



SKYWORLD DEVELOPMENT BERHAD

Registration No: 200601034211 (753970-X)

(Incorporated in Malaysia)

**Interim Financial Report
31 December 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 31 DECEMBER 2024 ⁽¹⁾

	3-MONTHS ENDED (3RD QUARTER)		9-MONTHS ENDED	
	31.12.2024 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	31.12.2023 RM'000
Revenue	107,873	171,165	331,011	530,320
Cost of sales	(65,159)	(116,894)	(218,674)	(347,185)
Gross profit	42,714	54,271	112,337	183,135
Other operating income	2,875	2,892	11,456	8,351
Selling and marketing expenses	(3,492)	(3,573)	(9,528)	(9,273)
Administrative expenses	(18,193)	(15,619)	(48,098)	(49,642)
Finance costs	(2,848)	(4,021)	(10,753)	(11,887)
Profit before tax	21,056	33,950	55,414	120,684
Income tax expense	(7,745)	(8,897)	(17,636)	(34,651)
Profit for the period	13,311	25,053	37,778	86,033
Other comprehensive (loss)/income				
Items that may be classified subsequently to profit or loss:				
- Exchange differences on translating foreign operation	1,940	(912)	(3,531)	275
Total other comprehensive income for the period	15,251	24,141	34,247	86,308
Profit attributable to:				
- Owners of the Company	13,316	25,123	37,834	86,229
- Non-controlling interest	(5)	(70)	(56)	(196)
	13,311	25,053	37,778	86,033

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2024 ⁽¹⁾ (CONT'D)

	3-MONTHS ENDED (3RD QUARTER)		9-MONTHS ENDED	
	31.12.2024 RM'000	31.12.2023 RM'000	31.12.2024 RM'000	31.12.2023 RM'000
Total comprehensive income attributable to:				
- Owners of the Company	15,256	24,211	34,303	86,504
- Non-controlling interest	(5)	(70)	(56)	(196)
	<u>15,251</u>	<u>24,141</u>	<u>34,247</u>	<u>86,308</u>
Earnings per share (Note B11):				
Basic (sen)	<u>1.33</u>	<u>2.51</u>	<u>3.78</u>	<u>10.29</u>
Diluted (sen)	<u>1.12</u>	<u>2.12</u>	<u>3.19</u>	<u>8.59</u>

Notes:

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

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024 ⁽¹⁾**

	31.12.2024	Audited
	RM'000	31.03.2024
		RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	33,406	31,563
Right-of-use assets	485	879
Investment properties	69,267	68,308
Intangible assets	1,625	2,020
Inventories – land held for property development	558,947	523,780
Goodwill	1,227	1,214
Deferred tax assets	13,829	11,503
Prepaid expenses	1,958	1,958
Total Non-current Assets	680,744	641,225
Current Assets		
Inventories – property development costs	184,047	175,251
Inventories – completed properties	5,004	15,388
Contract assets	175,613	96,063
Contract cost assets	4,164	3,007
Trade receivables	54,435	98,599
Other receivables, refundable deposits and prepaid expenses	70,760	13,876
Current tax assets	19,437	15,317
Cash and bank balances	311,780	499,922
Total Current Assets	825,240	917,423
TOTAL ASSETS	1,505,984	1,558,648
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	244,960	244,960
Irredeemable convertible preference shares	150,000	150,000
Other reserves	(2,904)	597
Retained earnings	470,096	450,547
Equity Attributable to Owners of the Company	862,152	846,104
Non-controlling interests	(42)	(3,271)
Total Equity	862,110	842,833
Non-current Liabilities		
Land cost payable	9,750	9,750
Lease liabilities	236	297
Bank borrowings	210,805	276,142
Deferred tax liabilities	1,569	1,135
Total Non-current Liabilities	222,360	287,324

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024 ⁽¹⁾ (CONT'D)**

	31.12.2024	Audited
	RM'000	31.03.2024
		RM'000
Current Liabilities		
Trade payables	147,367	154,246
Other payables and accrued expenses	39,573	41,897
Contract liabilities	1,124	9,921
Land cost payable	519	565
Lease liabilities	234	570
Bank borrowings	229,881	213,415
Current tax liabilities	2,816	7,877
Total Current Liabilities	<u>421,514</u>	<u>428,491</u>
Total Liabilities	<u>643,874</u>	<u>715,815</u>
Total Equity and Liabilities	<u>1,505,984</u>	<u>1,558,648</u>
Net assets per ordinary share ⁽²⁾ (RM)	<u>0.86</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 31 DECEMBER 2024 ⁽¹⁾

		Irredeemable convertible preference shares RM'000	Distributable reserve Retained earnings RM'000	Non-distributable reserve Translation reserve RM'000	Share-based payment 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 period	-	-	37,834	(3,531)	-	34,303	(56)	34,247
Final single-tier dividend paid for financial year ended 31 March 2024	-	-	(10,000)	-	-	(10,000)	-	(10,000)
First interim single-tier dividend paid for financial year ending 31 March 2025	-	-	(5,000)	-	-	(5,000)	-	(5,000)
Share options granted under Employees' Share Option Scheme	-	-	-	-	30	30	-	30
Acquisition of remaining equity interest in subsidiary companies	-	-	(3,285)	-	-	(3,285)	3,285	-
As at 31 December 2024	244,960	150,000	470,096	(2,934)	30	862,152	(42)	862,110

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2024 ⁽¹⁾ (CONT'D)

	Share capital RM'000	Irredeemable convertible preference shares RM'000	Distributable reserve Retained earnings 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

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 31 DECEMBER 2024 ⁽¹⁾

	31.12.2024 RM'000	31.12.2023 RM'000
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Profit before tax	55,414	120,684
Adjustments for:		
Depreciation of:		
Property, plant and equipment	4,043	3,416
Right-of-use assets	426	417
Intangible assets	396	403
Interest expense	10,753	11,887
Interest income	(4,997)	(5,328)
Gain on fair value adjustment on short-term funds	(3,677)	-
Provision for bumi quota penalty	350	-
Allowance for doubtful debt for trade receivables	53	-
Reversal of allowance of doubtful debt for refundable deposit	(1,540)	-
Impairment losses on intangible assets	-	56
Share options granted under Employees' Share Option Scheme	30	-
Operating profit before working capital changes	61,251	131,535
Movement in working capital:		
(Increase) / Decrease in:		
Inventories – land held for property development	(34,992)	50,132
Inventories – property development costs	(8,111)	(41,211)
Inventories – completed properties	10,384	23,795
Contract assets	(79,550)	(28,711)
Contract cost assets	(1,156)	2,057
Trade receivables	44,111	(39,306)
Other receivables, refundable deposits and prepaid expenses	(55,220)	(9,135)
Increase / (Decrease) in:		
Trade payables	(6,878)	11,393
Other payables and accrued expenses	(2,824)	(8,701)
Land cost payables	(46)	(584)
Contract liabilities	(8,797)	23,586
Cash generated from operations	(81,828)	114,850
Interest paid	(10,723)	(11,846)
Income tax paid	(32,018)	(33,145)
Income tax refund	3,309	2,039
Net cash (used in)/from operating activities	(121,260)	71,898

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2024 ⁽¹⁾ (CONT'D)

	31.12.2024 RM'000	31.12.2023 RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest received	8,673	5,328
Acquisition of property, plant and equipment	(5,880)	(10,628)
Additions to intangible assets	-	(152)
Addition to investment properties	(959)	(15,808)
Placement of fixed deposits pledged	(155)	(39,434)
Proceed from partial disposal of subsidiary	10	-
Net cash from/(used in) investing activities	1,689	(60,694)
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		
Allotment of shares	-	162,460
Dividend paid	(15,000)	(30,000)
Repayment of bank borrowings	(134,134)	(112,411)
Proceeds from bank borrowings	84,397	94,741
Payment of lease liabilities	(428)	(408)
Interest paid	(30)	(42)
Net cash (used in)/from financing activities	(65,195)	114,340
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(184,766)	125,544
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	(3,531)	275
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	402,215	223,408
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	213,918	349,227
Cash and cash equivalents comprise the following:		
Cash and bank balances	311,780	423,044
Fixed deposits placed with licensed banks	(77,862)	(53,752)
Bank overdraft	(20,000)	(20,065)
	213,918	349,227

Notes:

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

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A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

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

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

A2. Significant Accounting Policies

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

Adoption of Amendments to MFRSs

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

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

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

A3. Seasonal or Cyclical Factors

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

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

A4. Material Unusual Items

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

A5. Material Changes in Estimates

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

A6. Debts and Equity Securities

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

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

Tranche	Issuance Date	Amount (RM Million)	Tenure	Maturity date
2	30 April 2024	50.0	3 months	30 July 2024
3	30 July 2024	50.0	3 months	30 October 2024
4	30 October 2024	50.0	3 months	31 January 2025

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.

On 30 December 2024, the Company paid a first interim single-tier dividend of RM5.0 million or 0.50 sen per ordinary shares for the financial year ending 31 March 2025.

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A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**A8. Segmental Reporting****Operation Segment****9-months ended 31 December 2024**

	Property Development RM'000	Property management and services RM'000	Property investment RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External revenue	326,453	3	3,734	821	-	331,011
Inter-segment revenue	-	38,285	-	-	(38,285)	-
Total revenue	326,453	38,288	3,734	821	(38,285)	331,011
Cost of Sales						
External cost of sales	(214,716)	-	(3,547)	(411)	-	(218,674)
Inter-segment cost of sales	(7,398)	-	(610)	-	8,008	-
Total cost of sales	(222,114)	-	(4,157)	(411)	8,008	(218,674)
Gross Profit	104,339	38,288	(423)	410	(30,277)	112,337
Operating income						11,456
Selling & marketing expenses						(9,528)
Administrative expenses						(48,098)
Finance cost						(10,753)
Profit before tax						55,414
Income tax expense						(17,636)
Profit for the year						37,778

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

	Property Development RM'000	Property management and services RM'000	Property investment RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External revenue	529,145	2	615	558	-	530,320
Inter-segment revenue	-	36,001	-	-	(36,001)	-
Total revenue	529,145	36,003	615	558	(36,001)	530,320
Cost of Sales						
External cost of sales	(344,456)	-	(2,418)	(311)	-	(347,185)
Inter-segment cost of sales	(8,621)	-	(245)	-	8,866	-
Total cost of sales	(353,077)	-	(2,663)	(311)	8,866	(347,185)
Gross Profit	176,068	36,003	(2,048)	247	(27,135)	183,135
Operating income						8,351
Selling & marketing expenses						(9,273)
Administrative expenses						(49,642)
Finance cost						(11,887)
Profit before tax						120,684
Income tax expense						(34,651)
Profit for the year						86,033

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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 other changes in the composition of the Group during the current financial period under review, except for the following:

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

A11. Contingent Liabilities and Contingent Assets

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

A12. Material Capital Commitments

	31.12.2024	31.03.2024
	RM'000	RM'000
Approved and contracted for:		
Capital expenditure for new build-to-rent developments	487	3,335
Acquisition of lands for property development	287,161	104,650
Property, plant and equipment	<u>4,175</u>	<u>-</u>

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

A13. Significant Related Party Transactions

	3-MONTHS ENDED (3RD QUARTER) 31.12.2024 RM'000	9-MONTHS ENDED 31.12.2024 RM'000
Related parties:		
Rental of office building	152	463
Rental of office equipment	38	98
Insurance brokerage and related services	<u>55</u>	<u>207</u>

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

	3-MONTHS ENDED (3RD QUARTER)		9-MONTHS ENDED	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	107,873	171,165	331,011	530,320
Gross profit	42,714	54,271	112,337	183,135
Profit before tax ("PBT")	21,056	33,950	55,414	120,684

The Group's revenue for current quarter and financial period ended 31 December 2024 is mainly attributed from property development segment, which were mainly derived from the progressive revenue recognition from the on-going projects, namely, **EdgeWood Residences**, **SkyVogue Residences**, **Curvo Residences** and **Vesta Residences** and the sales of completed inventories mainly from **SkyMeridien Residences**, **Bennington Residences** and **SkyAwani II Residences (commercial)**.

(a) Performance of current quarter (Q3 FY2025) vs corresponding quarter in the preceding year (Q3 FY2024)

In the Q3 FY2025, the Group's revenue was RM107.9 million, a 37.0% decrease from Q3 FY2024. This decline was primarily due to lower progressive revenue recognition from **EdgeWood Residences** as development progress is close to completion and there was no revenue recognised from **SkyAwani V Residences** which completed in last financial year. These projects collectively contributed revenue of RM100.5 million in Q3 FY2024, as compared to RM16.7 million in Q3 FY2025. Nevertheless, the impact was mitigated by the increase in revenue from on-going projects, i.e. from **Curvo Residences** and **Vesta Residences**.

Consequently, the Group's gross profit and PBT in the Q3 FY2025 were 21.3% and 38.0% lower than in Q3 FY2024, at RM42.7 million and RM21.1 million respectively.

(b) Performance of the current year to date (9-month ended FY2025) vs the corresponding period in the preceding year (9-month ended FY2024)

The Group's revenue for the 9-month ended FY2025 decreased by RM199.3 million or 37.6% to RM331.0 million as compared to RM530.3 million recorded in the corresponding period in the preceding year. Lower revenue was mainly due to the completion of **SkySierra Residences (The Valley)**, **SkyAwani IV Residences** and **SkyAwani V Residences** in last financial year, which had collectively contributed RM245.1 million revenue in 9-month ended FY2024. Nevertheless, the impact was mitigated by the increase in revenue from on-going projects, i.e. from **Curvo Residences** and **Vesta Residences**.

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

B1. Review of Performance (Cont'd)

(b) Performance of the current year to date (9-month ended FY2025) vs the corresponding period in the preceding year (9-month ended FY2024) (Cont'd)

Corresponding to lower revenue, the Group's Gross Profit and PBT for the 9-month ended FY2025 were decreased by RM70.8 million and RM65.2 million or 38.7% and 54.1% respectively.

B2. Comparison with Immediate Preceding Quarter

	3-MONTHS ENDED			
	CURRENT	PRECEDING	VARIANCE	
	31.12.2024	30.09.2024		
	RM'000	RM'000	RM'000	%
Revenue	107,873	124,330	(16,457)	-13.2%
Gross profit	42,714	37,601	5,113	13.6%
Profit before tax	21,056	20,295	761	3.7%

The Group's revenue for the current quarter decreased by RM16.5 million or 13.2% to RM107.9 million as compared to RM124.3 million recorded in the preceding quarter primarily due to lower progressive revenue recognised from **Edgewood Residences**. Nevertheless, the impact was mitigated by higher revenue recognised from **Curvo Residences** and **Vesta Residences**.

In contrast with the lower revenue, the Group's gross profit for the current quarter increased by RM5.1 million or 13.6% to RM42.7 million as compared to RM37.6 million recorded in the preceding quarter, primarily due to cost savings upon final account of **SkyMeridien Residences**'s main construction contract. As a result, the Group's profit before tax increased by RM0.8 million or 3.7% to RM21.1 million as compared to RM20.3 million recorded in the preceding quarter.

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

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 31 December 2024, the Group's unbilled sales amounted to RM622.6 million.

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

As of 31 December 2024, the financial position of the Group remains sound and healthy given that our gross gearing of 0.51 times and net gearing of 0.15 times. This provides greater financing capacity for the Group to support our growth momentum.

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

On 10 December 2024, the Group has entered into a Joint Development Agreement with Penang Development Corporation ("PDC") and PDC Properties Sdn Bhd ("PDCP") to jointly develop more than 35,000 affordable housing units on the parcels of land located at Batu Kawan and Seberang Perai Tengah, Pulau Pinang measuring approximately 195.5 acres, with an estimated GDV worth approximately RM13.0 billion. The first phase of the development is expected to be launched in year 2026, with a projected 15-year development period for the entire development.

The Group had on 20 January 2025 announced that the Company proposed diversification of its existing business operation to include the business of manufacturing of prefabricated and prefinished modular systems ("Proposed Diversification"). The Group will pioneer the use of the prefabricated and prefinished modular systems to support the joint development at Pulau Pinang.

Premised on the above, the joint development and Propose Diversification is expected to contribute positively to the future earnings and cashflows of the Group.

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 (3RD QUARTER)		9-MONTHS ENDED	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Estimated tax payable:				
- Current financial period	6,978	7,643	14,910	38,730
- Underprovision in prior years	145	(440)	4,618	(440)
	<u>7,123</u>	<u>7,203</u>	<u>19,528</u>	<u>38,290</u>
Deferred tax:				
- Current financial period	(1,103)	1,292	610	(4,081)
- (Over)/Underprovision in prior years	1,725	402	(2,502)	442
	<u>622</u>	<u>1,694</u>	<u>(1,892)</u>	<u>(3,639)</u>
Total tax expense	<u>7,745</u>	<u>8,897</u>	<u>17,636</u>	<u>34,651</u>
Effective tax rate (%)	37	26	32	29
Statutory tax rate (%)	24	24	24	24

The Group's effective tax rate for the current quarter and financial period ended 31 December 2024 was higher than the statutory tax rate of 24% mainly due to under provision in prior years and non-deductible expenses which includes non-cash expenses items.

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

B6. Status of Corporate Proposals

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

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

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

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

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

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

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

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

B6. Status of Corporate Proposals (cont'd)

b) (cont'd)

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

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

As at date of this interim report, the Parties have concluded a term sheet in setting out the principal terms and conditions for preparing the Definitive Agreements. The Parties had mutually agreed to further extend the MoU to 15 April 2025 to conclude the Definitive Agreements for the Proposed Transaction.

- c) On 9 October 2024, Aspirasi Cekap Sdn Bhd ("Developer"), a wholly-owned subsidiary of the Company, entered into a Joint Development Agreement ("JDA") with PR1MA Corporation Malaysia ("PR1MA") to undertake the proposed development and construction of quality affordable homes together with all the amenities and infrastructure on a leasehold land measuring approximately 1.97 acres located at Brickfields at Lot 20005 Seksyen 95 (PT28), Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur ("Development Land") for a total consideration of RM32.17 million ("JD Consideration") (collectively referred to as the "Proposed Development").

The PR1MA is registered owner of the Development Land. The Proposed Development which entails the development of 491 units of apartments, measuring approximately 900 square feet per unit ("the Project") with total estimated Gross Development Value of RM191.5 million. Pursuant to the JDA, the Developer's responsibilities include design, develop, construct, complete and handover the Project. The JD Consideration comprises of land cost of RM28.17 million and guaranteed profit of RM4.00 million.

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

B6. Status of Corporate Proposals (cont'd)

c) (cont'd)

The commencement of the Project is conditional upon the conditions precedent as specified in the JDA to be fulfilled within a period of fifteen (15) months from the effective date ("Approval Period") and subject to extension for another three (3) months in the event the conditions precedent are not fulfilled within the Approval Period, subject to a request in writing by the Developer to PR1MA being given for not less than fourteen (14) days prior to the expiry of the Approval Period.

As at date of this interim report, the conditions precedent of the JDA are still pending to be fulfilled.

- d) On 10 December 2024, the Company entered into a Joint Development Agreement ("JDA") with Penang Development Corporation ("PDC" or the "Landowner"), and PDC Properties Sdn Bhd ("PDCP" or the "Project Manager"), a wholly-owned subsidiary of PDC, to undertake a new affordable housing development comprising of Affordable Homes and New Talent Homes ("Project") on the parcels of land held under Mukim 13, Bandar Cassia, Seberang Perai Selatan, Pulau Pinang measuring approximately 161.50 acres ("Plot A") and Lot 5320, Pajakan Negeri 10926, Mukim 01, Daerah Seberang Perai Tengah, Pulau Pinang measuring approximately 31.29 acres ("Lot 5320") and Lot 10848 (previously held under PT 5066), Geran 186062 (previously held under Hakmilik Sementara 63866), Mukim 01, Daerah Seberang Perai Tengah, Pulau Pinang measuring approximately 2.75 acres ("Lot 10848") (Lot 5320 and Lot 10848 are collectively known as "Plot B" measuring approximately 34.04 acres), (Plot A and Plot B are collectively known as the "Land"), in accordance with the terms and conditions set out in the JDA ("Proposed Joint Development").

The Proposed Joint Development entails a joint development of the Project between PDC (the owner or eventual owner of the Land), PDCP (the project manager of the development of the Land) and the Company (or the appointed developer for the Project) on the Land with an estimated Gross Development Value of approximate RM13.0 billion. The Company may develop the Project in phases, within the development period of 15 years.

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

B6. Status of Corporate Proposals (cont'd)

d) (cont'd)

In accordance with the JDA, PDC shall be entitled to an aggregate guaranteed cash entitlement of RM502,678,044, subject to an annual increase of not less than 6% for each Parcel for which a SPA has yet to be signed ("Landowner's Entitlement"), for contributing the Land to the Developer for the Proposed Joint Development. In addition, PDGP shall be entitled to a project management fee of not less than 8% of the Landowner's Entitlement, equivalent to RM40,214,243 based on the Landowner's Entitlement of RM502,678,044 for its service as the Project Manager ("Project Management Fee"). The Landowner's Entitlement and Project Management Fee will be paid in staggered payments as stated in the JDA.

The Proposed Joint Development is subject to the approval of the shareholders of the Company at an extraordinary general meeting to be convened.

e) The Company had on 20 January 2025 announced that the Company proposed diversification of its existing business operation to include the business of manufacturing of prefabricated and prefinished modular systems ("Proposed Diversification").

The Proposed Diversification is envisaged to be undertaken through a collaboration with Teambuild Holding (S) Pte Ltd ("Teambuild"), by leveraging on Teambuild's expertise, skills, knowledge and technical know-how as a contractor with a strong track record in the use of prefabricated and prefinished volumetric construction ("PPVC") technology. This collaboration will be undertaken through SkyWorld Development's 70% owned subsidiary, Prefab Master Sdn Bhd ("Prefab Master") based on the terms and conditions set out in the Shareholders' Agreement signed on 20 January 2025.

The Proposed Diversification is subject to the approval of the shareholders of the Company at an extraordinary general meeting to be convened.

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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	(58,335)	-	41,665	Within 36 months
Working capital for project development	35,192	(25,618)	1,819	11,393	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>(113,342)</u>	<u>-</u>	<u>53,058</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 2024 are as follows:

	31.12.2024 RM'000	31.03.2024 RM'000
<u>Current</u>		
<u>Secured and guaranteed:</u>		
Term loans	146,060	183,632
Bridging loans	13,821	9,783
Bank overdraft	20,000	20,000
Islamic Commercial Paper	50,000	-
	<u>229,881</u>	<u>213,415</u>
<u>Unsecured and unguaranteed:</u>		
Lease liabilities	234	570
	<u>234</u>	<u>570</u>
Total short-term borrowings and lease liabilities	<u>230,115</u>	<u>213,985</u>
<u>Non-current</u>		
<u>Secured and guaranteed:</u>		
Term loans	210,805	260,009
Bridging loans	-	16,133
	<u>210,805</u>	<u>276,142</u>
<u>Unsecured and unguaranteed:</u>		
Lease liabilities	236	297
	<u>236</u>	<u>297</u>
Total long-term borrowings and lease liabilities	<u>211,041</u>	<u>276,439</u>
Total borrowings and lease liabilities	<u>441,156</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 (3RD QUARTER)		9-MONTHS ENDED	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Profit attributable to:				
- Owners of the Company (RM'000)	13,316	25,123	37,834	86,229
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	838,161
Basic EPS (sen)	1.33	2.51	3.78	10.29

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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	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Profit attributable to:				
- Owners of the Company (RM'000)	13,316	25,123	37,834	86,229
Weighted average number of ordinary shares in issue ('000)	1,000,000	1,000,000	1,000,000	838,161
Effect of conversion of ICPS ('000)	<u>187,500</u>	<u>187,500</u>	<u>187,500</u>	<u>165,602</u>
Diluted number of ordinary shares ('000)	<u>1,187,500</u>	<u>1,187,500</u>	<u>1,187,500</u>	<u>1,003,763</u>
Diluted EPS (sen)	1.12	2.12	3.19	8.59

The share options granted under Employees' Share Option Scheme during the quarter have been excluded from the calculation of diluted earnings per share as they do not have a dilutive effect.

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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 (3RD QUARTER) 31.12.2024 RM'000	9-MONTHS ENDED 31.12.2024 RM'000
Amortisation of intangible assets	132	396
Depreciation of:		
- property, plant and equipment	1,515	4,043
- right-of-use assets	143	426
Interest expense	2,848	10,753
Gain on fair value adjustment on short-term funds	(1,161)	(3,677)
Interest income	(1,310)	(4,997)
(Reversal of)/Allowance for doubtful debt for trade receivables	(2)	53
Provision for bumi quota penalty	100	350
Reversal of allowance for doubtful debt for refundable deposit	-	(1,540)
Share options granted under Employees' Share Option Scheme	30	30

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 2024 was authorised for issuance by the Board of Directors on 21 February 2025.