



**CAPITAL WORLD LIMITED**

(Formerly known as Terratech Group Limited)

(Company Registration No: CT-276295)

(Incorporated in the Cayman Islands on 15 March 2013)

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UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2020

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

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

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

	Group			Group		
	Third quarter ended 31 March			Nine months ended 31 March		
	2020	2019	Change	2020	2019	Change
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Revenue</b>	128	3,107	(96)	2,770	100,926	(97)
Cost of sales	(690)	(7,613)	(91)	(5,208)	(41,746)	(88)
<b>Gross (loss)/profit</b>	(562)	(4,506)	(88)	(2,438)	59,180	(104)
Other income	6,000	1,719	249	7,546	6,193	22
Selling and distribution expenses	(9)	(36)	(75)	(182)	(4,132)	(96)
General and administrative expenses	(4,573)	(13,243)	(65)	(23,843)	(35,467)	(33)
Finance costs	(1,451)	(3,889)	(63)	(4,561)	(10,682)	(57)
<b>(Loss)/Profit before tax</b>	(595)	(19,955)	(97)	(23,478)	15,092	(256)
Income tax credit/(expense)	93	4,184	(98)	278	(5,830)	(105)
<b>(Loss)/Profit after tax</b>	(502)	(15,771)	(97)	(23,200)	9,262	(350)
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Exchange differences arising from translation of foreign operations	(558)	604	(192)	(30)	631	(105)
Other comprehensive income/(loss), net of tax	(558)	604	(192)	(30)	631	(105)
<b>Total comprehensive (loss)/income, net of tax</b>	(1,060)	(15,167)	(93)	(23,230)	9,893	(335)
<b>(Loss)/Profit attributable to:</b>						
Owners of the Company	(1,615)	(15,552)	(90)	(24,030)	9,893	(343)
Non-controlling interests	1,113	(219)	(608)	830	(631)	(232)
	(502)	(15,771)	(97)	(23,200)	9,262	(350)
<b>Total comprehensive (loss)/income attributable to:</b>						
Owners of the Company	(2,173)	(14,948)	(85)	(24,060)	10,632	(326)
Non-controlling interests	1,113	(219)	(608)	830	(739)	(212)
	(1,060)	(15,167)	(93)	(23,230)	9,893	(335)

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

Group			Group		
Third quarter ended 31 March			Nine months ended 31 March		
2020	2019	Change	2020	2019	Change
(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
RM'000	RM'000	%	RM'000	RM'000	%

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

(Interest income) / Reversal of interest income in prior year, net	(40)	(248)	(84)	(334)	119	n.m.
Depreciation of property, plant & equipment	998	916	9	3,697	2,619	41
Depreciation of investment property	1,156	-	n.m.	3,467	-	n.m.
Amortisation of intangible assets	224	958	(77)	973	2,668	(64)
Amortisation of deferred expenditure	-	-	n.m.	-	3,880	(100)
Interest expense	1,451	3,889	(63)	4,561	10,682	(57)
Write off of property, plant and machinery	-	-	n.m.	143	7	1,943
Loss/(Gain) on disposal of a subsidiary	(5,566)	-	n.m.	(5,183)	(3,946)	n.m.

n.m. denotes not meaningful

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

	Group		Company	
	As at 31.03.20 (Unaudited) RM'000	As at 30.06.19 (Audited) RM'000	As at 31.03.20 (Unaudited) RM'000	As at 30.06.19 (Audited) RM'000
<b>Current assets</b>				
Inventory properties	222,419	223,333	-	-
Inventories	2,228	3,947	-	-
Deferred expenditure	4,021	4,021	-	-
Trade receivables	4,827	10,281	-	-
Other receivables, deposits and prepayments	27,295	25,853	1,210	140
Amounts due from subsidiaries	-	-	103,041	101,401
Cash on hand and at banks	1,598	3,224	17	47
	<b>262,388</b>	<b>270,659</b>	<b>104,268</b>	<b>101,588</b>
<b>Non-current assets</b>				
Inventory properties	121,876	121,774	-	-
Trade receivables	14,495	14,495	-	-
Property, plant and equipment	113,155	129,073	65	190
Investment properties	227,695	231,162	-	-
Intangible assets	21,213	23,179	-	-
Deferred tax asset	3,473	3,473	-	-
Investment in subsidiaries	-	-	661,633	661,635
	<b>501,907</b>	<b>523,156</b>	<b>661,698</b>	<b>661,825</b>
<b>Total assets</b>	<b>764,295</b>	<b>793,815</b>	<b>765,966</b>	<b>763,413</b>
<b>Current liabilities</b>				
Trade payables	163,074	70,838	-	-
Other payables and accruals	79,188	82,511	14,638	10,343
Deferred revenue	2,854	3,068	-	-
Loans and borrowings	44,454	44,572	16,640	18,097
Provision for taxation	11,952	12,942	319	293
	<b>301,522</b>	<b>213,931</b>	<b>31,597</b>	<b>28,733</b>
<b>Non-current liabilities</b>				
Trade payables	154,859	247,424	-	-
Other payables	5,338	5,306	-	-
Provision for taxation	23,205	23,205	-	-
Deferred tax liabilities	1,361	1,639	-	-
	<b>184,763</b>	<b>277,574</b>	<b>-</b>	<b>-</b>
Total liabilities	<b>486,285</b>	<b>491,505</b>	<b>31,597</b>	<b>28,733</b>
<b>Equity</b>				
Share capital	176,240	176,240	225,365	225,365
Reserves	101,768	126,898	509,004	509,315
<b>Equity attributable to owners of the Company</b>	<b>278,008</b>	<b>303,138</b>	<b>734,369</b>	<b>734,680</b>
Non-controlling interests	2	(828)	-	-
<b>Total equity</b>	<b>278,010</b>	<b>302,310</b>	<b>734,369</b>	<b>734,680</b>
Total equity and liabilities	<b>764,295</b>	<b>793,815</b>	<b>765,966</b>	<b>763,413</b>

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

	<b>Group</b>			
	<b>As at 31.03.20</b>		<b>As at 30.06.19</b>	
	<b>(Unaudited)</b>		<b>(Audited)</b>	
	<b>RM'000</b>		<b>RM'000</b>	
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
Amount repayable within one year	27,814	16,640	44,572	-
Amount repayable after one year		-	-	-
	27,814	16,640	44,572	-

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

The Group's secured borrowings as at 31 March 2020 comprises of a HK\$ loan which is secured by pledge and charge of certain shares by the controlling shareholders and corporate guarantee by the Company.

The Group's unsecured borrowings as at 31 March 2020 comprises of a subscription on Convertible Loan entered into the Company on 3 October 2019.

The Group's secured borrowings as at 30 June 2019 comprised (i) a HK\$ loan which was secured by pledge and charge of certain shares by the controlling shareholders and corporate guarantee by the Company; and (ii) Convertible Bonds which were secured by pledge and charge of certain shares by the controlling shareholders.

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

	<b>Group</b>	
	<b>Third quarter ended 31 March</b>	
	<b>2020</b>	<b>2019</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
(Loss)/Profit before tax	(595)	(19,955)
Adjustments for:		
Depreciation of property, plant and equipment	581	916
Depreciation of investment property	1,156	-
Amortisation of intangible assets	224	958
Loss/(Gain) on disposal of a subsidiary	(5,566)	-
(Interest income) / Reversal of interest income in prior year, net	-	(248)
Interest expense	1,451	3,889
<b>Operating cash flows before changes in working capital</b>	<b>(2,749)</b>	<b>(14,440)</b>
Changes in working capital:		
Inventory properties	-	(2,835)
Inventories	64	(2)
Deferred expenditure	-	(126)
Trade and other receivables	(5,876)	16,639
Trade and other payables	6,628	(8,942)
	<b>(1,933)</b>	<b>(9,706)</b>
Interest paid	-	(1,205)
Interest received	-	36
Tax paid	-	(856)
<b>Net cash flows generated (used in)/from operating activities</b>	<b>(1,933)</b>	<b>(11,731)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	(2,612)
Disposal of a subsidiary	(127)	-
Expenditure on investment property under construction	-	(2,910)
<b>Net cash flows used in investing activities</b>	<b>(127)</b>	<b>(5,522)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issuance, net of issue expenses		25,943
Repayment of loans and borrowings	-	(13,721)
Repayment of hire purchase payables	-	(8)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>-</b>	<b>12,214</b>
Net decrease in cash and cash equivalents	(2,060)	(5,039)
Cash and cash equivalents at beginning of period	1,637	9,228
Currency translation differences	1,266	(450)
<b>Cash and cash equivalents at end of period</b>	<b>843</b>	<b>3,739</b>
<b>Cash and cash equivalents comprise:</b>	<b>As at 31 Mar 2020</b>	<b>As at 31 Mar 2019</b>
Fixed deposits	755	5,351
Cash on hand and at banks	843	4,413
	<b>1,598</b>	<b>9,764</b>
Less: Bank balances not available for use	(755)	(6,025)
	<b>843</b>	<b>3,739</b>

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

	Share capital	Share premium	Capital reserve	Merger reserve	Equity component of Convertible Bond	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group (Unaudited)</b>										
<b>Balance as at 1 Jan 2020</b>	176,240	3,824	-	5,000	186	528	94,403	280,181	(1,111)	279,070
Total comprehensive income for the year	-	-	-	-	-	(558)	(1,615)	(2,173)	1,113	(1,060)
<b>Balance as at 31 Mar 2020</b>	176,240	3,824	-	5,000	186	(30)	92,788	278,008	2	278,010
<b>Balance as at 1 Jan 2019</b>	113,833	15,937	-	5,000	300	(70)	194,866	329,866	(434)	329,432
Issuance of new shares	31,968	(6,025)	-	-	-	-	-	25,943	-	25,943
Redemption of equity component of convertible bond	-	-	-	-	(114)	-	114	-	-	-
Total comprehensive income for the year	-	-	-	-	-	(460)	(15,552)	(16,012)	(219)	(16,231)
<b>Balance as at 31 Mar 2019</b>	145,801	9,912	-	5,000	186	(530)	179,428	339,797	(653)	339,144
<b>Company (Unaudited)</b>										
	Share capital	Share premium	Capital reserve	Merger reserve	Equity component of Convertible Bond	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 Jan 2020</b>	225,365	645,582	487	-	186	1,686	(138,689)	734,617	-	734,617
Total comprehensive loss for the year	-	-	-	-	-	(376)	128	(248)	-	(248)
<b>Balance as at 31 Mar 2020</b>	225,365	645,582	487	-	186	1,310	(138,561)	734,369	-	734,369
<b>Balance as at 1 Jan 2019</b>	162,958	657,694	487	-	300	4,400	(32,003)	793,836	-	793,836
Issue of New shares	31,968	(6,025)	-	-	-	-	-	25,943	-	25,943
Redemption of equity component of convertible bond	-	-	-	-	(114)	-	114	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	(226)	(2,441)	(2,667)	-	(2,667)
<b>Balance as at 31 Mar 2019</b>	194,926	651,669	487	-	186	4,174	(34,330)	817,112	-	817,112

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

	Number of issued shares	Share capital RM'000
As at 31 December 2019	1,832,094,554	225,365
As at 31 March 2020	1,832,094,554	225,365

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

As at 31 March 2020, the Company had outstanding shares of 362,538,561 shares to be issued pursuant to a Convertible Loan ("CL") Agreement entered by the Company on 3 October 2019 in the event of conversion of the CL by the CL holders.

As at 31 March 2019, the Company had outstanding shares of 73,170,732 to be issued pursuant to Convertible Bond ("CB") Subscription Agreement entered by the Company in the event of conversion of the CB by the CB holders. On 7 October 2019, the Company had fully repaid the amount outstanding under the CB Subscription Agreement.

Other than the above, there were no other outstanding convertibles, options, treasury shares or subsidiary holding as at 31 March 2020 and 31 March 2019 respectively.

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

	As at 31.03.20	As at 30.06.19
Total number of issued shares excluding treasury shares	1,832,094,554	1,832,094,554

The Company has no treasury shares as at 31 March 2020 and 30 June 2019 respectively.

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

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

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

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



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

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

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

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

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

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

With reference to the disclaimer of opinion issued by its the independent auditor, Ernst and Young LLP, in the Company's annual report for financial year ended 30 Jun 2019, the Company would like to provide the following updates of the efforts undertaken by the Company to address the conditions giving rise to material uncertainty over the ability of the Group and Company to continue as a going concern:

On 17 February 2020, the Company announced its application of moratorium, for a period of six months, to the High Court of the Republic of Singapore for the purposes of implementing and facilitating the restructuring of the debt obligations and liabilities.

On 24 February 2020, the Company announced that Capital City Property Sdn. Bhd. (the "CCPSB"), a wholly-owned subsidiary of the Company, had filed an application to place CCPSB under judicial management in the High Court of Malaya, Kuala Lumpur, Malaysia (the "Malaysia Court").

On 16 March 2020, the Company announced that on 13 March 2020, i) the High Court of the Republic of Singapore (the "Court") had granted the Company for a moratorium, up to 16 August 2020, pursuant to Section 211B(1) of the Companies Act (Cap. 50) (the "Act") to reorganize its liabilities. The Company is currently working on the Scheme of Arrangement for repayment to the creditors and the directions given by the Court, and ii) CCPSB had been granted by the Malaysia Court for CCPSB to be placed under judicial management of judicial manager (the "JM"), up to 12 September 2020, pursuant to Section 405 of the Malaysia Companies Act 2016. CCPSB's JM is currently working on restructuring the liabilities of CCPSB.

In addition, the Company is in discussion with several financial institutions for loan and investor for capital injection.

The Company is in the midst of submitting the scheme proposal to the Court and its creditors by 13 June 2020 and will update on any material developments.

Please refer to the announcements on 13 February 2020, 17 February 2020, 21 February 2020, 24 February 2020, 2 March 2020, 16 March 2020, 1 April 2020, 6 April 2020 and 30 April 2020 for more details on the above.

The Board believes the above arrangements are necessary to improve its liquidity and to attract new investment into the Company.

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

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

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

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

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

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

In the current reporting period, the Group adopted all of the new or revised International Financial Reporting Standards ("IFRS") that are relevant to its operations and are effective for first-time adoption during the current financial year beginning on or after 1 July 2019. The adoption of these new and/or revised IFRS, which included i) amendments to IFRS 3: Definition of Business, ii) amendments to IAS 1 and 8: Definition of Material and iii) IFRS 17 Insurance Contracts, did not result in any substantial changes to the Group's accounting policies and has no material effect on the financial results for the current financial period reported on.

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

	Third quarter ended 31 March 2020	2019
Losses after tax attributable to owners of the Company (RM'000)	(1,615)	(15,552)
Weighted average number of ordinary shares in issue	1,832,094,554	1,358,316,776
(a) Basic losses per ordinary share (RM cents)	(0.09)	(1.14)
(b) Diluted losses per ordinary share (RM cents)	(0.09)	(1.14)

For the third quarter ended 31 March 2020 and 31 March 2019, the computation of the diluted losses per ordinary share does not assume the conversion of the outstanding Convertible Loan Agreement and Convertible Bond Subscription Agreement as they had anti-dilutive effect on the losses per ordinary share calculation. The basic and diluted losses per ordinary share were the same for the third quarter ended 31 March 2019 as the convertible securities are out-of-the-money.

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

	Group		Company	
	As at 31.03.20	As at 30.06.19	As at 31.03.20	As at 30.06.19
Net assets value (RM'000)	278,008	303,138	734,369	734,680
Number of ordinary shares in issue	1,832,094,554	1,832,094,554	1,832,094,554	1,832,094,554
Net asset value per ordinary share based on issued share capital (RM cents)	15.17	16.55	40.08	40.10

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

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

#### **REVIEW OF STATEMENT OF COMPREHENSIVE INCOME OF THE GROUP**

##### **Third quarter ended 31 March 2020 ("3Q2020") vs third quarter ended 31 March 2019 ("3Q2019")**

The Group's revenue had dropped mainly because the construction works for the Capital City Mall were completed in the prior financial year and there were no new sales of property units in 3Q2020. The Group derived its revenue mainly from sales from marble products in 3Q2020.

The cost of sales in 3Q2020 mainly pertains to the sales of marble products. The cost of sales includes fixed costs such as depreciation of plant and equipment, labour costs relating to marble production and the costs for the marble products sold. The Group's disposal of its subsidiary, MCM Studio Entertainment Group Sdn Bhd and its subsidiaries (the "MCM Group") on 8 January 2020 had not led to a significant decrease in cost of sales in 3Q2020 as the MCM Group had scaled down on its operations since December 2019.

Consequently, the Group recorded a gross loss during 3Q2020.

Other income in 3Q2020 pertains to i) expenses recovery from the quarry operator on the quarry operation expenses mainly on utilities, upkeep of plant and equipment, quit rent and tributes, and (ii) gain on disposal of a subsidiary. The expenses recovery arrangement was only effected after March 2019. In 3Q2020, the Group recorded a gain on disposal of MCM Group of RM5.6m.

The selling and distribution expenses were mainly incurred on promoting the Capital City Mall notwithstanding the decrease in revenue during 3Q2020 and distribution cost on sales of marble products.

The reduction in general and administrative expenses were mainly due to i) reduction in employees costs, (ii) reduction in mall maintenance and utilities expenses as CCPSB is undergoing a restructuring exercise, and (iii) decrease in amortization of intangible assets as the book value of the mining rights had been impaired in the prior financial year.

Depreciation of investment properties was recognised for the mall retained units classified as investment properties.

The reduction in finance costs was due to subscription of the convertible loan at a lower interest rate and the repayment of the convertible bond and its associated finance costs.

The income tax credit in 3Q2020 was due to reversal of deferred tax liability related to additional depreciation expenses incurred as a result of fair value upward adjustment for the property, plant and equipment made during the reverse takeover in May 2017.

As a result of the aforementioned, the Group recorded a loss after tax of RM0.5 million in 3Q2020 as compared to a loss after tax of RM15.8 million in 3Q2019.

#### **REVIEW OF STATEMENT OF FINANCIAL POSITION OF THE GROUP**

The decrease in total assets was mainly attributed to i) decrease in the property, plant and equipment and investment properties as a result of depreciation and the disposal of MCM Group; ii) decrease in trade receivable mainly due to sales order cancellation of its property units and the trade receivables relating to MCM Group and iii) decrease in intangible assets as a result of amortization and disposal of intangible assets of MCM Group.

The decrease in total liabilities was mainly due to the decrease in other payables and accruals associated with the disposal of MCM group. The decrease in other payables and accruals associated with the disposal of MCM group was partially off-set by an increase in other payables and accruals as a result of unpaid expenses mainly on the fees for liaising and sourcing tenants for the Capital City Mall, maintenance and service fee for the mall units, and deposit of S\$2 million received from the proposed shares subscription as announced on 6 August 2019. This resulted in a net decrease in other payable and accruals of RM 3.3 million.

The Group had a net current liability of approximately RM39.1 million as at 31 March 2020. In view of the net current liability position as at 31 March 2020, please refer to paragraph 3a for the efforts undertaken by the Group in respect of restructuring their debt obligations and liabilities. The Board is of the view that the successful implementation of the Scheme of Arrangement will be an important consideration in its ability to operate as a going concern. The Company's shares had been voluntarily suspended since 14 February 2020.

#### **REVIEW OF STATEMENT OF CASH FLOWS OF THE GROUP**

Net cash flows used in operating activities was mainly due to i) the negative cash flows before working capital changes; and (ii) reclassification of an amount due from the ex-subsiary MCM Group to other receivables as the purchaser of MCM Group had undertaken to pay this amount. This was slightly offset by improved management of the working capital due to efforts undertaken by the Group to negotiate with its vendors for longer payment terms and close follow-up on the collection of the receivables.

Net cash flow used in investing activities pertains to the disposal of MCM Group where there was a cash outflow of RM127,000 to the Purchaser while Purchaser took over all the liabilities of MCM Group.

There were no cash flow generated from nor used in financing activities during 3Q2020.

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

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

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

The recent outbreak of the Coronavirus Disease 2019 (COVID-19) has caused panic around the globe and has further weakened the overall property and hospitality market sentiment. The outbreak could potentially impact on property market, at least in the short-term, due to decrease in potential viewings of property, both locally and foreigners.

The Company will provide monthly updates or announcements on any material developments of its debt restructuring process.

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

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

None.

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

##### **(Optional) Rate (%)**

Not applicable.

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

##### **(Optional) Rate (%)**

Not applicable.

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

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for the third quarter ended 31 March 2020 as the Company is not profitable.

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

The Company had obtained a general mandate for IPTs from shareholders at the annual general meeting held on 30 October 2019. Save as disclosed below, there were no IPTs that was equal to or had exceeded S\$100,000 from 1 July 2019 up to 31 March 2020.

Name of Interested Persons and Transactions	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	RM’000	RM’000
RDC Arkitek Sdn. Bhd. <sup>(1)</sup> <i>(an associate of Director and controlling shareholder of the Company, Mr Siow Chien Fu for the provision of architectural consultation services in respect of Project Capital City)</i>	363	-

Note (1): Mr Siow Chien Fu ceased to be a shareholder and director of RDC Arkitek Sdn. Bhd. with effect from 19 November 2019.

#### 14. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules

The Group had disposed the following subsidiary during 3Q2020.

S/N	Subsidiary	Date of Announcement
1.	MCM Studio Entertainment Group Sdn Bhd	8 January 2020

Further details on the subsidiary can be found in the Company's announcement released on the date as set out above.

Aside from the above, there were no other incorporation, acquisition and realization of shares pursuant to Rule 706A of the Catalist rules.

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

The Board of Directors of the Company hereby confirms that, to the best of their knowledge, nothing has come their attention which may render the unaudited financial statements for the third quarter ended 31 March 2020 to be false or misleading in any material aspect.

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

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

#### BY ORDER OF THE BOARD

**Siow Chien Fu**  
Executive Director and Chief Executive Officer  
15 May 2020

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

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

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).