

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

CONVERTIBLE BOND SUBSCRIPTION AGREEMENT – ENTRY INTO SETTLEMENT AGREEMENT

The Board of Directors (“**Board**” or “**Directors**”) of Capital World Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 8 February 2018, 21 March 2018, 27 April 2018, 7 May 2018 and 2 August 2018 (the “**Previous Announcements**”), and the circular to shareholders dated 11 April 2018 (the “**Circular**”), in relation to *inter alia* the convertible bond subscription agreement dated 7 February 2018 entered into between the Company and Dato Sri Chong Thim Peng (“**Dato Chong**”) (the “**Convertible Bond Subscription Agreement**”), pursuant to which Dato Chong had agreed to grant an interest-bearing convertible bond of up to S\$18,000,000 (“**Bond**”) to the Company, convertible into 219,512,195 new ordinary shares in the capital of the Company at a conversion price of S\$0.0820.

All capitalised terms used herein, unless otherwise defined, shall have the definitions ascribed to them in the Previous Announcements and in the Circular.

On 26 October 2018, notices had been served on each of Siow Chien Fu, Tan June Teng Colin @ Chen Junting and Tan Bing Huang Edwin @ Chen Binghuang (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 Agreement. Copies of such notices were delivered to the Company.

The Board wishes to announce that the Company has on 23 November 2018 entered into a settlement agreement (the “**Settlement Agreement**”) with Dato Chong, pursuant to which the Convertible Bond Subscription Agreement shall be terminated and the share charges under the Share Charge Agreement shall be discharged, subject to the fulfilment of the following conditions (the “**Conditions**”):

- (a) the Company shall, on or before 21 February 2019, repay to Dato Chong the entire principal amount of the Bonds outstanding, together with such interest accrued or to be accrued as computed in accordance with Condition 6 of the Terms and Conditions of the Bonds;
- (b) the Company shall, on or before 21 February 2019, issue and allot, or procure the transfer of, 39,000,000 fully paid-up Shares (“**Settlement Shares**”) to Dato Chong. The Settlement Shares were arrived at taking into account the drawdown of the Series B Bonds of an aggregate principal amount of up to S\$8,000,000. The Settlement Shares shall be free from all encumbrances and will rank *pari passu* in all respects with the Shares existing as at the date of the issue or transfer of the Settlement Shares (as the case may be), 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 or transfer of the Settlement Shares (as the case may be); and
- (c) the Company obtaining all requisite approvals from its shareholders and/or the SGX-ST. For the avoidance of doubt, the issue and allotment of the Settlement Shares will be subject to the approval of the SGX-ST (including the submission of an additional listing application the receipt of a listing and quotation notice from the SGX-ST in relation to the Settlement Shares) and shareholders of the Company at an extraordinary general meeting to be convened. The Company will not be required to pay any Arranger Fee or Facility Fee.

In consideration of the Company entering into the Settlement Agreement, Dato Chong shall, for the period

commencing on the date of the Settlement Agreement and up to 21 February 2019, refrain from making any demand for:

- (a) the repayment of the Bonds in connection with any default by the Chargors under the Share Charge Agreement on or before the date of this letter; and
- (b) any additional Shares to be charged in his Dato Chong's favour under the terms of the Convertible Bond Subscription Agreement and/or the Share Charge Agreement.

Dato Chong has also agreed to waive the right to require the Company to redeem all or some of the Bonds on the occurrence of a "Relevant Event" under the Convertible Bond Subscription Agreement, which includes the acquisition or control of more than twenty per cent (20%) of the voting rights of the Company at any given time.

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

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

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 under the Share Charge Agreement are in the best interests of the Company.

By Order of the Board

Siow Chien Fu
Executive Director and Chief Executive Officer
23 November 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.

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

The contact person for the Sponsor is Ms. Tan Pei Woon, Senior Manager, Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, and Email: sponsorship@ppcf.com.sg).