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

MONTHLY UPDATE JANUARY 2023

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning in the previous announcements dated 20 April 2022, 3 June 2022, 24 June 2022, 13 July 2022, 31 August 2022, 30 September 2022, 31 October 2022 and 5 January 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. <u>Update on legal claims against the Group</u>

i. As at the date of this announcement, the total ongoing legal claims of the Group is RM19.8 million.

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

a. With regards to the case involving Teh Swee Neo, Lee Yong Hen and 97 other purchasers, with CCRM Management Sdn Bhd. ("**CCRM**") as the lessee and Capital City Property Sdn Bhd ("**CCPSB**") as the developer, the Court has further postponed the hearing to 6 March 2023.

b. With regard to the case involving Lee Choi Fa and 139 other purchasers with CCRM as the lessee and CCPSB as the developer, the High Court Judge has directed that the Judiciary Management has the right to enter into the Consent Order although Lee Choi Fa and the 139 other purchasers are neither secured creditors nor unsecured creditors as they are contingent creditors. CCPSB has filed an appeal on 22 December 2022, and the Court has directed for the appeal to be fixed on 21 March 2023.

c. With regard 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 RM435,756.00. The case was fixed for further case management via e-review on 12 February 2023.

d. With regard to the case involving Chieng Lee Leng and CCPSB as the developer, both parties have agreed and completed an out of court settlement.

e. With regard to the legal demand letter involving Ms Debra Tan ("**Ms Debra**") with CCPSB, as of the date of this announcement, there are no further developments.

f. On 20 December 2022, Mr. Pey Boon Siong and 19 other purchasers ("**Pey & 19 Purchasers**") served their Writ Summons and Statement of Claim(s) to CCPSB as developer and CCRM as lessee. Pey & 19 Purchasers are claiming a total of RM8,926,783.94 for the liquidated and ascertained damages of the late delivery of the Capital City Mall retail units' vacant possession, arrears of guarantees rent, and the financial loss and property depreciation value faced by them. The Court has directed the followings.
    i. Both parties to file their written legal submission by 16 February 2023, and
    ii. Physical hearing for the consolidation application is fixed on 14 March 2023.

iii. The Company refers to its announcement dated 31 August 2022 in relation to the receipt of a Notice of Default ("**Notice**") from Achwell Property Sdn Bhd ("**APSB**"). As per the Notice, APSB claimed that CCPSB, a wholly owned subsidiary of the Company had defaulted in the payment for Tranches 1 and 2 of a loan amounting to RM10,000,000.00, and an additional accrued late payment interest charge at a rate of 5% per annum (calculated on daily basis) for Tranche 1 of the Final Settlement Sum.

On 11 November 2022, CCPSB deposited RM5.0 million ("**Earnest Sum**") to APSB's solicitor who is acting as a stakeholder for the Earnest Sum. The solicitor will release the Earnest Sum to APSB upon the parties entering into the Supplemental Settlement Agreement ("**SSA**"). This Earnest Sum paid to APSB's stakeholder is an assurance that CCPSB has the required funds and CCPSB's commitment to resolve the outstanding payment. The Company expects to enter into a Supplemental Settlement Agreement with APSB by mid-February 2023,

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

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

i. The Company refers to its announcement dated 6 January 2023 and wishes to update Shareholders that the Company has received a letter from Singapore Exchange Regulation Pte Ltd, setting out, amongst others, that it has no objection to the Company's application for an extension until 30 April 2023 for the submission of its trading resumption proposal.

ii. The Company refers to its announcement dated 27 January 2023 in relation to the Sale and Purchase Agreement dated 26 January 2023, entered between CCPSB and MK Mustafa Centre Sdn Bhd for the sale consideration of RM368 million for the following assets:
    a. the remaining 591 unsold retail units;
    b. 374 accessory parcels; and
    c. 2,181 car parking bay.

The Company shall update the shareholders as and when there are any material 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
7 February 2023

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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