



CAPITAL WORLD LIMITED

(Formerly known as Terratech Group Limited)

(Company Registration No: CT-276295)

(Incorporated in the Cayman Islands on 15 March 2013)

UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019

**PURSUANT TO RULES 705(2C) OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST")
LISTING MANUAL SECTION B: RULES OF CATALIST, CAPITAL WORLD LIMITED IS REQUIRED BY SGX-ST TO
ANNOUNCE ITS QUARTERLY FINANCIAL STATEMENTS.**

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

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

	Group			Group		
	Second quarter ended 31 December			Half year ended 31 December		
	2019	2018	Change	2019	2018	Change
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	986	53,693	(98)	2,642	97,819	(97)
Cost of sales	(2,379)	(21,908)	(89)	(4,518)	(34,133)	(87)
Gross (loss)/profit	(1,393)	31,785	(104)	(1,876)	63,686	(103)
Other income	937	4,368	(79)	1,929	4,474	(57)
Selling and distribution expenses	(19)	(2,180)	(99)	(173)	(4,096)	(96)
General and administrative expenses	(12,063)	(10,628)	14	(19,653)	(22,224)	(12)
Finance costs	(2,482)	(3,570)	(30)	(3,110)	(6,793)	(54)
(Loss)/Profit before tax	(15,020)	19,775	(176)	(22,883)	35,047	(165)
Income tax credit/(expense)	92	(5,051)	(102)	185	(10,014)	(102)
(Loss)/Profit after tax	(14,928)	14,724	(201)	(22,698)	25,033	(191)
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences arising from translation of foreign operations	387	(172)	(325)	(541)	27	(2,104)
Other comprehensive income/(loss), net of tax	387	(172)	(325)	(541)	27	(2,104)
Total comprehensive (loss)/income, net of tax	(14,541)	14,552	(200)	(23,239)	25,060	(193)
(Loss)/Profit attributable to:						
Owners of the Company	(14,795)	14,944	(199)	(22,415)	25,445	(188)
Non-controlling interests	(133)	(220)	(40)	(283)	(412)	(31)
	(14,928)	14,724	(201)	(22,698)	25,033	(191)
Total comprehensive (loss)/income attributable to:						
Owners of the Company	(14,408)	14,878	(197)	(22,956)	25,580	(190)
Non-controlling interests	(133)	(326)	(59)	(283)	(520)	(46)
	(14,541)	14,552	(200)	(23,239)	25,060	(193)

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

Group			Group		
Second quarter ended 31 December			Half year ended 31 December		
2019	2018	Change	2019	2018	Change
(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
RM'000	RM'000	%	RM'000	RM'000	%

Loss/(Profit) for the year is arrived at after (crediting) / charging :

(Interest income) / Reversal of interest income in prior year, net	(43)	426	(110)	(294)	367	n.m.
Depreciation of property, plant & equipment	1,313	986	33	2,699	1,703	58
Depreciation of investment property	1,156	-	n.m.	2,312	-	n.m.
Amortisation of intangible assets	357	944	(62)	749	1,710	(56)
Amortisation of deferred expenditure	-	2,136	(100)	-	3,880	(100)
Interest expense	2,482	3,570	(30)	3,110	6,793	(54)
Write off of property, plant and machinery	1	7	(86)	143	7	1,943
Loss/(Gain) on disposal of a subsidiary	383	(3,946)	n.m.	383	(3,946)	n.m.

n.m. denotes not meaningful

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

	Group		Company	
	As at 31.12.19 (Unaudited) RM'000	As at 30.06.19 (Audited) RM'000	As at 31.12.19 (Unaudited) RM'000	As at 30.06.18 (Audited) RM'000
Current assets				
Inventory properties	222,419	223,333	-	-
Inventories	2,292	3,947	-	-
Deferred expenditure	4,021	4,021	-	-
Trade receivables	5,560	10,281	-	-
Unbilled receivables	-	-	-	-
Other receivables, deposits and prepayments	21,490	25,853	1,241	140
Amounts due from subsidiaries	-	-	102,041	101,401
Cash on hand and at banks	2,392	3,224	136	47
	<u>258,174</u>	<u>270,659</u>	<u>103,418</u>	<u>101,588</u>
Non-current assets				
Inventory properties	121,876	121,774	-	-
Trade receivables	14,495	14,495	-	-
Property, plant and equipment	126,297	129,073	72	190
Investment properties	228,851	231,162	-	-
Intangible assets	22,418	23,179	-	-
Deferred tax asset	3,473	3,473	-	-
Investment in subsidiaries	-	-	661,633	661,635
	<u>517,410</u>	<u>523,156</u>	<u>661,705</u>	<u>661,825</u>
Total assets	<u>775,584</u>	<u>793,815</u>	<u>765,123</u>	<u>763,413</u>
Current liabilities				
Trade payables	163,210	70,838	-	-
Other payables and accruals	90,553	82,511	13,459	10,343
Deferred revenue	2,931	3,068	-	-
Loans and borrowings	43,007	44,572	16,727	18,097
Provision for taxation	11,988	12,942	320	293
	<u>311,689</u>	<u>213,931</u>	<u>30,506</u>	<u>28,733</u>
Non-current liabilities				
Trade payables	154,859	247,424	-	-
Other payables	5,307	5,306	-	-
Provision for taxation	23,205	23,205	-	-
Deferred tax liabilities	1,453	1,639	-	-
	<u>184,824</u>	<u>277,574</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>496,513</u>	<u>491,505</u>	<u>30,506</u>	<u>28,733</u>
Equity				
Share capital	176,240	176,240	225,365	225,365
Reserves	103,942	126,898	509,252	509,315
Equity attributable to owners of the Company	<u>280,182</u>	<u>303,138</u>	<u>734,617</u>	<u>734,680</u>
Non-controlling interests	(1,111)	(828)	-	-
Total equity	<u>279,071</u>	<u>302,310</u>	<u>734,617</u>	<u>734,680</u>
Total equity and liabilities	<u>775,584</u>	<u>793,815</u>	<u>765,123</u>	<u>763,413</u>

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

	Group			
	As at 31.12.19		As at 30.06.19	
	(Unaudited)		(Audited)	
	RM'000		RM'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable within one year	26,280	16,727	44,572	-
Amount repayable after one year		-	-	-
	26,280	16,727	44,572	-

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

The Group's secured borrowings as at 31 December 2019 comprises of a HK\$ loan which is secured by pledge and charge of certain shares by the controlling shareholders and corporate guarantee by the Company.

The Group's unsecured borrowings as at 31 December 2019 comprises of a subscription on Convertible Loan.

The Group's secured borrowings as at 30 June 2019 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 Bonds which were secured by pledge and charge of certain shares by the controlling shareholders.

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

	Group	
	Second quarter ended 31 December	
	2019	2018
	(Unaudited)	(Unaudited)
	RM'000	RM'000
Cash flows from operating activities		
(Loss)/Profit before tax	(15,020)	19,775
Adjustments for:		
Depreciation of property, plant and equipment	1,314	986
Depreciation of investment property	1,156	-
Amortisation of intangible assets	356	944
Amortisation of deferred expenditure	-	2,136
Write off of property, plant & machinery	1	7
Loss/(Gain) on disposal of a subsidiary	383	(3,946)
Forfeiture of Deposit	(349)	-
(Interest income) / Reversal of interest income in prior year, net	(43)	426
Interest expense	2,482	3,570
Operating cash flows before changes in working capital	(9,720)	23,898
Changes in working capital:		
Inventory properties	(69)	(23,824)
Inventories	885	(271)
Deferred expenditure	-	(110)
Trade and other receivables	4,532	(883)
Trade and other payables	3,059	63,823
	(1,313)	62,633
Interest paid	(2,104)	(643)
Interest received	41	4
Tax paid	(299)	(3,632)
Net cash flows generated (used in)/from operating activities	(3,675)	58,362
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(14,328)
Purchase of intangible assets	-	(1,636)
Disposal of a subsidiary	(13)	(3,270)
Expenditure on investment property under construction	-	(43,518)
Net cash flows used in investing activities	(13)	(62,752)
Cash flows from financing activities		
Proceeds from loans and borrowings (Net)	16,727	-
Repayment of loans and borrowings	(13,685)	(1,138)
Release of fixed deposit placed for a bank guarantee	70	-
Repayment of hire purchase payables	-	(13)
Net cash flows generated from/(used in) financing activities	3,112	(1,151)
Net decrease in cash and cash equivalents	(576)	(5,541)
Cash and cash equivalents at beginning of period	2,222	14,203
Currency translation differences	(9)	566
Cash and cash equivalents at end of period	1,637	9,228
Cash and cash equivalents comprise:	As at 31 Dec 2019	As at 31 Dec 2018
Fixed deposits	755	5,351
Cash on hand and at banks	1,637	9,902
	2,392	15,253
Less: Bank balances not available for use	(755)	(6,025)
	1,637	9,228

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

	Share capital	Share premium	Capital reserve	Merger reserve	Equity component of Convertible Bond	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group (Unaudited)										
Balance as at 1 Oct 2019	176,240	3,824	-	5,000	186	141	109,199	294,590	(978)	293,612
Total comprehensive income for the year	-	-	-	-	-	387	(14,795)	(14,408)	(133)	(14,541)
Balance as at 31 Dec 2019	176,240	3,824	-	5,000	186	528	94,404	280,182	(1,111)	279,071
Balance as at 1 Oct 2018	113,833	15,937	-	5,000	300	(4)	179,922	314,988	(108)	314,880
Total comprehensive income for the year	-	-	-	-	-	(66)	14,944	14,878	(326)	14,552
Balance as at 31 Dec 2018	113,833	15,937	-	5,000	300	(70)	194,866	329,866	(434)	329,432

	Share capital	Share premium	Capital reserve	Merger reserve	Equity component of Convertible Bond	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company (Unaudited)										
Balance as at 1 Oct 2019	225,365	645,582	487	-	186	1,428	(139,004)	734,044	-	734,044
Total comprehensive loss for the year	-	-	-	-	-	258	315	573	-	573
Balance as at 31 Dec 2019	225,365	645,582	487	-	186	1,686	(138,689)	734,617	-	734,617
Balance as at 1 Oct 2018	162,958	657,694	487	-	300	11,850	(30,282)	803,007	-	803,007
Total comprehensive loss for the year	-	-	-	-	-	(7,450)	(1,721)	(9,171)	-	(9,171)
Balance as at 31 Dec 2018	162,958	657,694	487	-	300	4,400	(32,003)	793,836	-	793,836

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

Ordinary shares

	Number of issued shares	Share capital RM'000
As at 30 September 2019	1,832,094,554	225,365
As at 31 December 2019	1,832,094,554	225,365

There is no issuance of new ordinary shares during the financial period under review.

As at 31 December 2018, the Company had outstanding shares of 121,951,219 to be issued pursuant to Convertible Bond (“CB”) Subscription Agreement entered by the Company in the event of conversion of the CB by the CB holders. On 7 October 2019, the Company had fully repaid the amount outstanding under the CB Subscription Agreement.

As at 31 December 2019, the Company had outstanding shares of 365,538,561 shares to be issued pursuant to a Convertible Loan (“CL”) Agreement entered by the Company on 3 October 2019 in the event of conversion of the CL by the CL holders.

Other than the above, there were no other outstanding convertibles, options, treasury shares or subsidiary holding as at 31 December 2019 and 31 December 2018 respectively.

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

	As at 31.12.19	As at 30.06.19
Total number of issued shares excluding treasury shares	1,832,094,554	1,832,094,554

The Company has no treasury shares as at 31 December 2019 and 30 June 2019 respectively.

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

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

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

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

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

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

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

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

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

(a) Updates on the efforts taken to resolve each outstanding audit issue.

The Company has been in discussion with several financial institutions for loan and investor for capital injection. At the same time, the Company is working to explore on scheme of repayment with the suppliers. The Company considers the scheme of repayment necessary to improve its liquidity and financial position to attract new investment into the Company.

Please refer to paragraph 8 for more details on the assessment of the Group's ability to proceed as a going concern.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Board confirms that it has adequately disclosed the impact of all outstanding audit issues on the financial statements.

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

The Group has applied the same accounting policies and methods of computation in preparation of the financial statements for the current reporting period as those used in the most recently audited annual financial statements for the financial year ended 30 June 2019.

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.

In the current reporting period, the Group adopted all of the new or revised International Financial Reporting Standards ("IFRS") that are relevant to its operations and are effective for first-time adoption during the current financial year beginning on or after 1 July 2019. The adoption of these new and/or revised IFRS did not result in any substantial changes to the Group's accounting policies and has no material effect on the financial results for the current financial period reported on.

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

	Second quarter ended 31 December	
	2019	2018
Profit after tax attributable to owners of the Company (RM'000)	(14,795)	14,944
Weighted average number of ordinary shares in issue	1,832,094,554	1,317,094,554
(a) Basic earnings per ordinary share (RM cents)	(0.81)	1.13
(b) Diluted earnings per ordinary share (RM cents)	(0.81)	1.13

For the second quarter ended 31 December 2019 and 31 December 2018, the computation of the diluted EPS does not assume the conversion of the outstanding Convertible Loan Agreement and Convertible Bond Subscription Agreement as they had anti-dilutive effect on the EPS calculation. The basic and diluted EPS were the same for the second quarter ended 31 December 2018 as the convertible securities are out-of-the-money.

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

	Group		Company	
	As at 31.12.19	As at 30.06.19	As at 31.12.19	As at 30.06.19
Net assets value (RM'000)	280,182	303,138	734,617	734,680
Number of ordinary shares in issue	1,832,094,554	1,832,094,554	1,832,094,554	1,832,094,554
Net asset value per ordinary share based on issued share capital (RM cents)	15.29	16.55	40.10	40.10

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

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

REVIEW OF STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP

Second quarter ended 31 December 2019 ("2Q2020") vs second quarter ended 31 December 2018 ("2Q2019")

The Group's revenue had dropped mainly because the construction works for the Capital City Mall were completed in the prior financial year and there were no new sales of property units in 2Q2020. The Group derived its revenue mainly from the rental of its investment properties, provision of theme park services and sales from marble products.

The cost of sales in 2Q2020 mainly pertains to the provision of theme park services and sales of marble products. The cost of sales includes the fixed costs such as depreciation of property, plant and equipment and labour costs, and the costs for the marble products sold. Consequently, the Group recorded a gross loss during the period.

Other income mainly pertaining to i) interest income arising from the late payment interest on the trade receivables ii) forfeiture of deposits on sales order cancellation; and iii) expenses recovery from the quarry operator on the quarry operation expenses mainly on utilities, upkeep of plant and equipment, quit rent and tributes. The expenses recovery arrangement was only effected March 2019. Other income was higher in 2Q2019 mainly due to one-off gain of RM3.9m from the disposal of a subsidiary, Shaanxi Hengyu Architectural Interior Engineering Co., Ltd.

The selling and distribution expenses were mainly incurred on promoting the Capital City Mall and the theme park services, and is in line with the decrease in revenue for the quarter under review.

The higher general and administrative expenses were mainly due to i) facility fee in relation to the CL Agreement entered into on 3 October 2019, ii) increase in depreciation of property, plant and equipment due to completion of mall, iii) the depreciation on the mall retained units classified as investment properties following the completion of the Capital City Mall; and iv) the loss on disposal of Baiduri Megaria Sdn Bhd and its subsidiary Kekal Efektif Sdn Bhd. There were being partially off-set by the absence of amortization of deferred expenditure in 2Q2020 as Capital City Mall achieved 100% percentage of completion in the prior financial year

The decrease in amortization of intangible assets was due to the impairment made on the mining rights in prior financial year which resulted in a lower net book value.

Finance costs were mainly made up of interest expenses relating to loans and borrowings. The reduction in finance costs was due to subscription of a new convertible loan at a lower interest rate than the matured convertible bond and its associated finance costs.

The income tax credit in 2Q2020 was due to reversal of deferred tax liability relating to additional depreciation as a result of fair value upward adjustment for the property, plant and equipment during the reverse takeover ("RTO") in May 2017.

As a result of the aforementioned, the Group recorded a loss after tax of RM14.9 million in 2Q2020 as compared to a profit after tax of RM14.7 million in 2Q2019.

REVIEW OF STATEMENT OF FINANCIAL POSITION OF THE GROUP

The decrease in total assets was mainly attributed to i) decrease in the property, plant and equipment and investment properties as a result of depreciation charge for this quarter; ii) decrease in trade receivable mainly due to sales order cancellation of its property units and iii) decrease in other receivables pertaining to increase in collections from the mall management company.

The increase in total liabilities was mainly due to increase in other payables and accruals as a result of current quarter unpaid expenses mainly on the fees for liaising and sourcing tenants for the Capital City Mall, maintenance and service fee for the mall units, and deposit of S\$2 million received from the proposed shares subscription as announced on 6 August 2019. The increase was partially offset by the decrease in loans and borrowings and provision for tax.

As a result of a reclassification of RM92.5 million mainly relating to amount due to its main contractor, the Group had a net current liability of approximately RM53.5 million.

In view of the current net liability position of the Group as at 31 December 2019, the Board have considered the following factors in the assessment of the Group's ability to continue as a going concern:

- (a) The Group has not been able to sell any units in Capital City Mall in 2Q2020 in view of the oversupply in the property market in Malaysia;
- (b) Efforts to raise further financing has not been successful in view of the current negative business environment;
- (c) The fall in the share price of the Company renders it unlikely that the proposed subscription by Mr Yuan Zhiwei and Mr Chng Chor Tong as announced on 10 July 2019, 23 July 2019, 24 July 2019, 30 July 2019, 6 August 2019, 7 August 2019, 9 September 2019, 18 October 2019, 20 November 2019 and 31 December 2019 will be successful; and
- (d) There is no visibility of cash flow to repay its creditors within the next 12 months.

The Board believes that it is in the best interest of the Company to apply to the High Court of the Republic of Singapore to propose a Scheme of Arrangement for the purposes of implementing and facilitating the restructuring of the debt obligations and liabilities.

REVIEW OF STATEMENT OF CASH FLOWS OF THE GROUP

Net cash flows used in operating activities was mainly due to i) the negative cash flows before working capital changes; and (ii) interest payments relating to loan and borrowings. This was slightly offset by improved management of the working capital requirements by negotiating with the vendors for the longer payment terms and closely follow-up for the collection of the receivables.

In 2Q2020, movement in net cash used in the financing activities was due to the subscription of a CL Agreement on 3 October 2019 and repayment of the CB Subscription Agreement on 7 October 2019.

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

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

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

The recent outbreak of the Wuhan Coronavirus has caused panic around the globe and has further weakened the overall property and hospitality market sentiment. The outbreak could potentially impact on property market, at least in the short-term, due to decrease in potential viewer of property, both locally and foreigners.

As mentioned in paragraph 8, in view of the current net liability position of the Group as at 31 December 2019 and together with the factors stated therein, Board believes that it is in the best interest of the Company to apply to the High Court of the Republic of Singapore to propose a Scheme of Arrangement for the purposes of implementing and facilitating the restructuring of the debt obligations and liabilities.

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

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

None.

(b)(i) Amount per share (cents)

(Optional) Rate (%)

Not applicable.

(b)(ii) Previous corresponding period (cents)

(Optional) Rate (%)

Not applicable.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for the second quarter ended 31 December 2019 as the fund is required to be used for the Group's operations.

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

The Company had obtained a general mandate for IPTs from shareholders at the annual general meeting held on 30 October 2019.

Save as disclosed below, there were no IPTs that was equal to or had exceeded S\$100,000 from 1 July 2019 up to 31 December 2019.

Name of Interested Persons and Transactions	Aggregate value of all interested person transactions during the financial year 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)
	RM'000	RM'000
RDC Arkitek Sdn. Bhd. <i>(an associate of Director and controlling shareholder of the Company, Mr Siow Chien Fu for the provision of architectural consultation services in respect of Project Capital City)</i>	363	-

14. Confirmation pursuant to Rule 705(5) of the Catalist Listing Rule

The Board of Directors of the Company hereby confirms that, to the best of their knowledge, nothing has come their attention which may render the unaudited financial statements for the second quarter ended 31 December 2019 to be false or misleading in any material aspect.

15. Confirmation pursuant to Rule 720(1) of the Catalist Listing Rule

The Company confirms that it has procured undertaking from all its Directors and Executive Officers pursuant to Rule 720(1) of the Catalist Listing Manual.

BY ORDER OF THE BOARD

Siow Chien Fu

Executive Director and Chief Executive Officer

13 February 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST 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 Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).