CAPITAL WORLD LIMITED

ANNUAL REPORT
2019

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This annual report has not been examined or approved by the SGX-ST. The SGX-ST 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 annual report.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).

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CORPORATE PROFILE

Capital World Limited is an integrated property developer that focuses on working with landowners on a joint venture basis to minimise initial capital outlay. Through such joint ventures, Capital World Limited undertakes the conception, design and implementation of integrated property development projects.

Capital World Limited is currently developing an integrated development comprising indoor theme park, Hilton hotel, serviced suites and serviced apartments located in Tampoi, Johor. Capital City Mall, part of the development, has been completed during the financial year.

It has two other projects – an integrated development project in Tebrau and a landed housing township project in Pengerang.

EXECUTIVE DIRECTOR AND CEO STATEMENT

> “Moving ahead, the Group will manage its business in a prudent manner given the current challenging market environment, while the Group will be launching its new development projects in the pipeline at an appropriate timing.”

Dear Shareholders,

The year under review was not a smooth sailing journey for us as we encountered increased headwinds. However, we believe that we will emerge stronger from these challenges and stay resilient.

FINANCIAL REVIEW

Though business environment has been challenging during the year, our revenue has been consistent at RM141.2 million in FY2019 as compared to RM142.6 million in FY2018. Property segment has done reasonably well. One-off impairment of RM72.0 million was recognsied due to impairment on the mining rights and its goodwill. Accordingly, the Group registered a loss after tax of RM45.6 million in FY2019. Had there been no impairment, the Group would have recorded a profit after tax of RM11.9 million, after taking into account of the deferred tax on the impairment.

BUSINESS OUTLOOK

Since the first ever change in government, Malaysia is progressing well on track towards restoring its fiscal position. The world's largest international credit rating agencies continued to maintain Malaysia's credit rating[1.]

However, the Group is expecting the Johor property market to remain lackluster in the near term which is in tandem with the soft real estate industry in Malaysia on the back of a slow residential market as developers are still resolving the overhang issue and most developers reported lower new sales year-on-year. Johor holds the highest count of unsold completed units which comprise mainly residential and serviced apartments[2].

In view of this, the new Malaysian government introduced several initiatives to solve the oversupply issue. The government encourages people to own properties by exempting the stamp duty on the property transfer letter for first house purchase of houses priced between RM300,001 and RM1 million. This will be part of the National House Ownership Campaign, of which developers have agreed to give a 10% discount to houses under existing projects[3]. Besides that, the government also announced an allocation of RM25 million to National Mortgage Corporation of Malaysia for mortgage guarantee for first-time buyers earning up to RM5,000 monthly[4]. These positive initiatives augur well for the property sector.

In addition, Southern Johor region will be extended to 4,749 km square from the current 2,217 km square to include parts of the Kota Tinggi, Kluang and Pontian districts in a bid to bolster Malaysia's economy. The expansion will enable southern Johor region to offer more land for development at affordable cost and bring modern agriculture as one of its new promoted sectors[5]. Besides that, the expansion also offers greater job opportunities for the local and attracts new investments in sectors such as tourism, logistics, health, creative industry, finance and education which in turn will drive the demand for residential and commercial properties.

COMMITMENT TO DELIVER CAPITAL CITY PROJECT

The current weak property industry poses a challenge for us where the slowdown in the industry has also affected the progress of Capital City Project. The Group has been exploring ways to obtain financing for the project. This includes proposed variations to the joint venture agreement with the Achwell Property Sdn Bhd ("APSB"), the landowner of the Capital City Project, to facilitate the transfer of the land title from APSB to the Group, allowing the Group to charge the land as security for credit facilities to be obtained.

In addition, the Group has secured a strategic investment from bursa-listed property developer, PRG Holdings Berhad ("PRG") which has emerged as the Group's substantial shareholder with a 14.47% equity stake.

Listed on Bursa Main Market, PRG is a Malaysia-based company principally engaged in, among others, property development and construction as well as marked its foray into healthcare and wellness business in January 2018. Apart from the development of Picasso Residence, a 38-storey, 472 units residential project in the heart of Kuala Lumpur and other construction projects, PRG has teamed up with other parties to undertake RM5.0 billion worth of affordable housing projects from Syarikat Perumahan Negara Berhad.

This strategic investment marks a significant milestone for the Group as this is an endorsement from an industry player shortly after the completion and opening of Capital City Mall. There is also synergy between both groups whereby the medical and wellness elements can be incorporated in the Group's future development projects which will further enhance the appeal of our product offering.

Though the landscape in Malaysia's property market remains competitive, we believe that our capability in offering unique and innovative products to the market will allow us to stand out from the intense competition. The entertainment nature of Capital City Mall presents us with a unique positioning as compared to other traditional retail malls in Johor Bahru. Moving forward, we are determined to complete the construction of Capital City Project and remain focused on launching the new pipeline development projects of the Group at an appropriate timing.

We are also aware that any changes to the economy, policy or business environment might impact the property industry and the market sentiments. Therefore, we will continue to monitor developments in the industry and take prudent steps in seeking out future opportunities.

ACKNOWLEDGEMENT

First of all, I would like thank Mr. Dominic Tan Eng Kiat who ceased to be the Independent Non-Executive Chairman, Mr. Tham Kok Peng who resigned as the Executive Director and Lye Thiam Fatt Joseph Victor, who stepped down as the Independent Director to pursue personal interest and focus on other professional commitments respectively, for their contributions during their tenure. We wish them all the best for their future endeavours.

We would also like to welcome Mr Dennis Yong who joined us as the Executive Director and he is responsible for the management and operations of the Group. Prior to this, he was the CEO of GPS Alliance Holdings Limited and COO of HSR International Realtors Pte. Ltd. We believe that his extensive experience in the property related business will strengthen the management of the Group. Besides that, we would like to welcome Ms Tan Ler Choo as the Non-Executive Non-Independent Director and Mr Low Chai Chong as the Non-Executive Independent Chairman.

I would like to take this opportunity to express my gratitude to our beloved employees for their hard work and dedication in helping to drive the Group forward. I would also like to express my appreciation to our esteemed shareholders for their continued support. Last but not least, I would like to thank the Board for their guidance and counsel. We aim to continue to deliver greater value to the shareholders.

SIOW CHIEN FU
Executive Director and Chief Executive Officer

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[1] Malaysia progressing on right track towards restoring fiscal position, http://www.bernama.com/en/news.php?id=1687852

[2] Property consultant: Stop building serviced apartments in Johor Bahru, https://www.edgeprop.my/content/1570736/property-consultant-stop-building-serviced-apartments-johor-bahru

[3] Budget 2019 Higlights, https://www.thestar.com.my/news/nation/2018/11/02/budget-2019-highlights-live/

[4] Budget 2019: Property players welcome govt initiatives, https://www.freemalaysiatoday.com/category/nation/2018/11/04/budget-2019-property-players-welcome-govt-initiatives/

[5] Iskandar Malaysia to be expanded, spanning more areas in Johor, https://www.malaymail.com/news/money/2019/02/22/iskandar-malaysia-to-be-expanded-spanning-more-areas-in-johor/1725817

FINANCIAL REVIEW

For the financial year ended 30 June 2019 ("FY2019"), the Group achieved revenue of RM141.2 million, slightly lower than FY2018 of RM142.6 million on year-on year ("Y-o-Y") basis.

Gross profit decreased by 22.8% to RM93.1 million in FY2019 which was due to finalizing of the construction cost when the Capital City Mall commenced operations in October 2018. The increase in the construction cost of the Capital City Mall resulted a decrease in gross profit margin from 84.6% in FY2018 to 65.9% in FY2019.

The increase in other income to RM13.8 million was mainly due to a one-off gain of RM3.6 million from the disposal of a subsidiary, Shaanxi Hengyu Architectural Interior Engineering Co., Ltd ("Shaanxi Hengyu") as announced on 16 November 2018, fair value gain arising from the convertible bonds, forfeiture income from the buyers and other miscellaneous income such as locker rental income from the indoor theme park business.

The selling and distribution expenses comprise mainly sales commission and advertising and promotional expenses. The decrease to RM2.9 million in FY2019 was mainly due to lesser occurrence of such selling and distribution activities.

The impairment of intangible assets of RM72.0 million mainly pertaining to the mining rights and goodwill arising from the reverse takeover of mining business by the property business in the year 2017 has contributed to a significant increase in general administrative expenses.

In addition to the impairment mentioned above, the increase in general and administrative expenses of RM97.4 million to RM134.2 million in FY2019 is also due to higher payroll related costs from additional headcount for indoor theme park business, fees for liaising and sourcing tenants for the Capital City Mall, maintenance and service fee for the retained and unsold units, increase in depreciation of property, plant and equipment and investment property as the Capital City Mall has been opened for the business and impairment of trade receivables due to slow collection.

Finance costs increased by RM16.7 million to RM23.2 million, largely due to full year impact from the amortization of arranger fee on the convertible bond and the convertible bond interest, whereas amortization was only made for a partial period in prior year, the effect from expensing the unwinding interest and loan interest and the fair value gain on the convertible bonds.

Income tax credit in FY2019 was mainly related to the reversal of deferred tax liability of RM14.5 million on the impairment of mining rights and goodwill as mentioned above, partially offset by current year income tax of the Group.

As a result of the above factors, the Group recorded a loss after tax of RM45.6 million in FY2019 as compared to a profit after tax of RM56.6 million in FY2018. Had there been no impairment of RM72.0 million, the Group would have recorded a profit after tax of RM11.9 million, after taking into account of the deferred tax on the impairment.

FINANCIAL POSITION

As of 30 June 2019, the Group had equity attributable to owners of the Company of RM303.1 million, an increase of RM9.1 million from RM294.0 million as at 30 June 2018.

Total assets comprised current assets of RM270.7 million and non-current assets of RM523.1 million as at 30 June 2019, registering a decrease of RM8.3 million. The decrease in total assets were mainly due to the following:

- Decrease in intangible assets due to impairment of mining rights and its goodwill;
- Decrease in trade receivables (current and non-current) and unbilled receivables due mainly to payment received during the current year, as well as the impairment of trade receivables due to slow collection and the disposal of a subsidiary, Shaanxi Hengyu, due to deconsolidation;
- Decrease in cash and bank balances; and
- Decrease in fixed deposit due to withdrawal during the year to repay the bank loan

The above decrease was mainly offset by the following increase:

- Increase in inventory properties (current and non-current) and investment properties, which were in line with higher recognition of completed works and the increase in construction costs towards the completion of the Capital City Mall; and
- Increase in property, plant and equipment due to additions during current year.

Total liabilities comprised current liabilities of RM213.9 million and non-current liabilities of RM277.6 million as at 30 June 2019. Total liabilities decreased by RM16.6 million from RM508.1 million as at 30 June 2018 to RM491.5 million as at 30 June 2019. This was largely due to:

- Decrease in deferred revenue as the Group achieved a 100.0% percentage of completion ("POC") for Capital City Mall;
- Decrease in loans and borrowings (current and non-current), including derivatives was due to partial payment during the year; and
- Decrease in deferred tax liability mainly due to reversal of deferred tax liability arising from the impairment of mining rights and goodwill as mentioned above.

The decrease was offset by:

- Increase in trade and other payables (current and non-current) due to increase in construction cost and other expenses when the Capital City Mall opened for business in October 2018;

As a result, the Group achieved a net current asset of RM56.7 million as compared to a net current liability of RM81.1 million as at 30 June 2018.

The Group's total equity increased from RM294.1 million as at 30 June 2018 to RM302.3 million as at 30 June 2019.

CASH FLOW

The Group's net cash generated from operating activities was RM32.6 million in FY2019. This comprised mainly operating cash inflow before working capital changes of RM61.9 million, adjusted for net working capital outflow of RM5.4 million, and interest and tax payment of RM26.4 million.

The net working capital outflow was mainly due to increase in inventory properties, offset by the increase in trade and other payables and deferred revenue and decrease in trade and other receivables.

Net cash used in investing activities of RM73.5 million in FY2019 was mainly due to addition of property, plant and equipment and expenditure on investment property; and cash outflow from the disposal of a subsidiary, Shaanxi Hengyu, due to deconsolidation.

Net cash generated from the financing activities of RM18.7 million in FY2019 was due to new shares issuance and proceeds from the loan and borrowings and withdrawal of secured bank deposits for the purposes of repayment of bank loan, offset by the repayments of the loans and borrowings.

Overall, cash and cash equivalents decreased to RM2.4 million as at 30 June 2019.

BOARD OF DIRECTORS

MR LOW CHAI CHONG
Non-Executive Independent Chairman

Appointed to the Board on 30 September 2019.

Mr Low is an advocate and solicitor of the Supreme Court of Singapore and a Senior Partner at Dentons Rodyk Davidson LLP. He has more than 30 years of legal experience representing multinational corporations, financial institutions and listed companies in a wide array of commercial and corporate matters regionally, including dispute resolutions. He is routinely cited in various legal publications as a leading and distinguished Singapore lawyer.

Mr Low graduated with a Bachelor of Laws (Honours) degree from the National University of Singapore.

MR SIOW CHIEN FU
Executive Director and Chief Executive Officer

Appointed to the Board on 4 May 2017 and was last re-elected on 27 October 2017.

Mr Siow started his career as an architect in Devine Architects Inc. in Kansas City, United States of America ("USA") in 1986. He then joined Gould Evans Associates in Kansas City, USA as an architect in 1989 and left in 1991 to join Singapore Regional Development Consortium Architect ("RDCA"). In 1992, Mr Siow founded RDC Arkitek, an architectural firm which currently has offices in Johor Bahru, Kuala Lumpur and Malacca. Under Mr Siow's stewardship, RDC Arkitek has won notable industry accolades, including the Top 10 Market Leader in Architecture awarded by BCI Asia for nine (9) years in 2005, 2009, 2010, 2011, 2013, 2014, 2015, 2016 and 2017.

Prior to establishing Capital City Property Sdn. Bhd. in June 2013, Mr Siow was involved in the management of the development of a wide range of property development projects including integrated residential, industrial, commercial and retail properties in Malacca, Selangor, Johor, and Hong Kong since 2008.

Mr Siow graduated from the University of Kansas in the USA with a Bachelor of Architecture in 1986. He is a member of the Pertubuhan Arkitek Malaysia and the American Institute of Architects. He is registered as an Architect of the National Council of Architectural Registration Boards of the State of Missouri, USA, The Missouri Board for Architects, Professional Engineers and Land Surveyors and Lembaga Arkitek Malaysia.

Appointed to the Board on 16 November 2018.

Mr Dennis has more than 22 years of experience in the real estate industry.

He was a co-founder of GPS Alliance Holdings Limited ("GPS") in 2010 and served as Group Chief Executive Officer ("CEO") from 2010 to 2016. As CEO of GPS, he built the company from scratch and listed it at Australian Stock Exchange in 2013.

Between 2005 and 2010, he served as Chief Operating Officer of HSR International Realtors Pte Ltd where he engaged in a number of commercial and real estate development ventures in Asia.

He has a Diploma in Building Construction from the Singapore Polytechnic and a BSc. in Real Estate Management from Heriot-Watt University in the UK.

MR YONG DENNIS
Executive Director

Appointed to the Board on 18 June 2014 and was last re-elected on 27 October 2017.

Mr Aw is a public accountant and a partner of Foo Kon Tan LLP where he is in charge of the various departments providing specialist advisory services. He has more than 20 years of experience providing business advisory services to companies. Prior to joining the commercial sector, Mr Aw was an investigator in the Commercial Affairs Department where he was involved in complex commercial fraud investigations.

Mr Aw graduated with a Bachelor of Business Administration (Honors) from the National University of Singapore and is a practicing member of the Institute of Singapore Chartered Accountants, a fellow of the Association of Chartered Certified Accountants ("ACCA"), a Fellow of Insolvency Practitioners Association of Singapore ("IPAS") and a member of INSOL International.

MR AW ENG HAI
Independent Director

Appointed to the Board on 28 June 2019.

Ms Tan has more than 30 years' experience in the property development and construction industry with an extensive portfolio based in Singapore as well as in Malaysia, ranging from schools to major road works, high-rise residentials and airport infrastructure, mix-development projects, hotels and luxury developments.

Ms Tan graduated with a Diploma in Building Construction from Singapore Polytechnic.

MS TAN LER CHOO
Non-Executive Director
Non-Independent Director

SENIOR MANAGEMENT

MR SIOW CHIEN FU
Executive Director and Chief Executive Officer

Please refer to Board of Directors.

MR YONG DENNIS
Executive Director

Please refer to Board of Directors.

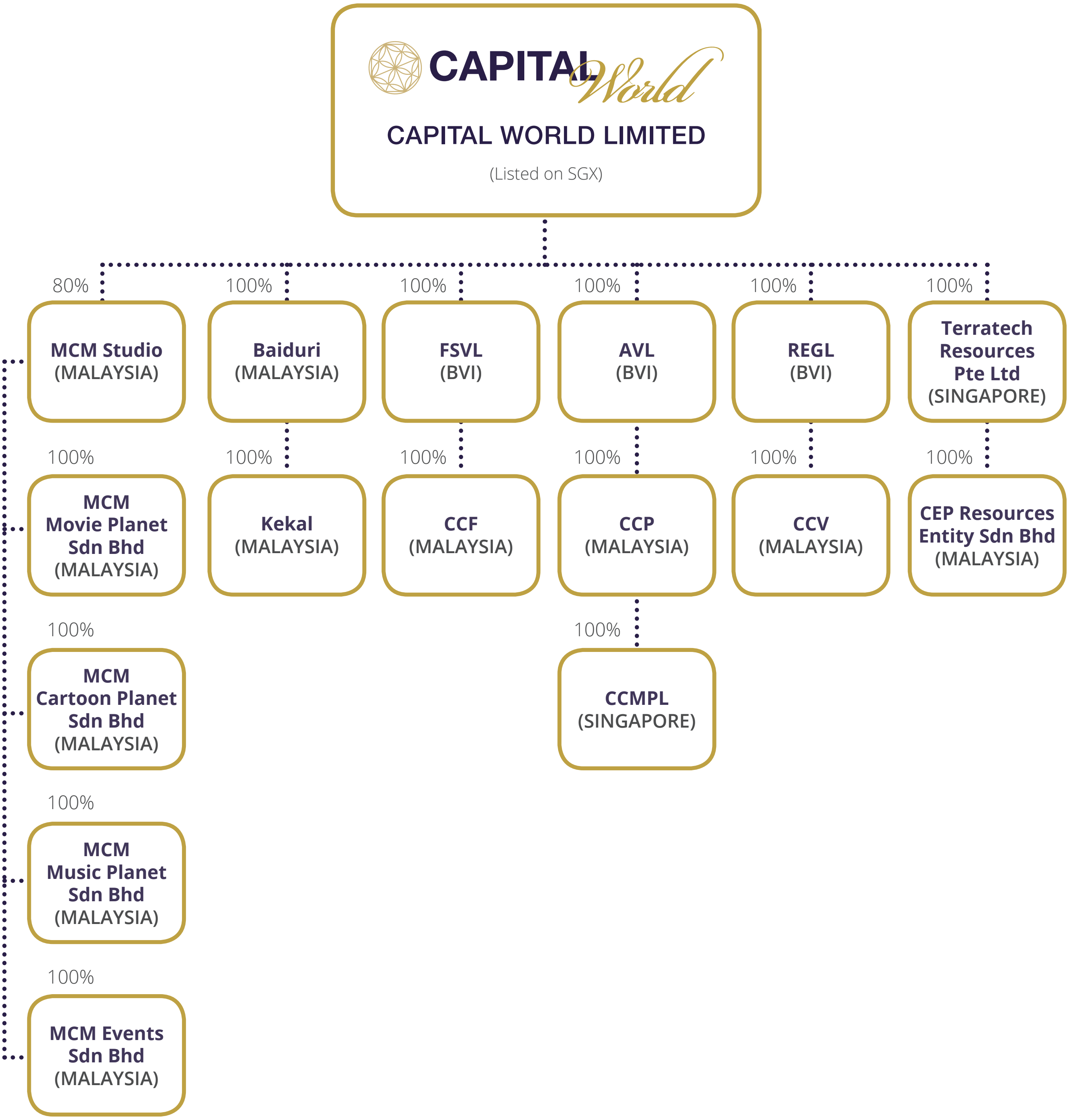
MR KENNY ZHANG
Chief Financial Officer

Mr. Kenny Zhang is responsible for overseeing the Group's financial and accounting functions, liaising with the investment community, evaluating and driving capital market fund-raising exercises and reviewing potential investments as well as mergers and acquisitions opportunities.

Prior to joining the Group, Mr. Kenny Zhang was the Financial Controller of Kreuz Holdings Limited ("Kreuz") from May 2010 to February 2017. During his time at Kreuz, he had led the initial public offering of the company, its transfer from Catalist to the Main Board of the SGX-ST, its subsequent acquisition by a new shareholder and the privatisation of Kreuz. Between June 2001 and May 2010, Mr. Kenny Zhang had gained nine (9) years of audit experience, with his last seven (7) years at Deloitte and Touche LLP where he was responsible for leading audit teams in carrying out audits of various companies, including companies listed on the Main Board of the SGX-ST.

Mr. Kenny Zhang obtained his Bachelor of Science in Applied Accounting from the Oxford Brookes University in 2002. He has been a Fellow of the Association of Chartered Certified Accountants since September 2009 and is a member of the Institute of Singapore Chartered Accountants.

CORPORATE STRUCTURE



Baiduri: Baiduri Megaria Sdn Bhd
Kekal: Kekal Efektif Sdn Bhd
FSVL: First Star Ventures Limited
AVL: Altimate Ventures Limited
REGL: Rise Expedition Global Limited
CCF: Capital City Frontier Sdn Bhd
CCP: Capital City Property Sdn Bhd
CCV: Capital City Ventures Sdn Bhd
CCMPL: Capital City Management Pte Ltd
MCM Studio: MCM Studio Entertainment Sdn Bhd

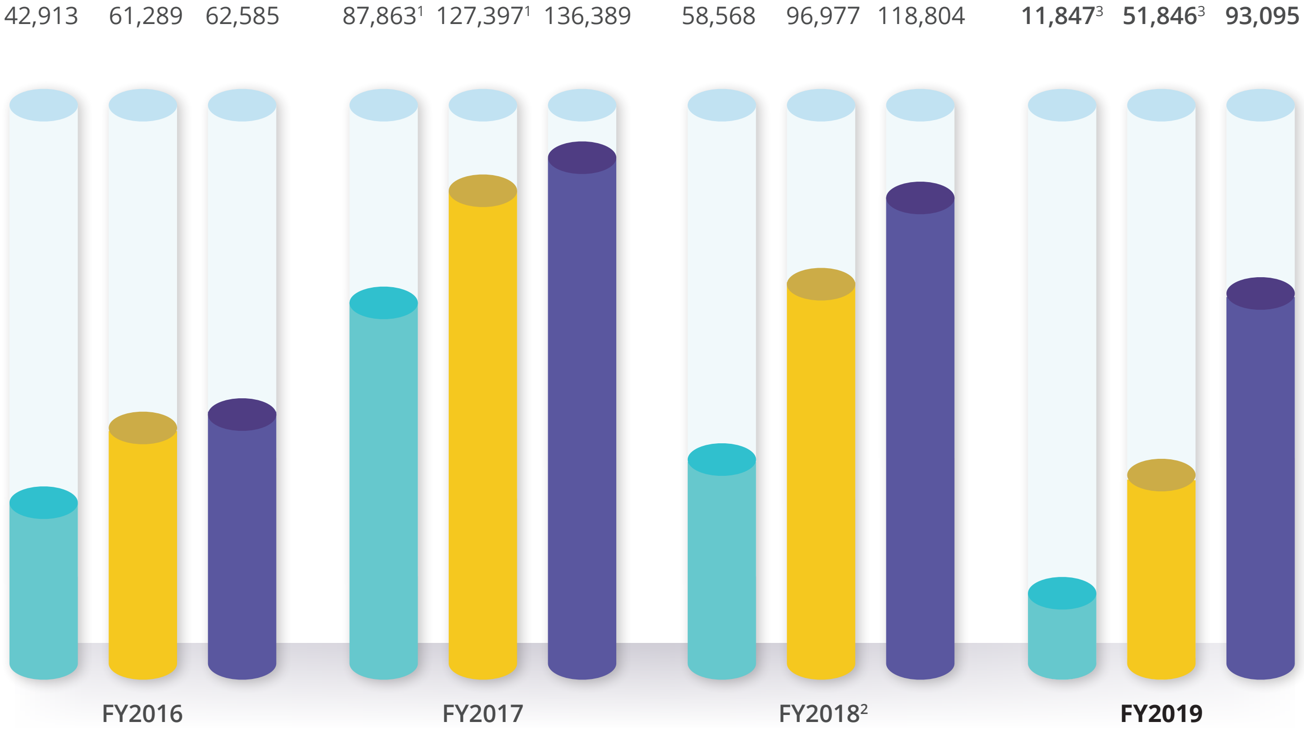
FINANCIAL HIGHLIGHTS

REVENUE

RM'000

PROFITABILITY

RM'000



● Net Profit ● EBITDA ● Gross Profit

YoY: Year on Year

EBITDA: Earnings before interest, taxation, depreciation and amortisation.

[1] Excluding amount of RM17.8 million which mainly related to one-off RTO transaction costs in year 2017.

[2] Comparatives for FY2018 have been restated to take into account the retrospective adjustments relating to IAS23 as further disclosed in Note 2 to the financial statements.

[3] Excluding impairment of RM72.0 million and related deferred tax which was one-off transcation.

PROJECTS HIGHLIGHTS

CURRENT PROJECTS

CAPITAL CITY

MCM STUDIO
Indoor Theme Park

- Southeast Asia's largest indoor theme park
- Comprising Movie Planet, Cartoon Planet and Music Planet

CAPITAL CITY
Shopping Mall

- 1,575 retail units
- Multipurpose hall

HILTON GARDEN INN
International Hotel

- 16-storey with 315 rooms

MCM PLANET HOTEL
Thematic Hotel

- 18-storey tower comprising 630 units of hotel-style serviced suites

NEO GEO REO
Serviced Apartments

- Three (3) towers
- 15-storey blocks comprising 690 units

UPCOMING PROJECTS

AUSTIN CITY

- An integrated development comprising a retail mall, office suites, hotel and residential apartments
- Located at Tebrau, Johor Bahru
- Approximately 27,670 sq m.

PENGERANG PROJECT

- Strategically located near Pengerang Integrated Petroleum Complex ("PIPC") , one of the major oil and gas hubs in Southeast Asia, which is expected to generate thousands of job opportunities by 2020, driving the demand for the property sector in Pengerang, Johor
- 207.5 acres landed housing township project
- Complement Group's current portfolio of mixed development

FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of Capital World Limited (the "**Company**" and together with its subsidiaries, the "**Group**") are committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company's corporate governance practices that were in place during the financial year ended 30 June 2019 ("**FY2019**"), with specific reference made to the principles of the Code of Corporate Governance 2012 (the "**Code**") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 (the "**Guide**"). On 6 August 2018, the Monetary Authority of Singapore issued a revised Code of Corporate Governance which aims to encourage board renewal, strengthen director independence and enhance board diversity, which will initially take effect for annual reports covering financial years commencing from 1 January 2019 (the "**New Code**"). The Company will implement the New Code for its Annual Report for the financial year beginning 1 July 2019 ("**FY2020**").

Guideline	**Code and/or Guide Description**	**Company's Compliance or Explanation**
General	(a) Has the Company complied with all the principles and guidelines of the Code?	The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable.
	If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.	Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Guide.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?	Not applicable. The Company did not adopt any alternative corporate governance practices in FY2019.
BOARD MATTERS		
<u>The Board's Conduct of Affairs</u>		
1.1	What is the role of the Board?	As at 30 June 2019, the Board has 5 members and comprises the following:

Table 1.1.1 – Composition of the Board as at 30 June 2019

Name of Director	**Designation**
Mr Tan Eng Kiat ("Mr Dominic Tan") (Note 1)	Non-Executive Chairman and Independent Director
Mr Siow Chien Fu	Executive Director and Chief Executive Officer
Mr Yong Dennis (Note 2)	Executive Director
Mr Aw Eng Hai	Independent Director
Ms Tan Ler Choo (Note 3)	Non-Independent Non-Executive Director

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>
<p>Subsequent to cessation of Mr Dominic Tan, the Company has appointed Mr Low Chai Chong as the Non Executive Independent Director. The current Board has 5 members and comprises the following:</p>
<table>
<tr><th colspan="2"><i>Table 1.1.2 – Composition of the Board as at 14 October 2019</i></th></tr>
<tr><th>Name of Director</th><th>Designation</th></tr>
<tr><td>Mr Low Chai Chong (Note 4)</td><td>Non Executive Independent Chairman</td></tr>
<tr><td>Mr Siow Chien Fu</td><td>Executive Director and Chief Executive Officer</td></tr>
<tr><td>Mr Yong Dennis (Note 2)</td><td>Executive Director</td></tr>
<tr><td>Mr Aw Eng Hai</td><td>Independent Director</td></tr>
<tr><td>Ms Tan Ler Choo
(Note 3)</td><td>Non-Independent Non-Executive Director</td></tr>
</table>
<p>Note 1: Mr Dominic Tan has resigned as the Non Executive Chairman and Independent Director on 30 June 2019.</p>
<p>Note 2: Mr Yong Dennis was appointed as an Executive Director on 16 November 2018.</p>
<p>Note 3: Ms Tan Ler Choo was appointed as the Non Independent Non Executive Director on 28 June 2019.</p>
<p>Note 4: Mr Low Chai Chong was appointed as the Non Executive Independent Director on 30 September 2019.</p>
<p>The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board’s principle functions are to:</p>

Decide on matters in relation to the Group’s activities which are of significant nature, including decisions on strategic directions, plans, key operational initiatives and guidelines, approval of periodic plans and major investments and divestments and funding decisions;
Align the interests of the Board and Management with that of shareholders and balance the interests of all stakeholders;
review the financial performance and condition of our Group;
oversee the quality and integrity of the accounting and financial reporting systems, disclosure controls and procedures and internal controls;
identify principal risks of our Group’s business and ensuring the implementation of appropriate systems to manage the risks; and
ensure compliance with all laws and regulations as may be relevant to the businesses.

</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td>1.3</td><td>Has the Board delegated certain responsibilities to committees? If yes, please provide details.</td><td>
<p>The Board has delegated certain responsibilities to the Audit Committee (the “AC”), the Remuneration Committee (the “RC”), and the Nominating Committee (the “NC”) (collectively, the “Board Committees”). The compositions of the Board Committees as at 30 June 2019 are as follows:</p>
<table>
<tr><th colspan="4"><i>Table 1.3.1 – Composition of the Board Committees</i></th></tr>
<tr><th></th><th>AC</th><th>NC</th><th>RC</th></tr>
<tr><td>Chairman</td><td>Mr Aw Eng Hai</td><td>Ms Tan Ler Choo</td><td>Mr Dominic Tan</td></tr>
<tr><td>Member</td><td>Mr Dominic Tan</td><td>Mr Dominic Tan</td><td>Ms Tan Ler Choo</td></tr>
<tr><td>Member</td><td>Ms Tan Ler Choo</td><td>Mr Aw Eng Hai</td><td>Mr Aw Eng Hai</td></tr>
</table>
<p>Following the resignation of Mr Dominic Tan as a Director of the Company on 30 June 2019 and the appointment of Mr Low Chai Chong as a Director of the Company on 30 September 2019, the current composition of the Board Committees as at 14 October 2019 are as follows:</p>
<table>
<tr><th colspan="4"><i>Table 1.3.2 – Composition of the Board Committees</i></th></tr>
<tr><th></th><th>AC</th><th>NC</th><th>RC</th></tr>
<tr><td>Chairman</td><td>Mr Aw Eng Hai</td><td>Ms Tan Ler Choo</td><td>Mr Low Chai Chong</td></tr>
<tr><td>Member</td><td>Mr Low Chai Chong</td><td>Mr Low Chai Chong</td><td>Ms Tan Ler Choo</td></tr>
<tr><td>Member</td><td>Ms Tan Ler Choo</td><td>Mr Aw Eng Hai</td><td>Mr Aw Eng Hai</td></tr>
</table>
<p>Each of the AC, NC and RC comprises 3 members of which 2 are independent and 1 is non-executive and non-independent.</p>
</td></tr>
<tr><td>1.4</td><td>Have the Board and Board Committees met in the last financial year?</td><td>
<p>The Board meets on a quarterly basis, and as and when circumstances require. In FY2019, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below.</p>
<table>
<tr><th colspan="5"><i>Table 1.4 – Board and Board Committee Meetings in FY2019</i></th></tr>
<tr><th></th><th>Board</th><th>AC</th><th>NC</th><th>RC</th></tr>
<tr><td>Number of Meetings Held</td><td>4</td><td>5</td><td>1</td><td>1</td></tr>
<tr><td>Name of Director</td><td colspan="4">Number of Meetings Attended</td></tr>
<tr><td>Mr Dominic Tan</td><td>4</td><td>5</td><td>1</td><td>1</td></tr>
<tr><td>Mr Siow Chien Fu</td><td>4</td><td>4</td><td>1*</td><td>1*</td></tr>
<tr><td>Mr Tham Kok Peng (Note 1)</td><td>3</td><td>4</td><td>1*</td><td>1*</td></tr>
<tr><td>Mr Yong Dennis (Note 2)</td><td>2</td><td>2</td><td>–</td><td>–</td></tr>
<tr><td>Mr Victor Lye (Note 3)</td><td>4</td><td>5</td><td>1</td><td>1</td></tr>
<tr><td>Mr Aw Eng Hai</td><td>4</td><td>5</td><td>1</td><td>1</td></tr>
</table>
<p>* By invitation</p>
<p>Note 1: Mr Tham Kok Peng resigned on 30 November 2018.</p>
<p>Note 2: Mr Yong Dennis was appointed on 16 November 2018.</p>
<p>Note 3: Mr Victor Lye resigned on 30 April 2019.</p>
<p>The Company’s Articles of Association (the “Articles”) allow for meetings to be held through telephone and/or video-conference.</p>
</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
1.5	What are the types of material transactions which require approval from the Board?	Matters that require the Board's approval include, amongst others, the following: ● corporate strategy and business plans; ● material acquisitions and disposals share issuance, dividend release or changes in capital; ● budgets, financial results announcements, annual report and audited financial statements; ● capital borrowing and financial commitments; and ● material interested person transactions
1.6	(a) Are new Directors given formal training? If not, please explain why.	Upon the appointment of a new Director, the Company will provide the Director with a formal letter, setting out the Director's duties and obligations. The Board ensures that all incoming Directors will receive comprehensive and tailored induction on joining the Board, including briefing on his duties as a Director and how to discharge those duties, and an orientation program to ensure that they are familiar with the Company's business and governance practices. The Company also provides training for any new first-time Director (who has no prior experience as a director in a listed company) in areas such as accounting, legal and industry-specific knowledge as appropriate. All new first-time Directors (who have no prior experience as a director in a listed company) are also required to attend appropriate training in the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange within one year from the date of his appointment to the Board.
	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	The Board values on-going professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on and contribute to the Board. The Board will consider adopting a policy on continuous professional development for Directors. To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject area, committee membership, or key developments in the Company's environment, market or operations which may be provided by accredited training providers such as the SID. Directors are encouraged to consult the Chairman if they consider that they personally, or the Board as a whole, would benefit from specific education or training regarding matters that fall within the responsibility of the Board or relate to the Company's business. Such trainings costs are borne by the Company. Briefings, updates and trainings for the Directors in FY2019 include: ● the external auditors ("**EA**") had briefed the AC on changes or amendments to accounting standards; ● the Company Secretary, where appropriate, had briefed the Board on the new requirements under the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") and the Cayman Companies Law; and ● the CEO updated the Board at each Board meeting on business and strategic developments in the property market and industry.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
Board Composition and Guidance		
2.1 2.2 3.3	Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Guideline 2.1 of the Code is met as the Independent Directors make up more than one third of the current Board. (2 out of 5 Directors are Independent Directors as at 30 June 2019)
2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	The NC has reviewed and confirmed the independence of the Independent Directors in accordance with the definition in the Code and Rule 406(3)(d) of the Catalist Rules. The Independent Directors have also confirmed their independence in accordance with the Code and the Catalist Rules.
	(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent. Not applicable.
2.4	Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.	There are no Independent Directors who has served beyond nine years since the date of his/her first appointment.
2.5	What are the steps taken by the Board to progressively renew the Board composition?	To meet the changing challenges in the industries which the Group operates in, review of the Board composition, which includes considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies would be done on a regular basis to ensure that the Board dynamics remain optimal.
2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	The Board's policy in identifying director candidates is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The Board comprises business leaders and professionals with financial, business management and relevant industry experience. The Board has reviewed its composition, taking into account the size and nature of the operations of the Group, and is satisfied that the current size of the Board is appropriate and allows for effective decision making, providing the necessary core competencies to meet the Group's needs and to allow for diverse and objective perspectives on the Group's strategic direction and growth.

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</td><td>The current Board composition as at the date of the annual report provides a diversity of skills, experience, gender, knowledge and ethnicity to the Company as follows:
<table>
<tr><th colspan="3"><i>Table 2.6 – Balance and Diversity of the Board</i></th></tr>
<tr><th></th><th>Number of Directors</th><th>Proportion of Board</th></tr>
<tr><td>Core Competencies</td><td></td><td></td></tr>
<tr><td>- Accounting or finance</td><td>2</td><td>40%</td></tr>
<tr><td>- Business management</td><td>5</td><td>100%</td></tr>
<tr><td>- Legal or corporate governance</td><td>4</td><td>80%</td></tr>
<tr><td>- Relevant industry knowledge or experience</td><td>3</td><td>60%</td></tr>
<tr><td>- Strategic planning experience</td><td>5</td><td>100%</td></tr>
<tr><td>- Customer based experience or knowledge</td><td>5</td><td>100%</td></tr>
<tr><td>- Information Technology</td><td>2</td><td>40%</td></tr>
</table>
Details of the Directors’ academic and professional qualifications are set out on page 6 to 7 of the Annual Report.</td></tr>
<tr><td></td><td>(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?</td><td>The Board will undertake the following steps to maintain or enhance its balance and diversity:
● yearly review by the NC to access if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
● yearly evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.
The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.</td></tr>
<tr><td>2.8</td><td>Have the Non-Executive Directors met in the absence of key management personnel in the last financial year?</td><td>Where necessary, the Company co-ordinates informal meeting for Independent Directors to meet without the presence of the Executive Director and/or the Management.
The Independent Directors and Non Executive Director have met without the presence of Management at least once in FY2019.</td></tr>
<tr><td colspan="3"><u>Chairman and Chief Executive Officer</u></td></tr>
<tr><td>3.1</td><td>Are the duties between Chairman and CEO segregated?</td><td>The roles of the Chairman and CEO are separate to ensure a clear division of their responsibilities, increased accountability and greater capacity of the Board for independent decision making. The previous Chairman, Mr Dominic Tan, and the current Chairman, Mr Low Chai Chong, are not related to the CEO.
The Chairman oversees the business of the Board. He leads the Board discussions and ensures that Board meetings are convened when necessary. He sets the Board’s meeting agenda in consultation with the CEO and ensures the quality, quantity and timeliness of the flow of information between the Board and key management personnel to facilitate efficient decision making.
The CEO takes a leading role in developing the businesses of the Group and manages the day-to-day operations with the assistance of key management personnel. He also oversees the execution of the business and corporate strategy decisions made by the Board.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
3.4	Have the Independent Directors met in the absence of other Directors?	Where necessary, the Company co-ordinates informal meeting for Independent Directors to meet without the presence of other Directors. The Independent Directors have met without the presence of other Directors at least once in FY2019.
Board Membership		
4.1	What are the duties of the NC?	The NC is guided by key terms of reference as follows: (a) determine annually, and as and when circumstances require, whether a Director is independent, and providing its views to the Board in relation thereto for the Board's consideration; (b) reviewing the independence of any director who has served on the Board for more than nine years from the date of his first appointment and the reasons for considering him as independent; (c) where a Director or proposed Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the Director's number of listed company board representations and other principal commitments; (d) where the appointment of an alternate Director to a Director is proposed, determining whether the alternate Director is familiar with the Company's affairs, appropriately qualified and (in the case of an alternate Director to an independent Director) whether the alternate Director would similarly qualify as an independent Director, and providing its views to the Board in relation thereto for the Board's consideration; (e) making recommendations to the Board on relevant matters relating to the review of board succession plans for directors, in particular, the Chairman and for the CEO, the development of a process for evaluation of the performance of the Board, its board committees and directors, the review of training and professional development programs for the Board and the appointment and re-appointment of directors (including alternate directors, if applicable); (f) proposing objective performance criteria for evaluation of the Board's performance as a whole which allows for comparison with industry peers and address how the Board has enhanced long-term shareholder value; (g) carrying out, at least annually, a formal assessment of the performance and effectiveness of the Board as a whole and its board committees and (if applicable) the contributions of individual Directors to the effectiveness of the Board, based on the process implemented by the Board; and (h) based on the results of the performance evaluation, providing its views and recommendations to the Board, including any appointment of new members.
4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	The Board has not capped the maximum number of listed company board representations each Director may hold.
	(b) If a maximum has not been determined, what are the reasons?	The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his or her other listed company board directorships and other principal commitments. The NC also believes that it is for each Director to assess his or her own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The NC does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td>(c) What are the specific considerations in deciding on the capacity of directors?</td><td>The considerations in assessing the capacity of Directors include the following:
• Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity;
• Geographical location of Directors;
• Size and composition of the Board;
• Nature and scope of the Group’s operations and size; and
• Capacity, complexity and expectation of the other listed directorships and principal commitments held.
The measures and evaluation tools in place to assess the performance and consider competing time commitments of the Directors include the following:-
• Declarations by individual Directors of their other listed company board directorships and principal commitments;
• Annual confirmations by each Director on his ability to devote sufficient time and attention to the Company’s affairs, having regard to his other commitments; and
• Assessment of the individual Directors’ performance based on the criteria set out in Section 5 of this report.</td></tr>
<tr><td></td><td>(d) Have the Directors adequately discharged their duties?</td><td>The NC has reviewed the time spent and attention given by each of the Directors to the Company’s affairs taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have discharged their duties adequately in FY2019.</td></tr>
<tr><td>4.5</td><td>Are there alternate Directors?</td><td>The Company does not have any alternate directors.</td></tr>
<tr><td>4.6</td><td>Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.</td><td>
<table>
<tr><th colspan="3">Table 4.6(a) – Process for the Selection and Appointment of New Directors</th></tr>
<tr><td>1.</td><td>Determination of selection criteria</td><td>• The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills/experience/knowledge/gender to complement and strengthen the Board and increase its diversity.</td></tr>
<tr><td>2.</td><td>Search for suitable candidates</td><td>• The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</td></tr>
<tr><td>3.</td><td>Assessment of shortlisted candidates</td><td>• The NC would meet and interview the shortlisted candidates to assess their suitability.</td></tr>
<tr><td>4.</td><td>Appointment of director</td><td>• The NC would recommend the selected candidate to the Board for consideration and approval.</td></tr>
</table>
</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>During FY2019, the Company has appointed Mr Yong Dennis as an Executive Director and Ms Tan Ler Choo as the Non-Independent Non-Executive Director.

<table>
<tr><th colspan="3"><i>Table 4.6(b) – Process for the Re-electing Incumbent Directors</i></th></tr>
<tr><td>1.</td><td>Assessment of director</td><td>● The NC would assess the performance of the director in accordance with the performance criteria set by the Board; and
● The NC would also consider the current needs of the Board.</td></tr>
<tr><td>2.</td><td>Re-appointment of director</td><td>● Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.</td></tr>
</table></td></tr>
<tr><td></td><td></td><td>The NC has recommended to the Board that Mr Yong Dennis, Ms Tan Ler Choo and Mr Low Chai Chong be re-elected at the forthcoming AGM. The Board has accepted the NC's recommendation.

Mr Yong Dennis, will, upon re-election as Director of the Company, remain as Executive Director.

Ms Tan Ler Choo will, upon re-election as Director of the Company, remain as Non-Independent Non-Executive Director of the Company, Chairman of the Nominating Committee and member of the Audit Committee and Remuneration Committee. Ms Tan Ler Choo is the aunt of Tan June Teng Colin @ Chen Junting and Tan Ping Huang Edwin @ Chen Binghuang, the substantial shareholders of the Company.

Mr Low Chai Chong will, upon re-election as Director of the Company, remain as Non-Executive Independent Chairman of the Company, Chairman of the Remuneration Committee and member of the Audit Committee and Nominating Committee. Mr Low Chai Chong does not have any relationship including family relationship with other directors, and the Company or its 10% shareholders. Mr Low Chai Chong would be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

Pursuant to Rule 720(5) of the Catalist Rules, the additional information set out in Appendix 7F of the Catalist Rules relating to Mr Yong Dennis, Ms Tan Ler Choo and Mr Low Chai Chong who are seeking re-appointment is disclosed as Appendix A to this Corporate Governance Report and is to be read in conjunction with their respective biography under the respective sections of this annual report.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td>4.7</td><td>Please provide Directors’ key information.</td><td>The key information of the current Directors, including their appointment dates, date of last re-appointment and present directorships held in listed companies and those held in the past 3 years, are set out as below:
<table>
<tr><th></th><th>Date of appointment</th><th>Date of last re-election</th><th>Current Directorship(s)</th><th>Directorship (s) in the past 3 years</th></tr>
<tr><td>Mr Low Chai Chong</td><td>30 September 2019</td><td>–</td><td>1. Moya Holdings Asia Limited;
2. Pollux Properties Ltd.;
3. Eneco Energy Limited; and
4. DLF Holdings Limited</td><td>–</td></tr>
<tr><td>Mr Aw Eng Hai</td><td>18 June 2014</td><td>27 October 2017</td><td>1. Tritech Group Limited</td><td>–</td></tr>
<tr><td>Mr Siow Chien Fu</td><td>4 May 2017</td><td>31 October 2018</td><td>–</td><td>–</td></tr>
<tr><td>Mr Yong Dennis</td><td>16 Nov 2018</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Ms Tan Ler Choo</td><td>28 Jun 2019</td><td>–</td><td>–</td><td>–</td></tr>
</table>
Details of the Directors’ other principal commitments are set out on page 6 to 7 of the Annual Report.</td></tr>
<tr><td colspan="3">Board Performance</td></tr>
<tr><td>5.1
5.2
5.3</td><td>What is the performance criteria set to evaluate the effectiveness of the Board as a whole and its board committees, and for assessing the contribution by each Director to the effectiveness of the Board?</td><td>Table 5 sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees. The Board evaluation does not include a separate or specific assessment of the performance or contributions of individual Directors. This is because the necessity or efficacy of adopting a formal process for assessing the contribution by each individual Director to the effectiveness of the Board is mitigated by the relatively small size of the Board, although the NC and the Board may review this in the future as the Company and the Board becomes more mature and established in its business and corporate governance practices.</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>The evaluations are designed to assess the Board’s effectiveness to enable the NC Chairman and Board to identify areas of improvement or enhancement which can be made to the Board:
<table>
<tr><th colspan="2">Table 5 – Performance Criteria</th></tr>
<tr><th>Performance Criteria</th><th>Board and Board Committees</th></tr>
<tr><td>Qualitative</td><td>1. Size and composition
2. Access to information
3. Board processes
4. Inputs to strategic planning
5. Board accountability
6. Risk management
7. Succession planning</td></tr>
<tr><td>Quantitative</td><td>The Board currently does not evaluate the Board and Board Committees based on quantitative criteria as the Board is of the opinion that it is more important to evaluate the Board and Board Committees on their ability to provide guidance to the Management in relation to strategic planning and the development of the business of the Group.
However, the Board will keep in view and consider including quantitative criteria in future evaluations where appropriate.</td></tr>
</table>
The NC would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval.</td></tr>
<tr><td></td><td>(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?</td><td>The review of the performance of the Board and the Board Committees is conducted by the NC annually. Currently, such assessment is focused mainly on the performance and effectiveness of the Board as a whole and on the proper functioning of the various Board Committees. In FY2019, the review process was as follows:
1. All Directors individually completed a board evaluation questionnaire on the effectiveness of the Board and the Board Committees based on criteria disclosed in Table 5 above;
2. The results of such assessment were collated and submitted to the NC Chairman who reviewed it together with the NC; and
3. The NC discussed the report and where applicable considered any appropriate follow up actions to be undertaken
No external facilitator was used in the evaluation process.</td></tr>
<tr><td></td><td>(b) Has the Board met its performance objectives?</td><td>In FY2019, in relation to the rigorous assessment that was done by the Directors, the Directors have on a whole assessed the performance of the Board and Board Committees to be good and there were no particular issues or concerns. On this basis, the Board is of the view that it has met its performance objectives.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3"><u>Access to Information</u></td></tr>
<tr><td>6.1
10.3</td><td>What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?</td><td>It is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. This responsibility extends to the interim and full-year financial results announcements, other price-sensitive public reports and reports to regulators (if required).

Management provides the Board with key information that is complete, adequate and timely. The types of information which are provided by Management to Independent Directors are set out in the table below:

<table>
<tr><td colspan="3"><i>Table 6 – Types of information provided by key management personnel to Independent Directors</i></td></tr>
<tr><th></th><th>Information</th><th>Frequency</th></tr>
<tr><td>1.</td><td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>Quarterly</td></tr>
<tr><td>2.</td><td>Updates on the Group's operations and the markets in which the Group operates in</td><td>Quarterly</td></tr>
<tr><td>3.</td><td>Budgets and/or forecasts (with variance analysis) and management accounts (with financial ratios analysis)</td><td>Quarterly</td></tr>
<tr><td>4.</td><td>Reports on on-going or planned corporate actions</td><td>As and when relevant</td></tr>
<tr><td>5.</td><td>Internal auditors' ("IA") report and External Auditor's reports</td><td>Yearly</td></tr>
<tr><td>6.</td><td>Shareholding statistics</td><td>Yearly</td></tr>
</table>

Management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the scheduled meetings. As such, Management endeavours to circulate information for the Board meetings in the soonest to allow sufficient time for the Directors' review.

Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. Directors are also provided with the contact details of key management personnel to facilitate direct and independent access to Management.</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
6.3	What is the role of the Company Secretary?	All Directors have separate and independent access to the Company Secretary. The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows: ● Ensuring that Board procedures are observed and that the Company's Articles, relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Cayman Companies Law and the Catalist Rules are complied with; ● Assists the Chairman and the Board to implement and strengthen corporate governance practices, with a view to enhance long-term shareholder value; ● Assists the Chairman to ensure good information flows within the Board and its Board Committees and key management personnel; ● Attends and prepares minutes for all Board meetings; ● As secretary to all the other Board Committees, the Company Secretary assists to ensure coordination and liaison between the Board, the Board Committees and key management personnel; and ● Assists the Chairman, the Chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committee meetings. As and when required by the Board, the Company Secretary would: ● Facilitate orientation and assist with professional development; ● Update key management personnel on any material changes in relation to key compliance requirements under the Catalist Rules, including timely disclosure of material transactions; and ● As secretary to all the other Board Committees, assist to ensure coordination and liaison between the Board, the Board Committees and key management personnel. Individually or collectively, in order to execute their duties, Directors are able to obtain independent professional advice at the Company's expense as and when required.
REMUNERATION MATTERS		
<u>Developing Remuneration Policies</u>		
7.1	What is the role of the RC?	The RC is guided by key terms of reference as follows: (a) reviewing and recommending to the Board, a general framework of remuneration for the Directors and key management personnel; (b) reviewing and recommending annually to the Board, the specific remuneration packages for each Director as well as for the key management personnel; (c) reviewing all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind; (d) reviewing annually the remuneration of employees who are immediate family members of a Director or CEO whose remuneration exceeds S$50,000 during the year; (e) reviewing the Company's obligations arising in the event of termination of the executive directors and key management personnel's contracts of service;

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>(f) ensuring that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;
(g) reviewing and administering whether executive directors, non-executive and independent Directors and key management personnel should be eligible for options, share incentives, awards (collectively the “Schemes”) (when it is implemented) and other benefits;
(h) administering the Schemes (where it is implemented); and
(i) perform such other functions and duties as may be required by the Code.</td></tr>
<tr><td>7.3</td><td>Were remuneration consultants engaged in the last financial year?</td><td>No remuneration consultants were engaged by the Company in FY2019.
The Company is of the view that the annual review by the RC, which includes the referencing of Directors and key management personnel’s remuneration against comparable benchmarks and giving due regard to prevailing market conditions as well as the financial, commercial health and business needs of the Group, is currently sufficient to ensure the continued relevance of such remuneration packages to the Group’s strategic business objectives and alignment with market practices.</td></tr>
<tr><td>8.4</td><td>Are “claw-back” provisions provided for in the service agreements of Executive Directors and key management personnel?</td><td>The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Directors and key management personnel in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual results of its Executive Directors and key management personnel, “claw-back” provisions in the service agreements may not be relevant or appropriate.</td></tr>
<tr><td colspan="3"><u>Disclosure on Remuneration</u></td></tr>
<tr><td>9</td><td>What is the Company’s remuneration policy?</td><td>The Company’s remuneration policy, which covers all aspects of remuneration, including but not limited to directors’ fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives and awards is one that seeks to attract, retain and motivate talent to achieve the Company’s business vision and create sustainable value for its stakeholders. The policy articulates to staff the link that total compensation has to the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market.</td></tr>
<tr><td>9.1
9.2</td><td>Has the Company disclosed each Director’s and the CEO’s remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>The breakdown for the remuneration of the Directors in FY2019 is as follows:
<table>
<tr><th colspan="6"><i>Table 9 – Directors’ Remuneration</i></th></tr>
<tr><th>Name</th><th>Salary (%)</th><th>Bonus (%)</th><th>Directors Fees (%)</th><th>Other benefits (%)</th><th>Total (%)</th></tr>
<tr><td>S$250,000 to S$500,000</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Mr Siow Chien Fu</td><td>73</td><td>15</td><td>–</td><td>12</td><td>100</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Below S$250,000</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Mr Tham Kok Peng(1)</td><td>73</td><td>15</td><td>–</td><td>12</td><td>100</td></tr>
<tr><td>Mr Yong Dennis(2)</td><td>96</td><td>–</td><td>–</td><td>4</td><td>100</td></tr>
<tr><td>Mr Victor Lye(3)</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
<tr><td>Mr Aw Eng Hai</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
<tr><td>Mr Dominic Tan(4)</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
<tr><td>Ms Tan Ler Choo(5)</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
</table></td></tr>
</table>

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th colspan="2">Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td colspan="2"></td><td>Notes:
(1) Mr Tham Kok Peng resigned as Director of the Company on 30 November 2018.
(2) Mr Yong Dennis was appointed as Director on 16 November 2018.
(3) Mr Victor Lye resigned as Director of the Company on 30 April 2019.
(4) Mr Dominic Tan resigned as Director of the Company on 30 June 2019.
(5) Ms Tan Ler Choo was appointed as Director on 28 June 2019.
The Company has not disclosed the total remuneration of each individual director in dollar terms given the commercial sensitivity of remuneration matters and to maintain confidentiality of the remuneration packages of these directors.
There are no termination, retirement, post-employment benefits that may be granted to the Directors, the CEO and top key management personnel.</td></tr>
<tr><td rowspan="2">9.3</td><td>(a)</td><td>Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>The Company only has one (1) key management personnel (who is not a Director or the CEO). The breakdown for the remuneration of the Company's key management personnel (who is not a Director or the CEO) in FY2019 is as follows:
<table>
<tr><th colspan="4">Table 9.3 – Remuneration of Key Management Personnel</th></tr>
<tr><th>Name</th><th>Salary (%)</th><th>Bonus (%)</th><th>Total (%)</th></tr>
<tr><td>Below S$250,000</td><td></td><td></td><td></td></tr>
<tr><td>Kenny Zhang</td><td>93</td><td>7</td><td>100</td></tr>
</table></td></tr>
<tr><td>(b)</td><td>Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</td><td>The total remuneration paid to the top 1 key management personnel in FY2019 was RM753,409 (S$249,300 based on the average exchange rate of S$1:RM3.0221 for FY2019).</td></tr>
<tr><td>9.4</td><td colspan="2">Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeds S$50,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.</td><td>There was no employee of the Group who was an immediate family member of a Director or the CEO whose remuneration exceeded S$50,000 in FY2019.</td></tr>
<tr><td>9.5</td><td colspan="2">Please provide details of the employee share scheme(s).</td><td>The Company currently does not have any employee share option or share schemes.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th colspan="2">Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td rowspan="3">9.6</td><td>(a)</td><td>Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</td><td>The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group in FY2019. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.</td></tr>
<tr><td>(b)</td><td>What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?</td><td>The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:
<table>
<tr><th colspan="3"><i>Table 9.6(b)</i></th></tr>
<tr><th>Performance Conditions</th><th>Short-term Incentives
(such as performance bonus)</th><th>Long-term Incentives[(1)]</th></tr>
<tr><td>Qualitative</td><td>1. Leadership
2. People development
3. Commitment
4. Teamwork
5. Current market and industry practices</td><td>1. Commitment
2. Current market and industry practices</td></tr>
</table>
(1) The Company does not have long-term incentive scheme currently. The performance conditions will be considered when such scheme is implemented.</td></tr>
<tr><td>(c)</td><td>Were all of these performance conditions met? If not, what were the reasons?</td><td>Yes, the RC had reviewed and was satisfied that the performance conditions for short term incentive scheme were met in FY2019. The Group incurred loss for FY2019 which was due to the impairment of mining rights. The impairment was one-off in nature and non-cash item. There are no quantitative targets in place.</td></tr>
<tr><td colspan="4">ACCOUNTABILITY AND AUDIT</td></tr>
<tr><td colspan="4"><u>Risk Management and Internal Controls</u></td></tr>
<tr><td>11.3</td><td>(a)</td><td>In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board’s view on the adequacy and effectiveness of the Company’s internal controls and risk management systems.</td><td>The Board (with the concurrence of the AC) is of the view that the Company’s internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective in FY2019.

The bases for the Board’s view are as follows:

1. Assurance has been received from the CEO and CFO (refer to Section 11.3(b) below);

2. The internal auditor conducts annual reviews of the effectiveness of the Group’s key internal controls. Any material non-compliance or lapses in internal controls, together with recommendations for improvement, are reported to the AC and the Board. The timely and proper implementation of all required measures are closely monitored and the required measures been properly implemented in FY2019.

3. Key management personnel regularly evaluates, monitors and reports to the AC on material risks; and

4. Discussions were held between the AC and the external auditors and internal auditor in the absence of the key management personnel to review and address any potential concerns.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Yes, the Board has obtained such assurance from the CEO and CFO in respect of FY2019. The Board has also relied on the independent auditors' report as set out in this Annual Report that the financial records have been properly maintained and the financial statements gave true and fair view of the Group's operations. The Board has additionally relied on the IA's report in respect of operational scope issued to the Company for FY2019 audit as assurance that the Group's risk management and internal control system are adequate and effective.
Audit Committee		
12.1 12.4	What is the role of the AC?	The AC is guided by the following key terms of reference: (a) reviewing the audit plan of the external auditors, including the nature and scope of the audit, before the audit commences; (b) reviewing the results of external audit and internal audit, in particular, reviewing the effectiveness of the Company's internal audit function, their audit report and their management letter and Management's response thereto; (c) reviewing the co-operation given by the Company's officers to the external auditors; (d) reviewing the significant financial reporting issues and judgments including any significant or unusual items in such reports and accounts so as to ensure the integrity of the financial statements of the Company and the Group and any formal announcements relating to the Company's financial performance and give due consideration to any matters especially major judgemental area and significant audit adjustments that have been raised by the Company's staff responsible for the accounting and financial reporting function, internal auditors or external auditors; (e) reviewing the independence of the external auditors annually and where the external auditors also provide a substantial volume of non-audit services to the Company, keep the nature and extent of such services under review, seeking to maintain objectivity; (f) making recommendations to the Board on the proposals to shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of the engagement of the external auditors; (g) reviewing the policy and arrangements by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters including but not limited to whistle-blowing policy; (h) reviewing and reporting to the Board at least annually, the adequacy and effectiveness of the Company's internal controls; (i) monitoring the establishment, appointments, staffing, qualifications and experience of the Company's internal audit function, including approval of the appointment and compensation terms of the head of the internal audit function, review of whether the internal audit function is adequately resourced, is independent of the activities it audits, and has appropriate standing within the Company;

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>(j) reviewing, at least annually, the adequacy and effectiveness of the Company's internal audit function;
(k) meeting with (a) the external auditors, and (b) the internal auditors, in each case without the presence of Management, at least annually;
(l) to discuss problems and concerns, if any, arising from the internal and external audits, and any matters which the auditors may wish to discuss (in the absence of Management where necessary);
(m) commissioning and reviewing the findings of internal investigations into matters where there is suspicion of fraud or irregularity or failure of internal controls or infringement of any Singapore law, rule or regulation, which has or is likely to have a material impact on the Company and the Group's operating results and/or financial position; and
(n) perform such other functions and duties as may be required by the relevant Code.</td></tr>
<tr><td>12.2</td><td>Are the members of the AC appropriately qualified to discharge their responsibilities?</td><td>Following the departure of Mr Victor Lye as a member of AC on 30 April 2019, the Board considers Mr Aw Eng Hai, who has extensive and practical accounting and financial management knowledge and experience, well qualified to chair the AC. With the appointment of Mr Low Chai Chong on 30 September 2019, who has extensive experience as a director and member of audit committees of other listed companies, the AC are appropriately qualified to discharge the responsibilities of the AC.</td></tr>
<tr><td>12.5</td><td>Has the AC met with the auditors in the absence of key management personnel?</td><td>Yes, the AC has met with the IA and EA separately without the presence of the management in FY2019.</td></tr>
<tr><td rowspan="3">12.6</td><td>Has the AC reviewed the independence of the EA?</td><td>There were no non-audit services provided by the EA for FY2019 and the AC has reviewed and is satisfied with the independence of EA. EA have expressed that they would not be seeking for re-appointment at this Annual General Meeting and the Directors of the Company are of the view that it would be timely to effect a change in Auditors for the cost benefits to the Company. Further announcement would be released in due course once the proposed new appointment has been confirmed.</td></tr>
<tr><td>(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.</td><td><table>
<tr><th colspan="3"><i>Table 12.6(a) – Fees Paid/Payable to the EA in FY2019</i></th></tr>
<tr><th></th><th>RM'000</th><th>% of total</th></tr>
<tr><td>Audit fees</td><td>495</td><td>100</td></tr>
<tr><td>Non-audit fees</td><td>–</td><td>–</td></tr>
<tr><td>Total</td><td>495</td><td>100</td></tr>
</table></td></tr>
<tr><td>(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.</td><td>There were no non-audit services rendered by the EA during FY2019.</td></tr>
<tr><td>12.7</td><td>Does the Company have a whistle-blowing policy?</td><td>The AC has in consultation with the Board, initiated the implementation of fraud and whistle-blowing policy for all employees including employees of the Company's overseas subsidiaries. This policy aims to provide an avenue for employees to raise concerns and reassurance that they will be protected from reprisals or victimisation for fraud and whistle-blowing in good faith. To-date, there were no reports received through the whistle blowing mechanism aside from certain complaints that were not related to the Group where certain buyers of the property units made a false allegations on the rental payments which shall be paid by third party company who is unrelated to the Group. Other than the employees of the Group, any other persons including any stakeholders of the Group, may also, in confidence, raise concern about possible corporate improprieties in matters of financial reporting or other matters to the AC Chairman at email address whistleblowing@capitalcity.com.my.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
12.8	What are the AC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?	In FY2019, all the AC Members are kept up to date with changes to accounting standards and issues which have a direct impact on financial statements in view of their professional background by the external auditor In addition, the Company will take note of useful courses and highlight them to the Directors where appropriate to supplement and keep Directors updated on avenues to gain further competency in accounting and industry-specific knowledge.
Internal Audit		
13.1 13.2 13.3 13.4 13.5	Please provide details of the Company's internal audit function, if any.	The Company's internal audit function is outsourced to Mazars LLP. The internal auditor reports directly to the AC Chairman and administratively to the CEO. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The AC is satisfied that the IA is independent, effective, adequately qualified (given, inter alia, its adherence to standards set by internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.
SHAREHOLDER RIGHTS AND RESPONSIBILITIES		
Shareholder Rights		
14.2	Are shareholders informed of the rules, including voting procedures, that govern general meetings of shareholders?	Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of shareholders. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures that govern the general meetings of shareholders.
14.3	Are corporations which provide nominee or custodial services allowed to appoint more than two proxies?	Any member entitled to attend and vote at a meeting of the Company who is the holder of two or more shares shall be entitled to appoint not more than two proxies to attend and vote instead of him at the same general meeting provided that if the member is The Central Depository (Pte) Limited ("Depository"). The Depository may appoint more than two proxies to attend and vote at the same general meeting and each proxy shall be entitled to exercise the same powers on behalf of the Depository as the Depository could exercise.
Communication with Shareholders		
15.1	Does the Company have an investor relations policy?	The Company has in place an investor relations policy to promote regular, effective and fair communication. The Company makes every effort to ensure regular, timely and effective communication with its shareholders. The Company will release quarterly and annual financial results through the SGXNET, and will endeavour to release press releases or presentation slides timely for analysts' and investors' briefing. All price sensitive will be first released through SGXNET before the Company meets with any investors or analysts.
15.2 15.3 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?	The Company firmly believes in high standards of transparent corporate disclosure by disclosing to its stakeholders, including its shareholders the relevant information on a timely basis through SGXNet. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable. Communication is made through: 1) Annual Reports that are prepared and sent to all shareholders. The Board ensures that the Annual Report includes all relevant material information about the Company and the Group, including future developments and other disclosures required by the relevant rules and regulations; 2) Quarterly and full year announcements containing a summary of the financial information and affairs of the Group for that period; 3) Notices of explanatory memoranda for AGMs and extraordinary general meetings ("EGM"). The notices of AGM and EGM are also advertised in a national newspaper; and 4) Press and news releases on major developments of the Company and the Group.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	The Board endeavours to establish and maintain regular dialogue with shareholders, to gather views or inputs and address shareholder's concern. To that extent, the Company has undertaken analyst briefings to provide market updates on the Company's business. The Board will also engage in investor relations activities to allow the Company to engage shareholders as and when it deems necessary and appropriate.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Apart from the SGXNET announcements and its annual report, the Company will endeavour to update shareholders on its corporate developments through its corporate website at http://www.capitalworld.com.sg/
15.5	Does the Company have a dividend policy?	The Company does not have a fixed dividend policy. The form, frequency and amount of future dividends on our Shares will depend on our earnings, general financial position, results of operations, capital requirements, cash flow, general business condition, our development plans and other factors as our Directors may, in their absolute discretion, deem appropriate. Therefore, there can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future.
	Is the Company is paying dividends for the financial year? If not, please explain why.	No dividend has been declared or recommended for the year ended 30 June 2019 as the Group's funds is required to be used for the Group's operations.
CONDUCT OF SHAREHOLDER MEETINGS		
16.1 16.3 16.4 16.5	How are the general meetings of shareholders conducted?	The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings of shareholders, unless in situation of exigencies. The EA is also required to be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. All resolutions are put to vote by poll, and their detailed results will be announced at the general meetings, follow by announcements via SGXNET after the conclusion of the general meeting. All minutes of general meetings will be made available to shareholders upon their request after the general meeting.

COMPLIANCE WITH APPLICABLE CATALIST RULES

Catalist Rule	Rule Description	Company's Compliance or Explanation
712, 715 or 716	Appointment of Auditors	The Company confirms its compliance to the Catalist Rules 712 and 716. Certain Singapore incorporated subsidiaries of the Company were audited by other auditors as disclosed in Note 20 to the financial statements in this report. The Board and AC have considered and are satisfied that the appointment of other auditors would not comprise the standard and effectiveness of the audit of the Company by EA as these Singapore incorporated subsidiaries are dormant during the current financial year.
1204(8)	Material Contracts	There were no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2019 or if not then subsisting, entered into since the end of the previous financial year.
1204(10)	Confirmation of adequacy of internal controls	The Board with the concurrence of the AC are of the opinion that the internal controls and risk management systems established are adequate and effective to address the financial, operational, information technology and compliance risks based on the following: ● works performed by the IA and EA; assurance from the CEO and CFO; and ● reviews done by the various Board Committees and key management personnel.
711A, 711B	Sustainability Report	The Company is working towards the issuance of its sustainability report for the financial year ended 30 June 2019 by 30 November 2019. This report will highlight the economic, environmental, and social and governance aspect of activities and developments. It also provides an overview of Company's approach, priorities and targets, as well as a performance review of the key sustainability areas.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th colspan="3">COMPLIANCE WITH APPLICABLE CATALIST RULES</th></tr>
<tr><th>Catalist Rule</th><th>Rule Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td>1204(17)</td><td>Interested Persons Transaction (“IPT”)</td><td>The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. The Company had obtained a general mandate for IPTs from shareholders.

Save as disclosed below, there were no IPTs that was equal to or had exceeded S$100,000 for the year ended 30 June 2019.

<table>
<tr><th>Name of Interested Persons and Transactions</th><th>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)</th><th>Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S$100,000)</th></tr>
<tr><th></th><th>RM’000</th><th>RM’000</th></tr>
<tr><td>RDC Arkitek Sdn. Bhd. <i>(an associate of controlling shareholder of the Company, Mr Siow Chien Fu, for the provision of architectural consultation services)</i></td><td>1,452</td><td>–</td></tr>
</table>
</td></tr>
<tr><td>1204(19)</td><td>Dealing in Securities</td><td>The Company has adopted an internal policy which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information.

The Company, its Directors and officers are also discouraged from dealing in the Company’s securities on short term considerations and are prohibited from dealing in the Company’s securities during the period beginning two weeks before the announcement of the Company’s quarterly financial statements and one month before the announcement of the Company’s full-year financial statements respectively, and ending on the date of the announcement of the relevant results.</td></tr>
<tr><td>1204(21)</td><td>Non-sponsor fees</td><td>In FY2019, no non-sponsor fees were paid to the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd..</td></tr>
<tr><td>1204(22)</td><td>Use of Proceeds</td><td>As announced on 29 August 2019, out of the Deposit of S$2 million from the proposed allotment and issuance of 916,047,277 new ordinary shares to Yuan Zhiwei and Chng Chor Tong, an amount of S$1,954,000 has been utilized.

As at the date of this annual report, S$2 million has been fully utilized as follows:

<table>
<tr><th>Descriptions</th><th>Amount used S$’000</th></tr>
<tr><td>Partial repayment of existing loans and borrowings</td><td>1,745</td></tr>
<tr><td>Capital City Project</td><td>150</td></tr>
<tr><td>General working capital purpose (Note 1)</td><td>105</td></tr>
<tr><td>TOTAL</td><td>2,000</td></tr>
</table>

Note 1: The use for general working capital includes interest payment to vendors, payroll and professional fee.</td></tr>
</table>

CORPORATE GOVERNANCE APPENDIX

DECLARATION WITH REGARD TO RE-APPOINTMENT OF DIRECTOR

(This form is based on Appendix 7F and is to be completed when a candidate is proposed to be re-elected to the board at a general meeting)

Date of Appointment		16 November 2018
Name of Person		Yong Dennis
Age		***49***
Country of Principal Residence		***Singapore***
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)		Mr Yong Dennis's extensive experience in property related business will strengthen the management of the Group. The Board of Directors having considered Mr Yong Dennis's qualification and experience, concurred with the Nominating Committee and approved the re-appointment of Mr Yong Dennis as the Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility		Mr Yong Dennis will be responsible for the management and operations of the Group.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)		Executive Director
Professional qualifications		Mr Yong Dennis graduated with a Bachelor of Science, Real Estate Management in Heriot-Watt University of UK. He also has a Diploma in Business, Singapore Polytechnic.
Working experience and occupation(s) during the past 10 years		2010 to 2016 Group Chief Executive Officer of GPS Alliance Holdings Limited 2005 to 2010 Chief Operating Officer of HSR International Realtors Pte. Ltd.
Shareholding interest in the listed issuer and its subsidiaries		No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries		No
Conflict of interest (including any competing business)		No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer		Yes
Other Principal Commitments[1] Including Directorships – Past (for the last 5 years)		1. Ecobuild Products Pte Ltd 2. GPS Alliance Home Solutions Pte Ltd 3. GPS Alliance Holdings Pte Ltd 4. GPS Alliance Development & Investment Pte Ltd 5. Global Property Strategic Alliance Pte Ltd 6. Novel Praxis Pte Ltd 7. Probuild Pte Ltd 8. Global Alliance International Academy Pte Ltd 9. Homz Lifestyle Pte Ltd 10. Global Alliance Property Pte Ltd 11. GPS Alliance Holdings Limited
Other Principal Commitments Including Directorships – Present		1. Huge Development Pte Ltd 2. Batterjee Ad Gates Investment Holding Pte. Ltd. 3. Charmtechno Private Ltd 4. Ebn Pte Ltd 5. Hesed Property Private Limited 6. BKM Management Limited

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[1] *"Principal Commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.*

CORPORATE GOVERNANCE APPENDIX

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?		☐Yes ☒No If yes, please provide full details:-
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?		☐Yes ☒No If yes, please provide full details:-
(c)	Whether there is any unsatisfied judgment against him?		☐Yes ☒No If yes, please provide full details:-
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?		☒Yes ☐No If yes, please provide full details:- Mr Yong Dennis was subject to criminal proceedings in Singapore in or around August 2000 for charges relating to commission of the offence of criminal misappropriation of funds in his capacity as a director and shareholder of an entity unrelated to Capital World Limited. Yong Dennis was convicted and the court imposed a fine of $10,000 which was duly paid. The case was closed thereafter. In May 2013 on listing application by GPS Alliance Holdings Limited to the Australian Stock Exchange (ASX), the ASX made an in-principal determination that the conviction of Mr Yong Dennis, which happened more than 10 years ago, would not by itself cause the ASX to form the view that GPS Alliance Holdings Limited had not demonstrated to the ASX's satisfaction that Mr Yong Dennis is a person of good fame and character.
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?		☐Yes ☒No If yes, please provide full details:-
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?		☐Yes ☒No If yes, please provide full details:-

CORPORATE GOVERNANCE APPENDIX

(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?		☐Yes ☒No If yes, please provide full details:-
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?		☐Yes ☒No If yes, please provide full details:-
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?		☐Yes ☒No If yes, please provide full details:-
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—		
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or		☐Yes ☒No If yes, please provide full details:-
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or		☐Yes ☒No If yes, please provide full details:-
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or		☐Yes ☒No If yes, please provide full details:-
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere.		☐Yes ☒No If yes, please provide full details:-
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		Not applicable
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?		☐Yes ☒No If yes, please provide full details:-

CORPORATE GOVERNANCE APPENDIX

DECLARATION WITH REGARD TO RE-APPOINTMENT OF DIRECTOR

(This form is based on Appendix 7F and is to be completed when a candidate is proposed to be re-elected to the board at a general meeting)

Date of Appointment		28 June 2019
Name of Person		Tan Ler Choo
Age		***57***
Country of Principal Residence		***Singapore***
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)		The Nominating Committee and Board of Directors of the Company have reviewed and considered Ms Tan Ler Choo's qualifications and work experience and are of the opinion that she is suitable for the role of Non Executive Director of the Company and approved the re-appointment of Ms Tan Ler Choo as the Non Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility		Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)		Non-Executive Director, Chairman of Nominating Committee, and a member of Audit Committee and Remuneration Committee.
Professional qualifications		Diploma in Building
Working experience and occupation(s) during the past 10 years		October 2004 to September 2011 Lianbang Venture Sdn. Bhd, Melaka, Malaysia Contracts Director October 2011 to current Montane Construction Sdn Bhd, Melaka, Malaysia Contracts Director
Shareholding interest in the listed issuer and its subsidiaries		No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries		Yes. Ms Tan Ler Choo is the aunt of Tan June Teng Colin @ Chen Junting and Tan Ping Huang Edwin @ Chen Binghuang, the substantial shareholders of the listed issuer.
Conflict of interest (including any competing business)		No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer		Yes
Other Principal Commitments Including Directorships – Past (for the last 5 years)		Nil
Other Principal Commitments[1] Including Directorships – Present		1. Montane Development Management Sdn Bhd 2. Montane Construction Sdn Bhd
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?		☒Yes ☐No If yes, please provide full details:- An application of winding up petition was filed by a vendor of Montane Construction Sdn Bhd. Amount of RM1,162,463.17 was subsequently paid on 25 May 2019 and the petition was withdrawn by the vendor on 10 June 2019.

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[1] *"Principal Commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.*

CORPORATE GOVERNANCE APPENDIX

b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?		☐Yes ☒No If yes, please provide full details:-
c)	Whether there is any unsatisfied judgment against him?		☐Yes ☒No If yes, please provide full details:-
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?		☐Yes ☒No If yes, please provide full details:-
e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?		☐Yes ☒No If yes, please provide full details:-
f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?		☐Yes ☒No If yes, please provide full details:-
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?		☐Yes ☒No If yes, please provide full details:-
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?		☒Yes ☐No If yes, please provide full details:- Ms Tan Ler Choo was issued a bankruptcy order by the court for the personal guarantee for the performance bond and the bank facilities when Ms Tan Ler Choo worked with Torie Construction Pte Ltd. However, the court has discharged the order on 18 May 2006.
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?		☒Yes ☐No If yes, please provide full details:- Ms Tan Ler Choo was issued a bankruptcy order by the court for the personal guarantee for the performance bond and the bank facilities when Ms Tan Ler Choo worked with Torie Construction Pte Ltd. However, the court has discharged the order on 18 May 2006.

j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—		
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or		☐Yes ☒No If yes, please provide full details:-
	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or		☐Yes ☒No If yes, please provide full details:-
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or		☐Yes ☒No If yes, please provide full details:-
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere.		☐Yes ☒No If yes, please provide full details:-
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		Not applicable
k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?		☐Yes ☒No If yes, please provide full details:-

CORPORATE GOVERNANCE APPENDIX

DECLARATION WITH REGARD TO RE-APPOINTMENT OF DIRECTOR

(This form is based on Appendix 7F and is to be completed when a candidate is proposed to be re-elected to the board at a general meeting)

Date of Appointment		30 September 2019
Name of Person		Low Chai Chong
Age		***57***
Country of Principal Residence		***Singapore***
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)		The Board of Directors of the Company has reviewed the Nomination Committee's recommendation and the qualifications and experience of Mr Low Chai Chong and has approved the re-appointment of Mr Low Chai Chong as an Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility		Appointment is non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)		1) Non-Executive Independent Chairman 2) Chairman of the Remuneration Committee 3) Member of Audit Committee 4) Member of Nominating Committee
Professional qualifications		Mr Low Chai Chong graduated with a Bachelor of Laws (Honours) degree from the National University of Singapore.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or any of its principal subsidiaries		No
Conflict of interest (including any competing business)		No
Working experience and occupation(s) during the past 10 years		Mr Low Chai Chong is an advocate and solicitor of the Supreme Court of Singapore and a Senior Partner at Dentons & Rodyk Davidson LLP from 1986 to present.
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer		Yes
Shareholding interest in the listed issuer and its subsidiaries		No
Other Principal Commitments[1] Including Directorships – Past (for the last 5 years)		1) China Gaoxian Fibre Fabric Holdings Ltd
Other Principal Commitments Including Directorships – Present		Directorship 1) Eneco Energy Limited 2) Moya Holdings Asia Limited 3) Pollux Properties Ltd 4) DLF Holdings Limited 5) Dentons Rodyk & Davidson LLP 6) Rodyk Services Pte Ltd 7) Rodyk IP Services Sdn Bhd 8) Moya Indonesia Holdings Pte Ltd Principal Commitments 1) Dentons Rodyk & Davidson LLP
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?		☐Yes ☒No If yes, please provide full details:-

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[1] *"Principal Commitments" shall include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.*

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(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?		☐Yes ☒No If yes, please provide full details:-
(c)	Whether there is any unsatisfied judgment against him?		☐Yes ☒No If yes, please provide full details:-
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?		☐Yes ☒No If yes, please provide full details:-
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?		☐Yes ☒No If yes, please provide full details:-
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?		☐Yes ☒No If yes, please provide full details:-
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?		☐Yes ☒No If yes, please provide full details:-
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?		☐Yes ☒No If yes, please provide full details:-
(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?		☐Yes ☒No If yes, please provide full details:-
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—		
	(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or		☐Yes ☒No If yes, please provide full details:-

CORPORATE GOVERNANCE APPENDIX

	(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or		☐Yes ☒No If yes, please provide full details:-
	(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or		☐Yes ☒No If yes, please provide full details:-
	(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere.		☐Yes ☒No If yes, please provide full details:-
	in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		Not applicable
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?		☐Yes ☒No If yes, please provide full details:-

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Capital World Limited, (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2019.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement, based on the factors as described in Note 2.1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Siow Chien Fu	
Aw Eng Hai	
Yong Dennis	(Appointed on 16 November 2018)
Tan Ler Choo	(Appointed on 28 June 2019)
Low Chai Chong	(Appointed on 30 September 2019)

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement, whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following director, who held office at the end of the financial year, had, according to the register of directors' shareholdings kept by the Company, an interest in shares of the Company as stated below:

	Direct interest	
Name of director	**At 1 July 2018**	**At 30 June 2019**
Ordinary shares of the Company		
Siow Chien Fu	503,745,713	503,745,713

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2019.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Options

No options have been granted during the financial year ended 30 June 2019 to subscribe for unissued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company under option at the end of the financial year.

DIRECTORS' STATEMENT

Audit Committee

The members of the Audit Committee ("AC") carried out its functions specified in accordance with the Listing Manual Section B: Rules of Catalist of the SGX-GT and the Code of Corporate Governance (2 May 2012) and the Guidebook for Audit Committees in Singapore (Second Edition), including the following:

- reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
- reviewed the quarterly and annual financial statements and the independent auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;
- reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- reviewed the nature and extent of non-audit services provided by the external auditor;
- recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;
- reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and
- reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

There were no non-audit services provided by the external auditor for FY2019. The AC has reviewed and is satisfied with the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened five meetings during the year with full attendance from all members, except for one where a member was absent. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

On behalf of the board of directors,

Siow Chien Fu
Director

Yong Dennis
Director

Singapore
11 October 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Capital World Limited

Report on the Audit of the Financial Statements

Disclaimer of opinion

We were engaged to audit the financial statements of Capital World Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 30 June 2019, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Group and the balance sheet and the statement of changes in equity of the Company. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

Use of the going concern assumption

As at 30 June 2019, the Group's loans and borrowings amounted to RM44,572,000, all of which were classified as current liabilities, and exceeded its cash and cash equivalents of RM2,399,000. The Company's loans and borrowings amounted to RM18,097,000, all of which were classified as current liabilities, and exceeded its cash and cash equivalents of RM47,000. The Group's working capital primarily comprise inventory properties. The Group's financial results for the year were adversely affected by the challenging conditions affecting the property market in Johor, Malaysia and the Group recorded a net loss of RM45,606,000 for the year ended 30 June 2019. These factors and the continuing challenges affecting the property market in Johor, Malaysia, could continue to negatively impact the realisation of the Group's inventory properties. These conditions give rise to material uncertainty over the ability of the Group and Company to continue as a going concern.

The financial statements have been prepared on going concern basis based on the assumptions as disclosed in Note 2.1. However, we are unable to obtain sufficient appropriate audit evidence to conclude whether the use of the going concern assumption to prepare the financial statements is appropriate as the outcome of the Group's plans to resolve its liquidity problems cannot be determined at this time and its ability to realise the inventory properties at the expected value and timing is inherently uncertain.

The carrying value of the assets as recorded on the balance sheet of the Group and Company as at 30 June 2019 has been determined based on the continuation as a going concern and recovery in the normal course of business. If the going concern assumption is not appropriate and the financial statements were presented on a realisation basis, the carrying value of assets and liabilities may be materially different from that currently recorded in the balance sheet. If the Group and Company were unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards in Singapore ("IFRSs"), and for such internal control as management determines is necessary to enable the preparation of financials statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

To the Members of Capital World Limited

Responsibilities of Auditor for the Audit of the Financial Statements

Our responsibility is to conduct the audit of the Group and Company's financial statements in accordance with International Standards on Auditing ("ISA") and to issue an auditor's report. However, because of the matter described in the Basis of Disclaimer of Opinion section of our report, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

The engagement partner on the audit resulting in this independent auditor's report is Ng Boon Heng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

11 October 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2019

	Note	2019 RM'000	2018 RM'000 (Restated)
Revenue	4	141,200	142,594
Cost of sales		(48,105)	(22,016)
Gross profit		93,095	120,578
Other income	5	13,836	1,566
Selling and distribution expenses		(2,871)	(6,452)
General and administrative expenses		(134,212)	(36,844)
Finance costs		(23,172)	(6,451)
(Loss)/profit before tax	6	(53,324)	72,397
Income tax income/(expense)	7	7,719	(15,842)
(Loss)/profit for the year		(45,605)	56,555
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation reserve released on disposal of a subsidiary company		306	–
Exchange differences arising from translation of foreign operations, net of tax		970	(398)
Total comprehensive income for the year		(44,329)	56,157
Profit for the year attributable to:			
Owners of the Company		(44,795)	56,585
Non-controlling interests		(810)	(30)
		(45,605)	56,555
Total comprehensive income for the year attributable to:			
Owners of the Company		(43,521)	56,212
Non-controlling interests		(808)	(55)
		(44,329)	56,157
(Loss)/earnings per share (RM cents per share)			
Basic	8	(3.15)	4.44
Diluted	8	(3.15)	4.44

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 30 June 2019

	Note	Group			Company	
		2019	30.6.2018	1.7.2017	2019	2018
		RM'000	RM'000	RM'000	RM'000	RM'000
			(Re-stated)	(Re-stated)		
Current assets						
Inventory properties	9	223,333	182,588	168,065	–	–
Inventories	10	3,947	8,125	13,417	–	–
Deferred expenditure	11	4,021	5,749	8,242	–	–
Trade receivables	12	10,281	30,868	26,755	–	–
Unbilled receivables	13	–	3,469	813	–	–
Other receivables, deposits and prepayments	14	25,853	19,624	9,401	140	132
Amount due from subsidiaries	15	–	–	–	101,401	59,967
Fixed deposits	16	–	6,703	12,946	–	–
Cash on hand and at banks	16	3,224	22,776	10,495	47	2,356
		270,659	279,902	250,134	101,588	62,455
Non-current assets						
Inventory properties	9	121,774	106,455	94,244	–	–
Deferred expenditure	11	–	–	1,080	–	–
Trade receivables	12	14,495	19,310	–	–	–
Property, plant and equipment	17	129,073	105,076	103,760	190	237
Investment properties	18	231,162	193,360	142,321	–	–
Intangible assets	19	23,179	93,885	97,109	–	–
Deferred tax asset	27(a)	3,473	4,156	1,866	–	–
Investment in subsidiaries	20	–	–	–	661,635	763,225
		523,156	522,242	440,380	661,825	763,462
Total assets		793,815	802,144	690,514	763,413	825,917
Current liabilities						
Trade payables	21	70,838	119,078	159,377	–	–
Other payables and accruals	22(a)	82,511	72,056	38,126	10,343	7,700
Provision	22(b)	–	–	4,977	–	–
Deferred revenue	23	3,068	94,476	126,995	–	–
Hire purchase payables	24	–	37	50	–	–
Loans and borrowings	25	44,572	43,330	–	18,097	17,589
Derivatives	26	–	4,044	–	–	4,044
Provision for taxation		12,942	27,954	23,522	293	75
		213,931	360,975	353,047	28,733	29,408

BALANCE SHEETS

As at 30 June 2019

	Note	Group			Company	
		2019	30.6.2018	1.7.2017	2019	2018
		RM'000	RM'000 (Restated)	RM'000 (Restated)	RM'000	RM'000
Non-current liabilities						
Trade payables	21	247,424	116,592	82,620	–	–
Other payables	22(a)	5,306	1,819	–	–	–
Hire purchase payables	24	–	–	38	–	–
Loans and borrowings	25	–	1,852	–	–	1,852
Provision for taxation		23,205	6,898	–	–	–
Deferred tax liabilities	27(b)	1,639	19,929	23,653	–	–
		277,574	147,090	106,311	–	1,852
Total liabilities		491,505	508,065	459,358	28,733	31,260
Equity attributable to owners of the Company						
Share capital	28	176,240	112,085	108,044	225,365	161,210
Share premium	29(a)	3,824	15,413	12,888	645,582	657,170
Merger reserve	29(b)	5,000	5,000	5,000	–	–
Equity component of convertible bond	29(c)	186	200	–	186	200
Foreign currency translation reserve	29(d)	1,069	(205)	168	2,048	3,618
Capital reserve	29(e)	–	–	–	487	487
Retained earnings/ (accumulated losses)		116,819	161,500	104,915	(138,988)	(28,028)
		303,138	293,993	231,015	734,680	794,657
Non-controlling interests		(828)	86	141	–	–
Total equity		302,310	294,079	231,156	734,680	794,657
Total liabilities and equity		793,815	802,144	690,514	763,413	825,917

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2019

	Attributable to owners of the Company								
	Share capital	**Share premium**	**Merger reserve**	**Equity component of convertible bond**	**Foreign currency translation reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening balance at 1 July 2018	112,085	15,413	5,000	200	(205)	169,421	301,914	86	302,000
Effect of clarification of IAS23 (Note 2.2)	–	–	–	–	–	(7,921)	(7,921)	–	(7,921)
Opening balance at 1 July 2018 (restated)	112,085	15,413	5,000	200	(205)	161,500	293,993	86	294,079
Profit for the year	–	–	–	–	–	(44,795)	(44,795)	(810)	(45,605)
Other comprehensive income									
Currency translation reserve released on disposal of a subsidiary company	–	–	–	–	306	–	306	–	306
Exchange differences arising from translation of foreign operations and translation of financial statements of the Company from its functional currency to presentation currency	–	–	–	–	968	–	968	2	970
Total comprehensive income for the year	–	–	–	–	1,274	(44,795)	(43,521)	(808)	(44,329)
Contributions by and distribution to owners									
Issue of new shares	64,155	(11,589)	–	–	–	–	52,566	–	52,566
Equity component of convertible bonds	–	–	–	100	–	–	100	–	100
Redemption of equity component of convertible bond	–	–	–	(114)	–	114	–	–	–
Disposal of interest in a subsidiary company	–	–	–	–	–	–	–	(106)	(106)
Total contributions by and distribution to owners	64,155	(11,589)	–	(14)	–	114	52,666	(106)	52,560
Closing balance at 30 June 2019	176,240	3,824	5,000	186	1,069	116,819	303,138	(828)	302,310

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2019

	Attributable to owners of the Company								
	Share capital	Share premium	Merger reserve	Equity component of convertible bond	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening balance at 1 July 2017	108,044	12,888	5,000	–	168	110,823	236,923	141	237,064
Effect of clarification of IAS23 (Note 2.2)	–	–	–	–	–	(5,908)	(5,908)	–	(5,908)
Opening balance at 1 July 2017 (restated)	108,044	12,888	5,000	–	168	104,915	231,015	141	231,156
Profit for the year	–	–	–	–	–	56,585	56,585	(30)	56,555
Other comprehensive income									
Exchange differences arising from translation of foreign operations and translation of financial statements of the Company from its functional currency to presentation currency	–	–	–	–	(373)	–	(373)	(25)	(398)
Total comprehensive income for the year	–	–	–	–	(373)	56,585	56,212	(55)	56,157
Contributions by and distribution to owners									
Issue of new shares	4,041	2,525	–	–	–	–	6,566	–	6,566
Equity component of convertible bonds	–	–	–	200	–	–	200	–	200
Total contributions by and distribution to owners	4,041	2,525	–	200	–	–	6,766	–	6,766
Closing balance at 30 June 2018	112,085	15,413	5,000	200	(205)	161,500	293,993	86	294,079

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2019

Company	Share capital RM'000	Share premium RM'000	Equity component of convertible bond RM'000	Foreign currency translation reserve RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Opening balance at 1 July 2018	161,210	657,170	200	3,618	487	(28,028)	794,657
Loss for the year	–	–	–	–	–	(111,074)	(111,074)
Other comprehensive income							
Exchange differences arising from translation of financial statements of the Company from its functional currency to presentation currency representing other comprehensive income for the year	–	–	–	(1,570)	–	–	(1,570)
Total comprehensive income for the year	–	–	–	(1,570)	–	(111,074)	(112,644)
Contributions by and distribution to owners							
Issue of new shares	64,155	(11,588)	–	–	–	–	52,567
Equity component of convertible bonds	–	–	100	–	–	–	100
Redemption of equity component of convertible bonds	–	–	(114)	–	–	114	–
Total contributions by and distribution to owners	64,155	(11,588)	(14)	–	–	114	52,667
Closing balance at 30 June 2019	225,365	645,582	186	2,048	487	(138,988)	734,680
Opening balance at 1 April 2017	157,169	654,645	–	4,927	487	(27,414)	789,814
Loss for the year	–	–	–	–	–	(614)	(614)
Other comprehensive income							
Exchange differences arising from translation of financial statements of the Company from its functional currency to presentation currency representing other comprehensive income for the year	–	–	–	(1,309)	–	–	(1,309)
Total comprehensive income for the year	–	–	–	(1,309)	–	(614)	(1,923)
Contributions by and distribution to owners							
Issue of new shares	4,041	2,525	–	–	–	–	6,566
Equity component of convertible bonds	–	–	200	–	–	–	200
Total contributions by and distribution to owners	4,041	2,525	200	–	–	–	6,766
Closing balance at 30 June 2018	161,210	657,170	200	3,618	487	(28,028)	794,657

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2019

	Note	2019 RM'000	2018 RM'000 (Restated)
Cash flows from operating activities			
(Loss)/profit before tax		(53,324)	72,397
Adjustments for:			
Depreciation of property, plant and equipment	17	5,229	2,974
Depreciation of investment properties	18	3,511	–
Amortisation of intangible assets	19	3,648	3,143
Amortisation of deferred expenditure	11	4,528	5,731
Amortisation of fulfilment cost	6	151	8,055
Write back of provision	22(b)	–	(4,977)
Gain on disposal of subsidiary	20(a)	(3,641)	–
Property, plant and equipment written off	6	306	635
Goodwill written off for new subsidiaries acquired		–	92
Provision for impairment of inventories	6	2,600	5,984
Inventories written off	10	937	–
Allowance for estimated credit losses/impairment of trade receivables	6	2,441	38
Allowance for impairment of mining rights	19	57,495	–
Allowance for impairment of goodwill	19	11,378	–
Allowance for impairment of property, plant and equipment	17	3,129	–
Fair value gain on derivatives	5	(5,249)	–
Loss on deposit forfeited	6	500	–
Amortisation of facility fee on convertible bond		7,579	1,106
Interest income	5	(2,527)	(1,195)
Interest expense		23,172	6,452
Operating cash flows before changes in working capital		61,863	100,435
Changes in working capital:			
Change in inventories		1,578	(692)
Change in inventory properties		(54,968)	(39,888)
Change in deferred expenditure		(2,800)	(2,158)
Change in trade and other receivables		7,974	(33,799)
Change in trade and other payables and deferred revenue		42,905	(7,417)
Cash flows generated from operations		56,552	16,481
Interest paid		(17,840)	(2,056)
Interest received		2,527	1,195
Tax paid		(8,593)	(10,526)
Net cash flows generated from operating activities		32,646	5,094
Cash flows from investing activities			
Purchase of property, plant and equipment	17	(31,779)	(1,782)
Purchase of intangible assets		(1,813)	–
Cost incurred on investment properties	18	(41,002)	(48,314)
Net cash received from acquisition of subsidiaries	20	–	571
Net cash inflow on disposal of a subsidiary	20	1,099	–
Transaction costs arising from the Reverse Takeover		–	(4,070)
Net cash flows used in investing activities		(73,495)	(53,595)
Cash flows from financing activities			
Proceeds from loans and borrowings		9,173	57,542
Repayment of loans and borrowings		(21,535)	(2,656)
Proceeds from issuance of placement shares		25,943	–
Repayment of hire purchase payables	24	(37)	(51)
Withdrawal/(placement) of secured deposit		5,200	(5,994)
Net cash flows generated from financing activities		18,744	48,841
Net (decrease)/increase in cash and cash equivalents		(22,105)	340
Effect of exchange rate changes in cash and cash equivalents		1,050	(296)
Cash and cash equivalents at beginning of year		23,454	23,410
Cash and cash equivalents at end of year	16	2,399	23,454

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

1. Corporate information

1.1 The Company

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 One North Bridge Road, #24-09, High Street Centre, Singapore 179094.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as disclosed in Note 20.

1.2 The Reverse Takeover

The reverse takeover occurred in 2017 and it is summarised as below:

Altimate Ventures Limited ("AVL") Acquisition

Capital City Property Sdn. Bhd. ("CCP") was owned by Siow Chien Fu, Tan June Teng Colin and Tan Ping Huang Edwin (the "Vendors"). CCP in turn holds a wholly-owned subsidiary, Capital City Management Pte. Ltd, which was incorporated on 30 August 2016.

On 23 November 2016, the Vendors incorporated Altimate Ventures Limited ("AVL"), an exempted limited company in British Virgin Islands.

On 4 April 2017, AVL became the holding company of CCP via the issue of 96 ordinary shares in AVL to the shareholders of CCP for the entire issued and paid-up share capital of CCP. Since AVL is not a business, AVL did not combine with any other business. On this basis, the transaction is outside the scope of IFRS 3 Business Combinations. AVL cannot elect to apply the acquisition method in IFRS 3 Business Combinations since there is no economic substance to the transaction in terms of any real alteration to the composition or ownership of AVL and CCP. It is a continuation of CCP business. At the consolidated financial statements, the difference between a) the consideration paid by AVL and b) the net assets and retained earnings of CCP as at 4 April 2017 was recorded in merger reserve.

On 4 May 2017, the Company acquired the entire issued and paid-up share capital of CCP via the acquisition of the entire issued and paid-up share capital of AVL. The purchase consideration for the acquisition was satisfied via the issue of 1,071,428,569 new ordinary shares in the Company to the shareholders of AVL.

Rise Expedition Global Limited ("REGL") Acquisition and First Star Ventures Limited ("FSVL") Acquisition

On 9 September 2016, the Vendors incorporated Rise Expedition Global Limited ("REGL") to hold Capital City Ventures Sdn. Bhd. ("CCV"). CCV was incorporated by the Vendors on 27 September 2016.

On 8 December 2016, the Vendors incorporated First Star Ventures Limited ("FSVL") to hold Capital City Frontier Sdn. Bhd. ("CCF"). CCF was incorporated in Malaysia on 2 December 2016 by the Vendors.

On 4 May 2017, the Company also acquired the entire issued and paid-up share capital of REGL and FSVL for an aggregate cash consideration of US$400 (approximately RM1,700).

Pursuant to the completion of the AVL Acquisition, REGL Acquisition and FSVL Acquisition (the "Reverse Takeover"), the Group comprises:

i) the AVL and its subsidiaries (AVL Group);

ii) the REGL and its subsidiary (REGL Group);

iii) the FSVL and its subsidiary (FSVL Group);

(collectively the "Capital City Group"); and

iv) the Capital World Limited and its existing subsidiaries (the "Terratech Group")

1. Corporate information (cont'd)

1.2 The Reverse Takeover (cont'd)

At Group level

The acquisition of Capital City Group has been accounted for in the consolidated financial statements as a reverse acquisition in accordance with IFRS 3 Business Combinations as the Vendors of AVL Group, REGL Group and FSVL Group became the controlling shareholders of the Company on completion of the transactions. Accordingly, the Capital City Group (being the legal subsidiary) is regarded as the accounting acquirer, and the Company (being the legal parent) is regarded as the accounting acquiree.

Accordingly, the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year ended 30 June 2017 represent continuation of the Capital City Group's financial position, performance and cash flows. The Capital City Group for the year ended 30 June 2017 is essentially a continuation of Capital City Property Sdn. Bhd. The consolidated financial statements are prepared on the following basis:

- the assets and liabilities of the Capital City Group are recognised and measured in the statement of financial position of the Group at their pre-combination carrying amounts;

- the assets and liabilities of the Terratech Group are recognised and measured in accordance with IFRS 3 Business Combinations at their acquisition-date fair values;

- the retained earnings and other equity balances recognised in the consolidated financial statements are the retained earnings and other equity balances of the Capital City Group immediately before the Reverse Takeover;

- as Capital City Group is a private entity group, the quoted market price of the Company's shares provide a more reliable basis for measuring the consideration transferred than the estimated fair value of the shares in the Capital City Group. Therefore, the consideration transferred for the Reverse Takeover is determined using the fair value of the issued equity of the Company before the Reverse Takeover, being approximately 170,886,000[1] shares at the quoted market price of SGD0.20 (equivalent to RM0.62) per share at the date of acquisition, amounting to approximately SGD33,875,000 (equivalent to RM104,822,000).

- the amount recognised as issued equity interests in the consolidated financial statements is determined by adding to the issued equity of Capital City Group immediately before the reverse acquisition to the consideration transferred for the Reverse Takeover. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) reflect the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the Company to effect the Reverse Takeover;

[1] After the effect of share consolidation

Reverse acquisition accounting applies only at the consolidated financial statements at the Group level. In the Company's separate financial statements, the investment in subsidiaries is accounted for at cost less any accumulated impairment losses.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS").

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

The financial statements are presented in Malaysia Ringgit ("RM") and all values in the tables are rounded to the nearest thousand ("RM'000"), except when otherwise indicated.

2. Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Fundamental accounting concept

As at 30 June 2019, the Group's total loans and borrowings amounted to RM44,572,000 (2018: RM45,182,000), of which RM44,572,000 (2018: RM43,330,000) were classified as current liabilities and exceeded its cash and cash equivalents of RM2,399,000 (2018: RM23,454,000). The Company's total loans and borrowings amounted to RM18,097,000 (2018: RM19,441,000), all of which were classified as current liabilities (2018: RM17,589,000) and exceeded its cash and cash equivalents of RM47,000 (RM2,356,000). For the financial year ended 30 June 2019, the Group incurred a net loss of RM45,605,000 (2018: net profit of RM56,555,000), which included impairment charges of RM74,602,000 (2018: RM5,984,000). These factors and the challenging conditions affecting the property market in Johor, Malaysia, which could negatively impact the sale of the Group's inventory properties, give rise to material uncertainties on the appropriateness of the use of the going concern assumption in the preparation of the accompanying financial statements of the Group and the Company.

Notwithstanding the above, the directors are of the view that it is appropriate to prepare these financial statements on a going concern basis after considering the following:

(a) Subsequent to year end, the Group obtained approval to extend the repayment date of loans and borrowings of RM26,475,000 due on 31 October 2019 by a further 12 months to 31 October 2020.

(b) On 10 July 2019, the Group announced that it had entered into a term sheet in relation to the proposed allotment and issuance of 916,047,277 new ordinary shares in the capital of the Company (the "Proposed Subscription") to two new subscribers (the "Subscribers"). The term sheet sets out the legally binding agreed key terms between the Company and the Subscribers, and forms the basis for entry into definitive agreements for the Proposed Subscription. Under the term sheet, when the conditions precedent are fulfilled, the Company will issue 916,047,277 new ordinary shares to raise proceeds of approximately S$17,579,000 (RM52,737,000). The Subscribers are currently in the midst of completing the due diligence process.

(c) The Group reached an agreement with a key supplier:

  (i) to cap the payment in the next 15 months of the outstanding payables to the supplier as at 30 June 2019 at an agreed amount; and

  (ii) to defer the payment for construction services to be rendered by this supplier over the next 15 months from July 2019 to September 2020.

(d) The Group's current liabilities as at 30 June 2019 include:

  (i) deferred revenue of RM3,068,000 (2018: RM94,476,000) which comprises advance payments from customers in respect of the inventory properties sold by the Group for the Capital City mall and Capital Suites. The Group has obtained the Certificate of Completion and Compliance ("CCC") for Capital City mall on 26 April 2018, and construction of Capital Suites, while ongoing, is on track to complete on schedule. The deferred revenue will be recognised as revenue based on the percentage of completion method and will not entail cash outflow; and

  (ii) current portion of the cost of land payable to Achwell Property Sdn. Bhd. ("APSB") amounting to RM24,270,000 (RM64,114,000) which has been accrued based on the Group's forecasted cash receipts from the progress billings and projected sales of Capital City Mall, and Capital Suites. According to the land acquisition agreement signed with APSB, if the forecasted cash receipts do not materialize, the Group will not be required to make the payment to APSB during the construction phase of the development project.

(e) The directors have reasons to believe that the Group will be able to complete the project as scheduled and achieve the projected sales for its inventory properties.

2. Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

Fundamental accounting concept (cont'd)

The directors are of the opinion that taking into considerations the above, the use of the going concern assumption in preparing the accompanying financial statements is appropriate.

If the financial statements were presented on a realisation basis, the carrying value of its assets and liabilities may be materially different. If the Group and the Company were unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and Company may have to reclassify its non-current assets as current assets. No such adjustments have been made to these financial statements.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial period beginning on or after 1 July 2018. Except for the adoption of IFRS 9 *Financial Instruments* and interpretations of IAS 23 *Borrowing Costs* described below, the adoption of these standards did not have material effect on the financial performance or position of the Company.

IFRS 9 *Financial Instruments*

IFRS 9 replaces International Accounting Standards ("IAS") 39, *Financial Instruments: Recognition and Measurement* and supersedes the previously published versions of IFRS 9 that introduced new classifications and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). IFRS 9 includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, guidance on own credit risk on financial liabilities measured at fair value and supplements the new general hedge accounting requirements published in 2013. IFRS 9 incorporates new hedge accounting requirements that represent a major overhaul of hedge accounting and introduces significant improvements by aligning the accounting more closely with risk management.

The Group applied IFRS 9 retrospectively, with an initial application date of 1 July 2018. The Group did not elect to restate the comparative information, which continues to be reported under IAS 39.

Classification and measurement

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. It contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). It eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The assessment of the Group's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely payments of principal and interest ("SPPI") was made based on the facts and circumstances as at the initial recognition of the assets.

Cash in banks, trade and other receivables and refundable deposits, previously classified as loans and receivables, are held to collect contractual cash flows and give rise to cash flows representing SPPI. These are now classified and measured as financial assets at amortised cost. The Group has derivatives measured at FVTPL. There are no changes in the classification and measurement for the Group's financial liabilities.

Impairment

IFRS 9 replaces the "incurred loss" model in IAS 39 with a forward-looking expected credit loss ("ECL") model. The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss approach. IFRS 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at FVTPL and contract assets.

No additional impairment was recognised arising from assessing these financial assets for impairment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

2. Summary of significant accounting policies (cont'd)

2.2 Adoption of new and amended standards and interpretations (cont'd)

IAS 23 *Borrowing Costs*

In 2018, the IFRS Interpretations Committee ("IFRIC"), which works with the IASB in supporting the application of IFRS standards, received a submission on whether a real estate developer capitalises borrowing costs as part of the cost of units for a residential multi-unit real estate development, for which the developer recognises revenue over time for the sale of individual units in the development based on IFRS 15 *Revenue from Contracts with Customers*.

In November 2018, the IFRIC issued a Tentative Agenda Decision containing explanatory material for the decision and how the applicable principles and requirements in IAS 23 *Borrowing Costs* apply to the fact pattern in the submission. The IFRIC tentatively concluded that such an entity should not capitalise borrowing costs. This Tentative Agenda Decision was finalised in its original form on 20 March 2019.

The above Agenda Decision has relevant impact to the Group's activities as a property developer. Following this Agenda Decision, borrowing costs which were previously capitalised for development projects over the period of development are now expensed as incurred to the income statement.

The following is the reconciliation of the impact arising from adoption of new and amended standards and interpretations on 1 July 2017 to the balance sheet of the Group.

		Group	
	1 July 2017 (Previously reported)	**IAS 23 adjustments**	**1 July 2017 (Restated)**
	RM'000	RM'000	RM'000
Current assets			
Inventory properties	175,839	(7,774)	168,065
Other current assets	82,069	–	82,069
	257,908	(7,774)	250,134
Non-current assets			
Other non-current assets	438,514	–	438,514
Deferred tax asset	–	1,866	1,866
	438,514	1,866	440,380
Total assets	696,422	(5,908)	690,514
Current liabilities	353,047	–	353,047
Non-current liabilities	106,311	–	106,311
Total liabilities	459,358	–	459,358
Equity			
Share capital	108,044	–	108,044
Share premium	12,888	–	12,888
Other reserve	5,168	–	5,168
Retained earnings	110,823	(5,908)	104,915
	236,923	(5,908)	231,015
Non-controlling interest	141	–	141
Total equity	237,064	(5,908)	231,156
Total liabilities and equity	696,422	(5,908)	690,514

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

2. Summary of significant accounting policies (cont'd)

2.2 Adoption of new and amended standards and interpretations (cont'd)

<u>IAS 23 *Borrowing Costs*</u> *(cont'd)*

The following is the reconciliation of the impact arising from adoption of new and amended standards and interpretations on 30 June 2018 to the balance sheet of the Group.

	Group		
	30 June 2018 (Previously reported)	**IAS 23 adjustments**	**30 June 2018 (Restated)**
	RM'000	RM'000	RM'000
Current assets			
Inventory properties	191,783	(11,098)	180,685
Other current assets	99,217	–	99,217
	291,000	(11,098)	279,902
Non-current assets			
Other non-current assets	219,650	–	219,650
Property, plant and equipment	104,933	143	105,076
Investment property	192,579	781	193,360
Deferred tax asset	1,903	2,253	4,156
	519,065	3,177	522,242
Total assets	810,065	(7,921)	802,144
Current liabilities	360,975	–	360,975
Non-current liabilities	147,090	–	147,090
Total liabilities	508,065	–	508,065
Equity			
Share capital	112,085	–	112,085
Share premium	15,413	–	15,413
Other reserve	4,995	–	4,995
Retained earnings	169,421	(7,921)	161,500
	301,914	(7,921)	293,993
Non-controlling interest	86	–	86
Total equity	302,000	(7,921)	294,079
Total liabilities and equity	810,065	(7,921)	802,144

The adoption of new and amended standards and interpretations did not have any impact to the balance sheet of the Company as at 1 July 2017, 30 June 2018 and 1 July 2018.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

2. Summary of significant accounting policies (cont'd)

2.2 Adoption of new and amended standards and interpretations (cont'd)

IAS 23 *Borrowing Costs* *(cont'd)*

The following is the reconciliation of impact arising from adoption of new and amended standards and interpretations to the comprehensive income of the Group for the year ended 30 June 2018.

	Group		
	2018 (Previously reported)	**IAS 23 adjustments**	**2018 (Restated)**
	RM'000	RM'000	RM'000
Revenue	142,594	–	142,594
Cost of sales	(23,790)	1,774	(22,016)
Gross profit	118,804	1,774	120,578
Other income	1,566	–	1,566
Selling and distribution expenses	(6,452)	–	(6,452)
General and administrative expenses	(36,844)	–	(36,844)
Finance costs	(2,277)	(4,174)	(6,451)
Profit before tax	74,797	(2,400)	72,397
Income tax expense	(16,229)	387	(15,842)
Profit for the year	58,568	(2,013)	56,555
Other comprehensive income			
Item that may be reclassified subsequent to profit or loss:			
Exchange differences arising from translation of foreign operations, net of tax	(398)	–	(398)
Total comprehensive income for the year	58,170	–	56,157
Profit for the year attribute to:			
Owners of the Company	58,598	–	56,585
Non-controlling interests	(30)	–	(30)
	58,568	–	56,555
Total comprehensive income attributable to			
Owners of the Company	58,225	–	56,212
Non-controlling interests	(55)	–	(55)
	58,170	–	56,157
Earnings per share (RM cents per share)			
Basic	4.60	(0.16)	4.44
Diluted	4.60	(0.16)	4.44

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
IFRS 16 *Leases*	1 January 2019
IFRIC 23 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to IFRS 9 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to IAS 28 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Amendments to IAS 19 *Plan Amendment, Curtailment or Settlement*	1 January 2019
Annual IFRS Improvement Process	1 January 2019
- IFRS 3 *Business Combinations - Previously held Interests in a joint operation* - IFRS 11 *Joint Arrangements - Previously held Interests in a joint operation* - IAS 12 *Income Taxes - Income tax consequences of payments on financial instruments classified as equity* - IAS 23 *Borrowing Costs - Borrowing costs eligible for capitalisation*	
Amendments to IFRS 3 *Definition of a Business*	1 January 2020
Amendments to IAS 1 and IAS 8 *Definition of Material*	1 January 2020
IFRS 17 *Insurance Contracts*	1 January 2021

Except for IFRS 16, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption IFRS 16 are described below.

IFRS 16 *Leases*

IFRS 16 was issued in January 2016 and it replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

As a result of the publication of IFRS 16, many amendments were made to IAS 40 *Investment Property*. One consequence of the amendments is that an entity can no longer elect to classify and measure a property interest held by a lessee under a lease as investment property at fair value on a property-by-property basis. Instead, the measurement of investment property at cost or fair value has now become a policy choice that applies to all investment property, whether leased or owned.

Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is, however, substantially unchanged from present accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating leases and finance leases. One exception is that IFRS 16 requires the intermediate lessor to classify the sublease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. However, this change is not expected to have an impact on the Group's classification of the subleases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15.

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

IFRS 16 *Leases* *(cont'd)*

The Group plans to adopt IFRS 16 retrospectively for each prior reporting period presented. The Group will elect to apply the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4. The Group will, therefore, not apply the standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4.

The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

The Group has performed a preliminary impact assessment of the adoption of IFRS 16 based on currently available information, and expects to record an adjustment to recognise right-of-use assets and lease liabilities for its leases previously classified as operating leases and its related tax impact as of 1 July 2019. The assessment may be subject to changes arising from ongoing analysis until the Group adopts IFRS 16 in financial year 2020.

2.4 Basis of consolidation and business combinations

(a) ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in deficit balance.

(b) ***Business combinations and goodwill***

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another IFRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2. Summary of significant accounting policies (cont'd)

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currency

The financial statements are prepared in Malaysia Ringgit, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) ***Transactions and balances***

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) ***Consolidated financial statements***

For consolidation purpose, the assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment	3 years
Furniture and fittings	3 to 10 years
Motor vehicles	5 to 6 years
Office equipment	5 years
Renovation	5 years
Plant and machinery	10 years
Factory building	10 years
Mining Infrastructure	33 years
Theme park	10 years

Freehold land has an unlimited useful life and therefore is not depreciated. Building-in-progress included in property, plant and equipment is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Building-in-progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Included in the mining infrastructure are costs in relation to the construction of the grave roads for access to the marble quarry. As part of its mining operations, the Group incurs stripping (waste removal) costs during the development phase. Stripping costs incurred in the development phase of a mine are capitalised in mining infrastructure. Subsequent to initial recognition, mining infrastructure are amortised over its useful life using a unit of production ("UOP") method to write off the cost of the assets proportionate to the extraction of the proved and probable mineral reserves. The Group's mining rights is for a period of 33 years up to 26 January 2044. The total UOP is estimated based on production of the period of 33 years. As at 30 June 2019, the remaining useful life of the right is 25 (2018: 26) years.

2. Summary of significant accounting policies (cont'd)

2.7 Property, plant and equipment (cont'd)

Stripping activity asset shall be recognised, if and only if, all of the following are met:

a) it is probable that the future economic benefit (improved access to the marble reserves) associated with stripping activity will flow to the Group;

b) the Group can identify the component of the ore body for which access has been improved; and

c) the costs relating to the stripping activity associated with that component can be measured reliably.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and the depreciation method are reviewed at least at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 Inventory properties

Inventory properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation or to be held for the Group's use.

Inventory properties are held as inventories and are measured at the lower of cost and net realisable value.

Costs include:

- Land acquisition costs;
- Amounts paid to contractors for construction of the inventory properties and other costs directly attributable to the development of the inventory properties; and
- Capitalised borrowing costs that are directly attributable to the acquisition of the land.

Net realisable value of inventory property is the estimated selling price in the ordinary course of business based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of inventory property recognised in profit and loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the net floor area of the property sold.

Contract costs

Sales agent commission and legal costs incurred to secure sale contracts of real estate units are capitalised if they are incurred to obtain a contract with a customer that the Group would not have incurred if the contract had not been obtained.

Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered.

Subsequent to initial measurement, capitalised contracts costs are amortised to profit or loss on a systematic basis as the Group recognises the related revenue.

The Group records capitalised sales agent commission costs and legal costs under “Deferred expenditure” in the balance sheet.

An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates; less the costs that relate directly to providing the goods and that have not been recognised as expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

2. Summary of significant accounting policies (cont'd)

2.9 Investment properties

Investment properties comprise completed property and property under construction or re-development that is held to earn rentals or for capital appreciation or both. Property held under an operating lease is classified as investment properties when the definition of an investment property is met.

Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is computed on a straight line basis over the estimated useful lives of the assets. The useful lives, residual values and depreciation method are reviewed at least at each financial year end, and adjusted prospectively, if appropriate.

Investment properties under construction are not depreciated as these assets are not yet available for use.

Transfers are made to or from investment properties only when there is an evidence of change in use.

Investment properties and investment properties under construction are derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties and investment properties under construction are recognised in profit and loss in the year of retirement or disposal.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in-first-out basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in-first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.11 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

2. Summary of significant accounting policies (cont'd)

2.11 Intangible assets (cont'd)

Mining rights

Mining rights are stated at cost less accumulated amortisation and any accumulated impairment losses. Mining rights include the cost of acquiring mining licences, exploration and evaluation costs transferred from exploration rights and assets upon determination that an exploration property is capable of commercial production, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining rights are amortised over the estimated useful lives of the mines, in accordance with the production plans of the entity concerned and the proved and probable reserves of the mines using the UOP method. Mining rights are written off to the consolidated statement of comprehensive income if the mining property is abandoned.

2.12 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less any accumulated impairment losses.

2.13 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses relating to goodwill cannot be reversed in future periods.

2.14 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

2. Summary of significant accounting policies (cont'd)

2.14 Financial instruments (cont'd)

(a) ***Financial assets (cont'd)***

Subsequent measurement

Investment in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit and loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investment in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

2. Summary of significant accounting policies (cont'd)

2.15 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are more than 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits and cash in holding accounts that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value. For the purpose of the statement of cash flows, cash pledged is excluded from cash and cash equivalents.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Leases

As lessee

Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in profit or loss.

Capitalised leased asset is depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

2. Summary of significant accounting policies (cont'd)

2.18 Leases (cont'd)

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.19(f). Contingent rents are recognised as revenue in the period in which they are earned.

2.19 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) ***Sale of inventory properties***

The Group develops and sells serviced suites and retail units before completion of construction of the properties.

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms.

For inventory properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

The sale of serviced suites to customers are fully furnished. The sale of the serviced suite and the sale of furniture and fittings are accounted for as separate performance obligations. The transaction price is allocated to each performance obligation based on the standalone selling prices.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones.

A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Contract assets is presented under the caption "Unbilled receivables" in the Consolidated Statement of Financial Position. Contract assets are transferred to receivables when the rights to consideration become unconditional.

Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advance payments from the customer. Contract liabilities are recognised as revenue as the Group performs under the contract. Contract liabilities is presented under the caption "Deferred revenue" in the balance sheet.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that would not have been incurred if the contract had not been obtained. Incremental costs of obtaining a contract are capitalised if these costs are recoverable. The Group records incremental costs of obtaining a contract under "Deferred expenditure" in the Consolidated Statement of Financial Position. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates; less the costs that relate directly to providing the goods and that have not been recognised as expenses.

2. Summary of significant accounting policies (cont'd)

2.19 Revenue (cont'd)

(b) ***Sale of marble products***

The Group supplies marble blocks and slabs, aggregates and calcium carbonate powder for customers.

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(c) ***Construction contracts***

The Group is restricted contractually from directing the exterior and interior decoration works for another use as they are being renovated and has an enforceable right to payment for performance completed to date. Revenue is recognised over time, with reference to the percentage of completion of construction contracts. Revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

(d) ***Forfeiture income***

Forfeiture income is recognised when deposits or instalments paid by customers are forfeited to the Group according to the terms of the sales and purchase agreement.

(e) ***Interest income***

Interest income is recognised using the effective interest method.

(f) ***Rental income***

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on straight-line basis.

2.20 Convertible instrument with embedded derivative

Convertible bond with conversion option are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible bond, the embedded option is recognised at its fair value as derivative liability with subsequent changes in fair value recognised in profit or loss.

The remainder of the proceeds is allocated to the liability component that is carried at amortised cost until the liability is extinguished on conversion or redemption.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

When an equity conversion option is exercised, the carrying amounts of the liability component and the equity conversion option are derecognised with a corresponding recognition of share capital.

2.21 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share premium.

2.22 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. Summary of significant accounting policies (cont'd)

2.23 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.24 Taxes

(a) ***Current income tax***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current taxes are recognised in profit or loss except to the extent that tax relating to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) ***Deferred tax***

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. Summary of significant accounting policies (cont'd)

2.24 Taxes (cont'd)

(c) ***Sales tax***

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

3. Significant accounting judgements and key sources of estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the asset or liability affected in the future periods.

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements. The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) ***Classification of properties***

At the initial classification, the Group determines whether a property should be classified as property, plant and equipment, investment property or inventory property based on the Group's intentions regarding the properties:

- Hotel and car parks of retail mall - Capital City that are held by the Group for use in the production or supply of goods or services are classified as property, plant and equipment.

- Investment properties comprises ground floor of retail mall - Capital City, promotional lots, indoor music circus and conventional hall in the retail mall - Capital City that are held to earn rental income or for capital appreciation or both.

- Inventory properties comprise serviced suites, retail units of retail mall - Capital City, and serviced apartments that are held for sale in the ordinary course of business.

(b) ***Impairment of mining infrastructure, goodwill and mining rights***

As disclosed in Note 19, the recoverable amount of the cash generating unit which mining infrastructure, mining rights and goodwill have been allocated to are determined based on value in use calculations. The value in use calculations are based on a discounted cash flow models. The recoverable amount is most sensitive to the forecasted revenue from sale of marble products (based on estimated sales volume and estimated selling price of the marble products) and discount rate used for the discounted cash flow model. Further details of the key assumptions applied in the impairment assessment of mining infrastructure and intangible assets (mining rights and goodwill) and their respective carrying amount are given in Note 19.

(c) ***Allowance for inventories and inventory properties***

Inventories and inventory properties are stated at the lower of cost and net realisable value ("NRV").

<u>Inventories</u>

The Group's inventories mainly consist of finished marble products, which is exposed to the risk of slow-moving inventories as a result of volatility in the demand and prices for marble products.

The determination of allowance for inventory write down to NRV requires management to exercise judgement in identifying slow-moving and obsolete inventories and to estimate the allowance required. The carrying amount of inventory as at 30 June 2019 was RM3,947,000 (2018: RM8,125,000).

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For the financial year ended 30 June 2019

3. Significant accounting judgements and key sources of estimation uncertainty (cont'd)

(c) ***Allowance for inventories and inventory properties (cont'd)***

Inventory properties

The NRV in respect of inventory properties is assessed with reference to the Group's expectations of future selling prices. The carrying amount of the inventory properties as at 30 June 2019 was RM345,107,000 (2018: RM289,043,000).

(d) ***Revenue recognition for sale of inventory properties under development***

For the sale of inventory properties where the Group satisfied its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the inventory properties to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the inventory properties. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the inventory properties.

The estimated total construction and other related costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on knowledge of the project engineers to make estimates of the amounts to be incurred.

The revenue from sale of inventory properties (recognised on percentage of completion basis) are disclosed in Note 4. If the estimated total contract costs had been 5% higher or lower than management's estimate, the revenue recognised would have been RM21,693,227 (2018: RM20,778,778) lower or higher than that recognised in the consolidated financial statements.

(e) ***Income taxes and deferred tax***

Judgement is involved in determining the Group's position for income taxes as there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of this matter is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's provision for taxation and deferred tax asset and liabilities at the end of the reporting period was RM36,147,000 (2018: RM34,852,000), RM1,903,000 (2018: RM1,903,000) and RM1,639,000 (2018: RM19,929,000) respectively.

(f) ***Amortisation of mining rights and mining infrastructure***

Mining rights and mining infrastructure are amortised over the estimated useful lives of the mines, in accordance with the production plans of the entity concerned and the proved and probable reserves of the mines using the UOP method.

The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the filed at which the asset is located. These calculations require the use of estimates and assumptions. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated quarry reserves can be designated as "proved" and "probable". Proved and probable quarry reserve estimates are provided by an independent qualified person, which are updated at regular intervals taking into account recent production and technical information about each quarry. In addition, as prices and cost levels change from year to year, the estimate of proved and probable quarry reserves also changes. The calculation of the UOP rate of depreciation/amortisation will be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates change. Changes to prove reserves could arise due to changes in the factors or assumptions used in estimating reserves. The carrying amount of mining infrastructure and rights at 30 June 2019 is shown in Note 17 and 19.

4. Revenue

	Group	
	2019	**2018**
	RM'000	RM'000
Sale of inventory properties	127,352	135,642
Sale of marble products	2,715	2,143
Revenue from construction contracts	7,782	4,809
Other services	3,351	–
	141,200	142,594

4. **Revenue (cont'd)**

(a) ***Disaggregation of revenue***

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product/service lines and geographical regions.

Segment	Sale of inventory properties		Sale of marble products		Revenue from construction contracts		Other services		Adjustments and eliminations		Total Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Primary geographical markets												
Malaysia	127,352	135,642	2,715	1,726	–	–	3,351	–	–	–	133,418	137,368
Singapore	–	–	–	140	–	–	9,135	8,007	(9,135)	(8,007)	–	140
PRC	–	–	–	277	7,782	4,809	–	–	–	–	7,782	5,086
	127,352	135,642	2,715	2,143	7,782	4,809	12,486	8,007	(9,135)	(8,007)	141,200	142,594
Major product or service lines												
Serviced suites	11,497	4,362	–	–	–	–	–	–	–	–	11,497	4,362
Commercial properties	115,855	131,280	–	–	–	–	–	–	–	–	115,855	131,280
Marble products	–	–	2,715	2,143	–	–	–	–	–	–	2,715	2,143
Construction contracts	–	–	–	–	7,782	4,809	–	–	–	–	7,782	4,809
Other services	–	–	–	–	–	–	12,486	8,007	(9,135)	(8,007)	3,351	–
	127,352	135,642	2,715	2,143	7,782	4,809	12,486	8,007	(9,135)	(8,007)	141,200	142,594
Timing of transfer of goods and services												
At a point in time	–	–	2,715	2,143	–	–	3,351	–	–	–	6,066	2,143
Over time	127,352	135,642	–	–	7,782	4,809	9,135	8,007	(9,135)	(8,007)	135,134	140,451
	127,352	135,642	2,715	2,143	7,782	4,809	12,486	8,007	(9,135)	(8,007)	141,200	142,594

4. Revenue (cont'd)

(b) ***Contract assets and contract liabilities***

Information relating to receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group	
	2019	**2018**
	RM'000	RM'000
Receivables from contracts with customers ("Trade receivables") (Note 12)	24,776	50,178
Contract assets ("Unbilled receivables") (Note 13)	–	3,469
Contract liabilities ("Deferred revenue") (Note 23)	(3,068)	(94,476)

Contract assets primarily relate to the Group's right to consideration for work completed at the reporting date for construction contracts. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has issued invoices to customers for sale of inventory properties and construction contracts.

Contract liabilities are recognised as revenue as the Group performs under the contract.

Significant changes in contract liabilities are explained as follows:

	Group	
	2019	**2018**
	RM'000	RM'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	89,207	71,950
Contract asset reclassified to receivable	3,469	813

(c) ***Transaction price allocated to remaining performance obligations***

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 30 June 2019 is RM46,498,000 (2018: RM144,276,000).

The Group expects to recognise RM18,600,000 (2018: RM129,617,000) as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 30 June 2019 in the financial year 2020 and RM27,898,000 (2018: RM14,659,000) in the financial year 2021 to 2022.

5. Other income

	Group	
	2019	**2018**
	RM'000	RM'000
Interest income	2,527	1,195
Miscellaneous income	171	229
Forfeiture income	1,024	142
Fair value gain on derivatives	5,249	–
Gain on disposal of subsidiary (Note 20)	3,641	–
Rental income	1,224	–
	13,836	1,566

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For the financial year ended 30 June 2019

6. (Loss)/profit before tax

The following items have been included in arriving at profit before tax:

	Note	Group	
		2019	2018
		RM'000	RM'000
Audit fees:			
- Auditors of the Company		275	398
- Other auditors		266	178
Impairment of mining rights	19	57,495	–
Impairment of goodwill	19	11,378	–
Impairment of property, plant and equipment	17	3,129	–
Depreciation of property, plant and equipment	17	5,229	2,974
Amortisation of intangible assets	19	3,648	3,143
Amortisation of deferred expenditure	11	4,528	5,731
Amortisation of fulfilment cost recognised as an expense in cost of sales	9(b)	151	8,055
Rental of premises		639	458
Rental of office equipment		17	11
Employee benefit expense:			
- Salaries and bonuses		8,103	6,157
- Social security contributions		30	16
- Contributions to defined contribution plan		634	358
Interest expense:			
- Loans and borrowings		6,039	585
- Convertible bonds		17,131	1,689
- Hire purchase		2	3
Realised foreign exchange loss, net		147	(32)
Impairment of inventories	10	2,600	5,984
Inventories written off	10	937	–
Impairment of trade receivables	12	2,441	38
Plant and equipment written off and disposal		306	635
Loss on deposit forfeited		500	–
Depreciation of investment properties	18	3,511	–

7. Income tax expense

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands. Pursuant to the income tax rules and regulations in Singapore, Malaysia and People's Republic of China ("PRC"), the subsidiaries located in Singapore, Malaysia and PRC are liable to corporate income tax at 17% (2018: 17%), 24% (2018: 24%) and 25% (2018: 25%) on the assessable profits generated in these countries respectively.

7. Income tax expense (cont'd)

The major components of income tax expense for the years ended 30 June 2019 and 2018 are:

	Note	Group	
		2019	**2018**
		RM'000	RM'000 (Restated)
Consolidated statement of comprehensive income:			
Income tax:			
- Current year		11,261	23,457
- Overprovision in respect of previous years		(1,373)	(1,601)
		9,888	21,856
Deferred income tax			
- Origination and reversal of temporary differences		(14,386)	(3,203)
- Overprovision in respect of previous years	27	(3,221)	(2,811)
Income tax (credit)/expense recognised in profit or loss		(7,719)	15,842

The reconciliation between the income tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 30 June 2019 and 2018 are as follows:

	Group	
	2019	**2018**
	RM'000	RM'000 (Restated)
(Loss)/profit before tax	(53,324)	72,397
Tax at the domestic rates applicable to profits in the countries where the Group operates	(11,534)	17,661
Adjustments:		
Non-deductible expenses	9,339	2,758
Overprovision in respect of previous years	(4,594)	(4,412)
Others	(930)	(165)
Income tax (credit)/expense recognised in profit or loss	(7,719)	15,842

The above reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction.

The nature of expenses that are not deductible for income tax purposes (after applying the corporate tax rate in the respective countries) are mainly as follows:

	Group	
	2019	**2018**
	RM'000	RM'000
Penalty	6	853
Professional fee incurred not subject to deduction	–	16

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

8. Earnings per share

Basic earnings per share are calculated by dividing profit for the year attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit for the year attributable to the 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 year ended 30 June 2019, the computation of diluted earnings per share does not assume the conversion of the Company's outstanding convertible bonds as they had an anti-dilutive effect on the earnings per share calculation. The Company did not have any potential dilutive ordinary shares for the year ended 30 June 2018.

Computation of basic and diluted earnings per share for the years ended 30 June 2019 and 2018:

	Group	
	2019	**2018**
	RM'000	RM'000 (Restated)
Profit for the year attributable to owners of the company used in the computation of diluted earnings per share	(44,795)	56,585
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	1,422,866	1,273,459
(Loss)/earnings per share (cents)		
- Basic	(3.15)	4.44
- Diluted	(3.15)	4.44

9. Inventory properties

	Group	
	2019	**2018**
	RM'000	RM'000 (Restated)
Balance Sheet		
Inventory properties:		
- Freehold land	152,286	130,583
- Development costs	192,821	158,460
	345,107	289,043
Presented as:		
- Non-current	121,774	106,455
- Current	223,333	182,588
	345,107	289,043
Statement of comprehensive income:		
Inventory properties recognised as an expense in cost of sales	30,557	16,490

9. Inventory properties (cont'd)

(a) On 26 December 2013, the Group entered into an agreement with Achwell Property Sdn Bhd ("APSB") to develop and construct an integrated project with retail, hotel, suites and residential facilities on a piece of land which APSB is the registered and beneficial owner, herein referred to as (the "Land"). In accordance with the terms and conditions of the agreement with APSB, the agreement will become unconditional and effective when the following conditions precedents are fulfilled and satisfied:

- the Group to obtain the unconditional development order approval from the relevant authorities within six months from the execution of the agreement; and
- APSB to obtain approval from the shareholders of APSB's holding company.

The above two conditions were fulfilled on 13 March 2014.

The Group is solely responsible:

- to carry out the project planning and design, construction and development, sales and marketing of the integrated project; and
- to apply for and obtain the necessary approvals, licences and clearance required for the development, construction and sale of the integrated project as well as to bear all the costs for these activities.

The Group is required to forward the master title of the integrated project approved by the relevant authorities to APSB within stipulated time from the date the Group obtained the building plan approval from the relevant authorities.

APSB is required to execute and deliver to the Group a valid and registrable memorandum of transfer in respect of any units sold. The titles of the Land will also be transferred to the Group when the purchase consideration of the land has been fully paid for those portion of the Land that have been classified as property, plant and equipment and investment properties under construction.

Based on the above, management assessed that the Group has obtained control of the Land on 13 March 2014, as the Group is able to control the benefits arising from the Land even though there is no legal right of ownership of the Land.

The consideration payable for the Land is determined based on 16.7% of the final aggregate of the gross individual unit selling price of the units of integrated project ("gross development value") up to a maximum sum of approximately RM324,000,000 only and is payable within 66 months from the approval received from the appropriate authorities of the integrated project.

The purchase consideration of the Land has been recognised in property, plant and equipment, investment properties under construction and inventory properties according to the Group's intention regarding the use of the Land on initial recognition.

The carrying amount of the deferred payment of the land payable to APSB as at 30 June 2019 and 30 June 2018 is determined based on the present value of deferred payment discounted at 7.1% (2018: 7.1%).

The interest capitalised consists of unwinding interest for the consideration payable for allocated land cost capitalised in inventory properties.

(b) Included in inventory properties are land costs and borrowing costs (i.e. interest expense of the deferred payment to the landowner calculated using the effective interest method) that are attributable to the sold units, which are capitalised as fulfilment cost as at 30 June 2019 and 30 June 2018. These costs are expected to be recoverable and are amortised to profit or loss on a systematic basis as the Group recognises the related revenue.

The amount of fulfilment cost recognised in profit or loss was RM151,000 (2018: RM8,055,000) for the year ended 30 June 2019.

There were no impairment loss in relation to the costs capitalised for the year ended 30 June 2019 and 2018.

(c) Borrowing costs capitalised during the year ended 30 June 2019 was RM1,247,000 (2018: RM5,396,000). These borrowing costs relate to unwinding of interest for the consideration payable for the allocated land cost capitalised in inventory properties, which is calculated using the effective interest method of 7.1% (2018: 7.1%) for the financial year ended 30 June 2019.

(d) Inventory properties are classified as current when it is expected to be realised within 12 months after the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

9. Inventory properties (cont'd)

Particulars of the inventory properties as at 30 June 2019 are as follows:

Location	Tenure	Land area (square feet)	Gross floor area (square feet)	Approximate percentage of completion	Expected completion date	Percentage of interest
Tampoi, Johor Bahru (Malaysia)	Freehold	439,727	Retail mall: 762,451	Retail mall: 100% (2018:82%)	Completed	100
			Serviced suites: 347,202	Serviced suites: 35% (2018:22%)	Second half of 2021	100

10. Inventories

	Group 2019 RM'000	Group 2018 RM'000
Balance sheet:		
Marble products	3,947	8,125
Statement of comprehensive income:		
Inventories recognised as an expense in cost of sales	237	276
Inclusive of the following charge:		
- Inventories written-down	2,600	5,984
- Inventories written off	937	–

11. Deferred expenditure

	Group 2019 RM'000	Group 2018 RM'000
As at 1 July	5,749	9,322
Add: Incurred during the financial year	2,800	2,158
	8,549	11,480
Less: Amortisation recognised in profit or loss	(4,528)	(5,731)
As at 30 June	4,021	5,749
Presented as:		
Current	4,021	5,749

Deferred expenditure relates to sales agent commission and legal costs incurred to secure sale contracts of real estate units, which are incremental costs that the Group incurs to obtain a contract with a customer that would not have been incurred if the contract had not been obtained.

Capitalised sales agent commission costs and legal costs are recognised as selling and distribution expenses in profit or loss on a systematic basis as the Group recognises the related revenue.

There were no impairment loss in relation to the costs capitalised for the year ended 30 June 2019 and 2018.

Deferred expenditure is classified as current when the Group recognises the related revenue in profit or loss on a systematic basis within 12 months after the reporting period.

12. Trade receivables

	Group	
	2019	**2018**
	RM'000	RM'000
Current	10,281	30,868
Non-current	14,495	19,310
As at 30 June	24,776	50,178

Trade receivables are non-interest bearing and are generally on credit of between 14 days and 90 days (current) and more than one year (non-current). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables past due but not impaired

	Group
	30.6.2018
	RM'000
Trade receivables (current) past due but not impaired:	
Less than 30 days	18,163
30 – 60 days	2,369
61 – 90 days	5,858
More than 90 days	4,478
	30,868

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follow:

	Group
	30.6.2018
	RM'000
Trade receivables - nominal amounts	38
Less: Allowance for impairment	(38)
	–
Movement in allowance accounts	
As at 1 July	–
Charge for the year	38
As at 30 June	38

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

12. Trade receivables (cont'd)

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group 2019 RM'000
At 1 July	38
Charge for the year	2,441
At 30 June	2,479

13. Unbilled receivables

Unbilled receivables relates to a contract asset recognised when the Group has performed under the contract but has not yet billed the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional.

14. Other receivables, deposits and prepayments

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Sundry receivables	22,385	14,831	–	–
Deposits	2,537	2,888	106	94
Prepayments	912	1,871	32	38
GST receivables	19	34	2	–
Total other receivables, deposits and prepayments	25,853	19,624	140	132
Add:				
Trade receivables (current and non-current) (Note 12)	24,776	50,178	–	–
Unbilled receivables	–	3,469	–	–
Amount due from subsidiaries (Note 15)	–	–	101,401	59,967
Cash and bank balances (Note 16)	3,224	29,479	47	2,356
Less:				
Prepayments	(912)	(1,871)	(32)	(38)
GST receivables	(19)	(34)	(2)	–
Total financial assets carried at amortised cost	52,922	100,845	101,554	62,417

Sundry receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair value on initial recognition. The normal credit term ranges between 30 and 60 days and other credit terms are assessed and approved on a case-by-case basis. As at 30 June 2019, included in sundry receivables is RM Nil (2018: RM1,562,000) in respect of non-trade receivable arising from payment made on behalf of a contractor.

As at 30 June 2019, included in deposits is RM950,000 (2018: RM1,541,000) paid to landowners for the acquisitions of lands of Project Austin City.

15. Amount due from subsidiaries

The amount due from subsidiaries are unsecured, interest-free and are repayable on demand.

16. Fixed deposits and cash on hand and at banks

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	RM'000	RM'000	RM'000
Fixed deposits	–	6,703	–	–
Cash on hand and at banks	3,224	22,776	47	2,356
Total cash and bank balances	3,224	29,479	47	2,356
Less: Cash at bank and deposits not available for use	(825)	(6,025)	–	–
Cash and cash equivalents	2,399	23,454	47	2,356

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Fixed deposits are made for varying periods of up to 30 days depending on the immediate cash requirements of the Group. The weighted average interest rate as at 30 June 2019 for the Group is 3.07% (2018: 3.23%).

Included in cash at bank of the Group are RM825,000 as at 30 June 2019 (2018: RM825,000) which were pledged as security for bank guarantees granted for the Group.

In 2018, included in fixed deposits of the Group of RM5,200,000 which were charged as security for a bank loan granted for the Group.

In 2018, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to RM3,943,000. The RMB was not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group was permitted to exchange RMB for other currencies through banks that were authorised to conduct foreign exchange business.

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For the financial year ended 30 June 2019

17. Property, plant and equipment

Group	Freehold land	Building-in-progress	Building	Computer equipment	Furniture and fittings	Motor vehicles	Office equipment	Renovation	Plant and machinery	Factory building	Mining infrastructure	Theme park RM'000	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost:													
At 1 July 2017	47,255	37,493	–	303	176	411	238	243	10,000	1,165	7,717	–	105,001
Additions	1,262	1,478	143	40	112	–	18	134	–	–	–	–	3,044
Arising from acquisition of MCM (Note 20 (c))	–	1,949	–	–	–	–	–	–	–	–	–	–	1,949
Disposal/Written off	–	–	–	–	–	–	–	–	(1,507)	–	–	–	(1,507)
Exchange realignment	–	–	–	–	–	–	(9)	–	(636)	9	–	–	(636)
At 30 June 2018 and 1 July 2018	48,517	40,920	143	343	288	411	247	377	7,857	1,174	7,717	–	107,994
Additions		10,658	9,712	403	213	–	2	5	709	–	–	10,940	32,642
Reclassification	(10,934)	(27,447)	36,432	–	–	–	–	–	–	–	–	1,949	–
Disposal/Written off	–	–	–	(13)	–	–	(110)	–	(1,068)	–	–	–	(1,191)
Exchange realignment	–	–	–	–	–	–	(1)	–	137	–	–	–	136
At 30 June 2019	37,583	24,131	46,287	733	501	411	138	382	7,635	1,174	7,717	12,889	139,581
Accumulated depreciation:													
At 1 July 2017	–	–	–	280	68	207	74	141	340	26	105	–	1,241
Charge for the year	–	–	–	23	50	116	56	65	2,503	151	10	–	2,974
Disposal/Written off	–	–	–	–	–	–	–	–	(872)	–	–	–	(872)
Exchange realignment	–	–	–	–	–	–	(5)	–	(420)	–	–	–	(425)
At 30 June 2018 and 1 July 2018	–	–	–	303	118	323	125	206	1,551	177	115	–	2,918
Charge for the year	–	–	1,073	100	89	80	38	76	2,558	151	66	998	5,229
Impairment	–	–	–	–	–	–	–	–	–	–	3,129	–	3,129
Disposal/Written off	–	–	–	(3)	–	–	(87)	–	(795)	–	–	–	(885)
Exchange realignment	–	–	–	–	–	–	(1)	–	118	–	–	–	117
At 30 June 2019	–	–	1,073	400	207	403	75	282	3,432	328	3,310	998	10,508
Net carrying amount:													
At 30 June 2018	48,517	40,920	143	40	170	88	122	171	6,306	997	7,602	–	105,076
At 30 June 2019	37,583	24,131	45,214	333	294	8	63	100	4,203	846	4,407	11,891	129,073

17. Property, plant and equipment (cont'd)

(a) The carrying amount of motor vehicles of the Group held under hire purchase as at 30 June 2019 were RM Nil (2018: RM37,000).

(b) The additions in property, plant and equipment are by means of:

	Group	
	2019	**2018**
	RM'000	RM'000
Cash invested in property, plant and equipment	31,779	1,782
Interest capitalised[1]	863	1,405
	32,642	3,187

(c) The purchase consideration of the Land has been recognised in property, plant and equipment (freehold land), investment properties under construction and inventory properties according to the Group's intention regarding the use of the Land on initial recognition as described in Note 9(a).

The carrying amount of the deferred payment of the Land payable to APSB as at 30 June 2019 and 30 June 2018 is determined based on the present value of deferred payment discounted at 7.1% (2018: 7.1%).

[1] The interest capitalised consists of unwinding interest for the consideration payable for allocated land cost capitalised in property, plant and equipment.

(d) Mining infrastructure has been assessed for impairment in Note 19.

18. Investment properties

	Group	
	2019	**2018**
	RM'000	RM'000
		(Restated)
Cost:		
As at 1 July	193,360	142,321
Additions:		
Development costs incurred (including consideration payable to land owner)	41,002	48,314
Interest capitalised	311	2,725
As at 30 June	234,673	193,360
Accumulated depreciation:		
As at 1 July	–	–
Depreciation for the year	3,511	–
As at 30 June	3,511	–
Net carrying amount:		
As at 30 June	231,162	193,360

The purchase consideration of the Land has been recognised in property, plant and equipment, investment properties under construction and inventory properties according to the Group's intention regarding the use of the Land on initial recognition.

The carrying amount of the deferred payment of the Land payable to APSB as at 30 June 2019 and 30 June 2018 is determined based on the present value of deferred payment discounted at 7.1% (2018: 7.1%).

The interest capitalised consists of unwinding interest for the consideration payable for allocated land cost capitalised in investment properties under construction.

The Group's investment properties under construction is as follows:

Location	**Description**	**Tenure**
Tampoi, Johor Bahru (Malaysia)	A property comprises Capital City Mall, Serviced Suites, Hilton Hotel, Serviced Apartments and the Indoor Theme Park	Freehold

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19. Intangible assets

Group	Mining rights	Goodwill	Intellectual property	Total
	RM'000	RM'000	RM'000	RM'000
Cost:				
At 1 July 2017	86,264	11,378	–	97,642
Exchange realignment	(80)	–	–	(80)
At 30 June 2018 and 1 July 2018	86,184	11,378	–	97,562
Additions	–	–	1,813	1,813
At 1 July 2019	86,184	11,378	1,813	99,375
Accumulated amortisation and impairment				
At 1 July 2017	533	–	–	533
Charge for the year	3,143	–	–	3,143
Exchange realignment	1	–	–	1
At 30 June 2018 and 1 July 2018	3,677	–	–	3,677
Charge for the year	3,148	–	500	3,648
Impairment losses	57,495	11,378	–	68,873
Exchange realignment	(2)	–	–	(2)
At 30 June 2019	64,318	11,378	500	76,196
Net carrying amount:				
At 30 June 2018	82,507	11,378	–	93,885
At 30 June 2019	21,866	–	1,313	23,179

The Group has exclusive rights to explore, develop, quarry, extract, remove and sell marble and/or other stones for commercial sale or consumption on a piece of land known as Lot 1781, PN 4112, Mukim Ulu Nenggiri, Jajahan Gua Musang, Kelantan Darul Naim, of approximately 25.94 hectares which is owned by Kelantan State Economic Development Corporation. This quarry is operated by the Company's indirectly wholly-owned subsidiary, CEP Resources Entity Sdn. Bhd. The Group was granted the right to extract the quarry for a term of 33 years up to 26 January 2044. As at 30 June 2019, the remaining useful life of the right is 25 (2018: 26) years.

The amortisation and impairment of mining rights is included in the "General and administrative expenses" line item in profit or loss.

Impairment testing of goodwill, mining rights and mining infrastructure

Goodwill, mining rights and mining infrastructure has been allocated to the following cash generating unit ("CGU"):

	Group	
	2019	2018
	RM'000	RM'000
Goodwill	11,378	11,378
Mining rights	82,507	82,507
Mining infrastructure	7,602	7,602

The recoverable amount of mining rights, goodwill and mining infrastructure under the mining GGU is determined based on value-in-use calculations using cash flow projection from the production forecast approved by management, covering periods up to the forecast concession right period ending in 2044. The pre-tax discount rate applied to the cash flow projections is 13.5% (2018: 14.3%). The growth rate used to extrapolate the cash flows beyond the five-year period ranges from 3% to 5% (2018: 3% to 5%) during the forecast concession right period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

19. Intangible assets (cont'd)

Impairment testing of goodwill, mining rights and mining infrastructure (cont'd)

Key assumptions used in the value in use calculation

- Forecasted revenue
  - Estimated sale volume: Estimated sale volume is derived from projected customers' demand during the year. Management estimated customers' demand to increase ranges from 3% to 5% (2018: 3% to 5%) during the forecast concession right period.
  - Estimated selling price: Management estimated the selling price based on the historical track record and current transacted price.
- Discount rate – discount rate represents the current market assessment of the risk specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the CGUs and derived from weighted average cost of capital ("WACC") of the CGUs. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the publicly available market data. Segment-specific risk is incorporated by applying individual beta factors.

Sensitivity to changes in assumption

With regard to the assessment of value-in-use for the above CGUs, management believes that no reasonably possible changes in any of the above key assumptions would cause the recoverable amounts of the CGUs to be materially lower than their carrying values.

Impairment loss recognised

During the financial year, an impairment loss amounting to RM72,002,000 (2018: RM Nil) was recognised to write-down the carrying amount of mining rights, intangible assets and property, plant and equipment amounting to RM57,495,000, RM11,378,000 and RM3,129,000 respectively. The impairment loss has been recognised in profit or loss under the line item "General and administrative expenses".

20. Investment in subsidiaries

	Company	
	2019	2018
	RM'000	RM'000
Unquoted shares, at cost	763,225	763,225
Impairment losses	(101,590)	–
	661,635	763,225

Details of subsidiaries are as follows:

Company name	Country of incorporation	Percentage of equity attributable to the company				Principal activities
		2019		2018		
		Direct	Indirect	Direct	Indirect	
Terratech Resources Pte. Ltd. [3]	Singapore	100%	–	100%	–	Investment holding, sales and marketing
Altimate Ventures Limited [4]	British Virgin Islands	100%	–	100%	–	Investment holding
Rise Expedition Global Limited [4]	British Virgin Islands	100%	–	100%	–	Investment holding
First Star Ventures Limited [4]	British Virgin Islands	100%	–	100%	–	Investment holding

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For the financial year ended 30 June 2019

20. Investment in subsidiaries (cont'd)

Company name	Country of incorporation	Percentage of equity attributable to the company				Principal activities
		2019		2018		
		Direct	Indirect	Direct	Indirect	
CEP Resources Entity Sdn. Bhd. [1]	Malaysia	–	100%	–	100%	Exploration, development and extraction of marble and production of marble products
Shaanxi Hengyu Architectural Interior Engineering Co., Ltd. [4,5,6]	PRC	–	–	–	80%	Undertaking interior and exterior decorcation work
Capital City Property Sdn. Bhd [2]	Malaysia	–	100%	–	100%	Property development and property investment
Capital City Management Pte. Ltd. [3]	Singapore	–	100%	–	100%	Business and management consultancy services
Capital City Ventures Sdn. Bhd. [3]	Malaysia	–	100%	–	100%	Property development and property investment
Capital City Frontier Sdn. Bhd. [3]	Malaysia	–	100%	–	100%	Property development and property investment
Baiduri Megaria Sdn.Bhd. [3]	Malaysia	100%	–	100%	–	Property development and property investment
Kekal Efektif Sdn. Bhd. [3]	Malaysia	–	100%	–	100%	Property development and property investment
MCM Studio Entertainment Group Sdn. Bhd. [2]	Malaysia	80%	–	80%	–	Provision of theme park related services
MCM Movie Planet Sdn. Bhd. [3]	Malaysia	–	80%	–	80%	Provision of theme park related services
MCM Cartoon Planet Sdn. Bhd. [3]	Malaysia	–	80%	–	80%	Provision of theme park related services
MCM Music Planet Sdn. Bhd. [3]	Malaysia	–	80%	–	80%	Provision of theme park related services
MCM Events Sdn. Bhd. [3]	Malaysia	–	80%	–	80%	Provision of theme park related services

[1] Audited by Ernst & Young LLP, Singapore

[2] Audited by Ernst & Young, Malaysia

[3] Audited by other Audit firms

[4] Not required to be audited under law in its country of incorporation

[5] The English name of this company represents the best effort made by management of the Company to directly translate its Chinese name as it did not register any official English name

[6] Pursuant to the Sales and Purchase Agreement ("SPA"), the Group has disposed 80% of its subsidiary, Shaanxi Hengyu Architectural Interior Engineering Co Ltd as of 30 November 2018.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

20. Investment in subsidiaries (cont'd)

(a) ***Disposal of subsidiary***

On 30 November 2018, the Group entered in to a sale agreement to dispose of 80% of its interest in its subsidiary, Shaanxi Hengyu Architectural Interior Engineering Co. Ltd. at its carrying value. The disposal was fully settled in cash.

The value of assets and liabilities of Shaanxi Hengyu Architectural Interior Engineering Co. Ltd. recorded in the consolidated financial statements as at 30 November 2018, and the effect of disposal were:

		2019 RM'000
Property, plant and equipment		(14)
Trade receivables		(7,412)
Contract assets		(2,909)
Other receivables		(1,406)
Cash and cash equivalents		(3,270)
Trade payables		6,941
Other payables		7,489
Contract liabilities		53
Net assets disposed		(528)
Transfer from non-controlling interest		106
Transfer from foreign currency translation reserve		(306)
Sales consideration		4,369
Gain on disposal of subsidiary	5	3,641
Sales consideration		4,369
Less: Cash of subsidiary		(3,270)
Net cash inflow		1,099

(b) ***Acquisition of Baiduri Megaria Sdn. Bhd. ("Baiduri")***

On 13 September 2017 (the "acquisition date"), the Company acquired 100% of the equity stake in Baiduri. Upon the acquisition, Baiduri became a wholly-owned subsidiary of the Group.

Baiduri has been dormant since its incorporation. The fair value of the identifiable liabilities of Baiduri as at the date of the acquisition were:

	Fair value recognised on acquisition RM'000
Other payables and accruals, representing total identifiable net liabilities at fair value	(3)
Goodwill arising from acquisition	5
Consideration for the acquisition	2
<u>Effect of the acquisition of Baiduri on cash flows</u>	
Total consideration for 100% equity interest acquired	2
Less: non-cash consideration	–
Consideration settled in cash	(2)
Less: Cash and cash equivalents of subsidiary acquired	–
Net cash outflow from the acquisition	(2)

20. Investment in subsidiaries (cont'd)

(b) *Acquisition of Baiduri Megaria Sdn. Bhd. ("Baiduri") (cont'd)*

Transaction costs

There was no transaction costs related to the acquisition of Baiduri.

Impact of the acquisition on profit or loss

From the acquisition date, there was no revenue contribution from Baiduri and Baiduri continued a post-loss of RM125,000 for the year. If the business combination had taken place at the beginning of the year, the revenue continued would have been RM Nil and the loss net of tax contributed would have been RM127,000.

(c) *Acquisition of Kekal Efektif Sdn. Bhd. ("Kekal")*

On 22 November 2017, Baiduri, a wholly-owned subsidiary of the Company, acquired 100% of the equity stake in Kekal. Upon acquisition, Kekal became a wholly-owned subsidiary of the Group.

Kekal is party to a joint development agreement with a landowner to develop 207.5 acres of land for a housing project.

Other than incurring certain development planning costs and land costs, Kekal has been dormant since its incorporation. The fair value of the identifiable assets and liabilities of Kekal as at the date of the acquisition were:

	Fair value recognised on acquisition RM'000
Other receivables, deposits and prepayments	245
Cash and bank balances	2
Inventory properties	1,680
Other costs	308
Other payables and accruals	(1,985)
Total identifiable net assets at fair value	250
Goodwill arising from acquisition	–
Consideration for the acquisition	250
Effect of the acquisition on cash flows	
Consideration settled in cash	(250)
Deposit paid relating to the acquisition	(950)
	(1,200)
Less: cash and cash equivalents acquired	2
Net cash outflow on the acquisition	(1,198)

Transaction costs

Transaction costs related to the acquisition of RM133,000 have been recognised in the "Administrative expenses" line item in the Group's profit or loss for the year ended 30 June 2018.

Impact of the acquisition on profit or loss

From the acquisition date, there was no revenue contribution from Kekal and Kekal contributed a post-tax loss of RM18,000 for the year. If the business combination had taken place at the beginning of the year, the revenue contributed would have been RM Nil and the loss net of tax contributed would have been RM22,000.

(d) *Acquisition of MCM Studio Entertainment Group Sdn. Bhd. ("MCM")*

On 29 June 2018, the Company acquired 80% of the equity stake in MCM.

20. Investment in subsidiaries (cont'd)

(d) *Acquisition of MCM Studio Entertainment Group Sdn. Bhd. ("MCM") (cont'd)*

MCM has been dormant since its incorporation. The fair value of the identifiable assets and liabilities of MCM as at the date of the acquisition were:

	Fair value recognised on acquisition RM'000
Property, plant and equipment	1,949
Other receivables, deposits and prepayments	2,540
Cash and bank balances	1,771
Other payables and accruals	(6,369)
Total identifiable net liabilities at fair value	(109)
Non-controlling interests measured at the non-controlling interest's proportionate share of net identifiable liabilities	22
Goodwill arising from acquisition	87
Consideration for the acquisition	–*
Effect of the acquisition on cash flows	
Consideration settled in cash	–*
Less: cash and cash equivalents acquired	1,771
Net cash inflow on completion of Reverse Takeover	1,771

* *Amount less than RM1,000*

Goodwill arising from acquisition of RM87,000 was expensed off during the financial year and included in the accounts of "General and Administrative Expenses".

Transaction costs

There were no transaction costs related to the acquisition of MCM.

Other receivables acquired

Trade and other receivables acquired comprise of advance payments, prepayment, other receivables and deposit, which approximate their fair values.

Impact of the acquisition on profit or loss

MCM had no revenue and no profit contribution to the Group from the date of acquisition. If the business combination had taken place at the beginning of the year, the revenue from continuing operations would have been RM Nil and the loss contribution, net of tax would have been RM109,000.

(e) *Summary of effect on cash flow for the acquisitions of Baiduri, Kekal and MCM*

	RM'000
Effect of the acquisition on cash flows	
Consideration settled in cash	(252)
Deposit paid relating to an acquisition	(950)
	(1,202)
Less: cash and cash equivalents acquired	1,773
Net cash inflow on acquisitions	571

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

21. Trade payables

The normal trade credit term granted to the Group for its current trade payables are between 30 and 60 days.

Included in trade payables is deferred payment of the land payable to APSB amounting to RM24,270,000 (2018: RM64,115,000) as at 30 June 2019.

The non-current trade payables relate to deferred payment of the land payable to APSB as at 30 June 2019 and 30 June 2018, which is determined based on the present value of deferred payment discounted at 7.1% (2018: 7.1%).

22. (a) Other payables and accruals

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	RM'000	RM'000	RM'000
Current				
Sundry payables	54,101	34,318	1,103	1,466
Accruals	28,410	37,738	4,678	6,176
Amount due to subsidiaries	–	–	4,562	58
	82,511	72,056	10,343	7,700
Non-current				
Other payables	5,306	1,819	–	–
Total other payables and accruals	87,817	73,875	10,343	7,700
Add:				
Trade payables (Current and non-current) (Note 21)	318,262	235,670	–	–
Hire purchase payables (Note 24)	–	37	–	–
Loans and borrowings (Current and non-current) (Note 25)	44,572	45,182	18,097	19,441
Total financial liabilities carried at amortised cost	450,651	354,764	28,440	27,141

Sundry payables are non-interest bearing and are normally settled on three to six months terms.

Amount due to subsidiaries are non-trade related, unsecured, non-interesting bearing, repayable on demand and are to be settled in cash.

(b) Provision

	Group	
	2019	**2018**
	RM'000	RM'000
At 1 July	–	4,977
Reversal of provision	–	(4,977)
At 30 June	–	–

In prior year, the provision was related to the potential delay in completion of the retail mall, the retail mall has obtained its certificate of completion and compliance, and the provision was no longer required.

23. Deferred revenue

It relates to a contract liability when the Group has not yet performed under the contract but has received advance payments from the customer. Contract liabilities are recognised as revenue in the consolidated statement of comprehensive income as the Group performs under the contract.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

24. Hire purchase payables

The Group has hire purchase payable for certain items of property, plant and equipment. These leases have terms of renewal which is at the option of the specific entity that holds the lease.

	Group	
	2019	**2018**
	RM'000	RM'000
Minimum lease payments:		
Not later than 1 year	–	38
Later than 1 year but not later than 2 years	–	–
Total minimum lease payments	–	38
Less : Amounts representing finance charges	–	(1)
Present value of minimum lease payments	–	37
Present value of payments:		
Not later than 1 year	–	37
Later than 1 year but not later than 2 years	–	–
Present value of minimum lease payments	–	37
Less : Amount due within 12 months	–	(37)
Amount due after 12 months	–	–
Interest rate	–	2.47%

In prior year, these obligations are secured by a charge over the leased assets (Note 17).

25. Loan and borrowings

		Group		Company	
	Maturity	**2019**	**2018**	**2019**	**2018**
		RM'000	RM'000	RM'000	RM'000
Current					
Revolving credit facility - 3% p.a. above bank's cost of funds (Note 25(a))	–	–	2,962	–	2,962
Bank loans					
- 2% p.a. above bank's cost of fund (Note 25(a))	–	–	4,444	–	4,444
- HKD loan at 10% p.a. (Note 25(b))	Oct-19	26,475	25,741	–	–
Convertible Bonds					
- 10% p.a. coupon (Note 25(c))	May 2020	18,097	10,183	18,097	10,183
		44,572	43,330	18,097	17,589
Non-current					
Bank loans					
- 2% p.a. above bank's cost of funds (Note 25(a))	Nov-19	–	1,852	–	1,852
		–	1,852		1,852

(a) In current year, Company has repaid the revolving credit facility and bank loan. Revolving credit facility was repayable from 1 to 6 months from date of drawdown. Bank loan was repayable in 24 equal monthly instalments up to November 2019. Both facilities were secured by a charge of fixed deposit of RM5.2 million of the Group (Note 16) and corporate guarantee by the Company.

25. Loan and borrowings (cont'd)

(b) HKD loan is denominated in Hong Kong Dollar and is secured by share pledge from the Company's controlling shareholders.

(c) On 7 February 2018, the Company entered into a subscription agreement ("Subscription Agreement") with an external party (the "Subscriber") by which the Subscriber agreed to grant interest-bearing convertible bonds of up to SGD18,000,000 to the Company, convertible into 219,512,195 shares at a conversion price of SGD0.082 ("Conversion Price"). The Conversion Price is equivalent to the volume weighted average price of SGD0.082 of each ordinary share of the Company based on trades done on 7 February 2018.

Under the provisions of the Subscription Agreement, the Company shall issue and deliver to or to the order of the Subscriber, convertible bonds of an aggregate principal amount of up to SGD10,000,000 ("Series A Bonds"). The Company also granted to the Subscriber the option to subscribe for bonds of an aggregate principal amount of up to SGD8,000,000 ("Series B Bonds").

The bonds shall bear interest from the respective date of their issue at the rate of 10% per annum on the principal amount of the bonds and the Company shall redeem the bonds on the date falling 12 months from the date the relevant Bonds have been issued and registered ("First Maturity Date"), provided always that the Bondholder shall have the sole and absolute discretion to extend the redemption date for a further 12 months from the expiry of the First Maturity Date ("Extended Maturity Date").

The bonds shall be redeemed at 100% of their principal amount, together with any unpaid interest accrued. The bonds entitle the Subscriber to convert them into ordinary shares of the Company at any time in the event the Bonds (and any outstanding interest accrued thereon) remain outstanding on their maturity dates.

The bonds are secured by a charge over the shares of the Company's controlling shareholders.

In relation to the Subscription Agreement, the Company also entered into an arranger and facility fee agreement with another external party (the "Arranger"), pursuant to which the Company has agreed to pay to the Arranger for services provided on a success basis. The arranger fee amounted to 5% of each drawdown of the bonds and is payable in cash. The facility fee amounted to 40% of each drawdown, payable in shares to be issued by the Company (Note 28).

As at 30 June, the convertible bonds classified as loan and borrowings comprise the following:

	Group and Company	
	2019	**2018**
	RM'000	RM'000
Liability component of convertible bond	20,753	16,430
Transaction costs	(2,656)	(6,247)
	18,097	10,183

The carrying amount of the liability component of convertible bonds at the end of the reporting period is arrived at as follows:

	Group and Company	
	2019	**30.6.2018**
	RM'000	RM'000
Face value of convertible bond	18,423	20,738
Less: Derivative component (Note 26)	–	(4,044)
Equity component (Note 29)	(278)	(317)
	18,145	16,377
Less: Transaction costs allocated to liability component	(2,656)	(6,247)
Liability component of convertible bond at initial recognition	15,489	10,130
Add: Amortisation of discount during the financial year	2,608	53
Liability component of convertible bond at the end of the reporting period	18,097	10,183

25. Loan and borrowings (cont'd)

(d) A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash						
	2018	Cash flows	Transaction costs	Amortisation of transaction costs	Reclassification to derivative equity components	Accretion of interests	Foreign exchange movement	Other	2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Loans and borrowings									
- current	43,330	(12,362)	(2,709)	8,856	(150)	4,451	1,304	1,852	44,572
- non-current	1,852	–	–	–	–	–	–	(1,852)	–
Obligations under operating leases									
- current	37	(37)	–	–	–	–	–	–	–
Total	45,219	(12,399)	(2,709)	8,856	(150)	4,451	1,304	–	44,572

The "other" column relates to reclassification of non-current portion of loans and borrowings due to passage of time.

			Non-cash			
	1.7.2017	Cash flows	Transaction costs	Reclassification to derivative equity components	Other	2018
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Loans and borrowings						
- current	–	54,140	(6,247)	(4,361)	(202)	43,330
- non-current	–	1,852	–	–	–	1,852
Obligations Under operating leases						
- current	50	(13)	–	–	–	37
- non-current	38	(38)	–	–	–	–
	88	55,941	(6,247)	(4,361)	(202)	45,219

26. Derivatives

Derivatives are in relation to options granted in connection to the issuance of the convertible bonds (Note 25). The movement of the conversion and early redemption option derivative components of the convertible bonds for the year is set out as below:

	Group	
	2019	2018
	RM'000	RM'000
As at 1 July	4,044	–
Arising from the issuance of convertible bonds	1,205	4,044
Fair value gain on derivatives (Note 5)	(5,249)	–
As at 30 June	–	4,044

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26. Derivatives (cont'd)

The estimate of the fair value of the conversion and early redemption option derivatives is measured based on the binomial option pricing model. Details of the assumptions of conversion and early redemption option derivatives are as follows:

	Group		
Date of valuation	**2019**	**2 May 2019**	**2 Feb 2019**
		(date of issue)	(date of commitment)
Share price (S$)	0.062	0.064	0.085
Exercise price (S$)	0.082	0.082	0.082
Expected volatility	52.469	54.058	54.058
Maturity period	1 year	1 year	1 year
Conversion period	1 year	1 year	1 year

27. Deferred tax asset and liabilities

(a) ***Deferred tax asset***

The components and movements of deferred tax asset for the years ended 30 June 2019 and 2018 are as follows:

	Group	
	2019	**2018**
	RM'000	RM'000
At 1 July	4,156	1,866
Recognised in profit or loss	(683)	2,290
As at 30 June	3,473	4,156

Deferred tax asset pertains to timing differences arising from expenses.

(b) ***Deferred tax liabilities***

The components and movements of deferred tax liabilities for the years ended 30 June 2019 and 2018 are as follows:

	Fair value adjustments on mining assets arising from Reverse Takeover	**Accelerated capital allowances**	**Deferred expenditure**	**Total**
	RM'000	RM'000	RM'000	RM'000
At 1 July 2017	20,842	21	2,790	23,653
Over provision in respect of previous years	–	(21)	(2,790)	(2,811)
Recognised in profit or loss	(913)	–	–	(913)
At 30 June 2018 and 1 July 2018	19,929	–	–	19,929
Over provision in respect of previous years	(3,221)	–	–	(3,221)
Recognised in profit or loss	(15,069)	–	–	(15,069)
As at 30 June 2019	1,639	–	–	1,639

Unrecognised temporary differences relating to investment in subsidiaries

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For the financial year ended 30 June 2019

27. Deferred tax asset and liabilities (cont'd)

(b) ***Deferred tax liabilities (cont'd)***

At the end of the reporting period, no deferred tax liabilities (2018: Nil) has been recognised as there would not be tax payable on the undistributed earnings of the Group's subsidiaries as:

- Its Singapore subsidiaries are tax residents in Singapore and hence, their undistributed profits are regarded as one-tier tax exempt dividends under Income Tax Act.
- Its Malaysia subsidiaries have elected the single-tier tax system. No tax is to be deducted from dividends paid or distributed by its Malaysia subsidiaries to shareholders and these dividends are exempt in the hands of shareholders under Malaysia tax law.

The subsidiaries incorporated in British Virgin Islands do not have any undistributed profits as at 30 June 2019 and 30 June 2018.

28. Share capital

	Group			
	2019		2018	
	Number of shares		Number of shares	
	'000	RM'000	'000	RM'000
Issued and fully paid-up ordinary shares				
At 1 July	1,302,460	112,085(2)	1,268,314	108,044(2)
Issuance of new share	529,634(3)	64,155(3)	34,146(4)	4,041(4)
At 30 June	1,832,094	176,240	1,302,460	112,085

	Company			
	2019		2018	
	Number of shares(1)		Number of shares(1)	
	'000	RM'000	'000	RM'000
Issued and paid-up				
At 1 July	1,302,460	161,210	1,268,314	157,169
Issuance of new share	529,634(3)	64,155(3)	34,146(4)	4,041(4)
At 30 June	1,832,094	225,365	1,302,460	161,210

Fully paid ordinary shares each carry one vote without restriction and a right to dividends as and when declared by the Company.

(1) The equity structure (i.e. the number and types of equity instruments issued) reflects the equity structure of the Company, being the legal parent, including the equity instruments issued by the Company to effect the reverse acquisition.

(2) The amount recognised as issued equity instruments in the consolidated financial statements includes the issued equity of the Capital City Group immediately before the reverse acquisition to the costs of the reverse acquisition.

(3) On 21 December 2018, the Company issued 265,000,000 new ordinary shares at SGD0.035 (equivalent to RM0.105) per share.

On 31 August 2018, the Company issued 14,634,146 new ordinary shares at SGD0.052 (equivalent to RM0.156) per share pursuant to an arranger agreement entered in conjunction with the Subscription Agreement entered by the Company (Note 25).

On 17 May 2019, the Company issued 250,000,000 new ordinary shares at SGD0.032 (equivalent to RM0.096) per share.

(4) The Company has issued 34,146,341 new ordinary shares on 7 May 2018 pursuant to an arranger agreement entered in conjunction with the Subscription Agreement entered by the Company (Note 25).

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For the financial year ended 30 June 2019

29. Other reserves

(a) ***Share premium***

Share premium reserve represents the difference between the consideration received for shares issued by the Company and the par value of the Company's shares.

(b) ***Merger reserve***

Merger reserve arose from the acquisition of CCP by AVL on 4 April 2017. This represents the difference between the consideration paid by AVL and the net assets and retained earnings of CCP as at 4 April 2017.

(c) ***Equity component of convertible bonds***

Convertible bonds are separated into liability and equity components based on the terms of the Subscription Agreement. Equity components of convertible bonds represent the residual amount of convertible bonds after deducting the fair value of the liability component. The amount is presented net of transaction costs of RM138,000 (2018: RM117,000).

(d) ***Foreign currency translation reserve***

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations and the Company whose functional currencies are different from that of the Group's presentation currency.

(e) ***Capital reserve***

Capital reserve represents the deemed capital contribution from the Company's then-existing immediate holding company prior to the Reverse Takeover in relation to the Restricted Stock Units granted to the directors and employees of the Company.

30. Commitments

(a) ***Operating lease - as lessee***

The Group has entered into non-cancellable operating lease agreement for the use of its quarry facilities, premises and office equipment. Leases for quarry facilities are negotiated for terms of 33 years, while premises and office equipment are negotiated for terms ranging from 1 to 3 years.

Minimum lease payments for leases of premises and office equipment recognised as an expense in profit or loss for the financial year ended 31 June 2019 amounted to RM639,000 (2018: RM458,000), and RM17,000 (2018: RM11,000) respectively.

Future minimum rental payable under non-cancellable operating lease for premises and office equipment at the reporting date are as follow:

	Group	
	2019	**2018**
	RM'000	RM'000
Within one year	233	39
In the second to fifth years, inclusive	310	156
	543	195

The lease of the quarrying right is based on certain percentage of sales value or market value (whichever is higher) of the blocks or products extracted or produced from the marble quarry, and a percentage of the profit for the mining on the marble quarry pursuant to the terms and conditions as stipulated in the agreement. The Directors are of the view that, as the future sales value or market value and profits of the blocks or products could not be accurately estimated or determined as at the end of each reporting year, the relevant contingent rentals have not been included in operating lease arrangements.

(b) ***Operating lease – as lessor***

The Group has entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease terms of between one and three years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

30. Commitments (cont'd)

(b) ***Operating lease – as lessor (cont'd)***

Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows;

	Group	
	2019	**2018**
	RM'000	RM'000
Within one year	4,005	–
In the second to fifth years, inclusive	3,806	–
	7,811	–

(c) ***Capital commitments***

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group and Company	
	2019	**2018**
	RM'000	RM'000
Capital commitment in respect of equity investments	61,800	61,800

Capital commitment on equity investment is in respect of the Company's acquisition of Kekal (Note 20). Pursuant to the Sale of Share Agreement entered into between Baiduri and the Seller of the Kekal ("Vendors), the total consideration payable to the Vendors for the acquisition of Kekal is RM63.0 million ("Consideration"), comprising the following:

(a) a sum of RM1.2 million as deposit ("Deposit") for the Proposed Acquisition;

(b) a sum of RM2.3 million payable upon procurement of development order duly approved by the appropriate authority in respect of the Development Land and acceptable to Baiduri;

(c) a sum of RM1.5 million payable upon the expiry of six (6) months from the date of the procurement of the development order; and

(d) the balance of RM58.0 million ("Balance Purchase Price") shall be paid by Baiduri to the Vendors by utilising twenty per centum (20%) of each net progress claims received by Baiduri commenced from the sixth (6th) stage of the schedule of payment with regard to the respective properties developed on the Development Lands as stipulated in the sale and purchase agreements in respect of the properties or parcels developed on the Development Lands. The Vendors have agreed to commit to receive a minimum thirty per centum (30%) of the Purchase Price in kind (ie contra with properties and parcels purchase). Under such circumstance, the selection of properties or parcels by the Vendors shall be effected immediately prior to the official launch thereof where the amount of payment in kind shall be mutually agreed by the parties.

As at 30 June 2019, the Vendors have not transferred the development order from the relevant authority to the Group.

31. Related party transactions

(a) ***Purchase of services***

In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with the related parties during the financial years:

	Group	
	2019	**2018**
	RM'000	RM'000
With directors' related companies in which certain directors have interest:		
<u>RDC Arkitek Sdn. Bhd.</u>		
Consultancy fee	1,452	1,572

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31. Related party transactions (cont'd)

(b) *Compensation of key management personnel*

	Group	
	2019	**2018**
	RM'000	RM'000
Short-term employee benefits	3,034	4,859
Directors' fee	261	425
Employer's contribution to defined contribution plans	68	281
	3,363	5,565
Comprise amounts paid to:		
Directors of the Company	2,619	2,809
Other key management personnel	744	2,756
	3,363	5,565

32. Contingencies

Guarantees

A subsidiary of the Company has provided a corporate guarantee to a bank for RM Nil (2018: RM9,258,000) of bank loans granted to that subsidiary.

33. Fair value of financial instruments

(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 that 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 categorised 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 amounts of the current portion of hire purchase payables are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of non-current portion of trade and other payables, loans and borrowings, and hire purchase payables have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities, and were assessed to be approximating to their carrying amounts.

33. Fair value of financial instruments (cont'd)

(c) *Assets and liabilities not carried at fair value but for which fair value is disclosed*

The following table shows an analysis of the Group's assets not measured at fair value but for which fair value is disclosed:

	Fair value measurements at the end of the reporting year using	
	Significant unobservable inputs (Level 3)	Carrying amount
	RM'000	RM'000
2019		
Non-financial assets:		
Investment properties under construction	734,235	231,162
2018		
Non-financial assets:		
Investment properties under construction	572,000	193,360

Determination of fair value

The fair value was determined using the residual approach which took into consideration the projected gross development value on a completed basis, costs incurred, and estimated cost to completion.

Information about significant unobservable inputs used in Level 3 fair value measurements

Description	Fair value as at 30 June 2019	Fair value as at 30 June 2018	Significant Unobservable inputs	Range (weighted average)
	RM'000	RM'000		
Investment properties under construction	734,235	572,000	- gross development value	RM350 to RM3,500 (2018: RM350 to RM3,500) per square feet
			- estimated construction cost to completion	RM1,000 to RM3,000 (2018: RM1,000 to RM3,000) per square feet

The estimated fair value would increase with higher gross development value and decrease with higher cost to completion.

There were no material transfers between Level 1, Level 2 and Level 3 during financial year 2019.

34. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The management reviews and agrees policies and procedures for the management of these risks, which are executed by the management. It is, and has been, throughout the current and previous financial year, the Group does not undertake any trading of derivative financial instruments.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposits and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

34. Financial risk management objectives and policies (cont'd)

(a) *Credit risk (cont'd)*

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

<u>Trade receivables and contract assets</u>

The Group provides for lifetime expected credit losses for all trade receivables, and contract assets using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The loss allowance provision as at 30 June 2019 is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

34. Financial risk management objectives and policies (cont'd)

(a) ***Credit risk (cont'd)***

Trade receivables and contract assets (cont'd)

Summarised below is the information about the credit risk exposure on the Group's current trade receivables and contract assets using provision matrix, grouped by geographical region:

Malaysia:

		Trade receivables (current)				
30 June 2019	**Contract assets**	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**Total**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Gross carrying amount	3,034	22	148	569	12,021	12,760
Loss allowance provision	261	–	–	–	2,479	2,479

Information regarding loss allowance movement of trade receivables are disclosed in Note 12.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting year were as follows:

	Group			
	2019		**2018**	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	24,776	100%	44,642	89%
PRC	–	–	5,536	11%
	24,776	100%	50,178	100%

Financial assets that are neither past due nor impaired

The Group's trade receivables that are neither past due nor impaired are substantially companies and individuals with good collection track records with the Group. The Group's historical experience in the collection of receivables fall within the credit terms granted. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 12.

34. Financial risk management objectives and policies (cont'd)

(b) ***Liquidity risk***

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from the mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with several banks.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting year based on contractual undiscounted repayment obligations.

	Group		
	Less than 1 year RM'000	**2 to 5 years** RM'000	**Total** RM'000
30 June 2019			
Financial assets:			
Trade receivables	10,281	14,495	24,776
Other receivables and deposits	24,922	–	24,922
Cash and bank balances	3,224	–	3,224
Total undiscounted financial assets	38,427	14,495	52,922
Financial liabilities:			
Trade payables	70,838	247,424	318,262
Other payables and accruals	82,511	5,306	87,817
Loans and borrowings	47,158	–	47,158
Total undiscounted financial liabilities	200,507	252,730	453,237
Total net undiscounted financial liabilities	(162,080)	(238,235)	(400,315)
30 June 2018			
Financial assets:			
Trade receivables	30,868	19,310	50,178
Other receivables and deposits	17,719	–	17,719
Unbilled receivables	3,469	–	3,469
Fixed deposits	6,703	–	6,703
Cash and bank balances	22,776	–	22,776
Total undiscounted financial assets	81,535	19,310	100,845
Financial liabilities:			
Trade payables	119,078	116,592	235,670
Other payables and accruals	72,056	1,819	73,875
Hire purchase payables	38	–	38
Loans and borrowings	58,711	1,889	60,600
Total undiscounted financial liabilities	249,883	120,300	370,183
Total net undiscounted financial liabilities	(168,348)	(100,990)	(269,338)

At the balance sheet date, all of the Company's financial assets and liabilities have maturity profile of one year or less.

34. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk (cont'd)*

The table below analyses the maturity profile of the Group and Company's derivative financial instruments for which contractual maturities are essential for an understanding of the timing of the cash flows into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts disclosed in the table are the undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact on discounting is not significant.

	Group and Company	
	2019	**2018**
	RM'000	RM'000
Less than 1 year		
Derivative liabilities	–	4,044

35. Segment information

Business segments

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services offered. The operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is organised into three main operating business segments, namely:

(a) ***Property development business***

An innovative property developer that focuses on working with land owners to minimise initial capital outlay. The Group undertakes the conception, design and implementation of integrated property projects.

(b) ***Mining business***

The Group is also engaged in the production and sale of premium quality marble blocks and slabs, aggregates and calcium carbonate powder from its quarry in Kelantan, Malaysia.

(c) ***Others***

It relates to group level corporate services, treasury function and provision for theme park activities in the retail mall.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between operating segments are on terms' agreed in a manner similar to transactions with third parties at the then prevailing market prices. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

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35. Segment information (cont'd)

	Property development RM'000	Mining RM'000	Others RM'000	Elimination RM'000	Group RM'000	Note
2019						
Revenue						
Revenue from external customers	127,352	10,497	3,351	–	141,200	
Inter-segment revenue	–	–	9,135	(9,135)	–	A
Total revenue	127,352	10,497	12,486	(9,135)	141,200	
Results						
Interest income	2,517	–	10	–	2,527	
Depreciation expense	5,249	1,340	2,151	–	8,740	
Amortisation expense	4,679	3,648	–	–	8,327	
Impairment of non-financial assets	72,002	2,600	–	–	74,602	
Other non-cash expenses	2,441	1,243	500	–	4,184	
Fair value gain on derivatives	–	–	(5,249)	–	(5,249)	
Gain on disposal of subsidiary	–	–	(3,641)	–	(3,641)	
Profit/(loss) before tax	39,338	(11,336)	(114,110)	32,784	(53,324)	
Assets:						
Additions to non-current assets	73,955	–	1,813	–	75,768	
Segment assets	745,548	86,134	790,035	(827,902)	793,815	
Segment liabilities	522,759	93,546	62,881	(187,681)	491,505	
2018						
Revenue						
Revenue from external customers	135,642	6,952	–	–	142,594	
Inter-segment revenue	–	–	8,007	(8,007)	–	A
Total revenue	135,642	6,952	8,007	(8,007)	142,594	
Results						
Interest income	1,180	7	8	–	1,195	
Depreciation expense	178	2,764	33	–	2,974	
Amortisation expense	13,786	3,143	–	–	16,929	
Impairment of inventories	–	5,984	–	–	5,984	
Plant and equipment written off	–	635	–	–	635	
Profit/(loss) before tax	90,632	(11,025)	(3,228)	(1,582)	74,797	
Assets:						
Additions to non-current assets	62,713	–	268	–	62,981	
Segment assets	666,704	131,088	825,917	(821,565)	802,144	
Segment liabilities	441,304	35,559	31,260	(58)	508,065	

Note

A Inter-segment revenues and income are eliminated on consolidation.

35. Segment information (cont'd)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2019	**2018**	**2019**	**2018**
	RM'000	RM'000	RM'000	RM'000
Malaysia	133,418	137,368	504,961	498,516
Singapore	–	140	227	236
PRC	7,782	5,086	–	24
	141,200	142,594	505,188	498,776

Non-current assets information presented above consist of property, plant and equipment, inventory properties, investment properties, intangible assets and deferred expenditure as presented in the consolidated statement of financial position.

36. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended 30 June 2019 and 2018.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, hire purchase payables, trade payables, other payables and accruals, provision, less cash and bank balances. Capital refers to equity attributable to the equity holders of the Group.

	Group	
	2019	**2018**
	RM'000	RM'000 (Restated)
Hire purchase payables	–	37
Loans and borrowings	44,572	45,182
Trade payables	318,262	235,670
Other payables and accruals	87,817	73,875
Less: Cash and bank balances	(3,224)	(29,479)
Net debt	447,427	325,285
Equity attributable to the owners of the Company	303,138	293,993
Capital and net debt	750,565	619,278
Gearing ratio	60%	53%

The Group and the Company are not subject to any externally imposed capital requirements for the financial years ended 30 June 2019 and 2018.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

37. Events occurring after the reporting period

(a) *Extension of HKD loan*

On 30 September 2019, the Group obtained approval from a lender to extend the repayment date of loans and borrowings of RM26,475,000 due on 31 October 2019 by a further 12 months to 31 October 2020.

(b) *Entry into a term sheet in relation to proposed allotment and issuance of new ordinary shares*

On 10 July 2019, Company entered into a term sheet with two private investors for a proposed subscription of 916,047,277 new ordinary shares in the capital of the Company. The due diligence for the subscription is ongoing.

(c) *Entry into a convertible loan agreement*

On 3 October 2019, the Company entered into a convertible loan agreement for a convertible loan amount of SGD5,500,000 (RM16,500,000). The loan is due in 12 months from the date the loan is disbursed to the Company and is convertible into a maximum of 365,538,561 new ordinary shares in the capital of the Company.

38. Authorisation for issue of the financial statements

The consolidated financial statements for the year ended 30 June 2019 were authorised for issue in accordance with a resolution of the directors on 11 October 2019.

STATISTICS OF SHAREHOLDINGS

As at 26 September 2019

SHARE CAPITAL

Issued and Fully Paid-Up Share Capital	:	S$73,283,782
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per Ordinary Share
Number of Ordinary Share	:	1,832,094,554
Number of Treasury Share	:	Nil
Number of Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	13	1.47	465	0.00
100 - 1,000	23	2.61	12,325	0.00
1,001 - 10,000	219	24.86	1,077,450	0.06
10,001 - 1,000,000	575	65.27	74,550,200	4.07
1,000,001 AND ABOVE	51	5.79	1,756,454,114	95.87
TOTAL	**881**	**100.00**	**1,832,094,554**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	SIOW CHIEN FU	503,745,713	27.50
2	MAYBANK KIM ENG SECURITIES PTE. LTD.	253,440,825	13.83
3	TAN JUNE TENG COLIN @CHEN JUNTING	250,892,857	13.69
4	TAN PING HUANG EDWIN @CHEN BINGHUANG	250,892,857	13.69
5	TWIN UNITRADE SDN BHD	90,000,000	4.91
6	UOB KAY HIAN PRIVATE LIMITED	51,196,947	2.79
7	LU KAH HENG	40,577,809	2.21
8	OCBC SECURITIES PRIVATE LIMITED	29,816,325	1.63
9	RHB SECURITIES SINGAPORE PTE. LTD.	28,073,600	1.53
10	TRITECH GROUP LIMITED	25,140,100	1.37
11	ONG JIA JING	22,625,000	1.23
12	HONG LAI HUAT INTERNATIONAL PTE LTD	20,000,000	1.09
13	LYE KOON HUI	17,887,709	0.98
14	PHILLIP SECURITIES PTE LTD	16,203,175	0.88
15	PRG HOLDINGS BERHAD	15,000,000	0.82
16	JOSEPH BONG KIN FOOK	12,618,646	0.69
17	TAN LEE TIANG	12,401,100	0.68
18	LYE CHOON GUAN	9,700,000	0.53
19	ERIC TAN ENG HUAT	8,984,500	0.49
20	YEO BOONG HUA	6,744,736	0.37
	TOTAL	**1,665,941,899**	**90.91**

STATISTICS OF SHAREHOLDINGS

As at 26 September 2019

SUBSTANTIAL SHAREHOLDERS
(As recorded in the Register of Substantial Shareholders)

		DIRECT INTEREST		DEEMED INTEREST	
NO.	**NAME OF SUBSTANTIAL SHAREHOLDERS**	**NO. OF SHARES HELD**	**%**	**NO. OF SHARES HELD**	**%**
1	Siow Chien Fu	503,745,713	27.50	–	–
2	Tan June Teng Colin @ Chen Junting ("Colin Tan")(1)	250,892,857	13.695	–	–
3	Tan Ping Huang Edwin @ Chen Binghuang ("Edwin Tan")(1)	250,892,857	13.695	–	–
4	PRG Holdings Berhad(2)	15,000,000	0.82	250,000,000	13.65
5	Chong Thim Pheng(3)	–	–	243,902,439	18.52

Notes:

(1) Mr Colin Tan and Mr Edwin Tan are brothers. The aggregate shares held by Mr Colin Tan and Mr Edwin Tan, as parties acting in concert, account for approximately 27.39% of the total issued Shares of the Company.

(2) 250 million shares are held under the nominee of Maybank Kim Eng Securities (Pte) Ltd.

(3) Mr Chong Thim Pheng is deemed interested in the Share charges granted by Mr Siow Chien Fu, Mr Tan June Teng Colin @ Chen Junting and Mr Tan Ping Huang Edwin @ Chen Binghuang.

Based on the information available to the Company as at 26 September 2019, approximately 30.65% of the ordinary issued shares of the Company are held by the public.

Accordingly, Rule 723 of the Listing Manual (Section B: Rule of Catalist) of the Singapore Exchange Securities Trading Limited has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (the "**AGM**") of Capital World Limited (the "**Company**") will be held at 4 Robinson Road #04-01 The House of Eden, Singapore 048543 on Wednesday, 30 October 2019 at 10.00 a.m., to consider and, if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 30 June 2019 together with the Independent Auditor's Report thereon. **Resolution 1**

2. To approve the payment of Directors' fees of S$148,666.63 for the financial year ended 30 June 2019 (FY2018: S$140,000). **Resolution 2**

3. To re-elect Mr Yong Dennis retiring pursuant to Article 85(6) of the Articles of Association of the Company. **Resolution 3**
   [See Explanatory Note (1)(a)]

4. To re-elect Ms Tan Ler Choo retiring pursuant to Article 85(6) of the Articles of Association of the Company. **Resolution 4**
   [See Explanatory Note (1)(b)]

5. To re-elect Mr Low Chai Chong retiring pursuant to Article 85(6) of the Articles of Association of the Company. **Resolution 5**
   [See Explanatory Note (1)(c)]

AS SPECIAL BUSINESS

6. **General Authority to Allot and Issue Shares** **Resolution 6**

That, pursuant to Article 12(1) of the Articles of Association of the Company and Rule 806(2) of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors to:

(a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or;

(ii) make or grant offers, agreements or options (collectively "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instruments convertible into Shares;

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors shall in their absolute discretion deem fit, and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided always that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), provided that the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company;

NOTICE OF ANNUAL GENERAL MEETING

(2) (subject to such manner of calculation as may be prescribed by the Catalist Rules), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of total issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities outstanding at the time this authority is given;

(b) (where applicable) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Directors shall comply with the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the "**Cayman Companies Law**"), and otherwise, and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (2)]

7. **Proposed Renewal Of The Share Buyback Mandate** **Resolution 7**

(a) That, pursuant to the Articles of Association of the Company and the Catalist Rules, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued and fully-paid ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as defined herein), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined herein), whether by way of:

(i) on-market purchases (the "**Market Purchase**"), transacted on the SGX-ST through the SGX-ST's trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose; and/or

(ii) off-market purchases (the "**Off-Market Purchase**") in accordance with an equal access scheme(s) as defined in Section 76C of the Singapore Companies Act, and which will satisfy all the conditions prescribed by the Articles of Association and the Catalist Rules,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Singapore Companies Act, the Catalist Rules, the Take-over Code, and the Cayman Companies Law, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors, either be cancelled or held as Treasury Shares, depending on the needs of the Company, and dealt with in accordance with the Cayman Companies Law;

(c) unless varied or revoked by an ordinary resolution of the Shareholders in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the conclusion of the next AGM, or the date by which the next AGM is required by law or by the Articles of Association to be held; or

(ii) the date on which the purchases or acquisitions of Shares are carried out to the full extent of the Share Buyback Mandate; or

(iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

(d) for the purpose of this Resolution:

"**Maximum Limit**" means the number of Shares representing not more than 10% of the total number of issued Shares of the Company (excluding Treasury Shares and subsidiary holdings (if any)) as at the date of this Resolution at which the Share Buyback Mandate is approved unless the Company has, at any time during the Relevant Period, effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Cayman Companies Law, in which event the total number of Shares shall be taken to be the total number of Shares as altered (excluding Treasury Shares and subsidiary holdings (if any) that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date of the passing of this Resolution and expiring on the earliest of the date on which the next annual general meeting of the Company is held or is required by law to be held, the date on which the share buy-backs are carried out to the full extent of the Share Purchase Mandate, or the date the said mandate is revoked or varied by the Company in a general meeting;

"**Maximum Price**" to be paid (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) for the Shares to be purchased or acquired by the Company, will be determined by the Directors, and must not exceed:

(i) in the case of a Market Purchase, 105% of the Average Closing Market Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Market Price,

in either case, excluding related expenses of the purchase;

"**Average Closing Market Price**" means the average of the closing market prices of a Share over the last five Market Days on which transactions in the Shares were recorded, preceding the day on which the purchase or acquisition of the Shares was made or, as the case may be, preceding the day of making the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five day period;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities.

(e) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

[See Explanatory Note (3)]

8. **Proposed Renewal Of The Interested Person Transactions Mandate** **Resolution 8**

That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules, for the Company, its subsidiaries and associated companies which are entities at risk as defined under Chapter 9 of the Catalist Rules, or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions, particulars of which are set out in the Appendix to this Notice of AGM, with any person who is of the class of Interested Persons described in the Appendix to this Notice of AGM, provided that such transactions are made on normal commercial terms, are not prejudicial to the interests of the Company and its minority shareholders and are in accordance with the review procedures for Interested Person Transactions as set out in the Appendix to this Notice of AGM (the "**IPT Mandate**");

NOTICE OF ANNUAL GENERAL MEETING

(b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier; and

(c) the Directors be and are hereby authorised, jointly or severally, to take such steps and exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or necessary or in the interest of the Company to give effect to the IPT Mandate and/or this Resolution.
[See Explanatory Note (4)]

9. To transact any other business that may be transacted at an AGM.

By Order of the Board

Shawn Chan Changyun
Company Secretary

Singapore
14 October 2019

Notes:-

1. A member entitled to attend and vote at the Annual General Meeting of the Company (the "Meeting") and who holds two or more Shares is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Such member should complete, sign and return the Shareholder Proxy Form in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the office of the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 48 hours before the time fixed for the Meeting. The appointment of a proxy by a member does not preclude him from attending and voting in person at the Meeting if he so wishes in place of the proxy. For the avoidance of doubt, the Shareholder Proxy Form should not be used by Depositors. Depositors who wish to attend and vote at the Meeting should refer to paragraphs 2 and 3 below.

2. A Depositor (other than Depositors which are corporations) holding Shares through the CDP and whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act of Singapore) who wishes to attend and vote at the Meeting may do so as CDP's proxy without having to complete or return any form of proxy.

3. (i) A Depositor which is a corporation and who wishes to attend and vote at the Meeting or (ii) an individual Depositor who is unable to attend the Meeting personally and wishes to appoint person(s) to attend the meeting and vote on his behalf, should complete sign and return the Depositor Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive the office of the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 48 hours before the time fixed for the Meeting.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes

1. (a) Mr Yong Dennis will, upon re-election as a Director of the Company, remain as an executive director of the Company. Mr Yong Dennis does not have any relationship including immediate family relationships between himself and the Directors, the Company and its 10% shareholders. Further information of Mr. Yong Dennis can be found under the section entitled 'Board of Directors' on page 6 to 7 of the Annual Report 2019.

   (b) Ms Tan Ler Choo will, upon re-election as a Director of the Company, remain as non-executive director, chairman of the nominating committee and a member of the audit committee and remuneration committee. Further information of Ms Tan can be found under the section entitled 'Board of Directors' on page 6 to 7 of the Annual Report 2019.

   (c) Mr Low Chai Chong will, upon re-election as a Director of the Company, remain as the non-executive independent chairman, chairman of the remuneration committee, member of the audit committee and member of the nominating committee of the Company. Mr Low Chai Chong does not have any relationship including immediate family relationships between himself and the Directors, the Company and its 10% shareholders. Mr Low Chai Chong would be considered independent for the purpose of Rule 704(7) of the Catalist Rules. Further information of Mr Low Chai Chong can be found under the section entitled 'Board of Directors' and 'Corporate Governance Appendix' on page 6 to 7 and page 40 to 42 respectively of the Annual Report 2019.

2. The Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors of the Company, from the date of the forthcoming AGM of the Company until the next AGM of the Company, to allot and issue Shares and convertible securities in the Company, without seeking any further approval from Shareholders in a general meeting but within the limitation imposed by Ordinary Resolution 6, for such purposes as the Directors may consider would be in the best interests of the Company. The number of Shares and convertible securities that the Directors may allot and issue under Ordinary Resolution 6 would not exceed one hundred per cent. (100%) of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of Ordinary Resolution 6. For issue of Shares and convertible securities other than on a pro rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed fifty per cent. (50%) of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of Ordinary Resolution 6.

3. The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors of the Company, from the date of the AGM until the next AGM or the date by which the next AGM of the Company is required by law to be held or when varied or revoked by the Company in general meeting, whichever is earlier, to purchase or acquire up to ten per centum (10%) of the total number of issued Shares (excluding treasury shares), at prices up to but not exceeding the Maximum Price (as defined above), as at the date of the passing of this Ordinary Resolution 7. Details the proposed renewal of the Share Buyback Mandate are set out in the Appendix accompany this annual report.

4. The Ordinary Resolution 8 proposed in item 8 above, if passed, will renew the IPT Mandate and empower the Company, its subsidiaries and associated companies, to enter into the Interested Person Transactions as described in the Appendix to this Notice of AGM. The authority under the renewed IPT Mandate will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next AGM of the Company, or the date by which the next AGM is required by law to be held, whichever is the earlier. Details the proposed renewal of the IPT Mandate are set out in the Appendix accompany this annual report.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Low Chai Chong
Non-Executive Independent Chairman
Mr. Siow Chien Fu
Executive Director and Chief Executive Officer
Mr. Yong Dennis
Executive Director
Mr. Aw Eng Hai
Independent Director
Ms. Tan Ler Choo
Non-Executive Non-Independent Director

AUDIT COMMITTEE

Mr. Aw Eng Hai *Chairman*
Ms. Tan Ler Choo
Mr. Low Chai Chong

REMUNERATION COMMITTEE

Mr. Low Chai Chong *(Chairman)*
Mr. Aw Eng Hai
Mr. Tan Ler Choo

NOMINATING COMMITTEE

Mr. Aw Eng Hai *(Chairman)*
Ms. Tan Ler Choo
Mr. Low Chai Chong

COMPANY SECRETARY

Shawn Chan Changyun

REGISTERED OFFICE

The Offices of Conyers Trust
Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS

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#24-09 High Street Centre
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www.capitalworld.com.sg

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01
Singapore Land Tower
Singapore 048623

AUDITOR

ERNST & YOUNG LLP
One Raffles Quay
North Tower Level 18
Singapore 048583
Partner-in-charge: Ng Boon Heng
(Appointed since the financial year ended
30 June 2017)

PRINCIPAL BANKER

RHB Bank Singapore
90 Cecil Street
RHB Building
Singapore 069531

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

United Overseas Bank (Malaysia) Bhd.
Menara UOB
Jalan Raja Laut
57038 Kuala Lumpur
Malaysia

SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
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