



SKYWORLD DEVELOPMENT BERHAD

Registration No: 200601034211 (753970-X)

(Incorporated in Malaysia)

**Interim Financial Report
30 June 2024**

SKYWORLD DEVELOPMENT BERHAD

Registration No: 200601034211 (753970-X)

(Incorporated in Malaysia)

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

	3-MONTHS ENDED (1ST QUARTER)		3-MONTHS ENDED	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Revenue	98,809	210,821	98,809	210,821
Cost of sales	(66,786)	(132,153)	(66,786)	(132,153)
Gross profit	32,023	78,668	32,023	78,668
Other operating income	3,342	1,691	3,342	1,691
Selling and marketing expenses	(2,939)	(2,128)	(2,939)	(2,128)
Administrative expenses	(14,341)	(15,684)	(14,341)	(15,684)
Finance costs	(4,021)	(3,348)	(4,021)	(3,348)
Profit before tax	14,064	59,199	14,064	59,199
Income tax expense	(4,117)	(17,256)	(4,117)	(17,256)
Profit for the period	9,947	41,943	9,947	41,943
Other comprehensive income				
Items that may be classified subsequently to profit or loss:				
- Exchange differences on translating foreign operation	(1,433)	2,379	(1,433)	2,379
Total other comprehensive income for the period	8,514	44,322	8,514	44,322
Profit attributable to:				
- Owners of the Company	9,991	42,002	9,991	42,002
- Non-controlling interest	(44)	(59)	(44)	(59)
	9,947	41,943	9,947	41,943

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

	3-MONTHS ENDED (1 ST QUARTER)		3-MONTHS ENDED	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Total comprehensive income attributable to:				
- Owners of the Company	8,558	44,381	8,558	44,381
- Non-controlling interest	(44)	(59)	(44)	(59)
	<u>8,514</u>	<u>44,322</u>	<u>8,514</u>	<u>44,322</u>
Earnings per share (Note B11):				
Basic (sen)	<u>1.00</u>	<u>7.92 ⁽²⁾</u>	<u>1.00</u>	<u>7.92 ⁽²⁾</u>
Diluted (sen)	<u>0.84</u>	<u>6.45 ⁽²⁾</u>	<u>0.84</u>	<u>6.45 ⁽²⁾</u>

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.
- (2) If the EPS for the financial period ended 30 June 2023 computed based on enlarge number of ordinary shares of 1,000,000,000 and the enlarge number of diluted ordinary shares of 1,187,500,000 after Initial Public Offering (“IPO”) of the Group, the basic EPS and diluted EPS for amended current quarter/ financial period would be 4.20 sen and 3.54 sen respectively.

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

	30.06.2024	31.03.2024
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	30,521	31,563
Right-of-use assets	752	879
Investment properties	68,519	68,308
Intangible assets	1,888	2,020
Inventories – land held for property development	540,476	523,780
Goodwill	1,214	1,214
Deferred tax assets	13,453	11,503
Prepaid expenses	1,958	1,958
Total Non-current Assets	<u>658,781</u>	<u>641,225</u>
Current Assets		
Inventories – property development costs	170,591	175,251
Inventories – completed properties	11,266	15,388
Contract assets	74,959	96,063
Contract cost assets	3,451	3,007
Trade receivables	83,897	98,599
Other receivables, refundable deposits and prepaid expenses	15,656	13,876
Current tax assets	16,460	15,317
Cash and bank balances	515,279	499,922
Total Current Assets	<u>891,559</u>	<u>917,423</u>
TOTAL ASSETS	<u><u>1,550,340</u></u>	<u><u>1,558,648</u></u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	244,960	244,960
Irredeemable convertible preference shares	150,000	150,000
Foreign currency translation reserve	(836)	597
Retained earnings	450,555	450,547
Equity Attributable to Owners of the Company	<u>844,679</u>	<u>846,104</u>
Non-controlling interests	(3,332)	(3,271)
Total Equity	<u>841,347</u>	<u>842,833</u>
Non-current Liabilities		
Land cost payable	9,750	9,750
Lease liabilities	139	297
Bank borrowings	251,833	276,142
Deferred tax liabilities	1,267	1,135
Total Non-current Liabilities	<u>262,989</u>	<u>287,324</u>

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

	30.06.2024	31.03.2024
	RM'000	RM'000
Current Liabilities		
Trade payables	139,872	154,246
Other payables and accrued expenses	37,854	41,897
Dividend payable	10,000	-
Contract liabilities	7,017	9,921
Land cost payable	565	565
Lease liabilities	603	570
Bank borrowings	246,004	213,415
Current tax liabilities	4,089	7,877
Total Current Liabilities	<u>446,004</u>	<u>428,491</u>
Total Liabilities	<u>708,993</u>	<u>715,815</u>
Total Equity and Liabilities	<u>1,550,340</u>	<u>1,558,648</u>
Net assets per ordinary share ⁽²⁾ (RM)	<u>0.84</u>	<u>0.84</u>

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.
- (2) Based on the number of ordinary shares issued as at end of the reporting period.

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

	Share capital RM'000	Irredeemable convertible preference shares RM'000	Distributable reserve Retained earning RM'000	Non-distributable reserve Translation reserve RM'000	Attributable to owner of the company RM'000	Non-controlling interests RM'000	Total equity RM'000
As at 1 April 2024	244,960	150,000	450,547	597	846,104	(3,271)	842,833
Total comprehensive income for the year	-	-	9,991	(1,433)	8,558	(44)	8,514
Dividend declared	-	-	(10,000)	-	(10,000)	-	(10,000)
Acquisition of remaining equity interest in subsidiary company	-	-	17	-	17	(17)	-
As at 30 June 2024	244,960	150,000	450,555	(836)	844,679	(3,332)	841,347

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

	Share capital RM'000	Irredeemable convertible preference shares RM'000	Distributable reserve Retained earning RM'000	Non-distributable reserve Translation reserve RM'000	Attributable to owner of the company RM'000	Non-controlling interests RM'000	Total equity RM'000
As at 1 April 2023	62,500	-	547,396	(105)	609,791	5,869	615,660
Total comprehensive income for the year	-	-	42,002	2,379	44,381	(59)	44,322
Issuance of irredeemable convertible preference shares	-	150,000	(150,000)	-	-	-	-
Acquisition of remaining equity interest in a subsidiary company	20,000	-	(11,133)	-	8,867	(8,867)	-
As at 30 June 2023	82,500	150,000	428,265	2,274	663,039	(3,057)	659,982

Notes:

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

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

	30.06.2024	30.06.2023
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	14,064	59,199
Adjustments for:		
Depreciation of:		
Property, plant and equipment	1,214	438
Right-of-use assets	142	132
Intangible assets	132	132
Interest expense	4,021	3,348
Interest income	(1,773)	(1,128)
Impairment losses on intangible assets	-	42
Operating profit before working capital changes	<u>17,800</u>	<u>62,163</u>
Movement in working capital:		
(Increase) / Decrease in:		
Inventories – land held for property development	(16,637)	(14,999)
Inventories – property development costs	4,842	26,937
Inventories – completed properties	4,121	5,011
Contract assets	21,104	(129,849)
Contract cost assets	(444)	1,302
Trade receivables	14,702	(10,228)
Other receivables, refundable deposits and prepaid expenses	(1,668)	(882)
(Decrease) / Increase in:		
Trade payables	(14,374)	22,571
Other payables and accrued expenses	(4,042)	794
Contract liabilities	(2,904)	13,346
Cash generated from/(used in) operations	<u>22,500</u>	<u>(23,834)</u>
Interest paid	(4,009)	(3,340)
Income tax paid	(10,867)	(17,236)
Income tax refund	-	1,646
Net cash from/(used in) operating activities	<u>7,624</u>	<u>(42,764)</u>

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

	30.06.2024	30.06.2023
	RM'000	RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest received	1,773	1,128
Acquisition of property, plant and equipment	(283)	(9,235)
Additions to intangible assets	-	(42)
Addition to investment properties	(210)	(4,837)
Withdrawal of fixed deposits pledged	3,956	3,376
Net cash from/(used in) investing activities	<u>5,236</u>	<u>(9,610)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank borrowings	(43,085)	(28,494)
Proceeds from bank borrowings	51,123	58,767
Payment of lease liabilities	(141)	(135)
Interest paid	(12)	(8)
Net cash from financing activities	<u>7,885</u>	<u>30,130</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	20,745	(22,244)
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD		
	(1,433)	2,379
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>402,215</u>	<u>223,408</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u><u>421,527</u></u>	<u><u>203,543</u></u>
Cash and cash equivalents comprise the following:		
Cash and bank balances	515,279	214,485
Fixed deposits placed with licensed banks	(73,752)	(10,942)
Bank overdraft	(20,000)	-
	<u>421,527</u>	<u>203,543</u>

Notes:

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

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A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

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

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

A2. Significant Accounting Policies

The significant accounting policies adopted in this interim financial report are consistent with those adopted in preparation of the audited financial statements of the Group for the financial year ended 31 March 2024.

Adoption of Amendments to MFRSs

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

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

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

A3. Seasonal or Cyclical Factors

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

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

A4. Material Unusual Items

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

A5. Material Changes in Estimates

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

A6. Debts and Equity Securities

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

- a) On 30 April 2024, the Group has issued the second tranche of Islamic Commercial Paper of RM50.0 million in nominal value under Islamic Commercial Paper and Islamic Medium Term Notes programme with RM300.0 million nominal value established by SkyWorld Capital Berhad.

A7. Dividends Paid

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

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A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**A8. Segmental Reporting****Operation Segment****3-months ended 30 June 2024**

	Property Development RM'000	Property management and management services RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External revenue	97,533	1	1,275	-	98,809
Inter-segment revenue	-	39,338	-	(39,338)	-
Total revenue	<u>97,533</u>	<u>39,339</u>	<u>1,275</u>	<u>(39,338)</u>	<u>98,809</u>
Cost of Sales					
External cost of sales	(65,503)	-	(1,283)	-	(66,786)
Inter-segment cost of sales	(1,978)	-	(119)	2,097	-
Total cost of sales	<u>(67,481)</u>	<u>-</u>	<u>(1,402)</u>	<u>2,097</u>	<u>(66,786)</u>
Gross Profit/(Gross loss)	30,052	39,339	(127)	(37,241)	32,023
Operating income					3,342
Selling & marketing expenses					(2,939)
Administrative expenses					(14,341)
Finance cost					(4,021)
Profit before tax					<u>14,064</u>
Income tax expense					<u>(4,117)</u>
Profit for the year					<u><u>9,947</u></u>

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A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**A8. Segmental Reporting (cont'd)****Operation Segment (cont'd)****3-months ended 30 June 2023**

	Property Development RM'000	Property management and management services RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External revenue	210,742	1	78	-	210,821
Inter-segment revenue	-	10,807	-	(10,807)	-
Total revenue	<u>210,742</u>	<u>10,808</u>	<u>78</u>	<u>(10,807)</u>	<u>210,821</u>
Cost of Sales					
External cost of sales	(132,015)	-	(138)	-	(132,153)
Inter-segment cost of sales	(2,615)	-	-	2,615	-
Total cost of sales	<u>(134,630)</u>	<u>-</u>	<u>(138)</u>	<u>2,615</u>	<u>(132,153)</u>
Gross Profit/(Gross loss)	76,112	10,808	(60)	(8,192)	78,668
Operating income					1,691
Selling & marketing expenses					(2,128)
Administrative expenses					(15,684)
Finance cost					(3,348)
Profit before tax					<u>59,199</u>
Income tax expense					<u>(17,256)</u>
Profit for the year					<u><u>41,943</u></u>

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

A8. Segmental Reporting (cont'd)

Geographical Segment

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

A9. Material Events Subsequent to the End of Financial Period

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

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial period under review.

A11. Contingent Liabilities and Contingent Assets

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

A12. Material Capital Commitments

	30.06.2024 RM'000	31.03.2024 RM'000
Approved and contracted for:		
Capital expenditure for new build-to-rent developments	3,489	3,335
Acquisition of lands for property development	77,650	104,650
Property, plant and equipment	6,167	-
	<u> </u>	<u> </u>

A13. Significant Related Party Transactions

	3-MONTHS ENDED (1 ST QUARTER) 30.06.2024 RM'000	3-MONTHS ENDED 30.06.2024 RM'000
Related parties:		
Rental of office building	155	155
Rental of office equipment	31	31
Insurance brokerage and related services	45	45
	<u> </u>	<u> </u>

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of Performance

	3-MONTHS ENDED (1 ST QUARTER)		3-MONTHS ENDED	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	98,809	210,821	98,809	210,821
Gross profit	32,023	78,668	32,023	78,668
Profit before tax ("PBT")	14,064	59,199	14,064	59,199

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

In the Q1 FY2025, the Group's revenue was RM98.8 million, a 53.1% decrease from Q1 FY2024. This decline was primarily due to the completion of **SkySierra Residences (The Valley)**, **SkyAwani IV Residences** and **SkyAwani V Residences** in last financial year, which had collectively contributed RM157.9 million revenue in Q1 FY2024. Nevertheless, the impact was mitigated by the increase in revenue from on-going projects, i.e. from **EdgeWood Residences**, **Curvo Residences** and **Vesta Residences**.

Consequently, the Group's gross profit and PBT in the Q1 FY2025 were 59.3% and 76.2% lower than in Q1 FY2024, at RM32.0 million and RM14.6 million respectively.

B2. Comparison with Immediate Preceding Quarter

	3-MONTHS ENDED		VARIANCE	
	CURRENT	PRECEDING	RM'000	%
	30.06.2024	31.03.2024		
	RM'000	RM'000		
Revenue	98,809	158,287	(59,478)	-37.6%
Gross profit	32,023	70,475	(38,452)	-54.6%
Profit before tax	14,064	39,443	(25,379)	-64.3%

The Group's revenue for the current quarter decreased by RM59.5 million or 37.6% to RM98.8 million as compared to RM158.3 million recorded in the preceding quarter primarily due to lower progressive revenue recognised from **EdgeWood Residences** and absence of revenue from **SkyAwani IV Residences**, which was completed in preceding quarter.

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

B2. Comparison with Immediate Preceding Quarter (cont'd)

The Group's gross profit for the current quarter decreased by RM38.5 million or 54.6% to RM32.0 million as compared to RM70.5 million recorded in the preceding quarter mainly due to lower progressive revenue recognised. As a result, the Group's profit before tax decreased by RM25.4 million or 64.3% to RM14.1 million as compared to RM39.4 million recorded in the preceding quarter.

B3. Prospects of the Group

The performance of the Group will be supported by progressive revenue recognised from on-going projects and sales of completed inventories. As of 30 June 2024, the Group's unbilled sales amounted to RM555.5 million.

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

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

As of 30 June 2024, the financial position of the Group remains sound and healthy given that our gross gearing of 0.59 times and at net cash position, with cash balance of more than RM500.0 million. This provides greater financing capacity for the Group to support our growth momentum.

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

B4. Profit guarantee or profit forecast

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

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**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
(CONT'D)****B5. Taxation**

	3-MONTHS ENDED (1ST QUARTER)		3-MONTHS ENDED	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Estimated tax payable:				
- Current financial period	<u>5,936</u>	<u>23,233</u>	<u>5,936</u>	<u>23,233</u>
	<u>5,936</u>	<u>23,233</u>	<u>5,936</u>	<u>23,233</u>
Deferred tax:				
- Current financial period	(1,819)	(5,975)	(1,819)	(5,975)
- Overprovision in prior years	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>(2)</u>
	<u>(1,819)</u>	<u>(5,977)</u>	<u>(1,819)</u>	<u>(5,977)</u>
Total tax expense	<u>4,117</u>	<u>17,256</u>	<u>4,117</u>	<u>17,256</u>
Effective tax rate (%)	29	29	29	29
Statutory tax rate (%)	24	24	24	24

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

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

B6. Status of Corporate Proposals

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

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

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

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

- b) Proposed establishment of a Long Term Incentive Plan (“Proposed LTIP”)

On 29 March 2024, Kenanga Investment Bank Berhad (“Kenanga IB”), on behalf of the Board had announced that the Company proposes to establish a Long Term Incentive Plan (“LTIP”), comprising an employee share option scheme and a performance share grant plan involving up to 10% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the LTIP, for the Chief Executive Officer of the Company, eligible employees who hold senior management positions and key roles within the Company and its subsidiaries (excluding those which are dormant) and any employee of the Group (excluding subsidiaries which are dormant), who fulfil the eligibility criteria as set out in the by-laws of the LTIP.

The listing application in relation to the Proposed LTIP has been submitted to Bursa Malaysia Securities Berhad (“Bursa Securities”) on 5 April 2024.

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

B6. Status of Corporate Proposals (cont'd)

b) Proposed establishment of a Long Term Incentive Plan ("Proposed LTIP") (cont'd)

On 3 May 2024, Bursa Securities vide its letter dated 3 May 2024, resolved to approve the listing and quotation of such number of new SkyWorld Shares representing up to 10% of the total number of issued shares of SkyWorld Development (excluding treasury shares, if any), to be issued pursuant to the Proposed LTIP, subject to the following:

- i) SkyWorld Development and Kenanga IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed LTIP;
- ii) Kenanga IB is required to submit a confirmation to Bursa Securities of full compliance of the Proposed LTIP pursuant to paragraph 6.43(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in a general meeting approving the Proposed LTIP; and
- iii) SkyWorld Development to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the Proposed LTIP, as at the end of each quarter together with a detailed computation of listing fees payable.

On 28 June 2024, the shareholders of the Company has approved the Proposed LTIP at Extraordinary General Meeting.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**B7. Utilisation of Proceeds from the Public Issue**

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

Details of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Re-allocation RM'000	Balance unutilised RM'000	Estimated timeframe for utilisation upon Listing
Acquisition of land for development	100,000	(8,250)	-	91,750	Within 36 months
Working capital for project development	35,192	(22,618)	1,819	14,393	Within 24 months
Repayment of bank borrowings	20,000	(20,000)	-	-	Within 12 months
Estimated listing expenses	11,208	(9,389)	(1,819)	-	Immediate
	<u>166,400</u>	<u>(60,257)</u>	<u>-</u>	<u>106,143</u>	

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

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

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

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

	30.06.2024	31.03.2024
	RM'000	RM'000
<u>Current</u>		
<u>Secured and guaranteed:</u>		
Term loans	161,971	183,632
Bridging loans	14,033	9,783
Bank overdraft	20,000	20,000
Islamic Commercial Paper	50,000	-
	<u>246,004</u>	<u>213,415</u>
<u>Unsecured and unguaranteed:</u>		
Lease liabilities	603	570
	<u>603</u>	<u>570</u>
Total short-term borrowings and lease liabilities	<u>246,607</u>	<u>213,985</u>
<u>Non-current</u>		
<u>Secured and guaranteed:</u>		
Term loans	244,595	260,009
Bridging loans	7,238	16,133
	<u>251,833</u>	<u>276,142</u>
<u>Unsecured and unguaranteed:</u>		
Lease liabilities	139	297
	<u>139</u>	<u>297</u>
Total long-term borrowings and lease liabilities	<u>251,972</u>	<u>276,439</u>
Total borrowings and lease liabilities	<u>498,579</u>	<u>490,424</u>

B9. Material Litigation

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

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

B10. Dividends

There was no dividend declared or recommended for payment by the Board during the current quarter under review.

B11. Earnings Per Share

a) Basic earnings per share

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

	3-MONTHS ENDED (1 ST QUARTER)		3-MONTHS ENDED	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Profit attributable to:				
- Owners of the Company (RM'000)	9,991	42,002	9,991	42,002
Weighted average number of ordinary shares in issue ('000)	1,000,000	530,400	1,000,000	530,400
Basic EPS (sen)	1.00	7.92	1.00	7.92

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

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

	3-MONTHS ENDED (1ST QUARTER)		3-MONTHS ENDED	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Profit attributable to:				
- Owners of the Company (RM'000)	9,991	42,002	9,991	42,002
Weighted average number of ordinary shares in issue ('000)	1,000,000	530,400	1,000,000	530,400
Effect of conversion of ICPS ('000)	<u>187,500</u>	<u>120,833</u>	<u>187,500</u>	<u>120,833</u>
Diluted number of ordinary shares ('000)	<u>1,187,500</u>	<u>651,233</u>	<u>1,187,500</u>	<u>651,233</u>
Diluted EPS (sen)	0.84	6.45	0.84	6.45

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

B12. Auditors' Report on Preceding Annual Financial Statements

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

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

	3-MONTHS ENDED (1ST QUARTER) 30.06.2024 RM'000	3-MONTHS ENDED 30.06.2024 RM'000
Amortisation of intangible assets	132	132
Depreciation of:		
- property, plant and equipment	1,214	1,214
- right-of-use assets	142	142
Finance costs	4,021	4,021
Interest income	(1,773)	(1,773)

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

B14. Authorisation for Issue

The interim financial report for the financial period ended 30 June 2024 was authorised for issuance by the Board of Directors on 23 August 2024.