

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

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**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 announcements made by the Company on 27 January 2023, 16 October 2023, 11 December 2023, 29 December 2023, 7 February 2024 and 28 March 2024 in relation to the progress on the completion of the SPA with MK Mustafa and 9 November 2022, 12 June 2023, 29 December 2023 and 28 March 2024 in relation to the tenancy agreement with MK Mustafa.*

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 responses to the queries from the Singapore Exchange Regulation Pte. Ltd. (“**SGX RegCo**”) dated 1 April 2024.

*“We refer to the Company’s announcement dated 28 March 2024, titled: INTERIM MATERIAL UPDATE”*

*It was disclosed that:*

- *CCPSB received a letter from MK Mustafa stating that MK Mustafa will waive off CP (2), CP (3) and CP (4) (“Waived CPs”) as Conditions Precedent of the SPA.*
- *With the waiver of CP (2), CP (3) and CP (4) and the fulfilment of CP (1) and CP (5), the SPA became unconditional.*
- *Notwithstanding that the CPs are waived, MK Mustafa has undertaken to complete the Waived CPs.*
- *Further to the SPA being unconditional, MK Mustafa will pay a sum of RM30,000,000 to CCPSB, on or before 30 June 2024.*
- *In relation to the Waived CPs, the Company has on 28 March 2024 entered into a supplemental letter with MK Mustafa to postpone the commencement date of the payment of the monthly rental from 1 April 2024 to 1 December 2024.*

*It was disclosed in the Company’s announcement dated 16 October 2023, titled “RESPONSES TO SGX QUERIES” that:*

*The conditions precedent (“CP”) in the SPA are:*

- (1) The Vendor’s receipt of the letter from the Relevant Authorities granting a release of the Bumi Reserved Units from being required to be sold to only Bumiputera individuals and/or entities and/or permitting the Bumi Reserved Units to be sold or transferred to any non-Bumiputera individuals and/or entities;*
- (2) The Purchaser obtaining the written confirmation from the Economic Planning Unit within the Prime Minister’s Department of Malaysia (“EPU”) stating that no approval from EPU is required for the sale and purchase of the Property under this Agreement;*
- (3) The Purchaser obtaining the approval from the State Authority in respect of the acquisition of the Property by the Purchaser from the Vendor pursuant to Section 433B of the National Land Code;*
- (4) The Purchaser obtaining a loan from the Financier, unless waived by the Parties in writing; and*
- (5) The discharge of APBSB’s Charge and the redemption of the Collateral Units from APBSB.*

Please clarify:

(a) *On the Waived CPs,*

(i) *What are the reasons that MK Mustafa would like to waive off CP (2), CP (3) and CP (4)?*

**Company's response**

The Conditional Period for MK Mustafa to complete the CPs was by 31 March 2024. Based on the correspondences with our lawyers, we understand that the relevant documentation has been submitted to EPU to obtain written confirmation and State Authority for relevant approval. We have also previously obtained an understanding from the financier of MK Mustafa that the internal in-principle approval has been obtained. Notwithstanding the above, MK Mustafa has notified the Company that they will not be able to complete the CPs by 31 March 2024 due to the unforeseen delays by the Malaysian authorities on the administrative process.

MK Mustafa suggested to waive off the CPs so that the SPA will be unconditional and has undertaken to complete the Waived CPs for the formal completion of the SPA. We have been advised by our lawyers that this is beneficial to the Company as MK Mustafa can no longer terminate the SPA and any non-completion of CPs by MK Mustafa would be a breach of SPA on its part. It is beneficial for the Company to have an unconditional SPA and we have been advised by our lawyers that based on the submission made to the Malaysian Authorities, the CPs will be completed in due course as it is administrative in nature. Based on the above, the Board agreed to the waiver of the CPs by MK Mustafa.

(ii) *What is the implication of such Waived CPs on the Group?*

**Company's response**

Save for the delay in the completion of the CPs and the SPA, the Waived CPs have no implication to the Group.

(b) *Given that the SPA became unconditional,*

(i) *Why the SPA is not completed immediately?*

**Company's response**

The completion of the SPA is still subject to the completion of the Waived CPs which has been delayed and unable to complete immediately.

(ii) *When does the Company target to complete the SPA?*

**Company's response**

As mentioned above, the SPA will be completed once the Waived CPs have been completed.

(iii) *What is the rationale for MK Mustafa paying a sum of RM30,000,000 to CCPSB, on or before 30 June 2024?*

**Company's response**

MK Mustafa has agreed to provide an additional deposit of RM30 million to CCPSB as a goodwill gesture and also to show MK Mustafa's commitment towards the completion of the SPA. To date, MK Mustafa has paid a deposit of RM80 million to CCPSB. By aggregating the amount of deposit paid and additional deposit to be paid, CCPSB would have received a total deposit of RM110 million from MK Mustafa, representing 29.9% of the purchase consideration of RM386 million. Based on the terms of the SPA, CCPSB would be entitled to forfeit the deposit paid by MK Mustafa and claim for remedies in the event of non-completion of the Waived CPs by MK Mustafa.

- (c) *How do the delay in completing the SPA and postponing the commencement date of the payment of the monthly rental impact the Company's cash flow projection which was submitted as part of trading resumption proposal?*

**Company's response**

The Company's cash flow projection which was submitted as part of trading resumption proposal assumed that the completion of the SPA was 31 March 2024. This has unfortunately been delayed. It was further assumed that if there was no completion of the SPA, that there would be monthly cashflow from the Tenancy Agreement.

Assuming that the SPA is completed by 1 December 2024, the RM30 million payment of additional deposit paid on or before 30 June 2024 will be greater than the monthly rental receipt from 1 April 2024 to 1 December 2024.

Based on the Group's cash balance of RM4 million as at 31 December 2023 and the receipt of RM6.4 million on 22 February 2024, the Group's total cash available was approximately RM10.4 million. In addition, MK Mustafa will be providing an additional deposit of RM30 million on or before 30 June 2024. Based on the Group's expected total cash available and the Group's estimated monthly general and administrative expenses of approximately RM1 million (which is relatively low), the Group is expected to have sufficient working capital for the next 12 months.

- (d) *What's the rationale for postponing the commencement date of the payment of the monthly rental from 1 April 2024 to 1 December 2024? How is this in the best interest of the Company?*

**Company's response**

MK Mustafa's renovation plans to enhance the Mall's interior design (the "Enhancement") resulted in a longer than expected renovation period. Initially, MK Mustafa's renovation plans were based on the tenancy arrangement. However, after signing the SPA, MK Mustafa revamped its renovation plans, making it significantly different compared to what was envisaged at the time of signing the tenancy agreement as MK Mustafa intends to take over the entire Mall.

The Enhancement was viewed beneficial to the Company as the Enhancement would be beneficial for the future development of the 5 towers which will be situated on the top of the Mall.

The Company has also obtained an additional deposit of RM30 million, the effect of which is cashflow positive for the Group for the period up to 1 December 2024.

As the advantages benefited the Company outweighed the cost, the Board agreed with the postponing of the commencement date from 1 April 2024 to 1 December 2024.

- (e) *Is the Company on track to commence construction work for Tower B by May 2024 as indicated in its trading resumption proposal?*

**Company's response**

As Tower B was launched back in 2016, the rules and regulations have evolved and changed ever since. The Company is currently communicating with the Malaysian authorities and the purchasers of Tower B's units to resolve the remaining issues, hence, the Company expects the construction of Tower B to be delayed. Though the construction of Tower B will be delayed, the Company expects the construction of Tower C, D and E to commence at an earlier date as compared to the milestone indicated in the trading resumption proposal as these towers do not have any purchasers issue to be resolved like Tower B. The Company will update the progress of the construction of the 5 towers as and when there are 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  
3 April 2024

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*This announcement has been prepared by the Company and its content have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the SGX-ST.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions contained in this announcement.*

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