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

MONTHLY UPDATE JUNE 2023

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning in the previous announcements dated 12 June 2023.

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 updates:

A. Update on legal claims against the Group

1. As at the date of this announcement, the total ongoing legal claims of the Group is at RM25.3 million.

2. Following are the updates on the ongoing legal matters:

    i. With regards to the case involving Mr Pung, It Teong and Ms Tan Yee Ting (the "**Purchasers**"), the Purchasers served a Writ and Statement of Claim dated 28 September 2022 to CCPSB as the developer. The Purchasers are claiming a refund for the sum paid. The claim amount is RM435,756. On 22 June 2023, CCPSB has filed an application to amend the Statement of Defence. The Court has directed the case management to be fixed on 20 July 2023.

    ii. On 24 November 2022 and 27 December 2022, Mr. Pey Boon Siong and 19 other purchasers ("**Pey & Other Purchasers**") served their Writ Summons and Statements of Claim to CCPSB as developer and CCRM as lessee in 20 separate suits, all filed at the High Court of Malaya at Johor Bahru. Pey & Other Purchasers are claiming a total of RM8.9 million for the liquidated and ascertained damages for the late delivery of the Capital City Mall retail units' vacant possession, arrears of outstanding rental, and the depreciation of the property value faced by them. As of the date of this announcement, all 20 suits have been successfully transferred from the High Court to the Sessions Court following the High Court's Order in Term. The Court has fixed various dates for the 20 Case Management in July 2023.

    iii. On 6 April 2023, Matrix Ideal Sdn Bhd ("**Matrix Ideal**") has issued a letter of demand ("**Letter of Demand**") to MCM Studio Entertainment Group Sdn Bhd ("**MCM Studio**"), the Company's subsidiary, CCPSB, and Mr Siow Chien Fu, an Executive Director of the Company. MCM Studio, disposed in January 2020, was an 80% subsidiary of CWL and had entered into a shareholders agreement with Matrix Ideal ("**Shareholders Agreement**"), which included that Matrix Ideal was to inject RM17.5 million in full into the MCM Studio to subscribe for 25% new shares in MCM Holdings Sdn Bhd, a company to be incorporated under MCM Studio to own the balance 75% shareholding. Matrix Ideal eventually injected a partial sum of approximately RM8.4 million (the "**Paid Fund**") into MCM Studio. As MCM Studio did not receive the full RM17.5 million, in accordance with the Shareholders Agreement, no shares were issued to Matrix Ideal. Matrix Ideal is now claiming the Paid Sum as Matrix Ideal alleges that the Paid Fund was further transferred to CCPSB (the "**Allegation**").

The Company wish to clarify that the Paid Fund was never, in any material time, transferred to CCPSB and that the Company has subsequently sought legal advice on this matter. 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. The Company through its appointed solicitor, will be filing a compulsory winding up petition to wind up MCM Studio in due course.

B. <u>The Company's future direction, or other material development that may have a significant impact on the issuer's financial position</u>

1. The Company refers to its announcement dated 10 February 2023 wherein the Company has submitted its resumption of trading proposal ("**Resumption Proposal**") to Singapore Exchange Regulation Pte Ltd. The Company shall keep the shareholders updated on the outcome of the Resumption Proposal accordingly.

   Further disclosures will be made in due course to keep shareholders apprised of its developments.

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
4 July 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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