



Capital World Limited
(Incorporated in the Cayman Islands)
Company Registration Number: CT-276295

390 Havelock Road, #04-06
King's Centre
Singapore 169662

**VARIANCE BETWEEN THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE
2018 AND THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018
RELEASED ON 29 AUGUST 2018**

The Board of Directors (the "Board") of Capital World Limited (the "Company") and together with its subsidiaries (the "Group") refers to the unaudited full year financial statements announcement for the financial year ended 30 June 2018 ("FY2018") released by the Company on 29 August 2018.

Pursuant to Rule 704 (5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), the Board wishes to highlight certain adjustments to the unaudited consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows for FY2018, following the finalization of the audit. The aforesaid adjustment and reclassification are set out in Appendix A of this announcement.

By the Order of the Board

Siow Chien Fu
Executive Director and Chief Executive Officer
11 October 2018

APPENDIX A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group				Note
	Financial year ended 30 June 2018				
	(Audited)	(Unaudited)	Variance		
	RM'000	RM'000	RM'000	%	
Revenue	142,594	156,445	(13,851)	-9%	1
Cost of sales	(23,790)	(32,545)	8,755	-27%	2
Gross profit	118,804	123,900	(5,096)	-4%	
Other income	1,566	1,566	-	0%	
Selling and distribution expenses	(6,452)	(6,909)	457	-7%	3
General and administrative expenses	(36,844)	(37,495)	651	-2%	#
Finance costs	(2,277)	(2,277)	-	0%	
Other expenses	-	-	-	nm	
Profit before tax	74,797	78,785	(3,988)	-5%	
Income tax expense	(16,229)	(21,109)	4,880	-23%	4
Profit for the year	58,568	57,676	892	2%	
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising from translation of foreign operations, net of tax	(398)	(398)	-	0%	
Other comprehensive income, net of tax	(398)	(398)	-	0%	
Total comprehensive income for the year	58,170	57,278	892	2%	
Profit for the year attributable to:					
Owners of the Company	58,598	57,706	892	2%	
Non-controlling interests	(30)	(30)	-	0%	
	58,568	57,676	892	2%	
Total comprehensive income for the year attributable to:					
Owners of the Company	58,225	57,333	892	2%	
Non-controlling interests	(55)	(55)	-	0%	
	58,170	57,278	892	2%	

nm: Denotes not meaningful

APPENDIX A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group				Note
	Financial year ended 30 June 2018				
	(Audited)	(Unaudited)	Variance	%	
	RM'000	RM'000	RM'000	%	
Current assets					
Inventory properties	193,686	213,680	(19,994)	-9%	5
Inventories	8,125	8,125	-	0%	
Deferred expenditure	5,749	4,686	1,063	23%	6
Trade receivables	30,868	57,743	(26,875)	-47%	7
Unbilled receivables	3,469	3,469	-	0%	
Other receivables, deposits and prepayment	19,624	18,061	1,563	9%	8
Deferred tax asset	1,903	-	1,903	nm	9
Fixed deposits	6,703	6,703	-	0%	
Cash on hand and at banks	22,776	22,762	14	0%	
	292,903	335,229	(42,326)	-13%	
Non-current assets					
Inventory properties	106,455	91,732	14,723	16%	5
Deferred expenditure	-	606	(606)	-100%	6
Trade receivables	19,310	-	19,310	nm	7
Property, plant and equipment	104,933	108,809	(3,876)	-4%	#
Investment property under construction	192,579	195,787	(3,208)	-2%	#
Intangible assets	93,885	93,885	-	0%	
	517,162	490,819	26,343	5%	
Total assets	810,065	826,048	(15,983)	-2%	

n.m.: Denote not meaningful

APPENDIX A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	Group				Note
	Financial year ended 30 June 2018				
	(Audited)	(Unaudited)	Variance	%	
	RM'000	RM'000	RM'000	%	
Current liabilities					
Trade payables	119,078	140,865	(21,787)	-15%	10
Other payables and accruals	72,056	76,539	(4,483)	-6%	11
Provisions	-	-	-	nm	
Deferred revenue	94,476	93,271	1,205	1%	#
Hire purchase payables	37	37	-	0%	
Loans and borrowings	43,330	47,374	(4,044)	-9%	12
Derivatives	4,044	-	4,044	nm	12
Provision for taxation	27,954	24,222	3,732	15%	13
	<u>360,975</u>	<u>382,308</u>	(21,333)	-6%	
Non-current liabilities					
Trade payables	116,592	107,586	9,006	8%	10
Other payables	1,819	-	1,819	nm	11
Hire purchase payables	-	-	-	nm	
Loans and borrowings	1,852	1,852	-	0%	
Provision for taxation	6,898	10,454	(3,556)	-34%	13
Deferred tax liabilities	19,929	22,740	(2,811)	-12%	14
	<u>147,090</u>	<u>142,632</u>	4,458	3%	
Total liabilities	<u>508,065</u>	<u>524,940</u>	(16,875)	-3%	
Equity					
Share capital	112,085	112,085	-	0%	
Reserves	189,829	188,937	892	0%	
Equity attributable to owners of the Company	<u>301,914</u>	<u>301,022</u>	892	0%	
Non-controlling interests	86	86	-	0%	
Total equity	<u>302,000</u>	<u>301,108</u>	892	0%	
Total equity and liabilities	<u>810,065</u>	<u>826,048</u>	(15,983)	-2%	

n.m.: Denote not meaningful

APPENDIX A

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group				Note
	Financial year ended 30 June 2018				
	(Audited)	(Unaudited)	Variance		
RM'000	RM000	RM'000	%		
Cash flows from operating activities					
Profit before tax	74,797	78,785	(3,988)	-5%	
Adjustments for:					
Depreciation of property, plant and equipment	2,974	2,974	-	0%	
Amortisation of mining rights	3,143	3,147	(4)	0%	
Amortisation of deferred expenditure	5,731	5,709	22	0%	
Amortisation of fulfilment cost	8,055	-	8,055	nm	
(Write back of provision) / Provision made	(4,977)	(4,977)	-	0%	
Transaction costs arising from the Reverse Takeover	-	-	-	nm	
Plant and equipment written off	635	665	(30)	-5%	
Goodwill written off for new subsidiaries acquired	92	92	-	0%	
Provision for impairment of inventories	5,984	5,984	-	0%	
Impairment of trade receivables	38	38	-	0%	
Interest income	(1,195)	(1,195)	-	0%	
Interest expense	2,277	2,277	-	0%	
Operating cash flows before changes in working capital	97,554	93,499	4,055	4%	
Changes in working capital:					
Change in inventories	(692)	(692)	-	0%	
Change in inventory properties	(38,113)	(35,329)	(2,784)	8%	
Change in deferred expenditure	(2,158)	(1,679)	(479)	29%	
Change in trade and other receivables	(33,799)	(39,801)	6,002	-15%	
Change in trade and other payables	(7,417)	5,748	(13,165)	-229%	
Cash flows generated from operations	15,375	21,746	(6,371)	-29%	
Interest paid	(2,056)	(2,056)	-	0%	
Interest received	1,195	1,195	-	0%	
Tax paid	(10,526)	(10,868)	342	-3%	
Net cash flows generated from operating activities	3,988	10,017	(6,029)	-60%	

n.m.: Denote not meaningful

APPENDIX A

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Group				Note
	Financial year ended 30 June 2018				
	(Audited) RM'000	(Unaudited) RM000	RM000	%	
Cash flows from investing activities					
Purchase of property, plant and equipment	(1,782)	(6,739)	4,957	-74%	
Cost incurred on investment properties under construction	(48,314)	(53,634)	5,320	-10%	
Net cash received from acquisition of subsidiaries	571	-	571	nm	
Deposit on acquisition of a subsidiary	-	(950)	950	-100%	
Acquisition of subsidiaries	-	(252)	252	-100%	
Net cash received from acquisition of subsidiaries	-	1,773	(1,773)	-100%	
Net cash received from Reverse Takeover	-	-	-	nm	
Transaction costs arising from the Reverse Takeover	(4,070)	-	(4,070)	nm	
Net cash flows used in investing activities	(53,595)	(59,802)	6,207	-10%	
Cash flows from financing activities					
Proceeds from loans and borrowings	58,648	58,648	-	0%	
Repayment of loans and borrowings	(2,656)	(2,656)	-	0%	
(Placement) / Withdrawal of secured bank deposit	(5,994)	(5,994)	-	0%	
Repayment of hire purchase payables	(51)	(51)	-	0%	
Proceeds from issuance of placement shares	-	-	-	nm	
Net cash flows generated from financing activities	49,947	49,947			
Net increase in cash and cash equivalents	340	330	10	3%	
Effect of exchange rate changes in cash and cash equivalents	(296)	(300)	4	-1%	
Cash and cash equivalents at beginning of financial year	23,410	23,410	-	0%	
Cash and cash equivalents at end of period	23,454	23,440	14	0%	

n.m.: Denote not meaningful

Notes:

Consolidated statement of comprehensive income

1. The decrease in revenue are mainly due to: i) decrease in percentage of completion ("POC") from 83.2% to 82.8%; ii) reversal of certain sales which are pending the approval from relevant authority.
2. The decrease in cost of sales mainly arises from the reversal of certain sales as explained in item 1 above.
3. Decrease in selling and marketing expenses was mainly due to the reversal of over accrual of the sales commission expenses.
4. The decrease in income tax expense was due to recognition of deferred tax assets arising from the timing difference mainly on the management fee charge and unwinding cost, hence creating a deferred tax asset and reduction of income tax expense in the profit and loss accounts.
- #. Immaterial

Consolidated statement of financial position

5. The change in the inventory properties is mainly due to reclassification between current and non-current. There is no significant change for the total amount.
6. Classification of non-current is not required. The increase in deferred expenditure (current and non-current) is mainly due to decrease in POC resulted in a higher ending balance for deferred expenditure.
7. Trade receivables are classified into current and non-current. The non-current trade receivables pertains to the sales under installment plans. The overall decrease in trade receivables is mainly due to decrease in revenue.
8. The increase in other receivables, deposits and prepayments is mainly due to the reclassification of credit balances to the payables accounts.
9. The recognition of deferred tax asset arise from the timing difference mainly on the management fee and unwinding cost, hence creating a deferred tax assets and reduction of income tax expense in the profit and loss accounts.
10. There was a reclassification of trade payables between current and non-current. The overall decrease is mainly due to decrease in cost of sales.
11. Other payables, accruals and provisions are classified into current and non-current. There is no significant change in the total amount.
12. The decrease in loans and borrowings is due to reclassification of convertible bonds amount to the derivatives. There is no change to the total amount.
13. The change in provision of taxation is due to the reclassification between current and non-current. There is no significant change to the total amount.
14. The decrease in deferred tax liability is due to reversal of over provision made in prior year.
- #. Immaterial



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Consolidated statement of cash flow

As a result of changes to the consolidated statement of comprehensive income and consolidated financial position, corresponding changes have been made to the consolidated statement of cash flows, which shall be read in conjunction with the audited consolidated statement of comprehensive income and consolidated statement of financial position.



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This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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