



CAPITAL WORLD LIMITED

(Formerly known as Terratech Group Limited)

Corporate Presentation **2QFY2019**





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FINANCIAL HIGHLIGHTS

**SUMMARY:****A) P/L (RM' million):**

	3 months ended 31 December 2018 (2QFY2019)	3 months ended 31 December 2017 (2QFY2018)	Change	6 months ended 31 December 2018 (HYFY2019)	6 months ended 31 December 2017 (HYFY2018)	Change
Revenue	53.7	46.0	16.8%	97.8	90.1	8.6%
Gross profit	31.8	34.3	(7.4%)	63.7	66.0	(3.5%)
Gross profit margin	59.2%	74.7%	(15.5pp)	65.1%	73.2%	(8.1pp)
Net profit	14.7	17.4	(15.4%)	25.0	37.1	(32.5%)
Net profit margin	27.4%	37.9%	(10.5pp)	25.6%	41.2%	(15.6pp)

B) LOANS & BORROWINGS AND GEARING RATIO:

	As at 31 December 2018	As at 30 June 2018
Loans and borrowings (RM'000)	59,644	49,263
Gearing ratio (Note 1)	13.5%	6.6%

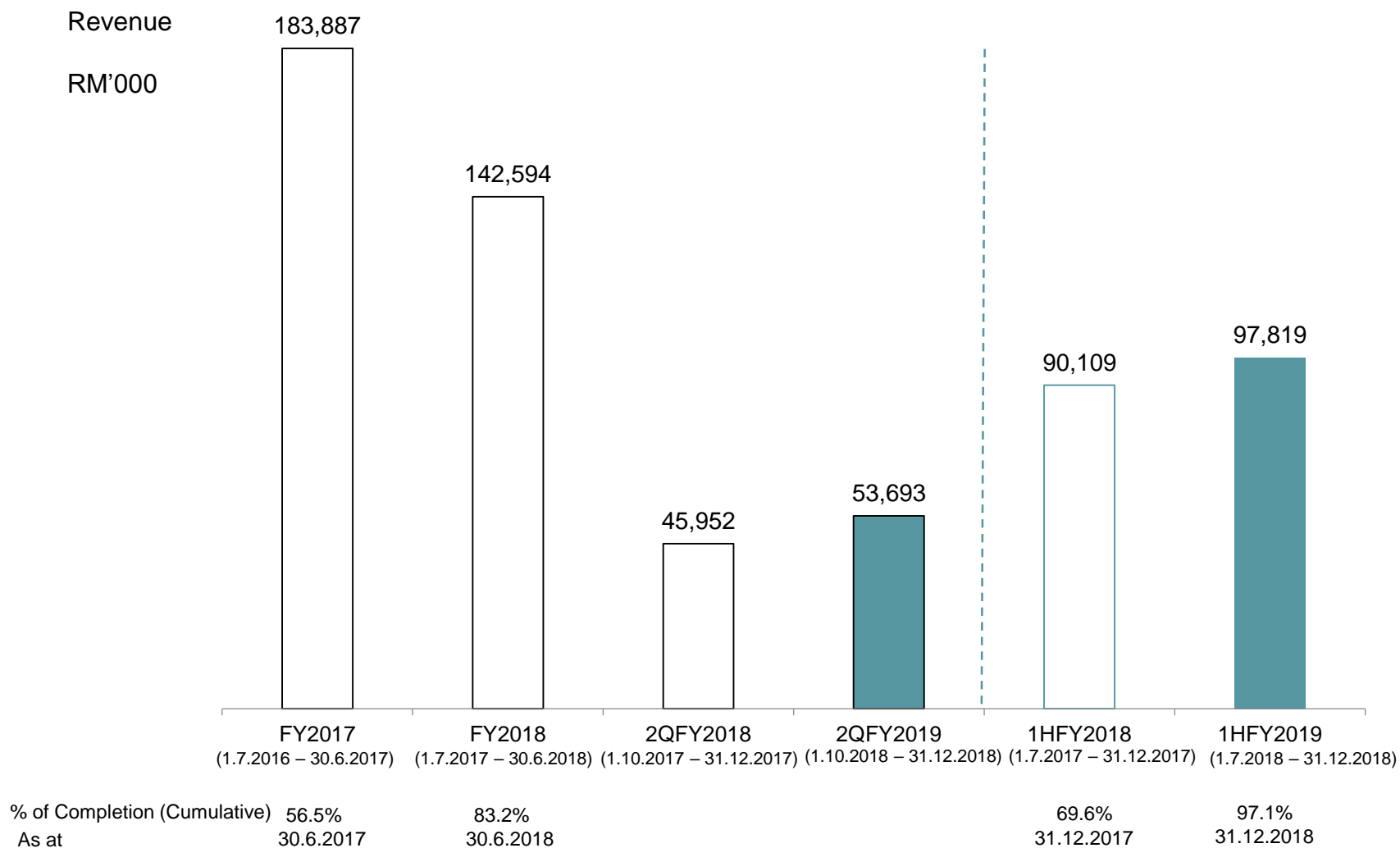
Note 1: Gearing ratio is derived using loans and borrowings minus cash and bank balances, divided by the equity attributable to owners of the Company

The background features several horizontal lines of varying lengths and shades of gray. In the center, there is a stylized graphic of two hands shaking, rendered in a light gray tone. Overlaid on this graphic is the text "RECENT DEVELOPMENTS" in a bold, black, sans-serif font.

RECENT DEVELOPMENTS



- **Disposed entire 80% equity interest in Shaanxi Hengyu Architectural Interior Engineering Co., Ltd (“Hengyu”)**
 - Hengyu is in business of providing design and construction services for interior and exterior architectural structures and decorations in the PRC
 - 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
- **Shareholders approved the shares subscription by the PRG Holdings Berhad at an EGM**
 - The proceeds from the shares subscription will enhance Group’s cash flow position and business synergy is expected between the two groups



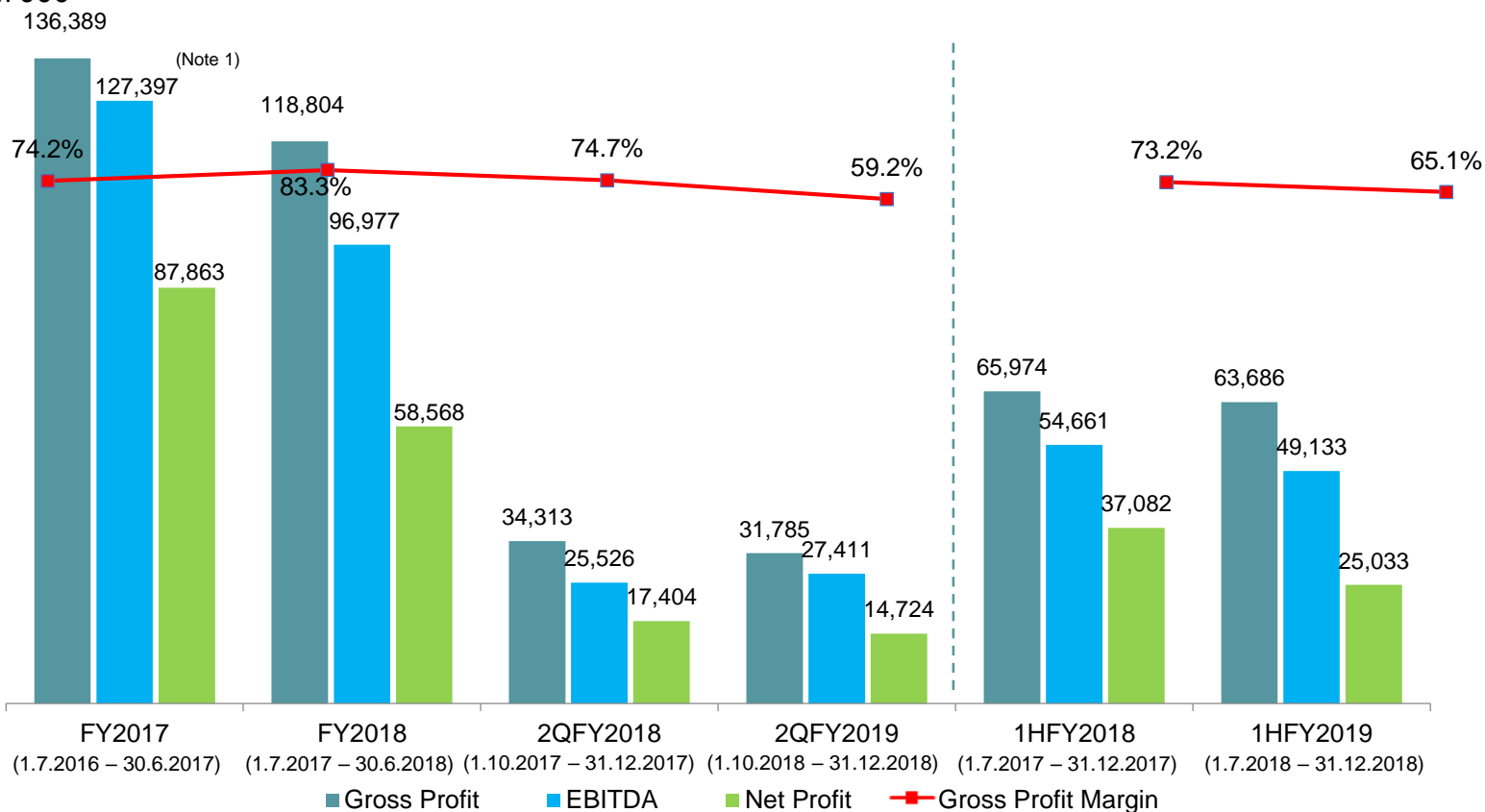


Capital World

Margins (%)	Gross Profit (%)	EBITDA (%)	Net Profit (%)
FY2017	74.2	69.3	47.8
FY2018	83.3	68.0	41.1
2QFY2018	74.7	55.5	37.9
2QFY2019	59.2	51.1	27.4
1HFY2018	73.2	60.7	41.2
1HFY2019	65.1	50.2	25.6

Profitability

RM'000



Financial year end: 30 June

EBITDA: Earnings before interest, tax, depreciation and amortisation

Note 1: Excluding one-off amount of RM17.8 million which mainly related to RTO transaction costs



Financial Position

RM('000)	As at 31 December 2018 (Unaudited)	As at 30 June 2018 (Audited)	Difference
Current assets	283,506	292,903	(13,411)
Non-current assets	594,297	517,162	77,135
Total assets	877,803	810,065	63,724
Current liabilities	403,599	360,975	38,610
Non-current liabilities	144,772	147,090	(2,318)
Total liabilities	548,371	508,065	36,292
Equity attributable to owners of the Company	329,866	301,914	27,952
Cash and bank balances	15,253	29,479	(14,226)
Loans and borrowings	59,644	49,263	5,097
Gearing ratio ^(Note 1)	13.5%	6.6%	
Current ratio ^(Note 2)	0.72	1.10	

Note 1: Gearing ratio is derived using loans and borrowings minus cash and bank balances, divided by the equity attributable to owners of the Company

Note 2: Deferred revenue of approximately RM13.7 million and RM94.5 million as of 31 December 2018 and 30 June 2018 respectively were excluded from the current liabilities as deferred revenue is the book entry and non-cash in nature



UNIQUE BUSINESS MODEL



Joint venture with landowners

- 1) Low initial capital outlay
- 2) Low level of borrowings
- 3) Pay when received
- 4) Land cost capped
- 5) No equity stake by landowners
- 6) Win-win approach



PROJECTS CAPITAL CITY



MCM STUDIO
Indoor Theme Park



CAPITAL 21
Thematic Shopping Mall



MCM PLANET HOTEL
Thematic Hotel



HILTON GARDEN INN
International Hotel



NEO GEO REO
Serviced Apartment

A stylized, light gray illustration of two hands shaking in a firm grip, centered on the page. Several horizontal, slightly wavy lines of varying lengths and shades of gray extend from the handshake towards the left and right edges of the slide, creating a sense of motion or energy.

UPCOMING PROJECTS



- 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, Johor
- Timely to capture the rising housing demand
- Complement Group’s current portfolio of mixed development



Property type	Landed housing township development project
Land	207.5 acres
Development details	<p>Residential:</p> <ul style="list-style-type: none">• Double Storey Terrace House (18'x65')• Double Storey Terrace House (20'x70')• Double Storey Terrace House (22'x70')• Double Storey Cluster Homes (32'x80')• Double Storey Semi Detached House (32'x80' / 34'x90') <p>Commercial:</p> <ul style="list-style-type: none">• 2 Storey Shopoffice (22'x70')• Commercial Lands <p>RMMJ & Low Medium Cost:</p> <ul style="list-style-type: none">• RMMJ 2 Storey Townhouse (20'x70')• RMMJ PKJ A• RMMJ PKJ B• Low Medium Cost Shop Strata 2 Storey (20'x70')



Upcoming Projects



Projects	Austin City	Sitiwan Wellness Hub
Location	Tebrau, Johor Bahru	Pengkalan Baharu, Perak
Land size	27,670 sqm	188,062 sqm
Property type	Retail mall, office suites, hotel and residential apartments	Mixed commercial and residential development Health, wellness & tourism concepts



OUTLOOK & BUSINESS STRATEGIES



Short Term


- Focused on delivery of Project Capital City
- Realise synergies between the property development projects and the existing marble business
- Launch Pengerang & Austin City Projects

Medium Term

- Launch Project Sitiawan Wellness Hub
- Diversify into different development types

Long Term

- Extend successful business model to new projects and markets in Malaysia and Southeast Asia



Q & A

Thank you