



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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2022

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 2022.

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

Description	Group Second quarter ended 31 December			Group 6 months period ended 31 December		
	2022 (Unaudited) RM'000	2021 (Unaudited) RM'000	%	2022 (Unaudited) RM'000	2021 (Unaudited) RM'000	%
Revenue	5	-	n.m.	-	-	n.m.
Cost of sales		-	n.m.	-	-	n.m.
Gross Profit		-			-	
Other income	5,505	240	>100	5,517	393	>100
General and administrative expenses	(5,729)	(7,860)	27.11	(9,164)	(13,402)	31.62
Finance costs	(621)	(1)	>(100)	(622)	(2)	>(100)
Loss before income tax	6	(844)		(4,269)	(13,011)	
Income tax expense		-	<100		-	<100
Loss for the period		(844)		(4,269)	(13,010)	
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	295	69	>100	422	86	>100
Total comprehensive loss for the period		(549)		(3,847)	(12,924)	

n.m: Denotes not meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

Description	Notes	Group As at		Company As at	
		31 Dec 2022 (Unaudited) RM'000	30 June 2022 (Audited) RM'000	31 Dec 2022 (Unaudited) RM'000	30 June 2022 (Audited) RM'000
Current assets					
Inventory properties	8	123,473	123,473	-	-
Contract assets		4,653	4,653	-	-
Trade receivables		112	145	-	-
Other receivables, deposits, and prepayments		1,030	1,337	283	70
Amount due from subsidiaries		-	-	179,534	167,028
Cash on hand and at banks		2,912	854	2,243	181
		<u>132,180</u>	<u>130,462</u>	<u>182,060</u>	<u>167,279</u>
Assets of disposal group classified as held for sale		-	731	-	-
Non-current assets held for sale		<u>214,977</u>	<u>74,003</u>	<u>-</u>	<u>-</u>
		<u>347,157</u>	<u>205,196</u>	<u>182,060</u>	<u>167,279</u>
Non-current assets					
Investment properties		-	142,514	-	-
Property, plant, and equipment	9	23,842	24,099	23	30
		<u>23,842</u>	<u>166,613</u>	<u>23</u>	<u>30</u>
Total assets		<u>370,999</u>	<u>371,809</u>	<u>182,083</u>	<u>167,309</u>
Current liabilities					
Trade payables		75,077	79,899	-	-
Other payables and accruals		51,072	41,220	16,510	9,568
Amount due to subsidiaries		-	-	5,479	5,284
Contract Liabilities		3,340	3,340	-	-
Loans and borrowings	10	38	38	38	38
Provision for taxation		70,210	70,294	263	253
		<u>199,737</u>	<u>194,791</u>	<u>22,290</u>	<u>15,143</u>
Liabilities directly associated with disposal group classified as held for sale		-	1,909	-	-
		<u>199,737</u>	<u>196,700</u>	<u>22,290</u>	<u>15,143</u>
Non-current liabilities					
Other payables		5,546	5,546	-	-
Total liabilities		<u>205,283</u>	<u>202,246</u>	<u>22,290</u>	<u>15,143</u>
Equity attributable to owners of the Company					
Share capital	11	215,083	215,083	264,208	264,208
Share premium		159,192	159,192	800,950	800,950
Merger reserve		5,000	5,000	-	-
Equity component of convertible bond		186	186	186	186
Foreign currency translation reserve		5,798	5,376	7,992	2,359
Capital reserve		-	-	487	487
Scheme shares reserve		(7,962)	(7,962)	-	-
Accumulated losses		(211,581)	(207,312)	(914,030)	(916,024)
Total equity		<u>165,716</u>	<u>169,563</u>	<u>159,793</u>	<u>152,166</u>
Total liabilities and equity		<u>370,999</u>	<u>371,809</u>	<u>182,083</u>	<u>167,309</u>

C. STATEMENT OF CHANGES IN EQUITY (GROUP AND COMPANY)

Group (unaudited)	Attributable to owners of the Company							Total equity RM'000
	Share capital 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	Accumulated losses RM'000	
Opening balance as at 1 July 2022	215,083	159,192	5,000	186	5,376	(7,962)	(207,312)	169,563
Loss for the period	-	-	-	-	-	-	(4,269)	(4,269)
<u>Other comprehensive income</u>								
Exchange differences arising from translation of foreign operations	-	-	-	-	422	-	-	422
Total comprehensive loss for the period	-	-	-	-	422	-	(4,269)	(3,847)
Closing balance as at 31 December 2022	215,083	159,192	5,000	186	5,798	(7,962)	(211,581)	(165,716)
Opening balance as at 1 July 2021	176,240	3,824	5,000	186	1,882	(7,962)	(266,445)	(79,313)
Loss for the period	-	-	-	-	-	-	(13,010)	(13,010)
<u>Other comprehensive income</u>								
Exchange differences arising from translation of foreign operations	-	-	-	-	86	-	-	86
Total comprehensive loss for the period	-	-	-	-	86	-	(13,010)	(12,923)
Closing balance as at 31 December 2021	176,240	3,824	5,000	186	1,968	(7,962)	(279,455)	(92,237)

Company (unaudited)	Share capital	Share premium	Equity component of convertible bond	Foreign currency translation reserve	Capital reserve	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Opening balance as at 1 July 2022	264,208	800,950	186	2,359	487	(916,024)	152,166
Income for the period	-	-	-	-	-	1,994	1,994
Other comprehensive income	-	-	-	5,633	-	-	5,633
Total comprehensive loss for the period	-	-	-	5,633	-	1,994	7,627
Closing balance as at 31 December 2022	264,208	800,950	186	7,992	487	(914,030)	159,793
Opening balance as at 1 July 2021	225,365	645,582	186	472	487	(882,753)	(10,661)
Loss for the period	-	-	-	-	-	(5,826)	(5,826)
Other comprehensive loss	-	-	-	(72)	-	-	(72)
Total comprehensive loss for the period	-	-	-	(72)	-	(5,826)	(5,898)
Closing balance as at 31 December 2022	225,365	645,582	186	400	487	(888,579)	(16,559)

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	6 months period ended 31 December 2022 (Unaudited) RM'000	2021 (Unaudited) RM'000
Cash flows from operating activities		
Loss before income tax	(4,269)	(13,011)
Adjustments for:		
Depreciation of property, plant and equipment	258	295
Depreciation of investment properties	1,541	-
Amortisation of intangible assets	-	12
Write-down of inventory properties	-	1,729
Gain on disposal of subsidiaries	(5,481)	-
Interest income	-	(31)
Interest expense	-	2
Operating cash flows before changes in working capital	(7,951)	(11,004)
Changes in working capital:		
Trade and other receivables	339	(148)
Trade and other payables and deferred revenue	(1,164)	10,707
Cash flows generated from operations	(8,776)	(445)
Income taxes paid	(90)	-
Net cash flows used in operating activities	(8,866)	(445)
Receipt of earnest deposit for the SPA	10,000	-
Receipt of deposit for disposal group classified as held for sale	921	1,840
Net cash flows generated from investing activities	10,921	1,840
Net cash flows generated from financing activities	-	-
Net (decrease) / increase in cash and cash equivalents	2,055	1,395
Effect of exchange rate changes in cash and cash equivalents	(1)	67
Cash and cash equivalents at the beginning of the period	858	464
Cash and cash equivalents at the end of the period	2,912	1,926

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 property development, and property investment.

2. Basis of preparation

The condensed interim financial statements for the 6 months period ended 31 December 2022 have been prepared in accordance with IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board. 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 audited financial results announcement for the year ended 30 June 2022.

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 financial statements are consistent with those of the latest audited financial statements for the reporting year ended 30 June 2022, except that 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 2022. 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 31 December 2022.

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 2022

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

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 the 6 months period ended 31 December 2022.

3. Going Concern Assumption

As at 31 December 2022, the Group has net assets of RM165.7 million (As at 30 June 2022: RM169.6 million), which include inventory properties of RM123.5 million (As at 30 June 2022: RM123.5 million), Non-current assets held for sale of RM214.9 million (Aggregate of Investment properties and Non-current assets held for sale as at 30 June 2022: RM216.5 million) and provision for taxation of RM70.2 million (As at 30 June 2022: RM70.3 million).

In the preparation of the financial statements, the directors of the Company believe that the use of the 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 SPA for the sale of the property to Mustafa on 26 January 2023. Further, nothing has come to the attention of the Board of Directors and management that the conditions precedent in relation to the sale of the Group's retail mall would not be fulfilled;
- (ii) The Group had written to the Inland Revenue Board of Malaysia ("**LHDN**") on 12 April 2022 on the tax instalment and received an email response from LHDN on 19 April 2022 confirming the monthly instalment payment for a period of six (6) months. LHDN had also notified the Group that if the Group faced any difficulty in settling the payment for the last month's instalment, the Group can apply for instalment payment rescheduling. An instalment payment appeal must be submitted at a minimum one month before the due date of the last instalment. The Group has since made payment according to the schedule.

The Group had submitted an instalment payment appeal on 2 September 2022 and 29 November 2022 and obtained the approval response from LHDN on 3 October 2022 and 19 January 2023 for the payment instalment to continue as below:

- (a) On 3 October 2022, the Group obtained approval on its application to the LHDN to make monthly instalments of RM10,000 over a period of 5 months commencing from October 2022 to February 2023 for the outstanding income tax payable of approximately RM41 million; and
- (b) On 19 January 2023, the Group obtained approval on its application to the LHDN to make monthly instalments of RM10,000 over a period of 11 months commencing from January 2023 to November 2023 for the outstanding income tax payable of approximately RM29 million.

The Group will continue to make applications with the LHDN to repay the outstanding income tax payable on a monthly instalments basis as and when needed until the outstanding income tax payable is fully repaid. Given that the Group has a positive track record in repayment of the tax instalment and the instalment appeal previously,

the Board of Directors and management are of the view that the results of any further applications will be favourable;

- (iii) The Company has received the earnest deposit of the SPA in November 2022; and
- (iv) 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 a cash flow forecast for the next 12 months.

In the event that the Group and the Company are unable to continue as going concerns, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the statements of financial position. In addition, the Group and the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to these financial statements.

4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year from 1 July 2022 to 31 December 2022.

5. Segmental and revenue information

5.1. Reportable segments

Group (unaudited)	Property development RM'000	Mining RM'000	Others RM'000	Elimination RM'000	Group RM'000
Second quarter ended 31 December 2022					
<u>Revenue</u>					
Revenue from external customers	-	-	-	-	-
<u>Results</u>					
Depreciation of property plant and equipment	121	-	-	-	121
Depreciation of investment properties	770	-	-	-	770
Profit/(Loss) before tax	(5,033)	-	3,011	1,178	(844)
Segment Assets	367,839	-	182,439	(179,279)	370,999
Segment liabilities	434,409	-	26,121	(255,247)	205,283

Group (unaudited)	Property development RM'000	Mining RM'000	Others RM'000	Elimination RM'000	Group RM'000
Second quarter ended 31 December 2021					
<u>Revenue</u>					
Revenue from external customers	-	-	-	-	-
<u>Results</u>					
Depreciation expense	129	18	-	-	147
Amortisation of intangible assets	-	6	-	-	6
Profit/(Loss) before tax	1,891	121	(5,327)	(523)	(7,621)
Segment Assets	403,361	72,184	33,600	(102,688)	406,457

Group (unaudited)	Property development RM'000	Mining RM'000	Others RM'000	Elimination RM'000	Group RM'000
Second quarter ended 31 December 2021					
Segment liabilities	530,528	94,468	53,516	(179,818)	498,694

Group (unaudited)	Property development RM'000	Mining RM'000	Others RM'000	Elimination RM'000	Group RM'000
6 months period ended 31 December 2022					
<u>Revenue</u>					
Revenue from external customers	-	-	-	-	-
<u>Results</u>					
Depreciation of property plant and equipment	250	-	8	-	258
Depreciation of investment properties	1,541	-	-	-	1,541
Amortisation of intangible assets					
Profit/(Loss) 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

Group (unaudited)	Property development RM'000	Mining RM'000	Others RM'000	Elimination RM'000	Group RM'000
6 months period ended 31 December 2021					
<u>Revenue</u>					
Revenue from external customers	-	-	-	-	-
<u>Results</u>					
Depreciation expense	249	46	-	-	295
Inventory properties written down	-	-	1,729	-	1,729
Amortisation of intangible assets	-	12	-	-	12
Profit/(Loss) before tax	(3,730)	227	(8,523)	(984)	(13,010)
Segment Assets	403,361	72,184	33,600	(102,688)	406,457
Segment liabilities	530,528	94,468	53,516	(179,818)	498,694

5.2. Disaggregation of Revenue

There is no revenue generated from the 6 months period ended 31 December 2022 and 2021.

6. Loss before taxation

Description	Group Second quarter ended 31 December		Group 6 months period ended 31 December	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
Loss for the period is arrived at after (crediting)/charging:				
Miscellaneous income	(24)	(210)	(35)	(362)
Audit fees:				
- Auditors of the Company	5	5	267	97
Depreciation of property, plant, and equipment	121	147	258	295
Depreciation of investment properties	770	-	1,541	-
Amortisation of intangible assets	-	5	-	12
Employee benefit expense:				
- Salaries and bonuses	826	143	1,361	262
- Social security contributions	1	1	3	1
- Contributions to defined contribution plan	32	15	61	28
Write-down Inventory property	-	-	-	1,729

7. Loss Per Share

Basic earnings/(loss) per share is calculated by dividing profit/(loss) for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the 6 months period ended 31 December 2022.

Diluted earnings/(loss) per share is calculated by dividing profit/(loss) for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the 6 months period ended 31 December 2022 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.

Computation of basic and diluted earnings/(loss) per share as follows:

	Group Second quarter ended 31 December		Group 6 months period ended 31 December	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss after tax attributable to owners of the Company (RM'000)	844	7,620	4,269	13,010
Weighted average number of ordinary shares for basic and diluted loss per share computation ('000)	14,268,666	1,832,095	14,268,666	1,832,095
Basic loss per ordinary share (RM per cents)	0.01	0.42	0.03	0.71

8. Inventory Properties

	Group As at	
	31 Dec 2022 (Unaudited) RM'000	30 June 2022 (Audited) RM'000
Comprised:		
- Retail units of the retail mall	123,473	123,473

9. Property, plant and equipment

During the 6 months period ended 31 December 2022 and 2021, the Group has no impairment of the property, plant and equipment.

10. Borrowings

	Group As at		Company As at	
	31 Dec 2022 (Unaudited) RM'000	30 June 2022 (Audited) RM'000	31 Dec 2022 (Unaudited) RM'000	30 June 2022 (Audited) RM'000
Amount repayable within one year	38	38	38	38

The loans and borrowings are mainly non-secured as at 31 December 2022 and 30 June 2022.

11. Share Capital

	Number of issued shared shares	Share capital RM'000
As at 31 December 2022	14,268,666,015	215,083
As at 30 June 2022	14,268,666,015	215,083

The Company does not have any outstanding convertibles and options. There were also no treasury shares or subsidiary holding as at 31 December 2022 and 30 June 2022.

12. Net Asset Value

	Group As at		Company As at	
	<u>31 December 2022</u>	<u>30 June 2022</u>	<u>31 December 2022</u>	<u>30 June 2022</u>
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net Asset Value (“NAV”) (RM’000)	165,716	169,563	159,793	152,166
Number of ordinary shares in issue (excluding treasury shares)(’000)	14,268,666	14,268,666	14,268,666	14,268,666
NAV per ordinary share based on issued share capital (RM per cents)	1.16	1.19	1.12	1.07

13. Related party transactions

During the 6 months period ended 31 December 2022 and 2021, the Group had no significant related party transactions.

Compensation of key management personnel

	Group		Group	
	Second quarter ended <u>31 December 2022</u>	31 December <u>2021</u>	6 months period ended <u>31 December 2022</u>	31 December <u>2021</u>
	(Unaudited) RM’000	(Unaudited) RM’000	(Unaudited) RM’000	(Unaudited) RM’000
Short-term employees’ benefits	586	102	878	170
Directors’ fee	114	325	228	650
Employer’s contribution to defined contribution plans	15	10	30	16
	<u>715</u>	<u>437</u>	<u>1,136</u>	<u>842</u>
Comprise amounts paid to:				
-Directors of the Company	11	-	11	-
-Other key management personnel	455	112	482	186
	<u>466</u>	<u>112</u>	<u>493</u>	<u>186</u>

14. Subsequent events

(i) Sale and Purchase Agreement (“SPA”) between CCPSB and Mustafa

Pursuant to the announcement made on 27 January 2023, the Company’s wholly owned subsidiaries CCPSB entered into a SPA with MK Mustafa Centre Sdn Bhd (“**Mustafa**”). Pursuant to the terms of the SPA dated on 26 January 2023, CCPSB agrees to sell, and Mustafa agrees to purchase, the following assets in Capital City Mall for the aforesaid consideration of Ringgit Malaysia Three Hundred and Sixty-Eight Million (RM368,000,000.00) (“**Proposed Sale**”) comprising the following sections of CCPSB:

- (a) 591 unsold retail units,
 - (b) 374 accessory parcels; and
 - (c) 2,181 car parking spaces
- (collectively referred to as the “**Property**”)

As at date of this announcement, the condition precedents that is set out in the SPA are yet to be fulfilled. The board of directors has reviewed the conditions precedent in the SPA and they are of the opinion that the Group is able to fulfil and satisfy the conditions precedent.

(ii) Supplementary Settlement Agreement (“SSA”) between CCPSB and Achwell Property Sdn Bhd (“APSB”)

Pursuant to the announcement made on 10 February 2023, the Company’s wholly owned subsidiary CCPSB entered into a SSA with Achwell Property Sdn Bhd on 10 February 2023.

F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

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

The condensed interim consolidated statement of financial position of Capital World Limited and its subsidiaries as at 31 December 2022 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 6 months period ended 31 December 2022 and certain explanatory notes have not been audited or reviewed by the Company's auditors.

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

The independent auditor of the Company, Messrs Moore Stephens LLP, have in their Independent Auditor's Report for the financial year ended 30 June 2022 ("FY2022") dated 13 October 2022 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 FY2022.

- (a) For (i) the modified opinion relates to the comparability of the financial year ended 30 June 2021 figures and the corresponding figures in financial year ended 30 June 2020. As such, the presentation has been rectified to reflect the current period figures.
- (b) The Board confirms that the impact of all outstanding audit issues on the financial statements have 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

6 months period ended 31 December 2022 ("2Q2023") vs 6 months period ended 31 December 2021 ("2Q2022")

During the 6 months period ended 31 December 2022, the Group's did not secure any sales. On 26 January 2023 the Company's wholly owned subsidiary CCPSB has entered into a SPA with Mustafa to sell the Property. The condition precedents that are set out in the SPA are yet to be fulfilled.

The increase of other income, mainly due to the completion of the disposal of Terratech Resources Pte Ltd, and its wholly owned subsidiary, CEP Resources Entity Sdn Bhd ("**Disposal Group**") took place in December 2022. The recognition of the gain of disposal amounting to RM5.48 million which comprised as follows;

- i. Total consideration received from the disposal amounting RM4.8 million; and

- ii. Upon completion of the disposal, the company's net liabilities directly associated with the Disposal Group amounting to RM0.68 million was discharged.

General and administrative expenses mainly comprise of maintenance and sinking service fee paid for the balance unsold retail units, staff salaries, office rentals, corporate professionals fee and general office operating expenses. The decrease of general and administrative expenses in 2Q2023 as compared to 2Q2022, is mainly due to the following:

- iii. Absence of impairment of inventory property amounting to RM1.73 million during 2Q2022; and
- iv. Absence of the one-off incentive expenses ie Company Advisor Fee amounting to RM4.35 million in 2Q2022.

The abovementioned decrease in general and administrative expenses was offset by the increase of the depreciation of investment properties amounting to RM1.54 million.

The Group's recorded net loss after tax of RM4.26 million for 2Q2023 as compared to net loss after tax of RM13.01 million in 2Q2022.

REVIEW OF STATEMENT OF FINANCIAL POSITION OF THE GROUP

No significant movement on the Group's net assets of RM165.0 million as at 31 December 2022 as compared to Group's total net assets of RM 169.6 million as at 30 June 2022. The decrease of net assets of RM4.6 million is mainly due to the increase in Group's total liabilities due to the rationale illustrated below.

The increase in Group's total liabilities as at 31 December 2022 compared to the Group's total liabilities as at 30 June 2022 amounting to RM3.0 million mainly attributed to increase in liability in relation to the earnest deposit amounting to RM10.0 million received from Mustafa during the financial period. The abovementioned increase in Group's total liabilities is offsetted by the decrease in the following payable items:

- i. Stakeholder sum amounting to RM5.0 million made by CCPSB to APSEB's solicitor on 10 November 2022, and
- ii. Approximate RM2.0 million being payment made to the Judiciary Manager and professionals in relation to the debt restructuring exercise underwent by the Group.

REVIEW OF STATEMENT OF CASH FLOWS OF THE GROUP

The Group reported net cash flows used in operating activities of RM8.9 million (31 December 2022: RM0.4 million), and net cash flows generated from investing activities of RM10.9 million (31 December 2022: RM1.8 million)

There was no cash flow generated from or used in financing activities during the period ended 2Q2023 and 2Q2022.

As a result of the above, the Group recorded a cash and cash equivalent of RM2.9 million (31 December 2022: RM1.9 million).

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 full recovery of international travel is in the horizons, as most countries are gradually lifting their travel restrictions. Similarly, the Malaysian economy expects a recovery following the reopening of its international borders. The Singapore-Malaysia land checkpoints have been experiencing high traffic since the reopening of border in April 2022, with the traffic volumes reaching the pre-pandemic level. ¹

It has also been reported that the increased rental costs in Singapore have resulted in an influx of working professionals in Singapore moving to stay in Johor Bahru and commute to work to Singapore on daily basis. This has boosted the businesses

¹ The Straits Times - Attractive exchange rate a draw for S'poreans heading for JB (<https://www.straitstimes.com/singapore/6-months-sinceland-borders-reopening-sporeans-flock-to-jb-lured-by-lower-prices>)

and property market in Johor Bahru.² The stronger Singapore currency has also drawn tourists from Singapore to Malaysia, which has revived the business sentiment in Malaysia as well as Johor Bahru.³

Following the completion of our group's debt restructuring i.e the Scheme of Arrangement on 26 April 2022, our Group's and Company's financial position has improved and returned to healthy position. Additionally, the Group is working towards the re-opening its Capital City Mall in second half of 2023. With the Proposed Sale of retail units to Mustafa, and the resumption of the remaining development of the 5 Towers being (i) a 16-storey hotel suites tower comprising 315 units of hotel suites; (ii) a 18-storey serviced suites tower comprising 630 units of serviced suites; and (iii) three (3) tower blocks of serviced apartments comprising 15 floors each with 690 units of serviced apartments, the Group is steadily targeting a complete resumption of its business operations.

On 10 February 2023, the Company has submitted its resumption of trading proposal ("**Resumption Proposal**") to SGX-ST. Moving forward, the Group will be closely monitoring the volatile economic climate such as the rising interest rates, the rising commodities price, etc. and will adapt its business plans accordingly. The Group will continue to seek new and viable opportunities to grow the Group's business to enhance the shareholders' value.

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 period ended 31 December 2022 as the Group's funds is reserved 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.

Not applicable.

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.

² The star – Positive property outlook for Iskandar Malaysia in 2023 (<https://www.thestar.com.my/metro/metro-news/2022/10/08/positive-property-outlook-for-iskandar-malaysia-in-2023>)

³ The Straits Times - Attractive exchange rate a draw for S'poreans heading for JB (<https://www.straitstimes.com/singapore/6-months-sinceland-borders-reopening-sporeans-flock-to-jb-lured-by-lower-prices>)

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 not prejudicial to the interests of the Company and its minority shareholders.

There were no IPT that was equal to or had exceeded S\$100,000 for the 6 months period ended 31 December 2022.

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. 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 second quarter ended 31 December 2022 and 6 months period ended 31 December 2022 to be false or misleading in any material aspect.

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

There were no incorporation, acquisition and realization of shares pursuant to Rule 706(A) of the Catalist rules.

On behalf of the Board of Directors

Hoo Khee Leng
Executive Director and Chief Executive Officer

Siow Chien Fu
Executive Director

14 February 2023

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

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