

MEDIA RELEASE

All capitalised terms in this press release shall, unless otherwise defined herein, have the same meanings ascribed to them in the circular dated 29 March 2017 issued by Terratech Group Limited (now known as Capital World Limited).

CAPITAL WORLD'S NET PROFIT ROSE BY 63.4% TO RM70.1 MILLION IN FY2017

- Revenue increased by 125.2% to RM183.9 million due to higher revenue contribution from Capital 21 and Capital Suites
- Recorded a 117.9% growth in gross profit to RM136.4 million
- Actively looking for opportunities to form strategic partnerships and joint ventures to develop projects in Southeast Asia

Financial Highlights (RM' million):

	Year ended 30 June 2017 (FY2017)	Year ended 30 June 2016 (FY2016)	Change
Revenue	183.9	81.6	125.2%
Gross profit	136.4	62.6	117.9%
Gross profit margin	74.2%	76.7%	(2.5pp)
Net profit	70.1	42.9	63.4%
Net profit margin	38.1%	52.6%	(14.5pp)
Net profit margin (Note 1)	47.8%	52.6%	(4.8pp)

Note 1: Excluding one-off items: i) RM12.8 million of acquisition costs relating to RTO; and ii) RM5.0 million on interest provision for land cost payable.

Singapore, 28 August 2017 – Capital World Limited (the “Group”), an innovative property developer, announced today its unaudited financial results for the year ended 30 June 2017 (“FY2017”).

In overall, the Group revenue was more than doubled compared to the last year with healthy margins achieved.

Mr. Siow Chien Fu, Executive Director and CEO said, **“FY2017 marks a significant year for the Group. Listing in Singapore Exchange has allowed the Group to tap into the international market and accelerate the execution of our growth plans. Driven by the commitment to deliver greater value to stakeholders, we managed to achieve a stellar set of results for the year with the consolidation of legacy marble business for the post-acquisition period, which demonstrates the Group’s strong execution capabilities and the effectiveness of our niche business model.”**

Higher revenue from Capital 21, a retail podium component of the Group’s mixed development in Johor, Malaysia, and its serviced suites component, Capital Suites, which were recognised based on a higher percentage of completion, have contributed to 125.2% increase in revenue in FY2017 to RM183.9 million.

Gross profit increased by 117.9% y-o-y to RM136.4 million in FY2017 which is in line with the increase in revenue. The Group’s gross profit margin remained relatively consistent ranging from 74% to 77%.

In tandem with the increase in revenue, selling and distribution expenses increased by RM5.2 million to RM9.4 million in FY2017 mainly due to the increase in sales commission and advertising and promotional expenses. In addition, due to higher payroll related costs from additional headcounts, general and administrative expenses increased by RM7.6 million to RM13.0 million in FY2017.

One-off acquisition costs of RM12.8 million relating to RTO has been recorded in 4Q2017 upon the completion of the RTO on 4 May 2017.

As a result of the above factors, the Group recorded a 63.4% increase in net profit to RM70.1 million in FY2017 from RM42.9 million in FY2016.

The Group’s balance sheet remained strong with cash and cash equivalents of RM23.4 million as at 30 June 2017.

Outlook

There remain bright spots which represent exciting growth opportunities for the Group. Catalytic projects such as infrastructure developments will spur the growth of the property industry in Malaysia.

Added by Mr. Siow Chien Fu, **“Project Capital City is progressing well and on schedule for completion in 2020. We have completed the construction of the structure of Capital 21 and it is expected to commence operations in early 2018. On the other hand, the application of the planning permission for Project Austin is still pending approval from the relevant authorities.**

Going forward, we will stay focused on executing our growth strategies. We will adopt this niche model to property development in Malaysia as well as in other regions. Furthermore, we are actively looking for opportunities to form strategic partnerships and joint ventures to develop projects in Southeast Asia, to enhance the growth of our property development business.”

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Capital World Limited
(Incorporated in the Cayman Islands)
Company Registration Number: CT-276295

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Singapore 169662

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 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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