

SKYWORLD DEVELOPMENT BERHAD

Registration No: 200601034211 (753970-X)

(Incorporated in Malaysia)

**Interim Financial Report
30 September 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 30 SEPTEMBER 2023⁽¹⁾

| | 3-MONTHS ENDED (2 ND QUARTER) | | 6-MONTHS ENDED | |
|--|---|-------------------------------------|----------------------|-------------------------------------|
| | 30.09.2023 RM'000 | 30.09.2022 ⁽²⁾ RM'000 | 30.09.2023 RM'000 | 30.09.2022 ⁽²⁾ RM'000 |
| Revenue | 148,334 | N/A | 359,155 | N/A |
| Cost of sales | (98,138) | N/A | (230,291) | N/A |
| Gross profit | 50,196 | N/A | 128,864 | N/A |
| Other operating income | 3,768 | N/A | 5,459 | N/A |
| Selling and marketing expenses | (3,572) | N/A | (5,700) | N/A |
| Administrative expenses | (18,339) | N/A | (34,023) | N/A |
| Finance costs | (4,517) | N/A | (7,865) | N/A |
| Profit before tax | 27,536 | N/A | 86,735 | N/A |
| Income tax expense | (8,498) | N/A | (25,754) | N/A |
| Profit for the period | 19,038 | N/A | 60,981 | N/A |
| Other comprehensive income | | | | |
| Items that may be classified subsequently to profit or loss: | | | | |
| - Exchange differences on translating foreign operation | (1,192) | N/A | 1,187 | N/A |
| Total other comprehensive income for the period | 17,846 | N/A | 62,168 | N/A |
| Profit attributable to: | | | | |
| - Owners of the Company | 19,105 | N/A | 61,107 | N/A |
| - Non-controlling interest | (67) | N/A | (126) | N/A |
| | 19,038 | N/A | 60,981 | N/A |

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023⁽¹⁾ (CONT'D)

| | 3-MONTHS ENDED (2 ND QUARTER) | | 6-MONTHS ENDED | |
|--|---|---------------------------|----------------|---------------------------|
| | 30.09.2023 | 30.09.2022 ⁽²⁾ | 30.09.2023 | 30.09.2022 ⁽²⁾ |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Total comprehensive income attributable to: | | | | |
| - Owners of the Company | 17,913 | N/A | 62,294 | N/A |
| - Non-controlling interest | (67) | N/A | (126) | N/A |
| | <u>17,846</u> | <u>N/A</u> | <u>62,168</u> | <u>N/A</u> |
| Earnings per share (Note B11): | | | | |
| Basic (sen) | <u>2.53</u> | <u>N/A</u> | <u>8.08</u> | <u>N/A</u> |
| Diluted (sen) | <u>2.10</u> | <u>N/A</u> | <u>6.71</u> | <u>N/A</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 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 third interim financial report announced by the Group in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

N/A Not applicable.

SKYWORLD DEVELOPMENT BERHAD

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(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023⁽¹⁾**

| | UNAUDITED 30.09.2023 RM'000 | AUDITED 31.03.2023 RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current Assets | | |
| Property, plant and equipment | 32,268 | 23,653 |
| Right-of-use assets | 1,167 | 173 |
| Investment properties | 61,433 | 53,053 |
| Intangible assets | 2,283 | 2,547 |
| Inventories - land held for property development | 492,059 | 547,874 |
| Goodwill | 1,214 | 1,214 |
| Deferred tax assets | 25,616 | 19,947 |
| Prepaid expenses | 1,952 | 1,952 |
| Total Non-current Assets | <u>617,992</u> | <u>650,413</u> |
| Current Assets | | |
| Inventories - property development costs | 188,647 | 142,365 |
| Inventories - completed properties | 26,169 | 42,076 |
| Contract assets | 153,788 | 175,058 |
| Contract cost assets | 3,764 | 5,386 |
| Trade receivables | 87,593 | 39,779 |
| Other receivables, refundable deposits and prepaid expenses | 22,351 | 12,280 |
| Current tax assets | 13,990 | 12,585 |
| Cash and bank balances | 438,102 | 237,727 |
| Total Current Assets | <u>934,404</u> | <u>667,256</u> |
| TOTAL ASSETS | <u><u>1,552,396</u></u> | <u><u>1,317,669</u></u> |
| EQUITY AND LIABILITIES | | |
| Capital and Reserves | | |
| Share capital | 244,960 | 62,500 |
| Irredeemable convertible preference shares | 150,000 | - |
| Foreign currency translation reserve | 1,082 | (105) |
| Retained earnings | 417,370 | 547,396 |
| Equity Attributable to Owners of the Company | <u>813,412</u> | <u>609,791</u> |
| Non-controlling interests | (3,124) | 5,869 |
| Total Equity | <u>810,288</u> | <u>615,660</u> |
| Non-current Liabilities | | |
| Lease liabilities | 635 | 44 |
| Bank borrowings | 315,709 | 323,927 |
| Deferred tax liabilities | 1,230 | 894 |
| Total Non-current Liabilities | <u>317,574</u> | <u>324,865</u> |

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023⁽¹⁾ (CONT'D)**

| | UNAUDITED 30.09.2023 RM'000 | AUDITED 31.03.2023 RM'000 |
|---|--|--|
| Current Liabilities | | |
| Trade payables | 152,762 | 161,157 |
| Other payables and accrued expenses | 45,890 | 51,212 |
| Contract liabilities | 25,282 | 1,121 |
| Land cost payable | 564 | 1,148 |
| Lease liabilities | 511 | 105 |
| Bank borrowings | 187,321 | 159,197 |
| Current tax liabilities | 12,204 | 3,204 |
| Total Current Liabilities | <u>424,534</u> | <u>377,144</u> |
| Total Liabilities | <u>742,108</u> | <u>702,009</u> |
| Total Equity and Liabilities | <u>1,552,396</u> | <u>1,317,669</u> |
| Net assets per ordinary share ⁽²⁾ (RM) | <u>0.81</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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 | - | - | 61,107 | 1,187 | 62,294 | (126) | 62,168 |
| Issuance of ordinary shares pursuant to public issue | 166,400 | - | - | - | 166,400 | - | 166,400 |
| Share issuance expenses | (3,940) | - | - | - | (3,940) | - | (3,940) |
| Issuance of irredeemable convertible preference shares | - | 150,000 | (150,000) | - | - | - | - |
| Dividend paid | - | - | (30,000) | - | (30,000) | - | (30,000) |
| Acquisition of remaining equity interest in a subsidiary company | 20,000 | - | (11,133) | - | 8,867 | (8,867) | - |
| As at 30 September 2023 | 244,960 | 150,000 | 417,370 | 1,082 | 813,412 | (3,124) | 810,288 |

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 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 third 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 30 SEPTEMBER 2023⁽¹⁾

| | 30.09.2023 | 30.09.2022⁽²⁾ |
|---|-------------------|---------------------------------|
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 86,735 | N/A |
| Adjustments for: | | |
| Depreciation of: | | |
| Property, plant and equipment | 894 | N/A |
| Right-of-use assets | 274 | N/A |
| Intangible assets | 263 | N/A |
| Interest expense | 7,865 | N/A |
| Interest income | (3,857) | N/A |
| Impairment losses on intangible assets | 42 | N/A |
| Operating profit before working capital changes | 92,216 | N/A |
| Movement in working capital: | | |
| Decrease / (Increase) in: | | |
| Inventories - land held for property development | 55,908 | N/A |
| Inventories - property development costs | (45,828) | N/A |
| Inventories - completed properties | 15,907 | N/A |
| Contract assets | 21,270 | N/A |
| Contract cost assets | 1,622 | N/A |
| Trade receivables | (47,814) | N/A |
| Other receivables, refundable deposits and prepaid expenses | (1,248) | N/A |
| (Decrease) / Increase in: | | |
| Trade payables | (8,395) | N/A |
| Other payables and accrued expenses | (5,323) | N/A |
| Land cost payables | (584) | N/A |
| Contract liabilities | 24,161 | N/A |
| Cash generated from operations | 101,892 | N/A |
| Interest paid | (7,840) | N/A |
| Income tax paid | (25,531) | N/A |
| Income tax refund | 2,039 | N/A |
| Net cash from operating activities | 70,560 | N/A |

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023⁽¹⁾ (CONT'D)

| | 30.09.2023 | 30.09.2022⁽²⁾ |
|--|-----------------------|---------------------------------|
| | RM'000 | RM'000 |
| CASH FLOWS USED IN INVESTING ACTIVITIES | | |
| Interest received | 3,857 | N/A |
| Acquisition of property, plant and equipment | (9,504) | N/A |
| Additions to intangible assets | (42) | N/A |
| Addition to investment properties | (8,379) | N/A |
| Placement of fixed deposits pledged | (36,719) | N/A |
| Net cash used in investing activities | <u>(50,787)</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 | (77,392) | N/A |
| Proceeds from bank borrowings | 87,924 | N/A |
| Payment of lease liabilities | (270) | N/A |
| Interest paid | (26) | N/A |
| Net cash from financing activities | <u>142,696</u> | <u>N/A</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | |
| | 162,469 | N/A |
| EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD | | |
| | 1,187 | N/A |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | | |
| | <u>223,408</u> | <u>N/A</u> |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | | |
| | <u><u>387,064</u></u> | <u><u>N/A</u></u> |
| Cash and cash equivalents comprise the following: | | |
| Cash and bank balances | 438,102 | N/A |
| Less: Fixed deposits placed with licensed banks pursuant to banking facilities | <u>(51,038)</u> | <u>N/A</u> |
| | <u><u>387,064</u></u> | <u><u>N/A</u></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 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 third interim financial report announced by the Group in compliance with the Listing Requirements.

N/A Not applicable.

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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 third 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.

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 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 30 September 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.
- 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..

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A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**A6. Debts and Equity Securities (Cont'd)**

- 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.

A8. Segmental Reporting**Operation Segment****6-months ended 30 September 2023 (Unaudited)**

| | Property Development RM'000 | Others RM'000 | Elimination RM'000 | Consolidated RM'000 |
|------------------------------|--|--------------------------|-------------------------------|--------------------------------|
| Revenue | | | | |
| External revenue | 358,629 | 526 | - | 359,155 |
| Inter-segment revenue | - | 24,831 | (24,831) | - |
| Total revenue | <u>358,629</u> | <u>25,357</u> | <u>(24,831)</u> | <u>359,155</u> |
| Cost of Sales | | | | |
| External cost of sales | (229,223) | (1,068) | - | (230,291) |
| Inter-segment cost of sales | (5,561) | (100) | 5,661 | - |
| Total cost of sales | <u>(234,784)</u> | <u>(1,168)</u> | <u>5,661</u> | <u>(230,291)</u> |
| Gross Profit | 123,845 | 24,189 | (19,170) | 128,864 |
| Operating income | | | | 5,459 |
| Selling & marketing expenses | | | | (5,700) |
| Administrative expenses | | | | (34,023) |
| Finance cost | | | | (7,865) |
| Profit before tax | | | | <u>86,735</u> |
| Income tax expense | | | | (25,754) |
| Profit for the period | | | | <u><u>60,981</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

| | UNAUDITED 30.09.2023 RM'000 | AUDITED 31.03.2023 RM'000 |
|--|--|--|
| Approved and contracted for: | | |
| - Capital expenditure for new build-to-rent developments | 8,629 | 20,914 |
| - Acquisition of land for property development | 81,400 | - |
| | <u>81,400</u> | <u>-</u> |

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

A13. Significant Related Party Transactions

| | 3-MONTHS ENDED (2ND QUARTER) 30.09.2023 RM'000 | 6-MONTHS ENDED 30.09.2023 RM'000 |
|--|--|---|
| Related parties: | | |
| Rental of office building | 159 | 314 |
| Rental of office equipment | 36 | 72 |
| Upkeep and maintenance of office equipment | 2 | 2 |
| Insurance brokerage and related services | 44 | 87 |

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

| | 3-MONTHS ENDED (2ND QUARTER) | | 6-MONTHS ENDED | |
|-------------------|--|--|------------------------------|--|
| | 30.09.2023 RM'000 | 30.09.2022⁽¹⁾ RM'000 | 30.09.2023 RM'000 | 30.09.2022⁽¹⁾ RM'000 |
| Revenue | 148,334 | N/A | 359,155 | N/A |
| Gross profit | 50,196 | N/A | 128,864 | N/A |
| Profit before tax | 27,536 | N/A | 86,735 | N/A |

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 third interim financial report announced by the Group in compliance with the Listing Requirements.

N/A Not applicable

The Group's revenue for current quarter and financial period ended 30 September 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 and Curvo Residences** and the sales of completed inventories mainly from **SkyMeridien Residences and Bennington Residences**. During the financial period, **SkySierra Residences (The Valley)** has completed and delivered to our customers.

The Group recorded profit before tax of RM27.5 million and RM86.7 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 30.09.2023 RM'000 | PRECEDING 30.06.2023 RM'000 | RM'000 | % |
| Revenue | 148,334 | 210,821 | (62,487) | (29.6) |
| Gross profit | 50,196 | 78,668 | (28,472) | (36.2) |
| Profit before tax | 27,536 | 59,199 | (31,663) | (53.5) |

The Group's revenue for the current quarter decreased by RM62.5 million or 29.6% to RM148.3 million as compared to RM210.8 million recorded in the preceding quarter primarily due to lower progressive revenue recognised from **SkySierra Residences (The Valley)**, which was completed in preceding quarter.

The Group's gross profit for the current quarter decreased by RM28.5 million or 36.2% to RM50.2 million as compared to RM78.7 million recorded in the preceding quarter mainly due to lower progressive revenue recognised.

The Group's profit before tax for the current quarter decreased by RM31.7 million or 53.5% to RM27.5 million as compared to RM59.2 million recorded in the preceding quarter. The decrease in profit before tax was mainly due to lower gross profit recognised.

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 30 September 2023, the Group's unbilled sales amounted to RM713.6 million.

For financial year 2024 ("FY2024"), the Group plans to launch 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 (2 ND QUARTER) | | 6-MONTHS ENDED | |
|---------------------------------|---|-------------------------------------|----------------------|-------------------------------------|
| | 30.09.2023 RM'000 | 30.09.2022 ⁽¹⁾ RM'000 | 30.09.2023 RM'000 | 30.09.2022 ⁽¹⁾ RM'000 |
| Estimated tax payable: | | | | |
| - Current financial period | 7,854 | N/A | 31,087 | N/A |
| - Underprovision in prior years | - | N/A | - | N/A |
| | <u>7,854</u> | <u>N/A</u> | <u>31,087</u> | <u>N/A</u> |
| Deferred tax: | | | | |
| - Current financial period | 602 | N/A | (5,373) | N/A |
| - Underprovision in prior years | 42 | N/A | 40 | N/A |
| | <u>644</u> | <u>N/A</u> | <u>(5,333)</u> | <u>N/A</u> |
| Total tax expense | <u>8,498</u> | <u>N/A</u> | <u>25,754</u> | <u>N/A</u> |
| Effective tax rate (%) | 31 | N/A | 30 | N/A |
| Statutory tax rate (%) | 24 | N/A | 24 | N/A |

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 third interim financial report announced by the Group in compliance with the Listing Requirements.

N/A Not applicable

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 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 SPA.

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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 | Balance unutilised RM'000 | Estimated timeframe for utilisation upon Listing |
|---|--|--------------------------------------|--------------------------------------|---|
| Acquisition of land for development | 100,000 | 1,500 | 98,500 | Within 36 months |
| Working capital for project development | 35,192 | 6,579 | 28,613 | 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>17,468</u> | <u>148,932</u> | |

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

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

The Group's borrowings and lease liabilities as at 30 September 2023 are as follows:

| | UNAUDITED 30.09.2023 RM'000 | AUDITED 31.03.2023 RM'000 |
|---|--|--|
| <u>Current</u> | | |
| <u>Secured and guaranteed:</u> | | |
| Term loans | 187,321 | 151,220 |
| Bridging loans | - | 7,977 |
| | <u>187,321</u> | <u>159,197</u> |
| <u>Unsecured and unguaranteed:</u> | | |
| Lease liabilities | 511 | 105 |
| | <u>511</u> | <u>105</u> |
| Total short-term borrowings | <u>187,832</u> | <u>159,302</u> |
| <u>Non-current</u> | | |
| <u>Secured and guaranteed:</u> | | |
| Term loans | 298,267 | 310,086 |
| Bridging loans | 17,442 | 13,841 |
| | <u>315,709</u> | <u>323,927</u> |
| <u>Unsecured and unguaranteed:</u> | | |
| Lease liabilities | 635 | 44 |
| | <u>635</u> | <u>44</u> |
| Total long-term borrowings | <u>316,344</u> | <u>323,971</u> |
| Total borrowings and lease liabilities | <u>504,176</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 declared**

The Board of Directors had on 22 November 2023, proposes to declare a first interim single-tier dividend of 1.25 sen per ordinary share in respect of financial year ending 31 March 2024, to be paid on 15 January 2024.

B11. Earnings Per Sharea) Basic earnings per share

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

| | 3-MONTHS ENDED (2ND QUARTER) | | 6-MONTHS ENDED | |
|--|--|---------------------------------|-----------------------|---------------------------------|
| | 30.09.2023 | 30.09.2022⁽¹⁾ | 30.09.2023 | 30.09.2022⁽¹⁾ |
| Profit attributable to: | | | | |
| - Owners of the Company (RM'000) | 19,105 | N/A | 61,107 | N/A |
| Weighted average number of ordinary shares in issue ('000) | 756,352 | N/A | 756,352 | N/A |
| Basic EPS (sen) | 2.53 | N/A | 8.08 | N/A |

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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 (2 ND QUARTER) | | 6-MONTHS ENDED | |
|--|---|---------------------------|----------------|---------------------------|
| | 30.09.2023 | 30.09.2022 ⁽¹⁾ | 30.09.2023 | 30.09.2022 ⁽¹⁾ |
| Profit attributable to: | | | | |
| - Owners of the Company (RM'000) | 19,105 | N/A | 61,107 | N/A |
| Weighted average number of ordinary shares in issue ('000) | 756,352 | N/A | 756,352 | N/A |
| Effect of conversion of ICPS ('000) | <u>154,533</u> | <u>N/A</u> | <u>154,533</u> | <u>N/A</u> |
| Diluted number of ordinary shares ('000) | <u>910,885</u> | <u>N/A</u> | <u>910,885</u> | <u>N/A</u> |
| Diluted EPS (sen) | 2.10 | N/A | 6.71 | N/A |

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 third interim financial report announced by the Group in compliance with the Listing Requirements.

N/A Not applicable

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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 (2ND QUARTER) 30.09.2023 RM'000 | 6-MONTHS ENDED 30.09.2023 RM'000 |
|--|--|---|
| Amortisation of intangible assets | 132 | 263 |
| Depreciation of: | | |
| - property, plant and equipment | 456 | 894 |
| - right-of-use assets | 142 | 274 |
| Finance costs | 4,517 | 7,865 |
| Impairment losses on intangible assets | - | 42 |
| Interest income | (2,729) | (3,857) |

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

B14. Authorisation for Issue

The interim financial report for the financial period ended 30 September 2023 was authorised for issuance by the Board of Directors on 22 November 2023.