

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

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**

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Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst, the Company is required to announce its quarterly financial statements in view of the qualified opinion and material uncertainty relating to going concern issued by the Company's auditors in the latest audited financial statements for the financial year ended 30 June 2021.

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**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

<b>Group</b>				
<b>Description</b>	<b>Notes</b>	<b>3 months ended 30 September</b>		<b>%</b>
		<b>2021 (Unaudited) RM'000</b>	<b>2020 (Unaudited) RM'000</b>	
Revenue	<b>5</b>	-	387	-100%
Cost of sales		-	(101)	-100%
<b>Gross Profit</b>		-	286	
Other income		153	2,696	-94%
General and administrative expenses		(5,541)	(3,375)	65%
Finance costs		(1)	(778)	-100%
<b>Loss before income tax</b>	<b>6</b>	(5,389)	(1,171)	
Income tax credit/(expense)	<b>7</b>	-	(61)	-100%
<b>Loss for the year</b>		(5,389)	(1,232)	
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>		-	-	
Exchange differences arising from translation of foreign operations, net of tax		19	7	>-100%
<b>Total comprehensive loss for the year</b>		<b>(5,370)</b>	<b>(1,225)</b>	
<b>Loss for the year attributable to:</b>				
Owners of the Company		<b>(5,389)</b>	<b>(1,232)</b>	n.m.
<b>Total comprehensive loss for the year attributable to:</b>				
Owners of the Company		<b>(5,370)</b>	<b>(1,225)</b>	n.m.

n.m: Denotes not meaningful

## B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

Description	Notes	Group As at		Company As at	
		30 Sept 2021 (Unaudited) RM'000	30 June 2021 (Audited) RM'000	30 Sept 2021 (Unaudited) RM'000	30 June 2021 (Audited) RM'000
<b>Current assets</b>					
Inventory properties	9	147,451	149,180	-	-
Inventories		67	67	-	-
Trade receivables		4,638	4,846	-	-
Other receivables, deposits, and prepayments		3,096	1,951	78	319
Amount due from subsidiaries		-	-	31,429	31,037
Cash on hand and at banks		1,064	1,219	19	-
		156,316	157,263	31,526	31,356
Non-current assets held for sale		226,539	226,539	-	-
		382,855	383,802	31,526	31,356
<b>Non-current assets</b>					
Property, plant, and equipment	10	22,515	22,655	51	54
Intangible assets		389	393	-	-
		22,904	23,048	51	54
<b>Total assets</b>		405,759	406,850	31,577	31,410
<b>Current liabilities</b>					
Trade payables		301,742	301,859	-	-
Other payables and accruals		67,673	63,216	20,425	24,799
Amount due to subsidiaries		-	-	5,156	-
Deferred revenue		4,479	4,479	-	-
Loans and borrowings	11	45,232	45,296	16,962	17,026
Provision for taxation		70,004	70,001	245	246
		489,130	484,851	42,787	42,071
<b>Non-current liabilities</b>					
Deferred tax liabilities		1,312	1,312	-	-
<b>Total liabilities</b>		490,442	486,163	42,787	42,071
<b>Equity attributable to owners of the Company</b>					
Share capital	12	176,240	176,240	225,365	225,365
Share premium		3,824	3,824	645,582	645,582
Merger reserve		5,000	5,000	-	-
Equity component of convertible bond		186	186	186	186
Foreign currency translation reserve		1,901	1,882	418	472
Capital reserve		-	-	487	487
Accumulated losses		(271,834)	(266,445)	(883,249)	(882,753)
<b>Total equity</b>		(84,683)	(79,313)	(11,211)	(10,661)
<b>Total liabilities and equity</b>		405,759	406,850	31,577	31,410

### C. STATEMENT OF CHANGES IN EQUITY (GROUP AND COMPANY)

Group (unaudited)	Attributable to owners of the Company						Total equity RM'000
	Share capital RM'000	Share premium RM'000	Merger reserve RM'000	Equity component of convertible bond RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000	
<b>Opening balance at 1 July 2021</b>	<b>176,240</b>	<b>3,824</b>	<b>5,000</b>	<b>186</b>	<b>1,882</b>	<b>(266,445)</b>	<b>(79,313)</b>
Loss for the year	-	-	-	-	-	(5,389)	(5,389)
<u>Other comprehensive income</u>							
Exchange differences arising from translation of foreign operations	-	-	-	-	19	-	19
Total comprehensive loss for the year	-	-	-	-	19	(5,389)	(5,370)
<b>Closing balance at 30 September 2021</b>	<b>176,240</b>	<b>3,824</b>	<b>5,000</b>	<b>186</b>	<b>1,901</b>	<b>(271,834)</b>	<b>(84,683)</b>
<b>Opening balance at 1 July 2020</b>	<b>176,240</b>	<b>3,824</b>	<b>5,000</b>	<b>186</b>	<b>1,525</b>	<b>(35,551)</b>	<b>151,224</b>
Loss for the year	-	-	-	-	-	(1,231)	(1,231)
<u>Other comprehensive income</u>							
Exchange differences arising from translation of foreign operations	-	-	-	-	7	-	7
Total comprehensive loss for the year	-	-	-	-	7	(1,231)	(1,224)
<b>Closing balance at 30 September 2020</b>	<b>176,240</b>	<b>3,824</b>	<b>5,000</b>	<b>186</b>	<b>1,532</b>	<b>(36,782)</b>	<b>150,000</b>

	Share capital	Share premium	Equity component of convertible bond	Foreign currency translation reserve	Capital reserve	Accumulated losses	Total equity
Company (unaudited)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Opening balance at 1 July 2021</b>	<b>225,365</b>	<b>645,582</b>	<b>186</b>	<b>472</b>	<b>487</b>	<b>(882,753)</b>	<b>(10,661)</b>
Loss for the year	-	-	-	-	-	(496)	(496)
Other comprehensive income	-	-	-	(54)	-	-	(54)
Total comprehensive loss for the year	-	-	-	(54)	-	(496)	(550)
<b>Closing balance at 30 September 2021</b>	<b>225,365</b>	<b>645,582</b>	<b>186</b>	<b>418</b>	<b>487</b>	<b>(883,249)</b>	<b>(11,211)</b>
<b>Opening balance at 1 July 2020</b>	<b>225,365</b>	<b>645,582</b>	<b>186</b>	<b>2,392</b>	<b>487</b>	<b>(725,746)</b>	<b>148,266</b>
Loss for the year	-	-	-	-	-	(1,621)	(1,621)
Other comprehensive income	-	-	-	150	-	-	150
Total comprehensive loss for the year	-	-	-	150	-	(1,621)	(1,471)
<b>Closing balance at 30 September 2020</b>	<b>225,365</b>	<b>645,582</b>	<b>186</b>	<b>2,542</b>	<b>487</b>	<b>(727,367)</b>	<b>146,795</b>

#### D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	First Quarter ended	
	30 September 2021	30 September 2020
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Loss before income tax	(5,389)	(1,170)
Adjustments for:		
Depreciation of property, plant and equipment	140	391
Amortisation of intangible assets	6	32
Write-down of inventory properties	1,729	-
Interest income	-	(37)
Interest expense	-	777
Operating cash flows before changes in working capital	(3,514)	(7)
Changes in working capital:		
Inventory properties	-	4,439
Trade and other receivables	(937)	(532)
Trade and other payables and deferred revenue	4,338	(3,638)
Cash flows generated from operations	(111)	262
Interest paid	-	(296)
Interest received	-	37
<b>Net cash flows (used in)/ generated from operating activities</b>	<b>(111)</b>	<b>3</b>
<b>Net cash flows generated from investing activities</b>	<b>-</b>	<b>-</b>
<b>Net cash flows generated from financing activities</b>	<b>-</b>	<b>-</b>
Net (decrease) / increase in cash and cash equivalents	(111)	3
Effect of exchange rate changes in cash and cash equivalents	(44)	7
Cash and cash equivalents at the beginning of the year	464	544
<b>Cash and cash equivalents at the end of the year</b>	<b>309</b>	<b>554</b>
Cash on hand and at banks	1,064	1,309
Less: Cash at bank and deposits not available for use	(755)	(755)
<b>Cash and cash equivalents</b>	<b>309</b>	<b>554</b>

## **E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **1. Corporate information**

Capital World Limited, (the “**Company**”) is a limited liability company incorporated and domiciled in the Cayman Islands. The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 30 July 2014.

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 Group is primarily involved property development, property investment and exploration, development and extraction of marble and production of marble products.

### **2. Basis of preparation**

The condensed interim financial statements for the 3 months ended 30 September 2021 have been prepared in accordance with IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited financial results announcement for the year ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with IFRS, except for the adoption of new and amended standards as set out in Note 2.1.

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

The condensed interim financial statements are presented in Malaysia Ringgit (“**RM**”) which is the functional currency of the Group and all values in the tables are rounded to the nearest thousand (“**RM’000**”), except when otherwise indicated.

#### **2.1. New and amended standards adopted by the Group**

The accounting policies and method of computation adopted in these condensed interim financial statements are consistent with those of the latest audited financial statements for the reporting year ended 30 June 2021, except in the current financial year, the Group has adopted all new and revised standards which are effective for annual financial periods beginning on or after 1 July 2021. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company for the financial year ended 30 September 2021.

#### **2.2. Use of judgements and estimates**

In preparing the condensed interim financial statements of the Group, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.



### 2.3. Measurement of fair values

#### (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 than 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.

#### (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 current financial assets and financial liabilities are reasonable approximations of fair values due to the insignificant impact of discounting.

There were no material transfers between Level 1, Level 2 and Level 3 during financial year ended 30 June 2021.

### 3. Going Concern Assumption

During the financial year ended 30 September 2021, the Group incurred a net loss after tax of RM5.39 million and total comprehensive loss of RM5.37 million and net cash flows used in operating activities of RM0.11 million.

As at 30 September 2021, the Group's current liabilities exceeded its current assets by RM106.28 million. The Group's total loans and borrowings is amounted to RM45.23 million.

Notwithstanding the above, Directors are of the view that it is appropriate to prepare the financial statements on a going concern basis based on the following:

- (a) As at 30 September 2021, the Group has inventory properties of RM147.45 million and non-current assets held for sale of RM226.54 million. The Group's will focus on the sales of these retail units and generate positive cashflow from the available units in Capital City retails Unit.
- (b) On 14 April 2022, the Company had completed the proposed issuance of the Scheme Share and Additional New Share pursuant to which 11,939,595,565 Scheme Shares and 496,975,896 Additional New Shares have been allotted and issued ("**Scheme of Arrangement**"). The distribution of the issued Scheme Shares was completed on 18 April 2022 and the Scheme was completed on 26 April 2022.

A total of 12,436,571,461 shares fully paid, ranking pari-passu in all respects with the existing shares of the Company, were listed on 19 April 2022 and the Scheme Manager has issued the Notice of Termination that the Scheme of Arrangement has been completed and terminated.

Based on the preliminary assessment, the Group will be able to extinguish its debts of approximately RM187 million via the Scheme of Arrangement.

- (c) On 28 April 2022, the Company has entered into a sale and purchase agreement with Mr Loh Choon Yow, a Malaysian Businessman and MIE Corporate Holdings Sdn Bhd, a company incorporated in Malaysia that is principally engaged in investment holding to dispose the wholly owned subsidiaries, namely Terratech Resources Pte Ltd, and CEP Resources Entity Sdn Bhd, for a cash consideration of RM4.8 million.
- (d) The Company is currently in discussion with some potential lenders to enhance its working capital. The subscription of the CL is important to further improve the Group's cashflow as well as the Group's financial position.

- (e) The Company is also currently working with Inland Revenue of Malaysia with regards to the settlement of the tax liability.

#### 4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year from 1 July 2020 to 30 June 2021.

#### 5. Segmental and revenue information

##### 5.1. Reportable segments

	Property development RM'000	Mining RM'000	Others RM'000	Elimination RM'000	Group RM'000
<b>First quarter ended 30 September 2021</b>					
<u>Revenue</u>					
Revenue from external customers	-	-	-	-	-
<u>Results</u>					
Depreciation expense	122	18	-	-	140
Inventory properties written down	1,729	-	-	-	1,729
Amortisation of intangible assets	-	4	-	-	4
Profit/(Loss) before tax	(1,839)	106	(3,196)	(460)	(5,389)
Segment Assets	404,157	68,326	31,644	(98,367)	405,759
Segment liabilities	529,432	90,821	46,208	(176,019)	490,442
<b>First quarter ended 30 September 2020</b>					
<u>Revenue</u>					
Revenue from external customers	-	387	-	-	387
<u>Results</u>					
Interest income	37	-	-	-	37
Depreciation expense	368	20	4	-	391
Amortisation expense	-	32	-	-	32
Profit/(Loss) before tax	314	927	(1,626)	(785)	(1,170)
Segment Assets	634,572	68,469	181,859	(247,257)	637,643
Segment liabilities	526,824	89,565	45,348	(174,095)	487,642

## 5.2. Disaggregation of Revenue

There is no revenue generated from the 3 months ended 30 September 2021.

	Group 3 months ended 30 September 2020				
	Sale of marble products RM'000	Revenue from construction contracts RM'000	Other services RM'000	Adjustments and eliminations RM'000	Total Group RM'000
<u>Primary geographical markets</u>					
Malaysia	387	-	-	-	387
<u>Timing of transfer of goods and services</u>					
At a point in time	387	-	-	-	387
Over time	-	-	-	-	-
	387	-	-	-	387

## 6. Loss before taxation

	Group 3 months ended 30 September	
	<u>2021</u>	<u>2020</u>
	(Unaudited)	(Unaudited)
Description	RM'000	RM'000
Loss for the year is arrived at after (crediting)/charging:		
Interest income	-	(37)
Miscellaneous income	(153)	(163)
Forfeiture income	-	(127)
Loss/(Gain) on disposal of subsidiaries		
Reimbursement of operating expenses	-	(2,394)
<b>Audit fees:</b>		
- Auditors of the Company	93	-
Depreciation of property, plant, and equipment	140	391
Amortisation of intangible assets	4	32
<b>Employee benefit expense:</b>		
- Salaries and bonuses	119	195
- Social security contributions	1	1
- Contributions to defined contribution plan	13	22
<b>Interest expense:</b>		
- Loans and borrowings	-	777
Write-down Inventory property	1,729	-

## 7. Taxation

The Group calculates the year's income tax (credit)/expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax (credit)/expense in the condensed consolidated statement of profit or loss are:

	<b>Group</b>	
	<b>3 months ended 30 September</b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
Consolidated statement of comprehensive income:		
Income tax:		
- Current year	-	61
- Overprovision in respect of previous years	-	-
	<u>-</u>	<u>61</u>

## 8. Loss Per Share

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

Diluted loss per share is calculated by dividing loss 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.

For the financial period ended 30 September 2021 and 30 September 2020, the computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible loan/bonds as they had an anti-dilutive effect on the loss per share calculation.

	<b>Group</b>	
	<b>3 months ended 30 September</b>	
	<b><u>2021</u></b>	<b><u>2020</u></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Loss after tax attributable to owners of the Company (RM'000)	<b>(5,389)</b>	<b>(1,225)</b>
Weighted average number of ordinary shares for basic and diluted loss per share computation ('000)	1,832,095	1,832,095
Basic loss per ordinary share (RM per cents)	(0.29)	(13)

The fully diluted loss per ordinary share ("LPS") for the financial period ended 30 September 2021 were the same as the basic LPS as the lender has decided not to convert the loan into conversion shares.

For the financial period ended 30 September 2021, the computation of the fully diluted LPS does not assume the conversion of the outstanding Convertible Loan Agreement as they had anti-dilutive effect on the LPS calculation. The basic and diluted losses per ordinary share were the same for the financial period ended 30 September 2021 and 30 September 2020 as the convertible securities are out-of-the-money.

## 9. Inventory Properties

	Group Financial year ended	
	30 Sept 2021 (Unaudited) RM'000	30 June 2021 (Audited) RM'000
Inventory properties:		
Cost		
- Freehold land	127,763	127,763
- Development Cost	21,417	212,020
	149,180	339,783
Write-down of inventory properties	(1,729)	(190,603)
	147,451	149,180
Comprised:		
- Retail units of the retail mall	147,451	147,669
- Others	-	1,511
	147,451	149,180

During the financial period ended 30 September 2021, a written down of inventory properties of RM1.73 million (30 June 2021 : RM190.6 million) was recognized in the Group's profit or loss account.

## 10. Property, plant and equipment

During the financial period ended 30 September 2021, the Group has no impairment of the property, plant and equipment (30 June 2021: RM36.4 million).

## 11. Borrowings

	Group Financial year ended		Company Financial year ended	
	30 Sept 2021 (Unaudited) RM'000	30 June 2021 (Audited) RM'000	30 Sept 2021 (Unaudited) RM'000	30 June 2021 (Audited) RM'000
Amount repayable within one year	45,232	45,296	16,962	17,026

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

The Group's secured borrowings as at 30 September 2021 and 30 June 2021 comprised (i) a HKD loan which was secured by pledge and charge of certain shares by the controlling shareholders and corporate guarantee by the Company; and (ii) Convertible Loan which were secured by personal guarantees by the Company's CEO and an associate of the Company's controlling shareholders.

## 12. Share capital

	Number of issued shared shares	Share capital RM'000
As at 30 September 2021	1,832,094,554	225,365
As at 30 June 2021	1,832,094,554	225,365

The Company did not have any outstanding convertibles and options, not holds any treasury shares or subsidiary holding as at 30 September 2021 and 30 June 2021 respectively.

## 13. Net Asset Value

	Group Financial year ended		Company Financial year ended	
	<u>30 Sept 2021</u> (Unaudited) RM'000	<u>30 June 2021</u> (Audited) RM'000	<u>30 Sept 2021</u> (Unaudited) RM'000	<u>30 June 2021</u> (Audited) RM'000
Net Asset Value ("NAV") (RM'000)	(84,682)	(79,313)	(11,210)	(10,661)
Number of ordinary shares in issue (excluding treasury shares) ('000)	1,832,095	1,832,095	1,832,095	1,832,095
NAV per ordinary share based on issued share capital (RM per cents)	(4.63)	(4.33)	(0.61)	(0.58)

## 14. Related party transactions

During the financial year ended 30 September 2021, the Group had no significant related party transactions.

### (a) Compensation of key management personnel

	Group 3 Months ended 30 September	
	<u>2021</u> (Unaudited) RM'000	<u>2020</u> (Unaudited) RM'000
Short-term employees benefits	68	286
Directors' fee	325	123
Employer's contribution to defined contribution plans	6	11
	399	420
Comprise amounts paid to :		
-Directors of the Company	-	297
-Other key management personnel	74	123
	74	420

## 15. Subsequent events

Save as disclosed below, there are no known subsequent events which have led to adjustments to this set of interim financial statements.

- (a) On 12 November 2021, the Company has convened an Extraordinary General Meeting (“EGM”) for the Proposed Share Distribution and Additional Share Distribution. During the EGM, the shareholders have approved the Share Distribution and Additional Share Distribution (as defined in the circular dated 28 October 2021).

On 13 April 2022, the Company had convened an EGM for the Proposed Sub-division of Authorised Share Capital, Increase in Authorised Share Capital, and Adoption of the Amended and Restated Memorandum and Articles of Association. All the aforementioned resolutions were approved by the shareholders.

On 14 April 2022, the Company had completed the proposed issuance of the Scheme Share and Additional New Share pursuant to which 11,939,595,565 Scheme Shares and 496,975,896 Additional New Shares have been allotted and issued (“**Scheme of Arrangement**”). The distribution of the issued Scheme Shares was completed on 18 April 2022 and the Scheme was completed on 26 April 2022.

A total of 12,436,571,461 shares fully paid, ranking pari-passu in all respects with the existing shares of the Company, were listed on 19 April 2022 and the Scheme Manager has issued the Notice of Termination that the Scheme of Arrangement has been completed and terminated.

Based on the preliminary financial analysis, the Group will be able to extinguish its debts of approximately RM187 million via the Scheme of Arrangement.

- (b) Pertaining to the Settlement Agreement between CCPSB and Achwell Property Sdn Bhd entered on 28 July 2021, the judicial management order was extended to 8 January 2022 for the fulfillment of the conditions precedent of the Settlement Agreement. At the Gadang Holding Berhad’s (“GHB”) shareholders’ meeting held on 3 November 2021, GHB’s shareholders have approved the Settlement Agreement. Accordingly, the Settlement Agreement has now become unconditional.
- (c) On 15 November 2021, the Company has signed a non-binding term sheet with a potential buyer Mr Loh Choon Yow for the sale of the entire share capital of Terratech Resources Pte Ltd and its subsidiary CEP Resources Sdn Bhd (“**Marble business**”) for a consideration of RM4.8 million. Following this, on 28 April 2022, the Company entered into a sale and purchase agreement with Mr Loh Choon Yow, a Malaysian businessman, and MIE Corporate Holdings Sdn Bhd, a company incorporated in Malaysia that is principally engaged in investment holding to dispose Marble business. As at date of this announcement, the condition precedents that have been set out in the conditional sale and purchase agreement are yet to be satisfied.

## F. OTHER INFORMATION REQUIRED BY APPENDIX 7C OF THE CATALIST RULES

### 1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed interim consolidated statement of financial position of Capital World Limited and its subsidiaries as at 30 September 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the financial year ended and certain explanatory notes have not been audited or reviewed.

### 2. 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.

### 2A. 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 issues.

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

**In the review of the performance, the factors leading to any material changes in contribution to turnover and earnings by the operating segments.**

- (a) The independent auditor of the Company, Messrs Moore Stephens LLP, have in their Independent Auditor's Report for the financial year ended 30 June 2021 ("FY2021") dated 13 May 2022 expressed (i) a qualified opinion in respect of the carrying amounts of inventory properties – serviced suites under construction and serviced apartments under construction ("IP") and property, plant, and equipment – hotel under construction ("PPE"); and (ii) an emphasis of matter in respect of the material uncertainty related to going concern on the audited financial statements of the Group and the Company for FY2021.

As of the date of the announcement, the management of the Company has assessed the net realizable value of these IP and the recoverable amount of these PPE, and accordingly the IP - serviced suites under construction and serviced apartments under construction and PPE - hotel under construction were written-off by an amount of RM190.3 million and impaired by an amount of RM35.7 million respectively in the financial year ended 30 June 2021. This is based on the prudent approach taken by the management. Due to the challenging residential property market in Johor, Malaysia which had been deeply impacted by Covid-19 pandemic, the Group is still in the midst of securing contracts/agreements to substantiate the net realizable value of these IP and the recoverable amount of the PPE.

- (b) The Board confirms that the impact of all outstanding audit issues on the financial statements has been adequately disclosed.

**3. 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.**

**In the review of the performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

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

3 months ended 30 September 2021 ("1Q2022") vs 3 months ended 30 September 2020 ("1Q2021")

During the 3 months ended 30 September 2021, the Group's did not secure any new sales due to the challenging property market in Johor, Malaysia which had been deeply impacted by Covid-19 pandemic, and currently the Group is focus on debt restructuring. As such the cost of sales and gross profit for 1Q2022 is nil (1Q2021 cost of sales : RM 0.10 million, gross profit : RM0.29 million)

Decrease in other income amounting to RM2.54 million mainly due to the absence of the ad-hoc operating expenses recovered from the CCRM Management Sdn Bhd amounting to RM2.4 million,

The general and administrative expenses mainly consist of manpower cost, depreciation of property, plant and equipment, professionals fee, utilities, and office administrative expenses. The increase of general and administrative expenses amounting to RM2.17 million mainly due to following:

- a) the impairment of inventory property amounting to RM1.73 million during 1Q2022 (1Q2021: Nil);
- b) the estimate assessment expenses for the unsold units, Capital City for the period ended 1Q2022 amounting to RM0.59 million; and
- c) On 30 September 2021, increase in the foreign exchange differences arising from the translation of foreign operations mainly due to Singapore Dollar against Malaysian Ringgit decreased to RM3.0772/SGD 1 (30 June 2021 : RM3.0873 / SGD 1)

The Group's recorded net loss after tax of RM5.37 million for 1Q2022 as compared to net loss after tax of RM1.23 million in 1Q2022.



## REVIEW OF STATEMENT OF FINANCIAL POSITION OF THE GROUP

The decrease in Group's total assets as at 30 September 2021 compared to Group's total assets as at 30 June 2021 amounting to RM1.09 million was mainly attributed to:

- a) decrease in Inventory properties amounting to RM1.73 million due to the write-off of the development cost, and
- b) increase in other receivable amounting to RM0.4 million due to the assessment being back charges to respective Capital City Mall's purchaser for the period 1Q2022.

For the financial ended 30 September 2021, the Group's current liabilities exceeded its current assets by RM106.27 million (30 June 2021: RM101.05 million), and the Group's registered a net liabilities position amounting to RM84.68 million (30 June 2021: RM79.3 million). In financial year ended 30 June 2021, the capital deficit position is mainly due to the written-down inventory properties – serviced suites under construction and serviced apartments under construction ("IP") and impairment of property, plant, and equipment – hotel under construction ("PPE") following assessment and adoption of a prudent approach by the Company's management. Due to the challenging residential property market in Johor, Malaysia which had been deeply impacted by Covid-19 pandemic, the Group is still in the midst of securing contracts/agreements to substantiate the net realizable value of these IP and the recoverable amount of the PPE.

The continuing challenges affecting the property market in Johor Bharu, Malaysia, continues to impact the implementation of the Group's restructuring. In addition, the Covid-19 pandemic has brought about uncertainties to the Group's and the Company's operating environment.

Following the completion of the Scheme, the Group will be able to improve its working capital position. In addition, the Group has signed a non-binding term sheet with a potential buyer, Mr Loh Choon Yow, in relation to its Marble business to raise the additional cashflow for its general working capital as well as to meet the Group's short-term debts obligation when its fall due. At the same time, as for the capital deficit position, the Board is of the view that upon successful implementation of the restructuring exercises in both the Company and CCPSB, it will be able to extinguish its debts amounting to RM187 million and accordingly the Group's financial position will improve to a net assets position which will allow the Group to continue to operate as a going concern. The Company's shares had been voluntarily suspended since 14 February 2020. Subject to the opinion of the Group's Independent Auditors on going concern, the Company targets to prepare its proposal for the trading resumption for submission to SGX-ST by 31 December 2021.

## REVIEW OF STATEMENT OF CASH FLOWS OF THE GROUP

The Group reported net cash flows used in operating activities of RM0.11 million (30 September 2021 : Net cashflow generate from operating activities: RM0.003 million).

There was no cash flow generated from or used in investing activities and financing activities during the period ended 1Q2022 and 1Q2021.

As a result of the above, the Group recorded a cash and cash equivalent of RM0.30 million (which comprise cash at hand and at banks of RM 1.06 million net off balances not available for use of RM0.76 million) as at 30 June 2021.

### **4. 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.

### **5. 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's property business in Johor Bahru and marble business in Kelantan were affected by the outbreak of the Coronavirus Disease 2019 (COVID-19) in Malaysia since March 2020. The COVID19 restrictions such as the Movement Control Order ("MCO") and prolonged closed border between Singapore and Malaysia, had weakened the economic situation as well as the consumer sentiment in Malaysia, especially in Johor Bahru.

With the recent news of easing of restrictions in Malaysia such as the allow of inter-state travel will help to progressive re-opening of the economy and social activities in Malaysia. The start of the opening up borders between Singapore and Malaysia, where vaccinated air travelers between Singapore Changi Airport and Kuala Lumpur International Airport which will be quarantine-free surely will allow the recovery of the economy and pave way for businesses to resume. With the

opening of land travel between Singapore and Johor, which will improve the economy in Malaysia as well to allow and bring more Singapore investors to invest in properties in Malaysia and which will surely help to revive the economies in Johor, especially in Johor Bahru, the nearest town to Singapore. The Group's properties are located within the prime and strategic locations in Johor Bahru, providing us with the confidence for a sustained recovery of our property business in the endemic phase. The Group is expecting the Johor property market to slowly pick up with the progressive improvement over the economy between Singapore and Johor.

In addition to the efforts to restructure and improve the financial position, the Company is also working to strengthen the existing business to be a viable and sustainable business. The Company continues to explore potential fund-raising opportunities and potential acquisition of new businesses. This is part of the effort of the Company in working towards the submission of a resumption of trading proposal ("**Resumption Proposal**") to SGX-ST by 31 December 2021. The Company will continue to provide regular updates as well as its submission of the Resumption Proposal to SGX-ST via SGXNET.

## **6. Dividend information**

### **6a. Current financial period reported on**

#### **Any dividend recommended for the current financial period reported on?**

No.

#### **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 financial year ended 30 September 2021 as the Group's funds is required to be used for the Group's operations.

### **6b. Corresponding period of the immediately preceding financial year**

#### **Any dividend declared for the corresponding period of the immediately preceding financial year?**

None.

### **6c. 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.

### **6d. Date payable.**

Not applicable.

### **6e. Books Closure Date**

Not applicable.

**7. 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 Group has procedures governing all IPT to ensure that they are properly documented and reported in a timely manner to the Audit Committee and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

Save as disclosed below, there were no IPT that was equal to or had exceeded S\$100,000 for the 3 months ended 30 September 2021.

	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)
Dato Wira Eric Tan (an associate of the Non-executive and Non-Independent director of the Company, Ms Tan Ler Choo, as one-off Advisor Fee for the final settlement arrangement with Achwell Property Sdn Bhd)	RM3,244,894 (Or equivalent to S\$1,052,000)	

The Company had obtained shareholders’ approval for the above IPT from in the extraordinary general meeting held on 12 November 2021 and was paid in the form of issuance new ordinary share of the Company on 14 April 2022.

**8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7(H) under Rule 720(1))**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H pursuant to Rule 720(1) of the Catalyst Rules.

**9. Negative confirmation pursuant to Catalyst Rule 705(5)**

The Board of Directors of the Company hereby confirm that to the best of their knowledge, nothing has come to their attention which may render the Unaudited Condensed Interim Financial Statements of the Company and the Group for the first quarter ended 30 September 2021 to be false or misleading in any material aspect.

**10. Disclosures of incorporation, acquisition, and realization of shares pursuant to Catalyst Rule 706(A)**

There were no incorporation, acquisition and realization of shares pursuant to Rule 706(A) of the Catalyst rules.

**On behalf of the Board of Directors**

**Siow Chien Fu**  
Executive Director and Chief Executive Officer

**Hoo Khee Leng**  
Executive Director

**14 July 2022**

*This announcement 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.*

*The contact person for the Sponsor is Mr. Shervyn Essex, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg).*