Capital World Limited

Annual Report 2023

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This annual report 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.

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CORPORATE PROFILE

Capital World Limited is an integrated property developer that focuses on working with landowners on a joint venture basis to minimise initial capital outlay. Through such joint ventures, Capital World Limited undertakes the conception, design and implementation of integrated property development projects.

Capital World Limited's current asset is an integrated development with Capital City Mall located in Tampoi, Johor. The construction of the Capital City Mall has been completed in April 2018.

EXECUTIVE DIRECTOR AND CEO STATEMENT

> "We are thrilled to announce our business with MK Mustafa, a renowned retailer and wholesaler, as they prepare to unveil their first flagship store in Malaysia within our project premises."

DEAR SHAREHOLDERS,

This is my first year as the Chief Executive Officer ("**CEO**") of Capital World Limited ("**Capital World**") and it is my pleasure to present to you, on behalf of the Board of Directors of Capital World and its subsidiaries (collectively, the "**Group**"), the annual report for the financial year ended 30 June 2023 ("**FY2023**"). I would like to take this opportunity to extend my sincere appreciation to each of you for your unwavering support and the trust you have placed in our Group.

FY2023 has been an exciting year as the Group and MK Mustafa had entered into a sales and purchase agreement whereby MK Mustafa agreed to purchase the assets in Capital City Mall. I firmly believe, with MK Mustafa's presence in Capital City Mall, the Group is headed towards not only achieving an optimistic outlook in the future but also greater returns for our valued shareholders.

In addition, I am pleased to inform you that our Group is in the final stages on our resumption of trading on the Singapore Exchange ("**SGX**"). We are fully committed to resume our trading activity as soon as possible.

OUTLOOK

As we go on board on the journey through the year 2023, we are aware of the concerns expressed by many regarding the global economic landscape, characterized by weakened growth, heightened inflation, and the specter of rising interest rates. However, it is with unwavering optimism that we look to our core business in the vibrant city of Johor Bahru. With the Singapore-Malaysia borders buzzing with activity day in and day out, we anticipate a resurgence in the Malaysian property market, particularly in Johor, surpassing the subdued performance of the past three years.

Turning our gaze to our flagship project, Capital City, we foresee it evolving into a landmark project in Johor Bahru, Malaysia. Notably, we are thrilled to announce our business with MK Mustafa, a renowned retailer and wholesaler, as they prepare to unveil their first flagship store in Malaysia within our project premises. The inauguration of Mustafa Shopping Centre promises to ignite a jubilant frenzy in the Malaysian market, offering an array of delights to the Malaysian market.

In the spirit of progress, 2023 marks the restart of our Sustainability Report, which had been put on hold since 2019. It is an acknowledgment of our group's commitment to Environmental, Social, and Governance ("**ESG**") principles for all our projects. We are dedicated to collaborate closely with our management teams, diligently assessing sustainability-related matters, risks, and opportunities. Our pledge extends to working harmoniously with our stakeholders in order to improve our sustainability initiatives, aligning with the ambitious goals set forth in the Paris Agreement and the United Nations Global Goals for sustainable development, particularly within the building and construction sector.

In conclusion, I wish to express my profound gratitude to all our stakeholders, our dedicated team, and those who have steadfastly supported us through thick and thin. Your unwavering commitment has propelled us forward on this remarkable journey.

HOO KHEE LENG
EXECUTIVE DIRECTOR
AND CHIEF EXECUTIVE OFFICER

FINANCIAL REVIEW

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Revenue, cost of sales and gross (loss)/profit

For the 12 months ended 30 June 2023, total revenue was in the negative of RM3.8 million and total cost of sales was a negative of RM1.3 million due to the cancellation of units that were sold previously. The cancellation of units was due to the Group's effort to purchase back the units so that the Group can enter into another SPA with MK Mustafa to sell the cancelled units. This resulted in a gross loss of RM2.6 million for the 12 months ended 30 June 2023.

Apart from the above, there was no revenue and cost of sales recorded for the 12 months ended 30 June 2023 as (i) the sales and purchase agreement with MK Mustafa has not been completed and (ii) the commencement of the tenancy agreement with MK Mustafa has also been postponed to 1 December 2023.

For the 12 months ended 30 June 2022, total revenue of RM3.9 million was recorded due to the exercise of the settlement of arrangement with the creditor. The corresponding cost of sales of RM2.5 million was also recorded. This resulted in a gross profit of RM1.4 million for the 12 months ended 30 June 2022.

Other income

For the 12 months ended 30 June 2023, other income mainly comprises the gain on disposal of Terratech Resources Pte Ltd and its subsidiary, CEP Resources Entity Sdn Bhd, of RM6.8 million and interest income of RM0.2 million.

For the 12 months ended 30 June 2022, other income mainly comprises the reduction on the cost of land pursuant to the Final Settlement Agreement of RM117.1 million with APSB and reversal of allowance for impairment of property, plant and equipment of RM2.0 million.

General and administrative expenses

The general and administrative expenses mainly consist of manpower cost, depreciation of property, plant and equipment, professionals fee, utilities, and office administrative expenses. The decrease of general and administrative expenses amounting to RM22.8 million was mainly due to following:

a) absence of inventories written-down of RM27.5 million incurred in FY2022;
b) absence of success and incentive fees on scheme of arrangement of RM4.0 million incurred in FY2022; and
c) decrease in depreciation of investment properties of RM4.6 million as investment properties was reclass to assts held for sale.

The decrease set out in items (a) to (c) were offset by the increase in net foreign exchange difference of RM4.8 million, increase in refurbishment cost incurred for the Mall of RM7.5 million and increase in legal cost of RM0.5 million incurred for the Sales and Purchase Agreement for the sale of the Mall.

Income tax credit/(expenses)

For the 12 months ended 30 June 2023, there is an income tax credit of RM76.3 million which relates to the over provision of income tax in prior years (12 months ended 30 June 2022: under provision of income tax of RM0.3 million in prior years).

The Group's recorded net profit after tax of RM46.0 million for 12 months ended 30 June 2023 (12 months ended 30 June 2022: RM59.1 million).

FINANCIAL REVIEW

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Group's total assets increased by approximately RM48.8 million in FY2023 as compared to FY2022 was mainly attributable to the following:

a) increase in inventory properties of RM1.3 million due to the cancellation of units that were sold previously;

b) increase in income tax recoverable of RM6.4 million due to the recovery of income tax for YA 2017 to YA 2019 after the finalization of the Group's tax payable by Inland Revenue Board of Malaysia; and

c) cash on hand and at banks increased by RM45.5 million mainly due to the deposit received from MK Mustafa offset by payment of operational expenses.

The increase set out in items (a) to (c) were offset by the decrease in contract assets of RM2.4 million due to the cancellation of units that was sold previously. The cancellation of units was due to the Group's effort to purchase back the units so that the Group can enter into another SPA with MK Mustafa to sell the cancelled units.

The Group's total liabilities decreased by approximately RM8.2 million in FY2023 as compared to FY2022 was mainly attributable to the following:

a) decrease in trade payables of RM9.9 million mainly due to the settlement of APSB 1st and 2nd tranche payments of RM5.0 million each on November 2022 and April 2023 respectively;

b) decrease in provision for taxation of RM70.0 million due to the finalization of tax by Inland Revenue Board of Malaysia; and

c) decrease in liabilities directly associated with disposal group classified as held for sale of RM1.9 million.

The decrease set out in items (a) to (c) were offset by the increase in other payables and accruals of RM72.9 million. The increase in other payables was mainly due to the advance deposit of RM73.6 million received from MK Mustafa.

CONSOLIDATED STATEMENT OF CASH FLOWS

The net cash used in operating activities increased by approximately RM2.6 million was mainly due to the increase in cash used in operations of RM2.2 million.

The net cash generated from investing activities increased by approximately RM48.4 million mainly due to the receipt of deposits for non-current assets held for sale of RM51.1 million. The increase was offset by the decrease in receipt of proceeds for the disposal group of RM2.7 million.

The net cash generated from financing activity decreased by approximately RM0.7 million was due to the withdrawal of secured deposit in FY2022 while there was none for FY2023.

As a result of the above, the Group net cash flow increased by approximately RM45.1 million.

BOARD OF DIRECTORS

MR LOW CHAI CHONG
NON-EXECUTIVE INDEPENDENT CHAIRMAN

Appointed to the Board on 30 September 2019 and was last re-elected on 30 May 2022, Mr Low is the Non-Executive and Independent Chairman, Chairman of Remuneration Committee and member of the Audit Committee and Nominating Committee. Mr Low is an advocate and solicitor of the Supreme Court of Singapore and a Senior Partner at Dentons Rodyk Davidson LLP. He has more than 30 years of legal experience representing multinational corporations, financial institutions and listed companies in a wide array of commercial and corporate matters regionally, including dispute resolutions. He is routinely cited in various legal publications as a leading and distinguished Singapore lawyer. Mr Low graduated with a Bachelor of Laws (Honours) degree from the National University of Singapore.

He is also an independent director of Eneco Energy Limited and Totm Technologies Limited, which are both listed on the SGX-ST with principal commitment with Dentons Rodyk & Davidson LLP.

Appointed as Executive Director on 14 April 2022 and was last re-elected on 30 May 2022, Mr Hoo is the Executive Director and CEO. He was re-designated as the CEO on 3 January 2023. Mr Hoo has more than 30 years of working experience covering full aspects of financial services including financial institutional sales and corporate treasury primarily in fixed income and credit derivatives, corporate banking, corporate & strategic advisory, project & structured finance, accounting and auditing.

Mr Hoo graduated from the San Diego State University with a Bachelor of Science in Business Administration (Major in Accountancy) in 1989.

Mr Hoo's principal commitments are with Capital World Limited.

MR HOO KHEE LENG
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

BOARD OF DIRECTORS

MR SIOW CHIEN FU
EXECUTIVE DIRECTOR

Appointed to the Board on 4 May 2017 and was last re-elected on 28 October 2022, Mr Siow is the Executive Director. Mr Siow started his career as an architect in Devine Architects Inc. in Kansas City, United States of America ("**USA**") in 1986. He then joined Gould Evans Associates in Kansas City, USA as an architect in 1989 and left in 1991 to join Singapore Regional Development Consortium Architect ("**RDCA**"). In 1992, Mr Siow founded RDC Arkitek, an architectural firm which currently has offices in Johor Bahru, Kuala Lumpur and Malacca. Under Mr Siow's stewardship, RDC Arkitek has won notable industry accolades, including the Top 10 Market Leader in Architecture awarded by BCI Asia for nine (9) years in 2005, 2009, 2010, 2011, 2013, 2014, 2015, 2016 and 2017.

Prior to establishing Capital City Property Sdn. Bhd. in June 2013, Mr Siow was involved in the management of the development of a wide range of property development projects including integrated residential, industrial, commercial and retail properties in Malacca, Selangor, Johor, and Hong Kong since 2008.

Mr Siow graduated from the University of Kansas in the USA with a Bachelor of Architecture in 1986. He is a member of the Pertubuhan Arkitek Malaysia and Lembaga Arkitek Malaysia and the American Institute of Architects.

Mr Siow does not hold any directorship with other listed companies.

Appointed to the Board on 1 December 2020 and was last re-elected on 28 October 2022, Mr Lam is a Non-executive and Independent Director, Chairman of Audit Committee and Nominating Committee and a member of the Remuneration Committee.

Mr Lam is a director of various companies engaged in the business of providing corporate finance advisory and compliance advisory in Singapore and the region. He started his career as a regulator before moving into investment banking handling a variety of IPO and other corporate actions. He then moved into Catalist regulation, working with a wide portfolio of listed companies, advising on the listing rules and corporate governance. In his various capacities, he has amassed almost 20 years of experience in the Singapore corporate finance and regulatory scene. Mr Lam obtained a Bachelor of Accountancy from Nanyang Technological University in 2002.

He is also an independent director of China Kunda Technology Holdings Limited, Katrina Group Ltd, Soon Lian Holdings Ltd and Kitchen Culture Holdings Ltd, all of which are listed on the SGX-ST. His principal commitments are with Aimpact Capital Pte Ltd.

MR LAM KWONG FAI
NON-EXECUTIVE AND INDEPENDENT DIRECTOR

BOARD OF DIRECTORS

MS TAN LER CHOO
NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR

Appointed to the Board on 28 June 2019 and was last re-elected on 30 May 2022, Ms Tan is a Non-Executive and Non-Independent Director and member of the Audit Committee, Nominating Committee and Remuneration Committee.

Ms Tan has a Diploma in Building Construction from Singapore Polytechnic in 1982. She has more than 30 years' experience in the Property Development and Construction industry with an extensive portfolio based in Singapore as well as in Malaysia, ranging from schools to major road works, high-rise residentials and airport infrastructure, Mix-Development project, Hotels.

Ms Tan is primarily responsible for the organisation and general management of the Company's overall project development and construction works. She has an invaluable depth of experience having completed a wide range of projects extending from small-scale contracts to major works on public structures and luxury developments.

Notable Accomplishments & Completed Projects:
- Construction and improvement to the Kranji Catchment Drainage Scheme across various locations in Singapore including the massive expansion of the road drainage system;
- The construction of prominent schools around Singapore;
- The creative construction of the 'walkway and street furniture' for the Singapore Padang and other public structures, Park construction, facilities and landscaping for community parks;
- The construction of aircraft parking aprons, associated taxiways and ancillary works and the construction of Expressways and Flyovers;
- High-rise construction of a luxury residential in Singapore with over 1,000 units as well as a prominent commercial development venture; and
- Mix Development of retail, Residential & Hotel in Malaysia.

Ms Tan does not hold any directorship with other listed companies.

SENIOR MANAGEMENT

MR LIM KENNETH
FINANCIAL CONTROLLER
Appointed as Financial Controller on 1 June 2023

Mr Lim was appointed on 1 June 2023 as the Financial Controller of the Group. He leads the financial and accounting functions of the Group.

Mr Lim was in Ernst & Young LLP from 2010 to 2021. He was a senior audit manager and handles a variety of portfolio like listed companies, large MNC, government and public organizations and also IPO listings. He then moved to Traveloka as a senior finance manager from 2021 to 2023.

He attained a Bachelor of Business (Accountancy) at RMIT University.

CORPORATE STRUCTURE

As at 30 June 2023

CAPITAL WORLD LIMITED

(Listed on Catalist Board)

Legend:

AVL:	Altimate Ventures Limited
REGL:	Rise Expedition Global Limited
PSM:	Prime Solution Management Pte Ltd
OSM:	One Solution Management Sdn Bhd
CCP:	Capital City Property Sdn Bhd
CCV:	Capital City Ventures Sdn Bhd
CCMPL:	Capital City Management Pte Ltd[1]

[1] Due to internal restructuring, CCMPL has been restructured to be held directly by Capital World Limited as of 22 September 2023.

SUSTAINABILITY REPORT

INTRODUCTION

The Sustainability Report ("**SR**") has been prepared in accordance with Global Reporting Initiatives ("**GRI**") Standards: Core Option, Task Force on Climate-Related Financial Disclosures ("**TCFD**"), as well as Singapore Exchange Limited ("**SGX**") Sustainability Reporting Guide - SGX Practice Note 7.6 for listed companies. The GRI Standards and TCFD are internationally recognised and widely used as a reporting framework ("**Framework**") globally. The Framework has been chosen as it meets our current regulatory requirements, including the presentation of climate-related disclosures based on TCFD recommendations by FY2024. As such, the Group deemed that the Framework are the most suitable for the Group's sustainability reporting.

The SR for financial year ended 30 June 2023 ("**FY2023**") also marks the restart of our sustainability reporting and is our first Sustainability Report since FY2019.

REPORTING SCOPE

The SR provides an overview of the Group's approach and performance in integrating sustainability into its strategies, policies and operations. The Group hopes to share its sustainability commitment with its various stakeholders, including investors, customers, managing agents, contractors, the community and government through this report.

The SR also covers data and statistics for the financial period from 1 July 2022 to 30 June 2023, with FY2022 data for comparison, where applicable. The SR is based on our business function and location, as outlined in the list shown below.

Entity	Location	Sustainability Practices
Corporate office		
1) Capital World Limited 2) Capital City Property Sdn Bhd	1) Singapore 2) Malaysia	Energy, Water and Employment
Mall		
Capital City Property Sdn Bhd	Malaysia	Energy, Water, Waste Management and Health and Safety

SUSTAINABILITY REPORT

The key reporting scope is in accordance with the standards shown below.

	GRI	TCFD	SGX Core ESG Metric
Energy Management	GRI: 302 Energy	Metrics and Targets a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Energy Consumption
Water Management	GRI: 303 Water and Effluents	Metrics and Targets a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Water Consumption
Waste Management	GRI: 306 Waste	Metrics and Targets a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Waste Generation
Health and Safety	GRI: 403 Occupational Health and Safety	NA	Occupational Health and Safety
Employment	GRI: 401 Employment GRI 404: Training and Advancement GRI: 405 Diversity and Equal Opportunity	NA	Employment

SUSTAINABILITY REPORT

INTERNAL REVIEW

The Group has engaged internal auditors, Baker Tilly Monteiro Heng Governance Sdn Bhd, to review the sustainability reporting process for FY2023. The review was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

ACCESSIBILITY

The electronic version along with updates on our continuing sustainability efforts can be found on http://capitalworldlimited.com.

FEEDBACK

The Group believes in continuously engaging its stakeholders to enhance its sustainability policies, practices and disclosures. Feedback or suggestions on this Sustainability Report is welcome at info@capitalcity.com.my.

BOARD STATEMENT

This is the first year we are publishing our Sustainability Report since FY2019. While there were no material business activities as at the date of this report, the Board of Directors (the "**Board**") is preparing this Sustainability Report as a fresh start to demonstrate our commitment to sustainability and to set up an appropriate reporting framework for the subsequent preparation of future sustainability reports.

In the coming years, as our mall re-opening efforts ramp up and our plans to continue the construction of the remaining 5 towers, the Board will continue to work with our management teams to focus on the assessment of sustainability-related issues, risks and opportunities, and work with our stakeholders to improve our overall sustainability efforts.

SUSTAINABILITY REPORT

OUR BUSINESS

Capital World Limited is an integrated property developer, with operations primarily based in Malaysia.

Key Sustainability Highlights for FY2023

January 2023 – Entry into a Sales and Purchase Agreement with MK Mustafa Centre Sdn Bhd ("**SPA**")

May 2023 – Setting up of Sustainability Committee with Mr Kenneth Lim as Chief Sustainability Officer ("**CSO**")

4th quarter 2023 – Start of renovations of the mall in preparation of the re-opening of the mall ("**Mall Re-opening**")

Our sustainability efforts are spearheaded by our Sustainability Committee, which consists of our Chief Sustainability Officer (and Financial Controller), our CEO and Head of Projects. For FY2023, there were minimal operating activities. For FY2024 and beyond, we expect increased operating activities due to the Mall Re-opening and the plans to develop the 5 towers above the mall. The support for the Sustainability Committee will thereafter be expanded to reflect the increased activities and scope.

The Sustainability Committee will be focusing on implementing the Sustainability Strategy as determined by the Board, namely energy, water and waste management, workplace safety and health and employment practices. We will monitor, review and continue to improve existing processes, such as utilizing new technologies and green building designs, workplace safety and health and related training and achieving relevant green certifications.

Our Singapore corporate headquarters and our external sustainability reporting consultant will be kept updated on regulatory updates in relation to sustainability reporting, as well as evaluates the risk and materiality of the environmental, social and governance factors impacting the Group. In FY2023, the Group engaged Alder Corporate Services ("**Alder**") as an independent external consultant in preparing the sustainability report.

SUSTAINABILITY REPORT

SUSTAINABILITY VISION STATEMENT

Capital World Limited (the "**Company**") aims to be a developer of properties that puts sustainability at its core, prioritising environmental responsibility and social engagement in everything that we do. With the approach, we aim to generate long term value for all our stakeholders.

GOVERNANCE STRUCTURE

The Board is responsible for providing oversight in determining the material Environmental, Social and Governance ("**ESG**") factors impacting the Group. Such ESG objectives are then passed down to the management team via the CSO, who direct the Sustainability Committee to work with the operational teams to set ESG targets and the data collection process to review and assess our sustainability efforts. The management team, via the CSO, raises its findings to the Board for its review and setting of strategies and policies to address all material ESG risks and opportunities for the Group.

STAKEHOLDER ENGAGEMENT

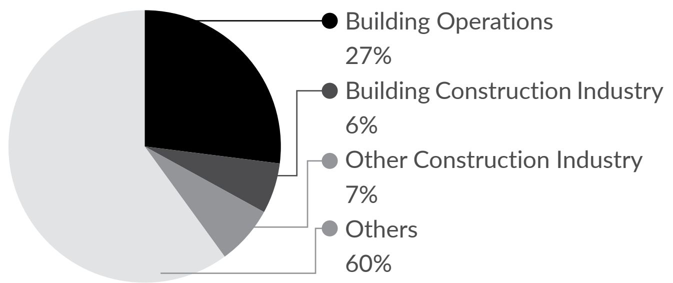
Stakeholders	Engagement platforms	Frequency of Engagement	Key concerns raised
Directors and key management	• Board meetings and regular updates via emails, virtual meetings and phone calls	• Regular including quarterly board meetings	• Compliance with relevant rules and regulations; • ESG risks and opportunities; and • Policies and systems
Employees	• Training; and • Performance appraisal	• Regular training; and • Annual performance appraisal	• Knowledge and training; and • Policies and systems
Government and Regulators	• Board meetings and regular updates via emails, virtual meetings and phone calls; and • Training and seminars	• Upon relevant updates including quarterly board meetings	• Compliance with relevant rules and regulations; and • Policies and systems
Business partners	• Regular updates via emails, virtual meetings and phone calls	• Regular	• Feedback on quality of products and services, and best ESG practices
Shareholders and community	• SGXNet announcements; • Shareholders general meetings; • Annual report; and • Company's website	• Regular	• Feedback on quality of products and services, and best ESG practices

SUSTAINABILITY REPORT

RISK AND MATERIALITY ASSESSMENT

Overview

The Group notes the ambitions of the Paris Agreement and the UN Global Goals for Sustainable Development, especially for the building and construction sector. The International Energy Agency separately notes that the built environment generates 40% of annual global CO2 emissions[1].



We believe in the need for systemic change for sustainable and decarbonized built environment for future generations. We are therefore focused on energy, water and waste management for our existing project while considering the commercial viability of resource efficient materials and processes for our future projects. We aim to achieve Malaysia Green Building Index certification for all our future projects[2]. Our employees are the heart of the Company and we also focus on health and safety as well as meaningful employment practices for our employees.

We will monitor our ability to meet or exceed our sustainability targets and intend to improve our tracking of our carbon footprint and reduce our environmental impacts in future projects by considering the use of smart building technologies in key areas of focus. Our holistic efforts towards sustainability will involve the engagement of all our stakeholders including investors, customers, managing agents, contractors, the community, government and others.

The process of the Group's risk and materiality assessment are shown below:

Identification

The material ESG factors were identified through key stakeholders' interviews. The management team, via the CSO, raises all material ESG factors of the Group to the Board.

Prioritisation

The Group's independent external consultant, Alder, assisted the Board to review the identified key ESG factors and prioritized the key ESG based on relevance to our Group's operations. While there were no material operating activities for FY2023, the management have assumed full business operations for FY2024 and beyond in its review of key ESG factors for FY2023.

Review

The Board then reviews and sets the strategies and policies to address all material ESG risks and opportunities for the Group, including the selection of the ESG risks in the SR. The management team and the Board will continue to review the business operations and review the priority and applicability of the key sustainability factors for FY2024.

1 IEA (2022)
2 https://www.greenbuildingindex.org/

SUSTAINABILITY REPORT

The results of the assessment on the material ESG are as follows:

	Impact to stakeholders	Impact to the Group
Environmental:		
- Energy Management	Low	Medium
- Water Management	Low	Medium
- Waste Management	Low	Low
Social:		
- Health and safety	Low	Medium
- Employment	Low	High
- Community Engagement	Low	Medium
Corporate Governance:		
- Anti-Corruption	Medium	High

SGX Catalist Listing Rules, Practice Note 7F Sustainability Reporting Guide para 4.7 to 4.9, states that, Capital World Limited, being an issuer engaged in the Materials and Buildings industry, should provide climate-related disclosures, consistent with the TCFD recommendations for the financial year commencing 1 January 2024 (or specifically financial year ending 30 June 2025 for Capital World Limited). With climate reporting being compulsory for the Group for FY2025, we would place more emphasis on environmental factors, while adopting a balanced approach to other factors as well.

ENVIRONMENTAL

As this is the first SR since FY2019, there were no previous goals set for comparison. Nonetheless, for the targets selected, comparable figures have been included for a better understanding of our performance.

The Group is of the view that the electricity usage, water consumption and waste generated does not fall under scope 1 direct emissions. All emissions via electricity usage, water consumption and waste generated reported are therefore scope 2 indirect emissions. The Group currently does not monitor and report on our scope 3 indirect emissions from upstream and downstream activities.

Energy Management

For the Mall Re-opening renovations, we are constantly looking for cost-efficient solutions to reduce our energy consumption. We work closely with architects and contractors to propose the most resource-efficient renovation solutions to jointly reduce our carbon footprint while enhancing the design of the mall.

Post Mall Re-opening, we will be acting as the management agent for the mall and we aim to continue improving the energy efficiency of the mall, including consideration of replacing inefficient lighting and air-conditioning with more energy efficient systems, to reduce the operating cost and increase the yield of the asset.

We will also be working with our potential partners in looking for resource efficient processes and materials for the construction of the remaining 5 towers.

SUSTAINABILITY REPORT

Water Management

For the Mall Re-opening renovations, we are constantly looking for cost-efficient solutions to reduce our piped water usage, including encouraging workers to conserve water.

Post Mall Re-opening, we will be acting as the management agent for the mall and we aim to continue improving the water efficiency of the mall, including consideration of replacing inefficient water systems with higher efficiency systems to reduce the operating cost and increasing the yield of the asset.

We will also be working with our potential partners in looking for water efficient processes for the construction of the remaining 5 towers. We note and support the Malaysia Water Resources Policy[3] by the Department of Environment and the goal of conserving water as a valuable resource.

Waste Management

For the Mall Re-opening renovations, we are constantly looking for cost-efficient renovation solutions to minimise renovation waste and debris while achieving the goal of achieving the desired operating requirements and enhancing the design of the mall. Renovation waste is largely non-incinerable and some of which may contain toxic substances. To minimise the impact from construction waste, we will explore cost-efficient solutions to compact our waste and minimise waste by volume, increase segregation of waste and increase recycling, and increase the use of recycled or sustainably sourced materials.

Post Mall Re-opening, we will be acting as the management agent for the mall and we aim to continue improving the waste management of the mall, including facilitating recycling and reduction of usage of single-use plastics.

We will also be working with our potential partners in looking for waste management efficient processes and materials for the construction of the remaining 5 towers. We note and support the 12th Malaysia Plan 2021-2025[4] and the goal of establishing a circular economy with a National Recycling Rate target of 40% by 2025.

Greenhouse Gas Emissions

The Group is of the view that the electricity usage, water consumption and waste generated does not fall under scope 1 direct emissions. All emissions via electricity usage, water consumption and waste generated reported are therefore scope 2 indirect emissions.

3 https://www.doe.gov.my/en/national-water-resources-policy/
4 https://rmke12.ekonomi.gov.my/en

SUSTAINABILITY REPORT

Energy, Water and Waste Management data

	Electricity Usage kWh	Water Consumption l	Waste Generated kgs	CO2 emission tonne
FY2023				
Corporate Office:				
- Singapore	3,772	–[5]	–	1
- Malaysia	20,556	136	–	8
	24,328	136	–	9
Number of employees	19	19		
Intensity Consumption per Employee	1,280	7		
FY2022				
Corporate Office:				
- Singapore	3,211	–	–	1
- Malaysia	20,455	114	–	8
	23,666	114	–	9
Number of employees	9	9		
Intensity Consumption per Employee	2,630	13		

The mall has been closed with minimal energy and water consumed and waste generated for maintenance purposes. The mall is expected to re-open in 2024 with increased energy and water consumed and waste generated as the mall experiences higher marketing activities after re-opening. Normalized mall operation would be observed thereafter.

Due to the nature of the business, the energy use intensity is largely determined by the use of air-conditioning, lighting and lifts and escalators, together with toilet and sanitary purposes.

Our corporate office was operating on minimal staffing however we have increased our staff count in the 4th quarter of FY2023 due to the increased business activity expected.

Goals for FY2024

With climate reporting being compulsory for the Group for FY2024, we would place more emphasis on environmental factors.

We aim to utilize lower carbon generating sources of electricity to reduce our overall carbon footprint. Recycling targets for our mall will focus on better segregation and treatment of glass, plastic and paper materials.

We target to reduce the electricity usage and water consumption for our corporate offices by approximately 5%.

To clarify, based on our business operations, we expect to continue reporting only Scope 2 GHG greenhouse gas (“**GHG**”) emissions for FY2024. The Group will adopt a phased approach in (i) reporting GHG emissions, including its disclosure of the methodologies and emission factors used in calculating its GHG emissions and will continue to monitor its Scope 1 emissions accordingly.

5 Water consumption is not measured for the Singapore office as it shares a common sanitary system with other tenants in the same building and is not measured and billed by unit.

SUSTAINABILITY REPORT

SOCIAL

Health and Safety

The Malaysia Occupational Safety and Health Act 1994 (“**OSHA 1994**”) requires companies to ensure, so far as it practicable, the safety, health and welfare at work of all his employees. The Group also notes the Occupational Safety and Health Master Plan 2020 and focus on the monitoring, reporting and reduction of work-related deaths, occupational accidents and occupational diseases.

We will be implementing the Occupational Safety and Health Policy (“**OSHP**”) to ensure compliance with the OSHA 1994. We have identified the top 5 OSHA practices and policies for our construction segment, which are (1) staff training on OSHA; (2) site security and access control; (3) sites inspection; (4) construction waste management; and (5) fire evacuation and emergency plan.

As the mall was completed in 2018, we have focused on the renovation works involved in the Mall Re-opening which will be starting in 4th quarter 2023. For our future projects, we aim to be fully compliant with the OSHA 1994.

For FY2023, we have minimal operations and have therefore not observed any significant occupational safety and health lapses. With the increased business activity expected for FY2024 and beyond, we expect a regular OSH training and monitoring program for our staff to be put in place.

As Malaysia and other countries transition towards living with Covid-19, we are mindful of workplace health protocols in the event of a recurrence of Covid-19 or any pandemic event. We continue to encourage socially responsible workplace practices.

Goals for FY2024

We believe that every workplace related injury or ill health is preventable, and a zero-harm goal is possible. We will implement a safety-first mindset aiming to identify workplace safety concerns even before accidents occur. We aim to align our key customers, suppliers, and contractors to this goal.

We aim to manage the level of our workplace fatalities to a level below 6.9 fatalities per 100,000 workers as recorded by the Malaysia Department of Statistics for 2020.[6]

For FY2023, we have minimal operations and have therefore not observed any significant occupational safety and health lapses. With the increased business activity expected for FY2024 and beyond, we expect a regular OSH training and monitoring program for our staff to be put in place.

We will continue to aim for zero non-compliance regulatory related matters resulting in a fine or penalty.

Employment

Our employees are vital assets of the Group. We believe in fair employment opportunities and the nurturing and upgrading of our employees through learning and training.

We will be implementing a Human Resources Policy (“**HRP**”) to ensure compliance with the Malaysia Employment Act 2023 and Singapore Employment Act 2023. We have identified the top 3 HRP practices and policies, which are (1) occupational safety and health; (2) staff training; and (3) staff welfare (including minimum wages, working hours, health and insurance coverage). The HRP has also considered issues of Board Diversity and merit-based employment opportunities regardless of gender and age.

6 https://www.dosm.gov.my/v1/uploads/files/6_Newsletter/Newsletter%202022/DOSM_ILMIA_3_2022_SERIES%2051.pdf

SUSTAINABILITY REPORT

As the Mall Re-opening will be in 2024, we have been operating on a minimum staff count for much of FY2023, with the majority of our staff based in Johor, Malaysia. As we increase our staff strength for our future projects, we aim for our employment practices to be fully compliant with the various Singapore and Malaysia labour laws.

For FY2023, there were a total of 19 (FY2022: 9) employees. We view our employees as vital human capital that ultimately contributes to the value of the Group. We believe in fair employment opportunities and the nurturing and upgrading of our employees through learning and training.

The table below provide the breakdown by gender:

	FY2023			FY2022		
	Female	**Male**	**Total**	**Female**	**Male**	**Total**
Current	58%	42%	100%	56%	44%	100%
New hire	55%	45%	100%	20%	80%	100%
Staff turnover	–	5%	5%	–	11%	11%

The table below provide the breakdown by age group:

	FY2023				FY2022			
	< 30 years	**30 - 50 years**	**> 50 years**	**Total**	**< 30 years**	**30 - 50 years**	**> 50 years**	**Total**
Current	26%	42%	32%	100%	11%	56%	33%	100%
New hire	36%	36%	28%	100%	20%	40%	40%	100%
Staff turnover	–	100%	–		–	100%	–	100%

During FY2023, there was 1 (FY2022: 1) resigned employee.

There were 38% (FY2022: 75%) female senior management and 62% (FY2022: 25%) male senior management as of FY2023.

The nature of our business is labour light as major operations such as renovations and property management functions such as cleaning, security, maintenance was all outsourced to third party providers. Nonetheless, we intend to develop our human capital and improve employee retention rates.

For FY2023, we have minimal operations and have not conducted a structured training programme for our employees. With the increased business activity expected for FY2024 and beyond, we expect a regular training program in different areas, such as workplace health and safety, sustainability reporting for our staff to be put in place.

We conduct performance appraisal for our employees on an annual basis. For FY2023, we conducted our performance appraisal on an informal basis due to the minimal operating activity and headcount. With the increased business activity expected for FY2024 and beyond, we expect a formal performance appraisal for our staff to be put in place.

We are of the view that the distribution by gender and age group indicates that our human resources policies are non-discriminatory towards gender and age.

SUSTAINABILITY REPORT

Goals for FY2024

We will continue to abide by the Malaysia Employment Act 2023 and Singapore Employment Act 2023 and build a workplace culture that adopts fair and merit-based employment practices.

We aim to empower all our key employees with at least 1 hour of relevant job-related training annually, focusing on health and safety as well as incorporating environmental, social, and governance related awareness.

We aim to maintain a relatively healthy diversity by gender of approximately 50% male against 50% female and also to maintain a relatively healthy diversity by age group so that there is a balance of age and experience against youthful energy and new perspectives.

We have increased hiring by the end of FY2023 in line with expected increase in economic activities related to the mall reopening and development of the 5 towers. We have not set any targets for FY2024 employment as any new hires will be on a needs and replacement basis.

Community Engagement

The Group believes in the importance of community service and awareness of the environment as it helps to instil a sense of social responsibility among our employees. In addition, we believe that we can be a factor within the supply chain that can influence our customers, tenants, and suppliers in a positive manner in our sustainability journey.

Goals for FY2024

In FY2024, we aim to organize at least 1 ESG related event.

CORPORATE GOVERNANCE

Anti-Corruption

The Board undertakes to investigate complaints of suspected fraud in an objective manner. The Group recognise that fraud risk exists throughout the procurement process thus the Group seek to update the procurement policy to enhance the transparency of the procurement process.

The Group also has a comprehensive whistle-blowing policy in place where it provides employees with well-defined and accessible channel to the Audit Committee for reporting suspected fraud, corruption or other similar matters.

For FY2023, the Group has conducted the anti-corruptive training to all employees to raise and promote fraud control awareness. There were no whistle-blowing cases received for FY2023.

Goals for FY2024

The Audit Committee continues to support the Board in its oversight of anti-corruption and at operational level, the respective departments within the Group will continue to identify and manage their financial, operational, compliance and reputational related risks.

SUSTAINABILITY REPORT

GRI INDEX / SGX CORE / TCFD INDEX

GRI standards / SGX Core / TCFD standards	Description	Reference and Explanation
GRI 2: General Disclosures 2021		
2-1	Organisation details	Page 12
2-2	Entities included in the organisation's sustainability reporting	Page 9
2-3	Reporting Period	Page 9
2-5	External assurance	The Group has engaged Baker Tilly Monteiro Heng Governance Sdn Bhd to review the sustainability reporting process. The Group has engaged an independent external consultant, Alder Corporate Services, to prepare the sustainability report.
2-6	Activities, value chain, and other business relationships	Page 12
2-7	Employees	Page 19
2-9	Governance structure and composition	Page 13
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Page 14
3-2	List of material topics	Page 15
3-3	Management of material topics	Page 15
GRI 401: Employment 2016		
401-1	Management approach disclosures	Page 18
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Page 18
403-2	Hazard identification, risk assessment and incident investigation	Page 18
403-5	Worker training on occupational health and safety	Page 18
403-9	Work-related injuries	Page 18
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Page 19
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of employees	Page 19
GRI 302: Energy 2016		
302-1	Energy consumption	Page 15
302-4	Reduction of energy consumption	Page 15
GRI 303: Water and Effluents 2018		
303-5	Water consumption	Page 16
GRI 306: Waste 2020		
306-3	Waste generated	Page 16

SUSTAINABILITY REPORT

GRI standards / SGX Core / TCFD standards	Description	Reference and Explanation
TCFD		
Governance and Strategy	The Board is advised by the Sustainability Committee. We will continue to review our operations for specific climate-related risks and manage such impacts.	Page 20
Metrics and targets	We track and report on our electricity usage, water consumption and waste generated. We further adopt entity level reporting to help us identify key areas of concern in managing our climate related risks in a targeted approach, taking into account stages of development, occupancy rates and other variables which impacts on such metrics, with targets to be set in due course. We are exploring various options and methods to monitor and report of our Scope 1 and Scope 2 greenhouse gas emissions and will incorporate into our operations and sustainability reporting in due course. We are exploring various options and methods to report on climate related scenarios and strategies to build corporate resilience in worst-case scenarios and will incorporate into our sustainability reporting in due course.	Page 17
SGX Core ESG Metric		
Energy Consumption	Energy Consumption	Page 17
Water Consumption	Water Consumption	Page 17
Waste Generation	Waste Generation	Page 17

CORPORATE GOVERNANCE REPORT

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2018 AND CATALIST RULES

The Board of Directors (the "**Board**") of Capital World Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This corporate governance report, set out in tabular form, outlines the Company's corporate governance structures and practices that were in place during the financial year ended 30 June 2023 ("**FY2023**"), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**") and its related practice guide, guidelines from the Code of Corporate Governance 2012 which are still in effect, where applicable.

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3">BOARD MATTERS</td></tr>
<tr><td colspan="3"><u>The Board's Conduct of Affairs</u>

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.</td></tr>
<tr><td>1.1</td><td>Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.</td><td>All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interests of the Group. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.

The Board comprises the following as at the respective dates:

<table>
<tr><th colspan="2">Composition of the Board as at the date of this report</th></tr>
<tr><th>Name of director</th><th>Designation</th></tr>
<tr><td>Mr Low Chai Chong</td><td>Non-Executive and Independent Chairman</td></tr>
<tr><td>Mr Hoo Khee Leng</td><td>Executive Director and Chief Executive Officer</td></tr>
<tr><td>Mr Siow Chien Fu</td><td>Executive Director</td></tr>
<tr><td>Mr Lam Kwong Fai</td><td>Non-Executive and Independent Director</td></tr>
<tr><td>Ms Tan Ler Choo</td><td>Non-Executive and Non-Independent Director</td></tr>
</table>

The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board's principal functions include:

• Decide on matters in relation to the Group's activities which are of significant nature, including decisions on strategic directions, plans, key operational initiatives and guidelines, approval of periodic plans and major investments and divestments and funding decisions;
• Align the interests of the Board and Management with that of shareholders and balance the interests of all stakeholders;
• Review the financial performance and condition of our Group;
• Oversee the quality and integrity of the accounting and financial reporting systems, disclosure controls and procedures and internal controls;</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		• Identify principal risks of our Group's business and ensuring the implementation of appropriate systems to manage the risks; • Constructively challenge Management and review its performance; • Ensure transparency and accountability to key stakeholder groups; • Instill an ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with the Company's culture; and • Ensure compliance with all laws and regulations as may be relevant to the business.
1.2	Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.	Upon the appointment of a new Director, the Company will provide the Director with a formal letter, setting out the Director's duties and obligations. The Board ensures that all incoming Directors will receive comprehensive and tailored induction on joining the Board, including briefing on his duties as a director and how to discharge those duties, and an orientation program to ensure that they are familiar with the Company's business and governance practices. All new first-time Directors (who have no prior experience as a director in a listed company) are also required to attend appropriate training in the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange within one year from the date of his appointment to the Board. No new Director was appointed for FY2023. New releases issued by the SGX-ST which are relevant to the Directors are circulated to all Directors by the Company Secretary. The Board is also updated, from time to time, when new laws or regulations affecting the Group are introduced. The Directors are also encouraged to attend seminars and training courses that will assist them in executing their obligation and responsibilities as directors of the Company. Mr Hoo Khee Leng has completed all the SID - Listed Entity Director Programme by July 2023. The Directors have attended the mandatory sustainability reporting training prescribed by SGX and also the following courses/seminars during FY2023: 1) Singapore Governance and Transparency Forum 2) AC Chairman's Conversation Luncheon 3) Singapore Budget 2023 Seminar 4) SID - Listed Entity Director Programme 1 to 9

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td>1.3</td><td>The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company’s annual report.</td><td>Matters that require the Board’s approval include, amongst others, the following:

• Significant acquisition and disposal of assets;
• Material borrowings and fund-raising exercises;
• Share issuance and proposal of dividends;
• Budgets, financial results announcements, annual report and audited financial statements; and
• Material interested person transactions.</td></tr>
<tr><td>1.4</td><td>Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board’s authority to make decisions, and a summary of each committee’s activities, are disclosed in the company’s annual report.</td><td>The Board has delegated certain responsibilities to the various Board committees, namely the Audit Committee (the “AC”), the Remuneration Committee (the “RC”) and the Nominating Committee (the “NC”) (collectively, the “Board Committees”) with clearly defined terms of reference. The compositions of the Board Committees as at the date of this Annual Report are as follows:

<table>
<tr><th></th><th>AC</th><th>RC</th><th>NC</th></tr>
<tr><td>Chairman</td><td>Mr Lam Kwong Fai</td><td>Mr Low Chai Chong</td><td>Mr Lam Kwong Fai</td></tr>
<tr><td>Member</td><td>Mr Low Chai Chong</td><td>Mr Lam Kwong Fai</td><td>Mr Low Chai Chong</td></tr>
<tr><td>Member</td><td>Ms Tan Ler Choo</td><td>Ms Tan Ler Choo</td><td>Ms Tan Ler Choo</td></tr>
</table></td></tr>
<tr><td>1.5</td><td>Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director’s attendances at such meetings are disclosed in the company’s annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.</td><td>The Board meets on a quarterly basis, and as and when circumstances require. In FY2023, the number of the Board and Board Committee meetings held and the attendance of each Board member during FY2023 are shown below.

<table>
<tr><th></th><th>Board</th><th>AC</th><th>NC</th><th>RC</th><th>General Meetings</th></tr>
<tr><td>No. of Meetings</td><td>5</td><td>5</td><td>1</td><td>1</td><td>1</td></tr>
<tr><td colspan="6">No. of Meetings attended by the Respective Directors</td></tr>
<tr><td>Mr Low Chai Chong</td><td>5</td><td>5</td><td>1</td><td>1</td><td>1</td></tr>
<tr><td>Mr Hoo Khee Leng</td><td>5</td><td>5*</td><td>1*</td><td>1*</td><td>1</td></tr>
<tr><td>Mr Siow Chien Fu</td><td>5</td><td>5*</td><td>1*</td><td>1*</td><td>1</td></tr>
<tr><td>Mr Lam Kwong Fai</td><td>5</td><td>5</td><td>1</td><td>1</td><td>1</td></tr>
<tr><td>Ms Tan Ler Choo</td><td>5</td><td>5</td><td>1</td><td>1</td><td>1</td></tr>
</table>
* By invitation: The Company’s constitution allows for meetings to be held through telephone, video-conference, or any other form of audio, audio-visual, electronic or instantaneous communication by which all persons participating in the meeting are able to hear and be heard by all other participants.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1.6</td><td>Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.</td><td>
<table>
<tr><th></th><th>Information</th><th>Frequency</th></tr>
<tr><td>(a)</td><td>Updates to the Group's operations and the markets in which the Group operates in</td><td>Quarterly</td></tr>
<tr><td>(b)</td><td>Quarterly and full year financial results</td><td>Quarterly</td></tr>
<tr><td>(c)</td><td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>As and when, relevant</td></tr>
<tr><td>(d)</td><td>Reports on on-going or planned corporate actions</td><td>As and when, relevant</td></tr>
<tr><td>(e)</td><td>Research report(s)</td><td>As and when, requested</td></tr>
<tr><td>(f)</td><td>Shareholding statistics</td><td>As and when, requested</td></tr>
</table>

Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</td></tr>
<tr><td>1.7</td><td>Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.</td><td>Directors have separate and independent access to Management and the Company Secretary at all times. Individually or collectively, in order to execute their duties, Directors can obtain independent professional advice, where required, at the Company's expense.

The Company Secretary, or her representatives, attends all Board and Board Committees' meetings and assists the respective Chairman of the Board Committees and Board in the conduct of meetings and ensure that procedures and corporate governance practices are adhered to.

The appointment and the removal of the Company Secretary is a decision of the Board as a whole.</td></tr>
<tr><td colspan="3"><u>Board Composition and Guidance</u>

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.</td></tr>
<tr><td>2.1</td><td>An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.</td><td>As at the date of this report, the Board comprises 5 directors out of which 2 (40% of total directors) are independent directors, 2 (40% of total directors) are executive directors with 1 of them also being the Chief Executive Officer and 1 (20% of total directors) is non-executive director.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>2.2</td><td>Independent directors make up a majority of the Board where the Chairman is not independent.</td><td>The Chairman of the Board is an Independent Director.</td></tr>
<tr><td>2.3</td><td>Non-executive directors make up a majority of the Board.</td><td>The Non-Executive Directors make up a majority of the Board.</td></tr>
<tr><td>2.4</td><td>The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.</td><td>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:
<table>
<tr><th></th><th>Number of Directors</th><th>Proportion of the Board (%)</th></tr>
<tr><td colspan="3">Core Competencies</td></tr>
<tr><td>Accounting or finance</td><td>2</td><td>40</td></tr>
<tr><td>Business Management</td><td>5</td><td>100</td></tr>
<tr><td>Legal or Corporate Governance</td><td>2</td><td>40</td></tr>
<tr><td>Relevant Industry knowledge or experience</td><td>3</td><td>60</td></tr>
<tr><td>Strategic Planning Experience</td><td>5</td><td>100</td></tr>
</table>
The Board currently comprises a female director (20% of total directors) and four male directors with age group ranging between 40 to 70 years old. Each director has been appointed based on his/her relevant experience and competencies.
The Board will undertake the following steps to maintain or enhance its balance and diversity:

Executive Directors will be involved in daily operations of the Group and deal with the objectives and implementation of the business and strategic plans of the Group;
Non-executive Directors contribute to the Board process by monitoring and reviewing Management's performance. Their views and opinions provide alternative perspectives to Company's businesses. The Non-Executive Independent Directors also meet and communicate regularly without the presence of the Management to facilitate a more effective check on Management. Such meetings are scheduled on a need-be-basis;
Annual review by the NC to access if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

With the introduction of Rule 710A of the Listing Rules, the Board has formulated and implemented a Board Diversity Policy that addresses gender, skills and experience and other relevant aspects of diversity during FY2023. The Board understands and believes that a diverse Board will help improve the overall performance and operational capability of the Company as well as to avoid groupthink and foster constructive debate. It enhances decision-making capability and gives diversified views to enhance Board discussion and ensuring that the decisions made by the Board have been considered from all points of view. </td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		The Board comprises Directors who have expertise across areas such as accounting or finance, business management, legal or corporate governance, relevant industry knowledge or experience and strategic planning experience, who as a group, provide capabilities required for the challenges in the industry in which the Group operates in. Currently, the Board also consist of a female Board member. The NC will continue to review and consider the size and composition of the Board for the proposed renewal process to ensure that the Board has the appropriate mix of core skills and experience commensurate with the nature, size and complexity of the Group's business, its operating environment, and its current and future targets and focus.
2.5	Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.	Where necessary, the Company co-ordinates informal meeting for Non-Executive Director and Independent Directors to meet without the presence of the Executive Director and/or Management. The Non-Executive Director and Independent Directors have met and/or discussed informally on various occasions without the presence of Management in FY2023.
Chairman and Chief Executive Officer Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.		
3.1	The Chairman and the Chief Executive Officer ("**CEO**") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.	The roles of the Chairman and CEO are separate to ensure a clear division of their responsibilities, increased accountability, and greater capacity of the Board for independent decision making. The Independent Chairman, Mr Low Chai Chong, is not related to the CEO. The Independent Chairman oversees the business of the Board. He leads the Board discussions and ensures that Board meetings are convened when necessary. He sets the Board's meeting agenda in consultation with the CEO, Mr Hoo Khee Leng, and ensures the quality, quantity, and timeliness of the flow of information between the Board and key management personnel to facilitate efficient decision making. The CEO takes a leading role in developing the businesses of the Group and manages the day-to-day operations with the assistance of key management personnel. He also oversees the execution of the business and corporate strategy decisions made by the Board.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>3.2</td><td>The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.</td><td rowspan="2">The Chairman is a Non-Executive and Independent Director. He is available to shareholders where they have concerns, and for which contact through the normal channels of communication with the Management are inappropriate or inadequate.

The Board does not have any Lead Independent Director as the Chairman is independent.</td></tr>
<tr><td>3.3</td><td>The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.</td></tr>
<tr><td colspan="3"><u>Board Membership</u>

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.</td></tr>
<tr><td>4.1</td><td>The Board establishes a Nominating Committee ("NC") to make recommendations to the Board on relevant matters relating to:

(a) The review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(b) The process and criteria for evaluation of the performance of the Board, its board committees and directors;

(c) The review of training and professional development programs for the Board and its directors; and

(d) The appointment and re-appointment of directors (including alternate directors, if any).</td><td>The NC is guided by key terms of reference as follows:

(a) Determine annually, and as and when circumstances require, whether a Director is independent, and providing its views to the Board in relation thereto for the Board's consideration;

(b) Reviewing the independence of any director who has served on the Board for more than nine years from the date of his first appointment and the reasons for considering him as independent;

(c) Where a Director or proposed Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the Director's number of listed company board representations and other principal commitments;

(d) Where the appointment of an alternate Director to a Director is proposed, determining whether the alternate Director is familiar with the Company's affairs, appropriately qualified and (in the case of an alternate Director to an independent Director) whether the alternate Director would similarly qualify as an independent Director, and providing its views to the Board in relation thereto for the Board's consideration;

(e) Making recommendations to the Board on relevant matters relating to the review of board succession plans for directors, in particular, the Chairman and for the CEO, the development of a process for evaluation of the performance of the Board, its board committees and directors, the review of training and professional development programs for the Board and the appointment and re-appointment of directors (including alternate directors, if applicable);</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		(f) Proposing objective performance criteria for evaluation of the Board's performance as a whole which allows for comparison with industry peers and address how the Board has enhanced long-term shareholder value; (g) Carrying out, at least annually, a formal assessment of the performance and effectiveness of the Board as a whole and its board committees and (if applicable) the contributions of individual Directors to the effectiveness of the Board, based on the process implemented by the Board; and (h) Based on the results of the performance evaluation, providing its views and recommendations to the Board, including any appointment of new members.
4.2	The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.	As at the date of this report, the NC comprises three directors, majority of whom are independent. The NC comprises Mr Lam Kwong Fai, Mr Low Chai Chong and Ms Tan Ler Choo. The Chairman of the NC, Mr Lam Kwong Fai is an Independent Non-Executive Director.
4.3	The company discloses the process for the selection, appointment re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.	The considerations in assessing the capacity of Directors include the following: • Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity; • Geographical location of Directors; • Size and composition of the Board; • Nature and scope of the Group's operations and size; and • Capacity, complexity and expectation of the other listed directorships and principal commitments held. The measures and evaluation tools in place to assess the performance and consider competing time commitments of the Directors include the following: • Declarations by individual Directors of their other listed company board directorships and principal commitments; • Annual confirmations by each Director on his ability to devote sufficient time and attention to the Company's affairs, having regard to his other commitments; and • Assessment of the individual Directors' performance based on the criteria set out in Provision 5 of this report.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		The NC has recommended to the Board that Mr Hoo Khee Leng and Ms Tan Ler Choo be re-elected at the forthcoming Annual General Meeting ("**AGM**"). The Board has accepted the NC's recommendation. • Mr Hoo Khee Leng, upon re-election as a Director of the Company, will remain as Executive Director and CEO of the Company. • Ms Tan Ler Choo, upon re-election as a Director of the Company, will remain as Non-executive and Non-independent Director of the Company. Pursuant to Rule 720(5) of the Catalist Rules, the additional information set in Appendix 7F of the Catalist Rules relating to Mr Hoo Khee Leng and Ms Tan Ler Choo who are seeking re-appointment is disclosed as Appendix to this Corporate Governance Report and is to be read in conjunction with their respective biography under the respective sections of this annual report.
4.4	The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.	The NC does determine annually whether each of the Independent Directors still meet the criteria of an Independent Director. The Independent Directors had confirmed their independence in accordance with the Code and Rule 406(3)(d) of the Catalist Rules. The NC had also assessed the independence of each Independent Director and is satisfied that, Mr Lam Kwong Fai and Mr Low Chai Chong to be independent.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
4.5	The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitment of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.	All newly appointed Directors will undergo an orientation program where the Director would be briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of director of a listed company. To obtain a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational sites and meet with key management personnel. Although some of the Board members have multiple board representations and other principal commitments, the NC is satisfied that the Directors have devoted sufficient time and attention to the Group. The NC is of the view that setting a maximum number of listed board representations that any Director may hold is not necessary as all the Directors are able to devote to the Company's affairs in light of their other commitments. However, as a general guideline to address time commitments that may be faced, a Director who holds more than five listed company board representations (including the appointment with Company) will consult the Chairman of the NC before accepting any new appointments as a Director. The considerations in assessing the capacity of Directors include the following: • Expected and/or competing time commitments of Directors; • Geographical location of Directors; • Size and composition of the Board; • Nature and scope of the Group's operations and size; and • Capacity, complexity and expectations of the other listed directorships and principal commitments held. The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have discharged their duties adequately for FY2023.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3"><u>Board Performance</u>

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.</td></tr>
<tr><td>5.1</td><td>The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.</td><td>Table 5.1 sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees. The Board evaluation does not include a separate or specific assessment of the performance or contributions of individual Directors. This is because the necessity or efficacy of adopting a formal process for assessing the contribution by each individual Director to the effectiveness of the Board is mitigated by the relatively small size of the Board, although the NC and the Board may review this in the future as the Company and the Board becomes more mature and established in its business and corporate governance practices.

The evaluations are designed to assess the Board's effectiveness to enable the NC Chairman and Board to identify areas of improvement or enhancement which can be made to the Board:

<table>
<tr><th colspan="2">Table 5.1 – Performance Criteria</th></tr>
<tr><th>Performance Criteria</th><th>Board and Board Committees</th></tr>
<tr><td>Qualitative</td><td>1. Size and composition
2. Access to information
3. Board processes
4. Inputs to strategic planning
5. Board accountability
6. Risk Management
7. Succession planning</td></tr>
<tr><td>Quantitative</td><td>The Board currently does not evaluate the Board and Board Committees based on quantitative criteria as the Board is of the opinion that it is more important to evaluate the Board and Board Committees on their ability to provide guidance to the Management in relation to strategic planning and the development of the business of the Group.

However, the Board will keep in view and consider including quantitative criteria in future evaluations where appropriate.</td></tr>
</table>

The NC would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
5.2	The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.	The review of the performance of the Board and the Board Committees is conducted by the NC annually. Currently, such assessment is focused mainly on the performance and effectiveness of the Board as a whole and on the proper functioning of the various Board Committees. In FY2023, the review process was as follows: 1. All Directors individually completed a board and board committee performance evaluation on the effectiveness of the Board and the Board Committees based on criteria disclosed in Table 5 above; 2. The results of such assessment were collated and submitted to the NC Chairman who reviewed it together with the NC; and 3. The NC discussed the report and where applicable considered any appropriate follow up actions to be undertaken. No external facilitator was used in the evaluation process.
REMUNERATION MATTERS **Procedures for Developing Remuneration Policies** Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.		
6.1	The Board establishes a Remuneration Committee ("**RC**") to review and make recommendations to the Board on: (a) A framework of remuneration for the Board and key management personnel; and (b) The specific remuneration packages for each director as well as for the key management personnel.	The RC is guided by key terms of reference as follows: (a) Reviewing and recommending annually to the Board, the framework of remuneration and specific remuneration packages for each Director as well as for the key management personnel; (b) Reviewing all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind; (c) Reviewing the Company's obligations arising in the event of termination of the executive directors and key management personnel's contracts of service; (d) Reviewing annually the remuneration of employees who are immediate family members of a Director or CEO whose remuneration exceeds S$100,000 during the year; (e) Ensuring that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants; (f) Reviewing and administering whether executive directors, non-executive and independent Directors and key management personnel should be eligible for options, share incentives, awards (collectively the "Schemes") (when it is implemented) and other benefits; (g) Administering the Schemes (where it is implemented); and (h) Perform such other functions and duties as may be required by the Code.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
6.2	The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.	The RC comprises Mr Low Chai Chong, Mr Lam Kwong Fai and Ms Tan Ler Choo, all of whom are non-executive directors and the majority of which are independent. The Chairman of the RC, Mr Low Chai Chong is an Independent Non-Executive Director.
6.3	The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.	Please refer to Provision 6.1 above.
6.4	The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.	No remuneration consultants were engaged by the Company in FY2023.
Level and Mix of Remuneration Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.		
7.1	A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.	The Company's remuneration policy, which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives and awards is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates the link that total compensation has to the achievement of organisational and individual performance objectives and benchmarked against relevant and comparative compensation in the market.
7.2	The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.	The remuneration of the Non-Executive Directors (including Independent Directors) is determined by their contributions to the Company, taking into account factors such as efforts and time spent as well as their responsibilities on the Board and Board Committees, if applicable. The Directors' fees of the Non-Executive Directors are subject to approval by shareholders at each AGM. Total payment of S$140,000 Director's fees for FY2023 recommended by the Board and subject to shareholder's approval at forthcoming AGM.
7.3	Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.	The Company's remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to Directors the link on total compensation has to the achievement of organisational and individual performance objectives and benchmarked against relevant and comparative compensation in the market.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Provision</th><th>Code Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td colspan="3"><u>Disclosure on Remuneration</u>

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.</td></tr>
<tr><td>8.1</td><td>The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

(a) Each individual director and the CEO; and

(b) At least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000 and in aggregate the total remuneration paid to these key management personnel.</td><td>The breakdown for the remuneration of the Directors in FY2023 is as follows:

<table>
<tr><th>Name</th><th>Salary</th><th>Bonus</th><th>Director fees</th><th>Others</th><th>Total</th></tr>
<tr><td colspan="6">From S$0 to S$250,000</td></tr>
<tr><td>Mr Low Chai Chong</td><td>–</td><td>–</td><td>100%</td><td>–</td><td>100%</td></tr>
<tr><td>Mr Lam Kwong Fai</td><td>–</td><td>–</td><td>100%</td><td>–</td><td>100%</td></tr>
<tr><td>Ms Tan Ler Choo</td><td>–</td><td>–</td><td>100%</td><td>–</td><td>100%</td></tr>
<tr><td colspan="6">From S$250,001 to S$500,000</td></tr>
<tr><td>Mr Hoo Khee Leng (CEO)</td><td>90%</td><td>–</td><td>–</td><td>10%</td><td>100%</td></tr>
<tr><td>Mr Siow Chien Fu</td><td>91%</td><td>–</td><td>–</td><td>9%</td><td>100%</td></tr>
</table>

The Company did not disclose the total remuneration of each individual director in dollar terms given the commercial sensitivity of the remuneration matters and to maintain confidentiality of the remuneration packages of these directors.

There is no termination, retirement, post-employment benefits that may be granted to the Directors, the CEO and top key management personnel.

Save for the Executive Directors, the Company only has 1 top key management personnel (“KMP”) in FY2023 and the breakdown of the remuneration in FY2023 is as follows:

<table>
<tr><th>Name</th><th>Salary</th><th>Bonus</th><th>Total</th></tr>
<tr><td colspan="4">From S$0 to S$250,000</td></tr>
<tr><td>Sia Guek Leng (Note 1)</td><td>100%</td><td>-</td><td>100%</td></tr>
<tr><td>Lim Kenneth (Note 2)</td><td>100%</td><td>-</td><td>100%</td></tr>
</table>

Note 1: Ms Sia Guek Leng was appointed on 9 March 2022 and resigned as Financial Controller on 1 June 2023.

Note 2: Mr Lim Kenneth was appointed on 1 June 2023 as Financial Controller.

The total remuneration paid to these key management personnel in FY2023 are RM137,000.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
8.2	The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.	There were no employees of the Group who are substantial shareholders of the Company or an immediate family member of a Director, the CEO or substantial shareholder of the Company and whose remuneration exceeded S$100,000 in FY2023.
8.3	The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.	The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group in FY2023. Their remuneration is made up of fixed compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The Company currently does not have any employee share option or share schemes.
ACCOUNTABILITY AND AUDIT **Risk Management and Internal Controls** Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.		
9.1	The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.	The Company manages risks under an overall strategy determined by the Board and supported by the AC. The Company sets acceptable risk management standards and periodically reviews the risks that the Group is subject to. The Board recognises that it is responsible for the overall internal control framework but accepts that no internal control system or risk management will preclude all errors and irregularities such as poor judgement in decision making, human error, losses or fraud, as the system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		The AC will annually: • Satisfy itself that adequate measures are being made to identify and mitigate any material business risks associated with the Group; • Ensure that a review of the effectiveness of the Group's material internal controls, including financial, operating, information technology and compliance controls and risk management, is conducted at least annually. Such review can be carried out by the internal auditors; • Ensure that the internal control recommendations made by internal auditors and the management letter recommendations by external auditors (noted during the course of the statutory audit) have been implemented; and • Ensure the Board is in a position to comment on the adequacy and effectiveness of the internal controls of the Group. The Board also reviews compliance issues, if any, and as and when required. The Board and AC reviewed and approved the internal audit conducted by Baker Tilly Monteiro Heng Governance. The Board and AC is satisfied that the existing internal controls addressing the Group's financial, operational, compliance and information technology controls and risk management systems are effective and adequate. The bases for the Board's view are as follows: 1. Assurance has been received from the CEO and Financial Controller; 2. Key management personnel regularly evaluate, monitors and reports to the AC on material risks; and 3. Discussions were held between the AC, internal auditors and external auditors in the absence of the Management to review and address any potential concerns.
9.2	The Board requires and discloses in the company's annual report that it has received assurance from: (a) The CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and (b) The CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.	The Board has obtained such assurance from the CEO and Financial Controller in respect of FY2023. The Board has also relied on the CEO and Financial Controller that the financial records have been properly maintained and the financial statements gave true and fair view of the Group's operations. Please also refer to Provision 10.4 for details regarding Board and AC's views about the Group's IA's function.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
Audit Committee Principle 10: The Board has an Audit Committee ("**AC**") which discharges its duties objectively.		
10.1	The duties of the AC include: (a) Reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance; (b) Reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems; (c) Reviewing the assurance from the CEO and the CFO on the financial records and financial statements; (d) Making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors; (e) Reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and (f) Reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.	The AC is guided by the following key terms of reference: (a) Reviewing the audit plan of the external auditors, including the nature and scope of the audit, before the audit commences; (b) Reviewing the results of external audit and internal audit, in particular, reviewing the effectiveness of the Company's internal audit function, their audit report and their management letter and Management's response thereto; (c) Reviewing the co-operation given by the Company's officers to the external auditors; (d) Reviewing the significant financial reporting issues and judgments including any significant or unusual items in such reports and accounts so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance and give due consideration to any matters especially major judgmental area and significant audit adjustments that have been raised by the Group's staff responsible for the accounting and financial reporting function, internal auditors or external auditors; (e) Reviewing the independence of the external auditors annually and where the external auditors also provide a substantial volume of non-audit services to the Company, keep the nature and extent of such services under review, seeking to maintain objectivity; (f) Making recommendations to the Board on the proposals to shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of the engagement of the external auditors; (g) Reviewing the policy and arrangements by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters including but not limited to whistle-blowing policy; (h) Reviewing and reporting to the Board at least annually, the adequacy and effectiveness of the Company's internal controls;

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		(i) Monitoring the establishment, appointments, staffing, qualifications and experience of the Company's internal audit function, including approval of the appointment and compensation terms of the head of the internal audit function, review of whether the internal audit function is adequately resourced, is independent of the activities it audits, and has appropriate standing within the Company; (j) Reviewing, at least annually, the adequacy and effectiveness of the Company's internal audit function; (k) Meeting with (a) the external auditors, and (b) the internal auditors, in each case without the presence of Management, at least annually; (l) To discuss problems and concerns, if any, arising from the internal and external audits, and any matters which the auditors may wish to discuss (in the absence of Management where necessary); (m) Commissioning and reviewing the findings of internal investigations into matters where there is suspicion of fraud or irregularity or failure of internal controls or infringement of any Singapore law, rule or regulation, which has or is likely to have a material impact on the Company and the Group's operating results and/or financial position; (n) Reviewing the assurance from the CEO and the Finance Controller on the financial records and financial statements; and (o) Perform such other functions and duties as may be required by the relevant Code. For FY2023, the external auditors ("**Moore Stephens LLP**") provided non-audit service amounting to S$30,000 for the review of the cashflow forecast. The AC has reviewed and is satisfied with the independence of Moore Stephens LLP. The AC recommends the re-appointment of Moore Stephens LLP and approved the remuneration and terms of engagement of Moore Stephens LLP. The amount of audit fee paid to Moore Stephens LLP can be found on page 86 of the Annual Report. Moore Stephens LLP have expressed that they will be seeking for re-appointment at the upcoming AGM. The AC has, in consultation with the Board, initiated the implementation of fraud and whistle-blowing policy for all employees including employees of the Company's overseas subsidiaries. The AC is responsible for oversight and monitoring of whistleblowing.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		The Group and the Company has approved and implemented a whistle-blowing policy which encourages its employees, in confidence, to raise concerns about possible corporate improprieties in matters of financial reporting and other matters. This policy aims to provide an avenue for employees to raise concerns and reassurance that they will be protected from reprisals or victimisation for fraud and whistle-blowing in good faith. The Group's whistle-blowing policy assures its employees who make reports in good faith of malpractice or impropriety in the workplace that their identities are kept confidential and that they will not be dismissed, penalised or discriminated against by the Company as a result of the making of such reports. To-date, there were no reports received through the whistle blowing mechanism aside from certain complaints that were not related to the Group where certain buyers of the property units made a false allegation on the rental payments which shall be paid by third party company who is unrelated to the Group. Other than the employees of the Group, any other persons including any stakeholders of the Group, may also, in confidence, raise concern about possible corporate improprieties in matters of financial reporting or other matters to the Group's independent function that investigates whistleblowing reports made in good faith, via the AC Chairman at email address whistleblowing@capitalcity.com.my. With the introduction of the new and revised Auditor Reporting Standards applicable to the audit of financial statements for periods ending on or after 15 December 2016, the external auditors are required to include the Key Audit Matters ("**KAM**") in the Company Annual Report. KAM typically include significant risk areas of the financial statements most susceptible to misstatements, involving key judgements and estimates, as well as major transactions that require extensive auditing efforts.

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Provision	Code Description	Company's Compliance or Explanation
		In line with the recommendations by ACRA, Monetary Authority of Singapore and SGX, the AC can help to improve the transparency and enhance the quality of corporate reporting by providing a commentary on key financial reporting matters as follows: KAM – Valuation of inventory properties and non-current assets held for sale The AC considered the KAM presented by the external auditors together with management. In relation to the valuation of inventory properties and non-current assets held for sale, the AC reviewed the assessment of the net realisable value of the inventory properties and net fair value less costs to sell for the non-current assets held for sale and also considered the disclosures in the financial statements. The AC concurred and agreed with the external auditors and management on their assessment and judgement on the significant matter reported by the external auditors.
10.2	The AC comprises at least three directors, all of whom are non- executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.	The AC chaired by Mr Lam Kwong Fai, comprises Mr Low Chai Chong and Ms Tan Ler Choo, all of whom are non-executive and majority of whom are independent. The Chairman of the AC, Mr Lam Kwong Fai is an Independent Non-Executive Director. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.
10.3	The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.	The AC does not comprise any former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
10.4	The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.	The Group has appointed Baker Tilly Monteiro Heng Governance to perform the internal audit review on the financial controls and accounts payable and payment cycle for FY2023. There were no material issues noted by the AC and the Board. The Board and AC is satisfied that the existing internal controls addressing the Group's financial, operational, compliance and information technology controls and risk management systems are effective and adequate.
10.5	The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.	The AC has met Moore Stephens LLP and Baker Tilly Monteiro Heng Governance on various occasions without the presence of Management for FY2023.
STAKEHOLDER RIGHTS AND ENGAGEMENT **Shareholders' Rights** Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.		
11.1	The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.	Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of shareholders. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures that govern the general meetings of shareholders. The Company's AGM will be held physically on 27 October 2023.
11.2	The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.	All resolutions are tabled separately at general meetings of shareholders. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
11.3	All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.	The Company firmly believes in high standards of transparent corporate disclosure by disclosing to its stakeholders, including its shareholders the relevant information on a timely basis through SGXNET. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable. Except as provided for by the Order and Guidance, communication is made through: 1) Annual Reports that are prepared and sent to all shareholders. The Board ensures that the Annual Report includes all relevant material information about the Company and the Group, including future developments and other disclosures required by the relevant rules and regulations; 2) Quarterly and full year announcements containing a summary of the financial information and affairs of the Group for that period; 3) Notices of explanatory memoranda for AGMs and extraordinary general meetings ("**EGM**"). The notices of AGM and EGM are also advertised in a national newspaper; and 4) Press and news releases on major developments of the Company and the Group. The Board welcomes questions from shareholders who wish to raise issues, either informally or formally before or during the shareholders' meetings. The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings of shareholders, unless of exigencies. Furthermore, the external auditors are present to assist the Board in addressing any relevant queries by our shareholders. The Company will make available minutes of general meetings to shareholders upon their request. All directors attended the last AGM of the Company held for FY2022. Each item of special business included in the notice of the general meetings will be accompanied by explanation of the effects of a proposed resolution. All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
11.4	The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.	Any member entitled to attend and vote at a meeting of the Company who is the holder of two or more shares shall be entitled to appoint not more than two proxies to attend and vote instead of him at the same general meeting provided that if the member is The Central Depository (Pte) Limited ("**Depository**"). The Depository may appoint more than two proxies to attend and vote at the same general meeting and each proxy shall be entitled to exercise the same powers on behalf of the Depository as the Depository could exercise. If a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting or another person as his/her/its proxy(ies) to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. In appointing another person as proxy, if no specific instruction as to voting is give or in the event of any other matter arising at the AGM, the proxy will vote or abstain from voting at his/her discretion.
11.5	The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.	The minutes of the general meetings of shareholders will be made available to shareholders upon their request. The minutes of the Company's upcoming AGM recording substantial and relevant comments or queries from shareholders relating to the agenda of the AGM, and responses from the Board of Directors and management, will be published on SGXNET within one month after the AGM.
11.6	The company has a dividend policy and communicates it to shareholders.	The Company does not have a fixed dividend policy. The form, frequency and amount of future dividends on the shares will depend on, among other things, the Group's operating results, financial conditions, cash flows, expected future earnings, capital expenditure program(s) and investment plans, the terms of the Group's borrowing arrangements (if any) and other factors deemed relevant by the Directors. No dividend has been declared or recommended for the year ended 30 June 2023 as the Group's funds is required to be used for the Group's operations.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
Engagement with Shareholders Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.		
12.1	The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.	The Company has in place an investor relations policy to promote regular, effective and fair communication. The Company makes every effort to ensure regular, timely and effective communication with its shareholders. The Company will release quarterly and annual financial results through the SGXNET. All price sensitive will be first released through SGXNET before the Company meets with any investors or analysts. Shareholders are welcome to directly contact the registered office of the Company.
12.2	The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.	
12.3	The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.	
MANAGING STAKEHOLDER RELATIONSHIPS **Engagement with Stakeholders** Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.		
13.1	The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.	Shareholders, the investment community, media and analysts are kept informed of the Group's performance, progress and prospects and major developments of the Company on a timely basis through various communication such as announcements, including quarterly and full-year financial results announcements, via SGXNET; and annual reports and notices of general meetings. The Company's corporate website URL is http://capitalworldlimited.com. Shareholders can also contact the Company via its registered address details disclosed in the corporate information.
13.2	The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	
13.3	The company maintains a current corporate website to communicate and engage with stakeholders.	

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
COMPLIANCE WITH APPLICABLE CATALIST RULES		
712, 715 or 716	Appointment of auditors	The Company confirms its compliance with Rule 712 and Rule 716 of the Catalist Rules. Certain Singapore/Malaysia incorporated subsidiaries of the Group were audited by other auditors. The Board and AC have considered and are satisfied that the appointment of other auditors would not compromise the standard and effectiveness of the audit of the Group by the external auditors as these Singapore/Malaysia incorporated subsidiaries are dormant during FY2023.
1204(8)	Material contracts	There were no material contracts entered into by the Group involving the interest of the CEO, any Director, or controlling shareholder.
1204(10)	Confirmation of adequacy of internal controls	The Board, with the concurrence of the AC, is of the opinion that the internal controls and risk management systems established are adequate and effective to address the financial, operational, information technology and compliance risks based on the following: • Assurance from the CEO and Finance Controller; and • Internal audit review done by Baker Tilly Monteiro Heng Governance. Please also refer to Provision 10.4 for details regarding Board and AC's views about the Group's IA's function.
1204(10C)	AC's comment on Internal Audit Function whether the internal audit function is independent, effective and adequately resourced	Please also refer to Provision 10.4 for details regarding Board and AC's views about the Group's IA's function.
1204(17)	Interested persons transaction ("**IPT**")	The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the AC and they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. The Company entered into a Convertible Loan Agreement ("**CLA**") with AIM Worldwide Group Ltd on 10 November 2022. Refer to announcement dated 11 November 2022.
1204(19)	Dealing in securities	The Company has adopted an internal policy which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information. The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period beginning two weeks before the announcement of the Company's quarterly financial statements and one month before the announcement of the Company's half year and full year financial statements respectively, and ending on the date of the announcement of the relevant results.
1204(21)	Non-sponsor fees	In FY2023, no non-sponsor fees were paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd.
1204(22)	Use of proceeds	There were no outstanding proceeds arising from initial public offering and/or any offerings pursuant to Chapter 8 of the Catalist Rules.

CORPORATE GOVERNANCE REPORT

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist (the "**Rules of Catalist**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the following is the information relating to the Directors seeking re-election (as set out in Appendix 7F to the Rules of Catalist):

Name of Person	Hoo Khee Leng	Tan Ler Choo
Date of Appointment	14 April 2022	28 June 2019
Date of last re-appointment (if applicable)	30 May 2022	30 May 2022
Age	55	60
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of the Company, having considered, among others, the recommendation of the NC and having reviewed and assessed the contribution and performance, attendance, participation, candour and suitability of Mr Hoo Khee Leng ("**Mr Hoo**") for re-election as Executive Director and Chief Executive Officer. The Board has reviewed and concluded that Mr Hoo possesses the experience, expertise, knowledge and skills to continue to contribute towards the core competencies of the Board.	The Board of the Company, having considered, among others, the recommendation of the NC and having reviewed and assessed the contribution and performance, attendance, participation, candour and suitability of Ms Tan Ler Choo ("**Ms Tan**") for re-election as Non-Executive Director. The Board has reviewed and concluded that Ms Tan possesses the experience, expertise, knowledge and skills to continue to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive Mr Hoo is responsible for the strategy setting and management and operation of the Group and Company.	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Executive Officer	1) Non-Independent Non- Executive Director 2) Member of the Remuneration Committee, the Audit Committee and Nominating Committee
Professional qualifications	Bachelor of Science in Business Administration majoring in Accountancy, San Diego State University, San Diego, California	Diploma in Building Construction, Singapore Polytechnic
Working experience and occupation(s) during the past 10 years	2006 to 2015 – Vice President, Oversea-Chinese Banking Corporation Limited 2017 to current – Director, IATC Pte Ltd, Singapore	October 2011 to March 2021 (company wound up on 4 March 2021) - Montane Construction Sdn Bhd, Melaka, Malaysia Contracts Director
Shareholding interest in the listed issuer and its subsidiaries	Nil	12,066,666

CORPORATE GOVERNANCE REPORT

Name of Person	Hoo Khee Leng	Tan Ler Choo
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	Nil	1) Montane Development Management Sdn. Bhd. (struck-off) 2) Montane Construction Sdn. Bhd. (wound up)
Present	1) Altimate Ventures Limited 2) Capital City Management Pte Ltd 3) Capital City Property Sdn Bhd 4) Capital City Ventures Sdn Bhd 5) Capital World Limited 6) IATC Pte Ltd, Singapore 7) Lake Forest (S) Pte Ltd, Singapore 8) Lake Forest Sdn Bhd, Malaysia 9) One Solution Management Sdn Bhd 10) Prime Solution Management Pte Ltd 11) Rise Expedition Global Limited	No
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	Yes. An application of winding up petition was filed by a vendor of Montane Construction Sdn Bhd. Amount of RM1,162,463.17 was subsequently paid on 25 May 2019 and the petition was withdrawn by the vendor on 10 June 2019.

CORPORATE GOVERNANCE APPENDIX

Name of Person	Hoo Khee Leng	Tan Ler Choo
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	Yes. An application of winding up petition was filed by a vendor of Montane Construction Sdn Bhd, and the Company has wound up on 4 March 2021.
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

CORPORATE GOVERNANCE APPENDIX

Name of Person	Hoo Khee Leng	Tan Ler Choo
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	Yes. Ms Tan Ler Choo was issued a bankruptcy order by the court for the personal guarantee for the performance bond and the bank facilities when Ms Tan Ler Choo worked with Torie Construction Pte Ltd. However, the court has discharged the order on 18 May 2006.
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	Yes. Ms Tan Ler Choo was issued a bankruptcy order by the court for the personal guarantee for the performance bond and the bank facilities when Ms Tan Ler Choo worked with Torie Construction Pte Ltd. However, the court has discharged the order on 18 May 2006.
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No

CORPORATE GOVERNANCE APPENDIX

Name of Person	Hoo Khee Leng	Tan Ler Choo
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	Not Applicable. Mr. Hoo is proposed to be re-elected as a Director of the Company.	Not Applicable. Ms. Tan is proposed to be re-elected as a Director of the Company.

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Capital World Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2023.

In the opinion of the directors:

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement, based on the factors as described in Note 2.1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

The directors of the Company in office at the date of this statement are:

Hoo Khee Leng
Low Chai Chong
Lam Kwong Fai
Tan Ler Choo
Siow Chien Fu

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement, whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The following director, who held office at the end of the financial year, had, according to the register of directors' shareholdings kept by the Company, an interest in shares of the Company as stated below:

	Direct Interest	
Name of director	**At 1 July 2022**	**At 30 June 2023**
Ordinary shares of the Company		
Siow Chien Fu	661,745,713	661,745,713
Low Chai Chong	18,780,550	18,780,550
Tan Ler Choo	12,066,666	12,066,666
Lam Kwong Fai	14,000,000	14,000,000

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2023.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

DIRECTORS' STATEMENT

4. SHARE OPTIONS

No share options have been granted during the financial year ended 30 June 2023 to subscribe for unissued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company under option at the end of the financial year.

5. AUDIT COMMITTEE

The members of the Audit Committee ("**AC**") carried out its functions specified in accordance with the Listing Manual Section B: Rules of Catalist of the SGX-GT and the Code of Corporate Governance and the Guidebook for Audit Committees in Singapore (Second Edition), including the following:

- reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group's and the Company's management to the internal and external auditors;

- reviewed the quarterly and annual financial statements and the independent auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;

- reviewed effectiveness of the Group's and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;

- met with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

- reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

- reviewed the cost effectiveness and the independence and objectivity of the external auditor;

- reviewed the nature and extent of non-audit services provided by the external auditor;

- recommended to the board of directors the external auditors to be nominated, approved the compensation of the external auditors, and reviewed the scope and results of the audit;

- reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and

- reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The AC, having reviewed the amount of non-audit services rendered to the Group by the external auditors, is satisfied that the nature and extent of such services does not prejudice the independence and objectivity of the external auditors. The AC has also conducted a review of interested person transactions.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

DIRECTORS' STATEMENT

6. INDEPENDENT AUDITORS

The independent auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

....
Hoo Khee Leng
Director

....
Low Chai Chong
Director

Singapore
09 October 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Capital World Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Capital World Limited (the "**Company**") and its subsidiaries (the "**Group**"), which comprise the statements of financial position of the Group and the Company as at 30 June 2023, and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group and the statements of changes in equity of the Group and the Company for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2023, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("**ISAs**"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' ("**IESBA**") *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("**IESBA Code**") and the Accounting and Corporate Regulatory Authority ("**ACRA"**) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements, the IESBA Code and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

To the members of Capital World Limited

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of Inventory Properties and Non-Current Assets Held for Sale We refer to Note 2.8, Note 2.21, Note 9 and Note 15(a) to the financial statements. As at 30 June 2023, the Group has inventory properties (Retail units of the retail mall) of RM124,794,000 and non-current assets held for sale of RM238,775,000, representing 30% and 57% of the Group's total assets respectively. Inventory properties are measured at the lower of cost and net realisable value and non-current assets held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.	**Our response:** We focused on this area because of the significant judgement involved in making the estimates of the net realisable value of the inventory properties and the fair value less costs to sell of the non-current assets held for sale. We designed and performed the following key procedures, amongst others: - Evaluated and tested management's assessment of the inventory properties to state them at the lower of cost and net realisable value; - Evaluated and tested management's assessment of the non-current assets held for sale to state them at the lower of the assets' previous carrying amount and net fair value less costs to sell; and - Evaluated the appropriateness of the presentation and classification of the non-current assets held for sale. **Our findings:** We found that management's assessment of the net realisable value of the inventory properties and the net fair value less costs to sell of the non-current assets held for sale to be reasonable and the presentation and classification of the non-current assets held for sale to be appropriate.

INDEPENDENT AUDITOR'S REPORT

To the members of Capital World Limited

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

To the members of Capital World Limited

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Neo Keng Jin.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
09 October 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2023

	Note	Group 2023 RM'000	Group 2022 RM'000
Revenue	4(a)	(3,832)	3,927
Cost of sales		1,275	(2,501)
Gross (loss)/profit		(2,557)	1,426
Other income	5	8,138	121,530
Selling and distribution expenses		–	(32)
General and administrative expenses		(36,468)	(59,257)
Reversal of/(Allowance for) impairment of trade receivables		887	(4,105)
Finance costs		(346)	(101)
(Loss)/Profit before income tax	6	(30,346)	59,461
Income tax credit/(expense)	7	76,297	(328)
Profit for the year		45,951	59,133
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Gains on translation of foreign operations		12,562	3,494
Reclassification of foreign currency translation differences on disposal of subsidiaries		(1,475)	–
Exchange differences arising from translation of foreign operations, net of tax		11,087	3,494
Total comprehensive income for the year		57,038	62,627
Earnings per share (RM cents per share)			
Basic and diluted	8	0.32	1.37

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current assets					
Inventory properties	9	124,794	123,473	–	–
Contract assets	4(b)	2,237	4,653	–	–
Trade receivables	10	115	145	–	–
Other receivables, deposits and prepayments	11	1,693	1,337	39	70
Income tax recoverable		6,414	–	–	–
Amount due from subsidiaries	12	–	–	176,008	167,028
Cash on hand and at banks	13	46,337	854	395	181
		181,590	130,462	176,442	167,279
Assets of disposal group classified as held for sale	14	–	731	–	–
Non-current assets held for sale	15(a)	238,775	74,003	–	–
		420,365	205,196	176,442	167,279
Non-current assets					
Investment properties	15(b)	–	142,514	–	–
Property, plant and equipment	16	281	24,099	18	30
Investment in subsidiaries	17	–	–	433	–
		281	166,613	451	30
Total assets		420,646	371,809	176,893	167,309
Current liabilities					
Trade payables	18	70,010	79,899	–	–
Other payables and accruals	19	111,159	41,220	6,547	9,568
Amount due to subsidiaries	12	–	–	209	5,284
Contract liabilities	4(b)	3,870	3,340	–	–
Loans and borrowings	20	175	38	41	38
Provision for taxation		197	70,294	197	253
		185,411	194,791	6,994	15,143
Liabilities directly associated with disposal group classified as held for sale	14	–	1,909	–	–
		185,411	196,700	6,994	15,143
Non-current liabilities					
Other payables	19	8,549	5,546	–	–
Loans and borrowings	20	85	–	–	–
		8,634	5,546	–	–
Total liabilities		194,045	202,246	6,994	15,143
Equity attributable to owners of the Company					
Share capital	21	215,083	215,083	264,208	264,208
Accumulated losses		(161,361)	(207,312)	(911,359)	(916,024)
Other reserves	22	172,879	161,792	817,050	803,982
Total equity		226,601	169,563	169,899	152,166
Total liabilities and equity		420,646	371,809	176,893	167,309

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2023

	Attributable to owners of the Company								
	Share capital	Accumulated losses	Other reserves, total	Share premium	Merger reserve	Equity component of convertible bond	Foreign currency translation reserve	Scheme shares reserve	Total equity
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Balance at 1 July 2022	215,083	(207,312)	161,792	159,192	5,000	186	5,376	(7,962)	169,563
Profit for the year	–	45,951	–	–	–	–	–	–	45,951
Other comprehensive income									
Exchange differences arising from translation of foreign operations	–	–	11,087	–	–	–	11,087	–	11,087
Total comprehensive income for the year	–	45,951	11,087	–	–	–	11,087	–	57,038
Balance at 30 June 2023	215,083	(161,361)	172,879	159,192	5,000	186	16,463	(7,962)	226,601

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2023

(cont'd)

	Attributable to owners of the Company								
Group	Share capital RM'000	Accumulated losses RM'000	Other reserves, total RM'000	Share premium RM'000	Merger reserve RM'000	Equity component of convertible bond RM'000	Foreign currency translation reserve RM'000	Scheme shares reserve RM'000	Total equity RM'000
Balance at 1 July 2021	176,240	(266,445)	10,892	3,824	5,000	186	1,882	–	(79,313)
Profit for the year	–	59,133	–	–	–	–	–	–	59,133
Other comprehensive income									
Exchange differences arising from translation of foreign operations	–	–	3,494	–	–	–	3,494	–	3,494
Total comprehensive income for the year	–	59,133	3,494	–	–	–	3,494	–	62,627
Issue of ordinary shares (Note 21)	38,843	–	147,406	155,368	–	–	–	(7,962)	186,249
Balance at 30 June 2022	215,083	(207,312)	161,792	159,192	5,000	186	5,376	(7,962)	169,563

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2023

Company	Share capital RM'000	Accumulated losses RM'000	Other reserves, total RM'000	Share premium RM'000	Equity component of convertible bond RM'000	Foreign currency translation reserve RM'000	Capital reserve RM'000	Total equity RM'000
Balance at 1 July 2022	264,208	(916,024)	803,982	800,950	186	2,359	487	152,166
Profit for the year	–	4,665	–	–	–	–	–	4,665
Other comprehensive income								
Exchange differences arising from translation of foreign operations	–	–	13,068	–	–	13,068	–	13,068
Total comprehensive income for the year	–	4,665	13,068	–	–	–	–	17,733
Balance at 30 June 2023	264,208	(911,359)	817,050	800,950	186	15,427	487	169,899
Balance at 1 July 2021	225,365	(882,753)	646,727	645,582	186	472	487	(10,661)
Loss for the year	–	(33,271)	–	–	–	–	–	(33,271)
Other comprehensive income								
Exchange differences arising from translation of foreign operations	–	–	1,887	–	–	1,887	–	1,887
Total comprehensive (loss)/ income for the year	–	(33,271)	1,887	–	–	–	–	(31,384)
Issue of ordinary shares (Note 21)	38,843	–	155,368	155,368	–	–	–	194,211
Balance at 30 June 2022	264,208	(916,024)	803,982	800,950	186	2,359	487	152,166

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2023

	Note	2023 RM'000	2022 RM'000
Cash flows from operating activities			
(Loss)/Profit before income tax		(30,346)	59,461
Adjustments for:			
Depreciation of property, plant and equipment		334	538
Depreciation of investment properties		1,541	6,163
Gain on disposal of subsidiaries		(6,752)	–
(Reversal of)/allowance for impairment of trade receivables		(887)	4,105
Allowance for impairment of other receivables		10	158
Write-down of inventory properties		–	27,556
Reversal of allowance for impairment of property, plant and equipment		–	(1,982)
Reduction on the cost of land pursuant to the Final Settlement Agreement		–	(117,112)
Provision for liquidated damages		1,300	3,000
Success and incentive fees on scheme of arrangement		–	4,020
Interest income		(207)	(116)
Interest expense		346	101
Operating cash flows before working capital changes		(34,661)	(14,108)
Change in working capital:			
Inventory properties		(1,321)	2,010
Trade and other receivables, deposits and prepayments		551	785
Contract assets		2,416	(4,653)
Trade and other payables and accruals		26,542	13,383
Contract liabilities		530	(1,139)
Cash used in operations		(5,943)	(3,722)
Interest paid		(340)	(101)
Interest received		207	116
Income taxes paid		(230)	(35)
Net cash used in operating activities		(6,306)	(3,742)
Cash flows from investing activities			
Purchase of property, plant and equipment		(45)	–
Receipt of deposit for disposal group classified as held for sale		–	3,381
Receipt of deposits for non-current assets held for sale		51,116	–
Balance of net cash inflow on disposal of subsidiaries		714	–
Net cash generated from investing activities		51,785	3,381
Cash flows from financing activity			
Withdrawal of secured deposit		–	755
Net cash generated from financing activity		–	755
Net increase in cash and cash equivalents		45,479	394
Cash and cash equivalents at the beginning of the year		858	464
Cash and cash equivalents at the end of the year	13	46,337	858

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Capital World Limited (the "**Company**") is a limited liability company incorporated and domiciled in the Cayman Islands. The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

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 principal activities of the subsidiaries are as disclosed in Note 17.

These financial statements for the financial year ended 30 June 2023 were approved and authorised for issue by the Board of Directors in accordance with a resolution of the directors on the date of the Directors' Statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

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

These financial statements are presented in Malaysia Ringgit ("**RM**") and all values in the tables are rounded to the nearest thousand ("**RM'000**"), except when otherwise indicated.

Going concern assumption

During the financial year ended 30 June 2023, the Group incurred a net loss before income tax of RM30,346,000 (2022: net profit before income tax of RM59,461,000) and net cash flows used in operating activities of RM6,306,000 (2022: RM3,742,000). In addition, the net current assets of the Group of RM234,954,000 (2022: RM8,496,000) as at 30 June 2023, includes inventory properties amounting to RM124,794,000 (2022: RM123,473,000), and non-current assets held for sale amounting to RM238,775,000 (2022: RM74,003,000) (collectively, the "Properties").

As disclosed in Note 15(b), as at 30 June 2023, the Group is in the process of fulfilling the conditions precedent of the sale and purchase agreement in respect of the sale of the Properties to a third party.

The above conditions and events indicate that an uncertainty exists that may cast doubt on the Group's ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of Preparation (cont'd)

Going concern assumption (cont'd)

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 Board of directors are of the view that the remaining conditions precedent to be fulfilled as at the date of the authorisation of these financial statements are administrative in nature and nothing has come to the attention of the Board of Directors and management that the conditions precedent in respect of the sale of the inventory properties and non-current assets held for sale as disclosed in Note 15(b) would not be fulfilled within the next twelve months; and

(ii) The Board of Directors and management are of the view that the Group will have sufficient working capital and will be able to meet its obligations as and when they fall due based on a cash flow forecast for the next 12 months.

In the event that the Group is unable to continue as a going concern, the Group may be unable to discharge its 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 currently recorded in the statements of financial position. In addition, the Group 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.

2.2 Adoption of New and Amended Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial period beginning on or after 1 July 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards Issued but Not Yet Effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual financial periods beginning on or after
Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of Accounting Policies*	1 January 2023
Amendments to IAS 8 *Definition of Accounting Estimates*	1 January 2023
Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules**	1 January 2023
Amendments to IAS 1 *Non-Current Liabilities with Covenants*	1 January 2024
Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to IFRS 16 *Lease Liabilities in a Sale and Leaseback*	1 January 2024
Amendments to IAS 7 and IFRS 7 *Supplier Finance Arrangements*	1 January 2024

* The requirement that an entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are required for annual reporting periods beginning on or after 1 January 2023.

The directors do not expect that the adoption of these new and revised standards above will have a material impact on the financial statements in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Basis of Consolidation and Business Combinations

(a) ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in deficit balance.

(b) ***Business combinations and goodwill***

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another IFRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Foreign Currency

The financial statements are prepared in RM, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) ***Transactions and balances***

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) ***Consolidated financial statements***

For consolidation purpose, the assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.6 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investment in subsidiaries is accounted for at cost less impairment losses.

2.7 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Property, Plant and Equipment (cont'd)

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Building	50 years
Computer equipment	3 years
Furniture and fittings	3 to 10 years
Motor vehicles	5 to 6 years
Office equipment	5 years
Renovation	5 years
Plant and machinery	10 years
Factory building	10 years
Mining infrastructure	33 years
Office premises	2 years

Freehold land has an unlimited useful life and therefore is not depreciated. Building-in-progress included in property, plant and equipment is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Building-in-progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and the depreciation method are reviewed at least at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 Inventory Properties

Inventory properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation or to be held for the Group's use.

Inventory properties are held as inventories and are measured at the lower of cost and net realisable value.

Costs include:

- Land acquisition costs;

- Amounts paid to contractors for construction of the inventory properties and other costs directly attributable to the development of the inventory properties; and

- Capitalised borrowing costs that are directly attributable to the acquisition of the land.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Inventory Properties (cont'd)

Net realisable value of inventory property is the estimated selling price in the ordinary course of business based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of inventory property recognised in profit and loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the net floor area of the property sold.

Contract costs

Sales agent commission and legal costs incurred to secure sale contracts of real estate units are capitalised if they are incurred to obtain a contract with a customer that the Group would not have incurred if the contract had not been obtained.

Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered.

Subsequent to initial measurement, capitalised contracts costs are amortised to profit or loss on a systematic basis as the Group recognises the related revenue.

The Group records capitalised sales agent commission costs and legal costs under “Deferred expenditure” in the Consolidated Statement of Financial Position.

An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relate; less the costs that relate directly to providing the goods and that have not been recognised as expenses.

2.9 Investment Properties

Investment properties comprise a completed property that is held to earn rentals or for capital appreciation or both. Property held under an operating lease is classified as investment properties when the definition of an investment property is met.

Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. The useful lives, residual values and depreciation method are reviewed at least at each financial year end, and adjusted prospectively, if appropriate.

Transfers are made to or from investment properties only when there is evidence of change in use.

Investment properties are derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognised in profit and loss in the year of retirement or disposal.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Impairment of Non-financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses relating to goodwill cannot be reversed in future periods.

2.11 Financial Instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial Instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

Investment in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income ("**FVOCI**")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit and loss ("**FVPL**")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investment in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Financial Instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

When equity instruments issued to a creditor to extinguish all or part of a financial liability are recognised initially, an entity shall measure them at the fair value of the equity instruments issued, unless that fair value cannot be reliably measured.

If the fair value of the equity instruments issued cannot be reliably measured then the equity instruments shall be measured to reflect the fair value of the financial liability extinguished.

When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Impairment of Financial Assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are more than 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits and cash in holding accounts that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value. For the purpose of the statement of cash flows, cash pledged is excluded from cash and cash equivalents.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Leases

When the Group is a lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment and are disclosed in Note 2.7. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities. The Group presents its right-of-use assets (except for those which meets the definition of an investment property) in "Property, plant and equipment" and lease liabilities in the statement of financial position.

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables;

- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;

- Amounts expected to be payable under residual value guarantees;

- The exercise price of a purchase option if is reasonably certain to exercise the option; and

- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases; instead, these are accounted for as one single lease component.

Lease liabilities are measured at amortised cost, and are remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;

- There is a change in the Group's assessment of whether it will exercise lease extension and termination options;

- There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

- There is a modification to the lease term.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Leases (cont'd)

When the Group is a lessee (cont'd)

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less, as well as leases of low value assets, except in the case of sub-lease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

2.16 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of inventory properties

The Group develops and sells serviced suites under construction and retail units before completion of construction of the properties.

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms.

For inventory properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

The likelihood of the Group suffering contractual liquidated damages for late delivery of serviced suites under construction are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The contractual liquidated damages are treated as variable consideration and the amounts are included in revenue to the extent that it is highly probable that contract revenue will not reverse.

The sale of serviced suites under construction to customers are fully furnished. The sale of the serviced suite under construction and the sale of furniture and fittings are accounted for as separate performance obligations. The transaction price is allocated to each performance obligation based on the standalone selling prices.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.16 Revenue (cont'd)

(a) Sale of inventory properties (cont'd)

A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional.

Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advance payments from the customer. Contract liabilities are recognised as revenue as the Group performs under the contract.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that would not have been incurred if the contract had not been obtained. Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relate; less the costs that relate directly to providing the goods and that have not been recognised as expenses.

(b) Construction contracts

The Group is restricted contractually from directing the exterior and interior decoration works for another use as they are being renovated and has an enforceable right to payment for performance completed to date. Revenue is recognised over time, with reference to the percentage of completion of construction contracts. Revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

(c) Forfeiture income

Forfeiture income is recognised when (i) deposits or instalments paid by customers are forfeited to the Group according to the terms of the sales and purchase agreement and (ii) administrative and management fee paid by a customer is forfeited to the Group according to the terms of the contractor agreement.

(e) Interest income

Interest income is recognised using the effective interest method .

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Share Capital and Share Issue Expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share premium.

2.18 Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.19 Employee Benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.20 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current taxes are recognised in profit or loss except to the extent that tax relating to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Taxes (cont'd)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

2.21 Non-Current Assets (or disposal group) Classified as Held for Sale and Discontinued Operations

Non-current assets (or disposal group) are classified as held for sale or distribution if their carrying amount will be recovered through a sale transaction or distribution rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria set out above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale. Non-current assets (or disposal group) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and;

a) represents a separate major line of business or geographical area of operations; or

b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or

c) is a subsidiary acquired exclusively with a view to resale.

When a component of an entity qualifies as a discontinued operation, the comparative statement of comprehensive income is retrospectively restated to segregate the results of all operations that have been discontinued by the end of the latest reporting period.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the asset or liability affected in the future periods.

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements. The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Carrying amounts of inventory properties and non-current assets held for sale

Inventory properties are stated at the lower of cost and net realisable value ("**NRV**") and non-current assets held for sale are stated at the lower of the assets' previous carrying amount and fair value less costs to sell.

The NRV of inventory properties and fair value of non-current assets held for sale are assessed with reference to the Group's expectations of future selling prices.

The carrying amounts of the Group's inventory properties and non-current assets held for sale as at 30 June 2023 are disclosed in Note 9 and Note 15(a) respectively.

(b) Income taxes

Judgement is involved in determining the Group's position for income taxes as there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of this matter is different from the amounts that were initially recognised, such differences will impact the income tax provisions in the period in which such determination is made.

The carrying amount of the Group's income tax recoverable as at 30 June 2023 was RM6,414,000 (2022: provision for taxation of RM70,294,000).

4. REVENUE

	Group	
	2023 RM'000	2022 RM'000
(Reversal of sale)/sale of inventory properties, net of provision for liquidated damages	(3,832)	3,745
Sale of marble products	–	182
	(3,832)	3,927

NOTES TO THE FINANCIAL STATEMENTS

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(a) ***Disaggregation of revenue***

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product or service lines and geographical regions.

Segment	(Reversal of sale)/sale of inventory properties, net of provision for liquidated damages		Sale of marble products		Total Group	
	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Primary geographical markets						
Malaysia	(3,832)	3,745	–	182	(3,832)	3,927
Major product or service lines						
Commercial properties	(3,832)	3,745	–	–	(3,832)	3,745
Marble products	–	–	–	182	–	182
	(3,832)	3,745	–	182	(3,832)	3,927
Timing of transfer of goods and services						
At a point in time	–	–	–	182	–	182
Over time	(3,832)	3,745	–	–	(3,832)	3,745
	(3,832)	3,745	–	182	(3,832)	3,927

(b) ***Contract balances***

Information relating to contract assets/(liabilities) from contracts with customers is disclosed as follows:

	Group		
	2023	2022	1 July 2021
	RM'000	RM'000	RM'000
Contract assets	2,237	4,653	–
Contract liabilities	(3,870)	(3,340)	(4,479)

NOTES TO THE FINANCIAL STATEMENTS

4. REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(b) ***Contract balances (cont'd)***

Contract assets relate to the Group's right to consideration for sale of inventory properties but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when invoices are billed to the customer.

Significant changes in contract assets are explained as follows:

	Group	
	2023	**2022**
	RM'000	**RM'000**
Performance obligations have been satisfied but not billed at reporting date	–	4,653
Reversal of contract assets due to cancellation of sale of inventory properties	(2,416)	–

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has issued invoices to customers for sale of inventory properties and construction contracts. Contract liabilities are recognised as revenue as the Group performs under the contract.

There are no significant changes in contract liabilities.

5. OTHER INCOME

	Group	
	2023	**2022**
	RM'000	**RM'000**
Interest income	207	116
Forfeiture income	–	213
Reversal of allowance for impairment of property, plant and equipment	–	1,982
Reduction on the cost of land pursuant to the Final Settlement Agreement	–	117,112
Gain on disposal of subsidiaries	6,752	–
Miscellaneous income	1,179	2,107
	8,138	121,530

NOTES TO THE FINANCIAL STATEMENTS

6. (LOSS)/PROFIT BEFORE INCOME TAX

The following items have been included in arriving at (loss)/profit before income tax:

	Group	
	2023	2022
	RM'000	RM'000
Audit fees:		
- Auditors of the Company	264	250
- Other auditors	155	150
Non-audit fees:		
- Auditors of the Company	99	–
Write-down of inventory properties	–	27,556
Depreciation of property, plant and equipment	280	538
Depreciation of right-of-use asset	54	–
	334	538
Depreciation of investment properties	1,541	6,163
Net foreign exchange loss	12,927	8,160
Employee benefit expense:		
- Salaries and related costs	3,046	1,532
- Social security contributions	9	4
- Contributions to defined contribution plan	147	84
Interest expense:		
- Late payment of the Final Settlement Sum	340	–
- Lease liabilities	6	109
Allowance for impairment of other receivables	10	158
Success and incentive fees on scheme of arrangement	–	4,020
Provision for liquidated damages (Note 19)	1,300	3,000
Refurbishment of properties	7,508	–

NOTES TO THE FINANCIAL STATEMENTS

7. INCOME TAX (CREDIT)/EXPENSE

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands. Pursuant to the income tax rules and regulations in Singapore and Malaysia, the subsidiaries located in Singapore and Malaysia are liable to corporate income tax at 17% (2022: 17%) and 24% (2022: 24%) on the assessable profits generated in these countries respectively.

The major components of income tax (credit)/expense for the years ended 30 June 2023 and 2022 are:

	Group	
	2023	2022
	RM'000	RM'000
Consolidated statement of comprehensive income:		
Income tax:		
- (Over)/under provision in respect of previous years	(76,297)	328

The reconciliation between the income tax (credit)/expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 30 June 2023 and 2022 are as follows:

	Group	
	2023	2022
	RM'000	RM'000
(Loss)/Profit before income tax	(30,346)	59,461
Tax (credit)/expense at the domestic rates applicable to (loss)/profit in the countries where the Group operates	(6,990)	15,078
Adjustments:		
Non-deductible expenses	4,330	13,029*
Non-taxable income	(1,411)	(28,107)^
Deferred tax assets not recognised	4,071	–
(Over)/under provision in respect of previous years	(76,297)	328
Income tax (credit)/expense recognised in profit or loss	(76,297)	328

The above reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction.

* The non-deductible expenses comprised mainly allowance for impairment of assets and certain corporate expenses not deductible for tax purposes.

^ The non-taxable income comprised mainly reduction on the cost of land pursuant to the Final Settlement Agreement.

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Company's subsidiary, Capital City Property Sdn. Bhd. ("CCP"), has unutilised tax losses, unutilised capital allowances and other deductible temporary differences of approximately RM208,941,000 (2022: RM192,006,000), RM2,028,000 (2022: RM2,006,000) and RM34,000 (2022: RM28,000) respectively, at the reporting date which can be used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The unutilised tax losses will be allowed to be carried forward for 10 consecutive years of assessment ("**YA**") (previously 7 YAs) deemed to be effective from YA2019, while unutilised capital allowances can be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS

8. EARNINGS PER SHARE

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

Diluted earnings per share is calculated by dividing profit 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.

Computation of basic and diluted earnings per share for the years ended 30 June 2023 and 2022:

	Group	
	2023	**2022**
Profit for the year attributable to owners of the Company used in the computation of basic and diluted earnings per share (RM'000)	45,951	59,133
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	14,268,666	4,319,409
Earnings per share (RM cents)		
- Basic and diluted	0.32	1.37

9. INVENTORY PROPERTIES

	Group	
	2023	**2022**
	RM'000	**RM'000**
Comprised:		
- Retail units of the retail mall	124,748	123,473
- Development cost in-progress	46	–
	124,794	123,473

(a) On 26 December 2013, the Group entered into an agreement with Achwell Property Sdn Bhd ("**APSB**") to develop and construct an integrated project with retail, hotel, suites and residential facilities on a piece of land which APSB ("**Joint Venture Agreement**") is the registered and beneficial owner, herein referred to as (the "**Land**"). In accordance with the terms and conditions of the Joint Venture Agreement, the agreement will become unconditional and effective when the following conditions precedent are fulfilled and satisfied:

- the Group to obtain the unconditional development order approval from the relevant authorities within six months from the execution of the Joint Venture Agreement; and
- APSB to obtain approval from the shareholders of APSB's holding company.

The above two conditions were fulfilled on 13 March 2014.

NOTES TO THE FINANCIAL STATEMENTS

9. INVENTORY PROPERTIES (CONT'D)

(cont'd)

(a) The Group is solely responsible:

- to carry out the project planning and design, construction and development, sales and marketing of the integrated project; and

- to apply for and obtain the necessary approvals, licences and clearance required for the development, construction and sale of the integrated project as well as to bear all the costs for these activities.

The Group is required to forward the master title of the integrated project approved by the relevant authorities to APSB within a stipulated time from the date the Group obtained the building plan approval from the relevant authorities.

APSB is required to execute and deliver to the Group a valid and registrable memorandum of transfer in respect of any units sold. The titles of the Land will also be transferred to the Group when the purchase consideration of the land has been fully paid for that portion of the Land that have been classified as property, plant and equipment and investment properties.

Based on the above, management assessed that the Group has obtained control of the Land on 13 March 2014, as the Group is able to control the benefits arising from the Land even though there is no legal right of ownership of the Land.

The consideration payable for the Land was determined based on 16.7% of the final aggregate of the gross individual unit selling price of the units of the integrated project ("**gross development value**") up to a maximum sum of approximately RM324,000,000 only and was payable within 66 months from the approval received from the appropriate authorities of the integrated project.

The purchase consideration of the Land has been recognised in property, plant and equipment, investment properties and inventory properties according to the Group's intention regarding the use of the Land on initial recognition.

(b) During the previous financial year ended 30 June 2022, the Group entered into a Conditional Settlement Agreement with APSB on 28 July 2021 which sets out the terms and conditions governing the payment of the final settlement sum of RM40 million ("**Final Settlement Sum**") (Note 18) and other matters relating to the settlement ("**Final Settlement Agreement**"). The Final Settlement Sum is to be repaid as follows:

- First tranche of RM5 million within 6 months from the date of the Conditional Settlement Agreement;

- Second tranche of RM5 million within 12 months from the date of the Conditional Settlement Agreement;

- Third tranche of RM10 million within 24 months from the date of the Conditional Settlement Agreement;

- Fourth tranche of RM10 million within 36 months from the date of the Conditional Settlement Agreement; and

- Fifth tranche of RM10 million within 48 months from the date of the Conditional Settlement Agreement.

APSB agrees to transfer the legal and beneficial ownership of the Land to CCP upon the full payment of the Final Settlement Sum in the manner as set out above.

NOTES TO THE FINANCIAL STATEMENTS

9. INVENTORY PROPERTIES (CONT'D)

(cont'd)

(b) As security for the settlement of the Final Settlement Sum, a first fixed charge of 101 retail units of the retail mall (the "**Collateral Units**") is created over the Collateral Units in favour of APSB (the "**Debenture**").

In the event that first tranche of the Final Settlement Sum is unpaid and remains unpaid on the due date of second tranche of the Final Settlement Sum, APSB shall not be entitled to enforce the security created under the Debenture during such period, provided that CCP shall be liable to pay the interest of 5% arising from such late payment and no other event of default has occurred.

Subject to the paragraph above, if CCP defaults in its payment of any tranche of the Final Settlement Sum as set out above, APSB shall be entitled to treat the entire outstanding Final Settlement Sum to become immediately payable by CCP and in such event, APSB shall give a notice of remedy to CCP to require CCP to settle the entire outstanding Final Settlement Sum within 2 months from its receipt of the said notice of remedy from APSB ("Remedy Period") or such extended period of not more than 1 month from the expiry of the Remedy Period as may be granted by APSB at its absolute discretion.

If CCP fails to remedy the default within the stipulated period, APSB shall then be entitled to enforce the security created under the Debenture and proceed to sell the remaining Collateral Units which are not already released from the Debenture and use the said sale proceeds to settle the entire outstanding Final Settlement Sum together with any interest thereon and all other sums due and payable by CCP to APSB under the Final Settlement Agreement and the Debenture. Thereafter, the entire outstanding Final Settlement Sum is deemed fully settled and APSB shall return the balance sale proceeds (if any) to CCP.

In accordance with the terms and conditions of the Final Settlement Agreement, the agreement will become unconditional and effective when the following conditions precedent are fulfilled and satisfied:

- the Group to obtain the sanction of the Malaysia High Court of the Final Settlement Agreement and to grant approval to allow the Group to create a first fixed charge over the collateralised units (as defined in the Final Settlement Agreement) in favour of APSB, to secure the settlement of the Final Settlement Sum and to obtain any other approvals which may be required by the Group to perform the Final Settlement Agreement for which the Group shall be caused to comply therein to satisfy the fulfilment of this condition precedent; and

- APSB to obtain and procure shareholders' approval of its ultimate holding company in an extraordinary general meeting to authorise APSB to enter into the Final Settlement Agreement with the Group.

The above conditions precedent have been fulfilled on 6 September 2021 and 3 November 2021 ("**Unconditional Date**") respectively.

As at 30 June 2023, the carrying amount of the Group's inventory properties, which have been pledged as security for the Debenture is approximately RM4 million (2022: RM4 million).

NOTES TO THE FINANCIAL STATEMENTS

9. INVENTORY PROPERTIES (CONT'D)

(cont'd)

(c) On 28 July 2022, CCP received a notice of default ("**Notice**") from APSB. In the Notice, it is stated that CCP has defaulted in payment for the first tranche and second tranche amounting to RM10 million of the Final Settlement Sum, together with the accrued late payment interest charge at a rate of 5% per annum (calculated on a daily basis) for the first tranche of the Final Settlement Sum ("**Default Event**").

On 10 February 2023, CCP has entered into a supplemental settlement agreement ("**SSA**") with APSB to remedy the Default Event. Pursuant to the amendments to the repayment schedule of the SSA, CCP shall pay and settle the Final Settlement Sum to APSB strictly on the following dates and in the following manner:

- First tranche of RM5 million on or before 15 November 2022 with the appointed solicitors of APSB as stakeholders;
- Second tranche of RM5 million on or before 29 July 2023;
- Third tranche of RM10 million on or before 29 July 2023;
- Fourth tranche of RM10 million on or before 29 July 2024; and
- Fifth tranche of RM10 million on or before 29 July 2025.

As at 30 June 2023, the first tranche of RM5 million and the second tranche of RM5 million have been paid by the Group in accordance with the payment terms as stated above.

As disclosed in Note 18, the outstanding Final Settlement Sum payable to APSB as at 30 June 2023 is RM30,000,000 (2022: RM40,000,000).

(d) Particulars of the inventory properties as at 30 June 2023 and 30 June 2022 are as follows:

Location	Tenure	Land area (square feet)	Gross floor area (square feet)	Expected completion date
Tampoi, Johor Bahru (Malaysia)	Freehold	439,727	Retail mall: 683,271 (Included Non-Current Assets Held for Sale)	Completed
			Serviced suites: 347,202	Temporarily suspended
			Serviced apartments: Between 172,954 and 223,427	Temporarily suspended

The serviced suites under construction and the serviced apartments under construction have been suspended.

NOTES TO THE FINANCIAL STATEMENTS

10. TRADE RECEIVABLES

	Group	
	2023	2022
	RM'000	RM'000
Third parties, net of allowance for expected credit losses	115	145

Expected credit losses

The movement in allowance for expected credit losses of trade receivables is as follows:

	Group	
	2023	2022
	RM'000	RM'000
At 1 July	23,309	19,204
(Reversal)/charge for the year	(887)	4,105
Receivables written off	(399)	–
At 30 June	22,023	23,309

NOTES TO THE FINANCIAL STATEMENTS

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Sundry receivables, net of allowance for expected credit losses	425	89	16	–
Deposits	1,228	1,198	23	23
Prepayments	43	20	–	14
Net GST (payables)/receivables	(3)	30	–	33
Total other receivables, deposits and prepayments	1,693	1,337	39	70
Add:				
Trade receivables (Note 10)	115	145	–	–
Amount due from subsidiaries, net of allowance for expected credit losses (Note 12)	–	–	176,008	167,028
Cash on hand and at banks (Note 13)	46,337	854	395	181
Less:				
Prepayments	(43)	(20)	–	(14)
Net GST (payables)/receivables	3	(30)	–	(33)
Total financial assets carried at amortised cost	48,105	2,286	176,442	167,232

Sundry receivables were non-interest bearing and recognised at their original invoice amounts which represent their fair value on initial recognition. The normal credit term ranges between 30 and 60 days and other credit terms were assessed and approved on a case-by-case basis.

Expected credit losses

The movement in allowance for expected credit losses of sundry receivables is as follows:

	Group	
	2023	2022
	RM'000	RM'000
At 1 July	14,186	14,028
Charge for the year	10	158
Receivables written off	(12,960)	–
At 30 June	1,236	14,186

NOTES TO THE FINANCIAL STATEMENTS

12. AMOUNT DUE FROM/(TO) SUBSIDIARIES

The amount due from/(to) subsidiaries is non-trade in nature, unsecured, interest-free and repayable on demand.

Expected credit losses

The movement in allowance for expected credit losses of the amount due from subsidiaries is as follows:

	Company	
	2023	2022
	RM'000	RM'000
At 1 July	107,568	82,723
Charge for the year	–	24,845
Receivables written off	(26,392)	–
At 30 June	81,176	107,568

13. CASH ON HAND AND AT BANKS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	41,337	854	395	181
Short-term deposit	5,000	–	–	–
	46,337	854	395	181
Add: Cash on hand and at banks included in disposal group classified as held for sale (Note 14)	–	–	4	–
Cash and cash equivalents per the consolidated statement of cash flows	46,337	858	395	181

Cash at banks earns interest at floating rates based on daily bank deposit rates.

As at 30 June 2023, short-term deposit was made for a fixed period of three months, depending on the immediate cash requirements of the Group, and earned a fixed interest at 3.5% per annum.

NOTES TO THE FINANCIAL STATEMENTS

14. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	Group	
	2023	2022
	RM'000	RM'000
Assets of disposal group classified as held for sale	–	731
Liabilities of disposal group classified as held for sale	–	(1,909)

During the previous financial year ended 30 June 2022, the Company entered into a sale share agreement with third parties to dispose its subsidiaries, Terratech Resources Pte. Ltd. and its subsidiary, CEP Resources Entity Sdn. Bhd. (collectively, "**Disposal Group**"). The Disposal Group is principally engaged in the production and sale of premium quality marble blocks and slabs, aggregates and calcium carbonate powder from its quarry in Kelantan, Malaysia. The disposal of the Disposal Group has been completed during the current financial year (Note 17(b)).

The classes of assets and liabilities of the mining business at the end of the reporting period were as follow:

	2022
	RM'000
Inventories	67
Trade receivables	206
Other receivables	61
Cash on hand and at banks	4
Intangible assets	393
Assets of disposal group classified as held for sale (Note 17(b))	731
Trade payables	(68)
Other payables	(529)
Deferred tax liabilities	(1,312)
Liabilities directly associated with disposal group classified as held for sale (Note 17(b))	(1,909)
Net liabilities of disposal group classified as held for sale	(1,178)

NOTES TO THE FINANCIAL STATEMENTS

15. NON-CURRENT ASSETS HELD FOR SALE AND INVESTMENT PROPERTIES

(a) Non-current assets held for sale

	Group	
	2023	2022
	RM'000	RM'000
Investment properties	214,976	74,003
Property, plant and equipment (Note 16)	23,799	–
	238,775	74,003

As part of the Final Settlement Agreement (Note 9), the sale and purchase agreement (Note 15(b)) and the Group's Debt Settlement Proposal (Note 28), the Group is committed to sell or to contra certain of its investment properties and property, plant and equipment to settle the debt owing by the Group to its creditors as at 30 June 2023. Investment properties and property, plant and equipment are reclassified as non-current assets held for sale in accordance to the criteria as set out in Note 2.21.

As at 30 June 2023, the carrying amount of the Group's non-current assets held for sale, which have been pledged as security for the Debenture (Note 9) is approximately RM73 million (2022: RM73 million).

(b) Investment properties

	Group	
	2023	2022
	RM'000	RM'000
Cost		
At 1 July	148,677	–
Reclassified (to)/from non-current assets held for sale	(148,677)	148,677
At 30 June	–	148,677
Accumulated depreciation		
At 1 July	6,163	–
Depreciation for the year	1,541	6,163
Reclassified to non-current assets held for sale	(7,704)	–
At 30 June	–	6,163
		–
Net carrying amount		–
At 30 June	–	142,514

On 26 January 2023, the Group entered into a sale and purchase agreement ("**SPA**") with a third party to sell its assets in the retail mall (included inventory properties and non-current assets held for sale) for a total consideration of RM368,000,000.

NOTES TO THE FINANCIAL STATEMENTS

15. NON-CURRENT ASSETS HELD FOR SALE AND INVESTMENT PROPERTIES (CONT'D)

(b) Investment properties (cont'd)

In accordance with the terms and conditions of the SPA, the completion of the SPA shall be conditional upon the fulfilment of all the following conditions precedent within 5 months from the date of the SPA or such other period as the Group and the third party may agree in writing ("**Conditional Period**"):

- the Group's receipt of the letter from the relevant authorities granting a release of the unsold retail units that are reserved for sale to Bumiputera individuals and/or entities ("**Bumi Reserved Units**") in the Group' retail mall from being required to be sold to only Bumiputera individuals and/or entities and/or permitting the Bumi Reserved Units to be sold or transferred to any non-Bumiputera individuals and/or entities ("**Release Approval**");

- the third party obtaining the written confirmation from the Economic Planning Unit within the Prime Minister's Department of Malaysia ("**EPU**") stating no approval from EPU is required for the sale and purchase of the assets in the Group's retail mall under the SPA ("**EPU Confirmation**");

- the third party obtaining the approval from the governmental authority of Johor, Malaysia, in respect of the acquisition of the assets in the Group's retail mall by the third party from the Group pursuant to Section 433B of the National Land Code (Revised, 2020), Malaysia ("**433B Approval**");

- the third party obtaining a loan or credit facility from a licensed bank or financial institution or leading house, unless waived by the Group and the third party in writing ("**Loan from the Financier**"); and

- The discharge of the Debenture and the redemption of the Collateral Units from APSB (Note 9) ("**Debenture and Collateral Units**").

As disclosed in Note 30(b), the Group and the third party entered into a supplemental letter to extend the Conditional Period to 31 March 2024.

As at the date of issuance of these financial statements, the Group is in the process of fulfilling the above conditions precedent.

The Group's investment properties were as follows:

Location	Description	Tenure
Tampoi, Johor Bahru (Malaysia)	Properties comprising retail units of the retail mall	Freehold

NOTES TO THE FINANCIAL STATEMENTS

16. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Building-in-progress	Building	Computer equipment	Furniture and fittings	Motor vehicles	Office equipment	Renovation	Plant and machinery	Factory building	Mining infrastructure	Office premises	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost													
At 1 July 2021	37,583	24,131	46,275	325	272	93	140	276	6,915	1,174	7,717	215	125,116
Reclassified to disposal group classified as held for sale (Note 14)	–	–	–	–	–	(93)	–	–	(6,915)	(1,174)	(7,717)	–	(15,899)
At 30 June 2022 and 1 July 2022	37,583	24,131	46,275	325	272	–	140	276		–	–	215	109,217
Additions	–	–	–	12	30	–	3	–	–	–	–	270	315
Reclassified to assets held for sale (Note 15(a))	(37,583)	(24,131)	(46,275)	–	–	–	–	–	–	–	–	–	(107,989)
At 30 June 2023	–	–	–	337	302	–	143	276	–	–	–	485	1,543

NOTES TO THE FINANCIAL STATEMENTS

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land	Building-in-progress	Building	Computer equipment	Furniture and fittings	Motor vehicles	Office equipment	Renovation	Plant and machinery	Factory building	Mining infrastructure	Office premises	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Accumulated depreciation and impairment													
At 1 July 2021	29,595	24,131	31,705	325	232	93	107	256	6,915	1,174	7,717	211	102,461
Charge for the year	–	–	493	–	17	–	20	4	–	–	–	4	538
Reclassified to disposal group classified as held for sale (Note 14)	–	–	–	–	–	(93)	–	–	(6,915)	(1,174)	(7,717)	–	(15,899)
Reversal of impairment	–	–	(1,982)	–	–	–	–	–	–	–	–	–	(1,982)
At 30 June 2022 and 1 July 2022	29,595	24,131	30,216	325	249	–	127	260	–	–	–	215	85,118
Charge for the year	–	–	248	1	17	–	6	8	–	–	–	54	334
Reclassified to assets held for sale (Note 15(a))	(29,595)	(24,131)	(30,464)	–	–	–	–	–	–	–	–	–	(84,190)
At 30 June 2023	–	–	–	326	266	–	133	268	–	–	–	269	1,262
Net carrying amount													
At 30 June 2022	7,988	–	16,059	–	23	–	13	16	–	–	–	–	24,099
At 30 June 2023	–	–	–	11	36	–	10	8	–	–	–	216	281

NOTES TO THE FINANCIAL STATEMENTS

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Furniture and fittings RM'000	Office equipment RM'000	Renovation RM'000	Office premises RM'000	Total RM'000
Cost					
At 1 July 2021 and 30 June 2022, 1 July 2022 and 30 June 2023	38	19	37	218	312
Accumulated depreciation					
At 1 July 2021	28	7	14	209	258
Charge for the year	6	2	7	9	24
At 30 June 2022 and 1 July 2022	34	9	21	218	282
Charge for the year	2	2	8	–	12
At 30 June 2023	36	11	29	218	294
Net carrying amount					
At 30 June 2022	4	10	16	–	30
At 30 June 2023	2	8	8	–	18

The purchase consideration of the Land has been recognised in property, plant and equipment (freehold land) and inventory properties according to the Group's intention regarding the use of the Land on initial recognition as described in Note 9(a).

17. INVESTMENT IN SUBSIDIARIES

	Company 2023 RM'000	Company 2022 RM'000
Unquoted shares, at cost	657,652	762,506
Impairment losses	(657,219)	(762,506)
	433	–

As at 30 June 2022, management performed an impairment test for the investment in Altimate Ventures Limited ("**AVL**") and its subsidiaries ("**AVL Group**") and Terratch Resources Pte. Ltd. and its subsidiary ("**TRPL Group**"), as AVL Group and TRPL Group were in a net liabilities position. Consequently, an impairment loss of RM762,506,000 was recognised to fully write down the investment in AVL Group and TRPL Group. As disclosed in Note 14, TRPL Group has been disposed during the current financial year. Accordingly, the Company wrote off the impairment of investment in TRPL Group of RM105,287,000 in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of subsidiaries are as follows:

Company name	Country of incorporation	Percentage of equity attributable to the company				Principal activities
		2023		2022		
		Direct	Indirect	Direct	Indirect	
Altimate Ventures Limited [2]	British Virgin Islands	100%	–	100%	–	Investment holding
Capital City Property Sdn. Bhd. [1]	Malaysia	–	100%	–	100%	Property development and property investment
Capital City Management Pte. Ltd. [2]	Singapore	–	100%	–	100%	Business and management consultancy services
Rise Expedition Global Limited [2]	British Virgin Islands	100%	–	100%	–	Investment holding
Capital City Ventures Sdn. Bhd. [2]	Malaysia	–	100%	–	100%	Property development and property investment
Prime Solution Management Pte. Ltd. [2,]	Singapore	100%	–	–	–	Management consultancy services
One Solution Management Pte. Ltd. [2]	Malaysia	100%	–	–	–	Facility management services
Terratech Resources Pte. Ltd. [2, 3]	Singapore	–	–	100%	–	Investment holding, sales and marketing
CEP Resources Entity Sdn. Bhd. [2, 3]	Malaysia	–	–	–	100%	Exploration, development and extraction of marble and production of marble products

1 Audited by Moore Stephens Associates PLT, Malaysia (a member firm of Moore Global Network Limited)
2 Reviewed by Moore Stephens LLP, Singapore for consolidation purpose
3 The disposal of the subsidiaries have been completed during the current financial year

NOTES TO THE FINANCIAL STATEMENTS

17. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Disposal of subsidiaries

The disposal of Terratech Resources Pte. Ltd. and its subsidiary, CEP Resources Entity Sdn. Bhd. (collectively, "**Disposal Group**") has been completed during the current financial year.

	2023 RM'000
Analysis of asset and liabilities over which control was lost	
Assets of disposal group classified as held for sale (Note 14)	731
Liabilities directly associated with disposal group classified as held for sale (Note 14)	(1,909)
Net liabilities disposed of	(1,178)
Gain on disposal of subsidiaries	
Total consideration	4,800
Less: Net liabilities disposed of	1,178
Less: Cumulative exchange differences in respect of the net liabilities of the subsidiaries reclassified from equity on loss of control of subsidiaries	1,475
	7,453
Less: Expenses settled on behalf of Disposal Group	(701)
Gain on disposal of subsidiaries	6,752
The aggregate cash inflow arising from disposal of subsidiaries	
Total consideration	4,800
Less: Receipt of deposit for Disposal Group in the previous financial year	(3,381)
Less: Expenses settled on behalf of the Disposal Group	(701)
Net consideration received in cash and cash equivalents	718
Less: cash and cash equivalent balances disposed of	(4)
	714

(c) Incorporation of subsidiaries

The Group has on 18 May 2023 incorporated a 100% wholly-owned subsidiary, One Solution Management Sdn. Bhd. ("**OSM**"), with a share capital of RM100,000. The principal activity of OSM is to provide facility management services.

The Group has on 30 March 2023 incorporated a 100% wholly-owned subsidiary, Prime Solution Management Pte. Ltd. ("**PSM**"), with a share capital of S$100,000 (equivalent to RM332,890). The principal activity of PSM is to provide management consultancy services.

NOTES TO THE FINANCIAL STATEMENTS

18. TRADE PAYABLES

The normal trade credit term granted to the Group for its current trade payables were between 30 and 60 days.

Included in current trade payables are amounts of RM30,000,000 (2022: RM40,000,000) relating to the Final Settlement Sum as disclosed in Note 9.

Included in current trade payables are construction costs of RM37,501,000 (2022: RM37,501,000) payable to a shareholder of the Company. These amounts will be settled by way of contra of the Group's inventory properties and non-current assets held for sale in accordance to the Debt Settlement Proposal as defined in Note 28.

19. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current liabilities				
Sundry payables	23,923	23,161	3,269	3,370
Deposits received	73,600	3,381	–	3,381
Accruals	9,336	11,678	3,278	2,817
Provision for liquidated damages	4,300	3,000	–	–
	111,159	41,220	6,547	9,568
Non-current liabilities				
Sundry payables	8,549	5,546	–	–
Total other payables and accruals	119,708	46,766	6,547	9,568
Add:				
Trade payables (Note 18)	70,010	79,899	–	–
Loans and borrowings (Note 20)	260	38	41	38
Amount due to subsidiaries (Note 12)	–	–	209	5,284
Less:				
Provision for liquidated damages	(4,300)	(3,000)	–	–
Total financial liabilities carried at amortised cost	185,678	123,703	6,797	14,890

Included in deposits received are deposits of RM73,600,000 (2022: Nil) received from a third party in respect of the sale of the assets in the Group's retail mall as disclosed in Note 15(b).

The provision for liquidated damages arises from the late delivery of serviced suites under construction undertaken by the Group based on the applicable terms and conditions stated in the sale and purchase agreement up to the estimated completion date.

NOTES TO THE FINANCIAL STATEMENTS

19. OTHER PAYABLES AND ACCRUALS(CONT'D)

The movement in provision for liquidated damages is as follows:

	Group	
	2023	2022
	RM'000	RM'000
At 1 June	3,000	–
Additional provision recognised	1,300	3,000
At 30 June	4,300	3,000

20. LOANS AND BORROWINGS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current liabilities				
Lease liabilities	134	–	–	–
Other loans	41	38	41	38
	175	38	41	38
Non-current liabilities				
Lease liabilities	85	–	–	–
	260	38	41	38

A reconciliation of liabilities arising from the Group's financing activities is as follows:

		Non-cash changes						
	At 1 July	Additions	Accretion of interest	Other payables	Exchange realignment	Issue of ordinary shares	Other	At 30 June
2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Lease liabilities								
- Current	–	270	6	(57)	–	–	(85)	134
- Non-current	–	–	–	–	–	–	85	85
	–	270	6	(57)	–	–	–	219
Other loans	38	–	–	–	3	–	–	41
2022								
Other loans	45,296	–	–	–	(8)	(45,250)	–	38

NOTES TO THE FINANCIAL STATEMENTS

21. SHARE CAPITAL

	Group			
	2023		2022	
	Number of shares		Number of shares	
	'000	RM'000	'000	RM'000
At 1 July				
- Issued and fully paid, each with a nominal or par value of S$0.04	1,832,094	176,240	1,832,094	176,240
- Issued and fully paid, each with nominal or par value of S$0.001	11,919,583	30,881	–	–
- Issued and not fully paid, each with nominal or par value of S$0.001	516,989	7,962	–	–
	14,268,666	215,083	1,832,094	176,240
Issue of ordinary shares, each with a nominal or par value of S$0.001				
- Issued and fully paid	–	–	11,919,583	30,881
- Issued and not fully paid	–	–	516,989	7,962
	–	–	12,436,572	38,843
At 30 June	14,268,666	215,083	14,268,666	215,083

	Company			
	2023		2022	
	Number of shares		Number of shares	
	'000	RM'000	'000	RM'000
At 1 July				
- Issued and fully paid, each with a nominal or par value of S$0.04	1,832,094	225,365	1,832,094	225,365
- Issued and fully paid, each with nominal or par value of S$0.001	11,919,583	30,881	–	–
- Issued and not fully paid, each with nominal or par value of S$0.001	516,989	7,962	–	–
	14,268,666	264,208	1,832,094	225,365
Issue of ordinary shares, each with a nominal or par value of S$0.001				
- Issued and fully paid	–	–	11,919,583	30,881
- Issued and not fully paid	–	–	516,989	7,962
	–	–	12,436,572	38,843
At 30 June	14,268,666	264,208	14,268,666	264,208

Fully paid ordinary shares each carry one vote without restriction and a right to dividends as and when declared by the Company.

(1) The equity structure (i.e. the number and types of equity instruments issued) reflect the equity structure of the Company, being the legal parent, including the equity instruments issued by the Company to effect the reverse acquisition which occurred during the previous financial year ended 30 June 2018.

NOTES TO THE FINANCIAL STATEMENTS

21. SHARE CAPITAL(CONT'D)

On 13 April 2022, the Company's shareholders passed the following resolutions at the extraordinary general meeting:

(a) the proposed sub-division of each unissued ordinary share with a par value of S$0.04 in the authorised share capital of the Company into 40 ordinary shares with a par value of S$0.001 each; and

(b) the proposed increase in the authorised share capital of the Company by S$50,000,000 from S$100,000,000 divided into 2,500,000,000 ordinary shares with a par value of S$0.04 each to S$150,000,000 divided into 1,832,094,554 ordinary shares with a par value of S$0.04 each and 76,716,217,840 ordinary shares with a par value of S$0.001 each.

22. OTHER RESERVES

(a) Share premium

Share premium reserve represents the difference between the consideration received for shares issued by the Company and the par value of the Company's shares.

(b) Merger reserve

Merger reserve arose from the acquisition of CCP by AVL on 4 April 2018. This represents the difference between the consideration paid by AVL and the net assets and retained earnings of CCP as at 4 April 2018.

(c) Equity component of convertible bonds

Convertible bonds are separated into liability and equity components based on the terms of the Subscription Agreement. Equity components of convertible bonds represent the residual amount of convertible bonds after deducting the fair value of the liability component. The amount was presented net of transaction costs of RM138,000 (2022: RM138,000).

(d) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(e) Capital reserve

Capital reserve represents the deemed capital contribution from the Company's then-existing immediate holding company prior to the reverse acquisition in relation to restricted stock units granted to the directors and employees of the Company.

NOTES TO THE FINANCIAL STATEMENTS

23. RELATED PARTY TRANSACTIONS

(a) Incentive fees

In addition to the related party information disclosed elsewhere in the financial statements, the Group had the following transactions with the related parties during the financial years:

	Group	
	2023 RM'000	2022 RM'000
Incentive fee pursuant to the Scheme of Arrangement paid to directors and key management personnel	–	747

(b) Compensation of key management personnel

	Group	
	2023 RM'000	2022 RM'000
Short-term employee benefits	2,150	1,130
Directors' fee	461	531
Employer's contribution to defined contribution plans	44	25
	2,655	1,686
Comprise amounts paid to:		
- Directors of the Company	2,518	1,338
- Other key management personnel	137	348
	2,655	1,686

24. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

- Level 2 - Inputs other that 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.

NOTES TO THE FINANCIAL STATEMENTS

24. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

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

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

(c) Assets and liabilities not carried at fair value but for which fair value was disclosed

The following table shows an analysis of the Group's assets not measured at fair value but for which fair value was disclosed:

	Fair value measurements at the end of the reporting year using	
	Significant other observable inputs (Level 2)	**Carrying amount**
2022	**RM'000**	**RM'000**
Non-financial assets - Investment properties	148,700	142,514

Determination of fair value

The fair value was determined using the comparison approach. Sales prices of comparable properties in close proximity were adjusted for differences in key attributes such as property size. The most significant input into this valuation approach was selling price per square foot.

There was no change in the valuation technique during the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The management reviews and agrees policies and procedures for the management of these risks, which are executed by the management. It is, and has been, throughout the current and previous financial years, the Group does not undertake any trading of derivative financial instruments.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables (including amount due from subsidiaries). For other financial assets (Cash on hand and at banks), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

NOTES TO THE FINANCIAL STATEMENTS

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Credit risk grading guideline

Management has established the Group's internal credit risk grading to the different exposures according to their degree of default risk. The internal credit risk grading which are used to report the Group's credit risk exposure to key management personnel for credit risk management purposes are as follows:

Internal rating grades		Definition	Basis of recognition of expected credit loss
i.	Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month expected credit loss
ii.	Under-performing	There has been a significant increase in credit risk since initial recognition (i.e. contractual payments are more than 30 days past due).	Lifetime expected credit loss (not credit impaired)
iii.	Non-performing	There is evidence indicating that the asset is credit-impaired (i.e. contractual payments are more than 365 days past due).	Lifetime expected credit loss (credit impaired)
iv.	Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty.	Asset is written off

NOTES TO THE FINANCIAL STATEMENTS

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The loss allowance provision is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix, grouped by geographical region:

	Trade receivables				
	Current	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**Total**
Malaysia	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2023					
Gross carrying amount	–	–	–	22,138	22,138
Loss allowance provision	–	–	–	(22,023)	(22,023)
Net carrying amount	–	–	–	115	115
2022					
Gross carrying amount	–	–	–	23,454	23,454
Loss allowance provision	–	–	–	(23,309)	(23,309)
Net carrying amount	–	–	–	145	145

Information regarding loss allowance movement of trade receivables is disclosed in Note 10.

NOTES TO THE FINANCIAL STATEMENTS

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

Other receivables

The Group's credit risk exposure in relation to other receivables, deposits and prepayments as at 30 June 2023 and 2022 are set out in the credit risk rating grades as follows:

Group	Internal credit rating	Expected credit loss	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000
2023					
Other receivables, deposits and prepayments	Non-performing	Lifetime ECL	2,929	(1,236)	1,693
2022					
Other receivables, deposits and prepayments	Non-performing	Lifetime ECL	15,523	(14,186)	1,337

The Group assessed the latest performance and financial position of the debtors, adjusted for the future outlook of the industry in which the debtors operate in, and concluded that there is significant difficulty of certain debtors. Accordingly, the Group measured the impairment loss allowance using lifetime ECL (credit-impaired) and determined that the ECL on the other receivables, deposits and prepayments is significant.

The Company's credit risk exposure in relation to other receivables, deposits and prepayments and amount due from subsidiaries as at 30 June 2023 and 2022 are set out in the credit risk rating grades as follows:

	Internal credit rating	Expected credit loss	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000
2023					
Other receivables, deposits and prepayments	Performing	12-month ECL	39	–	39
Amount due from subsidiaries	Under-performing	Lifetime ECL	257,184	(81,176)	176,008
2022					
Other receivables, deposits and prepayments	Performing	12-month ECL	70	–	70
Amount due from subsidiaries	Under-performing	Lifetime ECL	274,596	(107,568)	167,028

NOTES TO THE FINANCIAL STATEMENTS

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

Other receivables (cont'd)

Other receivables, deposits and prepayments

The Company assessed the latest performance and financial position of the debtors, adjusted for the future outlook of the industry in which the debtors operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using a 12-month ECL and determined that the ECL is insignificant.

Amount due from subsidiaries

In determining the ECL, management has taken into account the historical default experience and the financial positions of the subsidiaries, adjusted for factors that are specific to the subsidiaries and general economic conditions of the industry in which the subsidiaries operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for amount due from subsidiaries. The above assessment is after taking into account the latest financial positions of the subsidiaries.

Information regarding loss allowance movement of other receivables, deposits and prepayments and amount due from subsidiaries is disclosed in Note 11 and Note 12 respectively.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

NOTES TO THE FINANCIAL STATEMENTS

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting year were as follows:

	Group			
	2023		2022	
	RM'000	% of total	RM'000	% of total
By country:				
- Malaysia	115	100%	145	100%

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from the mismatches of the maturities of financial assets and liabilities.

Further details of the Group's management of the financial obligations are disclosed in Note 28.

The carrying amounts of the current financial liabilities with a maturity of less than one year are approximately to the contractual undiscounted cash flow amounts as the impact of discounting are insignificant.

The carrying amounts of the non-current financial liabilities are approximately to the contractual undiscounted cash flow amounts as the impact of discounting are insignificant.

NOTES TO THE FINANCIAL STATEMENTS

26. SEGMENT INFORMATION

Business segments

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services offered. The operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is organised into three main operating business segments, namely:

(a) Property development business

An innovative property developer that focuses on working with land owners to minimise initial capital outlay. The Group undertakes the conception, design and implementation of integrated property projects.

(b) Mining business

The Group was also engaged in the production and sale of premium quality marble blocks and slabs, aggregates and calcium carbonate powder from its quarry in Kelantan, Malaysia.

(c) Others

It relates to group level corporate services and treasury function.

Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between operating segments are on terms agreed in a manner similar to transactions with third parties at the then prevailing market prices. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

	Property development RM'000	Mining RM'000	Others RM'000	Elimination RM'000	Group RM'000
2023					
Revenue					
Revenue from external customers	(3,832)	–	–	–	(3,832)

NOTES TO THE FINANCIAL STATEMENTS

26. SEGMENT INFORMATION (CONT'D)

	Property development RM'000	Mining RM'000	Others RM'000	Elimination RM'000	Group RM'000
2023					
Results					
Interest income	48	–	159	–	207
Gain on disposal of subsidiaries	–	6,752	–	–	6,752
Depreciation expense	(1,862)	–	(13)	–	(1,875)
Reversal of/(Allowance for) impairment of financial assets	887	–	(10)	–	877
Provision for liquidated damages	(1,300)	–	–	–	(1,300)
(Loss)/Profit before income tax	(26,340)	6,752	(4,469)	(6,289)	(30,346)
Segment Assets	448,738	–	220,731	(248,823)	420,646
Segment liabilities	450,028	–	53,854	(309,837)	194,045
2022					
Revenue					
Revenue from external customers	3,745	182	–	–	3,927
Results					
Interest income	116	–	–	–	116
Reduction on the cost of land pursuant to the Final Settlement Agreement	117,112	–	–	–	117,112
Reversal of allowance for impairment of non-financial assets	1,982	–	–	–	1,982
Depreciation expense	(6,663)	(12)	(26)	–	(6,701)
Success and incentive fees on scheme of arrangement	(4,020)	–	–	–	(4,020)
Write-down of non-financial assets	(27,556)	–	–	–	(27,556)
Impairment of financial assets	(4,099)	(158)	(6)	–	(4,263)
Provision for liquidated damages	(3,000)	–	–	–	(3,000)
Profit/(Loss) before income tax	72,245	1,349	(35,950)	21,817	59,461
Segment assets	378,457	3,417	238,114	(248,179)	371,809
Segment liabilities	429,648	61,718	51,227	(340,347)	202,246

NOTES TO THE FINANCIAL STATEMENTS

26. SEGMENT INFORMATION (CONT'D)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Malaysia	(3,832)	3,927	263	166,583
Singapore	–	–	18	30
	(3,832)	3,927	281	166,613

Non-current assets information presented above consist of property, plant and equipment and investment properties as presented in the consolidated statement of financial position.

27. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended 30 June 2023 and 2022.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade payables and other payables and accruals (excluding provision for liquidated damages) less cash and bank balances. Capital refers to equity attributable to the equity holders of the Group.

	Group	
	2023 RM'000	2022 RM'000
Trade payables	70,010	79,899
Other payables and accruals	115,408	43,766
Less: Cash on hand and at banks	(46,337)	(854)
Net debt	139,081	122,811
Equity attributable to owners of the Company	226,601	169,563
Capital and net debt	365,682	292,374
Gearing ratio	38%	42%

The Group and the Company are not subject to any externally imposed capital requirements for the financial years ended 30 June 2023 and 2022.

NOTES TO THE FINANCIAL STATEMENTS

28. DEBT SETTLEMENT PROPOSAL

On 14 February 2020, the Company's subsidiary, CCP filed an application in the High Court of Malaya, Kuala Lumpur, Malaysia (the "**Malaysia High Court**") for an order to place itself under judicial management.

Pursuant to an order of the Judicial Commissioner of the Malaysia High Court dated 13 March 2020 ("**JM Order**"), CCP was placed under judicial management and a judicial manager ("**Judicial Manager**") was appointed to manage the affairs, business and property of CCP during the period of the JM Order.

On 25 September 2020, the Judicial Manager circulated the Statement of Proposal (the "**SOP**") to CCP's creditors in connection with the Debt Settlement Proposal under Section 420 of the Malaysia Companies Act 2016 ("**Debt Settlement Proposal**").

CCP shall settle the outstanding amounts/debt due to its creditors by cash, issuance of the Company's shares or by way of contra of the Group's retail units of the retail mall at the agreed transaction value of RM1,000 per square foot. The settlement of the outstanding amounts/debt due to its creditors by cash includes an amount due to the Inland Revenue Board of Malaysia.

On 9 October 2020, a CCP's creditors' meeting was convened with more than 75% in value of creditors present and voting in person or by proxy supporting the Judicial Manager's SOP.

On 16 October 2020, the Judicial Manager filed the result of the CCP's creditors' meeting with the Malaysia High Court, which is the effective date of the SOP.

The JM order was expired on 8 January 2022 and CCP's management has taken over from the Judicial Manager to continue the implementation and completion of the SOP.

As at the date of issuance of these financial statements, CCP is in the process of completing all of the following, pursuant to the SOP:

(a) cash payment to certain class of creditors; and

(b) set-off the Group's retail units of the retail mall at the agreed transaction value of RM1,000 per square foot against the outstanding amounts/debt due to certain class of creditors.

NOTES TO THE FINANCIAL STATEMENTS

29. CONTINGENT LIABILITIES

As at the date of issuance of these financial statements,

(a) The Group has received a number of legal claims of approximately RM25.3 million from several third parties. Management is of the view that an outflow of resources embodying economic benefits is not probable. Accordingly, no provision for any liability has been made in these financial statements.

(i) Included in (a) above is a group of purchasers of the Group's retail units of the retail mall ("**Plaintiffs**") who have filed a claim to CCRM Management Sdn. Bhd. as lessee and CCP as developer (collectively, the "**Defendants**"). The High Court Judge has directed that the Plaintiffs had proven their claims and Defendants are jointly and severally liable towards the Plaintiffs' claims. Based on the direction of the High Court, the Group's estimated total claim in relation to this case is RM10 million. The Group has filed an appeal on this case on 14 April 2023 and subsequently filed records of appeal on 16 June 2023. The appeal is fixed for case management on 18 October 2023 pending the grounds of judgment to be prepared by the High Court. Management is of the view that it is not probable that an outflow of resources embodying economic benefits will be required to settle the claim. Accordingly, no provision for any liability has been made in the financial statements.

(ii) Included in (a) above is a group of purchasers of the Group's retail units of the retail mall ("**Plaintiffs**") who have filed a claim to CCRM Management Sdn. Bhd. as lessee and CCP as developer (collectively, the "**Defendants**"). The High Court Judge has directed that the Judicial Management has the right to enter into the Consent Order although the Plaintiffs are neither secured creditors nor unsecured creditors as they are contingent creditors. The Court has directed the case management to be fixed on 6 December 2023. Management is of the view that it is not probable that an outflow of resources embodying economic benefits will be required to settle the claim. Accordingly, no provision for any liability has been made in the financial statements.

(iii) Included in (a) above is two purchasers of the Group's retail units of the retail mall ("**Plaintiffs**") who have served a Writ and Statement of Claim to CCP as developer (collectively, the "**Defendant**"). The Court has directed a further case management on 10 October 2023. Management is of the view that it is not probable that an outflow of resources embodying economic benefits will be required to settle the claim. Accordingly, no provision for any liability has been made in the financial statements.

(iv) Included in (a) above is a group of purchasers of the Group's retail units of the retail mall ("**Plaintiffs**") who have served Writ Summons and Statements of Claim to CCRM Management Sdn. Bhd. as lessee and CCP as developer (collectively, the "**Defendants**") in 20 separate suits. All 20 separate suits have been successfully transferred from the High Court to the Sessions Court in July 2023 following the High Court's Order in Term. The Sessions Court has directed a further case management in October 2023. Management is of the view that it is not probable that an outflow of resources embodying economic benefits will be required to settle the claim. Accordingly, no provision for any liability has been made in the financial statements.

(b) The Group has received a letter of demand ("**Letter of Demand**") of approximately RM8.5 million from a third party. On 20 April 2023, the Company's legal representatives countered the claims set out in the Letter of Demand on the basis that the claims or demands are unfounded and have no legal basis. As at the date of issuance of these financial statements, there has been no further development of the Letter of Demand. Management is of the view that an outflow of resources embodying economic benefits is not probable. Accordingly, no provision for any liability has been made in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) In July 2023, the Group paid the third tranche of RM10 million to APSB pursuant to the SSA as disclosed in Note 9(c).

(b) In August 2023, the Group and the third party entered into a supplemental letter to extend the Conditional Period stated in the SPA to 31 March 2024, as the Conditional Period in the SPA had lapsed on 25 June 2023 as disclosed in Note 15(b).

(c) The Company and a third party have entered into a convertible loan agreement ("**CLA**") on 10 November 2022 where the third party agreed to grant an interest-bearing loan of a principal amount of S$2,000,000 (equivalent to approximately RM6,876,000) to the Company. As the longstop date in the CLA had lapsed on 9 August 2023, the Company and the third party have entered into an extension letter on 8 August 2023 to extend the longstop date stated in the CLA to 31 March 2024.

(d) On 22 September 2023, as part of an internal restructuring exercise, the Company has restructured a wholly-owned subsidiary, Capital City Management Pte Ltd ("**CCM**"), to be held directly by the Company. Previously, CCM was indirectly held by the Company through CCP.

STATISTICS OF SHAREHOLDINGS

As at 15 September 2023

SHARE CAPITAL

Issued and Fully Paid-up Share Capital	:	S$85,720,354
Class of Shares	:	Ordinary Shares
Voting Rights	:	One Vote Per Ordinary Share
Number of Ordinary Share	:	14,268,666,015
Number of Treasury Share	:	Nil
Number of Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	15	1.49	526	0.00
100 - 1,000	24	2.38	12,979	0.00
1,001 - 10,000	214	21.23	1,029,800	0.01
10,001 - 1,000,000	616	61.11	107,589,788	0.75
1,000,001 AND ABOVE	139	13.79	14,160,032,922	99.24
TOTAL	1,008	100.00	14,268,666,015	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	TWIN UNITRADE SDN BHD	4,216,586,455	29.55
2	GREAT VIEW FINANCE LIMITED	1,878,800,286	13.17
3	YEAN YOKE MOOI	1,496,083,609	10.49
4	CHONG THIM PHENG	1,234,360,187	8.65
5	SCHOLARS LINK (M) SDN BHD	1,216,120,274	8.52
6	SIOW CHIEN FU	661,745,713	4.64
7	BLOSSOM GLOBAL PTE LTD	516,988,796	3.62
8	TAN JUNE TENG COLIN @CHEN JUNTING	444,198,021	3.11
9	YUAN ZHIWEI	428,843,800	3.01
10	MAYBANK SECURITIES PTE. LTD.	255,511,280	1.79
11	TAN PING HUANG EDWIN @CHEN BINGHUANG	250,892,857	1.76
12	ERIC TAN ENG HUAT	211,384,500	1.48
13	PHILLIP SECURITIES PTE LTD	165,426,204	1.16
14	UOB KAY HIAN PRIVATE LIMITED	154,558,170	1.08
15	RDC ARKITEK SDN BHD	103,246,753	0.72
16	OCBC SECURITIES PRIVATE LIMITED	48,438,425	0.34
17	YEO ANN KIAT OR KNITA YEO	47,066,660	0.33
18	ONE WORLD CORPORATION LIMITED	43,778,000	0.31
19	MORGAN LEWIS STAMFORD LLC	36,283,138	0.25
20	SINO-LION COMMUNICATIONS PTE LTD	32,971,508	0.23
	TOTAL	13,443,284,636	94.21

STATISTICS OF SHAREHOLDINGS

As at 15 September 2023

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 15 September 2023[1])

		Direct Interest		Deemed Interest	
No.	Name of Substantial Shareholder	No. of Shares Held	%	No. of Shares Held	%
1	Twin Unitrade Sdn Bhd	4,216,586,455	29.55	–	–
2	Great View Finance Limited	1,878,800,286	13.17	–	–
3	Brilliant Outlook Sdn Bhd[2]	1,495,983,609	10.48	–	–
4	Chong Thim Pheng	1,234,360,187	8.65	–	–
5	Scholars Link (M) Sdn Bhd	1,216,120,274	8.52	–	–

Notes:

(1) Based on the total issued share capital of 14,268,666,015 ordinary shares of the Company as at 15 September 2023.

(2) Brilliant Outlook Sdn Bhd ("**Brilliant Outlook**") has nominated Ms Yean Yoke Mooi to hold the Scheme Shares in trust for Brilliant Outlook.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 15 September 2023, approximately 18.32% of the Company's shares are held in the hands of public. Accordingly, Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Capital World Limited (the "**Company**") will be held at 109 North Bridge Road, #05-21, Funan Centre, Singapore 179097 on Friday, 27 October 2023 at 11.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 30 June 2023 together with the Independent Auditor's Report thereon. **Resolution 1**

2. To approve the payment of Directors' fees of S$140,000 for the financial year ended 30 June 2023 (FY2022: S$166,667). **Resolution 2**

3. To re-elect Mr Hoo Khee Leng retiring pursuant to Article 86(1) of the Articles of Association of the Company. **Resolution 3**
   [See Explanatory Note (1)(a)]

4. To re-elect Ms Tan Ler Choo retiring pursuant to Article 86(1) of the Articles of Association of the Company. **Resolution 4**
   [See Explanatory Note (1)(b)]

5. To re-appoint Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

6. To transact any other ordinary business which may be properly transacted at an Annual General Meeting

AS SPECIAL BUSINESS

7. **General Authority to Allot and Issue Shares** **Resolution 6**

   That, pursuant to Article 12(1) of the Articles of Association of the Company and Rule 806(2) of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors to:

   (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or;

   (ii) make or grant offers, agreements or options (collectively "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instruments convertible into Shares;

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors shall in their absolute discretion deem fit, and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

   provided always that:

NOTICE OF ANNUAL GENERAL MEETING

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), provided that the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company;

(2) (subject to such manner of calculation as may be prescribed by the Catalist Rules), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of total issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities outstanding at the time this authority is given;

(b) (where applicable) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub-paragraphs (2)(a) or (2)(b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

(3) in exercising the authority conferred by this Resolution, the Directors shall comply with the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the "**Cayman Companies Law**"), and otherwise, and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (2)]

By Order of the Board

Lee Pih Peng
Company Secretary

Singapore
11 October 2023

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes

1. (a) Mr Hoo Khee Leng will, upon re-election as a Director of the Company, remain as Executive Director and Chief Executive Officer of the Company. Detailed information of Mr Hoo Khee Leng can be found under the "Board of Directors" and "Corporate Governance Report" sections in the Company's Annual Report.

   (b) Ms Tan Ler Choo will, upon re-election as a Director of the Company, remain as the Non-Executive and Non-Independent Director of the Company, a member of the Audit Committee, Nominating Committee and Remuneration Committee. She is considered non-independent for the purposes of Rule 704(7) of the Catalist Rules. Detailed information of Ms Tan Ler Choo can be found under the "Board of Directors" and "Corporate Governance Report" sections in the Company's Annual Report.

2. The Ordinary Resolution 6 proposed in item 7 above, if passed, will empower the Directors of the Company, from the date of the forthcoming AGM of the Company until the next AGM of the Company, to allot and issue Shares and convertible securities in the Company, without seeking any further approval from shareholders in a general meeting but within the limitation imposed by Ordinary Resolution 6, for such purposes as the Directors may consider would be in the best interests of the Company. The number of Shares and convertible securities that the Directors may allot and issue under Ordinary Resolution 6 would not exceed one hundred per cent. (100%) of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of Ordinary Resolution 6. For issue of Shares and convertible securities other than on a pro rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed fifty per cent. (50%) of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of Ordinary Resolution 6.

IMPORTANT NOTICE FOR SHAREHOLDERS:

The Company's AGM is being convened, and will be held physically at 109 North Bridge Road, #05-21, Funan Centre, Singapore 179097. There will be no option for shareholders to participate virtually or by electronic means.

Annual Report 2023, Notice of AGM, Proxy Form and the Annual Report 2023 printed copy request form ("**Request Form**") have been made available on SGXNet and the Company's corporate website and may be accessed at the following URLs:

(i) https://www.sgx.com/securities/company-announcements; or

(ii) http://capitalworldlimited.com

Printed copies of this Notice of AGM, Proxy Form and Request Form will be despatched to shareholders. The Notice of AGM will also be published on The Business Times on 11 October 2023.

Shareholders who wish to receive a printed copy of the Annual Report 2023 may do so by completing the Request Form and sending it to the Company by 17 October 2023 through any of the following means:

(i) Via email to info@capitalcity.com.my; or

(ii) In hard copy by sending personally or by post and lodging the same to 1 North Bridge Road #24-09 High Street Centre Singapore 179094.

Shareholders should take note of the following arrangements for the AGM:

(a) **Participation in the AGM**

Shareholders, including CPF and SRS investors, may participate in the AGM by:

(i) Attending the AGM in person;

(ii) Submitting questions in relation to any agenda item in this Notice of AGM in advance of, or at the AGM; and/or

(iii) voting at the AGM by (i) themselves; or (ii) through duly appointed proxy(ies).

Details of the steps for registration, asking of questions and voting at the AGM by shareholders, are set out in notes (b) to (f) below.

NOTICE OF ANNUAL GENERAL MEETING

(b) **Register in person to attend the AGM**

Shareholders, including CPF and SRS investors can attend the AGM in person.

To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the event. Please bring along your NRIC/passport to enable the Company to verify your identity. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately.

For investors who hold shares through relevant intermediaries (excluding CPF/SRS investors) (as defined in Section 181 of the Companies Act 1967 of Singapore) (the "**Relevant Intermediary**"), please refer to note (e) for the procedures to attend and vote at the AGM.

(c) **Asking Questions**

Shareholders and Investors (including CPF and SRS investors) who have questions in relation to any agenda items in this Notice of AGM can ask questions during the AGM physically or can submit their questions to the Company in advance ("**Advanced Questions**"), by **18 October 2023**, through any of the following means:

(i) via email to info@capitalcity.com.my; or

(iii) in hard copy by sending personally or by post to 1 North Bridge Road #24-09 High Street Centre Singapore 179094.

Shareholders and/or Investors must identify themselves when posting questions through email or in hard copy by sending personally or by post, by providing the following details:

(i) Full Name;

(ii) Contact Telephone Number;

(iii) Email Address; and

(iv) The manner in which you hold shares (if you hold shares directly, please provide your CDP account number; otherwise, please state if you hold your shares through CPF or SRS, or are a relevant intermediary shareholder).

The Company will address all substantial and relevant Advanced Questions submitted through announcement on the Company's corporate website at the URL http://capitalworldlimited.com and on the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements by **23 October 2023, 11.00 a.m.**

Follow up questions which are submitted after 18 October 2023 will be consolidated and addressed either before the AGM via an announcement on SGXNet and the Company's website or at the AGM. The Company will publish the minutes of the AGM, which will include responses from the Board and management of the Company on the substantial and relevant questions received from shareholders and investors via an announcement on SGXNet and the Company's website within one (1) month after the AGM.

(d) **Voting at the AGM**

For investors who hold shares through relevant intermediaries (including CPF/SRS investors) please refer to note (e) for the procedures to vote at the AGM.

Shareholders will be able to vote at the AGM in person, or by appointing proxy(ies) to vote on their behalf.

Duly completed Proxy Forms, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must be submitted through any of the following means not later than **25 October 2023 (Wednesday), 11.00 a.m.** (being no later than 48 hours before the time appointed for holding the AGM) and in default the proxy form shall not be treated as valid:

a) if sent personally or by post, be lodged at Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or

b) if submitted by email, be received by the Company at srs.teamd@boardroomlimited.com.

The proxy form has been made available on SGXNET and may be accessed at the URL https://www.sgx.com/securities/company-announcements.

Please refer to the detailed instructions set out in the Proxy Form.

NOTICE OF ANNUAL GENERAL MEETING

(e) Voting at the AGM by Relevant Intermediary Investors (including CPF/SRS Investors)

The Depositor Proxy Form is not valid for use by investors holding shares through Relevant Intermediary (including CPF/SRS Investors) and shall be ineffective for all intents and purposes if used or purported to be used by them.

Investors holdings shares through Relevant Intermediary (other than CPF/SRS Investors) who wish to appoint proxy(ies) should approach their Relevant Intermediary as soon as possible to submit their votes.

CPF/SRS investors who wish to appoint proxy(ies) to vote at the AGM They should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **17 October 2023**, being at least seven (7) working days before the AGM, in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the proxy(ies) to vote on their behalf.

Personal Data Privacy

"**Personal data**" in this notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes your name, address and NRIC/Passport number. By submitting (a) an application to pre-register for participation in the AGM via the Webcast; (b) questions relating to the resolutions to be tabled for approval at the AGM; and/or (c) an instrument appointing Chairman of the meeting as proxy to vote at the AGM and/or any adjournment thereof, a member of the Company hereby consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers including any organisations the Company has engaged to perform any function related to the AGM) for the purposes of, (i) verifying the member's information and processing of the member's application to pre-register to participate in the AGM via the Webcast and providing the member with any technical assistance where possible; (ii) addressing any selected questions submitted by the member and following up with the member where necessary, and responding to, handling, and processing queries and requests from the member; (iii) the processing and administration by the Company (or its agents or service providers including any organisations the Company has engaged to perform any function related to the AGM) of proxy forms appointing Chairman of the meeting for the AGM (including any adjournment thereof); and (iv) the preparation, compilation and disclosure (as application) of the attendance lists, minutes, questions from members and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers including any organisations the Company has engaged to perform any function related to the AGM) to comply with any applicable laws, listing rules, regulations and/or guidelines.

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

ANNUAL GENERAL MEETING - SHAREHOLDER PROXY FORM

IMPORTANT:
1. CPF or SRS investors who wish to appoint proxy, they should approach their CPF and/or SRS Approved Nominees to submit their votes at least seven (7) working days before the AGM. This Proxy Form is not valid for use by CPF, or SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. By submitting this proxy form appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 October 2023.
3. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting or such other person(s) as a shareholder's proxy to vote on his/her/ its behalf at the AGM.

I/We, ______________________________ (Name) ______________________________ (*NRIC/Passport/Registration No.)

of ____ (Address)

(a)

Name	NRIC/Passport No.	Email Address	Proportion of Shareholdings	
			No. of Shares	%
Address				

and/or (delete as appropriate)

(b)

Name	NRIC/Passport No.	Email Address	Proportion of Shareholdings	
			No. of Shares	%
Address				

or failing whom, the Chairman of the Meeting as *my/our proxy/proxies to attend, speak and vote for *me/us on my/our behalf at the AGM of the Company to be held at 109 North Bridge Road, #05-21, Funan Centre, Singapore 179097 on 27 October 2023 at 11.00 a.m. or any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated under.

No.	Resolutions relating to:	For	Against	Abstain
ORDINARY BUSINESS				
Resolution 1	Adoption of Directors' Statements, Audited Financial Statements for the financial year ended 30 June 2023 and the Independent Auditor's Report			
Resolution 2	Approval of Directors' fees of S$140,000 for the financial year ended 30 June 2023			
Resolution 3	Re-election of Mr Hoo Khee Leng as a Director of the Company			
Resolution 4	Re-election of Ms Tan Ler Choo as a Director of the Company			
Resolution 5	Re-appointment of Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration			
Resolution 6	General authority to allot and issue Shares			

** Delete where inapplicable*

*** If you wish to vote "For" or "Against", or abstain from voting, in respect of all your votes for each Resolution, please indicate with a "X" within the box provided. Otherwise, please indicate the number of votes that you wish to vote "For" or "Against", and/or abstain from voting, for each Resolution.*

Dated this ____________ day of _________ , 2023

Total Number of Shares held in:	No. of Shares
Register of Members	

____

Signature(s) of Member(s) or Common Seal of Corporate Shareholders

IMPORTANT: PLEASE READ NOTES OVERLEAF CAREFULLY BEFORE COMPLETING THIS SHAREHOLDER PROXY FORM

Notes:

(1) Please insert the total number of shares held in your name in the Register of Members of the Company. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Future Act 2001 , please use the Depositor Proxy Form. If no number of shares is inserted, this proxy form will be deemed to relate to all shares held by you in the Register of Members of the Company.

(2) A proxy need not be a member of the Company.

(3) A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act 1967 of Singapore) is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the AGM. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding to be represented by each proxy. If no proportion is specified, the first named proxy should be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

(4) A member who is a relevant intermediary (as defined in Section 181 of the Companies Act 1967 of Singapore) is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to the shares held by such members. When such members appoint more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

(5) The proxy form appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the proxy form appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

(6) Where this proxy form appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this proxy form, failing which this proxy form may be treated as invalid.

(7) The proxy form appointing a proxy or proxies, duly executed, must be submitted through any of the following means not later than forty-eight (48) hours before the time appointed for holding the AGM:

(i) By sending a scanned PDF copy by email to srs.teamd@boardroomlimited.com; or

(ii) by depositing a physical copy at the registered office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632.

Shareholders are strongly encouraged to submit completed proxy forms electronically.

(8) The Company shall be entitled to reject the proxy form appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form appointing a proxy or proxies. The Company may reject any proxy form appointment a proxy or proxies as proxy lodged if the shareholder being the appointor, is not shown to have shares entered against his/her/its name in the Register of Members of the Company as at forty-eight (48) hours before the time appointed for holding the AGM, as certified by the Company's Singapore Share Transfer Agent.

Personal Data Privacy:

By submitting this proxy form appointing a proxy or proxies, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 October 2023.

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CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr Low Chai Chong
Non-Executive Independent Chairman
Mr Hoo Khee Leng
Executive Director and Chief Executive Officer
Mr Siow Chien Fu
Executive Director
Mr Lam Kwong Fai
Non-Executive and Independent Director
Ms Tan Ler Choo
Non-Executive and Non-Independent Director

AUDIT COMMITTEE
Mr Lam Kwong Fai (Chairman)
Mr Low Chai Chong
Ms Tan Ler Choo

REMUNERATION COMMITTEE
Mr Low Chai Chong (Chairman)
Mr Lam Kwong Fai
Ms Tan Ler Choo

NOMINATING COMMITTEE
Mr Lam Kwong Fai (Chairman)
Mr Low Chai Chong
Ms Tan Ler Choo

COMPANY SECRETARY
Ms Lee Pih Peng

REGISTERED OFFICE
The Offices of Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS
1 North Bridge Road
#24-09 High Street Centre
Singapore 179094

SHARE REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue,
Keppel Bay Tower #14-07,
Singapore 098632

AUDITOR
Moore Stephens LLP
10 Anson Road
#29-15 International Road
Singapore 079903
Partner-in-charge: Mr Neo Keng Jin
(appointed with effect from the financial year ended 30 June 2020)

PRINCIPAL BANKER
United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

United Overseas Bank (Malaysia) Bhd.
Menara UOB
Jalan Raja Laut
57038 Kuala Lumpur
Malaysia

SPONSOR
PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Collyer Quay Centre
Singapore 049318

CAPITAL WORLD LIMITED

SINGAPORE OFFICE
1 North Bridge Road
#24-09 High Street Centre
Singapore 179094
Tel : (65) 6734 9633

MALAYSIA OFFICE
LG-06, Pangsapuri Jentayu,
Jalan Tampoi,
Kawasan Perindustrian Tampoi,
81200 Johor Bahru,
Johor, Malaysia
Tel : (60) 7238 6622