



**Securities Investors Association (Singapore)**  
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UEN No: S99SS0111B  
GST Reg No: M90367530Y0Y

**Issuer:** Capital World Limited

**Stock code:** 1D5

**Meeting details:**

Date: 29 October 2026

Time: 10.00 a.m.

Venue: The Hive North Bridge Road, 1 North Bridge Rd, #09-00, Singapore 179094

**Q1.** Fit-out and renovation works at Capital City Mall have been underway since April 2026, with the first 24,000 square feet of retail space targeted to open before the end of the first quarter of 2027.

The retail units have been contracted for sale to MK Mustafa for a total consideration of RM368.0 million. The units are recognised as inventory properties and non-current assets held for sale<sup>1</sup>. The group had received deposits of RM98.2 million as at 30 June 2026, followed by a further RM45.5 million after year-end.

The sale and purchase agreement (SPA) was first signed on 26 January 2023.

- (i) What are the reasons the transaction remains incomplete more than three years later? What outstanding steps or conditions must be satisfied before completion, what is the current expected completion date, and what evidence does the board have that the purchaser remains able and willing to complete the transaction?**

The group also disclosed that it had agreed to waive the requirements for EPU Confirmation and 433B Approval, which were conditions precedent under the SPA.

- (ii) What were the original purposes of these conditions, and what legal, financial and execution risks did the group consider before agreeing to waive them? How does the board satisfy itself that the waiver does not compromise the enforceability of the SPA or the legitimacy of the transaction?**
- (iii) Separately, what progress has been made over the past 18 to 24 months in monetising or developing the five towers within the integrated development?**

**Q2.** The former financial controller, Mr Koh Chee Huat, appointed<sup>2</sup> on 2 April 2025, resigned<sup>3</sup> with effect from 31 May 2026. The company appointed<sup>4</sup> Mr Tan Yu Heng on 4 May 2026 as the next financial controller. Mr Tan Yu Heng is due to retire<sup>5</sup> on 23 October 2026, after less than six months in the position.

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<sup>1</sup> Including freehold land

<sup>2</sup> <https://links.sgx.com/1.0.0/corporate-announcements/X57TDYYVT9W5E9X0/753d6040dcd68bc9d1716aa89b6617d53c62c3430b8d86b685fc30cbd3dbb8e>

<sup>3</sup> <https://links.sgx.com/1.0.0/corporate-announcements/F8WQY4P900BL6ZN7/744c9d82282759fb91032710425bec138a850b019ed5c3f3d8ba13506e798e3b>

<sup>4</sup> <https://links.sgx.com/1.0.0/corporate-announcements/YM4N3ABKK8JS4USZ/98013e24a081238aba871151c78767d516fe666f358ef16ae4c3f634ea6b84ba>

<sup>5</sup> <https://links.sgx.com/1.0.0/corporate-announcements/LWIFXMYCBM9YZL8M/7b969ed3d754e6eb45fd1f168321e1d6a995f2156901884713895147e98fc6c2>

- (i) **Given the succession of two financial controllers within a relatively short period, has the audit committee reviewed the circumstances surrounding both cessations and assessed whether they indicate any underlying issues with the company's financial reporting, internal controls or working environment?**
- (ii) **What enquiries did the sponsor make with each financial controller regarding the reasons for their departure, and how did it independently satisfy itself that there were no other material reasons for the cessations beyond those disclosed?**
- (iii) **What progress has been made in appointing a new financial controller, and what qualifications, experience and competencies will be prioritised? Given the short tenure of the previous appointees, what steps will the board and sponsor take to assess the suitability of the candidate and ensure continuity in financial reporting and internal controls?**

**Q3.** The group recognised negative revenue<sup>6</sup> of RM(2.6) million in FY2026, RM(4.3) million in FY2025, RM(4.7) million in FY2024, and RM(3.8) million in FY2023, arising from reversals of revenue from inventory property sales, net of provisions for liquidated damages.

Loss before tax was RM(7.3) million, RM(16.6) million, RM(79.3) million and RM(30.3) million respectively over the same period.

The company appointed Datuk Wira Eric Tan Eng Huat as managing director with effect from 13 January 2025<sup>7</sup>. In FY2025, Datuk Wira Eric Tan Eng Huat received \$235,125 for approximately 6 months of work, following his appointment on 13 January 2025. In FY2026, with a full year of service, the managing director received \$500,316, with approximately 86% or \$430,271 as base salary and 14% or \$70,044 as other benefits.

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<sup>6</sup> Revenue was negative due to reversal of sale of inventory properties, net of provision for liquidated damages.

<sup>7</sup> Prior to his appointment, the director received \$150,000 paid to him for advisory services, and \$440,000 paid to a company owned by him for advisory services as well.

The breakdown for the remuneration, including the provision of a breakdown in percentage terms in FY2026 are as follows:

| Name                         | Salary and CPF % | Director fees % | Other benefits % | Total (in dollars) S\$ |
|------------------------------|------------------|-----------------|------------------|------------------------|
| Mr Low Chai Chong            | –                | 100%            | –                | 55,000                 |
| Datuk Wira Eric Tan Eng Huat | 86%              | –               | 14%              | 500,316                |
| Ms Tan Ler Choo              | –                | 100%            | –                | 40,000                 |
| Mr Yeo Boon Keong            | –                | 100%            | –                | 45,000                 |

(Source: company annual report)

- (i) **Has the company entered into a formal service agreement with the managing director? If so, what are its key terms, including the duration, termination provisions, renewal arrangements and performance-related components (such as profit sharing)?**

The company has a market capitalisation of approximately \$16.1 million, based on its share price of \$0.001<sup>8</sup> and 16.1 billion issued shares. Accumulated losses have increased to RM(938.7) million as at 30 June 2026.

- (ii) **How did the remuneration committee (RC) determine that a base salary of approximately \$430,000 was appropriate given the group's market capitalisation, sustained losses, negative revenue in each of the past four financial years and accumulated losses of RM(938.7) million? What remuneration benchmarks and other considerations supported this level of fixed pay, and how did the RC conclude that it was appropriate and proportionate to the group's current financial condition and scale?**
- (iii) **Why did the RC consider it appropriate for approximately 86% of the managing director's remuneration to comprise base salary, rather than linking a greater proportion to measurable improvements in profitability, cash flow and shareholder value? What specific performance targets and safeguards are in place to ensure that remuneration aligns with actual value creation for shareholders, consistent with Principle 7 of the 2018 Code of Corporate Governance?**

<sup>8</sup> \$0.001 is the minimum trading price on SGX-ST.



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