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

MONTHLY UPDATE APRIL 2023

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning in the previous announcements dated 5 April 2023.

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

1. As at the date of this announcement, the total ongoing legal claims of the Group is RM25.3 million.

2. Following are the updates on the ongoing legal matters:

   i. With regards to the case involving Teh Swee Neo, Lee Yong Hen and 97 other purchasers ("**99 Plaintiffs**"), with CCRM Management Sdn Bhd. ("**CCRM**") as the lessee and Capital City Property Sdn Bhd ("**CCPSB**") as the developer, the High court Judge has directed that the 99 Plaintiffs had proven their claim and CCRM and CCPSB jointly and severally liable towards the 99 Plaintiffs' claims. CCPSB has filed an appeal on this case on 12 April 2023. CCPSB's estimated legal claim in relation to this case is RM10 million.

   ii. 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. The Court has directed the case management to be fixed on 6 December 2023.

   iii. 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 Court has directed the case management to be fixed on 15 June 2023.

   iv. On 24 November 2022 and 27 December 2022, Mr. Pey Boon Siong and 19 other purchasers ("**Pey & Other Purchasers**") served their Writ Summons and Statements of Claim to CCPSB as developer and CCRM as lessee in 20 separate suits, all filed at the High Court of Malaya at Johor Bahru. Pey & Other Purchasers are claiming a total of RM8.9 million for the liquidated and ascertained damages for the late delivery of the Capital City Mall retail units' vacant possession, arrears of outstanding rental, and the depreciation of the property value faced by them. At present, 12 of the 20 suits have been transferred to the Sessions Court. The case management conference for 1 out of these 12 suits is scheduled on 2 May 2023, whereas no date has been fixed for the next case management conferences for the other 11 suits yet. As for the remaining 8 suits that has yet to be transferred, the Court has fixed the hearing dates on 24 May 2023 and 9 May 2023 to hear the transfer application for these 8 suits.

v. On 6 April 2023, Matrix Ideal Sdn Bhd ("**Matrix Ideal**") has issued a Letter of Demand to MCM Studio Entertainment Group Sdn Bhd ("**MCM Studio**"), CCPSB and Mr Siow Chien Fu, who is our Executive Director. MCM Studio, disposed in January 2020, was a 80% subsidiary of CWL and had entered into a shareholders agreement with Matrix Ideal ("**Shareholders Agreement**"), which included that Matrix Ideal was to inject RM 17.5 million in full into the MCM Studio to subscribe for 25% new shares in MCM Holdings Sdn Bhd, a company to be incorporated with MCM Studio to own the balance 75% shareholding. Matrix Ideal eventually injected a partial sum of approximately RM8.4 million (the "**Paid Fund**") into MCM Studio. As MCM Studio did not receive the full RM17.5 million, in accordance to the Shareholders Agreement, no shares were issued to Matrix Ideal. Matrix Ideal is now claiming the Paid Sum as Matrix Ideal alleges that the Paid Fund was further transferred to CCPSB.

The Company wishes to clarify that the Paid Fund was never transferred to CCPSB and the Company is seeking legal advice on this matter.

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

1. The Company refers to its announcement dated 10 February 2023 wherein the Company has submitted its resumption of trading proposal ("**Resumption Proposal**") to Singapore Exchange Regulation Pte Ltd. The Company shall keep the shareholders updated on the outcome of the Resumption Proposal accordingly.

2. The Company refer to its announcement dated 27 January 2023 wherein CCPSB and MK Mustafa Centre Sdn Bhd ("**MK Mustafa**") entered a Sale and Purchase Agreement dated 26 January 2023, for the sale consideration of RM368 million for the following assets:
   i. the remaining 591 unsold retail units;
   ii. 374 accessory parcels; and
   iii. 2,181 car parking bay.

   As of the date of this announcement, CCPSB has received a total of RM38.6 million from MK Mustafa as part of the payment for the Balance Deposit of RM63.6 million. The Company expects to receive the remaining of the Balance Deposit before mid May 2023.

   Further disclosures will be made in due course to keep shareholders apprised of its developments.

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
3 May 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.*

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