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## REVOCATION OF SALE OF SHARES AGREEMENT AND SUPPLMENTAL AGREEMENT

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The board of directors (the “**Board**” or the “**Directors**”) of Capital World Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 23 November 2017 (the “**Previous Announcement**”) in relation to the Company’s wholly-owned subsidiary, Baiduri Megaria Sdn Bhd (the “**Purchaser**” or “**Baiduri Megaria**”) entering into a sale of shares agreement and supplemental agreement for the proposed acquisition of 100% shareholding interest in Kekal Efektif Sdn Bhd. Unless otherwise defined, capitalised terms used in this announcement shall bear the same meanings as ascribed to them in the Previous Announcement.

The Board wishes to announce that Baiduri Megaria, has on 7 November 2019 entered into a deed of revocation, letter of discharge and indemnity and letter of confirmation (collectively referred as “**Revocation**”) with Mr Abdul Hadi Bin Abdullah and Mr Ab Razak Bin Abdullah (collectively referred as “**Vendors**”), for the following:

- i) To rescind and revoke the sale of shares agreement dated 22 November 2017;
- ii) The Purchaser will transfer the issued shares or any part thereof registered in its name to the Vendors based on the number of shares held by the Vendors on the date of the sale of shares agreement at the Vendors’ cost and expense. Vendors shall refund a sum of Ringgit Malaysia One Million and Two Hundred Thousand (RM1,200,000.00) only to the Purchaser, not later than 18 months from the date of the Deed of Revocation.
- iii) Upon rescission and revocation of the sale of shares agreement, the Vendors shall discharge and release the Purchaser from all further performances and obligations under the sale of shares agreement notwithstanding that the transfer of issued shares in favour of the Vendors is yet to be perfected.
- iv) The Vendors irrevocably covenant and undertake to: a) assume all liabilities, duties and responsibilities (if any) under the JDA dated 15 December 2016 between Kekal and YPJB, and b) release, discharge and indemnify the Purchaser from all claims, demands, action proceedings, damages, cost, claims, expenses, losses or whatever in respect of the JDA.

With the revocation of the sale of shares agreement and supplemental agreement, the corporate guarantee provided by the Company to the Vendors will be rescinded and revoked accordingly.

Kekal had a shareholder’s deficit of RM106,000 as at 30 June 2019 based on the audited financial statements for the year ended 30 June 2019.

## Rationale

Pursuant to the Joint Development Agreement (“**JDA**”) dated 15 December 2016 between Kekal and YPJB, the condition precedent that YPJB shall obtain the relevant approvals from the authorities for the Development Lands to be degazetted from Malay Reserve Land to Non-Malay Reserve Land has not been fulfilled within the stipulated period, being 18 months from 15 December 2016. There is no clear visibility on when this condition precedent can be met. In addition, the property demand at the project area has shown signs of weakening. The Company has therefore, in the interest of the Group, entered into negotiations with the Vendors to revoke the sale of shares agreement and the supplement agreement.

The Revocation will allow the Group to reallocate its resources to focus on other property development project with the aim of enhancing shareholders’ value, and to receive RM1,200,000 deposit which has been paid to the Vendors by the Group pursuant to the sale of shares agreement.

Upon the completion of the Revocation, Kekal will cease to be a subsidiary of the Company.

## Relative Figures under Rule 1006 of the Catalyst Rules

Based on the Group's latest announced audited financial statements for the financial year ended 30 June 2019, the relative figures of the disposal computed on the bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”) are as follows:

| Catalist Rule  | Relative Figures |
|--|------------------|
| 1006(a)  |                  |
| The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.  | (0.04)%          |
| 1006(b)  |                  |
| The net profits <sup>(1)</sup> attributable to the assets disposed, compared with the Group's net profits <sup>(1)</sup>   | 0.03%            |
| 1006(c)  |                  |
| The aggregate value of the consideration received, compared with the issuer's market capitalization based on the total number of issued shares excluding treasury shares <sup>(2)</sup>  | 2.09%            |
| 1006(d)  |                  |
| The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.   | Not Applicable   |
| 1006(e)  |                  |
| The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. | Not Applicable   |

**Notes:**

- (1) "Net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (2) Computed based on RM1.2 million divided by the market capitalization of RM57.4 million, being 1,832,094,554 shares at S\$0.0103 per share (weighed average price for trades done on 7 November 2019), translated at exchange rate of 3.042 as at 7 November 2019. The Company does not have treasury shares.

Pursuant to Rule 1007(1) of the Catalist Rules, if any of the relative figures computed pursuant to Rule 1006 is a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction at the discretion of the Exchange. Notwithstanding the relative figure computed under Rule 1006(a) of the Catalist Rules is a negative figure, the disposal relates to a non-core and loss-making asset of the Group. Hence, the disposal is in the best interests of the Company and its shareholders. As each of the remaining applicable relative figures computed on the applicable bases as set out in Rule 1006 of the Catalist Rules is less than 5.0%, the disposal of Kekal is a "Non-discloseable Transaction" for the purposes of Chapter 10 of the Catalist Rules.

**Financial Effects**

The Revocation 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 Revocation.

**BY ORDER OF THE BOARD**

Siow Chien Fu  
Executive Director and Chief Executive Officer  
7 November 2019

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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 Catalist.*

*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.*

*The contact person for the Sponsor is Ms. Gillian Goh, Director, Head of Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, and Email: sponsorship@ppcf.com.sg).*