

SKYWORLD DEVELOPMENT BERHAD

Registration No: 200601034211 (753970-X)

(Incorporated in Malaysia)

**Interim Financial Report
31 December 2023**

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 31 DECEMBER 2023⁽¹⁾

	3-MONTHS ENDED (3 RD QUARTER)		9-MONTHS ENDED	
	31.12.2023 RM'000	31.12.2022 ⁽²⁾ RM'000	31.12.2023 RM'000	31.12.2022 ⁽²⁾ RM'000
Revenue	171,165	N/A	530,320	N/A
Cost of sales	(116,894)	N/A	(347,185)	N/A
Gross profit	54,271	N/A	183,135	N/A
Other operating income	2,892	N/A	8,351	N/A
Selling and marketing expenses	(3,573)	N/A	(9,273)	N/A
Administrative expenses	(15,619)	N/A	(49,642)	N/A
Finance costs	(4,021)	N/A	(11,887)	N/A
Profit before tax	33,950	N/A	120,684	N/A
Income tax expense	(8,897)	N/A	(34,651)	N/A
Profit for the period	25,053	N/A	86,033	N/A
Other comprehensive income				
Items that may be classified subsequently to profit or loss:				
- Exchange differences on translating foreign operation	(912)	N/A	275	N/A
Total other comprehensive income for the period	24,141	N/A	86,308	N/A
Profit attributable to:				
- Owners of the Company	25,123	N/A	86,229	N/A
- Non-controlling interest	(70)	N/A	(196)	N/A
	25,053	N/A	86,033	N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023⁽¹⁾ (CONT'D)

	3-MONTHS ENDED (3 RD QUARTER)		9-MONTHS ENDED	
	31.12.2023	31.12.2022 ⁽²⁾	31.12.2023	31.12.2022 ⁽²⁾
	RM'000	RM'000	RM'000	RM'000
Total comprehensive income attributable to:				
- Owners of the Company	24,211	N/A	86,504	N/A
- Non-controlling interest	(70)	N/A	(196)	N/A
	<u>24,141</u>	<u>N/A</u>	<u>86,308</u>	<u>N/A</u>
Earnings per share:				
Basic (sen)	<u>2.51</u>	<u>N/A</u>	<u>10.29</u>	<u>N/A</u>
Diluted (sen)	<u>2.12</u>	<u>N/A</u>	<u>8.59</u>	<u>N/A</u>

N/A Not applicable.

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 2023 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.
- (2) No comparative figures for preceding corresponding quarter and period are presented as SkyWorld Development Berhad (the “Group”) was listed on the Main Market of Bursa Malaysia Securities Berhad on 10 July 2023. This is the fourth interim financial report announced by the Group in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”).

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT FINANCIAL PERIOD ENDED 31 DECEMBER 2023⁽¹⁾**

	UNAUDITED 31.12.2023 RM'000	AUDITED 31.03.2023 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	30,872	23,653
Right-of-use assets	1,019	173
Investment properties	68,861	53,053
Intangible assets	2,240	2,547
Inventories - land held for property development	497,893	547,874
Goodwill	1,214	1,214
Deferred tax assets	23,756	19,947
Prepaid expenses	1,953	1,952
Total Non-current Assets	<u>627,808</u>	<u>650,413</u>
Current Assets		
Inventories - property development costs	184,310	142,365
Inventories - completed properties	18,281	42,076
Contract assets	203,769	175,058
Contract cost assets	3,329	5,386
Trade receivables	79,085	39,779
Other receivables, refundable deposits and prepaid expenses	21,414	12,280
Current tax assets	15,560	12,585
Cash and bank balances	423,044	237,727
Total Current Assets	<u>948,792</u>	<u>667,256</u>
TOTAL ASSETS	<u>1,576,600</u>	<u>1,317,669</u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	244,960	62,500
Irredeemable convertible preference shares	150,000	-
Foreign currency translation reserve	170	(105)
Retained earnings	429,992	547,396
Equity Attributable to Owners of the Company	<u>825,122</u>	<u>609,791</u>
Non-controlling interests	(3,194)	5,869
Total Equity	<u>821,928</u>	<u>615,660</u>
Non-current Liabilities		
Lease liabilities	488	44
Bank borrowings	318,891	323,927
Deferred tax liabilities	1,063	894
Total Non-current Liabilities	<u>320,442</u>	<u>324,865</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT FINANCIAL PERIOD ENDED 31 DECEMBER 2023⁽¹⁾ (CONT'D)**

	UNAUDITED 31.12.2023 RM'000	AUDITED 31.03.2023 RM'000
Current Liabilities		
Trade payables	172,550	161,157
Other payables and accrued expenses	42,512	51,212
Dividend payable	12,500	-
Contract liabilities	24,707	1,121
Land cost payable	565	1,148
Lease liabilities	516	105
Bank borrowings	167,517	159,197
Current tax liabilities	13,363	3,204
Total Current Liabilities	<u>434,230</u>	<u>377,144</u>
Total Liabilities	<u>754,672</u>	<u>702,009</u>
Total Equity and Liabilities	<u>1,576,600</u>	<u>1,317,669</u>
Net assets per ordinary share ⁽²⁾ (RM)	<u>0.82</u>	<u>9.85</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 2023 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.

SKYWORLD DEVELOPMENT BERHADRegistration No: 200601034211 (753970-X)
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023⁽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 2023	62,500	-	547,396	(105)	609,791	5,869	615,660
Total comprehensive income for the period	-	-	86,229	275	86,504	(196)	86,308
Issuance of ordinary shares pursuant to public issue	166,400	-	-	-	166,400	-	166,400
Share issuance expenses	(3,940)	-	-	-	(3,940)	-	(3,940)
Issuance of irredeemable convertible preference shares	-	150,000	(150,000)	-	-	-	-
Acquisition of remaining equity interest in a subsidiary company	20,000	-	(11,133)	-	8,867	(8,867)	-
First interim single-tier dividend paid for financial year ended 31 March 2023	-	-	(30,000)	-	(30,000)	-	(30,000)
First interim single-tier dividend declared for financial year ending 31 March 2024	-	-	(12,500)	-	(12,500)	-	(12,500)
As at 31 December 2023	244,960	150,000	429,992	170	825,122	(3,194)	821,928

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023⁽¹⁾ (CONT'D)

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 2023 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.
- (2) No comparative figures for preceding corresponding quarter and period are presented as the Group was listed on the Main Market of Bursa Malaysia Securities Berhad on 10 July 2023. This is the fourth interim financial report announced by the Group in compliance with the Listing Requirements.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023⁽¹⁾

	31.12.2023	31.12.2022⁽²⁾
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	120,684	N/A
Adjustments for:		
Depreciation of:		
Property, plant and equipment	3,416	N/A
Right-of-use assets	417	N/A
Intangible assets	403	N/A
Interest expense	11,887	N/A
Interest income	(5,328)	N/A
Impairment losses on intangible assets	56	N/A
Operating profit before working capital changes	<u>131,535</u>	<u>N/A</u>
Movement in working capital:		
Decrease / (Increase) in:		
Inventories - land held for property development	50,132	N/A
Inventories - property development costs	(41,211)	N/A
Inventories - completed properties	23,795	N/A
Contract assets	(28,711)	N/A
Contract cost assets	2,057	N/A
Trade receivables	(39,306)	N/A
Other receivables, refundable deposits and prepaid expenses	(9,135)	N/A
Increase / (Decrease) in:		
Trade payables	11,393	N/A
Other payables and accrued expenses	(8,701)	N/A
Land cost payables	(584)	N/A
Contract liabilities	23,586	N/A
Cash generated from operations	<u>114,850</u>	<u>N/A</u>
Interest paid	(11,846)	N/A
Income tax paid	(33,145)	N/A
Income tax refund	2,039	N/A
Net cash from operating activities	<u>71,898</u>	<u>N/A</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023⁽¹⁾ (CONT'D)

	31.12.2023	31.12.2022⁽²⁾
	RM'000	RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES		
Interest received	5,328	N/A
Acquisition of property, plant and equipment	(10,628)	N/A
Additions to intangible assets	(152)	N/A
Addition to investment properties	(15,808)	N/A
Placement of fixed deposits pledged	(39,434)	N/A
Net cash used in investing activities	<u>(60,694)</u>	<u>N/A</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Allotment of shares	162,460	N/A
Dividend paid	(30,000)	N/A
Repayment of bank borrowings	(112,411)	N/A
Proceeds from bank borrowings	94,741	N/A
Payment of lease liabilities	(408)	N/A
Interest paid	(42)	N/A
Net cash from financing activities	<u>114,340</u>	<u>N/A</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	125,544	N/A
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD		
	275	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		
	<u>223,408</u>	<u>N/A</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		
	<u><u>349,227</u></u>	<u><u>N/A</u></u>
Cash and cash equivalents comprise the following:		
Cash and bank balances	423,044	N/A
Fixed deposits placed with licensed banks	(53,752)	N/A
Bank overdraft	(20,065)	N/A
	<u>349,227</u>	<u>N/A</u>

N/A Not applicable

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 2023 and the accompanying explanatory notes attached to the unaudited condensed consolidated interim financial report.
- (2) No comparative figures for preceding corresponding quarter and period are presented as the Group was listed on the Main Market of Bursa Malaysia Securities Berhad on 10 July 2023. This is the fourth interim financial report announced by the Group in compliance with the Listing Requirements.

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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”).

This is the fourth interim financial report on the Group’s unaudited condensed consolidated financial results announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023 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 2023.

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 2023 as follows:

Amendments to MFRS 4	<i>Extension of the Temporary Exemption from Applying MFRS 9</i>
Amendments to MFRS 101	<i>Classification of Liabilities as Current or Non-Current</i>
Amendments to MFRS 112	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transactions</i>
Amendments to MFRS 108	<i>Definition of Accounting Estimates</i>
Amendments to MFRS 101	<i>Disclosure of Accounting Policies</i>
Annual Improvements to MFRS Standards 2018 - 2020 Cycle	

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.

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

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.

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 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 10 May 2023, the Group has issued the first tranche of Islamic Commercial Paper of RM1.0 million in nominal value under a Islamic Commercial Paper and Islamic Medium Term Notes programme with RM300.0 million nominal value established by SkyWorld Capital Berhad.

On 10 August 2023, the Group fully redeemed the Islamic Commercial Paper of RM1.0 million. As at 31 December 2023, there is no outstanding amount.

- b) On 3 May 2023, the Company had undertaken a bonus issue of ordinary shares on the basis of 1,409 bonus ordinary shares for every 125 existing ordinary shares. The bonus issue of ordinary shares was undertaken without any capitalisation from the reserves of the Company and that the new ordinary shares issued pursuant to the bonus issue of ordinary shares was issued as fully paid shares at nil consideration. Consequentially, 704,500,000 new ordinary shares were issued and the issued share capital of the Company after the effect of bonus issue of ordinary shares changed from RM62,500,000 comprising of 62,500,000 ordinary shares to RM62,500,000 comprising of 767,000,000 ordinary shares.

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

A6. Debts and Equity Securities

- c) Concurrently with the bonus issue of ordinary shares, the Company has undertaken a bonus issue of irredeemable convertible preference shares (“ICPS”) on the basis of 3 ICPS for every 1 existing ordinary share to its existing shareholders. The bonus issue of ICPS was undertaken by way of capitalisation from the reserves of the Company amounting to RM150,000,000. Consequentially, 187,500,000 new ICPS were issued at issued price of RM0.80 per share.
- d) On 11 May 2023, the Company had issued 25,000,000 ordinary shares at RM0.80 per ordinary shares as purchase considerations for acquisition of remaining 40% equity interest in NTP World Corporation Sdn. Bhd..
- e) On 10 July 2023, the Company listed on the Main Market of Bursa Malaysia Securities Berhad pursuant to Initial Public Offering comprising the public issue of 208,000,000 new ordinary shares and the offer for sale of 192,000,000 existing ordinary shares in the Company at an issue price of RM0.80 per share.

A7. Dividends Paid

On 22 September 2023, the Company paid a first interim single-tier dividend of RM30.0 million or 3.0 sen per ordinary shares for the financial year ended 31 March 2023.

On 15 January 2024, the Company paid a first interim single-tier dividend of RM12.5 million or 1.25 sen per ordinary shares for the financial year ending 31 March 2024.

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A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**A8. Segmental Reporting****Operation Segment****9-months ended 31 December 2023 (Unaudited)**

	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External revenue	529,145	1,175	-	530,320
Inter-segment revenue	-	36,001	(36,001)	-
Total revenue	<u>529,145</u>	<u>37,176</u>	<u>(36,001)</u>	<u>530,320</u>
Cost of Sales				
External cost of sales	(344,456)	(2,729)	-	(347,185)
Inter-segment cost of sales	(8,621)	(245)	8,866	-
Total cost of sales	<u>(353,077)</u>	<u>(2,974)</u>	<u>8,866</u>	<u>(347,185)</u>
Gross Profit	176,068	34,202	(27,135)	183,135
Operating income				8,351
Selling & marketing expenses				(9,273)
Administrative expenses				(49,642)
Finance cost				(11,887)
Profit before tax				<u>120,684</u>
Income tax expense				(34,651)
Profit for the period				<u><u>86,033</u></u>

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.

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

	UNAUDITED 31.12.2023 RM'000	AUDITED 31.03.2023 RM'000
Approved and contracted for:		
- Capital expenditure for new build-to-rent developments	5,496	20,914
- Acquisition of lands for property development	<u>79,900</u>	<u>-</u>

A13. Significant Related Party Transactions

	3-MONTHS ENDED (3RD QUARTER) 31.12.2023 RM'000	9-MONTHS ENDED 31.12.2023 RM'000
Related parties:		
Rental of office building	155	469
Rental of office equipment	35	107
Upkeep and maintenance of office equipment	-	2
Insurance brokerage and related services	<u>46</u>	<u>132</u>

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of Performance

	3-MONTHS ENDED (3 RD QUARTER)		9-MONTHS ENDED	
	31.12.2023	31.12.2022 ⁽¹⁾	31.12.2023	31.12.2022 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Revenue	171,165	N/A	530,320	N/A
Gross profit	54,271	N/A	183,135	N/A
Profit before tax	33,950	N/A	120,684	N/A

N/A Not applicable

Notes:

- (1) No comparative figures for preceding corresponding quarter and period are presented as the Group was listed on the Main Market of Bursa Malaysia Securities Berhad on 10 July 2023. This is the fourth interim financial report announced by the Group in compliance with the Listing Requirements.

The Group's revenue for current quarter and financial period ended 31 December 2023 is mainly attributed from property development segment, which were mainly derived from the progressive revenue recognition from the on-going projects, namely **SkySierra Residences (The Valley), SkyAwani IV Residences, SkyAwani V Residences, EdgeWood Residences, SkyVogue Residences, Curvo Residences and Vesta Residences** and the sales of completed inventories mainly from **SkyMeridien Residences, Bennington Residences and SkyAwani II Residences (commercial)**. During the financial period, **SkySierra Residences (The Valley)** and **SkyAwani V Residences** has completed and delivered to our customers.

The Group recorded profit before tax of RM33.9 million and RM120.7 million for the current quarter and financial period respectively.

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

B2. Comparison with Immediate Preceding Quarter

	3-MONTHS ENDED		VARIANCE	
	CURRENT 31.12.2023 RM'000	PRECEDING 30.09.2023 RM'000	RM'000	%
Revenue	171,165	148,334	22,831	15.4
Gross profit	54,271	50,196	4,075	8.1
Profit before tax	33,950	27,536	6,414	23.3

The Group's revenue for the current quarter increased by RM22.8 million or 15.4% to RM171.2 million as compared to RM148.3 million recorded in the preceding quarter primarily due to higher progressive revenue recognised from on-going projects, namely **EdgeWood Residences, Curvo Residences and SkyAwani V Residences**. In addition, revenue recognition from newly launched project during the quarter, **Vesta Residences**, has further contributed to the increase in revenue.

The Group's gross profit for the current quarter increased by RM4.1 million or 8.1% to RM54.3 million as compared to RM50.2 million recorded in the preceding quarter mainly due to higher progressive revenue recognised.

The Group's profit before tax for the current quarter increased by RM6.4 million or 23.3% to RM33.9 million as compared to RM27.5 million recorded in the preceding quarter. The increase in profit before tax was mainly due to higher gross profit recognised and lower administrative expenses

B3. Prospects of the Group

The performance of the Group will be supported by progressive revenue recognised from ongoing projects and sales of completed inventories. As of 31 December 2023, the Group's unbilled sales amounted to RM725.2 million.

During the first nine month of financial year 2024 ("FY2024"), the Group has launched 2 new projects in Kuala Lumpur with total estimated Gross Development Values exceeding RM1.0 billion.

Despite challenging and uncertainties in both local and global economic outlook, the Board is cautiously optimistic that the financial and operation performances of the Group remains satisfactory in FY2024.

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

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

B5. Taxation

	3-MONTHS ENDED (3RD QUARTER)		9-MONTHS ENDED	
	31.12.2023 RM'000	31.12.2022⁽¹⁾ RM'000	31.12.2023 RM'000	31.12.2022⁽¹⁾ RM'000
Estimated tax payable:				
- Current financial period	7,643	N/A	38,730	N/A
- Underprovision in prior years	(440)	N/A	(440)	N/A
	<u>7,203</u>	<u>N/A</u>	<u>38,290</u>	<u>N/A</u>
Deferred tax:				
- Current financial period	1,292	N/A	(4,081)	N/A
- Overprovision in prior years	402	N/A	442	N/A
	<u>1,694</u>	<u>N/A</u>	<u>(3,639)</u>	<u>N/A</u>
Total tax expense	<u>8,897</u>	<u>N/A</u>	<u>34,651</u>	<u>N/A</u>
Effective tax rate (%)	26	N/A	29	N/A
Statutory tax rate (%)	24	N/A	24	N/A

N/A Not applicable

Notes:

⁽¹⁾ No comparative figures for preceding corresponding quarter and period are presented as the Group was listed on the Main Market of Bursa Malaysia Securities Berhad on 10 July 2023. This is the fourth interim financial report announced by the Group in compliance with the Listing Requirements.

The Group's effective tax rate for the current quarter and current financial period were higher than the statutory tax rate of 24% mainly due to non-tax deductible expenses which includes expenses incurred for corporate exercise and 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.

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.

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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	3,000	-	97,000	Within 36 months
Working capital for project development	35,192	13,341	1,819	23,670	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>45,730</u>	<u>-</u>	<u>120,670</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 31 December 2023 are as follows:

	UNAUDITED 31.12.2023 RM'000	AUDITED 31.03.2023 RM'000
<u>Current</u>		
<u>Secured and guaranteed:</u>		
Term loans	147,452	151,220
Bridging loans	-	7,977
Bank overdraft	20,065	-
	<u>167,517</u>	<u>159,197</u>
<u>Unsecured and unguaranteed:</u>		
Lease liabilities	516	105
	<u>516</u>	<u>105</u>
Total short-term borrowings	<u>168,033</u>	<u>159,302</u>
<u>Non-current</u>		
<u>Secured and guaranteed:</u>		
Term loans	298,815	310,086
Bridging loans	20,076	13,841
	<u>318,891</u>	<u>323,927</u>
<u>Unsecured and unguaranteed:</u>		
Lease liabilities	488	44
	<u>488</u>	<u>44</u>
Total long-term borrowings	<u>319,379</u>	<u>323,971</u>
Total borrowings and lease liabilities	<u>487,412</u>	<u>483,273</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 Sharea) Basic earnings per share

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

	3-MONTHS ENDED (3RD QUARTER)		9-MONTHS ENDED	
	31.12.2023	31.12.2022⁽¹⁾	31.12.2023	31.12.2022⁽¹⁾
Profit attributable to:				
- Owners of the Company (RM'000)	25,123	N/A	86,229	N/A
Weighted average number of ordinary shares in issue ('000)	1,000,000	N/A	838,161	N/A
Basic EPS (sen)	2.51	N/A	10.29	N/A

N/A Not applicable

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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 (3RD QUARTER)		9-MONTHS ENDED	
	31.12.2023	31.12.2022⁽¹⁾	31.12.2023	31.12.2022⁽¹⁾
Profit attributable to:				
- Owners of the Company (RM'000)	25,123	N/A	86,229	N/A
Weighted average number of ordinary shares in issue ('000)	1,000,000	N/A	838,161	N/A
Effect of conversion of ICPS ('000)	<u>187,500</u>	<u>N/A</u>	<u>165,602</u>	<u>N/A</u>
Diluted number of ordinary shares ('000)	<u>1,187,500</u>	<u>N/A</u>	<u>1,003,763</u>	<u>N/A</u>
Diluted EPS (sen)	2.12	N/A	8.59	N/A

N/A Not applicable

Notes:

⁽¹⁾ No comparative figures for preceding corresponding quarter and period are presented as the Group was listed on the Main Market of Bursa Malaysia Securities Berhad on 10 July 2023. This is the fourth interim financial report for the third quarter ended 31 December 2023 announced by the Group in compliance with the Listing Requirements.

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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 2023.

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

	3-MONTHS ENDED (3RD QUARTER) 31.12.2023 RM'000	9-MONTHS ENDED 31.12.2023 RM'000
Amortisation of intangible assets	140	403
Depreciation of:		
- property, plant and equipment	2,521	3,416
- right-of-use assets	143	417
Finance costs	4,021	11,887
Impairment losses on intangible assets	14	56
Interest income	(1,471)	(5,328)

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 31 December 2023 was authorised for issuance by the Board of Directors on 26 February 2024.