



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	(86,729)	(98,138)	(153,515)	(230,291)
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	(3,884)	(4,517)	(7,905)	(7,865)
Profit before tax	20,295	27,536	34,359	86,735
Income tax expense	(5,774)	(8,498)	(9,891)	(25,754)
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	(4,038)	(1,192)	(5,471)	1,187
Total other comprehensive income for the period	10,483	17,846	18,997	62,168
Profit attributable to:				
- Owners of the Company	14,528	19,105	24,519	61,107
- Non-controlling interest	(7)	(67)	(51)	(126)
	14,521	19,038	24,468	60,981

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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	Audited
	RM'000	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	<u>439,987</u>	<u>428,491</u>
Total Liabilities	<u>685,343</u>	<u>715,815</u>
Total Equity and Liabilities	<u><u>1,537,173</u></u>	<u><u>1,558,648</u></u>
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	30.09.2023
	RM'000	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	37,902	92,216
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	4,185	101,892
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	(24,078)	70,560

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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	31.03.2024
	RM'000	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	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	124,330	148,334	223,139	359,155
Gross profit	37,601	50,196	69,624	128,864
Profit before tax ("PBT")	20,295	27,536	34,359	86,735

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			
	CURRENT	PRECEDING	VARIANCE	
	30.09.2024	30.06.2024	RM'000	%
	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	4,473	-	4,473	-
	<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	(4,227)	42	(4,227)	40
	<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.

**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	31.03.2024
	RM'000	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	-
	<u>230,022</u>	<u>213,415</u>
<u>Unsecured and unguaranteed:</u>		
Lease liabilities	359	570
	<u>359</u>	<u>570</u>
Total short-term borrowings and lease liabilities	<u>230,381</u>	<u>213,985</u>
<u>Non-current</u>		
<u>Secured and guaranteed:</u>		
Term loans	234,125	260,009
Bridging loans	-	16,133
	<u>234,125</u>	<u>276,142</u>
<u>Unsecured and unguaranteed:</u>		
Lease liabilities	244	297
	<u>244</u>	<u>297</u>
Total long-term borrowings and lease liabilities	<u>234,369</u>	<u>276,439</u>
Total borrowings and lease liabilities	<u>464,750</u>	<u>490,424</u>

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 Sharea) 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)		6-MONTHS ENDED	
	30.09.2024	30.09.2023	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)		6-MONTHS ENDED	
	30.09.2024	30.09.2023	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.