CAPITAL WORLD LIMITED
(Incorporated in the Cayman Islands)
(Company Registration No.: CT-276295)

RESPONSES TO SGX QUERIES

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning ascribed to them in the previous announcements.

The board of directors (the "**Board**" or the "**Directors**") of Capital World Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to provide the following response to the queries from the Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") dated 6 October 2023.

"We refer to:

(a) CNA's news article dated 6 Oct 2023, titled "Opening of Mustafa's first overseas flagship store in Johor Bahru delayed by a year" (Opening of Mustafa's first overseas flagship store in Johor Bahru delayed by a year (channelnewsasia.com) (the "CNA Article"); and

(b) the Company's announcements of 27 Jan 2023, titled "Capital World to sell bulk of its mall in Johor to Singapore retailer Mustafa for RM368 million" (the "Company's January Announcement").

It was stated in the CNA Article that Chief executive of Capital World Ivan Hoo told CNA on 4 Oct, that Capital City Mall ("the Mall") now target to open in the fourth quarter of 2024.

It was stated in the Company's January Announcement that Capital City Mall is expected to reopen in second half of 2023."

(1) Please explain why the Company did not update shareholders via an announcement on SGXNet, of the 1-year delay in opening of the Mall.

Company's response

The completion of the SPA and the re-opening of the Mall are two distinct matters, which are not interdependent.

Mustafa is responsible for the Mall's re-opening as the Company is selling its assets in Capital City Mall to Mustafa pursuant to the SPA and has no control over the commercial/operating decisions with respect to the Mall. The Company is only responsible for completing its obligations under the SPA which is on track and it does not include the re-opening of the Mall.

When the SPA was signed on 26 January 2023, Mustafa intended to re-open the Mall by the second half of 2023. After the signing of the SPA, Mustafa engaged architects, engineers and professionals for the Mall's planning of the opening of his flagship store, and from the Company's observations at the site, Mustafa's re-opening plans underwent multiple revisions. The Company is not privy to Mustafa's business plans and had no basis to update the shareholders on the re-opening date.

As such, the delay in the Mall re-opening is beyond the Company's purview and has no bearing on SPA completion.

(2) *When was the Company aware of the delay in the target reopening date to fourth quarter 2024 (from second half of 2023)?*

Company's response
As mentioned earlier, from the Company's site observations, Mustafa's re-opening plans underwent several revisions. The Company is not privy to Mustafa's business plans. The Company was not informed that Mustafa intends to delay the re-opening until fourth quarter 2024, or if that is indeed the case.

The CNA Article has wrongly cited that Mr Hoo is aware of the delay of the re-opening of the Mall. A Clarification Announcement dated 9 October 2023 was also released to clarify this matter.

At all times, the Company remained focused on completing the SPA by 31 December 2023.

(3) *The Company had announced in January 2023 entry into a sale & purchase agreement ("**SPA**") with Mustafa whereby Mustafa will buy bulk of the units in the Mall. Based on the Company's January Announcement and subsequent update announcement, the Mall is expected to open by the second half of 2023 and the SPA is targeted to complete by 31 Dec 2023.*

a. *Please explain what constitutes completion of SPA.*

Company's response
Completion of SPA means the legal transfer of ownership against full payment of the purchase price. This happens once the Conditions Precedent have been satisfied. The opening of the Mall is not a Condition Precedent.

b. *What are the other milestones need to be achieved after completion of the SPA before the opening of the Mall?*

Company's response
In accordance with SPA, the Company agreed to undertake the Vendor's Works on or before the expiry of twelve (12) months from the completion date of the SPA or such extended date as the parties may agree in writing.

c. *With the latest delay in reopening of the Mall, is there any change to the SPA completion date? Please provide the revised SPA date, if relevant, and the reasons for such revision.*

Company's response
There is no change to the SPA completion date as the completion of the SPA is not related to the opening of the Mall in any way.

d. *How would the delay in opening of the Mall affect the expected payments from Mustafa in relation to the SPA?*

Company's response
As per SPA clause 4.1, the payment of the balance purchase price will be made on the completion of the SPA. The delay in the opening of the Mall will not affect the payments from Mustafa.

e. *Would the Company be liable to compensate other tenants / strata owner of units of the Mall for such delay in opening of the Mall? If so, what is the expected financial impact?*

Company's response
The Company is not liable to compensate other tenants / strata owner of the units of the Mall ("**Ex-Purchasers**") for the delay in the opening of the Mall. No agreement exists between the Company and the Ex-Purchasers, and hence, there is no financial impact.

(4) *Please detail the implications and impact of the delay in completion of the SPA (if relevant), and delay in opening of the Mall on the Company's trading resumption proposal submitted to the Exchange.*

Company's response

As explained above, there are no implications and/or impact to the trading resumption proposal submitted to Exchange as the Company fully expects to receive the balance payment upon the completion of the SPA. The delay in the opening of the Mall has no impact to the SPA (or the Company) as Mustafa is responsible for re-opening the Mall.

(5) *Does the Company have any recourse against Mustafa or other parties for the delay in reopening of the Mall?*

Company's response

The Company does not have any recourse against Mustafa for the delay in reopening of the Mall as Mustafa is responsible for the re-opening of the Mall.

(6) *It was stated in the CNA Article that Mustafa is in negotiations with existing tenants of the Mall to take over or lease such space as Mustafa plans to operate an entire floor of the Mall. What happens in the event Mustafa is unable to take over and / or lease such space?*

Company's response

The Company understands that Mustafa is able and intends to re-open the Mall based on the units that Mustafa has already acquired, which form a very significant portion of the Mall. Whether or not Mustafa chooses to take over additional space is a business decision solely within Mustafa's purview.

(7) *It is stated in the CNA Article that Mustafa's MD commented that "the progress is nothing" and that they are "still planning and deliberating" and that it will take time. The CNA's visit to the Mall also did not note signs of renovation of Mustafa's store. Please clarify the status of renovation, and explain how the Company had envisaged to meet its initial estimate of Mall reopening by second half of 2023 (based on announcements to date).*

Company's response

Currently, the Mall is undergoing some demolition works to accommodate certain changes in the layout and design of the Mall. After the necessary demolition works are completed, the Company understands that Mustafa's contractors will commence renovation work in the Mall.

In the Company's previous announcement dated 27 January 2023, the Company mentioned that the Mall is expected to re-open in the second half of 2023. This estimate was made by the Company on the assumption that the Mall will undergo a small-scale renovation. However, from the Company's observations, Mustafa is now planning for a major-scale renovation to enhance the Mall interior design. As explained earlier, the Company is not privy to Mustafa's exact business plans and his expected re-opening date.

(8) *Please provide the timeline for key milestones leading to completion of SPA and reopening of the Mall, as well as the initial vs delayed timeline for these milestones.*

Company's response

Based on the CNA Article, while it highlighted the potential change in the reopening date of the Mall, the Company confirms that there is no change in the timeline for the key milestones to complete the SPA and they are as follows:

Indicative timeline	**Key milestones leading to the completion of the SPA**
By 31 October 2023	Payment of the balance settlement sum of RM20 million to APSB in relation to the Settlement Agreement dated 28 July 2021
By 31 December 2023	Completion of the SPA and receipt of balance Sales Consideration pursuant to the SPA
	Key milestones leading to the reopening of the Mall
By 31 March 2024	Completion of the Vendor's Works in Schedule 5 of the SPA

In conclusion, upon the completion of the SPA, Mustafa is responsible for the Mall's re-opening and as mentioned in point 2 above, Mustafa might delay the re-opening from first quarter 2024 till fourth quarter 2024 due to Mustafa's multiple revisions of the plan for the renovation of the Mall.

Trading in the Company's securities on the SGX-ST has been voluntarily suspended by the Company since 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

Hoo Khee Leng
Executive Director and Chief Executive Officer
9 October 2023

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*This document 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 document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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