

The logo for SkyWorld, featuring the word "SkyWorld" in a white serif font with a registered trademark symbol. A thin green line underlines the "y" in "Sky".

SkyWorld®

# EXPANDING URBAN POSSIBILITIES

The background of the cover features a digital wireframe cityscape in shades of blue and cyan, set against a vibrant sunset sky with orange, red, and purple hues. The wireframe structures are semi-transparent, revealing internal circuit-like patterns and glowing nodes. The overall aesthetic is futuristic and technological.

ANNUAL REPORT 2025



## Expanding Urban Possibilities

This year's theme reflects a new dawn in urban living a bold step forward as SkyWorld Development designs future-ready communities built around quality, sustainability, and innovation. It captures our commitment to unlocking new potential through the versatility, expansion, and evolution of our capabilities over the past year.

This vision is brought to life through the symbolic imagery of a holographic expert, poised in the act of designing an idealised cityscape, set against the serene hues of a rising morning sky, a metaphor for fresh possibilities and transformative progress on the horizon.

## 2025 Annual General Meeting

Level 1, Block D, Excella Business Park,  
Jalan Ampang Putra, Ampang,  
55100 Kuala Lumpur, Malaysia

**Friday, 26 September 2025**  
**10.00 a.m.**



Scan here to access our Annual Report,  
or visit our website at

[https://www.skyworldgroup.com.my/  
investor-relations/reports](https://www.skyworldgroup.com.my/investor-relations/reports)



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## ABOUT THIS REPORT

This Annual Report presents SkyWorld Development Berhad's ("the Company" or "SkyWorld Development") performance and progress for the year ended 31 March 2025 ("FY2025") in a concise, integrated format. It covers our financial, operational, governance, environmental and social dimensions, demonstrating how we deliver sustainable value as a leading property developer to realise our vision of becoming the "Always Best City Developer" and fulfilling our purpose to "Make Living Better."

### Scope and Boundary

This Report encompasses the activities of SkyWorld Development and its subsidiaries (collectively referred to as "SkyWorld Development Group" or "the Group"), as outlined under Corporate Structure, for the period from 1 April 2024 to 31 March 2025 – in alignment with the reporting period and scope of the associated financial statements.



## Reporting Frameworks

Content selection and presentation have been guided by:

- International Financial Reporting Standards
- Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements
- Companies Act 2016
- Malaysian Code on Corporate Governance 2021
- Bursa Malaysia Securities Sustainability Reporting Guide (3rd Edition, 2022)
- Global Reporting Initiative 2021
- FTSE4Good Bursa Malaysia Index's FTSE Russell ESG Data Model
- Task Force on Climate-related Financial Disclosures
- Malaysian Financial Reporting Standards
- National Sustainability Reporting Framework

## Forward Looking Statements

This Report may include forward-looking statements such as plans, forecasts and targets deemed reasonable at the time of publication. These are subject to risks and uncertainties beyond our control and actual outcomes may differ materially.

## Assurance and Feedback

This Report contains financial related statements and data that references the Consolidated Financial Statements of FY2025, which have been verified by the external auditor, Deloitte PLT. The Board of Directors acknowledges responsibility for the integrity of this report and has approved it on 17 July 2025, confirming that it fairly and adequately addresses all material matters affecting the Group's value creation.

Comments or enquiries about this Report are welcomed. Please direct them to:

Email: [corporate@skyworld.my](mailto:corporate@skyworld.my)

# STRENGTHS

## FINANCIAL HIGHLIGHTS (AS AT 31 MARCH 2025)



**Group Revenue**

**RM445.5 million**

(FY2024: RM688.0 million)

**Profit After Tax**



**RM56.1 million**

(FY2024: RM106.5 million)

**Total Assets**



**RM1.5 billion**

(FY2024: RM1.6 billion)

**Total Equity**



**RM880.0 million**

(FY2024: RM842.8 million)

**Return on Equity**



**6.5%**

(FY2024: 14.6%)

**Net Gearing Ratio**



**0.11x**

(FY2024: Net cash)

**Dividend Declared**



**1.10 sen**

(FY2024: 2.25 sen)



**Market Capitalisation**



**RM435.0 million**


(FY2024: RM640.0 million)

# AT A GLANCE

## BUSINESS HIGHLIGHTS

**Total Gross Development Value ("GDV") Launched** 

**RM6.5 billion**  
 for 14 Developments of which 2 are ongoing

**Quality Excellence Standards** 

2 developments completed and achieved an average Quality Assessment System in Construction ("QLASSIC") score of 85%. Including ALL past completed developments, the overall average score remained a commendable 81%

Overall Sales **Take-Up Rate** 


**94.8%**

**Expanding Growth Engine through Strategic Landbanking** 

The Group **Secured 200.5 acres of strategic land** in Penang and Kuala Lumpur during the financial year and up to date of this report

**Total landbanks of 257.7 acres across Malaysia and Vietnam**, spanning prime locations with combined **GDV of RM20.1 billion** to support the Group's response to evolving market needs



**Resilient Level of Unbilled Sales at** 

**RM461.2 million**  
 (FY2024: RM548.1 million)

**Growing Rental Asset Yield** 

Built-to-rent Properties with total Net Lettable Area ("NLA") of 388,739 sq ft recording 53% average occupancy rate  
 (FY2024: NLA 371,966 sq ft at 47%)

**Advancing Innovation** 

through adoption of **Prefabricated Prefinished Volumetric Construction** technology via strategic partnership with prominent specialist from Singapore

**Inducted into FTSE4Good Bursa Malaysia Index** 

**Achieved 4-Star ESG Grading Band** as assessed by London Stock Exchange's FTSE Russell



**208 Proficient Employees Yield** 

**RM2.1 million Revenue Per Capita**  
 (FY2024: 207 employees at RM3.3 million per capita)

# WHO WE ARE

**SkyWorld Development was founded in year 2006 as Varsity Networks Sdn Bhd by Datuk Seri Ng Thien Phing, our Founder and Non-Independent Executive Chairman. Initially focused on general trading and contracting activities, the Company rebranded in year 2014 as SkyWorld Development, making its entry into the property development business. A pivotal milestone was achieved in July 2023, when SkyWorld Development successfully listed on Bursa Securities' Main Market, establishing a platform for the Group to deepen its presence of high-rise residential developments in Malaysia, while laying the foundation for the Group's long-term aspiration to become a regional real estate player.**

Today, SkyWorld Development is an established Malaysian city developer dedicated to enriching lives through vibrant, innovative high-rise residences. We offer an integrated SkyLiving experience, with an emphasis on improving the liveability and comfort of our homebuyers, offering a unique quality living experience. Guided by a market-driven approach, our innovative designs and concepts give customers the choice of attractively priced homes that reflect the latest living trends. All our developments are strategically located in mature, thriving enclaves with excellent connectivity, ensuring easy access to public transport and key landmarks.



## **Our Vision:** **Always Best City Developer (ABCD)**

We aim to further strengthen our positioning in the property development business and lead the Company to be at the forefront.



## **Our Purpose:** **Make Living Better**

Staying true to its brand promise, 'You Can Now Own A Quality Home and Living', SkyWorld Development is about nurturing a lifelong commitment to excellence in a sustainable ecosystem for current and future generations.





## Our Core Values:

### Let's talk

We value open and honest dialogue to foster collaboration, understanding, and effective problem-solving.



### Dare to lead

We embrace innovation, empower individuals to take initiative, and cultivate a culture that encourages creative thinking and decision-making.



### Get it done

We value proactive mindset, accountability, and a strong work ethic.



# KEY MILESTONES

**SkyWorld Development’s journey has been defined by strategic reinvention, market-leading innovations and steadfast commitment to quality and community. The milestones below encapsulate our evolution into Malaysia’s “Always Best City Developer.”**

## 2006

- Incorporated as Varsity Networks Sdn Bhd under Datuk Seri Ng Thien Phing, laying the groundwork for future property ventures.

## 2014

- Rebranded to SkyWorld Development and launched our inaugural development, SkyArena in Setapak.

## 2025

- Marked strategic entry into the manufacturing of prefabricated and prefinished modular systems business through a partnership with Singapore-based Teambuild Holding (S) Pte Ltd, enhancing SkyWorld Development’s end-to-end development capabilities and diversifying its business portfolio.

## 2024

- Entered joint development agreements with The Penang Development Corporation and PDC Properties Sdn Bhd to deliver Malaysia’s largest affordable housing development - over 35,000 units across 195.5 acres in Batu Kawan and Seberang Jaya, Penang with GDV estimated at RM13.0 billion.

## 2023

- Established the SkyWorld Foundation to drive our corporate social responsibility agenda that improves the quality of life and provide opportunities for underserved communities.
- Established a rated RM300.0 million seven-year Islamic Medium-Term Notes and Commercial Paper programme to support growth initiatives.

# KEY MILESTONES

## 2015

- Introduced our first SkyAwani affordable housing series, expanding accessibility in the home-ownership market.



- Achieved a significant milestone with our Main Market listing on Bursa Securities.
- Embarked on our first overseas expansion: SkyWorld Development (Vietnam) Co. Ltd with acquisition of approximately 1.3 acres of land in Ho Chi Minh City.

## 2017

- Debuted SW Connects, a bespoke mobile app enhancing homeowner engagement and services.
- Launched our inaugural Islamic Medium-Term Notes and Commercial Paper programme, with a combined RM1.0 billion issuance limit.

## 2018

- Unveiled the SkyWorld Development Quality Centre in Setapak - the nation's first dedicated facility to showcase quality of workmanship, upholding our pledge of superior workmanship.

## 2021

- Completed SkyArena Sport Complex (Setapak) and MSN Sport Complex (Nilai), both earning an impressive 81% QLASSIC score for quality.

## 2022

- Rolled out *Solution+*, an integrated e-commerce and community platform connecting homeowners with preferred vendors.

# ACCOLADES AND AWARDS



# ACCOLADES AND AWARDS

Year	Key Awards	Awarding Party
<b>FY2025</b>		
May '24	<ul style="list-style-type: none"> <li>• SkyWorld Development: 6th place in The All-Stars Award</li> <li>• SkyWorld Development: Most Preferred Developer in StarProperty Reader's Choice Award</li> <li>• Vesta Residences: Honours in The Family-Friendly Award</li> </ul>	<ul style="list-style-type: none"> <li>• StarProperty Awards 2024</li> </ul>
	<ul style="list-style-type: none"> <li>• SkyAwani III Residences: World Gold Winner</li> </ul>	<ul style="list-style-type: none"> <li>• FIABCI World Prix d'Excellence Awards 2024</li> </ul>
June '24	<ul style="list-style-type: none"> <li>• SAMA Square: Silver in Commercial Low Rise;</li> <li>• SkyBlox: Silver in Special Category</li> </ul>	<ul style="list-style-type: none"> <li>• PAM Award 2024</li> </ul>
July '24	<ul style="list-style-type: none"> <li>• SkyMeridien Residences: Merit in Below 10 Years - Multiple-Owned Strata Residential Category</li> </ul>	<ul style="list-style-type: none"> <li>• The Edge Malaysia Best Managed and Sustainable Property Awards 2024</li> </ul>
August '24	<ul style="list-style-type: none"> <li>• BCI Asia Top 10 Developers Award 2024</li> </ul>	<ul style="list-style-type: none"> <li>• BCI Asia Awards 2024</li> </ul>
September '24	<ul style="list-style-type: none"> <li>• SAMA Square: Bronze under the Commercial Category</li> </ul>	<ul style="list-style-type: none"> <li>• BlueScope Steel Awards</li> </ul>
November '24	<ul style="list-style-type: none"> <li>• SkyWorld Development: Ranked 13th in The Edge Property Excellence Awards 2024</li> <li>• SkyAwani V Residences: Winner of The Edge Malaysia Affordable Urban Housing Excellence Award 2024</li> </ul>	<ul style="list-style-type: none"> <li>• The Edge Property Excellence Award 2024</li> </ul>
	<ul style="list-style-type: none"> <li>• SkyBlox: Anugerah Projek Terbaik (Bangunan Kategori Kecil)</li> </ul>	<ul style="list-style-type: none"> <li>• Malaysia Construction Industry Excellence Award</li> </ul>
December '24	<ul style="list-style-type: none"> <li>• SkyLuxe On The Park Residences: Housing Residential High Rise Category</li> <li>• SkySierra Residences (The Valley): Housing Residential Super High Rise Category</li> </ul>	<ul style="list-style-type: none"> <li>• FIABCI Malaysia Property Award</li> </ul>
January '25	<ul style="list-style-type: none"> <li>• Gold Winner in Property Development Category</li> </ul>	<ul style="list-style-type: none"> <li>• Putra Aria Brand Awards 2024</li> </ul>

# CORPORATE STRUCTURE



## OUR SUBSIDIARIES (as at 17 July 2025)

100%

- Aqua Legacy Sdn Bhd  
(Registration No. 201701012847 (1227012-W))
- Aspirasi Cepak Sdn Bhd  
(Registration No. 202201029870 (1475567-K))
- Bennington Development Sdn Bhd  
(Registration No. 201401003842 (1079915-K))
- Citra Amal Sdn Bhd  
(Registration No. 201301016782 (1046615-P))
- Curvo Development Sdn Bhd  
(Registration No. 201501026547 (1151871-T))
- Desa Imbangan Sdn Bhd  
(Registration No. 201301025663 (1055493-M))
- Klasik Eramas Sdn Bhd  
(Registration No. 202101006013 (1406312-X))
- Legasi Spohra Sdn Bhd  
(Registration No. 201701012863 (1227028-U))
- Medan Srijuta Sdn Bhd  
(Registration No. 201301025791 (1055621-D))
- NTP World Corporation Sdn Bhd  
(Registration No. 200601024810 (744564-D))
- Rimba Maju Realiti Sdn Bhd  
(Registration No. 201301026010 (1055840-X))
- SkyAman Development Sdn Bhd  
(Registration No. 200901006783 (849746-K))
- SkyAwani 2 Development Sdn Bhd  
(Registration No. 201301042768 (1072590-X))
- SkyAwani 5 Development Sdn Bhd  
(Registration No. 201301042985 (1072807-D))
- SkyWorld Cassia Development Sdn Bhd  
(Formerly known as SkyAvana Development Sdn Bhd)  
(Registration No. 201401040271 (1116419-P))
- SkyLuxe Development Sdn Bhd  
(Registration No. 201301027213 (1057041-W))
- SkyMeridien Development Sdn Bhd  
(Registration No. 201001030326 (914246-P))
- SkyRia Development Sdn Bhd  
(Registration No. 202101002113 (1402411-K))
- SkySanctuary Development Sdn Bhd  
(Registration No. 200601021835 (741588-T))
- SkySierra Development Sdn Bhd  
(Registration No. 201301042986 (1072808-A))
- SkyVogue Development Sdn Bhd  
(Registration No. 201301019525 (1049355-H))
- SkyVue Development Sdn Bhd  
(Registration No. 201301010018 (1039860-P))
- SkyWorld Asset Management Sdn Bhd  
(Registration No. 201601021999 (1192938-H))
- SkyWorld Builder Sdn Bhd  
(Registration No. 200801031431 (832763-H))
- SkyWorld Capital Berhad  
(Registration No. 201001040829 (924754-U))
- SkyWorld Connects Sdn Bhd  
(Registration No. 201801037374 (1299404-M))
- SkyWorld Land Sdn Bhd  
(Registration No. 201401025909 (1101999-M))
- 100% ● Central Enclave Sdn Bhd  
(Registration No. 201701012889 (1227054-H))
- SkyWorld Properties Sdn Bhd  
(Registration No. 201401025905 (1101995-V))
- 100% ● Kem Batu Kentonmen Development Sdn Bhd  
(Registration No. 201401039177 (1115329-V))
- SkyWorld Mutiara Development Sdn Bhd  
(Formerly known as SkyWorld Staris Development Sdn Bhd)  
(Registration No. 202101025030 (1425330-T))
- SkyWorld Venture Sdn Bhd  
(Registration No. 201401025912 (1102002-D))
- SkyWorld Development (Vietnam) Company Limited  
(Registration No. 0315835115)
- 100% ● SkyWorld Consulting Vietnam Company Limited  
(Registration No. 0318693772)
- Twin Saga Sdn Bhd  
(Registration No. 201501035647 (1160967-A))
- West Victory Sdn Bhd  
(Registration No. 201501032746 (1158066-V))

70%

- Prefab Master Sdn Bhd  
(Registration No. 202401002508 (1548358-D))
- 100% ● Prefab Master (Penang) Sdn Bhd  
(Registration No. 202401003092 (1548942-V))

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### DATUK SERI NG THIEN PHING

Chairman  
Non-Independent Executive  
Director

### DATUK LAM SOO KEONG @ LOW SOO KEONG

Non-Independent Executive  
Director

### LEE CHEE SENG

Non-Independent Executive  
Director/Chief Executive Officer

### CHAN SENG FATT

Independent Non-Executive  
Director

### ONG SOO CHAN

Independent Non-Executive  
Director

### PHANG SZE FUI

Independent Non-Executive  
Director

### ZALINAH BINTI A HAMID

Independent Non-Executive  
Director

## AUDIT & RISK MANAGEMENT COMMITTEE

**Chan Seng Fatt** (Chairman)  
**Ong Soo Chan**  
**Phang Sze Fui**

## NOMINATION & REMUNERATION COMMITTEE

**Phang Sze Fui** (Chairman)  
**Ong Soo Chan**  
**Zalindah Binti A Hamid**

## LONG TERM INCENTIVE PLAN COMMITTEE

**Datuk Seri Ng Thien Phing** (Chairman)  
**Datuk Lam Soo Keong @ Low Soo Keong**  
**Phang Sze Fui**  
**Ong Soo Chan**  
**Zalindah Binti A Hamid**

## COMPANY SECRETARIES

**Te Hock Wee** (MAICSA 7054787)  
CCM Practising Certificate  
No. 202008002124

**Foo Pei Koon** (MAICSA 7067238)  
CCM Practising Certificate  
No. 202108000380

**Lee Yin Bin** (MAICSA 7074794)  
CCM Practising Certificate  
No. 202508000014

## AUDITORS

Deloitte PLT  
Firm No. (LLP0010145-LCA) & AF 0080  
Menara LGB, Level 16  
1, Jalan Wan Kadir  
Taman Tun Dr Ismail  
60000 Kuala Lumpur  
Wilayah Persekutuan (KL)  
Malaysia  
Tel : (603) 7610 8888

## PRINCIPAL BANKERS

Malayan Banking Berhad /  
Maybank Islamic Berhad  
OCBC Bank Berhad /  
OCBC Al-Amin Bank Berhad  
RHB Bank Berhad /  
RHB Islamic Bank Berhad  
HSBC Bank (Malaysia) Berhad/  
HSBC Amanah Malaysia Berhad  
United Overseas Bank (Malaysia) Berhad  
Hong Leong Bank Berhad  
Al Rajhi Banking & Investment  
Corporation (Malaysia) Bhd

## HEAD OFFICE/ PRINCIPAL PLACE OF BUSINESS

Ground Floor, Block B  
Wisma NTP World  
Excella Business Park  
Jalan Ampang Putra  
Ampang  
55100 Kuala Lumpur  
Wilayah Persekutuan (KL)  
Malaysia  
Tel : (603) 4270 3928/  
(603) 4270 9968  
Email : corporate@skyworld.my  
Web : <https://skyworldgroup.com.my/>

## REGISTERED OFFICE

Unit 30-01, Level 30, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Wilayah Persekutuan (KL)  
Malaysia  
Tel : (603) 2783 9191  
Fax : (603) 2783 9111  
Email : info@vistra.com

## SHARE REGISTRAR

Tricor Investor & Issuing House  
Services Sdn Bhd  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Wilayah Persekutuan (KL)  
Malaysia  
Tel : (603) 2783 9299  
Fax : (603) 2783 9222  
Email : is.enquiry@vistra.com

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad

Stock Code: SKYWLD  
Stock No. : 5315  
ISIN Code : MYL531500006  
Sector : Property  
Listing date : 10 July 2023

## INVESTOR RELATIONS

Email : ir@skyworld.my  
Web : [https://skyworldgroup.com.my/  
investor-relations](https://skyworldgroup.com.my/investor-relations)

# BOARD OF DIRECTORS' PROFILES

## DATUK SERI NG THIEN PHING

**Non-Independent Executive Chairman**

Nationality : **Malaysian**

Age : **50**

Gender : **Male**

Board Appointment Date: **22 November 2006**

### Board Committee Membership

- Long Term Incentive Plan Committee (*Chairman*)

### Directorships of Listed Entities and Other Public Companies

- ICT Zone Asia Berhad  
(*Non-Independent Non-Executive Chairman*)

### Qualifications

- Bachelor of Business Administration, National University of Malaysia

### Working Experience and Expertise

Datuk Seri Ng Thien Phing is an entrepreneur driven by purpose. Beginning his career in year 1997 as a Conference Producer, he founded NTP World Forum Sdn Bhd by age 24, delivering bespoke corporate training to Malaysia's growing business sector.

His foresight led him into technology and capital markets, co-founding ICT Zone Holding Sdn Bhd and ICT Zone Sdn Bhd, which today anchor ICT Zone Asia Berhad, listed on the ACE Market of Bursa Securities. He serves as its Non-Independent Non-Executive Chairman and indirect controlling shareholder, underscoring his instinct for building resilient ventures.

In year 2006, he founded SkyWorld Development to redefine urban living. Under his leadership, SkyWorld Development has grown into a rising force, delivering award-winning homes, pioneering Malaysia's largest affordable housing development, and advancing a bold vision as the "Always Best City Developer."

A firm believer in giving back, he co-founded SkyWorld Foundation to drive corporate social responsibility initiatives in green technology, education and social impact. He is also a member of the Institute of Corporate Directors Malaysia, championing strong governance and purposeful leadership for a better Malaysia.

## DATUK LAM SOO KEONG @ LOW SOO KEONG

**Non-Independent Executive Director**

Nationality : **Malaysian**

Age : **57**

Gender : **Male**

Board Appointment Date: **28 October 2008**

### Board Committee Membership

- Long Term Incentive Plan Committee (*Member*)

### Directorships of Listed Entities and Other Public Companies

Nil

### Qualifications

- Bachelor of Law, University of London External Programme and subsequently completed the Certificate of Legal Practice
- Admitted as an Advocate and Solicitor of the High Court of Malaya in year 1994

### Working Experience and Expertise

Datuk Lam Soo Keong specialises in legal services related to land matters, property development, building and construction as well as corporate and company affairs through his own established law firm. He then retired as Partner from the firm and joined another firm serving as an Advisor until his departure in year 2017 to focus on the expansion of the Group's business and applying his deep understanding of property-related legal frameworks to SkyWorld Development group's growth initiatives.

He serves as a Director in SkyWorld Foundation and he is a member of the Institute of Corporate Directors Malaysia.

# BOARD OF DIRECTORS' PROFILES

## LEE CHEE SENG

**Non-Independent Executive Director/  
Chief Executive Officer**

Nationality : **Malaysian**

Age : **52**

Gender : **Male**

Board Appointment Date: **1 April 2016**

### Board Committee Membership

Nil

### Directorships of Listed Entities and Other Public Companies

Nil

### Qualifications

- Bachelor of Business Studies, Charles Sturt University (HELP University External Programme)

### Working Experience and Expertise

Mr Lee Chee Seng began his career in year 1994 at Zalam YTK Sdn Bhd (now known as Zalam Corporation Sdn Bhd), a prominent construction and property development company, where he held successive leadership roles culminating as Director. His extensive exposure to mega-projects in earlier roles has shaped his innovative mindset and commercial acumen.

In year 2013, he joined us as Chief Product Officer, spearheading product development and project execution. He excels at uniting cross-functional teams, fostering a collaborative culture and driving workforce engagement to ensure successful project delivery to pursue company goals.

He serves as a Director in SkyWorld Foundation and he is a member of the Institute of Corporate Directors Malaysia.

## CHAN SENG FATT

**Independent Non-Executive Director**

Nationality : **Malaysian**

Age : **62**

Gender : **Male**

Board Appointment Date: **23 September 2022**

### Board Committee Membership

- Audit & Risk Management Committee (*Chairman*)

### Directorships of Listed Entities and Other Public Companies

- Salcon Berhad  
(*Senior Independent Non-Executive Director*)

### Qualifications

- Member, Malaysian Institute of Accountants
- Former Fellow Member, Chartered Institute of Management Accountants

### Working Experience and Expertise

Mr Chan Seng Fatt has an extensive career exposure spanning more than 35 years across a broad spectrum of areas, including external and internal audit, financial management, corporate finance, stockbroking and senior level operation and general management. He held several senior positions in various public and private companies.

Currently, he is the Group Chief Executive Officer of Star Media Group Berhad. He is also a member of Institute of Corporate Directors Malaysia.

## BOARD OF DIRECTORS' PROFILES

### ONG SOO CHAN

**Independent Non-Executive Director**

Nationality : **Malaysian**

Age : **63**

Gender : **Female**

Board Appointment Date: **23 September 2022**

#### Board Committee Membership

- Audit & Risk Management Committee (*Member*)
- Nomination & Remuneration Committee (*Member*)
- Long Term Incentive Plan Committee (*Member*)

#### Directorships of Listed Entities and Other Public Companies

- Unitrade Industries Berhad  
(*Independent Non-Executive Director*)
- CIMB Bank Berhad  
(*Independent Non-Executive Director*)

#### Qualifications

- Bachelor of Arts in Economics, University of Malaya

#### Working Experience and Expertise

Ms Ong Soo Chan brings over 3 decades of banking and financial services expertise. She began as a Management Trainee at Development and Commercial Bank in year 1987, progressing through treasury roles at RHB Bank and ABN-AMRO Bank before joining Citibank Berhad in year 1998.

Over the next 20 years at Citibank, she led Corporate Banking Operations and Consumer Business Operations and Technology teams. In year 2010, she was seconded to head Citigroup Transaction Services (M) Sdn Bhd to establish a regional and global operations hub for Securities, Fund Services, Anti-Money Laundering transactions monitoring and Consumer Fraud Risk operations. Prior to her retirement in year 2020, she served as their Head of Country Operations and Technology.

Currently, she contributes her strategic insight to Unitrade Industries Berhad and CIMB Bank Berhad as an Independent Non-Executive Director. She is also a member of Institute of Corporate Directors Malaysia.

### PHANG SZE FUI

**Independent Non-Executive Director**

Nationality : **Malaysian**

Age : **53**

Gender : **Female**

Board Appointment Date: **23 September 2022**

#### Board Committee Membership

- Nomination & Remuneration Committee (*Chairman*)
- Audit & Risk Management Committee (*Member*)
- Long Term Incentive Plan Committee (*Member*)

#### Directorships of Listed Entities and Other Public Companies

- Kim Teck Cheong Consolidated Berhad  
(*Independent Non-Executive Director*)
- Orgabio Holdings Berhad  
(*Independent Non-Executive Director*)

#### Qualifications

- Fellow Member, the Association of Chartered Certified Accountants
- Member, Malaysian Institute of Accountants

#### Working Experience and Expertise

Ms Phang Sze Fui began her career in year 1992 as an Accounts Executive before joining Baker Tilly Monteiro Heng, where she rose through the ranks to Executive Director of the Transaction Reporting Division. She then served as Corporate Affairs Director at Dolphin Applications Sdn Bhd, overseeing corporate exercises, compliance matters, improving internal control systems and reporting structure as well as investor relations.

She has since transitioned to entrepreneurship by providing business and accounting consultancy services alongside aquaponic farming.

In June 2024, she has retired as an Independent Non-Executive Director in Flexidynamic Holdings Berhad and simultaneously she resigned as an Independent Non-Executive Director in SDS Group Berhad.

She is a member of the Institute of Corporate Directors Malaysia.

# BOARD OF DIRECTORS' PROFILES

## ZALINAH BINTI A HAMID

**Independent Non-Executive Director**

Nationality : **Malaysian**

Age : **64**

Gender : **Female**

Board Appointment Date: **23 September 2022**

### Board Committee Membership

- Nomination & Remuneration Committee (*Member*)
- Long Term Incentive Plan Committee (*Member*)

### Directorships of Listed Entities and Other Public Companies

- Perak Transit Berhad  
(*Independent Non-Executive Director*)
- UOB Asset Management (Malaysia) Berhad  
(*Independent Non-Executive Director*)

### Qualifications

- Bachelor of Science in Accounting, New Hampshire College, U.S.
- Master in Business Administration (International Business), New Hampshire College, U.S.

### Working Experience and Expertise

Puan Zalinah Binti A Hamid has over 30 years of experience in capital market with proven expertise in portfolio management for pension funds, trust funds and private mandates as well as managing equity portfolios locally and globally.

She began her career at Lembaga Tabung Angkatan Tentera in year 1983 as an Assistant Finance Officer and re-joined as an Investment Officer/Analyst in year 1989. She then joined YNS Management Sdn Bhd as the Head of the Investment Company, overseeing the operations of the company.

She joined Employees Provident Fund ("EPF") in year 2005 and her first task is to set up the internal international public equity investment and her last role in EPF as Head of Domestic Equity Department overseeing the investment activities in Malaysia's public listed companies before retiring in year 2021. She was a Director of Iskandar Investment Berhad and Iskandar Capital Berhad since year 2014 until May 2021.

Prior to her tenure in EPF, she was the Chief Executive Officer of PMB Investment Berhad. Throughout her career, she has demonstrated a strong commitment for Environmental, Social and Governance (ESG) principles as well as risk management.

Currently, she is a Non-Executive Director of UOB Islamic Asset Management Sdn Bhd and UOB Kay Hian Securities (M) Sdn Bhd. She is a member of Institute of Corporate Directors Malaysia.

### NOTES:

#### Family Relationships

None of the Directors have any family relationship with any Director and/or major shareholder of the Group.

#### Conflict of Interest

None of the Directors have any conflict of interest with the Group.

#### Convictions for Offences

None of the Directors have any conviction for offences within the past 5 years other than traffic offences (if any) nor public sanctions or penalties imposed by the relevant regulatory bodies during the financial year.

#### Board Meeting Attendance

The attendance record of each Director at Board Meetings during the financial year is disclosed in the Corporate Governance Overview Statement of this report.

# KEY SENIOR MANAGEMENT’S PROFILES

## LOW WENG CHEONG

**Head of Finance**

Nationality : **Malaysian**

Age : **47**

Gender : **Male**

### Position Tenure

Head of Finance since 1 January 2021

### Qualifications

- Fellow Member, the Association of Chartered Certified Accountants
- Member, Malaysian Institute of Accountants

### Working Experience and Expertise

Mr Low Weng Cheong began his career in year 1997 and has held senior finance roles at leading property development companies, including BRDB Developments Sdn Bhd, Lendlease Development Malaysia Sdn Bhd and Selangor Properties Berhad. Since his appointment as Head of Finance in January 2021, he has overseen SkyWorld Development’s accounting, taxation, financial management and investor-relations functions. His extensive background in corporate finance, strategic planning and regulatory compliance underpins the Group’s financial integrity and growth.

## TAN LEA CHIN

**Head of Sales**

Nationality : **Malaysian**

Age : **54**

Gender : **Male**

### Position Tenure

Head of Sales since 1 January 2022

### Qualifications

- Bachelor of Business (Business Administration), RMIT University External Programme

### Working Experience and Expertise

Mr Tan Lea Chin brings over 20 years of sales management experience in the property sector, having led Marketing and Sales at DNP Property Management Sdn Bhd (subsidiary of Wing Tai Malaysia), Selangor Dredging Berhad and SP Setia Berhad. As Head of Sales since January 2022, he directs the formulation and execution of sales strategies, processes and policies, ensuring consistent delivery of sales and customer satisfaction across SkyWorld’s Development portfolio.

# KEY SENIOR MANAGEMENT’S PROFILES

## NG HONG HAW

**Head of Business Venture**

Nationality : **Malaysian**

Age : **43**

Gender : **Male**

### Position Tenure

Head of Business Venture since 1 January 2022

### Qualifications

- Diploma in Estate Agency, Board of Valuers, Appraisers and Estate Agents Malaysia

### Working Experience and Expertise

Mr Ng Hong Haw commenced his career in business development after studying Electrical Engineering at the University of Malaya, later shifting to property services. He joined SkyWorld Development in year 2015 as Manager of Business Development, moving up the ranks to General Manager of Overseas Venture and Asset-Under-Management before assuming his current role in January 2022. He specialises in evaluating new ventures, managing asset-monetisation models and unlocking value from under-utilised land and assets, drawing on 9 years of entrepreneurial and market-driven expertise to spearhead SkyWorld Development’s growth initiatives.

### NOTES:

#### Family Relationships

None of the key senior management have any family relationship with any Director and/or major shareholder of the Group.

#### Conflict of Interest

None of the key senior management has any conflict of interest with the Group.

#### Convictions for Offences

None of the key senior management have any conviction for offences within the past 5 years other than traffic offences (if any) nor public sanctions or penalties imposed by the relevant regulatory bodies during the financial year.

# 5-YEAR FINANCIAL HIGHLIGHTS

	FY2025 RM'000	FY2024 RM'000	FY2023 RM'000	FY2022 RM'000	FY2021 RM'000
<b>FINANCIAL RESULTS</b>					
Revenue	445,489	688,038	841,411	790,437	488,797
Gross profit	165,361	253,418	298,346	249,607	151,664
Profit before tax	84,552	159,934	204,784	150,018	74,349
Profit after tax	56,087	106,511	150,711	104,286	63,311
Profit after tax and minority interests	56,154	106,784	143,996	106,035	59,541
<b>FINANCIAL POSITIONS</b>					
Non-current assets	618,018	641,225	650,413	556,246	558,053
Current assets	913,007	917,423	667,255	808,353	634,586
Equity	879,995	842,833	615,660	465,056	360,770
Non-current liabilities	196,131	287,324	324,865	290,710	203,396
Current liabilities	454,899	428,491	377,143	608,833	628,473
<b>CASH FLOWS</b>					
Net cash (used in)/from operating activities	(91,665)	153,038	(87,798)	84,152	46,115
Net cash from/(used in) investing activities	2,034	(79,855)	(22,200)	(19,934)	9,287
Net cash (used in)/from financing activities	(57,030)	104,918	144,184	73,565	(59,111)
<b>Net changes in cash and cash equivalents</b>	<b>(146,661)</b>	<b>178,101</b>	<b>34,187</b>	<b>137,783</b>	<b>(3,709)</b>
Effect of exchange rate fluctuations on cash held	(4,290)	705	(177)	#	(6)
Cash and cash equivalents at beginning of the financial year	402,214	223,408	189,399	51,616	55,331
<b>Cash and cash equivalents at end of the financial year</b>	<b>251,263</b>	<b>402,214</b>	<b>223,408</b>	<b>189,399</b>	<b>51,616</b>
<b>KEY RATIOS</b>					
EBITDA	98,866	173,323	218,126	167,675	93,413
Earnings per share (sen) *	5.62	11.36	18.77	13.82	7.76
Gross profit margin (%)	37.1	36.8	35.5	31.6	31.0
Profit before tax margin (%)	19.0	23.2	24.3	19.0	15.2
Profit after tax margin (%)	12.6	15.5	17.9	13.2	13.0
Profit after tax and minority interests margin (%)	12.6	15.6	17.1	13.4	12.2
Gearing ratio (times)	0.51	0.58	0.78	0.96	1.09
Net gearing ratio (times)	0.11	Net cash	0.40	0.36	0.64
Return on equity (%)	6.5	14.6	27.9	25.3	19.2
Net assets per share (sen) **	88.00	84.28	61.57	46.51	36.08

# Less than RM1,000

\* Based on weighted average number of issued and fully paid ordinary shares in issue as disclosed in Note 36 to the financial statements

\*\* Based on the enlarged number of shares of 1,000,000,000 after the initial public offering of the Company

# MANAGEMENT DISCUSSION AND ANALYSIS



## OVERVIEW OF FY2025 OPERATING ENVIRONMENT

### Malaysia’s Economic Landscape

Malaysia’s economy demonstrated robust growth, with Gross Domestic Product (“GDP”) expanding by 5.1% in the year 2024 and maintaining a steady pace with a 4.4% growth in the first quarter of the year 2025. The macroeconomic environment was marked by manageable inflation, low unemployment, and stable interest rates, with no anticipated rate hikes – all of which fostered greater confidence among prospective homebuyers.

Government-led investments in public transport infrastructure, such as the MRT and LRT networks, alongside the Penang Transport Master Plan, and policy developments like the proposed Urban Renewal Act, continued to lay the groundwork for long-term growth, particularly for urban developers.

In addition, homeownership incentives such as individual income tax relief of up to RM7,000 on the interest payments of residential home loans for first-time homebuyers (available until year 2027), and full stamp duty exemptions for properties priced below RM500,000 (available until year 2025), remained in place during the year as part of ongoing government efforts to address affordability and encourage homeownership among the younger demographic.

Consequently, Malaysia’s property market recorded its highest transaction volume and value in a decade in

year 2024. The residential segment remained the largest contributor, accounting for 46% or RM106.9 billion in total value, reflecting a 4.0% increase in volume and a 5.9% increase in value. Notably, in the Kuala Lumpur City area and broader districts of Petaling, Gombak, and Hulu Langat – where SkyWorld Development’s business development zoning is primarily concentrated in Kuala Lumpur and selectively extends into parts of the adjacent districts – high-rise residential property including service apartments made up 40% of total residential property transaction. This represents an increase of 8.3% compared to year 2023, reflecting growing preference for high-rise living due to their strategic location, accessibility and convenience.



# MANAGEMENT DISCUSSION AND ANALYSIS

Beyond the Klang Valley, the property market in Penang, particularly within Seberang Perai Tengah (which includes Seberang Jaya) and Seberang Perai Selatan, has shown signs of resilient demand supported by growing employment and population catchments due to expanding healthcare, education, and industrial hubs. The area around Batu Kawan, often referred to as the “Silicon Valley of the East,” is emerging as a significant area for economic and residential growth. Batu Kawan Industrial Park already hosts over 170 companies, including global industry leaders.

Furthermore, the Batu Kawan Industrial Park 3 (“BKIP 3”), the tenth industrial park developed by The Penang Development Corporation (“PDC”), is set to stimulate the economy in Penang and the northern region. Spanning 407 acres with a total investment of RM2.2 billion, the first phase is expected to be completed by October 2025, with full completion of BKIP 3

expected by August 2031. BKIP 3 is designed to attract multinational corporations, large local companies, and small-medium industries, reinforcing Penang’s position as a prime investment destination. The robust industrial base and new developments, including a development by SkyWorld Development, are projected to attract approximately 250,000 residents and accommodate 45,000 to 50,000 housing units by year 2036, further driving the region’s property market.

**Industrial Base and New Developments in Batu Kawan, Penang projected to attract**



**250,000 residents by year 2036**

## Vietnam’s Economic and Real Estate Environment

Vietnam’s economy showed signs of a strong recovery, with GDP growth recorded at 7.1% in year 2024, driven by resilient external demand, healthy foreign direct investments (“FDI”) inflows, and accommodative government policies. Similarly, Vietnam’s economy in year 2025 started strongly with a 6.9% year-on-year growth in the first quarter.

The year 2024 was also a pivotal period for Vietnam’s real estate sector with the implementation of 3 significant laws, effective August 2024: the Land Law 2024, aimed at clarifying legal procedures and stabilising prices; the Housing Law 2023, which

strengthens homebuyer protections and promotes social housing; and the Law on Real Estate Business 2023, which enhances market transparency.

Although these changes have initially created some uncertainty and constrained new supply, the intention of these initiatives is to improve confidence and trust among homebuyers, potentially supporting demand in the later part of the year for this region. Property prices have stayed resilient despite a decline in transaction volume, indicating underlying market strength and a higher absorption rate relative to supply.






# MANAGEMENT DISCUSSION AND ANALYSIS

## SKYWORLD DEVELOPMENT'S STRATEGIC RESPONSE

### Navigating the Operating Environment

Against this challenging operating landscape marked by high land costs, elevated construction expenses and affordability concerns in the housing market, SkyWorld Development responded proactively through a combination of strategic land acquisitions, technology adoption, and geographic diversification. The Group's strategic response to the operational and market challenges encountered during the year are summarised below:

Challenges	Strategic Response
 <p><b>High Cost of Land in Urban Areas</b> Urban land scarcity, coupled with robust demand and intense market competition, has significantly inflated property prices in city centres. This dynamic ultimately results in either increased expenses for homebuyers or diminished profit margins for developers.</p>	<p>SkyWorld Development remains focused on providing homes that offer unique benefits, designed to meet the diverse lifestyle and life-stage needs of individuals purchasing property.</p> <p>To assist buyers with financial hurdles, we've formed partnerships with banks and other financial entities to introduce a wider array of financing choices.</p> <p>Additionally, the Group has diversified its income sources through expansion into new regions.</p>
 <p><b>Increased Market Competition</b> Heightened market competition added pressure on sales and potentially profit margins across the Group's portfolio. This challenging environment is exacerbated by aggressive launch strategies and robust sales performance from major competitors.</p>	<p>SkyWorld Development continues to drive value and differentiate itself by emphasising its core value proposition: providing quality homes that balance liveability and affordability.</p> <p>Overhang remains a concern. However, data highlights that demand for affordable housing remains resilient. The majority of overhang is concentrated in the mid- to high-end segments, often due to its less central locations and pricing mismatches. SkyWorld Development has always positioned itself as an urban developer, focusing on the affordable and mid-range homebuyer segments, and aligning its product offerings to meet real market demand.</p>
 <p><b>Regulatory Changes</b></p> <p><b>Malaysia</b> In response to a recent sinkhole incident in the Klang Valley, the relevant authorities mandated the submission of comprehensive geotechnical reports and assessments to enhance public safety.</p> <p><b>Vietnam</b> The completion of the transaction for the Vietnam, District 8 land faced delays due to changes in local laws. This represents a challenge related to regulatory and legal uncertainties in international investments.</p>	<p><b>Malaysia</b> As a responsible developer, SkyWorld Development fully supports these regulatory initiatives as they align with our commitment to sustainable urban development. SkyWorld Development has incorporated more detailed and early-stage geotechnical assessment planning processes to ensure compliance with evolving regulatory expectations.</p> <p><b>Vietnam</b> The Group remains vigilant amid regulatory developments in Vietnam, particularly the recent changes to the land law, and is actively working to navigate these legal changes to complete the transaction. This includes ongoing engagement with legal and regulatory bodies to overcome this hurdle.</p>

# MANAGEMENT DISCUSSION AND ANALYSIS

## OPERATIONAL HIGHLIGHTS

### Property Developments



SkyWorld Development’s sales marked a modest improvement over the previous financial year, reaching RM449.1 million for FY2025. The 2 residential developments that were nearly fully sold – namely EdgeWood Residences and SkyVogue Residences – were successfully completed, achieving outstanding Quality Assessment System in Construction (“QLASSIC”) scores of 86% and 84% respectively. These achievements are a testament to SkyWorld Development’s continuous commitment to persevere by staying true to its vision of being an “Always Best City Developer” with a purpose to “Make Living Better” for homeowners.

During the financial year, the launch of new developments experienced delays. This was partly due to value engineering initiatives undertaken to further optimise the development margins, which inadvertently prolonged the planning and approval processes. On the other hand, we adopted a prudent approach on resource deployment. For instance, the launch of a development with necessary approvals in place was strategically postponed, avoiding cannibalising the demand for another development within close vicinity. The Group’s strategic decision to prioritise the absorption of existing development and to manage resources efficiently was reflected in the inventory levels, which were further reduced to as low as RM7.4 million.

The Group undertook an internal review to recalibrate its strategic direction, ensuring continuity in development launches, optimising profitability, and elevating product offerings. To strengthen its future launch pipeline, the Group has been actively expanding its landbanks by capitalising on its strong financial standing.

In Vietnam, the Group remains actively engaged in pursuing opportunities while awaiting the completion of its first land acquisition. To further reinforce this strategic expansion, the Group consecutively entered into 2 memorandums of understanding with landowners, securing exclusive rights to explore potential development opportunities near Ho Chi Minh City.

Domestically, the Group successfully secured strategic land across several key locations in Kuala Lumpur and Penang. Management remains committed to delivering on the Group’s launch pipeline, with a combined Gross Development Value (“GDV”) of RM4.6 billion from year 2023 to 2026, of which RM3.5 billion worth of launches are currently underway.

Notwithstanding these, the Group continued to enhance its product value proposition by introducing the new ‘SkyWorld Healthy Homes’ concept into its developments, an evolution of earlier ‘Healthy Building, Healthy Living’ concept. This concept emphasises on the relationship between the built environment and the homeowners’ experience. It outlined clear development standards aimed at creating sustainable living spaces that promote both residents’ well-being and the community living experience. The Group believes this is one of the keys to ensuring long-term business sustainability – by offering quality homes that meet evolving homeowner expectations. The Group also initiated digitalisation across its sales platform to enhance the customer experience and improve sales process efficiency.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Completed Developments

SkyWorld Development successfully completed 2 developments, SkyVogue Residences and EdgeWood Residences, further enhancing its portfolio and demonstrating its commitment to timely delivery. These completions contributed to the Group’s strong performance and underscored its capability in bringing quality developments to fruition across different segments of the market.

SkyVogue Residences, located in the serene Taman Desa township, reached completion in March 2025, having been launched in September 2020 with a GDV of RM278.9 million. This residential development comprises 333 units with built-up areas ranging from 1,085 sq ft to 1,400 sq ft, and larger duplex and penthouse units spanning 1,970 sq ft to 2,650 sq ft. Notably, SkyVogue Residences achieved an impressive QLASSIC score of 84%, reflecting SkyWorld Development’s dedication to high construction standards. Residents benefit from living spaces thoughtfully separated into 2 wings, providing picturesque views of either the Taman Desa Lake or the majestic city centre’s skyline.

In Setapak, the first phase of SkyWorld Development’s second integrated development, SkySanctuary, was successfully brought to completion in the form of EdgeWood Residences. This nature-inspired development was launched in April 2021, featuring 960 units and carrying a GDV of RM518.2 million. Demonstrating a strong commitment to quality, EdgeWood Residences attained an outstanding QLASSIC score of 86%. SkySanctuary is designed to offer residents a distinctive living experience, blending lush greenery with convenient urban amenities.



## Ongoing Developments

Development Name	Type of Property	No. of Units	GDV (RM'000)	Launch Date	Expected Completion Date
<b>Curvo Residences/ Setapak</b>	Condominium	830	572,822	Jan 2023	Aug 2026
<b>Vesta Residences/ Setiawangsa</b>	Apartment	1,001	587,560	Oct 2023	Apr 2027

Curvo Residences recorded a slower than anticipated sales take-up rate at 57.0%. In response, the Group undertook a review of its sales strategy, following which the sales momentum has shown signs of improvement. For Vesta Residences, sales progress remained encouraging, indicating that the development has been well-received by the market. However, construction progress was hampered by contractors failing to meet required standards, leading to delays in construction and potentially impacting delivery timelines. SkyWorld Development promptly addressed the issue by replacing these underperforming contractors with more capable partners. To ensure timely project delivery, the Group is committed to deploying additional efforts and resources to bring these developments back on track.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Strategic Landbank Expansion

A significant strategic focus of FY2025 was the expansion of the Group’s landbank to strengthen its market presence and address the demand for affordable housing. Key acquisitions and partnerships include:

### Penang (Largest Affordable Housing Development)

Through an open tender, the Group emerged as the successful bidder for the development of Malaysia’s largest affordable housing development in Penang. A Joint Development Agreement has been signed with PDC and its subsidiary, PDC Properties Sdn Bhd. This involves:

- Seberang Jaya: 34.0 acres with an estimated GDV of RM2.3 billion. The development is scheduled to commence in the fourth quarter of the year 2025. This location is strategically positioned to bridge contrasting zones within Seberang Jaya.
- Batu Kawan: 161.5 acres with an estimated GDV of RM10.7 billion. Phase 1 is expected to commence in 2026.



Together, these Penang developments aim to deliver over 35,000 quality homes under the Rumah Bakat MADANI schemes, affordably priced between RM225,000 and RM420,000, with a phased roll-out over the next 12 years. With a combined GDV of approximately RM13.0 billion, these acquisitions serve as a strategic foundation for SkyWorld Development’s next growth phase, which is centred on providing affordable properties, ensuring efficient project execution, leveraging digital transformation, and implementing innovative marketing approaches. These large-scale affordable housing initiatives are pivotal in reinforcing SkyWorld Development’s market leadership and addressing critical housing needs.



### Brickfields, Kuala Lumpur

A partnership with PR1MA to jointly develop a 2.0-acre leasehold land for 491 units of affordable apartments. Each unit will have a built-up area of 900 sq ft, priced at RM390,000, contributing a GDV of RM191.5 million.

To further complement its initiatives in diversifying the development portfolio, SkyWorld Development acquired a 3.0 acres land parcel in Mont Kiara in April 2025, marking the Group’s entry into a new high-end residential development within one of Kuala Lumpur’s most prestigious addresses. The land, one of the few remaining vacant lands available along the main stretch of Jalan Kiara, was acquired with a view to carefully time the launch to maximise its market potential. Including the newly acquired land in Mont Kiara, the Group’s landbank portfolio is as follows:-

# MANAGEMENT DISCUSSION AND ANALYSIS

Landbanks	Existing Size (acres)	New Acquisition Size (acres)	Estimated GDV (RM'billion)
<b>Malaysia</b>			
Setapak	37.1	-	4.2
Setiawangsa	5.2	-	0.4
Bukit Jalil	2.7	-	0.2
Taman Desa	2.7	-	0.1
Cheras	4.9	-	0.6
Batu Caves	3.3	-	0.3
Brickfield	-	2.0	0.2
Mont Kiara	-	3.0	0.8
Seberang Jaya	-	34.0	2.3
Batu Kawan	-	161.5	10.7
	<b>55.9</b>	<b>200.5</b>	<b>19.8</b>
<b>Vietnam</b>			
Ho Chi Minh City	1.3	-	0.3
<b>Total</b>	<b>57.2</b>	<b>200.5</b>	<b>20.1</b>

## BUILD-TO-RENT DEVELOPMENTS

The Group leveraged on its core competency in property development and strategically utilised the undeveloped landbanks in urban areas to develop build-to-rent properties, generating a steady stream of recurring income. This initiative aimed to optimise resource utilisation by temporarily repurposing landbanks that were not yet ready for development, thereby creating additional income streams.

The build-to-rent initiative began to gain traction in FY2025, generating RM5.4 million in revenue and RM0.4 million in gross profit (excluding inter-segment rental charges). This performance reflects the viability of this model as a supplementary income stream while awaiting full-scale development of the underlying land assets.

Property Name	Type	Location	NLA (sq ft)	Occupancy
Sama Square	Retail hub	Setapak	56,723	96%
SkyBlox	Co-living space	Setapak	39,478	22%
Autocity 1	Commercial land space	Setiawangsa	153,350	9%
Autocity 2	Commercial land space	Setapak	125,457	100%
Others	Car park	Setapak	13,731	59%

The 2 iconic built-to-rent properties owned and operated by Group are Sama Square and SkyBlox. Sama Square recorded strong occupancy rate, demonstrating the effectiveness of the Group's strategy in activating the space within its master development, SkySanctuary. It is positioned as a neighbourhood-centric retail square, offering a diverse mix of food options, groceries, fitness services and unique lifestyle experiences not readily available in nearby residential areas, effectively catering to the entire spectrum consumer segments.



# MANAGEMENT DISCUSSION AND ANALYSIS

Skyblox is a relatively new operating model in Malaysia, designed to offer individual dwellings complemented by park-living experiences, an adjacent retail square, as well as shared facilities such as a communal kitchen, utility space, lounge area, and co-working area. It also serves as a marketing channel, allowing tenants to experience SkyWorld Development’s product offerings while generating recurring income – yielding twin benefits. In FY2025, the occupancy rate remained low, with tenants primarily comprising working adults. The Group is currently strategising to diversify the tenant mix, including tapping into the nearby college community to attract student tenants, who may become future customers of SkyWorld Development.



## LEVERAGING E-COMMERCE PLATFORM

SkyWorld Development’s *Solution+* is an innovative digital service that acts as a bridge to the broader property ecosystem, connecting homeowners with a comprehensive network of third-party product and service providers. Through this platform, residents can access a wide array of solutions, including interior design, renovation services, furniture, home appliances, telecommunications subscriptions, and home moving assistance, among other convenient offerings. Currently, this digital service is exclusively offered to purchasers of SkyWorld Development’s properties.

In FY2025, *Solution+* continued to gain strong momentum and was well received by purchasers. The platform recorded significant growth in the number of vendors, nearly doubling from 17 to 33. A total of 16 new vendors joined the platform during the year, reflecting growing market confidence in the Group’s digital offering and its ability to generate sales traction. These strategic initiatives contributed to a revenue growth of 11.6% and a gross profit increase of 22.8% year-on-year. The platform also maintained a healthy average repeat purchase rate of 63.9% across all participating projects, underscoring strong customer retention and satisfaction.

## DIVERSIFICATION OF THE EXISTING BUSINESS OPERATIONS

Beyond its core property development activities, SkyWorld Development strategically ventured into a new business segment to enhance operational efficiency and sustainability. A significant move in FY2025 was the exploration and adoption of Prefabricated Prefinished Volumetric Construction (“PPVC”) technology. The Group partnered with Teambuild Holding (S) Pte Ltd (“Teambuild”), a prominent specialist from Singapore, marking a strategic entry into the manufacturing of prefabricated and prefinished modular systems. This collaboration combines Teambuild’s expertise in PPVC with SkyWorld Development’s strong local market presence.

The Group has filed patent applications for several technological innovations related to the modular system. These innovations represent advancements in our core technology and are expected to provide a strong competitive edge, and solidify our position in the industry.

The advantages of PPVC are manifold:

### Precision

Factory-controlled environments ensure higher quality standards and consistent finishes.

### Efficiency

Minimises site disruption and offers potential savings of up to 12 months in construction time.

### Sustainability

Minimises construction waste, reduces on-site pollution, and supports high Environmental, Social and Governance (ESG) compliance.


On 29 April 2025, the Group received unanimous approval from its shareholders at an Extraordinary General Meeting for the proposed diversification into this manufacturing business.

# MANAGEMENT DISCUSSION AND ANALYSIS


## FINANCIAL PERFORMANCE REVIEW

### FY2025 Financial Performance and Position




**Total Revenue** 

**RM445.5 million**  
(FY2024: RM688.0 million)  
↓ 35.3%

**Profit Before Tax** 


**RM84.6 million**  
(FY2024: RM159.9 million)  
↓ 47.1%

**EBITDA** 


**RM98.9 million**  
(FY2024: 173.3 million)  
↓ 42.9%

**Operating Expenses** 


**RM96.4 million**  
(FY2024: RM105.2 million)  
↓ 8.4%

**Profit After Tax** 

**RM56.1 million**  
(FY2024: 106.5 million)  
↓ 47.3%

**Earnings Per Share** 


**5.62 Sen**  
(FY2024: 11.36 sen)  
↓ 50.5%

**Total Assets** 

**RM1,531.0 million**  
(FY2024: RM1,558.6 million)  
↓ 1.8%

**Total Liabilities** 


**RM651.0 million**  
(FY2024: RM715.8 million)  
↓ 9.1%

**Borrowings** 


**RM449.2 million**  
(FY2024: RM489.6 million)  
↓ 8.2%

**Shareholders' Equity** 


**RM880.0 million**  
(FY2024: RM846.1 million)  
↑ 4.0%

**Cash and Bank Balances** 

**RM349.6 million**  
(FY2024: RM499.9 million)  
↓ 30.1%

**Net Gearing Ratio** 

**0.11x**  
(FY2024: Net Cash)

**Net Assets Per Share** 

**RM0.88**  
(FY2024: RM0.84)  
↑ 4.8%

**Market Capitalisation** 

**RM435.0 million**  
(FY2024: RM640.0 million)  
↓ 32.0%

# MANAGEMENT DISCUSSION AND ANALYSIS

“ The year was marked by efforts to enhance operational efficiency, secure strategic landbanks, and broaden revenue streams ”

## Analysis of Financial Performance and Position

SkyWorld Development's revenue for FY2025 stood at RM445.5 million, reflecting a decrease of 35.3% compared to RM688.0 million in FY2024. The decrease was primarily due to the completion of SkySierra Residences (The Valley), SkyAwani IV Residences and SkyAwani V Residences in the previous financial year, alongside the revenue recognition from the 2 completed developments. Meanwhile, the 2 ongoing developments began to gain momentum during the year.

Both gross profit and profit after tax declined in tandem with the lower revenue, despite a marginal improvement in gross profit margin, which rose to 37.1% compared to the previous financial year. The improved gross profit margin was largely due to cost savings realised from the 2 completed developments and the reversal of over-accrued development costs from prior financial years. However, the positive impact of these gains was offset by operating expenses.

## Dividends

The Board of Directors has approved a distribution policy of 20% of Profit After Tax and Minority Interest ("PATAMI"). In determining both this policy and the actual dividend payout each year, the Board carefully considers several key factors. Profitability is a primary determinant, as it directly assesses the Group's capacity to distribute dividends. Equally important is the Group's cash flow generation, which ensures that dividend payments are well-supported by its operational liquidity. Furthermore, the Group has evaluated its working capital requirements to ensure that ongoing operational commitments are met without compromise, thereby balancing shareholder returns with the Group's financial health and future growth opportunities.

In line with this commitment, the SkyWorld Development paid a first interim single-tier dividend of RM5.0 million, or 0.50 sen per ordinary share, on 30 December 2024 and a final single-tier dividend of RM6.0 million, or 0.60 sen per ordinary share, on 23 May 2025.

## Financial Performance Against Management's Expectations

SkyWorld Development maintains a sound and healthy financial position, reflected in its gross gearing of 0.51 times and net gearing of 0.11 times. This strong financial standing provides the Group with ample financing capacity to fuel its ongoing growth. While the Group's financial position remained solid amid challenges and uncertainties in both the local and global economic landscape, its operational performance in FY2025 was moderate and did not meet most expectations. Nevertheless, the year was marked by efforts to enhance operational efficiency, secure strategic landbanks, and broaden revenue stream – all of which have positioned the business for sustained growth in the coming years.

## FORWARD LOOKING STATEMENT

### Industry & Economic Outlook

Looking forward to FY2026, SkyWorld Development remains cautiously optimistic about the outlook and prospects for its business, underpinned by resilient domestic fundamentals and strategic initiatives. While global headwinds may necessitate adjustments to Malaysia's GDP forecast, the Group anticipates continued growth driven by domestic demand. Nevertheless, as global trade policies continue to evolve following the expiry of the 90-day tariff reprieve and the subsequent imposition of a new reciprocal tariff, Malaysia remains actively engaged in bilateral negotiations with the U.S. to seek a reduction in export tariffs. If concluded successfully, such efforts could help restore confidence and economic momentum. Although the new tariff regime presents near-term headwinds, Malaysia may still benefit over the longer term as it did during Donald Trump's first presidential term, when Malaysia saw a boost from the "China Plus One" strategy pursued by multinational companies seeking supply chain diversification.

# MANAGEMENT DISCUSSION AND ANALYSIS

The monetary policy landscape in Malaysia also presents a favourable environment. Banks remain forthcoming in providing financing, with outstanding housing loans growing by 6.9% year-on-year. A significant portion of this growth, 5.2%, was attributed to owner-occupiers—individual borrowers with one housing loan, including first-time home buyers. Bank Negara Malaysia’s recent reduction of the Statutory Reserve Requirement (SRR) from 2% to 1%, effective May 2025, has injected approximately RM19.0 billion into the banking system. Additionally, the Overnight Policy Rate (OPR) has been reduced to 2.75%, further supporting borrowing activities by lowering the cost of financing. This combination of increased liquidity and lower interest rates is expected to enhance banks’ financing capacity and provide substantial support for property demand.

However, the revision in sales tax rate and expansion of scope for service tax may result in cost adjustments for construction activities. While positive labour market conditions, coupled with the recent increase in the minimum wage and revised civil servant salaries, are expected to sustain strong household spending, which in turn could potentially support property demand, these changes will also increase labour costs for developers. Additionally, the government’s ongoing efforts to retarget subsidies, particularly for petrol and electricity, may affect overall consumer sentiment. Given limited room for housing prices to increase at most locations, development margins across the industry are expected to be under pressure. Nevertheless, the Group remains confident in its ability to perform above the industry average.

The Group also foresees a significant boost from the tourism sector, particularly with visa-free entry for Chinese nationals, which will positively impact travel, retail, and investment-linked property segments. Overall, the Group anticipates Malaysia’s property market demand to remain resilient, buoyed by the strong economic fundamentals and ample liquidity.

In Vietnam, the Group acknowledges the headwind posed by the U.S. tariff on Vietnamese exports, which could impact manufacturing exports, FDI, and job creation, potentially dampening real estate demand in key economic hubs like Ho Chi Minh City. However, a recent announcement on the formation of a new supercity has injected fresh optimism, as the plan outlines creating a centrally-governed Ho Chi Minh City by integrating it with Binh Duong Province and Ba Ria–Vung Tau Province to combine their distinct economic advantages. Ho Chi Minh City provides prominence as a financial and commercial centre, Binh Duong offers expertise in smart manufacturing and attracting FDI, and Ba Ria–Vung Tau has significant deep-sea port facilities, logistical capabilities, and coastal tourism appeal.

The integrated urban area will improve market access and the streamlined supply chains will attract both regional and global investors seeking long-term growth in Vietnam. For the Group, this integrated urban area also presents opportunity in terms of greater land availability for development.

## Skyworld Development Group’s Prospects

The young population profile in the country and increasing number of younger individuals moving out from their parental homes (declining household size) will continue to increase the number of first-time home buyers, particularly in urban areas. SkyWorld Development is strategically positioned to capitalise on these evolving market dynamics. The Group’s RM4.6 billion pipeline of developments from year 2023 to 2026 remains firmly on track for launch.

In response to the future, SkyWorld Development is committed to evolving its business model through innovation and strategic partnerships to ensure long-term viability and value creation. A key priority for FY2026 is the successful launch of its developments, with an unwavering focus on the balance of affordability and liveability. The Group is embracing innovative construction technologies, particularly PPVC, to significantly boost productivity and enhance quality, ultimately helping it bridge the gap in affordable housing. The Group foresees PPVC becoming a new strategic tool for growth, and its strategy involves the continued adoption and refinement of this technology to enhance construction efficiency and cost-effectiveness across its developments. The Group is also actively pursuing strategic collaborations with major landowners, especially government agencies, to drive the development of affordable housing initiatives.

Penang will be another new key growth catalyst for SkyWorld Development, and the Group is actively strengthening its local team to maximise opportunities in this vibrant region. Aside from its operations in Malaysia, the Group is also diversifying its risk profile by exploring new geographic markets. The Group continues to view Vietnam as a strategic alternative to China for supply chain relocation, and securing land ready for development in this market remains a key priority. The Group observes a rising supply-demand mismatch in new developments, with a significant portion targeting the high-end and luxury segments. This trend is gradually shifting affordable home buyers towards suburban regions with excellent infrastructure connectivity. The Group’s strategic focus on these peripheral districts allows it to capture this growing demand, offering attractive options for homeowners and long-term investors seeking affordability and growth potential.

# MANAGEMENT DISCUSSION AND ANALYSIS



## Value Creation

SkyWorld Development is firmly committed to maintaining a prudent balance between capital preservation and necessary strategic investments to drive sustainable growth. The Group's approach is balanced from 3 key perspectives: shareholders, talents, and customers. The Group establishes annual budgets that carefully allocate funds for various developments, ensuring alignment with its strategic objectives, potential return on investment, and overall impact on capital resources. This allows for a balanced allocation of resources to initiatives that drive sustainable growth and success.

For the Group's talents, it will continue to invest substantially in managerial training initiatives, regular training programmes, and robust performance appraisal systems that include recognition and career development opportunities. This commitment ensures efficient communication channels and decision-making processes, resulting in improved responsiveness and adaptability to market dynamics, ultimately strengthening its internal capabilities and supporting long-term organisational excellence.

For the Group's customers, it aims to consistently maximise their satisfaction by offering high-quality products and promoting healthy living as an integral part of its ethos. The Group will enhance its Customer Service and Experience through platforms like SW Connects, social media engagement, and various events and campaigns, ensuring efficient and timely customer responsiveness. At the same time, the Group is dedicated to maximising shareholder value by increasing profitability and enhancing capital efficiency, thereby delivering consistent value. The Group will uphold transparency through regular investor briefings, meetings, and site visits.

The alignment between the Group and its stakeholders' interests is paramount for achieving the Company's objectives. Hence, the Group looks forward to continued engagement and collaboration with all the Group's stakeholders to realise SkyWorld Development's purpose of Make Living Better in FY2026 and beyond.

Thank you.

On behalf of the Executive Committee,

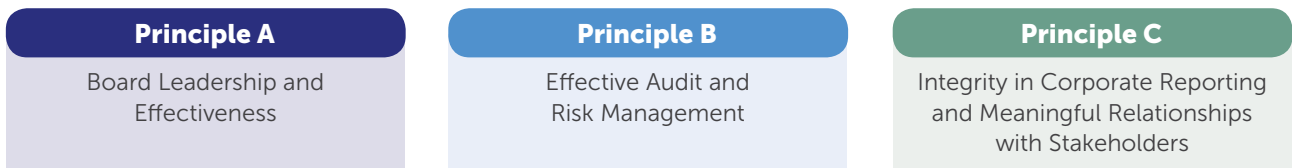
### **LEE CHEE SENG**

Non-Independent Executive Director/Chief Executive Officer

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) recognises the importance of practising a high standard of corporate governance towards promoting business growth, increasing financial strength and well-being and corporate accountability to protect and enhance shareholders’ value as well as the interest of the Company and its subsidiaries (collectively known as the “Group”).

This Corporate Governance Overview Statement (“Statement”) gives an overview as to how the Group has applied the corporate governance practices during the FY2025 and/or up to the date of this Statement with reference to the three (3) key principles set out in the Malaysian Code on Corporate Governance (“MCCG”), as follows:



This Statement is prepared in compliance with Paragraph 15.25(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guided by Practice Note 9 of the MMLR, the Corporate Governance Guide (4<sup>th</sup> edition) issued by Bursa Securities and the MCCG. This Statement should also be read together with the Corporate Governance Report (“CG Report”) which is available on the Company’s website at <https://www.skyworldgroup.com.my/investor-relations> and Bursa Securities’s website.

The detailed application of each best practice is disclosed in the CG Report, where a specific best practice has not been applied during the financial year, along with the reasons thereof, and the alternative practice adopted, if any, are also mentioned in the CG Report.

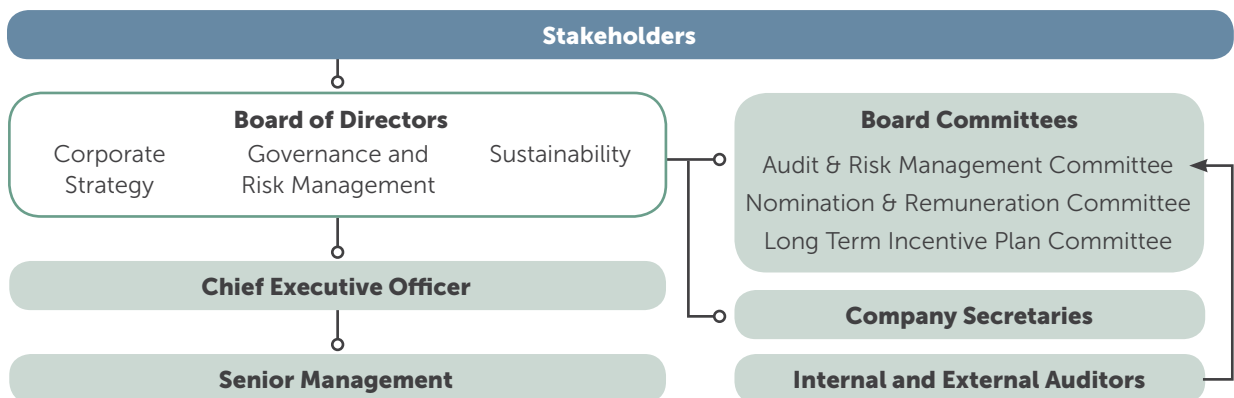
The Board will continuously evaluate, adopt and implement the best practices which are relevant to the Group, while considering the nature of the Group’s operations.

## Principle A Board Leadership and Effectiveness

### 1. BOARD RESPONSIBILITIES

The Board is responsible for the corporate governance practices of the Group. The Board guides and monitors the affairs of the Group on behalf of the shareholders and retains full and effective control over the Group. The key matters reserved for the Board’s approval include but not limited to setting overall Group strategy and direction, approving major corporate plans, approving quarterly and annual financial statements and annual budgets, as well as monitoring financial and operational performance of the Group.

The Board provides stewardship to the Group’s strategic direction and operations so as to deliver sustainable value to its stakeholders as illustrated in the governance framework below:



The Board is guided by the Board Charter and Limits of Authority which define matters that are specifically reserved for the Board and certain authorities and discretion delegated to the Chief Executive Officer. This formal structure of delegation is further cascaded by the Chief Executive Officer to the Senior Management within the Group. The Board Charter delineates the roles and responsibilities of the Board, Board Committees, Executive Chairman, Chief Executive Officer etc. and is accessible via <https://www.skyworldgroup.com.my/investor-relations>.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## 2. CODE OF BUSINESS CONDUCT

The Company had established a Code of Business Conduct which applies to Directors and employees of the Group. Directors are expected to act in good faith and in the best interest of the Company and exercise due diligence when discharging their duties as Director.

The Company had also put in place a Conflict of Interest Policy to provide guidance in identifying and manage any actual, potential and perceived conflict of interest situations between the employees (including Directors) and the Group.

The Directors are aware that they have to declare their interests in transactions with the Group and abstain from deliberation and voting in respect of such transactions at Board or general meetings convened to consider the matter. The Audit & Risk Management Committee reviews all related party transactions and conflict of interest situation that arose, persist or may arise within the Group that may challenge the Group's integrity.

The Code of Business Conduct will be reviewed periodically and is available on the Company's website at <https://www.skyworldgroup.com.my/investor-relations>.

## 3. DIRECTORS' FIT AND PROPER POLICY

The Company had adopted a Fit and Proper Policy which sets out the fit and proper criteria for the appointment and re-election of Directors of the Company and the Group. This Policy serves as a guide to the Nomination & Remuneration Committee and the Board in their review and assessment of potential candidates to be appointed onto the Board as well as Directors who are seeking for re-election.

The Fit and Proper Policy will be reviewed periodically and is available on the Company's website at <https://www.skyworldgroup.com.my/investor-relations>.

## 4. WHISTLEBLOWING POLICY

A Whistleblowing Policy was adopted by the Board. It sets out the avenues where legitimate concerns can be objectively investigated and addressed. The Whistleblowing Policy is available on the Company's website at <https://www.skyworldgroup.com.my/investor-relations>. The Audit & Risk Management Committee has been tasked by the Board to perform the oversight function over the administration of the Whistleblowing Policy.

## 5. ANTI-BRIBERY AND CORRUPTION POLICY

In line with the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board had adopted the Anti-Bribery and Corruption Policy to provide guidance to the Group, all its personnel and business associates to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices. The Management will carry out regular assessment on the policy to ensure that it continues to remain relevant, appropriate and effective. The Anti-Bribery and Corruption Policy is available on the Company's website at <https://www.skyworldgroup.com.my/investor-relations>.

## 6. STRATEGIES PROMOTING SUSTAINABILITY

The Board places great emphasis on corporate sustainability and undertakes full responsibility to embed Economic, Environment and Social factors into the Group's core strategy to deliver sustainable value and goods. The Company had adopted a Sustainability Framework, Policy and Procedures. The Board keeps themselves abreast with and understand the sustainability issues relevant to the Group and takes into account the sustainability issues when reviewing the Group's strategies and business plans.

A report on the sustainability activities covering the sustainability strategies and priorities is set out in the Sustainability Statement in this Annual Report.

## 7. ACCESS TO INFORMATION AND ADVICE

The Board has full and unrestricted access to any information pertaining to the Group. The agenda and reports encompassing qualitative and quantitative information are furnished to the Board members prior to each of the meetings to allow the Directors to have sufficient time to peruse the papers for effective discussion and decision-making during meetings. The Board also has direct access to the Management and unrestricted access to any information relating to the Group to enable them to discharge their duties and responsibilities.

The Directors may seek independent professional advice, whenever necessary and in appropriate circumstances, either individually or collectively at the Company's expenses in furtherance of their duties.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## 8. QUALIFIED AND COMPETENT COMPANY SECRETARIES

The Directors have access to the professional advice and services of the Company Secretaries in ensuring the effective functioning of the Board.

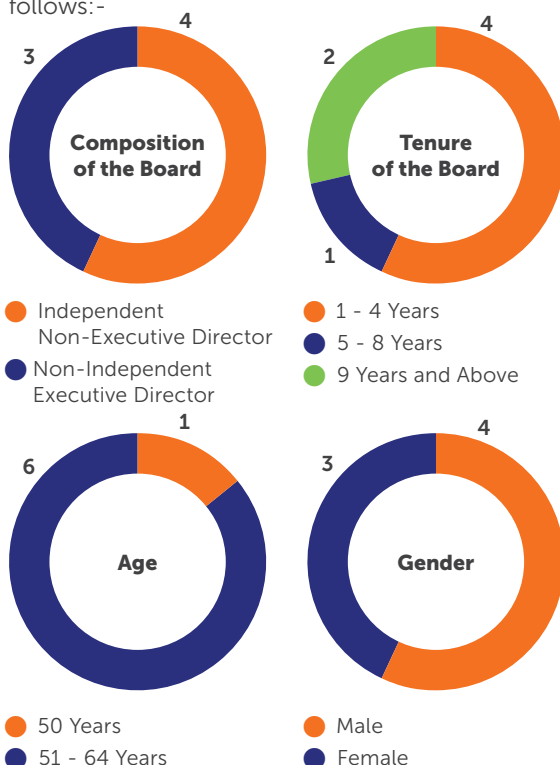
The Company Secretaries provide support to the Board in fulfilling its fiduciary duties and play an advisory role particularly with regards to the Company's Constitution, Board policies and procedures and compliance with regulatory and statutory requirements as well as corporate governance matters. The Company Secretaries also attend all Board and Board Committees meetings and ensure the meetings are properly convened and all deliberations, conclusions and decisions made by the Board and Board Committees are accurately minuted, recorded and kept.

The Company Secretaries continuously attend relevant development and training programmes to keep themselves abreast with regulatory changes and corporate governance development.

## 9. BOARD COMPOSITION AND DIVERSITY

The Board currently comprising 7 Directors. Out of which, 3 are women Directors, representing 42.9% of the Board's composition. In addition, none of the Directors is an active politician.

The breakdown of the Board by composition, tenure, age and gender as at 31 March 2025 are as follows:-



The Board members have diverse professional and entrepreneurial background and varied skills and experiences for effective oversight of the Group. The Independent Non-Executive Directors provide the necessary checks and balances on the Board's deliberation and decision-making. A brief profile of each Director is presented on pages 14 to 17 of this Annual Report.

In the event of any vacancy on the Board which results in non-compliance with Paragraph 15.02 of the MMLR which requires at least 2 or 1/3 of the Board of the Company, whichever is the higher, are Independent Directors and 1 Director is a woman, the Board will ensure that such vacancy be filled within 3 months.

The roles of the Executive Chairman and the Chief Executive Officer are distinct, separated and clearly defined, and are held by 2 different individuals. The Executive Chairman setting long term strategic direction and goals for the Company. Whereas the Chief Executive Officer is primarily responsible for the effective implementation of the Company's strategic plan and policies established by the Board, managing the daily conduct of business to ensure its smooth operations, and supervision and management of the Company.

The Board has adopted a Diversity Policy, a copy of which is available on the Company's website at <https://www.skyworldgroup.com.my/investor-relations>.

## 10. NOMINATION & REMUNERATION COMMITTEE ("NRC")

The NRC was established to assist the Board on matters relating to selection of new Directors and annual assessment of the Board, Board Committees and individual Directors as well as recommending to the Board the remuneration package of the Directors and Key Senior Management.

The NRC comprises 3 members, all of whom are Independent Non-Executive Directors. The composition meets the requirements of Paragraph 15.08A of the MMLR.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The members of the NRC and their respective designation are as follows:

	Designation
<b>Chairman</b> Phang Sze Fui	Independent Non-Executive Director
<b>Members</b> Ong Soo Chan	Independent Non-Executive Director
Zalinah binti A Hamid	Independent Non-Executive Director

The Terms of Reference of the NRC is available on the Company's website at <https://www.skyworldgroup.com.my/investor-relations>.

### Selection and Assessment of Directors

For selection and appointment of new Directors, the NRC considers the following factors during recruitment process:

- (i) skills, knowledge, expertise and experience, professionalism, reputation, competencies and commitment (including time commitment);
- (ii) objective criteria with due consideration given to boardroom diversity including gender, age, ethnicity and cultural background, character, integrity and competence;
- (iii) in the case of candidates for the position of Independent Non-Executive Directors, the NRC shall also evaluate the candidates' ability to discharge such responsibilities as are expected from Independent Non-Executive Directors; and
- (iv) in considering independence, it is necessary to focus not only on a candidate's background and current activities that would qualify him/her as independent but also whether the candidate can act independently of management.

Candidates for appointment as Directors may be identified through recommendations from Directors, Management, advisors, business associates and any other external parties and professional bodies.

The NRC has carried out the following activities in relation to the selection and assessment of Directors during the FY2025:

- assessed the effectiveness and the required mix of skills and experience and other qualities, including core competencies of the Board as a whole, the Board Committees and the contribution of each individual Director and recommended the findings to the Board thereafter;
- reviewed the independence of the Independent Directors based on the criteria set out in the MMLR and other criteria pursuant to the MCCG;
- reviewed the terms of office and performance of the Audit & Risk Management Committee and each of its members;
- reviewed and recommended to the Board the re-election of Directors who are retiring in accordance with Clause 76(3) of the Company's Constitution at the forthcoming 2025 Annual General Meeting ("AGM");
- reviewed the trainings attended by each Director and determined their trainings needs; and
- reviewed and recommended to the Board for approval the adoption of succession planning policy for Chief Executive Officer and Key Senior Management.

The Board, through the NRC's annual evaluation, concluded that the performance of the Board as a whole and Board Committees as well as the contribution of each Director are satisfactory. The Board has the right mix of skills, competencies and experiences to discharge its duties effectively. The current size and composition are appropriate for its purpose and fairly reflects the interest of minority shareholders within the Group.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## **Remuneration Packages of the Directors and Key Senior Management**

The NRC is also tasked to review the remuneration packages, reward structure and benefits of the Executive Directors and Key Senior Management on an annual basis and make recommendations to the Board. The Board determines the remuneration of the Executive Directors and Key Senior Management with each individual Director abstaining from decision in respect of his/her own remuneration.

The remuneration package for the Executive Directors comprises fixed salary, other emoluments and benefits-in-kind whilst the remuneration for the Non-Executive Directors comprises directors' fees and attendance allowances.

The NRC has carried out the following activities when determining the remuneration packages of the Directors and Key Senior Management during the FY2025:-

- received the remuneration benchmarking report of the Chief Executive Officer;
- reviewed and recommended to the Board the proposed revision of Directors' fees and benefits payable to Independent Non-Executive Directors;
- reviewed and recommended to the Board the payment of Directors' fees and benefits payable to Independent Non-Executive Directors for shareholders' approval; and
- reviewed and recommended to the Board for approval the adoption of remuneration policy for Directors and Key Senior Management.

## **11. APPOINTMENT AND RE-ELECTION OF DIRECTORS**

The appointment of a new Director and the criteria used for selection is a matter for consideration and decision by the Board collectively upon appropriate recommendation by the NRC. New Directors are expected to have such expertise so as to qualify them to make positive contribution to the Board, perform their duties and to give sufficient commitment, time and attention to the affairs of the Company.

In accordance with the Company's Constitution, all newly appointed Directors shall retire from office but shall be eligible for re-election at the next AGM subsequent to their appointment.

The Constitution further provides that at least 1/3 of the Directors for the time being shall retire by rotation at each AGM at least once in every 3 years but shall be eligible for re-election ("Retiring Directors").

The Company had in place a Directors' Fit and Proper Policy to enhance the governance of the Company in relation to the Board's quality and integrity. The Board and the NRC shall conduct the fit and proper assessment prior to the appointment of new Director or when making recommendation for the re-election of the Retiring Directors.

The NRC had undertaken fit and proper assessment and evaluation on the Retiring Directors and the Retiring Directors have also completed their respective declaration in accordance with the Fit and Proper Policy.

The NRC had on 23 May 2025 reviewed the results of the assessment and evaluation of the Retiring Directors who are due for retirement at the forthcoming 2025 AGM, taking into consideration their fit and proper declaration, skill sets, experience, professional qualifications, contribution to the Company and time commitment before recommending their re-elections to the Board for approval. Mr Lee Chee Seng and Mr Chan Seng Fatt are due to retire by rotation at the 2025 AGM. Both Directors had given their consent for re-election at the forthcoming 2025 AGM.

## **12. DIRECTORS' REMUNERATION**

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved. The remuneration for the Executive Directors and Key Senior Management are determined after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies.

The remuneration policy outlines the guidelines and principles for the NRC to formulate policies and set criteria for remuneration package for the Executive Directors and Key Senior Management to ensure that they are fairly and appropriately remunerated. The NRC may obtain independent advice in establishing the level of remuneration for the Executive Directors and Key Senior Management.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The remuneration paid/ payable to each individual Director for the FY2025 are as follows:

Name of Director	Fee (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits- in-kind (RM'000)	Others Emoluments (RM'000)	Total (RM'000)
<b>Executive</b>						
Datuk Seri Ng Thien Phing	-	2,160	373	163	328	3,024
Datuk Lam Soo Keong @ Low Soo Keong	-	1,584	273	247	259	2,363
Lee Chee Seng (Chief Executive Officer)	-	1,200	207	186	190	1,783
<b>Non-Executive</b>						
Chan Seng Fatt	96	-	-	-	10	106
Ong Soo Chan	60	-	-	-	11	71
Phang Sze Fui	60	-	-	-	8	68
Zalimah Binti A Hamid	60	-	-	-	7	67

The determination of the remuneration for Directors is a matter for the Board as a whole with each individual Director abstaining from deliberation and voting on their own remuneration at the Board meeting. Further, the Directors who are also shareholders of the Company will abstain from voting at general meetings in respect of the resolutions pertaining to the approval of their own fees.

### 13. KEY SENIOR MANAGEMENT'S REMUNERATION

Due to confidentiality and commercial sensitivities issues, the Board is not in favour of disclosing the Key Senior Management personnel's names and the various remuneration components (salary, bonus, benefits in-kind, other emoluments). In addition, the Board is of the opinion that disclosure of such information would not be to the Group's advantage in view of the stiff competitive for talents market in property development industry.

### 14. LONG TERM INCENTIVE PLAN ("LTIP") COMMITTEE

The LTIP Committee was established on 18 July 2024 to assist the Board, in implementing and administering the LTIP of the Group which comprising Employees' Share Option Scheme ("ESOS") and Performance Share Grant Plan in accordance with the rules, terms and conditions as stated in the By-Laws of the LTIP. The LTIP had its first meeting on 23 August 2024 and had carried out the following activities: -

- reviewed and recommended to the Board the Terms of Reference of the LTIP Committee for adoption; and
- reviewed the proposed allocation of the ESOS award to the Chief Executive Officer and Senior Management to the Board for approval.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## 15. TIME COMMITMENT

The Directors are aware of the time commitment expected from them to attend to matters of the Group. An annual meeting calendar is planned and agreed with the Directors and reviewed on quarterly basis. The Board meets on quarterly basis with additional meetings being convened as and when necessary to, inter alia, approve operational and financial performance reports and quarterly report. All Directors complied with the minimum attendance requirement of at least 50% of Board meetings held during the financial year under review pursuant to the MMLR.

During the FY2025, the number of meetings held and attendance of each Board member were as follows:

Name of Director	Number of meetings attended/ Number of meetings held			
	Board	ARMC	NRC	LTIP
<b>Executive Directors</b>				
Datuk Seri Ng Thien Phing (Executive Chairman)	7/7	-	-	1/1
Datuk Lam Soo Keong @ Low Soo Keong	7/7	-	-	1/1
Lee Chee Seng (Chief Executive Officer)	7/7	-	-	-
<b>Independent Non-Executive Directors</b>				
Chan Seng Fatt	7/7	5/5	-	-
Ong Soo Chan	7/7	5/5	2/2	1/1
Phang Sze Fui	7/7	5/5	2/2	1/1
Zalinah Binti A Hamid	6/7	-	2/2	1/1

Notes:

*Board: Board Meeting*

*ARMC: Audit & Risk Management Committee Meeting*

*NRC: Nomination & Remuneration Committee Meeting*

*LTIP: Long Term Incentive Plan Committee Meeting*

The Board is satisfied with the time commitment given by the Directors. All Directors have confirmed that they do not hold more than five directorships in public listed companies pursuant to Paragraph 15.06 the MMLR. They are required to notify the Chairman of the Board before accepting any new directorships outside the Group and indicating the time that will spend on the new directorships.

## 16. DIRECTORS' TRAINING

The Directors are mindful that they shall receive appropriate training which may be required from time to time to keep abreast with the current developments of the industry as well as the new statutory and regulatory requirements.

All Directors have attended the Mandatory Accreditation Programme ("MAP") Part I and some of the Directors have completed the MAP Part II in relation to sustainability as required by Bursa Securities. The Directors will continue to attend other relevant training programmes to keep abreast with developments on a continuous basis in compliance with the MMLR.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The training and development programmes participated by each Director during the FY2025 are as follows:

Directors	List of Programmes
Datuk Seri Ng Thien Phing	<ul style="list-style-type: none"> <li>• ICDM PowerTalk : How Can Boards Make the Most Blockchain &amp; Digital Assets</li> </ul>
Datuk Lam Soo Keong @ Low Soo Keong	<ul style="list-style-type: none"> <li>• Where is China Heading?</li> </ul>
Lee Chee Seng	<ul style="list-style-type: none"> <li>• Dispute Resolution of Stratified Building: The Good, The Bad and The Ugly</li> <li>• 12th Annual Modular, Prefab &amp; Construction Tech Senate</li> </ul>
Chan Seng Fatt	<ul style="list-style-type: none"> <li>• Digital Media Asia by Wan Infra</li> <li>• 17th World Chinese Entrepreneurs Convention by WCEC</li> <li>• Board Ethics: Growing Concerns from New Technology, Stakeholder Interests &amp; Conflicts of Interest by ICDM</li> <li>• ESG Summit 2024 by Star Media Group</li> <li>• International Regulatory Conference 2025 by MCMC</li> <li>• Asean Economic Opinion Leaders Conference: Outlook for 2025 by MITI</li> </ul>
Ong Soo Chan	<ul style="list-style-type: none"> <li>• Engagement Session on Responsibility Mapping with Directors of Financial institution</li> <li>• ESG Trends &amp; Expectations of Institutional Investors</li> <li>• Sasana Symposium 2024</li> <li>• The Future of Cybersecurity with AI</li> <li>• Navigating the future with emerging technologies by GRD for BOD of GH, Bank, Islamic and Investment</li> <li>• The cooler earth series master class, diversity, equity and inclusion in action: essential in enhancing the corporate landscape</li> <li>• Cyber Threat Landscape and Why it matters to CIMB</li> <li>• Distinguished Board Leadership Series 2024: Digital Transformation of World's Best Bank</li> <li>• Basel Workshop for Board of Director</li> <li>• AML Briefing for Board of Directors</li> <li>• Embedding Business &amp; Human Rights in Financial Institution</li> <li>• Directors' remuneration report briefing</li> <li>• Economic outlook &amp; post budget</li> <li>• E-Invoice Impact to CIMB Directors</li> <li>• Insider Threats</li> <li>• Basel III Workshop for Board of Directors</li> <li>• AI training for Board of Directors</li> <li>• MAP Part II: Leading for Impact (LIP)</li> <li>• Sustainability Insights Series with ERM-Key Trends for 2025</li> </ul>
Phang Sze Fui	<ul style="list-style-type: none"> <li>• E-Invoicing Preliminary Briefing</li> <li>• MAP Part II: Leading for Impact (LIP)</li> </ul>
Zalinah Binti A Hamid	<ul style="list-style-type: none"> <li>• Principal Investment Summit 2024</li> <li>• ESG &amp; Sustainability Conference 2024</li> <li>• The Rise of The Tiger, CGS International</li> <li>• Asean Economic Forum</li> <li>• Invest Malaysia London 2025</li> </ul>

In addition, the Board is also regularly updated on new developments pertaining to the laws and regulations, changing commercial risks and sustainability issues which may affect the Group.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Principle B Effective Audit and Risk Management

### 1. AUDIT & RISK MANAGEMENT COMMITTEE (“ARMC”)

The ARMC comprises exclusively of Independent Non-Executive Directors. The ARMC is tasked by the Board to review matters relating to financial report, internal controls, external and internal audits, related party transactions, conflict of interest situations and risk management framework and policies among others.

For further information on the ARMC with regards to its composition and activities, please refer to the ARMC Report in this Annual Report.

### 2. COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

In presenting the annual audited financial statements and unaudited quarterly results to the shareholders, the Board aims to present a balanced and clear assessment of the Group’s financial positions and prospects. Before the financial statements were drawn up, the Directors had taken the necessary steps to ensure all the applicable accounting policies are applied consistently, and that the policies are supported by reasonable and prudent judgement and estimates. All accounting standards, which the Board considers to be applicable, have been followed. The role of the ARMC in the review and reporting of the financial information of the Group is outlined in the ARMC Report in this Annual Report.

### 3. ASSESSMENT OF SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

The ARMC reviews the appointment, performance and fees of the External Auditors before recommending the re-appointment of the External Auditors of the Company to the Board and shareholders for approval.

The ARMC met with the External Auditors without the presence of the Executive Directors and Management to allow discussion of any issues arising from the course of audit and to ensure there were no restrictions on their scope of audit.

The ARMC had on 23 May 2025 assessed the performance, objectivity and independence of the External Auditors and was satisfied with the competency, resources and independence of Deloitte PLT as External Auditors of the Company. The External Auditors had also confirmed their independence in accordance with their firm’s policies prior to the commencement of audit for FY2025.

### 4. RISK MANAGEMENT AND INTERNAL CONTROL

The Company had established a robust framework for the oversight and management of material business risks. Risk register and risk profile are in place to identify, evaluate and manage the significant risks of the Group on an ongoing basis. All identified key risks were rated and prioritised in terms of likelihood of the risk occurring and its impact should the risk occur. The risk profile will be updated as and when necessary and reported to the ARMC on a half yearly basis.

To maintain total independence in the management of the internal control environment and remain in compliance with the MMLR, the Company has outsourced the Group’s internal audit function to Baker Tilly Monteiro Heng Governance Sdn Bhd.

The risk management framework is presented in the Statement on Risk Management and Internal Control in this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## Principle C Integrity in Corporate Reporting and Meaningful Relationships with Stakeholders

### 1. ENGAGEMENT WITH STAKEHOLDERS

The Company is fully committed to maintain high standard stakeholder communications by placing strong emphasis on the importance of timely and equitable dissemination of information to stakeholders by leveraging various channels and technological advancements to enhance the quality of engagement with the stakeholders such as:-

- Annual report
- Announcements to Bursa Securities
- Media releases, events, and engagement activities
- Social media platforms, including Facebook, Instagram, LinkedIn and YouTube
- Corporate website: <https://skyworldgroup.com.my/>
- Investor relation website: <https://www.skyworldgroup.com.my/investor-relations>
- General meetings
- Quarterly results and analyst briefings
- Site visits
- Community initiatives

The Company's brand communications and customer advocacy teams play a key role in ensuring clear and effective communication with other stakeholders. Additionally, the Company has a dedicated team that serves as a conduit to facilitate communication between the Company and investors, ensuring they are well informed on the Group's business development. Investors may direct their enquiries on investor-related matters to [ir@skyworld.my](mailto:ir@skyworld.my).

### 2. CONDUCT OF GENERAL MEETINGS

The Board recognises that general meeting is an important platform for its engagement with the shareholders of the Company. The forthcoming AGM will be held on 26 September 2025. The Board will provide a platform to the shareholders to raise questions pertaining to the business activities of the Company at the AGM. All the Directors are committed to present at the forthcoming AGM to be held on 26 September 2025 to engage with shareholders personally and proactively.

The Notice of the AGM ("the Notice") to be held on 26 September 2025 and the Annual Report are issued to the shareholders not less than 28 days before the meeting. The additional time given to the shareholders allows them to make the necessary preparations to attend and participate in person or through corporate representative or proxies. More

importantly, it provides shareholders sufficient time to go through the annual report and information supporting the resolutions proposed.

The Notice contains information such as the date, time and venue of the AGM, the shareholders' right to appoint a proxy and details of the resolutions that will be tabled at the AGM. The resolutions set out in the Notice will be voted by poll and an independent scrutineer will be appointed to validate the votes in pursuance to the MMLR.

The Company had on 28 June 2024 conducted two Extraordinary General Meeting ("EGM") virtually through live streaming and online remote voting platform to seek shareholders' approval on the establishment of a LTIP and variation for utilisation of proceeds raised from the initial public offering. The 2024 AGM and EGM for the allocation of ESOS to the Chief Executive Officer of the Company pursuant to the LTIP were convened physically at the Company's head office on 27 September 2024 to allow better flow of two-way communication with the shareholders. The Company had also on 29 April 2025 conducted a physical EGM at the Company's premises for the purpose of seeking shareholders' approval on the joint development with The Penang Development Corporation and PDC Properties Sdn Bhd and diversification of the existing business operations to include the business of the manufacturing of prefabricated and prefinished modular systems.

Pursuant to Paragraph 8.29A(1) of the MMLR, all resolutions set out in the Notice will be put to vote by way of poll. The Board will make an announcement on the detailed results showing the number of votes cast for and against each resolution at the general meetings to facilitate greater shareholder participation. The complete minutes of the 2024 AGM and EGMs were published on the Company's corporate website within 30 business days after the general meetings respectively.

### KEY FOCUS AREAS IN RELATION TO CORPORATE GOVERNANCE PRACTICES

The Board remains committed to ensure good corporate governance and practices are implemented and embedded throughout the Group.

The Board will continue to enhance the corporate governance practices and continuously monitoring on strategic management of material sustainability matters undertaken by the Management.

This Corporate Governance Overview Statement was approved by the Board on 17 July 2025.

# AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Board is pleased to present the Audit & Risk Management Committee (“ARMC”) Report for FY2025 in compliance with Paragraph 15.15 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

## COMPOSITION AND MEETINGS

The ARMC was established by the Board on 23 September 2022. The ARMC assists the Board in its oversight of the Group’s financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial reporting practices, risk management framework and policies.

The ARMC comprises 3 members, all of whom are Independent Non-Executive Directors. The composition of the ARMC meets the requirements of Paragraph 15.09 of the MMLR and the Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance.

The current composition of the ARMC and their respective designation are as follows:-

	Designation
<b>Chairman</b> Chan Seng Fatt	Independent Non-Executive Director
<b>Members</b> Ong Soo Chan Phang Sze Fui	Independent Non-Executive Director Independent Non-Executive Director

All members of the ARMC are financially literate and none of the members of the ARMC were former key audit partners of the Company’s existing External Auditors, Deloitte PLT. The ARMC Chairman, Mr Chan Seng Fatt, is a member of the Malaysian Institute of Accountants and a former fellow member of the Chartered Institute of Management Accountants CIMA whilst Ms Phang Sze Fui, a member of the ARMC, is a fellow member of the Association of Chartered Certified Accountants ACCA and a member of MIA.

The ARMC met 5 times during the FY2025. The details of their attendance are as follows:-

	Number of meetings attended/ Number of meetings held
Chan Seng Fatt	5/5
Ong Soo Chan	5/5
Phang Sze Fui	5/5

The External Auditors, Internal Auditors, Executive Directors, Head of Finance, Compliance Officer and the relevant management personnels were invited to attend the ARMC meetings to facilitate direct communication on matters under the consideration of the ARMC, or which, in their opinion, should be brought to the attention of the ARMC. The Chairman of the ARMC reports to the Board on matters discussed at every ARMC meeting as well as the ARMC’s recommendations, to the Board for consideration after the ARMC meeting. All deliberations during the ARMC meetings were minuted and the minutes were tabled to the Board for notation after they were confirmed at each succeeding ARMC meeting.

## TERMS OF REFERENCE

The ARMC’s duties and responsibilities are set out in the Terms of Reference of the ARMC which was adopted by the Board on 27 September 2022. The Terms of Reference of the ARMC was last reviewed on 21 May 2024, a copy of which is available on the Company’s corporate website at <https://www.skyworldgroup.com.my/investor-relations>.

## SUMMARY OF WORKS

The ARMC carried out the following activities in discharging their duties and responsibilities for FY2025:-

- (a) Reviewed the unaudited financial results of each quarter for the FY2025 and recommended for Board’s approval and release to Bursa Securities in compliance with the MMLR. The ARMC also discussed pertinent issues of the Group that could impact the Group’s results and cash flow.
- (b) Reviewed the annual Audited Financial Statements and to ensure that it presented a true and fair view of the Company’s financial position and performance for the FY2025 prior to submission to the Board for approval, upon the ARMC being satisfied that, inter alia, the annual audited financial statements were drawn up in accordance with the provisions of the Companies Act 2016 and the applicable Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board.
- (c) Reviewed and recommended the proposed first interim single-tier dividend of 0.5 sen for each ordinary share and a final dividend of 0.6 sen for each ordinary share for the FY2025 to the Board for approval after taking into consideration the profits, cash flow and solvency of the Company.

# AUDIT & RISK MANAGEMENT COMMITTEE REPORT

- (d) Reviewed and approved the audit plan of the Group for the FY2025 prepared by the External Auditors, covering the threshold nature and scope of the audit, audit approach, significant risks and areas of audit focus, internal control plan and audit timeline.
- (e) Reviewed and discussed with the External Auditors the financial statements for the FY2025, significant issues and concerns arising from the audit, summary of misstatements, key audit matters as well as the adequacy of disclosures in the financial statements on 17 July 2025, before recommending the same to the Board for approval.
- (f) Assessed the performance, objectivity and independence of the External Auditors. Upon reviewed and being satisfied with the competency, resources and independence of Deloitte PLT, the ARMC recommended the re-appointment of Deloitte PLT as the Company's External Auditors to the Board for approval.
- (g) Reviewed audit fees and non-audit fees and recommended the same for the Board's approval. The ARMC also reviewed the provision of non-audit services provided by the External Auditors or their affiliates and to ascertain whether such provision of services would impair the independence and objectivity of the External Auditors.
- (h) Conducted private sessions with the External Auditors without the presence of the Executive Directors and Management on 21 February 2025 and 23 May 2025 to discuss key issues within their responsibilities and to ensure there were no restrictions on their scope of audit for the FY2025. There were no major concerns from the External Auditors and they had been receiving full co-operation from Management during the course of the audit.
- (i) Appointed Baker Tilly Monteiro Heng Governance Sdn Bhd, an independent internal audit service provider to undertake internal audit activities for FY2026 and FY2027.
- (j) Reviewed and approved the risk-based internal audit plan for FY2026 and FY2027 to ensure adequate scope and comprehensive coverage of the Group's activities.
- (k) Reviewed the internal audit reports presented by the Internal Auditors, deliberation of major findings and Management's responses together with Internal Auditors' recommendations.
- (l) Reviewed the follow-up reports issued by the Internal Auditors and the implementation status of the mitigating measures taken by Management to ensure all key risks and control weaknesses are properly addressed.
- (m) Reviewed the adequacy of the scope, competency and resources of the internal audit function and was satisfied with the Internal Auditors' performance for the FY2025.
- (n) Conducted private sessions with the Internal Auditors without the presence of the Executive Directors and Management on 23 May 2025 to discuss material issues that arose during the course of the internal audit. There were no major concerns from the Internal Auditors and they had been receiving full co-operation from Management.
- (o) Reviewed the related party transactions and recurrent related party transactions ("RRPTs") entered into by the Group on quarterly basis to ensure that the RRPTs are carried out at arm's length, fair and reasonable, and on normal commercial terms and are not detrimental to the interest of the minority shareholders of the Company.
- (p) Reviewed conflict of interest situation that arose or persisted during the FY2025, including potential conflict of interest.
- (q) Received the Management Report encompassing the financial performance and financial highlights, and operations of the Group on quarterly basis.
- (r) Received quarterly reports from the Compliance Officer on the activities conducted by the compliance team as well as the identified and/or potential non-compliance issues and its remediation action plan.
- (s) Reviewed the risk registers and risk profile of the Group as well as the progress of the mitigating actions on a half-yearly basis.
- (t) Reviewed the Corporate Governance Report, ARMC Report, Statement on Risk Management and Internal Control, Management Discussion and Analysis, and Corporate Governance Overview Statement and recommended the same for the Board's approval prior to their inclusion in the Annual Report 2025.
- (u) Reviewed the Circular to Shareholders in relation to the proposed mandate for RRPTs and recommended to the Board for approval prior to the issuance to the shareholders.
- (v) Reviewed the External Auditor's Assessment Policy on 18 July 2024 and recommended to the Board for adoption.
- (w) Verified the allocation of share options to the eligible employees during the FY2025 pursuant to the Employees' Share Option Scheme ("ESOS") to ensure it is in compliance with the criteria and performance metrics stipulated in the By-Laws of the ESOS.

# AUDIT & RISK MANAGEMENT COMMITTEE REPORT

## SUMMARY OF POTENTIAL CONFLICT OF INTEREST SITUATION

(i) SkyWorld Foundation was founded on 11 May 2023. The Directors of SkyWorld Foundation comprise the Executive Directors of the Company namely, Datuk Seri Ng Thien Phing, Datuk Lam Soo Keong @ Low Soo Keong and Mr Lee Chee Seng. The Company had on 2 January 2024 made a total contribution of RM1.0 million to SkyWorld Foundation to fulfil its corporate social responsibility initiative.

Subsequently, the Board had on 18 July 2024 approved the monetary contributions of RM500 per signed sales from the Company to SkyWorld Foundation as part of its commitment with a total contribution of RM228,000 accrued in FY2025.

(ii) Mr Chan Seng Fatt is currently the Group Chief Executive Officer of Star Media Group Berhad. He was an Independent Non-Executive Director of Star Media Group Berhad from August 2018 until February 2024. The Company had during the FY2025, engaged with Star Media Group Berhad for provision of advertising services.

Notwithstanding the above, there was no conflict of interest situation has arisen during the financial year under review.

## INTERNAL AUDIT FUNCTION

The Group's internal audit function, which reports directly to the ARMC, is outsourced to Baker Tilly Monteiro Heng Governance Sdn Bhd. The Internal Auditors have developed an audit plan to support and execute internal control reviews.

The internal audit activities undertaken by the Internal Auditors during the FY2025 are as follows:-

- (a) Performed audit review in accordance with the approved internal audit plan of respective divisions of the Group:-
  - (i) Sales administration, Billing, Collection and Credit Control;
  - (ii) Human Resource Management and Payroll Controls;
  - (iii) General IT Controls and Data/ Information Loss Prevention Management; and
  - (iv) Assets Under Management.

- (b) Carried out reviews on the systems of internal control of the Group to ensure that the key controls in the respective processes are in existence and controls are monitored to ensure that they are operating efficiently, effectively and in a timely manner and assets are properly safeguarded.
- (c) Made recommendations to Management for improvements to the existing system of internal controls and work processes where necessary.
- (d) Reviewed the effectiveness and adequacy of the existing internal control processes.
- (e) Followed up on the implementation of corrective action plans to ensure satisfactory actions have been taken to address previous internal audit findings.

The results of the audit reviews were discussed with Senior Management and the relevant Heads of Department and subsequently, the audit findings, including the recommendations for improvement were presented to the ARMC. In addition, follow up visit was conducted to ensure that corrective action plans have been implemented in a timely manner and the results of the follow up review were also presented to the ARMC.

The total costs incurred for the outsourcing of the internal audit function for the FY2025 was RM109,296 (FY2024: RM48,760).

Please refer to the Statement on Risk Management and Internal Control on page 46 to 51 in this report.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“Board”) of SkyWorld Development Berhad (“SkyWorld Development” or the “Company”) remains committed to maintaining and upholding a sound system of risk management and internal control across the Company and its subsidiaries (collectively, referred to as “the Group”).

This Statement on Risk Management and Internal Control (“SORMIC” or “Statement”) is intended to provide disclosure on the existing governance and oversight mechanisms such as internal controls developed by SkyWorld Development, including the implementation of a robust risk management framework, that enables effective identification, categorisation, prioritisation, and ultimately, effective mitigation of risks.

Given that risks by nature may not be fully eliminated or avoided, SkyWorld Development’s risk management framework is intended to reduce risk exposure, in terms of exposure to likelihood of a risk event, as well as reduction of the extent of impact arising from a risk event. This includes providing reasonable (not absolute) assurance against material financial misstatements, inaccuracies in management information and records, potential financial losses, or fraudulent activities.

This SORMIC has been prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and Principle B of the Malaysian Code on Corporate Governance 2021, guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## BOARD’S RESPONSIBILITY

The Board is the highest decision-making body of SkyWorld Development and through the support of Management, continues to maintain rigorous and regular oversight of financial, business, operational (“FBO”) and sustainability risks. The close oversight on risks is intended to ensure continued ability to implement its business model and to create and sustain stakeholder value creation comprising both financial and non-financial values. The Board performs its fiduciary duties based on its Board Charter, with risk oversight responsibilities primarily discharged through the Audit & Risk Management Committee (“ARMC”), in accordance with the Board Charter and the Group’s Risk Management Framework Policy. The Board is responsible for setting the Group’s risk appetite, determining the level of risk the Group is willing to undertake in pursuit of its strategic objectives.

The presence of Independent Non-Executive Directors in both the full Board and ARMC enable independent views to be put forth as part of the deliberation on risks, while Executive Directors allow for company / business specific perspectives to be rigorously discussed and addressed. Both the full Board and its ARMC, in undertaking their fiduciary duties as per their respective Terms of Reference, vigorously deliberate the Risk Register and other findings and recommendations put forward by Management. Further information is also provided under Practices 10.1 and 10.2 of SkyWorld Development’s FY2025 Corporate Governance Report (“CG Report”), which can be viewed at: <https://www.skyworldgroup.com.my/investor-relations>.

Matters pertaining to risks are actively deliberated at the ARMC and at the Board level. Discussions in FY2025 were driven by a focus on the adequacy and robustness of existing frameworks or controls such as

the effectiveness of identification systems, the sufficiency of existing resources allocated for the risk function and on the readiness of SkyWorld Development for future or emerging risks. This enables an effective check and balance mechanism and stronger oversight in mitigating risks but also in ensuring compliance with applicable laws, regulations, rules, directives and guidelines.

Information on the Board and Board Committees, the role and the conduct of the Board, their expertise and performance are provided in the Corporate Governance Overview Statement of this report.

## MANAGEMENT OVERSIGHT AND RESPONSIBILITY

Management has the duty to establish and execute effective risk control systems that enable the identification, evaluation, monitoring, and reporting of risks as well as the implementation of appropriate measures. These include mitigation measures and risk identification systems across the business operations.

In essence, the task of Management is to enable an effective oversight mechanism that enables risks or potential risk events to be identified at the earliest possible stage within the business operations through internal monitoring and control systems, which would facilitate effective action to be implemented if required. While management is vigilant in risk mitigation, the risk management framework and internal control systems are also designed to a reasonable extent to prevent or avoid exposure to risks.

As part of its roles, Management may also initiate stress tests or other forms of assessments to verify the integrity of the risk management framework and internal controls. These may include using established industry-based scenario plans or company-specific scenarios.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Overall, Management’s responsibilities in relation to risk management are as follows:-

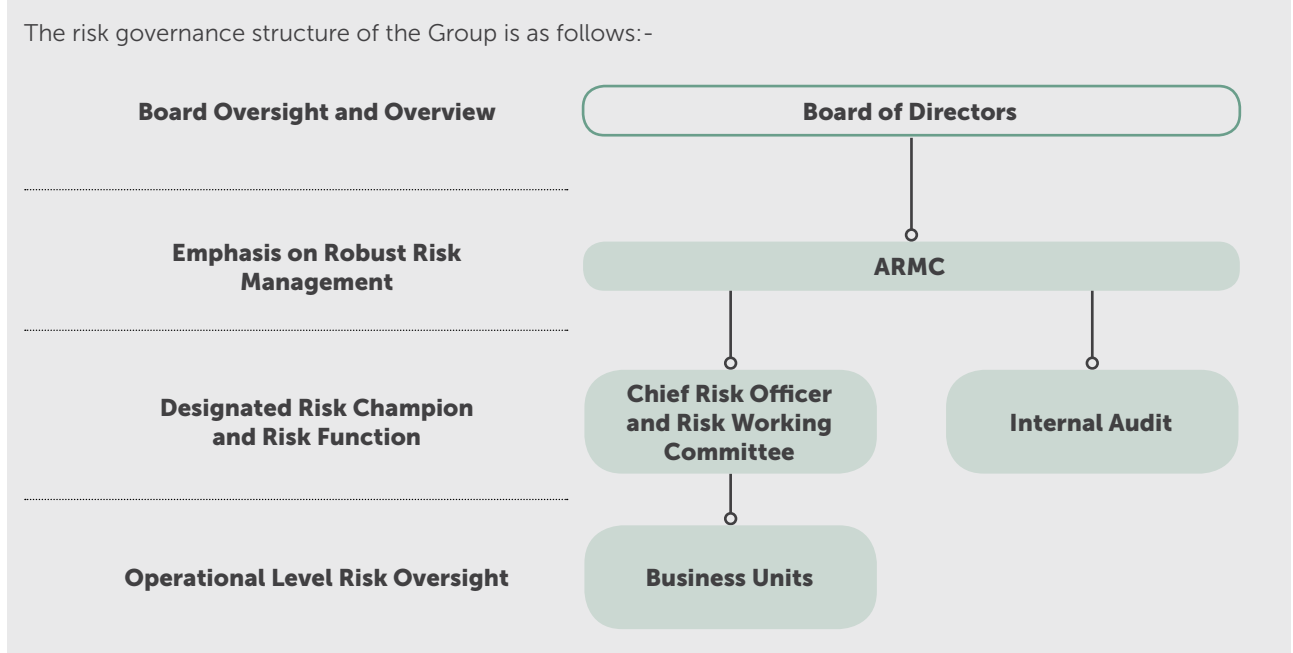
Identifying the risks that are relevant to the Group’s business, as well as its objectives and strategies.	Developing, implementing and monitoring the risk management framework in alignment with the Group’s strategic vision and overall risk tolerance.
Identifying any changes in risk or emerging risks, taking appropriate actions, and promptly notifying the Board of these developments.	Management is also tasked with ensuring sufficient risk resources in terms of budgeting and personnel towards ensuring an effective execution of the risk management function and related tasks.

However, in ensuring effective oversight and controls, it is intended that the risk management be undertaken collectively as a shared management responsibility; that is, all levels of management have been assigned oversight with appropriate authority to monitor, report and take action at their respective management levels.

This includes monitoring the various action plans developed by the business units for risk mitigation. All relevant business subsidiaries and functional portfolios are responsible for planning, monitoring, reporting and managing their respective risks accordingly. In essence, this enables a collective and decentralised approach to risk management, creating shared ownership across a triple-tier oversight structure. This approach provides swifter response in addressing risks as even the operational levels are empowered to take necessary action accordingly.

SkyWorld Development’s Chief Risk Officer, together with the Risk Working Committee, are tasked with assisting business units in identifying, assessing, and managing

The risk governance structure of the Group is as follows:-



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## ENTERPRISE RISK MANAGEMENT (“ERM”) FRAMEWORK AND PROCESS

The Group’s ERM framework is currently referencing the ERM framework’s five elements under ISO 31000:2018 Risk Management – Guidelines, which provides a structured approach to identifying, evaluating, monitoring and managing the significant risks affecting the achievement of the Group’s business objectives. It also facilitates ongoing assessment of the maturity of risk management practices within the Group. This is further supplemented by an objective assurance on the adequacy and integrity of the internal control system provided by the independent internal audit function.

Framework Element	Description
<b>Risk Governance</b>	Establish an approach to developing, supporting and embedding the risk strategy and accountabilities
<b>Risk Assessment</b>	Identify, assess, and categorise risks across the Skyworld Development Group
<b>Risk Qualification and Aggregation</b>	Measure, analyse and consolidate risks
<b>Risk Monitoring and Reporting</b>	Report, monitor and conduct activities to provide insight on risk management strengths and weaknesses
<b>Risk and Control Optimisation</b>	Use risk and control information to improve performance

All significant risks identified, along with relevant controls and mitigation plans implemented by the Management, are documented in risk management reports. These reports are compiled and presented to both the ARMC and the Board for thorough deliberation.

SkyWorld Development has developed a risk matrix as part of its management approach in developing an effective strategic snapshot of existing and emerging risks. The Group addresses risk based on four principal strategies:

### Risk Termination

Where possible, Management avoids exposure by exiting from a particular business venture, activity, or business process, or by significantly altering it to mitigate risks with catastrophic FBO impacts.

### Risk Reduction

Reducing exposure to a specific risk(s) through specific strategies, thus reducing both likelihood of occurrence and/or extent of impact. The risk will also be monitored to evaluate the treatment plan and management of risk to ensure it remains relevant.

### Risk Acceptance

Management, at its discretion and with the approval of the Board, may selectively choose to maintain SkyWorld Development’s exposure to specific risks, particularly on those risks considered to be significantly low in likelihood of occurrence and/or impact, and when such risks are considered inherent or unavoidable in the execution of the business model and the realisation of FBO performance.

### Risk Transfer

As an added strategy, Management may choose to transfer in total or portions of a certain risk to other parties via outsourcing business operations or services, co-sharing business processes or undertaking joint ventures and other forms of strategic collaboration and / or using insurance mechanisms or treasury / financial products.

## AUDITS

SkyWorld Development’s Internal Audit Function (“IAF”), which reports directly to the ARMC, is outsourced to Baker Tilly Monteiro Heng Governance Sdn Bhd. The IAF, under a scope agreed annually with the ARMC, undertakes its audit work based on an approved audit plan. The scope of work of the IAF in FY2025 comprise the following:

- To assess the adequacy and effectiveness of internal controls
- To provide and present an exception report on instances of non-compliance with established policies and procedures and areas of process improvement, if any, along with recommendations to the Management and ARMC.

The IAF submits its audit findings and recommendations to the ARMC on a quarterly basis, enabling independent and objective assurance on internal controls and areas for improvement. SkyWorld Development does not maintain an in-house Group Internal Audit Department or a formal internal audit charter.

SkyWorld Development’s external auditors perform a statutory audit of the Group’s financial statements and also undertake other tasks. As part of its oversight responsibilities, the ARMC met with the external auditors twice during the FY2025 without the presence of Management. This was intended to enable the external auditors to provide an independent review of the audit findings and recommendations.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Other audits undertaken by SkyWorld Development are those pertaining to industry or professional accreditations and certifications and more at Company or subsidiary level. Such audits are undertaken to ensure continued accredited status and also to identify areas on non-compliance or areas for improvement.

## INTERNAL CONTROLS AND MECHANISMS

In addition to the governance structures, ERM framework and the presence of external and internal audit functions, SkyWorld Development has also implemented the following internal controls and mechanisms:

### Corporate Values and Principles

SkyWorld Development's vision and mission and its core values set the tone for expected norms and behaviour and the development of a merit-based high-performance organisational culture centred on strong corporate ethics and integrity. This promotes the practice of professional conduct, personal accountability and ownership, team or shared responsibility and a strong focus on driving results.

### Annual Budget and Business Plan

Annually, a Budget and Business Plan is developed by Management. The plan details key focus areas for operations, sets performance indicators and targets for the financial year, and outlines resource allocation to enable the realisation of the Budget and Business Plan. The plans are reviewed, deliberated and approved by the Board.

The Board reviews and monitors the financial and business performance of the Group on a quarterly basis to ensure that actual performance is consistent with set strategic objectives within the annual Budget and Business Plan, as well as with the longer-term value creation aspirations of SkyWorld Development.

### Governing Policies

As part of its internal control systems, SkyWorld Development has implemented the following policies and procedures, which can be viewed at <https://www.skyworldgroup.com.my/investor-relations/governance-documents>:

- Board Charter
- Nomination & Remuneration Committee Terms of Reference

- ARMC Terms of Reference
- Long-Term Incentive Plan Committee Terms of Reference
- Whistleblowing Policy
- Anti-Bribery and Corruption Policy
- Directors' Fit and Proper Policy
- Code of Business Conduct (In English, Malay and Chinese)
- Conflict of Interest Policy
- Group Sustainability and Climate Change Policy
- Supply Chain Policy
- Board Diversity Policy
- External Auditor's Assessment Policy
- Remuneration Policy for Directors and Key Senior Management

### Compliance Monitoring Framework

As part of its approach to risk management, SkyWorld Development has established its Compliance Monitoring Framework ("CMF"), designed to ensure a high level of compliance is achieved and maintained Group-wide. The CMF outlines the roles and responsibilities of the Executive Chairman, Compliance Officer, and Executive Committee which comprises all the Heads of Department, outlining the compliance obligations checklist as well as procedures on managing compliance issues and incidents, to ensure strict compliance with all relevant rules and regulations.

SkyWorld Development's CMF is under the purview of the Compliance Officer. In accordance with the CMF, SkyWorld Development has established periodic reporting on the effectiveness of compliance management practices and potential non-compliance issues. The Executive Committees report potential non-compliances to the Compliance Officer on a monthly basis for deliberation, while matters deemed material are reported to the Executive Chairman for escalation to the ARMC, which deliberates on risk and compliance matters on a quarterly basis.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## PRINCIPAL RISKS

The following are the identified principal risks and mitigation measures provided. FY2025's disclosures include climate risks disclosures. Further information on climate risks is provided in the TCFD / IFRS S2 disclosures subsection within the Sustainability Statement of this report.

RISK	DESCRIPTION	MITIGATION
<b>Potential increase in development costs</b>	The possibility that expenses associated with developing a housing development may rise beyond initial estimates. This risk can have significant implications for our businesses where cost overruns could erode the profitability.	<ul style="list-style-type: none"> <li>• Conduct thorough cost estimation and budgeting, and factor in contingency costs to ensure development feasibility.</li> <li>• Conduct detailed evaluation in contract tendering to ensure the contractor's reliability and ability to sustain cost escalation.</li> <li>• Monitor market trends on material price fluctuation.</li> </ul>
<b>Limitations in sourcing suitable landbanks</b>	The challenges are associated with finding and acquiring appropriate parcels of land for development. It can have significant implications for development timelines, costs and overall feasibility.	<ul style="list-style-type: none"> <li>• Conduct thorough assessments on land suitability prior to acquisition. This includes diversifying landholdings within an area to avoid cannibalisation of the same market while providing flexibility in new launches.</li> </ul>
<b>Dependency on contractor's performance</b>	<p>The potential challenges and uncertainties that arise when a development relies heavily on the capabilities, reliability and efficiency of contractors or subcontractors involved in the execution of the development.</p> <p>Poor workmanship or even delays in completion can result in the Group being prone to reputational risks and liquidated ascertained damages claims, which could erode profitability.</p>	<ul style="list-style-type: none"> <li>• Conduct thorough pre-qualification in selecting contractors by evaluating competency and financial stability.</li> <li>• Diversify the contractor pool.</li> <li>• Monitor contractors' performance in terms of timeliness, adherence to product specification, health and safety practices at construction sites.</li> <li>• Conduct quality briefing at our Quality Center to educate contractors and consultants on our quality specifications and expectations.</li> </ul>
<b>Liquidity risk</b>	The inability to meet financial obligations or maintain sufficient capital to support the Group's ongoing developments as well as to pursue plans for business growth.	<ul style="list-style-type: none"> <li>• Regularly review and apply strict financial discipline in managing cash flows and debts, while also maintaining sufficient cash reserves.</li> <li>• Diversify funding sources by tapping into debt capital markets.</li> </ul>
<b>Changes in government policies</b>	The potential uncertainties and challenges arising from changes in regulations, laws and policies implemented by governments. The property development sector is a relatively highly regulated sector and whenever there are changes in policies, the Group will need to adjust its operations or processes to comply with new regulations or standards.	<ul style="list-style-type: none"> <li>• Remain vigilant in monitoring changes in government policies, regulations and compliance requirements.</li> <li>• Develop a compliance checklist in early stages of development planning.</li> </ul>
<b>Crisis Management</b>	Inadequate preparation for potential crises or mishandling of communication during a crisis. In today's fast-paced media landscape, a delayed or poorly managed response can significantly impact the brand's perception and public trust.	<ul style="list-style-type: none"> <li>• Established Crisis Management Framework to ensure swift, coordinated, and effective responses to any unforeseen incidents.</li> </ul>

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK	DESCRIPTION	MITIGATION
<b>Cybersecurity threats and breaches</b>	Risk of unauthorised intrusion into the Group’s digital infrastructure, which may result in data breaches, system compromise, or loss of sensitive information resulting in operational disruption.	<ul style="list-style-type: none"> <li>Implemented robust firewall protection and intrusion prevention systems to monitor and block unauthorised access attempts, ensuring network perimeter security.</li> <li>All user devices are secured with up-to-date antivirus and endpoint protection software to detect and neutralise malware, ransomware, and other threats at the source.</li> <li>The Group’s digital infrastructure is hosted on Amazon Web Services, which offers enterprise-grade security, and automated backups ensure business continuity by enabling rapid system restoration in the event of data loss, system failure, or other disruptions.</li> <li>Scheduled penetration tests and vulnerability assessments are conducted to proactively identify, remediate, and strengthen weaknesses in the Group’s digital infrastructure.</li> <li>Continuous employee awareness training on cybersecurity best practices.</li> </ul>
<b>Talent recruitment and retention</b>	Talent retention and challenges in sourcing the right talent can significantly impede a company’s ability to execute strategic initiatives or adapt to dynamic market conditions. This can impede growth opportunities and constrain the Company’s capacity to realise its long-term objectives.	<ul style="list-style-type: none"> <li>SkyWorld Development invests substantially in managerial training initiatives, regular training programmes and performance appraisal. The Group strives to always ensure a supportive and conducive working environment, fostering a culture of learning and growth along with opportunities for professional development.</li> </ul>

## STATEMENT REVIEWED BY EXTERNAL AUDITORS

This Statement has been reviewed by SkyWorld Development’s external auditor for inclusion in the SkyWorld Development 2025 annual report, in compliance with Paragraph 15.23 of the Listing Requirements. The limited assurance review was conducted in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and Audit and Assurance Practice Guide 3 (“AAPG 3”) issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on the procedures performed, the external auditors have reported to the Board that nothing has come to their attention to cause them to believe the SORMIC set out above is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor was it factually inaccurate.

## CONCLUSION

The Board has received assurance from the Executive Chairman and Chief Executive Officer that in all material aspects, existing risk management and internal control systems are operating as intended and provide reasonable assurance of safeguarding Company and shareholders’ interests.

Having considered the assurance provided by the Management and its assurance providers, the Board is satisfied that the Group’s existing risk management framework and internal control systems were robust and effective in FY2025 and continue to be so going forward.

During the financial year under review, there were no significant control failures or adverse compliance events that led to any substantial losses to the Company. This SORMIC was approved on 17 July 2025.

# ADDITIONAL COMPLIANCE INFORMATION

## UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company did not undertake any corporate proposal to raise funds during the FY2025.

In conjunction with the listing exercise on 10 July 2023, the Company undertook a public issue of 208,000,000 new ordinary shares at an issue price of RM0.80 per share, raising gross proceeds of RM166.4 million.

The Company had re-allocated the unutilised proceeds which were earlier earmarked for listing expenses amounting to RM1.8 million as working capital for project development.

Subsequently, the Company had at the Extraordinary General Meeting held on 28 June 2024 obtained its shareholders' approval to vary the utilisation of proceeds raised by widening the locality of lands to throughout Peninsular Malaysia in which the Company is able to acquire using the proceeds raised pursuant to the Initial Public Offering instead of limiting the locality to lands within the Klang Valley including Kuala Lumpur and the state of Selangor as disclosed in the Prospectus.

The status of the utilisation of proceeds as at 31 March 2025 is as follows:-

Purpose	Proposed Utilisation (RM'000)	Re-allocation (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)	Estimated Timeframe for Utilisation from Listing Date
Acquisition of land for development	100,000	-	(58,335)	41,665	Within 36 months
Working capital for project development	35,192	1,819	(31,118)	5,893	Within 24 months
Repayment of bank borrowings	20,000	-	(20,000)	-	Within 12 months
Estimated listing expenses	11,208	(1,819)	(9,389)	-	Immediate
<b>Total</b>	<b>166,400</b>	<b>-</b>	<b>(118,842)</b>	<b>47,558</b>	

## AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for the FY2025 is as follows:-

	Group (RM)	Company (RM)
Audit fees	560,000	162,400
Non-audit fees	10,000	10,000

## LONG TERM INCENTIVE PLAN ("LTIP")

The Company had, at the Extraordinary General Meeting held on 28 June 2024, obtained its shareholders' approval for the establishment and implementation of a LTIP comprising Employees' Share Option Scheme ("ESOS") and Performance Share Grant Plan ("PSGP"). The maximum number of new ordinary shares which may be made available under the LTIP and/or allotted and issued upon vesting of the new ordinary shares under the LTIP shall not be more than 10% of the issued and paid-up ordinary share capital of the Company (excluding treasury shares, if any) at any point in time during the duration of the LTIP, to eligible persons who fulfil the eligibility criteria as set out in the By-Laws of the LTIP.

The LTIP commenced from 18 July 2024, the effective date of the implementation of the LTIP. The LTIP shall be in force for a period of 10 years commencing from 18 July 2024 and expiring on 17 July 2034.

During the FY2025, the first LTIP Award 2027 was granted to the Chief Executive Officer and Senior Management on 8 October 2024. The vesting of the ESOS Options is subject to the performance metric set measured over the period from 1 April 2024 to 31 March 2027 whilst exercise window period is from 1 August 2027 to 31 July 2031.

## ADDITIONAL COMPLIANCE INFORMATION

The details on the number of ESOS granted, vested, exercised and outstanding since the commencement of the LTIP are as follows:-

Description	Aggregate Number of ESOS Options (since commencement of LTIP on 3 October 2024 up to date)	
	Grand Total	Director / Chief Executive Office
(a) Granted	8,200,000	3,000,000
(b) Vested/Exercised	-	-
(c) Outstanding	-	-

Percentages of ESOS Options granted to the Directors and Senior Management:-

Directors and Senior Management	During the FY2025	Since commencement of LTIP on 3 October 2024 up to date
(a) Aggregate maximum allocation	0.82%	0.82%
(b) Actual granted	0.82%	0.82%

There were no PSGP granted since the commencement date of the LTIP.

Except for the Chief Executive Officer, the Executive Directors and Non-Executive Directors of the Company are not entitled to the LTIP.

Details of the ESOS Options granted during the FY2025 are disclosed in Note 28 of the financial statements.

### RECURRENT RELATED PARTY TRANSACTIONS ("RRPTS")

Save for the RRPTS as disclosed in Note 24 of the financial statements, there was no other transaction entered into with the related parties during FY2025.

The details of the proposed renewal of shareholders' mandate for RRPTS are disclosed in the Circular to Shareholders dated 31 July 2025.

### MATERIAL CONTRACTS INVOLVING THE INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts entered into by the Group, involving the interests of the Directors and major shareholders, either still subsisting at the end of FY2025 or entered into since the end of the previous financial year.

### MATERIAL RISKS AND/OR NON-COMPLIANCES IDENTIFIED DURING THE FY2025

Save as disclosed below, the non-compliances identified during the FY2025 had been resolved where the necessary correction actions had been formulated and implemented for any incidents of non-compliance and exceptions reported, and closely monitored by Management or the relevant division where applicable:

No.	Non-compliance identified during FY2025	Key mitigation measures/ status of compliance
1.	Hoarding for development land at Bukit Jalil without permit.	The Group had on 20 December 2023 submitted applications of hoarding permit for a development land at Bukit Jalil to Datuk Bandar Kuala Lumpur ("DBKL").  DBKL had requested for additional documents and the management is in the midst of preparing the necessary documents.

Notwithstanding the above, there were no material penalty imposed on the Group and its Directors or Management by any regulatory body during the financial year.