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

UPDATES PURSUANT TO RULE 704(22) OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S ("SGX-ST") LISTING MANUAL SECTION B: RULES OF CATALIST ("CATALIST RULES")

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 and 13 July 2022.

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 pursuant to Rule 704(22) of the Catalist Rules:

A. Negotiation between the issuer and its principal bankers or trustee

The Group does not have any significant loans with banks and is not engaged in any negotiations with banks. The Group confirms that it does not maintain any trustee account.

B. Update on legal claims against the Group

i. As at the date of this announcement, the total ongoing legal claims of the Group stands at RM10.4 million. The decrease in the total amount of legal claims was mainly due to a claim being resolved as mentioned below.

   a. A notice of demand from Amano Malaysia Sdn Bhd ("**Amano**") to CCRM Management Sdn Bhd. as lessee and Capital City Property Sdn Bhd ("**CCPSB**") as the developer amounting to RM1,496,952 has been resolved by the Company and there are no further claims from Amano.

   b. With regards to the case involving Teh Swee Neo, Lee Yong Hen and 97 other purchasers ("**Teh Swee Neo Case Plaintiff**"), with CCRM Management Sdn Bhd. as lessee and Capital City Property Sdn Bhd as developer (the "**Teh Swee Neo Case Defendant**"), both parties filed their written submission on 18 July 2022, and submitted their reply on 1 August 2022 following which, the Malaysia Court has directed the decision to be fixed on 13 September 2022.

   c. With regard to the case involving Lee Choi Fa and 139 other purchasers ("**Lee Choi Fa Plaintiff**") with CCRM Management Sdn Bhd. as lessee and Capital City Property Sdn Bhd ("**CCPSB**") as the developer, on 14 July 2022, Lee Choi Fa Plaintiff has filed their affidavit in reply ("**AIR**"), CCPSB has filed an AIR on 4 August 2022. Both parties filed their written submission on 25 August 2022. The Court has then directed the following:

      - both parties to file their submissions in reply on or before 15 September 2022, and
      - the hearing of the OS is fixed on 7 October 2022.

ii. The Company refers to its announcement dated 29 July 2022 in relation to the receipt of Notice of Default ("**Notice**") from Achwell Property Sdn Bhd ("**APSB**"). As per the Notice, APSB claimed that Capital City Property Sdn Bhd ("**CCPSB**"), a wholly owned subsidiary of the Company had defaulted in payment for Tranches 1 and 2, amounting to RM10,000,000.00, together with the accrued late payment interest charge at a rate of 5% per annum (calculated on daily basis) for Tranche 1 of the Final Settlement Sum.

CCPSB was 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, 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 Final Settlement Agreement and the Debenture.

Prior to receiving the Notice, CCPSB had taken steps and efforts to engage in discussions with APSB to restructure the Settlement Sum. After receiving the Notice, the Company issued a letter to APSB on 29 July 2022 requesting for amendments to the repayment terms. The Company is currently in further discussions with APSB to come to a mutual agreement in relation to the Notice. Such negotiations are not expected to have an impact on the mall re-opening as detailed below. The Company shall update and make the necessary announcement as and when there are any material developments.

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

i. On 29 August 2022, the Company announced the unaudited condensed interim and full year financial statements for the fourth quarter and full year ended 30 June 2022.

ii. As at the date of this announcement, the Group had received letter of intents from 2 parties who have expressed their interest in the possibility and viability of re-opening and managing the Group's shopping mall, namely Capital City Mall located at Tampoi, Johor Bahru, by end of the year 2022 or early first quarter of 2023. The Company is in the midst of reviewing the letters of intent and shall make the relevant announcements if there are any material developments. The Company is also in discussions on fundraising with some potential lenders via convertible loans. The Company shall make the necessary announcements accordingly,

iii. The Company refers to its announcement dated 13 July 2022 and wishes to update that it is currently in the midst of preparing its Trading Resumption Application for submission to the Singapore Exchange Regulation Pte Ltd by 31 December 2022. The Company will continue to announce all material developments with regard to the Trading Resumption Application.

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

Siow Chien Fu
Executive Director and Chief Executive Officer
31 August 2022

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.

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