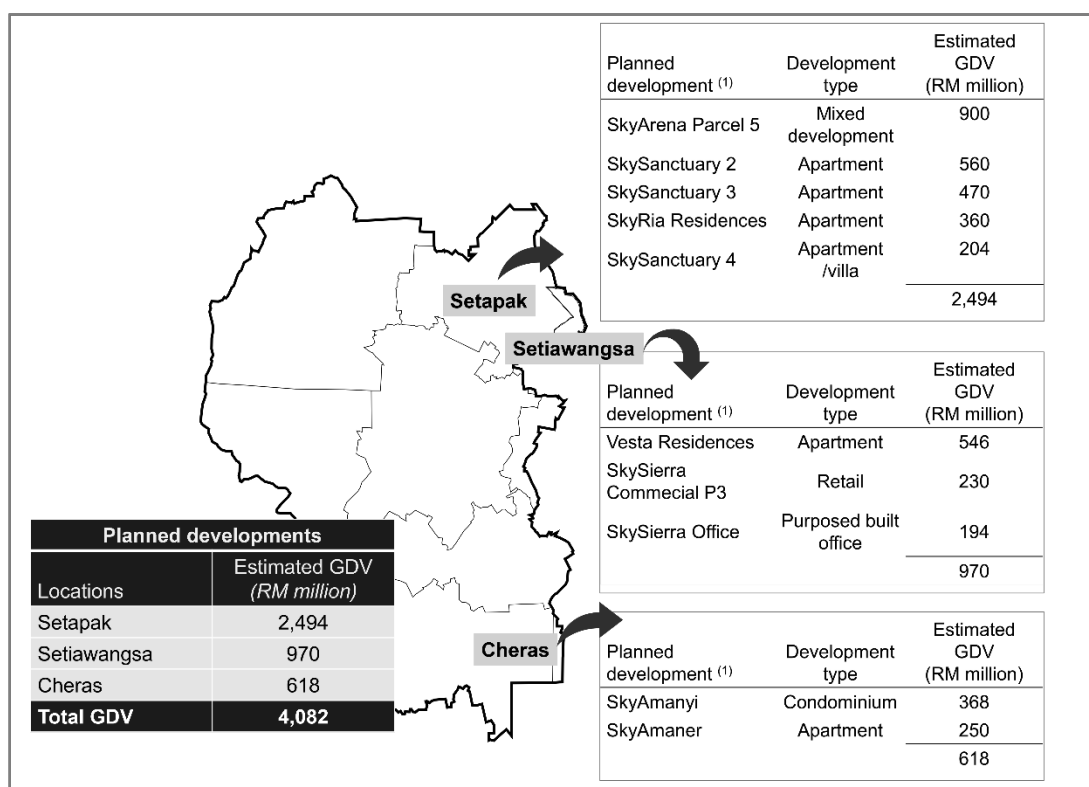
Our overall strategy is to leverage on our strengths as an urban property developer with a view of expanding our business. A summary of our strategies and plans are set out below:



As at 31 January 2023, we have a total landbank of approximately 55.66 acres in FT Kuala Lumpur, out of which 37.17 acres are for our planned developments and 18.49 acres are reserved for our future developments. For further details on our land bank, please refer to Section 7.6.4 of this Prospectus.

As part of our strategies and plans, we plan to continue to focus on urban property development by replenishing our land bank with suitable land in Klang Valley including FT Kuala Lumpur and the state of Selangor. In this respect, we plan to set aside RM[●] million from the IPO proceeds for our potential land acquisitions in Klang Valley. In the event of any shortfall in the amount that we require for the potential land acquisitions, the balance will be funded using internally generated funds and / or bank borrowings.

As part of our strategies and plans, we plan to increase our GDV by launching 10 planned developments in FT Kuala Lumpur. This will provide us with an incremental estimated GDV of RM4,082 million. The details of our planned developments in FT Kuala Lumpur by location are set out below:



(1) As at the LPD, we have obtained approved development orders for the above planned developments.

7. BUSINESS OVERVIEW (CONT'D)

We have allocated approximately 37.17 acres of our own land for the 10 planned developments which are expected to be launched progressively between first half (1st half) of 2023 and 2026. The details of our planned developments are set out below:

Planned developments (¹)	Location of development	Types of development	Approximate land size (acres)	Estimated total planned units	Estimated GDV (RM million)	Expected timing of launch (by calendar year)	Expected completion date (⁴)
Vesta Residences	Setiawangsa	Apartment	2.80	1,001	546	1 st half of 2023	1 st half of 2027
SkySanctuary 2	Setapak	Apartment	3.37	830	560	2024	2028
SkySierra Office	Setiawangsa	Purposed built office	1.18	250	194	2024	2028
SkySanctuary 3	Setapak	Apartment	2.80	777	470	2025	2029
SkyAmanyi	Cheras	Condominium	3.08	510	368	2025	2029
SkySierra Commercial P3	Setiawangsa	Retail	4.03	478	230	2025	2029
SkyArena Parcel 5	Setapak	Mixed development (²)	5.90	939	900	2026	2030
SkyRia Residences	Setapak	Apartment	9.50	479	360	2026	2030
SkyAmaner	Cheras	Apartment	1.78	219	250	2026	2030
SkySanctuary 4	Setapak	Apartment / villa (³)	2.73	178	204	2026	2030
Total			37.17		4,082		

Notes:

- (1) The proposed new developments that have obtained approved development order. The listing of planned development is based on expected timing of launch.
- (2) Comprises serviced apartment and commercial units.
- (3) This refers to multi-storey landed residential property with strata title.
- (4) Expected completion date based on preliminary plans.

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7. BUSINESS OVERVIEW (CONT'D)

The artist impressions ⁽¹⁾ of some of our planned developments are as below:

Vesta Residences ⁽²⁾



SkyAmanyi



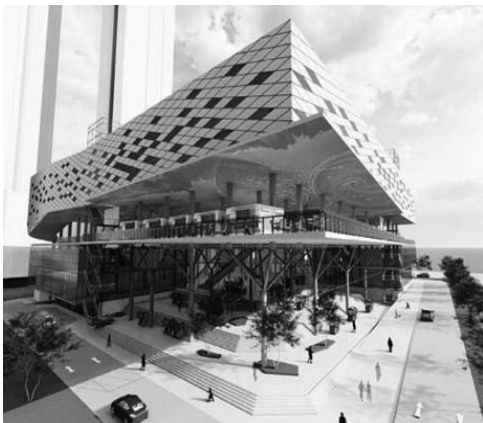
SkyArena Parcel 5



SkyRia Residences



SkySierra Commercial P3



Notes:

(1) The above artist impression is for indicative purposes only and may be subject to changes.

(2) As at the LPD, Vesta Residences have obtained building plan approvals.

7. BUSINESS OVERVIEW (CONT'D)

The estimated GDC (excluding land cost) for our planned developments is approximately RM2.28 billion which will be funded by a combination of internally generated funds / borrowings and IPO proceeds. The details are set out below:

Type of property	Planned developments ⁽¹⁾	Estimated GDC (excluding land cost) RM'000	Source of funds	
			Internally generated funds / Others ⁽²⁾ RM'000	IPO proceeds RM'000
Residential (apartment/ condominium)	<ul style="list-style-type: none"> - Vesta Residences - SkySanctuary 2 - SkySanctuary 3 - SkyAmanyi - SkyRia Residences - SkyAmaner - SkySanctuary 4 	1,673,608	1,655,417	[•]
Non-residential (purposed built office/ retail/ mixed development)	<ul style="list-style-type: none"> - SkySierra Office - SkySierra Commercial P3 - SkyArena Parcel 5 	603,261	603,261	-
Total		2,276,869	2,258,678	[•]

Notes:

(1) The proposed new developments that have obtained approved development orders.

(2) Other funding through bank borrowings or debt financings. We intend to establish a rated ICP and IMTN programme of RM300 million for a tenure of 7 years. The proposed ICP and IMTN programme will be used to fund the business expansion including the planned geographical expansion in Vietnam by 2023 and the planned developments in Malaysia between 2024 and 2026. The said programme has been submitted and lodged with the SC on 31 January 2023. Please refer to Section 7.23.2 of this Prospectus for further details on the proposed establishment of ICP and IMTN programme.

As at the LPD, we have yet to determine the amount to be issued under the ICP and IMTN programme in view that the profit rates of the ICP and IMTN programme is subject to credit rating, whereby a high credit rating will enable us to obtain a profit rate that is favourable to us.

7.7.3 Expansion into build-to-rent developments

We intend to leverage from our core competency in property development to expand into development of build-to-rent properties where we will develop commercial properties and lease the properties with the aim of generating recurrent income. We intend to develop two build-to-rent properties, one of which is a commercial retail property which comprises retail lots and commercial space while the other is a co-living property which comprises rooms for dwellings with common facilities. The two build-to-rent properties will be located in Setapak, FT Kuala Lumpur which are within the vicinity of SkyArena Sport Complex.

Part of our plans is to allocate a total of 6.88 acres from a total of 18.49 acres of our land bank which are reserved for future development. This 6.88 acres is to develop build-to-rent properties for two types of special purpose-built commercial buildings as follows:

- "Sama Square" is a commercial retailing property development; and
- "SkyBlox" is a commercial property designed for co-living.

7. BUSINESS OVERVIEW (CONT'D)

We will be funding the two build-to-rent developments and we will engage third party contractors to carry out the construction. As at the LPD, we have a team of 4 personnel under the asset management department to manage and coordinate the leasing and building management operations.

The details of our proposed build-to-rent developments are provided below:

(i) “Sama Square”

We plan to allocate approximately 4.15 acres of land for the development of “Sama Square” which will be located in Setapak, FT Kuala Lumpur. In April 2022 and December 2022, we obtained the approval for the development and building plan approval of “Sama Square” respectively. The proposed development comprises a total of 44 units of retail lots and a commercial space with a total lettable area of 55,646 square feet. The construction works of “Sama Square” has commenced in December 2022.

The artist impression of our “Sama Square” is as follows:



(ii) “SkyBlox”

We plan to allocate approximately 2.73 acres of land for the “SkyBlox” development for the build-to-rent operating model and the proposed development will be located in Setapak, FT Kuala Lumpur. The development of co-living property is designed to offer individual dwellings with common facilities such as common kitchen, utility space, lounge area and common work area for residents to use. In July 2022 and December 2022, we obtained approval for the development under the category of temporary community hostel and building plan of “SkyBlox” respectively. The construction works of “SkyBlox” has commenced in December 2022.

The proposed development has a total of 128 units comprising a total of 320 lettable rooms for rent. Each unit will be equipped with bed, table and chair, wardrobe, air-conditioner, mini-refrigerator, kitchenette, toilet, water heater as well as smart electric metre.

The artist impression of our “SkyBlox” is as follow:

7. BUSINESS OVERVIEW (CONT'D)

The estimated cost for the development of build-to-rent properties is RM37.81 million which will be funded by a combination of internally generated funds and borrowings. The details are set out below:

Build-to-rent properties	Estimated costs RM'000	Expected timing of commencement (by calendar year)
Sama Square	(1) 19,464	1 st half of 2023
SkyBlox	(2) 18,343	1 st half of 2023
	37,807	

Notes:

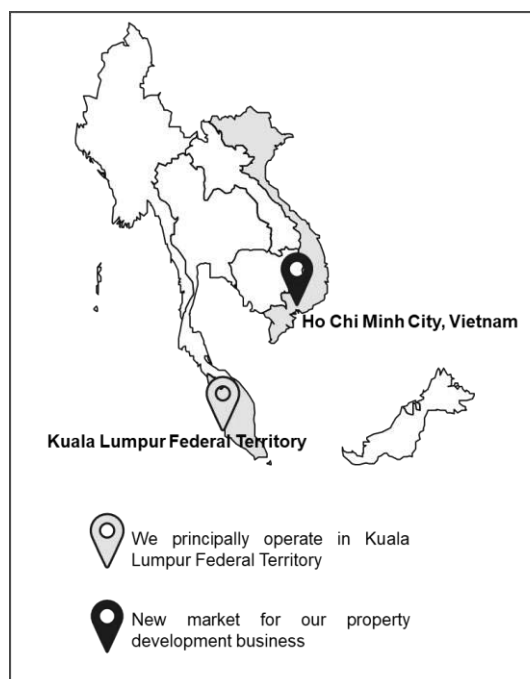
- (1) Include professional fees for the design of the properties and building construction cost including engaging main and sub-contractors for the construction of the properties.
- (2) Including professional fees for the design of the properties and building construction cost including engaging main and sub-contractors for the construction of the properties and interior fit-out cost for furniture and fixture as well as sanitary ware.

7.7.4 Geographical expansion to Vietnam

As part of our strategies and future plans, we intend to expand our property development operations to Ho Chi Minh City in Vietnam. Leveraging from our core competency, we will focus on high-rise residential development in urban areas.

The implementation of the above business plan is subject to us securing suitable land at a feasible price within 36 months from the date of our Listing. In addition, the types of high-rise residential properties to be developed are also subject to securing approvals, permits and licences from relevant authorities. As at the LPD, we are still exploring suitable land for acquisitions. As such, the detailed information on this plan is not available as at the LPD.

In light of the above, we have not set aside any funds for the geographical expansion plan as at the LPD. Our Group is still in the midst of conducting due diligence and negotiating the terms for the acquisition of several prospect lands located in Ho Chi Minh City. In the event of any land acquisition in the near future, we will use internally generated funds and / or bank borrowings or debt financing such as the proposed ICP and IMTN programme ⁽¹⁾ to fund our geographical expansion plan.



7. BUSINESS OVERVIEW (CONT'D)

Note:

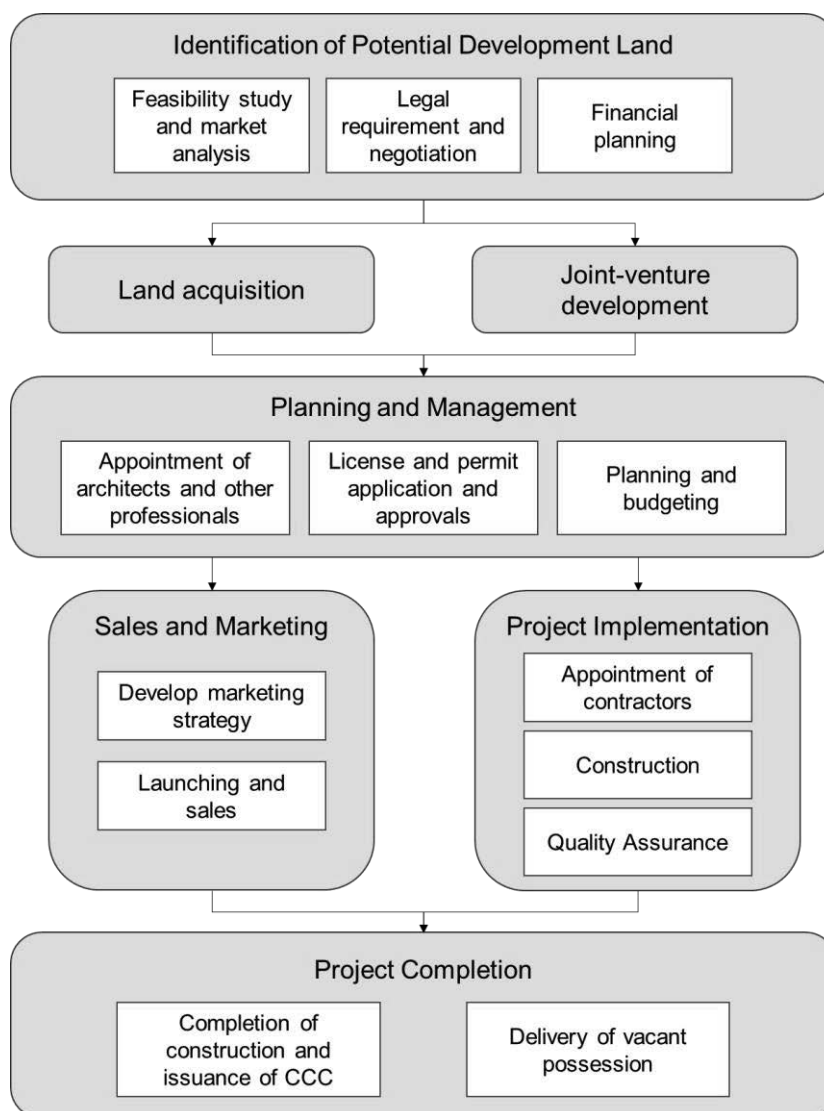
- (1) We intend to establish a rated ICP and IMTN programme of RM300 million for a tenure of 7 years. The proposed ICP and IMTN will be used to fund the business expansion including the planned geographical expansion in Vietnam by 2023 and the planned developments in Malaysia between 2024 and 2026. The said programme has been submitted and lodged with the SC on 31 January 2023. Please refer to Section 7.23.2 of this Prospectus for further details on the proposed establishment of the ICP and IMTN programme. As at the LPD, we have yet to determine the amount to be issued under the ICP and IMTN programme in view that the profit rates of the ICP and IMTN programme is subject to credit rating, whereby a high credit rating will enable us to obtain a profit rate that is favourable to us.

For information purpose, as at the LPD, our current future strategies and plans as disclosed above do not involve acquisition of any companies.

7.8 OUR OPERATIONAL PROCESS

7.8.1 Process flow of property development

The general process flow of our property developments is depicted in the diagram below:



7. BUSINESS OVERVIEW (CONT'D)

Identification of potential development land

The process of property development begins with the identification of potential development land through public and private sources as well as through government departments. We will search for potential lands available for development and conduct feasibility study and market analysis.

Feasibility study and market analysis are critical in evaluating the economic and financial viability of the potential development. Some of the key consideration factors for feasibility study and market analysis include the sustainability of the location, market demand, demographics, property market conditions, cost of development as well as the potential GDV. The evaluation also takes into consideration the zoning, title, topography, land boundaries as well as plot ratio / density ratio of the land. The plot ratio / density ratio (gross floor area divided by the area of the plot of land) is a ratio that is determined by the government which indicates the total gross floor area of a building that is allowed to be constructed on a particular land. As such, the plot ratio of the land is one of the key elements that determines the GDV of potential development.

We will also identify all the legal requirements and formulate our financing plan which takes into consideration the cash flow analysis for the acquisition and development of the land.

Land acquisition

Generally, we will consider whether to acquire the identified land through direct negotiation with the land owner or if the land owner is interested in developing the properties jointly, then the terms of the joint venture agreement will be negotiated accordingly. We also have business associates (who are also shareholders in several of our subsidiaries, details as set out in Section 6.2 of this Prospectus) to deal with land acquisition matters. If the land is to be acquired, the proposed development land is then purchased using internally generated funds and / or bank borrowings. Our Group's representative solicitors will review the legal requirements for the purchase of the proposed development land.

Planning and management

At the planning and management stage, we will appoint the architect and other professionals including town planner, surveyors, civil and structural engineers, mechanical and electrical engineers, geotechnical consultant, traffic consultant and the environment impact assessment consultant. Generally, the architect will also be appointed as the principal consultant to coordinate with the other professionals to develop the design of the buildings including external design, building plan, floor plan, and gross floor area according to our requirements. The respective consultants will also prepare the building, structural, infrastructure and engineering plans as well as other relevant documents for submission to the local council.

In addition, we will provide our input and requirement for the overall design, layout and architectural aspect of the development to take into consideration the following parameters during the planning stage:

- promote efficient usable space within the building including maximising on the liveable space and common areas such as lobby and facilities to create comfort for dwellers in an urban setting environment;
- allocation of space for leisure activities to enhance our development such as incorporation of a private park in our SkySanctuary development; and
- integration of key features to enhance the living environment including a skybridge on level 52 (170.55 m above ground) which interconnects 3 blocks of residential towers of SkyAwani III Residences to create a view of the city skyline. Others may include the incorporation of open space layout in common areas such as the lobby of the building to improve the natural airflow.

7. BUSINESS OVERVIEW (CONT'D)

For product enhancement, our input to the overall design, and specifications of the development are also based on the outcome of our research and study on some of the key aspects that would determine the quality of our property developments. In addition, we launched SkyCraft, an online interactive website designed to obtain preliminary feedback from the market. Some of the key aspects are as follows:

- design aspects of the property taking into consideration factors such as space efficiency, ventilation, natural lighting and others;
- specification of material used in the property such as the selection of tiles, sanitary ware, door, window and others;
- technology aspects such as smart home system, destination control system for lift, digital locks and others; and
- green building elements which takes into consideration energy efficiency, indoor environment quality, sustainable site planning and management, materials and resources, water efficiency and innovation.

During the planning stage, our project team will also prepare the submission of plans for approval and applications for licenses and permits to the relevant local authorities before the commencement of the building construction of the development project. Some of the permits and approvals that are required from the local authority include the following:

Requirements	Descriptions
Development Order Approval	Approval to carry out development activity
Building Plan Approval	To obtain approval of the building plan which stipulates the full building details and structural calculations. The building plan submission includes, among others, architectural design, engineering design, water supply system design, fire protection system design and stormwater and drainage design.
Temporary Building Permit	A permit for the erection of temporary buildings such as temporary worker accommodations, site offices, show house and safety fences.
Earthwork Plan, Road and Drainage plan approval	To obtain approval for the commencement of earthworks and the construction of road and drainage systems.
Special permission to commence building operations	Permission to commence building construction operations.

We will also prepare a detailed project budget and detailed project schedules including detailed materials, contracting, and procurement schedule.

Sales and marketing

Upon obtaining the approval of the building plan and drawings, the application for advertising permit is submitted for approval. Upon receiving the advertising permit, our sales and marketing team will develop marketing strategies and launch the development to the general public. The sales and marketing activities will be undertaken by our in-house sales and marketing team as well the appointed third-party real estate companies. As at the LPD, we have our in-house sales and marketing team headed by our Head of Sales, Tan Lea Chin who is assisted by 27 personnel. We also engage third-party property agents to assist with the sales of our properties. Please refer to Section 7.9 of this Prospectus for further details on our sales and marketing activities.

At this stage, both the building construction as well as the sales and marketing of properties are carried out concurrently.

7. BUSINESS OVERVIEW (CONT'D)

Project implementation

We will invite third-party contractors to submit tender for the construction of the property. During the tender invitation stage, we will brief the contractors on our requirements such as project timeline and our quality standard. The project will be awarded to contractors based on our Group's evaluation criteria and the prices submitted by the contractors against our budget estimation. The procurement of construction materials will be under the contractor's responsibilities and the quotation submitted to us shall take into consideration the procurement of the materials based on our requirements and specifications.

Generally, we usually engage 2 main contractors for the construction of our property developments namely a contractor for substructure works and another contractor for superstructure works. We will also provide a list of our nominated subcontractors for other related works such as landscaping, mechanical and electrical installation, security systems, firefighting systems and utilities installation which will be engaged by our main contractor. All of the construction works for our property developments are carried out by the appointed third-party main contractors under our management and supervision.

During the construction phase, our main role is to carry out project management and supervision to ensure that the progress of construction adhere to our planned schedule as well as ensure the quality of construction is at a satisfactory level. We have developed a quality assessment system based on the QLASSIC assessment standard introduced by the CIDB. Our quality assessment system will serve as a guideline for the third-party contractors in completing the construction works according to our requirement in terms of quality of workmanship as well as development timeline.

Our in-house quality standard includes the following:

- SkyWorld Planning and Parameter (SPP) which serves as a guideline for the design and planning of the development;
- SkyWorld Living Product Practice Guideline (SLPP) which serves as a guideline for design quality; and
- SkyWorld Quality Index (SQI) which is a quality assessment standard for construction workmanship.

As part of our commitment on the quality of our properties, we have set up an internal quality assurance team (also known as project audit team). As at the LPD, our internal quality assurance team is headed by a Senior Manager, who is assisted by 7 team members. The Senior Manager and 2 members of our quality assurance team are qualified competent assessor registered with the CIDB as at the LPD. Our internal quality assurance team is mainly involved in the quality planning where they will review the quality management plan based on QLASSIC assessment scoring system as proposed by third party professionals.

During the construction of the project, the contractors are required to regularly report the progress of construction and our project team will continue to monitor the project cost, progress of construction and the quality of the construction works through our regular on-site inspection and monitoring. Progressive billings are then issued to customers in stages according to the progress claim schedule while the construction is in progress. Similarly, progressive payments are made to the building contractors, subcontractors, and consultants who are involved in the development project. Work in progress reports will be issued to management on a regular basis.

7. BUSINESS OVERVIEW (CONT'D)

Project completion

Upon the completion of the construction of the property, the architect will issue a CCC for the project. Our procurement department will prepare the final costing and submit it to our accounts department during the completion stages of the project.

We will then inform purchasers to receive vacant possession of the properties. Other bills related to property titles and amenities and all outstanding payments are to be finalised and paid before the release of the property and the issuance of the CCC to purchasers. During the vacant possession, we will arrange for an exclusive introductory tour of the development to the customer and hand over the keys and related documents. The customer will also be able to provide ratings and feedback of their vacant possession experience to our sales and marketing team.

We are also liable for the rectification of any defects identified by the customers after the delivery of vacant possession of the property for a period between 12 months and 24 months depending on the property development. Subsequent to the completion of the development, our role as a property developer includes providing management services namely supervising the operation of the third party property management company.

7.9 SALES AND MARKETING STRATEGIES

As at the LPD, we adopt the following sales and marketing approach for our property developments:

- (i) we will continue to advertise on social media for new property launches to create awareness of our Group's newly launched properties. In addition, we continue to promote SkyWorld Group with a view of raising our profile in the market, increase awareness and build brand loyalty among our customers.
- (ii) we will continue to showcase our commitment to the quality of workmanship and materials in line with the QCLASSIC standard by CIDB through our quality centre, SkyWorld Quality Centre in Setapak. This is part of our strategies in reinforcing our strengths and association with the development of quality properties.
- (iii) we have a referral system where we will provide incentives to our existing customers for referring our properties to new customers. The existing customers will be entitled to an introductory incentive by cash once the referred customers signed the SPA. For the Financial Years Under Review and up to the LPD, approximately 5% or 451 units of our properties were sold under the referral system.
- (iv) develop dynamic pricing strategies for our property developments where the pricing of the units is based on certain factors, including, among others such as the orientation or position of the unit, floor level and area as well as the number and location of designated car parks. Our dynamic pricing strategy allow us to meet the needs and requirements of our customers.
- (v) we will maintain our corporate website and social media platform to showcase our strengths and capabilities as well as our property developments.
- (vi) actively participate in exhibitions or set up our own roadshows to market our property developments. The exhibitions and roadshows that we have undertaken during the Financial Years Under Review are as follows:

7. BUSINESS OVERVIEW (CONT'D)

FYE	Events	Organiser	Location	Development
	Bumi Expo	Marvel Management Communication Sdn Bhd	Nu Sentral	
	HAVOC Hartanah 10	Reconsult PLT	Wisma Sejarah	SkyAwani IV Residences
	Home Ownership Campaign (HOC) Expo	Real Estate and Housing Developers' Association Malaysia (REHDA)	Nu Sentral	
	Bumiputera Property Exhibition (BPEX)	Marvel Management Communication Sdn Bhd	Mid Valley Exhibition Centre	
	Ekspo Hartanah Bumiputera 2019	Marvel Management Communication Sdn Bhd	Avenue K	Bennington Residences
	Property Investment Exhibition	Prinex & Prinmag	Nu Sentral	
2020				Bennington Residences
	Star Property Fair 2019	StarProperty Sdn Bhd	Mid Valley Exhibition Centre	SkyLuxe On The Park Residences
				SkyMeridien Residences
				Bennington Residences
	Star Property Expo	StarProperty Sdn Bhd	KLCC Sunway Velocity	SkyMeridien Residences
				SkySierra Residences (The Valley)
				SkyAwani III Residences
	Malaysia Property Expo (MAPEX)	REHDA	Mid Valley Exhibition Centre	SkyAwani IV Residences
			1 Utama Shopping Centre	SkyLuxe On The Park Residences
				SkyMeridien Residences

7. BUSINESS OVERVIEW (CONT'D)

FYE	Events	Organiser	Location	Development
	Home & Living Exhibition (HOMELove)	Empire Asia Events Marketing Sdn Bhd	PWTC	Bennington Residences SkyMeridien Residences
	Weekend Property Fair	IT Rocks Sdn Bhd	Sunway Putra Avenue K	SkyMeridien Residences
			AEON Alpha Angle AEON Big Wangsa Maju AEON Mall AU2 Bursa Malaysia Giant (Hulu Kelang) Giant (Setapak) KWSP Jalan Raja Laut	Bennington Residences SkyAwani IV Residences
	Booth Roadshow	SkyWorld Group	Melawati Mall Menara TM Menara DBKL 3 MyTown Shopping Centre National Heart Institute Setapak Central Mall UTC Sentul Wangsa Walk Mall Tesco Extra (Ampang) Giant (Taman Permata)	SkySierra Residences (The Valley) SkyMeridien Residences SkySierra Residences (The Valley)
2021	Booth Roadshow	SkyWorld Group	AEON Mall AU2, Avenue K	SkySierra Residences (The Valley)
2022	Booth Roadshow	SkyWorld Group	AEON Big (Mid Valley) AEON Mall AU2 KL East Mall Melawati Mall MyTown Shopping Centre Setapak Central	SkySierra Residences (The Valley) EdgeWood Residences

As at the LPD, our sales and marketing team is headed by our Head of Sales, Tan Lea Chin who is assisted by 27 personnel. This is complemented by the appointment of third-party real estate companies who are also responsible for the sales of our properties. We will engage third-party real estate companies when we intend to increase our sales and marketing activities and further promote our properties. Generally, the third-party real estate companies are only appointed for a certain period of time ranging between 1 and 3 months. The third-party real estate companies are compensated on a commission basis at a rate of up to 5% of the sold property's value. The commission paid to third party real estate companies is not material as it amounted to RM0.05 million, RM0.38 million and RM0.56 million which represented 0.01%, 0.08% and 0.07% of our total revenue for FYE 2020, FYE 2021 and FYE 2022 respectively. As at the LPD, we have 4 third-party real estate companies for the marketing and sales of the

7. BUSINESS OVERVIEW (CONT'D)

remaining unsold units of SkyMeridien Residences, Bennington Residences and SkyAwani II Residences.

Our marketing expenses were RM9.76 million, RM13.06 million and RM10.75 million which represented 1.86%, 2.67% and 1.36% of our total revenue for FYE 2020, FYE 2021 and FYE 2022 respectively.

7.10 TYPES, SOURCES AND AVAILABILITY OF SERVICES

For the Financial Years Under Review, our development and project management cost incurred are as follows:

	FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%
Construction costs ⁽¹⁾	266,340	52.24	362,933	84.44	439,608	87.99
Authority fees ⁽²⁾	18,626	3.65	15,925	3.70	27,517	5.51
Professional fees ⁽³⁾	15,968	3.13	17,394	4.05	15,222	3.05
Land costs ⁽⁴⁾	196,695	38.58	29,591	6.88	7,543	1.51
Others ⁽⁵⁾	12,182	2.40	4,003	0.93	9,707	1.94
Total development cost	509,811	100.00	429,846	100.00	499,597	100.00

Notes:

- (1) Include building construction cost, foundation construction costs and infrastructure cost such as road construction.
- (2) Include authority related fees such as fees for development order, building plans, APDL and other submission documents.
- (3) Professional fees comprise fees for the architects, town planners, surveyors, engineers and other professionals.
- (4) Land cost comprises cost of land purchase price and other associated costs including, among others, land conversion and submission costs, land premium, stamp duties, bank charges and commission, and other relevant levies.
- (5) Comprised mainly funding costs and sales related costs.

As a property developer, our development costs comprise the following components:

(i) Construction cost

Construction cost is the largest cost component, which accounted for 52.24%, 84.44% and 87.99% of our total development cost for the FYE 2020, FYE 2021 and FYE 2022 respectively. Construction costs include the engagement of contractors to carry out the construction of our property developments under our management and supervision. Generally, the contractors are responsible for the construction works as well as the supply of building materials such as steel and concrete materials which are commodities that are subject to price fluctuations. Our contracts with contractors are typically fixed lump sum contracts where the cost of construction is fixed regardless of building material price fluctuations.

Nonetheless, as a property developer, we have a budgeted development cost for our property development which would have taken into consideration the prices of steel and concrete as any increases in the price of the building materials would increase the construction costs. Any increases in construction costs would affect the pricing of our development, margins and profitability. For further details on the risks of fluctuations in the prices of building materials, please refer to Section 9.1.1 of this Prospectus.

7. BUSINESS OVERVIEW (CONT'D)**(ii) Authority fees**

Authority fees are related to the submission of development orders, building plan, APDL and other submission documents which accounted for 3.65%, 3.70% and 5.51% of our total development cost for the FYE 2020, FYE 2021 and FYE 2022 respectively;

(iii) Professional fees

Professional fees include fees for the architects, town planners, surveyors, engineers and other professionals which accounted for 3.13%, 4.05% and 3.05% of our total development cost for the FYE 2020, FYE 2021 and FYE 2022 respectively;

(iv) Land costs

Land costs include land purchase price and other associated costs including, among others, land conversion costs, land premium, stamp duties, bank charges and commission and other relevant levies as well as entitlement to land owners which accounted for 38.58%, 6.88% and 1.51% of our total development cost incurred for the FYE 2020, FYE 2021 and FYE 2022 respectively;

(v) Other costs

Other costs include funding costs and sales related costs which accounted for 2.40%, 0.93% and 1.94% of our total development cost for the FYE 2020, FYE 2021 and FYE 2022 respectively.

7.11 OPERATING CAPACITIES AND OUTPUTS

As a property developer, the measurement of production output, capacity and utilisation do not apply to our business operations.

7.11.1 Key machinery and equipment

We do not utilise any major equipment in our business operations as we are involved in the property development business.

7.11.2 Technology used

We do not employ any special technology in our business operations. However, we rely on the technologies embedded in the computer software for our day-to-day operations such as AutoCAD, REVIT, SketchUp which are design and building information softwares, Niu Ace which is a construction contract management software, SnagR which is a defect and inspection management software, as well as Microsoft Project which is a project management software. As for the sales and marketing of our properties, we utilise digital platforms such as corporate website and social media platforms to advertise our properties.

7.11.3 Operational facilities

As at the LPD, our operational facilities are as follows:

Company	Main function	Approximate built-up area (sq. ft.)	Location of facilities
SkyWorld Development	Office	35,678	Block B and Block D, Wisma NTP World, Excella Business Park, Jalan Ampang

7. BUSINESS OVERVIEW (CONT'D)

Company	Main function	Approximate built-up area (sq. ft.)	Location of facilities
			Putra, Taman Ampang Hilir, 55100 Kuala Lumpur
NTP World Corporation	Sales gallery and quality centre ⁽¹⁾	40,852	Lot 17899, Jalan Ayer Jernih, Mukim Setapak, 55100 Kuala Lumpur
SkySierra Development	Sales gallery	4,066	Lot 4951, Mukim Hulu Klang, Daerah Kuala Lumpur, 55100 Kuala Lumpur

Note:

- (1) The quality centre comprises a training centre, a mini auditorium and show units to educate and train our personnel, contractors, consultants as well as the public on the assessment of workmanship quality using QCLASSIC assessment system as the industry standard.

7.12 RESEARCH & DEVELOPMENT

Due to the nature of our Group's business, we are not involved in any research and development activities and we have not recognised any research and development expenditure during the Financial Years Under Review.

7.13 SEASONALITY AND CYCLICALITY

We do not experience any material seasonality in our business as the nature of our business operations are not subject to seasonal fluctuations.

7.14 INTERRUPTIONS TO THE BUSINESS AND OPERATIONS

The World Health Organisation declared COVID-19 a pandemic on 11 March 2020. As a result, we experienced some temporary interruptions to our business operations due to the MCO imposed by the Government to contain the COVID-19 pandemic as set out below:

7.14.1 COVID-19 conditions in Malaysia, measures and steps taken in our business operations in response to the COVID-19 pandemic

As part of the efforts to reduce and control the spread of COVID-19 in the country, the Government implemented several preventive measures known as the MCO, commencing on 18 March 2020. These measures included restrictions on the movement of people within Malaysia and internationally, and restrictions on business, economic, cultural and recreational activities.

(a) Various MCO measures in 2020

In 2020, various MCO including MCO 1, CMCO and RMCO were implemented to constrain the spread of COVID-19 in Malaysia. Our business operations in the office premises were temporarily suspended during 18 March 2020 to 3 May 2020 where all our management and administrative staff worked from home. Following from 4 May 2020 during the CMCO period, we resumed our business operations in our office premises at full workforce capacity according to the Government guidelines and SOP.

Our contractors' on-site construction works for our property developments including SkyMeridien Residences, SkySierra Residences (The Valley), SkyAwani III Residences and SkyAwani IV Residences were also temporarily suspended between

7. BUSINESS OVERVIEW (CONT'D)

18 March 2020 and 31 August 2020 depending on the project site. Subsequently, the on-site construction works for SkyAwani III Residences was temporarily suspended between 1 September 2020 and 31 December 2020. Pursuant to the temporary suspension of on-site construction activities, we granted between 46 to 62 days extension of time to our construction contractor for SkyAwani III Residences and SkySierra Residences (The Valley).

(b) Various MCO measures in 2021Reimposition of MCO (MCO 2 and MCO 3) and CMCO in 2021

We received approval from MITI on 12 January 2021 which allowed our office premises to operate at 30% workforce capacity according to the Government guidelines and SOP during the MCO 2 period. On 1 April 2021, we increased our workforce to full capacity in accordance with Government guidelines and SOP.

Subsequently, on 6 May 2021, MCO 3 was implemented following the increase in the COVID-19 infection cases in Malaysia. We received approval from MITI on 5 May 2021 for our office premises to continue operations during this period and reduced our workforce capacity to 30% in accordance with Government guidelines and SOP.

During the MCO 2, MCO 3 and CMCO period between 13 January 2021 and 31 May 2021, our contractors' on-site construction activities for our property developments continued to operate in accordance with Government guidelines and SOP.

Imposition of FMCO, EMCO and NRP in 2021

We received approval from MITI on 1 June 2021 which allowed our office premises to operate during the FMCO and NRP Phase 1 period. We were operating at 60% workforce capacity according to Government guidelines and SOP at that time. As we achieved the vaccination rate set by the Government where 80% of our employees have completed their vaccination programme, we increased our workforce capacity to 80% on 16 August 2021 before operating at full capacity from 29 September 2021 onwards and up to the LPD. Between June 2021 and August 2021, we continued to receive approvals from MITI which allowed us to operate during the NRP Phase 2 to Phase 4 according to Government guidelines and SOP.

Our contractors' on-site construction activities for our property developments including SkyMeridien Residences, SkyVogue Residences, SkySierra Residences (The Valley), EdgeWood Residences, SkyAwani III Residences, SkyAwani IV Residences and SkyAwani V Residences were temporarily suspended between 1 June 2021 and 31 October 2021 depending on the project site. Pursuant to the temporary suspension of on-site construction activities, we granted between 3 and 58 days extension of time to our construction contractors for EdgeWood Residences, SkyAwani III Residences, SkyAwani IV Residences, SkyAwani V Residences, SkyMeridien Residences, SkyVogue Residences and SkySierra Residences (The Valley).

Transition into endemic phase in 2022

On 1 April 2022, Malaysia began its transition into the endemic phase and we continued to operate at full workforce capacity according to Government guidelines and SOP.

During the COVID-19 pandemic period between March 2020 and March 2022, we have 16 cancellations of sales with a total SPA value of RM8.04 million by our customers for our developments and these include Bennington Residences (1 unit), SkySierra Residences (The Valley) (2 units), SkyVogue Residences (3 units), SkyMeridien Residences (2 units), SkyAwani IV Residences (4 units) and SkyAwani V Residences (4 units). The cancellation of sales by the customers was mainly due to the inability of purchasers to obtain financing (such as non-

7. BUSINESS OVERVIEW (CONT'D)

approval of loans by financial institutions) to pay the balance outstanding and customers' decision not to proceed with the purchase. Our Board is of the view that the cancellation of the 16 sales did not materially affect our financial performance. Overall, our Board is of the view that the COVID-19 pandemic did not materially affect our business operations and financial performance as our revenue declined by 6.69% in FYE 2021 and subsequently recovered to increase by 61.71% in FYE 2022.

During the COVID-19 pandemic period, some of the SOP that were implemented for our business operations include social distancing in company premises and at the construction site, compulsory scanning on MySejahtera apps, providing hand sanitisers at the main entrance and common area of the company's premises, compulsory wearing of face mask at all times in the company's premises as well as the requirement for our employees to undergo quarantine if they were to develop any of the symptoms of COVID-19.

Between March 2020 and up to the LPD, our additional medical and related costs incurred to implement precautionary measures to comply with the SOP amounted to RM0.63 million.

7.14.2 Impact on our business and financial performance**(i) FYE 2021**

Our revenue for our property development operations is based on the percentage of completion for on-going developments and the transfer of control of the completed properties for inventory sales. Overall, our revenue for FYE 2021 declined by 6.69% from RM523.86 million in FYE 2020 to RM488.80 million FYE 2021.

Our quarterly revenue results are summarised in the table below:

	Quarter 1 (Q1) FYE 2021 <i>(April 2020 – Jun 2020)</i>	Quarter 2 (Q2) FYE 2021 <i>(Jul 2020 – Sept 2020)</i>	Quarter 3 (Q3) FYE 2021 <i>(Oct 2020 – Dec 2020)</i>	Quarter 4 (Q4) FYE 2021 <i>(Jan 2021 – Mar 2021)</i>
Revenue (RM'000)	40,592	104,222	151,296	192,687
Quarter-on-quarter change (%)	(63.20)	156.76	45.17	27.36

Our revenue declined by 63.20% in Q1 FYE 2021 mainly due to delays in progress of construction for our on-going developments as a result of the temporary suspension of the on-site construction activities for SkyMeridien Residences, SkySierra Residences (The Valley), SkyAwani III Residences and SkyAwani IV Residences which were temporarily suspended between 18 March 2020 and 31 August 2020 depending on the project site. Our revenue recovered to grow by 156.76%, 45.17% and 27.36% in Q2, Q3 and Q4 FYE 2021 respectively following the gradual resumption of on-site construction activities for our on-going development as well as the increase in marketing operations for our completed developments. In addition, we launched the SkyAwani V Residences and SkyVogue Residences in August 2020 and September 2020 respectively.

(ii) FYE 2022

Our quarterly revenue results are summarised in the table below:

	Quarter 1 FYE 2022 <i>(April 2021 – Jun 2021)</i>	Quarter 2 FYE 2022 <i>(Jul 2021 – Sept 2021)</i>	Quarter 3 FYE 2022 <i>(Oct 2021 – Dec 2021)</i>	Quarter 4 FYE 2022 <i>(Jan 2020 – Mar 2020)</i>
Revenue (RM'000)	164,616	129,573	258,944	237,304

7. BUSINESS OVERVIEW (CONT'D)

	Quarter 1 FYE 2022 (April 2021 – Jun 2021)	Quarter 2 FYE 2022 (Jul 2021 – Sept 2021)	Quarter 3 FYE 2022 (Oct 2021 – Dec 2021)	Quarter 4 FYE 2022 (Jan 2020 – Mar 2020)
Quarter-on-quarter change (%)	(14.57)	(21.29)	99.84	(8.36)

Overall, our revenue for FYE 2022 increased by 61.71% to RM790.44 million compared to RM488.80 million in FYE 2021.

Our revenue declined by 14.57% and 21.29% in Q1 and Q2 FYE 2022, mainly due to delays in progress of construction for our on-going developments as a result of the temporary suspension of on-site construction activities for SkyMeridien Residences, SkyVogue Residences, SkySierra Residences (The Valley), EdgeWood Residences, SkyAwani III Residences, SkyAwani IV Residences and SkyAwani V Residences between 1 June 2021 and 31 October 2021 depending on the project site. However, we continue to have billings based on the work progress done prior to the disruptions to the on-site construction activities for our property developments as well as the sale of completed developments. In Q3 2022, our revenue recovered to grow by 99.84% following the gradual resumption of on-site construction activities for our on-going developments. Upon the resumption of construction activities at our development sites, our construction contractor increased their construction activities to make up for the time loss due to the temporary suspension of construction works. In addition, we continued to increase our marketing operations for the sales of our completed developments.

As at 31 March 2022, we have cash and bank balances with licensed banks of RM17.50 million (excluding Housing Development Accounts and fixed deposits placed and pledged to the bank), outstanding bank borrowings of RM448.02 million and a balance unutilised credit facilities of RM375.14 million as at the LPD. Our Board is of the view that our working capital will be sufficient for our operating expenditure and will sustain our business for the next 12 months of the date of this Prospectus, after taking into consideration our cash and bank balances, and banking facilities that are currently available to our Group.

For the Financial Years Under Review and up to the LPD, there were no material LAD payments to our customers for delay in delivery of vacant possession and completion of common facilities. As at the LPD, we have not received any claw-back or reduction in our banking facility limits granted to us by the financial institutions. We do not expect any difficulties in meeting our debt repayment obligations during the next 12 months.

7.14.3 Impact on our supply chain

We have not encountered any disruptions on our supply chain as our suppliers are mainly construction contractors where the procurement of building construction materials are under their responsibilities.

7.15 MAJOR CUSTOMERS

Our business is not dependent on any single major customers as each of our top 5 customers accounted for less than 10.00% of our total revenue for the Financial Years Under Review. Our customers are primarily individuals or companies who generally purchase one or a number of units of our property developments, this is due to the nature of our business in property development. The customers also include financial institution, Maybank Islamic Berhad for the sales of properties under the RTO financing scheme.

7. BUSINESS OVERVIEW (CONT'D)

7.16 MAJOR SUPPLIERS

Our top 5 major suppliers for FYE 2020, FYE 2021 and FYE 2022 are as follows:

(i) FYE 2020

Major suppliers / Country	(1) Principal activity	Main type of services purchased	RM'000	(2) % of total development cost incurred	(3) Length of business relationship (Year)
Sri Binaraya Sdn Bhd / Malaysia	Contract construction and provision of related services	(4) Construction works	92,379	18.12	3
Setiakon Builders Sdn Bhd / Malaysia	Building and earthwork contractor, sub-contractor and real estate property development	(4) Construction works	58,386	11.40	3
Siab (M) Sdn Bhd / Malaysia	Construction and civil engineering	(4) Construction works	31,837	6.24	3
Jasmurni Construction Sdn Bhd / Malaysia	General construction	(4) Construction works	21,178	4.15	1
G-Pile Sistem Sdn Bhd / Malaysia	Geotechnical contractor and all types of piling works	(5) Foundation works	19,650	3.85	2
Total			223,430	43.81	

(ii) FYE 2021

Major suppliers / Country	(1) Principal activity	Main type of services purchased	RM'000	(2) % of total development cost incurred	(3) Length of business relationship (Year)
Sri Binaraya Sdn Bhd / Malaysia	Contract construction and provision of related services	(4) Construction works	135,286	31.47	4
Taghill Projects Sdn Bhd / Malaysia	Management of building and construction projects	(4) Construction works	53,753	12.51	1
Jasmurni Construction Sdn Bhd / Malaysia	General construction	(4) Construction works	50,164	11.67	2
Setiakon Builders Sdn Bhd / Malaysia	Building and earthwork contractor, sub-contractor and real estate property development	(4) Construction works	37,244	8.66	4

7. BUSINESS OVERVIEW (CONT'D)

Major suppliers / Country	(1) Principal activity	Main type of services purchased	RM'000	(2) % of total development cost incurred	(3) Length of business relationship (Year)
ES-Fath Group (M) Sdn Bhd / Malaysia	Civil contractors, real estate property development and provision of project management consultation	(4) Construction works	32,774	7.62	4
Total			309,221	71.93	

(iii) FYE 2022

Major suppliers / Country	(1) Principal activity	Main type of services purchased	RM'000	(2) % of total development cost incurred	(3) Length of business relationship (Year)
Taghill Projects Sdn Bhd / Malaysia	Management of building and construction projects	(4) Construction works	91,221	18.26	2
Jasmurni Construction Sdn Bhd / Malaysia	General construction	(4) Construction works	90,673	18.15	3
Sri Binaraya Sdn Bhd / Malaysia	Contract construction and provision of related services	(4) Construction works	90,235	18.06	5
Setiakon Builders Sdn Bhd / Malaysia	Building and earthwork contractor, sub-contractor and real estate property development	(4) Construction works	77,263	15.47	5
Burnaby Resources Sdn Bhd / Malaysia	Construction and civil engineering works	(6) Infrastructure works	19,670	3.94	1
Total			369,062	73.88	

Notes:

- (1) Source: Companies Commission of Malaysia.
- (2) Total development cost incurred for FYE 2020, FYE 2021 and FYE 2022 was RM509.81 million, RM429.85 million and RM499.60 million respectively.
- (3) Length of business relationship is determined at each of the respective FYE.
- (4) The supplier is engaged as the main contractor for the building construction works.
- (5) The supplier is engaged as the main contractor for the foundation works.
- (6) The supplier is engaged as the main contractor for the infrastructure works.

7. BUSINESS OVERVIEW (CONT'D)

Our Group has not entered into any long-term agreements with our contractors as each contract is based on a project or development. We have back-to-back arrangements with our contractors including date of completion as well as the rectification of the defects during the defect liability period which is stipulated in the contract.

Despite the increase in contribution from the major suppliers throughout the Financial Years Under Review, we were not dependent on any of our major suppliers who are primarily main and subcontractors for construction and infrastructure works as our engagement with our suppliers are based on projects and these types of construction services are easily available from other suppliers in the market

7.17 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS, AGREEMENT AND OTHER ARRANGEMENTS

As at the LPD, our Group is not materially dependent on commercial contracts, agreement and other arrangements.

7.18 EMPLOYEES

As at the LPD, we have a total workforce of 199 employees, all of which are Malaysians and are permanent employees. The breakdown of our employees by category and department are depicted as follows:

Breakdown of employees by category

Category of Employees	Number of employees	
	As at 31 March 2022	As at the LPD
Management	40	44
Technical professionals	2	1
Sales and marketing ⁽¹⁾	41	22
Clerical and administrative	84	86
Site workers / Skilled workers	48	46
Total	215	199

Note:

- (1) The reduction in sales and marketing staffs was due to our Company's initiatives in strengthening sales personnel quality and streamlining sales process (servicing benchmark and sales targets), which resulted in reduction of underachieving sales personnel.

Breakdown of employees by department

Department	Number of employees	
	As at 31 March 2022	As at the LPD
Directors' office	7	7
Product	76	73
Brand communication	6	5
Talents	9	9
Customer advocacy	23	25
Sales	⁽¹⁾ 47	⁽¹⁾ 28
Finance	18	19
Business venture	10	8

7. BUSINESS OVERVIEW (CONT'D)

Operation	12	14
Information technology	5	7
Assets under management	2	4
Total	215	199

Note:

- (1) *The difference between the number of employees in the sales department and the sales and marketing category is due to employees within the sales department that are of manager level and above are included under the management category.*

None of our employees are member of any union and there have been no material industrial disputes pertaining to our employees in the past.

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As at [23 March 2023], we hold the following approvals, major licences and permits for our business operations:

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7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
					8. Developers who intend to sell in bulk for more than 4 units of houses to an individual/company must register the relevant purchaser with the Housing Controller within 14 days from the date of execution of the SPA.	Complied
					9. A copy of the plan approved by the local authority must be attached to the SPA in accordance with Regulation 11, Housing and Development (Control and Licensing) (Amendment) Regulations 2015 in the form of hardcopy in AO or A1 size or in soft copy (pdf format) using a compact disc or such other appropriate electronic media.	Complied
					10. Save and except for the APDL approved prior to 1 June 2015 in accordance with Regulation 14, Housing and Development (Control and Licensing) (Amendment) Regulations 2015, the developer must use the SPAs in the prescribed form under Schedules G, H, I, J of the Housing and Development (Control and Licensing) (Amendment) Regulations 2015.	Complied
2.	MHLG / SkyWorld Development	Developer's Licence under Section 5 of the Housing Development (Control and Licensing) Act 1966 ("HDA") ⁽⁹⁾	13715/09-2025/0862(R)	<u>Issuance Date</u> 1 September 2022 <u>Validity Period</u> 19 September 2022 to 18 September 2025 ⁽³⁾	1. The developer shall submit the application for renewal of the Developer's Licence no later than 60 days prior to the expiry of the licence. 2. The developer shall submit an application for revision to update any revision to the information that has been submitted to the Housing Controller during the application of the Developer's License including information in relation to the company, finance or land of the licensed company within 4 weeks from the date of revision.	Noted ⁽³⁾ Noted ⁽¹³⁾

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity		Status of compliance
					Conditions imposed	
					3. The printed amended licence is only issued for amendments involving the information set out in the licence only.	Noted ⁽¹⁴⁾
3.	MHLG / SkyAwani 5 Development	Advertising permit for the development of 1 block of 31-storey apartment / condominium (615 units) on Lot 201438, Lot 201437, Mukim Setapak, District of Wilayah Persekutuan Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur known as "SKYAWANI V" ⁽⁹⁾	19945-1/07-2023/0477(R)-(S))	<u>Issuance Date</u> 3 November 2022 <u>Validity Period</u> 30 July 2022 – 29 July 2023 ⁽³⁾	1. The developer shall not offer the Interest Capitalisation Scheme package or include the Developer Interest Bearing Scheme or such other similar schemes. 2. The developer shall prioritise the selling of housing property with a price of RM300,000 and below to first time home buyers. 3. The developer must ensure that the surrounding of the housing development approved in this licence complies with the conditions set out under Section 11 Destruction of Disease-Bearing Insects Act 1975 and the Guidelines in respect of Control of Aedes Mosquito Control in Construction Sites. 4. The developer shall submit the application for renewal of the Advertising Permit no later than 60 days prior to the expiry of the licence. 5. The landlord as registered owner in the land title must sign the sale and purchase agreements. 6. The developer must display the selling price in detail, including all offers of goods, services and payments offered to the purchasers. 7. The purchaser is entitled to reject or refuse to accept the developer's offer in the form of offer of goods, services and payments, in which the developer must deduct such value from the selling price.	Complied Complied Complied Complied Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
					8. The Developers who intend to sell in bulk, for more than four units of houses to an individual / company must register the relevant purchaser with the Housing Controller within 14 days from the date of execution of the SPA.	Complied
					9. A copy of the plan approved by the local authority must be attached to the SPA in accordance with Regulation 11, Housing and Development (Control and Licensing) (Amendment) Regulations 2015 in the form of hardcopy in AO or A1 size or in soft copy (pdf format) using a compact disc or such other appropriate electronic media.	Complied
					10. Save and except for the APDL approved prior to 1 June 2015 in accordance with Regulation 14 Housing and Development (Control and Licensing) (Amendment) Regulations 2015, the developer shall use the SPA prescribed under Schedules G, H, I, J of the Housing and Development (Control and Licensing) (Amendment) Regulations 2015.	Complied
4.	MHLG / SkyAwani 5 Development	Developer's Licence under Section 5 of the HDA ⁽⁹⁾	19945/07-2027/0770(R)	<u>Issuance Date</u> 16 August 2022 <u>Validity Period</u> 30 July 2022 – 29 July 2027 ⁽³⁾	1. The developer shall submit the application for renewal of the Developer's Licence no later than 60 days prior to the expiry of the licence. 2. The developer shall submit an application for revision to update any revision to the information that has been submitted to the Housing Controller during the application of the Developer's License including information in relation to the company, finance or land of the licensed company within 4 weeks from the date of revision. 3. The printed amended licence is only issued for amendments involving the information set out in the licence only.	Noted ⁽³⁾ Noted ⁽¹³⁾ Noted ⁽¹⁴⁾

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
5.	MHLG / SkySanctuary Development	APDL for the development of 1 block of 42-storey apartment (480 units) and 1 block of 42-storey of apartment (480 units) on PT10136, Mukim Setapak, District of Wilayah Persekutuan Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur known as "EDGEWOOD (RESIDENSI SKYSANCTUARY 1)".	20093-1/04-2023/0304(L) and 20093-1/04-2023/0304(P)	<u>Issuance Date</u> 6 April 2021 <u>Validity Period</u> 6 April 2021 – 5 April 2023 ⁽³⁾	<u>Developer's Licence</u> 1. The developer shall not offer the Interest Capitalisation Scheme package or include the Developer Interest Bearing Scheme or such other similar schemes. 2. The developer shall prioritise the selling of housing property with a price of RM300,000 and below to first time home buyers. 3. The developer must ensure that the surrounding of the housing development approved in this licence complies with the conditions set out under Section 11 Destruction of Disease-Bearing Insects Act 1975 and the Guidelines in respect of Control of Aedes Mosquito Control in Construction Sites. 4. The developer shall submit the application for renewal of the Advertising and Sale Permit and Developer's Licence no later than 60 days prior to the expiry of the Licence. 5. The SPA shall not be signed until a copy of the SIFUS certificate and the plot schedule has been submitted to the JPN. <u>Advertising and Sale Permit</u> 1. The developer must display the selling price in detail, including all offers of goods, services and payments offered to the purchasers. 2. The purchaser is entitled to reject or refuse to accept the developer's offer in the form of offer of goods, services and payments, in which the developer must deduct such value from the selling price.	Complied Not applicable ⁽¹⁾ Complied Complied ⁽²⁰⁾ Complied Complied Complied Complied
						Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
					3. The Developers who intend to sell in bulk, for more than four units of houses to an individual/company must register the relevant purchaser with the Housing Controller within 14 days from the date of execution of the SPA.	
					4. A copy of the plan approved by the local authority must be attached to the SPA in accordance with Regulation 11, Housing and Development (Control and Licensing) (Amendment) Regulations 2015 in the form of hardcopy in AO or A1 size or in soft copy (pdf format) using a compact disc or such other appropriate electronic media.	Complied
					5. Save and except for the Advertising and Sale Permit and Developer's Licence approved prior to 1 June 2015 in accordance with Regulation 14, the developer shall use the SPA prescribed under Schedules G, H, I, J of the Housing and Development (Control and Licensing) (Amendment) Regulations 2015.	Complied
6.	MHLG / SkySanctuary Development	Developer's Licence under Section 5 of the HDA ⁽⁹⁾	20093/04-2028/0460(R)	<u>Issuance Date</u> 10 February 2023 <u>Validity Period</u> 6 April 2023 -5 April 2028	1. The developer shall submit the application for renewal of the Developer's Licence no later than 60 days prior to the expiry of the licence. 2. The developer shall submit an application for revision to update any revision to the information that has been submitted to the Housing Controller during the application of the Developer's License including information in relation to the company, finance or land of the licensed company within 4 weeks from the date of revision. 3. The printed amended licence is only issued for amendments involving the information set out in the licence only	Noted ⁽³⁾ Noted ⁽¹³⁾ Noted ⁽¹⁴⁾

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
7.	MHLG / SkyMeridien Development	Developer's Licence under Section 5 of the HDA ⁽⁹⁾	19313/03-2026/0217(R)	<u>Issuance Date</u> 12 January 2023 <u>Validity Period</u> 3 March 2023 – 2 March 2026	1. The developer shall submit the application for renewal of the Developer's Licence no later than 60 days prior to the expiry of the licence. 2. The developer shall submit an application for revision to update any revision to the information that has been submitted to the Housing Controller during the application of the Developer's License including information in relation to the company, finance or land of the licensed company within 4 weeks from the date of revision. 3. The printed amended licence is only issued for amendments involving the information set out in the licence only.	Noted ⁽³⁾ Noted ⁽¹³⁾ Noted ⁽¹⁴⁾
8.	MHLG / SkyVogue Development	APDL for the development of 1 block of 45-storey apartment / condominium (333 units) on Lot PT50017, Mukim Kuala Lumpur, District of Wilayah Persekutuan Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur known as "RESIDENSI SKYVOGUE".	19980-1/09-2023/0082(R)-(S)	<u>Issuance Date</u> 12 January 2023 <u>Validity Period</u> 18 September 2022 – 17 September 2023	<u>Developer's Licence</u> 1. The developer shall not offer the Interest Capitalisation Scheme package or include the Developer Interest Bearing Scheme or such other similar schemes. 2. The developer shall prioritise the selling of housing property with a price of RM300,000 and below to first time home buyers. 3. The developer must ensure that the surrounding of the housing development approved in this licence complies with the conditions set out under Section 11 Destruction of Disease-Bearing Insects Act 1975 and the Guidelines in respect of Control of Aedes Mosquito Control in Construction Sites. 4. The developer shall submit the application for renewal of the Advertising Permit no later than 60 days prior to the expiry of the licence.	Complied Not applicable ⁽¹⁾ Complied Noted ⁽³⁾

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
					5. The landlord as registered owner of the land title must sign the sale and purchase agreements.	Complied
					<u>Advertising and Sale Permit</u>	
					1. The developer must display the selling price in detail, including all offers of goods, services and payments offered to the purchasers.	Complied
					2. The purchaser is entitled to reject or refuse to accept the developer's offer in the form of offer of goods, services and payments, in which the developer must deduct such value from the selling price.	Complied
					3. The Developers who intend to sell in bulk, for more than four units of houses to an individual / company must register the relevant purchaser with the Housing Controller within 14 days from the date of execution of the SPA.	Complied
					4. A copy of the plan approved by the local authority must be attached to the SPA in accordance with Regulation 11, Housing and Development (Control and Licensing) (Amendment) Regulations 2015 in the form of hardcopy in AO or A1 size or in soft copy (pdf format) using a compact disc or such other appropriate electronic media.	Complied
					5. Save and except for the Advertising and Sale Permit and Developer's Licence approved prior to 1 June 2015 in accordance with Regulation 14, Housing and Development (Control and Licensing) (Amendment) Regulations 2015, the developer shall use the SPA prescribed under Schedules G, H, I, J of the Housing and Development (Control and Licensing) (Amendment) Regulations 2015.	Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
9.	MHLG / SkyVogue Development	Developer's Licence under Section 5 of the HDA ⁽⁹⁾	19980/09-2027/0898(A)	<u>Issuance Date</u> 14 March 2023 <u>Validity Period</u> 18 September 2022 – 17 September 2027	1. The developer shall submit the application for renewal of the Developer's Licence no later than 60 days prior to the expiry of the licence. 2. The developer shall submit an application for revision to update any revision to the information that has been submitted to the Housing Controller during the application of the Developer's License including information in relation to the company, finance or land of the licensed company within 4 weeks from the date of revision. 3. The printed amended licence is only issued for amendments involving the information set out in the licence only.	Noted ⁽³⁾ Complied Noted ⁽¹⁴⁾
10.	MHLG / SkySierra Development	Advertising Permit for the development of 1 block of 37-storey apartment / condominium (360 units), 1 block of 49-storey apartment / condominium (489 units) and 1 block of 43-storey apartment / condominium (460 units) on Lot PT1283, Mukim Kuala Lumpur, District of Wilayah Persekutuan Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur known as "RESIDENSI SKYSIERRA". ⁽⁹⁾	19840-1/12-2023/0139(R)-(S)	<u>Issuance Date</u> 18 January 2023 <u>Validity Period</u> 19 December 2022 – 18 December 2023	1. The developer shall not offer the Interest Capitalisation Scheme package or include the Developer Interest Bearing Scheme or such other similar schemes. 2. The developer shall prioritise the selling of housing property with a price of RM300,000 and below to first time home buyers. 3. The developer must ensure that the surrounding of the housing development approved in this licence complies with the conditions set out under Section 11 Destruction of Disease-Bearing Insects Act 1975 and the Guidelines in respect of Control of Aedes Mosquito Control in Construction Sites. 4. The developer shall submit the application for renewal of the Advertising Permit no later than 60 days prior to the expiry of the licence. 5. The landlord as registered owner in the land title must sign the sale and purchase agreements.	Complied Not applicable ⁽¹⁾ Complied Noted ⁽³⁾ Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
					6. The developer must display the selling price in detail, including all offers of goods, services and payments offered to the purchasers.	Complied
					7. The purchaser is entitled to reject or refuse to accept the developer's offer in the form of offer of goods, services and payments, in which the developer must deduct such value from the selling price.	Complied
					8. The developers who intend to sell in bulk, for more than four units of houses to an individual / company must register the relevant purchaser with the Housing Controller within 14 days from the date of execution of the SPA.	Complied
					9. A copy of the plan approved by the local authority must be attached to the SPA in accordance with Regulation 11, Housing and Development (Control and Licensing) (Amendment) Regulations 2015 in the form of hardcopy in AO or A1 size or in soft copy (pdf format) using a compact disc or such other appropriate electronic media.	Complied
					10. Save and except for the Advertising Permit approved prior to 1 June 2015 in accordance with Regulation 14, Housing and Development (Control and Licensing) (Amendment) Regulations 2015, the developer must use the SPAs in the prescribed form under Schedules G, H, I, J of the Housing and Development (Control and Licensing) (Amendment) Regulations 2015.	Complied
11.	MHLG / SkySierra Development	Developer's Licence under Section 5 of the HDA ⁽⁹⁾	19840/12-2027/1381(A)	<u>Issuance Date</u> 6 March 2023	1. The developer shall submit the application for renewal of the Developer's Licence no later than 60 days prior to the expiry of the licence.	Noted ⁽³⁾

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
				<u>Validity Period</u> 19 December 2022 – 18 December 2027	2. The developer shall submit an application for revision to update any revision to the information that has been submitted to the Housing Controller during the application of the Developer's License including information in relation to the company, finance or land of the licensed company within 4 weeks from the date of revision.	Complied
					3. The printed amended licence is only issued for amendments involving the information set out in the licence only.	Noted ⁽¹⁴⁾
12.	MHLG / Curvo Development	Advertising Permit for the development of 1 block of 41-storey apartment / condominium (448 units) and 1 block of 27-storey apartment / condominium (382 units) on Lot 201208, Mukim Setapak, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur known as "RESIDENSI CURVO".	30176-1/01-2026/0041(A)-(S)	<u>Issuance Date</u> 17 March 2023 <u>Validity Period</u> 11 January 2023 – 10 January 2026	1. The developer shall not offer the Interest Capitalisation Scheme package or include the Developer Interest Bearing Scheme or such other similar schemes. 2. The developer shall prioritise the selling of housing property with a price of RM300,000 and below to first time home buyers. 3. The developer must ensure that the surrounding of the housing development approved in this licence complies with the conditions set out under Section 11 Destruction of Disease-Bearing Insects Act 1975 and the Guidelines in respect of Control of Aedes Mosquito Control in Construction Sites. 4. The developer shall submit the application for renewal of the Advertising Permit no later than 60 days prior to the expiry of the licence. 5. The landlord as registered owner in the land title must sign the sale and purchase agreements.	Complied Not applicable ⁽¹⁾ Complied Noted ⁽³⁾ Noted ⁽¹⁰⁾

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
					6. The developer must display the selling price in detail, including all offers of goods, services and payments offered to the purchasers.	Complied
					7. The purchaser is entitled to reject or refuse to accept the developer's offer in the form of offer of goods, services and payments, in which the developer must deduct such value from the selling price.	Complied
					8. The developers who intend to sell in bulk, for more than four units of houses to an individual / company must register the relevant purchaser with the Housing Controller within 14 days from the date of execution of the SPA.	Noted ⁽¹⁰⁾
					9. A copy of the plan approved by the local authority must be attached to the SPA in accordance with Regulation 11, Housing and Development (Control and Licensing) (Amendment) Regulations 2015 in the form of hardcopy in AO or A1 size or in soft copy (pdf format) using a compact disc or such other appropriate electronic media.	Noted ⁽¹⁰⁾
					10. Save and except for the Advertising Permit approved prior to 1 June 2015 in accordance with Regulation 14, Housing and Development (Control and Licensing) (Amendment) Regulations 2015, the developer must use the SPAs in the prescribed form under Schedules G, H, I, J of the Housing and Development (Control and Licensing) (Amendment) Regulations 2015.	Noted ⁽¹⁰⁾
13.	MHLG / Curvo Development	Developer's Licence under Section 5 of the HDA ⁽⁹⁾	30176/08-2027/0175(A)	<u>Issuance Date</u> 8 March 2023	1. The developer shall submit the application for renewal of the Developer's Licence no later than 60 days prior to the expiry of the licence.	Noted ⁽³⁾

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
				<u>Validity Period</u> 1 September 2022 – 31 August 2027	2. The developer shall submit an application for revision to update any revision to the information that has been submitted to the Housing Controller during the application of the Developer's License including information in relation to the company, finance or land of the licensed company within 4 weeks from the date of revision.	Complied
					3. The printed amended licence is only issued for amendments involving the information set out in the licence only.	Noted ⁽¹⁴⁾
14.	Majlis Perbandaran Ampang Jaya ("MPAJ") / SkyWorld Development	Business Licence for Management Office (Code 21001) and Illuminated Advertisement Board (Code 21015) at Level 8, Blk B, Wisma NTP World, Excella Business Park, Taman Ampang Hilir, 68000 Ampang, Selangor Darul Ehsan	L00676852	<u>Expiry Date</u> 31 December 2023	<u>Special Conditions</u> 1. This licence shall be displayed at all times at the licensed premise. 2. This licence shall be renewed beginning 1 October and prior to 31 December of each year. 3. Copy of this licence bill shall not be valid for use in court. A written application to the council for confirmation of a copy of the business licence bill has to be obtained.	Complied Noted ⁽⁴⁾ Noted ⁽¹⁵⁾
					<u>Management Office</u> 1. The Company shall not be permitted to transfer the ownership of the licence without the approval from the council. All ownership transfers shall go through the MPAJ and all conditions imposed by the MPAJ shall be complied. 2. The Company shall make payment for the licence within 14 days from the date of receipt of payment notice. Failure to do so would result in the MPAJ to revoke the approved licence. Payment shall be under the name "Yang Dipertua Majlis Perbandaran Ampang Jaya".	Noted ⁽¹⁹⁾ Noted ⁽¹⁶⁾

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
					3. The Company shall always maintain the hygiene of the premise from time to time.	Complied
					4. The Company shall prepare a suitable closed trash bin in front of the Company's business premise.	Complied
					5. The licence plate shall be displayed in a place that is easily visible to the public/officials from the MPAJ.	Complied
					6. The Company shall be subject to the conditions imposed by the MPAJ from time to time.	Noted ⁽¹⁷⁾
					7. All types of business and transactions shall be in the building premises only. Businesses on the sidewalk of the building is not permitted.	Complied
					8. The Company shall display photographs of His Majesty the Sultan of Selangor and His Majesty the Tengku Ampuan of Selangor at a suitable place in the business premise.	Complied
					9. The Company shall obtain the support of the Fire Department as well as organise and satisfying the needs of the Fire Department.	Complied
					10. The Company shall display the Malaysia flag on National Day (17 August to 16 September).	Complied
					11. The Company shall display the Selangor flag in conjunction with the birthday celebration of His Majesty the Sultan of Selangor.	Complied
					12. The Company shall comply with such other conditions imposed by the MPAJ from time to time.	Noted ⁽¹⁷⁾

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
					<u>Advertisement Board</u>	
					1. Should the Company fail to pay the approval fee, the Company would be deemed as displaying the advertisement board without permission. Strict actions will be taken by demolishing the advertisement board without notice.	Noted ⁽¹⁸⁾
					2. The Company shall be permitted to display advertisement boards with the approval of the MPAJ only.	Complied
					3. Licence approval MPAJ 01-06/2/() shall be recorded in the upper left corner of the advertisement board.	Complied
					4. Approval of the MPAJ shall be obtained for any amendment to the signboard.	Noted ⁽²⁾
					5. The business licence shall be renewed annually if the signboard is still in use.	Noted ⁽⁴⁾
					6. The Company is required to obtain a "Public Liability Insurance" to protect the public as well as the public properties from disasters resulting from the structure of the advertisement board.	Complied
					7. The Company shall also be subject to the conditions of the landowner of the land where the advertisement board is built.	Complied
					8. The Company shall comply with such other conditions imposed by the MPAJ from time to time.	Noted ⁽¹⁷⁾
15.	DBKL / SkyWorld Development	Business Licence for Gallery (Code E002) and Advertisement Board (Licensed Premise)* 6.00*1.00/1 unit (Code IK01)	DBKL.JPPP/01085/03/2023/KM01	<u>Validity Period</u> 11 March 2023 – 10 March 2024	1. The DBKL shall have the rights to impose additional conditions as a business control measure from time to time as well as take action based on the relevant applicable laws with the	Noted ⁽¹²⁾

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
		at No 17899, SkyArena, Setapak Jalan Ayer Jerneh Off Jalan Genting Klang, 53200 Taman Ayer Panas, Kuala Lumpur			external departments or agencies related to the business activities. 2. The business licence shall be renewed every year, 60 days before the expiry of the licence, without notice from DBKL. 3. Employees of the premises shall comprise of 50% Malaysian citizens and 50% non-Malaysian citizens with a valid working permit.	Noted ⁽⁵⁾ Complied ⁽⁸⁾
16.	DBKL / SkyWorld Development	Business Licence for Gallery (Code E002), Advertisement Board (Licensed Premise)* 2.10*0.70/1 unit (Code IK01) and Advertisement Board (Licensed Premise)* *1.80*0.20/1 unit (Code IK01) at No 178, SkyArena, Setapak, Jalan Ayer Jernih Off Jalan Genting Klang, Taman Ayer Panas, 53200 Kuala Lumpur	DBKL.JPPP/0 0117/05/2022/ KM01	<u>Validity Period</u> 10 May 2022 – 9 May 2023	1. The DBKL shall have the rights to impose additional conditions as a business control measure from time to time as well as take action based on the relevant applicable laws with the external departments or agencies related to the business activities. 2. The business licence shall be renewed every year, 60 days before the expiry of the licence, without notice from DBKL. 3. Employees of the premises shall comprise of 50% Malaysian citizens and 50% non-Malaysian citizens with a valid working permit.	Noted ⁽¹²⁾ Complied ⁽²¹⁾ Complied ⁽⁸⁾
17.	DBKL / SkyMeridien Development	Business Licence for Gallery (Code E002) at Jalan 1/48A, 51000 Bandar Baru Sentul, Kuala Lumpur	DBKL.JPPP/0 1379/03/2022/ KM01	<u>Validity period</u> 31 March 2022 – 30 March 2023	1. The DBKL shall have the rights to impose additional conditions as a business control measure from time to time as well as take action based on the relevant applicable laws with the external departments or agencies related to the business activities. 2. The business licence shall be renewed every year, 60 days before the expiry of the licence, without notice from DBKL.	Noted ⁽¹²⁾ Noted ⁽⁵⁾

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
					3. Employees of the premises shall comprise of 50% Malaysian citizens and 50% non-Malaysian citizens with a valid working permit.	Complied ⁽⁸⁾
18.	DBKL / SkyMeridien Development	Signboard Licence for Premise Advertisement Board 1.00*4.00 (Code IK01), Advertisement Board 5.00*2.00 (Code IK01) and Premise Advertisement Board 0.08*2.50 (Code IK01) at Jalan 1/48A, Bandar Baru Sentul, 51000 Kuala Lumpur.	DBKL.JPPP/0 1379/03/2022/KM01	<u>Validity Period</u> 26 April 2022 – 25 April 2023	1. The DBKL shall have the rights to impose additional conditions as a business control measure from time to time as well as take action based on the relevant applicable laws with the external departments or agencies related to the business activities. 2. The business licence shall be renewed every year, 60 days before the expiry of the licence, without notice from DBKL. 3. Employees of the premises shall comprise of 50% Malaysian citizens and 50% non-Malaysian citizens with a valid working permit.	Noted ⁽¹²⁾ Noted ⁽⁵⁾ Complied ⁽⁸⁾
19.	DBKL / SkyVogue Development	Business Licence for Gallery (Code E002) at Jalan Jalil Perkasa 4, Jalan Jalil Perkasa 4, 57000 Bukit Jalil, Kuala Lumpur.	DBKL.JPPP/0 1382/03/2022/KM01	<u>Validity period</u> 31 March 2022 – 30 March 2023	1. The DBKL shall have the rights to impose additional conditions as a business control measure from time to time as well as take action based on the relevant applicable laws with the external departments or agencies related to the business activities. 2. The business licence shall be renewed every year, 60 days before the expiry of the licence, without notice from DBKL. 3. Employees of the premises shall comprise of 50% Malaysian citizens and 50% non-Malaysian citizens with a valid working permit.	Noted ⁽¹²⁾ Noted ⁽⁷⁾ Complied ⁽⁸⁾
20.	DBKL / SkyVogue Development	Signboard Licence for Premise Advertisement Board 1.94*5.47 (Code IK01) and Premise	DBKL.JPPP/0 1382/03/2022/KM01	<u>Validity Period</u> 26 April 2022 – 25 April 2023	1. The DBKL shall have the rights to impose additional conditions as a business control measure from time to time as well as take action based on the relevant applicable laws with the	Noted ⁽¹²⁾

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
		Advertisement Board 5.50*1.62 (Code IK01) at Jalan Jalil Perkasa 4, Bukit Jalil, 57000 Kuala Lumpur			external departments or agencies related to the business activities.	
					2. The business licence shall be renewed every year, 60 days before the expiry of the licence, without notice from DBKL.	Noted ⁽⁷⁾
					3. Employees of the premises shall comprise of 50% Malaysian citizens and 50% non-Malaysian citizens with a valid working permit.	Complied ⁽⁸⁾
21.	DBKL / SkySierra Development	Business Licence for Gallery (Code E002), Advertisement Board 12.00*1.00 (Code IK01), Advertisement Board 8.00*1.00 (Code IK01) and Advertisement Board 6.00*1.00 (Code IK01) at Kompleks MSN, Taman Keramat AU2C, Jalan 37/57, Jalan 27/56, 54200 Keramat Wangsa, Kuala Lumpur	DBKL.JPPP/0 1083/03/2023/KM01	<u>Validity Period</u> 11 March 2023 – 10 March 2024	1. The DBKL shall have the rights to impose additional conditions as a business control measure from time to time as well as take action based on the relevant applicable laws with the external departments or agencies related to the business activities.	Noted ⁽¹²⁾
					2. The business licence shall be renewed every year, 60 days before the expiry of the licence, without notice from DBKL.	Noted ⁽⁶⁾
					3. Employees of the premises shall comprise of 50% Malaysian citizens and 50% non-Malaysian citizens with a valid working permit.	Complied ⁽⁸⁾
22.	DBKL / NTP World Corporation	Signboard Licence for Bridge Advertisement (Code IK17) 16.00*4.80/Jalan Lingkaran Tengah 2, Desa Pahlawan, Kuala Lumpur/2 Unit	DBKL.JPPP/0 2266/08/2022/I K17	<u>Validity Period</u> 10 September 2022 to 9 September 2023	1. The DBKL shall have the rights to impose additional conditions as a business control measure from time to time as well as take action based on the relevant applicable laws with the external departments or agencies related to the business activities.	Noted ⁽¹²⁾
					2. The business licence shall be renewed every year, 60 days before the expiry of the licence, without notice from DBKL.	Noted ⁽⁵⁾

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
					3. Employees of the premises shall comprise of 50% Malaysian citizens and 50% non-Malaysian citizens with a valid working permit.	Complied ⁽⁸⁾
23.	MPAJ / SkyWorld Development	Business Licence for Management Office (Code 21001) and Illuminated Advertisement Board (Code 21015) at Lot 42908, Section 16, Block D, Jalan Ampang Putra, Excella Business Park, Taman Ampang Hilir 68000 Ampang	L0074113-6	<u>Expiry Date</u> 31 December 2023 ⁽⁴⁾	<u>Special Conditions</u> 1. This licence shall be displayed at all times at the licensed premise. 2. This licence shall be renewed beginning 1 October and prior to 31 December of each year. 3. Copy of this licence bill shall not be valid for use in court. A written application to the council for confirmation of a copy of the business licence bill has to be obtained. <u>Management Office</u> 1. The Company shall not be permitted to transfer the ownership of the licence without the approval from the council. All ownership transfers shall go through the MPAJ and all conditions imposed by the MPAJ shall be complied. 2. The Company shall make payment for the licence within 14 days from the date of receipt of payment notice. Failure to do so would result in the MPAJ to revoke the approved licence. Payment shall be under the name "Yang Dipertua Majlis Perbandaran Ampang Jaya". 3. The Company shall always maintain the hygiene of the premise from time to time. 4. The Company shall prepare a suitable closed trash bin in front of the Company's business premise.	Complied Noted ⁽⁴⁾ Noted ⁽¹⁵⁾ Noted ⁽¹⁹⁾ Noted ⁽¹⁶⁾ Complied Complied

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
					5. The licence plate shall be displayed in a place that is easily visible to the public/officials from the MPAJ.	Complied
					6. The Company shall be subject to the conditions imposed by the MPAJ from time to time.	Noted ⁽¹⁷⁾
					7. All types of business and transactions shall be in the building premises only. Businesses on the sidewalk of the building is not permitted.	Complied
					8. The Company shall display photographs of His Majesty the Sultan of Selangor and His Majesty the Tengku Ampuan of Selangor at a suitable place in the business premise.	Complied
					9. The Company shall obtain the support of the Fire Department as well as organise and satisfying the needs of the Fire Department.	Complied
					10. The Company shall display the Malaysia flag on National Day (17 August to 16 September).	Noted ⁽¹¹⁾
					11. The Company shall display the Selangor flag in conjunction with the birthday celebration of His Majesty the Sultan of Selangor.	Noted ⁽¹¹⁾
					12. The Company shall comply with such other conditions imposed by the MPAJ from time to time.	Noted ⁽¹⁷⁾
					<u>Advertisement Board</u>	
					1. Should the Company fail to pay the approval fee, the Company would be deemed as displaying the advertisement board without permission. Strict actions will be taken by demolishing the advertisement board without notice.	Noted ⁽¹⁸⁾

7. BUSINESS OVERVIEW (CONT'D)

No.	Approving authority / Licensee	Type of approvals / licences / permits	Licence / Permit / Reference no.	Date of issuance / Validity	Conditions imposed	Status of compliance
					2. The Company shall be permitted to display advertisement boards with the approval of the MPAJ only.	Complied
					3. Licence approval MPAJ 01-06/2/() shall be recorded in the upper left corner of the advertisement board.	Complied
					4. Approval of the MPAJ shall be obtained for any amendment to the signboard.	Noted ⁽²⁾
					5. The business licence shall be renewed annually if the signboard is still in use.	Noted ⁽⁴⁾
					6. The Company is required to obtain a "Public Liability Insurance" to protect the public as well as the public properties from disasters resulting from the structure of the advertisement board.	Complied
					7. The Company shall also be subject to the conditions of the landowner of the land where the advertisement board is built.	Complied
					8. The Company shall comply with such other conditions imposed by the MPAJ from time to time.	Noted ⁽¹⁷⁾

7. BUSINESS OVERVIEW (CONT'D)




Notes:

- (1) The selling price of all the condominium / apartment units in the respective housing developments exceeds RM300,000.00.
- (2) Our Group will ensure that this condition is complied with, prior to any amendment to the signboard.
- (3) Our Group will submit the renewal application at least 60 days prior to the expiry date of the respective APDLs.
- (4) Our Group will submit the renewal application prior to 31 December 2023 as per the requirements of the respective MPAJ licence.
- (5) Our Group will submit the renewal application at least 60 days prior to the expiry date as per the requirements of the respective DBKL licences.
- (6) As our Group has vacated the Sentul Sales Gallery (see Section 7.22.1(4) of this Prospectus), our Group will not submit the application for renewal until a right of use approval is obtained from the land administrator.
- (7) As our Group has vacated the Bukit Jalil Sales Gallery (see Section 7.22.1(4) of this Prospectus), our Group will not submit the application for renewal until the approval in respect of the extension for the development order is obtained from DBKL.
- (8) Our Solicitors have written to DBKL on 9 June 2022 requesting for clarification on the condition. DBKL had confirmed vide a letter dated 21 June 2022 that the condition meant that as long as the number of foreign employees does not exceed 50% of the total number of employees at the premise and have valid working permits, the condition will be considered to be met.
- (9) Following the introduction and implementation by the MHLG of the Housing Integrated Management System ("HIMS") as a single-entry system to replace earlier platforms such as BLESS, IDAMAN and e-Pemaju effective 31 January 2022, housing developers are required to apply for their Developer's Licence and Advertising Permit vide the HIMS. Under the system, each housing developer will now be issued with only 1 Developer's Licence but a separate Advertising Permit will be issued for each housing development. Following our recent renewal of APDL under the HIMS, our Group has been issued with separate Advertising Permits and Developer's Licences.
- (10) Our Group has yet to enter into any sale and purchase agreements for the sale of any units in the housing development.
- (11) As the business licence has been newly obtained by our Group on 26 January 2023, the conditions are to be complied in the future by our Group as and when required.
- (12) Our Group will ensure that this condition is complied with, as and when required by the DBKL.
- (13) Our Group will ensure that this condition is complied with, in the event of any revision to the information submitted to the Housing Controller for the application of the Developer's Licence.
- (14) Our Group takes note that printed amended licence will only be issued for amendments of information in the licence.
- (15) Our Group will ensure that this condition is complied with, prior to usage of a copy of the licence in court.
- (16) Our Group will ensure that this condition is complied with, upon receipt of payment notice.
- (17) Our Group will ensure that this condition is complied with, as and when required by MPAJ.
- (18) Our Group takes note of the consequences for the failure to pay the approval fee.
- (19) Our Group will ensure that this condition is complied with, prior to any transfer of ownership of the licence.
- (20) The application for renewal was submitted on 4 February 2023. The renewed Developer's Licence was issued on 10 February 2023. The approval in respect of the renewal of Advertising Permit is expected to be obtained by 5 April 2023.
- (21) Our Group has submitted the application for renewal and the approval for such application is estimated to be obtained by end April 2023.



7. BUSINESS OVERVIEW (CONT'D)

7.20 INTELLECTUAL PROPERTY RIGHTS


7.20.1 Trademarks

No.	Trademark	Name of registered owner / Registration no.	Issuing authority / Country of registration	Class / Description	Status / Validity period
1.		SkyWorld Development / 2014010514	Intellectual Property Corporation of Malaysia ("MyIPO") / Malaysia	Class 37: Real estate development; property development; housing development; building project development; building and construction of real property; maintenance and repair of buildings; building maintenance; advisory services relating to property development; construction planning and management; all included in class 37.	Valid / 18 September 2014 – 18 September 2024
2.		SkyWorld Development / 2014008384	MyIPO / Malaysia	Class 37: Real estate development; property development; housing development; building project development; building and construction of real property; maintenance and repair of buildings; building maintenance; advisory services relating to property development; construction planning and management; all included in class 37.	Valid / 25 July 2014 – 25 July 2024
3.		SkyWorld Development / 2017007667	MyIPO / Malaysia	Class 37: Real estate development; property development; housing development; building project development; building and construction of real property; maintenance and repair of buildings; building maintenance; advisory services relating to property development; construction planning and management; all included in class 37.	Valid / 24 July 2017 – 24 July 2027



7. BUSINESS OVERVIEW (CONT'D)

No.	Trademark	Name of registered owner / Registration no.	Issuing authority / Country of registration	Class / Description	Status / Validity period
4.		SkyWorld Development / 2019002279	MyIPO / Malaysia	Class 36: Real estate affairs; real estate and property investment, management and financing; leasing of real estate; rental of commercial and or residential properties including offices, shops, flats, apartments, condominiums and or houses; real estate brokers; estate appraisal; administration and advisory services relating to real estate and property; all included in class 36.	Valid / 22 January 2019 – 22 January 2029
5.		SkyWorld Development / 1983148	IP Australia / Australia ⁽¹⁾	Class 36: Real estate affairs; real estate and property investment, management and financing; leasing of real estate; rental of commercial and or residential properties including offices, shops, flats, apartments, condominiums and or houses; real estate brokers; estate appraisal; administration and advisory services relating to real estate and property; all included in class 36. Class 37: Real estate development; property development; housing development; building project development; building and construction of real property; maintenance and repair of buildings; building maintenance; advisory services relating to property development; construction planning and management; all included in class 37.	Valid / 15 January 2019 – 15 January 2029



7. BUSINESS OVERVIEW (CONT'D)

No.	Trademark	Name of registered owner / Registration no.	Issuing authority / Country of registration	Class / Description	Status / Validity period
6.		SkyWorld Development / 50573	Brunei Intellectual Property Office / Brunei ⁽¹⁾	<p>Class 36: Real estate affairs; real estate and property investment, management and financing; leasing of real estate; rental of commercial and or residential properties including offices, shops, flats, apartments, condominiums and or houses; real estate brokers; estate appraisal; administration and advisory services relating to real estate and property; all included in class 36.</p> <p>Class 37: Real estate development; property development; housing development; building project development; building and construction of real property; maintenance and repair of buildings; building maintenance; advisory services relating to property development; construction planning and management; all included in class 37.</p>	Valid / 27 March 2019 – 27 Mar 2029



7. BUSINESS OVERVIEW (CONT'D)

No.	Trademark	Name of registered owner / Registration no.	Issuing authority / Country of registration	Class / Description	Status / Validity period
7.		SkyWorld Development / KH-T-2019-84257	Department of Intellectual Property Rights Cambodia / Cambodia ⁽¹⁾	Class 36: Real estate affairs; real estate and property investment, management and financing; leasing of real estate; rental of commercial and or residential properties including offices, shops, flats, apartments, condominiums and or houses; real estate brokers; estate appraisal; administration and advisory services relating to real estate and property; all included in class 36. Class 37: Real estate development; property development; housing development; building project development; building and construction of real property; maintenance and repair of buildings; building maintenance; advisory services relating to property development; construction planning and management; all included in class 37.	Valid / 22 February 2019 – 22 February 2029
8.		SkyWorld Development / IDM000845296	Directorate General of Intellectual Property (“DGIP”) / Indonesia ⁽¹⁾	Class 36: Real estate affairs; real estate and property investment, management and financing; leasing of real estate; rental of commercial and or residential properties including offices, shops, flats, apartments, condominiums and or houses; real estate brokers; estate appraisal; administration and advisory services relating to real estate and property; all included in class 36.	Valid / 24 September 2019 – 24 September 2029




7. BUSINESS OVERVIEW (CONT'D)

No.	Trademark	Name of registered owner / Registration no.	Issuing authority / Country of registration	Class / Description	Status / Validity period
9.		SkyWorld Development / IDM000844179	DGIP/ Indonesia ⁽¹⁾	Class 37: Real estate development; property development; housing development; building project development; building and construction of real property; maintenance and repair of buildings; building maintenance; advisory services relating to property development; construction planning and management; all included in class 37.	Valid / 24 September 2019 – 24 September 2029
10.		SkyWorld Development / 42019000994	Intellectual Property Office of the Philippines / Philippines ⁽¹⁾	Class 36: Real estate affairs; real estate and property investment, management and financing; leasing of real estate; rental of commercial and or residential properties including offices, shops, flats, apartments, condominiums and or houses; real estate brokers; estate appraisal; administration and advisory services relating to real estate and property; all included in class 36. Class 37: Real estate development; property development; housing development; building project development; building and construction of real property; maintenance and repair of buildings; building maintenance; advisory services relating to property development; construction planning and management; all included in class 37.	Valid / 21 April 2019 – 21 April 2029




7. BUSINESS OVERVIEW (CONT'D)

No.	Trademark	Name of registered owner / Registration no.	Issuing authority / Country of registration	Class / Description	Status / Validity period
11.		SkyWorld Development / 48125	Department of Intellectual Property Laos/ Laos ⁽¹⁾	Class 36: Real estate affairs; real estate and property investment, management and financing; leasing of real estate; rental of commercial and or residential properties including offices, shops, flats, apartments, condominiums and or houses; real estate brokers; estate appraisal; administration and advisory services relating to real estate and property; all included in class 36. Class 37: Real estate development; property development; housing development; building project development; building and construction of real property; maintenance and repair of buildings; building maintenance; advisory services relating to property development; construction planning and management; all included in class 37.	6 November 2019 – 6 November 2029
12.		SkyWorld Development / 40201918714T	Intellectual Property Office of Singapore (“IPOS”) / Singapore ⁽¹⁾	Class 36: Real estate affairs; real estate and property investment, management and financing; leasing of real estate; rental of commercial and or residential properties including offices, shops, flats, apartments, condominiums and or houses; real estate brokers; estate appraisal; administration and advisory services relating to real estate and property; all included in class 36.	Valid / 28 August 2019 – 28 August 2029



7. BUSINESS OVERVIEW (CONT'D)

No.	Trademark	Name of registered owner / Registration no.	Issuing authority / Country of registration	Class / Description	Status / Validity period
13.		SkyWorld Development / 40201918715S	IPOS / Singapore (1)	Class 37: Real estate development; property development; housing development; building project development; building and construction of real property; maintenance and repair of buildings; building maintenance; advisory services relating to property development; construction planning and management; all included in class 37.	Valid / 28 August 2019 – 28 August 2029
14.		SkyWorld Development / 2111111136	Department of Intellectual Property/ Thailand (1)	Class 36: Real estate affairs; real estate and property investment, management and financing; leasing of real estate; rental of commercial and or residential properties including offices, shops, flats, apartments, condominiums and or houses; real estate brokers; estate appraisal; administration and advisory services relating to real estate and property; all included in class 36.	29 August 2019 – 28 August 2029
15.		SkyWorld Development / UK00003368590	Intellectual Property Office of the United Kingdom / United Kingdom (1)	Class 37: Real estate development; property development; housing development; building project development; building and construction of real property; maintenance and repair of buildings; building maintenance; advisory services relating to property development; construction planning and management; all included in class 37.	Valid / 28 June 2019 – 21 January 2029


7. BUSINESS OVERVIEW (CONT'D)

No.	Trademark	Name of registered owner / Registration no.	Issuing authority / Country of registration	Class / Description	Status / Validity period
16.		SkyWorld Development / UK00003376217	Intellectual Property Office of the United Kingdom / United Kingdom ⁽¹⁾	Class 36: Real estate affairs; real estate and property investment, management and financing; leasing of real estate; rental of commercial and or residential properties including offices, shops, flats, apartments, condominiums and or houses; real estate brokers; estate appraisal; administration and advisory services relating to real estate and property; all included in class 36.	Valid / 21 June 2019 – 18 February 2029
17.		SkyWorld Development / 304800636AA	Intellectual Property Department of the Government of the Hong Kong Special Administrative Region ("IPD Hong Kong") / Hong Kong ⁽¹⁾	Class 36: Real estate affairs; real estate and property investment, management and financing; leasing of real estate; rental of commercial and or residential properties including offices, shops, flats, apartments, condominiums and or houses; real estate brokers; estate appraisal; administration and advisory services relating to real estate and property; all included in class 36.	Valid / 14 January 2019 – 14 January 2029
18.		SkyWorld Development / 304802201AA	IPD Hong Kong / Hong Kong ⁽¹⁾	Class 36: Real estate affairs; real estate and property investment, management and financing; leasing of real estate; rental of commercial and or residential properties including offices, shops, flats, apartments, condominiums and or houses; real estate brokers; estate appraisal; administration and advisory services relating to real estate and property; all included in class 36.	Valid / 15 January 2019 – 15 January 2029

7. BUSINESS OVERVIEW (CONT'D)

No.	Trademark	Name of registered owner / Registration no.	Issuing authority / Country of registration	Class / Description	Status / Validity period
19.		SkyWorld Development / 304800636AB	IPD Hong Kong / Hong Kong ⁽¹⁾	Class 37: Real estate development; property development; housing development; building project development; building and construction of real property; maintenance and repair of buildings; building maintenance; advisory services relating to property development; construction planning and management; all included in class 37.	Valid / 14 Jan 2019 – 14 Jan 2029
20.		SkyWorld Development / 304802201AB	IPD Hong Kong / Hong Kong ⁽¹⁾	Class 37: Real estate development; property development; housing development; building project development; building and construction of real property; maintenance and repair of buildings; building maintenance; advisory services relating to property development; construction planning and management; all included in class 37.	Valid / 15 January 2019 – 15 January 2029

7. BUSINESS OVERVIEW (CONT'D)

No.	Trademark	Name of registered owner / Registration no.	Issuing authority / Country of registration	Class / Description	Status / Validity period
21.		SkyWorld Development /396172	Intellectual Property Office of Vietnam/ Vietnam	<p>Class 36: Real estate affairs; real estate and property investment, management and financing; leasing of real estate; rental of commercial and or residential properties including offices, shops, flats, apartments, condominiums and or houses; real estate brokers; estate appraisal; administration and advisory services relating to real estate and property; all included in class 36.</p> <p>Class 37: Real estate development; property development; housing development; building project development; building and construction of real property; maintenance and repair of buildings; building maintenance; advisory services relating to property development; construction planning and management; all included in class 37.</p>	Valid / 18 August 2021 – 15 February 2029

Note:

- (1) *Although the intention of having the registered trademarks is for our potential future development plans, as at the LPD, our Group has no plan to undertake a business expansion of property development activities in these countries.*

7. BUSINESS OVERVIEW (CONT'D)

7.21 MATERIAL PROPERTIES

7.21.1 Properties owned

As at the LPD, the details of the material properties owned by our Group are as follows:

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
Property, plant and equipment								
1.	Registered owner NTP World Corporation Postal address Lot 17899, Jalan Ayer Jerneh, Taman Ayer Panas, Setapak, 53200 Kuala Lumpur Title address PN52340, Lot 201210, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur	Description of property 1½ storey and 1- storey temporary building utilised as sales gallery and quality centre, respectively Existing use Sales gallery (Setapak) and Quality Centre Tenure Leasehold expiring 13 April 2086 (remaining tenure of approximately 64 years)	Land area 256,934.54 Built-up area 40,852.27	6 December 2016 and 22 December 2021	Category of land use Building Express condition This land shall be used for commercial buildings only Restriction in interest This land shall not be transferred, leased, mortgaged or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur	Charged in favour of RHB Bank Berhad on 30 December 2020	63,507	⁽¹⁾ 90,000
2.	Registered owner SkyWorld Development Postal address	Description of property 6-storey office building	Land area N/A Built-up area	15 May 2002	Category of land use Nil	Nil	6,629	⁽²⁾ N/A

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
	Block D, Wisma NTP World, Excella Business Park, Jalan Ampang Putra, 55100 Kuala Lumpur	<u>Existing use</u> Office building	19,719.48		<u>Express condition</u> Business / commercial building			
	<u>Title address</u> PN 24406, M1-D/1/5, Lot 42908 Seksyen 16, Bandar Ampang, District of Hulu Langat, State of Selangor	<u>Tenure</u> Leasehold expiring 2 June 2101 (remaining tenure of approximately 79 years)			<u>Restriction in interest</u> This land shall not be transferred, leased or charged without the approval of the relevant state authority			
3.	<u>Registered owner</u> SkySanctuary Development <u>Postal address</u> N/A <u>Title address</u> H.S.(D) 122343, PT 50183, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur	<u>Description of property</u> Approximately three-acre private central park located in the SkySanctuary township at Setapak <u>Existing use</u> Central park <u>Tenure</u> Leasehold expiring 17 February 2120 (remaining tenure of approximately 97 years)	<u>Land area</u> 127,302.62 <u>Built-up area</u> N/A	N/A	<u>Category of land use</u> Building <u>Express condition</u> This land shall be used for the purpose of private recreational park site only <u>Restriction in interest</u> This land shall not be transferred, leased, mortgaged or charged without the approval of Jawatankuasa Kerja Tanah Wilayah	1. Charged in favour of OCBC Al- Amin Bank Berhad on 17 September 2021 2. Charged in favour of OCBC Bank (Malaysia) Berhad on 5 October 2021	Nil	(3) N/A

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
Completed units held for sale					Persekutuan Kuala Lumpur			
1.	Registered owner NTP World Corporation Postal address Bennington Residences, No. 1, Jalan Arena 1, Setapak, 53200 Kuala Lumpur, FT Kuala Lumpur Title address 23 residential units held under the parent title, PN 53557, Lot 201666, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur	Description of property 23 units of condominium in Bennington Residences ⁽⁴⁾⁽⁵⁾ Existing use Pending for sale Tenure Leasehold expiring 8 July 2119 (remaining tenure of approximately 97 years)	Land area N/A Built-up area 29,869.85	21 June 2019	Category of land use N/A Express condition Condominium ⁽⁵⁾ Restriction in interest This land shall not be transferred, leased, mortgaged or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur	Nil	⁽⁶⁾ 17,255	14,300
2.	Registered owner SkyMeridien Development Postal address SkyMeridien Residence, Jalan 1/48A, Bandar Sentul, 51000 Kuala Lumpur, FT Kuala Lumpur	Description of property 77 units of serviced apartment in SkyMeridien Residences ⁽⁷⁾ Existing use Pending for sale	Land area N/A Built-up area 85,573.09	22 February 2022	Category of land use N/A Express condition Serviced apartment	Nil	⁽⁸⁾ 52,947	44,730

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
	Title address 77 residential units held under the parent title, PM 1019, Lot 201813, Bandar Baru Sentul, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur	Tenure Leasehold expiring 18 May 2119 (remaining tenure of approximately 97 years)			Restriction in interest This land shall not be transferred, leased or mortgaged without the permission of the Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur			
3.	Registered owner SkyAwani 2 Development Postal address SkyAwani II Residences, No. 1A, Jalan 2/12, Kampung Batu Muda, 51100 Kuala Lumpur Title address 58 commercial units held under the parent title, PN 53124, Lot 81355, Mukim of Batu, District of Kuala Lumpur, FT Kuala Lumpur	Description of property 58 stratified shop offices, a food court and 135 carpark bays at SkyAwani II Residences ⁽⁹⁾ Existing use As at the LPD, 43 units are rented to third parties and 14 units are currently vacant (all remaining units are pending for sale) Tenure Leasehold expiring 23 October 2117 (remaining tenure of	Land area N/A Built-up area 36,920.21	4 February 2020	Category of land use N/A Express condition Office and shop lots Restriction in interest 1. This land shall not be transferred, leased, mortgaged or charged without the approval of Jawatankuasa Kerja Tanah Wilayah	Nil	⁽¹⁰⁾ 8,759	15,800

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
		approximately 95 years)			Persekutuan Kuala Lumpur			
					2. Affordable condominium units are not transferable within 10 years from the date of the SPA is signed by the first purchaser			
Land held for development – On-going projects								
1.	Registered owner NTP World Corporation	Description of property Two 55-storey apartment blocks with a total of 1,782 units and related facilities	Land area 133,257.21	N/A	Category of land use Building	Charged in favour of Malayan Banking Berhad on 13 December 2018	9,279	30,000
	Postal address SkyAwani 4, off Jalan Usahawan 6, Setapak, 53200 Kuala Lumpur	Existing use Affordable residential apartment (SkyAwani Residences)	Built-up area N/A		Express condition This land shall be used for residential buildings for the purpose of affordable condominium only (11)			
	Title address PN 54206, Lot 201836, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur	Tenure Leasehold expiring 16 August 2117 (remaining tenure of			Restriction in interest 1. This land shall not be transferred, leased, mortgaged or			

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
		approximately 95 years)			charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur			
					2. Affordable condominium units are not transferable within 10 years from the date of the SPA is signed by the first purchaser			
2.	<u>Registered owner</u> SkyAwani 5 Development <u>Postal address</u> SkyAwani V, Jalan Dato Senu 3, Sentul, 51000 Kuala Lumpur <u>Title address</u> PN 52872, Lot 201438, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur	<u>Description of property</u> One 38-storey apartment block with total of 615 units and related facilities <u>Existing use</u> Residential apartment (SkyAwani Residences) <u>Tenure</u>	<u>Land area</u> 88,673.09 <u>Built-up area</u> N/A	N/A	<u>Category of land use</u> Building <u>Express condition</u> This land shall be used for residential buildings for the purpose of apartments only <u>Restriction in interest</u> Nil	Nil ⁽¹²⁾	23,667	24,000

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
3.	Registered owner SkyVogue Development Postal address SkyVogue Residences, Jalan 1/109F, Taman Danau Desa, 58100 Kuala Lumpur Title address H.S.(D) 121070, PT 50017, Mukim of Kuala Lumpur, District of Kuala Lumpur, FT Kuala Lumpur	Leasehold expiring 19 March 2116 (remaining tenure of approximately 94 years) Description of property One 44-storey condominium block with total of 333 units and related facilities Existing use Residential condominium (SkyVogue Residences) Tenure Leasehold expiring 18 July 2118 (remaining tenure of approximately 96 years)	Land area 58,555.67 Built-up area N/A	N/A	Category of land use Building Express condition This land shall be used for residential buildings for the purpose of condominium only Restriction in interest This land shall not be transferred, leased, mortgaged or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur	Charged in favour of Hong Leong Bank Berhad on 2 December 2020	18,802	20,000
4.	Registered owner SkySierra Development	Description of property One 45-storey, one 50-storey and one 56-storey apartment	Land area 203,104.23	N/A	Category of land use Building	Nil	82,837	85,000

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
	<u>Postal address</u> SkySierra Residences (The Valley), Jalan Taman Setiawangsa, AU2, 54200 Kuala Lumpur <u>Title address</u> PN 53720, Lot 80068, Mukim Ulu Kelang, District of Kuala Lumpur, FT Kuala Lumpur	blocks with a total 1,309 units and related facilities <u>Existing use</u> Residential apartment (SkySierra Residences (The Valley)) <u>Tenure</u> Leasehold expiring 16 May 2118 (remaining tenure of approximately 96 years)	<u>Built-up area</u> N/A		<u>Express condition</u> This land shall be used for residential buildings for the purpose of apartments only <u>Restriction in interest</u> This land shall not be transferred, leased, mortgaged or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur			
5.	<u>Registered owner</u> SkySanctuary Development <u>Postal address</u> EdgeWood (Residensi SkySanctuary 1), off Jalan 1/23C, Setapak, 53300 Kuala Lumpur <u>Title address</u> H.S.(D) 122338, PT 50178, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur	<u>Description of property</u> Two 42-storey apartment blocks with a total of 960 units and related facilities <u>Existing use</u> Residential apartment (EdgeWood Residences) <u>Tenure</u>	<u>Land area</u> 165,254.01 <u>Built-up area</u> N/A	N/A	<u>Category of land use</u> Building <u>Express condition</u> This land shall be used for residential buildings for the purpose of apartments only <u>Restriction in interest</u> This land shall not be transferred, leased, mortgaged	1. Charged in favour of OCBC Al-Amin Bank Berhad on 18 October 2021 2. Charged in favour of OCBC Bank (Malaysia) Berhad on 18 October 2021	60,735	60,000

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
		Leasehold expiring 17 February 2120 (remaining tenure of approximately 98 years)			or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur			
6.	Registered owner NTP World Corporation Location Off Jalan Ayer, Setapak, 53000 Kuala Lumpur Title address PN 52338, Lot 201208, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur	Description of property One 45-storey and one 31-storey condominium with a total of 830 units and related facilities Existing use Residential condominium (Curvo Residences) Tenure Leasehold expiring 13 April 2086 (remaining tenure of approximately 64 years)	Land area 193,298.30 Built-up area N/A	N/A	Category of land use Building Express condition This land shall be used for residential buildings for the purpose of condominium only Restriction in interest This land shall not be transferred, leased, mortgaged or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur	Charged in favour of HSBC Amanah Malaysia Berhad on 5 July 2022	28,228	(13) 56,000
Land held for future development								
1.	Registered owner SkyAman Development	Description of property	Land area 211,788.66	N/A	Category of land use	1. A private caveat was	15,966	40,000

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
	<p>Location Along Persiaran Desa Aman 1, Taman Desa Aman, Cheras, 56100 Kuala Lumpur</p> <p>Title address H.S.(D) 121234, PT 50038, Mukim of Kuala Lumpur, District of Kuala Lumpur, FT Kuala Lumpur</p>	<p>A parcel of vacant residential land</p> <p>Existing use N/A</p> <p>Tenure Leasehold expiring 22 December 2118 (remaining tenure of approximately 97 years)</p>	<p>Built-up area N/A</p>		<p>Building</p> <p>Express condition This land shall be used 30% for affordable housing and 70% housing development only</p> <p>Restriction in interest This land shall not be transferred, leased, mortgaged or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur</p>	<p>lodge in favour of RHB Bank Berhad on 15 June 2022</p> <p>2. Charged in favour of RHB Bank Berhad on 18 July 2022</p>		
2.	<p>Registered owner SkyRia Development</p> <p>Location Along Jalan Kolam Air, Taman Desa Melawati, 53100 Kuala Lumpur</p> <p>Title address PM 317, Lot 4249, Dusun Ranjau, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur</p>	<p>Description of property A parcel of vacant residential land</p> <p>Existing use N/A</p> <p>Tenure Leasehold expiring 6 February 2091 (remaining tenure of approximately 69 years)</p>	<p>Land area 413,883.12</p> <p>Built-up area N/A</p>	N/A	<p>Category of land use Building</p> <p>Express condition This land shall be used for residential buildings only</p> <p>Restriction in interest This land shall not be transferred, leased, mortgaged</p>	<p>1. A private caveat was lodge in favour of RHB Bank Berhad on 26 January 2022</p> <p>2. Charged in favour of RHB Bank Berhad on</p>	10,610	43,000

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
					or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur	28 April 2022		
3.	Registered owner NTP World Corporation Location Off Jalan Usahawan 6, Setapak, 53200 Kuala Lumpur Title address PN 53776, Lot 201619, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur	Description of property A parcel of vacant commercial land Existing use N/A Tenure Leasehold expiring 16 August 2117 (remaining tenure of approximately 95 years)	Land area 109,651.96 Built-up area N/A	N/A	Category of land use Building Express condition This land shall be used for commercial buildings for the purpose of serviced apartments and shops only Restriction in interest This land shall not be transferred, leased, mortgaged or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur	Nil	16,410	35,000
4.	Registered owner SkySanctuary Development	Description of property	Land area 180,768.04	N/A	Category of land use Building	1. Charged in favour of OCBC AI-	44,610	42,000

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
	<p>Location Along Jalan 1/23C, Setapak, 53300 Kuala Lumpur</p> <p>Title address H.S.(D) 122336, PT 50176, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur</p>	<p>A parcel of vacant commercial land</p> <p>Existing use N/A</p> <p>Tenure Leasehold expiring 17 February 2120 (remaining tenure of approximately 98 years)</p>	<p>Built-up area N/A</p>		<p>Express condition This land shall be used for commercial buildings for the purpose of office shop lots with strata only</p> <p>Restriction in interest This land shall not be transferred, leased, mortgaged or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur</p>	<p>Amin Bank Berhad on 17 September 2021</p> <p>2. Charged in favour of OCBC Bank (Malaysia) Berhad on 5 October 2021</p>		
5.	<p>Registered owner SkySanctuary Development</p> <p>Location Within SkySanctuary, Off Jalan 1/23C, Setapak, 53300 Kuala Lumpur</p> <p>Title address H.S.(D) 122337, PT 50177, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur</p>	<p>Description of property A parcel of vacant residential land</p> <p>Existing use N/A</p> <p>Tenure Leasehold expiring 17 February 2120 (remaining tenure of approximately 98 years)</p>	<p>Land area 5,740.39</p> <p>Built-up area N/A</p>	N/A	<p>Category of land use Building</p> <p>Express condition This land shall be used for bungalow sites only</p> <p>Restriction in interest This land shall not be transferred, leased, mortgaged</p>	<p>1. Charged in favour of OCBC Al- Amin Bank Berhad on 17 September 2021</p> <p>2. Charged in favour of OCBC Bank (Malaysia) Berhad on 5</p>	1,211	1,000

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
					or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur	October 2021		
6.	<u>Registered owner</u> SkySanctuary Development <u>Location</u> Within SkySanctuary, Off Jalan 1/23C, Setapak, 53300 Kuala Lumpur <u>Title address</u> H.S.(D) 122339, PT 50179, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur	<u>Description of property</u> A parcel of vacant residential land <u>Existing use</u> N/A <u>Tenure</u> Leasehold expiring 17 February 2120 (remaining tenure of approximately 98 years)	<u>Land area</u> 146,971.51 <u>Built-up area</u> N/A	N/A	<u>Category of land use</u> Building <u>Express condition</u> This land shall be used for residential buildings for the purpose of apartments only <u>Restriction in interest</u> This land shall not be transferred, leased, mortgaged or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur	1. Charged in favour of OCBC Al- Amin Bank Berhad on 17 September 2021 2. Charged in favour of OCBC Bank (Malaysia) Berhad on 5 October 2021	51,040	45,000
7.	<u>Registered owner</u> SkySanctuary Development <u>Location</u>	<u>Description of property</u> A parcel of vacant residential Vacant land	<u>Land area</u> 121,782.88 <u>Built-up area</u> N/A	N/A	<u>Category of land use</u> Building <u>Express condition</u>	1. Charged in favour of OCBC Al- Amin Bank Berhad on	46,311	40,000

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
	Within SkySanctuary, Off Jalan 1/23C, Setapak, 53300 Kuala Lumpur	<u>Existing use</u> N/A			This land shall be used for residential buildings for the purpose of apartments only	17 September 2021		
	<u>Title address</u> H.S.(D) 122340, PT 50180, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur	<u>Tenure</u> Leasehold expiring 17 February 2120 (remaining tenure of approximately 98 years)			<u>Restriction in interest</u> This land shall not be transferred, leased, mortgaged or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur	2. Charged in favour of OCBC Bank (Malaysia) Berhad on 5 October 2021		
8.	<u>Registered owner</u> SkySanctuary Development	<u>Description of property</u> A parcel of vacant residential land	<u>Land area</u> 119,047.77	N/A	<u>Category of land use</u> Building	1. Charged in favour of OCBC Al- Amin Bank Berhad on 17 September 2021	33,334	33,000
	<u>Location</u> Within SkySanctuary, Off Jalan 1/23C, Setapak, 53300 Kuala Lumpur	<u>Existing use</u> N/A	<u>Built-up area</u> N/A		<u>Express condition</u> This land shall be used for residential buildings for the purpose of apartments/ villa only	2. Charged in favour of OCBC Bank (Malaysia) Berhad on 5 October 2021		
	<u>Title address</u> H.S.(D) 122341, PT 50181, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur	<u>Tenure</u> Leasehold expiring 17 February 2120 (remaining tenure of approximately 98 years)			<u>Restriction in interest</u> This land shall not be transferred, leased, mortgaged			

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
					or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur			
9.	<u>Registered owner</u> SkySanctuary Development <u>Location</u> Within SkySanctuary, Off Jalan 1/23C, Setapak, 53300 Kuala Lumpur <u>Title address</u> H.S.(D) 122342, PT 50182, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur	<u>Description of property</u> A parcel of vacant residential land <u>Existing use</u> N/A <u>Tenure</u> Leasehold expiring 17 February 2120 (remaining tenure of approximately 98 years)	<u>Land area</u> 148,042.52 <u>Built-up area</u> N/A	N/A	<u>Category of land use</u> Building <u>Express condition</u> This land shall be used for residential buildings for the purpose of apartments only <u>Restriction in interest</u> This land shall not be transferred, leased, mortgaged or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur	1. Charged in favour of OCBC Al- Amin Bank Berhad on 17 September 2021 2. Charged in favour of OCBC Bank (Malaysia) Berhad on 5 October 2021	45,362	48,000
10.	<u>Registered owner</u> Aqua Legacy <u>Location</u>	<u>Description of property</u> A parcel of vacant residential land	<u>Land area</u> 111,128.09 <u>Built-up area</u> N/A	N/A	<u>Category of land use</u> Building <u>Express condition</u>	Nil	4,697	11,000

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
	Along Jalan Ayer Jerneh, Setapak, 53200 Kuala Lumpur <u>Title address</u> H.S.(D) 121701, PT 50138, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur	<u>Existing use</u> N/A <u>Tenure</u> Leasehold expiring 21 October 2119 (remaining tenure of approximately 97 years)			This land shall be used for the purpose of residential only <u>Restriction in interest</u> This land shall not be transferred, leased, mortgaged or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur			
11.	<u>Registered owner</u> Legasi Spohra <u>Location</u> Off Susur Jalil Sejahtera and Lebuhraya Bukit Jalil, Bukit Jalil, 57000 Kuala Lumpur <u>Title address</u> H.S.(D) 121387, PT 50052, Mukim of Petaling, District of Kuala Lumpur, FT Kuala Lumpur	<u>Description of property</u> A parcel of vacant residential land <u>Existing use</u> N/A <u>Tenure</u> Leasehold expiring 27 August 2119 (remaining tenure of approximately 97 years)	<u>Land area</u> 119,361.00 <u>Built-up area</u> N/A	N/A	<u>Category of land use</u> Building <u>Express condition</u> This land shall be used 70% for cost- free housing development and 30% for affordable housing (RUMAWIP) <u>Restriction in interest</u> This land shall not be transferred, leased, mortgaged	Charged in favour of Al Rajhi Banking & Investment Corporation (Malaysia) Bhd on 8 February 2021 and 6 October 2021	7,317	19,000

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
					or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur			
12.	Registered owner SkyAwani 5 Development Location Jalan Dato Senu 3, Sentul, 51000 Kuala Lumpur Title address PN 52873, Lot 201437, Mukim of Setapak, District of Kuala Lumpur, FT Kuala Lumpur	Description of property A parcel of vacant residential land Existing use N/A Tenure Leasehold expiring 19 March 2116 (remaining tenure of approximately 94 years)	Land area 1,506.95 Built-up area N/A	N/A	Category of land use Building Express condition This land shall be used for future development for the purpose of residential only Restriction in interest Nil	Charged in favour of HSBC Bank Malaysia on 4 June 2020	505	⁽¹⁴⁾ N/A
13.	Registered owner SkyVue Development Location Along Jalan Bukit Desa 7, Taman Bukit Desa, 58100 Kuala Lumpur Title address GM 41056, Lot 481366 (previously held under GM 1055, Lot 1478), Mukim of	Description of property A parcel of vacant agricultural land with residential potential Existing use N/A Tenure Freehold	Land area 89,275.87 Built-up area N/A	N/A	Category of land use Not Stated Express condition The whole of this land to be brought under permanent cultivation within 2 years from 19 March 2008	Charged in favour of Maybank Islamic Berhad on 29 August 2022	⁽¹⁵⁾ N/A	21,000

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
	Kuala Lumpur, District of Kuala Lumpur, FT Kuala Lumpur				Nature of cultivation : Nil			
					<u>Restriction in interest</u> Nil			
14.	<u>Registered owner</u> SkySierra Development <u>Location</u> Within SkySierra Residences (The Valley), along Jalan Taman Setiawangsa & Jalan AU2C, AU2, 54200 Kuala Lumpur <u>Title address</u> No. H.S.(D) 123109, PT 50007, Mukim Ulu Kelang, District of Kuala Lumpur, FT Kuala Lumpur ⁽¹⁶⁾	<u>Description of property</u> Comprised of the MSN Sports Complex and other sports facilities (tennis court, futsal court and long jump landing pits) <u>Existing use</u> Not occupied <u>Tenure</u> Leasehold expiring 14 June 2119 (remaining tenure of approximately 97 years)	<u>Land area</u> 122,012.15	⁽¹⁷⁾ N/A	<u>Category of land use</u> Building <u>Express condition</u> This land shall be used for commercial buildings for the purpose of serviced apartment only <u>Restriction in interest</u> This land shall not be transferred, leased, mortgaged or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur	Charged in favour of United Overseas Bank (Malaysia) Bhd on 10 January 2023	⁽¹⁸⁾ N/A	76,100
15.	<u>Registered owner</u> SkySierra Development <u>Location</u>	<u>Description of property</u> Comprised of the MSN Sports Complex and	<u>Land area</u> 51,255.59	⁽¹⁷⁾ N/A	<u>Category of land use</u> Building	Charged in favour of United Overseas Bank (Malaysia) Bhd	⁽¹⁸⁾ N/A	25,200

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
	Within SkySierra Residences (The Valley), along Jalan Taman Setiawangsa & Jalan AU2C, AU2, 54200 Kuala Lumpur	Setiawangsa Sales Gallery <u>Existing use</u> Partially occupied as sales gallery ⁽¹⁹⁾			<u>Express condition</u> This land shall be used for commercial buildings for the purpose of office tower only	on 10 January 2023		
	<u>Title address</u> No. H.S.(D) 123110, PT 50008, Mukim Ulu Kelang, District of Kuala Lumpur, FT Kuala Lumpur ⁽¹⁶⁾	<u>Tenure</u> Leasehold expiring 14 June 2119 (remaining tenure of approximately 97 years)			<u>Restriction in interest</u> This land shall not be transferred, leased, mortgaged or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur			
16.	<u>Registered owner</u> SkySierra Development <u>Location</u> Within SkySierra Residences (The Valley), along Jalan Taman Setiawangsa & Jalan AU2C, AU2, 54200 Kuala Lumpur <u>Title address</u> No. H.S.(D) 123111, PT 50009, Mukim Ulu Kelang, District of Kuala Lumpur, FT Kuala Lumpur ⁽¹⁶⁾	<u>Description of property</u> Vacant commercial land <u>Existing use</u> Not occupied <u>Tenure</u> Leasehold expiring 14 June 2119 (remaining tenure of approximately 97 years)	<u>Land area</u> 175,401.15	N/A	<u>Category of land use</u> Building <u>Express condition</u> This land shall be used for commercial buildings only <u>Restriction in interest</u> This land shall not be transferred, leased, mortgaged or charged without the approval of	Charged in favour of United Overseas Bank (Malaysia) Bhd on 10 January 2023	⁽¹⁸⁾ N/A	35,700

7. BUSINESS OVERVIEW (CONT'D)

No.	Registered owner / Postal address or Location / Title address	Description of property / Existing use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Date of CFO / CCC or equivalent	Category of land use / Express condition / Restriction in interest	Encumbrances	Audited NBV as at FYE 2022 (RM'000)	Market value as at 31 May 2022 (RM'000)
					Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur			

Notes:

- (1) Based on the commercial land on which the buildings comprising the sales gallery and quality centre are constructed.
- (2) No valuation was conducted as the building was acquired and recorded in FYE 2022 and currently is used as our business premise. The property was recognised at cost in the financial records and will be depreciated over time.
- (3) No valuation was conducted as it is currently used as a private central park, a common facility to complement our EdgeWood Residences project. Further, as it is an express condition in the land title that the land shall be used for the purpose of private recreational park site only and thus, no development will be carried out on the land, our Group is of the view that valuation is not necessary for purposes of this land.
- (4) Based on the valuation conducted on the units remaining unsold as of 31 May 2022. As at the LPD, the remaining units held for sale are 21 units.
- (5) Based on the development order dated 24 April 2015, the land has been approved for a development of an apartment.
- (6) Audited NBV of 31 units, being the units remaining unsold as of 31 March 2022.
- (7) Based on the valuation conducted on the units remaining unsold as of 31 May 2022. As at the LPD, the remaining units held for sale are 54 units.
- (8) Audited NBV of 121 units, being the units remaining unsold as of 31 March 2022.
- (9) Based on the valuation conducted on the units remaining unsold as of 31 May 2022. As at the LPD, the remaining units held for sale are 57 units.
- (10) Audited NBV of 61 units, being the units remaining unsold as of 31 March 2022.
- (11) Based on the development order dated 7 November 2019, the land has been approved for a development of an affordable apartment.
- (12) Our Group had on 9 September 2022 through our solicitors submitted an application for approval of surrender and re-alienation to the Federal Territories Director of Land and Mines Office. Such application has been approved on 20 October 2022 and is currently pending issuance of new land title.
- (13) This is based on a fair representation of the market value of the land which has been granted with development order.
- (14) No valuation was conducted as the land size is insignificant (i.e. approximately 1,506 sq ft) and is not suitable for development.
- (15) There is no NBV as at 31 March 2022 as the land was successfully transferred to our Group subsequent to the FYE 2022 (i.e. on 29 August 2022). The amount of the purchase consideration pursuant to the SPA is RM21.00 million.
- (16) Pursuant to the application made by Datuk Bandar on 2 November 2021 to surrender and re-alienate a piece of subdivided land from the SkySierra Land held under PN 53719, Lot 80069, Mukim Ulu Kelang, District of Kuala Lumpur, FT Kuala Lumpur i.e. Parcel 2, which was approved by the Federal Territories Director of Lands and Mines Office on 29 March 2022, 0.93 acres of land has been surrendered to the Government and Parcel 2 was subsequently subdivided into three plots, all of which were re-alienated to Datuk Bandar on 15 June 2022. Please refer to Section 15.5(i) of this Prospectus for further details on the SPA pertaining to the SkySierra Land.
- (17) We have requested for a copy of the CFO / CCC from MSN and DBKL, being the then owner and relevant authority, but they were unable to locate and furnish us with the CFO/ CCC. As the entire MSN Sports Complex is scheduled to be demolished by September 2023 for the purposes of Phase 2 of our SkySierra

7. BUSINESS OVERVIEW (CONT'D)

development, we have requested and DBKL had, by way of its letter to us dated 19 August 2022, granted consent to allow us to continue operating the Setiawangsa Sales Gallery for the remaining period up until its demolition. Please refer to Section 7.22.1(4) of this Prospectus for further details of the non-compliance.

- (18) The NBV as at FYE 2022 for SkySierra Land held under PN 53719, Lot 80069, Mukim Ulu Kelang, District of Kuala Lumpur, FT Kuala Lumpur was RM162,701,900. As the said land was further subdivided into three plots in June 2022, there is no NBV for each individual plot of land as at 31 March 2022.*
- (19) Our Group is currently occupying part of the building constructed on this land as sales gallery for SkySierra Residences (The Valley). The building was previously occupied as the MSN Sports Complex which was constructed by MSN and completed between 1997 and 2006. Pursuant to our Group's development plan, all buildings and structures forming the MSN Sports Complex will be demolished by September 2023 for the purposes of Phase 2 of our SkySierra development.*

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7. BUSINESS OVERVIEW (CONT'D)

7.21.2 Properties acquired and alienated

As at the LPD, the details of the properties acquired by or alienated to our Group which are pending transfer of titles are set out as follows:

No.	Vendor / Purchaser	Postal address or Location / Title address	Description of property / Existing Use / Tenure	Land area (sq ft) / Built-up area (sq ft)	Category of land use/ Express condition/ Restriction in interest	Purchase price (RM'000)	Date of SPA/ Targeted completion date	Market value as at 31 May 2022 (RM'000)
1.	Vendor N/A ⁽¹⁾ Purchaser N/A ⁽¹⁾	Location Along Jalan Bukit Desa 7, Taman Bukit Desa, 58100 Kuala Lumpur Title address Plot A adjacent to Lot 39027, Taman Bukit Desa, Mukim of Kuala Lumpur, FT Kuala Lumpur	Description of property An alienated residential land Existing use N/A Tenure Leasehold 99 years	Land area 25,596.58 Built-up area N/A	Category of land use Building Express condition This land shall be used for residential buildings only Restriction in interest This land shall not be transferred, leased or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur	1,904 ⁽¹⁾	Date of SPA N/A ⁽¹⁾ Targeted completion date Q1 2023	6,000

Note:

- (1) Pursuant to the Form 5A dated 7 July 2021, the Federal Territories Director of Lands and Mines Office had approved the alienation of this land to SkyVue Development in consideration for a premium of RM1.90 million payable by our Group within 3 months from the date of the Form 5A. As at the LPD, our Group has paid the premium in full and is currently pending issuance of registrable title.

7. BUSINESS OVERVIEW (CONT'D)

7.21.3 Rented properties

As at the LPD, the details of the properties rented by our Group are set out as follows:

No.	Landlord / Tenant	Postal address	Description / Existing use	Date of CFO / CCC or equivalent	Land area (sq ft)	Tenure	Rental per annum (RM)
1.	Landlord ICT Zone Sdn Bhd Tenant SkyWorld Development	Block B, Wisma NTP World, Excella Business Park, Jalan Ampang Putra, 55100 Kuala Lumpur	Description of property Ground floor, Level 1, 2, 3, 4, 5, 7 and 8 of an 8- storey office building Existing use Office	15 May 2002	15,959	1 June 2020 to 31 May 2023 (with option to renew for one year)	484,872.00

7.21.4 Occupied property

As at the LPD, our Group is occupying the following property pursuant to a temporary occupation licence issued by the Federal Territories Director of Lands and Mines Office under Section 66 of the National Land Code ("TOL"):

No.	Licence No./ Issue Date	Postal address	Description / Existing use	Date of CFO / CCC or equivalent	Approximate land area (sq ft)	Validity period	Licence fee (RM)
1.	A67/2022 / 11 May 2022	A parcel of land located at Mukim of Setapak, Kampung Air Lanjut, FT Kuala Lumpur	Description of property Vacant land Existing use Intended to be used as a public car park	N/A	148,143.70	28 April 2022 to 31 December 2022 ⁽¹⁾	82,800.00

Note:

- (1) Pursuant to Section 67 of the National Land Code, the Federal Territories Director of Lands and Mines Office may on the application of the licensee i.e. NTP World Corporation renew the TOL for a term of not more than one year provided that there shall not be more than 3 renewals made in respect of the TOL unless a prior written approval of the state authority has been obtained.

7. BUSINESS OVERVIEW (CONT'D)

7.21.5 Material plans to construct, expand or improve property, plant and equipment

As at the LPD, our Group has no material plans to construct, expand or improve property, plant and equipment.

7.22 GOVERNING LAWS AND REGULATIONS INCLUDING ENVIRONMENTAL CONCERNS

7.22.1 Governing laws and regulations

The following is an overview of the material laws and regulations that are relevant to the business operations of our Group:

Malaysia

(1) HDA and Housing Development (Control and Licensing) Regulations 1989 ("HDA Regulations")

Developer's licence

No housing development shall be engaged in, carried on, undertaken or caused to be undertaken except by a housing developer in possession of a licence issued under the HDA.

Except with the written consent of the Controller of Housing ("**Controller**"), no housing developer other than a licensed housing developer shall assume or use in relation to his business or any part of his business the words "housing developer" or any of its derivatives or any other word or words indicating the carrying on of the business of housing development. A "housing developer" is defined as any person, body of persons, company, firm or society (by whatever name described), who or which engages in or carries on or undertakes or causes to be undertaken a housing development, and in a case where the housing developer is under liquidation, includes a person or body appointed by a court of competent jurisdiction to be the provisional liquidator or liquidator for the housing developer.

Any housing developer who engages in, carries out, or undertakes housing development without having been duly licensed, assumes or uses in relation to his business or any part of his business the words "housing developer" or any of the derivatives or any other word or words indicating the carrying on of the business of housing development or fail to comply with any of the conditions imposed on the licence granted under the HDA shall be guilty of an offence and shall, on conviction, be liable to a fine which shall not be less than RM250,000.00 but which shall not exceed RM500,000.00 or to imprisonment for a term not exceeding 5 years or to both.

Advertising and Sale Permit

The HDA Regulations stipulates that no advertisement or sale shall be made by any housing developer without an advertisement and sale permit having first been obtained from the Controller. Any advertisement and sale shall be in accordance with the advertisement and sale permit as approved by the Controller. Any misleading statement, false representation or description of the particulars or information required pursuant to the advertisement and sale permit including the difference in price of property shall be an offence under the HDA Regulations.

7. BUSINESS OVERVIEW (CONT'D)

Any person who contravenes any of the provisions of the HDA Regulations shall be guilty of an offence and shall be liable on conviction to a fine not exceeding RM50,000.00 or to a term of imprisonment not exceeding 5 years or to both. A breach of any condition in a licence or in any advertisement and sale permit shall be deemed to be a contravention of the HDA Regulations.

As at the LPD, our Group had obtained the APDLs in respect of all of our completed and ongoing projects.

Submission of SIFUS and schedule of parcel after execution of the SPAs

The condition in our APDLs states that SPAs shall not be signed until a copy of the SIFUS and the schedule of parcel have been submitted to the JPN. Our Company and 5 of our Subsidiaries, namely SkyAwani 5 Development, SkySanctuary Development, SkyMeridien Development, SkySierra Development and SkyAwani 2 Development, had previously entered into SPAs prior to the submission of the same to the JPN in respect of SkyAwani V Residences, EdgeWood Residences, SkyMeridien Residences, SkySierra Residences, SkyAwani II Residences, SkyAwani III Residences and SkyAwani IV Residences.

Our Group had on the following dates submitted the schedule of parcels in respect of the following housing developments to the Commissioner:

Housing development	Developer	1st SPA signed	Submission date of SIFUS and schedule of parcel
SkyAwani II Residences	SkyAwani 2 Development	20 March 2017	12 July 2022
SkyAwani III Residences	SkyWorld Development	22 February 2018	12 July 2022
SkyMeridien Residences	SkyMeridien Development	26 May 2018	12 July 2022
SkyAwani IV Residences	SkyWorld Development	16 December 2019	25 July 2022
SkySierra Residences (The Valley)	SkySierra Development	23 December 2019	12 July 2022
SkyAwani V Residences	SkyAwani 5 Development	18 December 2020	12 July 2022
EdgeWood Residences	SkySanctuary Development	27 May 2021	12 July 2022

Note:

- (1) *The duration of non-compliance commences from the day the first SPA is signed, up until the submission date of SIFUS and schedule of parcel.*

Our Company and our relevant Subsidiaries may each be liable on conviction to a fine which shall not be less than RM250,000.00 but which shall not exceed RM500,000.00 or to a term of imprisonment of directors not exceeding 5 years or to both. The potential maximum penalty arising from the non-compliance upon conviction is RM3,000,000.00 (based on the maximum financial penalty of RM500,000.00 which may be imposed on each company upon conviction) and a term of imprisonment of each director of our

7. BUSINESS OVERVIEW (CONT'D)

Company and the relevant Subsidiaries of not exceeding 5 years. However, as of to date, the JPN has not imposed any penalty as a result of the non-compliance.

The non-compliance of such condition was a result of miscommunication on the timeline to submit the SIFUS as well as the schedule of parcel to the JPN (which is handled by our project department) and the execution of the SPAs (which is handled by our sales department). The non-compliance in respect of the aforementioned 7 housing developments was brought to the attention of our Group upon the due diligence being conducted for the purposes of our Listing by our Solicitors. Our Group had on 12 July 2022 and 25 July 2022 written to JPN and JPN had acknowledged our disclosure by way of a letter dated 28 July 2022 and reminded our Group to ensure timely compliance moving forward.

In addressing this non-compliance, our Group had on 15 August 2022 implemented a master checklist procedure, which subsequently forms part of our Group's Compliance Monitoring Framework when the same was approved by our Board in December 2022 and implemented in January 2023, to be reviewed regularly and signed off by the relevant duty officer to ensure clear and timely communication between our project department and sales department to reduce the risk for the re-occurrence of such non-compliance. Moving forward, this procedure will ensure timely submission of the SIFUS and schedule of parcel to the JPN, in any event prior to the execution of the SPAs, and since the implementation of such procedure, our Group has not experienced any non-compliance in that regard.

Collection of Booking Fee

Regulation 11(2) of the HDA Regulations stipulates that no person including parties acting as stakeholders shall collect any payment by whatever name called except as prescribed by the contract of sale. Any person who contravenes such provision shall be guilty of an offence and shall be liable on conviction to a fine not exceeding RM50,000 or to a term of imprisonment not exceeding 5 years or to both.

Our Company and 9 of our Subsidiaries, namely, Citra Amal, SkyAwani 2 Development, SkyAwani 5 Development, SkySanctuary Development, SkyMeridien Development, SkyVogue Development, SkySierra Development, Bennington Development and SkyLuxe Development had previously collected booking fees of RM1,000 (or RM500 during the period between 23 March 2020 to 30 September 2020) from purchasers for the sale of units prior to execution of SPAs in respect of housing developments where CCC has yet to be issued. For the avoidance of doubt, as mentioned in a High Court case in 2017, booking fees can be accepted prior to the execution of the SPA in respect of housing developments where CCC has been issued. We were unaware of the prohibition of collection of booking fees and such restriction was only brought to the attention of our Group upon the due diligence being conducted for the purposes of our Listing by our Solicitors.

The potential maximum penalty arising from the non-compliance upon conviction is RM500,000.00 (based on the maximum financial penalty of RM50,000.00 which may be imposed on each company upon conviction) and a term of imprisonment of each director of our Company and the relevant Subsidiaries of not exceeding 5 years.

We have not experienced any material adverse impact on our business operations nor been imposed with any penalties by the MHLG arising from such non-compliance. The non-compliance is not expected to have any material adverse impact on the overall business operations and / or financial condition of our Group. In addressing this non-compliance, upon being advised, our Group has effectively stopped collecting booking fees upfront since May 2022 and will not be collecting booking fees in respect of the sale of property units in our ongoing projects prior to the execution of the SPA.

7. BUSINESS OVERVIEW (CONT'D)**(2) Strata Management Act 2013 ("SMA")**

Section 6(1) of the SMA stipulates that a developer of any building or land intended for subdivision into parcels in a development area shall not sell any parcel or proposed parcel unless:

- (i) a schedule of parcels showing the proposed share units of each parcel or proposed parcel and the total share units of all the parcels has been filed with the Commissioner of Building ("**Commissioner**"); and
- (ii) in the case of any phased development, the schedule of parcels filed with the Commissioner shows the proposed quantum of provisional share units for each provisional block.

Any developer who fails to comply with Section 6(1) of the SMA commits an offence and shall, on conviction, be liable to a fine not exceeding RM500,000.00 or to imprisonment for a term not exceeding 5 years or to both.

Our Company and 6 of our Subsidiaries, namely SkyAwani 5 Development, SkyMeridien Development, SkySierra Development, SkyAwani 2 Development, Bennington Development and Citra Amal, had entered into SPAs prior to the filing of the schedule of parcels in respect of the housing developments to the Commissioner. Our Group had on the following dates submitted the schedule of parcels in respect of the following housing developments to the Commissioner:

Housing development	Developer	1st SPA signed	Submission date of schedule of parcels
SkyAwani Residences	Citra Amal	2 November 2015	15 March 2017
Bennington Residences	Bennington Development	1 March 2016	10 March 2020
SkyAwani II Residences	SkyAwani 2 Development	20 March 2017	6 January 2021
SkyAwani III Residences	SkyWorld Development	22 February 2018	14 May 2020
SkyMeridien Residences	SkyMeridien Development	26 May 2018	19 August 2021
SkyAwani IV Residences	SkyWorld Development	16 December 2019	21 July 2022
SkySierra Residences (The Valley)	SkySierra Development	23 December 2019	27 December 2019
SkyAwani V Residences	SkyAwani 5 Development	18 December 2020	10 May 2021

Note:

- (1) *The duration of non-compliance commences from the day the first SPA is signed, up until the submission date of schedule of parcels.*

The potential maximum penalty arising from the non-compliance upon conviction is RM3,500,000.00 (based on the maximum financial penalty of RM500,000.00 which may be imposed on each company upon conviction) and a term of imprisonment of each

7. BUSINESS OVERVIEW (CONT'D)

director of our Company and the relevant Subsidiaries of not exceeding 5 years, However, as of to date, the Commissioner has not imposed any penalty as a result of the non-compliance.

The non-compliances of Section 6(1) of the SMA were a result of miscommunication on the timeline to file the schedule of parcel to the Commissioner (which is handled by our project department) and the execution of the SPAs (which is handled by our sales department). The non-compliance in respect of the aforementioned 8 housing developments was brought to the attention of our Group upon the due diligence being conducted for the purposes of our Listing by our Solicitors. Our Group had on 11 August 2022 and 17 August 2022 written to the Commissioner and the Commissioner acknowledged our disclosure on 12 August 2022 and 24 August 2022 and reminded our Group to ensure timely compliance moving forward.

In addressing this non-compliance, our Group had on 15 August 2022 implemented a master checklist procedure, which subsequently forms part of our Group's Compliance Monitoring Framework when the same was approved by our Board in December 2022 and implemented in January 2023, to be reviewed regularly and signed off by the duty officer to ensure clear and timely communication between our project department and sales department to reduce the risk on the re-occurrence of such non-compliance. Moving forward, this procedure will ensure timely submission of the schedule of parcel to the Commissioner, prior to the execution of the SPAs and since the implementation of such procedure, our Group has not experienced any non-compliance in that regard.

(3) Local Government Act 1976 ("LGA")

The LGA empowers every local authority to grant licence or permit for any trade, occupation or premise through by-laws. Every licence or permit granted shall be subject to such conditions and restrictions as the local authority may think fit and shall be revocable by the local authority at any time without assigning any reason therefor.

Our Group's operations are governed and regulated by the following by-laws:

(a) Licensing of Trades, Businesses and Industries (Federal Territory of Kuala Lumpur) By-Laws 2016 ("Kuala Lumpur By-Laws")

The Kuala Lumpur By-Laws states that it is an offence for any person who uses any premise for any business activity (which is listed in the Schedule of the Kuala Lumpur By-Laws) without a business premise licence. Any person who contravenes this provision shall be guilty of an offence and shall be liable on conviction to a fine not exceeding RM2,000.00 or a term of imprisonment not exceeding one year or both and in the case of continuing offence a sum not exceeding RM200.00 for each day during which the offence is continued after conviction.

(b) Advertisements (Federal Territory) By-Laws 1982 ("Advertisement (KL) By-Laws")

The Advertisement (KL) By-Laws requires all exhibition of advertisement to be licensed including signboards. Any person who contravenes any of the provisions under the Advertisement (KL) By-Laws shall be guilty of an offence and shall on conviction be liable to a fine not exceeding RM2,000.00 or to a term of imprisonment not exceeding one year or to both such fine and imprisonment.

7. BUSINESS OVERVIEW (CONT'D)

(c) Licensing of Trades, Businesses and Industries (Ampang Jaya Municipal Council) By-Laws 2007 ("Ampang By-Laws")

The Ampang By-Laws states that no person shall operate any activity of trade, business and industry or use any place or premise in the local area of the council for any activity of trade, business and industry without a licence issued by the licensing authority pursuant to the Ampang By-Laws. Any person who contravenes any provisions under the Ampang By-Laws commits of an offence and shall, on conviction be liable to a fine not exceeding RM2,000.00 or to imprisonment for a term not exceeding one year or to both and in the case of a continuing offence to a fine not exceeding RM200.00 for each day during which such offence is continued after conviction.

(d) Advertisement (Ampang Jaya Municipal Council) By-Laws 2007 ("Advertisement (Ampang) By-Laws")

The Advertisement (Ampang) By-Laws provides that no person shall exhibit any advertisement without a licence issued by the licensing authority pursuant to the Advertisement (Ampang) By-Laws. Any person who contravenes any of the provisions under the Advertisement (Ampang) By-Laws shall be guilty of an offence and shall upon conviction be liable to a fine not exceeding RM2,000.00 or to imprisonment for a term not exceeding one year or both such fine and imprisonment and in the case of a continuing offence to a fine not exceeding RM200.00 for each day during which such offence is continued after conviction.

As at the LPD, our Group has obtained the business premise and signboard licences for all of our premises.

In the event renewal of any of the business premise licence are not obtained, our Group will not be permitted to use the relevant premise for any business activity specified in the respective business licence which include inter alia, management office and gallery and if our Group continues to use the relevant premise for such business activities, our Group may be liable on conviction, to a fine not exceeding RM2,000 or a term of imprisonment not exceeding one year or both and in the case of continuing offence a sum not exceeding RM200 for each day during which the offence is continued after conviction.

In the event renewal of any of the signboard licence are not obtained, our Group will not be permitted to exhibit any signboard at the relevant premises. As such, all signboards would have to be removed from the relevant premises. If our Group continues to exhibit such signboard the relevant premises, our Group may be liable on conviction, to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding one year or both such fine and imprisonment and in the case of a continuing offence to a fine not exceeding RM200 for each day during which such offence is continued after conviction.

However, our Group has not experienced any difficulty in renewing any of their business premise and signboard licence.

(4) Street, Drainage and Building Act 1974 ("SDBA") and Uniform Building By-Laws 1984 ("UBBL")

Section 70(27)(f) of the SDBA provides that any person who occupies or permits to be occupied any building or any part thereof without a CFO or CCC, shall be liable on conviction to a fine not exceeding RM250,000.00 or to imprisonment for a term not exceeding 10 years, or to both.

By-Law 28 of the UBBL provides that no person shall occupy or permit to be occupied any building or any part thereof, unless a certificate of fitness for occupation, a partial certificate of fitness for occupation or a temporary certificate of fitness for occupation has

7. BUSINESS OVERVIEW (CONT'D)

been issued under the UBBL for such building and any failure to comply with the UBBL shall render such person liable to prosecution under the SBDA.

Our Group is occupying part of the MSN Sports Complex as our sales gallery ("**Setiawangsa Sales Gallery**") since November 2017. We have requested for a copy of the CFO / CCC from MSN and DBKL, being the then owner and relevant authority, but they were unable to locate and furnish us with the CFO/CCC.

As the entire MSN Sports Complex is scheduled to be demolished by September 2023 for the purposes of Phase 2 of SkySierra Residences (The Valley), we have requested for DBKL's consent to allow us to continue operating the Setiawangsa Sales Gallery for the remaining period up until its demolition. Such consent has been granted by DBKL by way of its letter to us dated 19 August 2022.

In respect of our sales gallery at Sentul ("**Sentul Sales Gallery**"), our Group has occupied the Sentul Sales Gallery since September 2017 but we have vacated and ceased operations in July 2022 as it does not have a CFO / CCC. As our Sentul Sales Gallery was used for the sale of the SkyMeridien Residences units which have reached 93% as at the LPD and the project has already been completed, vacating it will not give rise to any material impact on the business operations and financial condition of our Group.

The potential maximum penalty arising from the non-compliance upon conviction is RM500,000.00 (based on the maximum financial penalty of RM250,000.00 which may be imposed in respect of each property upon conviction) and a term of imprisonment of each director of our Group of not exceeding 10 years. However, as of to date, our Group has not been imposed with any penalty as a result of the non-compliance.

Moving forward, our Group will ensure that the properties we own and / or occupy will have a CFO / CCC and relevant permits as well as licenses through the measures and checklist adopted in the Compliance Monitoring Framework.

(5) Federal Territory (Planning) Act 1982 ("FTPA") and Town and Country Planning Act 1976 ("TCA")

Under the FTPA and the TCA, we are required to obtain a development order / planning permission prior to commencing, undertaking or carrying out our development projects.

Section 19(1) of the FTPA provides that no person shall use or permit to be used any land or building or commence, undertake or carry out any development otherwise than in conformity with the development plan or any planning permission granted under the FTPA in respect of the development.

Section 19(1) of the TCA stipulates that no person, other than a local authority, shall commence, undertake, or carry out any development unless planning permission in respect of the development has been granted to him under Section 22 of the TCA or extended under subsection 24(3) of the TCA.

Bumiputera Quota Condition

Section 26(1)(a) of the FTPA provides that any person who commences, undertakes or carries out development in contravention of Section 19(1) of the FTPA or uses or permits to be used any land in contravention of that section is guilty of an offence and on conviction, is liable to a fine not exceeding RM50,000.00 and in the case of a continuing offence to a further fine which may extend to RM500.00 for every day during which the offence continues after conviction for the first commission of the offence.

7. BUSINESS OVERVIEW (CONT'D)

As at the LPD, our Group had obtained the development orders / planning permissions in respect of all of their completed and ongoing projects.

In respect of the Development Orders for SkyLuxe On The Park Residences and SkyVogue Residences issued by DBKL, it is a condition that (1) at least 30% of the units of the respective housing developments are to be allocated for sale to Bumiputera at a discount of not less than 5% ("**Bumiputera Quota Condition**"); and (2) such units cannot be sold to non-Bumiputera purchasers without obtaining prior approval from DBKL.

The 2 housing developments of our Group were unable to satisfy the Bumiputera Quota Condition imposed for the developments and had eventually sold the Bumiputera allocated units to non-Bumiputera purchasers as set out below without obtaining prior approval from DBKL:

(i) 49 Bumiputera allocated units in SkyLuxe On the Park Residences

	No. of units
Allocated for sale to Bumiputera (30% of total units)	143
less Actual sale to Bumiputera	2
No. of Bumiputera units sold to non-Bumiputera without DBKL approval	141
less DBKL approval received for the sale of Bumiputera units	92
Remaining no. of Bumiputera units sold to non-Bumiputera without DBKL approval	49

The total units required to be allocated for sale to Bumiputera is 143 units, SkyLuxe Development required DBKL's approval for the release of 141 Bumiputera allocated units, as 2 units have been sold to Bumiputera purchasers.

Since the first sale of the Bumiputera unit by our Group to non-Bumiputera in August 2017, SkyLuxe Development had obtained two approval letters from DBKL on 1 July 2019 and 29 August 2019 for the release of unsold Bumiputera allocated units of up to 92 units.

Subsequently, SkyLuxe Development had on 15 September 2020 written to DBKL to seek further approval for the release of the remaining 49 Bumiputera allocated units to non-Bumiputera. Further, our Group had on 17 October 2022 submitted a request to seek DBKL's consideration to reduce the DBKL Incentive by 50%. DBKL had on 12 January 2023 reverted in writing with their approval to release the remaining 49 Bumiputera allocated units. It is expected that DBKL will formally revert on our request for reduction in DBKL Incentive by 50% and the total DBKL Incentive to be paid, by May 2023.

(ii) 61 Bumiputera allocated units in SkyVogue Residences

The total unit required to be allocated for sale to Bumiputera under SkyVogue Residences was 100 units. As at the LPD, SkyVogue Development has not applied for approval from DBKL as the development progress has yet to achieve 50% i.e. our Group is not yet eligible to apply for release of Bumiputera allocated units to non-Bumiputera purchasers. Notwithstanding, as at the LPD, 61 Bumiputera allocated units were already sold to non-Bumiputera purchasers. The first sale of the Bumiputera unit by our Group to non-Bumiputera was in December 2021.

Our Group will apply to DBKL for the release of the Bumiputera allocated units to non-Bumiputera purchasers when the development progress achieves 50% which is estimated to be by Q3 2023.

7. BUSINESS OVERVIEW (CONT'D)

The non-compliance was a result of miscommunication on the timeline to apply for the DBKL approval and the sale of the units between the project department (the custodian of the Development Order and the party in charge of applying for the approval from DBKL) and the sales department (that manages the sale and marketing activities of the housing developments). The non-compliance for the remaining 49 Bumiputera allocated units to non-Bumiputera in SkyLuxe On The Park Residences and the 61 Bumiputera allocated units in SkyVogue Residences was brought to the attention of our Group upon the due diligence being conducted for the purposes of the Listing by our Solicitors.

In addressing this non-compliance, our Group had on 15 August 2022 implemented a master checklist procedure, which subsequently forms part of our Group's Compliance Monitoring Framework when the same was approved by our Board in December 2022 and implemented in January 2023, to be reviewed regularly and signed off by the relevant duty officer to ensure clear and timely communication between the project department and the sales department and reduce the risk of the re-occurrence of such non-compliance. Moving forward, the procedure will ensure that any housing development with the Bumiputera Quota Condition imposed on our Group will not be released for sale to non-Bumiputera purchasers without obtaining prior approval from the relevant authority. Further, SkyVogue Development had also ceased the selling of balance 16 unsold Bumiputera allocated units to non-Bumiputera purchasers.

On a side note, under the Development Order for SkyVogue Residences, our Group is required to contribute 5% from the selling price of any Bumiputera allocated units within the development which are sold to non-Bumiputera purchasers as incentive to DBKL ("**DBKL Incentive**"). A provision of RM1.79 million has been made in FYE 2022 for the DBKL Incentive for in respect of sale of 43 Bumiputera allocated units to non-Bumiputera purchasers as at 31 March 2022. The DBKL Incentive for the remaining 18 Bumiputera allocated units sold to non-Bumiputera purchasers after 31 March 2022 which amounts to approximately RM0.75 million will be made in FYE 2023.

In relation to SkyLuxe On The Park Residences, although the Development Order did not stipulate any requirement for the contribution of the DBKL Incentive, DBKL had verbally informed that the request for the release of the remaining 49 units for SkyLuxe On The Park Residences will be granted on the condition that contribution of DBKL Incentive is made. As such, on a prudent basis, our Group had made a provision of RM1.64 million in FYE 2022 for the DBKL Incentive based on the contribution rate of 5% in respect of the sale of the 49 Bumiputera allocated units to non-Bumiputera purchasers as at 31 March 2022 amounting to RM32.77 million. It is expected that DBKL will formally revert on our request for reduction in DBKL Incentive by 50% and the total DBKL Incentive to be paid, by May 2023. In the event the actual contribution amount of the DBKL Incentive imposed by DBKL in respect of SkyLuxe On The Park Residence is higher or lower than the provision of RM1.64 million in FYE 2022, the difference will be recorded in the profit and loss in FYE 2023. No provision was made for the sale of 92 Bumiputera allocated units to non-Bumiputera purchaser because SkyLuxe Development had obtained approvals from DBKL for the release of these units and DBKL have not requested for the DBKL Incentive to be paid.

In addition, our Group has not experienced any material adverse impact on our business operations nor been imposed with any penalties arising from such non-compliance. The potential maximum penalty arising from the non-compliance is only a financial penalty of RM100,000.00 (based on the penalty of RM50,000.00 which may be imposed on each company upon conviction and not taking into account the penalty for continuing offence which may be subject to a further fine which may extend to RM500.00 for every day during which the offence continues after conviction for the first commission of the offence), which is not a material amount and as such, the non-compliance is not expected to have any material adverse impact on the overall business operations and / or financial condition of our Group.

7. BUSINESS OVERVIEW (CONT'D)

Use of Land and Building

Notwithstanding Section 19(1) of the FTPA as mentioned above, subsection (2) provides that the commissioner may permit upon such terms and conditions as may be specified in the permit the continuance for such period as may be specified therein of the use of any land or building for the purposes and to the extent for and to which it was being used prior to the date the FTPA comes into force.

Further, Section 26(3) of the FTPA provides that where the use of land or building is permitted to be continued by the commissioner pursuant to subsection 19(2) of the FTPA, any person who continues such use on or after the expiry of the period specified in the permit allowing such use or who continues such use in contravention of any terms or conditions under which such use is permitted, is guilty of an offence and on conviction is liable to a fine not exceeding RM25,000.00 and in the case of a continuing offence to a further fine which may extend to RM500.00 for every day during which the offence continues after conviction for the first commission of the offence.

Our Group had previously obtained a development order in November 2015 authorising the temporary use of our sales gallery at Bukit Jalil ("**Bukit Jalil Sales Gallery**") for the sale of our SkyLuxe On The Park Residences, which was launched in September 2016. The development order was valid for 1 year whereby we had subsequently renewed the same on an annual basis until year 2019. Subsequently and upon completion of SkyLuxe On The Park Residences in February 2020, our Group continued to use the Bukit Jalil Sales Gallery for the sale of SkyVogue Residences, which was launched in September 2020, as the sales gallery is located close to our SkyVogue Residences despite the expiry of the said development order on 31 December 2019 in contravention of Section 26(3) of the FTPA. The non-compliance was a result of miscommunication on the continued use of the Bukit Jalil Sales Gallery by our sales department and the requirement to renew the development order which is handled and managed by our business venture department. Our Group has vacated and ceased operations at the Bukit Jalil Sales Gallery in July 2022.

The potential maximum penalty arising from the non-compliance upon conviction is only a financial penalty of RM25,000.00 (not taking into account the penalty for continuing offence which may be subject to a further fine which may extend to RM500.00 for every day during which the offence continues after conviction for the first commission of the offence), However, as of to date, our Group has not been imposed with any penalty as a result of the non-compliance.

As our Bukit Jalil Sales Gallery was used for the sale of the SkyVogue Residences units which have reached 95% as at the LPD, vacating it will not give rise to material impact on the business operations and financial condition of our Group. Moving forward, our Group will ensure that the properties we own and / or occupy will have the relevant permits as well as licenses.

(6) Personal Data Protection Act 2010 ("PDPA") and the Personal Data Protection (Class of Data Users) Order 2013 ("PDP Order")

Section 15(1) of the PDPA stipulates that a person who belongs to the class of data users as specified in the order made under subsection 14(1) of the PDPA shall submit an application for registration to the Personal Data Protection Commissioner ("**PDP Commissioner**") in the manner and form as determined by the PDP Commissioner. Under the PDP Order, a licensed housing developer under the HDA is required to obtain a certificate of registration under Section 16(1)(a) of the PDPA in order to process any personal data.

A person who belongs to the class of data users as specified in the PDP Order and who processes personal data without a certificate of registration issued under the PDPA

7. BUSINESS OVERVIEW (CONT'D)

commits an offence and shall, on conviction, be liable to a fine not exceeding RM500,000.00 or to imprisonment for a term not exceeding 3 years or to both.

Our Company and 9 of our Subsidiaries, namely Citra Amal, SkyAwani 2 Development, SkySanctuary Development, SkyVogue Development, SkySierra Development, SkyAwani 5 Development, SkyMeridien Development, SkyLuxe Development and Bennington Development had previously processed personal data without a certificate of registration issued under Section 16(1)(a) of the PDPA in respect of the periods as set out below as we were not aware of the requirement to obtain a certificate of registration. It was only brought to the attention of our Group upon the due diligence being conducted for the purposes of the Listing by our Solicitors.

Name of Companies	Date of First APDL	Effective Date of Certificate of Registration (where Certificate of Registration is required) / Date of Expiry of Latest APDL (where Certificate of Registration is not required)
SkyWorld Development	8 October 2014	14 July 2022 ⁽¹⁾
Citra Amal	28 October 2015	20 November 2018 ⁽²⁾
SkyAwani 2 Development	17 March 2017	14 February 2022 ⁽²⁾
SkySanctuary Development	6 April 2021	27 May 2022 ⁽¹⁾
SkyVogue Development	21 September 2020	27 May 2022 ⁽¹⁾
SkySierra Development	19 December 2019	27 May 2022 ⁽¹⁾
SkyAwani 5 Development	3 August 2020	24 May 2022 ⁽¹⁾
SkyMeridien Development	12 February 2018	11 August 2022 ⁽¹⁾
SkyLuxe Development	14 September 2016	11 August 2022 ⁽¹⁾
Bennington Development	14 January 2016	11 August 2022 ⁽¹⁾

Notes:

(1) *The effective date of the Certificate of Registration under Section 16(1)(a) of the PDPA. The duration of the non-compliance is from the date of the first APDL, up until the effective date of Certificate of Registration*

(2) *The date of expiry of the latest APDL of the company. The duration of the non-compliance is from the date of the First APDL, up until the date of expiry of the latest APDL.*

As at the LPD, we have obtained valid certificates of registration for our Company and our relevant Subsidiaries. As the housing projects developed by CASB and SkyAwani 2 Development have been completed and handed over to the respective management corporation, a certificate of registration under Section 16(1)(a) of the PDPA for CASB and SkyAwani 2 Development is not required as both companies no longer fall within the definition of a licensed housing developer. The same has been confirmed by a PDPA officer vide an email dated 31 May 2022 to our Group.

7. BUSINESS OVERVIEW (CONT'D)

Further, as at the LPD, CASB do not process personal data. However, SkyAwani 2 Development is still processing personal data for the purposes of leasing and sale of the balance unsold commercial units in SkyAwani II Residences. As SkyAwani 2 Development is not processing personal data in the capacity as a licensed housing developer, our Group does not require a certificate of registration under section 16 of the PDPA. Notwithstanding the aforesaid, SkyAwani 2 Development will still be subject to the provisions of the PDPA which are applicable to the processing of personal data in relation to commercial transactions.

The potential maximum penalty arising from the non-compliance is RM5,000,000.00 (based on the maximum financial penalty of RM500,000.00 which may be imposed on each company upon conviction) and a term of imprisonment of each director of our Company and the relevant Subsidiaries of not exceeding 10 years, However, as of to date, our Group has not been imposed with any penalty as a result of the non-compliance.

Our Board has approved our Group's PDPA Policy in December 2022 and implemented the same in January 2023 to ensure compliance with the PDPA.

(7) National Land Code (Revised 2020) (Act 828) (formerly known as National Land Code 1965)

We are governed by the National Land Code in relation to the administration of land matters in Peninsular Malaysia.

(8) Strata Titles Act 1985 ("STA")

We are governed by the STA in respect of the subdivision of building into parcels, the disposition of titles, registration of titles relating to parcels in a building, transfer of parcels in a building, and other rights and interests in parcels in a building.

We are required under the STA to apply for the subdivision of any building into parcels within such period and in the manner as provided by the STA.

(9) Competition Act 2010 ("Competition Act")

In respect of promoting economic development by promoting and protecting the process of competition, thereby protecting the interests of consumers and to provide for matters connected therewith.

The following are the prohibited practices stated in the Competition Act:

(a) Section 4(1) of the Competition Act:

A horizontal or vertical agreement between enterprises is prohibited insofar as the agreement has the object or effect of significantly preventing, restricting or distorting competition in any market for goods or services.

(b) Sections 10(1) and (2) of the Competition Act:

An enterprise is prohibited from engaging, whether independently or collectively, in any conduct which amounts to an abuse of a dominant position in any market for goods or services. An abuse of a dominant position may include:

(aa) directly or indirectly imposing unfair purchase or selling price or other unfair trading condition on any supplier or customer;

(bb) limiting or controlling:

7. BUSINESS OVERVIEW (CONT'D)

- (i) production;
- (ii) market outlets or market access;
- (iii) technical or technological development; or
- (iv) investment,

to the prejudice of customers.

- (cc) refusing to supply to a particular enterprise or group or category of enterprises;
- (dd) applying different conditions to equivalent transactions with other trading parties to an extent that may:
 - 1. discourage new market entry or expansion or investment by an existing competitor;
 - 2. force from the market or otherwise seriously damage an existing competitor which is no less efficient than the enterprise in a dominant position; or
 - 3. harm competition in any market in which the dominant enterprise is participating or in any upstream or downstream market;
- (ee) making the conclusion of contract subject to acceptance by other parties of supplementary conditions which by their nature or according to commercial usage have no connection with the subject matter of the contract;
- (ff) any predatory behaviour towards competitors; or
- (gg) buying up a scarce supply of intermediate goods or resources required by a competitor, in circumstances where the enterprise in a dominant position does not have a reasonable commercial justification for buying up the intermediate goods or resources to meet its own needs.

In the course of carrying out our business operations, we are to comply with the Competition Act, and in particular not to engage in any conduct which prevents the process of competition, such as price-fixing, bid-rigging, sharing market, and abuse of dominant position in any market for products or services. This is to promote healthy competition and fair trading and ultimately, to protect the interest of the consumers.

Notwithstanding all of the above, there were other immaterial fines and compounds imposed on our Group which are not disclosed in this Prospectus. The fines and compounds have been duly paid and our Group has not experienced any material adverse impact on the overall business operations and / or financial condition arising from such fines and compounds.

7. BUSINESS OVERVIEW (CONT'D)

Vietnam

Our Subsidiary in Vietnam, SkyWorld Vietnam, is subject to the following laws and regulations:

General and Licensing

- (i) Law on Enterprises No. 59/2020/QH14 dated 17 June 2020 ("**Law on Enterprises**");
- (ii) Law on Investment No. 61/2020/QH14 dated 17 June 2020 ("**Law on Investment**");
- (iii) Law No. 15/2012/QH13 dated 20 June 2012 on handling administrative violations ("**Law on Handling Administrative Violations**");
- (iv) Decree No. 01/2021/ND-CP dated 04 January 2021 on enterprise registration ("**Decree 01**"); and
- (v) Decree 122/2021/ND-CP dated 28 December 2021 on penalties for administrative violations against regulations on planning and investment ("**Decree 122**").

Pursuant to SkyWorld Vietnam's Investment Registration Certificate ("**IRC**") and Enterprise Registration Certificate ("**ERC**") issued by the Department of Planning and Investment of Ho Chi Minh City ("**DPI**") and also its information recorded on the National Portal of Business Registration, there is no sub-license required for SkyWorld Vietnam to implement its business line. Therefore, SkyWorld Vietnam is eligible to conduct its current business by virtue of its IRC and ERC.

However, SkyWorld Vietnam had on 5 July 2021 registered with DPI in respect of the ERC for an increase in their charter capital to USD10,286,554 (equivalent to approximately RM46,330,639) from the existing contributed capital of USD200,000 (equivalent to approximately RM890,000).

The reason for the increase in charter capital was for the purpose of the proposed acquisition of a prospect land in Ho Chi Minh City, Vietnam which was identified in year 2020 ("**Vietnam Land**").

Due to the travel restrictions imposed in both Malaysia and Vietnam and unforeseen circumstances arising with the COVID-19 pandemic as well as the increase in the offer price for the Vietnam Land by the vendor, our Group aborted the proposal in March 2022.

In accordance with the Law of Enterprises, capital contribution must be completed prior to amending the ERC. However, SkyWorld Vietnam had obtained the amended ERC prior to completing the increase in charter capital.

The non-compliance was due to our Group not being aware that under the relevant laws of Vietnam, our Group was required to increase the charter capital for SkyWorld Vietnam prior to amending the ERC. Such non-compliance was only brought to the attention of our Group upon the due diligence being conducted for the purposes of our Listing by our Vietnam solicitors. Immediately upon being notified of such, SkyWorld Vietnam commenced action plan to rectify the non-compliance.

SkyWorld Vietnam may be found liable, upon conviction for inaccurate declaration on the capital contribution and, consequently, incur an administrative penalty of up to USD4,300 which is equivalent to approximately RM19,000.

SkyWorld Vietnam had on 17 October 2022 submitted an application to DPI to reduce its charter capital in the ERC, as our Group, at that juncture, has yet to identify a suitable land for acquisition. Our Group was required to pay an administrative penalty of VND25,000,000 (equivalent to RM4,575.00) to the State Treasury of Vietnam for the inaccurate registration of charter capital contribution of SkyWorld Vietnam, as directed by the DPI. The sum was paid on 17 November 2022. SkyWorld Vietnam had obtained the approval for the reduced charter capital of USD50,000 on 30 November 2022.

7. BUSINESS OVERVIEW (CONT'D)

Subsequently in November 2022, we had identified several prospect lands located in Ho Chi Minh City and on 15 December 2022, made an additional capital contribution of USD10,086,554 into SkyWorld Vietnam to facilitate the potential acquisition of the said prospect lands. Currently, we are in the midst of conducting due diligence and negotiating the terms for the potential acquisition of the said prospect lands. Following the completion of the additional capital contribution, SkyWorld Vietnam had on 27 December 2022 obtained the amended ERC with charter capital of USD10,286,554 which includes the USD200,000 contributed previously.

7.22.2 Implementation of measures by our Group

In addition to the steps and / or proposed steps to be taken by our Group as set out above, our Directors have / will further implement the following measures to enhance the internal control system of our Group and to prevent recurrence of the non-compliance incidents:

- (i) Our Group had implemented the Tax Corporate Governance Framework and Guidelines on 1 July 2022 to manage tax matters systematically, promote tax compliance and reduce tax risk. The framework and guidelines set out the roles and responsibility, tax strategy and policy and detailed guidelines on managing tax matters, to ensure that relevant tax submission and tax payment timelines are duly adhered and has proper reviewing process. Notwithstanding the assessment was completed in August 2022, the internal control consultants has identified gaps as early as March 2022, which is prior to completion of the exercise. Consequently, our management acknowledged the need for immediate rectification and has developed and implemented the framework before the internal control report was completed by the internal control consultants.
- (ii) Our Group has established policies, procedures and guidelines to manage its compliance risk among others including:
 - (a) Compliance Monitoring Framework, to ensure that our Group's compliance matters are effectively managed with responsible stewardship and it also serves as our Group's commitment to uphold proper compliance management. The framework sets out the roles and responsibility, compliance obligations checklist, procedures on managing compliance issues and incidents, to ensure strict compliance to all relevant rules and regulations. The implementation of such measures is overseen by top management including the Executive Director and Chief Executive Officer. However, this is to be further enhanced via the appointment of Datuk Lam, our Non-Independent Executive Director as the Compliance Officer effective 1 January 2023 to ensure that compliance management practices are guided by the Compliance Monitoring Framework and are effectively enforced, including periodic reporting on the compliance management practices effectiveness and potential non-compliance issues to the Executive Committee and the Audit & Risk Management Committee on a monthly and quarterly basis, respectively.
 - (b) PDPA Policy, to ensure compliance with the PDPA and provide protection of personal data including safeguarding against misuse and regulate the collection, use and / or disclosure of personal data for commercial transaction.

The Compliance Monitoring Framework and PDPA Policy has been approved by our Board in December 2022 and implemented in January 2023.

- (iii) On 23 September 2022, our Group have established an Audit & Risk Management Committee which comprises entirely of Independent Non-Executive Directors with duties and obligations of, amongst others, together with the internal control consultants and external auditors, to evaluate the system of internal controls and reporting the same to our Board, to review the adequacy and effectiveness of the risk management and internal control framework for our Group, reviewing significant risks identified (including operational, financial, regulatory compliance, sustainability and reputational risks) and

7. BUSINESS OVERVIEW (CONT'D)

assessing the mitigating actions put in place to manage these risks, as well as reviewing the adequacy of resources for managing the risk management and internal control framework of our Group. We will also provide a statement on effectiveness of the risk management and internal control framework implemented by our Group as well as any material risks and / or non-compliances identified during the respective financial year in our annual report after our Listing.

- (iv) Our Group has engaged an internal control consultant for the purpose of assessing the adequacy of internal controls and risk management practices of our Group in conjunction with our Listing. The internal control consultant has since completed their review work in August 2022. Pursuant to the findings highlighted in the internal control consultant report, we have undertaken measures and actions plans such as adopting the Tax Corporate Governance Framework and Guidelines and established the Compliance Monitoring Framework and the PDPA Policy to address the identified gaps / lapses for internal control.
- (v) After the Listing, our Group will appoint internal control consultants to conduct independent assessment on the adequacy and effectiveness of our Group's internal control systems and shall report directly to our Audit & Risk Management Committee. Our Group will also engage professionals where necessary to provide trainings to the Directors and employees to develop a clear understanding of matters related to our Group's internal controls and compliances to enhance our Group's policies and processes and implementation of the same.

After implementation of the measures, our Group has not experienced any non-compliances thereafter and up to the LPD.

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7. BUSINESS OVERVIEW (CONT'D)**7.23 ADDITIONAL DISCLOSURES****7.23.1 Tax penalties**

A summary of the material tax penalty imposed by relevant authorities on our Group as at the LPD are as follows:

Company	YA	Penalty amount (RM)
NTP World Corporation	2016	1,124,165.80
	2017	5,515.88
	2019	221,618.74
	2021	59,114.60
		<u>1,410,415.02</u>
Bennington Development	2019	12,426.30
		55,377.69
	2020	307,137.19
	2021	5,539.00
		<u>380,480.18</u>
Citra Amal	2016	30,901.35
	2017	197,576.55
	2018	876,555.17
	2019	1,820,387.76
		<u>2,925,420.83</u>
SkyAwani 2 Development	2020	204,063.08
		<u>204,063.08</u>
SkyWorld Development	2015	22,889.93
	2016	153,616.79
	2019	⁽¹⁾ 896.42
	2020	441,659.08
	2021	111,004.16
		<u>730,066.38</u>
Desa Imbangan ⁽¹⁾	2017 to 2022	34.08
Medan Srijuta ⁽¹⁾	2016 to 2021	38.02
Rimba Maju ⁽¹⁾	2020	3.44
SkyLuxe Development	2017	⁽¹⁾ 644.70
	2018	⁽¹⁾ 71.63
	2019	23,244.00
SkyMeridien Development ⁽¹⁾	2018 to 2021	348.46
SkyWorld Capital ⁽¹⁾	2020 to 2021	52.34
SkyWorld Connects ⁽¹⁾	2020 to 2022	1,625.11
SkyVue Development ⁽¹⁾	2018 to 2022	2.63
SkyAwani 5 Development ⁽¹⁾	2022	492.89
SkyVogue Development ⁽¹⁾	2022	185.27
Total		<u>5,677,188.06</u>

Note:

(1) The amount of tax penalties imposed on this company is not substantial ("**Non-substantial Penalties**").

7. BUSINESS OVERVIEW (CONT'D)

Further details of the tax penalties imposed on our Group (save for the Non-substantial Penalties) are as follows:

(i) NTP World Corporation

Year of Assessment ("YA") 2016 and YA 2017

There were additional tax charged by the Inland Revenue Board ("**IRB**") for YA 2016 and YA 2017 amounting to RM2,497,060.80 and RM12,257.52 respectively, arising from the findings during tax investigation conducted by the IRB.

The company, as the land owner in several joint venture developments, submitted its tax returns that recognised the income from the joint venture projects only upon its completion. However, pursuant to the findings during tax investigation conducted by the IRB, the income from the joint venture developments should have been recognised over the development periods based on the percentage of completion basis instead of only recognised upon its completion. As a result, additional tax was charged due to tax adjustments made in respect of the basis of recognition for income from the joint venture developments.

The IRB has also imposed penalties on the additional tax charged under Section 113(2) of the Income Tax Act 1967 ("**ITA**") amounting to RM1,124,165.80 and RM5,515.88 respectively.

As at the LPD, the additional tax and penalties have been fully settled.

YA 2019

On 14 December 2018, NTP World Corporation submitted its Goods and Services Tax ("**GST**") Return for taxable period from 1 August 2018 to 31 August 2018 to the Royal Malaysia Customs Department ("**RMCD**") with a GST payable amounting RM2,944,359.17 which was due for payment on 29 December 2018.

On 24 December 2018, NTP World Corporation written to the RMCD requesting to utilise approved GST credit amounting RM2,045,462.67 to offset against the GST payable.

On 29 January 2019, the RMCD issued a notice of payment to NTP World Corporation informing that the amount of tax due and payable in respect of the taxable period from 1 August 2018 to 31 August 2018 amounting to RM886,474.95 was still outstanding and a penalty of RM221,618.74 under Section 41(8) of the Goods and Services Tax Act 2014 ("**GST Act**") has been imposed on NTP World Corporation. The late payment was due to an oversight by our Group.

The penalty and the amount of tax owing had been fully settled on 26 February 2019.

YA 2021

There was a penalty of RM59,114.60 on late payment of the 1 tax instalment amounting to RM591,146.00 under Section 107(9) of the ITA imposed by the IRB due to an oversight by our Group. Save for the 1 tax instalment, the remaining 11 tax instalments were settled on a timely basis.

As at the LPD, the tax instalment and penalty have been fully settled.

7. BUSINESS OVERVIEW (CONT'D)**(ii) Bennington Development**YA 2019

There was a penalty of RM55,377.69 on underestimation of tax imposed by the IRB under Section 107C(10) of the ITA as the actual tax payable is higher than the estimated tax payable by RM2,933,967.04. Pursuant to Section 107C(10) of the ITA, where the tax payable under an assessment for a YA exceeds the initial or revised estimate of tax payable for that YA by more than 30% of the tax payable under the assessment, the difference between that amount and 30% of the tax payable under the assessment shall be increased by a sum equal to 10% of the amount of that difference. The penalty was mainly due to underestimation of sales projections for Bennington Residences.

There was a penalty of RM12,426.30 on omission of the 1 tax instalment payment for tax estimation amounting to RM124,263.00 under Section 107C(9) of the ITA imposed by the IRB due to temporary cash flow constraints resulted from settlement of the ICP / IMTN of our Group during the year. Save for the 1 tax instalment, the remaining 11 tax instalments were settled on a timely basis.

As at the LPD, the tax instalment and penalties have been fully settled.

YA 2020

There was a penalty of RM293,975.01 on underestimation of tax imposed by IRB under Section 107C(10) of ITA as the actual tax payable is higher than the estimated tax payable by RM5,471,557.36, mainly due to cost saving upon completion of Bennington Residences.

In addition, the IRB had on 17 November 2021 issued a notice to the company for additional tax charged of RM29,249.28 arising from the findings of the tax audit conducted by the IRB for YA 2018 to YA 2020. The additional tax charged was mainly due to the timing of recognition of income from the sales of 2 completed units which were recognised based on the date of vacant possession as per audited financial statement, in the tax return submitted, instead of the signing date of the SPA.

Additionally, a penalty was imposed under Section 113(2) of the ITA amounting to RM13,162.18 for the additional tax charged.

As at the LPD, all additional tax and penalties have been fully settled.

YA 2021

There was a penalty of RM5,539.00 on late payment of the 1 tax instalment amounting to RM55,390.00 under Section 107C(9) of the ITA imposed by the IRB due to an oversight by our Group. Save for the 1 tax instalment, the remaining 11 tax instalments were settled on a timely basis.

As at the LPD, the tax instalment and penalty have been fully settled.

(iii) Citra AmalYA 2016 and YA 2017

There were penalties of RM30,901.35 and RM197,576.55 on underestimation of tax imposed by the IRB under Section 107C(10) of ITA as the actual tax payable is higher than the revised estimated tax payable by RM 724,305.12 and RM3,925,665.12 for YA 2016 and YA 2017 respectively, due to unexpected higher sales and development

7. BUSINESS OVERVIEW (CONT'D)

progress of SkyAwani Residences which resulted in higher profit recognition in the respective years.

As at the LPD, all additional tax and penalties have been fully settled.

YA 2018

Citra Amal had on 29 November 2018 (i.e. before the payment due date on 30 November 2018 for the balance tax payable for YA 2018) wrote to the IRB to request for the balance of tax payable amounting to RM5,655,194.72 to be settled in the following manner:

- (i) partially by utilising tax credits available from related companies accumulated up to the YA 2018 amounting to RM3,718,290.22; and
- (ii) the remaining balance of RM1,936,904.50 via 36 monthly instalments.

There was no official response from the IRB on the request by the payment due date. As a result, a late payment penalty of RM876,555.17 was imposed under Section 103/103A of the ITA.

On 18 February 2019, Citra Amal has made a partial payment of RM479,477.60 to the IRB.

Citra Amal had on 20 February 2019 wrote to the IRB to request for the outstanding balance tax payable for YA 2018 of RM6,052,272.29 (RM5,655,194.72 + RM876,555.17 – RM479,477.60) to be settled in 24 monthly instalments. The IRB approved the request via their letter dated 1 March 2019. Following from there, 24 post-dated cheques were issued to the IRB.

As at the LPD, the balance of tax payable and late payment penalty have been fully settled.

YA 2019

Citra Amal had on 26 November 2019 (i.e. before the payment due date on 30 November 2019 for the balance tax payable for YA 2019) wrote to the IRB to request for the balance of tax payable amounting to RM8,620,264.32 to be settled in 36 monthly instalments.

There was no official response from the IRB on the request by the payment due date.

On 26 December 2019, Citra Amal made a partial payment of RM862,026.43 (which is 10% of the balance tax payable for YA 2019) to the IRB.

On 7 January 2020, Citra Amal's tax agent wrote to the IRB to request for the outstanding balance tax payable (RM8,620,264.32 – RM862,026.43) together with penalties (RM1,293,040.14 + RM430,532.00 + RM96,815.62) to be settled in 36 monthly instalments.

The details of the penalties imposed by the IRB in respect of YA 2019 amounts to the following:

- (a) RM1,293,040.14 for late payment of the balance of tax payable amounting to RM8,620,264.32 under Section 103/103A of the ITA;
- (b) RM430,532.00 for omission of payment of the 1st to 5th monthly tax instalments amounting to RM4,305,320.00 under Section 107C(9) of the ITA due to temporary cash flow constraints resulted from settlement of the ICP / IMTN of our Group during the year; and

7. BUSINESS OVERVIEW (CONT'D)

- (c) RM96,815.62 for underestimation of tax payable under Section 107C(10) of the ITA as the actual tax payable is higher than the estimated tax payable by RM4,021,580.32 due to non-deductible expenses being treated as deductible expenses in estimating the tax for YA 2019. These expenses mainly consists of finance cost for SkyAwani Residences.

The IRB approved the request via their letter dated 25 February 2020. Thereafter, 36 post-dated cheques were issued and submitted to the IRB.

As at the LPD, the company have settled the balance tax payable and all the penalties due to the IRB with the final instalment being 15 December 2022.

(iv) SkyAwani 2 Development

YA 2020

There was a penalty of RM204,063.08 on underestimation of tax imposed by the IRB under Section 107C(10) of ITA as the actual tax payable is higher than the estimated tax payable by RM3,804,901.20, mainly due to cost saving upon completion of SkyAwani II Residences.

As at the LPD, the additional tax and penalty have been fully settled.

(v) SkyWorld Development

YA 2015

There was a penalty of RM22,889.93 on underestimation of tax imposed by the IRB under Section 107C(10) of the ITA as the actual tax payable is higher than the estimated tax payable by RM519,856.25, mainly due to underestimation of development progress for Ascenda Residences.

As at the LPD, the additional tax and penalty have been fully settled.

YA 2016

There was a penalty of RM153,616.79 on omission of the 1st tax instalment payment for tax estimation for YA 2016 amounting to RM1,536,167.90 under Section 107C(9) of the ITA imposed by the IRB due to an oversight by our Group. Save for the 1st tax instalment, the remaining 11 tax instalments were settled on a timely basis.

As at the LPD, the tax instalment and penalty have been fully settled.

YA 2020

On 17 August 2021, IRB has imposed a penalty of RM441,659.08 under Section 113(2) of the ITA, mainly due to the double claim of finance cost in the tax return submitted which had resulted in an understatement of tax payable by RM2,849,413.44. The penalty was imposed subsequent to a voluntary revision of tax return to rectify the error for double claimed of the finance cost.

As at the LPD, the additional tax and penalty have been fully settled.

YA 2021

There was a penalty of RM111,004.16 on underestimation of tax imposed by the IRB under Section 107C(10) of the ITA as the actual tax payable is higher than the estimated tax payable by RM5,608,773.84, mainly due to underestimation of development progress in respect of SkyAwani III Residences and SkyAwani IV Residences.

7. BUSINESS OVERVIEW (CONT'D)

As at the LPD, the additional tax and penalty have been fully settled.

(vi) SkyLuxe Development

YA 2019

There was a penalty of RM23,244.00 on omission of the 1 tax instalment payment for tax estimation amounting to RM232,440.00 under Section 107C(9) of the ITA imposed by the IRB due to temporary cash flow constraints resulted from settlement of the ICP / IMTN of our Group during the year. Save for the 1 tax instalment, the remaining 11 tax instalments were settled on a timely basis.

As at the LPD, the tax instalment and penalty has been fully settled.

Notwithstanding the above, several Subsidiaries within our Group were imposed with tax penalties due to underestimation of tax payables and late payment of withholding tax and service tax during the Financial Years Under Review. These tax penalties are immaterial to our Group.

To reduce the risk of non-compliance and improve the overall handling of tax administration matters:

- (i) our Group had since April 2021 and will continue to hold regular quarterly internal meetings between the sales, project and finance departments to discuss and identify any significant change in financial estimates / projections which may entail significant tax impact. The meetings are conducted to ensure that information is obtained and received by our finance department in a timely manner in order to estimate the profit as accurately as possible to avoid significant underestimation of tax. This will also allow our Group to manage cash flow more effective and efficient thus ensuring settlement of tax payable is made on a timely basis;
- (ii) further, our Group had implemented the Tax Corporate Governance Framework and Guidelines on 1 July 2022 as recommended by the Internal Control Reviewer to ensure relevant tax submission and tax payment timelines are duly adhere with and proper reviewing processes are in place;
- (iii) in addition to the assignment of a dedicated finance personnel to monitor monthly tax instalment payment since March 2021 and the recruitment of an additional finance manager in June 2022 whose scope of work include reviewing tax related matters in respect of the companies which are assigned to the finance personnel, our Group is in the midst of identifying additional human resources with appropriate experience to handle tax planning, administration and tax compliance related matters;
- (iv) our Group had on 7 March 2023 engaged an external tax expert to review the provisional tax computation (including capital allowance schedules) for the financial period ended 31 December 2022 and FYE 2023 to ensure its accuracy and completeness;
- (v) our Group will engage external tax expert to advise on the tax treatment for any significant transaction before the transaction take place; and
- (vi) our Group will engage external tax expert to review the tax estimation of the revenue generating companies for FYE 2024.

7. BUSINESS OVERVIEW (CONT'D)

In view of such measures, our Group believes that it will be able to ensure timely payment of tax and continuously improve the accuracy of estimation of tax payable by our Group. In addition, our Non-Independent Executive Directors namely Datuk Seri Ng, Datuk Lam and Lee Chee Seng has signed a letter of indemnity to indemnify our Group from and against all actions, costs and expenses (including legal fees on a solicitors and own client basis), claims, liabilities, losses and / or damages whatsoever which may be suffered or incurred by our Group as well as any penalty imposed on our Group in respect of (i) any underestimation of tax (save for those already settled by our Group), (ii) any untimely submission of tax returns to the relevant tax authority and (iii) any untimely settlement of tax liabilities by our Group with the relevant tax authority, in relation to the years of assessment up to YA 2023. For the avoidance of doubt, in the event that new additional tax and penalties are imposed due to underestimation of tax for the years of assessment prior and up to our Listing, our Group shall be liable for the additional tax to be paid, whereas our Non-Independent Executive Directors will be liable for any tax penalties imposed.

7.23.2 Proposed establishment of an ICP and IMTN programme of RM300.00 million in nominal value and issuance of ICP and IMTN thereunder

Our Group intends to establish via our Subsidiary, SkyWorld Capital, a rated ICP and IMTN programme of RM300.00 million in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar ("**ICP and IMTN Programme**") and issue ICP and IMTN thereunder.

The tentative timeline for the ICP and IMTN Programme is as follows:

	Tentative Timeline
Lodgement of ICP and IMTN Programme to the SC	31 January 2023
Lodgement of Information Memorandum for the ICP and IMTN Programme	29 March 2023
First issuance of ICP and IMTN under the ICP and IMTN Programme	April 2023

The ICP and IMTN Programme is not conditional upon our Listing and vice versa.

The ICP and IMTN Programme will be utilised for the following purposes:

- (a) to utilise RM100,000.00 from the first issuance under the ICP and IMTN Programme to fund the ICP and IMTN trustee's reimbursement account pursuant to the requirements under the Guidelines on Trust Deeds issued by the SC, and the trustee's reimbursement account for the ICP and IMTN Programme will be solely operated by the trustee and the money will only be used strictly by the trustee in carrying out its duties in relation to the occurrence of events of default or enforcement which are provided in the trust deed;
- (b) to finance the investment activities, capital expenditure, working capital requirements and / or other general corporate purposes of SkyWorld Capital and our Group;
- (c) to defray the fees and expenses relating to the ICP and IMTN Programme;
- (d) for repayment of SkyWorld Capital and our Group's existing conventional borrowings; and
- (e) for repayment of any existing or future Islamic financings undertaken by SkyWorld Capital and / or our Group (including for purposes of redemption or rollover).

There is no overlap of utilisation of proceeds between our IPO and the first issuance under the ICP and IMTN Programme which is expected to be by end of April 2023. The first and second issuance under the ICP and IMTN Programme is intended to be utilised by our Group solely for our Group's geographical expansion in Vietnam whereas subsequent tranches are to be utilised by our Group for the planned developments in Malaysia (as detailed in Section 7.7.2 of this Prospectus) while the IPO proceeds will be utilised for working capital in respect of our Group's project developments in Malaysia (as detailed in Section 4.8 of this Prospectus). There are no set timelines for subsequent issuances under the ICP and IMTN Programme as at LPD.

7. BUSINESS OVERVIEW (CONT'D)

The salient terms of the ICP and IMTN Programme are as set out below:

Issuer	SkyWorld Capital (" Issuer ")
Nominal Value	RM300 million
Tenure	<p><u>ICP</u>: Not exceeding twelve (12) months as may be selected by the Issuer.</p> <p><u>IMTN</u>: At least one (1) year and up to seven (7) years as may be selected by the Issuer and shall mature on or before the expiry of the ICP and IMTN Programme.</p>
Underwriting	The first issuance of ICP and IMTN under the ICP and IMTN Programme will not be underwritten. Notwithstanding this, SkyWorld Capital may arrange for subsequent issuances of ICP and IMTN under the ICP and IMTN Programme to be underwritten in part or in full based on underwriting fees and yields to be agreed then with the underwriter(s).
Redemption	Unless previously redeemed, purchased and cancelled, the ICP and IMTN Programme will be redeemed by the Issuer at their respective nominal value as at maturity date.
Listing status	The ICP and IMTN Programme will not be listed on Bursa Securities or any other stock exchanges.
Profit/coupon/rental rate (fixed or floating)	<p><u>ICP</u>: The ICP will be issued at a discount to its nominal value without periodic distribution. The profit rate shall be fixed rate, to be determined and agreed prior to each issuance.</p> <p><u>IMTN</u>: The IMTN will be issued at a discount, at par, or at a premium to its nominal value with periodic distribution. The periodic distribution rate shall be fixed or floating rate, to be determined and agreed prior to each issuance of the respective IMTN.</p> <p>In relation to IMTN which the periodic distribution rate is on a floating basis, such periodic distribution rate shall be the aggregate of the spread for floating rate and the relevant floating rate benchmark ("Floating Profit Rate"), subject to the maximum profit rate. If the Floating Profit Rate is higher than the maximum profit rate, the Issuer shall be obliged to make periodic distribution at the maximum profit rate only.</p>

Kenanga IB have been appointed as the Principal Adviser, Lead Arranger, Lead Manager and Facility Agent for the establishment of the ICP and IMTN programme. Additionally, Newfields Advisors and RDS have been appointed as the Financial Adviser and Solicitor for the establishment of the ICP and IMTN programme, respectively. Please refer to Section 11.3 of this Prospectus for the disclosure on conflict of interest.

Based on the latest audited financials for FYE 2022, assuming a full drawdown of the RM300.00 million ICP and IMTN Programme, the impact on our Group's gearing shall be as follows:

	Prior to drawdown of ICP and IMTN	Assuming full drawdown of ICP and IMTN
Gearing ⁽¹⁾	0.96	1.61
Net Gearing ⁽²⁾	0.36	1.01

Notes:

(1) Gearing is calculated by dividing the total debt over total equity.

7. BUSINESS OVERVIEW (CONT'D)

(2) *Net gearing is calculated by dividing the total debt less cash and bank balances over total equity.*

Notwithstanding the assumption of a full drawdown on the ICP and IMTN programme, the actual issuance / subscription for the tranches is dependent on the availability of subscribers as well as our Group's working capital requirements which cannot be determined at present, save for the planned developments of our Group in Malaysia and the future expansion plans to Vietnam, which is detailed in Sections 7.7.2 and 7.7.4 of this Prospectus.

7.23.3 Environmental, Social and Governance practices of our Group

We are committed to achieving sustainability goals to build economic, environment and social responsibilities, and effective corporate governance into all aspects of our business and operations. We believe in staying transparent, innovative and continue to stay relevant are keys to driving a sustainable business.

Sustainability Scope and Frameworks

We will develop our sustainability framework based on the following frameworks and standards:

- Bursa Securities' Main Market Listing Requirements for Sustainability;
- Bursa Securities' Sustainability Reporting Guide (3rd Edition); and
- MCCG.

We strive to improve in our sustainability journey and as part of this initiatives, we are also being guided by international sustainability frameworks and standards which include:

- Global Reporting Initiative ("GRI");
- United Nations Sustainable Development Goals ("UNSDG"); and
- Global Real Estate Sustainability Benchmark ("GRESB").

Sustainability Governance

SkyWorld acknowledges good corporate governance and transparency are intrinsic to achieve responsible and sustainable growth. Our Group intends to put in place a clear governance structure to ensure that all sustainability measures and efforts are carried out effectively as shown below:



7. BUSINESS OVERVIEW (CONT'D)

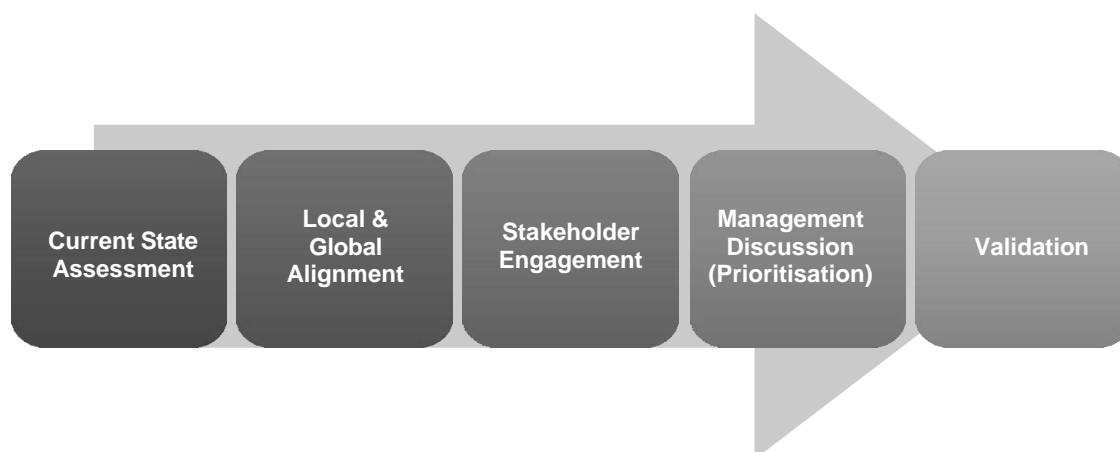
Our Board holds the highest authority over our Group's sustainability strategy and governance, reviewing and approving all sustainability-related policies and initiatives, and ensures that sustainability is practiced across all business operations.

Our Chief Executive Officer will lead the implementation of sustainability strategies and approved targets and market disclosures of our Group and works with the Sustainability Working Committee to review existing strategies for continuous improvement, along with providing oversight for our Group's sustainability risks and opportunities.

The Sustainability Working Committee will oversee and monitor the execution of SkyWorld's sustainability initiatives and sets relevant targets. The Sustainability Working Committee reports directly to our Chief Executive Officer and comprises representatives from relevant functions across our Group, namely Finance, Operation, Product, Customer Advocacy, Brand Communication and Talents.

Materiality Assessment Process

Based on Bursa Securities' Main Market Listing Requirements for Sustainability, the SRG and other sustainability frameworks and standards, we will formulate our materiality assessment process into 5-phases approach as follows:



We will evaluate and identify our sustainability practices based on sustainability practices, activities and initiatives that SkyWorld has and we will populate the result in a database. From the database, we will align it with local and global sustainability frameworks and standards. Subsequently, we will then identify who are stakeholders significant to us and impacted by our business operation.

From the result of the database and stakeholder's engagement assessment, we will identify material sustainability matters and assess its prioritisation, looking at its significance, both from the perspective of our business and stakeholders. The result of prioritisation will be validated through several discussions by the senior management and will be presented to the Board of Directors for approval. The approved sustainability material matters will be our sustainability materiality profile.

Stakeholders Management

Communications and stakeholders' engagement are key aspects of driving sustainability within SkyWorld. Communication is vital to increase awareness and understanding both within and outside of our Group.

7. BUSINESS OVERVIEW (CONT'D)

The approach also enables the message of sustainability to reach key communities or groups and also provides a channel to garner insights, feedback and opinions from stakeholders. Ultimately, effective communication gains strong support for SkyWorld's sustainability journey and its supporting strategies and efforts. Our engagement methods with stakeholders are highlighted in the table below:

Stakeholders	Key Engagement Methods	Concerns & Interests
1. Customers Existing and potential customers of products and services	<ul style="list-style-type: none"> • SW Connects • Corporate Website • Social Media • Events & Campaigns 	<ul style="list-style-type: none"> ➤ Product Quality & Design ➤ Customer Service & Experience
2. Employees Individuals employed by SkyWorld, including Board of Directors	<ul style="list-style-type: none"> • Townhall • SkyWorld Portal • Email • WhatsApp Broadcast • Coffee Chat • Employee Handbook • Employee Survey 	<ul style="list-style-type: none"> ➤ Recognition, career development ➤ Employee benefits and welfare ➤ Workplace health and safety ➤ Company direction and growth plans ➤ Human rights
3. Shareowners and Investors Retail and institutional investors	<ul style="list-style-type: none"> • Corporate website • Investor briefings • Meeting and site visits 	<ul style="list-style-type: none"> ➤ Sustainable financial returns ➤ Transparency ➤ Operational efficiency ➤ Business Strategy, risk management and corporate governance ➤ Effective leadership
4. Business Associates Consultants and contractors who provide materials and services	<ul style="list-style-type: none"> • Meeting • e-Procurement system • Performance Evaluation • Events & Campaigns 	<ul style="list-style-type: none"> ➤ Procurement processes ➤ Health & safety ➤ Job and business opportunities ➤ Quality standard
5. Media Print and digital media that deliver information to the wider audience	<ul style="list-style-type: none"> • Press Release • Media Interview • Media Tour • Press Conference 	<ul style="list-style-type: none"> ➤ Strategy and direction ➤ Product Launches ➤ Market and industry insights ➤ Job and business opportunities
6. Government and Regulatory Authority Malaysian and Federal, municipal councils and regulators	<ul style="list-style-type: none"> • Meeting • Events • Industry Workshops 	<ul style="list-style-type: none"> ➤ Compliance ➤ Product quality ➤ Affordable housing ➤ Environmental Impacts ➤ Regulatory filings and payments ➤ Social contributions

7. BUSINESS OVERVIEW (CONT'D)

Stakeholders	Key Engagement Methods	Concerns & Interests
7. Communities Local communities who are impacted directly and indirectly by operations	<ul style="list-style-type: none"> • Meeting • Social Media • Collaborations 	<ul style="list-style-type: none"> ➤ Community development ➤ Health and safety ➤ Location connectivity ➤ Infrastructure improvement ➤ Environmental impacts ➤ Affordable housing ➤ Job creation

Material Sustainability Matters

Our management has identified potential key sustainability material topics where we have and can make significant impacts and contributions. In view that it is an ongoing challenge, we address these challenges as part of opportunities, and frame around our business operations. Starting with our priority sustainability topics, we will map the impact of building a portfolio of goals that are aligned with our sustainability and business strategies. These potential key sustainability material topics will be taken into consideration while developing our Sustainability Framework and can be summarised by the following themes:

Governance	<ol style="list-style-type: none"> 1. Corporate Governance 2. Anti-corruption and Whistleblowing 3. Regulatory Compliance
Economic	<ol style="list-style-type: none"> 1. Financial Stability 2. Products and services
Environment	<ol style="list-style-type: none"> 1. Green Buildings 2. Sustainable Developments 3. Emissions and Climate Change 4. Environmental Compliance
Social	<ol style="list-style-type: none"> 1. Occupational Health & Safety 2. Diversity and Equal Opportunity 3. Affordable Housing 4. Community Development

Details explanation of each of the material sustainability matters is explained in the following section.

(1) Governance**(a) Corporate Governance**

We are committed to uphold standards of corporate governance and ethical conduct in accordance with the principles and practices of corporate governance as set out in the MCCG. We have put in place practices in accordance with the 3 principles stipulated in the MCCG which covers:

- board leadership and effectiveness;
- effective audit and risk management; and
- integrity in corporate reporting and establishing meaningful relationship with our stakeholders.

7. BUSINESS OVERVIEW (CONT'D)

Our Board comprises of 3 Non-Independent Executive Directors and 4 Independent Non- Executive Directors, which forms a majority of independent directors. We have also met the recommendation of the MCCG for our Board to comprise of at least 30% women directors, with 3 female directors representing 43% of our Board members. We intend to comply with other aspects of the MCCG (such as sustainability strategies, priorities and targets, Board's nomination and selection process, Board annual assessment, remuneration policy and procedure for Directors and Key Senior Management, and the conducts of general meetings) upon our Listing. We will also provide a statement on the extent of compliance with the MCCG in our first annual report after our Listing.

(b) Anti-Corruption and Whistleblowing

SkyWorld has adopted a zero-tolerance policy (direct or indirect) against all forms of bribery and corruption. SkyWorld Code of Business Conduct sets out SkyWorld core principles in this regard. This Anti Bribery and Corruption Policy elaborates upon those principles, providing guidance to employees concerning how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in course of business.

SkyWorld strictly prohibits any practices or dealings relating to money laundering and is committed to comply with the applicable anti-money laundering, anti-terrorist financing laws and regulations. We do not condone, facilitate or support money laundering or terrorist financing. To avoid violating anti-money laundering laws, employees are expected to conduct reasonable customers and counterparty due diligence to understand the business and background of SkyWorld's prospective business customers and counterparties and to determine the origin and destination of money, property and services.

(c) Regulatory compliance

Our Board and management is committed in conducting business with integrity, consistent with the high standards of business ethics, and in compliance with all applicable laws and regulatory requirements. Our Company implements clear and transparent policies to continuously monitor, evaluate and validate business processes to in line with applicable legal requirements.

All instances of non-compliance to regulatory requirements are disclosed in Section 7.22 of this Prospectus. To prevent recurrence of the non-compliance incidents, we have / will further implement the measures as detailed in Section 7.22.2 of this Prospectus to enhance the internal control system of our Group.

(2) Economic

(a) Financial Stability

In generating economic value for our stakeholders, we aim to adopt sustainable and responsible environmental and social practices, and to operate our business within well-defined corporate governance rules, practices, guidelines and processes to ensure ethical and responsible business transactions and activities to attain our corporate objectives. Our financials are described in more details in Section 12 of this Prospectus.

7. BUSINESS OVERVIEW (CONT'D)

(b) Products and services

We place significant emphasis and commitment on the quality of our property development as we believe it will not only create direct economic value but also strengthen long-term relationship with our customers. This is demonstrated by the quality certifications from CIDB. The quality of our property development was assessed using QCLASSIC. For further details of our QCLASSIC scores, please refer to Section 7.2.2 of this Prospectus.

The satisfaction of our customers is paramount to the continuity of our business. A material topic to all our divisions, customer satisfaction determines our ability to secure new and repeated business as well as fortify our ongoing relationships to achieve economic success. We strive to fulfil our customer needs and exceed their expectations. Each division adopts different targets and measures of customer satisfaction due to the diversity of its business. We have conducted customer satisfaction surveys during project handovers to gauge our customer satisfaction levels.

(3) Environment

We are keenly aware that our business has an effect, directly and indirectly, on the environment. As such, we will strive to adopt environmentally sustainable practices to avoid or minimise environmental damage, preserve the native and built environment and promote environmental preservation and growth where possible. Moving forward, we will develop guidelines, policies and practices to preserve, sustain and promote our environment while carrying out our business activities. Our Group has not experienced any environmental issues at its development sites.

The followings are some of the business activities we have carried out as part of our environmental sustainability and responsible practices:

(a) Green Buildings

We embrace sustainable environmental practices in our property development to incorporate environmentally friendly design into some of the properties that we developed. Among others, some of our developments are developed based on the GBI criteria developed by the Malaysian Institute of Architects and the Association of Consulting Engineers Malaysia. The GBI initiative aims to assist the building industry towards adopting sustainable development. The GBI is a rating system for evaluating the environmental design and performance of Malaysian buildings based on six main criteria of energy efficiency, indoor environment quality, sustainable site planning and management, materials and resources, water efficiency, and innovation.

Between 2016 and 2022, we have 5 developments awarded with GBI Certification including Bennington Residences, SkyMeridien Residences, SkySierra Residences (The Valley), SkyLuxe On The Park Residences and SkyVogue Residences. For further details on our Green Building Index certifications, please refer to Section 7.2.3 of this Prospectus.

Green Lungs

In our commitment to promote environmental sustainability we have completed the build of a green lung and recreation area in May 2021 which is located in one of our developments. It comprises a 2.92-acre landscaped area with the following ecological features:

7. BUSINESS OVERVIEW (CONT'D)

- artificial lake using filtered natural water from rain, run-offs and underground water;
- introduction of various species of trees, bushes and plants to serve as a green lung area; and
- minimal build environment, such as walkways, for convenience of visitors while maximising green area.

The green lung and recreation area is built next to EdgeWood Residences, which is GreenRE certified, a system set up and certified by REHDA. GreenRE's standards and certification process are in line with the UNSDGs and World Green Building Council's commitment towards achieving a net zero future.

(b) Sustainable Developments

We also endeavour to integrate the sustainability aspects into our developments, whether by way of design and use of technology which would progressively be realised through new strategies and action plans. Some of the initiatives we have undertaken include, amongst others, changes to building design to maximise natural air ventilation and lighting, rainwater harvesting system for use in the landscape of our developments, installation of energy efficient lightings in common areas, use of green products such as environmental-friendly ceiling board, tiles and paints for our developments as well as providing electrical vehicle charging stations to promote the green energy vehicle usage.

The sustainable developments are applicable to both past and on-going developments. Past developments are upgraded by way of design and the use of current technology, in order to achieve standards of a sustainable development.

(c) Emission and Climate Change

Climate change has serious impacts towards our property sector and as Malaysia is getting warmer with average temperatures slowly increasing, issues caused by climate change are starting to slowly unfold within the real estate sector. Extreme weather events like floods, droughts, and rising sea levels may cause a decrease in property prices in high-risk areas, as people would be aware of the devastating impacts of such events. People are less likely to buy in properties at high-risk areas, considering it's a known fact that adequate preventive measures are still widely insufficient and ineffective in Malaysia.

SkyWorld acknowledge its importance to address carbon emissions and intended to establish policies, procedures and processes by referring to Bursa Securities' revised listing requirements on sustainability reporting issued on 28 September 2022 to capture and record its carbon emissions and to prepare its plan and strategies to mitigating carbon emission in the coming years.

(d) Environmental Compliance

All our projects require compliance with the environmental law and regulations. A development order and approved building plans must be obtained prior to the commencement of any construction on land. During construction activities, SkyWorld is required to monitor any environmental impacts as well as comply with the relevant laws and regulations.

We have established a strict policies and procedures monitoring all aspects of environmental regulation from feasibility studies to construction and upon

7. BUSINESS OVERVIEW (CONT'D)

handing over to our customers. SkyWorld has launched 13 projects and we have not violated any environmental laws and regulations in all our projects.

(4) Social

The success of our business is dependent on our employees who helped in developing and growing our business. We are also dependent on the local community which are families and friends of our employees, providers of supporting products and services as well as our customers for the properties that we develop. As such, we have a social obligation to care for them and where possible assist in their welfare for they are our stakeholders in our business operations.

(a) Occupational, Safety and Health

Our Group place a strong emphasis on providing a safe and healthy environment for our employees. We are committed to and legally obligated to protect the health and safety of our employees and have made health and safety a management priority. We expect our employees at all levels to take precautions to avoid injury to themselves and others, as well as to co-operate with the implementation of the health and safety guidelines.

All employees shall be responsible:

- (i) to immediately report any work-related injury or illness to Superior or Talents;
- (ii) to ensure proper use of protective clothing, devices, or equipment;
- (iii) to attend all training sessions related to their job and participating in a safety committee when requested;
- (iv) to report and contain unsafe conditions and taking appropriate steps to eliminate and reduce hazards; and
- (v) to ensure their own safety, as well as that of others in the workplace.

Our primary concern relate to health and safety is to prevent work-related injuries or illness from happening. Aside from reporting accidents and injuries, any potential safety hazards, safety recommendations, and health and safety related concerns should be reported respective superior.

(b) Diversity and Equal Opportunity

We support and practice workplace equal opportunity and career development as well as the hiring of local talents. As at the LPD, all our employees are Malaysians. We will continue to create equal opportunities for growth and development for our employees through mentoring and diversity training programmes to attract and retain talents. In addition, we have an appraisal system where employees are assessed based on their respective skillset and capabilities.

We also place emphasis on employee welfare and benefits to ensure employee's satisfaction. We were recognised by Kincentric, Spencer Stuart Star Malaysia Sdn Bhd as winner of Best Employer award for year 2019 and 2021.

7. BUSINESS OVERVIEW (CONT'D)

(c) Affordable Housing

As an urban property developer, we work with the local authority to provide sustainable developments where we carry out affordable housing developments in FT Kuala Lumpur for the local community. Affordable housing is targeted at eligible households based on household income to provide housing to the lower income group. Prices of our affordable residential units under our SkyAwani Series are priced at RM300,000.

Since 2015 and up to the LPD, we have completed 3 affordable developments namely SkyAwani Residences, SkyAwani II Residences and SkyAwani III Residences with a total of 3,839 residential units completed for the local community. As at the LPD, we have two ongoing affordable developments, namely SkyAwani IV Residences and SkyAwani V Residences with a planned total of 2,397 residential units. The two ongoing affordable developments are expected to be completed by December 2023 and September 2024 respectively.

Our commitment to developing quality affordable developments for the local community can be demonstrated by the following:

- In 2019, we obtained the Construction Quality Excellence Award 2019, QLASSIC Special Appreciation Government Project for SkyAwani Residences by CIDB ; and
- We achieved QLASSIC scores ranging between 76% and 79% for the 3 completed affordable developments comprising SkyAwani Residences (76%), SkyAwani II Residences (79%) and SkyAwani III Residences (79%).

(d) Local communities and engagement

We also carried out social responsibility activities to support the underprivileged communities such as, amongst others, fund raising for old folks homes under innovative CSR campaign #Bid4Good, renting a space on behalf for charity home run by Pertubuhan Kebajikan Rumah Kasih Jing Yuan, donations to various charitable events and flood assistance to communities.

As part of SkyWorld's commitments toward sustainable living and social responsibility, we want to create a cohesive living community at large by supporting and giving back to those in need, irrespective of age, race and religion. In respect of that, we lent a helping hand through Al-Sultan Abdullah Foundation (YASA) to flood victims in Raub and Temerloh in Pahang by donating RM 70,000 cash as well as new furnitures that included bed, mattress, kitchen cabinet, dining table and chairs.

We pledged to uphold our purpose to make living better by encouraging better literacy and education, promoting better health and well-being, reducing poverty, improving community infrastructure and providing financial and supporting those in need. We are in the midst of establishing our own foundation to serve underprivileged communities.

7. BUSINESS OVERVIEW (CONT'D)

(5) Our plan for sustainability

As we move forward, we are evolving and streamlining our business structure to fully leverage our competitive advantages – in scale, integration, technology, functional excellence, and our highly skilled people. With our Listing, we will refine our strategies aligning it with our business development, product innovation and solution, and low carbon businesses along market-focused value chains to improve line of sight to customer needs and drive accountability.

As at the LPD, we are developing our sustainability framework including relevant policies and procedures to promote and maintain compliance with the Listing Requirements. Our sustainability governance framework will also include various working groups, governing committees, reporting structures and frequencies, and roles and responsibilities.

This will position us to deliver greater shareholder returns as well as managing various stakeholders' expectation across a broad range of future transition scenarios. We strive to be an innovative property developer, supplying properties that people need to live healthy and prosperous lives in an ever-changing world. We are committed to continuing to provide critical accommodation solutions that support a lower-emission future and create sustainable value for all stakeholders.

As at the LPD, our Group has yet to fully adopt the measures to enhance its environmental, social and governance practices.

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