

## **MEDIA RELEASE**

*The unaudited combined financial information for the third quarter and nine months ended 31 March 2017 of Capital City Group which have been prepared and summarised below are to be read in conjunction and entirety with the Terratech FY2017 Results as additional information, which has been released in a separate announcement.*

*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 CITY GROUP'S NET PROFIT ROSE BY 71.4% TO RM62.3 MILLION IN 9M2017**

- **9M2017's net profit of RM62.3 million surpassed FY2016's net profit of RM42.9 million**
- **Focused on seeking opportunities to form strategic partnerships and joint ventures with potential landowners and developers**

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

	3 months ended 31 March 2017 (3Q2017)	3 months ended 31 March 2016 (3Q2016)	Change	9 months ended 31 March 2017 (9M2017)	9 months ended 31 March 2016 (9M2016)	Change
Revenue	74.6	21.2	252.5%	120.3	69.9	72.1%
Gross profit	55.1	16.0	244.7%	92.6	53.5	72.8%
Gross profit margin	73.8%	75.5%	(1.7pp)	77.0%	76.6%	0.4pp
Net profit	38.4	10.7	259.1%	62.3	36.3	71.4%
Net profit margin	51.5%	50.5%	1.0pp	51.8%	52.0%	(0.2pp)

**Singapore, 29 May 2017** – Capital World Limited, an innovative property developer, announced today its unaudited financial results relating to Capital City Group (the “Group”) for the third quarter (“3Q2017”) and nine months ended 31 March 2017 (“9M2017”).

The Group’s net profit surged to RM62.3 million in 9M2017, representing 71.4% increase from RM36.3 million in 9M2016.

Mr. Siow Chien Fu, Executive Director and CEO said, **“The success of the joint venture basis business model that we have adopted has been reflected in the encouraging performance for the Group. The growth in revenue was solely contributed by Project Capital City, which is progressing well and on schedule for completion in 2020. In fact, the net profit of RM62.3 million for the nine-months of FY2017 already surpassed the net profit of RM42.9 million for FY2016.”**

The increase in revenue was largely due to higher sales contribution from Capital 21 project (retail podium component of the Group’s mixed development in Johor, Malaysia), which was recognized based on a higher percentage of completion. In addition, the Group has commenced the sales of its serviced suites component, Capital Suites, in 9M2017 which have also contributed to the overall increase in revenue.

In line with the increase in revenue, gross profit increased by 72.8% y-o-y to RM92.6 million in 9M2017. Gross profit margins remained high and relatively consistent between 76.0% and 77.0%.

On a three-month basis, the revenue more than tripled from RM21.2 million in 3Q2016 to RM74.6 million in 3Q2017 with the gross margin ranging from 73.8% to 75.5%.

Net profit margin has been stable between 50.5% and 52.0% for periods under review.

The Group’s balance sheet remained healthy with cash and cash equivalents of RM16.9 million as at 31 March 2017.

## **Outlook**

The property market in Malaysia remains resilient despite challenging economic environment.

Added by Mr. Siow Chien Fu, **“On the upcoming Project Austin, we have submitted its application for the planning permission to the relevant authorities for approval. It will be ready for launching once building plan approval is obtained.**”

**Moving ahead, we will stay focused on seeking opportunities to form strategic partnerships and joint ventures with potential landowners and developers. It is encouraging that we are exploring several promising potential sites ready for development on similar joint venture basis.**

**Leveraging on our strong brand and niche business model, we are confident that we will strive to further enhance our market competitiveness.”**

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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.

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**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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