



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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Note | Group Six months ended 31 December | | Change % |
|---|------|--|----------------|-------------|
| | | 2023 RM'000 | 2022 RM'000 | |
| Revenue | | – | – | NM |
| Cost of sales | | – | – | NM |
| Gross profit | | – | – | |
| Other income | | 395 | 5,517 | (93) |
| General and administrative expenses | | (14,166) | (9,164) | 55 |
| Allowance for impairment of financial assets | | (1) | – | – |
| Finance costs | | (7) | (622) | (99) |
| Loss before income tax | 6 | (13,779) | (4,269) | > 100 |
| Income tax expense | 7 | (18) | – | – |
| Net loss for the period | | (13,797) | (4,269) | > 100 |
| 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 | | 33 | 422 | (92) |
| Total comprehensive loss for the period | | (13,764) | (3,847) | |
| Loss per share (cents) | | | | |
| - Basic and diluted | 8 | (0.10) | (0.03) | |

NM – Not meaningful

B. CONDENSED INTERIM BALANCE SHEETS

| | Note | Group | | Company | |
|---|------|-------------------------------|---------------------------|-------------------------------|---------------------------|
| | | 31 December 2023 RM'000 | 30 June 2023 RM'000 | 31 December 2023 RM'000 | 30 June 2023 RM'000 |
| Current assets | | | | | |
| Inventory properties | 9 | 124,794 | 124,794 | – | – |
| Contract assets | | 2,237 | 2,237 | – | – |
| Trade receivables | | 180 | 115 | – | – |
| Other receivables, deposits, and prepayments | | 1,760 | 1,693 | 64 | 39 |
| Other assets | | 25,238 | – | – | – |
| Income tax recoverable | | 6,414 | 6,414 | – | – |
| Amount due from subsidiaries | | – | – | 173,347 | 176,008 |
| Cash and cash equivalents | 10 | 3,866 | 46,337 | 166 | 395 |
| | | <u>164,489</u> | <u>181,590</u> | <u>173,577</u> | <u>176,442</u> |
| Non-current assets held for sale | | 238,775 | 238,775 | – | – |
| Total current assets | | <u>403,264</u> | <u>420,365</u> | <u>173,577</u> | <u>176,442</u> |
| Non-current assets | | | | | |
| Property, plant, and equipment | 11 | 518 | 281 | 13 | 18 |
| Investment in subsidiaries | | – | – | 433 | 433 |
| Total non-current assets | | <u>518</u> | <u>281</u> | <u>446</u> | <u>451</u> |
| Total assets | | <u>403,782</u> | <u>420,646</u> | <u>174,023</u> | <u>176,893</u> |
| Current liabilities | | | | | |
| Trade payables | | 35,025 | 70,010 | – | – |
| Other payables and accruals | | 143,084 | 111,159 | 4,324 | 6,547 |
| Amount due to subsidiaries | | – | – | 5 | 209 |
| Contract liabilities | | 3,870 | 3,870 | – | – |
| Lease liabilities | | 137 | 134 | – | – |
| Loans and borrowings | 12 | 42 | 41 | 42 | 41 |
| Provision for taxation | | 153 | 197 | 162 | 197 |
| Total current liabilities | | <u>182,311</u> | <u>185,411</u> | <u>4,533</u> | <u>6,994</u> |
| Non-current liabilities | | | | | |
| Other payables | | 8,549 | 8,549 | – | – |
| Lease liabilities | | 85 | 85 | – | – |
| Total non-current liabilities | | <u>8,634</u> | <u>8,634</u> | <u>–</u> | <u>–</u> |
| Total liabilities | | <u>190,945</u> | <u>194,045</u> | <u>4,533</u> | <u>6,994</u> |
| Equity attributable to owners of the Company | | | | | |
| Share capital | 13 | 215,083 | 215,083 | 264,208 | 264,208 |
| Accumulated losses | | (175,158) | (161,361) | (913,761) | (911,359) |
| Other reserves | | 172,912 | 172,879 | 819,043 | 817,050 |
| Total equity | | <u>212,837</u> | <u>226,601</u> | <u>169,490</u> | <u>169,899</u> |
| Total liabilities and equity | | <u>403,782</u> | <u>420,646</u> | <u>174,023</u> | <u>176,893</u> |

C. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

| Group | Equity attributable to owners of the Company | | | | | | | | |
|---|--|------------------------------|---------------------------------|-------------------------|--------------------------|--|--|---------------------------------|------------------------|
| | 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 | Total equity RM'000 |
| Balance at 1 July 2023 | 215,083 | (161,361) | 172,879 | 159,192 | 5,000 | 186 | 16,463 | (7,962) | 226,601 |
| Net loss for the period | – | (13,797) | – | – | – | – | – | – | (13,797) |
| Other comprehensive income for the period | – | – | 33 | – | – | – | 33 | – | 33 |
| Total comprehensive loss for the period | – | (13,797) | 33 | – | – | – | 33 | – | (13,764) |
| Balance at 31 December 2023 | 215,083 | (175,158) | 172,912 | 159,192 | 5,000 | 186 | 16,496 | (7,962) | 212,837 |
| Balance at 1 July 2022 | 215,083 | (207,312) | 161,792 | 159,192 | 5,000 | 186 | 5,376 | (7,962) | 169,563 |
| Net loss for the period | – | (4,269) | – | – | – | – | – | – | (4,269) |
| Other comprehensive income for the period | – | – | 422 | – | – | – | 422 | – | 422 |
| Total comprehensive loss for the period | – | (4,269) | 422 | – | – | – | 422 | – | (3,847) |
| Balance at 31 December 2022 | 215,083 | (211,581) | 162,214 | 159,192 | 5,000 | 186 | 5,798 | (7,962) | 165,716 |

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 2023 | 264,208 | (911,359) | 817,050 | 800,950 | 186 | 15,427 | 487 | 169,899 |
| Net loss for the period | – | (2,402) | – | – | – | – | – | (2,402) |
| Other comprehensive income for the period | – | – | 1,993 | – | – | 1,993 | – | 1,993 |
| Total comprehensive loss for the period | – | (2,402) | 1,993 | – | – | 1,993 | – | (409) |
| Balance at 31 December 2023 | 264,208 | (913,761) | 819,043 | 800,950 | 186 | 17,420 | 487 | 169,490 |
| Balance at 1 July 2022 | 264,208 | (916,024) | 803,982 | 800,950 | 186 | 2,359 | 487 | 152,166 |
| Net profit for the period | – | 1,994 | – | – | – | – | – | 1,994 |
| Other comprehensive income for the period | – | – | 5,633 | – | – | 5,633 | – | 5,633 |
| Total comprehensive income for the period | – | 1,994 | 5,633 | – | – | 5,633 | – | 7,627 |
| Balance at 31 December 2022 | 264,208 | (914,030) | 809,615 | 800,950 | 186 | 7,992 | 487 | 159,793 |

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

| | Note | Group | |
|---|------|-----------------|----------------|
| | | 2023 | 2022 |
| | | RM'000 | RM'000 |
| Cash flows from operating activities | | | |
| Loss before income tax | | (13,779) | (4,269) |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 6 | 117 | 258 |
| Depreciation of investment properties | 6 | – | 1,541 |
| Gain on disposal of subsidiaries | 6 | – | (5,481) |
| Allowance for impairment of financial assets | | 1 | – |
| Interest income | | (339) | – |
| Interest expense | | 7 | – |
| Operating loss before working capital changes | | (13,993) | (7,951) |
| Changes in working capital: | | | |
| Trade and other receivables, deposits, prepayments and other assets | | (25,371) | 339 |
| Trade and other payables and accruals | | (3,083) | (1,164) |
| Cash flows used in operations | | (42,447) | (8,776) |
| Interest received | | 339 | – |
| Income tax paid | | (27) | (90) |
| Net cash used in operating activities | | (42,135) | (8,866) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (224) | – |
| Receipt of earnest deposit for the Sales and Purchase Agreement | | – | 10,000 |
| Receipt of proceeds for disposal group classified as held for sale | | – | 921 |
| Net cash (used in)/generated from investing activities | | (224) | 10,921 |
| Cash flows from financing activities | | | |
| Payment of principal portion of lease liabilities | | (108) | – |
| Interest expense for lease liabilities | | (4) | – |
| Net cash used in financing activities | | (112) | – |
| Net (decrease)/increase in cash and cash equivalents | | (42,471) | 2,055 |
| Cash and cash equivalents at the beginning of the period | | 46,337 | 857 |
| Cash and cash equivalents at the end of the period | | 3,866 | 2,912 |

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 six months ended 31 December 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standard Council. 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 annual financial statements for the year ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with International Financial Reporting Standards (“IFRS”), 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 2023.

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 31 December 2023, the Group has net current assets of RM221.0 million and net assets of RM212.8 million (30 June 2023: net current assets of RM235.0 million and net assets of RM226.6 million), which include inventory properties of RM124.8 million (30 June 2023: RM124.8 million) and non-current assets held for sale of RM238.8 million (30 June 2023: RM238.8 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 31 December 2023, 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 will not be concluded within the timeframe of 31 March 2024; and
- ii) 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 period.

5. Segmental and revenue information

5.1. Reportable segments

| Group | Property development RM'000 | Others RM'000 | Elimination RM'000 | Group RM'000 |
|--|-----------------------------------|------------------|-----------------------|-----------------|
| Six months ended 31 December 2023 | | | | |
| <u>Results</u> | | | | |
| Interest income | 17 | 322 | – | 339 |
| Depreciation expenses | (112) | (5) | – | (117) |
| Allowance for impairment of financial assets | – | (1) | – | (1) |
| Loss before tax | (11,138) | (2,641) | – | (13,779) |
| Segment assets | 473,488 | 176,118 | (245,824) | 403,782 |
| Segment liabilities | 485,916 | 9,922 | (304,893) | 190,945 |

5. Segmental and revenue information (cont'd)

5.1. Reportable segments (cont'd)

| Group | Property development RM'000 | Others RM'000 | Elimination RM'000 | Group RM'000 |
|--|--------------------------------|------------------|-----------------------|-----------------|
| Six months ended 31 December 2022 | | | | |
| <u>Results</u> | | | | |
| Depreciation expenses | (1,791) | (8) | – | (1,799) |
| (Loss)/profit before tax | (7,417) | 1,970 | 1,178 | (4,269) |
| Segment assets | 367,839 | 182,439 | (179,279) | 370,999 |
| Segment liabilities | 434,409 | 26,121 | (255,247) | 205,283 |

5.2. Disaggregation of revenue

There was no revenue generated for the six months ended 31 December 2023 and 31 December 2022.

6. Loss before income tax

| | Group Six months ended 31 December | |
|---|---------------------------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Depreciation of property, plant and equipment | 117 | 258 |
| Depreciation of investment properties | – | 1,541 |
| Employee benefit expense: | | |
| - Salaries and bonus | 2,226 | 1,361 |
| - Social security contributions | 8 | 3 |
| - Contributions to defined contribution plan | 122 | 61 |
| Gain on disposal of subsidiaries | – | (5,481) |

7. Taxation

The Group calculates the period's income tax expense using the tax rate that would be applicable to the expected total earnings for the period. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

| | Group Six months ended 31 December | |
|--|---------------------------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Income tax: | | |
| - under provision in respect of previous years | 18 | – |

8. Loss per share

The basic and diluted loss per share is calculated by dividing net loss for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

The Company did not issue any dilutive potential ordinary shares during the current and previous financial periods.

The following table reflects the loss and share data used in the computation of basic and diluted loss per share for the period ended 31 December:

| | Group | |
|--|--|-------------------------|
| | Six months ended 31 December 2023 | 31 December 2022 |
| Net loss for the period attributable to owners of the Company (RM'000) | (13,797) | (4,269) |
| Weighted average number of ordinary shares for basic and diluted loss per share computation ('000) | 14,268,666 | 14,268,666 |
| Loss per share (RM cents) | | |
| - Basic and diluted | (0.10) | (0.03) |

9. Inventory properties

| | Group | |
|-----------------------------------|-------------------------|---------------------|
| | 31 December 2023 | 30 June 2023 |
| | RM'000 | RM'000 |
| Comprised: | | |
| - Retail units of the retail mall | 124,748 | 124,748 |
| - Development cost in-progress | 46 | 46 |
| | <u>124,794</u> | <u>124,794</u> |

10. Cash and cash equivalents

| | Group | | Company | |
|---------------------------|-------------------------|---------------------|-------------------------|---------------------|
| | 31 December 2023 | 30 June 2023 | 31 December 2023 | 30 June 2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Cash on hand and at banks | 3,866 | 41,337 | 166 | 395 |
| Short term deposit | - | 5,000 | - | - |
| Cash and cash equivalents | <u>3,866</u> | <u>46,337</u> | <u>166</u> | <u>395</u> |

11. Property, plant and equipment

During the financial period ended 31 December 2023, the Group acquired assets amounting to RM224,000 (30 June 2023: RM45,000).

During the financial period ended 31 December 2023, the Group carried out an impairment review on the property, plant and equipment and determined that there was no impairment required for the property, plant and equipment.

12. Loans and borrowings

| | Group | | Company | |
|----------------------------------|----------------------------|------------------------|----------------------------|------------------------|
| | 31 December 2023 RM'000 | 30 June 2023 RM'000 | 31 December 2023 RM'000 | 30 June 2023 RM'000 |
| Unsecured | | | | |
| Amount repayable within one year | 42 | 41 | 42 | 41 |

13. Share capital

| | Group | | | |
|---|--------------------------|---------|--------------------------|---------|
| | 31 December 2023 | | 30 June 2023 | |
| | Number of shares '000 | RM'000 | Number of shares '000 | RM'000 |
| Issued and fully paid, each with a nominal or par value of S\$0.04 | 1,832,094 | 176,240 | 1,832,094 | 176,240 |
| Issued and fully paid, each with a nominal or par value of S\$0.001 | 11,919,583 | 30,881 | 11,919,583 | 30,881 |
| Issued and not fully paid, each with a nominal or par value of S\$0.001 | 516,989 | 7,962 | 516,989 | 7,962 |
| At beginning and end of interim period | 14,268,666 | 215,083 | 14,268,666 | 215,083 |

| | Company | | | |
|---|--------------------------|---------|--------------------------|---------|
| | 31 December 2023 | | 30 June 2023 | |
| | Number of shares '000 | RM'000 | Number of shares '000 | RM'000 |
| Issued and fully paid, each with a nominal or par value of S\$0.04 | 1,832,094 | 225,365 | 1,832,094 | 225,365 |
| Issued and fully paid, each with a nominal or par value of S\$0.001 | 11,919,583 | 30,881 | 11,919,583 | 30,881 |
| Issued and not fully paid, each with a nominal or par value of S\$0.001 | 516,989 | 7,962 | 516,989 | 7,962 |
| At beginning and end of interim period | 14,268,666 | 264,208 | 14,268,666 | 264,208 |

The Company did not hold any treasury shares and outstanding convertibles as at 31 December 2023 and 30 June 2023. The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 30 June 2023.

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 | |
|---|------------------|--------------|------------------|--------------|
| | 31 December 2023 | 30 June 2023 | 31 December 2023 | 30 June 2023 |
| Net asset value (“NAV”) (RM’000) | 212,837 | 226,601 | 169,490 | 169,899 |
| 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) | 1.49 | 1.59 | 1.19 | 1.19 |

15. Related party transactions

Compensation of key management personnel

| | Group | |
|---|---|----------------|
| | Six months ended 31 December 2023 RM’000 | 2022 RM’000 |
| Short-term employee benefits | 1,264 | 878 |
| Directors’ fee | 242 | 228 |
| Employer’s contribution to defined contribution plans | 43 | 30 |
| | <u>1,549</u> | <u>1,136</u> |
| Comprise amounts paid to: | | |
| - Directors of the Company | 1,299 | 654 |
| - Other key management personnel | 250 | 482 |
| | <u>1,549</u> | <u>1,136</u> |

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 period ended 31 December 2023 and 30 June 2023.

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

(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.

17. Subsequent events

The Group refers to its announcement dated 31 January 2024 wherein the Group has drawn down the convertible loan of S\$2.0 million. The loan will be used to pay off the refurbishment cost incurred for the Capital City Mall.

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 31 December 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 period 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.

Not applicable.

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 2023, except for the adoption of the new and revised IFRS which became effective for the financial year beginning on or after 1 July 2023.

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 profit

There was no revenue and cost of sales recorded for the 6 months ended 31 December 2023 as (i) the SPA with MK Mustafa has not been completed and (ii) the commencement of the tenancy agreement with MK Mustafa has been postponed to 1 April 2024 as announced in the Company's interim material update announcement dated 29 December 2023.

For the 6 months ended 31 December 2022, the Group did not secure any sales thus there was no revenue and cost of sales recorded. Subsequently, on 26 January 2023, the Company's wholly owned subsidiary, CCPSB entered into the SPA with MK Mustafa.

Other income

For the 6 months ended 31 December 2023, other income mainly comprises of interest income of RM0.3 million.

For the 6 months ended 31 December 2022, other income mainly comprises gain on disposal of Terratech Resources Pte Ltd and its subsidiary, CEP Resources Entity Sdn Bhd, of RM5.5 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 increase in general and administrative expenses amounting to RM5.0 million was mainly due to the expenses incurred for the refurbishment of the mall amounting to RM7.4 million. The increase is partially offset by the decrease in depreciation of property, plant and equipment and investment properties of RM1.7 million.

Finance costs

The decrease in finance costs of RM0.6 million was mainly due to the absence of interest expense of RM0.6 million charged by Achwell Property Sdn Bhd ("APSB") as the Group completed the settlement with APSB on 11 December 2023.

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 decreased from RM420.6 million as at 30 June 2023 to RM403.8 million as at 31 December 2023 was mainly due to the decrease in cash and cash equivalents of RM42.5 million. The decrease in cash and cash equivalents was mainly due to the settlement made to AP SB of RM30.0 million, payment of authority fees to local authorities of RM1.8 million and operational costs of RM10.7 million.

The decrease in cash and cash equivalents was offset by the increase in other assets of RM25.2 million. The increase in other assets was mainly due to the fee of RM25.5 million incurred in relation to the release of properties allocated under bumiputra quotas to be sold from the relevant authority ("**Bumi Release**").

The Group's total liabilities decreased from RM194.0 million as at 30 June 2023 to RM190.9 million as at 31 December 2023 was mainly due to the decrease in trade payables of RM35.0 million. The decrease in trade payables was mainly due to the settlement of RM30.0 million made to AP SB.

The decrease in trade payables was offset by the increase in other payables and accruals of RM31.9 million. The increase in other payables and accruals was mainly due to the accrual of RM25.5 million for the fee incurred in relation to the Bumi Release.

Review of statement of cash flows

The net cash used in operating activities increased by RM33.2 million was mainly due to the increase in operating loss before working capital changes of RM6.0 million and increase in trade and other receivables, deposits, prepayments and other assets of RM25.7 million.

The net cash used in investing activities increased by approximately RM11.1 million. For the 6 months ended 31 December 2023, there was no receipt of proceeds from disposal group or receipt of earnest deposit from the SPA as compared to receipt of proceeds of RM0.9 million from disposal group and receipt of earnest deposit of RM10.0 million from the SPA for the 6 months ended 31 December 2022.

The net cash used in financing activities increased by approximately RM0.1 million was due to the increase in payment made for the lease liabilities.

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.

On 11 January 2024, Malaysia and Singapore signed a Memorandum of Understanding to work on the Johor-Singapore Special Economic Zone to strengthen the economic connectivity between Johor and Singapore¹. The Group expects that there will be improvement on the cross-border flows for both people and goods and this will help to improve the economy between Malaysia and Singapore.

In relation to the Group's business, the Group and MK Mustafa intend to complete the SPA by March 2024 and MK Mustafa endeavor to re-open the Capital City Mall by end of 2024.

¹ <https://www.mti.gov.sg/Newsroom/Press-Releases/2024/01/Malaysia-and-Singapore-strengthens-economic-connectivity-with-Johor-Singapore-Special-Economic-Zone>

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.

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 the 6 months ended 31 December 2023 as cashflows are being directed to funding the Group's operating activities and the Company was in an accumulated loss position as at 31 December 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. The Company has not obtained a general mandate from shareholders for IPT.

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 (cont’d).

Save as disclosed below, there were no IPT that was equal to or had exceeded S\$100,000 for the 6 months ended 31 December 2023.

| Name of interested person | Nature of relationship | Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |
|--|---|--|--|
| AIM Worldwide Group Ltd (wholly owned by Ms Lu Chai Hong and Ms. Tan Xin Wei Vinnie) entered into a Convertible Loan Agreement with the Company. | <p>Ms Lu Chai Hong is the spouse of Datuk Wira Eric Tan Eng Huat and mother of Mr Tan June Teng, Colin and Mr Tan Ping Huang, Edwin.</p> <p>Ms. Tan Xin Wei, Vinnie is Datuk Eric Tan Eng Huat’s daughter and sister of Mr Tan June Teng, Colin and Mr Tan Ping Huang, Edwin.</p> <p>Ms. Tan Ler Choo who is the director of the Company is the sister of Datuk Wira Eric Tan Eng Huat and the aunt of Ms. Tan Xin Wei, Vinnie, Mr Tan June Teng, Colin and Mr Tan Ping Huang, Edwin.</p> | S\$2,000,000 | – |

As at the date of the announcement, the loan has been fully utilized to pay off the refurbishment cost incurred for the Capital City Mall. This is in line with the intended use of proceed as announced on 31 January 2024.

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 Financial Statements of the Company and the Group for the 6 months ended 31 December 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.

On behalf of the Board of Directors

Hoo Khee Leng
Executive Director and Chief Executive Officer

7 February 2024

*This announcement has been prepared by the Company and its content have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions contained in this announcement.

The contact person for the Sponsor is Mr. Josh Tan – Registered Professional, 36 Robinson Road, #10-06, City House, Singapore 068877, sponsor@rhtgoc.com.