



SKYWORLD DEVELOPMENT BERHAD

Registration No: 200601034211 (753970-X)

(Incorporated in Malaysia)

**Interim Financial Report
30 September 2024**

SKYWORLD DEVELOPMENT BERHAD

Registration No: 200601034211 (753970-X)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024⁽¹⁾

| | 3-MONTHS ENDED (2ND QUARTER) | 6-MONTHS ENDED | | |
|--|--|-----------------------|----------------------|----------------------|
| | 30.09.2024 | 30.09.2023 | 30.09.2024 | 30.09.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 124,330 | 148,334 | 223,139 | 359,155 |
| Cost of sales | <u>(86,729)</u> | <u>(98,138)</u> | <u>(153,515)</u> | <u>(230,291)</u> |
| Gross profit | 37,601 | 50,196 | 69,624 | 128,864 |
| Other operating income | 5,239 | 3,768 | 8,581 | 5,459 |
| Selling and marketing expenses | (3,097) | (3,572) | (6,036) | (5,700) |
| Administrative expenses | (15,564) | (18,339) | (29,905) | (34,023) |
| Finance costs | <u>(3,884)</u> | <u>(4,517)</u> | <u>(7,905)</u> | <u>(7,865)</u> |
| Profit before tax | 20,295 | 27,536 | 34,359 | 86,735 |
| Income tax expense | <u>(5,774)</u> | <u>(8,498)</u> | <u>(9,891)</u> | <u>(25,754)</u> |
| Profit for the period | 14,521 | 19,038 | 24,468 | 60,981 |
| Other comprehensive (loss)/income | | | | |
| Items that may be classified subsequently to profit or loss: | | | | |
| - Exchange differences on translating foreign operation | <u>(4,038)</u> | <u>(1,192)</u> | <u>(5,471)</u> | <u>1,187</u> |
| Total other comprehensive income for the period | <u>10,483</u> | <u>17,846</u> | <u>18,997</u> | <u>62,168</u> |
| Profit attributable to: | | | | |
| - Owners of the Company | 14,528 | 19,105 | 24,519 | 61,107 |
| - Non-controlling interest | <u>(7)</u> | <u>(67)</u> | <u>(51)</u> | <u>(126)</u> |
| | <u>14,521</u> | <u>19,038</u> | <u>24,468</u> | <u>60,981</u> |

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024⁽¹⁾ (CONT'D)

| | 3-MONTHS ENDED (2ND QUARTER) | | 6-MONTHS ENDED | |
|--|--|----------------------|-----------------------|----------------------|
| | 30.09.2024 | 30.09.2023 | 30.09.2024 | 30.09.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Total comprehensive income attributable to: | | | | |
| - Owners of the Company | 10,490 | 17,913 | 19,048 | 62,294 |
| - Non-controlling interest | (7) | (67) | (51) | (126) |
| | <u>10,483</u> | <u>17,846</u> | <u>18,997</u> | <u>62,168</u> |
| Earnings per share (Note B11): | | | | |
| Basic (sen) | <u>1.45</u> | <u>2.53</u> | <u>2.45</u> | <u>8.08</u> |
| Diluted (sen) | <u>1.22</u> | <u>2.10</u> | <u>2.06</u> | <u>6.71</u> |

Notes:

⁽¹⁾ The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024⁽¹⁾**

| | 30.09.2024 | Audited 31.03.2024 |
|---|-------------------|-------------------------------|
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-current Assets | | |
| Property, plant and equipment | 31,600 | 31,563 |
| Right-of-use assets | 610 | 879 |
| Investment properties | 68,765 | 68,308 |
| Intangible assets | 1,756 | 2,020 |
| Inventories – land held for property development | 549,349 | 523,780 |
| Goodwill | 1,215 | 1,214 |
| Deferred tax assets | 14,118 | 11,503 |
| Prepaid expenses | 1,958 | 1,958 |
| Total Non-current Assets | 669,371 | 641,225 |
| Current Assets | | |
| Inventories – property development costs | 178,349 | 175,251 |
| Inventories – completed properties | 6,187 | 15,388 |
| Contract assets | 128,941 | 96,063 |
| Contract cost assets | 4,033 | 3,007 |
| Trade receivables | 67,653 | 98,599 |
| Other receivables, refundable deposits and prepaid expenses | 25,793 | 13,876 |
| Current tax assets | 19,594 | 15,317 |
| Cash and bank balances | 437,252 | 499,922 |
| Total Current Assets | 867,802 | 917,423 |
| TOTAL ASSETS | 1,537,173 | 1,558,648 |
| EQUITY AND LIABILITIES | | |
| Capital and Reserves | | |
| Share capital | 244,960 | 244,960 |
| Irredeemable convertible preference shares | 150,000 | 150,000 |
| Foreign currency translation reserve | (4,874) | 597 |
| Retained earnings | 461,808 | 450,547 |
| Equity Attributable to Owners of the Company | 851,894 | 846,104 |
| Non-controlling interests | (64) | (3,271) |
| Total Equity | 851,830 | 842,833 |
| Non-current Liabilities | | |
| Land cost payable | 9,750 | 9,750 |
| Lease liabilities | 244 | 297 |
| Bank borrowings | 234,125 | 276,142 |
| Deferred tax liabilities | 1,237 | 1,135 |
| Total Non-current Liabilities | 245,356 | 287,324 |

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024⁽¹⁾ (CONT'D)**

| | 30.09.2024 RM'000 | Audited 31.03.2024 RM'000 |
|---|------------------------------------|--|
| Current Liabilities | | |
| Trade payables | 166,374 | 154,246 |
| Other payables and accrued expenses | 37,368 | 41,897 |
| Contract liabilities | 1,134 | 9,921 |
| Land cost payable | 550 | 565 |
| Lease liabilities | 359 | 570 |
| Bank borrowings | 230,022 | 213,415 |
| Current tax liabilities | 4,180 | 7,877 |
| Total Current Liabilities | 439,987 | 428,491 |
| Total Liabilities | 685,343 | 715,815 |
| Total Equity and Liabilities | 1,537,173 | 1,558,648 |
| Net assets per ordinary share ⁽²⁾ (RM) | <u><u>0.85</u></u> | <u><u>0.84</u></u> |

Notes:

(1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.

(2) Based on the number of ordinary shares issued as at end of the reporting period.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024⁽¹⁾

| | Share capital RM'000 | Irredeemable convertible preference shares RM'000 | Distributable reserve Retained earning RM'000 | Non-distributable reserve Translation reserve RM'000 | Attributable to owner of the company RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
|--|-------------------------|--|---|--|--|-------------------------------------|------------------------|
| As at 1 April 2024 | 244,960 | 150,000 | 450,547 | 597 | 846,104 | (3,271) | 842,833 |
| Total comprehensive income for the year | - | - | 24,519 | (5,471) | 19,048 | (51) | 18,997 |
| Dividend paid | - | - | (10,000) | - | (10,000) | - | (10,000) |
| Acquisition of remaining equity interest in subsidiary company | - | - | (3,258) | - | (3,258) | 3,258 | - |
| As at 30 September 2024 | 244,960 | 150,000 | 461,808 | (4,874) | 851,894 | (64) | 851,830 |

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024⁽¹⁾ (CONT'D)

| | Share capital RM'000 | Irredeemable convertible preference shares RM'000 | Distributable reserve Retained earning RM'000 | Non-distributable reserve Translation reserve RM'000 | Attributable to owner of the company RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
|--|-------------------------|--|---|--|--|-------------------------------------|------------------------|
| As at 1 April 2023 | 62,500 | - | 547,396 | (105) | 609,791 | 5,869 | 615,660 |
| Total comprehensive income for the year | - | - | 61,107 | 1,187 | 62,294 | (126) | 62,168 |
| Issuance of ordinary shares pursuant to public issue | 166,400 | - | - | - | 166,400 | - | 166,400 |
| Share issuance expenses | (3,940) | - | - | - | (3,940) | - | (3,940) |
| Issuance of irredeemable convertible preference shares | - | 150,000 | (150,000) | - | - | - | - |
| Dividend paid | - | - | (30,000) | - | (30,000) | - | (30,000) |
| Acquisition of remaining equity interest in a subsidiary company | 20,000 | - | (11,133) | - | 8,867 | (8,867) | - |
| As at 30 September 2023 | 244,960 | 150,000 | 417,370 | 1,082 | 813,412 | (3,124) | 810,288 |

Notes:

⁽¹⁾ The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024⁽¹⁾

| | 30.09.2024 RM'000 | 30.09.2023 RM'000 |
|---|------------------------------------|------------------------------------|
| CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES | | |
| Profit before tax | 34,359 | 86,735 |
| Adjustments for: | | |
| Depreciation of: | | |
| Property, plant and equipment | 2,528 | 894 |
| Right-of-use assets | 283 | 274 |
| Intangible assets | 264 | 263 |
| Interest expense | 7,905 | 7,865 |
| Interest income | (3,686) | (3,857) |
| Gain on fair value adjustment on short-term funds | (2,516) | - |
| Provision for bumi quota penalty | 250 | - |
| Allowance for doubtful debt for trade receivables | 55 | - |
| Reversal of allowance of doubtful debt for refundable deposit | (1,540) | - |
| Impairment losses on intangible assets | - | 42 |
| Operating profit before working capital changes | <u>37,902</u> | <u>92,216</u> |
| Movement in working capital: | | |
| (Increase) / Decrease in: | | |
| Inventories – land held for property development | (25,452) | 55,908 |
| Inventories – property development costs | (2,734) | (45,828) |
| Inventories – completed properties | 9,200 | 15,907 |
| Contract assets | (32,878) | 21,270 |
| Contract cost assets | (1,025) | 1,622 |
| Trade receivables | 30,891 | (47,814) |
| Other receivables, refundable deposits and prepaid expenses | (10,265) | (1,248) |
| Increase / (Decrease) in: | | |
| Trade payables | 12,129 | (8,395) |
| Other payables and accrued expenses | (4,780) | (5,323) |
| Land cost payables | (15) | (584) |
| Contract liabilities | (8,788) | 24,161 |
| Cash generated from operations | <u>4,185</u> | <u>101,892</u> |
| Interest paid | (7,883) | (7,840) |
| Income tax paid | (23,689) | (25,531) |
| Income tax refund | 3,309 | 2,039 |
| Net cash (used in)/from operating activities | <u>(24,078)</u> | <u>70,560</u> |

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024⁽¹⁾ (CONT'D)

| | 30.09.2024 RM'000 | 30.09.2023 RM'000 |
|---|------------------------------------|------------------------------------|
| CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES | | |
| Interest received | 6,202 | 3,857 |
| Acquisition of property, plant and equipment | (2,673) | (9,504) |
| Additions to intangible assets | - | (42) |
| Addition to investment properties | (457) | (8,379) |
| Placement of fixed deposits pledged | (1,315) | (36,719) |
| Net cash from/(used in) investing activities | 1,757 | (50,787) |
| CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES | | |
| Allotment of shares | - | 162,460 |
| Dividend paid | (10,000) | (30,000) |
| Repayment of bank borrowings | (98,837) | (77,392) |
| Proceeds from bank borrowings | 72,943 | 87,924 |
| Payment of lease liabilities | (278) | (270) |
| Interest paid | (21) | (26) |
| Net cash (used in)/from financing activities | (36,193) | 142,696 |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | |
| | (58,514) | 162,469 |
| EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD | | |
| | (5,471) | 1,187 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR | | |
| | 402,215 | 223,408 |
| CASH AND CASH EQUIVALENTS AT END OF THE YEAR | | |
| | 338,230 | 387,064 |
| Cash and cash equivalents comprise the following: | | |
| Cash and bank balances | 437,252 | 438,102 |
| Fixed deposits placed with licensed banks | (79,022) | (51,038) |
| Bank overdraft | (20,000) | - |
| | 338,230 | 387,064 |

Notes:

⁽¹⁾ The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.

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A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report of SkyWorld Development Berhad (“the Group”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes in this report.

A2. Significant Accounting Policies

The significant accounting policies adopted in this interim financial report are consistent with those adopted in preparation of the audited financial statements of the Group for the financial year ended 31 March 2024, except for the adoption of amendments to MFRSs which were adopted at the beginning of the current financial year.

Adoption of Amendments to MFRSs

The Group has adopted all Amendments to MFRSs issued by the MASB that are relevant and effective for annual periods beginning on or after 1 April 2024 as follows:

| | |
|-----------------------------------|--|
| Amendments to MFRS 16 | <i>Lease Liability in a Sale and Leaseback</i> |
| Amendments to MFRS 101 | <i>Classification of Liabilities as Current or Non-Current</i> |
| Amendments to MFRS 101 | <i>Non-Current Liabilities with Covenants</i> |
| Amendments to MFRS 107 and MFRS 7 | <i>Supplier Finance Arrangements</i> |

The adoption of the above did not have any significant effect on the financial statements of the Group and did not result in significant changes to the Group’s existing accounting policies.

A3. Seasonal or Cyclical Factors

The business operations of the Group were not affected by any seasonal or cyclical factors during the current quarter and financial period under review.

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A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**A4. Material Unusual Items**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial period under review.

A5. Material Changes in Estimates

There were no changes in estimates that have a material effect on the results for the current quarter and financial period under review.

A6. Debts and Equity Securities

There were no other issuance and repayment of debt and equity securities, share buybacks, share cancellations, share held as treasury shares and resale of treasury shares during the current quarter and financial period under review, except for the following:

a) Issuance of tranches of Islamic Commercial Paper in nominal value under Islamic Commercial Paper and Islamic Medium Term Notes programme with RM300.0 million nominal value established by SkyWorld Capital Berhad as follows:

| Tranche | Issuance Date | Amount (RM Million) | Tenure | Maturity date |
|---------|---------------|---------------------|----------|-----------------|
| 2 | 30 April 2024 | 50.0 | 3 months | 30 July 2024 |
| 3 | 30 July 2024 | 50.0 | 3 months | 30 October 2024 |

A7. Dividends Paid

On 15 July 2024, the Company paid a final single-tier dividend of RM10.0 million or 1.00 sen per ordinary shares for the financial year ended 31 March 2024.

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A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A8. Segmental Reporting

Operation Segment

6-months ended 30 September 2024

| | Property Development RM'000 | Property management and management services RM'000 | Others RM'000 | Elimination RM'000 | Consolidated RM'000 |
|------------------------------|--|---|--------------------------|-------------------------------|--------------------------------|
| Revenue | | | | | |
| External revenue | 220,215 | 2 | 2,922 | - | 223,139 |
| Inter-segment revenue | - | 57,255 | - | (57,255) | - |
| Total revenue | 220,215 | 57,257 | 2,922 | (57,255) | 223,139 |
| Cost of Sales | | | | | |
| External cost of sales | (150,903) | - | (2,612) | - | (153,515) |
| Inter-segment cost of sales | (4,006) | - | (310) | 4,316 | - |
| Total cost of sales | (154,909) | - | (2,922) | 4,316 | (153,515) |
| Gross Profit | 65,306 | 57,257 | - | (52,939) | 69,624 |
| Operating income | | | | | 8,581 |
| Selling & marketing expenses | | | | | (6,036) |
| Administrative expenses | | | | | (29,905) |
| Finance cost | | | | | (7,905) |
| Profit before tax | | | | | 34,359 |
| Income tax expense | | | | | (9,891) |
| Profit for the year | | | | | 24,468 |

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A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A8. Segmental Reporting (cont'd)

Operation Segment (cont'd)

6-months ended 30 September 2023

| | Property Development RM'000 | Property management and management services RM'000 | Others RM'000 | Elimination RM'000 | Consolidated RM'000 |
|------------------------------|--|---|--------------------------|-------------------------------|--------------------------------|
| Revenue | | | | | |
| External revenue | 358,629 | 1 | 525 | - | 359,155 |
| Inter-segment revenue | - | 24,831 | - | (24,831) | - |
| Total revenue | 358,629 | 24,832 | 525 | (24,831) | 359,155 |
| Cost of Sales | | | | | |
| External cost of sales | (229,223) | - | (1,068) | - | (230,291) |
| Inter-segment cost of sales | (5,561) | - | (100) | 5,661 | - |
| Total cost of sales | (234,784) | - | (1,168) | 5,661 | (230,291) |
| Gross Profit | 123,845 | 24,832 | (643) | (19,170) | 128,864 |
| Operating income | | | | | 5,459 |
| Selling & marketing expenses | | | | | (5,700) |
| Administrative expenses | | | | | (34,023) |
| Finance cost | | | | | (7,865) |
| Profit before tax | | | | | 86,735 |
| Income tax expense | | | | | (25,754) |
| Profit for the year | | | | | 60,981 |

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A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**A8. Segmental Reporting (cont'd)****Geographical Segment**

No geographical information is presented as the business of the Group is carried out predominantly in Malaysia.

A9. Material Events Subsequent to the End of Financial Period

There were no material events subsequent to the end of the current financial period under review that have not been reflected in this condensed consolidated interim financial report.

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial period under review, except for the following:

- a) On 10 September 2024, the Company had acquired 100% equity interest comprising of 2 ordinary shares in Twin Saga Sdn. Bhd. for a total consideration of RM1 via cash.

A11. Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at the date of this interim financial report.

A12. Material Capital Commitments

| | 30.09.2024 RM'000 | 31.03.2024 RM'000 |
|--|------------------------------------|------------------------------------|
| Approved and contracted for: | | |
| Capital expenditure for new build-to-rent developments | 3,307 | 3,335 |
| Acquisition of lands for property development | 77,650 | 104,650 |
| Property, plant and equipment | <u>6,537</u> | <u>-</u> |

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A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**A13. Significant Related Party Transactions**

| | 3-MONTHS ENDED (2ND QUARTER) 30.09.2024 RM'000 | 6-MONTHS ENDED 30.09.2024 RM'000 |
|--|--|---|
| Related parties: | | |
| Rental of office building | 156 | 311 |
| Rental of office equipment | 29 | 60 |
| Insurance brokerage and related services | <u>107</u> | <u>152</u> |

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**B1. Review of Performance**

| | 3-MONTHS ENDED (2ND QUARTER) | 6-MONTHS ENDED | |
|---------------------------|--|-----------------------|-------------------|
| | 30.09.2024 | 30.09.2023 | 30.09.2024 |
| | RM'000 | RM'000 | RM'000 |
| Revenue | 124,330 | 148,334 | 223,139 |
| Gross profit | 37,601 | 50,196 | 69,624 |
| Profit before tax (“PBT”) | 20,295 | 27,536 | 34,359 |

The Group’s revenue for current quarter and financial period ended 30 September 2024 is mainly attributed from property development segment, which were mainly derived from the progressive revenue recognition from the on-going projects, namely, **EdgeWood Residences**, **SkyVogue Residences**, **Curvo Residences** and **Vesta Residences** and the sales of completed inventories mainly from **SkyMeridien Residences**, **Bennington Residences** and **SkyAwani II Residences (commercial)**.

(a) Performance of current quarter (Q2 FY2025) vs corresponding quarter in the preceding year (Q2 FY2024)

In the Q2 FY2025, the Group’s revenue was RM124.3 million, a 16.2% decrease from Q2 FY2024. This decline was primarily due to the completion of **SkyAwani IV Residences** and **SkyAwani V Residences** in last financial year, which had collectively contributed RM49.3 million revenue in Q2 FY2024. Nevertheless, the impact was mitigated by the increase in revenue from on-going projects, i.e. from **Curvo Residences** and **Vesta Residences**.

Consequently, the Group’s gross profit and PBT in the Q2 FY2025 were 25.1% and 26.3% lower than in Q2 FY2024, at RM37.6 million and RM20.3 million respectively.

(b) Performance of the current year to date (6-month ended FY2025) vs the corresponding period in the preceding year (6-month ended FY2024)

The Group’s revenue for the 6-month ended FY2025 decreased by RM136.1 million or 37.9% to RM223.1 million as compared to RM359.2 million recorded in the corresponding period in the preceding year. Lower revenue was mainly due to the completion of **SkySierra Residences (The Valley)**, **SkyAwani IV Residences** and **SkyAwani V Residences** in last financial year, which had collectively contributed RM207.1 million revenue in 6-month ended FY2024. Nevertheless, the impact was mitigated by the increase in revenue from on-going projects, i.e. from **EdgeWood Residences**, **Curvo Residences** and **Vesta Residences**.

Corresponding to lower revenue, the Group’s Gross Profit and PBT for the 6-month ended FY2025 were decreased by RM59.2 million and RM52.4 million or 45.9% and 60.4% respectively.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B2. Comparison with Immediate Preceding Quarter

| | 3-MONTHS ENDED | | VARIANCE RM'000 | % |
|-------------------|-----------------------|-------------------------|--------------------|-------|
| | CURRENT 30.09.2024 | PRECEDING 30.06.2024 | | |
| | RM'000 | RM'000 | | |
| Revenue | 124,330 | 98,809 | 25,521 | 25.8% |
| Gross profit | 37,601 | 32,023 | 5,578 | 17.4% |
| Profit before tax | 20,295 | 14,064 | 6,231 | 44.3% |

The Group's revenue for the current quarter increased by RM25.5 million or 25.8% to RM124.3 million as compared to RM98.8 million recorded in the preceding quarter primarily due to higher progressive revenue recognised from **SkyVogue Residences, Curvo Residences and Vesta Residences**.

In line with higher revenue, the Group's gross profit for the current quarter increased by RM5.6 million or 17.4% to RM37.6 million as compared to RM32.0 million recorded in the preceding quarter. As a result, the Group's profit before tax increased by RM6.2 million or 44.3% to RM20.3 million as compared to RM14.1 million recorded in the preceding quarter.

B3. Prospects of the Group

The performance of the Group will be supported by progressive revenue recognised from on-going projects and sales of completed inventories. As of 30 September 2024, the Group's unbilled sales amounted to RM592.0 million.

The Group is committed to launching projects with a cumulative Gross Development Value (“GDV”) of at least RM4.6 billion since its listing up to year 2026. To date, the Group has launched projects with cumulative GDV of RM1.1 billion.

In pursuing new growth opportunities, the Group will continue to scout for lands in Malaysia and Vietnam for future development.

As of 30 September 2024, the financial position of the Group remains sound and healthy given that our gross gearing of 0.54 times and net gearing of 0.03 times. This provides greater financing capacity for the Group to support our growth momentum.

Despite challenges and uncertainties in both local and global economic outlook, the Board is cautiously optimistic that the financial and operation performances of the Group remain satisfactory in FY2025.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B4. Profit guarantee or profit forecast

The Group did not issue profit forecast or profit guarantee in any announcement or public document during current quarter and financial period under review.

B5. Taxation

| | 3-MONTHS ENDED (2ND QUARTER) | | 6-MONTHS ENDED | |
|--|--|---------------------|-----------------------|-----------------------|
| | 30.09.2024 | 30.09.2023 | 30.09.2024 | 30.09.2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Estimated tax payable: | | | | |
| - Current financial period | 1,996 | 7,854 | 7,932 | 31,087 |
| - Underprovision in prior years | <u>4,473</u> | <u>-</u> | <u>4,473</u> | <u>-</u> |
| | <u>6,469</u> | <u>7,854</u> | <u>12,405</u> | <u>31,087</u> |
| Deferred tax: | | | | |
| - Current financial period | 3,532 | 602 | 1,713 | (5,373) |
| - (Over)/Underprovision in prior years | <u>(4,227)</u> | <u>42</u> | <u>(4,227)</u> | <u>40</u> |
| | <u>(695)</u> | <u>644</u> | <u>(2,514)</u> | <u>(5,333)</u> |
| Total tax expense | <u>5,774</u> | <u>8,498</u> | <u>9,891</u> | <u>25,754</u> |
| Effective tax rate (%) | 28 | 31 | 29 | 30 |
| Statutory tax rate (%) | 24 | 24 | 24 | 24 |

The Group's effective tax rate for the current quarter and financial period ended 30 September 2024 was higher than the statutory tax rate of 24% mainly due to non deductible expenses which includes non-cash expenses items.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**B6. Status of Corporate Proposals**

Save as disclosed below, there were no other corporate proposals announced by the Company but not completed as at the date of this interim financial report.

- a) On 7 September 2023, the wholly-owned subsidiaries of the Group, SkyWorld Development (Vietnam) Company Limited (“SDVCL”), entered into a conditional shares sale and purchase agreement (“SPA”) with Mr. Nguyen Son Hai Long; Ms. Nguyen Thuy Thoai Phuong; and Ms. Nguyen Thuy Diem Phuong (“the Vendors”) and Thuan Thanh Trading Production and Real Estate Trading Joint Stock Company (“Project Company”) for the acquisition of the entire fully paid-up 1,700,000 ordinary shares of VND100,000 each in the share capital of the Project Company for a total cash consideration of VND350,000,000,000 (equivalent to approximately RM67,900,000) only subject to the terms and conditions stated in the SPA (the “Proposed Acquisition”).

The Project Company is the sole and lawful user of a parcel of land located at Ward 16, District 8, Ho Chi Minh City, Vietnam and simultaneously, the Vendors are in the midst of procuring the transfer of land use rights for another 2 adjoining lands owned by several individuals to the Project Company, collectively referred to as the Project Land.

The completion of the Proposed Acquisition is pending the fulfilment of the condition precedent of the SPAs.

- b) On 30 August 2024, SDVCL entered into a Memorandum of Understanding (“MoU”) with SkyVenue Land Group Joint Stock Company (“SkyVenue”), SkyBridge Company Limited (“SkyBridge”) and the existing shareholders of SkyVenue namely Mr Hang Vay Chi, Ms Vuong Hoa and TT Investment Company Limited to jointly develop the remainder of the “Guocoland Commercial Complex” project (“Project”) on land lots located at Thuan An City, Binh Duong Province, Vietnam.

SkyBridge, a wholly-owned subsidiary of SkyVenue, has been duly registered to implement the Project and has been granted land use right certificates for the land lots.

The Project was divided into multiple plots for specific functions and land use purposes, includes 2 plots accommodate the operational apartment buildings with the respective commercial names of Canary Homez and Canary Heights, which have been already completed; 2 plots of undeveloped residential house development (“Plots B and C”); 2 plots of undeveloped mixed-use tower and hotel/serviced apartment complex (“Service Plots”); and other plots for parks and transportation infrastructure.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
(CONT'D)**
B6. Status of Corporate Proposals (cont'd)

b) (cont'd)

SDVCL will co-develop the remainder of The Project (i.e. the Plots B and C and the Service Plots) through the acquisition of up to 49% of SkyVenue's shares from its existing shareholders ("Proposed Transaction").

The objective of the MoU is to set out the principal terms and conditions for the Proposed Transaction which would serve as a preliminary basis for subsequent discussion and execution of the definitive transaction agreements between the Parties at a later date.

As at date of this interim report, due diligence has been completed. The parties are currently in the midst of negotiating term sheet before finalising shareholders agreement and sales and purchase agreement.

B7. Utilisation of Proceeds from the Public Issue

The gross proceeds of approximately RM166.4 million to be raised from the Public Issue is intended to be utilised in the following manner:

| Details of utilisation | Proposed utilisation RM'000 | Actual utilisation RM'000 | Re-allocation RM'000 | Balance unutilised RM'000 | Estimated timeframe for utilisation upon Listing |
|---|--------------------------------|------------------------------|-------------------------|------------------------------|--|
| Acquisition of land for development | 100,000 | (6,150) | - | 93,850 | Within 36 months |
| Working capital for project development | 35,192 | (22,618) | 1,819 | 14,393 | Within 24 months |
| Repayment of bank borrowings | 20,000 | (20,000) | - | - | Within 12 months |
| Estimated listing expenses | 11,208 | (9,389) | (1,819) | - | Immediate |
| | <u>166,400</u> | <u>(58,157)</u> | <u>-</u> | <u>108,243</u> | |

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus.

The Board has approved for reallocation of unutilised proceeds which were earlier earmarked for listing expenses amounted to RM1.819 million as working capital for project development.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B8. Borrowings and Lease Liabilities

The Group's borrowings and lease liabilities as at 30 September 2024 are as follows:

| | 30.09.2024 RM'000 | 31.03.2024 RM'000 |
|--|------------------------------------|------------------------------------|
| <u>Current</u> | | |
| <u>Secured and guaranteed:</u> | | |
| Term loans | 137,906 | 183,632 |
| Bridging loans | 22,116 | 9,783 |
| Bank overdraft | 20,000 | 20,000 |
| Islamic Commercial Paper | 50,000 | - |
| | <hr/> | <hr/> |
| | 230,022 | 213,415 |
| <u>Unsecured and unguaranteed:</u> | | |
| Lease liabilities | 359 | 570 |
| | <hr/> | <hr/> |
| | 359 | 570 |
| Total short-term borrowings and lease liabilities | 230,381 | 213,985 |
| <u>Non-current</u> | | |
| <u>Secured and guaranteed:</u> | | |
| Term loans | 234,125 | 260,009 |
| Bridging loans | - | 16,133 |
| | <hr/> | <hr/> |
| | 234,125 | 276,142 |
| <u>Unsecured and unguaranteed:</u> | | |
| Lease liabilities | 244 | 297 |
| | <hr/> | <hr/> |
| | 244 | 297 |
| Total long-term borrowings and lease liabilities | 234,369 | 276,439 |
| Total borrowings and lease liabilities | 464,750 | 490,424 |

B9. Material Litigation

As at the date of this interim financial report, there was no material litigation or arbitration, and the Directors are not aware of any pending proceedings or any fact likely to give rise to any proceedings, which may materially and adversely affect the financial position or performance of the Group.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
(CONT'D)****B10. Dividends**

The Board of Directors had on 22 November 2024, proposes to declare a first interim single-tier dividend of 0.50 sen per ordinary share in respect of financial year ending 31 March 2025, to be paid on 30 December 2024.

B11. Earnings Per Share**a) Basic earnings per share**

The basic EPS for the current quarter and financial period under review is computed as follows.

| | 3-MONTHS ENDED (2ND QUARTER) 30.09.2024 | 30.09.2023 | 6-MONTHS ENDED 30.09.2024 | 30.09.2023 |
|---|---|-------------------|--|-------------------|
| Profit attributable to: | | | | |
| - Owners of the Company (RM'000) | 14,528 | 19,105 | 24,519 | 61,107 |
| Weighted average number of ordinary shares in issue ('000) | 1,000,000 | 756,352 | 1,000,000 | 756,352 |
| Basic EPS (sen) | 1.45 | 2.53 | 2.45 | 8.08 |

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**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
(CONT'D)****B11. Earnings Per Share (cont'd)****b) Diluted earnings per share**

The diluted EPS for the current quarter and financial period under review is computed as follows.

| | 3-MONTHS ENDED (2ND QUARTER) 30.09.2024 | 30.09.2023 | 6-MONTHS ENDED 30.09.2024 | 30.09.2023 |
|--|---|-------------------|--|-------------------|
| Profit attributable to: - Owners of the Company (RM'000) | 14,528 | 19,105 | 24,519 | 61,107 |
| Weighted average number of ordinary shares in issue ('000) | 1,000,000 | 756,352 | 1,000,000 | 756,352 |
| Effect of conversion of ICPS ('000) | <u>187,500</u> | <u>154,533</u> | <u>187,500</u> | <u>154,533</u> |
| Diluted number of ordinary shares ('000) | <u>1,187,500</u> | <u>910,885</u> | <u>1,187,500</u> | <u>910,885</u> |
| Diluted EPS (sen) | 1.22 | 2.10 | 2.06 | 6.71 |

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**B12. Auditors' Report on Preceding Annual Financial Statements**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 March 2024.

B13. Notes to the Statement of Profit or Loss and Other Comprehensive Income

| | 3-MONTHS ENDED (2ND QUARTER) 30.09.2024 RM'000 | 6-MONTHS ENDED 30.09.2024 RM'000 |
|--|--|---|
| Amortisation of intangible assets | 132 | 264 |
| Depreciation of: | | |
| - property, plant and equipment | 1,314 | 2,528 |
| - right-of-use assets | 141 | 283 |
| Interest expense | 3,884 | 7,905 |
| Gain on fair value adjustment on short-term funds | (2,516) | (2,516) |
| Interest income | (1,913) | (3,686) |
| Allowance for doubtful debt for trade receivables | 55 | 55 |
| Provision for bumi quota penalty | 250 | 250 |
| Reversal of allowance for doubtful debt for refundable deposit | (1,540) | (1,540) |

Save as disclosed above, the other required disclosure items pursuant to Note 16 of Appendix 9B of the Listing Requirements are not applicable.

B14. Authorisation for Issue

The interim financial report for the financial period ended 30 September 2024 was authorised for issuance by the Board of Directors on 22 November 2024.