



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

UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2019

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		
	2019	2018	Change	2019	2018	Change
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	3,107	43,514	(93)	100,926	133,623	(24)
Cost of sales	(7,613)	(10,398)	(27)	(41,746)	(34,533)	21
Gross (loss) / profit	(4,506)	33,116	(114)	59,180	99,090	(40)
Other income	1,719	265	549	6,193	935	562
Selling and distribution expenses	(36)	(1,789)	(98)	(4,132)	(5,199)	(21)
General and administrative expenses	(13,243)	(5,765)	130	(35,467)	(19,057)	86
Finance costs	(3,889)	(271)	1,335	(10,682)	(333)	3,108
(Loss) / Profit before tax	(19,955)	25,556	(178)	15,092	75,436	(80)
Income tax	4,184	(6,304)	(166)	(5,830)	(19,102)	(69)
(Loss) / Profit after tax	(15,771)	19,252	(182)	9,262	56,334	(84)
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences arising from translation of foreign operations	604	(215)	(381)	631	(556)	(213)
Other comprehensive income / (loss) , net of tax	604	(215)	(381)	631	(556)	(213)
Total comprehensive (loss) / income, net of tax	(15,167)	19,037	(180)	9,893	55,778	(82)
(Loss) / Profit attributable to:						
Owners of the Company	(15,552)	19,225	(181)	9,893	56,348	(82)
Non-controlling interests	(219)	27	(911)	(631)	(14)	4,407
	(15,771)	19,252	(182)	9,262	56,334	(84)
Total comprehensive (loss) / income attributable to:						
Owners of the Company	(14,948)	19,010	(179)	10,632	55,792	(81)
Non-controlling interests	(219)	27	(911)	(739)	(14)	5,179
	(15,167)	19,037	(180)	9,893	55,778	(82)

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 month ended 31 March		
2019	2018	Change	2019	2018	Change
(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
RM'000	RM'000	%	RM'000	RM'000	%

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

Interest income / (Reversal of interest income in prior year), net	(248)	(268)	(7)	119	(681)	(117)
Depreciation of property, plant & equipment	916	746	23	2,619	2,285	15
Amortisation of intangible assets	958	753	27	2,668	2,385	12
Amortisation of deferred expenditure	-	1,482	(100)	3,880	3,030	28
Interest expense	3,889	271	1,335	10,682	333	3,108
Write off of property, plant and machinery	-	-	n.m.	7	258	(97)
Gain on disposal of a subsidiary	-	-	n.m.	(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 31.03.19 (Unaudited) RM'000	As at 30.06.18 (Audited) RM'000	As at 31.03.19 (Unaudited) RM'000	As at 30.06.18 (Audited) RM'000
Current assets				
Inventory properties	211,728	193,686	-	-
Inventories	8,523	8,125	-	-
Deferred expenditure	2,105	5,749	-	-
Trade receivables	3,524	30,868	-	-
Unbilled receivables	-	3,469	-	-
Other receivables, deposits and prepayments	16,324	19,624	184	132
Amounts due from subsidiaries	-	-	85,095	59,967
Deferred tax asset	1,903	1,903	-	-
Fixed deposits	5,351	6,703	-	-
Cash on hand and at banks	4,413	22,776	319	2,356
	<u>253,871</u>	<u>292,903</u>	<u>85,598</u>	<u>62,455</u>
Non-current assets				
Inventory properties	122,714	106,455	-	-
Trade receivables	15,173	19,310	-	-
Property, plant and equipment	132,517	104,933	201	237
Investment property	245,333	192,579	-	-
Intangible assets	92,880	93,885	-	-
Investment in subsidiaries	-	-	763,225	763,225
	<u>608,617</u>	<u>517,162</u>	<u>763,426</u>	<u>763,462</u>
Total assets	<u>862,488</u>	<u>810,065</u>	<u>849,024</u>	<u>825,917</u>
Current liabilities				
Trade payables	173,101	119,078	-	-
Other payables and accruals	114,276	72,056	9,559	7,700
Deferred revenue	16,870	94,476	-	-
Hire purchase payables	3	37	-	-
Loans and borrowings	45,488	43,330	19,468	17,589
Derivatives	2,885	4,044	2,885	4,044
Provision for taxation	26,183	27,954	-	75
	<u>378,806</u>	<u>360,975</u>	<u>31,912</u>	<u>29,408</u>
Non-current liabilities				
Trade payables	116,592	116,592	-	-
Other payables	1,819	1,819	-	-
Loans and borrowings	-	1,852	-	1,852
Provision for taxation	6,898	6,898	-	-
Deferred tax liabilities	19,229	19,929	-	-
	<u>144,538</u>	<u>147,090</u>	<u>-</u>	<u>1,852</u>
Total liabilities	<u>523,344</u>	<u>508,065</u>	<u>31,912</u>	<u>31,260</u>
Equity				
Share capital	145,801	112,085	194,926	161,210
Reserves	193,996	189,829	622,186	633,447
Equity attributable to owners of the Company	<u>339,797</u>	<u>301,914</u>	<u>817,112</u>	<u>794,657</u>
Non-controlling interests	(653)	86	-	-
Total equity	<u>339,144</u>	<u>302,000</u>	<u>817,112</u>	<u>794,657</u>
Total equity and liabilities	<u>862,488</u>	<u>810,065</u>	<u>849,024</u>	<u>825,917</u>

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

	Group			
	As at 31.03.19		As at 30.06.18	
	(Unaudited)		(Audited)	
	RM'000		RM'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable within one year	48,376	-	47,411	-
Amount repayable after one year	-	-	1,852	-
	48,376	-	49,263	-

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

1. Pledge and charge of certain shares by certain controlling shareholders.
2. Charge of the fixed deposits with a licensed bank.
3. Charge over the leased assets.

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

	Group	
	Third quarter ended 31 March	
	2019 (Unaudited) RM'000	2018 (Unaudited) RM'000
Cash flows from operating activities		
(Loss) Profit before tax	(19,955)	25,556
Adjustments for:		
Depreciation of property, plant and equipment	916	746
Amortisation of intangible assets	958	753
Amortisation of deferred expenditure	-	1,482
Interest income	(248)	(268)
Interest expense	3,889	271
Operating cash flows before changes in working capital	(14,440)	28,540
Changes in working capital:		
Inventory properties	(2,835)	(6,496)
Inventories	(2)	33
Deferred expenditure	(126)	(109)
Trade and other receivables	16,639	3,808
Trade and other payables	(8,942)	(28,468)
	(9,706)	(2,692)
Interest paid	(1,205)	(110)
Interest received	36	268
Tax paid	(856)	(2,084)
Net cash flows used in operating activities	(11,731)	(4,618)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,612)	(3,908)
Expenditure on investment property under construction	(2,910)	(7,902)
Net cash flows used in investing activities	(5,522)	(11,810)
Cash flows from financing activities		
Proceeds from shares issuance, net of issue expenses	25,943	-
Proceeds from loans and borrowings	-	11,537
Repayment of loans and borrowings	(13,721)	(1,155)
Repayment of hire purchase payables	(8)	(17)
Net cash flows generated from financing activities	12,214	10,365
Net decrease in cash and cash equivalents	(5,039)	(6,063)
Cash and cash equivalents at beginning of financial year	9,228	13,035
Currency translation differences	(450)	(116)
Cash and cash equivalents at end of period	3,739	6,856
Cash and cash equivalents comprise:	As at 31 Mar 2019	As at 31 Mar 2018
Fixed deposits	5,351	6,563
Cash on hand and at banks	4,413	5,524
	9,764	12,087
Less: Bank balances not available for use	(6,025)	(5,231)
	3,739	6,856

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

	Share capital	Share premium	Capital reserve	Merger reserve	Equity component of Convertible Bond	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group (Unaudited)										
Balance as at 1 Jan 2019	113,833	15,937	-	5,000	300	(70)	194,866	329,866	(434)	329,432
Issuance of new share	31,968	(6,025)	-	-	-	-	-	25,943	-	25,943
Redemption of equity component of convertible bond	-	-	-	-	(114)	-	114	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(460)	(15,552)	(16,012)	(219)	(16,231)
	31,968	(6,025)	-	-	(114)	(460)	(15,438)	9,931	(219)	9,712
Balance as at 31 Mar 2019	145,801	9,912	-	5,000	186	(530)	179,428	339,797	(653)	339,144
Balance as at 1 Jan 2018	108,044	12,888	-	5,000	-	(173)	147,946	273,705	100	273,805
Total comprehensive income for the year	-	-	-	-	-	(215)	19,225	19,010	27	19,037
Balance as at 31 Mar 2018	108,044	12,888	-	5,000	-	(388)	167,171	292,715	127	292,842
Company (Unaudited)										
	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
Balance as at 1 Jan 2019	162,958	657,694	487	-	300	4,400	(32,003)	793,836	-	793,836
Issuance 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)
Balance as at 31 Mar 2019	194,926	651,669	487	-	186	4,174	(34,330)	817,112	-	817,112
Balance as at 1 Jan 2018	157,169	654,645	487	-	-	4,166	(27,490)	788,977	-	788,977
Total comprehensive loss for the year	-	-	-	-	-	(689)	245	(444)	-	(444)
Balance as at 31 Mar 2018	157,169	654,645	487	-	-	3,477	(27,245)	788,533	-	788,533

1(d)(ii). Details of any changes in the Company’s share capital arising from rights issue, bonus issue, 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 2018	1,317,094,554	162,958
As at 31 March 2019	1,582,094,554	194,926

Following the allotment and issuance of 265 million shares to PRG Holdings Berhad as announced on 18 March 2019, the total number of issued and paid-up ordinary shares of the Company has increased from 1,317,094,554 shares to 1,582,094,554 shares.

As at 31 March 2019, the Company had outstanding shares of 73,170,732 to be issued pursuant to Convertible Bonds (“CB”) Subscription Agreement entered by the Company in the event of conversion of the CB by the CB holders. Other than this, there were no any other outstanding convertibles, options, treasury shares or subsidiary holding as at 31 March 2019.

The Company did not have any outstanding options, convertibles, treasury shares or subsidiary holdings as at 31 March 2018.

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 31.03.19	As at 30.06.18
Total number of issued shares excluding treasury shares	1,582,094,554	1,302,460,408

The Company has no treasury shares as at 31 March 2019 and 30 June 2018 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 qualifications or emphasis of a matter).

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

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 2018.

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 2018. The adoption of these new and/or revised IFRS did not result in any substantial changes to the Group's accounting policies and has no material effect on the financial results for the current financial period reported on.

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

	Third quarter ended 31 March	
	2019	2018
	(Unaudited)	(Unaudited)
(Loss) Profit after tax attributable to owners of the Company (RM'000)	(15,552)	19,225
Weighted average number of ordinary shares in issue	1,358,316,776	1,268,314,067
(a) Basic (loss) earnings per ordinary share (RM cents)	(1.14)	1.52
(b) Diluted (loss) earnings per ordinary share (RM cents)	(1.14)	1.52

For the third quarter ended 31 March 2019, the computation of the diluted EPS does not assume the conversion of the outstanding Convertible Bonds as it had anti-dilutive effect on the EPS calculation. The basic and diluted EPS were the same for the third quarter ended 31 March 2019 and 2018 as there were no potentially dilutive ordinary shares in issue as at 31 March 2019 and 2018.

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 31.03.19 (Unaudited)	As at 30.06.18 (Audited)	As at 31.03.19 (Unaudited)	As at 30.06.18 (Audited)
Net assets value (RM'000)	339,797	301,914	817,112	794,657
Number of ordinary shares in issue	1,582,094,554	1,302,460,408	1,582,094,554	1,302,460,408
Net asset value per ordinary share based on issued share capital (RM cents)	21.48	23.18	51.65	61.01

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 2019 ("3Q2019") vs third quarter ended 31 March 2018 ("3Q2018")

The Group's revenue decreased by RM40.4 million from RM43.5 million in 3Q2018 to RM3.1 million in 3Q2019. The percentage of completion ("POC") which was used for revenue recognition, for the Capital City Mall (retail podium component of the Group's mixed development in Johor, Malaysia), was 97.9% as at 31 March 2019 compared to 97.1% as at 31 December 2018 (75.1% as at 31 March 2018 compared to 69.6% as at 31 December 2017). The POC for Capital Suites was 27.7% as at 31 March 2019 compared to 26.2% as at 31 December 2018 (21.7% as at 31 March 2018 compared to 17.0% as at 31 December 2017). The lower revenue was due to the lower increase in POC and sluggish sales of units in the midst of weak market sentiments.

The cost of sales decreased by RM2.8 million from RM10.4 million in 3Q2018 to RM7.6 million in 3Q2019 due to lower construction cost incurred during this quarter as the Capital City Mall has substantially completed and opened for business in October 2018.

As a result, the Group recorded a gross loss of RM4.5 million in 3Q2019 compared to a gross profit of RM33.1 million in 3Q2018.

Other income increased by RM1.4 from RM0.3 million in 3Q2018 to RM1.7 million in 3Q2019, which mainly pertained to the rental income from leasing of the Capital City Mall units.

The selling and distribution expenses, comprising mainly sales commission and advertising and promotional expenses, decreased by RM1.76 million from RM1.8 million in 3Q2018 to RM0.04 million in 3Q2019 which is in line with the lower revenue.

The increase in general and administrative expenses of RM7.4 million from RM5.8 million in 3Q2018 to RM13.2 million in 3Q2019 was mainly due to: i) higher payroll related costs from additional headcounts for indoor theme park business; ii) fees for liaising and sourcing tenants for the Capital City Mall; and iii) maintenance and service fee for the retained and unsold units. There is no significant change in depreciation of property, plant and equipment and amortization of intangible assets. The decrease in amortization of deferred expenditure was mainly due to low revenue recorded in 3Q2019.

Finance costs were mainly made up of interest expenses relating to loans and borrowings. The increase in finance costs was due to the increase in loan and borrowings secured during the period

As a result of the aforementioned, the Group recorded a loss after tax of RM15.8 million in 3Q2019 as compared to a profit after tax of RM19.3 million in 3Q2018.

REVIEW OF STATEMENT OF FINANCIAL POSITION OF THE GROUP

Total assets increased by RM52.4 million from RM810.1 million as at 30 June 2018 to RM862.5 million as at 31 March 2019, mainly due to: i) increase in inventory properties (current & non-current) and investment properties of RM34.3 million and RM52.8 million respectively, which were in line with higher recognition of completed works and the increase in construction costs towards the completion of the Capital City Mall; ii) increase in property, plant and equipment of RM27.6 million due to additions during current period and offset by (i) decrease in trade receivables (current & non-current) and unbilled receivables of RM35.0 million due mainly to payment received during the current period and the disposal of a subsidiary, Shaanxi Hengyu Architectural Interior Engineering Co. as announced 16 November 2018; ii) decrease in other receivables, deposits and prepayments of RM3.3 million mainly due to reclassification to property, plant and equipment and the disposal of a subsidiary; (iii) decrease in deferred expenditure of RM3.6 million due to amortization in the current period; and (iv) decrease in cash and bank balances of RM19.7 million.

Total liabilities increased by RM15.2 million from RM508.1 million as at 30 June 2018 to RM523.3 million as at 31 March 2019, mainly due to: i) increase in trade, other payables and accruals (current) of RM96.2 million, which was due to the increased business activities during the period and the increase in construction cost payable; and ii) offset by the decrease in deferred revenue of RM77.6 million as a result of revenue recognition based on percentage of completion method. The decrease in derivatives of RM1.2 million was due to partial payment of convertible bonds during the period.

The net current liability of RM124.9 million as at 31 March 2019 was mainly due to: i) increase in construction costs payable of approximately RM103.0 million during current period due to completion of the Capital City Mall, which payables were newly incurred; and ii) deferred revenue of RM16.9 million which is a non-cash item and to be recognized as revenue in the future based on percentage of completion method.

The Group has taken steps to enhance sales and marketing efforts, receivables collection and to explore potential financing options including fund raising opportunities.

REVIEW OF STATEMENT OF CASH FLOWS OF THE GROUP

In 3Q2019, the Group's net cash used in operating activities amounted to RM11.7 million. This comprised mainly operating cash outflow before working capital changes of RM14.4 million, adjusted for net working capital inflow of RM4.7 million, and interest and tax payment of RM2.1 million.

The net working capital inflow of RM4.7 million was mainly due to decrease in trade and other receivables of RM16.6 million, offset by the increase in inventory properties of RM2.8 million and decrease in trade and other payables of RM8.9 million.

Net cash used in investing activities of RM5.5 million in 3Q2019 was mainly due to addition of property, plant and equipment and expenditure on investment property.

Net cash generated from the financing activities of RM12.2 million in 3Q2019 was due to shares issuance, offset by the repayments of the loans and borrowings.

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 Group is expecting the Johor property market to remain lacklustre in the near term which is in tandem with the soft real estate industry in Malaysia.

On a bright side, southern Johor region will be extended to 4,749 km square from the current 2,217 km square to include parts of the Kota Tinggi, Kluang and Pontian districts in a bid to bolster Malaysia's economy. The expansion will enable southern Johor region to offer more land for development at affordable cost and bring modern agriculture as one of its new promoted sectors. Besides that, the expansion also offers greater job opportunities for the local which in turn will drive the demand for residential and commercial properties.

Moving ahead, the Group will manage its business in a prudent manner given the current challenging market environment, while the Group will be launching its new development projects in the pipeline at an appropriate timing.

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 2019 as the Group's funds is required to be used for the Group's operations.

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

The Company had obtained a general mandate for IPTs from shareholders and there were no IPTs conducted under the general mandate from 1 July 2018 to 31 March 2019.

Save as disclosed below, there were no IPTs that was equal to or had exceeded S\$100,000 from 1 July 2018 up to 31 March 2019.

Name of Interested Persons and Transactions	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	RM’000	RM’000
RDC Arkitek Sdn. Bhd. <i>(an associate of Director and controlling shareholder of the Company, Mr Siow Chien Fu for the provision of architectural consultation services in respect of Project Capital City)</i>	1,089	-

14. Update on use of proceeds

As announced on 26 March 2019, out of the net subscription proceeds of S\$8,719,000 raised from the subscription of 265 million shares by PRG Holdings Berhad, an amount of S\$8,694,000 had been utilized by the Group as at 26 March 2019.

The above utilisation is in accordance with the intended use of the net proceeds as stated in the Company’s circular dated 11 January 2019. All proceeds have been fully utilized in accordance with its intended use as at date of report.

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 second quarter ended 31 March 2019 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 (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalist Listing Manual.

BY ORDER OF THE BOARD
Siow Chien Fu
Executive Director and Chief Executive Officer
14 May 2019

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

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).