

CAPITAL WORLD LIMITED
(Company Registration No: CT-276295)
(Incorporated in the Cayman Islands on 15 March 2013)

**UNAUDITED CONDENSED INTERIM AND FULL YEAR FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER AND FULL YEAR ENDED 30 JUNE 2022**

Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst, the Company is required to announce its quarterly financial statements in view of the qualified opinion and material uncertainty relating to going concern issued by the Company's auditors in the latest audited financial statements for the financial year ended 30 June 2021.

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A. CONDENSED INTERIM AND FULL YEAR CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group Fourth quarter ended 30 June			Group 12 months ended 30 June		
	2022 (Unaudited) RM'000	2021 (Unaudited) RM'000	Change %	2022 (Unaudited) RM'000	2021 (Audited) RM'000	Change %
Revenue	3,694	2,655	39	3,694	3,164	17
Cost of sales	(75,213)	-	n.m.	(75,213)	(134)	>100
Gross (loss)/profit	(71,519)	2,655	<(100%)	(71,519)	3,030	<(100%)
Other income	166,968	5,048	>100	168,328	12,588	>100
Selling and distribution expenses	(31)	(651)	(95)	(31)	(651)	(95)
General and administrative expenses	(25,609)	(207,033)	(88)	(42,094)	(219,684)	(81)
Finance costs	(98)	2,253	(104)	(101)	(25)	>100
Profit/(loss) before income tax	69,711	(197,729)	(99)	54,583	(204,742)	(99)
Income tax expense	(330)	(26,091)	(131)	(328)	(26,152)	(123)
Profit/(loss) for the year	69,381	(223,820)		54,255	(230,894)	
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Currency translation reserve released on disposal of a subsidiary company	-	-		-	-	
Exchange differences arising from translation of foreign operations, net of tax	13,887	(934)	>100	14,059	357	>100
Total comprehensive profit/(loss) for the year	83,268	(224,754)		68,313	(230,537)	
Profit/(loss) for the year attributable to:						
Owners of the Company	69,381	(223,820)		54,255	(230,894)	
Total comprehensive profit/(loss) for the year attributable to:						
Owners of the Company	83,268	(224,754)		68,313	(230,537)	

n.m: Denotes not meaningful

B. CONDENSED INTERIM AND FULL YEAR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Description	Notes	Group As at		Company As at	
		30 June 2022 (Unaudited) RM'000	30 June 2021 (Audited) RM'000	30 June 2022 (Unaudited) RM'000	30 June 2021 (Audited) RM'000
Current assets					
Inventory properties	8	275,899	149,180	-	-
Inventories		-	67	-	-
Contract Asset		1,313	-	-	-
Trade receivables		145	4,846	-	-
Other receivables, deposits, and prepayments		1,596	1,951	72	319
Amount due from subsidiaries		-	-	193,812	31,037
Cash on hand and at banks		854	1,219	181	-
		279,807	157,263	194,065	31,356
Non-current assets held for sale		70,254	226,539	-	-
		350,061	383,802	194,065	31,356
Non-current assets					
Property, plant, and equipment	9	24,109	22,655	38	54
Intangible assets		-	393	-	-
		24,109	23,048	38	54
Total assets		374,170	406,850	194,103	31,410
Current liabilities					
Trade payables		80,399	301,859	-	-
Other payables and accruals		49,122	63,216	9,555	24,799
Amount due to subsidiaries		-	-	5,284	-
Deferred revenue		-	4,479	-	-
Loans and borrowings	10	38	45,296	38	17,026
Business liabilities held for sale		1,176	-	-	-
Provision for taxation		70,294	70,001	253	246
		201,029	484,851	15,130	42,071
Non-current liabilities					
Deferred tax liabilities		-	1,312	-	-
Total liabilities		201,029	486,163	-	42,071
Equity attributable to owners of the Company					
Share capital	11	213,069	176,240	262,194	225,365
Share premium		151,135	3,824	792,893	645,582
Merger reserve		5,000	5,000	-	-
Equity component of convertible bond		186	186	186	186
Foreign currency translation reserve		15,941	1,882	12,924	472
Capital reserve		-	-	487	487
Accumulated losses		(212,190)	(266,445)	(889,711)	(882,753)
Total equity		173,141	(79,313)	178,973	(10,661)
Total liabilities and equity		374,170	406,850	194,103	31,410

C. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group (unaudited)	Attributable to owners of the Company						Total equity RM'000
	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Equity component of convertible bond RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000	
Opening balance as at 1 July 2021	176,240	3,824	5,000	186	1,882	(266,445)	(79,313)
Profit for the year	-	-	-	-	-	54,255	54,582
<u>Other comprehensive income</u>							
Exchange differences arising from translation of foreign operations	-	-	-	-	14,059	-	14,059
Total comprehensive income for the year	-	-	-	-	14,059	54,255	
Issuance of share (Note 11)	36,829	147,311	-	-	-	-	184,140
Closing balance as at 30 June 2022	213,069	151,135	5,000	186	15,941	(212,190)	173,141
Opening balance as at 1 July 2020	176,240	3,824	5,000	186	1,525	(35,551)	151,224
Loss for the year	-	-	-	-	-	(230,894)	(230,894)
<u>Other comprehensive income</u>							
Exchange differences arising from translation of foreign operations	-	-	-	-	357	-	357
Total comprehensive loss for the year	-	-	-	-	357	(230,894)	(230,537)
Closing balance as at 30 June 2021	176,240	3,824	5,000	186	1,886	(266,445)	(79,313)

	Share capital	Share premium	Equity component of convertible bond	Foreign currency translation reserve	Capital reserve	Accumulated losses	Total equity
Company (unaudited)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening balance as at 1 July 2021	225,365	645,582	186	472	487	(882,753)	(10,661)
Loss for the year	-	-	-	-	-	(6,958)	(6,958)
Other comprehensive income	-	-	-	12,452	-	-	12,452
Total comprehensive income for the year	-	-	-	12,452	-	(6,958)	5,494
Issuance of share (Note 11)	36,829	147,311	-	-	-	-	184,140
Closing balance as at 30 June 2022	262,194	792,893	186	12,924	487	(889,711)	178,973
Opening balance as at 1 July 2020	225,365	645,582	186	2,392	487	(725,746)	148,266
Loss for the year	-	-	-	-	-	(157,007)	(157,007)
Other comprehensive income	-	-	-	(1,920)	-	-	(1,920)
Total comprehensive loss for the year	-	-	-	(1,920)	-	(157,007)	(158,927)
Closing balance as at 30 June 2021	225,365	645,582	186	472	487	(882,753)	(10,661)

D. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	12 months ended 30 June	
	2022	2021
	RM'000	RM'000
Cash flows from operating activities		
Profit/(Loss) before income tax	54,583	(204,742)
Adjustments for:		
Depreciation of property, plant and equipment	529	1,947
Amortisation of intangible assets	393	43
Gain on disposal of subsidiaries	-	(185)
Gain on disposal of property, plant and equipment	-	(131)
Remeasurement of financial liabilities	20,578	-
Allowance for impairment of trade receivables	4,105	1,467
(Recovery)/Write-down of inventory properties	(122,566)	190,603
Allowance for impairment of non-current assets held for sale	55,383	-
(Recovery)/Allowance for impairment of property, plant and equipment	(76,020)	36,409
Interest income	(116)	(37)
Interest expense	101	25
Operating cash flows before changes in working capital	(63,030)	25,399
Changes in working capital:		
Inventories	67	-
Inventory properties	74,874	3,525
Trade and other receivables	967	991
Trade and other payables and deferred revenue	(30,331)	(30,183)
Cash flows used in operations	(17,453)	(268)
Interest paid	-	(25)
Interest received	-	37
Income tax paid	(36)	-
Net cash flows used in operating activities	(17,489)	(256)
Cash flows from investing activities		
Net cash inflow on business held for sale	4,376	-
Net cash flows generated from Investing activities	4,376	-
Net decrease in cash and cash equivalents	(13,113)	(124)
Effect of exchange rate changes in cash and cash equivalents	12,748	44
Cash and cash equivalents at the beginning of the year	464	544
Cash and cash equivalents at the end of the year	99	464
Cash on hand and at banks	854	1,219
Less: Cash at bank and deposits not available for use	(755)	(755)
Cash and cash equivalents	99	464

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Capital World Limited, (the “**Company**”) is a limited liability company incorporated and domiciled in the Cayman Islands. The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 30 July 2014.

The address of the Company’s registered office is the office of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is at 1 North Bridge Road, #24-09 High Street Centre, Singapore 179094.

The principal activity of the Company is investment holding. The Group is primarily involved property development, property investment and exploration, development and extraction of marble and production of marble products.

2. Basis of preparation

The condensed interim and full year consolidated statement of financial position for the 12 months ended 30 June 2022 have been prepared in accordance with IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited financial results announcement for the year ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with IFRS, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The condensed interim financial statements are presented in Malaysia Ringgit (“**RM**”) which is the functional currency of the Group and all values in the tables are rounded to the nearest thousand (“**RM’000**”), except when otherwise indicated.

2.1. New and amended standards adopted by the Group

The accounting policies and method of computation adopted in these condensed interim financial statements are consistent with those of the latest audited financial statements for the reporting year ended 30 June 2021, except in the current financial year, the Group has adopted all new and revised standards which are effective for annual financial periods beginning on or after 1 July 2021. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company for the financial year ended 31 June 2021.

2.2. Use of judgements and estimates

In preparing the condensed interim and full year consolidated statement of financial position of the Group, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.3. Measurement of fair values

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are recognised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amount of the current financial assets and financial liabilities are reasonable approximations of fair values due to the insignificant impact of discounting.

There were no material transfers between Level 1, Level 2 and Level 3 during financial year ended 30 June 2021.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year from 1 July 2021 to 30 June 2022.

4. Segmental and revenue information

4.1. Reportable segments

	Property development RM'000	Mining RM'000	Others RM'000	Elimination RM'000	Group RM'000
Fourth quarter ended 30 June 2022					
<u>Revenue</u>					
Revenue from external customers	3,512	182	-	-	3,694
<u>Results</u>					
Depreciation expense	126	(49)	17	-	94
Impairment of financial assets	4,105	-	-	-	4,105
(Recovery)/Impairment of non-financial assets	(6,645)	-	-	219	(6,426)
Amortisation of intangible assets	-	374	-	-	374
Profit/(Loss) before tax	75,172	182	(263)	(5,710)	69,381
Segment assets	373,320	73,915	194,409	(267,474)	374,170
Segment liabilities	426,244	94,096	18,836	(338,147)	201,029

	Property development RM'000	Mining RM'000	Others RM'000	Elimination RM'000	Group RM'000
Fourth quarter ended 30 June 2021					
<u>Revenue</u>					
Revenue from external customers	2,665	-	-	-	2,665
<u>Results</u>					
Depreciation expense	366	(100)	111	347	724
Amortisation expenses	-	43	-	(43)	-
Impairment of non-financial assets	227,012	-	-	-	227,012
Impairment of financial assets	1,467	-	-	-	1,467
Gain on disposal of property, plant and equipment	(131)	-	-	-	(131)
Gain on disposal of subsidiaries	-	-	(185)	-	(185)
Loss before tax	(207,268)	(1,383)	(5,435)	(9,734)	(223,820)
Segment assets	403,816	4,226	34,315	(35,507)	406,850
Segment liabilities	527,067	63,876	71,773	(176,553)	486,163
12 months ended 30 June 2022					
<u>Revenue</u>					
Revenue from external customers	3,512	182	-	-	3,694
<u>Results</u>					
Depreciation expense	500	12	17	-	529
Impairment of financial assets	4,105	-	-	-	4,105
(Recovery)/Impairment of non-financial assets	(143,203)	-	-	-	(143,203)
Amortisation of intangible assets	6,645	-	1,881	(219)	8,307
Profit/(Loss) before tax	70,510	1,379	(9,666)	(7,640)	54,583
Segment assets	373,320	73,915	194,409	(267,474)	374,170
Segment liabilities	426,244	94,096	18,836	(338,147)	201,029

	Property development RM'000	Mining RM'000	Others RM'000	Elimination RM'000	Group RM'000
12 months ended 30 June 2021					
<u>Revenue</u>					
Revenue from external customers	2,665	509	-	-	3,174
<u>Results</u>					
Interest income	37	-	-	-	37
Depreciation expense	1,465	12	123	347	1,947
Amortisation expenses	-	43	-	-	43
Impairment of non-financial assets	227,012	-	-	-	227,012
Impairment of financial assets	1,467	-	-	-	1,467
Gain on disposal of property, plant and equipment	(131)	-	-	-	(131)
Gain on disposal of subsidiaries	-	-	(185)	-	(185)
Profit/(Loss) before tax	(204,697)	(1,122)	8	1,069	(204,742)
Segment assets	403,816	4,226	34,315	(35,507)	406,850
Segment liabilities	527,067	63,876	71,773	(176,553)	486,163

4.2. Disaggregation of Revenue

	Group 12 months ended 30 June 2022				
	Revenue from construction contracts RM'000	Sale of marble products RM'000	Other services RM'000	Adjustments and eliminations RM'000	Total Group RM'000
<u>Primary geographical markets</u>					
Malaysia	3,512	182	-	-	3,694
<u>Timing of transfer of goods and services</u>					
At a point in time	3,512	182	-	-	3,694
Over time	-	-	-	-	-
	3,512	182	-	-	3,694

	Group 12 months ended 30 June 2021				
	Revenue from construction contracts RM'000	Sale of marble products RM'000	Other services RM'000	Adjustments and eliminations RM'000	Total Group RM'000
<u>Primary geographical markets</u>					
Malaysia	509	2,665	-	-	3,174
<u>Timing of transfer of goods and services</u>					
At a point in time	509	2,665	-	-	3,174
Over time	-	-	-	-	-
	509	2,665	-	-	3,174

5. Profit/(Loss) before income tax

	Group			
	Fourth quarter ended 30 June		12 months ended 30 June	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Description	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the year is arrived at after (crediting)/charging:				
Interest income	-	-	(116)	(37)
Miscellaneous income	-	-	(1,995)	(163)
Remeasurement of financial liabilities	(20,578)	-	(20,578)	-
(Recovery)/Write-down of inventory properties	(122,566)	190,603	(122,566)	190,603
Allowance for impairment of non-current assets held for sale	55,383	-	55,383	-
(Recovery)/Allowance for impairment of property, plant and equipment	(76,020)	36,409	(76,020)	36,409
Allowance for impairment of trade receivables	4,105	1,467	4,105	1,467
Audit fees:				
- Auditors of the Company	159	292	159	292
- Other auditors	-	80	-	80
Depreciation of property, plant, and equipment	94	722	529	1,947
Amortisation of intangible assets	374	3	393	43
Employee benefit expense:				
- Salaries and bonuses	303	958	786	2,310
- Social security contributions	2	2	4	5
- Contributions to defined contribution plan	31	20	84	87
Interest expense:				
- Loans and borrowings	(8)	-	(8)	20
Write-down Inventory property	-	-	-	5

6. Taxation

The Group calculates the year's income tax (credit)/expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax (credit)/expense in the condensed consolidated statement of profit or loss are:

	Group			
	Fourth quarter ended 30 June		12 months ended 30 June	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Consolidated statement of comprehensive income:				
Income tax:				
- Current year	-	-	-	-
- Under provision in respect of previous years	330	26,091	328	26,152
	330	26,091	328	26,152

7. Profit/(Loss) Per Share

Basic profit/(loss) per share is calculated by dividing loss for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted profit/(loss) per share is calculated by dividing loss for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

For the financial period ended 30 June 2022 and 30 June 2021, the computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible loan/bonds as they had an anti-dilutive effect on the loss per share calculation.

	Group			
	Fourth quarter ended 30 June		12 months ended 30 June	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) after tax attributable to owners of the Company (RM'000)	69,381	(223,820)	54,255	(230,894)
Weighted average number of ordinary shares for basic and diluted profit/(loss) per share computation ('000)	4,941,237	1,832,095	4,941,237	1,832,095
Basic profit/(loss) per ordinary share (RM per cents)	1.40	(12.22)	1.10	(12.60)

The fully diluted profit/(loss) per ordinary share for the financial period ended 30 June 2022 were the same as the basic profit/(loss) per ordinary share as the lender has decided not to convert the loan into conversion shares.

8. Inventory Properties

	Group As at	
	30 June 2022 (Unaudited) RM'000	30 June 2021 (Audited) RM'000
Inventory properties:		
Cost		
- Freehold land	98,000	127,763
- Development Cost	245,936	212,020
	<u>343,936</u>	<u>339,783</u>
Write-down of inventory properties	(68,037)	(190,603)
	<u>275,899</u>	<u>149,180</u>
Comprised:		
- Retail units of the retail mall	275,899	147,669
- Others	-	1,511
	<u>275,899</u>	<u>149,180</u>

During the financial period, a recovery impairment of inventory properties of RM122.57 million (30 June 2021: allowance for impairment of inventory properties RM190.6 million) was recognised in the Group's profit or loss account.

9. Property, plant and equipment

During the financial period ended 30 June 2022, the Group has recognised recovery impairment of the property, plant and equipment of RM76.02 million (30 June 2021: RM36.4 million).

10. Loans and borrowings

	Group As at		Company As at	
	30 June 2022 (Unaudited) RM'000	30 June 2021 (Audited) RM'000	30 June 2022 (Unaudited) RM'000	30 June 2021 (Audited) RM'000
Unsecured				
Amount repayable within one year	38	9	38	9
Amount repayable after one year	-	-	-	-
Secured				
Amount repayable within one year	-	45,287	-	17,017
Amount repayable after one year	-	-	-	-

11. Share capital

	Number of issued shared shares	Share capital RM'000
As at 30 June 2022	14,268,666,015	262,194
As at 30 June 2021	1,832,094,554	225,365

The total number of issued shares excluding treasury shares as at 30 June 2021 was 14,268,666,015 (30 June 2021 : 1,832,094,554).

A total of 12,436,571,461 shares were issued and listed on 19 April 2022 under the Scheme of Arrangement. The new issuance of shares is fully paid, ranking pari-passu in all respects with the existing shares of the Company.

The Company did not have any outstanding convertibles and options, not holds any treasury shares or subsidiary holding as at 30 June 2022 and 30 June 2021 respectively.

12. Net Asset Value

	Group As at		Company As at	
	30 June 2022 (Unaudited) RM'000	30 June 2021 (Audited) RM'000	30 June 2022 (Unaudited) RM'000	30 June 2021 (Audited) RM'000
Net Asset value ("NAV") (RM'000)	173,141	(79,313)	178,973	(10,661)
Number of ordinary shares in issue (excluding treasury shares) ('000)	4,941,237	1,832,095	4,941,237	1,832,095
NAV per ordinary share based on issued share capital (RM per cents)	3.50	(4.33)	3.62	(0.58)

13. Related party transactions

(a) Incentive fee

	Group			
	Fourth quarter ended 30 June 2022 (Unaudited) RM'000	2021 (Unaudited) RM'000	12 months ended 30 June 2022 (Unaudited) RM'000	2021 (Audited) RM'000
An associate of Non-executive and non-independent director of the Company, Ms Tan Ler Choo				
Incentive fees	3,225	-	3,225	-

(b) Compensation of key management personnel

	Group		Group	
	Fourth quarter ended 30 June		12 Months ended 30 June	
	2022	2021	2022	2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Short-term employees benefits	492	1,254	1,545	1,145
Directors' fee	107	124	518	494
Employer's contribution to defined contribution plans	33	22	88	43
	632	1,400	2,151	1,682
Comprise amounts paid to :				
-Directors of the Company	-	-	-	1,188
-Other key management personnel	525	146	733	494
	525	146	733	1,682

14. Subsequent events

Save as disclosed below, there are no known subsequent events which have led to adjustments to this set of interim financial statements.

- (a) Pertaining to the Settlement Agreement between Capital City Property Sdn Bhd ("**CCPSB**") and Achwell Property Sdn Bhd entered on 28 July 2021, the judicial management order was extended to 8 January 2022 for the fulfillment of the conditions precedent of the Settlement Agreement. At the Gadang Holding Berhad's ("GHB") shareholders' meeting held on 3 November 2021, GHB's shareholders have approved the Settlement Agreement. Accordingly, the Settlement Agreement had become unconditional.

On 28 July 2022, CCPSB received a notice of default from APSB. In the Notice, it was stated that CCPSB had defaulted in payment for the first two tranches amounting to RM10 million of the said Settlement Agreement, together with the accrued late interest charge at a rate of 5% per annum (calculated on a daily basis). As of 30 June 2022, total late interest, RM0.31 million being accrued.

- (b) On 15 November 2021, the Company signed a non-binding term sheet with a potential buyer Mr Loh Choon Yow for the sale of the entire share capital of Terratech Resources Pte Ltd and its subsidiary CEP Resources Sdn Bhd ("**Marble business**") for a consideration of RM4.8 million. Following this, on 28 April 2022, the Company entered into a sale and purchase agreement with Mr Loh Choon Yow, a Malaysian businessman, and MIE Corporate Holdings Sdn Bhd, a company incorporated in Malaysia that is principally engaged in investment holding to dispose Marble business ("**disposal Marble business**"). As at date of this announcement, the condition precedents that have been set in the conditional sale and purchase agreement are yet to be satisfied.

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed interim and full year consolidated statement of financial position of Capital World Limited and its subsidiaries as at 30 June 2022 and the related condensed interim and full year consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial year ended and certain explanatory notes have not been audited or reviewed.

2. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable. The figures have not been audited or reviewed by the Group's auditors.

2A. Where the latest financial statements are subject to an adverse opinion, qualified opinion, or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issues.

(b) Confirmations from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

In the review of the performance, the factors leading to any material changes in contribution to turnover and earnings by the operating segments.

- (a) The independent auditor of the Company, Messrs Moore Stephens LLP, have in their Independent Auditor's Report for the financial year ended 30 June 2021 ("**FY2021**") dated 13 May 2022 expressed (i) a qualified opinion in respect of the carrying amounts of inventory properties – serviced suites under construction and serviced apartments under construction ("**IP**") and property, plant, and equipment – hotel under construction ("**PPE**"); and (ii) an emphasis of matter in respect of the material uncertainty related to going concern on the audited financial statements of the Group and the Company for FY2021 ("**FY2021 Audit Opinion**").

The Company has assessed the net realisable value of these IP and the recoverable amount of these PPE, and accordingly the IP - serviced suites under construction and serviced apartments under construction and PPE - hotel under construction were written-off by an amount of RM190.3 million and impaired by an amount of RM35.7 million respectively in FY2021.

Subsequently, in financial year ended 30 June 2022 ("**FY2022**"), the Company has completed the Scheme of Arrangement. With the Settlement Agreement with APSB which had become unconditional the land cost recorded in book in the prior year was reduced. Further, the reduced land cost together with the property development cost was re-allocated under the new basis i.e. current gross development value to the retail units of the retail mall, serviced suites, and car park. The new basis of re-allocation of land cost and development cost was determined after the tax audit carried out by LHDN Malaysia on Capital City Property Sdn Bhd's financial statements for FY2016 to FY2018.

As at 30 June 2022, the Group is in positive working capital position of RM149.0 million and positive net tangible asset position of RM173.1 million. To further supplement the working capital position, the Company is working closely with a potential investor to explore potential blocks sales for the retail units and car park and negotiating with various parties for the re-opening of the Capital City Mall by end of the year 2022 or early first quarter of 2023. The Company is also in fund raising discussion with some potential lenders via convertible loans.

Based on the above, the Group is of the view that it has materially addressed the outstanding audit issues for FY2021 and will engage with the its external auditors accordingly to resolve the FY2021 Audit Opinion during the audit for the FY2022.

- (b) The Board confirms that the impact of all outstanding audit issues on the financial statements has been adequately disclosed.

3. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following: -
- a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

In the review of the performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

REVIEW OF STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP

12 months ended 30 June 2022 ("FY2022") vs 12 months ended 30 June 2021 ("FY2021")

During the 12 months ended 30 June 2022, total revenue of RM3.7 million recorded mainly due to the exercise of the settlement of arrangement with the creditor. However, this was offset by an increase in the cost of sales by RM75.2 million due to the re-allocated property development costs based on revised gross development value. As such the Group achieved gross loss RM71.5 million (FY2021: Profit of RM3.03 million).

Factors contributing to other income amounting to RM155.7 million includes the following

- i. recovery of inventory properties serviced suites under construction amounting RM122.6 million,
- ii. recovery of impairment of Property, plant and equipment – car park amounting to RM76 million,
- iii. Gain on remeasurement of financial liabilities amounting to RM20.5 million mainly due to the Settlement Agreement entered with Achwell Property Sdn Bhd, and offset by
- iv. impairment of non-current assets held for sale amounting to RM55.4 million
- v. absence of the ad-hoc operating expenses recovered from the CCRM Management Sdn Bhd amounting to RM7.2 million in FY2021.

The general and administrative expenses mainly consist of manpower cost, depreciation of property, plant and equipment, professionals fee, utilities, and office administrative expenses. The decrease of general and administrative expenses amounting to RM177.6 million mainly due to following:

- i. absence of the ad-hoc write-down inventory properties serviced suites under construction amounting to RM190.6 million incurred in FY2021,
- ii. decrease in loan interest expenses amounting to RM2.3 million due to the loan has been extinguished by the exercise of the Scheme Share, and increase by
- iii. increase of the allowance for impairment of trade receivable amounting to RM2.6 million as compared to FY2021,
- iv. increase in liquidated and ascertained damages for Capital Suites amounting to RM10.6 million for FY2022,
- v. the accrual of one-off incentive expenses for Dato Wira Eric Tan as company advisor fee for the final settlement arrangement with Achwell Property Sdn Bhd, one-off professional fees for Scheme manager and settlement director fee and remuneration was approved in the Extraordinary General meeting held on 12 November 2021 collectively amounting to RM4.3 million.

The Group's recorded net profit after tax of RM40.95 million for FY2022 as compared net loss after tax RM230.54 million in FY2021.

REVIEW OF STATEMENT OF FINANCIAL POSITION OF THE GROUP

The decrease in Group's total assets as at FY2022 compared to Group's total assets as at FY2021 amounting to RM32.7 million was mainly attributed to:

- a) decrease in non-current assets held for sale amounting to RM156.3 million due to allowance for impairment, re-allocated property development cost and the reduction of land cost from the signing of the settlement agreement amounting to RM55.4 million, RM69.1 million and RM31.7million respectively;
- b) decrease in trade receivable amounting to RM4.1 million mainly due to the Group being able to recover the outstanding receivables;
- c) increase in Inventory properties amounting to RM126.7 million due to the recovery of the development cost; and
- d) increase in property, plant and equipment amounting to RM1.4 million mainly due to recovery impairment, re-allocated property development cost for Car Park, the reduction of land cost from the signing of the settlement agreement, depreciation expenses during the FY2022 amounting RM76.0 million, RM33.2 million, RM40.8 million and RM0.5 million respectively.

The decrease in Group's total liabilities as at 30 June 2022 compared to Group's total liabilities as at 30 June 2021 amounting to RM283.1 million mainly attributed to :-

- i. decrease in trade payable, other payable, loan and borrowings amounting to RM221.5 million, RM14.0 million, and RM45.3 million respectively mainly due to the implementation of the Settlement Agreement and issuance of Scheme Shares and,
- ii. decrease in deferred revenue amounting to RM4.5 million mainly due to the re-computation of the percentage of completion for serviced suites.

Following the completion of the Scheme, the Group was able to improve its working capital position. The Board is of the view that the successful implementation of the restructuring exercises in both the Company and CCPSB, has enhanced the Group financial position by extinguishing its debts amounting to RM187 million via the issuance of the scheme and other new shares. The Company's shares had been voluntarily suspended since 14 February 2020. Subject to the opinion of the Group's Independent Auditors on going concern, the Company targets to prepare its proposal for the trading resumption for submission to SGX-ST by 31 December 2022.

REVIEW OF STATEMENT OF CASH FLOWS OF THE GROUP

The Group reported net cash flows used in operating activities of RM156.3 million (FY2021: RM0.3 million) mainly due to non-cash expenditure incurred during FY2022 amounting to RM63 million and decrease in working capital by RM 93.3 million.

Net cash flows generated from investing activities of RM188.52 million mainly due to the issuance of ordinary shares under the Scheme Share arrangement. Net cash flows used in financing activities of RM45.26 million mainly due to the settlement of loans and borrowings by issuance of the Scheme Shares.

As a result of the above, the Group recorded a cash and cash equivalent of RM0.09 million (which comprise cash at hand and at banks of RM 0.85 million net off balances not available for use of RM0.76 million) as at 30 June 2022.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The Malaysian economy has recovered and continues to progress well as it transits towards a full endemic phase. The Malaysia government is implementing effective strategies to stabilise the COVID-19 situation which will allow for further opening of the economy.

Since the reopening of international borders in April 2022, in particular the land borders with Singapore which saw over 12 million people travelling between Singapore and Malaysia¹, has helped to boost the economic activity in Malaysia. Further, with the new regulation implemented in Singapore where foreign vehicle is not allowed to stay in Singapore more than 18 hours in a day², which has resulted some Malaysian workers to move back to stay in Johor Bahru, the nearest town to Singapore. This has boosted and improved the outlook of the Malaysian housing market, with demand for Malaysian property by Malaysian expats as well as workers who worked in Singapore and Singaporeans expected to increase and sustain until 2023; particularly Johor, being seen as viable investments with rentals prices expected to return to pre-pandemic levels while being strong alternatives to the increasing prices of properties in Singapore.

However, the rising inflation and volatile economic conditions such as the ongoing Russia-Ukraine conflict, the prolonged supply chain disruption, which began since the start of the COVID-19 pandemic has resulted in inflationary pressure on the global economy with food and fuel prices surging. There is also concern of the recession of the economy in the near future.

¹ The Straits Times - More than 12m people have travelled between Malaysia and S'pore: Johor MB (<https://www.straitstimes.com/asia/se-asia/more-than-12m-people-have-travelled-between-malaysia-and-singapore-johor-mb?login=true>)

² PH drivers must ensure their foreign-registered vehicles are kept or used outside Singapore for a total period of 6 hours or more every day. https://www.lta.gov.sg/content/ltgov/en/newsroom/2022/5/news-releases/shorter_processing_time_for_vep_applications

Together with the rising interest rates, it is expected to increase construction costs of developments and potentially weaken consumer interest hence the recovery of the economy in Malaysia. The Malaysian government has introduced some measures to insulate the economy from the inflationary pressures, however; consumer spending is still expected to tighten against this backdrop of volatile economic climate.

Nevertheless, moving forward, the Group will continue to closely monitor the volatile economic climate and adapt accordingly. With the opening border between Singapore and Johor our Group's properties are located within the prime and strategic locations in Johor Bahru, providing us with the confidence for a sustained recovery of our property business in the endemic phase. The Group is expecting the Johor property market to slowly pick up with the progressive improvement over the economy between Singapore and Johor.

In addition to the efforts to restructure and improve the financial position, the Company is also working to strengthen the existing business to be a viable and sustainable business. The Company continues to explore potential fund-raising opportunities and the potential acquisition of new businesses to grow its revenue. This is part of the effort of the Company in working towards the submission of a resumption of trading proposal ("Resumption Proposal") to SGX-ST by 31 December 2022. The Company will continue to provide regular updates as well as its submission of the Resumption Proposal to SGX-ST via SGXNET.

6. Dividend information

6a. Current financial period reported on

Any dividend recommended for the current financial period reported on?

No.

If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the financial year ended 30 June 2022 as the Group's funds is required to be used for the Group's operations.

6b. Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

6c. Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

6d. Date payable.

Not applicable.

6e. Books Closure Date

Not applicable.

7. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPT") the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has procedures governing all IPT to ensure that they are properly documented and reported in a timely manner to the Audit Committee and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

Save as disclosed below, there were no IPT that was equal to or had exceeded S\$100,000 for the 12 months ended 30 June 2022.

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
An associate of Non-Executive and Non-Independent Director of the Company, Ms Tan Ler Choo, as one-off Advisor Fee for the service rendered to achieve the final settlement arrangement with Achwell Property Sdn Bhd)	RM3,244,894 (Or equivalent to S\$1,052,000)	Not applicable

The Company had obtained shareholders' approval for the above IPT from in the extraordinary general meeting held on 12 November 2021 and was paid in the form of issuance new ordinary share of the Company on 14 April 2022.

8. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement

Pursuant to Rule 704(10), the Company confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

9. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7(H) under Rule 720(1))

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H pursuant to Rule 720(1) of the Catalist Rules.

10. Negative confirmation pursuant to Catalist Rule 705(5)

The Board of Directors of the Company hereby confirm that to the best of their knowledge, nothing has come to their attention which may render the Unaudited Condensed Interim and Full Year Financial Statements of the Company and the Group for the fourth quarter and full year ended 30 June 2022 to be false or misleading in any material aspect.

11. Disclosures of incorporation, acquisition, and realization of shares pursuant to Catalist Rule 706(A)

Terratech Resources Pte Ltd, and its wholly owned subsidiaries CEP Entity Resources Sdn Bhd being dispose for a consideration of RM4.8 million. Saved as disclosed, there were no other incorporation, acquisition and realization of shares pursuant to Rule 706A of the Catalist Rules.

12. In the review of the performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

The Group's revenue was only derived from Malaysia. Please refer to Section F Paragraph 2 of review of performance of the Group, for review of the material changes in contributions to turnover and earnings.

	2022 (Unaudited) RM'000	2021 (Audited) RM'000
(a) Revenue		
- First half year	-	509
- Second half year	3,694	2,655
	<u>3,694</u>	<u>3,164</u>

	2022 (Unaudited) RM'000	2021 (Audited) RM'000
(b) Operating profit/(loss) after tax before deducting non-controlling interest		
- First half year	(13,010)	(3,307)
- Second half year	67,265	(172,479)
	<u>54,255</u>	<u>(230,894)</u>

13. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows: (a) Ordinary (b) Preference (c) Total

Not applicable. The Company is not proposing dividend for FY2022. No dividend was paid for FY2021.

On behalf of the Board of Directors

Siow Chien Fu
Executive Director and Chief Executive Officer

Hoo Khee Leng
Executive Director

29 August 2022

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.