

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

CONVERTIBLE BOND SUBSCRIPTION AGREEMENT – UPDATE ON NEGOTIATIONS

The board of directors (the “**Board**” or the “**Directors**”) of Capital World Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 23 November 2018 and the Circular to shareholders dated 11 January 2019 (“**Circular**”) in relation to, *inter alia*, the settlement agreement entered into between the Company and Dato Sri Chong Thim Peng (“**Dato’ Chong**”); and the response to SGX Queries dated 24 January 2019, 30 January 2019 and 8 February 2018 (“**Response to SGX Queries Announcements**”). Unless otherwise defined, capitalised terms used in this announcement bear the same meanings as ascribed to them in the Circular and the Response to SGX Queries Announcements.

The Shareholders will recall that:

- (a) On 23 November 2018, the Company announced that it had entered into a settlement agreement (the “**Settlement Agreement**”) with Dato’ Chong, pursuant to which the Company was to, on or before 21 February 2019, issue and allot, or procure the transfer of, 39,000,000 fully paid-up Shares (the “**Settlement Shares**”) to Dato’ Chong.
- (b) On 28 January 2019, at the extraordinary general meeting of the Company, the Company’s Shareholders had voted against the proposed allotment and issue of the Settlement Shares to Dato’ Chong. As a result, the Settlement Agreement could not be completed, and the Convertible Bond Subscription Agreement and Share Charge Agreements remained in full force as a result.
- (c) On 30 January 2019, the Company provided an update on the Settlement Agreement and undertook in its announcement to its Shareholders to update the Shareholders as and when there is any material development in the Company’s negotiations with Dato’ Chong.

The Board wishes to announce that on 24 March 2019, the Company has agreed in-principle repayment terms with Dato Chong, pursuant to which the Series A tranche bonds in the Convertible Bond Subscription Agreement shall be fully redeemed and the share charges under the Share Charge Agreements shall be fully discharged. The Company and Dato’ Chong have, in-principle, agreed as follows:

- (a) The Company shall repay, in full, the Series A Tranche 1 Bonds on 25 March 2019, including interest up to 25 March 2019, amounting to S\$4,049,315.07. The payment of the said sum will be funded by the proceeds that the Company has received from the allotment and issuance of 265,000,000 subscription shares to PRG Holdings Berhad as announced by the Company on 18 March 2019. The parties have agreed that the Charged Shares in respect of the Series A Tranche 1 Bonds will not be released, and will only be released on the redemption of the Series A Tranche 2 Bonds as described below.
- (b) The Company shall redeem, in full, the Series A Tranche 2 Bonds on 1 May 2019 (which is in any event the original maturity date), including interest up to that date. Following this, Dato Chong shall release 97,560,976 of the Charged Shares to the Chargors.
- (c) The Company shall redeem, in full, the Series A Tranche 3 Bonds on 31 July 2019 (which is in any event the original maturity date), including interest up to that date. Following this, Dato Chong shall release the remaining 146,341,464 Charged Shares to the Chargors.
- (d) On 21 February 2019, the Company had received from Dato’ Chong a Series B Subscription Notice in respect of the Series B Tranche 1 Bonds. As at the date of this announcement, the Series B Tranche 1 Bonds have not been drawn down under the terms of the Convertible Bond Subscription Agreement. The subscription is presently unable to be completed as the parties

are in on-going discussions with Dato' Chong regarding the nature of security to be granted in respect of the same. The Board will update Shareholders as and when there is any material development on the same.

The Company acknowledges that parties' rights under the Convertible Bond Subscription Agreement and the Share Charge Agreements remain expressly reserved.

The Board and management of the Company are of the opinion that the terms set out above to fulfil the Company's obligations under the Convertible Bond Subscription Agreement and the discharge the Charged Shares are in the best interests of the Company.

The Board will make the relevant update announcement(s) in relation to the foregoing as and when there are material developments on the same.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board
CAPITAL WORLD LIMITED

Siow Chien Fu
Executive Director and Chief Executive Officer
25 March 2019

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 Catalist. 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, Associate Director, Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, and Email: sponsorship@ppcf.com.sg).