

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 circular dated 28 October 2021 ("**Circular**") and the previous announcement dated 1 November 2021.

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 number of legal claims that the Group has received is approximately RM58.9⁽¹⁾ million, of which RM12.9⁽¹⁾ million are claims from trade and other creditors, while the remaining RM46⁽¹⁾ million are loans from a financial institution (non-bank) and a convertible loan agreement. The increase in the total amount of legal claims were mainly due to the changes in exchange rates. However, following the Company's extra ordinary general meeting ("**EGM**") held on 12 November 2021 where the shareholders have approved the issuance of the Company's ordinary shares to the creditors under the Scheme of Arrangement ("**Scheme Shares**"), upon the issuance of the Scheme Shares, the legal claims will be reduced by an amount of RM47 million and accordingly, the total claims will be reduced to RM11.9 million.

Note (1): Based on exchange rate of RM 3.0989 S\$ 1; RM 0.5435: HK\$ 1.0000

- (ii) In relation to the case management for the application by Lee Choi Fah and 25 other purchasers, the parties have come to an agreement to record a consent order ("**Consent Order**"), in which, without admission to liability, the Judicial Manager ("**JM**") of Capital Property City Sdn Bhd ("**CCPSB**") has agreed to set aside 18 retail units in the Capital City Mall subject to the sanction of a Settlement Agreement or sanction of a Section 366 Scheme of Arrangement. The JM of CCPSB has updated the Company in mid-November that the Consent Order has been sanctioned with more purchasers being admitted into the Consent Order and accordingly, the case is referred to as Lee Choi Fah and 139 other purchasers (the "**Proposed Interveners**").
- (iii) In relation to another application for a case management by Devadasan A/L Manikam (the "**Plaintiff**"), for which no date was fixed in relation to the case management, has now been fixed for 20 January 2022. The Plaintiff has however signed a deed of release with CCPSB, where CCPSB shall refund a purchase sum of RM106,330.75 in relation to the sales price for a retail unit in Capital City Mall ("**Purchase Sum**"). The Plaintiff is one of the scheme creditors who shall receive the above-mentioned Scheme Shares as a settlement of the debt in relation to the Purchase Sum.

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

The Company had convened the EGM on 12 November 2021 for the Proposed Share Distribution and Additional Share Distribution. During the EGM, the shareholders have approved the Share Distribution and Additional Share Distribution which will enable the Company to extinguish its debts of approximately RM187 million. The Company has also received the approval-in-principle from Singapore Exchange Regulation Pte Ltd on 18 November 2021 for the listing and quotation of the Scheme Shares and the Additional New Shares subject to the Company's compliance with the SGX-ST's listing requirements.

Accordingly, subject to the opinion of the Group's Independent Auditors on going concern, the Company is targeting to prepare its proposal for trading resumption for submission to SGX-ST by 31 December 2021.

Trading in the Company's securities on the SGX-ST has been voluntarily suspended by the Company on 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
1 December 2021

*This announcement and its contents have 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**"). The Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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