

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

**15 September 2022**

**RM3.44 billion sales in 10 months – on track to exceed FY2022 sales target**  
**2<sup>nd</sup> interim dividend of 1 sen per share declared in 3Q 2022**

**KUALA LUMPUR:** Eco World Development Group Berhad (EcoWorld Malaysia) announced its results for 3Q 2022 today.

Key highlights for 3Q 2022 include the following:

- EcoWorld Malaysia is well on track to exceed its full year sales target of RM3.5 billion, with RM3.44 billion sales recorded in 10 months.
- Revenue of RM444 million in 3Q 2022 was 1.1% lower than 3Q 2021 however gross profit of RM104.3 million was 22.1% higher. This is due to the improvement in gross profit margin to 23.5% in 3Q 2022 vs 19% in 3Q 2021.
- The Group's share of the results of its Malaysian joint ventures (JV) in 3Q 2022 of RM27.2 million was higher by 123.5% as compared to 3Q 2021, driven by higher site progress and realisation of cost savings of completed and near completion phases.
- EcoWorld Malaysia recorded a share of loss of RM12 million in Eco World International Berhad (*EcoWorld International*) in 3Q 2022. This was due to lower profit contribution from Australian projects following substantial handovers in FY2021 and revision of profit margins on JV projects in the United Kingdom in 3Q 2022.
- Notwithstanding the share of EcoWorld International's loss, EcoWorld Malaysia recorded RM46.4 million Profit After Tax (PAT) in 3Q 2022 which is 32% higher than 3Q 2021 due to strong PAT growth of 96% by the Group's Malaysian operations. This brings the cumulative 3Q YTD (9 months) 2022 PAT to RM155.4 million.
- The substantially higher PAT in 3Q 2022 from Malaysian operations was due to:
  - Improvement in gross profit margins and increased contributions from local JVs
  - Further cost savings achieved on selling & administrative expenses, and
  - Reduced finance costs as borrowings were steadily pared down.
- EcoWorld Malaysia's balance sheet continued to strengthen as at 31 July 2022 as evidenced by the:
  - Reduction of Gross and Net gearing levels to 0.55 times and 0.35 times respectively
  - Reduction in Bank Borrowings to RM2.6 billion vs RM2.9 billion at the start of FY2022
  - Increase in Cash and Bank balances to RMM954.3 million vs RM784.7 million at the start of FY2022.
- The Group's near-term earnings visibility has also improved with Future Revenue increasing to RM4.2 billion as at 31 August 2022.
- Based on EcoWorld Malaysia's stronger balance sheet and improved cash position, the Board has declared a 2<sup>nd</sup> interim dividend of 1 sen per share in the current quarter. This brings total dividends declared to date for FY2022 to 3 sen per share.

***Comments on EcoWorld Malaysia's 3Q 2022 results and sales up to 31 August***

"The Group had a great three months from June to August 2022 which saw sales increasing by RM1.27 billion. As a result, we managed to reach 98% of our full year sales target in just 10 months of FY2022," said Dato' Chang Khim Wah, President & CEO of EcoWorld Malaysia.

"Every region and market segment performed well. Projects in the Klang Valley recorded RM660 million, Iskandar Malaysia contributed RM445 million and Penang achieved RM165 million in sales during the 3-month period," he mentioned.

"Our industrial segment in particular has grown from strength to strength. Collectively, ***Eco Business Parks I, II, III, and V*** in Iskandar Malaysia and the Klang Valley have achieved total sales of RM730 million in just 10 months. This is already 151% higher than our FY2021 full year industrial sales and it is reflective of the solid 8.9% growth recorded by the Malaysian economy in the second quarter of 2022. We are especially pleased that demand from local industrialists have continued to increase and following the border re-opening on 1 April we are also seeing good demand from Singapore-based industrialists at our business parks down south," he highlighted.

Chang further commented that EcoWorld Malaysia's focus this year on serving the needs of the upgrader market with the launch of more aspirational homes has continued to bear fruit.

"The sustained demand for higher-end homes at all our projects indicate the increasing maturity of our various townships with comprehensive amenities to meet the lifestyle aspirations of more affluent homeowners. We have been experiencing this throughout FY2022 and in Iskandar Malaysia, the demand for upgrader homes received a big boost when the borders re-opened in April, with the momentum still continuing today," Chang said.

"At the same time, we have not forgotten the large following we have built-up in the new homeowner market over the past few years. Accordingly, we launched several products in 3Q 2022 to meet the needs of this important market segment," he continued.

Key contributors to sales from its residential segment in the current reporting period include:

➤ ***Upgrader market (priced above RM700,000 per unit)***

- ***Klang Valley***
  - ***Eco Ardence***'s Ember series of Co-Home (priced above RM750,000) and cluster semi-dees (circa RM1.8 million) launched in 2Q 2022;
  - ***Eco Majestic***'s Stoneridge semi-dee, cluster and bungalow homes and Cheerywood terraces launched in 1Q 2022;
  - ***Eco Grandeur***'s Garden Homes (Regent Garden), launched at the end of FY2021
- ***Iskandar Malaysia***
  - ***Eco Spring***'s Teno 3 and Remy 3 terrace houses (circa RM1 million) launched in 2Q 2022;
  - ***Eco Botanic 2***'s Charmborough series of larger terraces launched in 2Q 2022;
- ***Penang***
  - ***Eco Horizon***'s Beldon semi-dee and bungalow launched in 1Q 2022

➤ ***Young families / new homeowner market (priced below RM700,000 per unit)***

- ***Klang Valley & Penang***
  - Co-Home at ***Eco Grandeur*** (launched at the end of FY2021) and ***Eco Horizon*** (2<sup>nd</sup> phase – launched in 3Q 2022);

- **Iskandar Malaysia**
  - Aranya and Caia terrace houses at *Eco Tropics*, launched in 3Q 2022

“On the integrated commercial front, **Bukit Bintang City Centre (BBCC)** sold a RM295 million hotel building which is situated above the project’s Entertainment Block to UDA Holdings Berhad. Apart from contributing to sales, the presence of a tourist-focused hotel which is slated to be completed in 3Q 2024 will complement and further enhance the existing **Mitsui-LaLaport Shopping Centre, Malaysia Grand Bazaar** and **Sony Music Zepp Hall** retail-tainment offerings of this important city-centre urban regeneration project,” Chang explained.

With regard to the group’s future prospects, Chang opined that it is bright. This is reflected in EcoWorld Malaysia’s improving financials, cash position and balance sheet as at 31 July 2022 and its high future revenue position of RM4.2 billion as at 31 August 2022, which gives it clear future earnings visibility.

“Based on what has been achieved to date, we have been able to declare a 1<sup>st</sup> and 2<sup>nd</sup> interim dividend totalling 3 sen per share to our shareholders. We still have another two months of our financial year to go and are positioned to close FY2022 strongly as we continue to pursue our objective of enhancing value for all our stakeholders. Our remaining undeveloped landbank of 3,731 acres also remains sizeable. However, in the event a good opportunity arises in the near to mid-term, we are well-positioned to take advantage of it to enhance our future growth prospects, given our current low gearing levels,” Chang said.

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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 8,318.3 acres of land bank with a total gross development value (GDV) of RM85 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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