

CAPITAL WORLD LIMITED
(Incorporated in the Cayman Islands)
(Company Registration Number CT-276295)

ENTRY INTO MEMORANDUM OF UNDERSTANDING WITH PRG HOLDINGS BERHAD

The Board of Directors (“**Board**” or “**Directors**”) of Capital World Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that it had, on 5 November 2018 entered into a non-binding memorandum of understanding (“**MOU**”) with PRG Holdings Berhad (“**PRG**” and together with its subsidiaries, the “**PRG Group**”).

PRG is an investment holding company incorporated under the laws of Malaysia and is listed on the Main Market of Bursa Malaysia. The PRG Group is principally engaged in the manufacturing and sale of webbings, yarn, furniture components, rubber strips and fabrics, healthcare, as well as being involved in property development and construction.

Pursuant to the terms of the MOU, PRG and/or its subsidiaries (the “**Investor**”) agree(s) to invest in the Company by way of a capital injection pursuant to which the Investor shall subscribe for new ordinary shares in capital of the Company (the “**Proposed Investment**”). Upon completion of the Proposed Investment, the Investor shall hold up to 29.9% of the enlarged issued share capital of the Company. The exact terms of the Proposed Investment are still subject to further negotiations and the satisfaction of certain conditions precedents in the MOU as stated below.

The Proposed Investment is expected to generate business synergies between parties and shall be subject to, *inter alia*, the Company and the Investor (collectively, the “**Parties**”) finalising and entering into a definitive agreement (“**Agreement**”) in respect of the Proposed Investment, the Investor conducting and being satisfied with the results of due diligence on the Group, and the Parties obtaining the relevant approvals from regulatory authorities in Singapore and Malaysia.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the MOU, other than through their respective shareholdings in the Company.

The Board will make the relevant update announcements on the Proposed Investment upon finalisation of the terms and conditions of the Agreement or as and when there are material developments on this matter.

Please note that the MOU is subject to, *inter alia*, the execution of the Agreement among the Parties. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company. In particular, shareholders and potential investors should note that there is no assurance that any business activities or transactions mentioned in this announcement will materialise. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisors.

By Order of the Board

Siow Chen Fu
Executive Director and Chief Executive Officer
5 November 2018

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"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume 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. Tan Pei Woon, Senior Manager, Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, and Email: sponsorship@ppcf.com.sg).