

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

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**PROPOSED APPOINTMENT OF AUDITORS**

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**INTRODUCTION**

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 proposes to appoint Moore Stephens LLP (“**Moore Stephens**”) to replace the previous external auditors of the Company, Ernst & Young LLP, Singapore (“**EY**”) as EY did not seek to stand for re-appointment during the last AGM held on 30 October 2019 (the “**Proposed Appointment of Auditors**”).

**PROPOSED APPOINTMENT OF AUDITORS**

EY have been appointed as external auditors of the Company since FY2017 and have served as the external auditors of the Company for three (3) consecutive audits. However, during the last AGM of the Company held on 30 October 2019, EY have expressed that they would not be seeking for re-appointment as external auditors of the Company and the Directors of the Company are of the view that it would be timely to effect a change in Auditors for the cost benefits to the Company.

The Board, having considered various factors, including but not limited to the opinion and recommendation of the Audit Committee, and the requirements of Catalist Rules 712, 715 and 716, is of the view that the quantum of professional fees for the audit services proposed by Moore Stephens is competitive and that Moore Stephens will be able to meet the audit requirements of the Group. In addition, the Board noted that the scope of audit services proposed by Moore Stephens is comparable to the audit services previously provided by EY. Therefore, the Company will be able to realise certain cost savings in audit fees without any reduction in the scope of audit. The Proposed Appointment of Auditors will also enable the Company to benefit from fresh perspectives and views of another professional audit firm and thereby enhance the value of the audit.

Under the current arrangements, EY is the auditor for the Company’s significant subsidiaries, namely Capital City Property Sdn. Bhd. (the “**CCP**”) and CEP Resources Entity Sdn. Bhd (the “**CEP**”). In the Proposed Appointment of Auditors, Moore Stephens will be appointed as the auditor for the Company, CCP and CEP. The other subsidiaries that have minimal activities during the current financial year and are required to be audited under the law in their country of incorporation, will continue to be audited by the existing other audit firms. The Board and AC have considered and are satisfied that the appointment of other auditors for these subsidiaries would not compromise the standard and effectiveness of the audit of the Company by Moore Stephens. Accordingly, the Board is of the view that it would be in the best interests of the Company to effect a change of external auditors of the Company to Moore Stephens for the audit of the consolidated financial statements of the Group for FY2020.

In connection with the above, Moore Stephens had, on 26 June 2020, given to the Company, via a letter dated 26 June 2020, its written consent to act as external auditors of the Company, subject to Shareholders’ approval at a extraordinary general meeting to be convened for the Proposed Appointment of Auditors.

Pursuant to Rule 712(3) of the Catalist Rules, the appointment of Moore Stephens as external auditors of the Company must be specifically approved by Shareholders in a general meeting. The appointment of Moore Stephens as external auditors of the Company will therefore take effect upon approval of the same by Shareholders at the EGM and, if appointed, Moore Stephens will hold office until the conclusion of the next AGM of the Company.

In accordance with Rule 712(3) of the Catalist Rules:

- (i) Moore Stephens had written twice to EY requesting for professional clearance but to no avail. On 16 June 2020, Moore Stephens sent a final letter, by registered post to EY, stating that it assumed there was no professional or other reason why Moore Stephens should not accept the appointment and that it intends to provide its consent to act as auditors of the Company. Moore Stephens has confirmed that they are satisfied that there are no professional or other reasons for the proposed change after taking into account guidance set out in Paragraphs 210.9 to 210.14 of the Fourth Schedule to the Accountants (Public Accountants) Rules.
- (ii) the Company confirms that there were no disagreements with EY on accounting treatments within the last 12 months prior to EY's resignation as auditors up to the date of this announcement;
- (iii) the Company confirms that it is not aware of any circumstances connected with the Proposed Appointment of Auditors that should be brought to the attention of Shareholders which has not been disclosed in this announcement;
- (iv) the Company confirms that the specific reasons for the Proposed Appointment of Auditors are disclosed as above. EY has informed the Company that they will not be seeking re-election at the FY2019 AGM and the Company is of the view that it would be timely to effect a change of external auditors; and
- (v) the Company confirms that it is in compliance with Catalist Rules 712, 715 and 716 in relation to the proposed appointment of Moore Stephens as its new Auditors.

The Board would like to take this opportunity to express its appreciation to EY for past services rendered.

## **CIRCULAR**

A circular to Shareholders containing further details on the Proposed Appointment of Auditors, together with the notice of EGM, will be announced through SGXNET in due course.

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

Siow Chien Fu  
Executive Director and Chief Executive Officer  
26 June 2020

*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).*