

**PRESS RELEASE**  
**For Immediate Release**

**26 March 2020**

**Stronger sales by EcoWorld Malaysia and EcoWorld International in 1Q 2020**  
**Interim combined sales target of RM4.2 billion set for FY2020 pending outcome of**  
**Covid-19 containment measures**

**KUALA LUMPUR:** Eco World Development Group Berhad (EcoWorld Malaysia) and Eco World International Berhad (EcoWorld International) announced their results for the 1Q 2020.

EcoWorld Malaysia's profit after tax (PAT) increased by 10.5% to RM33.5 million, largely due to a higher share of profits contributed by the Group's Malaysian joint-ventures. EcoWorld International's PAT for the 1<sup>st</sup> quarter was lower at RM5.97 million. This is due to the completion method of accounting in the United Kingdom (UK) and Australia which resulted in higher profits being recognised in 1Q 2019 due to the higher number of units sold to customers having been handed over then as compared to 1Q 2020.

***EcoWorld Malaysia***

Dato' Chang Khim Wah, President & CEO of EcoWorld Malaysia said, "We recorded RM305 million in sales in 1Q 2020 which is an improvement over the RM230 million sales achieved in the first 4 months of FY2019. This is a commendable result given that the 1<sup>st</sup> quarter is usually a seasonally slow quarter due to the year-end Christmas holidays and Chinese New Year (CNY) which was celebrated in January this year."

Post CNY, Chang commented that sales momentum picked up following the launch of a new promotional campaign backed by an enhanced homeownership solution **#InstaYours**, developed together with Maybank Houzkey, to assist prospective purchasers along their homeownership journey. **#InstaYours'** well-thought through programme, appealing messaging and targeted outreach enabled EcoWorld to record an encouraging build-up of confirmed bookings at its various projects by the end of February and in early March.

Chang noted however that conversion of the Group's strong bookings pipeline will be delayed due to the implementation of the tough but very necessary Movement Control Order (MCO) by the Government to combat the rapidly escalating Covid-19 outbreak. The MCO, which was initially for a period of 2 weeks, has now been extended by a further 2 weeks, requiring all the Group's business premises and galleries to be closed from 18 March to 14 April 2020.

In response to the MCO, EcoWorld has activated its business continuity plans to enable its staff to work from home and follow up with customers, end-financiers and solicitors during the restricted movement period. Preparations are also being made to roll out EcoWorld's new brand of homes priced from RM300,000 to RM450,000 to specifically cater to the needs of the M40 group. This brand will take advantage of the excellent infrastructure, built environment and comprehensive amenities within matured EcoWorld townships, beginning with the ***Eco Sanctuary*** and ***Eco Ardence*** townships in the Klang Valley. Down South, planning is underway for the launch of ***Eco Botanic II*** on the Group's most recently acquired 200 acres of land in Iskandar Malaysia. This new project will also focus on the development of homes for the M40 group to broaden the market segment that EcoWorld is able to serve in the increasingly matured Iskandar Puteri growth corridor.

"The business continuity measures we have put in place will help ensure that once the MCO is lifted, we can hit the ground running with the signing of sales and purchase agreements for bookings received.

Our branding, sales and marketing teams will also be pushing hard to unveil both the new brand and *Eco Botanic II* digitally and on social media channels, with active engagement of all leads generated to ramp up awareness and garner feedback throughout the MCO period,” Chang shared.

“Meanwhile, in view of the nation’s ongoing concerted war to contain the Covid-19 spread which requires all Malaysians to stay at home until after 14 April 2020, we have set an interim full year sales target for FY2020 of RM2.0 billion. We are fortunate in that our future revenue position remains high at RM4.69 billion as at 31 January 2020 which will help sustain our cashflow and earnings pipeline during this period. The sales target will be revisited as soon as the Covid-19 outbreak is contained and business activities normalise. This is with a view towards increasing the target to ensure that the Group’s future revenue position going forward remains consistently strong,” said Chang.

Commenting on the sector’s recovery prospects going forward Chang said “The Government’s bold and decisive action to quickly impose the MCO and follow through with the necessary actions, coupled with the heroic work being performed everyday by our frontliners, has placed the country in a much better position than we would otherwise be in. Although the cost to businesses and the economy is immense, Bank Negara Malaysia’s swift action to boost liquidity in the banking system as well as assist individuals, small and medium-sized enterprises (SMEs) and corporations to manage the impact of the Covid-19 outbreak will make a big difference. The SME sector is the largest employer in Malaysia – a 6-month moratorium on loan repayments is a significant cashflow relief which will help save jobs, ensure the engine of consumption keeps running and enable businesses to swiftly resume economic activities when conditions improve and consumer confidence returns. This in turn will benefit the property sector, which relies on the health of the overall economy, continued access to funding for purchasers as well as stable employment prospects, to do well.”

Separately, EcoWorld Malaysia announced today that Tan Sri Liew Kee Sin, presently its Non-Executive Chairman has been redesignated as the Group’s Executive Chairman to lead the Group to overcome the present market challenges and take advantage of opportunities that will undoubtedly present themselves in every crisis.

In another announcement the Company also disclosed its intention to seek the approval of its shareholders for the proposed authority for EcoWorld Malaysia to purchase up to 10% of the total number of its issued shares (“Proposed Share Buy-Back”) at a general meeting of the Company to be convened on a date to be announced later. This is in view of the extreme dislocation between the Company’s current share price which closed at RM0.345 on 25 March 2020 vs its book value of RM1.55 per share as at 31 January 2020, arising from the precipitous fall in share prices due to Covid-19 fears. Subject to the requisite approval being obtained, any shares purchased pursuant to the Proposed Share Buy-Back will be held as treasury shares with the intention that it will be subsequently distributed as share dividends to shareholders.

#### ***EcoWorld International***

Dato’ Teow Leong Seng, President & CEO of EcoWorld International said “Our sales for 1Q 2020 amounted to RM314 million which is a marked improvement from the RM120 million recorded in the same period of FY2019. This is largely due to the recovery in demand for higher-end products in London with EcoWorld-Ballymore, our joint-venture that focuses on the upper mainstream and lower prime segment of the London market, contributing RM246 million worth of sales during this period.”

As regards earnings Teow noted, “As at 31 January 2020, we have delivered more than 1,200 private units to our purchasers and the number of deliveries is expected to increase further in the remaining quarters of FY2020. This will be driven mainly by completion of **Wardian** in London as well as **West Village** and **Yarra One** in Australia. These completions will enable a substantial portion of our RM4.75 billion effective future revenue to be translated into revenue and share of profit in joint-ventures in the current financial year.”

Teow highlighted that home buying sentiment in London picked up following the UK's General Election in December 2019, which lessened the economic uncertainties related to Brexit. London's status as the most liquid global real estate market remains attractive to foreign buyers, especially when economic and political uncertainties still linger in many other parts of the world.

Moving forward for the rest of FY2020, the Covid-19 outbreak is expected to mainly affect EcoWorld International's open market sales momentum. An increasing number of countries worldwide are imposing curbs on travel with some form of restricted movement in place which will require deferment of a good number of the Group's planned marketing events in various international cities. As regards EcoWorld London's Build-to-Rent (BtR) projects however, the outlook remains very positive.

"We are pleased to share that our BtR projects have received strong interest from global funds, which are attracted by the resilient nature of BtR assets. Central banks around the world have also reduced their key interest rates to very low levels, which bode well for demand from funds that seek for long-term income," said Teow.

"Unlike open market sales, BtR negotiations are with a small number of targeted institutional investors – these negotiations can proceed via online channels largely unimpeded by lockdown measures. As such, we are still targeting to close a BtR deal within the current financial year," Teow continued.

Based on the above, EcoWorld International is therefore confident that it will be able to achieve sales of RM2.2 billion in FY2020 which it has set as an interim sales target for the full financial year. This target will similarly be revisited once efforts to curb the spread of Covid-19 by governments around the world succeed in flattening the curve in the spread of the virus.

As regards completions, the Group believes that these will largely remain on track in both the UK and Australia supported by professional property management service providers who are able to assist in ensuring that handovers continue to take place despite travel restrictions affecting overseas customers. This provides assurance on the continued earnings visibility for FY2020 even as the Group works hard to build up a strong future revenue pipeline post Covid-19 when market conditions normalise.

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#### **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 8,126.4 acres of land bank with a total gross development value (GDV) of RM87.5 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.

#### **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.

Over in Australia, the Company is also developing 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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