

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

UPDATES PURSUANT TO RULE 704(22) OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S ("SGX-ST") LISTING MANUAL SECTION B: RULES OF CATALIST ("CATALIST RULES")

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning in the previous announcements on 24 May 2021 and 26 July 2021.

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 pursuant to Rule 704(22) of the Catalist Rules:

A. Negotiation between the issuer and its principal bankers or trustee

The Group does not have any significant loans with banks and is not engaged in any negotiations with banks. The Group confirms that it does not maintain any trustee account.

B. Update on legal claims against the Group

As at the date of this announcement, the total number of legal claims that the Group has received is approximately RM58.9⁽¹⁾ million, of which RM12.9⁽¹⁾ million are claims from trade and other creditors, while the remaining RM46.0⁽¹⁾ million are loans from a financial institution (non-bank) and a convertible loan agreement. The increase in the total amount of legal claims were mainly due to the changes in exchange rates.

The case management for the application by Lee Choi Fah and 25 other purchasers (the "**Proposed Interveners**"), for leave to be granted for the Proposed Interveners to intervene and be added as a parties in the proceeding, that pursuant to an order of the Judicial Commissioner of the Malaysia High Court ("**JM Order**") dated 13 March 2020 be set aside, that the votes acquired during a creditors' meeting held on 16 October 2020; be set aside and as a result, the Statement of Proposal ("**SOP**") by the judicial manager be set aside and a stay on the SOP and/or JM Order, has been adjourned to 21 September 2021.

On 14 July 2021, the Company was informed by Dato Wira Eric Tan Eng Huat ("**Dato Tan**"), about an ongoing case in HC/S 1257/2020 ("**Suit 1257**"). In Suit 1257, Dato Chong commenced a claim for the sum of S\$5,500,000 (the "**Loan**"), being the convertible loan extended to the Company on 3 October 2019 by Dato Chong and Mr Ong King Sin, against Executive Director and Chief Executive Officer, Mr Siow Chien Fu ("**Mr Siow**") and Dato Tan who are named as the 1st and 2nd defendants respectively. Dato Tan and Mr Siow had extended personal guarantees ("**PGs**") to Dato Chong in relation to the Loan. The Company's lawyers wrote to Dato Chong's solicitors requesting for Dato Chong to execute the release of debt documents pursuant to the Scheme Document.

The Company, through its lawyers, applied for and was granted leave to intervene in Suit 1257 on 28 July 2021 and was given up until 30 August 2021 to provide a written update to the Court on how the Company intends to intervene.

The Company intends to intervene in Suit 1257 so that Dato Chong is restrained from enforcing on the PGs given that Dato Chong, as a Scheme Party, will be repaid as part of the Company's Scheme of Arrangement pursuant to Section 211I of the Companies Act (Cap. 50) ("**Scheme**") which has been approved and sanctioned by the Singapore Court on 24 June 2021 and has been effective since 9 July 2021.

If Dato Chong is allowed to enforce on the PGs in spite of the Scheme being effective, both Mr Siow and Dato Tan will have to repay the Loan to Dato Chong, and they would both eventually

become creditors of the Company for the same amount. However, unlike Dato Chong, Mr Siow and Dato Tan are not creditors pursuant to the Scheme. Therefore, any such debt owed to either Mr Siow or Dato Tan cannot be repaid by shares to be issued pursuant to the Scheme.

The Company has instructed its lawyers to write to Dato Chong's solicitors requesting for Dato Chong to hold his hands for a further 6 weeks until the conditions precedent of the Scheme are satisfied. The Company will seek an extension of time from Court to provide an update on how it intends to intervene in Suit 1257 and the matter is fixed for a further pre-trial conference on 2 September 2021.

Note (1): Based on exchange rate of RM 3.1104: S\$ 1; RM 0.5424: HK\$ 1.0000

C. The Company's future direction, or other material development that may have a significant impact on the issuer's financial position

Trading in the Company's securities on the SGX-ST has been voluntarily suspended by the Company on 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

Siow Chien Fu
Executive Director and Chief Executive Officer
31 August 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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