

## CAPITAL WORLD LIMITED

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

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### CAPITAL CITY PROPERTY SDN BHD'S ENTRY INTO BINDING TERM SHEET IN RELATION TO SETTLEMENT OF JOINT VENTURE AGREEMENT DATED 26<sup>th</sup> DECEMBER 2013 AND ITS RELATED DOCUMENTS WITH ACHWELL PROPERTY SDN BHD

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The board of directors (the "**Board**") of Capital World Limited (the "**Company**") and together with its subsidiaries, "the Group") refers to the Company's announcements on 1 June 2020 wherein the Company announced that Achwell Property Sdn Bhd ("**APSB**"), a joint venture partner of CCPSB, had issued a Notice of Default against the Company's subsidiary, Capital City Property Sdn Bhd ("**CCPSB**"), in relation to CCPSB's joint venture with APSB (the "**JVA**") for the development of eighty-four (84) parcels of land situated in Bandar Johor Bahru, District of Johor Bahru, State of Johor (the "**Land**") (the "**Capital City Project**").

The Group is pleased to announce that on 22 May 2021, the Judicial Manager of CCPSB, CRS Corporate Services Sdn Bhd ("**JM**"), has entered into binding term sheet with APSB in full and final settlement agreement of APSB's claims (the "**Settlement**").

Pursuant to the salient terms of the Settlement, CCPSB and APSB agree that:-

- (a) the JVA and all supplementary agreements to the JVA (the "**JVA and Related Documents**") entered into between CCPSB and APSB shall be terminated;
- (b) CCPSB shall pay to APSB the sum of RM 40,000,000 (the "**Settlement Sum**") over a period of four (4) years, from date of Settlement Agreement; in full and final settlement of the rights, obligations and liabilities of the parties as set out in and/or arising from the JVA and Related Documents. In the event of CCPSB's default of payment of the Settlement Sum, default interest shall apply.
- (c) The Settlement Agreement shall be conditional upon the fulfillment of the following conditions precedent (collectively, the "**CPs**") on or before the expiry of six (6) months from the date of the Settlement Agreement (the "**CP Conditional Period**"):-
  - (i) the approval of APSB's ultimate holding company, Gadang Holdings Berhad's shareholders, in an extraordinary general meeting (if necessary); and
  - (ii) the sanction of the High Court of Malaya.
- (d) As security for the payment of the Settlement Sum, CCPSB shall set aside certain identified units of the commercial retail mall of Capital City Project with a total value / purchase price equivalent to RM 100,000,000 as (the "**Collateral Units**") in favour of APSB as collateral security.
- (e) APSB shall grant a power of attorney in favour of CCPSB to act on its behalf and in its name in accordance with the purposes of CCPSB's sole and absolute discretion to continue the development and/or sale of the five incomplete tower blocks forming part of the Capital City Project. In the event of a sale of all or any of the Incomplete 5 Tower Blocks on an "en-bloc" basis, such sale shall include APSB as a party and APSB shall be entitled to 30% of the net proceeds of sale up to a maximum sum of RM 10,000,000, upon which the Settlement Amount shall be reduced in direct proportion. CCPSB shall indemnify APSB against any claims or losses suffered in relation to the aforesaid grant of the power of attorney, save and except in the capacity of APSB as the registered owner of the Land.

- (f) CCPSB is entitled to sell the balance unsold units in the Capital City Project, where 30% of the net proceeds of such sales or 30% of financing sum secured via pledge of balance unsold units shall be released to APSB to reduce the Settlement Sum.
- (g) Upon full payment of the Settlement Sum, APSB will transfer the land titles of the Capital City Project to CCPSB.
- (h) APSB shall, forthwith and at the earliest opportunity after the date of the Settlement Agreement, do and/or procure to be done all acts necessary to withdraw the application filed by APSB to intervene in the Singapore Proceedings and to oppose the Proposed Scheme, application filed by APSB to set aside the JM Order ( the "**Setting Aside Application**"), and an appeal made by APSB to the Malaysian High Court dismissed of the Setting Aside Application, with liberty to file afresh and with no order as to costs.
- (i) Parties shall endeavour to, within one (1) month from the date of execution of this Term Sheet, agree to, finalise and to execute the Settlement Agreement and all other related documents made pursuant to and in relation thereto

The Company will continue to keep our shareholders updated on all further developments in connection to the Settlement.

By Order of the Board  
**CAPITAL WORLD LIMITED**

Siow Chien Fu  
Executive Director and Chief Executive Officer  
24 May 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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