



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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER AND FULL YEAR ENDED 30 JUNE 2023

Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist, the Company is required to announce its quarterly financial statements in view of the qualified opinion and material uncertainty relating to going concern issued by the Company’s auditors in the latest audited financial statements for the financial year ended 30 June 2022.

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group Fourth quarter ended 30 June			Group 12 months ended 30 June		
	2023 (Unaudited) RM'000	2022 (Unaudited) RM'000	Change %	2023 (Unaudited) RM'000	2022 (Audited) RM'000	Change %
Revenue	(3,832)	3,927	NM	(3,832)	3,927	NM
Cost of sales	1,275	(2,501)	NM	1,275	(2,501)	NM
Gross (loss)/profit	<u>(2,557)</u>	<u>1,426</u>	NM	<u>(2,557)</u>	<u>1,426</u>	NM
Other income	2,571	120,170	(98)	8,138	121,530	(93)
Selling and distribution expenses	–	(32)	(100)	–	(32)	(100)
General and administrative expenses	(15,810)	(42,614)	(63)	(28,500)	(59,099)	(52)
Write-back of/(allowance for) impairment of financial assets	877	(4,263)	NM	877	(4,263)	NM
Finance costs	(56)	(98)	(43)	(346)	(101)	>100
(Loss)/profit before income tax	<u>(14,975)</u>	<u>74,589</u>	NM	<u>(22,388)</u>	<u>59,461</u>	NM
Income tax credit/(expense)	76,297	(329)	NM	76,297	(328)	NM
Net profit for the period/year	<u>61,322</u>	<u>74,260</u>	(17)	<u>53,909</u>	<u>59,133</u>	(9)
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	12,549	3,291	>100	12,562	3,494	>100
Total comprehensive income for the period/year	<u>73,871</u>	<u>77,551</u>		<u>66,471</u>	<u>62,627</u>	
Earnings per share (cents)						
- Basic and diluted	<u>0.43</u>	<u>0.62</u>		<u>0.38</u>	<u>1.37</u>	

NM – Not meaningful

B. CONDENSED INTERIM BALANCE SHEETS

Note	Group		Company		
	30 June 2023 (Unaudited) RM'000	30 June 2022 (Audited) RM'000	30 June 2023 (Unaudited) RM'000	30 June 2022 (Audited) RM'000	
Current assets					
Inventory properties	9	132,752	123,473	–	–
Contract assets		2,237	4,653	–	–
Trade receivables		115	145	–	–
Other receivables, deposits, and prepayments		1,693	1,337	39	70
Income tax recoverable		6,414	–	–	–
Amount due from subsidiaries		–	–	176,008	167,028
Cash on hand and at banks	10	46,337	854	395	181
		<u>189,548</u>	<u>130,462</u>	<u>176,442</u>	<u>167,279</u>
Assets of disposal group classified as held for sale		–	731	–	–
Non-current assets held for sale		238,775	74,003	–	–
Total current assets		<u>428,323</u>	<u>205,196</u>	<u>176,442</u>	<u>167,279</u>
Non-current assets					
Investment properties		–	142,514	–	–
Property, plant, and equipment	11	281	24,099	18	30
Investment in subsidiaries		–	–	433	–
Total non-current assets		<u>281</u>	<u>166,613</u>	<u>451</u>	<u>30</u>
Total assets		<u>428,604</u>	<u>371,809</u>	<u>176,893</u>	<u>167,309</u>
Current liabilities					
Trade payables		70,010	79,899	–	–
Other payables and accruals		111,159	41,220	6,547	9,568
Amount due to subsidiaries		–	–	209	5,284
Contract liabilities		3,870	3,340	–	–
Lease liabilities		134	–	–	–
Loans and borrowings	12	41	38	41	38
Provision for taxation		197	70,294	197	253
		<u>185,411</u>	<u>194,791</u>	<u>6,994</u>	<u>15,143</u>
Liabilities directly associated with disposal group classified as held for sale		–	1,909	–	–
Total current liabilities		<u>185,411</u>	<u>196,700</u>	<u>6,994</u>	<u>15,143</u>
Non-current liabilities					
Other payables		8,549	5,546	–	–
Lease liabilities		85	–	–	–
Total non-current liabilities		<u>8,634</u>	<u>5,546</u>	<u>–</u>	<u>–</u>
Total liabilities		<u>194,045</u>	<u>202,246</u>	<u>6,994</u>	<u>15,143</u>
Equity attributable to owners of the Company					
Share capital	13	215,083	215,083	264,208	264,208
Accumulated losses		(153,403)	(207,312)	(911,359)	(916,024)
Other reserves		172,879	161,792	817,050	803,982
Total equity		<u>234,559</u>	<u>169,563</u>	<u>169,899</u>	<u>152,166</u>
Total liabilities and equity		<u>428,604</u>	<u>371,809</u>	<u>176,893</u>	<u>167,309</u>

C. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

Group	Equity attributable to owners of the Company								Total equity RM'000
	Share capital RM'000	Accumulated losses RM'000	Other reserves, total RM'000	Share premium RM'000	Merger reserve RM'000	Equity component of convertible bond RM'000	Foreign currency translation reserve RM'000	Scheme shares reserve RM'000	
Balance at 1 July 2022	215,083	(207,312)	161,792	159,192	5,000	186	5,376	(7,962)	169,563
Net profit for the year	-	53,909	-	-	-	-	-	-	53,909
Other comprehensive income for the year	-	-	12,562	-	-	-	12,562	-	12,562
Total comprehensive income for the year	-	53,909	12,562	-	-	-	12,562	-	66,471
Reserves attributable to disposal of subsidiaries	-	-	(1,475)	-	-	-	(1,475)	-	(1,475)
Balance at 30 June 2023	215,083	(153,403)	172,879	159,192	5,000	186	16,463	(7,962)	234,559
Balance at 1 July 2021	176,240	(266,445)	10,892	3,824	5,000	186	1,882	-	(79,313)
Net profit for the year	-	59,133	-	-	-	-	-	-	59,133
Other comprehensive income for the year	-	-	3,494	-	-	-	3,494	-	3,494
Total comprehensive income for the year	-	59,133	3,494	-	-	-	3,494	-	62,627
Issue of ordinary shares (Note 13)	38,843	-	147,406	155,368	-	-	-	(7,962)	186,249
Balance at 30 June 2022	215,083	(207,312)	161,792	159,192	5,000	186	5,376	(7,962)	169,563

C. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (cont'd)

Company	Equity attributable to owners of the Company							
	Share capital RM'000	Accumulated losses RM'000	Other reserves, total RM'000	Share premium RM'000	Equity component of convertible bond RM'000	Foreign currency translation reserve RM'000	Capital reserve RM'000	Total equity RM'000
Balance at 1 July 2022	264,208	(916,024)	803,982	800,950	186	2,359	487	152,166
Net profit for the year	-	4,665	-	-	-	-	-	4,665
Other comprehensive income for the year	-	-	13,068	-	-	13,068	-	13,068
Total comprehensive income for the year	-	4,665	13,068	-	-	13,068	-	17,733
Balance at 30 June 2023	264,208	(911,359)	817,050	800,950	186	15,427	487	169,899
Balance at 1 July 2021	225,365	(882,753)	646,727	645,582	186	472	487	(10,661)
Net loss for the year	-	(33,271)	-	-	-	-	-	(33,271)
Other comprehensive income for the year	-	-	1,887	-	-	1,887	-	1,887
Total comprehensive (loss)/income for the year	-	(33,271)	1,887	-	-	1,887	-	(31,384)
Issue of ordinary shares (Note 13)	38,843	-	155,368	155,368	-	-	-	194,211
Balance at 30 June 2022	264,208	(916,024)	803,982	800,950	186	2,359	487	152,166

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Note	Group	
	12 months ended 2023	12 months ended 30 June 2022
	RM'000	RM'000
Cash flows from operating activities		
(Loss)/profit before income tax	(22,388)	59,461
Adjustments for:		
Depreciation of property, plant and equipment	334	538
Depreciation of investment properties	1,541	6,163
Gain on disposal of subsidiaries	(6,752)	–
(Write-back of)/allowance for impairment of trade receivables	(887)	4,105
Allowance for impairment of other receivables	10	158
Write-down of inventory properties	–	27,556
Reversal of allowance for impairment of property, plant and equipment	–	(1,982)
Reduction on the cost of land pursuant to the Final Settlement Agreement	–	(117,112)
Provision for liquidated damages	1,300	3,000
Success and incentive fees	–	4,020
Interest income	(207)	(116)
Interest expense	346	101
Operating loss before working capital changes	(26,703)	(14,108)
Changes in working capital:		
Inventory properties	(9,279)	2,010
Trade and other receivables, deposits and prepayments	551	785
Contract assets	2,416	(4,653)
Trade and other payables and accruals	77,658	13,383
Contract liabilities	530	(1,139)
Cash flows generated from/(used in) operations	45,173	(3,722)
Interest paid	(340)	(101)
Interest received	207	116
Income tax paid	(230)	(35)
Net cash generated from/(used in) operating activities	44,810	(3,742)
Cash flows from investing activities		
Purchase of property, plant and equipment	(45)	–
Receipt of proceeds for disposal group classified as held for sale	714	3,381
Net cash generated from investing activities	669	3,381
Cash flows from financing activity		
Withdrawal of secured deposit	–	755
Net cash generated from financing activity	–	755
Net increase in cash and cash equivalents	45,479	394
Cash and cash equivalents at the beginning of the year	858	464
Cash and cash equivalents at the end of the year	46,337	858

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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

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

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

The principal activity of the Company is investment holding. The Group is primarily involved in property development and property investment.

2. Basis of preparation

The condensed interim financial statements for the full year ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standard Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 31 March 2023.

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

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

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The adoption of these new and revised Standards did not result in any substantial change to the Group’s and Company’s accounting policies and has no significant impact on the financial statements for the current reporting period.

2.2. Use of judgements and estimates

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2022.

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

3. Going concern assumption

As at 30 June 2023, the Group has net current assets of RM242.9 million and net assets of RM234.6 million (30 June 2022: net current assets of RM8.5 million and net assets of RM169.6 million), which include inventory properties of RM132.8 million (30 June 2022: RM123.5 million) and non-current assets held for sale of RM238.8 million (30 June 2022: RM74.0 million).

In preparation of the financial statements, the directors of the Company believe that the use of going concern assumption is appropriate after taking into consideration:

- i) The Company's wholly owned subsidiary, Capital City Property Sdn Bhd ("**CCPSB**") has signed a Sales and Purchase Agreement ("**SPA**") for the sale of the property to MK Mustafa on 26 January 2023. As of the date of this announcement, CCPSB has received a deposit of RM73.6 million and nothing has come to the attention of the Board of Directors and management that the SPA could not be concluded within the timeframe of December 2023;
- ii) The Company's wholly owned subsidiary, CCPSB, had written to the Inland Revenue Board of Malaysia ("LHDN") on 12 April 2022 on the tax instalment and received an email response from LHDN on 19 April 2022 confirming the monthly instalment payment for a period of six (6) months. LHDN had also notified CCPSB that if CCPSB faced any difficulty in settling the payment for the last month's instalment, CCPSB can apply for instalment payment rescheduling. An instalment payment appeal must be submitted at a minimum one month before the due date of the last instalment. CCPSB has since made payment according to the schedule. CCPSB had submitted an instalment payment appeal on 2 September 2022 and obtained the approval response from LHDN on 3 October 2022 for the payment instalment to continue for the period from 15 October 2022 to 15 March 2023.

Subsequent to the appeal, CCPSB provided additional supporting documents to LHDN in response to LHDN's queries. On 15 May 2023, CCPSB received correspondence from LHDN agreeing to CCPSB's revised tax computations submitted for the year of assessment from 2014 to 2019. The Board has reviewed the letter from LHDN and accepted the revised tax liability amount of RM1.9 million. The revised tax liability was fully settled before 30 June 2023; and

- iii) The Board of Directors and management are of the view that the Group will have sufficient working capital and will be able to meet its obligations as and when they fall due based on the cash flow forecast for the next 12 months.

In the event that the Group and the Company are unable to continue as going concerns, the Group and the Company may be unable to discharge their 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 recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to these financial statements.

4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year from 1 July 2022 to 30 June 2023.

5. Segmental and revenue information

5.1. Reportable segments

Unaudited	Property development RM'000	Others RM'000	Elimination RM'000	Group RM'000
Fourth quarter ended 30 June 2023				
<u>Revenue</u>				
Revenue from external customers	(3,832)	–	–	(3,832)
<u>Results</u>				
Interest income	48	159	–	207
Gain on disposal of subsidiaries	–	1,271	–	1,271
Depreciation expense	65	(2)	–	63
Write-back of/(impairment of) financial assets	887	(10)	–	877
Provision for liquidated damages	(1,300)	–	–	(1,300)
(Loss)/profit before tax	(9,272)	(1,114)	(4,589)	(14,975)
Segment assets	456,696	220,731	(248,823)	428,604
Segment liabilities	450,028	53,854	(309,837)	194,045

Unaudited	Property development RM'000	Mining RM'000	Others RM'000	Elimination RM'000	Group RM'000
Fourth quarter ended 30 June 2022					
<u>Revenue</u>					
Revenue from external customers	3,745	182	–	–	3,927
<u>Results</u>					
Interest income	79	–	–	–	79
Reduction on the cost of land pursuant to the Final Settlement Agreement	117,112	–	–	–	117,112
Reversal of impairment of non-financial assets	1,982	–	–	–	1,982
Depreciation expense	(6,289)	49	(26)	–	(6,266)
Success and incentive fees	(4,020)	–	–	–	(4,020)
Write-down of non-financial assets	(23,692)	–	–	–	(23,692)
Impairment of financial assets	(4,099)	(158)	(6)	–	(4,263)
Provision for liquidated damages	(3,000)	–	–	–	(3,000)
Profit/(loss) before tax	77,238	150	(26,547)	23,748	74,589
Segment assets	378,457	3,417	238,114	(248,179)	371,809
Segment liabilities	429,648	61,718	51,227	(340,347)	202,246

5. Segmental and revenue information (cont'd)

5.1. Reportable segments (cont'd)

Unaudited	Property development RM'000	Others RM'000	Elimination RM'000	Group RM'000	
Year ended 30 June 2023					
<u>Revenue</u>					
Revenue from external customers	(3,832)	–	–	(3,832)	
<u>Results</u>					
Interest income	48	159	–	207	
Gain on disposal of subsidiaries	–	6,752	–	6,752	
Depreciation expense	(1,862)	(13)	–	(1,875)	
Write-back of/(impairment of) financial assets	887	(10)	–	877	
Provision for liquidated damages	(1,300)	–	–	(1,300)	
(Loss)/profit before tax	(18,382)	4,659	(8,665)	(22,388)	
Segment assets	456,696	220,731	(248,823)	428,604	
Segment liabilities	450,028	53,854	(309,837)	194,045	
Audited					
	Property development RM'000	Mining RM'000	Others RM'000	Elimination RM'000	Group RM'000
Year ended 30 June 2022					
<u>Revenue</u>					
Revenue from external customers	3,745	182	–	–	3,927
<u>Results</u>					
Interest income	116	–	–	–	116
Reduction on the cost of land pursuant to the Final Settlement Agreement	117,112	–	–	–	117,112
Reversal of impairment of non-financial assets	1,982	–	–	–	1,982
Depreciation expense	(6,663)	(12)	(26)	–	(6,701)
Success and incentive fees	(4,020)	–	–	–	(4,020)
Write-down of non-financial assets	(25,574)	–	–	–	(25,574)
Impairment of financial assets	(4,099)	(158)	(6)	–	(4,263)
Provision for liquidated damages	(3,000)	–	–	–	(3,000)
Profit/(loss) before tax	72,245	1,349	(35,950)	21,817	59,461
Segment assets	378,457	3,417	238,114	(248,179)	371,809
Segment liabilities	429,648	61,718	51,227	(340,347)	202,246

5. Segmental and revenue information (cont'd)

5.2. Disaggregation of revenue

Unaudited	Group Year ended 30 June 2023			Total Group RM'000
	Revenue from construction contracts RM'000	Sale of marble products RM'000	Adjustments and eliminations RM'000	
<u>Primary geographical markets</u> Malaysia	(3,832)	–	–	(3,832)
<u>Timing of transfer of goods and services</u> Over time	(3,832)	–	–	(3,832)

Audited	Group Year ended 30 June 2022			Total Group RM'000
	Revenue from construction contracts RM'000	Sale of marble products RM'000	Adjustments and eliminations RM'000	
<u>Primary geographical markets</u> Malaysia	3,745	182	–	3,927
<u>Timing of transfer of goods and services</u> At a point in time	–	182	–	182
Over time	3,745	–	–	3,745
	3,745	182	–	3,927

6. (Loss)/profit before income tax

	Group			
	Fourth quarter ended 30 June 2023 (Unaudited) RM'000	2022 (Unaudited) RM'000	12 months ended 30 June 2023 (Unaudited) RM'000	2022 (Audited) RM'000
Depreciation of property, plant and equipment and investment properties	(63)	6,266	1,875	6,701
Employee benefit expense:				
- Salaries and bonus	682	1,049	3,046	1,532
- Social security contributions	4	1	9	4
- Contributions to defined contribution plan	45	32	147	84
Provision for liquidated damages	1,300	3,000	1,300	3,000
Gain on disposal of subsidiaries	(1,271)	–	(6,752)	–

7. Taxation

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

	Group			
	Fourth quarter ended 30 June		12 months ended 30 June	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- Over/(under) provision in respect of previous years	76,297	(329)	76,297	(328)

8. Earnings per share

The basic earnings per share is calculated by dividing net profit for the period/year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period/year.

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

For the financial period ended 30 June 2023 and 30 June 2022, the computation of diluted earnings per share does not assume the conversion of the Company's outstanding convertible loan/bonds as they had an anti-dilutive effect on the earnings per share calculation.

	Group			
	Fourth quarter ended 30 June		12 months ended 30 June	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Net profit for the period/year attributable to owners of the Company	61,322	74,260	53,909	59,133
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	14,268,666	11,905,717	14,268,666	4,319,409
Earnings per share (cents)				
- Basic and diluted	0.43	0.62	0.38	1.37

The fully diluted earnings per ordinary share for the financial period ended 30 June 2023 were the same as the basic earnings per ordinary share as the lender has decided not to convert the loan into conversion shares.

9. Inventory properties

	Group	
	30 June 2023	30 June 2022
	(Unaudited)	(Audited)
	RM'000	RM'000
Comprised:		
- Retail units of the retail mall	124,748	123,473
- Development cost in-progress	8,004	-
	132,752	123,473

10. Cash on hand and at banks

	Group As at		Company As at	
	30 June 2023 (Unaudited) RM'000	30 June 2022 (Audited) RM'000	30 June 2023 (Unaudited) RM'000	30 June 2022 (Audited) RM'000
Cash on hand and at banks	46,337	854	395	181
Add: Cash on hand and at banks included in disposal group classified as held for sale	–	4	–	–
Cash and cash equivalents per condensed interim consolidated statement of cash flows	46,337	858	395	181

11. Property, plant and equipment

During the financial year ended 30 June 2023, the Group has recognised recovery of impairment for property, plant and equipment of RM nil (30 June 2022: RM1,982,000).

12. Loans and borrowings

	Group As at		Company As at	
	30 June 2023 (Unaudited) RM'000	30 June 2022 (Audited) RM'000	30 June 2023 (Unaudited) RM'000	30 June 2022 (Audited) RM'000
Unsecured				
Amount repayable within one year	41	38	41	38

13. Share capital

	Group 12 months ended 30 June			
	2023		2022	
	Number of shares (Unaudited) '000	Number of shares (Unaudited) RM'000	Number of shares (Audited) '000	Number of shares (Audited) RM'000
At 1 July:				
Issued and fully paid	13,751,677	207,121	1,832,094	176,240
Issued and not fully paid	516,989	7,962	–	–
	14,268,666	215,083	1,832,094	176,240
<u>During the year:</u>				
Issued and fully paid	–	–	11,919,583	30,881
Issued and not fully paid	–	–	516,989	7,962
	–	–	12,436,572	38,843
At 30 June	14,268,666	215,083	14,268,666	215,083

13. Share capital (cont'd)

	Company			
	12 months ended 30 June			
	2023		2022	
	Number of shares		Number of shares	
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
	'000	RM'000	'000	RM'000
At 1 July:				
Issued and fully paid	13,751,677	256,246	1,832,094	225,365
Issued and not fully paid	516,989	7,962	–	–
	14,268,666	264,208	1,832,094	225,365
<u>During the year:</u>				
Issued and fully paid	–	–	11,919,583	30,881
Issued and not fully paid	–	–	516,989	7,962
	–	–	12,436,572	38,843
At 30 June	14,268,666	264,208	14,268,666	264,208

The Company did not hold any treasury shares and outstanding convertibles as at 30 June 2023 and 30 June 2022. The Company's subsidiaries do not hold any shares in the Company as at 30 June 2023 and 30 June 2022.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

14. Net asset value

	Group		Company	
	As at		As at	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value ("NAV") (RM'000)	234,559	169,563	169,899	152,166
Number of ordinary shares in issue (excluding treasury shares) ('000)	14,268,666	14,268,666	14,268,666	14,268,666
NAV per ordinary share based on issued share capital (RM per cents)	1.64	1.19	1.19	1.07

15. Related party transactions

(a) Incentive fee

	Group			
	Fourth quarter ended 30 June		12 months ended 30 June	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Incentive fees pursuant to the Scheme of Arrangement paid to directors and key management personnel	–	747	–	747
	–	747	–	747

15. Related party transactions (cont'd)

(b) Compensation of key management personnel

	Group			
	Fourth quarter ended 30 June 2023 (Unaudited) RM'000	2022 (Unaudited) RM'000	12 Months ended 30 June 2023 (Unaudited) RM'000	2022 (Audited) RM'000
Short-term employee benefits	566	827	2,017	1,130
Directors' fee	118	(444)	461	531
Employer's contribution to defined contribution plans	10	(4)	40	25
	694	379	2,518	1,686
Comprise amounts paid to:				
- Directors of the Company	694	363	2,518	1,338
- Other key management personnel	–	16	–	348
	694	379	2,518	1,686

16. 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 than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

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

There were no material transfers between Level 1, Level 2 and Level 3 during financial year ended 30 June 2023 and 30 June 2022.

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

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

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

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

	Group			
	Fair value measurements at the end of the reporting year using 30 June 2023		30 June 2022	
	Significant other observable inputs (Level 2) (Unaudited) RM'000	Carrying amount (Unaudited) RM'000	Significant other observable inputs (Level 2) (Audited) RM'000	Carrying amount (Audited) RM'000
Non-financial assets:				
- Investment properties	-	-	148,700	142,514

Determination of fair value

The fair value is determined using the comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach was selling price per square foot.

17. Subsequent events

- a) The Group refers to its announcement dated 10 February 2023 wherein the Group's wholly owned subsidiary, Capital City Property Sdn Bhd ("CCPSB") has entered into a supplemental settlement agreement with AP SB ("SSA") to settle the Settlement Sum in various payment tranches. In July 2023, CCPSB has completed the Tranche 3 Settlement Sum of RM10 million to AP SB pursuant to the SSA. The remaining outstanding settlement sum of RM20 million will be settled by CCPSB on or before the respective payment tranches set out in the SSA.
- b) The Group refers to its announcement dated 27 January 2023 wherein CCPSB and MK Mustafa entered into a SPA where MK Mustafa agreed to purchase the assets in Capital City Mall. As the Conditional Period in the SPA had lapsed on 25 June 2023, CCPSB and MK Mustafa has entered into a supplemental letter on 4 August 2023 to extend the Conditional Period stated in the SPA to 31 March 2024. CCPSB and MK Mustafa intend to complete the SPA by 31 December 2023.

F. OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C

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

The condensed interim balance sheets of Capital World Limited and its subsidiaries as at 30 June 2023 and the related condensed interim consolidated statement of comprehensive income, condensed interim statement of changes in equity and condensed interim consolidated statement of cash flows for the financial year ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

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

- (a) Updates on the efforts taken to resolve each outstanding audit issues.**
- (b) Confirmations from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

- (a) The independent auditor of the Company, Messrs Moore Stephens LLP, has in their Independent Auditor's Report for the financial year ended 30 June 2022 ("FY2022") dated 13 October 2022 expressed a qualified opinion in respect of the carrying amounts of inventory properties – serviced suites under construction and serviced apartments under construction ("IP") and property, plant, and equipment – hotel under construction ("PPE").**

The Group had received confirmation from the auditor that the qualification will not appear in the coming auditor opinion for the financial year ended 30 June 2023.

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

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and computation methods used in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 30 June 2022, except for the adoption of the new and revised Singapore Financial Reporting Standards (International) which became effective for the financial year beginning on or after 1 July 2022.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The adoption of the new and revised accounting standards referred to in preceding paragraph 4 did not give rise to any significant changes to the financial performance or position of the Group.

6. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following: -

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Review of income statement

Revenue, cost of sales and gross (loss)/profit

For the 12 months ended 30 June 2023, total revenue was in the negative of RM3.8 million and total cost of sales was a negative of RM1.3 million due to the cancellation of units that were sold previously. The cancellation of units was due to the Group's effort to purchase back the units so that the Group can enter into another SPA with MK Mustafa to sell the cancelled units. This resulted in a gross loss of RM2.6 million for the 12 months ended 30 June 2023.

Apart from the above, there was no revenue and cost of sales recorded for the 12 months ended 30 June 2023 as (i) the sales and purchase agreement with MK Mustafa has not been completed and (ii) the commencement of the tenancy agreement with MK Mustafa has also been postponed to 1 December 2023 as announced in the Company's monthly update announcement dated 12 June 2023.

For the 12 months ended 30 June 2022, total revenue of RM3.9 million was recorded due to the exercise of the settlement of arrangement with the creditor. The corresponding cost of sales of RM2.5 million was also recorded. This resulted in a gross profit of RM1.4 million for the 12 months ended 30 June 2022.

Other income

For the 12 months ended 30 June 2023, other income mainly comprises the gain on disposal of Terratech Resources Pte Ltd and its subsidiary, CEP Resources Entity Sdn Bhd, of RM6.8 million, recovery of sales commission and incentive of RM1.1 million and interest income of RM0.2 million.

For the 12 months ended 30 June 2022, other income mainly comprises the reduction on the cost of land pursuant to the Final Settlement Agreement of RM117.1 million with APSEB and recovery of impairment of property, plant and equipment of RM2.0 million.

General and administrative expenses

The general and administrative expenses mainly consist of manpower cost, depreciation of property, plant and equipment, professionals fee, utilities, and office administrative expenses. The decrease of general and administrative expenses amounting to RM30.6 million was mainly due to following:

- a) absence of inventories written-down of RM27.5 million incurred in FY2022;
- b) absence of success and incentive fees on scheme of arrangement of RM4.0 million incurred in FY2022; and
- c) decrease in depreciation of investment properties of RM4.6 million as investment properties was reclass to assts held for sale.

The decrease set out in items (a) to (c) were offset by the increase in net foreign exchange difference of RM4.8 million.

Income tax credit/(expenses)

For the 12 months ended 30 June 2023, there is an income tax credit of RM76.3 million which relates to the over provision of income tax in prior years (12 months ended 30 June 2022: under provision of income tax of RM0.3 million in prior years).

The Group's recorded net profit after tax of RM53.9 million for 12 months ended 30 June 2023 (12 months ended 30 June 2022: RM59.1 million).

6. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following (cont'd)

Review of balance sheet

The Group's total assets increased by approximately RM56.8 million in FY2023 as compared to FY2022 was mainly attributable to the following:

- a) increase in inventory properties of RM9.3 million due to the fulfillment of vendor activities set out in the Sales Purchase Agreement with Mustafa;
- b) increase in income tax recoverable of RM6.4 million due to the recovery of income tax for YA 2017 to YA 2019 after the finalization of the Group's tax payable by Inland Revenue Board of Malaysia; and
- c) cash on hand and at banks increased by RM45.5 million mainly due to the deposit received from MK Mustafa offset by payment of operational expenses.

The increase set out in items (a) to (c) were offset by the decrease in contract assets of RM2.4 million due to the cancellation of units that was sold previously. The cancellation of units was due to the Group's effort to purchase back the units so that the Group can enter into another SPA with MK Mustafa to sell the cancelled units.

The Group's total liabilities decreased by approximately RM8.2 million in FY2023 as compared to FY2022 was mainly attributable to the following:

- a) decrease in trade payables of RM9.9 million mainly due to the settlement of AP SB 1st and 2nd tranche payments of RM5.0 million each on November 2022 and April 2023 respectively;
- b) decrease in provision for taxation of RM70.0 million due to the finalization of tax by Inland Revenue Board of Malaysia;
- c) decrease in liabilities directly associated with disposal group classified as held for sale of RM1.9 million; and

The decrease set out in items (a) to (c) were offset by the increase in other payables and accruals of RM72.9 million. The increase in other payables was mainly due to the advance deposit of RM73.6 million received from MK Mustafa.

Review of statement of cash flows

The net cash generated from operating activities increased by approximately RM48.5 million was mainly due to the increase in operating loss after working capital changes of RM48.9 million.

The net cash generated from investing activities decreased by approximately RM2.7 million mainly due to the receipt of proceeds for the disposal group of RM0.7 million in FY2023 (FY2022: RM3.4 million).

The net cash generated from financing activity decreased by approximately RM0.7 million was due to the withdrawal of secured deposit in FY2022 while there was none for FY2023.

As a result of the above, the Group net cash flow increased by approximately RM45.1 million.

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

Not applicable as no forecast or prospect statement has been disclosed to the shareholders previously.

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

Since the reopening of international borders in April 2022, in particular the land borders with Singapore which saw over 12 million people travelling between Singapore and Malaysia¹, has helped to boost the economic activity in Malaysia. The Malaysia economy further expanded in the first quarter of 2023 which is mainly driven by domestic demand.

However, the rising inflation and volatile economic conditions such as the ongoing Russia-Ukraine conflict, the prolonged supply chain disruption, which began since the start of the COVID-19 pandemic has resulted in inflationary pressure on the global economy with food and fuel prices surging². There is also concern of the recession of the economy in the near future. Together with the rising interest rates, it is expected to increase construction costs of developments and potentially weaken consumer interest hence the recovery of the economy in Malaysia. The Malaysian government has introduced some measures to insulate the economy from the inflationary pressures, however; consumer spending is still expected to tighten against this backdrop of volatile economic climate³.

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

In relation to the Group's business, the Group and MK Mustafa intends to complete the sales and purchase agreement by December 2023 and endeavor to re-open the mall by 2024. In addition, the Group will venture into a new business through its wholly-owned subsidiary, One Solution Management Sdn Bhd ("**OSM**"). OSM will provide facility management services (complementing its property development business) to MK Mustafa where OSM will assist MK Mustafa to lease and manage the retail units that were sold to the other purchasers previously.

The Group has submitted its resumption of trading proposal ("**Resumption Proposal**") to Singapore Exchange previously and is currently waiting for the approval of the Resumption Proposal by Singapore Exchange. The Group will keep shareholders updated on the outcome.

9. Dividend

**(a) Current financial period reported on
Any dividend recommended for the current financial period reported on?**

None

(b) Corresponding period of the immediately preceding financial year

None

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

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

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

² <https://www.imf.org/external/pubs/ft/ar/2022/in-focus/covid-19/>

³ <https://www.elibrary.imf.org/view/journals/002/2023/185/article-A001-en.xml>

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

No dividend has been declared or recommended for FY2023 as cashflows are being directed to funding the Group's operating activities and the Company was in an accumulated loss position as at 30 June 2023.

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

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

There were no IPT that was equal to or had exceeded S\$100,000 for the 12 months ended 30 June 2023.

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

The Board of Directors of the Company hereby confirm that to the best of their knowledge, nothing has come to their attention which may render the Unaudited Condensed Interim and Full Year Financial Statements of the Company and the Group for the fourth quarter and full year ended 30 June 2023 to be false or misleading in any material aspect.

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

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

G. ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

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

Please refer to Section E Note 4 of the "Notes to the condensed interim consolidated financial statements" above. The Group's revenue was only derived from Malaysia. Please refer to Section F point 6 for the review of performance of the Group and material changes in contributions to turnover and earnings.

	2023 (Unaudited) RM'000	2022 (Audited) RM'000
(a) Revenue		
- First half year	-	-
- Second half year	(3,832)	3,927
	<u>(3,832)</u>	<u>3,927</u>
(b) Operating profit/(loss) after tax before deducting non-controlling interest		
- First half year	(4,269)	(13,010)
- Second half year	58,178	72,143
	<u>53,909</u>	<u>59,133</u>

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

The Group has on 18 May 2023 incorporated a 100% wholly-owned subsidiary, One Solution Management Sdn Bhd, with a share capital of RM100,000. The principal activity of OSM is to provide facility management services.

The Group has on 30 March 2023 incorporated a 100% wholly-owned subsidiary, Prime Solution Management Pte Ltd (“PSM”), with a share capital of S\$100,000. The principal activity of PSM is to provide management consultancy services.

In FY2022, Terratech Resources Pte Ltd and its wholly owned subsidiary, CEP Entity Resources Sdn Bhd were sold for a sales consideration of RM4.8 million as announced by the Company in its announcement dated 28 April 2022.

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

Not applicable. The Company is not proposing dividend for FY2023. No dividend was paid for FY2022.

On behalf of the Board of Directors

Hoo Khee Leng
Executive Director and Chief Executive Officer

29 August 2023

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

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