



WORLD CLASS GLOBAL
(Incorporated in the Republic of Singapore)
(Company Registration No. 201329185H)

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE REGULATION PTE LTD (“SGX”) IN RELATION TO THE COMPANY’S UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (“FY2019 RESULTS ANNOUNCEMENT”)

The board of directors (the “**Board**”) of World Class Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the FY2019 Results Announcement dated 21 February 2020, and wishes to provide the following responses to queries received from the SGX on 12 March 2020.

SGX Query 1:

We note that in the FY2019 full year results, revenue had decreased by 56%. Please provide more information for the decrease and how it is related to the sales performance of specific projects.

Company’s response:

Revenue decreased by 54%, from S\$442.0 million in the financial year ended 31 December (“**FY**”) 2018 to S\$205.4 million in FY2019, mainly due to a significant decrease in revenue contribution from the settlements by purchasers of *AVANT*, partially offset by a slight increase in revenue contribution from the settlements by purchasers of *Australia 108*. As set out in the FY2019 Results Announcement (page 3 item 1a), revenue for FY2019 relates primarily to settlements by purchasers of *Australia 108*, whereas revenue for FY2018 relates to settlements by purchasers of both *AVANT* and *Australia 108*.

SGX Query 2:

We note that in the FY2019 full year results, Property, Plant and Equipment, and Investment Properties, had significant variances from the previous year. Please provide a detailed explanation for the variances.

Property, plant and equipment (“**PPE**”) increased by S\$58.8 million, from S\$2.3 million as at 31 December 2018 to S\$61.1 million as at 31 December 2019. As set out in the FY2019 Results Announcement (page 5 item 2a), the increase in PPE was mainly due to the reclassification of development properties and investment properties in Georgetown, Penang for hotel use. The aforementioned reclassification of development properties and investment properties amounted to approximately S\$52 million and S\$10 million respectively.

Investment properties decreased by S\$8.4 million, from S\$25.2 million as at 31 December 2018 to S\$16.8 million as at 31 December 2019. As set out in the FY2019 Results Announcement (page 5 item 2a), the decrease in investment properties was mainly due to the reclassification to PPE, which amounted to approximately S\$10 million as mentioned above.

SGX Query 3:

WCG explained in its FY2019 financials that WCG recognised revenue of S\$205.4 million in FY2019. The Group also has signed sales contracts amounting to approximately S\$400 million from its on-going projects. Please clarify whether the unrecognised S\$400 million in signed sales contracts refer to unbilled (contracted sales) for FY2019 or the total amount of sales accumulated for the FY2019. In your response, please provide a breakdown between billed and unbilled sales by quarter.

Company's response:

The unrecognised S\$400 million in signed sales contracts refer to unbilled (contracted sales) as at 31 December 2019. For the avoidance of doubt, this S\$400 million does not include the recognised revenue of S\$205.4 million in FY2019.

The Company refers to its announcement dated 13 November 2019 in relation to response to earlier queries from SGX ("**November Announcement**"). As set out in November Announcement (page 5, Company's response to SGX query 8), the Company stated that it will be disclosing (i) the total amount of unbilled sales (signed sales contracts) as at the end of each quarter; and (ii) the total amount of billed sales (recognised revenue in accordance with its accounting policy) for the quarter, on a consolidated basis going forward. The Company is of the view that its current scope of disclosure is consistent with the market practice of other SGX-listed developers with overseas projects in Australia. Please refer to the November Announcement for further information on the above.

In view of the above, the Company has provided below a breakdown between billed and unbilled sales (signed sales contracts) for the fourth quarter ended 31 December 2019 ("**4Q 2019**"), and will not be providing the same for the earlier quarters, namely first quarter ended 31 March 2019 ("**1Q 2019**"), second quarter ended 30 June 2019 ("**2Q 2019**") and third quarter ended 30 September 2019 ("**2Q 2019**").

The total amount of unbilled sales (signed sales contracts) as at 31 December 2019 is S\$400 million (as disclosed in the FY2019 Results Announcement), and the total amount of billed sales (recognised revenue) for 4Q 2019 is S\$9.7 million (being revenue for FY2019 of S\$205.4 million less revenue for nine months ended 30 September 2019 of S\$195.8 million (as announced by the Company on 5 November 2019)).

SGX Query 4:

Please provide an analysis of the variance in sales between each quarter for each project.

Company's response:

Please refer to the Company's response to SGX Query 3 above.

Please see below the unaudited revenue for each quarter for the Group's projects on an unaudited consolidated basis, instead of on an individual project basis (based on previous unaudited results announcements made by the Company):

	Revenue (S\$'000)
1Q2019	96,739
2Q2019	61,352
3Q2019	37,659
4Q2019	9,696
FY2019	205,440

The variance in sales between each quarter for the Group's projects on an unaudited consolidated basis, was mainly due to the number of settlements made by purchasers of *Australia 108* units that were sold and handed over in each of the respective quarters of FY2019.

SGX Query 5:

The Company disclosed that Australia 108 is 94% completed. Please disclose the sales performance of this project.

Company's response:

Please refer to the Company's response to SGX Query 3 above.

SGX Query 6:

We note that the Company intends to seek 2 years' extension of the maturity date of the revolving credit facility from its immediate holding company, subject to the approval of the Company's shareholders. Please clarify whether this has been announced and when the Company intends to hold its EGM. Please also clarify the reasons for seeking an extension of time.

Company's response:

The Company wishes to clarify that the Company is giving notice to its shareholders in the FY2019 Results Announcement of its intention to seek 2 years' extension of the maturity date of the revolving credit facility from its immediate holding company (the "Lender"), which will be subject to the approval of the Company's shareholders, and such intention has not been announced prior to the FY2019 Results Announcement. The Company will announce such intention to hold an extraordinary general meeting to seek approval from its shareholders on the above-mentioned in due course, when a definitive agreement has been reached with the Lender and before the maturity date of the revolving credit facility.

The Company is of the opinion that having the unsecured revolving credit facility of up to an aggregate principal sum of S\$400.0 million will provide the Group with the flexibility and necessary funding to finance our ongoing projects as and when required. The Company believes that the extension of the maturity date of the unsecured revolving credit facility will not be prejudicial to the interests of our Group and the minority shareholders of the Company.

By Order of the Board

WORLD CLASS GLOBAL LIMITED

Lim Swee Ann / Yip Chee Kwang
Joint Company Secretaries
18 March 2020

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

This announcement has not been examined or approved by the SGX-ST and 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. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd., at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.