

PRESS RELEASE
For Immediate Release

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EcoWorld Malaysia achieves 71% higher profits in 1Q 2021
EcoWorld International declares maiden dividend in 1Q 2021
Total EcoWorld Brand sales in 1st 4 months of FY2021 = RM1.3 billion
(Malaysia: RM911 million + International: RM408 million)

KUALA LUMPUR: Eco World Development Group Berhad (EcoWorld Malaysia) and Eco World International Berhad (EcoWorld International) announced their results for 1Q 2021 today.

Key highlights include the following:

EcoWorld Malaysia

- EcoWorld Malaysia recorded RM706 million in sales in 1Q 2021 which is more than double the RM305 million sales achieved in 1Q 2020. As at 28 February, total year-to-date sales amounted to RM911 million, giving the Group a good head start to FY2021.
- The Group recorded Profit After Tax (PAT) of RM62.4 million for 1Q 2021 which represents an increase of 71% compared to 1Q 2020. The higher PAT was mainly due to a 60% increase in the Group's share of results from joint-ventures in line with the substantially higher profits recorded by EcoWorld International.
- Cost savings measures implemented in FY2020, which have lowered the Group's overall cost base, enabled administrative expenses to be reduced by 15.7% as compared to 1Q 2020 - this contributed to the increase in PAT achieved in 1Q 2021.
- EcoWorld Malaysia's Future Revenue position as at 28 February 2021 remains high at RM3.59 billion, providing clear earnings visibility going forward.
- The Group's balance sheet was also strengthened with net gearing levels improving as follows:

	1Q 2021	FY2020	FY2019	FY2018
Gross Gearing	0.70	0.71	0.84	0.89
Net Gearing	0.55	0.62	0.71	0.77

EcoWorld International

- EcoWorld International recorded PAT of RM56.6 million for 1Q 2021 which is substantially higher than the RM6 million achieved in 1Q 2020.
- Gross profit for 1Q 2021 was RM69.64 million mainly due to commencement of revenue and profit recognition of the Group's Yarra One project in Melbourne, following progressive handover of units sold to customers. EcoWorld International's share of results in joint ventures in 1Q 2021 was also higher as a higher number of units sold to customers were handed over by its projects in the United Kingdom in the current quarter.
- Sales in Q1 FY2021 was RM312 million, slightly in excess of RM100 million a month, which is similar to the rate recorded in the first quarter of FY2020. As at 28 February 2021, EcoWorld

International has achieved RM408 million sales and its Future Revenue position remains healthy at RM2.2 billion.

- Premised on the results achieved, EcoWorld International has declared a maiden interim dividend of 1 sen per share in 1Q 2021.

Comments on EcoWorld Malaysia's performance in 1Q 2021 and prospects for FY2021

“We are tremendously encouraged by the strong sales of RM911 million achieved as at 28 February 2021. The 1st four months of the financial year are typically slower months due to the year-end holidays and Chinese New Year festivities. On top of that the Government decided to impose MCO 2.0 on 13 January 2021 to curb a fresh outbreak of Covid-19 in all three regions where we have our projects,” said Dato’ Chang Khim Wah, President & CEO of EcoWorld Malaysia.

“As such, we are indeed grateful for the buying support from our customers which has enabled us to sustain the remarkable sales momentum experienced since the start of 2H 2020, immediately after the first MCO was relaxed by the Government. Total sales achieved by EcoWorld Malaysia over the last 10 months is RM2.88 billion which is close to the highest we have ever achieved in a similar period, even in the pre-Covid era,” Chang added.

Chang attributed the strong start to FY2021 to the following factors:

- Positive response to EcoWorld Malaysia’s ongoing promotional campaigns and effectiveness of the Group’s digitalisation initiatives which have improved lead generation and enabled faster sales conversion cycles;
- Strategic expansion of the Group’s product range which includes the new ***duduk*** series which have been well-received by homeowners, particularly the Gen-Y and Gen-Z segment of the market; and
- Good take-ups of the Group’s Eco Business Park projects with RM107 million in sales achieved as at 28 February 2021, close to 50% of the RM220 million achieved in the full 12 months of FY2020.

“Our strategic shift to focus on meeting the housing needs of a new generation of homeowners, with products specifically designed to suit their budget combined with living environments and amenities carefully curated to meet their lifestyle needs and aspirations, has made a real difference. We will shortly be launching ***Eco Botanic 2***, offering landed homes priced from RM500,000 to RM800,000 in Iskandar Malaysia. This will be followed up by the launch of ***Co-Homes*** at ***Eco Grandeur*** in the Klang Valley and ***Eco Horizon*** in Penang as well as ***Ergo Homes*** at ***Eco Forest*** in the Klang Valley. All these products are priced affordably and are therefore ideal for Gen-Y & Gen-Z purchasers to begin their homeownership journey with EcoWorld,” said Chang.

On the industrial front, EcoWorld Malaysia expects its four ***Eco Business Parks*** in the Senai, Pasir Gudang and Tebrau corridors of Iskandar Malaysia as well as Puncak Alam in the Klang Valley to continue to record steady sales, buoyed by strong local demand particularly from those involved in the warehousing and logistics sectors. With the commencement of the Covid-19 vaccination programme in Malaysia and many other countries in the region, this should hopefully lead to the easing of cross-border business travel which will further boost demand as inquiries from foreign industrialists are translated into sales.

Comments on EcoWorld International's performance in 1Q 2021 and prospects for FY2021

“EcoWorld International’s sales of RM408 million as at 28 February are all from Open Market Sales (OMS) of the Group’s properties. The consistent sales rate achieved, notwithstanding a third national lockdown imposed in the UK since December 2020, is very heartening. The continued strong overseas demand we have been experiencing also clearly demonstrates that London is still the preferred destination for global property investors which bodes well for both the OMS and Built-to-Rent (BtR) segments of our portfolio,” said Dato’ Teow Leong Seng, President & CEO of EcoWorld International.

“Following the handover of Yarra One in Melbourne, the initial projects we embarked on when we were first listed have all reached completion. Accordingly, we are now in a position to start paying dividends to our shareholders, beginning with the 1 sen maiden interim dividend the Board has declared for this quarter,” Teow commented.

“Construction of our projects in both the UK and Australia are also progressing well. In November 2020, our first BtR residential block of Barking Wharf was completed and handed over. As work on sites continued to be permitted throughout the recent UK lockdown period, we are on track to hand over the three remaining blocks in stages within FY2021. Based on current construction programmes, we also expect the handover of apartment units in Millbrook Park Phase 2 and Embassy Gardens Block A03 to commence in the second half of FY2021,” he continued.

“These completions will not only allow revenue recognition but also generate significant cashflows for the Group which will enable EcoWorld International to repatriate more profits to enable further distributions to our shareholders in the near future,” said Teow.

Moving ahead, EcoWorld International is hopeful that property market conditions in the UK and Australia will continue to improve with mass rollout of vaccination programmes against Covid-19 progressing well in the UK and Australia. The UK is targeting to vaccinate all of its adult population by July 2021 while Australia is aiming to achieve the same by October 2021. Resumption of cross-border travels and lifting of movement restrictions should have a positive impact on employment, income and buyer confidence. Pent up demand, coupled with lack of new launches since the onset of Covid-19 pandemic, may further improve property sales once the level of economic activities normalises. The extension of the stamp duty holiday to June 2021 also signals the UK Government’s intention to continue providing support to the real estate market, which bodes well for its projects in the UK. Down south in Australia, there have also been some early signs of turnaround in the property market as home prices recorded a slight improvement in the first quarter of FY2021.

Comments by Tan Sri Liew Kee Sin, Chairman of EcoWorld Malaysia on performance and prospects

Given the strong start achieved only four months into this financial year, EcoWorld Malaysia and EcoWorld International are well on-track to achieve the combined RM5 billion sales target set for FY2021. EcoWorld International’s focus will be on rewarding its shareholders with dividend payments now that a substantial portion of its early projects have been completed. Similarly, EcoWorld Malaysia’s strong sales performance and improving balance sheet should enable it to improve on its dividend payment capabilities in FY2021 as compared to FY2020.

Team EcoWorld’s ability to overcome the many challenges caused by the pandemic and substantially outperform last year’s pre-Covid 19 comparative period clearly shows how well both EcoWorld Malaysia and EcoWorld International have reinvented themselves and expanded the reach of the EcoWorld brand to seize fresh opportunities in the new normal. Their solid performance in this most challenging time bodes well for our future once economic activities pick up and market confidence returns.

About Eco World Development Group Berhad (EcoWorld Malaysia)

EcoWorld Malaysia is a public listed Malaysian company involved mainly in property development. The Group is led by some of the most well-known and respected players in the property industry.

It has secured approximately 8,325.3 acres of land bank with a total gross development value (GDV) of RM86.9 billion. Currently, EcoWorld Malaysia has a presence in the Klang Valley, Iskandar Malaysia and Penang with 20 projects in total comprising a product range that includes affordable, upgrader and luxury homes, integrated high-rise developments and green business parks.

Through Eco World International Berhad (EcoWorld International), the brand has also extended its reach to the United Kingdom and Australia.

EcoWorld Malaysia is honoured to be one of the Top 10 Developers at The Edge Malaysia Property Excellence Awards since 2016 and also proud to be named ‘Best of the Best Employers - Malaysia’ in AON’s Best Employer Studies in 2016 and 2017. In December 2020, EcoWorld Malaysia was included in the FTSE4Good Bursa Malaysia (F4GBM) Index in recognition of the Group's efforts on Sustainability and good Economic, Social and Governance practices.

About Eco World International Berhad (EcoWorld International)

EcoWorld International is a public company listed on the Main Market of Bursa Malaysia Securities Berhad on 3 April 2017. Its core business involves property development outside Malaysia.

It has 18 existing and upcoming projects in the United Kingdom and Australia with total gross development value of GBP4.8 billion and AUD716 million respectively. Major shareholders in EcoWorld International are Eco World Development Group Berhad – a well-known Malaysian property developer and GuocoLand Limited – a public company listed on the Singapore Exchange.

EcoWorld International’s entry into UK began with the EcoWorld-Ballymore joint-venture that is currently developing three prime waterside residential projects in London. In 2018, EcoWorld London was launched giving EcoWorld an immediate presence in the highly resilient UK mid-mainstream market and the fast-growing Build-to-Rent sub-sector.

The Company has two active projects in Australia, namely West Village in Sydney’s second central business district of Parramatta and Yarra One in Melbourne’s charming South Yarra neighbourhood.

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