

SKYWORLD DEVELOPMENT BERHAD

Registration No: 200601034211 (753970-X)

(Incorporated in Malaysia)

**Interim Financial Report
31 March 2024**

SKYWORLD DEVELOPMENT BERHADRegistration No: 200601034211 (753970-X)
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH
2024 ⁽¹⁾**

	3-MONTHS ENDED (4TH QUARTER)		12-MONTHS ENDED	
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Revenue	158,287	225,950	688,607	841,411
Cost of sales	(87,812)	(128,275)	(434,997)	(543,065)
Gross profit	70,475	97,675	253,610	298,346
Other operating income	3,388	1,766	11,739	5,838
Selling and marketing expenses	(8,016)	(4,356)	(17,289)	(11,870)
Administrative expenses	(22,127)	(19,157)	(71,769)	(72,764)
Finance costs	(4,277)	(3,300)	(16,164)	(14,766)
Profit before tax	39,443	72,628	160,127	204,784
Income tax expense	(18,772)	(13,365)	(53,423)	(54,073)
Profit for the period/year	20,671	59,263	106,704	150,711
Other comprehensive income				
Items that may be classified subsequently to profit or loss:				
- Exchange differences on translating foreign operation	427	467	702	(107)
Total other comprehensive income for the period/year	21,098	59,730	107,406	150,604
Profit attributable to:				
- Owners of the Company	20,748	58,205	106,977	143,996
- Non-controlling interest	(77)	1,058	(273)	6,715
	20,671	59,263	106,704	150,711

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

	3-MONTHS ENDED		12-MONTHS ENDED	
	(4TH QUARTER)			
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Total comprehensive income attributable to:				
- Owners of the Company	21,175	58,673	107,679	143,889
- Non-controlling interest	(77)	1,057	(273)	6,715
	<u>21,098</u>	<u>59,730</u>	<u>107,406</u>	<u>150,604</u>
Earnings per share (Note B11):				
Basic (sen)	<u>2.07</u>	<u>7.59</u>	<u>12.18</u>	<u>18.77</u>
Diluted (sen)	<u>1.75</u>	<u>7.59</u>	<u>10.19</u>	<u>18.77</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.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT FINANCIAL YEAR ENDED 31 MARCH 2024 ⁽¹⁾**

	31.03.2024	31.03.2023
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	31,563	23,653
Right-of-use assets	879	173
Investment properties	68,308	53,053
Intangible assets	2,020	2,547
Inventories – land held for property development	523,780	547,874
Goodwill	1,214	1,214
Deferred tax assets	11,503	19,947
Prepaid expenses	1,958	1,952
Total Non-current Assets	<u>641,225</u>	<u>650,413</u>
Current Assets		
Inventories – property development costs	174,874	142,365
Inventories – completed properties	15,388	42,076
Contract assets	96,063	175,058
Contract cost assets	3,007	5,386
Trade receivables	98,599	39,779
Other receivables, refundable deposits and prepaid expenses	13,876	12,280
Current tax assets	15,318	12,585
Cash and bank balances	499,922	237,727
Total Current Assets	<u>917,047</u>	<u>667,256</u>
TOTAL ASSETS	<u><u>1,558,272</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	597	(105)
Retained earnings	450,740	547,396
Equity Attributable to Owners of the Company	<u>846,297</u>	<u>609,791</u>
Non-controlling interests	(3,271)	5,869
Total Equity	<u>843,026</u>	<u>615,660</u>
Non-current Liabilities		
Land costs payable	9,750	-
Lease liabilities	297	44
Bank borrowings	276,142	323,927
Deferred tax liabilities	1,135	894
Total Non-current Liabilities	<u>287,324</u>	<u>324,865</u>

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

	31.03.2024	31.03.2023
	RM'000	RM'000
Current Liabilities		
Trade payables	154,227	161,157
Other payables and accrued expenses	41,916	51,212
Contract liabilities	9,352	1,121
Land cost payable	565	1,148
Lease liabilities	570	105
Bank borrowings	213,415	159,197
Current tax liabilities	7,877	3,204
Total Current Liabilities	<u>427,922</u>	<u>377,144</u>
Total Liabilities	<u>715,246</u>	<u>702,009</u>
Total Equity and Liabilities	<u>1,558,272</u>	<u>1,317,669</u>
Net assets per ordinary share ⁽²⁾ (RM)	<u>0.84</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 YEAR ENDED 31 MARCH 2024 ⁽¹⁾

	Share capital RM'000	Irredeemable convertible preference shares RM'000	Distributable reserve - Retained earning RM'000	Non-distributable reserve - Translation reserve RM'000	Attributable to owner of the company RM'000	Non-controlling interests RM'000	Total equity RM'000
As at 1 April 2023	62,500	-	547,396	(105)	609,791	5,869	615,660
Total comprehensive income for the year	-	-	106,977	702	107,679	(273)	107,406
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 paid for financial year ending 31 March 2024	-	-	(12,500)	-	(12,500)	-	(12,500)
As at 31 March 2024	244,960	150,000	450,740	597	846,297	(3,271)	843,026

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

	Share capital 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 2022	62,500	403,380	2	465,882	(826)	465,056
Total comprehensive income for the year	-	143,996	(107)	143,889	6,715	150,604
Dilution of equity interests in subsidiaries	-	20	-	20	(20)	-
As at 31 March 2023	62,500	547,396	(105)	609,791	5,869	615,660

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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 ⁽¹⁾

	31.03.2024	31.03.2023
	RM'000	RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit before tax	160,127	204,784
Adjustments for:		
Depreciation of:		
Property, plant and equipment	3,855	1,312
Right-of-use assets	560	540
Intangible assets	527	264
Interest expense	16,164	14,766
Interest income	(7,583)	(3,541)
Provision for bumi quota penalty	-	759
Reversal of provision for bumi quota penalty	(679)	-
Provision for ex-gratia	4,390	-
Unrealised loss on foreign exchange	-	70
Allowance for doubtful debts:		
Trade receivables	9	-
Refundable deposit	1,551	-
Bad debt written off	-	7
Reversal of provision of doubtful debt for trade receivables	(6)	(59)
Impairment losses on intangible assets	56	696
Operating profit before working capital changes	<u>178,971</u>	<u>219,598</u>
Movement in working capital:		
(Increase) / Decrease in:		
Inventories – land held for property development	(60,010)	(96,598)
Inventories – property development costs	52,459	101,464
Inventories – completed properties	26,689	38,129
Contract assets	78,995	(57,626)
Contract cost assets	2,379	3,041
Trade receivables	(58,823)	34,482
Other receivables, refundable deposits and prepaid expenses	(3,153)	(2,886)
(Decrease) / Increase in:		
Trade payables	(6,930)	(29,320)
Other payables and accrued expenses	(12,949)	(9,863)
Contract liabilities	8,173	(108,295)
Land costs payables	9,166	(75,872)
Cash generated from operations	<u>214,967</u>	<u>16,254</u>
Interest paid	(16,109)	(24,816)
Income tax paid	(49,566)	(79,335)
Income tax refund	6,768	100
Net cash from/(used in) operating activities	<u>156,060</u>	<u>(87,797)</u>

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

	31.03.2024	31.03.2023
	RM'000	RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES		
Interest received	7,583	3,541
Acquisition of property, plant and equipment	(11,757)	(16,818)
Additions to intangible assets	(56)	(696)
Addition to investment properties	(15,255)	(8,565)
(Placement)/Withdrawal of fixed deposits pledged	(37,721)	338
Net cash used in investing activities	<u>(57,206)</u>	<u>(22,200)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Allotment of shares	162,460	-
Dividend paid	(42,500)	-
Repayment of bank borrowings	(130,085)	(372,844)
Proceeds from bank borrowings	115,646	517,621
Payment of lease liabilities	(547)	(568)
Interest paid	(56)	(25)
Net cash from financing activities	<u>104,918</u>	<u>144,184</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	203,772	34,187
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD	702	(177)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>223,409</u>	<u>189,399</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u><u>427,883</u></u>	<u><u>223,409</u></u>
Cash and cash equivalents comprise the following:		
Cash and bank balances	499,922	237,727
Fixed deposits placed with licensed banks	(52,039)	(14,318)
Bank overdraft	(20,000)	-
	<u>427,883</u>	<u>223,409</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.

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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 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>

The adoption of the above Amendments to MFRSs do not have significant financial effect to the Group for year ended 31 March 2024.

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 year 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 year 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 year 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 year 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 March 2024, 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)

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.

A8. Segmental Reporting

Operation Segment

12-months ended 31 March 2024

	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External revenue	686,492	2,115	-	688,607
Inter-segment revenue	50,935	51,861	(102,796)	-
Total revenue	<u>737,427</u>	<u>53,976</u>	<u>(102,796)</u>	<u>688,607</u>
Cost of Sales				
External cost of sales	(431,719)	(3,278)	-	(434,997)
Inter-segment cost of sales	(29,875)	(392)	30,267	-
Total cost of sales	<u>(461,594)</u>	<u>(3,670)</u>	<u>30,267</u>	<u>(434,997)</u>
Gross Profit	275,833	50,306	(72,529)	253,610
Operating income				11,739
Selling & marketing expenses				(17,289)
Administrative expenses				(71,769)
Finance cost				(16,164)
Profit before tax				<u>160,127</u>
Income tax expense				(53,423)
Profit for the year				<u><u>106,704</u></u>

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A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**A8. Segmental Reporting (Cont'd)****Operation Segment (Cont'd)****12-months ended 31 March 2023**

	Property Development RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
External revenue	840,784	627	-	841,411
Inter-segment revenue	-	83,938	(83,938)	-
Total revenue	<u>840,784</u>	<u>84,565</u>	<u>(83,938)</u>	<u>841,411</u>
Cost of Sales				
External cost of sales	(542,934)	(131)	-	(543,065)
Inter-segment cost of sales	(39,151)	-	39,151	-
Total cost of sales	<u>(582,085)</u>	<u>(131)</u>	<u>39,151</u>	<u>(543,065)</u>
Gross Profit	258,699	84,434	(44,787)	298,346
Operating income				5,838
Selling & marketing expenses				(11,870)
Administrative expenses				(72,764)
Finance cost				(14,766)
Profit before tax				<u>204,784</u>
Income tax expense				(54,073)
Profit for the year				<u>150,711</u>

Geographical Segment

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

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

A9. Material Events Subsequent to the End of Financial Year

There were no material events subsequent to the end of the current financial year 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 year under review, except for the following:-

- a) On 17 January 2024, the Company had incorporated a 70% owned subsidiary, known as Prefab Master Sdn. Bhd. with paid-up share capital of RM100 comprising 100 new ordinary shares.
- b) On 19 January 2024, Prefab Master Sdn. Bhd. had incorporated a new wholly-owned subsidiary, known as Prefab Master (Penang) Sdn. Bhd. with paid-up share capital of RM100 comprising 100 new ordinary shares. As a result, Prefab Master (Penang) Sdn. Bhd. becomes an indirect subsidiary of the Company with an effective interest of 70% of the Group.

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

	31.03.2024	31.03.2023
	RM'000	RM'000
Approved and contracted for:		
- Capital expenditure for new build-to-rent developments	3,335	20,914
- Acquisition of lands for property development	<u>104,650</u>	<u>-</u>

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A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**A13. Significant Related Party Transactions**

	3-MONTHS ENDED (4TH QUARTER) 31.03.2024 RM'000	12-MONTHS ENDED 31.03.2024 RM'000
Related parties:		
Rental of office building	153	622
Rental of office equipment	35	142
Insurance brokerage and related services	34	167
Upkeep and maintenance of office equipment	-	2
	<u> </u>	<u> </u>

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of Performance

	3-MONTHS ENDED (4 TH QUARTER)		12-MONTHS ENDED	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	158,287	225,950	688,607	841,411
Gross profit	70,475	97,675	253,610	298,346
Profit before tax ("PBT")	39,443	72,628	160,127	204,784

The Group's revenue for current quarter and financial year ended 31 March 2024 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 year, **SkySierra Residences (The Valley)**, **SkyAwani IV Residences** and **SkyAwani V Residences** have completed and delivered to our customers.

(a) Performance of current quarter (Q4 FY2024) vs corresponding quarter in the preceding year (Q4 FY2023)

In the Q4 FY2024, the Group's revenue was RM158.3 million, a 29.9% decrease from Q4 FY2023. This decline was primarily due to the completion of **SkySierra Residences (The Valley)** and **SkyAwani V Residences** in previous quarters, which had collectively contributed RM127.8 million revenue in Q4 FY2023. Nevertheless, the impact was mitigated by increase in revenue recognised from the on-going projects in Q4 FY2024.

Consequently, the Group's gross profit and PBT in the Q4 FY2024 were 27.8% and 45.7% lower than in Q4 FY2023, at RM70.5 million and RM39.4 million respectively.

(b) Performance of the current year to date ("FY2024) vs the corresponding period in the preceding year ("FY2023")

The Group recorded revenue of RM688.6 million in FY2024, which is RM152.8 million or 18.2% lower than the FY2023. The decrease in revenue mainly attributable to lower progressive revenue recognised from **SkySierra Residences (The Valley)**, which was completed and delivered to our customers in 2nd quarter of current financial year.

The Group's gross profit for the FY2024 decreased by RMRM44.7 million or 15.0% to RM253.6 million as compared to RM298.3 million recorded in FY2023 mainly due to lower progressive revenue recognised.

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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 ("FY2024) vs the corresponding period in the preceding year ("FY2023") (cont'd)

The Group's profit before tax for the FY2024 decreased by RM44.7 million or 21.8% to RM160.1 million as compared to RM204.8 million recorded in FY2023. The decrease in profit before tax was mainly due to lower gross profit recognised and higher marketing expenses incurred for new projects launched in FY2024.

B2. Comparison with Immediate Preceding Quarter

	3-MONTHS ENDED		VARIANCE	
	CURRENT 31.03.2024 RM'000	PRECEDING 31.12.2023 RM'000	RM'000	%
Revenue	158,287	171,165	(12,878)	(7.5)
Gross profit	70,475	54,271	16,204	29.9
Profit before tax	39,443	33,950	5,493	16.2

The Group's revenue for the current quarter decreased by RM12.9 million or 7.5% to RM158.3 million as compared to RM171.2 million recorded in the preceding quarter primarily due to lower revenue recognised from **SkyAwani V Residences**, which was completed in preceding quarter.

Despite of lower revenue, the Group's gross profit increased by RM16.2 million or 29.9% to RM70.5 million as compared to RM54.3 million recorded in the preceding quarter mainly due to higher gross profit margin of 44.5% in current quarter as compared to 31.7% in preceding quarter. The higher gross profit margin in the current quarter was mainly attributed to adjustment for revised in budgeted development cost pertaining to savings in the construction costs for the projects.

The Group's profit before tax for the current quarter increased by RM5.5 million or 16.2% to RM39.4 million as compared to RM34.0 million recorded in the preceding quarter. The increase in profit before tax primarily resulted from higher gross profit recognised, and partially offset by higher selling and marketing expenses as well as administrative expenses.

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

B3. Prospects of the Group

For the financial year 2025 (“FY2025”), subject to market conditions, the Group plans to launch new projects in Kuala Lumpur with total estimated Gross Development Values exceeding RM1.0 billion. As of 31 March 2024, the Group’s unbilled sales amounted to RM548.1 million, providing visibility of future revenue.

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

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 remains satisfactory in FY2025.

B4. Profit guarantee or profit forecast

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

B5. Taxation

	3-MONTHS ENDED (4 TH QUARTER)		12-MONTHS ENDED	
	31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Estimated tax payable:				
- Current financial period	5,831	11,825	44,561	52,915
- Underprovision in prior years	555	-	115	8,185
	<u>6,386</u>	<u>11,825</u>	<u>44,676</u>	<u>61,100</u>
Deferred tax:				
- Current financial period	12,572	6,366	8,491	3,846
- (Over)/Underprovision in prior years	(186)	(4,826)	256	(10,873)
	<u>12,386</u>	<u>1,540</u>	<u>8,747</u>	<u>(7,027)</u>
Total tax expense	<u>18,772</u>	<u>13,365</u>	<u>53,423</u>	<u>54,073</u>
Effective tax rate (%)	48	18	33	26
Statutory tax rate (%)	24	24	24	24

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

a) Proposed acquisition of land

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

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

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

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

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

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

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

B6. Status of Corporate Proposals (Cont'd)

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

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

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

The Proposed LTIP is currently pending for approval by the Company’s shareholders at an Extraordinary General Meeting scheduled to convene on 28 June 2024.

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

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

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

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

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

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

The Group's borrowings and lease liabilities as at 31 March 2024 are as follows:

	31.03.2024	31.03.2023
	RM'000	RM'000
<u>Current</u>		
<u>Secured and guaranteed:</u>		
Term loans	183,632	151,220
Bridging loans	9,783	7,977
Bank overdraft	20,000	-
	<u>213,415</u>	<u>159,197</u>
<u>Unsecured and unguaranteed:</u>		
Lease liabilities	570	105
	<u>570</u>	<u>105</u>
Total short-term borrowings and lease liabilities	<u>213,985</u>	<u>159,302</u>
<u>Non-current</u>		
<u>Secured and guaranteed:</u>		
Term loans	260,009	310,086
Bridging loans	16,133	13,841
	<u>276,142</u>	<u>323,927</u>
<u>Unsecured and unguaranteed:</u>		
Lease liabilities	297	44
	<u>297</u>	<u>44</u>
Total long-term borrowings and lease liabilities	<u>276,439</u>	<u>323,971</u>
Total borrowings and lease liabilities	<u>490,424</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

The Board of Directors had on 21 May 2024, proposes to declare a final single-tier dividend of 1.0 sen per ordinary share in respect of financial year ended 31 March 2024, to be paid on 15 July 2024.

B11. Earnings Per Share

a) Basic earnings per share

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

	3-MONTHS ENDED (4 TH QUARTER)		12-MONTHS ENDED	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Profit attributable to:				
- Owners of the Company (RM'000)	20,748	58,205	106,977	143,996
Weighted average number of ordinary shares in issue ('000)	1,000,000	767,000	878,510	767,000
Basic EPS (sen)	2.07	7.59	12.18	18.77

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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 year under review is computed as follows.

	3-MONTHS ENDED		12-MONTHS ENDED	
	(4TH QUARTER)			
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Profit attributable to:				
- Owners of the Company (RM'000)	20,748	58,205	106,977	143,996
Weighted average number of ordinary shares in issue ('000)	1,000,000	767,000	878,510	767,000
Effect of conversion of ICPS ('000)	<u>187,500</u>	<u>-</u>	<u>171,062</u>	<u>-</u>
Diluted number of ordinary shares ('000)	<u>1,187,500</u>	<u>767,000</u>	<u>1,049,572</u>	<u>767,000</u>
Diluted EPS (sen)	1.75	7.59	10.19	18.77

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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 (4TH QUARTER) 31.03.2024 RM'000	12-MONTHS ENDED 31.03.2024 RM'000
Allowance for doubtful debt:		
- trade receivables	9	9
- refundable deposits	1,551	1,551
Amortisation of intangible assets	124	527
Depreciation of:		
- property, plant and equipment	440	3,855
- right-of-use assets	143	560
Finance costs	4,277	16,164
Impairment losses on intangible assets	-	56
Interest income	(2,255)	(7,583)
Provision for ex-gratia	4,390	4,390
Reversal of allowance for doubtful debt for trade receivables	(6)	(6)

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 year ended 31 March 2024 was authorised for issuance by the Board of Directors on 21 May 2024.