

Capital World Limited
(Incorporated in the Cayman Islands)
Company Registration Number: CT-276295

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High Street Centre
Singapore 179094

RECEIPT OF NOTICE OF DEFAULT

The Board of Directors (the “**Board**”) of Capital World Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 1 April 2019, circular dated 15 May 2019, 3 August 2021, 30 September 2021 and 15 November 2021 (the “**Previous Announcements**”) in relation to the settlement agreement entered into between Achwell Property Sdn Bhd (“**APSB**”) and Capital City Property Sdn Bhd (“**CCPSB**”), a wholly owned subsidiary of the Company.

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning in the aforementioned announcements.

The Board wishes to inform the shareholders that CCPSB has, on 28 July 2022, received a notice of default (the “**Notice**”) from APSB. In the Notice, it is stated that CCPSB has defaulted in payment for Tranches 1 and 2 amounting to RM 10,000,000.00 of the Final Settlement Sum, together with the accrued late payment interest charge at a rate of 5% per annum (calculated on a daily basis) for Tranche 1 of the Final Settlement Sum.

CCPSB is required to remedy such default within two (2) months from the date of the said written notice (“**Remedy Period**”) or such extended period of not more than one (1) month from the expiry of the Remedy Period as may be granted by APSB at its absolute discretion. However, in the event of CCPSB is unable to remedy the said default within the stipulated period, APSB shall be entitled to enforce its full rights under the Final Settlement Agreement (“**FSA**”), including to enforce the security created under the Debenture and proceed to sell the remaining Collateral Units which are not already released from the Debenture and use the said sale proceeds to settle the entire outstanding Final Settlement Sum together with any interest thereon and all other sums due and payable by CCPSB to APSB under the terms set out in the FSA and the Debenture.

Prior to receiving the above Notice, CCPSB has taken steps and efforts to engage in discussions with APSB to restructure the Settlement Sum in accordance with the above payment schedule. After receiving the Notice, the Company has issued an official letter to APSB on 29 July 2022 to continue to engage with APSB with regard to the matter. This includes requesting for an extension of time for the Company to work towards the potential reopening of the Capital City Mall.

The Company is, making all efforts to address the above, is also seeking legal advice on the Notice, and will take appropriate actions accordingly to protect the Company and CCPSB’s interest.

The Company will continue to update the shareholders of the Company on any further development on the Notice by way of further announcement(s) as and when necessary.

Trading in the Company’s securities on the SGX-ST has been voluntarily suspended by the Company on 14 February 2020. The Company will make further announcements as appropriate or when there are any material developments.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders are also advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests. Shareholders should consult

their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board
CAPITAL WORLD LIMITED

Siow Chien Fu
Executive Director and Chief Executive Officer
29 July 2022

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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