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## DISPOSAL OF 100% SHAREHOLDING INTEREST IN BAIDURI MEGARIA 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**”) wishes to announce that the Company had on 8 November 2019 entered into a sales and purchase agreement with an independent third party, Kamarul Azman Bin Abdullah (“**Mr Kamarul**”), to dispose the Company’s entire 100% equity interest in Baiduri Megaria Sdn Bhd (“**Baiduri**”) to Mr Kamarul, for a cash consideration of RM2 (“**Disposal**”). Mr Kamarul is a businessman with investment in property businesses. Mr Kamarul is not related to the Company, its subsidiaries, its Directors and substantial shareholders.

### **Background and Rationale**

Baiduri is an investment holding company and it held 100% equity interest of Kekal Efektif Sdn Bhd (“**Kekal**”) before the revocation of the sale of shares agreement and supplemental agreement of Kekal as announced on 7 November 2019 (“**Revocation**”). Following the Revocation, there is no need for the Group to hold equity interest in Baiduri.

The shareholders’ deficit of Baiduri which had been consolidated into the Group’s latest unaudited consolidated accounts for the first quarter ended 30 September 2019 (“**1Q2020**”) was approximately RM159,000.

The consideration of RM2 was arrived at after arm’s length negotiations with Mr Kamarul on a willing-buyer, willing-seller basis, and after taking into consideration the historical financial position of Baiduri. Based on the unaudited consolidated financial statements as at 30 September 2019 and the sale consideration of RM2, the gain on disposal and the excess of the proceeds over the book value of Baiduri is approximately RM206,535.

Upon completion of the Disposal, Baiduri will cease to be a subsidiary of the Company.

### **Letter of Undertaking**

As mentioned in the Company’s Revocation announcement, Mr Abdul Hadi Bin Abdullah and Mr Ab Razak Bin Abdullah shall refund a sum of Ringgit Malaysia One Million and Two Hundred Thousand (RM1,200,000) (“**Refund Amount**”) only to Baiduri, not later than 18 months from the date of the deed of revocation.

Following the Disposal, Mr Kamarul, the new director of Baiduri, had on 8 November 2019 provided a letter of undertaking (“**Letter of Undertaking**”) to Capital City Property Sdn Bhd (“**CCPSB**”), a wholly-owned subsidiary of the Company, to pay the Refund Amount to CCPSB. Pursuant to the Letter of Undertaking, Mr Kamarul and Baiduri would discharge its rights over the Refund Amount and had acknowledged that the Refund Amount shall be paid to CCPSB within one month from receipt of the payment on Refund Amount.

## **Financial Effects**

The Disposal is not expected to have any material financial impact on the consolidated net tangible assets per share and consolidated earnings per share of the Company and its Group for the current financial year ending 30 June 2020.

## **Directors and Controlling Shareholders' Interests**

None of the directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Disposal.

## **BY ORDER OF THE BOARD**

Siow Chien Fu  
Executive Director and Chief Executive Officer  
17 January 2020

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.*

*This announcement has not been examined or approved by the SGX-ST. The SGX-ST 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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