

PRESS RELEASE
For Immediate Release

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EcoWorld Malaysia records 43% increase in PAT in 3Q 2023
2nd interim dividend of 2 sen per share declared

KUALA LUMPUR: Eco World Development Group Berhad (EcoWorld Malaysia) announced its results for 3Q 2023 today. Key highlights include the following:

- EcoWorld Malaysia is **on track to achieve its FY2023 full year sales target** of RM3.5 billion with RM3.06 billion sales recorded in 10 months, representing 87.4% of the target.
 - The **Eco Business Parks (EBPs)** segment achieved a record-breaking RM997 million sales in 10 months, representing **132.4% of FY2022 full year industrial sales** and almost one-third of the Group's year-to-date sales.
 - Sales of **residential homes** have exceeded RM1.63 billion as at 31 August 2023, representing **53.3% of total sales achieved to-date**, with homes priced above RM650,000 continuing to be the largest contributor.
 - **Commercial products** achieved RM432 million sales in 10 months, **close to FY2022 full year commercial sales** of RM446 million, mainly contributed by shop and office units launched during the year within EcoWorld Malaysia's matured townships.
- The steady sales progress has provided the Group with **future revenue of RM4.22 billion as at 31 August 2023**, thus maintaining clear near to mid-term earnings and cashflow visibility.
- **Revenue** of RM477 million in 3Q 2023 was **7.4% higher** than 3Q 2022, whilst **gross profit** of RM130 million showed a **24.2% increase**.
- **Gross profit margin improved** from 23.5% in 3Q 2022 **to 27.2% in 3Q 2023**, due to improved product pricing, site progress achieved and cost savings realised on certain completed phases in 3Q 2023.
- **Share of results of joint ventures (JVs)** in 3Q 2023 was **45.7% higher than 3Q 2022** due to lower losses recorded by Eco World International Berhad.
- The Group's **Profit After Tax (PAT) in 3Q 2023** of RM66.3 million **increased by 43%** compared to 3Q 2022, whilst PAT from Malaysian operations increased by 15.1%. 3Q YTD 2023 PAT of the Group stands at RM186 million, which is 19.7% higher than 3Q YTD 2022.
- As at 31 July 2023, **gross and net gearing levels are 0.51 and 0.31, respectively**, with bank borrowings reduced to RM2.5 billion versus RM2.8 billion at the start of FY2023.
- A **2nd interim dividend of 2 sen per share** was **declared in 3Q 2023**, higher than the 1 sen per share 2nd interim dividend declared in 3Q 2022. Total dividends to-date for FY2023 is 4 sen per share.

Comments on EcoWorld Malaysia's performance

“The Group continues to enjoy sustained demand for our products across all market segments, with strong sales achieved of RM3.06 billion in 10 months, placing us well on track to achieve our FY2023 sales target of RM3.5 billion,” said Dato’ Chang Khim Wah, President & CEO of EcoWorld Malaysia.

“Our EBPs continue to power ahead, with sales of nearly RM1 billion achieved in 10 months, representing 132.4% of FY2022 full year sales and making up close to one-third of the Group’s total sales to-date in FY2023. We believe this strong momentum will continue based on the sustained interest we have been receiving from both local and international industrialists.

In this regard, we are looking forward to being able to serve a larger segment of our growing Malaysian and multi-national industrial customer base through our newly acquired 403.78-acre land in Kulai, Iskandar Malaysia. This latest acquisition has increased our total industrial landbank to 2,416 acres. We are planning to develop it into Eco Business Park VI (“**EBP VI**”) with an estimated gross development value of RM1.58 billion.

EBP VI will be the Group’s 5th EBP and our 4th in the Southern region. We expect to complete the purchase of the land in early-2024. We are confident that Iskandar Malaysia holds very encouraging prospects, backed by extensive infrastructure improvement combined with numerous incentives announced by the Malaysian government to further accelerate the state’s development potential,” he mentioned.

“Our commercial segment also outperformed with RM432 million sales secured in 10 months representing 97% of FY2022 full year commercial sales. This was mainly contributed by shop and office units launched within our matured townships that are seeing increasingly more established brands in the F&B, lifestyle retail and services sectors. These businesses are drawn to EcoWorld projects due to our relatively affluent and young customer demographic combined with the place-making appeal of our developments that have successfully attracted customers from beyond our townships who have a high propensity to spend,” Chang commented.

“The Group continued to record steady sales of residential properties which have exceeded RM1.63 billion as at 31 August 2023, with upgrader homes being the largest contributor for the year-to-date. In the coming months, we are gearing up for new launches of our **duduk** series in Iskandar Malaysia and Penang following the sold-out reception of our first two launches in the Klang Valley, namely **Huni D’ Eco Ardence** and **Se.Ruang D’ Eco Sanctuary**. Our third **duduk** launch, **Hana D’ Eco Ardence** is also seeing very good take-ups with more than half sold within the first 6 months of its launch in March 2023.

To build on our success with this series and to expand our capacity to serve first-time homeowners and others looking for affordably priced homes, we recently acquired a 6.92-acre piece of land in Kajang, Selangor, planned for the development of **Se.Duduk D’ Kajang**. The land is adjacent to the matured township of Tropicana Heights and is accessible within minutes from the SILK and LEKAS highways. This will enable us to offer our customers a very strategic location alongside other key unique selling points that **duduk** is known for such as excellent connectivity and a wide range of lifestyle amenities within the vicinity of the project,” Chang said.

Commenting on the Group’s balance sheet Chang mentioned, “Since the start of the financial year, our gearing levels have remained low with a steady reduction in our bank borrowings. Meanwhile our future revenue continues to be high at RM4.22 billion, providing good cashflow and earnings visibility.

Eco World International Berhad (EWI) has also declared a dividend of RM792 million payable on 29 September 2023, of which EcoWorld Malaysia's share is RM214 million. As regards future dividends, EWI is targeting to declare a 2nd tranche dividend of RM144 million[^] from its excess cash in December 2023 with potentially more to come in FY2024. Based on our 27% stake in EWI, EcoWorld Malaysia's share of the 2nd tranche dividend will be RM38.88 million. All these dividends from EWI will further strengthen EcoWorld Malaysia's future cash and net gearing positions upon receipt.

Accordingly, we are well-positioned to be able to continue rewarding our shareholders with dividends whilst also pursuing good opportunities to acquire more landbank that will enhance the Group's future growth prospects," he added.

[^] *The figures within the paragraph represents EWI's internal management targets and it does not for all intents and purposes constitute a declaration of dividend by EWI under paragraph 8.26 of the Main Market Listing Requirements.*

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.

Currently, EcoWorld Malaysia has a presence in the Klang Valley, Iskandar Malaysia and Penang with more than 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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