

CIRCULAR DATED 11 JANUARY 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled "Definitions" of this Circular.

If you have sold or transferred all your ordinary shares in the capital of Capital World Limited (the "**Company**") represented by physical share certificate(s), you should immediately forward this Circular, the enclosed Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

This Circular 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 Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

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).



CAPITAL WORLD LIMITED

(Company Registration No.: CT-276295)
(Incorporated in the Cayman Islands on 15 March 2013)

CIRCULAR TO SHAREHOLDERS

in relation to:

- (1) **THE PROPOSED ALLOTMENT AND ISSUE OF 265,000,000 SUBSCRIPTION SHARES TO PRG HOLDINGS BERHAD AT AN ISSUE PRICE OF S\$0.035 FOR EACH SUBSCRIPTION SHARE;**
- (2) **THE PROPOSED GRANT OF 44,000,000 SUBSCRIBER OPTIONS TO PRG HOLDINGS BERHAD;**
- (3) **THE TRANSFER OF CONTROLLING INTEREST TO PRG HOLDINGS BERHAD ARISING FROM THE PROPOSED SUBSCRIPTION AND GRANT OF SUBSCRIBER OPTIONS;**
- (4) **THE PROPOSED GRANT OF UP TO 50,000,000 REFERRER OPTIONS TO ONE WORLD CORPORATION LIMITED BEING THE REFERRER TO THE PROPOSED SUBSCRIPTION AND GRANT OF SUBSCRIBER OPTIONS; AND**
- (5) **THE PROPOSED ALLOTMENT AND ISSUE OF 39,000,000 SETTLEMENT SHARES TO DATO' SRI CHONG THIM PENG PURSUANT TO THE SETTLEMENT AGREEMENT ENTERED INTO BETWEEN THE COMPANY AND DATO' SRI CHONG THIM PENG.**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	26 January 2019 at 2.00 p.m.
Date and time of Extraordinary General Meeting	:	28 January 2019 at 2.00 p.m.
Place of Extraordinary General Meeting	:	390 Havelock Road, #04-06, King's Centre, Singapore 169662

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DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout unless the context requires otherwise:

“Board”	:	The board of Directors
“Catalist”	:	The Catalist board of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The Listing Manual (Section B: Rules of Catalist) of the SGX-ST, as amended, modified or supplemented from time to time
“Cayman Companies Law”	:	The Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 11 January 2019
“Company”	:	Capital World Limited
“Completion”	:	Completion of the Proposed Subscription and Grant of Subscriber Options pursuant to the Subscription and Options Agreement
“Completion Date”	:	Has the meaning ascribed to it in 2.3 of this Circular
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in a company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling shareholder; or (b) in fact exercises control of a company.
“Convertible Bonds”	:	The 10% interest bearing convertible bonds of a principal amount of up to S\$18 million to be issued by the Company to, and to be subscribed by Dato’ Chong pursuant to the Convertible Bond Subscription Agreement
“Convertible Bond Subscription Agreement”	:	The convertible bond subscription agreement dated 7 February 2018 entered into between the Company and Dato’ Chong (as subsequently amended, modified and/or supplemented) in relation to the Convertible Bonds
“Dato’ Chong”	:	Dato’ Sri Chong Thim Pheng
“Dato’ Colin Tan”	:	Tan June Teng Colin @ Chen Junting
“Dato’ Edwin Tan”	:	Tan Bing Huang Edwin @ Chen Binghuang
“Depositor Proxy Form”	:	The proxy form attached to this Circular to be used by depositor(s) (being corporations) and/or depositor(s) (being individuals who are unable to attend the EGM personally) who wish to appoint person(s) to attend the EGM and vote on its/his/her behalf

DEFINITIONS

“Directors”	:	The directors of the Company as at the Latest Practicable Date and “Director” shall be construed accordingly
“EGM”	:	The extraordinary general meeting of the Company to be held on 28 January 2019 at 2.00 p.m. at 390 Havelock Road, #04-06, King’s Centre, Singapore 169662, notice of which is set out on pages N-1 to N-4 of this Circular
“Enlarged Share Capital”	:	1,715,094,554 Shares (excluding treasury shares), being the issued share capital of the Company following the Proposed Transactions, assuming that all of the Subscriber Options and Referrer Options are exercised
“EPS”	:	Earnings per share
“Exercise Period”	:	Has the meaning ascribed to it in Section 4.1.1 and Section 4.2.1 of this Circular
“Exercise Price”	:	The exercise price of S\$0.035 for each of the Subscriber Option and Referrer Option
“Existing Share Capital”	:	1,317,094,554 Shares (excluding treasury shares)
“Expiry Date”	:	Has the meaning ascribed to it in Section 4.1.1 and Section 4.2.1 of this Circular
“FY”	:	The financial year ended or ending 30 June, as the case may be
“General Mandate”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“Grant of Referrer Options”	:	Has the meaning ascribed to it in Section 1.3 of this Circular
“Grant of Subscriber Options”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“Group”	:	The Company and its subsidiaries
“Issue Price”	:	The issue price of S\$0.035 for each Subscription Share
“Latest Practicable Date”	:	3 January 2019, being the latest practicable date prior to the printing of this Circular
“Listing and Quotation Notice”	:	Has the meaning ascribed to it in Section 1.7 of this Circular
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Notice of EGM”	:	The notice of EGM set out on pages N-1 TO N-4 of this Circular
“NTA”	:	Net tangible assets, being the total assets less total liabilities and intangible assets
“Options”	:	The Subscriber Options and/or the Referrer Options
“Option Agreement”	:	Has the meaning ascribed to it in Section 1.3 of this Circular
“Optionholder”	:	The Subscriber and/or the Referrer
“Option Shares”	:	The Subscriber Option Shares and the Referrer Option Shares collectively

DEFINITIONS

“ Ordinary Resolutions ”	:	The ordinary resolutions set out in the Notice of EGM
“ Proposed Subscription ”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“ Proposed Transactions ”	:	The Proposed Subscription, the Grant of Subscriber Options, the Grant of Referrer Options and the Proposed Issue of Settlement Shares
“ Referrer ”	:	One World Corporation Limited
“ Referrer Options ”	:	Has the meaning ascribed to it in Section 1.3 of this Circular
“ Referrer Option Shares ”	:	Up to 50,000,000 new Shares to be allotted and issued to the Referrer upon the exercise of the Referrer Options
“ Register of Members ”	:	Register of members of the Company
“ Securities Account ”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“ Securities and Futures Act ”	:	Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“ Settlement Agreement ”	:	Has the meaning ascribed to it in Section 1.4 of this Circular
“ Settlement Shares ”	:	39,000,000 fully paid-up Shares to be allotted and issued to Dato’ Chong pursuant to the Settlement Agreement
“ SGX-ST ”	:	The Singapore Exchange Securities Trading Limited
“ Share Charge Agreements ”	:	Has the meaning ascribed to it in Section 7 of this Circular
“ Shareholders ”	:	Registered holders of Shares except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, mean the Depositors whose direct Securities Accounts maintained with CDP are credited with Shares
“ Share(s) ”	:	Ordinary share(s) in the capital of the Company
“ Subscriber ”	:	PRG Holdings Berhad
“ Subscriber Options ”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“ Subscriber Option Shares ”	:	Up to 44,000,000 new Shares to be allotted and issued to the Subscriber upon the exercise of the Subscriber Options
“ Subscription and Options Agreement ”	:	The subscription and options agreement dated 21 December 2018 entered into between the Company and the Subscriber
“ Subscription Shares ”	:	265,000,000 new Shares to be allotted and issued to the Subscriber pursuant to the Proposed Subscription
“ Substantial Shareholder ”	:	A person (including a corporation) who has an interest or interests in one or more voting shares in the Company and the total votes attached to that share or those shares is not less than 5.0% of the total votes attached to all voting shares of the Company

DEFINITIONS

“Term Sheet”	:	The binding term sheet dated 5 December 2018 entered into between the Company and the Subscriber in relation to the Proposed Subscription and the Grant of Subscriber Options
“Transfer of Controlling Interest”	:	The transfer of a controlling interest in the Company to the Subscriber as a result of the Proposed Subscription and Grant of Subscriber Options
“VWAP”	:	Volume weighted average price

Currencies and Units of Measurements

“S\$” and “cents”	:	Singapore dollars, the lawful currency of the Republic of Singapore
“RM” and “RM cents”	:	Malaysian Ringgit, the lawful currency of Malaysia
“%”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Cayman Companies Law, the Securities and Futures Act or the Catalist Rules or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Cayman Companies Law, the Securities and Futures Act or the Catalist Rules or such modification thereof, as the case may be.

Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the figures in this Circular between the figures listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

Exchange Rates:

Unless otherwise stated, the exchange rate between RM and S\$ was RM3.0306: S\$1 as at the Latest Practicable Date. This exchange rate should not be construed as a representation that the RM amounts could have been, or could be, converted into Singapore dollars as the rate stated, or at all, and vice versa.

DEFINITIONS

Cautionary Note on Forward-Looking Statements

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or the Mainboard Rules and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

CAPITAL WORLD LIMITED

(Company Registration No.: CT-276295)
(Incorporated in the Cayman Islands on 15 March 2013)

Board of Directors

Mr. Tan Eng Kiat Dominic (*Independent Non-Executive Chairman*)
Mr. Siow Chien Fu (*Executive Director and CEO*)
Mr. Yong Dennis (*Executive Director*)
Mr. Aw Eng Hai (*Independent Director*)
Mr. Lye Thiam Fatt Joseph Victor (*Independent Director*)

Registered Office

The offices of Codan Trust
Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

11 January 2019

To: The Shareholders of Capital World Limited

Dear Sir/Madam

- (1) **THE PROPOSED ALLOTMENT AND ISSUE OF 265,000,000 SUBSCRIPTION SHARES TO PRG HOLDINGS BERHAD AT AN ISSUE PRICE OF S\$0.035 FOR EACH SUBSCRIPTION SHARE;**
- (2) **THE PROPOSED GRANT OF 44,000,000 SUBSCRIBER OPTIONS TO PRG HOLDINGS BERHAD;**
- (3) **THE TRANSFER OF CONTROLLING INTEREST TO PRG HOLDINGS BERHAD ARISING FROM THE PROPOSED SUBSCRIPTION AND GRANT OF SUBSCRIBER OPTIONS;**
- (4) **THE PROPOSED GRANT OF UP TO 50,000,000 REFERRER OPTIONS TO ONE WORLD CORPORATION LIMITED, BEING THE REFERRER TO THE PROPOSED SUBSCRIPTION AND GRANT OF SUBSCRIBER OPTIONS; AND**
- (5) **THE PROPOSED ALLOTMENT AND ISSUE OF 39,000,000 SETTLEMENT SHARES TO DATO' SRI CHONG THIM PENG PURSUANT TO THE SETTLEMENT AGREEMENT ENTERED INTO BETWEEN THE COMPANY AND DATO' SRI CHONG THIM PENG.**

1. INTRODUCTION

1.1 The Proposed Subscription and the Grant of Subscriber Options

On 21 December 2018, the Company announced that it had entered into a subscription and options agreement dated 21 December 2018 (the "**Subscription and Options Agreement**") with PRG Holdings Berhad (the "**Subscriber**"), pursuant to which:-

- (a) the Company shall allot and issue, and the Subscriber shall subscribe for, 265,000,000 new ordinary shares in the capital of the Company ("**Shares**") (the "**Subscription Shares**") at an issue price of S\$0.035 per Subscription Share (the "**Proposed Subscription**"); and
- (b) the Company shall grant to the Subscriber, and the Subscriber shall acquire, up to 44,000,000 non-listed and non-transferrable share options (the "**Subscriber Options**") for the consideration of S\$1.00, with each Subscriber Option carrying the right to subscribe for one (1) new ordinary share ("**Subscriber Option Share**") at the exercise price of S\$0.035 for each Subscriber Option Share (the "**Grant of Subscriber Options**").

Prior to entering into the Subscription and Options Agreement, the Company had on 5 December 2018 announced the entry into the Term Sheet with the Subscriber in relation to the Proposed Subscription and the Grant of Subscriber Options, which sets out the key commercial terms of the Proposed Subscription and the Grant of Subscriber Options.

LETTER TO SHAREHOLDERS

For the avoidance of doubt, under the Term Sheet, the Subscriber had the option to subscribe for up to 205,000,000 Subscriber Option Shares, which had subsequently been mutually agreed to be reduced to 44,000,000 Subscriber Option Shares upon the signing of the Subscription and Options Agreement.

Pursuant to Rule 805(1) and Rule 824 of the Catalist Rules, an issuer must obtain the prior approval of shareholders in a general meeting for the issue of shares or the issue of convertible securities except where such shares or convertible securities are being issued under a general mandate obtained from shareholders in a general meeting.

The Proposed Subscription and the Grant of Subscriber Options will not be made pursuant to the general mandate obtained from Shareholders at the annual general meeting of the Company held on 31 October 2018 (the "**General Mandate**"). The Company will be seeking specific Shareholders' approval for the Proposed Subscription and the Grant of Subscriber Options pursuant to Rule 805(1) and Rule 824 of the Catalist Rules.

As the Issue Price and Exercise Price for the Subscriber Options represent a discount of more than 10% to the VWAP for trades done on the Catalist for the full market day on which the Term Sheet was signed, the Company will also be seeking specific Shareholders' approval for the Proposed Subscription and Grant of Subscriber Options in accordance with Rule 811(3) of the Catalist Rules.

1.2 The Transfer of Controlling Interest

Pursuant to Rule 803 of the Catalist Rules, an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in a general meeting.

The Proposed Subscription and the Grant of Subscriber Options will result in the Subscriber holding more than 15% of the nominal amount of all voting Shares in the Company and will therefore become a Controlling Shareholder. Accordingly, the Company is seeking the approval of Shareholders for the Transfer of Controlling Interest in accordance with Rule 803 of the Catalist Rules.

1.3 The Grant of Referrer Options

On 5 December 2018, the Company announced that it had agreed to pay a referral fee amounting to 5% of the total gross proceeds to be raised from the Proposed Subscription and exercise of the Subscriber Options ("**Referral Fee**") to One World Corporation Limited (the "**Referrer**"), and to grant the Referrer options to subscribe for up to 50,000,000 new Shares (the "**Referrer Option Shares**") at the exercise price of S\$0.035 per Referrer Option Share. Following the entry into the Subscription and Options Agreement, the Referral Fee to be paid to the Referrer shall be up to S\$540,750.

On 9 January 2019, the Company announced that it had on the same day entered into an option agreement (the "**Option Agreement**") with the Referrer to formalise the terms of the Referral Fee and the grant to the Referrer of up to 50,000,000 non-listed and non-transferrable share options (the "**Referrer Options**") at no consideration, with each Referrer Option carrying the right to subscribe for one (1) Referrer Option Share at the exercise price of S\$0.035 per Referrer Option Share (the "**Grant of Referrer Options**").

The Grant of Referrer Options will not be made pursuant to the General Mandate and the Company will therefore be seeking specific Shareholders' approval for the Grant of Referrer Options in accordance with Rule 824 of the Catalist Rules.

As the Exercise Price for the Referrer Options represents a discount of more than 10% to the VWAP for trades done on the Catalist for the full market day on which the Term Sheet was signed, the Company will also be seeking specific Shareholders' approval for the Grant of Referrer Options in accordance with Rule 811(3) of the Catalist Rules.

LETTER TO SHAREHOLDERS

1.4 The Proposed Issue of Settlement Shares

On 23 November 2018, the Company announced that it had entered into a settlement agreement with Dato' Chong (the "**Settlement Agreement**"), pursuant to which the Convertible Bond Subscription Agreement shall be terminated and the Share Charges shall be discharged, subject to *inter alia* the Company allotting and issuing, or procuring the transfer of 39,000,000 fully paid-up Shares (the "**Settlement Shares**") to Dato' Chong on or before 21 February 2019 (the "**Proposed Issue of Settlement Shares**").

Dato' Chong is deemed to be a Substantial Shareholder by virtue of his direct and deemed interest in 243,902,439 Shares charged by the Chargors (as defined herein), representing 19.86% of the Existing Share Capital. Accordingly, the Company will be seeking specific Shareholders' approval for the Proposed Issue of Settlement Shares in accordance with Rule 812(2) of the Catalist Rules.

In addition, the allotment and issue of the Settlement Shares to Dato' Chong will not be made pursuant to the General Mandate and the Company will be seeking specific Shareholders' approval for the Proposed Issue of Settlement Shares in accordance with Rule 805(1) of the Catalist Rules.

1.5 Purpose of this Circular

The Board is proposing to convene the EGM to be held on 28 January 2019 at 2.00 p.m. at 390 Havelock Road, #04-06, King's Centre, Singapore 169662 to seek Shareholders' approval for the Proposed Subscription, the Grant of Subscriber Options, the Grant of Referrer Options, the Transfer of Controlling Interest and the Proposed Issue of Settlement Shares (collectively, the "**Proposed Transactions**").

In connection therewith, this Circular has been prepared to provide Shareholders with information relating to the Proposed Transactions, and to seek Shareholders' approval in respect of the same at the EGM. The Notice of EGM is set out on pages N-1 to N-4 of this Circular.

The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular including the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

1.6 Conditionality of the resolutions

There are five (5) Ordinary Resolutions in total. Ordinary Resolutions 1, 2 and 3 are inter-conditional. Ordinary Resolution 4 is conditional upon the passing of Ordinary Resolutions 1, 2 and/or 3. In the event that Ordinary Resolution 1, 2 or 3 is not passed, all of Ordinary Resolutions 1, 2, 3 and 4 will not be passed. Ordinary Resolution 5 is independent of all other resolutions.

1.7 Listing and quotation

An application will be made to the SGX-ST for the listing of and quotation for (a) 265,000,000 Subscription Shares; (b) up to 44,000,000 Subscriber Option Shares; (c) up to 50,000,000 Referrer Option Shares; and (d) 39,000,000 Settlement Shares, on the Catalist. The Company will make the relevant announcements upon receipt of the Listing and Quotation Notice from the SGX-ST.

2. THE PROPOSED SUBSCRIPTION

2.1 Subscription Shares

Subject to the terms and conditions of the Subscription and Options Agreement, the Company agrees to allot and issue 265,000,000 Subscription Shares to the Subscriber for an aggregate consideration of S\$9,275,000, provided always that the aggregate number of Shares held by the Subscriber shall not exceed 29.9% of the enlarged share capital of the Company following the issue and allotment of the Subscription Shares and Subscriber Option Shares (if and when the Subscriber Options are exercised).

LETTER TO SHAREHOLDERS

The Subscription Shares will, when issued and fully paid-up, be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the Shares existing as at the date of issue of the Subscription Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of issue of the Subscription Shares.

2.2 Issue Price

The issue price of S\$0.035 for each Subscription Share represents a discount of approximately 34.0% to the VWAP of S\$0.053 for each Share based on trades done on the Catalist of the SGX-ST for the full market day on 5 December 2018, being the date on which the Term Sheet was signed. The Issue Price was determined based on arm's length negotiations between the Company and the Subscriber.

As at the Latest Practicable Date, the last transacted Share price was S\$0.049. The Issue Price represents a discount of 28.6% to the last transacted Share price.

2.3 Completion

Subject to the terms of the Subscription and Options Agreement, the Subscription Shares and the Subscriber Options shall be issued within five (5) business days from the date on which the Company sends a notification to the Subscriber (or vice versa) in relation to the relevant conditions set forth in Section 2.5 below being fulfilled, satisfied or waived (as the case may be), or on such other date as may be mutually agreed between the Company and the Subscriber ("**Completion Date**").

2.4 Consideration

The consideration of S\$9,275,000 for the Subscription Shares has been / will be satisfied in the following manner:-

- (a) a deposit of S\$5,000,000 had been paid within seven (7) days from the date of the Term Sheet ("**Deposit**"); and
- (b) the balance amount of S\$4,275,000 to be paid upon Completion.

The Company had undertaken to the Subscriber that it will provide the Subscriber with collateral comprising available retail units in the Capital City project amounting to S\$15,000,000. The undertaking will be terminated upon the completion of the Proposed Subscription. For the avoidance of doubt, in the event the Proposed Subscription does not proceed, the Company had undertaken to formalise the collateral and repay the Subscriber the Deposit within one (1) month from the date of termination of the Proposed Subscription. In such event, the Company undertakes to pay the Subscriber (i) one-off fee amounting to 6% of the Deposit and (ii) interest at a rate of 8.5% per annum on the Deposit from the date of the Deposit until the Deposit is repaid.

2.5 Conditions Precedent

Completion of the Proposed Subscription is subject to inter alia the following conditions:-

- (a) the Company having received approval from the Board in respect of the Proposed Subscription and the Grant of Subscriber Options;
- (b) the Company having received approval from Shareholders at an extraordinary general meeting to be convened in respect of the Proposed Subscription and the Grant of Subscriber Options;

LETTER TO SHAREHOLDERS

- (c) the submission of the additional listing application and the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Subscription Shares and the Subscriber Option Shares on the Official List of the SGX-ST, and the same not being revoked or amended, and where such approval is subject to conditions, such conditions being reasonably acceptable to the Company and the Subscriber, and to the extent that any conditions to such approval are required to be fulfilled on or before Completion, they are so fulfilled to the satisfaction of the SGX-ST or so waived by them;
- (d) the allotment, issue and subscription of the Subscription Shares and Subscriber Option Shares not being prohibited by any statute, order, rule or regulation promulgated by any applicable legislative, executive or regulatory body or authority of Singapore;
- (e) there having been no occurrence of any event or discovery of any fact rendering any of the warranties in the Subscription and Options Agreement untrue or incorrect in any material respect as at the Completion Date as if they had been given again on the Completion Date;
- (f) the Company and the Subscriber not being in breach of any of the undertakings and the covenants in the Subscription and Options Agreement as at the Completion Date;
- (g) the completion of legal, business, financial and accounting due diligence on the Company, to the satisfaction of the Subscriber;
- (h) the Subscriber having received approval from its board of directors in respect of the Proposed Subscription and the Grant of Subscriber Options;
- (i) the Subscriber having conducted a valuation report pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad of the Proposed Subscription and the Grant of Subscriber Options; and
- (j) the Subscriber having received approval from the Central Bank of Malaysia in respect of the Proposed Subscription and the Grant of Subscriber Options.

2.6 Long-Stop Date

If any of the conditions set forth in Section 2.5 above are not satisfied by 31 January 2019 or such other date as may be mutually agreed between the Company and the Subscriber, the Subscription and Options Agreement shall terminate and the obligations of the Company to issue the Subscription Shares and the Subscriber Options, and the Subscribers to subscribe for the Subscription Shares and the Subscriber Option Shares, shall *ipso facto* cease and determine thereafter.

2.7 Moratorium

There is no moratorium imposed on the Subscription Shares.

2.8 Referral Fee

In consideration of the Referrer introducing the Subscriber to the Company to participate in the Proposed Subscription and Grant of Subscriber Options, the Company shall in accordance with the Option Agreement pay the Referral Fee of up to S\$540,750 to the Referrer, amounting to 5% of the aggregate gross proceeds from the Proposed Subscription and the exercise of the Subscriber's Options. On Completion, the Company will pay the Referral Fee to the Referrer and shall also grant to the Referrer the Referrer Options. The Referral Fee will not be shared with the Subscriber.

Please refer to Section 4.2 for more information on the Grant of Referrer Options.

The Referrer is in the business of providing marketing consultancy services and was engaged by the Company to source for suitable investors to participate in the Proposed Subscription.

LETTER TO SHAREHOLDERS

2.9 No Prospectus or Offer Information Statement

The Proposed Subscription will be undertaken by way of private placement in Singapore in accordance with Section 272B of the Securities and Futures Act. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the Proposed Subscription.

2.10 Information on the Subscriber

The Subscriber is an investment holding company incorporated under the laws of Malaysia and is listed on the Main Market of Bursa Malaysia. The Subscriber and its subsidiaries are 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. The Subscriber was introduced to the Company through the Referrer and is participating in the Proposed Subscription for its own investment purposes.

As at the Latest Practicable Date, the Subscriber does not hold any Shares. Upon completion of the Proposed Transactions, the Subscriber will hold an aggregate of 265,000,000 Subscription Shares and 44,000,000 Subscriber Option Shares (assuming that all of the Subscriber Options are exercised), representing 23.46% of the Existing Share Capital and 18.02% of the Enlarged Share Capital of the Company (assuming that all the Subscriber Options and the Referrer Options are exercised).

The Subscriber, its directors and controlling shareholders are not related to any of the Directors, substantial shareholders of the Company, or their respective associates. The Subscriber is not a restricted person under Rule 812 of the Catalist Rules, and is not co-operating or acting in concert with any other shareholders of the Company to obtain or consolidate effective control of the Company through the Proposed Subscription. There is also no past or present connection (including business relationship) between the Company, its subsidiaries, its Directors or substantial shareholders and the Subscriber.

2.11 Shareholders' approval

The allotment and issue of Subscription Shares will not be made pursuant to the General Mandate and the Company will therefore be seeking specific Shareholders' approval for the Proposed Subscription in accordance with Rule 805(1) of the Catalist Rules.

As the Issue Price represents a discount of more than 10% to the VWAP for trades done on the Catalist for the full market day on which the Term Sheet was signed, the Company will be seeking specific Shareholders' approval for the Proposed Subscription in accordance with Rule 811(3) of the Catalist Rules.

3. THE TRANSFER OF CONTROLLING INTEREST

As at the Latest Practicable Date, the Subscriber does not hold any Shares. For illustrative purposes only:-

- (i) Upon completion of the Proposed Subscription, Grant of Subscriber Options and Grant of Referrer Options, assuming that none of the Subscriber Options and the Referrer Options are exercised and the Proposed Issue of Settlement Shares does not take place, the Subscriber will hold 265,000,000 Shares, representing approximately 16.75% of the enlarged share capital of the Company of 1,582,094,554 Shares.
- (ii) upon completion of the Proposed Subscription, Grant of Subscriber Options and Grant of Referrer Options, assuming that only the Subscriber Options are exercised, and the Proposed Issue of Settlement Shares does not take place, the Subscriber will hold 309,000,000 Shares, representing approximately 19.00% of the enlarged share capital of the Company of 1,626,094,554 Shares.

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- (iii) upon completion of the Proposed Subscription, Grant of Subscriber Options and Grant of Referrer Options, assuming that only the Referrer Options are exercised, and the Proposed Issue of Settlement Shares does not take place, the Subscriber will hold 265,000,000 Shares, representing approximately 16.24% of the enlarged share capital of the Company of 1,632,094,554 Shares.
- (iv) upon completion of the Proposed Subscription, Grant of Subscriber Options and Grant of Referrer Options, assuming that all the Subscriber Options and the Referrer Options are exercised, and the Proposed Issue of Settlement Shares does not take place, the Subscriber will hold 309,000,000 Shares, representing approximately 18.44% of the enlarged share capital of the Company of 1,676,094,554 Shares.
- (v) upon completion of the Proposed Transactions and assuming that all the Subscriber Options and the Referrer Options are exercised, the Subscriber will hold 309,000,000 Shares, representing approximately 18.02% of the Enlarged Share Capital of the Company of 1,715,094,554 Shares.
- (vi) upon completion of the Proposed Transactions and assuming that none of the Subscriber Options and the Referrer Options are exercised, the Subscriber will hold 265,000,000 Shares, representing approximately 16.35% of the enlarged share capital of the Company of 1,621,094,554 Shares.

The Proposed Subscription and/or the Grant of Options will result in the Subscriber holding more than 15% of the nominal amount of all voting shares in the Company. Accordingly, the Proposed Subscription would constitute a transfer of controlling interest in the Company and is subject to the approval of Shareholders pursuant to Rule 803 of the Catalist Rules.

Please refer to Section 8 below for the indicative shareholding interests of the Directors, Substantial Shareholders, the Subscriber, the Referrer, Dato' Chong and other Shareholders immediately prior to and after the Proposed Transactions.

4. THE PROPOSED GRANT OF OPTIONS

4.1 Grant of Subscriber Options

Subject to the terms and conditions of the Subscription and Options Agreement, the Company shall grant, and the Subscriber shall acquire, 44,000,000 Subscriber Options for the cash consideration of S\$1.00, with each Subscriber Option carrying the right to subscribe for one (1) Subscriber Option Share at the Exercise Price of S\$0.035 for each Subscriber Option Share.

4.1.1 Terms of the Subscriber Options

The principal terms and conditions of the Subscriber Options granted to the Subscriber are summarised below:-

Number of Options	:	Up to 44,000,000 Subscriber Options
Transferability	:	Non-transferable
Exercise Rights	:	Each Subscriber Option entitles the Subscriber to subscribe for one (1) Subscriber Option Share at the Exercise Price during the Exercise Period (as defined below).
Exercise Price	:	S\$0.035 for each Subscriber Option, which represents a discount of 34.0% to the volume weighted average price of S\$0.053 of the Shares for trades done on the Catalist on 5 December 2018, being the date on which the Term Sheet was signed.

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The Exercise Price was arrived at based on arm's length negotiations between the Company and the Subscriber.

Exercise Period : The period commencing on and including the date of issue of the Subscriber Options, being the Completion Date, and expiring three (3) months from the Completion Date unless such date is a date on which the Register of Members is closed or is not a market day, in which event, such period shall end on the date prior to the closure of the Register of Members or immediate preceding market day (as the case may be).

Aggregate Gross Proceeds : S\$1,540,000 (assuming the exercise of all the Subscriber Options and subscription of all the Subscriber Option Shares)

Adjustment Events : The Exercise Price shall from time to time be adjusted by the Directors, in consultation with a bank or financial adviser selected by the Directors, in any of the following events:-

(a) an issue by the Company of Shares to Shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature, other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend);

(b) a capital distribution made by the Company to Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);

(c) an offer or invitation made by the Company to Shareholders under which they may acquire or subscribe for Shares by way of rights; and

(d) any consolidation or subdivision of the Shares.

Please refer to the Appendix for further details on the adjustment of the Exercise Price.

Notice of Expiry : The Company shall, not later than one (1) month before the last day of the Exercise Period (the "**Expiry Date**"), announce the expiry of the Exercise Period on SGXNET. In addition, the Company shall not later than one (1) month before the Expiry Date, take reasonable steps to notify the Subscriber in writing of the Expiry Date, and such notice shall be delivered personally or by post to the address of the Subscriber.

Alteration to Terms : No material alteration to the terms of the Subscriber Options after the issue thereof to the advantage of the Subscriber shall be made, unless the alterations are made pursuant to the terms and conditions of the Subscriber Options or the prior approval of Shareholders in general meeting has been sought.

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Governing Law	:	The laws of the Republic of Singapore.
Others	:	The Grant of Subscriber Options is subject to the same conditions, representations, warranties, undertakings and long-stop date as the Proposed Subscription.

4.1.2 Shareholders' Approval

The Grant of Subscriber Option to the Subscriber will not be made pursuant to the General Mandate and the Company will therefore be seeking specific Shareholders' approval for the Grant of Subscriber Options in accordance with Rule 824 of the Catalist Rules.

As the Exercise Price represents a discount of more than 10% to the VWAP for trades done on the Catalist for the full market day on which the Term Sheet was signed, the Company will be seeking specific Shareholders' approval for the Grant of Subscriber Options in accordance with Rule 811(3) of the Catalist Rules.

The Subscriber Option Shares, when allotted and issued upon exercise of the Options, shall be fully paid and shall rank *pari passu* in all respects with the existing Shares, save that they shall not rank for any dividends, rights, allotment, distributions or entitlements, the record date of which falls on or prior to the date of issue of the Subscriber Option Shares.

4.2 Grant of Referrer Options

Subject to the terms and conditions of the Option Agreement, the Company shall upon Completion grant to the Referrer up to 50,000,000 Referrer Options, with each Referrer Option carrying the right to subscribe for one (1) Referrer Option Share at the Exercise Price of S\$0.035 for each Referrer Option Share. The Referrer shall exercise the Referrer Options in multiples of 10 million with a minimum of 10 million Referrer Options each time.

4.2.1 Terms of the Referrer Options

Number of Options	:	Up to 50,000,000 Referrer Options
Transferability	:	Non-transferable
Exercise Rights	:	Each Referrer Option entitles the Referrer to subscribe for one (1) Referrer Option Share at the Exercise Price during the Exercise Period (as defined below).
Exercise Price	:	S\$0.035 for each Referrer Option, which represents a discount of 34.0% to the volume weighted average price of S\$0.053 of the Shares for trades done on the Catalist on 5 December 2018, being the date on which the Term Sheet was signed. The Exercise Price was arrived at based on arm's length negotiations between the Company and the Subscriber.
Exercise Period	:	The period commencing on and including the date of issue of the Referrer Options, being the Completion Date, and expiring on the second anniversary of the Completion Date unless such date is a date on which the Register of Members is closed or is not a market day, in which event, such period shall end on the date prior to the closure of the Register of Members or immediate preceding market day (as the case may be).

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- Aggregate Gross Proceeds** : S\$1,750,000 (assuming the exercise of all the Referrer Options and subscription of all the Referrer Option Shares)
- Adjustment Events** : The Exercise Price shall from time to time be adjusted by the Directors, in consultation with a bank or financial adviser selected by the Directors, in any of the following events:-
- (a) an issue by the Company of Shares to Shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature, other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend);
 - (b) a capital distribution made by the Company to Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
 - (c) an offer or invitation made by the Company to Shareholders under which they may acquire or subscribe for Shares by way of rights; and
 - (d) any consolidation or subdivision of the Shares.
- Notice of Expiry** : The Company shall, not later than one (1) month before the last day of the Exercise Period (the “**Expiry Date**”), announce the expiry of the Exercise Period on SGXNET. In addition, the Company shall not later than one (1) month before the Expiry Date, take reasonable steps to notify the Referrer in writing of the Expiry Date, and such notice shall be delivered personally or by post to the address of the Referrer.
- Alteration to Terms** : No material alteration to the terms of the Referrer Options after the issue thereof to the advantage of the Referrer shall be made, unless the alterations are made pursuant to the terms and conditions of the Referrer Options or the prior approval of Shareholders in general meeting has been sought.
- Governing Law** : The laws of the Republic of Singapore.

4.2.2 Conditions Precedent

Completion of the Grant of Referrer Options is subject to *inter alia* the following conditions:-

- (a) the Company having received approval from the Board and Shareholders in respect of the Grant of Referrer Options;

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- (b) the submission of the additional listing application and the receipt of the Listing and Quotation Notice from the SGX-ST for the listing and quotation of the Referrer Option Shares on the Official List of the SGX-ST, and the same not being revoked or amended, and where such approval is subject to conditions, such conditions being reasonably acceptable to the Company and the Referrer, and to the extent that any conditions to such approval are required to be fulfilled on or before completion, they are so fulfilled to the satisfaction of the SGX-ST or so waived by them; and
- (c) the allotment, issue and subscription of the Referrer Option Shares not being prohibited by any statute, order, rule or regulation promulgated by any applicable legislative, executive or regulatory body or authority of Singapore.

If any of the conditions in this Section 4.2.2 are not satisfied, the Option Agreement shall terminate and the obligations of the Company to issue the Referrer Options, and the Referrer to subscribe for Referrer Option Shares, shall *ipso facto* cease and determine thereafter.

4.2.3 Shareholders' Approval

The Grant of Referrer Options to the Referrer will not be made pursuant to the General Mandate and the Company will therefore be seeking specific Shareholders' approval for the Grant of Referrer Options in accordance with Rule 824 of the Catalist Rules.

As the Exercise Price represents a discount of more than 10% to the VWAP for trades done on the Catalist for the full market day on which the Term Sheet was signed, the Company will be seeking specific Shareholders' approval for the Grant of Referrer Options in accordance with Rule 811(3) of the Catalist Rules.

The Referrer Option Shares, when allotted and issued upon exercise of the Options, shall be fully paid and shall rank *pari passu* in all respects with the existing Shares, save that they shall not rank for any dividends, rights, allotment, distributions or entitlements, the record date of which falls on or prior to the date of issue of the Referrer Option Shares.

4.2.4 Information on the Referrer

The Referrer is a company incorporated in Hong Kong and in the business of providing marketing consultancy services. As at the Latest Practicable Date, the Referrer does not hold any Shares. Upon completion of the Proposed Transactions, the Referrer will hold an aggregate of 50,000,000 Referrer Option Shares (assuming that all of the Referrer Options are exercised), representing 3.80% of the Existing Share Capital and 2.92% of the Enlarged Share Capital of the Company (assuming that all of the Subscriber Options are also exercised).

The Referrer's sole director and shareholder is Mr. Liu Xing Ping. The Referrer, its director and shareholder are not related to any of the Directors, substantial shareholders of the Company, or their respective associates. The Referrer (including its director and shareholder) is not a restricted person under Rule 812 of the Catalist Rules, and is not co-operating or acting in concert with any other shareholders of the Company to obtain or consolidate effective control of the Company through the Referrer Option Shares. Save for the appointment of the Referrer as marketing consultant to raise Capital in the Company, there is also no past or present connection (including business relationship) between the Company, its subsidiaries, its Directors or substantial shareholders and the Referrer (including its director and shareholder).

4.3 **Winding Up**

The Options shall lapse and cease to be valid for any purpose if the Company is wound up.

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4.4 Further Issues

The Company shall be at liberty to issue Shares to the Shareholders of the Company either for cash or as a bonus distribution and to issue further subscription rights, upon such terms and conditions as the Company sees fit, but each Optionholder shall not have any participating rights in such issue unless otherwise resolved by the Company in general meeting.

The terms and conditions of the Options do not provide an Optionholder with any right to participate in any distributions and/or offers of further securities made by the Company unless the options are converted into Shares.

5. DIRECTORS' CONFIRMATION

In respect of the Proposed Subscription, the Grant of Subscriber Options and the Grant of Referrer Options, the Directors are of the opinion that:-

- (a) after taking into consideration the present bank facilities and Net Subscription Proceeds (as defined herein), the working capital available to the Group is sufficient to meet its present requirements;
- (b) after taking into consideration the present bank facilities and the Net Proceeds (as defined herein), the working capital available to the Group is sufficient to meet its present requirements.

6. RATIONALE AND USE OF PROCEEDS

The Company intends to further improve its net asset position on its balance sheet by reducing debt and increasing paid-up capital by undertaking the Proposed Subscription, the Grant of Subscriber Options and the Grant of Referrer Options, as well as realise business synergies between the Company and the Subscriber. The Company intends to use the proceeds raised from the Proposed Subscription, the exercise of the Subscriber Options and the Referrer Options for the Capital City project, partial repayment of existing loans and borrowings as well as for general working capital purposes.

Pursuant to the Term Sheet as announced on 5 December 2018, the Subscriber had paid the Deposit of S\$5.0 million to the Company which partial amount has been used for Capital City project and general working capital purposes.

The estimated net proceeds from the Proposed Subscription, after deducting estimated expenses (including the fees to the Referrer amounting to S\$463,750) in relation to the Proposed Subscription, would be approximately S\$8,719,000 (the "**Net Subscription Proceeds**"). The Company, after taking into account its working capital position, intends to apply the Net Subscription Proceeds as follows:

Use of Net Subscription Proceeds	Percentage Allocation
1) Capital City project	37% to 43%
2) Partial repayment of existing loans and borrowings	48% to 53%
3) General working capital purposes	4% to 15%
TOTAL	100%

Assuming that all of the Subscriber Options and Referrer Options are validly exercised, the estimated net proceeds from the exercise of the Subscriber Options and the Referrer Options, after deducting estimated expenses (including the fees to the Referrer of up to approximately S\$77,000), would be up to approximately S\$3,213,000 (the "**Net Option Proceeds**"). As and when the Subscriber Options are exercised, the proceeds of up to S\$1,463,000 may, at the discretion of the Directors, be applied towards the Capital City project and working capital purposes including repayment of existing loans and borrowings, in the proportion of 10%-20% and 80%-90%, respectively. As and when the Referrer Options are exercised, the proceeds of up to S\$1,750,000 will be utilised for working capital purposes.

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Pending the deployment for the uses identified above, the Net Subscription Proceeds and Net Option Proceeds (collectively, the “**Net Proceeds**”) may be deposited with banks and/or financial institutions or invested in money market instruments and/or securities, or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

The Company will make periodic announcements on the utilisation of Net Proceeds as and when such funds are materially disbursed, and provide a status report on the use of the Net Proceeds from the Proposed Subscription, Grant of Subscriber Options and Grant of Referrer Options in the Company’s quarterly and full year financial statements issued under Rule 705 of the Catalyst Rules and its annual reports. Where the Net Proceeds have been used for working capital purposes, the Company will disclose a breakdown with specific details on how the Net Proceeds have been applied in the announcements and status reports. Where there is any material deviation from the stated use of Net Proceeds, the Company will announce the reasons for such deviation.

7. THE PROPOSED ISSUE OF SETTLEMENT SHARES

On 7 February 2018, the Company entered into the Convertible Bond Subscription Agreement with Dato’ Chong, pursuant to which Dato’ Chong had agreed to grant interest-bearing convertible bonds of up to S\$18,000,000 (the “**Convertible Bonds**”) to the Company, convertible into 219,512,195 new Shares at a conversion price of S\$0.082 for each new Share.

In connection with the Convertible Subscription Agreement, share charge agreements (“**Share Charge Agreements**”) have been entered into on 7 February 2018, pursuant to which Mr. Siow Chien Fu, Dato’ Colin Tan and Dato’ Edwin Tan (the “**Chargor**”) shall charge Shares to Dato’ Chong pursuant to the terms and conditions of the Share Charge Agreements.

On 26 October 2018, notices had been served on each of the Chargors for an additional 307,061,748 Shares to be charged in favour of Dato Chong pursuant to the terms of the share charges under the Share Charge Agreements.

On 23 November 2018, the Company entered into a Settlement Agreement with Dato’ Chong, pursuant to which the Convertible Bond Subscription Agreement shall be terminated and the share charges under the Share Charge Agreements shall be discharged, subject to, *inter alia*:-

- (a) the Company repaying to Dato’ Chong the entire principal amount of the Convertible Bonds outstanding together with such interest accrued or to be accrued on or before 21 February 2019; and
- (b) the Company allotting and issuing 39,000,000 Settlement Shares at no consideration to Dato’ Chong on or before 21 February 2019.

As at the Latest Practicable Date, the principal amount of the Convertible Bonds outstanding is S\$10,000,000.

The Board and management of the Company are of the opinion that the proposed terms of the Settlement Agreement to terminate the Convertible Bond Subscription Agreement and to discharge the share charge are in the best interest of the Company.

7.1 Principal Terms of the Settlement Shares

Subject to the terms and conditions of the Settlement Agreement, the Company agrees to allot and issue 39,000,000 Settlement Shares to Dato’ Chong at no consideration on or before 21 February 2019. The Settlement Shares were arrived at taking into consideration (i) Series B of the Convertible Bonds with an aggregate principal amount of up to S\$8,000,000, which has not and will not be drawn down, and (ii) the facility fee equivalent to 40% of the drawdown amount which is payable in Shares calculated based on S\$0.082 per Share.

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The Settlement Shares, when allotted and issued, will be credited as fully-paid Shares free from any and all encumbrances and shall rank *pari passu* in all respects with and carry all rights similar to the then existing Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of issue of the Settlement Shares.

The Settlement Shares will not be subject to a moratorium on trading and will not be issued to transfer a controlling interest in the Company.

No commission or arranger fee is payable by the Company to any person in relation to the Proposed Issue of Settlement Shares.

7.2 Conditions

Completion of the Proposed Issue of Settlement Shares is subject to *inter alia* the following conditions:-

- (a) the Company having received approval from the Board and Shareholders in respect of the Proposed Issue of Settlement Shares;
- (b) the submission of the additional listing application and the receipt of the Listing and Quotation notice from the SGX-ST for the listing and quotation of the Settlement Shares on the Official List of the SGX-ST, and the same not being revoked or amended, and where such approval is subject to conditions, such conditions being reasonably acceptable to the Company and Dato' Chong, and to the extent that any conditions to such approval are required to be fulfilled on or before completion, they are so fulfilled to the satisfaction of the SGX-ST or so waived by them; and
- (c) the allotment, issue and subscription of the Settlement Shares not being prohibited by any statute, order, rule or regulation promulgated by any applicable legislative, executive or regulatory body or authority of Singapore.

7.3 Information on Dato' Chong

As at the Latest Practicable Date, Dato' Chong directly holds 17,668,800 Shares of the Company, representing 1.34% based on the Existing Share Capital. Upon the allotment and issue of the Settlement Shares, Dato' Chong will directly hold an aggregate of 56,668,800 Shares, representing 4.30% of the Existing Share Capital and 3.30% of the Enlarged Share Capital (assuming all of the Subscriber Options and Referrer Options are exercised).

Dato' Chong is not related to any of the Directors, substantial shareholders of the Company, or their respective associates, and is not co-operating or acting in concert with any other shareholders of the Company to obtain or consolidate effective control of the Company through the Proposed Issue of Settlement Shares. As Dato' Chong is deemed as a Substantial Shareholder by virtue of his direct interest and deemed interest in 243,902,439 Shares charged by the Chargors, representing 19.86% of the Existing Share Capital, the Company will be seeking specific Shareholders' approval for the Proposed Issue of Settlement Shares in accordance with Rule 812(2) of the Catalyst Rules.

In addition, the allotment and issue of the Settlement Shares to Dato' Chong will not be made pursuant to the General Mandate and the Company will be seeking specific Shareholders' approval for the Proposed Issue of Settlement Shares in accordance with Rule 805(1) of the Catalyst Rules.

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8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of Directors and Substantial Shareholders are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Tan Eng Kiat Dominic	–	–	–	–
Siow Chien Fu	503,745,713	38.25	–	–
Yong Dennis	–	–	–	–
Aw Eng Hai	–	–	–	–
Lye Thiam Fatt Joseph Victor	–	–	–	–
Substantial Shareholders other than Directors				
Dato' Colin Tan ⁽²⁾	250,892,857	19.05	–	–
Dato' Edwin Tan ⁽²⁾	250,892,857	19.05	–	–
Dato' Chong ⁽³⁾	17,668,800	1.34	243,902,439	18.52

Notes:

- (1) Based on the Existing Share Capital of 1,317,094,554 Shares (excluding treasury shares).
- (2) Dato' Colin Tan and Dato' Edwin Tan are brothers. The aggregate Shares held by them, as parties acting in concert, account for approximately 38.10% of the total issued Shares.
- (3) Dato' Chong is deemed interested in the share charge granted by Mr. Siow Chien Fu, Dato' Colin Tan and Dato' Edwin Tan.

Save as disclosed in this Circular, none of the Directors and Substantial Shareholders has any interests, direct or indirect, in the Proposed Transactions, other than through each of their respective shareholding interests, direct and/or indirect, in the Company.

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9. INDICATIVE SHAREHOLDING INTERESTS BEFORE AND AFTER THE PROPOSED TRANSACTIONS

	As at the Latest Practicable Date				After the Proposed Transactions (assuming that none of the Subscriber Options or the Referrer Options are exercised)			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽⁴⁾	No. of Shares	% ⁽⁴⁾
Directors								
Tan Eng Kiat Dominic	–	–	–	–	–	–	–	–
Siow Chien Fu	503,745,713	38.25	–	–	503,745,713	31.07	–	–
Yong Dennis	–	–	–	–	–	–	–	–
Aw Eng Hai	–	–	–	–	–	–	–	–
Lye Thiam Fatt Joseph Victor	–	–	–	–	–	–	–	–
Substantial Shareholders other than Directors								
Dato' Colin Tan ⁽²⁾	250,892,857	19.05	–	–	250,892,857	15.48	–	–
Dato' Edwin Tan ⁽²⁾	250,892,857	19.05	–	–	250,892,857	15.48	–	–
Dato' Chong ⁽³⁾	17,668,800	1.34	243,902,439	18.52	56,668,800	3.50	–	–
PRG Holdings Berhad	–	–	–	–	265,000,000	16.35	–	–
One World Corporation Limited	–	–	–	–	–	–	–	–
Other Shareholders	293,894,327	22.31	–	–	293,894,327	18.13	–	–

Notes:

- (1) Based on the Existing Share Capital of 1,317,094,554 Shares (excluding treasury shares).
- (2) Dato' Colin Tan and Dato' Edwin Tan are brothers. The aggregate Shares held by them, as parties acting in concert, account for approximately 38.10% of the total issued Shares.
- (3) Prior to the Proposed Transactions, Dato' Chong is deemed interested in the share charge granted by Mr. Siow Chien Fu, Dato' Colin Tan and Dato' Edwin Tan.
- (4) Based on the enlarged share capital of 1,621,094,554 Shares (excluding treasury shares).

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	As at the Latest Practicable Date				After the Proposed Transactions (assuming that all of the Subscriber Options and the Referrer Options are exercised)			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%(¹)	No. of Shares	%(¹)	No. of Shares	%(⁴)	No. of Shares	%(⁴)
Directors								
Tan Eng Kiat Dominic	–	–	–	–	–	–	–	–
Siow Chien Fu	503,745,713	38.25	–	–	503,745,713	29.37	–	–
Yong Dennis	–	–	–	–	–	–	–	–
Aw Eng Hai	–	–	–	–	–	–	–	–
Lye Thiam Fatt Joseph Victor	–	–	–	–	–	–	–	–
Substantial Shareholders other than Directors								
Dato' Colin Tan ⁽²⁾	250,892,857	19.05	–	–	250,892,857	14.63	–	–
Dato' Edwin Tan ⁽²⁾	250,892,857	19.05	–	–	250,892,857	14.63	–	–
Dato' Chong ⁽³⁾	17,668,800	1.34	243,902,439	18.52	56,668,800	3.30	–	–
PRG Holdings Berhad	–	–	–	–	309,000,000	18.02	–	–
One World Corporation Limited	–	–	–	–	50,000,000	2.92	–	–
Other Shareholders	293,894,327	22.31	–	–	293,894,327	17.14	–	–

Notes:

- (1) Based on the Existing Share Capital of 1,317,094,554 Shares (excluding treasury shares).
- (2) Dato' Colin Tan and Dato' Edwin Tan are brothers. The aggregate Shares held by them, as parties acting in concert, account for approximately 38.10% of the total issued Shares.
- (3) Prior to the Proposed Transactions, Dato' Chong is deemed interested in the share charge granted by Mr. Siow Chien Fu, Dato' Colin Tan and Dato' Edwin Tan.
- (4) Based on the Enlarged Share Capital of 1,715,094,554 Shares (excluding treasury shares).

10. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS

The financial effects of the Proposed Transactions as set out below are strictly for illustrative purposes and are not indicative of the actual financial position and results of the Company or its subsidiaries following the Proposed Transactions.

As at the Latest Practicable Date, the issued and paid up share capital of the Company is approximately S\$52,683,782 divided into 1,317,094,554 Shares. Upon completion of the Transactions, and the allotment and issuance of the Subscription Shares, Option Shares and Settlement Shares, the Company will have an enlarged issued share capital of approximately S\$68,603,782 comprising 1,715,094,554 Shares (assuming the Subscriber Options and Referrer Options have been fully exercised). The Subscription Shares, Option Shares and Settlement Shares when issued represent approximately 30.22% of the Existing Share Capital and would represent approximately 23.21% of the Enlarged Share Capital.

LETTER TO SHAREHOLDERS

Based on the latest audited financial statements of the Group for the financial year ended 30 June 2018, and assuming that the Group raises Net Proceeds of approximately S\$11,932,000, the effect on the Group's NTA per share, earnings per share and gearing will be as follows:-

10.1 NTA

Assuming that the Proposed Transactions were completed on 30 June 2018, and further assuming that all of the Options are exercised, the effect on the Group's NTA per share would be as follows:

	Before the Proposed Transactions	After the Proposed Transactions
NTA (RM'000)	206,212	248,724
Number of Shares	1,302,460,408	1,715,094,554
NTA per Share (RM cents)	15.83	14.50

10.2 Earnings per Share

Assuming that the Proposed Transactions were completed on 1 July 2017, and further assuming that all of the Options are exercised, the effect on the Group's earnings per Share would be as follows:

	Before the Proposed Transactions	After the Proposed Transactions
Profit after tax attributable to Shareholders (RM'000)	58,598	58,598
Weighted average number of Shares in issue	1,273,459,406	1,671,459,406
Earnings per Share (RM cents)	4.60	3.51

10.3 Gearing

Assuming that the Proposed Transactions were completed on 30 June 2018, and further assuming that all of the Options are exercised, the effect on the gearing of the Group would be as follows:

	Before the Proposed Transactions	After the Proposed Transactions
Borrowings (RM)	49,263	49,263
Total equity (RM)	302,000	343,010
Gearing ratio (%)	16.31	14.36

11. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held on 28 January 2019 at 2.00 p.m. at 390 Havelock Road, #04-06, King's Centre, Singapore 169662, for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the Notice of EGM.

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint proxies to attend and vote at the EGM on their behalf should complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon. The completed and signed proxy form should be returned as soon as possible and in any event so as to arrive at the office of the Company's Singapore share registrar and share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for the EGM. Shareholders who have completed and returned the proxy form may still attend and vote in person at the EGM, if they so wish, in place of their proxies. A proxy need not be a Shareholder.

LETTER TO SHAREHOLDERS

Depositors (other than depositors which are corporations) whose names are listed in the depository register as at 48 hours before the time of the EGM may attend and vote as CDP's proxies at the EGM without having to complete or return any form of proxy. A depositor which is a corporation and who wishes to attend and vote at the EGM must complete and return the attached Depositor Proxy Form, for the nomination of person(s) to attend and vote at the EGM on its behalf as CDP's proxy, in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Share Registrar and Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time fixed for the EGM.

If an individual depositor is unable to attend the EGM personally and wishes to appoint nominee(s) to attend the meeting and vote on his behalf, he must complete, sign and return the attached Depositor Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Singapore Share Registrar and Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for the EGM.

The completion and return of the Depositor Proxy Form by a depositor (who is an individual) will not prevent him from attending and voting in person at the EGM as a proxy of CDP if he subsequently wishes to do so, and in which event the Depositor Proxy Form submitted bearing his name shall be deemed to be revoked.

13. ABSTENTION FROM VOTING

In accordance with Rule 812(2) of the Catalist Rules, Dato' Chong shall abstain from, and procure that his associates abstain from, voting at the EGM, whether by representative or proxy, in respect of Ordinary Resolution 5 relating to the Proposed Issue of Settlement Shares, and shall decline to accept appointment as proxy to attend and vote at the EGM for other Shareholders in respect of Ordinary Resolution 5 relating to the Proposed Issue of Settlement Shares.

14. DIRECTORS' RECOMMENDATION

14.1 The Proposed Subscription

The Directors having considered, amongst others, the terms and conditions, rationale, intended use of proceeds and financial effects of the Proposed Subscription, are of the view that the Proposed Subscription is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 1 as set out in the Notice of EGM.

14.2 The Grant of Subscriber Options

The Directors having considered, amongst others, the terms and conditions, rationale, intended use of proceeds and financial effects of the Grant of Subscriber Options, are of the view that the Grant of Subscriber Options is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 2 as set out in the Notice of EGM.

14.3 The Transfer of Controlling Interest

The Directors having considered, amongst others, the terms and conditions, rationale, intended use of proceeds and financial effects of the Proposed Subscription and Grant of Subscriber Options, are of the view that the Transfer of Controlling Interest is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 3 as set out in the Notice of EGM.

14.5 The Grant of Referrer Options

The Directors having considered, amongst others, the terms and conditions, rationale, intended use of proceeds and financial effects of the Grant of Referrer Options, are of the view that the Grant of Referrer Options is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 4 as set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

14.6 The Proposed Issue of Settlement Shares

The Directors having considered, amongst others, the terms and conditions and rationale of the Proposed Issue of Settlement Shares, are of the view that the Proposed Issue of Settlement Shares is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 5 as set out in the Notice of EGM.

15. CAUTIONARY STATEMENT

Shareholders, in deciding whether to vote in favour of the Ordinary Resolutions, should carefully read the terms and conditions, rationale and financial effects of the Proposed Transactions, which should be considered in the context of the entirety of this Circular. In giving the above recommendation, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As Shareholders would have different investment objectives, the Directors recommend that any Shareholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.

16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

17. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the business office of the Company at 390 Havelock Road, #04-06, King's Centre, Singapore 169662 during normal business hours from the date of this Circular to the time and date of the EGM:

- (a) The memorandum of association which was restated on 21 March 2014 and articles of association of the Company which was amended and restated on 15 April 2014;
- (b) the annual report of the Company for FY2018;
- (c) the Convertible Bond Subscription Agreement and Share Charge Agreements;
- (d) the Subscription and Options Agreement;
- (e) the Settlement Agreement; and
- (f) the Option Agreement.

Yours faithfully,

For and on behalf of the Board of Directors of
CAPITAL WORLD LIMITED

Siow Chien Fu
Executive Director and Chief Executive Officer

APPENDIX – ADJUSTMENTS TO EXERCISE PRICE OF THE OPTIONS

- 1.1 In the case of any consolidation or subdivision of Shares, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{B} \times P$$

where:

- A = the aggregate number of issued and fully paid-up Shares immediately before such event;
- B = the aggregate number of issued and fully paid-up Shares immediately after such event; and
- P = the existing Exercise Price,

such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation subdivision or conversion becomes effective.

- 1.2 If and whenever the Company shall make any issue of Shares to its Shareholders credited as fully paid, by way of capitalisation of profits or reserves (whether of a capital or income nature, other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend), the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{A + B} \times P$$

where:

- A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;
- B = the aggregate number of Shares to be issued pursuant to any allotment to Shareholders credited as fully paid by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve fund other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend); and
- P = the existing Exercise Price.

Such foregoing adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue.

For the purpose of this Appendix, “**record date**” in relation to the relevant transaction means the date as at the close of business on which Shareholders must be registered as such to participate therein.

- 1.3 If and whenever:
- (a) the Company shall make a Capital Distribution (as defined below) to Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or
 - (b) the Company shall make any offer or invitation to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights,

APPENDIX – ADJUSTMENTS TO EXERCISE PRICE OF THE OPTIONS

then the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{C - D}{C} \times P$$

where:

C = the average of the Last Dealt Prices on the five (5) Market Days immediately before the date on which the Capital Distribution (as defined below), or any offer or invitation referred to in paragraph 1.3(b) above, as the case may be, is publicly announced or (failing any such announcement), immediately preceding the date of the Capital Distribution (as defined below) or, as the case may be, of the offer or invitation;

D = (i) in the case of an offer or invitation to acquire or subscribe for Shares by way of rights under paragraph 1.3(b) above, the value of the rights attributable to one (1) Share (as defined below), or (ii) in the case of any other transaction falling within paragraph 1.3, the fair market value, as determined by an Approved Bank, of that portion of the Capital Distribution (as defined below) or of the nil paid rights attributable to one (1) Share;

P = as in P above; and

For the purpose of definition (i) of “D” above the “value of the rights attributable to one (1) Share” shall be calculated in accordance with the formula:

$$\frac{C - E}{F + 1}$$

where:

C = as in C above;

E = the subscription price for one (1) additional Share under the offer or invitation to acquire or subscribe for Shares by way of rights;

F = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one (1) additional Share by way of rights; and

1 = one.

For the purpose of paragraph 1.3(a) above, “**Capital Distribution**” shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Shares (not falling under paragraph 1.2) or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund other than an issue of Shares to Shareholders who elect to receive Shares in lieu of cash or other dividend).

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue pursuant to paragraph 1.3(a).

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for the above transactions for such issue pursuant to paragraph 1.3(b) above.

For the purposes of this Appendix, “**closing date**” shall mean the date by which acceptance and payment for the Shares is to be made under the terms of such offer or invitation.

NOTICE OF EXTRAORDINARY GENERAL MEETING

CAPITAL WORLD LIMITED

(Company Registration No.: CT-276295)
(Incorporated in the Cayman Islands on 15 March 2013)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “EGM”) of Capital World Limited (the “Company”) will be held on 28 January 2019 at 2.00 p.m. at 390 Havelock Road, #04-06, King’s Centre, Singapore 169662 for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions:

All capitalised terms in this Notice of EGM which are not defined herein shall have the same meaning as ascribed to them in the Company’s circular dated 11 January 2019 (the “Circular”).

ORDINARY RESOLUTION 1

THE PROPOSED ALLOTMENT AND ISSUE OF 265,000,000 SUBSCRIPTION SHARES TO PRG HOLDINGS BERHAD

That subject to and contingent upon the passing of Ordinary Resolutions 2 and 3:

- (a) the Subscription and Options Agreement in connection with the allotment and issue of 265,000,000 Subscription Shares and all the transactions contemplated thereunder and all other matters of an incidental thereto or in connection therewith be and are hereby approved, confirmed and ratified in all aspects;
- (b) the Proposed Subscription and the transactions contemplated thereunder be and are hereby approved;
- (c) the Directors be and are hereby authorised to allot and issue the Subscription Shares to the Subscriber pursuant to the terms of the Subscription and Options Agreement; and
- (d) the Directors and each of them be and are hereby authorised to do all such acts and things and to execute all such documents which they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving of effect to the Subscription and Options Agreement and the transactions contemplated thereunder including but not limited to the allotment and issue of the Subscription Shares.

ORDINARY RESOLUTION 2

THE PROPOSED GRANT OF 44,000,000 SUBSCRIBER OPTIONS TO PRG HOLDINGS BERHAD

That subject to and contingent upon the passing of Ordinary Resolutions 1 and 3:

- (a) approval be and is hereby given for the allotment and issue by the Company of an aggregate of 44,000,000 share options (the “Subscriber Options”) to the Subscriber, with each Subscriber Option carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (“Subscriber Option Share”) at the Exercise Price of S\$0.035 on and subject to the terms of the Subscription and Options Agreement;
- (b) the allotment and issue of an aggregate of 44,000,000 Subscriber Option Shares upon the exercise of the Subscriber Options shall be fully paid and shall rank *pari passu* in all respects with the then existing Shares except that such Subscriber Option Shares shall not be entitled to any dividend, right, allotment, distribution or other entitlements, the record date of which falls on or prior to the date of issue of the Subscriber Option Shares to the Subscriber, and will be admitted to listing on the Catalist of the SGX-ST;
- (c) approval be and is hereby given for the adjustment to the Exercise Price of the Subscriber Options as may be required and subject to the terms of the Subscription and Options Agreement;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) the Directors be and are hereby authorised to allot and issue the Subscriber Option Shares to the Subscriber pursuant to the terms of the Subscription and Options Agreement; and
- (e) the Directors and each of them be and are hereby authorised to do all such acts and things and execute all such documents which they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving of effect to the matters referred to in this Ordinary Resolution 2, including but not limited to the Subscription and Options Agreement, the transactions contemplated thereunder, the Grant of Subscriber Options and the allotment and issue of Subscriber Option Shares to the Subscriber.

ORDINARY RESOLUTION 3

THE TRANSFER OF CONTROLLING INTEREST TO PRG HOLDINGS BERHAD ARISING FROM THE PROPOSED SUBSCRIPTION AND GRANT OF SHARE OPTIONS

That subject to and contingent upon the passing of Ordinary Resolutions 1 and 2:

- (a) approval be and is hereby given for the transfer of a controlling interest in the Company to PRG Holdings Berhad (the “**Subscriber**”) arising from the allotment and issue of the Subscription Shares to the Subscriber pursuant to the Proposed Subscription, subject to and otherwise in accordance with the terms and conditions of the Subscription and Options Agreement, and subject to the Subscriber and its concert parties holding less than 30.0% of voting rights of the company at any point in time to avoid triggering a requirement to make a mandatory offer for the Shares under the Singapore Code on Take-overs and Mergers;
- (b) the Directors and each of them be and are hereby authorised to do all such acts and things and execute all such documents which they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving of effect to the matters referred to in this Ordinary Resolution 3.

ORDINARY RESOLUTION 4

THE PROPOSED GRANT OF UP TO 50,000,000 REFERRER OPTIONS TO ONE WORLD CORPORATION LIMITED

That subject to and contingent upon the passing of Ordinary Resolutions 1, 2 and 3:

- (a) approval be and is hereby given for the allotment and issue by the Company of an aggregate of up to 50,000,000 share options (the “**Referrer Options**”) to the Referrer, with each Referrer Option carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (“**Referrer Option Share**”) at the Exercise Price of S\$0.035 on and subject to the terms of the Option Agreement;
- (b) the allotment and issue of an aggregate of up to 50,000,000 Referrer Option Shares upon the exercise of the Referrer Options shall be fully paid and shall rank *pari passu* in all respects with the then existing Shares except that such Referrer Option Shares shall not be entitled to any dividend, right, allotment, distribution or other entitlements, the record date of which falls on or prior to the date of issue of the Referrer Option Shares to the Referrer, and will be admitted to listing on the Catalist of the SGX-ST;
- (c) approval be and is hereby given for the adjustment to the Exercise Price of the Referrer Options as may be required and subject to the terms of the Option Agreement;
- (d) the Directors be and are hereby authorised to allot and issue the Referrer Option Shares to the Referrer pursuant to the terms of the Option Agreement; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (e) the Directors and each of them be and are hereby authorised to do all such acts and things and execute all such documents which they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving of effect to the matters referred to in this Ordinary Resolution 4, including but not limited to the Option Agreement, the transactions contemplated thereunder, the Grant of Referrer Options and the allotment and issue of Referrer Option Shares to the Referrer.

ORDINARY RESOLUTION 5

THE PROPOSED ALLOTMENT AND ISSUE OF 39,000,000 SETTLEMENT SHARES TO DATO' CHONG

- (a) approval be and is hereby given for the allotment and issue by the Company of 39,000,000 fully-paid new ordinary shares in the capital of the Company ("**Settlement Shares**") to Dato' Chong pursuant to the Settlement Agreement;
- (b) the Directors be and are hereby authorised to allot and issue the Settlement Shares to Dato' Chong; and
- (c) the Directors and each of them be and are hereby authorised to do all such acts and things and to execute all such documents which they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving of effect to the Proposed Issue of Settlement Shares and the transactions contemplated thereunder including but not limited to the allotment and issue of the Settlement Shares.

SHAREHOLDERS SHOULD NOTE THAT ORDINARY RESOLUTIONS 1, 2 AND 3 ARE INTER-CONDITIONAL. ORDINARY RESOLUTION 4 IS CONDITIONAL UPON THE PASSING OF ORDINARY RESOLUTIONS 1, 2 AND/OR 3. THIS MEANS THAT IF ORDINARY RESOLUTION 1, 2 OR 3 IS NOT PASSED, ALL OF ORDINARY RESOLUTIONS 1, 2, 3 AND 4 WOULD NOT BE PASSED. ORDINARY RESOLUTION 5 IS INDEPENDENT.

**BY ORDER OF THE BOARD
CAPITAL WORLD LIMITED**

Siow Chien Fu
Executive Director and Chief Executive Officer

11 January 2019

Notes:

1. A member entitled to attend and vote at the EGM and who holds two (2) or more Shares is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Such member should complete, sign and return the Shareholder Proxy Form in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the office of the Company's Singapore share transfer agent Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 48 hours before the time fixed for the EGM. The appointment of a proxy by a member does not preclude him from attending and voting in person at the EGM if he so wishes in place of the proxy. For the avoidance of doubt, the Shareholder Proxy Form should not be used by depositors ("**Depositors**"). Depositors who wish to attend and vote at the EGM should refer to paragraphs 2 and 3 below.
2. A depositor (other than Depositors which are corporations) holding Shares through the CDP and whose name appears in the depository register (as defined in Section 81SF of the Securities and Futures Act of Singapore) not earlier than 48 hours prior to the time fixed for the meeting who wishes to attend and vote at the EGM may do so as CDP's proxy without having to complete or return any form of proxy.

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. (i) A depositor which is a corporation and who wishes to attend and vote at the EGM or (ii) an individual depositor who is unable to attend the EGM personally and wishes to appoint person(s) to attend the meeting and vote on his behalf, should complete sign and return the Depositor Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive the office of the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 48 hours before the time fixed for the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.