

CAPITAL WORLD LIMITED
(Incorporated in the Cayman Islands)
(Company Registration No.: CT-276295)

**MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED
FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning in the previous announcements dated 29 August 2023.

The board of directors (the “**Board**” or the “**Directors**”) of Capital World Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refer to the Company’s unaudited financial results announcement for the fourth quarter and full year ended 30 June 2023 (“**FY2023**”) made on 29 August 2023 via the SGXNET (“**FY2023 Unaudited Results**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Board wishes to announce that subsequent to the release of the FY2023 Unaudited Results, the external auditors of the Company (“**Auditors**”) have proposed certain adjustments between the FY2023 Unaudited Results and FY2023 audited financial results (the “**FY2023 Audited Financial Statements**”).

The details and explanation of the material variances between the FY2023 Audited Financial Statements and the FY2023 Unaudited Results are set out as follows:

Consolidated Statement of Comprehensive Income for FY2023

	(Audited) RM'000	Group (Unaudited) RM'000	Variance RM'000	Note
Revenue	(3,832)	(3,832)	–	
Cost of sales	1,275	1,275	–	
Gross loss	(2,557)	(2,557)	–	
Other income	8,138	8,138	–	
General and administrative expenses	(36,468)	(28,500)	(7,968)	1
Reversal of impairment of trade receivables	887	877	10	NM
Finance costs	(346)	(346)	–	
Loss before income tax	(30,346)	(22,388)	(7,958)	
Income tax credit	76,297	76,297	–	
Net profit for the year	45,951	53,909	(7,958)	
Other comprehensive income: <i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising from translation of foreign operations, net of tax	11,087	12,562	(1,475)	2
Total comprehensive income for the year	57,038	66,471	(9,433)	
Earnings per share (cents) - Basic and diluted	0.32	0.38	(0.06)	NM

NM: Not Meaningful

Statement of Financial Position for FY2023

	(Audited) RM'000	Group (Unaudited) RM'000	Variance RM'000	Note
Current assets				
Inventory properties	124,794	132,752	(7,958)	1
Contract assets	2,237	2,237	–	
Trade receivables	115	115	–	
Other receivables, deposits, and prepayments	1,693	1,693	–	
Income tax recoverable	6,414	6,414	–	
Cash on hand and at banks	46,337	46,337	–	
	<u>181,590</u>	<u>189,548</u>	<u>(7,958)</u>	
Non-current assets held for sale	238,775	238,775	–	
Total current assets	<u>420,365</u>	<u>428,323</u>	<u>(7,958)</u>	
Non-current assets				
Property, plant, and equipment	281	281	–	
Total non-current assets	<u>281</u>	<u>281</u>	<u>–</u>	
Total assets	<u>420,646</u>	<u>428,604</u>	<u>(7,958)</u>	
Current liabilities				
Trade payables	70,010	70,010	–	
Other payables and accruals	111,159	111,159	–	
Contract liabilities	3,870	3,870	–	
Lease liabilities	–	134	(134)	NM
Loans and borrowings	175	41	134	NM
Provision for taxation	197	197	–	
Total current liabilities	<u>185,411</u>	<u>185,411</u>	<u>–</u>	
Non-current liabilities				
Other payables	8,549	8,549	–	
Loans and borrowings	85	85	–	
Total non-current liabilities	<u>8,634</u>	<u>8,634</u>	<u>–</u>	
Total liabilities	<u>194,045</u>	<u>194,045</u>	<u>–</u>	
Equity attributable to owners of the Company				
Share capital	215,083	215,083	–	
Accumulated losses	(161,361)	(153,403)	(7,958)	1
Other reserves	172,879	172,879	–	
Total equity	<u>226,601</u>	<u>234,559</u>	<u>(7,958)</u>	
Total liabilities and equity	<u>420,646</u>	<u>428,604</u>	<u>(7,958)</u>	

Consolidated Statement of Cash Flows for FY2023

	(Audited) RM'000	Group (Unaudited) RM'000	Variance	Note
Cash flows from operating activities				
Loss before income tax	(30,346)	(22,388)	(7,958)	1
Adjustments for:				
Depreciation of property, plant and equipment	334	334	–	
Depreciation of investment properties	1,541	1,541	–	
Gain on disposal of subsidiaries	(6,752)	(6,752)	–	
Reversal of impairment of trade receivables	(887)	(887)	–	
Allowance for impairment of other receivables	10	10	–	
Provision for liquidated damages	1,300	1,300	–	
Interest income	(207)	(207)	–	
Interest expense	346	346	–	
Operating loss before working capital changes	(34,661)	(26,703)	(7,958)	
Changes in working capital:				
Inventory properties	(1,321)	(9,279)	7,958	1
Trade and other receivables, deposits and prepayments	551	551	–	
Contract assets	2,416	2,416	–	
Trade and other payables and accruals	26,542	77,658	(51,116)	3
Contract liabilities	530	530	–	
Cash (used in)/generated from operations	(5,943)	45,173	(51,116)	
Interest paid	(340)	(340)	–	
Interest received	207	207	–	
Income tax paid	(230)	(230)	–	
Net cash (used in)/generated from operating activities	(6,306)	44,810	(51,116)	
Cash flows from investing activities				
Purchase of property, plant and equipment	(45)	(45)	–	
Receipt of deposits for non-current assets held for sale	51,116	–	51,116	3
Balance of net cash inflow on disposal of subsidiaries	714	714	–	
Net cash generated from investing activities	51,785	669	51,116	
Net increase in cash and cash equivalents	45,479	45,479	–	
Cash and cash equivalents at the beginning of the year	858	858	–	
Cash and cash equivalents at the end of the year	46,337	46,337	–	

Note 1

The variance is due to the adjustment of expenses incurred for the refurbishment of the Group's properties from "inventory properties" in the statement of financial position to "general and administrative expenses" in the consolidated statement of comprehensive income.

Note 2

The variance is due to the reclassification of foreign currency translation differences arising from the disposal of subsidiaries from the statement of changes in equity to other comprehensive income.

Note 3

The variance is due to the reclassification of deposits received from a third party in respect of the sale of non-current assets held for sale (comprising investment properties and property, plant and equipment) from operating activities to investing activities.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders are also advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board
CAPITAL WORLD LIMITED

Hoo Khee Leng
Executive Director and Chief Executive Officer
11 October 2023

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

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