

MEDIA RELEASE

CAPITAL WORLD ACHIEVED A NET PROFIT OF RM10.3 MILLION IN 1QFY2019

- Revenue remained relatively consistent with RM44.1 million in 1QFY2019
- Gross profit margin improved from 71.7% in 1QFY2018 to 72.3% in 1QFY2019
- Strive to complete maiden Project Capital City within the schedule and expedite the launch of new projects in the pipeline

Financial Highlights

	3 months ended 30 September 2018 (1QFY2019)	3 months ended 30 September 2017 (1QFY2018)	Change
Revenue (RM' million)	44.1	44.2	(0.07%)
Gross profit (RM' million)	31.9	31.7	0.8%
Gross profit margin	72.3%	71.7%	0.6pp
Net profit (RM' million)	10.3	19.7	(47.6%)
Net profit margin	23.4%	44.6%	(21.2pp)

Singapore, 14 November 2018 – Capital World Limited (the “Group”), an innovative property developer, announced today its unaudited financial results for the quarter ended 30 September 2018 (“1QFY2019”).

The Group’s revenue remained relatively consistent from RM44.2 million in 1QFY2018 to RM44.1 million in 1QFY2019. The percentage of completion (“POC”) which was used for revenue recognition, for the Capital City Mall (retail podium component of the Group’s mixed development in Johor, Malaysia), was 87.8% as at 30 September 2018.

Gross profit increased slightly by 0.8% to RM31.9 million in 1QFY2019 and gross profit margin improved to 72.3% from 71.7% in 1QFY2018.

The increase in general and administrative expenses of RM7.5 million from RM4.1 million in 1QFY2018 to RM11.6 million in 1QFY2019 was mainly due to higher payroll related costs from additional headcounts, fees for liaising and sourcing tenants for the Capital City Mall and maintenance and service fee for Capital City Mall.

Finance cost increased by RM3.2 million from RM0.02 million in 1QFY2018 to RM3.2 million in 1QFY2019 mainly due to the interest expenses relating to the increase in loans and borrowings secured.

The Group's balance sheet remained healthy with cash and cash equivalents of RM20.2 million as at 30 September 2018.

Outlook

The new Malaysian government has recently announced Budget 2019 where several initiatives introduced are favourable to the property sector in Malaysia. The Malaysian government encourages people to own properties by showing an intention to exempt the stamp duty on the property transfer letter for first house purchase for houses priced between RM300,001 and RM1 million¹. Besides that, the allocation of RM25 million to Cagamas (National Mortgage Corporation of Malaysia) for mortgage guarantee for first-time buyers with earning up to RM5,000 monthly is expected to further accelerate the growth of the property market². These positive initiatives will augur well for the property sector.

Mr. Siow Chien Fu, Executive Director and CEO said, **“We have successfully opened our Capital City Mall on 17 October 2018, marking a significant milestone for the Group. Recently, we also have inked a MoU with a Bursa-listed property developer, PRG Holdings Berhad which is engaged in property development and construction to explore potential collaborations in future development projects related to healthcare and wellness. Moving ahead, we will continue with our efforts to complete our maiden Project Capital City within the schedule and strive to expedite the launch of our new projects in the pipeline.”**

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Note: This press release is to be read in conjunction with the Company's full year financial results announcement released on SGXNET on 14 November 2018.

¹ Budget 2019 Highlights, <https://www.thestar.com.my/news/nation/2018/11/02/budget-2019-highlights-live/>

² Budget 2019: Property players welcome govt initiatives, <https://www.freemalaysiatoday.com/category/nation/2018/11/04/budget-2019-property-players-welcome-govt-initiatives/>

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.

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

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This press release 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 press release.

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

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