
**DISPOSAL OF 80% SHAREHOLDING INTEREST IN
SHAANXI HENGYU ARCHITECTURAL INTERIOR ENGINEERING CO., LTD.**

The Board of Directors (the “**Board**”) of Capital World Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that Terratech Resources Pte. Ltd., a wholly-owned subsidiary of the Company has disposed its entire 80% equity interest in Shaanxi Hengyu Architectural Interior Engineering Co., Ltd (“**Hengyu**”), to Dr. Wang Xiaoning (“**Dr. Wang**”), for a consideration of S\$1.45 million (“**Disposal**”). Dr Wang was a former director of Terratech Group Limited (the former name of the Company prior to the completion of the reverse takeover of the Company) and is currently not related to the Company, its subsidiaries, its Directors and substantial shareholders.

Background and Rationale

Hengyu was incorporated in the People’s Republic of China (“**PRC**”) and its core business involves providing design and construction services for interior and exterior architectural structures and decorations in the PRC. The net asset value and net tangible asset value of Hengyu which had been consolidated into the Group’s latest unaudited consolidated financial statements for the first quarter ended 30 September 2018 was approximately RM0.43 million (Equivalent to approximately S\$0.14 million using exchange rate of S\$1 = RM3.0251). No valuation was performed on Hengyu.

The consideration of S\$1.45 million was arrived at after arm’s length negotiations with Dr. Wang on a willing-buyer, willing-seller basis, and after taking into consideration the historical financial position of Hengyu. The consideration will be used to repay amounts owing to certain former directors of Terratech Group Limited (the former name of the Company). No sale proceeds will be received by the Company. Pursuant to the sale and purchase agreement, it was agreed that Dr Wang will assume the obligation to make the repayment on behalf of the Company.

The Disposal will allow the Group to reallocate its resources to focus on its core property development business with the aim of enhancing shareholders’ value.

Upon completion of the Disposal, Hengyu will cease to be a subsidiary of the Company.

Relative Figures under Rule 1006 of the Catalyst Rules

As each of the relative figures computed on the applicable bases as set out in Rule 1006 of the Singapore Exchange Securities Trading Limited Listing Manual (Section B: Rules of Catalyst) (the “**Catalist Rules**”) is less than 5.0%, the Disposal constitutes a “Non-discloseable Transaction” for the purposes of Chapter 10 of the Catalyst Rules.

Financial Effects

The Disposal is not expected to have any material financial impact on the consolidated net tangible assets per share and consolidated earnings per share of the Company and its Group for the financial year ending 30 June 2019.

Directors and Controlling Shareholders' Interests

None of the directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Disposal.

BY ORDER OF THE BOARD

Siow Chien Fu
Executive Director and Chief Executive Officer
16 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 Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, 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).