

**MEDIA RELEASE**

**CAPITAL WORLD'S NET PROFIT ROSE 90.2%  
TO RM17.4 MILLION IN 2QFY2018**

- Revenue increased by 155.6% to RM46.0 million mainly due to higher revenue contribution from Capital 21
- Registered 132.5% growth in gross profit to RM34.3 million
- Focused on seeking business opportunities to form strategic partnerships and joint ventures with potential landowners and developers

**Financial Highlights (RM' million):**

	3 months ended 31 December 2017 (2QFY2018)	3 months ended 31 December 2016 (2QFY2017)	Change	6 months ended 31 December 2017 (1HFY2018)	6 months ended 31 December 2016 (1HFY2017)	Change
Revenue	46.0	18.0	155.6%	90.1	45.7	97.4%
Gross profit	34.3	14.8	132.5%	66.0	37.5	76.0%
Gross profit margin	74.7%	82.1%	(7.4pp)	73.2%	82.1%	(8.9pp)
Net profit	17.4	9.2	90.2%	37.1	23.9	55.4%
Net profit margin	37.9%	50.9%	(13.0pp)	41.2%	52.3%	(11.1pp)

**Singapore, 6 February 2018** – Capital World Limited (the “Company” and together with its subsidiaries, the “Group”), an innovative property developer, announced today its unaudited financial results for the second quarter ended 31 December 2017 (“2QFY2018”) and 6 months ended 31 December 2017 (“1HFY2018”). The Group’s net profit for 2QFY2018 rose 90.2% year-on-year to RM17.4 million on the back of a 155.6% increase in revenue due to higher percentage of works completed.

Mr. Siow Chien Fu, Executive Director and CEO, said, **“We are pleased that our continuous adoption of the joint venture business model has resulted in our stellar set of result for 2QFY2018 and 1HFY2018, demonstrating the Group’s strong execution capabilities. Project Capital City which is targeted to be completed in 2020 is well on schedule. We will remain committed in enhancing our profitability as well as our market competitiveness.”**

The increase in revenue was mainly due to higher revenue recognition from Capital 21, the retail podium component of the Group’s mixed development project in Johor, Malaysia, and its serviced suites component, Capital Suites which is in line with higher percentage of works completed.

Gross profit increased by 132.5% year-on-year to RM34.3 million in 2QFY2018 with a gross profit margin of 74.7% as compared to 82.1% in 2Q2017, which was mainly due to the higher construction costs recognized in 2Q2018.

General and administrative expenses rose from RM1.7 million in 2QFY2017 to RM9.2 million in 2QFY2018, representing an increase of RM7.5 million. This was mainly attributable to higher payroll related costs from the additional headcounts, the additional depreciation and amortization expenses from the fair value upward adjustments on the plant and equipment and mining rights as a result of the reverse takeover accounting in FY2017, facility fees relating to the loans and borrowings secured in November 2017 and fees for liaising and sourcing tenants for the mall.

As a result of the above factors, the Group’s net profit increased from RM9.2 million in 2QFY2017 to RM17.4 million in 2QFY2018.

## **Outlook**

Singapore and Malaysia have inked a legally binding bilateral agreement to build a cross-border MRT system, allowing commuters to travel seamlessly between Woodlands and Johor Bahru. The construction is expected to commence in 2019 and to be completed by end of 2024<sup>1</sup>. These positive developments will augur well for the Group’s existing and upcoming development projects in Johor Bahru.

Added by Mr. Siow Chien Fu, **“During the quarter, the Group has entered into an agreement to acquire 100% equity interest in Kekal, who holds the joint development right to develop five plots of lands which is strategically located near Pengerang Complex, one of the major oil and gas hubs in Southeast Asia. It is expected to generate thousands of job opportunities by 2020, driving the demand for the property sector in Pengerang.**

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<sup>1</sup> Singapore, Malaysia ink bilateral agreement to build Rapid Transit System Link by 2024,  
<http://www.straitstimes.com/singapore/singapore-malaysia-ink-bilateral-agreement-to-build-rtb-link-by-2024?login=true>

**More significantly, the Group has launched the indoor theme park concept at Project Capital City on 13 January 2018, enhancing the value and attractiveness of our projects. Upon completion, it will be one of the five largest indoor theme parks in the world and is expected to commence operations in 2018, transforming Project Capital City into a one-stop lifestyle and entertainment hub and a potential tourist destination in Johor Bahru which appeals to the local community as well as Singaporeans and foreign visitors.**

**Moving ahead, the Group will remain focused on seeking business opportunities to form strategic partnerships and joint ventures with potential landowners and developers in Malaysia as well as in Southeast Asia.”**

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### **About Capital World Limited**

Capital World Limited (formerly known as Terratech Group Limited) and together with its subsidiaries, (the "Group") is an innovative property developer that joint ventures with landowners to minimize initial capital outlay. The Group's origins can be traced back to June 2013 with the establishment of Capital City Property Sdn Bhd. The Group undertakes the conception, design and implementation of integrated property projects.

The Group is currently developing Project Capital City, an integrated property project comprising a retail mall, indoor theme park, hotel and serviced suites and serviced apartments along Jalan Tampoi, Johor Bahru, Malaysia. The Group has also entered into joint venture agreements to develop:

- i) Project Austin, an integrated development project which is expected to comprise a retail mall, office suites, hotel and serviced residential apartments,
- ii) Project Sitiawan Wellness Hub, a mixed development project focusing on providing health and wellness services; and
- iii) Pengerang project, a landed housing township development project

The Group is also engaged in the production and sale of premium quality marble blocks and slabs, aggregates and calcium carbonate powder from its quarry in Kelantan, Malaysia.

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**Issued for and on behalf of Capital World Limited  
By Financial PR Pte Ltd**

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