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

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**UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020**

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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 2020.

**PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a)(i). An income statement and statement of comprehensive income, or a statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Description	Group Second quarter ended 31 December			Group Half year ended 31 December		
	2020	2019	Change	2020	2019	Change
	(Unaudited) RM'000	(Unaudited) RM'000	%	(Unaudited) RM'000	(Unaudited) RM'000	%
Revenue	122	986	(87.6)	509	2,642	(80.7)
Cost of sales	(11)	(2,379)	(99.5)	(112)	(4,518)	(97.5)
<b>Gross Profit/(Loss)</b>	<b>111</b>	<b>(1,393)</b>	(108.0)	<b>397</b>	<b>(1,876)</b>	(121.2)
Other income	2,418	937	158.0	5,114	1,929	165.1
Selling and distribution expenses	-	(19)	n.m.	-	(173)	n.m.
General and administrative expenses	(3,830)	(12,063)	(68.3)	(7,205)	(19,653)	(63.3)
Finance costs	(758)	(2,482)	(69.5)	(1,536)	(3,110)	(50.6)
<b>Loss before income tax</b>	<b>(2,059)</b>	<b>(15,020)</b>		<b>(3,229)</b>	<b>(22,883)</b>	
Income tax (expense)/credit	(16)	92	(117.8)	(78)	185	
<b>Loss for the year</b>	<b>(2,075)</b>	<b>(14,928)</b>		<b>(3,307)</b>	<b>(22,698)</b>	
<b>Other comprehensive income</b>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences arising from translation of foreign operations, net of tax	169	387	(56.4)	175	(541)	(132.4)
<b>Total comprehensive loss for the year</b>	<b>(1,907)</b>	<b>(14,541)</b>		<b>(3,131)</b>	<b>(23,239)</b>	
<b>Loss for the year attributable to:</b>						
Owners of the Company	(2,075)	(14,795)	(86.0)	(3,307)	(22,415)	(85.2)
Non-controlling interests	-	(133)	n.m.	-	(283)	n.m.
	<b>(2,075)</b>	<b>(14,928)</b>		<b>(3,307)</b>	<b>(22,698)</b>	
<b>Total comprehensive loss for the year attributable to:</b>						
Owners of the Company	(1,907)	(14,408)	(86.8%)	(3,131)	(22,956)	(86.4%)
Non-controlling interests	-	(133)	n.m.	-	(283)	n.m.
	<b>(1,907)</b>	<b>(14,541)</b>		<b>(3,131)</b>	<b>(23,239)</b>	

n.m: Denotes not meaningful

1(a). (ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:

Description	Group Second quarter ended 31 December			Group Half year ended 31 December		
	2020	2019	Change	2020	2019	Change
	(Unaudited) RM'000	(Unaudited) RM'000	%	(Unaudited) RM'000	(Unaudited) RM'000	%
Loss for the year is arrived at after (crediting)/ charging :						
Interest income	-	(43)	n.m.	(37)	(294)	(87.4)
Loss/(Gain) on disposal of subsidiaries	-	383	n.m.	-	383	n.m.
Reimbursement of operating expenses	(2,394)	-	n.m.	(4,789)	-	n.m.
<b>Audit fees:</b>						
- Auditors of the Company	98	-	n.m.	167	-	n.m.
Depreciation of property, plant and equipment	389	1,313	(70.4)	781	2,699	(71.1)
Depreciation of investment properties	-	1,156	n.m.	-	2,312	n.m.
Amortisation of mining rights	8	357	(97.8)	39	749	(94.8)
<b>Employee benefit expense:</b>						
- Salaries and bonuses	148	1,204	(87.7)	342	2,407	(85.8)
- Social security contributions	1	4	(75.0)	2	8	(62.5)
- Contributions to defined contribution plan	20	88	(77.3)	43	176	(75.6)
Interest expense:						
- Loans and borrowings	757	2,482	(69.5)	1,534	3,110	(50.7)

n.m: Denotes not meaningful

1(b)(i). A statement of financial position (for the Issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

Description	Group		Company	
	As at	As at	As at	As at
	31/12/2020	30/06/2020	31/12/2020	30/06/2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
<b>Current assets</b>				
Inventory properties	338,869	343,308	-	-
Inventories	67	67	-	-
Trade receivables	7,573	7,144	-	-
Other receivables, deposits, and prepayments	6,757	2,110	77	325
Amount due from subsidiaries	-	-	80,503	80,492
Cash on hand and at banks	1,275	1,299	34	11
	<b>354,541</b>	<b>353,928</b>	<b>80,614</b>	<b>80,828</b>
Non-current assets held for sale	226,539	226,539	-	-
	<b>581,081</b>	<b>580,467</b>	<b>80,614</b>	<b>80,828</b>
<b>Non-current assets</b>				
Property, plant, and equipment	60,278	61,062	169	179
Intangible assets	393	432	-	-
Investment in subsidiaries	-	-	107,434	107,434
	<b>60,671</b>	<b>61,494</b>	<b>107,603</b>	<b>107,613</b>
<b>Total assets</b>	<b>641,752</b>	<b>641,961</b>	<b>188,217</b>	<b>188,441</b>
<b>Current liabilities</b>				
Trade payables	319,003	302,775	2,527	-
Other payables and accruals	86,444	101,575	17,722	22,854
Amount due to subsidiaries	-	-	5,656	-
Deferred revenue	5,306	5,000	-	-
Loans and borrowings	46,104	44,689	16,754	17,027
Provision for taxation	35,490	35,386	320	294
	<b>492,347</b>	<b>489,425</b>	<b>42,979</b>	<b>40,175</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	1,312	1,312	-	-
	<b>1,312</b>	<b>1,312</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>493,659</b>	<b>490,737</b>	<b>42,979</b>	<b>40,175</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	176,240	176,240	225,365	225,365
Share premium	3,824	3,824	645,582	645,582
Merger reserve	5,000	5,000	-	-
Equity component of convertible bond	186	186	186	186
Foreign currency translation reserve	1,700	1,525	2,610	2,392
Capital reserve	-	-	487	487
Accumulated losses	(38,857)	(35,551)	(728,992)	(725,746)
	<b>148,093</b>	<b>151,224</b>	<b>145,238</b>	<b>148,266</b>
Total equity	<b>148,093</b>	<b>151,224</b>	<b>145,238</b>	<b>148,266</b>
<b>Total liabilities and equity</b>	<b>641,752</b>	<b>641,961</b>	<b>188,217</b>	<b>188,441</b>

1(b)(ii). In relation to the aggregate amount of the Group's borrowings and debt securities, specify the following at the end of the financial period reported on with comparative figures at the end of the immediately preceding financial year.

	Group			
	As at 31/12/2020		As at 30/06/2020	
	(Unaudited) RM'000		(Audited) RM'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable within one year	46,104	-	44,689	-
Amount repayable after one year	-	-	-	-
	46,104	-	44,689	-

The loans and borrowings are mainly secured by the following: -

The Group's secured borrowings as at 31 December 2020 and 30 June 2020 comprised (i) a HK\$ loan which was secured by pledge and charge of certain shares by the controlling shareholders and corporate guarantee by the Company; and (ii) Convertible Loan which were secured by personal guarantees by the Company's CEO and an associate of the Company's controlling shareholders.

1(c). A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<b>Group</b>	
	<b>Second quarter ended 31 December 2020 (Unaudited) RM'000</b>	<b>2019 (Unaudited) RM'000</b>
<b>Cash flows from operating activities</b>		
Loss before income tax	(2,059)	(15,020)
Adjustments for:		
Depreciation of property, plant and equipment	389	1,314
Depreciation of investment properties	-	1,156
Amortisation of intangible assets	8	356
Loss on disposal of subsidiaries	-	383
Property, plant and equipment written off	-	1
Interest income	-	(43)
Forfeiture of Deposit	-	(349)
Interest expense	757	2,482
Operating cash flows before changes in working capital	(905)	(9,720)
Changes in working capital:		
Inventories	-	885
Inventory properties	-	(69)
Trade and other receivables	(4,545)	4,532
Trade and other payables and deferred revenue	5,247	3,059
Cash flows used in operations	(203)	(1,313)
Interest paid	-	(2,104)
Interest received	-	41
Income taxes paid	-	(299)
<b>Net cash flows used in operating activities</b>	(203)	(3,675)
<b>Cash flows from investing activities</b>		
Net cash outflow on disposal of subsidiaries	-	(13)
<b>Net cash flows used in investing activities</b>	-	(13)
<b>Cash flows from financing activities</b>		
Proceeds from loans and borrowings	-	16,727
Repayment of loans and borrowings	-	(13,685)
Release of fixed deposit placed for a bank guarantee	-	70
<b>Net cash flows generated from financing activities</b>	-	3,112
Net decrease in cash and cash equivalents	(203)	(576)
Effect of exchange rate changes in cash and cash equivalents	169	(9)
Cash and cash equivalents at the beginning of the period	554	2,222
<b>Cash and cash equivalents at the end of the period</b>	520	1,637
Cash on hand and at banks	1,275	2,392
Less: Cash at bank and deposits not available for use	(755)	(755)
Cash and cash equivalents per the consolidated statement of cash flows	520	1,637

1(d)(i). A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the Company								
	Share capital	Share premium	Merger reserve	Equity component of convertible bond	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group (Unaudited)</b>									
Balance as at 1 October 2020	176,240	3,824	5,000	186	1,532	(36,781)	150,000	-	150,000
Loss for the year	-	-	-	-	-	(2,075)	(2,075)	-	(2,075)
<b>Other comprehensive income</b>									
Exchange differences arising from translation of foreign operations	-	-	-	-	169	-	169	-	169
<b>Total comprehensive loss for the period</b>	-	-	-	-	169	(2,075)	(1,907)	-	(1,907)
<b>Balance as at 31 December 2020</b>	<b>176,240</b>	<b>3,824</b>	<b>5,000</b>	<b>186</b>	<b>1,700</b>	<b>(38,857)</b>	<b>148,093</b>	<b>-</b>	<b>148,093</b>

	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	
Balance as at 1 October 2019	176,240	3,824	5,000	186	141	109,199	294,590	(978)	293,612	
Loss for the year	-	-	-	-	-	(14,795)	(14,795)	(133)	(14,928)	
<b>Other comprehensive income</b>										
Exchange differences arising from translation of foreign operations	-	-	-	-	387	-	387	-	387	
<b>Total comprehensive loss for the period</b>	-	-	-	-	387	(14,795)	(14,408)	(133)	(14,541)	
<b>Balance as at 31 December 2019</b>	<b>176,240</b>	<b>3,824</b>	<b>5,000</b>	<b>186</b>	<b>528</b>	<b>94,404</b>	<b>280,182</b>	<b>(1,111)</b>	<b>279,071</b>	



	Share capital	Share premium	Equity component of convertible bond	Foreign currency translation reserve	Capital reserve	Accumulated losses	Total equity
<b>Company (Unaudited)</b>							
<b>Balance at 1 October 2020</b>	<b>225,365</b>	<b>645,582</b>	<b>186</b>	<b>2,542</b>	<b>487</b>	<b>(727,367)</b>	<b>146,796</b>
Loss for the year	-	-	-	-	-	(1,626)	(1,626)
<b><u>Other comprehensive income</u></b>							
Exchange differences arising from translation of foreign operations	-	-	-	68	-	-	68
Total comprehensive loss for the year	-	-	-	<b>68</b>	-	<b>(1,626)</b>	<b>(1,558)</b>
<b>Balance as at 31 December 2020</b>	<b>225,365</b>	<b>645,582</b>	<b>186</b>	<b>2,610</b>	<b>487</b>	<b>(728,992)</b>	<b>145,238</b>
<b>Balance at 1 October 2019</b>	<b>225,365</b>	<b>645,582</b>	<b>186</b>	<b>1,428</b>	<b>487</b>	<b>(139,004)</b>	<b>734,044</b>
Profit for the year	-	-	-	-	-	315	315
<b><u>Other comprehensive income</u></b>							
Exchange differences arising from translation of foreign operations	-	-	-	258	-	-	258
Total comprehensive profit for the year	-	-	-	<b>258</b>	-	<b>315</b>	<b>573</b>
<b>Balance as at 31 December 2019</b>	<b>225,365</b>	<b>645,582</b>	<b>186</b>	<b>1,686</b>	<b>487</b>	<b>(138,689)</b>	<b>734,617</b>

1(d)(ii). Details of any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of issued shares	Share capital  RM'000
<b>As at 31 December 2020</b>	1,832,094,554	225,365
<b>As at 30 September 2020</b>	1,832,094,554	225,365

There is no issuance of new ordinary shares during the financial period ended 31 December 2020.

On 3 October 2019, the Company had a convertible loan of S\$5,500,000, which may be converted into approximately 362,538,361 new fully paid ordinary shares of the Company based on a fixed conversion price of S\$0.0151708 per share. The conversion period which had expired on the day before the maturity of the convertible loan which was 2 October 2020. For more information, please refer to the Company's announcement dated 3 October 2019.

Other than the above, there were no other outstanding convertibles, options, treasury shares or subsidiary holding as at 31 December 2020 and 31 December 2019 respectively.

1(d)(iii). Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31/12/2020	As at 30/06/2020
Total number of issued shares excluding treasury shares	1,832,094,554	1,832,094,554

The Company has no treasury shares as at 31 December 2020 and 30 June 2020 respectively.

1(d)(iv). A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

**1(d)(v). A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

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

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

**3. Where the figures have been audited or reviewed, the auditors' report (any modifications or emphasis of a matter).**

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

**3A. 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, have in their Independent Auditor's Report for the financial year ended 30 June 2020 ("FY2020") dated 16 August 2021 expressed (i) a qualified opinion in respect of the carrying amounts of inventory properties – serviced suites under construction and serviced apartments under construction ("IP") and property, plant, and equipment – hotel under construction ("PPE"); and (ii) an emphasis of matter in respect of the material uncertainty related to going concern on the audited financial statements of the Group and the Company for FY2020.

Management has assessed that the net realizable value of these IP and the recoverable amount of these PPE are higher than their carrying amounts and therefore no write down or impairment is necessary as at 31 December 2020 and 30 June 2020.

- (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 methods of computation in preparation of the financial statements for the current reporting financial period as those used in the most recently audited annual financial statements for the financial year ended 30 June 2020, except as mentioned in Paragraph 5 below.

**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 accounting policies adopted are consistent with those the previous financial year except in the current financial year, the Group has adopted all new and revised standards which are effective for annual financial periods beginning on or after 1 July 2020. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company for the financial year ended 30 June 2021.

**6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>Group</b>	
	<b>Second quarter ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Loss after tax attributable to owners of the Company (RM'000)	(2,075)	(14,795)
Weighted average number of ordinary shares for basic and diluted loss per share computation ('000)	1,832,095	1,832,095
(a) Basic loss per ordinary share (RM per cents)	(0.11)	(0.81)
(b) Fully diluted loss per ordinary share (RM per cents)	(0.11)	(0.81)

For the financial period ended 31 December 2020 and 31 December 2019, the computation of the fully diluted losses per ordinary share does not assume the conversion of the outstanding Convertible Loan Agreement and Convertible Bond Subscription Agreement respectively as they had anti-dilutive effect on the losses per ordinary share calculation.

**7. Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the Issuer at the end of the: -**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31.12.2020</b>	<b>As at 30.06.2020</b>	<b>As at 31.12.2020</b>	<b>As at 30.06.2020</b>
	<b>(Unaudited) RM'000</b>	<b>(Audited) RM'000</b>	<b>(Unaudited) RM'000</b>	<b>(Audited) RM'000</b>
Net assets value (RM'000)	148,093	151,224	145,238	148,266
Total number of ordinary shares in issue (excluding treasury shares) ('000)	1,832,095	1,832,095	1,832,095	1,832,095
Net asset value per ordinary share based on issued share capital (RM per cents)	8.08	8.25	7.93	8.09

**8. 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 STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP**

Second quarter ended 31 December 2020 ("2Q2021") vs Second quarter ended 31 December 2019 ("2Q2020")

The Group's revenue had dropped significantly mainly due to

- a) there were no sales of the property units in Capital City Mall during 2Q2021 which led to a decrease in revenue of RM387,000 and
- b) the sales from marble products decreased by RM477,000 or 79.6%.

The Group derived its revenue solely from sales from marble products in 2Q2021.

The Group's cost of sales had also dropped significantly which is in line with the decrease in the Group's revenue.

Consequently, the Group recorded a gross profit of RM111,000 for 2Q2021 from mining business, which was RM1.5 million higher than the 2Q2020 where the gross loss was RM1.4 million.

Other income in 2Q2021 pertains to expenses recovery of the operating expenses including maintenance fees and sinking fund in relation to Capital City Project from the project management consultant engaged, CCRM Management Sdn Bhd, which amounted to RM2.4 million.

The Group did not incur any selling and distribution expenses as there were no sales of property units in Capital City Mall during 2Q2021.

The general and administrative expenses mainly consist of manpower cost, depreciation of property, plant and equipment, professionals fee, utilities and office administrative expenses. The manpower cost, office administrative, utilities expenses has reduced substantially due to the scaled down staff strength since second quarter of FY2020, particularly after the Company underwent for court supervised debts restructuring exercise and Capital City Properties Sdn Bhd ("CCPSB"), 100% owned subsidiary was placed under JM (defined below) in March 2020.

The decrease in general and administrative expenses during financial period 2Q2021 was also due to

- a) decrease in depreciation of property, plant and equipment amounting to RM0.9 million,
- b) decrease in depreciation of investment properties amounting to RM1.2 million, and
- c) decrease in employee benefit expense amounting to RM1.1 million, and
- d) decrease in maintenance and sinking funds for Capital City Project amounting RM2.6 million, and
- e) decrease in contribution for Capital City Project amounting to RM1.6 million, and
- f) absence of professional fees relating to an ad-hoc facility fees in relation to the subscription of the convertible loan amounting to RM 1.9 million incurred in 2Q2020.

The reduction in finance costs was due to the Company's subscription of the convertible loan at a lower interest rate in October 2019 and the repayment of the previous convertible bond and its associated finance costs.

As a result of the aforementioned, the Group recorded a loss after tax of RM2.1 million for 2Q2021 as compared to a loss after tax of RM14.9 million in 2Q2020.

#### **REVIEW OF STATEMENT OF FINANCIAL POSITION OF THE GROUP**

The decrease in total asset was mainly attributed to

- a) decrease in Inventory properties amounting to RM4.4 million due to reversal of development cost upon receipt of the final certification from the quantity surveyor.
- b) decrease in property, plant and equipment due to depreciation in 2Q2021 amounting to RM0.8 million, and
- c) increase in trade and other receivables mainly due to receivables arising from expenses recovery in CCPSB amounting to 4.8 million.

The increase in total liabilities between 2Q2021 and result as at financial year ended 30 June 2020 ("FY2020") mainly attributed to

- a) increase in trade payables due to reclassification of development cost from accruals and expenses,
- b) decrease in other payables and accruals due to reclassification of accruals of development costs to trade payable,

- c) increase in deferred revenue during the financial period, and
- d) increase in loan and borrowings due to the accrued finance cost during the financial period.

The Group had a net current asset of approximately RM88.7 million as at 2Q2021.

In FY2020, the following efforts has been undertaken by the Group in respect of restructuring their debt obligations and liabilities. On 16 March 2020, the Company announced that on 13 March 2020, the High Court of the Republic of Singapore (the “**Court**”) had granted the Company pursuant to Section 211B(1) of the Companies Act (Cap. 50) to reorganize its liabilities (“**Scheme of Arrangement**”). On 24 June 2021, the Court has sanctioned the Company’s Scheme of Arrangement for the repayment to the creditors (which includes creditors of the Company and CCPSB) and extension of moratorium to 30 September 2021. The Company is presently in the process of implementing the Scheme of Arrangement.

On 24 February 2020, the Company also announced that CCPSB had filed an application to place CCPSB under judicial management in the High Court of Malaya, Kuala Lumpur, Malaysia (the “**Malaysian Court**”). CCPSB had been granted by the Malaysian Court for CCPSB to be placed under judicial management. CCPSB’s judicial manager (the “**JM**”) has held the creditors meeting on 26 October 2020 and is currently implementing the proposed restructuring of the liabilities of CCPSB.

The JM order (the “**JMO**”) has expired on 8 September 2021, pursuant to Section 405 of the Malaysia Companies Act 2016. The JM has applied and Malaysian Court had on 6 September 2021, sanctioned the Settlement Agreement between CCPSB and Achwell Property Sdn Bhd and granted an extension of the JMO to 8 January 2022. The extension of the JMO was to allow the JM to follow up on the implementation of the restructuring of the liabilities of CCPSB as well as the fulfilment of the conditions precedents of the settlement agreement and the approval of Gadang Holding Berhad’s shareholders’ meeting which is expected to be held in November 2021. Once the aforementioned condition precedents are met, the settlement agreement with Achwell Property Sdn Bhd would be completed.

The Board is of the view that the successful implementation of the Scheme of Arrangement will be an important consideration in its ability to continue to operate as a going concern. Upon completion of the Scheme of Arrangement as well as the above proposed restructuring of the liabilities of the Company and CCPSB, substantial liabilities is expected to be extinguished which will further improve the Group’s financial position. The Company’s shares had been voluntarily suspended since 14 February 2020.

## **REVIEW OF STATEMENT OF CASH FLOWS OF THE GROUP**

The Group reported net cash flows used in operating activities of RM0.2 million mainly due to negative operating cash flows before changes in working capital of RM0.9 million offset by positive working capital changes during 2Q2021.

There were no cash flow generated from or used in investing activities and financing activities during 2Q2021.

As a result of the above, the Group recorded a cash and cash equivalent of RM0.5 million as at 2Q2021.

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

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

### **10. 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.**

Due to the outbreak of the Coronavirus Disease 2019 (COVID-19) in Malaysia since March 2020, Malaysian government had implemented movement control order (“**MCO**”) throughout the whole Malaysia. MCOs have weakened the economic situation as well as the consumer sentiment in Malaysia including Johor Bahru. With the prolonged closed border between Singapore and Malaysia, all economic sectors in Johor Bahru are greatly affected. While the vaccination program in Malaysia is progressing at a slow pace due to the restriction on its supply has created a gloomy situation as to when the Covid 19 will be under control. As such, the Group is expecting the Johor property market to remain lackluster in the near term.

On 24 June 2021, Singapore High Court has sanctioned the Company’s Scheme of Arrangement to reorganize its debts as well as the CCPSB (in judicial management) debts. Upon the completion of the Scheme, which is targeted to be 4th quarter of year 2021, the Group will be able to reduce its liabilities and accordingly will improve financial position of the Group. In addition to efforts to restructure the existing business to be a viable and sustainable business, the Company continues to explore potential fund raising opportunities and potential acquisition of new businesses.

The Group will also work towards the submission of a resumption of trading proposal (“**Resumption Proposal**”) to SGX-ST by 31 December 2021. The Company will continue to provide regular updates on the progress of the key milestone of the Restructuring as well as for its submission of Resumption Proposal to SGX-ST via SGXNET.

**11. If a decision regarding dividend has been made: -**

**(a) Whether an interim (final) dividend has been declared (recommended); and**

None.

**(b) (i) Amount per share (cents) and (ii) Previous corresponding period (cents)**

Not applicable.

**(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) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers receive by the Group (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

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

No dividend has been declared or recommended for the period ended 31 December 2020 as the Group’s funds is required to be used for the Group’s operations.

**13. 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 Company has not obtained an IPT general mandate from shareholders and has no IPTs that was equal to or had exceeded S\$100,000 from 1 October 2020 to 31 December 2020.

**14. Negative confirmation pursuant to Rule 705(5) of the Catalist Listing Manual.**

We, Siow Chien Fu and Low Chai Chong, being directors of Capital World Limited, hereby confirm that to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Company and the Group for the second quarter ended 31 December 2020 to be false or misleading in any material aspect.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) 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 Listing Manual

**16. Disclosure of Acquisition (including incorporations and sale of shares under Catalist Rule 706A.)**

There are no changes in the composition of the Group during 2Q2021.

**BY ORDER OF THE BOARD**

**Siow Chien Fu**

**Executive Director and Chief Executive Officer**

**23 September 2021**

*This announcement and its contents have 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"). 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.*

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