

**RESPONSES TO SGX QUERIES**

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*Unless otherwise defined, all capitalised terms and references shall bear the same meanings ascribed to them in the previous announcement made by the Company on 15 October 2024 in relation to the receipt of the statement of claim.*

The board of directors (the “**Board**” or the “**Directors**”) of Capital World Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) refers to the queries raised by Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 16 October 2024 regarding the Company’s announcement dated 15 October 2024.

- 1) *It was announced that the Company’s subsidiary, Capital City Property Sdn Bhd (“**CCP**”), had on 15 October 2024, received a legal notice dated 11 October 2024 from the legal advisors representing Anna Ling and other purchasers claiming for RM30,619,022.76 (“**Claim Sum**”) under a Writ and Statement of Claim (“**Statement of Claim**”) for the damages related to the property units of Capital City Project that Anna Ling and other purchasers had purchased from CCP previously.*
  - a) *Please provide the background to the Statement of Claim.*

**Company’s response**

Anna Ling and the other purchasers (“**Plaintiffs**”) through their legal advisers served a Statement of Claim to CCRM Management Sdn Bhd as lessee, CCP as the developer and Mr Siow Chien Fu as the director of CCP. The Plaintiffs are claiming for damages arising from breach of contracts and rental payments in relation to the Sale and Purchase Agreements and Tenancy Agreements of the property units respectively, amounting to RM30,619,022.76. As the Statement of Claim received by the Company is incomplete, the Company is in the midst of seeking clarification including the basis of the Claim Sum.

- 2) *Please provide the Board’s assessment with bases, on impact of the Statement of Claim to the Group’s business operations.*

**Company’s response**

The Board is of the view that the Statement of Claim will not affect the Group’s business operations as the Group is in the midst of seeking legal advice to defend the Claim. The Statement of Claim arises from the purchasers who had previously purchased property units with CCP, which has no impact on the current sale with MK Mustafa.

- 3) *Are there any other letters of demand, statutory demands, claims and legal suits received by the Company and the Group, other than those that have been disclosed?*

**Company’s response**

As of the date of this announcement, the Company and/or the Group have not received any other letters of demand, statutory demands, claims, or legal suits. All the letters of demand, statutory demands, claims, and legal suits that the Company and/or the Group had received had been announced previously.

4) *It was announced on 11 Oct 2024 that the Board of Directors and management are of the view that the Group will have sufficient working capital and will be able to meet its obligations as and when they fall due based on a cash flow forecast for the next 12 months.*

a) *Please elaborate on the potential impact of Statement of Claim on the Group's cash flow forecast.*

**Company's response**

As announced by the Company on 15 October 2024, the Company is seeking legal advice and clarification on the Statement of Claim. Nonetheless, the Company is of the opinion that there would not be any impact on the cash flow as forecasted for the next 12 months, as the lawyers advised that the procedural legal action to defend the Claim will extend beyond 1 year. In addition, if the Group successfully defends against the claim, the Group will not need to pay the Claim Sum.

b) *Please provide Board's assessment and supporting bases on the Company's ability to continue as a going concern, taking into account, amongst others, Statement of Claim, all letters of demands, statutory demands, claims and legal suits received by the Company and the Group.*

**Company's response**

Based on the Group's cash balance of RM5.8 million as of 30 June 2024, the receipt of additional deposit of RM5 million on 13 August 2024 and the receipt of RM3 million on 3 October 2024 from MK Mustafa and after deducting the payments made for July 2024 to mid-October 2024, the Group's total cash available as of mid-October 2024 is approximately RM8.8 million.

If the Group was to make the payment of approximately RM0.7 million to TNB based on the revised instalment repayment plan for the period from November 2024 to June 2025, announced by the Company on 2 October 2024, the Group's total cash balance is expected to be RM8.1 million for the full year ended 30 June 2025. Based on the Group's estimated monthly general and administrative expenses of approximately RM0.5 million (which is lower than the cash flow projection due to a reduction in headcount), the Group is expected to have sufficient working capital from October 2024 until June 2025, which is the Group's financial year-end.

As mentioned in the responses to Query 2 and 4(a) above, the Group is in the midst of seeking legal advice to defend the Statement of Claim. Therefore, as of date, it is not expected to have any cash outflow in relation to the Statement of Claim for the financial year ended 30 June 2025.

5) *Please provide Board's confirmation that all material information has been announced to keep shareholders updated of developments in the Company*

**Company's response**

The Board confirms that all material information has been announced to keep shareholders updated about the company's developments. The Board undertakes to keep shareholders informed timely of any material updates of the Company.

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  
18 October 2024

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*This announcement 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.*

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