



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

CONDENSED INTERIM AND FULL YEAR FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER AND FULL YEAR ENDED 30 JUNE 2021

Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst, 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.

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A. CONDENSED INTERIM AND FULL YEAR CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Description	Notes	Group Fourth quarter ended 30 June			Group 12 months ended 30 June		
		2021 (Unaudited) RM'000	2020 (Unaudited) RM'000	%	2021 (Unaudited) RM'000	2020 (Audited) RM'000	%
Revenue	5	2,655	322	724.5	3,164	3,092	2.3
Cost of sales		229	283	(19.0)	96	(4,925)	(101.9)
Gross Profit/(Loss)		2,884	605	376.7	3,260	(1,833)	(277.9)
Other income		3,662	(1,501)	(344.0)	11,204	6,428	74.3
Selling and distribution expenses		500	(689)	(172.5)	500	(871)	(157.4)
General and administrative expenses		(178,235)	(123,526)	44.3	(190,886)	(147,752)	29.2
Finance costs		(761)	(778)	(2.2)	(3,040)	(5,339)	(43.1)
Loss before income tax	6	(171,950)	(125,889)		(178,962)	(149,367)	
Income tax credit/(expense)	7	3,155	(3,564)	(188.5)	3,176	(3,286)	
Loss for the year		(168,795)	(129,453)		(175,786)	(152,653)	
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		(1,300)	1,555	(183.6)	(9)	456	(102.0)
Total comprehensive loss for the year		(170,095)	(127,898)		(175,795)	(152,197)	
Loss for the year attributable to:							
Owners of the Company		(168,795)	(128,340)	31.5	(175,786)	(152,370)	15.4
Non-controlling interests		-	(1,113)	n.m.	-	(283)	n.m.
		(168,795)	(129,453)		(175,786)	(152,653)	
Total comprehensive loss for the year attributable to:							
Owners of the Company		(170,095)	(126,785)	34.2	(175,795)	(151,914)	15.7
Non-controlling interests		-	(1,113)	n.m.	-	(283)	n.m.
		(170,095)	(127,898)		(175,795)	(152,197)	

n.m: Denotes not meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

Description	Notes	Group		Company	
		Financial year ended 30 June 2021 (Unaudited) RM'000	2020 (Audited) RM'000	Financial year ended 30 June 2021 (Unaudited) RM'000	2020 (Audited) RM'000
Current assets					
Inventories	9	149,399	343,308	-	-
Trade receivables		67	67	-	-
Other receivables, deposits, and prepayments		6,456	7,144	-	-
Amount due from subsidiaries		1,369	2,110	1,210	325
Cash on hand and at banks		-	-	89,022	80,492
		1,004	1,299	-	11
		158,295	353,928	90,232	80,828
Non-current assets held for sale		226,540	226,539	-	-
		384,835	580,467	90,232	80,828
Current liabilities					
Trade payables		299,482	302,775	-	-
Other payables and accruals		49,763	101,575	24,123	22,854
Amount due to subsidiaries		-	-	6,085	-
Deferred revenue		4,479	5,000	-	-
Loans and borrowings	10	45,287	44,689	17,025	17,027
Provision for taxation		32,162	35,386	246	294
		431,173	489,425	47,479	40,175
Total net current (liabilities) / assets		(46,338)	91,042	42,753	40,653
Non-current assets					
Property, plant, and equipment	11	22,687	61,062	163	179
Intangible assets		393	432	-	-
Investment in subsidiaries		-	-	106,717	107,434
		23,080	61,494	106,880	107,613
Non-current liabilities					
Deferred tax liabilities		1,312	1,312	-	-
Total net (liabilities) / assets		(24,570)	151,224	149,632	148,266
Equity attributable to owners of the Company					
Share capital	12	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		1,516	1,525	10,841	2,392
Capital reserve		-	-	487	487
Accumulated losses		(211,336)	(35,551)	(732,829)	(725,746)
Total equity		(24,570)	151,224	149,632	148,266

C. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

<u>Group</u>	Attributable to owners of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Equity component of convertible bond	Foreign currency translation reserve	Accumulated losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
Balance at 1 July 2020	176,240	3,824	5,000	186	1,525	(35,551)	151,224	-	151,224
Loss for the year	-	-	-	-	-	(175,785)	(175,785)	-	(175,785)
<u>Other comprehensive income</u>									
Exchange differences arising from translation of foreign operations	-	-	-	-	(9)	-	(9)	-	(9)
Total comprehensive loss for the year	-	-	-	-	(9)	(175,785)	(175,794)	-	(175,794)
Balance at 30 June 2021	176,240	3,824	5,000	186	1,516	(211,336)	(24,570)	-	(24,570)
Balance at 1 July 2019	176,240	3,824	5,000	186	1,069	116,819	303,138	(828)	302,310
Loss for the year	-	-	-	-	-	(152,370)	(152,370)	(283)	(152,653)
<u>Other comprehensive income</u>									
Exchange differences arising from translation of foreign operations	-	-	-	-	456	-	456	-	456
Total comprehensive loss for the year	-	-	-	-	456	(152,370)	(151,914)	(283)	(152,197)
<u>Contributions by and distribution to owners</u>									
Disposal of interest in a subsidiary	-	-	-	-	-	-	-	1,111	1,111
Total contributions by and distribution to owners	-	-	-	-	-	-	-	1,111	1,111
Balance at 30 June 2020	176,240	3,824	5,000	186	1,525	(35,551)	151,224	-	151,224

<u>Company</u>	Share capital RM'000	Share premium RM'000	Equity component of convertible bond RM'000	Foreign currency translation reserve RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Balance at 1 July 2020	225,365	645,582	186	2,392	487	(725,746)	148,266
Loss for the year	-	-	-	-	-	(7,083)	(7,083)
<u>Other comprehensive income</u>							
Exchange differences arising from translation of foreign operations	-	-	-	8,449	-	-	8,449
Total comprehensive loss for the year	-	-	-	8,449	-	(7,083)	1,366
Balance at 30 June 2021	225,365	645,582	186	10,841	487	(732,829)	149,632
Balance at 1 July 2019	225,365	645,582	186	2,048	487	(138,988)	734,680
Loss for the year	-	-	-	-	-	(586,758)	(586,758)
<u>Other comprehensive income</u>							
Exchange differences arising from translation of foreign operations	-	-	-	344	-	-	344
Total comprehensive loss for the year	-	-	-	344	-	(586,758)	(586,414)
Balance at 30 June 2020	225,365	645,582	186	2,392	487	(725,746)	148,266

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	12 months ended 30 June 2021	2020
	RM'000	RM'000
Cash flows from operating activities		
Loss before income tax	(178,962)	(149,367)
Adjustments for:		
Depreciation of property, plant and equipment	1,571	4,406
Depreciation of investment properties	-	4,623
Amortisation of intangible assets	39	1,272
Gain on disposal of subsidiaries	-	(4,071)
Loss on disposal of subsidiaries	716	-
Property, plant, and equipment written off	-	143
Inventories written-down	-	1,900
Allowance for impairment of trade receivables	-	15,258
Allowance for impairment of other receivables	-	14,028
Allowance for impairment of deferred expenditure	-	4,021
Allowance for impairment of mining rights	-	20,586
Allowance for impairment of property, plant and equipment	35,708	51,559
Inventory properties written-down	190,384	-
Interest income	(37)	(350)
Interest expense	3,034	5,339
Operating cash flows before changes in working capital	52,453	(30,653)
Changes in working capital:		
Inventories	-	1,979
Inventory properties	3,525	(438)
Trade and other receivables	897	10,002
Trade and other payables and deferred revenue	(56,904)	19,677
Cash flows (used in)/generated from operations	(29)	567
Interest paid	(295)	(2,038)
Interest received	37	350
Income taxes paid	-	(901)
Net cash flows used in operating activities	(287)	(2,022)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(42)
Purchase of intangible assets	-	(80)
Net cash outflow on disposal of subsidiaries	-	(140)
Net cash flows used in investing activities	-	(262)
Cash flows from financing activities		
Proceeds from loans and borrowings	-	18,096
Repayment of loans and borrowings	-	(18,194)
Withdrawal of secured deposit	-	70
Net cash flows used in financing activities	-	(28)
Net decrease in cash and cash equivalents	(287)	(2,312)
Effect of exchange rate changes in cash and cash equivalents	(8)	457
Cash and cash equivalents at the beginning of the year	544	2,399
Cash and cash equivalents at the end of the year	249	544
Cash on hand and at banks	1,004	1,299
Less: Cash at bank and deposits not available for use	(755)	(755)
Cash and cash equivalents per the consolidated statement of cash flows	249	544

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 Catalyst 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 property development, property investment and exploration, development and extraction of marble and production of marble products.

2. Basis of preparation

The condensed interim financial statements for the 3 months and financial year ended 30 June 2021 have been prepared in accordance with IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board. The condensed interim and full year 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 unaudited financial results announcement for the period ended 31 March 2021.

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

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

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

The accounting policies and method of computation adopted in these condensed interim and full year financial statements are consistent with those of the latest audited financial statements for the reporting year ended 30 June 2020, 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.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements of the Group, 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 2020.

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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are as follows:

- With reference to Section E paragraph 9 for the assessment of Inventory properties written-down,
- With reference to Section E paragraph 11 for assessment of impairment of property, plant and equipment

2.3. Measurement of fair values

(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 categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

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

There were no material transfers between Level 1, Level 2 and Level 3 during financial years ended 30 June 2020 and 2019.

3. Going Concern Assumption

During the financial year ended 30 June 2021, the Group incurred a net loss of RM175,786,000 (2020:RM152,653,000) and total comprehensive loss of RM175,795,000 (2020:RM152,197,000) and net cash flows used in operating activities of RM287,000 (2020:RM2,022,000).

As at 30 June 2021, the Group's current liabilities exceeded its current assets by RM46,338,000. The Group's total loans and borrowings is amounted to RM45,287,000 (2020:RM44,689,000).

Notwithstanding the above, Directors are of the view that it is appropriate to prepare the financial statements on a going concern basis based on the following:

- (a) As at 30 June 2021, the Group has inventory properties of RM149.4 million and non-current assets held for sale of RM226.5 million. The Group's will focus on the sales of these retail units and generate positive cashflow from the available units in Capital City retails Unit.
- (b) On 24 June 2021, the Company's had obtained sanction from the High Court of the Republic of Singapore to propose a scheme of arrangement ("**Scheme**") to restructure and re-organise its debts. Post successful implementation of the Scheme, the Company will be able to improve its working capital and financial position. On 12 November 2021, in the EGM (as defined below), the shareholders have approved the Share Distribution and Additional Share Distribution (as defined in the Circular dated 28 October 2021). The Share Distribution and Additional Share Distribution would allow for a restructuring of its debts and liabilities to enable the Group to strengthen and rebuild its balance sheet and cash flow situations as well as facilitate the possibility of obtaining more investment into the Company going forward. Following the completion of the Scheme, the Group will be able to reduce its current liabilities as at 30 June 2021 by approximately RM183 million via Share Distribution, and the net liabilities position and capital deficiency will be reversed to positive working capital and net assets position then.
- (c) On 15 November 2021, the Company has signed a non-binding term sheet with a potential buyer with Mr Loh Choon Yow for the sale of the entire share capital of Terratech Resources Pte Ltd and its subsidiary CEP Resources Sdn Bhd ("**Marble business**"), for a cash consideration of RM4.8 million. Should the sale be successful, the Group will have cashflow of RM4.8 million.
- (d) The Company is currently in discussion with some potential lenders to enhance its working capital.
- (e) The Company is still working with Inland Revenue of Malaysia with regards to the settlement of the tax liability.

- (f) The legal case relating to a group of purchasers of the Group's inventory properties (the "Proposed Interveners"), has been resolved with the Consent Order being sanctioned by the Malaysia Court and Judicial Manager of Capital City Property Sdn Bhd ("CCPSB") agreeing to set aside 18 retail units to cover alleged claim of the Proposed Interveners in Capital City Mall. This proposed repayment to the Proposed Interveners shall be subject to sanction of a scheme of arrangement pursuant to Section 366 of the Malaysia Companies Act 2016 or a settlement agreement between the Proposed Interveners and CCPSB.

4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year from 1 July 2020 to 30 June 2021.

5. Segmental and revenue information

5.1. Reportable segments

	<u>Property development</u> RM'000	<u>Mining</u> RM'000	<u>Others</u> RM'000	<u>Elimination</u> RM'000	<u>Group</u> RM'000
Fourth quarter ended 30 June 2021					
<u>Revenue</u>					
Revenue from external customers	2,655	-	-	-	2,655
<u>Results</u>					
Depreciation expense	323	20	3	-	346
Impairment of non-financial assets	35,708	-	-	-	35,708
(Recoverable)/Impairment of financial assets	(4,092)	(4)	6	-	(4,090)
Inventory properties written-down	190,384	-	-	-	190,384
Gain on disposal of subsidiaries	-	-	716	-	716
Loss before tax	(203,700)	-	-	31,750	(171,950)
Segment Assets	403,789	68,611	190,891	(255,375)	407,915
Segment liabilities	493,722	91,410	51,578	(204,225)	432,485

	<u>Property development</u> RM'000	<u>Mining</u> RM'000	<u>Others</u> RM'000	<u>Elimination</u> RM'000	<u>Group</u> RM'000
Fourth quarter ended 30 June 2020					
<u>Revenue</u>					
Revenue from external customers	322	-	-	-	322
<u>Results</u>					
Interest income	(40)	-	-	-	(40)
Depreciation expense	1,459	449	246	-	9,029
Amortisation expense	-	224	-	-	224
Impairment of non-financial assets	48,746	27,420	-	-	76,166
Impairment of financial assets	27,823	299	1,164	-	29,286

	<u>Property development</u> RM'000	<u>Mining</u> RM'000	<u>Others</u> RM'000	<u>Elimination</u> RM'000	<u>Group</u> RM'000
Fourth quarter ended 30 June 2020					
Property, plant and equipment written off	-	-	143	-	143
Inventories written-down	-	1,900	-	-	1,900
Gain on disposal of subsidiaries	-	-	(5,566)	-	(5,566)
Profit/(loss) before tax	(115,171)	(13,569)	(11,080)	13,931	(125,889)
Assets:					
- Segment Assets	638,793	4,932	195,998	(197,762)	641,961
Segment liabilities	531,358	63,135	71,447	(175,203)	490,737

	<u>Property development</u> RM'000	<u>Mining</u> RM'000	<u>Others</u> RM'000	<u>Elimination</u> RM'000	<u>Group</u> RM'000
12 months ended 30 June 2021					
<u>Revenue</u>					
Revenue from external customers	2,655	509	-	-	3,164
Inter-segment revenue	-	-	-	-	-
Total revenue	2,655	509	-	-	3,164

<u>Results</u>					
Interest income	(37)	-	-	-	(37)
Depreciation expense	1,465	89	17	-	1,571
Amortisation expense	-	39	-	-	39
Impairment of non-financial assets	35,708	-	-	-	35,708
(Recoverable)/Impairment of financial assets	(4,092)	(72)	6	-	(4,158)
Inventory properties written-down	190,384	-	-	-	190,384
Gain on disposal of subsidiaries	-	-	716	-	716
Loss before tax	(200,545)	(1,442)	(7,111)	30,136	(178,962)
Segment Assets	403,789	68,611	190,891	(255,375)	407,915
Segment liabilities	493,722	91,410	51,578	(204,225)	432,485

	<u>Property development</u> RM'000	<u>Mining</u> RM'000	<u>Others</u> RM'000	<u>Elimination</u> RM'000	<u>Group</u> RM'000
12 months ended 30 June 2020					
<u>Revenue</u>					
Revenue from external customers	341	2,247	504	-	3,092
Inter-segment revenue	-	-	7,065	(7,065)	-
Total revenue	341	2,247	7,569	(7,065)	3,092
<u>Results</u>					
Interest income	(349)	-	(1)	-	(350)

	<u>Property development</u> RM'000	<u>Mining</u> RM'000	<u>Others</u> RM'000	<u>Elimination</u> RM'000	<u>Group</u> RM'000
12 months ended 30 June 2020					
Depreciation expense	6,115	1,881	1,033	-	9,029
Amortisation expense	-	853	419	-	1,272
Impairment of non-financial assets	48,746	27,420	-	-	76,166
Impairment of financial assets	27,823	299	1,164	-	29,286
Property, plant and equipment written off	-	-	143	-	143
Inventories written-down	-	1,900	-	-	1,900
Gain on disposal of subsidiaries	-	-	(4,071)	-	(4,071)
Profit/(loss) before tax	(115,171)	(13,569)	(34,558)	13,931	(149,367)
Assets:					
- Additions to non-current assets	6	-	116	-	122
- Segment Assets	638,793	4,932	195,998	(197,762)	641,961
Segment liabilities	531,358	63,135	71,447	(175,203)	490,737

5.2. Disaggregation of Revenue

Segment	Group 12 months ended 30 June 2021				Total Group RM'000
	Sale of marble products RM'000	Revenue from construction contracts RM'000	Other services RM'000	Adjustments and eliminations RM'000	
<u>Primary geographical markets</u>					
Malaysia	509	2,655	-	-	3,164
<u>Major product or service lines</u>					
Marble products	509	-	-	-	509
Construction contracts	-	2,655	-	-	2,655
	509	2,655	-	-	3,164
<u>Timing of transfer of goods and services</u>					
At a point in time	509	2,655	-	-	3,164

	Group 12 months ended 30 June 2020				Total Group RM'000
	Sale of marble products RM'000	Revenue from construction contracts RM'000	Other services RM'000	Adjustments and eliminations RM'000	
<u>Primary geographical markets</u>					
Malaysia	2,247	-	845		3,092
Singapore	-	-	7,065	(7,065)	-
	2,247	-	7,910	-	3,092
<u>Major product or service lines</u>					
Marble products	2,247	-	-	-	2,247
Construction contracts	-	-	-	-	-
Other services	-	-	7,910	(7,065)	845
	2,247	-	7,910	(7,065)	3,092
<u>Timing of transfer of goods and services</u>					
At a point in time	2,247	-	-	-	2,247
Over time	-	-	7,910	(7,065)	845
	2,247	-	7,910	(7,065)	3,092

6. Loss before taxation

Description	Group Fourth quarter ended 30 June		Group 12 months ended 30 June	
	<u>2021</u> (Unaudited) RM'000	<u>2020</u> (Audited) RM'000	<u>2021</u> (Unaudited) RM'000	<u>2020</u> (Audited) RM'000
Loss for the year is arrived at after (crediting)/charging:				
Interest income	-	(40)	(37)	(350)
Miscellaneous income	(4)	-	(67)	(382)
Forfeiture income	(1,284)	-	(1,410)	(1,584)
Loss/(Gain) on disposal of subsidiaries	716	(5,566)	716	(4,071)
Reimbursement of operating expenses	(2,374)	-	(9,558)	(41)
Audit fees:				
- Auditors of the Company	134	-	372	258
- Other auditors	-	-	-	100
Impairment of mining rights	-	20,586	-	20,586
Impairment of property, plant and equipment	35,708	51,559	35,708	51,559
Impairment of deferred expenditure	-	4,021	-	4,021
Depreciation of property, plant, and equipment	346	998	1,571	4,406
Depreciation of investment properties	-	1,156	-	4,623
Amortisation of mining rights	-	224	39	1,272
Employee benefit expense:				
- Salaries and bonuses	110	2,407	649	4,814

Description	Group		Group	
	Fourth quarter ended 30 June		12 months ended 30 June	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Unaudited) RM'000	(Audited) RM'000	(Unaudited) RM'000	(Audited) RM'000
- Social security contributions	1	8	5	15
- Contributions to defined contribution plan	20	176	87	352
Interest expense:				
- Loans and borrowings	760	1,451	3,034	4,459
- Convertible bonds	-	-	-	877
- Lease liabilities	1	-	4	3
Inventories written-down	-	1,900	-	1,900
Inventory properties written-down (Recoverable)/Allowance for impairment of trade receivables	190,384	-	190,384	-
(Recoverable)/Allowance for impairment of other receivables	(4,092)	15,258	(4,092)	15,258
Property, plant and equipment written off	2	-	(66)	14,028
	-	143	-	143

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 consolidated statement of profit or loss are:

	Group	
	12 months ended 30 June	
	<u>2021</u> (Unaudited) RM'000	<u>2020</u> (Audited) RM'000
Consolidated statement of comprehensive income:		
Income tax:		
- Current year	-	169
- Overprovision in respect of previous years	(3,176)	(29)
	(3,176)	140
Deferred income tax:		
- Origination and reversal of temporary differences	-	3,146
Income tax expense/(credit) recognised in profit or loss	-	3,286

8. Loss Per Share

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

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

For the years ended 30 June 2021 and 30 June 2020, the computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible loan/bonds as they had an anti-dilutive effect on the loss per share calculation.

	Group		Group	
	Fourth Quarter ended 30 June 2021 (Unaudited)	2020 (Unaudited)	12 months ended 30 June 2021 (Unaudited)	2020 (Audited)
Loss after tax attributable to owners of the Company (RM'000)	(168,795)	(128,340)	(175,786)	(152,370)
Weighted average number of ordinary shares for basic and diluted loss per share computation ('000)	1,832,094	1,832,094	1,832,094	1,832,094
Basic loss per ordinary share (RM per cents)	(9.21)	(7.01)	(9.59)	(8.32)

The fully diluted loss per ordinary share ("LPS") for the year ended 30 June 2021 were the same as the basic LPS as the lender has decided not to convert the loan into conversion shares.

For the full year ended 30 June 2020, the computation of the fully diluted LPS does not assume the conversion of the outstanding Convertible Loan Agreement as they had anti-dilutive effect on the LPS calculation.

9. Inventory Properties

	Group	
	Financial year ended 30 June 2021 (Unaudited) RM'000	2020 (Audited) RM'000
Inventory properties:		
- Serviced suites under construction	-	72,692
- Serviced apartments under construction	-	117,911
	-	190,603
- Retail units of the retail mall	149,399	151,964
- Others	-	741
	149,399	343,308

During the financial year, an inventory properties written-down of RM190,384,000 was recognized in the Group's profit or loss.

10. Borrowings

	Group		Group	
	Financial year ended 30 June 2021 (Unaudited) RM'000	2020 (Audited) RM'000	Financial year ended 30 June 2021 (Unaudited) RM'000	2020 (Audited) RM'000
Amount repayable within one year	45,287	44,689	17,027	17,027

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

The Group's secured borrowings as at 30 June 2021 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.

11. Property, plant and equipment

During the financial year ended 30 June 2021, the Group impaired the property, plant and equipment amounting to RM35,708,000.

12. Share capital

	Number of issued shares	Share capital RM'000
As at 30 June 2021	1,832,094,554	225,365
As at 30 June 2020	1,832,094,554	225,365

The Company did not have any outstanding convertibles and options, not holds any treasury shares or subsidiary holding as at 30 June 2021 and 30 June 2020 respectively.

13. Net Asset Value

	Group Financial year ended 30 June		Company Financial year ended 30 June	
	<u>2021</u> (Unaudited) RM'000	<u>2020</u> (Audited) RM'000	<u>2021</u> (Unaudited) RM'000	<u>2020</u> (Audited) RM'000
Net (liabilities)/ assets value (RM'000)	(24,570)	151,224	149,632	148,266
Number of ordinary shares in issue (excluding treasury shares) ('000)	1,832,094	1,832,094	1,832,094	1,832,094
Net asset value per ordinary share based on issued share capital (RM per cents)	(1.34)	8.25	8.17	8.09

14. Related party transactions

(a) Purchase of services

During the financial year ended 30 June 2021, the Group had no significant related party transaction as compared to financial year ended 30 June 2020.

	Group Financial year ended 30 June	
	<u>2021</u> (Unaudited) RM'000	<u>2020</u> (Audited) RM'000
RDC Arkitek Sdn Bhd (Consultancy fee)	-	726

During the financial year ended 30 June 2021, the Group had no significant related party transactions.

(b) Compensation of key management personnel

	Group	
	Financial year ended 30 June	
	2021	2020
	(Unaudited)	(Audited)
	RM'000	RM'000
Short-term employees benefits	1,144	2,677
Directors' fee	545	430
Employer's contribution to defined contribution plans	43	68
	1,732	3,175
Comprise amounts paid to :		
-Directors of the Company	1,340	2,584
-Other key management personnel	392	591
	1,732	3,175

15. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

- (a) On 12 November 2021, the Company has convened an extra-ordinary general meeting ("EGM") for the Proposed Share Distribution and Additional Share Distribution. During the EGM, the shareholders have approved the Share Distribution and Additional Share Distribution (as defined in the circular dated 28 October 2021) and this enables the Company to extinguish its debts of approximately RM187 million.
- (b) Pertaining to the Settlement Agreement between CCPSB and Achwell Property Sdn Bhd entered on 28 July 2021, the judicial management order was extended to 8 January 2022 for the fulfillment of the conditions precedent of the Settlement Agreement. At the Gadang Holding Berhad's ("GHB") shareholders' meeting held on 3 November 2021, GHB's shareholders have approved the Settlement Agreement. Accordingly, the Settlement Agreement has now become unconditional.
- (c) On 15 November 2021, the Company has signed a non-binding term sheet with a potential buyer Mr Loh Choon Yow for the sale of the entire share capital of Terratech Resources Pte Ltd and its subsidiary CEP Resources Sdn Bhd ("**Marble business**") for a consideration of RM4.8 million. The sale is subject to due diligence exercise to be carried out by potential buyer, definitive agreement to be entered into and condition precedents to be fulfilled.

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 consolidated statement of financial position of Capital World Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed 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. The figures have not been audited or reviewed by the Group's auditors

2A. 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.

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

- (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.

As of the date of the announcement, the management of the Company has assessed the net realizable value of these IP and the recoverable amount of these PPE, and accordingly the IP - serviced suites under construction and serviced apartments under construction and PPE - hotel under construction were written-off by an amount of RM190.3 million and impaired by an amount of RM35.7 million respectively. This is based on the prudent approach taken by the management. Due to the challenging residential property market in Johor, Malaysia which had been deeply impacted by Covid-19 pandemic, the Group is still in the midst of securing contracts/agreements to substantiate the net realizable value of these IP and the recoverable amount of the PPE.

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

3. 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.

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

REVIEW OF STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP

12 months ended 30 June 2021 ("FY2021") vs 12 months ended 30 June 2020 ("FY2020")

The Group's recorded a gross profit of RM3.26 million mainly due to:

- (a) The Group's revenue remain constant as compared to FY2020;
(b) There were changes to the budgeted construction cost in Capital Suite (still under construction) which has resulted changes to the previously recognized percentage of completion for the project. This has resulted in the Group registered negative cost of sales (credit balance) of RM439,000; and
(c) Revenue and gross profit generated from mining division amounting to RM509,000 and RM375,000 respectively.

Other income increase by RM4.8 million mainly due to expenses recovery of the operating expenses including maintenance fees and sinking fund in relation to unsold property units owned by Capital City Properties Sdn Bhd ("CCPSB") on Capital City Project from the project management consultant company, which amounted to RM9.6 million, and offset by:

- (a) the decrease in one-off income, gain on disposal of subsidiaries amounting to RM4.0 million which arose in FY2020.
(b) The decrease in other income, such as interest income, and forfeiture income amounting to RM0.8 million

The Group registered negative selling and distribution expenses due to the reversal of accrual selling and distribution 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 during financial period FY2021 was mainly due to the Inventory properties written-down – serviced suites under construction and serviced apartments under construction ("IP") and property, plant, and equipment – hotel under construction ("PPE"); amounting to RM 173 million subsequent to prudent approach taken by the management. Due to the challenging residential property market in Johor, Malaysia which had been deeply impacted by Covid-19 pandemic, the Group is still in the midst of securing contracts/agreements to substantiate the net realizable value of these IP and the recoverable amount of the PPE.

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 the scheme of arrangement and CCPSB, the 100% owned subsidiary, which was placed under judicial management (“**JM**”) in March 2020. The abovementioned increase in general and administrative expenses mainly offset by:

- a) decrease in impairment of mining rights amounting to RM 20 million;
- b) decrease in depreciation of property, plant and equipment amounting to RM 2.8 million;
- c) decrease in amortization of mining rights amounting to RM1.2 million;
- d) decrease in allowance for impairment of trade and other receivable amounting to RM 33.4 million;
- e) decrease in employee benefit expense amounting to RM 4.4 million mainly due to reduced manpower;
- f) absence of deferred expenditure amounting to RM 4 million; and
- g) absence of depreciation of investment properties amounting to RM 4.6 million.

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 RM175.8 million for FY2021 as compared to a loss after tax of RM152.6 million in FY2020.

REVIEW OF STATEMENT OF FINANCIAL POSITION OF THE GROUP

The decrease in Group’s total assets as at 30 June 2021 compared to Group’s total assets as at 30 June 2020 was mainly attributed to:

- a) decrease in Inventory properties amounting to RM4 million due to reversal of development cost upon receipt of the final certification from the quantity surveyor and impairment made to inventory properties – serviced suites under construction and serviced apartments under construction (“**IP**”) amounting to RM190 million.
- b) subsequent to a prudent approach taken by the management after careful assessment of present challenging property market in Johor Bharu over the net realizable value of these IP; and
- c) decrease in property, plant, and equipment due to depreciation recorded in FY2021 amounting to RM1.5 million and impairment of property, plant, and equipment amounting to RM36 million mainly due to a prudent assessment derived on the recoverable value for on-going development such as the hotel under construction

The decrease in Group’s total liabilities as at 30 June 2021 compared to Group’s total liabilities as at 30 June 2020 mainly attributed to

- a) decrease in other payable mainly due to in relation to reimbursement of operating expenses from Capital City’s project management consultant company amounting of RM22 million and contra with recoverable trade receivable which has been impaired in prior financial year amounting of RM4 million.
- b) decrease in accruals mainly due to actualize the development costs about RM11.2 million;
- c) increase in trade payables mainly due to reclassification of development cost from accruals and billings from sub-contractor; and
- d) increase in loan and borrowings due to the accrued finance cost.

For the FY2021, the Group’s current liabilities exceeded its current assets by RM46.3 million, and the Group’s registered a net liabilities position amounting to RM24.6 million. The negative working capital and capital deficit position is mainly due to the written-down inventory properties – serviced suites under construction and serviced apartments under construction (“**IP**”) and impairment of property, plant, and equipment – hotel under construction (“**PPE**”); amounting to RM226 million following assessment and adoption of a prudent approach by the Company’s management. Due to the challenging residential property market in Johor, Malaysia which had been deeply impacted by Covid-19 pandemic, the Group is still in the midst of securing contracts/agreements to substantiate the net realizable value of these IP and the recoverable amount of the PPE.

The continuing challenges affecting the property market in Johor Bharu, Malaysia, continues to impact the implementation of the Group’s restructuring. In addition, the Covid-19 pandemic has brought about uncertainties to the Group’s and the Company’s operating environment.

Following the completion of the Scheme, the Group will be able to improve its working capital position. In addition, the Group has signed a non-binding term sheet with a potential buyer, Mr Loh Choon Yow, in relation to its Marble business to raise the additional cashflow for its general working capital as well as to meet the Group's short-term debts obligation when its fall due. At the same time, as for the capital deficit position, the Board is of the view that upon successful implementation of the restructuring exercises in both the Company and CCPSB, it will be able to extinguish its debts amounting to RM187 million and accordingly the Group's financial position will improve to a net assets position which will allow the Group to continue to operate as a going concern. The Company's shares had been voluntarily suspended since 14 February 2020. Subject to the opinion of the Group's Independent Auditors on going concern, the Company targets to prepare its proposal for the trading resumption for submission to SGX-ST by 31 December 2021.

REVIEW OF STATEMENT OF CASH FLOWS OF THE GROUP

The Group reported net cash flows used in operating activities of RM287,000 on mainly due to positive operating cash flows before changes in working capital of RM52.4 million offset by negative working capital changes during FY2021.

There were no cash flow generated from or used in investing activities and financing activities during FY2021.

As a result of the above, the Group recorded a cash and cash equivalent of RM 249,000 (which comprise cash at hand and at banks of RM 1 million net off balances not available for use of RM0.8 million) as at 30 June 2021.

4. 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.

5. 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.

The Group's property business in Johor Bahru and marble business in Kelantan were affected by the outbreak of the Coronavirus Disease 2019 (COVID-19) in Malaysia since March 2020. The COVID19 restrictions such as the Movement Control Order ('MCO') and prolonged closed border between Singapore and Malaysia, have weakened the economic situation as well as the consumer sentiment in Malaysia, especially in Johor Bahru.

With the recent news of easing of restrictions in Malaysia such as the allow of inter-state travel will help to progressive re-opening of the economy and social activities in Malaysia. The start of the opening up borders between Singapore and Malaysia, where vaccinated air travelers between Singapore Changi Airport and Kuala Lumpur International Airport which will be quarantine-free surely will allow the recovery of the economy and pave way for businesses to resume. This will improve the economy in Malaysia as well to allow and bring more Singapore investors to invest in properties in Malaysia. With the restoration of land links between Singapore and Johor in the near future, which will surely help to revive the economies in Johor, especially in Johor Bahru, the nearest town to Singapore. The 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 addition to the efforts to restructure and improve the financial position, the Company is also working to strengthen 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. This is part of the effort of the Company in working 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 as well as its submission of the Resumption Proposal to SGX-ST via SGXNET.

6. Dividend information

6a. Current financial period reported on

Any dividend recommended for the current financial period reported on?

No.

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 financial year ended 30 June 2021 as the Group's funds is required to be used for the Group's operations.

6b. Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

6c. 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.

6d. Date payable.

6e. Books Closure Date

Not applicable.

7. 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 July 2020 to 30 June 2021.

8. 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

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

The Group's revenue was only derived from Malaysia. Please refer to Section F Paragraph 2 of review of performance of the Group, for review of the material changes in contributions to turnover and earnings.

A breakdown of revenue and earnings as follows:

	2021	2020
	RM'000	RM'000
	(Unaudited)	(Audited)
(a) Revenue		
- first half year	509	1,832
- second half year	2,655	1,260
	<u>3,164</u>	<u>3,092</u>

	2021 RM'000 (Unaudited)	2020 RM'000 (Audited)
(b) Operating loss after tax before deducting non-controlling interest		
- first half year	(3,307)	(22,698)
- second half year	(172,479)	(129,955)
	(175,786)	(152,653)

10. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Catalist Rule 706A

Capital City Frontier Sdn Bhd which is 100% owned indirect subsidiary has been struck off in January 2021. This subsidiary has been dormant for the last 12 months. Save as disclosed, there were no other incorporation, acquisition and realization of shares pursuant to Rule 706A of the Catalist Rules.

11. 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 FY2021. No dividend was paid for FY2020.

12. 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.

The Board confirms that there is no person occupying a managerial position in the Company or any of its subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company during FY2021 and up to the date of this announcement.

On behalf of the Board of Directors

Siow Chien Fu
Executive Director and Chief Executive Officer

Low Chai Chong
Non Executive Independent Chairman

15 November 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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