

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

**16 December 2021**

**RM4.9 billion sales achieved by EcoWorld Brand in FY2021**  
**- EcoWorld Malaysia declares 2 sen dividend in 4Q 2021 (total 4 sen for FY2021)**  
**- EcoWorld International to focus on cash generation going forward**

**KUALA LUMPUR:** Eco World Development Group Berhad (EcoWorld Malaysia) and Eco World International Berhad (EcoWorld International) announced their results for 4Q 2021 today.

Key highlights for FY2021 include the following:

***EcoWorld Malaysia***

- EcoWorld Malaysia achieved sales of RM3.522 billion in FY2021, which is 53% higher than in FY2020 and 23% higher than the target of RM2.875 billion set for the year.
- The Group recorded revenue of RM2.043 billion and gross profit of RM423.3 million in FY2021 which were RM46.1 million and RM91.8 million higher respectively than in FY2020.
- Share of profits from Malaysian joint ventures amounted to RM117.7 million which was 16.7% higher than FY2020 bolstered by strong sales and good progress on site notwithstanding several periods of restrictions imposed by the Government during the financial year due to Covid-19.
- Share of profits from EcoWorld International at RM27.3 million was 49.5% lower than FY2020 due to losses recorded in 4Q 2021 as explained below.
- EcoWorld Malaysia's Profit After Tax (PAT) was RM182.7 million, 14% higher than FY2020. This is reflective of higher sales and margins achieved by its Malaysian operations, continued financial discipline which contained selling and administrative costs and lower finance costs incurred.
- The Group's share of future revenue as at 31 October 2021 remains high at RM3.514 billion – RM3.197 billion relates to its Malaysian projects whilst EcoWorld Malaysia's attributable share of EcoWorld International's future revenue was RM318 million.
- EcoWorld Malaysia's balance sheet continued to strengthen – comparing the following key financial metrics as at 31 October 2021 vs 31 October 2020:
  - Cash and Bank balances increased by 72%
  - Net Borrowings reduced by 27%
  - Net Gearing reduced to 0.44 times
  - Net Asset per share grew to close at RM1.62 as at 31 October 2021
- Premised on the Group's improved balance sheet and cash position, the Board is recommending the payment of a 2nd interim dividend of 2 sen per share. Along with the 1st interim dividend of 2 sen per share already paid in July 2021, total dividends for FY2021 is 4 sen per share which is double the amount declared for FY2020.

***EcoWorld International***

- EcoWorld International achieved RM1.377 billion sales in FY2021, close to the RM1.382 billion sales achieved in FY2020.
- Gross profit of RM120.1 million was recorded for FY2021 following completion and handover of units sold to customers on its Australian projects, an increase from the RM99.99 million recorded in FY2020.
- Share of results in joint-ventures was lower at RM47.2 million vs RM176.8 million achieved in FY2020. This is partly due to additional incentives given to purchasers of completed units within the EcoWorld-Ballymore portfolio and higher commissions paid to agents to accelerate sales after the expiry of the UK stamp duty holiday in June 2021. In addition, the following accounting adjustments made contributed towards the loss of RM50.18 million recorded in 4Q 2021:
  - Impairment loss of £3.6m (approx. RM20.2 million) on inventories based on net selling prices after taking into account the above additional incentives and commissions;
  - Write-off of £4.6m (approx. RM26.2 million) in planning costs following a decision to not proceed with the acquisition of the Gurnell project by EcoWorld London; and
  - Higher realisation of fair value adjustments amounting to RM10.6 million upon update of the respective JV's total Gross Development Value (GDV) arising from the above.
- As a result, EcoWorld International's Profit Before Tax (PBT) and PAT were lower as follows:
  - PBT: RM50.8 million in FY2021 vs RM113.9 million in FY2020
  - PAT: RM15.9 million in FY2021 vs RM82.6 million in FY2020
- Notwithstanding the lower PAT for FY2021, EcoWorld International's strategic move to prioritise cash generation has resulted in:
  - RM500 million cash being generated from operations following the completion of its Australian projects;
  - RM299 million dividends received from the completion of the EcoWorld-Ballymore projects notwithstanding the accounting loss recorded by the UK JVs in 4Q 2021;
  - Net gearing being reduced to 0.20 times (vs 0.35 times as at 31 October 2020) following repayment of RM357 million of borrowings (net of drawdowns) during the year; and
  - Cash position being increased to RM336 million (from RM284 million as at 31 October 2020) after taking into consideration payment of dividends of RM144 million (total of 6 sen per share for FY2021) to EcoWorld International's shareholders
- EcoWorld International has targeted to achieve sales of RM2 billion for FY2022. With an effective future revenue of RM1.2 billion, the bulk of which is expected to be realised in FY2022, this will further improve the Group's cash generation capabilities.
- Accordingly, EcoWorld International expects to be well positioned to make further distributions to shareholders after setting aside a portion of the capital recouped from its completed projects to be reinvested for future growth.

***Comments on EcoWorld Malaysia's performance in FY2021***

“This has been a remarkable year for EcoWorld Malaysia. Amidst an ongoing Covid-19 pandemic we managed to sell 4,984 properties with a total sales value of RM3.5 billion which is near the historic high of RM3.7 billion achieved in FY2017. All three regions (Klang Valley, Iskandar Malaysia and Penang) have substantially outperformed the targets set and strong increases were recorded across our Residential, Commercial and Industrial portfolios,” said Dato’ Chang Khim Wah, President & CEO of EcoWorld Malaysia.

Chang attributed this to Team EcoWorld’s tenacity and agility in overcoming the challenges of the pandemic and reinventing the Group’s business model to suit the times by:

- Expanding the EcoWorld brand’s product mix to offer a wide range of residential, commercial and industrial products that meet and anticipate the specific needs of each target market;
- Reaching out beyond its traditional customer base to gain a multi-generational and multi-ethnic following for the Group’s landed and high-rise homes spread throughout the Klang Valley, Iskandar Malaysia and Penang; and
- Engaging closely with business owners, entrepreneurs and investors to understand their needs and develop innovative shops, offices, retail spaces and business parks that will support the growth of their businesses.

Underpinning the above efforts is EcoWorld Malaysia’s digital transformation journey which began in 2017. The Group’s systematic and comprehensive digitalisation of both frontline and support functions over the years have resulted in significantly increased lead generation, faster sales conversion and highly efficient billing processes enabling accelerated cash recovery from sales whilst reducing overhead costs.

“Based on the results achieved and our improving balance sheet position, EcoWorld Malaysia has set a sales target of RM3.5 billion for FY2022. We have had a good start with RM376 million sales achieved in November 2021, the 1st month of FY2022. Our focus in this new financial year is on enhancing value for our shareholders with the aim of further improving profitability by introducing products with higher margins commensurate with the increasing maturity of our landbank and projects. This is also in line with our commitment to be able to continue rewarding our shareholders with dividend payments as we grow in both profitability and financial strength,” said Chang.

“On the customer front, our latest campaign “Together We Create” focuses on our commitment to continually enhance value for customers through our readiness to take every step of the journey with them to co-create the lifestyle, business and community that match their aspirations,” he continued.

Chang emphasised that in addition to building homes and spaces, EcoWorld aims to complete the lifestyles of its customers by nurturing thriving and sustainable communities. Through co-creation, EcoWorld provides design concepts and green innovations based on customers’ wants and needs to create a place that will serve them, their loved ones and their businesses for generations.

EcoWorld Malaysia’s progressive efforts on sustainability and commitment to excellence were rewarded with several accolades in FY2021:

- In December 2020 the Company was included in the FTSE4Good Bursa Malaysia (F4GBM) Index in recognition of the Group’s good Economic, Social and Governance practices;
- In April 2021, EcoWorld Malaysia was conferred the EdgeProp Malaysia’s Responsible Developer: Building Sustainable Development Award 2021;

- On 1 December 2021 EcoWorld Malaysia was recognised by LinkedIn Learning Talent Award Malaysia with the “Best Culture of Learning 2021” award which recognises companies that have invested in the learning and development of their employees by connecting them to relevant and applicable skills, and
- On 9 December 2021 EcoWorld Malaysia won the SDG Ambition Benchmark 2: Net-Positive Water Impacts in Water-Stressed Basins Award at the United Nations Global Compact Malaysia & Brunei’s (UNGCMYB) inaugural Sustainability Performance Awards 2021.

***Comments on EcoWorld International’s performance in FY2021***

“Although FY2021 was a challenging year for EcoWorld International as lockdowns, border closures and higher stamp duties following the expiry of the UK stamp duty holiday in June 2021 adversely impacted property demand, we expect FY2022 to be a much better year for property sales in London,” said Dato’ Teow Leong Seng, President & CEO of EcoWorld International.

“Our strategies to offer additional incentives to purchasers and higher commissions to agents to accelerate the clearance of stock was effective in sustaining our sales rate in 4Q 2021. In FY2022 we will continue pursuing the strategic decision made in FY2021 to prioritise cash generation. Accordingly, we have set a higher sales target of RM2 billion to be achieved for FY2022. As at 30 November 2021, one month into FY2022, we have already secured RM116 million sales and we expect sales interest to continue picking up in the ensuing months,” Teow continued.

Teow commented that whilst house prices in Inner London took a hit in 2021 which impacted demand for some of the EcoWorld Ballymore projects, by Sept 2021 prices had recovered to the same levels as Sept 2020. The London Rental Price Index has also been holding steady with a slight increase from FY2020 which forms a strong base support for prices of properties to be sold going forward. Outer London prices performed better as demand was dominated by local UK owner occupiers as evidenced by the higher sales achieved by its EcoWorld London portfolio in FY2021.

“Despite accounting losses recorded in 4Q 2021, EcoWorld International is in a relatively good position to take advantage of post-Covid opportunities. We have entered into a highly cash generative phase of our development life-cycle with both our Australian projects, West Village and Yarra One already completed. Our EcoWorld-Ballymore portfolio comprising the multiple award-winning London City Island, Embassy Gardens which was just conferred The Edge Malaysia’s Outstanding Overseas Project Awards on 14 December 2021 as well as Wardian London with its unique placemaking features, are also substantially completed,” said Teow.

EcoWorld International intends to focus mainly on selling these completed units in FY2022 to maximise its cash generation potential. Coupled with continued financial discipline implemented Group-wide (as evidenced by the markedly lower administrative and general expenses incurred in FY2021), this is expected to significantly improve EcoWorld International’s cash and net debt position in FY2022. This will place the Group in a strong position to:

- Select & evaluate new opportunities for growth as the market recovers, cross-border restrictions relax and economic conditions improve enabling London to return to its historic strength as the world’s foremost real estate investment destination;
- Be able to make further distributions to shareholders after setting aside a portion of the capital recouped from its completed projects to be reinvested for future growth.

\*\*\*\*\*

**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 8,318.3 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. Thereafter in April 2021, EcoWorld Malaysia was conferred the EdgeProp Malaysia's Responsible Developer: Building Sustainable Development Award 2021 and also accepted as a participant of the United Nations Global Compact (UNGC) based on our commitment to making the UNGC's principles part of the strategy, culture and day-to-day operations of our company.

**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 17 existing and upcoming projects in the United Kingdom and Australia with total gross development value of GBP4.7 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.

**For media enquiries, please contact EcoWorld Communications:**

Diana Chin	+6012 234 0159	diana.chin@ecoworld.my
Allison Lee	+6012 224 1884	allison.lee@ecoworld.my