

## MEDIA RELEASE

### **CAPITAL WORLD ACHIEVED A NET PROFIT OF RM19.3 MILLION IN 3QFY2018**

- 9 months revenue increased to RM133.6 million from RM120.3 million in the corresponding period of previous year
- Gross margin increased to 76.1% in 3QFY2018 from 73.8% in 3QFY2017
- Group remains committed to complete the first few projects in the pipeline while keep an eye on potential business opportunities in ASEAN countries

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

	3 months ended 31 March 2018 (3QFY2018)	3 months ended 31 March 2017 (3QFY2017)	Change	9 months ended 31 March 2018 (9MFY2018)	9 months ended 31 March 2017 (9MFY2017)	Change
Revenue	43.5	74.6	(41.7%)	133.6	120.3	11.1%
Gross profit	33.1	55.1	(39.9%)	99.1	92.6	7.0%
Gross profit margin	76.1%	73.8%	2.3pp	74.2%	77.0%	(2.8pp)
Net profit	19.3	38.4	(49.9%)	56.3	62.3	(9.5%)
Net profit margin	44.2%	51.5%	(7.3pp)	42.2%	51.8%	(9.6pp)

**Singapore, 7 May 2018** – Capital World Limited (the “Group”), an innovative property developer, announced today its unaudited financial results for the third quarter ended 31 March 2018 (“3QFY2018”) and 9 months ended 31 March 2018 (“9MFY2018”). The Group registered a net profit of RM56.3 million for 9MFY2018 as compared to a net profit of RM62.3 million in the previous year.

Mr. Siow Chien Fu, Executive Director and CEO, said, **“We are optimistic with our progress of the Project Capital City as well as with the strong support from our secured projects in pipeline.”**

The decrease in revenue for the 3Q2018 was mainly due to a decrease in an incremental POC, which was used for the revenue recognition, for Capital 21 (retail podium component of the

Group's mixed development in Johor, Malaysia). Revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred. The POC in 3QFY2018 increased by 5.5 percentage points to 75.1% from 69.6% as at 31 December 2017, whereas POC in 3QFY2017 increased by 15.3 percentage points to 46.0% from 30.7% as at 31 December 2016.

Gross profit decreased by 39.9% year-on-year to RM33.1 million in 3QFY2018 with a gross profit margin of 76.1% in 3QFY2018 as compared to 73.8% in 3QFY2017, which was relatively consistent.

General and administrative expenses rose from RM1.5 million in 3QFY2017 to RM5.8 million in 3QFY2018, representing an increase of RM4.3 million. This was mainly attributable to higher payroll related costs from the additional headcounts post-listing, and 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, 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 decreased from RM38.4 million in 3QFY2017 to RM19.3 million in 3QFY2018.

## **Outlook**

Notable developments and catalytic projects in Johor such as the Coastal Highway Southern Link, Pengerang Integrated Petroleum Complex and Golf Course in Desaru Coast are expected to spur the growth for residential, commercial and retail sub-sectors in Johor. Coupled with the Kuala-Lumpur-Singapore High Speed Rail Project which is expected to be operational by 2026, the prospects of the property industry in Johor remain bright.

Added by Mr. Siow Chien Fu, **"We look forward to the opening of the mall in third quarter of 2018. The indoor theme park at Capital 21 is a unique selling point and we believe this would not only attract the local visitors but also foreign visitors."**

**The spirit of innovation is an integral part of our business operations where we always strive to introduce niche and innovative products to the market. Moving ahead, the Group remains committed to complete our first few projects in the pipeline while keeping an eye on potential business opportunities in the neighbouring ASEAN countries."**

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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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