

PRESS RELEASE
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RM1.276 billion sales in 1st four months of FY2022 – 40% higher than FY2021
- Strong take-ups of new launches of higher-end products

KUALA LUMPUR: Eco World Development Group Berhad (EcoWorld Malaysia) announced its results for 1Q 2022 today.

Key highlights for 1Q 2022 include the following:

- EcoWorld Malaysia recorded RM1.276 billion sales from 1 November 2021 to 28 February 2022 which is 40.1% higher than the RM911 million recorded in the 1st four months of FY2021.
- Revenue grew by 5.1% to RM533 million whilst gross profit increased by 13.2% to RM114 million in 1Q 2022 vs 1Q 2021, arising from higher sales and realisation of cost savings on completed and near completion phases.
- Share of results from Malaysian joint ventures, namely *Eco Grandeur*, *Eco Business Park V*, *Eco Horizon*, *Eco Ardence* and *Bukit Bintang City Centre (BBCC)* amounted to RM 28.8 million in 1Q 2022 which was 46.3% higher compared to 1Q 2021.
- Eco World International Berhad (*EcoWorld International*)’s sales and reservations for the four months up to 28 February 2022 stands at RM1.077 billion.
- EcoWorld Malaysia recorded a RM1.6 million loss as its share of results from *EcoWorld International* in 1Q 2022 however vs a profit of RM21.8 million 1Q 2021 due to fewer units sold handed over to customers in the United Kingdom and Australia in the current quarter.
- EcoWorld Malaysia’s Profit After Tax (PAT) in 1Q 2022 was RM63.4 million. Excluding the results of EcoWorld International, the Group’s PAT from its Malaysian operations grew by 60.0% to RM64.9 million in 1Q 2022 as compared to RM40.6 million in 1Q 2021.
- The Group’s share of future revenue as at 28 February 2022 increased to RM3.875 billion following strong take-ups of EcoWorld Malaysia’s new launches in the Klang Valley, Iskandar Malaysia and Penang.
- Net gearing further reduced from 0.44 times as at 31 October 2021 to 0.40 times as at 31 January 2022 – this gives the Group ample space to consider landbank expansion for future growth should a good opportunity arise.

Comments on EcoWorld Malaysia’s performance in 1Q 2022

“EcoWorld Malaysia’s performance in the 1st four months of FY2022 has been very encouraging. Sales in all three geographic regions grew strongly as compared to the same time last year with the highest percentage of increases recorded by our projects in Iskandar Malaysia (up by 194%) followed by Penang (up by 110%). Our Klang Valley projects also did very well with RM709 million achieved – this represents 56% of total Group sales up to 28 February 2022,” said Dato’ Chang Khim Wah, President & CEO of EcoWorld Malaysia.

The Group noted that the cessation of the Government's Home Ownership Campaign (HOC) on 31 December 2021 did not have any noticeable impact on its sales momentum which continued to be sustained throughout January to February 2022.

"We are especially pleased with the very strong sales boost received from good take-ups of new phases launched. Over the last two years we had been working hard to expand our product mix and customer base with a focus on attracting new homebuyers and young families that form the bedrock for the long-term growth of vibrant townships. Whilst this will continue to be an important market for us, we have always had a strong following of purchasers looking for upgrader and luxury homes. Our launches over the last few months are geared towards serving the needs of this more aspirational market and we are delighted with the response received to date," said Chang.

The new launches that contributed to the Group's sales results include the following:

- *Eco Majestic*'s launch of new phases of its *Stoneridge* Semi-Dee, Cluster and Bungalow homes along with the latest *Cheerywood* terraces;
- *Eco Grandeur*'s new garden homes in the *Regent Garden* precinct and its second phase of shopoffices, *Utopia*, and
- *Eco Horizon*'s launch of Semi-Dees and Bungalows under the *Beldon* precinct and new garden homes under the *Camdon* precinct

Sales of the Group's completed units also performed well, resulting in further reductions of inventory levels from RM609 million as at 31 October 2021 to RM506 million as at 31 January 2022.

Commenting on the Group's industrial developments, Chang highlighted that sales at its four Eco Business Parks totalled RM154 million up to 28 February 2022 which is 43.9% higher than the RM107 million achieved in the same period last year.

"The healthy uptick in sales by the Group's industrial projects in both Iskandar Malaysia and the Klang Valley is an encouraging sign of broad-based economic recovery. The Malaysian Investment Development Authority (MIDA)'s recent report of the 113.7% investment growth recorded in 2021 by the manufacturing sector also point to better days ahead, and we expect that demand for industrial products will further increase once Malaysia fully reopens its borders on 1 April 2022," he said.

Based on the sales progress to date, EcoWorld Malaysia is optimistic that it is on track to achieve its FY2022 sales target of RM3.5 billion. The Group's focus on enhancing value and improving profitability by introducing products with higher margins is also progressing well, as demonstrated by the positive response to its latest launches of higher-end residential products mentioned above.

Notwithstanding the very good start EcoWorld Malaysia has had to FY2022, Chang acknowledged that there are still market challenges to be overcome including inflation caused by rising material and oil prices and potential interest rate hikes.

"EcoWorld Malaysia is certainly not spared from the impact of rising construction costs recently highlighted by the Real Estate and Housing Developers' Association (REHDA). However, as a Group, we are relatively well positioned given the maturity of our landbank today with the bulk of our primary infrastructure already completed in prior years. Our efforts over the last two years to reinvent our entire business model to be more nimble, agile and efficient will also help us contain costs," Chang explained.

"On the product side, we are very gratified that our commitment to create value for all stakeholders, as expressed via the distinctive EcoWorld DNA that is visibly evident in each of our 19 ongoing projects, is being valued and appreciated by property purchasers. By working closely together with our

customers to co-create the lifestyle, business and community that match their aspirations, we hope to always deliver and build greater value, which will enable us to continue to grow in a profitable and sustainable manner, through all seasons,” he said.

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 RM87 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.

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