

MEDIA RELEASE

CAPITAL WORLD ACQUIRES A NEW JOINT DEVELOPMENT RIGHT TO DEVELOP 207.5 ACRES TOWNSHIP

- **Strategically located near Pengerang Integrated Petroleum Complex (“PIPC”), one of the major oil and gas hubs in Southeast Asia, which is expected to generate thousands of job opportunities by 2020, driving the demand for the property sector in Pengerang**
- **Timely to capture the rising housing demand**
- **Complement Group’s current portfolio of mixed development**
- **Transform the Group into a multidisciplinary profile developer**



Singapore, 23 November 2017 – Capital World Limited (the “Company”, and together with its subsidiaries, the “Group”), an innovative property developer, is pleased to announce that, on 22 November 2017, its wholly-owned subsidiary, Baiduri Megaria Sdn. Bhd., has entered into a sale of shares agreement and supplement agreement with the shareholders of Kekal Efektif Sdn. Bhd. (“Kekal”) to acquire 100% equity interest in Kekal.

Incorporated in Malaysia, Kekal is involved in the business of investments and property development and it holds the joint development right to develop five plots of 99-year leasehold lands (expiring on 18 January 2114) with a total area of approximately 207.5 acres owned by Yayasan Pelajaran Johor, an education foundation established by the Johor State Government. Upon completion of the acquisition, the Group will assume the joint development right to develop a township at Pantai Timur, District of Kota Tinggi, State of Johor. The township is strategically located along Jalan Kg. Punggal – Desaru and is approximately 22 kilometres from the north-east of the PIPC at Pengerang.

The PIPC is an upcoming regional downstream oil storage and trading hub located on a single plot measuring about 20,000 acres which will house oil refineries, naphtha crackers, petrochemical plants as well as a liquefied natural gas (LNG) import terminals and a regasification plant. Pengerang is located on major international shipping lanes connecting the Middle East and Asia and is close to Singapore. It has a strategic location and proximity to sea passages which appeal to foreign investors for investment and is well-poised to become one of the Southeast Asia’s major oil and gas hubs driven by huge oil and gas investments¹.

Saudi Aramco, a Saudi state oil company, will be investing over US\$7 billion in Petronas’ Refinery and Petrochemical Integrated Development project (“RAPID”) within the PIPC and it is expected to commence operation in 2019². The PIPC is expected to generate 4,883 new high-income jobs by 2020 and 27,064 new high-income jobs in the subsequent phase of completion³. These positive developments will drive the demand for property sector within and surrounding Pengerang.

The Consideration of RM63.0 million was arrived at on arm’s length negotiations, and supported by the valuation from an independent valuer. The Group intends to satisfy the Consideration by the cash generated from the Group’s operation and the financing obtained in early November 2017.

¹ Pengerang has potential as largest oil and gas hub, <http://www.themalaymailonline.com/money/article/pengerang-has-potential-as-largest-oil-and-gas-hub-in-asia#bBtyY0RkEykmXTuT.97>

² Malaysia’s Petronas, Saudi Aramco to enter US\$7b oil refinery deal, <http://www.channelnewsasia.com/news/asiapacific/malaysia-s-petronas-saudi-aramco-to-enter-us-7b-oil-refinery-dea-7601528>

³ Promoting downstream oil and gas industry, <https://www.japantimes.co.jp/news/2017/08/31/national/promoting-downstream-oil-gas-industry/#.Wg486EqWY2w>

The construction will take eight to ten years to complete and it is expected to be launched in 2018. Upon completion, this project is envisaged to be a lifestyle township, comprising residential properties of terrace house, cluster home, townhouse, low cost flat buildings, terrace shop and offices.

Mr. Siow Chien Fu, Executive Director and CEO, said, **“This marks another joint venture project of the Group, following Project Capital City which is under construction. This acquisition also underscores our commitment in expanding our foothold in Malaysia, especially in strategic locations which are ready for development. The residential development will be timely to capture the rising housing demand of the upcoming Pengerang oil and gas hub.**

In addition, this housing development will complement the Group’s portfolio of mixed development projects which will diversify the Group’s risks due to changes in market and economic conditions, transforming the Group into a multidisciplinary profile developer. Leveraging on the positive developments in Pengerang, we are optimistic that the demand for the Project will be very encouraging.”

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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, hotel and serviced suites and serviced apartments along Jalan Tampoi, Johor Bahru, Malaysia. The Group has also entered into joint venture agreements to develop Project Austin, an integrated development project which is expected to comprise a retail mall, office suites, hotel and serviced residential apartments, and Project Sitiawan Wellness Hub, a mixed development project focusing on providing health and wellness services.

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 Catalist. The Sponsor has not verified the contents of this press release.

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