CAPITAL WORLD LIMITED

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

MONTHLY UPDATE DECEMBER 2022

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 and 31 October 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:

A. Update on legal claims against the Group

i. As at the date of this announcement, the total ongoing legal claims of the Group has increased to 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 19 January 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 in relation to such direction.

c. With regard to the case involving Chieng Lee Leng and CCPSB as the developer, both parties are currently in discussions to arrange for an out-of-court settlement.

d. 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 Registrar has directed both parties to file their written submissions by 10 January 2023.

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 and CCRM. 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 case management to be held on 31 January 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.

The Company has remitted a total of RM5,000,000 to APSB's solicitor as the stakeholder sum (the "**Stakeholder Sum**") for Tranches 1's settlement on 11 November 2022. The Stakeholder Sum will be released upon the signing of a revised Settlement Agreement which the parties are in the process of finalisation. 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 31 August 2022 in relation to the non-binding indicative term sheet ("**Term Sheet**") where the Company intends to lease its Capital 21 Mall located in Tampoi, Johor ("**Mall**") to the Retailer as its anchor tenant. As announced by the Company on 15 November 2022, the Company has entered into a tenancy agreement ("**Tenancy Agreement**") with the Retailer on 1 November 2022 for a tenure of 5 terms (each term being 3 years) renewable after the first 2 terms.

The Company shall update the shareholders as and when there are any material developments.

ii. The Company refers to its announcement dated 15 November 2022 and wishes to update Shareholders that it is currently in the midst of preparing its Trading Resumption Application for its submission to the Singapore Exchange Regulation Pte Ltd as soon as practicable. 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

Hoo Khee Leng
Executive Director and Chief Executive Officer
5 January 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.

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