



CAPITAL WORLD LIMITED

ANNUAL REPORT 2025



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This annual report has been reviewed by the Company's sponsor, RHT Capital 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 document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr. Josh Tan at 36 Robinson Road, #10-06 City House, Singapore 068877, Email: sponsor@rhtgoc.com.

CORPORATE PROFILE

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

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



MANAGING DIRECTOR STATEMENT

“Over the past year, the Group has continued to strengthen its footprint in Johor Bahru through our flagship mixed-use integrated development in Tampoi.”

”



DEAR SHAREHOLDERS,

On behalf of the Board of Directors, it is my privilege to present the Annual Report of Capital World Limited (the “Company” and, together with its subsidiaries, the “Group”) for the financial year ended 30 June 2025. We extend our sincere appreciation to all stakeholders for your continued trust and support throughout a transformative year.

STRATEGIC PROGRESS AND MILESTONES

Over the past year, the Group has continued to strengthen its footprint in Johor Bahru through our flagship mixed-use integrated development in Tampoi. A key highlight remains our collaboration with MK Mustafa Sdn Bhd, whose acquisition of the remaining retail units has further elevated the development’s profile as a vibrant commercial and lifestyle destination.

We are pleased to report that the opening of Mustafa’s first flagship store in Johor Bahru—within our premises—is progressing well. This milestone is expected to catalyze footfall, stimulate local commerce, and reinforce the development’s positioning as a retail anchor in the region.

In addition, while the Group had previously entered into a non-binding principal term sheet for the proposed sale of the Development Right and Beneficial Ownership of the 5 Towers, this arrangement has since lapsed. Nonetheless, the Board and management continue to undertake a comprehensive assessment of the strategic potential of the 5 Towers, including its long-term value proposition, associated risks, and operational synergies. This ongoing evaluation reflects our disciplined approach to capital allocation and our commitment to enhancing shareholder value through prudent and forward-looking decision-making.

MARKET OUTLOOK

Despite persistent global headwinds—including geopolitical instability, inflationary pressures, and climate-related disruptions—we remain cautiously optimistic about the long-term prospects in Johor Bahru. The Johor Bahru–Singapore Rapid Transit System (“RTS”) and the anticipated Johor–Singapore Special Economic Zone (“SEZ”) continue to position

the region as a high-potential investment corridor, echoing the cross-border dynamism seen between Shenzhen and Hong Kong.

GOVERNANCE AND BOARD CHANGES

The Group remains deeply committed to Environmental, Social, and Governance (ESG) principles. We continue to work closely with our management teams to identify and address sustainability-related risks and opportunities, ensuring responsible growth and long-term resilience.

During the year, we experienced several key changes to our Board composition:

- Mr Hoo Khee Leng, our Executive Director and Chief Executive Officer, resigned on 31 December 2024. We thank Mr Hoo for his leadership and invaluable contributions to the Group’s journey.
- Mr Siow Chien Fu, Executive Director, resigned on 31 January 2025. His insights and dedication have been greatly appreciated.
- We are pleased to welcome Datuk Wira Eric Tan Eng Huat, who joined the Board as Managing Director on 13 January 2025. Datuk Wira Eric brings with him a wealth of experience in strategic development and corporate leadership, and we look forward to his stewardship in guiding the Group’s next phase of growth.

CLOSING REMARKS

As we look ahead, we remain focused on delivering sustainable value to our shareholders, enhancing stakeholder engagement, and executing our strategic priorities with discipline and agility. On behalf of the Board, I wish to express our deepest gratitude to our shareholders, partners, employees, and the wider community for your unwavering support.

Together, we will continue to build a resilient and forward-looking organisation.

DATUK WIRA ERIC TAN ENG HUAT
MANAGING DIRECTOR

FINANCIAL REVIEW

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Revenue, cost of sales and gross loss

For the 12 months ended 30 June 2025, the Group recorded a loss of RM4.3 million (12 months ended 30 June 2024: loss of RM4.7 million) and cost of sales of RM1.1 million (12 months ended 30 June 2024: RM1.1 million), which the loss was primarily attributable to the cancellation of previously sold units. This resulted in a gross loss of RM3.1 million for the financial year ended 30 June 2025 (12 months ended 30 June 2024: RM3.6 million).

Other income

Other income for the financial year ended 30 June 2025 amounted to RM0.8 million (12 months ended 30 June 2024: RM0.6 million), mainly due to the written off of other payable amounted to RM0.6 million.

General and administrative expenses

General and administrative expenses decreased significantly to RM9.8 million (12 months ended 30 June 2024: RM29.2 million).

The reduction was primarily attributable to lower staff costs, with no expenses incurred for share-based payments, repair, or maintenance.

Reversal of impairment of financial assets

During the financial year, the Group reversed impairment losses of RM1.5 million (12 months ended 30 June 2024: RM2.9 million). The impairment was provided for purchasers who have not made any payment for the purchase of the units in the past few years. During the current financial year, the purchasers have cancelled the purchase of the units and hence, the impairment related to the purchasers were reversed.

Income tax expense

Income tax expense for the financial year ended 30 June 2025 was RM0.02 million, mainly comprises current year tax provisions (12 months ended 30 June 2024: under provision of income tax in respect of previous years of RM0.3 million).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Group's total assets declined from RM332.0 million as at 30 June 2024 to RM324.3 million as at 30 June 2025. This decrease was primarily attributable to the write-down of non-current assets held for sale amounting to RM4.2 million, a reduction in cash and cash equivalents of RM2.0 million, and a decrease in other receivables, deposits and prepayments of RM0.9 million.

Total liabilities increased from RM175.8 million to RM181.7 million as compared year-on-year, mainly due to an increase in other payables of RM2.7 million, the receipt of a deposit sum of RM8.0 million from MK Mustafa, and a provision for liquidated damages of RM2.5 million relating to the Capital Suites project. The increase also reflects the reclassification of RM5.3 million in non-current other payables to current other payables.

As a result of the loss for the year of RM16.6 million, total equity attributable to owners of the Company decreased from RM156.2 million to RM142.6 million.

CONSOLIDATED STATEMENT OF CASH FLOWS

Net cash used in operating activities amounted to RM7.0 million for the financial year ended 30 June 2025, compared to RM53.4 million in the preceding year. The outflow was primarily driven by a loss before tax of RM16.6 million, write-down of inventory properties and non-current assets held for sale totalling of RM6.0 million, and a provision for liquidated damages of RM2.5 million. These were partially offset by favourable working capital movements, including an increase in trade and other payables of RM2.1 million.

Net cash generated from investing activities was RM2.1 million (12 months ended 30 June 2024: RM7.1 million), mainly attributable to the receipt of deposits amounting to RM5.2 million for non-current assets held for sale, partially offset by frozen bank deposits of RM3.0 million.

Net cash used in financing activities was RM0.1 million (12 months ended 30 June 2024: net inflow of RM5.8 million), primarily due to lease liability repayments of RM0.1 million. There was no new drawdown of convertible loan during the financial year.

BOARD OF DIRECTORS



MR LOW CHAI CHONG

**NON-EXECUTIVE
INDEPENDENT CHAIRMAN**

Appointed to the Board on 30 September 2019 and was last re-elected on 30 October 2024, Mr Low is the Non-Executive Independent Chairman, Chairman of Remuneration Committee and member of the Audit Committee and Nominating Committee.

Mr Low is an advocate and solicitor of the Supreme Court of Singapore and a Senior Partner at Dentons Rodyk Davidson LLP. He has more than 30 years of legal experience representing multinational corporations, financial institutions and listed companies in a wide array of commercial and corporate matters regionally, including dispute resolutions. He is routinely cited in various legal publications as a leading and distinguished Singapore lawyer. Mr Low graduated with a Bachelor of Laws (Honours) degree from the National University of Singapore.

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



DATUK WIRA ERIC TAN ENG HUAT

**MANAGING DIRECTOR
(APPOINTED ON 13 JANUARY 2025)**

Datuk Wira Eric Tan Eng Huat ("Datuk Wira Eric") was appointed to the Board on 13 January 2025 as Managing Director. With over 45 years of experience in property development, investment, and corporate strategy, he brings deep industry expertise and visionary leadership to the Group.

He is widely recognised as one of Southeast Asia's most accomplished figures in the real estate sector, having founded and led multiple successful ventures across Singapore and Malaysia. His early achievements include transforming high-risk and abandoned projects into thriving developments, notably revitalising Geylang in Singapore and spearheading the turnaround of Dataran Pahlawan Melaka Megamall — now a multi-award-winning retail-tourism landmark.

As one of Malaysia's foremost economic visionaries, Datuk Wira Eric has played an instrumental role in shaping regional urban development. His contributions earned the trust of the Melaka State Government, where he served as a key advisor to the Conceptual Study and Urban Development initiative — a strategic effort to modernise Melaka in line with global urban benchmarks.

He does not hold directorships in other listed companies.

**MR YEO BOON KEONG****NON-EXECUTIVE AND
INDEPENDENT DIRECTOR**

Appointed to the Board on 11 October 2024 and was last re-elected on 30 October 2024, Mr Yeo is a Non-executive and Independent Director, Chairman of Audit Committee and Nominating Committee and a member of the Remuneration Committee.

Mr Yeo is a Public Accountant and Licensed Insolvency Practitioner in Singapore.

He is a member of the Institute of Singapore Chartered Accountants (ISCA), CPA Australia and the Singapore Chartered Tax Professionals.

With over 30 years of experience in auditing, accounting, tax, restructuring and insolvency, Mr. Yeo holds a Master in Practising Accounting from Monash University, Australia.

Mr Yeo is also an independent director of Hatten Land Limited [and Wilton Resources Corporation Limited] which is listed on the SGX-ST. His principal commitment is with Adagio Chartered Accountants and Technic-Inter Asia Pte Ltd, both of which are accounting-related entities.

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

Appointed to the Board on 28 June 2019 and was last re-elected on 27 October 2023, Ms Tan is a Non-Executive and Non-Independent Director and member of the Audit Committee, Nominating Committee and Remuneration Committee.

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

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

Notable Accomplishments & Completed Projects:

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

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

BOARD OF DIRECTORS



MR HOO KHEE LENG

**EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER
("CEO") (RESIGNED ON 31 DECEMBER 2024)**

Appointed to the Board on 14 April 2022, re-designated as the CEO on 3 January 2023 and was last re-elected on 27 October 2023, Mr Hoo was the Executive Director and CEO of the Company.

Mr Hoo has more than 30 years of working experience covering full aspects of financial services including financial institutional sales and corporate treasury primarily in fixed income and credit derivatives, corporate banking, corporate & strategic advisory, project & structured finance, accounting and auditing. Mr Hoo graduated from the San Diego State University with a Bachelor of Science in Business Administration (Major in Accountancy).

Mr Hoo's principal commitment is with Capital World Limited and he does not hold any directorship with other listed companies.



MR SIOW CHIEN FU

**EXECUTIVE DIRECTOR
(RESIGNED ON 31 JANUARY 2025)**

Appointed to the Board on 4 May 2017 and was last re-elected on 28 October 2022, Mr Siow was the Executive Director of the Company.

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

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

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

Mr Siow's principal commitment is with Capital World Limited and he does not hold any directorship with other listed companies.

SENIOR MANAGEMENT



MR KOH CHEE HUAT

FINANCIAL CONTROLLER

Mr. Koh Chee Huat joined the Company as a Financial Controller in April 2025.

Mr. Koh graduated with a Bachelor of Business Administration (Major in Finance) in a twinning program with Nottingham Trent University, UK. He has been a member of the Association of Chartered Certified Accountants (ACCA) and the Malaysian Institute of Accountants since 2003 and 2017, respectively. He has over 15 years of experience in auditing, management accounting and reporting as well as budgetary controls, amongst others.

He does not hold any directorship in other listed companies.

CORPORATE STRUCTURE

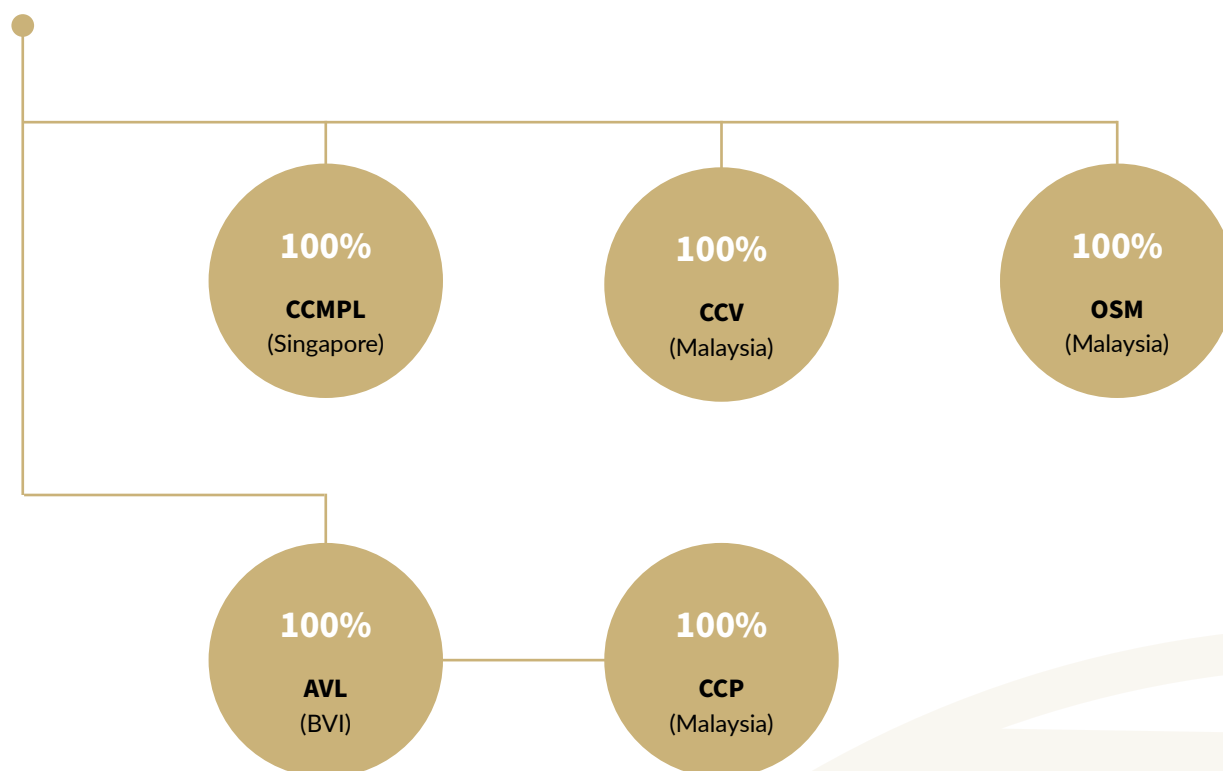
As at 30 June 2025



CAPITAL WORLD LIMITED

CAPITAL WORLD LIMITED

(Listed on the Catalist Board of SGX-ST)



Legend:

AVL:	Altimate Ventures Limited
CCP:	Capital City Property Sdn Bhd
CCMPL:	Capital City Management Pte Ltd
CCV:	Capital City Ventures Sdn Bhd
OSM:	One Solution Management Sdn Bhd

SUSTAINABILITY REPORT

INTRODUCTION

The Sustainability Report ("SR") provides an overview of Capital World Limited's (the "**Company**", together with its subsidiaries, the "**Group**") approach and performance in integrating key economic, environmental, social and governance ("**ESG**") issues into its strategies, policies and operations. The Group hopes to share its sustainability commitment with its various stakeholders, including investors, customers, managing agents, contractors, the community and government through this SR.

The SR covers data and statistics for the financial period from 1 July 2024 to 30 June 2025 ("**FY2025**"), with FY2024 data for comparison, where applicable.

SUSTAINABILITY REPORTING FRAMEWORK

The Group has prepared the SR with reference to the Global Reporting Initiative ("**GRI**") standards. We have prepared our climate-related disclosures along the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"). The SR is cross-referenced against the SGX Core ESG Metrics and compliance with Rule 711A and 711B of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). We have also taken into consideration IFRS S1 and S2. The GRI Standards and TCFD are internationally recognised and widely used as a reporting framework ("**Framework**") globally. The Framework has been chosen as it meets our current regulatory requirements. As such, the Group deems the Framework as the most suitable for the Group's sustainability reporting.

The SR is based on our business function and location, as outlined in the list shown below.

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

SUSTAINABILITY REPORT

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



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

We are committed to assess our greenhouse gas ("GHG") emissions and address climate related risks and opportunities that will affect our operations within short, medium and long-term time horizons. We will continue to add to the climate disclosures aligned with TCFD and International Sustainability Standards Board ("ISSB") recommendations in the coming years as we are currently reviewing our current practices and investing in the necessary resources to improve our carbon accounting.

SUSTAINABILITY REPORT

INTERNAL REVIEW

The Group has engaged internal auditors, Baker Tilly Monteiro Heng Governance Sdn Bhd, to review the sustainability reporting process for FY2025. The review was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

ACCESSIBILITY

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

FEEDBACK

The Group believes in continuously engaging its stakeholders through questionnaires/feedback forms to enhance its sustainability policies, practices and disclosures. Feedback or suggestions on this SR is also welcome at info@capitalcity.com.my.

MESSAGE FROM THE BOARD

Dear Stakeholders,

The Board of Directors (the “**Board**”) of Capital World Limited is pleased to present the Group’s SR for FY2025. We wish to report on our continuing commitment to creating a long-term sustainable future, highlighting the sustainable practices that has been incorporated into our business strategies, operations and practices.

The Board has considered the Group’s material risks and opportunities and determined the material ESG factors for the Group. The Board has then determined material sustainability-related strategies and business objectives. The Board has delegated the implementation of such strategies and business objectives to the Sustainability Reporting Committee (“**SR Committee**”). The Board oversees the management and monitoring of the material ESG factors on an ongoing basis and has the ultimate responsibility for the Company’s sustainability reporting. The SR Committee is also responsible for the monitoring of our sustainability practices and reporting the results to the Board.

This is the fifth year we are publishing our SR and we are proud to continue delivering on our commitment on sustainability and sharing our results here.

We continue to make sustainability a focus as we continue our mall re-opening efforts and the future development of the remaining 5 towers of Capital City Mall. The continued success of our sustainability journey will require collaboration and effort from all our stakeholders, we would like to express our gratitude to all stakeholders for their support and commitment.

SUSTAINABILITY REPORT

OUR BUSINESS

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

Key Sustainability Highlights for FY2025

For FY2025, there were minimal operating activities due to the temporary closure of the mall for renovation works and the ongoing strategic review of the five towers above it. With no active leasing or development during the year, operations focused on planning and stakeholder engagement. For FY2026 and beyond, we expect an increase in operating activities due to the expected re-opening of the mall and related renovations which continues to progress well, and the on-going plans to sell or develop the 5 towers above the mall which the management continues to assess the strategic potential of the 5 towers to realise the greatest long term value proposition. The support for the SR Committee will thereafter be expanded to reflect the increased activities and scope.

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

The Group has engaged Aimpact Capital Pte Ltd as an independent external consultant in preparing the SR for FY2025. Our corporate headquarters and our independent external consultant are kept updated on regulatory updates in relation to sustainability reporting, as well as evaluates the risk and materiality of the environmental, social and governance factors impacting the Group.

Details of our Group's structure can be found in the Corporate Structure section of our Annual Report.

Details of our Group's financial performance can be found in the Operation and Financial Review section of our Annual Report.

SUSTAINABILITY VISION STATEMENT

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

SUSTAINABILITY REPORT

GOVERNANCE STRUCTURE

The SR Committee consists of our Chief Sustainability Officer (“CSO”) who is also the Group’s Financial Controller, and the various head of departments like project and human resource. The duties of the SR Committee are determined by the Board and the duties are as follows:

- Review, endorse and report to the Board on the Group’s sustainability standards, priorities and goals and to oversee group-level strategies, policies and practices on sustainability matters to attain those standards and goals;
- To review and report to the Board on:
 - o Key international trends in legislation, regulation, litigation and public debate with regards to social, environmental and ethical standards of corporate behaviour;
 - o The standards set and the performance of the Group in ESG matters, relative to comparable companies or other benchmarked companies; and
 - o Sustainability risks and opportunities which will be disclosed in the next SR together with the TCFD disclosure.
- Oversee the Group’s community charitable and environmental partnerships, strategies and related group-level policies and make recommendations to the Board on any changes to those partnerships, strategies and policies;
- Perform such further functions related or incidental to the foregoing which the SR Committee deems appropriate;
- Report to the Board and management on decisions or recommendations made; and
- Review and advise the Board on the Group’s public reporting as regards its performance on ESG matters.

The Board assesses the skills and competencies of the SR Committee on an annual basis and determines whether the SR Committee is able to implement the sustainability strategies determined by the Board or where additional training is required.

The directors have attended the mandatory sustainability reporting training prescribed by SGX. In FY2025, the SR Committee is determined to have the sufficient skills and competencies. 6 hours of training was conducted for the SR Committee in FY2025 (FY2024: 2).

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

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

SUSTAINABILITY AND STRATEGY

Having considered the current sustainability related risks and opportunities available to the Group, the Board has maintained its current business model and decision-making process. The Board has determined that the current sustainability related risks and opportunities available to the Group has had no significant impact on the financial position, financial performance and cash flow of the Group.

The Group will continue to monitor the developments in anticipated sustainability related risks and opportunities available to the Group and adjust its business strategy and decision-making process accordingly. Save for greater financial and management resources to be allocated for sustainability purposes, no material impact on the financial position, financial performance and cash flow of the Group is expected at this point.

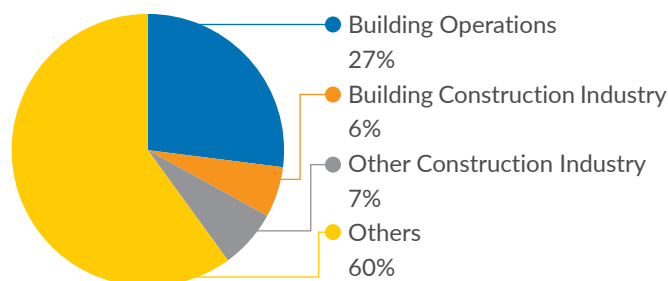
SUSTAINABILITY REPORT

RISK AND MATERIALITY ASSESSMENT

To keep abreast of material sustainability issues, the Group periodically evaluates and benchmarks its business operations against the changing business landscape, emerging global trends, stakeholders opinions and regulatory developments. Such sustainability-related risks and opportunities are also considered in the context of the potential impacts on the Group's cash flows and prospects over the period.

The Group notes the ambitions of the Paris Agreement and the UN Global Goals for Sustainable Development, especially for the building and construction sector. The International Energy Agency separately notes that the built environment generates 40% of annual global CO₂ emissions¹.

ANNUAL GLOBAL CO₂ EMISSIONS



We believe in the need for systemic change for sustainable and decarbonized built environment for future generations. We are therefore focused on energy, water and waste management for our existing project while considering the commercial viability of resource efficient materials and processes for our future projects. We aim to achieve Malaysia Green Building Index certification for all our future projects².

Our employees are the heart of the Company and we also focus on health and safety as well as meaningful employment practices for our employees.

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

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

Identification

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

Prioritisation

The SR Committee assisted the Board to review the identified key ESG factors and prioritized the key ESG based on relevance to our Group's operations. While there were no material operating activities for FY2025, the management have assumed full business operations for FY2026 and beyond in its review of key ESG factors for FY2025.

¹ IEA (2022)

² <https://www.greenbuildingindex.org/>

SUSTAINABILITY REPORT

Review

The Board then reviews and sets the strategies and policies to address all material ESG risks and opportunities for the Group, including the selection of the ESG risks in the SR. The SR Committee and the Board will continue to review the business operations and review the priority and applicability of the key sustainability factors for FY2025.

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

Importance to Stakeholders	High			Health and Safety Anti-Corruption
	Medium		Energy Consumption Water Consumption Waste Management Employment Community Engagement	
	Low			
		Low	Medium	High
Significance of Impact to the Group				

We are providing climate related disclosures consistent with TCFD recommendations for FY2025, while adopting a balanced approach to other factors as well.

SUSTAINABILITY REPORT

ENVIRONMENTAL

Energy Consumption

For FY2025, the Group is of the view that electricity consumption does not fall under Scope 1 GHG emissions. All emissions via electricity consumption are therefore Scope 2 GHG emissions. The Group currently does not monitor and report on Scope 3 GHG emissions.

We have identified electricity consumption being materially used in the following areas:

- Air-condition; and
- Lighting

In FY2025, we used 27,480 Kwh (FY2024: 35,709 Kwh) of electricity for our operations. We generated approximately 20³ tons (FY2024: 13 tons) of CO₂ emission. The electricity intensity consumption per employee was 2,113 Kwh (FY2024: 1,984 Kwh). The increase in CO₂ emission is mainly due to the higher utilization of our JB office, which has a higher grid emission factor. This increase also reflects the consolidation of operations in Johor Bahru following the closure of our Singapore office (FY2024: 2 staff), despite an overall reduction in total electricity consumption due to lower corporate activity.

We will continue to implement energy-efficient lighting and air-conditioning and promote energy conservation among employees both at the corporate office as well as on-site. We will also continue to evaluate the cost efficiency of available equipment, processes and keep to the timetable for implementation of our medium term and long-term target as mentioned in the “Performance and Target for Energy, Water Consumption and Waste Management” section of the Report.

Water consumption

For FY2025, we have identified water consumption being materially used in the following areas

- Corporate office in Johor Bahru

We do not measure water consumption in the Singapore corporate office as it shares a common sanitary system with other tenants in the same building and is not measured and billed by unit. Water consumption is also minimal as we no longer have staff (FY2024: 2) in the Singapore office within FY2025.

In FY2025, we used 161,000 liters (FY2024: 237,000 liters) of water in the Johor Bahru corporate office. The water consumption intensity per employee was 12,385 liters (FY2024: 13,167 liters). The decrease in water consumption is in line with the decrease in staff and overall corporate activities in the office unit in Johor Bahru.

We will continue to train our employees in water efficient practices. We will also routinely check for faulty faucets and pipes and replace with water efficient equipment when appropriate.

Waste Management

We do not measure the renovation waste and debris collection for the mall as the renovation works have not materially commenced. However, we aim to minimise renovation waste and debris for the mall. Renovation waste is largely non-incinerable and some of which may contain toxic substances.

To minimise the impact from renovation waste, we will explore cost-efficient solutions to compact our waste and minimise waste by volume, increase segregation of waste and increase recycling, and increase the use of recycled or sustainably sourced materials. We will adopt the same waste management strategy for the 5 towers in due course.

3 Based on the Peninsula Malaysia Grid Emission Factor of 0.774kg CO₂/Kwh for 2022 <https://myenergystats.st.gov.my/documents/d/guest/grid-emission-factor-gef-in-malaysia> and based on the Singapore Grid Emission Factor of 0.412kg CO₂/Kwh for 2023 <https://www.ema.gov.sg/resources/singapore-energy-statistics/chapter2#grid-emission-factor>

SUSTAINABILITY REPORT

Performance And Target For Energy And Water Consumption And Waste Management

Material Factor	FY2025 Target	FY2025 Achievement	FY2026 Target	Medium Term Target (2-5 years)	Long Term Target (6-10 years)	Action Plans
Energy Consumption	To reduce the amount of Electricity Intensity Consumption per Employee by at least 3%.	Achieved reduction of Electricity Intensity Consumption per Employee by at least 3%	To reduce the amount of Electricity Intensity Consumption per Employee by at least 3%.	To reduce the amount of Electricity Intensity Consumption per Employee by at least 5%.	To reduce the amount of Electricity Intensity Consumption per Employee by at least 7%.	By promoting energy conservation among employees at the corporate office as well as on-site.
Water Consumption	To reduce the amount of Water Intensity Consumption per Employee by at least 3%.	Achieved reduction of Water Intensity Consumption per Employee by at least 3%	To reduce the amount of Water Intensity Consumption per Employee by at least 3%.	To reduce the amount of Water Intensity Consumption per Employee by at least 5%.	To reduce the amount of Water Intensity Consumption per Employee by at least 7%.	By promoting water conservation among employees at the corporate office as well as on-site.
Waste Management	To minimise waste generated for the offices in Singapore and Johor Bahru.	Not applicable in FY2025 as renovation for the mall has not materially started	To minimise waste generated for the renovation of the mall.	To minimise waste generated for the development for the future projects.	To minimise waste generated for the development for the future projects.	To evaluate the waste management efficiency of processes and materials.

SOCIAL

Health and Safety

The Malaysia Occupational Safety and Health Act 1994 (“**OSHA 1994**”) requires companies to ensure, so far as is reasonably practicable, the safety, health and welfare at work of all its employees as well as external parties who come to our premises to perform work. The Group also notes the Occupational Safety and Health Master Plan 2020 and focus on the monitoring, reporting and reduction of work-related deaths, occupational accidents and occupational diseases.

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

For FY2025, we have minimal operations and therefore have not observed any significant occupational safety and health lapses. With the increased business activity expected for FY2026 and beyond, we expect a regular OSHP training and monitoring program for our staff to be put in place.

SUSTAINABILITY REPORT

Employment

Our employees are vital assets of the Group. For FY2025, there were a total of 13 (FY2024: 18) employees. We view our employees as vital human capital that ultimately contributes to the value of the Group. We believe in fair employment opportunities and the nurturing and upgrading of our employees through learning and training.

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

The table below provides the breakdown by gender:

	FY2025			FY2024		
	Female	Male	Total	Female	Male	Total
Current	62%	38%	100%	56%	44%	100%
New hire	50%	50%	100%	–	100%	100%
Staff turnover	55%	45%	100%	25%	75%	100%

The table below provide the breakdown by age group:

	FY2025				FY2024			
	< 30 years	30 - 50 years	> 50 years	Total	< 30 years	30 - 50 years	> 50 years	Total
Current	23%	62%	15%	100%	22%	50%	28%	100%
New hire	25%	25%	50%	100%	–	50%	50%	100%
Staff turnover	22%	22%	56%	100%	–	25%	75%	100%

During FY2025, there were 9 (FY2024: 4) resigned employees. Staff turnover increased due to reduced economic activities during the year.

There were 25% (FY2024: 33%) female senior management and 75% (FY2024: 67%) male senior management as of FY2025.

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

For FY2025, the average training hours per employee is 2.1 hours (FY2024: 1.2 hours). The training hours increased due to higher staff turnover and a greater emphasis on digitization of work processes. With the increased business activity expected for FY2026 and beyond, we expect a regular training program in different areas, such as workplace health and safety, sustainability reporting for our staff to be put in place.

We conduct performance appraisal for our employees on an annual basis. For FY2025, we conducted our performance appraisal on an informal basis due to the minimal operating activity and headcount. With the increased business activity expected for FY2026 and beyond, we expect a formal performance appraisal for our staff to be put in place.

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

SUSTAINABILITY REPORT

Community Engagement

For FY2025, we continued to organise waste collection activities around the mall as a commitment to sustainability. We successfully gathered approximately 100 kg of waste.



SUSTAINABILITY REPORT

Performance And Target For Health And Safety, Employment And Community Engagement

Material Factor	FY2025 Target	FY2025 Achievement	FY2026 Target	Medium Term Target (2-5 years)	Long Term Target (6-10 years)	Action Plans
Health and Safety	Maintain zero work-related injuries and fatalities.	We have zero work-related injuries and fatalities.	Maintain zero work-related injuries and fatalities.	Maintain zero work-related injuries and fatalities.	Maintain zero work-related injuries and fatalities.	Regular occupational health and safety training to employees on workplace hazards, safe work practices and emergency procedures.
Employment	To maintain compliance with the Malaysia Employment Act 2023 and Singapore Employment Act 2023.	Complied with the Malaysia Employment Act 2023 and Singapore Employment Act 2023.	To maintain compliance with the Malaysia Employment Act 2023 and Singapore Employment Act 2023.	To maintain compliance with the Malaysia Employment Act 2023 and Singapore Employment Act 2023.	To maintain compliance with the Malaysia Employment Act 2023 and Singapore Employment Act 2023.	To maintain good human resources practices which encourage staff retention and good corporate culture.
	To carry out an average of 3 hours of training per employee.	Conducted an average of 2.1 hours of training for employees, an increase from 1.2 hours in FY2024.	To carry out an average of 3 hours of training per employee.	To carry out an average of 5 hours of training per employee.	To carry out an average of 7 hours of training per employee.	
	To maintain relatively healthy diversity of employees.	Maintained relatively healthy diversity of employees.	To maintain relatively healthy diversity of employees.	To maintain relatively healthy diversity of employees.	To maintain relatively healthy diversity of employees.	
Community Engagement	To carry out at least 1 ESG related event.	Carried out 1 ESG related event.	To carry out at least 1 ESG related event.	To carry out at least 2 ESG related event.	To carry out at least 3 ESG related event.	To identify broader based CSR initiatives.

SUSTAINABILITY REPORT

CORPORATE GOVERNANCE

Anti-Corruption

The Board undertakes to investigate complaints of suspected fraud in an objective manner. The Group recognise that fraud risk exists throughout the procurement process thus the Group seeks to update the procurement policy to enhance the transparency of the procurement process. Our risk management approach to anti-corruption helps us maintain our integrity, governance and responsible business practices. This management approach was developed in compliance with the Singapore Prevention of Corruption Act and is outlined in our Employee Code of Conduct, which all employees are required to abide by.

The anti-corruption policy prohibits the following activities:

- Use of Company funds or assets for any unlawful purpose or to influence others through bribes;
- Make facilitation or "grease payments" which are intended to service or speed up routine legal government actions; and
- Receive/give suppliers rewards, gifts or favours bestowed or promised with the view of perverting the judgement or corrupting the conduct of a person in a position of trust.

The Group also has a comprehensive whistle-blowing policy in place where it provides employees with well-defined and accessible channel to the Audit Committee for reporting suspected fraud, corruption or other similar matters. The whistle-blowing policy is disclosed in the Corporate Governance Report under note 10.1.

For FY2025, the Group has conducted a yearly in-house anti-corruptive training to all employees to raise and promote fraud control awareness. 100% of the employees attended the anti-corruption training in FY2025 (FY2024: 100%). There were no whistle-blowing cases and/or incidents of corruption received for FY2025 (FY2024: Nil).

Performance And Target For Anti-Corruption

Material Factor	FY2025 Target	FY2025 Achievement	FY2026 Target	Medium Term Target (2-5 years)	Long Term Target (6-10 years)	Action Plans
Anti-corruption	To achieve no financial, operational, compliance and reputational related incidents.	No financial, operational, compliance and reputational related incidents noted for FY2025. No whistle blowing incidents noted for FY2025.	To achieve no financial, operational, compliance and reputational related incidents.	To achieve no financial, operational, compliance and reputational related incidents.	To achieve no financial, operational, compliance and reputational related incidents.	To update the procurement policy to enhance the transparency of the procurement process. To constantly review the whistleblowing policy for employees to report suspected fraud corruption or other similar matters safely.

SUSTAINABILITY REPORT

REMUNERATION POLICIES AND TARGETS

In setting the targets for each material ESG factor, the Board and SR Committee has determined that the current target's structure needs to be improved upon to better co-relate the efforts of the Company in achieving the ESG targets and financial performances. Until the Board and SR Committee has determined that a suitable correlation can be determined between financial performance and achievements of ESG targets, ESG performance metrics are not included in current remuneration policies. The Board will however, consider financial remuneration penalties if any failures in achievement of ESG targets result in the Group suffering measurable financial losses (such as fines).

ASSESSMENT OF THE RESILIENCE OF SUSTAINABILITY STRATEGY

The Board and SR Committee has not conducted any quantitative assessment of the resilience of its sustainability strategy and business model. Based on the current size of the Group and complexity of the Group's operations, the Board and SR Committee does not intend to conduct any quantitative assessment of the resilience of its sustainability strategy and business model.

For FY2025, the Board and SC Committee has assessed that the Group has materially met its sustainability related targets and any deviations have been duly explained. No further qualitative assessment of the Sustainability Strategy is deemed necessary.

The Board will conduct its assessment of its sustainability strategy and business model annually or if the Board and SC Committee is aware of a material change in sustainability risk and opportunities that would have an impact on the Group's prospect.

SUSTAINABILITY REPORT

SUPPORTING THE TCFD

Key Area	Our approach
Governance	The Board sets the sustainability vision, assesses and determines the material ESG factors, risks and opportunities, and oversees the management and monitoring of the material ESG factors through the SR Committee. The SR Committee ensures sustainability practices are integrated into our business operations, including collection, monitoring and reporting of data that measures whether sustainability targets have been met.
Strategy	The SR Committee regularly gathers feedback from various stakeholder groups to identify and prioritise material sustainability factors. While the nature of our business is very centric on sustainable real estate aspects, the Group identifies climate related risks leading to risk to supply chains and rising costs of essential construction materials etc. We are in the process of simulating various climate scenario analysis and will share our scenario-based strategy in due course. Adverse climate change as well as geopolitical factors may affect the availability and price of construction materials such as sand and cement. We are looking into diversifying our supply chain and to mitigate the impacts of any supply shock.
Risk management	Climate related risks are identified and assessed together with other sustainability risks by the Board and SR Committee on a continuous basis. The data we are collecting will help build a longer-term data trend and assist our risk management policies over time. We have adopted a 1.5 degree Celsius and 4 degree Celsius climate change scenario analysis and have identified the flowing transition risk: - Increased risk of rising cost of energy - Increased risk of rising cost of water - Increased risk of reduced availability and increased cost of construction material supply We have therefore identified energy management, water management and waste management measures and targets in the short term and mid term and long term. We continue to assess the risks and the effectiveness of the transition measures as we continue to move towards a low carbon footprint business. We currently assess any climate-related physical risk to be immaterial for our business but will continue to monitor for climate related physical risks and potential financial impact arising for such physical risk.
Metrics and targets	We have set targets for climate related and non-climate related factors and these are guided by our Scope 1 and Scope 2 GHG emission calculation. We aim to further refine the GHG emission data and monitor our operations for better emission-efficient practices. We have therefore identified energy management, water management and waste management measures and targets in the short term and mid term and long term. The resultant impact on our GHG targets is also dependent on our ability to execute our economic growth plans which may increase our absolute GHG emissions. As such we do not set any absolute GHG emission targets. We do not measure Scope 3 GHG emissions due to lack of available data to do so. We will continue to evaluate our abilities to measure Scope 3 GHG emissions over time.

SUSTAINABILITY REPORT

GRI STANDARDS / TCFD / SGX CORE ESG MATRIX

GRI standards / TCFD / SGX Core ESG Matrix	Description	Reference and Explanation
GRI 2: General Disclosures 2021		
2-1	Organisational details	Page 12
2-2	Entities included in the organisation's sustainability reporting	Page 9
2-3	Reporting period, frequency and contact point	Page 9
2-5	External assurance	External assurance has not been sought for the SR however an internal review by our internal auditor, Baker Tilly Monteiro Heng Governance Sdn Bhd on our sustainability reporting process has been performed.
2-6	Activities, value chain, and other business relationships	Page 12
2-7	Employees	Page 19
2-9	Governance structure and composition	Page 13
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Page 15
3-2	List of material topics	Page 16
3-3	Management of material topics	Page 16
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	Page 17
302-3	Energy intensity	Page 17
302-4	Reduction of energy consumption	Page 17
GRI 303: Water and Effluents 2018		
303-5	Water consumption	Page 17
GRI 305: Emissions 2016		
305-1	Direct (Scope-1) GHG emissions	Page 17
305-2	Energy indirect (Scope-2) GHG emissions	Page 17
305-3	Other indirect (Scope 3) GHG emissions	Page 17
GRI 306: Waste 2020		
306-3	Waste generated	Page 17
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Page 19
GRI 403: Occupational Health and Safety		
403-1	Occupational health and safety management system	Page 18
403-2	Hazard identification, risk assessment and incident investigation	Page 18
403-5	Worker training on occupational health and safety	Page 18
403-9	Work-related injuries	Page 21
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Page 19
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Page 19

SUSTAINABILITY REPORT

GRI standards / TCFD / SGX Core ESG Matrix

	Description	Reference and Explanation
TCFD		
Governance and Strategy	The Board is advised by the SR Committee. We will continue to review our operations for specific climate-related risks and manage such impacts.	Page 13
Metrics and targets	We track and report on our electricity usage, water consumption and waste generated. We further adopt entity level reporting to help us identify key areas of concern in managing our climate related risks in a targeted approach, taking into account stages of development, occupancy rates and other variables which impacts on such metrics, with targets to be set in due course. We are exploring various options and methods to monitor and report of our Scope 1 and Scope 2 greenhouse gas emissions and will incorporate into our operations and sustainability reporting in due course. We are exploring various options and methods to report on climate related scenarios and strategies to build corporate resilience in worst-case scenarios and will incorporate into our sustainability reporting in due course.	Page 18, Page 21 and Page 22
SGX Core ESG Metric		
Energy Consumption	Energy Consumption	Page 18
Water Consumption	Water Consumption	Page 18
Waste Generation	Waste Generation	Page 18
Occupational Health and Safety	Occupational Health and Safety	Page 21
Employment	Employment	Page 21

CORPORATE GOVERNANCE REPORT

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

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

This corporate governance report, set out in tabular form, outlines the Company’s corporate governance structures and practices that were in place during the financial year ended 30 June 2025 (“**FY2025**”), with specific reference made to the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”) and its related practice guide, as well as the disclosure guide developed by the SGX-ST in January 2015 (the “**Guide**”). Where there is a deviation from the Code, proper explanation of the reason for variation and how the practices it had adopted are consistent with the intent of the relevant principle have been explicitly stated in this annual report.

Provision	Code Description	Company’s Compliance or Explanation												
BOARD MATTERS														
The Board’s Conduct of Affairs														
Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.														
1.1	Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.	All Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interests of the Group. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict. The Board comprises 4 members and comprises the following as at the date of this report: <table><tr><th colspan="2">Composition of the Board</th></tr><tr><th>Name of director</th><th>Designation</th></tr><tr><td>Mr Low Chai Chong</td><td>Non-Executive Independent Chairman</td></tr><tr><td>Datuk Wira Eric Tan Eng Huat</td><td>Managing Director</td></tr><tr><td>Mr Yeo Boon Keong</td><td>Non-Executive and Independent Director</td></tr><tr><td>Ms Tan Ler Choo</td><td>Non-Executive and Non-Independent Director</td></tr></table> The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board’s principal functions include: - Decide on matters in relation to the Group’s activities which are of significant nature, including decisions on strategic directions, plans, key operational initiatives and guidelines, approval of periodic plans and major investments and divestments and funding decisions; - Align the interests of the Board and Management with that of shareholders and balance the interests of all stakeholders; - Review the financial performance and condition of our Group; - Oversee the quality and integrity of the accounting and financial reporting systems, disclosure controls and procedures and internal controls;	Composition of the Board		Name of director	Designation	Mr Low Chai Chong	Non-Executive Independent Chairman	Datuk Wira Eric Tan Eng Huat	Managing Director	Mr Yeo Boon Keong	Non-Executive and Independent Director	Ms Tan Ler Choo	Non-Executive and Non-Independent Director
Composition of the Board														
Name of director	Designation													
Mr Low Chai Chong	Non-Executive Independent Chairman													
Datuk Wira Eric Tan Eng Huat	Managing Director													
Mr Yeo Boon Keong	Non-Executive and Independent Director													
Ms Tan Ler Choo	Non-Executive and Non-Independent Director													

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		- Identify principal risks of our Group's business and ensuring the implementation of appropriate systems to manage the risks; - Constructively challenge Management and review its performance; - Ensure transparency and accountability to key stakeholder groups; - Instill an ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with the Company's culture; and - Ensure compliance with all laws and regulations as may be relevant to the business.
1.2	Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.	Upon the appointment of a new Director, the Company will provide the Director with a formal letter, setting out the Director's duties and obligations. The Board ensures that all incoming Directors will receive comprehensive and tailored induction on joining the Board, including briefing on his duties as a director and how to discharge those duties, and an orientation program to ensure that they are familiar with the Company's business and governance practices. All new first-time Directors (who have no prior experience as a director in a Singapore public-listed company) are also required to attend the requisite training as prescribed by the SGX under Rule 406(3)(a) and Practice Note 4D of the Catalist Rules for appropriate training in the roles and responsibilities of a director of a listed issuer within one year from the date of his appointment to the Board. Mr Hoo Keng Leng and Mr Siow Chien Fu tendered their resignations as the Directors of the Company with effect from 31 December 2024 and 31 January 2025, respectively. Following their departures, the Board appointed Datuk Wira Eric Tan Eng Huat as Managing Director of the Company with effect from 13 January 2025. His appointment was formalised through an official letter outlining his scope of duties, responsibilities, and terms of engagement. During the year, Datuk Wira Eric Tan Eng Huat, who was appointed to the Board on 13 January 2025, underwent mandatory training for first-time directors as required by the Singapore Exchange (SGX) Listing Rules. The training, conducted by an accredited provider, covered the roles and responsibilities of a director of a listed issuer, including accounting, legal, and other governance matters. The Company will continue to fund and support Datuk Wira Eric Tan Eng Huat ongoing professional development to ensure he is equipped to carry out his duties effectively. New releases issued by the SGX-ST which are relevant to the Directors are circulated to all Directors by the Company Secretary. The Board is also updated, from time to time, when new laws or regulations affecting the Group are introduced. The Directors are also encouraged to attend seminars and training courses that will assist them in executing their obligations and responsibilities as directors of the Company.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company’s Compliance or Explanation																
		During FY2025, the Directors completed the mandatory sustainability reporting training as prescribed by SGX as well as the following courses/seminars: 1) Antii-Money Lauderin/ Combating The Financing of Terrorism; ; 2) SID – Navigating Sustainable Governance; and.																
1.3	The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company’s annual report.	Matters that require the Board’s approval include, amongst others, the following: • Significant acquisition and disposal of assets; • Material borrowings and fund-raising exercises; • Share issuance and proposal of dividends; • Budgets, financial results announcements, annual report and audited financial statements; and • Material interested person transactions.																
1.4	Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board’s authority to make decisions, and a summary of each committee’s activities, are disclosed in the company’s annual report.	The Board has delegated certain responsibilities to the various Board committees, namely the Audit Committee (the “AC”), the Remuneration Committee (the “RC”) and the Nominating Committee (the “NC”) (collectively, the “Board Committees”) with clearly defined terms of reference. The compositions of the Board Committees as at the date of this Annual Report are as follows: <table><tr><th></th><th>AC</th><th>RC</th><th>NC</th></tr><tr><td>Chairman</td><td>Mr Yeo Boon Keong</td><td>Mr Low Chai Chong</td><td>Mr Yeo Boon Keong</td></tr><tr><td>Member</td><td>Mr Low Chai Chong</td><td>Mr Yeo Boon Keong</td><td>Mr Low Chai Chong</td></tr><tr><td>Member</td><td>Ms Tan Ler Choo</td><td>Ms Tan Ler Choo</td><td>Ms Tan Ler Choo</td></tr></table>		AC	RC	NC	Chairman	Mr Yeo Boon Keong	Mr Low Chai Chong	Mr Yeo Boon Keong	Member	Mr Low Chai Chong	Mr Yeo Boon Keong	Mr Low Chai Chong	Member	Ms Tan Ler Choo	Ms Tan Ler Choo	Ms Tan Ler Choo
	AC	RC	NC															
Chairman	Mr Yeo Boon Keong	Mr Low Chai Chong	Mr Yeo Boon Keong															
Member	Mr Low Chai Chong	Mr Yeo Boon Keong	Mr Low Chai Chong															
Member	Ms Tan Ler Choo	Ms Tan Ler Choo	Ms Tan Ler Choo															

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation																																																												
1.5	Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.	The Board meets on a quarterly basis, and as and when circumstances require. In FY2025, the number of the Board and Board Committee meetings held and the attendance of each Board member during FY2025 are shown below: <table><tr><th></th><th>Board</th><th>AC</th><th>NC</th><th>RC</th><th>General Meetings</th></tr><tr><td>No. of Meetings</td><td>4</td><td>4</td><td>1</td><td>1</td><td>1</td></tr><tr><td colspan="6">No. of Meetings attended by the Respective Directors</td></tr><tr><td>Mr Low Chai Chong</td><td>4</td><td>4</td><td>1</td><td>1</td><td>1</td></tr><tr><td>Ms Tan Ler Choo</td><td>3</td><td>3</td><td>1</td><td>1</td><td>1</td></tr><tr><td>Mr Yeo Boon Keong (Appointed on 11 October 2024)</td><td>3</td><td>3</td><td>0</td><td>0</td><td>1</td></tr><tr><td>Datuk Wira Eric Tan Eng Huat (Appointed on 13 January 2025)</td><td>2</td><td>2*</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Mr Hoo Khee Leng (Resigned on 31 December 2024)</td><td>2</td><td>2*</td><td>1*</td><td>1*</td><td>1</td></tr><tr><td>Mr Siow Chien Fu (Resigned on 31 January 2025)</td><td>2</td><td>2*</td><td>1*</td><td>1*</td><td>1</td></tr><tr><td>Mr Lam Kwong Fai (Resigned on 11 October 2024)</td><td>1</td><td>1</td><td>1</td><td>1</td><td>0</td></tr></table> * By invitation: The Company's constitution allows for meetings to be held through telephone, video-conference, or any other form of audio, audio-visual, electronic or instantaneous communication by which all persons participating in the meeting are able to hear and be heard by all other participants.		Board	AC	NC	RC	General Meetings	No. of Meetings	4	4	1	1	1	No. of Meetings attended by the Respective Directors						Mr Low Chai Chong	4	4	1	1	1	Ms Tan Ler Choo	3	3	1	1	1	Mr Yeo Boon Keong (Appointed on 11 October 2024)	3	3	0	0	1	Datuk Wira Eric Tan Eng Huat (Appointed on 13 January 2025)	2	2*	0	0	0	Mr Hoo Khee Leng (Resigned on 31 December 2024)	2	2*	1*	1*	1	Mr Siow Chien Fu (Resigned on 31 January 2025)	2	2*	1*	1*	1	Mr Lam Kwong Fai (Resigned on 11 October 2024)	1	1	1	1	0
	Board	AC	NC	RC	General Meetings																																																									
No. of Meetings	4	4	1	1	1																																																									
No. of Meetings attended by the Respective Directors																																																														
Mr Low Chai Chong	4	4	1	1	1																																																									
Ms Tan Ler Choo	3	3	1	1	1																																																									
Mr Yeo Boon Keong (Appointed on 11 October 2024)	3	3	0	0	1																																																									
Datuk Wira Eric Tan Eng Huat (Appointed on 13 January 2025)	2	2*	0	0	0																																																									
Mr Hoo Khee Leng (Resigned on 31 December 2024)	2	2*	1*	1*	1																																																									
Mr Siow Chien Fu (Resigned on 31 January 2025)	2	2*	1*	1*	1																																																									
Mr Lam Kwong Fai (Resigned on 11 October 2024)	1	1	1	1	0																																																									
1.6	Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.	<table><tr><th></th><th>Information</th><th>Frequency</th></tr><tr><td>(a)</td><td>Updates to the Group's operations and the markets in which the Group operates in</td><td>Quarterly</td></tr><tr><td>(b)</td><td>Quarterly and full year financial results</td><td>Quarterly</td></tr><tr><td>(c)</td><td>Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>As and when, relevant</td></tr><tr><td>(d)</td><td>Reports on on-going or planned corporate actions</td><td>As and when, relevant</td></tr><tr><td>(e)</td><td>Research report(s)</td><td>As and when, requested</td></tr><tr><td>(f)</td><td>Shareholding statistics</td><td>As and when, requested</td></tr></table> Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.		Information	Frequency	(a)	Updates to the Group's operations and the markets in which the Group operates in	Quarterly	(b)	Quarterly and full year financial results	Quarterly	(c)	Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	As and when, relevant	(d)	Reports on on-going or planned corporate actions	As and when, relevant	(e)	Research report(s)	As and when, requested	(f)	Shareholding statistics	As and when, requested																																							
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CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation																					
1.7	Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.	Directors have separate and independent access to Management and the Company Secretary at all times. Individually or collectively, in order to execute their duties, Directors can obtain independent professional advice, where required, at the Company's expense. The Company Secretary, or her representatives, attends all Board and Board Committees' meetings and assists the respective Chairman of the Board Committees and Board in the conduct of meetings and ensure that procedures and corporate governance practices are adhered to. The appointment and the removal of the Company Secretary is a decision of the Board as a whole.																					
Board Composition and Guidance Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.																							
2.1	An " independent " director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.	As at the date of this report, the Board comprises 4 directors out of which 2 (50% of total directors) are independent directors, 1 (25% of total directors) is executive director and 3 (75% of total directors) are non-executive directors. * Mr Hoo Keng Leng the Chief Executive Officer and Executive Director, and Mr Siow Chien Fu, the Executive Director, resigned on 31 December 2024 and 31 January 2025, respectively. Subsequently, the Board appointed Datuk Wira Eric Tan Eng Huat as the Managing Director of the Company with effect from 13 January 2025.																					
2.2	The independent directors should make up a majority of the Board where the Chairman is not independent.	The Chairman of the Board is an Independent Director.																					
2.3	Non-executive directors make up a majority of the Board.	The Non-Executive Directors make up a majority of the Board.																					
2.4	The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.	The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows: <table> <tr> <th></th><th>Number of Directors</th><th>Proportion of the Board (%)</th></tr> <tr> <td colspan="3">Core Competencies</td></tr> <tr> <td>Accounting or finance</td><td>1</td><td>25</td></tr> <tr> <td>Business Management</td><td>4</td><td>100</td></tr> <tr> <td>Legal or Corporate Governance</td><td>2</td><td>50</td></tr> <tr> <td>Relevant Industry knowledge or experience</td><td>4</td><td>100</td></tr> <tr> <td>Strategic Planning Experience</td><td>4</td><td>100</td></tr> </table> The Board currently comprises a female director (25% of total directors) and three male directors with age group ranging between 40 to 70 years old. Each director has been appointed based on his/her relevant experience and competencies.		Number of Directors	Proportion of the Board (%)	Core Competencies			Accounting or finance	1	25	Business Management	4	100	Legal or Corporate Governance	2	50	Relevant Industry knowledge or experience	4	100	Strategic Planning Experience	4	100
	Number of Directors	Proportion of the Board (%)																					
Core Competencies																							
Accounting or finance	1	25																					
Business Management	4	100																					
Legal or Corporate Governance	2	50																					
Relevant Industry knowledge or experience	4	100																					
Strategic Planning Experience	4	100																					

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		The Board will undertake the following steps to maintain or enhance its balance and diversity: • Executive Directors will be involved in daily operations of the Group and deal with the objectives and implementation of the business and strategic plans of the Group; • Non-executive Directors contribute to the Board process by monitoring and reviewing the Management's performance. Their views and opinions provide alternative perspectives to Company's businesses. The Non-Executive and Independent Directors also meet and communicate regularly without the presence of Management to facilitate a more effective check on Management. Such meetings are scheduled on a need-be-basis; • Annual review by the NC to access if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and • Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board. With the introduction of Rule 710A(1) of the Listing Rules, the Board has formulated and implemented a Board Diversity Policy that addresses gender, skills and experience and other relevant aspects of diversity. The Board understands and believes that a diverse Board will help improve the overall performance and operational capability of the Company as well as to avoid groupthink and foster constructive debate. It enhances decision-making capability and gives diversified views to enhance Board discussion and ensuring that the decisions made by the Board have been considered from all points of view. The Board comprises Directors who have expertise across areas such as accounting or finance, business management, legal or corporate governance, relevant industry knowledge or experience and strategic planning experience, who as a group, provide capabilities required for the challenges in the industry in which the Group operates in. The NC has considered the size and composition of the Board is appropriate and will continue to renew and consider for the renewal process (in future, if needed) to ensure that the Board has the appropriate mix of core skills and experience commensurate with the nature, size and complexity of the Group's business, its operating environment, and its current and future targets and focus.
2.5	Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.	Where necessary, the Company co-ordinates informal meeting for Non-Executive Director and Independent Directors to meet without the presence of the Executive Director and/or Management. The Non-Executive Director and Independent Directors have met and/or discussed informally on various occasions without the presence of Management in FY2025.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
Chairman and Chief Executive Officer		
Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.		
3.1	The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.	The roles of Independent Chairman and Managing Director remain distinct to uphold a clear separation of responsibilities, enhance accountability, and strengthen the Board's capacity for independent decision-making. The Independent Chairman, Mr Low Chai Chong, continues to lead the Board's oversight functions. He is not related to the Managing Director and is responsible for: • Convening Board meetings when necessary; • Setting Board meeting agendas in consultation with the Managing Director; and • Ensuring effective communication and timely dissemination of information between the Board and key management personnel to support efficient decision-making processes. Mr Hoo Khee Leng resigned from his position as Chief Executive Officer with effective from 31 December 2024. Following his resignation, Datuk Wira Eric Tan Eng Huat was appointed as the Managing Director of the Company. In this role, he leads the Group's business development initiatives and oversees day-to-day operations, supported by key management personnel. Datuk Wira Eric Tan Eng Huat is also responsible for executing business and corporate strategies approved by the Board.
3.2	The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.	The Chairman is a Non-Executive Independent Director. He is available to shareholders where they have concerns, and for which contact through the normal channels of communication with the Management are inappropriate or inadequate.
3.3	The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.	The Board does not have any Lead Independent Director as the Chairman is independent.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
Board Membership		
Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.		
4.1	The Board establishes a Nominating Committee ("NC") to make recommendations to the Board on relevant matters relating to: (a) The review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel; (b) The process and criteria for evaluation of the performance of the Board, its board committees and directors; (c) The review of training and professional development programs for the Board and its directors; and (d) The appointment and re-appointment of directors (including alternate directors, if any).	The NC is guided by key terms of reference as follows: (a) Determine annually, and as and when circumstances require, whether a Director is independent, and providing its views to the Board in relation thereto for the Board's consideration; (b) Reviewing the independence of any director who has served on the Board for more than nine years from the date of his first appointment and the reasons for considering him as independent; (c) Where a Director or proposed Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the Director's number of listed company board representations and other principal commitments; (d) Where the appointment of an alternate Director to a Director is proposed, determining whether the alternate Director is familiar with the Company's affairs, appropriately qualified and (in the case of an alternate Director to an independent Director) whether the alternate Director would similarly qualify as an independent Director, and providing its views to the Board in relation thereto for the Board's consideration; (e) Making recommendations to the Board on relevant matters relating to the review of board succession plans for directors, in particular, the Chairman and for the CEO, the development of a process for evaluation of the performance of the Board, its board committees and directors, the review of training and professional development programs for the Board and the appointment and re-appointment of directors (including alternate directors, if applicable); (f) Proposing objective performance criteria for evaluation of the Board's performance as a whole which allows for comparison with industry peers and address how the Board has enhanced long-term shareholder value; (g) Carrying out, at least annually, a formal assessment of the performance and effectiveness of the Board as a whole and its board committees and (if applicable) the contributions of individual Directors to the effectiveness of the Board, based on the process implemented by the Board; and (h) Based on the results of the performance evaluation, providing its views and recommendations to the Board, including any appointment of new members.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
4.2	The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.	As at the date of this report, the NC comprises three directors, majority of whom are independent. The NC comprises Mr Yeo Boon Keong, Mr Low Chai Chong and Ms Tan Ler Choo. The Chairman of the NC, Mr Yeo Boon Keong is an Independent Non-Executive Director.
4.3	The company discloses the process for the selection, appointment re-appointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.	The considerations in assessing the capacity of Directors include the following: • Expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity; • Geographical location of Directors; • Size and composition of the Board; • Nature and scope of the Group's operations and size; and • Capacity, complexity and expectation of the other listed directorships and principal commitments held. The measures and evaluation tools in place to assess the performance and consider competing time commitments of the Directors include the following: • Declarations by individual Directors of their other listed company board directorships and principal commitments; • Annual confirmations by each Director on his ability to devote sufficient time and attention to the Company's affairs, having regard to his other commitments; and • Assessment of the individual Directors' performance based on the criteria set out in Provision 5 of this report. The NC has recommended to the Board that Datuk Wira Eric Tan Eng Huat and Ms Tan Ler Choo be re-elected at the forthcoming Annual General Meeting ("AGM"). The Board has accepted the NC's recommendation. • Datuk Wira Eric Tan Eng Huat, upon re-election as a Director of the Company, will remain as the Managing Director of the Company; and • Ms Tan Ler Choo, upon re-election as a Director of the Company, will remain as Non-Executive and Independent Director of the Company. Pursuant to Rule 720(5) of the Catalist Rules, the additional information set out in Appendix 7F of the Catalist Rules relating to Datuk Wira Eric Tan Eng Huat and Ms Tan Ler Choo who are seeking re-appointment is disclosed as Appendix to this Corporate Governance Report and is to be read in conjunction with their respective biography under the respective sections of this annual report.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
4.4	The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.	The NC does determine annually whether each of the Independent Director still meet the criteria of an Independent Director. The Independent Directors had confirmed their independence in accordance with the Code and Rule 406(3)(d) of the Catalist Rules. The NC had also assessed the independence of each Independent Director and is satisfied that, Mr Low Chai Chong and Mr Yeo Boon Keong to be independent for FY2025.
4.5	The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitment of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.	All newly appointed Directors will undergo an orientation program where the Director would be briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of director of a listed company. To obtain a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational sites and meet with key management personnel. Although some of the Board members have multiple board representations and other principal commitments, the NC is satisfied that the Directors have devoted sufficient time and attention to the Group. The NC is of the view that setting a maximum number of listed board representations that any Director may hold is not necessary as all the Directors are able to devote to the Company's affairs in light of their other commitments. However, as a general guideline to address time commitments that may be faced, a Director who holds more than five listed company board representations (including the appointment with Company) will consult the Chairman of the NC before accepting any new appointments as a Director. The considerations in assessing the capacity of Directors include the following: • Expected and/or competing time commitments of Directors; • Geographical location of Directors; • Size and composition of the Board; • Nature and scope of the Group's operations and size; and • Capacity, complexity and expectations of the other listed directorships and principal commitments held. The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have discharged their duties adequately for FY2025.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation								
<u>Board Performance</u>										
Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.										
5.1	The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.	Table 5.1 sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees as well as individual Directors. The evaluations are designed to assess the Board's effectiveness to enable the NC Chairman and Board to identify areas of improvement or enhancement which can be made to the Board: <table><tr><th colspan="2">Table 5.1 – Performance Criteria</th></tr><tr><th>Performance Criteria</th><th>Board and Board Committees</th></tr><tr><td>Qualitative</td><td> 1. Size and composition 2. Access to information 3. Board processes 4. Inputs to strategic planning 5. Board accountability 6. Risk Management 7. Succession planning </td></tr><tr><td>Quantitative</td><td> The Board currently does not evaluate the Board and Board Committees based on quantitative criteria as the Board is of the opinion that it is more important to evaluate the Board and Board Committees on their ability to provide guidance to the Management in relation to strategic planning and the development of the business of the Group. However, the Board will keep in view and consider to include quantitative criteria in future evaluations where appropriate. </td></tr></table> The NC would review the criteria on a periodic basis to ensure that the criteria is able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long term shareholders value, thereafter propose amendments if any, to the Board for approval.	Table 5.1 – Performance Criteria		Performance Criteria	Board and Board Committees	Qualitative	1. Size and composition 2. Access to information 3. Board processes 4. Inputs to strategic planning 5. Board accountability 6. Risk Management 7. Succession planning	Quantitative	The Board currently does not evaluate the Board and Board Committees based on quantitative criteria as the Board is of the opinion that it is more important to evaluate the Board and Board Committees on their ability to provide guidance to the Management in relation to strategic planning and the development of the business of the Group. However, the Board will keep in view and consider to include quantitative criteria in future evaluations where appropriate.
Table 5.1 – Performance Criteria										
Performance Criteria	Board and Board Committees									
Qualitative	1. Size and composition 2. Access to information 3. Board processes 4. Inputs to strategic planning 5. Board accountability 6. Risk Management 7. Succession planning									
Quantitative	The Board currently does not evaluate the Board and Board Committees based on quantitative criteria as the Board is of the opinion that it is more important to evaluate the Board and Board Committees on their ability to provide guidance to the Management in relation to strategic planning and the development of the business of the Group. However, the Board will keep in view and consider to include quantitative criteria in future evaluations where appropriate.									

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
5.2	The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.	In FY2025, the review process was as follows: 1. All Directors individually completed a board and board committee performance evaluation on the effectiveness of the Board and the Board Committees, the individual Directors based on criteria disclosed in Table 5.1 above; 2. The results of such assessment were collated and submitted to the NC Chairman who reviewed it together with the NC; and 3. The NC discussed the report and where applicable considered any appropriate follow-up actions to be undertaken. No external facilitator was used in the evaluation process.
REMUNERATION MATTERS <u>Procedures for Developing Remuneration Policies</u> Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.		
6.1	The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on: (a) A framework of remuneration for the Board and key management personnel; and (b) The specific remuneration packages for each director as well as for the key management personnel.	The RC is guided by key terms of reference as follows: (a) Reviewing and recommending annually to the Board, the framework of remuneration and specific remuneration packages for each Director as well as for the key management personnel; (b) Reviewing all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind; (c) Reviewing the Company's obligations arising in the event of termination of the executive directors and key management personnel's contracts of service; (d) Reviewing annually the remuneration of employees who are immediate family members of a Director or CEO whose remuneration exceeds S\$100,000 during the year; (e) Ensuring that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants; (f) Reviewing and administering whether executive directors, non-executive and independent Directors and key management personnel should be eligible for options, share incentives, awards (collectively the "Schemes") (when it is implemented) and other benefits; (g) Administering the Schemes (where it is implemented); and (h) Perform such other functions and duties as may be required by the Code.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
6.2	The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.	The RC comprises Mr Low Chai Chong, Mr Yeo Boon Keong and Ms Tan Ler Choo, all of whom are non-executive directors and the majority of which are independent. The Chairman of the RC, Mr Low Chai Chong is an Independent Non-Executive Director.
6.3	The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.	Please refer to Provision 6.1 above.
6.4	The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.	No remuneration consultants were engaged by the Company in FY2025.
Level and Mix of Remuneration Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.		
7.1	A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.	The Company's remuneration policy, which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives and awards is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates the link that total compensation has to the achievement of organisational and individual performance objectives and benchmarked against relevant and comparative compensation in the market.
7.2	The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.	The remuneration of the Non-Executive Directors (including Independent Director) is determined by their contributions to the Company, taking into account factors such as efforts and time spent as well as their responsibilities on the Board and Board Committees, if applicable. The Directors' fees of the Non-Executive Directors are subject to approval by shareholders at each AGM. Total payment of S\$140,000 Director's fees for FY2025 was recommended by the Board and is subject to shareholder's approval at the forthcoming AGM.
7.3	Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.	The Company's remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to Directors the link on total compensation has to the achievement of organisational and individual performance objectives and benchmarked against relevant and comparative compensation in the market.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation																																																																												
Disclosure on Remuneration																																																																														
Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.																																																																														
8.1	The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of: (a) Each individual director and the CEO; and (b) At least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.	The breakdown for the remuneration of the including the provision of a breakdown in percentage terms in FY2025 are as follows: <table><tr><th>Name</th><th>Salary and CPF %</th><th>Director fees %</th><th>Other benefits %</th><th>Total (in dollars) S\$</th></tr><tr><td>Mr Low Chai Chong</td><td>-</td><td>100%</td><td>-</td><td>55,000</td></tr><tr><td>Datuk Wira Eric Tan Eng Huat (Appointed on 13 January 2025)</td><td>86%</td><td>-</td><td>14%</td><td>235,125</td></tr><tr><td>Mr Lam Kwong Fai (Resigned on 11 October 2024)</td><td>-</td><td>100%</td><td>-</td><td>12,581</td></tr><tr><td>Ms Tan Ler Choo</td><td>-</td><td>100%</td><td>-</td><td>40,000</td></tr><tr><td>Mr Yeo Boon Keong (Appointed on 11 October 2024)</td><td>-</td><td>100%</td><td>-</td><td>32,540</td></tr><tr><td>Mr Siow Chien Fu (Resigned on 31 January 2025)</td><td>100%</td><td>-</td><td>-</td><td>200,000</td></tr><tr><td>Mr Hoo Khee Leng (CEO) (Resigned on 31 December 2024)</td><td>90%</td><td>-</td><td>10%</td><td>174,120</td></tr></table> There is no termination, retirement, post-employment benefits that may be granted to the Directors and top key management personnel. Save for the Directors, the Company only has 6 top key management personnel ("KMP") in FY2025 and the breakdown of the remuneration in FY2025 is as follows: <table><tr><th>Name</th><th>Salary and CPF/EPF</th><th>Bonus</th><th>Total</th></tr><tr><td colspan="4">From S\$0 to S\$250,000</td></tr><tr><td>Mdm Aileen</td><td>93%</td><td>7%</td><td>100%</td></tr><tr><td>Mr Jensen Siow</td><td>94%</td><td>6%</td><td>100%</td></tr><tr><td>Mr Ng Ban Kiong</td><td>93%</td><td>7%</td><td>100%</td></tr><tr><td>Mr Koh Chee Huat (Note 1)</td><td>100%</td><td>-</td><td>100%</td></tr><tr><td>Mr Lim Kenneth (Note 2)</td><td>88%</td><td>12%</td><td>100%</td></tr><tr><td>Ms Cassie Sia (Note 3)</td><td>100%</td><td>-</td><td>100%</td></tr><tr><td>Mr Chandra (Note4)</td><td>100%</td><td>-</td><td>100%</td></tr></table> Notes - (1) Mr Koh Chee Huat was appointed as Financial Controller on 2 April 2025. (2) Mr Lim Kenneth resigned as Financial Controller on 18 January 2025. (3) Ms Cassie Sia resigned as Leasing Director on 30 September 2024. (4) Mr Chandra resigned as Legal Manager on 3 February 2025. The total remuneration paid to these key management personnel in FY2025 is RM989,000.	Name	Salary and CPF %	Director fees %	Other benefits %	Total (in dollars) S\$	Mr Low Chai Chong	-	100%	-	55,000	Datuk Wira Eric Tan Eng Huat (Appointed on 13 January 2025)	86%	-	14%	235,125	Mr Lam Kwong Fai (Resigned on 11 October 2024)	-	100%	-	12,581	Ms Tan Ler Choo	-	100%	-	40,000	Mr Yeo Boon Keong (Appointed on 11 October 2024)	-	100%	-	32,540	Mr Siow Chien Fu (Resigned on 31 January 2025)	100%	-	-	200,000	Mr Hoo Khee Leng (CEO) (Resigned on 31 December 2024)	90%	-	10%	174,120	Name	Salary and CPF/EPF	Bonus	Total	From S\$0 to S\$250,000				Mdm Aileen	93%	7%	100%	Mr Jensen Siow	94%	6%	100%	Mr Ng Ban Kiong	93%	7%	100%	Mr Koh Chee Huat (Note 1)	100%	-	100%	Mr Lim Kenneth (Note 2)	88%	12%	100%	Ms Cassie Sia (Note 3)	100%	-	100%	Mr Chandra (Note4)	100%	-	100%
Name	Salary and CPF %	Director fees %	Other benefits %	Total (in dollars) S\$																																																																										
Mr Low Chai Chong	-	100%	-	55,000																																																																										
Datuk Wira Eric Tan Eng Huat (Appointed on 13 January 2025)	86%	-	14%	235,125																																																																										
Mr Lam Kwong Fai (Resigned on 11 October 2024)	-	100%	-	12,581																																																																										
Ms Tan Ler Choo	-	100%	-	40,000																																																																										
Mr Yeo Boon Keong (Appointed on 11 October 2024)	-	100%	-	32,540																																																																										
Mr Siow Chien Fu (Resigned on 31 January 2025)	100%	-	-	200,000																																																																										
Mr Hoo Khee Leng (CEO) (Resigned on 31 December 2024)	90%	-	10%	174,120																																																																										
Name	Salary and CPF/EPF	Bonus	Total																																																																											
From S\$0 to S\$250,000																																																																														
Mdm Aileen	93%	7%	100%																																																																											
Mr Jensen Siow	94%	6%	100%																																																																											
Mr Ng Ban Kiong	93%	7%	100%																																																																											
Mr Koh Chee Huat (Note 1)	100%	-	100%																																																																											
Mr Lim Kenneth (Note 2)	88%	12%	100%																																																																											
Ms Cassie Sia (Note 3)	100%	-	100%																																																																											
Mr Chandra (Note4)	100%	-	100%																																																																											

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
8.2	The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.	There were no employees of the Group who are substantial shareholders of the Company or an immediate family member of a Director, the CEO or substantial shareholder of the Company and whose remuneration exceeded S\$100,000 in FY2025.
8.3	The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.	The remuneration received by the Executive Directors and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group in FY2025. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives. The Company currently does not have any employee share option or share schemes.
ACCOUNTABILITY AND AUDIT <u>Risk Management and Internal Controls</u> Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.		
9.1	The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.	The Company manages risks under an overall strategy determined by the Board and supported by the AC. The Company sets acceptable risk management standards and periodically reviews the risks that the Group is subject to. The Board recognises that it is responsible for the overall internal control framework but accepts that no internal control system or risk management will preclude all errors and irregularities such as poor judgement in decision making, human error, losses or fraud, as the system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		The AC will annually: - Satisfy itself that adequate measures are being made to identify and mitigate any material business risks associated with the Group; - Ensure that a review of the effectiveness of the Group's material internal controls, including financial, operating, information technology and compliance controls and risk management, is conducted at least annually. Such review can be carried out by the internal auditors; - Ensure that the internal control recommendations made by internal auditors and the management letter recommendations by external auditors (noted during the course of the statutory audit) have been implemented; and - Ensure the Board is in a position to comment on the adequacy and effectiveness of the internal controls of the Group. The Board also reviews compliance issues, if any, and as and when required. The Board and AC reviewed and approved the internal audit conducted by Baker Tilly Monteiro Heng Governance. The Board and AC are satisfied that the existing internal controls addressing the Group's financial, operational, compliance and information technology controls and risk management systems are effective and adequate. The basis for the Board's view are as follows: - Assurance has been received from the CEO and Financial Controller; - Key management personnel regularly evaluate, monitors and reports to the AC on material risks; and - Discussions were held between the AC, internal auditors and external auditors in the absence of the Management to review and address any potential concerns.
9.2	The Board requires and discloses in the company's annual report that it has received assurance from: (a) The CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and (b) The CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.	The Board has obtained such assurance from the Managing Director and Financial Controller in respect of FY2025. The Board has also relied on the Managing Director and Financial Controller that the financial records have been properly maintained and the financial statements gave true and fair view of the Group's operations. Please also refer to Provision 10.4 for details regarding Board and AC's views about the Group's IA's function.

CORPORATE GOVERNANCE REPORT

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

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		(i) Monitoring the establishment, appointments, staffing, qualifications and experience of the Company's internal audit function, including approval of the appointment and compensation terms of the head of the internal audit function, review of whether the internal audit function is adequately resourced, is independent of the activities it audits, and has appropriate standing within the Company; (j) Reviewing, at least annually, the adequacy and effectiveness of the Company's internal audit function; (k) Meeting with (a) the external auditors, and (b) the internal auditors, in each case without the presence of Management, at least annually; (l) To discuss problems and concerns, if any, arising from the internal and external audits, and any matters which the auditors may wish to discuss (in the absence of Management where necessary); (m) Commissioning and reviewing the findings of internal investigations into matters where there is suspicion of fraud or irregularity or failure of internal controls or infringement of any Singapore law, rule or regulation, which has or is likely to have a material impact on the Company and the Group's operating results and/or financial position; (n) Reviewing the assurance from the Managing Director and the Finance Controller on the financial records and financial statements; and (o) Perform such other functions and duties as may be required by the relevant Code. There were no non-audit services provided by the external auditors, Moore Stephens LLP, for FY2025 that would affect the independence of the external auditors. The AC recommends the re-appointment of Moore Stephens LLP and approved the remuneration and terms of engagement of Moore Stephens LLP. The amount of audit fee paid to Moore Stephens LLP can be found on page 83 of the Annual Report. Moore Stephens LLP have expressed that they will be seeking for re-appointment at the upcoming AGM. The AC has, in consultation with the Board, initiated the implementation of fraud and whistle-blowing policy for all employees including employees of the Company's overseas subsidiaries. The AC is responsible for oversight and monitoring of whistleblowing. The Group and the Company has approved and implemented a whistle-blowing policy which encourages its employees, in confidence, to raise concerns about possible corporate improprieties in matters of financial reporting and other matters.

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Provision	Code Description	Company's Compliance or Explanation
		This policy aims to provide an avenue for employees to raise concerns and reassurance that they will be protected from reprisals or victimisation for fraud and whistle-blowing in good faith. The Group's whistle-blowing policy assures its employees who make reports in good faith of malpractice or impropriety in the workplace that their identities are kept confidential and that they will not be dismissed, penalised or discriminated against by the Company as a result of the making of such reports. To-date, there were no reports received through the whistle blowing mechanism aside from certain complaints that were not related to the Group where certain buyers of the property units made a false allegation on the rental payments which shall be paid by third party company who is unrelated to the Group. Other than the employees of the Group, any other persons including any stakeholders of the Group, may also, in confidence, raise concern about possible corporate improprieties in matters of financial reporting or other matters to the Group's independent function that investigates whistleblowing reports made in good faith, via the AC Chairman at email address whistleblowing@capitalcity.com.my. In July 2010, SGX-ST and ACRA launched the "Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors" which aims to facilitate the AC in evaluating the external auditors. Accordingly, the AC had evaluated the performance of the external auditor based on the key indicators of audit quality set out in the Guidance such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Group's audit, the size and complexity of the Group. In addition, in October 2015, with the support from SGX-ST and Singapore Institute of Directors, ACRA had introduced the "Audit Quality Indicators" ("AQIs") Disclosure Framework to assist the AC in evaluating the re-appointment of external auditors based on quality markers that correlate closely with audit quality. Accordingly, the AC had evaluated the external auditors based on the AQIs at engagement and/or firm-level. Changes to accounting standards and accounting issues which have significant impact on the financial statements were reported to the AC and highlighted by the external auditors in their meetings with the AC, to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements. With the introduction of the new and revised Auditor Reporting Standards applicable to the audit of financial statements for periods ending on or after 15 December 2016, the external auditors are required to include the Key Audit Matters ("KAM") in the Company Annual Report. KAM typically include significant risk areas of the financial statements most susceptible to misstatements, involving key judgements and estimates, as well as major transactions that require extensive auditing efforts.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		In line with the recommendations by ACRA, the Monetary Authority of Singapore, and SGX, the Audit Committee ("AC") continues to promote transparency and enhance the quality of corporate reporting. For the financial year ended 30 June 2025, the external auditors issued a disclaimer of opinion, and accordingly, no Key Audit Matters ("KAM") were communicated. Nonetheless, the AC reviewed and discussed significant financial reporting matters with management, including the valuation of inventory properties and non-current assets held for sale. The AC evaluated management's assessment of net realisable value and fair value less costs to sell, and was satisfied that these matters were appropriately considered in the context of the Board's approval of the financial statements.
10.2	The AC comprises at least three directors, all of whom are non- executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.	The AC chaired by Mr Yeo Boon Keong, comprises Mr Low Chai Chong and Ms Tan Ler Choo, all of whom are non-executive and majority of whom are independent. The Chairman of the AC, Mr Yeo Boon Keong is an Independent Non-Executive Director.
10.3	The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.	The AC does not comprise any former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.
10.4	The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.	The Group has appointed Baker Tilly Monteiro Heng Governance to perform the internal audit review on the procurement to payment and sustainability review for FY2025. There were no material issues noted by the AC and the Board during the year. The Board and AC are satisfied that the existing internal controls addressing the Group's financial, operational, compliance and information technology controls and risk management systems are effective and adequate.
10.5	The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.	The AC has met Moore Stephens LLP and Baker Tilly Monteiro Heng Governance on various occasions without the presence of Management for FY2025.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
STAKEHOLDER RIGHTS AND ENGAGEMENT		
<u>Shareholders' Rights and Conduct of General Meetings</u>		
Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.		
11.1	The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.	Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of shareholders. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures that govern the general meetings of shareholders. The Company's AGM will be held physically on 30 October 2025.
11.2	The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting.	All resolutions are tabled separately at general meetings of shareholders. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.
11.3	All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.	The Company firmly believes in high standards of transparent corporate disclosure by disclosing to its stakeholders, including its shareholders the relevant information on a timely basis through SGXNET. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable. Except as provided for by the Order and Guidance, communication is made through: 1) Annual Reports that are prepared and sent to all shareholders. The Board ensures that the Annual Report includes all relevant material information about the Company and the Group, including future developments and other disclosures required by the relevant rules and regulations; 2) Half-yearly and full year announcements containing a summary of the financial information and affairs of the Group for that period; 3) Notices of explanatory memoranda for AGMs and extraordinary general meetings ("EGM"). The notices of AGM and EGM are also advertised in a national newspaper; and 4) Press and news releases on major developments of the Company and the Group.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
		The Board welcomes questions from shareholders who wish to raise issues, either informally or formally before or during the shareholders' meetings. The Company requires all Directors (including the respective chairman of the Board Committees) to be present at all general meetings of shareholders, unless of exigencies. Furthermore, the external auditors are present to assist the Board in addressing any relevant queries from our shareholders. The Company will make available minutes of general meetings to shareholders upon their request. All directors attended the last AGM of the Company held for FY2024. Each item of special business included in the notice of the general meetings will be accompanied by explanations of the effects of a proposed resolution. All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting.
11.4	The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.	Any member entitled to attend and vote at a meeting of the Company who is the holder of two or more shares shall be entitled to appoint not more than two proxies to attend and vote instead of him at the same general meeting provided that if the member is The Central Depository (Pte) Limited ("Depository"). The Depository may appoint more than two proxies to attend and vote at the same general meeting and each proxy shall be entitled to exercise the same powers on behalf of the Depository as the Depository could exercise. If a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the Meeting or another person as his/her/its proxy(ies) to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. In appointing another person as proxy, if no specific instruction as to voting is given or in the event of any other matter arising at the AGM, the proxy will vote or abstain from voting at his/her discretion.
11.5	The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.	The minutes of the general meetings of shareholders will be made available to shareholders upon their request. The minutes of the Company's upcoming AGM recording substantial and relevant comments or queries from shareholders relating to the agenda of the AGM, and responses from the Board of Directors and management, will be published on SGXNET within one month after the AGM.

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Provision	Code Description	Company's Compliance or Explanation
11.6	The company has a dividend policy and communicates it to shareholders.	The Company does not have a fixed dividend policy. The form, frequency and amount of future dividends on the shares will depend on, among other things, the Group's operating results, financial conditions, cash flows, expected future earnings, capital expenditure program(s) and investment plans, the terms of the Group's borrowing arrangements (if any) and other factors deemed relevant by the Directors. No dividend has been declared or recommended for the year ended 30 June 2025 as the Group's funds are required to be utilised for the Group's operations.
Engagement with Shareholders		
Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.		
12.1	The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.	The Company has in place an investor relations policy to promote regular, effective and fair communication. The Company makes every effort to ensure regular, timely and effective communication with its shareholders. The Company will release half-yearly and annual financial results through SGXNET. All price sensitive will be first released through SGXNET before the Company meets with any investors or analysts. Shareholders are welcome to directly contact the registered office of the Company.
12.2	The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.	
12.3	The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.	

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company’s Compliance or Explanation
<u>MANAGING STAKEHOLDER RELATIONSHIPS</u>		
<u>Engagement with Stakeholders</u>		
Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.		
13.1	The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.	Shareholders, the investment community, media and analysts are kept informed of the Group’s performance, progress and prospects and major developments of the Company on a timely basis through various communication such as announcements, including half-yearly and full-year financial results announcements via SGXNET and annual reports and notices of general meetings. The Company’s corporate website URL is www.capitalworldlimited.com . Shareholders can also contact the Company via its registered address details disclosed in the corporate information.
13.2	The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	
13.3	The company maintains a current corporate website to communicate and engage with stakeholders.	
<u>COMPLIANCE WITH APPLICABLE CATALIST RULES</u>		
712, 715 or 716	Appointment of auditors	The Company confirms its compliance with Rule 712 and Rule 716 of the Catalist Rules. Certain Singapore/Malaysia incorporated subsidiaries of the Group were audited by other auditors. The Board and AC have considered and are satisfied that the appointment of other auditors would not compromise the standard and effectiveness of the audit of the Group by the external auditors as these Singapore/Malaysia incorporated subsidiaries are dormant during FY2025.
1204(8)	Material contracts	There was no material contracts entered into by the Group involving the interest of any Director or controlling shareholder.
1204(10)	Confirmation of adequacy of internal controls	The Board, with the concurrence of the AC, is of the opinion that the internal controls and risk management systems established are adequate and effective to address the financial, operational, information technology and compliance risks based on the following: - Assurance from the CEO and Finance Controller; and - Internal audit review done by Baker Tilly Monteiro Heng Governance. Please also refer to Provision 10.4 for details regarding Board and AC’s views about the Group’s IA’s function.

CORPORATE GOVERNANCE REPORT

Provision	Code Description	Company's Compliance or Explanation
1204(10C)	AC's comment on Internal Audit Function whether the internal audit function is independent, effective and adequately resourced	Please also refer to Provision 10.4 for details regarding Board and AC's views about the Group's IA's function.
1204(17)	Interested persons transaction ("IPT")	The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the AC and they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. The Company does not have any shareholders' mandate pursuant to Catalist Rule 920. There were no IPTs of S\$100,000 and above entered into in FY2025.
1204(19)	Dealing in securities	The Company has adopted an internal policy which prohibits the Directors and officers from dealing with the securities of the Company while in possession of price-sensitive information. The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities one month before the announcement of the Company's half year and full year financial statements respectively, and ending on the date of the announcement of the relevant results.
1204(21)	Non-sponsor fees	In FY2025, no non-sponsor fees were paid to the Company's sponsor, RHT Capital Pte. Ltd.
1204(22)	Use of proceeds	There were no outstanding proceeds arising from initial public offering and/or any offerings pursuant to Chapter 8 of the Catalist Rules.

CORPORATE GOVERNANCE

APPENDIX

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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

Name of Person	Datuk Wira Eric Tan Eng Huat	Ms Tan Ler Choo
Date of Appointment	13 January 2025	30 September 2019
Date of last re-appointment (if applicable)	N.A.	27 October 2023
Age	68	62
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of the Company, having considered, among others, the recommendation of the NC and having reviewed and assessed the contribution and performance, attendance, participation, candour and suitability of Datuk Wira Eric Tan Eng Huat (“Datuk Eric”) for re-election as Managing Director. The Board has reviewed and concluded that Datuk Eric possesses the experience, expertise, knowledge and skills to continue to contribute towards the core competencies of the Board.	The Board of the Company, having considered, among others, the recommendation of the NC and having reviewed and assessed the contribution and performance, attendance, participation, candour and suitability of Ms Tan Ler Choo (“Ms Tan”) for re-election as Non-Executive Director. The Board has reviewed and concluded that Ms Tan possesses the experience, expertise, knowledge and skills to continue to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive Datuk Eric is responsible for the strategy setting and management and operations of the Group and the Company.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Managing Director	1) Non-Independent Non- Executive Director 2) Member of the Remuneration Committee, the Audit Committee and Nominating Committee
Professional qualifications	Degree of Doctor of Philosophy in Business Administration, Southern California University.	Diploma in Building Construction, Singapore Polytechnic
Working experience and occupation(s) during the past 10 years	1) July 2023 to June 2024 - Advisor for Capital World Limited 2) Year 2018 to Year 2023 - Corporate advisor for Hatten Land Limited 3) Year 2009 to Year 2018 - Chairman of Hatten private group of companies in hotel and retail sectors 4) Year 2015 to Year 2018 - Advisor of Hatten Asset Management Sdn Bhd 5) Year 2004 to Year 2015 - Chairman of Hatten Asset Management Sdn Bhd	October 2011 to March 2021 (company wound up on 4 March 2021) - Montane Construction Sdn Bhd, Melaka, Malaysia Contracts Director

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APPENDIX

Name of Person	Datuk Wira Eric Tan Eng Huat	Ms Tan Ler Choo
Shareholding interest in the listed issuer and its subsidiaries	274,003,146 shares in own name 1,545,454,545 shares under AIM Worldwide Group Ltd (Ms Lu Chai Hong who is the wife of Datuk Eric Tan is the director and 50% shareholder of AIM Worldwide Group Ltd)	25,399,999
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes, family relationship with Non-Executive and Non-Independent Director – Tan Ler Choo. He is the brother of Ms Tan Ler Choo, the Non-Independent Non- Executive Director of the Company.	Yes, family relationship with Managing Director - Datuk Wira Eric Tan Eng Huat. She is the sister of Datuk Eric, the Managing Director of the Company.
Conflict of interest (including any competing business)	Datuk Eric is the director of the following companies where the companies are in the same industry as Capital World Limited: 1) MDSA Alliance Sdn Bhd - Dormant 2) MDSA Assets Sdn Bhd – Dormant	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	1) Ensure Merger Sdn. Bhd. 2) Estadia Sdn. Bhd. 3) ES Hotel Sdn. Bhd. 4) Hatten Holdings Sdn. Bhd. 5) Hatten Hotel (Meleka) Sdn. Bhd. 6) Hatten Hotels Worldwide Sdn. Bhd. 7) He Feng Kitchen Sdn. Bhd. 8) Prolific Advance Sdn. Bhd. 9) AIM Holdings Worldwide Sdn. Bhd. 10) AIM Development Worldwide Sdn. Bhd. 11) MDS Developments Management Sdn. Bhd. 12) Mai Worldwide Corporation Pte. Ltd. 13) Mind Sage Pte. Ltd.	1) Montane Development Management Sdn. Bhd. (struckoff) 2) Montane Construction Sdn. Bhd. (wound up)
Present	1) Hatten Hotel International Sdn. Bhd. 2) Omrui Advisory Pte. Ltd. 3) MDSA Alliance Sdn. Bhd. 4) MDA Assets Sdn. Bhd. 5) Tunas Binamas Sdn. Bhd. 6) Meta Silk Road Sdn. Bhd. 7) AIM Holdings Pte. Ltd.	

CORPORATE GOVERNANCE REPORT

Name of Person	Datuk Wira Eric Tan Eng Huat	Ms Tan Ler Choo
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	Datuk Eric has been unconditionally discharged from bankruptcy under Section 124 of the Bankruptcy Act (Cap 20) on 27 February 2018. On 1 June 2022, there was a new bankruptcy application filed against Eric Tan Eng Huat. On 20 July 2022, a Notice of Discontinuance was filed and served by Dentons (which is the law firm representing Eric Tan Eng Huat) on 21 July 2022. The bankruptcy application was stated to be concluded and was no longer live.	Yes. An application of winding up petition was filed by a vendor of Montane Construction Sdn Bhd. Amount of RM1,162,463.17 was subsequently paid on 25 May 2019 and the petition was withdrawn by the vendor on 10 June 2019.
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	Yes. An application of winding up petition was filed by a vendor of Montane Construction Sdn Bhd, and the Company has wound up on 4 March 2021.
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

CORPORATE GOVERNANCE

APPENDIX

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

CORPORATE GOVERNANCE

APPENDIX

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

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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Capital World Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2025.

In the opinion of the directors:

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (b) at the date of this statement, based on the factors as described in Note 2.1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

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

Low Chai Chong
 Tan Ler Choo
 Yeo Boon Keong
 Eric Tan Eng Huat (Appointed on 13 January 2025)
 Hoo Khee Leng (Resigned on 31 December 2024)
 Siow Chien Fu (Resigned on 31 January 2025)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

Name of director	Direct Interest		Deemed Interest	
	At 1 July 2024 or date of appointment	At 30 June 2025	At 1 July 2024 or date of appointment	At 30 June 2025
<i>Ordinary shares of the Company</i>				
Low Chai Chong	37,113,883	37,113,883		
Tan Ler Choo	25,399,999	25,399,999	–	
Eric Tan Eng Huat	274,003,146	274,003,146	1,545,454,545	1,545,454,545

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2025.

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

DIRECTORS' STATEMENT

4. SHARE OPTIONS

No share options have been granted during the financial year ended 30 June 2025 to subscribe for unissued shares of the Company or its subsidiaries.

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

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

5. AUDIT COMMITTEE

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

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group's and the Company's management to the internal and external auditors;
- Reviewed the half-yearly and annual financial statements and the independent auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors;
- Reviewed effectiveness of the Group's and the Company's material internal controls, including the financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;
- Met with the internal and external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;
- Reviewed the nature and extent of non-audit services provided by the external auditor;
- Recommended to the board of directors the external auditors to be nominated, approved the compensation of the external auditors, and reviewed the scope and results of the audit;
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

There were no non-audit services provided by the external auditors for the current financial year ended 30 June 2025. The AC has reviewed and is satisfied with the independence of the external auditors. The AC has also conducted a review of interested person transactions.

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

DIRECTORS' STATEMENT

6. INDEPENDENT AUDITORS

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

On behalf of the Board of Directors,

.....
Eric Tan Eng Huat
Director

.....
Low Chai Chong
Director

Singapore
15 October 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Capital World Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Disclaimer of Opinion

We were engaged to audit the financial statements of Capital World Limited (the “**Company**”) and its subsidiaries (the “**Group**”), which comprise the statements of financial position of the Group and the Company as at 30 June 2025, and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group and the statements of changes in equity of the Group and the Company for the year then ended, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the accompanying financial statements of the Group and the statement of financial position and statement of changes in equity of the Company. The matter described in the *Basis for Disclaimer of Opinion* section of our report is significant. We have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

Use of the going concern assumption

As disclosed in Note 2.1 to the financial statements, the Group incurred a net loss of RM16,602,000 (2024: RM79,575,000), total comprehensive loss of RM16,450,000 (2024: RM80,159,000) and net cash flows used in operating activities of RM6,982,000 (2024: RM53,440,000) during the financial year ended 30 June 2025 and, as of that date, the net current assets of the Group of RM142,263,000 (2024: RM161,162,000), includes inventory properties amounting to RM109,376,000 (2024: RM109,892,000) and non-current assets held for sale amounting to RM199,731,000 (2024: RM203,893,000) (collectively, the “**Properties**”).

The above conditions indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In the preparation of the financial statements, the directors of the Company believe that the use of the going concern assumption is appropriate, based on the factors disclosed in Note 2.1 to the financial statements. However, we were unable to obtain sufficient appropriate audit evidence to determine whether the going concern assumption is appropriate, as the outcome of these factors is inherently uncertain and may significantly impact the timing and availability of the Group's cash flows and its ability to continue as a going concern. Due to these material uncertainties, we were unable to form a conclusion on the appropriateness of the use of the going concern assumption in the preparation of the financial statements.

In the event that the Group is unable to continue as a going concern, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to these financial statements.

INDEPENDENT AUDITOR'S REPORT

To the members of Capital World Limited

(cont'd)

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements of the Group and the statement of financial position and statement of changes in equity of the Company in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' ("IESBA") *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") and the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements, the IESBA Code and the ACRA Code.

The engagement partner on the audit resulting in this independent auditor's report is Chong Jia Yun, Michelle.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
15 October 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2025

	Note	Group	
		2025	2024
		RM'000	RM'000
Revenue	4(a)	(4,263)	(4,670)
Cost of sales		1,126	1,059
Gross loss		(3,137)	(3,611)
Other income	5	845	577
General and administrative expenses		(9,831)	(29,238)
Write-down of inventory properties		(1,796)	(15,027)
Write-down of non-current assets held for sale		(4,162)	(34,882)
Reversal of impairment of trade receivables		1,545	2,923
Finance costs		(51)	(13)
Loss before income tax	6	(16,587)	(79,271)
Income tax expense	7	(15)	(304)
Loss for the year		(16,602)	(79,575)
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations, net of tax		152	(584)
Total comprehensive loss for the year		(16,450)	(80,159)
Loss per share			
Basic and diluted (RM cents per share)	8	(0.10)	(0.54)

The accompanying notes form an integral part of the financial statements

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2025

	Note	Group		Company	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Current assets					
Inventory properties	9	109,376	109,892	-	-
Contract assets	4(b)	1,386	2,237	-	-
Trade receivables	10	612	34	-	-
Other receivables, deposits and prepayments	11	2,426	3,286	15	16
Income tax recoverable		6,503	6,414	-	-
Amount due from subsidiaries	12	-	-	149,908	152,930
Cash on hand and at banks	13	3,809	5,823	31	136
		124,112	127,686	149,954	153,082
Non-current assets held for sale	14	199,731	203,893	-	-
		323,843	331,579	149,954	153,082
Non-current assets					
Property, plant and equipment	15	460	455	4	7
Investment in subsidiaries	16	-	-	100	100
		460	455	104	107
Total assets		324,303	332,034	150,058	153,189
Current liabilities					
Trade payables	17	39,241	40,016	-	-
Other payables and accruals	18	138,393	126,271	4,542	4,713
Amount due to subsidiaries	12	-	-	5	5
Contract liabilities	4(b)	3,777	3,717	-	-
Loans and borrowings	19	159	44	40	42
Provision for taxation		10	369	-	393
		181,580	170,417	4,587	5,153
Non-current liabilities					
Other payables	18	-	5,284	-	-
Loans and borrowings	19	85	85	-	-
		85	5,369	-	-
Total liabilities		181,665	175,786	4,587	5,153
Equity attributable to owners of the Company					
Share capital	20	221,508	221,508	270,633	270,633
Accumulated losses		(257,538)	(240,936)	(937,101)	(936,710)
Other reserves	21	178,668	175,676	811,939	814,113
Total equity		142,638	156,248	145,471	148,036
Total liabilities and equity		324,303	332,034	150,058	153,189

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2025

Equity attributable to owners of the Company										
	Share capital			Accumulated losses			Other reserves, total			
	RM'000	RM'000	RM'000	Share premium	Merger reserve	Equity component of convertible bond	Foreign currency translation reserve	Scheme shares reserve	Other reserve	Total equity
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 July 2024	221,508	(240,936)	175,676	162,096	5,000	186	15,879	(6,909)	(576)	156,248
Loss for the year	-	(16,602)	-	-	-	-	-	-	-	(16,602)
Other comprehensive income										
Exchange differences arising from translation of foreign operations	-	-	152	-	-	-	152	-	-	152
Total comprehensive (loss)/income for the year	-	(16,602)	152	-	-	-	152	-	-	(16,450)
Share-based payment	-	-	2,840	-	-	-	-	5,369	(2,529)	2,840
Balance at 30 June 2025	221,508	(257,538)	178,668	162,096	5,000	186	16,031	(1,540)	(3,105)	142,638

The accompanying notes form an integral part of the financial statements

For the financial year ended 30 June 2025

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2025

	Note	Group	
		2025 RM'000	2024 RM'000
Cash flows from operating activities			
Loss before income tax		(16,587)	(79,271)
Adjustments for:			
Depreciation of property, plant and equipment		201	224
Loss on disposal of property, plant and equipment		5	-
Reversal of impairment of trade receivables		(1,545)	(2,923)
Allowance for impairment of other receivables		983	181
Write-down of inventory properties		1,796	15,027
Write-down of non-current assets held for sale		4,162	34,882
Expenses recognised in respect of share-based payment		-	5,045
Provision for liquidated damages		2,500	2,800
Interest income		(56)	(537)
Interest expense		51	13
Other payables written off		(674)	-
Operating cash flows before working capital changes		(9,164)	(24,559)
Change in working capital:			
Inventory properties		(1,280)	(125)
Trade and other receivables, deposits and prepayments		918	1,215
Contract assets		851	-
Trade and other payables and accruals		2,063	(30,222)
Contract liabilities		60	(153)
Cash used in operations		(6,552)	(53,844)
Interest paid		(43)	-
Interest received		56	537
Income taxes paid		(443)	(133)
Net cash used in operating activities		(6,982)	(53,440)
Cash flows from investing activities			
Purchase of property, plant and equipment		(85)	(268)
Receipt of deposits for non-current assets held for sale		5,169	7,407
Frozen bank deposits		(2,965)	-
Net cash generated from investing activities		2,119	7,139
Cash flows from financing activities			
Proceeds from convertible loan		-	7,062
Repayment of convertible loan		-	(1,056)
Payment of principal portion of lease liabilities		(108)	(206)
Interest paid		(8)	(13)
Net cash (used in)/generated from financing activities		(116)	5,787
Net decrease in cash and cash equivalents		(4,979)	(40,514)
Cash and cash equivalents at the beginning of the year		5,823	46,337
Cash and cash equivalents at the end of the year	13	844	5,823

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

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

The address of the Company's registered office is the office of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1- 1111, Cayman Islands. The principal place of business of the Company is at LG-06, Pangsapuri Jentayu, Jalan Tampoi, Kawasan Perindustrian Tampoi, 81200 Johor Bahru, Johor, Malaysia.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as disclosed in Note 16.

These financial statements for the financial year ended 30 June 2025 were approved and authorised for issue by the Board of Directors in accordance with a resolution of the directors on the date of the Directors' Statement.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of Preparation

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

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

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

Going concern assumption

During the financial year ended 30 June 2025, the Group incurred a net loss of RM16,602,000 (2024: RM79,575,000), total comprehensive loss of RM16,450,000 (2024: RM80,159,000) and net cash flows used in operating activities of RM6,982,000 (2024: RM53,440,000). In addition, the net current assets of the Group of RM142,263,000 (2024: RM161,162,000), includes inventory properties amounting to RM109,376,000 (2024: RM109,892,000) and non-current assets held for sale amounting to RM199,731,000 (2024: RM203,893,000) (collectively, the “**Properties**”).

The ability of the Group to continue as a going concern is dependent on the successful completion of the sale and purchase agreement (the “**SPA**”) in respect of the sale of the Properties to a third party (the “**Purchaser**”) as disclosed in Note 14.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.1 Basis of Preparation (cont'd)

Going concern assumption (cont'd)

Nevertheless, in the preparation of the financial statements, the Board of Directors of the Company believes that the use of the going concern assumption is appropriate after taking into consideration the following factors:

- (i) The Board of Directors is of the view that the process of completing the SPA is administrative in nature and nothing has come to the attention of the Board of Directors and management that the SPA would not be completed within the next twelve months. In addition, management is continuing its negotiations with the Purchaser for additional deposits. The total deposits received from the Purchaser to date is RM96 million, representing approximately 26% of the total purchase consideration;
- (ii) The Group has submitted applications to two creditors to defer payments amounting to approximately RM9.7 million. Given that these creditors have previously granted instalment plans to the Group, the Board of Directors and management are of the view that the outcome of these applications will be favourable;
- (iii) Management is continuing its negotiations with a creditor to extend the payment period for an outstanding balance of approximately RM17.5 million owing to the creditor. The payment terms have been extended since prior years due to the continued delay in the re-opening of the Group's retail mall;
- (iv) As disclosed in Note 28, the Group has received a number of legal claims from several third parties. Based on legal advice from the Group's lawyers, management is of the view that an outflow of resources embodying economic benefits is not probable;
- (v) Management is continuing its discussions with the Malaysian Anti-Corruption Commission (the "MACC") to seek the unfreezing of the Group's bank accounts amounting to approximately RM3.0 million as disclosed in Note 13; and
- (vi) The Board of Directors and management are of the view that the Group will have sufficient working capital to meet its obligations as and when they fall due based on a cash flow forecast for the next twelve months.

In the event that the Group is unable to continue as a going concern, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group may have to provide for further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. No such adjustments have been made to these financial statements.

2.2 Adoption of New and Amended Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial period beginning on or after 1 July 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.3 Standards Issued but Not Yet Effective

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

Description	Effective for annual financial periods beginning on or after
Amendments to IAS 21 <i>Lack of Exchangeability</i>	1 January 2026
Amendments to IFRS 9 and IFRS 7 <i>Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to IFRS 9 and IFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	1 January 2026
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027

IFRS 18 *Presentation and Disclosures in Financial Statements*

This standard will replace IAS 1 *Presentation of Financial Statements*. Whilst many of the requirements will remain consistent, the new standard will have impacts on the presentation of the Consolidated Statement of Comprehensive Income and consequential impacts on the Consolidated Statement of Cash Flows. It will also require the disclosure of the non-IFRS management performance measures and may impact the level of aggregation and disaggregation throughout the primary financial statements and the notes.

An entity is required to apply the amendments to IAS 1 for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. IFRS 18 requires retrospective application with specific transition provisions.

Other than the above, the directors do not expect any material impact from the application of these standards.

2.4 Basis of Consolidation

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.5 Foreign Currency

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

(a) *Transactions and balances*

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

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

(b) *Consolidated financial statements*

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

2.6 Subsidiaries

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

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

2.7 Inventory Properties

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

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

Costs include:

- Land acquisition costs;
- Amounts paid to contractors for construction of the inventory properties and other costs directly attributable to the development of the inventory properties; and
- Capitalised borrowing costs that are directly attributable to the acquisition of the land.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.7 Inventory Properties (cont'd)

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

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

Contract costs

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

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

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

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

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

2.8 Financial Instruments

(a) Financial assets

Initial recognition and measurement

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.8 Financial Instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

Investment in debt instruments

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

(i) Amortised cost

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.8 Financial Instruments (cont'd)

(b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.9 Impairment of Financial Assets

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

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

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

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

2.10 Cash and Cash Equivalents

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

2.11 Provisions

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 Revenue

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

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

Sale of inventory properties

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.12 Revenue(cont'd)

Sale of inventory properties (cont'd)

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

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

2.13 Share Capital and Share Issue Expenses

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

2.14 Taxes

(a) Current income tax

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.14 Taxes (cont'd)

(b) Deferred tax

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

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit, and does not give rise to equal taxable and deductible temporary differences; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

2.14 Taxes (cont'd)

(c) Sales tax

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

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

2.15 Non-Current Assets Classified as Held for Sale

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.1 Critical judgments in applying the Group's accounting policies

In the process of applying the Group's accounting policies, the application of judgements that are expected to have a significant effect on the amounts recognised in the financial statements are discussed below.

(a) Legal claims

The Group is exposed to the risk of claims which can arise for various reasons, including delay and disputes etc as disclosed in Note 28.

In making its judgment as to whether it is probable that any such adjudication decisions or litigation will result in a liability and whether any such liability can be measured reliably, management relies on past experience and the opinion of lawyers.

In making that overall judgment, management has included in its consideration the likely outcome of the claims. Although an adverse outcome of those claims could have a material adverse impact on the financial position of the Group, management has taken the view that such a material adverse outcome is very unlikely.

3.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

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

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

The carrying amounts of the Group's inventory properties and non-current assets held for sale as at 30 June 2025 are disclosed in Note 9 and Note 14 respectively.

(b) Income taxes

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

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

The carrying amounts of the Group's income tax recoverable and provision for taxation as at 30 June 2025 were RM6,503,000 and RM10,000 (2024: RM6,414,000 and RM369,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) *Disaggregation of revenue from contracts with customers*

The Group's revenue is derived wholly from Malaysia and is disaggregated by timing of revenue recognition.

	Group	
	2025	2024
	RM'000	RM'000
Reversal of sale of inventory properties, net of provision for liquidated damages - Over time	(4,263)	(4,670)

(b) *Contract balances*

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

	Group		
	2025	2024	1 July 2023
	RM'000	RM'000	RM'000
Contract assets	1,386	2,237	2,237
Contract liabilities	(3,777)	(3,717)	(3,870)

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

Significant changes in contract assets are explained as follows:

	Group	
	2025	2024
	RM'000	RM'000
Reversal of contract assets due to cancellation of sale of inventory properties	(851)	–

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

There are no significant changes in contract liabilities.

NOTES TO THE FINANCIAL STATEMENTS

5. OTHER INCOME

	Group	
	2025	2024
	RM'000	RM'000
Interest income	56	537
Other payables written off	674	-
Miscellaneous income	115	40
	845	577

6. LOSS BEFORE INCOME TAX

The following items have been included in arriving at loss before income tax:

	Group	
	2025	2024
	RM'000	RM'000
Audit fees:		
- Auditors of the Company	279	292
- Other auditors – network firms	163	174
- Other auditors – non-network firms	13	13
Non-audit fees:		
- Other auditors – non-network firms	59	43
Depreciation of property, plant and equipment	82	69
Depreciation of right-of-use asset	119	155
	201	224
Net foreign exchange (gain)/loss	(28)	605
Employee benefit expense:		
- Salaries and related costs	3,325	4,318
- Social security contributions	12	15
- Contributions to defined contribution plan	200	440
- Share-based payment transactions (Note 20(b) and Note 20(c))	-	1,951
Interest expense:		
- Lease liabilities	8	13
Allowance for impairment of other receivables	983	181
Write-down of inventory properties	1,796	15,027
Write-down of non-current assets held for sale	4,162	34,882
Provision for liquidated damages (Note 18)	2,500	2,800
Consultancy fees:		
- Share-based payment transactions	-	2,568
Advisory services fee:		
- Share-based payment transactions (Note 20(d))	-	526
Repair and maintenance expenses	-	7,462

NOTES TO THE FINANCIAL STATEMENTS

7. INCOME TAX EXPENSE

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands. Pursuant to the income tax rules and regulations in Singapore and Malaysia, the subsidiaries located in Singapore and Malaysia are liable to corporate income tax at 17% (2024: 17%) and 24% (2024: 24%) on the assessable profits generated in these countries respectively.

The major components of income tax expense for the years ended 30 June 2025 and 2024 are:

	Group	
	2025	2024
	RM'000	RM'000
Consolidated statement of comprehensive income:		
Income tax:		
- Current income taxation	–	35
- Under/(over) provision in respect of previous years	15	269
	15	304

The reconciliation between the income tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 30 June 2025 and 2024 are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Loss before income tax	(16,587)	(79,271)
Tax expense at the domestic rates applicable to loss in the countries where the Group operates	(3,326)	(18,604)
<u>Adjustments:</u>		
Non-deductible expenses*	2,985	15,161
Non-taxable income	(1,016)	(1,014)
Deferred tax assets not recognised	1,357	4,492
Under provision in respect of previous years	15	269
Income tax expense recognised in profit or loss	15	304

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

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

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Company's subsidiary, Capital City Property Sdn. Bhd. ("CCP"), has unutilised tax losses and unutilised capital allowances of approximately RM139,907,000 (2024: RM134,306,000) and RM152,000 (2024: RM97,000) respectively, at the reporting date which can be used to offset against future taxable income subject to meeting certain statutory requirements with unrecognised tax losses and capital allowances in its country of incorporation. The unutilised tax losses will be allowed to be carried forward for 10 consecutive years of assessment ("YA") deemed to be effective from YA2019, while unutilised capital allowances can be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS

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.

Computation of basic and diluted loss per share for the years ended 30 June 2025 and 2024:

	Group	
	2025	2024
Loss for the year attributable to owners of the Company used in the computation of basic and diluted loss per share (RM'000)	(16,602)	(79,575)
Weighted average number of ordinary shares for basic and diluted loss per share computation ('000)	16,099,980	14,744,808
Loss per share (RM cents)		
- Basic and diluted	(0.10)	(0.54)

9. INVENTORY PROPERTIES

	Group	
	2025	2024
	RM'000	RM'000
Comprised:		
- Retail units of the retail mall held as part of a disposal group held for sale, net of write-downs (Note 14(a))	86,056	87,695
- Retail units of the retail mall, net of write-downs	23,237	22,130
- Development cost in-progress, at cost	83	67
	109,376	109,892

NOTES TO THE FINANCIAL STATEMENTS

9. INVENTORY PROPERTIES (CONT'D)

Particulars of the inventory properties as at 30 June 2025 and 30 June 2024 are as follows:

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

The serviced suites under construction and the serviced apartments that are to be constructed have been suspended.

10. TRADE RECEIVABLES

	Group	
	2025	2024
	RM'000	RM'000
Third parties, net of allowance for expected credit losses	612	34

Expected credit losses

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

	Group	
	2025	2024
	RM'000	RM'000
At the beginning of the year	19,100	22,023
Reversal for the year	(1,545)	(2,923)
Receivables written off	754	-
At the end of the year	18,309	19,100

NOTES TO THE FINANCIAL STATEMENTS

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Sundry receivables, net of allowance for expected credit losses	1,685	2,067	14	14
Deposits	699	1,183	1	2
Prepayments	42	39	–	–
Net GST payables	–	(3)	–	–
Total other receivables, deposits and prepayments	2,426	3,286	15	16
Add:				
Trade receivables (Note 10)	612	34	–	–
Amount due from subsidiaries, net of allowance for expected credit losses (Note 12)	–	–	149,908	152,930
Cash on hand and at banks (Note 13)	3,809	5,823	31	136
Less:				
Prepayments	(42)	(39)	–	–
Net GST payables	–	3	–	–
Total financial assets carried at amortised cost	6,805	9,107	149,954	153,082

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

Expected credit losses

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

	Group	
	2025	2024
	RM'000	RM'000
At the beginning of the year	1,432	1,236
Charge for the year	983	181
Translation difference	(74)	15
At the end of the year	2,341	1,432

NOTES TO THE FINANCIAL STATEMENTS

12. AMOUNT DUE FROM/(TO) SUBSIDIARIES

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

Expected credit losses

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

	Company	
	2025	2024
	RM'000	RM'000
At the beginning of the year	82,130	81,176
Charge for the year	4,052	–
Translation difference	(4,093)	954
At the end of the year	82,089	82,130

13. CASH ON HAND AND AT BANKS

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	3,809	5,676	31	136
Short-term deposits	–	147	–	–
	3,809	5,823	31	136
Less: Cash at banks that have been frozen by the MACC (Note 29)	(2,965)	–	–	–
Cash and cash equivalents per the consolidated statement of cash flows	844	5,823	31	136

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

As at 30 June 2024, short-term deposits were made for a fixed period of three months, depending on the immediate cash requirements of the Group, and earned a fixed interest at 3.1% per annum.

NOTES TO THE FINANCIAL STATEMENTS

14. NON-CURRENT ASSETS HELD FOR SALE

	Group	
	2025	2024
	RM'000	RM'000
Investment properties	214,976	214,976
Property, plant and equipment	23,799	23,799
Less: Write-down to fair value less costs to sell	(39,044)	(34,882)
	199,731	203,893

- (a) On 26 January 2023, the Group entered into a SPA with the Purchaser to sell its assets in the retail mall. These assets include inventory properties of RM86,056,000 (2024: RM87,695,000) (Note 9) and non-current assets held for sale of RM199,409,000 (2024: RM203,571,000), which together comprise a disposal group held for sale (the **"Disposal Group"**). The Disposal Group has been contracted to be sold for a total consideration (before deducting estimated costs to sell) of RM368,000,000 (the **"Purchase Consideration"**).

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

- the Group's receipt of the letter from the relevant authorities granting a release of the unsold retail units that are reserved for sale to Bumiputera individuals and/or entities (**"Bumi Reserved Units"**) in the Group's retail mall from being required to be sold to only Bumiputera individuals and/or entities and/or permitting the Bumi Reserved Units to be sold or transferred to any non-Bumiputera individuals and/or entities;
- the Purchaser obtaining the written confirmation from the Economic Planning Unit within the Prime Minister's Department of Malaysia (**"EPU"**) stating no approval from EPU is required for the sale and purchase of the assets in the Group's retail mall under the SPA (**"EPU Confirmation"**);
- the Purchaser obtaining the approval from the governmental authority of Johor, Malaysia, in respect of the acquisition of the assets in the Group's retail mall by the Purchaser from the Group pursuant to Section 433B of the National Land Code (Revised, 2020), Malaysia (**"433B Approval"**);
- the Purchaser obtaining a loan or credit facility from a licensed bank or financial institution or leading house, unless waived by the Group and the Purchaser in writing (**"Loan from the Financier"**); and
- The discharge of the Collateral Units and the redemption of the Collateral Units from APSB.

NOTES TO THE FINANCIAL STATEMENTS

14. NON-CURRENT ASSETS HELD FOR SALE (CONT'D)

(a) (cont'd)

On 4 August 2023, the Group and the Purchaser entered into a supplemental letter to extend the Conditional Period to 31 March 2024.

On 28 March 2024, the Group received a letter from the Purchaser to request for the waiver of the above-mentioned CPs that the Purchaser will need to fulfill as part of the terms of the SPA, namely EPU Confirmation, 433B Approval and Loan from the Financier (collectively, "**Purchaser's CPs**"), which the Group agreed.

As at the date of issuance of these financial statements, the Group is in the process of completing the SPA.

- (b) As part of the SPA and the Group's Debt Settlement Proposal (Note 27), the Group is committed to sell or to contra certain of its investment properties and property, plant and equipment to settle the debt owing by the Group to its creditors as at 30 June 2025. Accordingly, investment properties and property, plant and equipment are reclassified as non-current assets held for sale in accordance to the criteria as set out in Note 2.15.
- (c) During the current financial year, the Group wrote down its non-current assets held for sale to fair value less costs to sell. The write-down amounted to RM4,162,000 (2024: RM34,882,000). This is a non-recurring fair value measurement, which was derived using actual transacted prices, and is therefore within level 2 of the fair value hierarchy (Note 23).

NOTES TO THE FINANCIAL STATEMENTS

15. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Building-in-progress RM'000	Computer equipment RM'000	Furniture and fittings RM'000	Office equipment RM'000	Renovation RM'000	Office premises RM'000	Total RM'000
<u>Cost</u>								
At 1 July 2023	12,163	24,131	337	302	143	276	485	37,837
Additions	-	-	-	17	18	233	170	438
Write off	-	-	-	-	-	-	(68)	(68)
At 30 June 2024 and 1 July 2024	12,163	24,131	337	319	161	509	587	38,207
Additions	-	-	-	-	-	85	225	310
Write off	-	-	-	(7)	-	-	(342)	(349)
At 30 June 2025	12,163	24,131	337	312	161	594	470	38,168
<u>Accumulated depreciation and impairment losses</u>								
At 1 July 2023	12,163	24,131	326	266	133	268	269	37,556
Charge for the year	-	-	3	14	7	45	155	224
Write off	-	-	-	-	-	-	(28)	(28)
At 30 June 2024 and 1 July 2024	12,163	24,131	329	280	140	313	396	37,752
Charge for the year	-	-	3	10	6	63	119	201
Write off	-	-	-	(2)	-	-	(243)	(245)
At 30 June 2025	12,163	24,131	332	288	146	376	272	37,708
<u>Net carrying amount</u>								
At 30 June 2024	-	-	8	39	21	196	191	455
At 30 June 2025	-	-	5	24	15	218	198	460

NOTES TO THE FINANCIAL STATEMENTS

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

Company	Furniture and fittings RM'000	Office equipment RM'000	Renovation RM'000	Office premises RM'000	Total RM'000
<u>Cost</u>					
At 1 July 2023, 30 June 2024, 1 July 2024 and 30 June 2025	38	19	37	218	312
<u>Accumulated depreciation</u>					
At 1 July 2023	36	11	29	218	294
Charge for the year	2	2	7	–	11
At 30 June 2024 and 1 July 2024	38	13	36	218	305
Charge for the year	–	2	1	–	3
At 30 June 2025	38	15	37	218	308
<u>Net carrying amount</u>					
At 30 June 2024	–	6	1	–	7
At 30 June 2025	–	4	–	–	4

16. INVESTMENT IN SUBSIDIARIES

	Company	
	2025	2024
	RM'000	RM'000
Unquoted shares, at cost	657,652	657,652
Less: Impairment losses	(657,552)	(657,552)
	100	100

As at 30 June 2025, management performed an impairment test for the investment in certain subsidiaries as these subsidiaries were in a net liabilities position. Consequently, an impairment loss of RM657,552,000 (2024: RM657,552,000) was recognised to fully write down the investment in these subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows:

Company name	Country of incorporation	Percentage of equity attributable to the company				Principal activities
		2025		2024		
		Direct	Indirect	Direct	Indirect	
Altimate Ventures Limited ²	British Virgin Islands	100%	–	100%	–	Investment holding
Capital City Property Sdn. Bhd. ¹	Malaysia	–	100%	–	100%	Property development and property investment
Capital City Management Pte. Ltd. ²	Singapore	100%	–	100%	–	Business and management consultancy services
Rise Expedition Global Limited ³	British Virgin Islands	–	–	100%	–	Investment holding
Capital City Ventures Sdn. Bhd. ²	Malaysia	100%	–	100%	–	Property development and property investment
Prime Solution Management Pte. Ltd. ³	Singapore	–	–	100%	–	Management consultancy services
One Solution Management Pte. Ltd. ²	Malaysia	100%	–	100%	–	Facility management services

1 Audited by Moore Stephens Associates PLT, Malaysia (a member firm of Moore Global Network Limited)

2 Reviewed by Moore Stephens LLP, Singapore for consolidation purpose

3 Struck off during the year

NOTES TO THE FINANCIAL STATEMENTS

17. TRADE PAYABLES

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

Included in current trade payables are construction costs of RM37,401,000 (2024: RM37,501,000) payable to a shareholder of the Company. These amounts will be settled by way of contra of the Group's inventory properties and non-current assets held for sale in accordance to the Debt Settlement Proposal as defined in Note 27.

18. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<u>Current liabilities</u>				
Sundry payables	31,735	28,997	1,912	2,096
Deposits received	93,000	85,000	–	–
Accruals	4,058	5,174	2,630	2,617
Provision for liquidated damages	9,600	7,100	–	–
	138,393	126,271	4,542	4,713
<u>Non-current liabilities</u>				
Sundry payables	–	5,284	–	–
Total other payables and accruals	138,393	131,555	4,542	4,713
Add:				
Amount due to subsidiaries (Note 12)	–	–	5	5
Trade payables (Note 17)	39,241	40,016	–	–
Loans and borrowings (Note 19)	244	129	40	42
Less:				
Provision for liquidated damages	(9,600)	(7,100)	–	–
Total financial liabilities carried at amortised cost	168,278	164,600	4,587	4,760

Included in deposits received are deposits of RM93,000,000 (2024: RM85,000,000) received from the Purchaser in respect of the sale of the assets in the Group's retail mall as disclosed in Note 14.

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

NOTES TO THE FINANCIAL STATEMENTS

18. OTHER PAYABLES AND ACCRUALS (CONT'D)

The movement in provision for liquidated damages is as follows:

	Group	
	2025	2024
	RM'000	RM'000
At 1 June	7,100	4,300
Additional provision recognised	2,500	2,800
At 30 June	9,600	7,100

19. LOANS AND BORROWINGS

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<u>Current liabilities</u>				
Lease liabilities	119	2	-	-
Other loans	40	42	40	42
	159	44	40	42
<u>Non-current liabilities</u>				
Lease liabilities	85	85	-	-
	244	129	40	42

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

	At 1 July 2024	Cash flow		Non-cash changes			At 30 June 2025
		Proceeds	Payment	Additions	Accretion of interest	Others	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2025							
Lease liabilities							
- Current	2	-	(31)	225	8	(85)	119
- Non-current	85	-	(85)	-	-	85	85
	87	-	(116)	225	8	-	204

NOTES TO THE FINANCIAL STATEMENTS

19. LOANS AND BORROWINGS (CONT'D)

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

		Cash flow		Non-cash changes				Issue of ordinary shares (Note 20(a))	At 30 June 2024
	At 1 July 2023	Proceeds	Payment	Additions	Accretion of interest	Other payables	Termination		
2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	(Note 20(a))	RM'000	RM'000
Convertible loan*	-	7,062	(1,056)	-	-	-	-	(6,006)	-
Lease liabilities									
- Current	134	-	(219)	170	13	(56)	(40)	-	2
- Non-current	85	-	-	-	-	-	-	-	85
	219	-	(219)	170	13	(56)	(40)	-	87

* On 10 November 2022, the Company entered into a convertible loan agreement (the "CLA") with a third party (the "CL Lender") where the CL Lender agreed to grant an interest-bearing loan of a principal amount of S\$2,000,000 (equivalent to approximately RM7,062,000) to the Company (the "Convertible Loan").

On 31 January 2024, the Company drew down the Convertible Loan and subsequently repaid an amount of S\$300,000 (equivalent to approximately RM1,056,000) ("Repayment Sum") to the CL Lender on 5 March 2024.

Following the repayment of the Repayment Sum by the Company, the Company received a conversion notice from the CL Lender for the conversion of the balance of the Convertible Loan amounting to S\$1,700,000 (equivalent to approximately RM6,006,000) into 1,545,454,545 new ordinary shares of the Company at a conversion price of S\$0.0011 (equivalent to approximately RM0.0039) per share (the "Conversion Price") in accordance with the terms and conditions of the CLA. The Convertible Loan was converted into 1,545,454,545 new ordinary shares of the Company on 27 March 2024 (Note 20).

NOTES TO THE FINANCIAL STATEMENTS

20. SHARE CAPITAL

	Group			
	2025		2024	
	Number of ordinary shares		Number of ordinary shares	
	'000	RM'000	'000	RM'000
Issued and fully paid, each with a nominal or par value of S\$0.04				
- At the beginning and end of the year	1,832,094	176,240	1,832,094	176,240
Issued and fully paid, each with nominal or par value of S\$0.001				
- At the beginning of the year	13,819,274	38,359	11,919,583	30,881
- Issue of ordinary shares	-	-	1,831,314	6,425
- Reclassified from issued and not fully paid	348,627	5,369	68,377	1,053
- At the end of the year	14,167,901	43,728	13,819,274	38,359
Issued and not fully paid, each with nominal or par value of S\$0.001				
- At the beginning of the year	448,612	6,909	516,989	7,962
- Reclassified to issued and fully paid	(348,627)	(5,369)	(68,377)	(1,053)
- At the end of the year	99,985	1,540	448,612	6,909
	16,099,980	221,508	16,099,980	221,508
	Company			
	2025		2024	
	Number of ordinary shares ⁽¹⁾		Number of ordinary shares ⁽¹⁾	
	'000	RM'000	'000	RM'000
Issued and fully paid, each with a nominal or par value of S\$0.04				
- At the beginning and end of the year	1,832,094	225,365	1,832,094	225,365
Issued and fully paid, each with nominal or par value of S\$0.001				
- At the beginning of the year	13,819,274	38,359	11,919,583	30,881
- Issue of ordinary shares	-	-	1,831,314	6,425
- Reclassified from issued and not fully paid	348,627	5,369	68,377	1,053
- At the end of the year	14,167,901	43,728	13,819,274	38,359
Issued and not fully paid, each with nominal or par value of S\$0.001				
- At the beginning of the year	448,612	6,909	516,989	7,962
- Reclassified to issued and fully paid	(348,627)	(5,369)	(68,377)	(1,053)
- At the end of the year	99,985	1,540	448,612	6,909
	16,099,980	270,633	16,099,980	270,633

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

NOTES TO THE FINANCIAL STATEMENTS

20. SHARE CAPITAL (CONT'D)

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

On 22 March 2024, the Company's shareholders passed the following resolutions at the extraordinary general meeting:

- (a) the proposed allotment and issuance of 1,545,454,545 new ordinary shares of the Company to the CL Lender at the Conversion Price (Note 19);
- (b) the proposed allotment and issuance of 146,666,666 new ordinary shares of the Company to the directors of the Company at a price of S\$0.003 (equivalent to approximately RM0.0105) per share in settlement of the bonuses to be granted to the directors to give recognition to their services and contribution, in particular the resumption of trading of the Company on the SGX-ST, and to further align their interests with that of the Company;
- (c) the proposed allotment and issuance of 38,600,000 new ordinary shares of the Company to certain employees of the Group at a price of S\$0.003 (equivalent to approximately RM0.0105) per share for the purpose of retaining and motivating these employees who have made invaluable contributions to the Group;
- (d) the proposed allotment and issuance of 50,000,000 new ordinary shares of the Company to an advisor of the Company at a price of S\$0.003 (equivalent to approximately RM0.0105) per share for advisory services rendered to the Group relating to the Company's resumption of trading on the SGX-ST which includes facilitating the Company's debt restructuring exercise, introducing potential investors to the Company and negotiating with the Company's creditors on the payment terms; and
- (e) the proposed allotment and issuance of 50,593,200 new ordinary shares of the Company to certain creditors of the Group at a price of S\$0.005 (equivalent to approximately RM0.0175) per share in settlement of debts owed to these creditors.

The above-mentioned new ordinary shares were issued after the extraordinary general meeting during the previous financial year ended 30 June 2024.

21. OTHER RESERVES

- (a) Share premium

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

- (b) Merger reserve

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

- (c) Equity component of convertible bonds

Convertible bonds are separated into liability and equity components based on the terms of the Subscription Agreement. Equity components of convertible bonds represent the residual amount of convertible bonds after deducting the fair value of the liability component. The amount was presented net of transaction costs of RM138,000 (2024: RM138,000).

NOTES TO THE FINANCIAL STATEMENTS

21. OTHER RESERVES (CONT'D)

(d) Foreign currency translation reserve

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

(e) Capital reserve

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

(f) Scheme shares reserve

Scheme shares reserve represents the ordinary shares of the Company that is held by the Company to settle debts owed to certain creditors of the Group (the "Scheme Shares").

(g) Other reserve

Other reserve represents the difference arising from the Company's issuance of Scheme Shares to settle the debts owed to certain creditors of the Group as part of the settlement agreement.

22. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

	Group	
	2025	2024
	RM'000	RM'000
Short-term employee benefits	2,887	3,321
Directors' fee	466	487
Employer's contribution to defined contribution plans	216	139
Share-based payments	–	1,772
	3,476	5,719
Comprise amounts paid to:		
- Directors of the Company	2,487	4,401
- Other key management personnel	989	1,318
	3,476	5,719

NOTES TO THE FINANCIAL STATEMENTS

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair value hierarchy

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

- Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 - Inputs other 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 financial assets and financial liabilities are reasonable approximations of fair values due to the insignificant impact of discounting.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) Credit risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

(a) Credit risk (cont'd)

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

(a) Credit risk (cont'd)

Credit risk grading guideline

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

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

Trade receivables

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

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

	Trade receivables				
	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Malaysia	RM'000	RM'000	RM'000	RM'000	RM'000
2025					
Gross carrying amount	–	–	–	18,921	18,921
Loss allowance provision	–	–	–	(18,309)	(18,309)
Net carrying amount	–	–	–	612	612
2024					
Gross carrying amount	–	–	–	19,134	19,134
Loss allowance provision	–	–	–	(19,100)	(19,100)
Net carrying amount	–	–	–	34	34

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

NOTES TO THE FINANCIAL STATEMENTS

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

(a) Credit risk (cont'd)

Other receivables

The Group's credit risk exposure in relation to other receivables and deposits as at 30 June 2025 and 2024 are set out in the credit risk rating grades as follows:

Group	Internal credit rating	Expected credit loss	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000
2025					
Other receivables and deposits	Non-performing	Lifetime ECL	4,725	(2,341)	2,384
2024					
Other receivables and deposits	Non-performing	Lifetime ECL	4,682	(1,432)	3,250

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

The Company's credit risk exposure in relation to other receivables and deposits and amount due from subsidiaries as at 30 June 2025 and 2024 are set out in the credit risk rating grades as follows:

	Internal credit rating	Expected credit loss	Gross carrying amount RM'000	Loss allowance RM'000	Net carrying amount RM'000
2025					
Other receivables and deposits	Performing	12-month ECL	15	–	15
Amount due from subsidiaries	Non-performing	Lifetime ECL	231,997	(82,089)	149,908
2024					
Other receivables and deposits	Performing	12-month ECL	16	–	16
Amount due from subsidiaries	Non-performing	Lifetime ECL	235,060	(82,130)	152,930

Other receivables and deposits

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

NOTES TO THE FINANCIAL STATEMENTS

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

(a) Credit risk (cont'd)

Other receivables (cont'd)

Amount due from subsidiaries

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

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

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

Excessive risk concentration

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

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

Credit risk concentration profile

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

	Group			
	2025		2024	
	RM'000	% of total	RM'000	% of total
By country:				
- Malaysia	612	100%	34	100%

NOTES TO THE FINANCIAL STATEMENTS

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

((b) Liquidity risk

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

Further details of the Group's management of the financial obligations are disclosed in Note 27.

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

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

25. SEGMENT INFORMATION

Business segments

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

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

(a) Property development business

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

(b) Others

It relates to group level corporate services and treasury function.

Allocation basis and transfer pricing

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

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

NOTES TO THE FINANCIAL STATEMENTS

25. SEGMENT INFORMATION (CONT'D)

	Property development	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
2025				
<u>Revenue</u>				
Revenue from external customers	(4,263)	-	-	(4,263)
<u>Results</u>				
Interest income	-	56	-	56
Depreciation expense	(198)	(3)	-	(201)
Other payables written off	674	-	-	674
Reversal of impairment of financial assets, net	1,545	(983)	-	562
Write-down of inventory properties	(1,796)	-	-	(1,796)
Write-down of non-current assets held for sale	(4,162)	-	-	(4,162)
Provision for liquidated damages	(2,500)	-	-	(2,500)
Loss before income tax	(6,378)	(1,489)	(8,720)	(16,587)
Segment Assets	388,031	149,896	(213,624)	324,303
Segment liabilities	468,952	8,890	(296,177)	181,665

	Property development	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000
2024				
<u>Revenue</u>				
Revenue from external customers	(4,670)	-	-	(4,670)
<u>Results</u>				
Interest income	196	341	-	537
Depreciation expense	(214)	(10)	-	(224)
Reversal of/(allowance for) impairment of financial assets, net	2,912	(170)	-	2,742
Write-down of inventory properties	(15,027)	-	-	(15,027)
Write-down of non-current assets held for sale	(34,882)	-	-	(34,882)
Expenses recognised in respect of share-based payment:				
- Bonuses	(1,951)	-	-	(1,951)
- Consultancy fees	(2,568)	-	-	(2,568)
- Advisory services fee	(526)	-	-	(526)
Provision for liquidated damages	(2,800)	-	-	(2,800)
(Loss)/profit before income tax	(73,254)	(25,442)	19,425	(79,271)
Segment Assets	409,137	157,508	(234,611)	332,034
Segment liabilities	483,681	12,905	(320,800)	175,786

NOTES TO THE FINANCIAL STATEMENTS

25. SEGMENT INFORMATION (CONT'D)

Geographical information

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

	Revenue		Non-current assets	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Malaysia	(4,263)	(4,670)	456	448
Singapore	-	-	4	7
	(4,263)	(4,670)	460	455

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

26. CAPITAL MANAGEMENT

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

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

No changes were made in the objectives, policies or processes during the years ended 30 June 2025 and 2024.

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

	Group	
	2025	2024
	RM'000	RM'000
Trade payables	39,241	40,016
Other payables and accruals	128,793	124,455
Less: Cash on hand and at banks	(3,809)	(5,823)
Net debt	164,225	158,648
Equity attributable to owners of the Company	142,368	156,248
Capital and net debt	306,593	314,896
Gearing ratio	54%	50%

The Group and the Company are not subject to any externally imposed capital requirements for the financial years ended 30 June 2025 and 2024.

NOTES TO THE FINANCIAL STATEMENTS

27. DEBT SETTLEMENT PROPOSAL

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

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

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

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

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

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

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

As at the date of issuance of these financial statements, CCP is in the process of completing set-off of the Group's retail units of the retail mall at the agreed transaction value of RM1,000 per square foot against the outstanding amounts/debt due to a certain class of creditors, pursuant to the SOP.

28. CONTINGENT LIABILITIES

As at the date of issuance of these financial statements,

- (a) The Group has received a number of legal claims of approximately RM55.4 million from several third parties. Management is of the view that an outflow of resources embodying economic benefits is not probable. Accordingly, no provision for any liability has been made in these financial statements.
- (i) Included in (a) above is a group of purchasers of the Group's retail units of the retail mall (the "**99 Plaintiffs**") who have filed a claim to CCRM Management Sdn. Bhd. as lessee and CCP as developer (collectively, the "**Defendants**"). The High Court Judge has directed that the 99 Plaintiffs had proven their claims and the Defendants are jointly and severally liable towards the Plaintiffs' claims. Based on the direction of the High Court, the Group's estimated total liability claim in relation to this case is RM10 million. The Group has filed an appeal on this case on 14 April 2023 and subsequently filed records of appeal on 16 June 2023. On 22 April 2024, upon receiving the grounds of judgment from the High Court, the Group filed an additional record of appeal. The Group's appeal before the Court of Appeal was heard on 7 January 2025. After hearing arguments, the Court of Appeal allowed the Group's appeal and proceeded to set aside the High Court judgement against the Group. In the circumstances, the Group has no liability towards the 99 Plaintiffs. On 10 February 2025, the legal advisor for the 99 Plaintiffs has filed an appeal with the Federal Court. Both parties have been directed to file submissions by 15 October 2025, and the hearing of the leave application has been fixed on 30 October 2025 via online hearing. Management is of the view that it is not probable that an outflow of resources embodying economic benefits will be required to settle the claim. Accordingly, no provision for any liability has been made in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

28. CONTINGENT LIABILITIES (CONT'D)

(a) (cont'd)

- (ii) Included in (a) above is a group of purchasers of the Group's retail units of the retail mall (the "**140 Purchasers**") who have filed a claim to CCRM Management Sdn. Bhd. as lessee and CCP as developer (collectively, the "**Defendants**"). The High Court Judge has directed that the Judicial Management has the right to enter into the Consent Order although the 140 Purchasers are neither secured creditors nor unsecured creditors as they are contingent creditors. The Group has filed a notice of appeal to appeal on the High Court decision to the Court of Appeal on 21 December 2022.

The 140 Purchasers filed an application to commence Committal Proceedings against the Group and certain directors of the Company (collectively, the "**Proposed Contemnors**") on 6 June 2024 (the "**Committal Application**"). In this application, the 140 Purchasers are seeking for an order of committal in the form of imprisonment and/or fine (though unspecified) against the Proposed Contemnors. In the alternative, for an order that the Proposed Contemnors to sign a settlement agreement with the 140 Purchasers and for their solicitors costs, costs of this application and penal costs against the Proposed Contemnors (which are unspecified). On 20 June 2024, the Proposed Contemnors filed an application to set aside the leave granted to the 140 Purchasers to file the Committal Application.

On 19 August 2024, the Group withdrew its appeal against the Consent Order, and upon the fulfilment of the conditions in the Consent Order, 18 unsold retail units of the retail mall which have been set aside would be used as a contra settlement towards the full and final resolution of the claims. As at the date of issuance of these financial statements, the above-mentioned conditions in the Consent Order have not been fulfilled.

In addition, the Committal Application was withdrawn by the 140 Purchasers on 9 October 2024.

Management is of the view that it is not probable that an outflow of resources embodying economic benefits will be required to settle the claim. Accordingly, no provision for any liability has been made in the financial statements.

- (iii) Included in (a) above is two purchasers of the Group's retail units of the retail mall (the "**2 Plaintiffs**") who have served a Writ and Statement of Claim to CCP as developer (collectively, the "**Defendant**"). The Court has fixed for full trial on 17 October 2024, 7 November 2024 and 10 November 2024. The full trial took place on 11 December 2024 and 12 December 2024. On 29 May 2025, the Sessions Court dismissed the 2 Plaintiffs' claim in its entirety. On 4 June 2025, the 2 Plaintiffs filed a Notice of Appeal to the High Court of Malaya in Johor Bahru, seeking to appeal the Sessions Court's decision in full. The next case management has been scheduled for 23 October 2025. Management is of the view that it is not probable that an outflow of resources embodying economic benefits will be required to settle the claim. Accordingly, no provision for any liability has been made in the financial statements.
- (iv) Included in (a) above is a group of purchasers of the Group's retail units of the retail mall who have served a Writ of Summons and Statements of Claim to CCRM Management Sdn. Bhd. as lessee and CCP as developer (collectively, the "**Defendants**") in 20 separate suits. All 20 separate suits have been successfully transferred from the High Court to the Sessions Court in July 2023 following the High Court's Order in Term. On 18 April 2024, the Sessions Court struck out one of the suits against the Group. Therefore, there remains 19 suits against the Group. On 15 June 2024, the Group filed an application to amend its statement of defence including to add a counterclaim against certain plaintiffs, on the grounds that these plaintiffs are in breach of their respective sales and purchase agreements and payment agreements. The trial commenced on 18-20 February 2025, 25-26 February 2025, and 15-17 July 2025, during which a total of 7 witnesses were cross-examined. The Court has scheduled the next tranche of trial dates for 21-23 October 2025 and 15-17 December 2025. Management is of the view that it is not probable that an outflow of resources embodying economic benefits will be required to settle the claim. Accordingly, no provision for any liability has been made in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

28. CONTINGENT LIABILITIES (CONT'D)

(a) (cont'd)

- (v) Included in (a) above is a group of purchasers of the Group's retail units of the retail mall (the "125 Plaintiffs") who have served a Writ and Statement of Claim to CCP. The case management originally scheduled for 12 September 2025 has been postponed to 13 October 2025, following the appointment of a new judge to preside over the matter. Management is of the view that it is not probable that an outflow of resources embodying economic benefits will be required to settle the claim. Accordingly, no provision for any liability has been made in the financial statements.
- (vi) Included in (a) above is a purchaser of the Group's serviced suites under construction who have served a Writ and Statement of Claim to CCP. The Court has fixed the next case management on 15 October 2025 for the Group to update whether it intends to file any further pleading. Management is of the view that it is not probable that an outflow of resources embodying economic benefits will be required to settle the claim. Accordingly, no provision for any liability has been made in the financial statements.
- (b) The Group has received a letter of demand of approximately RM8.5 million from a third party. On 20 April 2023, the Company's legal representatives countered the claims set out in the letter of demand on the basis that the claims or demands are unfounded and have no legal basis. As at the date of issuance of these financial statements, there has been no further development of the letter of demand. Management is of the view that an outflow of resources embodying economic benefits is not probable. Accordingly, no provision for any liability has been made in these financial statements.
- (c) The Group received a notice of demand dated 23 July 2024 from the legal advisors representing a third party in relation to the payment of RM810,000 for the early termination of their services for providing advice on the restructuring and management control of the Company's subsidiary, CCP. Management is of the view that the claim set out in the notice of demand is unfounded and has no legal basis. As at the date of issuance of these financial statements, there has been no further development of the notice of demand. Management is of the view that an outflow of resources embodying economic benefits is not probable. Accordingly, no provision for any liability has been made in these financial statements.
- (d) The Group received a notice of demand dated 9 October 2025 from a legal firm representing a third party demanding the immediate rescission of the sale and purchase agreement entered into between the Group and the third party for the purchase of a serviced suites unit, as well as full repayment of the redemption sum of approximately RM255,000 disbursed by the third party's end-financier and together with approximately RM55,000 representing the interest paid to the end- financier. Management is of the view that the claim set out in the notice of demand has no valid basis. Management is of the view that an outflow of resources embodying economic benefits is not probable. Accordingly, no provision for any liability has been made in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

29. INVESTIGATION

During the current financial year, certain employees of the Group were interviewed by the MACC to assist in an ongoing investigation being conducted by the MACC regarding certain transactions between January 2018 and December 2018 in connection with the Company's former subsidiary, MCM Studio Entertainment Group Sdn. Bhd ("**Investigation**").

At the request of the MACC, the bank accounts of CCP (Note 13) were frozen to facilitate the ongoing Investigation.

CCP, through its appointed legal counsel, has submitted a formal application to the MACC seeking the unfreezing of its bank accounts in order to facilitate the resumption of its business operations.

On 15 July 2025, CCP filed a Leave Application for Judicial Review in relation to the freezing of its bank accounts. The matter was scheduled for case management on 12 August 2025.

The written submission of the application to unfreeze CCP's bank accounts was initially scheduled to be filed on 10 September 2025, with the court hearing originally set for 24 September 2025.

However, the Court has since rescheduled the Judicial Review hearing to 19 January 2026, following notification from the Federal Counsel to file written submissions. In light of this, the Court has directed all parties to file their respective written submissions by 5 January 2026.

As at the date of issuance of these financial statements, the Investigation is still ongoing.

30. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 22 July 2025, the Group received an additional deposit of RM3 million from the Purchaser (Note 14).

STATISTICS OF SHAREHOLDINGS

As at 22 September 2025

SHARE CAPITAL

Issued and Fully Paid-up Share Capital	:	S\$87,551,668
Class of Shares	:	Ordinary Share
Voting Rights	:	One Vote Per Ordinary Share
Number of Ordinary Share	:	16,099,980,426
Number of Treasury Share	:	Nil
Number of Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF		NO. OF SHARES	%
	SHAREHOLDERS	%		
1 - 99	21	2.16	769	0.00
100 - 1,000	30	3.08	13,179	0.00
1,001 - 10,000	210	21.56	1,008,150	0.01
10,001 - 1,000,000	549	56.36	95,773,938	0.59
1,000,001 AND ABOVE	164	16.84	16,003,184,390	99.40
TOTAL	974	100.00	16,099,980,426	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	TWIN UNITRADE SDN BHD (IN LIQ)	4,207,737,000	26.14
2	CHONG THIM PHENG	2,219,285,187	13.78
3	PHILLIP SECURITIES PTE LTD	2,119,448,430	13.16
4	AIM WORLDWIDE GROUP LTD	1,545,454,545	9.60
5	YEAN YOKE MOOI	1,496,083,609	9.29
6	SCHOLARS LINK (M) SDN BHD	1,216,120,274	7.55
7	TAN JUNE WEE EDERN	535,090,878	3.32
8	YUAN ZHIWEI	428,843,800	2.66
9	ERIC TAN ENG HUAT	274,003,146	1.70
10	UOB KAY HIAN PRIVATE LIMITED	256,505,470	1.59
11	MAYBANK SECURITIES PTE. LTD.	255,011,292	1.58
12	TOH SOON HUAT	105,003,400	0.65
13	RDC ARKITEK SDN BHD	103,246,753	0.64
14	BLOSSOM GLOBAL PTE LTD	96,522,938	0.60
15	OCBC SECURITIES PRIVATE LIMITED	69,862,134	0.43
16	SIOW CHIEN FU	50,745,713	0.32
17	YEO ANN KIAT OR KNITA YEO	47,066,660	0.29
18	ONE WORLD CORPORATION LIMITED	43,778,000	0.27
19	LOW CHAI CHONG	37,113,883	0.23
20	MORGAN LEWIS STAMFORD LLC	36,283,138	0.23
	TOTAL	15,143,206,250	94.03

STATISTICS OF SHAREHOLDINGS

As at 22 September 2025

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 22 September 2025⁽¹⁾)

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	NO. OF SHARES	%	NO. OF SHARES	%
TWIN UNITRADE SDN BHD (IN LIQ)	4,207,737,000	26.14	–	–
CHONG THIM PHENG	2,219,285,187	13.78	–	–
GREAT VIEW FINANCE LIMITED ⁽²⁾	–	–	1,878,800,286	11.67
AIM WORLDWIDE GROUP LTD	1,545,454,545	9.60	–	–
BRILLIANT OUTLOOK SDN BHD ⁽³⁾	–	–	1,496,083,609	9.29
SCHOLARS LINK (M) SDN BHD	1,216,120,274	7.55	–	–

Notes:

- (1) The above information was based on the notifications received from the substantial shareholders and based on the total issued share capital of 16,099,980,426 ordinary shares of the Company as at 22 September 2025.
- (2) Great View Finance Limited is deemed to be interested in 1,878,800,286 ordinary shares of the Company, registered in the name of a nominee account of Phillip Securities Pte Ltd.
- (3) Brilliant Outlook Sdn Bhd ("Brilliant Outlook") has nominated Ms Yean Yoke Mooi to hold the Scheme Shares in trust for Brilliant Outlook.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 22 September 2025, approximately 24.31% of the Company's shares are held in the hands of public. Accordingly, Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of Capital World Limited (the “Company”) will be held at 1 North Bridge Road, #09-00, High Street Centre, Singapore 179094 on Thursday, 30 October 2025 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements for the financial year ended 30 June 2025 together with the Independent Auditor’s Report thereon. **Resolution 1**
2. To approve the payment of Directors’ fees of S\$140,000 for the financial year ended 30 June 2025 (FY2024: S\$140,000). **Resolution 2**
3. To re-elect Datuk Wira Eric Tan Eng Huat who is retiring pursuant to Article 85(6) of the Articles of Association of the Company. **Resolution 3**
[See Explanatory Note (1)]
4. To re-elect Ms Tan Ler Choo who is retiring pursuant to Article 86(1) of the Articles of Association of the Company. **Resolution 4**
[See Explanatory Note (2)]
5. To re-appoint Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**
6. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

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

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

- (a) (i) allot and issue shares in the capital of the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or;
- (ii) make or grant offers, agreements or options (collectively “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures, convertible securities or other instruments convertible into Shares;

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

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

NOTICE OF ANNUAL GENERAL MEETING

provided always that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), provided that the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company;
- (2) (subject to such manner of calculation as may be prescribed by the Catalist Rules), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of total issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities outstanding at the time this authority is given;
 - (b) (where applicable) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of passing of this Resolution, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

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

- (3) in exercising the authority conferred by this Resolution, the Directors shall comply with the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “**Cayman Companies Law**”), and otherwise, and the Articles of Association for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (3)]

By Order of the Board

Lee Pih Peng
Company Secretary

Singapore
15 October 2025

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes

- 1 Datuk Wira Eric Tan Eng Huat will, upon re-election as a Director of the Company, remain as the Managing Director of the Company. Detailed information of Datuk Wira Eric Tan Eng Huat can be found under the "Board of Directors" and "Corporate Governance Report" sections in the Company's Annual Report.
- 2 Ms Tan Ler Choo will, upon re-election as a Director of the Company, remain as the Non-Executive and Non-Independent Director of the Company; Members of the Audit Committee, Nominating Committee and Remuneration Committee. Detailed information of Ms Tan Ler Choo can be found under the "Board of Directors" and "Corporate Governance Report" sections in the Company's Annual Report.
- 3 The Ordinary Resolution 6 proposed in item 7 above, if passed, will empower the Directors of the Company, from the date of the forthcoming AGM of the Company until the next AGM of the Company, to allot and issue Shares and convertible securities in the Company, without seeking any further approval from shareholders in a general meeting but within the limitation imposed by Ordinary Resolution 6, for such purposes as the Directors may consider would be in the best interests of the Company. The number of Shares and convertible securities that the Directors may allot and issue under Ordinary Resolution 6 would not exceed one hundred per cent. (100%) of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of Ordinary Resolution 6. For issue of Shares and convertible securities other than on a pro rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed fifty per cent. (50%) of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of Ordinary Resolution 6.

IMPORTANT NOTICE FOR SHAREHOLDERS:

The Company's AGM is being convened, and will be held physically at 1 North Bridge Road, #09-00, High Street Centre, Singapore 179094. There will be no option for shareholders to participate virtually or by electronic means.

The Annual Report 2025, Notice of AGM, Proxy Form and the Annual Report 2025 printed copy request form ("**Request Form**") have been made available on SGXNet and the Company's corporate website and may be accessed at the following URLs:

- (i) <https://www.sgx.com/securities/company-announcements>; or
- (ii) <http://capitalworldlimited.com>

Printed copies of this Notice of AGM, Proxy Form and Request Form will be despatched to shareholders. The Notice of AGM will also be published on The Business Times on 15 October 2025.

Shareholders who wish to receive a printed copy of the Annual Report 2025 may do so by completing the Request Form and sending it to the Company by 22 October 2025 through any of the following means:

- (i) Via email to info@capitalcity.com.my; or
- (ii) In hard copy by sending personally or by post and lodging the same to Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632.

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

(a) Participation in the AGM

Shareholders may participate in the AGM by:

- (i) Attending the AGM in person;
- (ii) Submitting questions in relation to any agenda item in this Notice of AGM in advance of, or at the AGM; and/or
- (iii) Voting at the AGM by (i) themselves; or (ii) through duly appointed proxy(ies).

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

NOTICE OF ANNUAL GENERAL MEETING

(b) Register in person to attend the AGM

Shareholders can attend the AGM in person.

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

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

(c) Asking Questions

Shareholders and Investors (including CPF and SRS investors) who have questions in relation to any agenda items in this Notice of AGM can ask questions during the AGM physically or can submit their questions to the Company in advance ("**Advanced Questions**"), by **22 October 2025**, through any of the following means:

- (i) via email to info@capitalcity.com.my; or
- (ii) in hard copy by sending personally or by post to 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535.

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

- (i) Full Name;
- (ii) Contact Telephone Number;
- (iii) Email Address; and
- (iv) The manner in which you hold shares (if you hold shares directly, please provide your CDP account number; otherwise, please state if you hold your shares through CPF or SRS, or are a relevant intermediary shareholder).

The Company will address all substantial and relevant Advanced Questions submitted via an announcement on the Company's corporate website at the URL <http://capitalworldlimited.com> and on the SGX-ST website at the URL <https://www.sgx.com/securities/company-announcements> by **26 October 2025, 10.00 a.m.**

Follow up questions which are submitted after 22 October 2025 will be consolidated and addressed either before the AGM via an announcement on SGXNet and the Company's website or at the AGM. The Company will publish the minutes of the AGM, which will include responses from the Board and management of the Company on the substantial and relevant questions received from shareholders and investors via an announcement on SGXNet and the Company's website within one (1) month after the AGM.

NOTICE OF ANNUAL GENERAL MEETING

(d) Voting at the AGM

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

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

Duly completed Proxy Forms, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must be submitted through any of the following means not later than **28 October 2025 (Tuesday), 10.00 a.m.** (being no later than 48 hours before the time appointed for holding the AGM) and in default the proxy form shall not be treated as valid:

- a) if sent personally or by post, be lodged at Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or
- b) if submitted by email, be received by the Company at srs.proxy@boardroomlimited.com.

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

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

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

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

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

CPF/SRS investors who wish to appoint proxy(ies) to vote at the AGM should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **20 October 2025**, being at least seven (7) working days before the AGM, in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the proxy(ies) to vote on their behalf.

Personal Data Privacy

"**Personal data**" in this notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes your name, address and NRIC/Passport number of a member and proxy(ies) and/or representative(s) of a member.

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or submitting any question prior to the AGM in accordance with this Notice of AGM, a member of the Company hereby consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purposes of (i) processing, administration and analysis by the Company (or its agents or service providers) of Proxy Forms/instruments appointing proxy(ies) and/or representative(s) of the meeting for the AGM (including any adjournment thereof); (ii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; (iii) the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and (iv) in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR LOW CHAI CHONG

Non-Executive Independent Chairman

DATUK WIRA ERIC TAN ENG HUAT

Managing Director

(Appointed on 13 January 2025)

MR YEO BOON KEONG

Non-Executive and Independent Director

MS TAN LER CHOO

Non-Executive and Non-Independent Director

MR HOO KHEE LENG

Executive Director and Chief Executive Officer

(Resigned on 31 December 2024)

MR SIOW CHIEN FU

Executive Director

(Resigned on 31 January 2025)

AUDIT COMMITTEE

MR YEO BOON KEONG (CHAIRMAN)

MR LOW CHAI CHONG

MS TAN LER CHOO

REMUNERATION COMMITTEE

MR LOW CHAI CHONG (CHAIRMAN)

MR YEO BOON KEONG

MS TAN LER CHOO

NOMINATING COMMITTEE

MR YEO BOON KEONG (Chairman)

MR LOW CHAI CHONG

MS TAN LER CHOO

COMPANY SECRETARY

MS LEE PIH PENG

REGISTERED OFFICE

The Offices of Conyers Trust

Company (Cayman) Limited

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

PRINCIPAL PLACE OF BUSINESS

LG-06 Pangsapuri Jentayu, Jalan Jentayu,

81200 Johor Bahru, Johor, Malaysia

SHARE REGISTRAR

**BOARDROOM CORPORATE & ADVISORY
SERVICES PTE. LTD.**

1 Harbourfront Avenue,

Keppel Bay Tower #14-07,

Singapore 098632

AUDITOR

MOORE STEPHENS LLP

10 Anson Road

#29-15 International Road

Singapore 079903

Partner-in-charge: Michelle Chong Jia Yun

(appointed with effect from the financial year
ended 30 June 2025)

PRINCIPAL BANKER

United Overseas Bank Limited

80 Raffles Place

UOB Plaza

Singapore 048624

United Overseas Bank (Malaysia) Bhd.

Menara UOB

Jalan Raja Laut

57038 Kuala Lumpur

Malaysia

SPONSOR

RHT CAPITAL PTE. LTD.

36 Robinson Road

#10-06 City House

Singapore 068877



CAPITAL WORLD LIMITED

CAPITAL WORLD LIMITED

MALAYSIA OFFICE

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JALAN JENTAYU,
81200 JOHOR BAHRU,
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TEL : (60) 7238 6622