

## **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 33.8% TO RM19.7 MILLION IN 1QFY2018**

- Registered 59.5% growth in revenue to RM44.2 million due to higher revenue contribution from Capital 21 and Capital Suites
- Gross profit increased by 39.3% to RM31.7 million
- Awarded as Top 5 of Sin Chew Business Excellence Awards in Malaysia
- The Group remains committed to explore strategic partnerships with landowners on a joint venture basis

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

	Quarter ended 30 September 2017 (1QFY2018)	Quarter ended 30 September 2016 (1QFY2017)	Change
Revenue	44.2	27.7	59.5%
Gross profit	31.7	22.7	39.3%
Gross profit margin	71.7%	82.1%	(10.4pp)
Net profit	19.7	14.7	33.8%
Net profit margin	44.6%	53.1%	(8.5pp)

**Singapore, 14 November 2017** – Capital World Limited (the “Group”), an innovative property developer, announced today its unaudited financial results for the quarter ended 30 September 2017 (“1QFY2018”). The Group’s net profit for 1QFY2018 rose 33.8% year-on-year to RM19.7 million on the back of a 59.5% increase in revenue due to higher percentage of works completed.

Mr. Siow Chien Fu, Executive Director and CEO, said, **“We are delighted with our strong financial performance for the first quarter of FY2018. This validates our commitment to further enhance our profitability and maximise shareholders’ value. Besides that, the encouraging performance is also a testament to our effective niche business model.**

The increase in revenue was mainly due to higher revenue recognition from Capital 21, the retail podium component of the Group’s mixed development project in Johor, Malaysia, and its serviced suites component, Capital Suites.

In tandem with the increase in revenue, gross profit increased by 39.3% year-on-year to RM31.7 million in 1QFY2018 with a healthy gross profit margin of 71.7%.

The increase in general and administrative expenses of RM2.8 million from RM1.3 million in 1QFY2017 to RM4.1 million in 1QFY2018 was mainly attributable to higher payroll related costs from the additional headcounts, and the additional depreciation and amortization expenses from the fair value upward adjustments on the plant and equipment and mining rights as a result of the reverse takeover accounting in FY2017.

As a result of the above factors, the Group’s net profit increased from RM14.7 million in 1QFY2017 to RM19.7 million in 1QFY2018.

## **Outlook**

The prospects of the property industry in Johor remain bright with upcoming economic developments. In addition, there is a shift in Johor’s economy from manufacturing to services in recent years, with tourism contributing significantly to the local economy.

Added by Mr. Siow Chien Fu, **“The Group has been recently awarded as Top 5 of Sin Chew Business Excellence Awards. This is one of the most trusted and prestigious business awards program in Malaysia with emphasis on business model and strategic management approaches. We are truly honored in receiving such recognition.**

**In early November, we have obtained S\$12.7 million financing from financial institutions to finance current Project Capital City and new development projects. This will allow us to further expand our foothold in Malaysia with more property development projects.**

**Furthermore, we are constantly reviewing potential projects and in talks with land owners whom have land assets in strategic locations which are ready for development on a joint venture basis. Moving ahead, we remain committed to tap into the opportunities present in the Southeast Asia real estate market, expanding beyond Malaysia to transform the Group into a regional player.”**

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

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