

PRESS RELEASE
For Immediate Release

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**EcoWorld Malaysia achieves RM3.6 billion sales
with 20% increase in Profit After Tax for FY2023
Total dividends increased to 6 sen per share in FY2023**

KUALA LUMPUR: Eco World Development Group Berhad (EcoWorld Malaysia) announced its results for 4Q 2023 today. Key highlights include the following:

FY2023 Sales and Profit After Tax (PAT) from Malaysian Operations

- EcoWorld Malaysia achieved RM3.61 billion sales in FY2023, exceeding its sales target of RM3.5 billion. Sales were broad-based with substantial contributions by each of the Group’s four revenue pillars namely:
 - ***Eco Business Parks: RM1.04 billion industrial sales recorded during the year***, the highest in a single year, with exponential growth achieved over the last 4 years since FY2020.
 - ***Eco Hubs: RM515 million commercial properties sold in FY2023***, 15% higher than FY2022 and 33% above the average annual sales between FY2020 – 2022.
 - ***Total residential sales of RM2.05 billion in FY2023***, from two revenue pillars namely:
 - ***Eco Townships*** offering beautifully designed homes based on a distinctive architectural theme, set amidst verdant greens with comprehensive lifestyle amenities in line with EcoWorld’s mission of creating World-class Eco-living for residents and visitors alike; and
 - ***Eco Rise*** an increasingly significant pillar representing EcoWorld’s large and growing range of high-rise residential developments which include its popular and affordable ***duduk*** apartments for the young and young-at-heart.

This year, EcoWorld recorded RM1.47 billion from sales of homes within its ***Eco Townships*** that were priced above RM650,000 and RM577 million from homes priced below RM650,000, mainly from the Group’s ***duduk*** series of apartments.

- **Record high PAT from Malaysian operations in FY2023 of RM284.7 million**, attributable to higher gross profit achieved and higher interest income earned. (PAT from Malaysian operations in 4Q 2023 amounted to RM92.8 million, largely on par with RM96.7 million in 4Q 2022).
- **FY2023 marks the 10th anniversary of the EcoWorld brand’s emergence** on the Malaysian property scene. The Group’s PAT from Malaysian operations over the last decade is tabulated below:

Financial year(s)	FY2014 - 2016 RM’mil	FY2017 - 2019 RM’mil	FY2020 - 2022 RM’mil	FY2023 RM’mil	Total 10 years RM’mil
Average annual PAT (Malaysian operations)	53.7	139.8	200.1	284.7	1,465.6

- The sustained 10-year growth trajectory is attributable to concerted efforts to strategically:
- expand beyond aspirational townships to create 4 sizeable and diversified revenue pillars; and
 - transform and digitalise the Group’s business operations for greater productivity and efficiency.

- *As at 31 October 2023, the Group's future revenue remains healthy at RM3.49 billion*, thereby providing clear earnings and cashflow visibility in the near and mid-term.

FY2023 – Stronger Balance Sheet & Higher Dividends

- The Group's balance sheet continues to strengthen with FY2023 cash balances at its highest and net gearing levels at its lowest in 10 years.

The following table summarises EcoWorld Malaysia's financial position in recent years:

EcoWorld Malaysia	FY2020	FY2021	FY2022	FY2023
Cash, bank balances & short-term funds (RM'mil)	456	785	1,336	1,357
Borrowings (RM'mil)	(3,317)	(2,880)	(2,805)	(2,541)
Net gearing	0.62	0.44	0.31	0.25
Net assets per share (RM)	1.58	1.62	1.61	1.62
Dividend per share (sen)	2	4	5	6

- Premised on the above, the Board has declared a *final dividend of 2 sen per share in 4Q 2023*, bringing *total dividends* declared *for FY2023 to 6 sen per share*.

EcoWorld International (EWI)

- EWI achieved RM1.18 billion sales in FY2023. As at 31 October 2023 it has approximately RM850 million of completed and nearly-completed stocks available for sale, of which EWI's effective share is approximately RM650 million.
- EWI distributed an interim dividend of RM792 million (33 sen per share) in September 2023 and declared a final dividend of RM144 million (6 sen per share) in 4Q 2023, payable in January 2024. *EcoWorld Malaysia's share of the interim and final dividends* from EWI is *RM213.84 million* and *RM38.88 million* respectively.
- EWI targets to sell out all its remaining stocks in FY2024 and distribute the excess cash generated (net of amounts required for its pared down operational requirements) back to shareholders. The *potential receipt of more dividends from EWI in FY2024 will add to EcoWorld Malaysia's cash reserves* and strengthen the Group's capabilities to acquire new land bank.

EcoWorld Malaysia 4Q 2023 and FY2023 Group PAT

- In 4Q 2023, EcoWorld Malaysia reviewed the carrying values of its investment in EWI. A further impairment of RM82.0 million was recognised due to:
 - EWI's reduced number of future projects and continued deferral of new launches; and
 - the higher weighted average cost of capital applied to review the investment in EWI as a result of further increases in UK interest rates in FY2023.
- Notwithstanding the above impairment and share of EWI's losses, *EcoWorld Malaysia recorded a PAT of RM3.3 million in 4Q 2023*.
- The Group's *PAT for FY2023* (including EWI) is RM189.3 million, *20% higher than FY2022*.

Comments on EcoWorld Malaysia's performance in FY2023 and prospects for FY2024

“FY2023 is a significant year for EcoWorld Malaysia as it marks our 10th year in the industry. The Group’s Malaysian operations achieved our highest ever profits, growing strongly from an annual average of RM53.7 million in our first 3 years as a property group to RM284.7 million in FY2023,” said Dato’ Chang Khim Wah, President & CEO of EcoWorld Malaysia.

“When we first emerged on the Malaysian property scene in FY2013, we were largely known as a township developer offering aspirational landed homes. This core ***Eco Township*** pillar is very important to us and we are grateful for the loyal following we have always had in this segment, as evidenced by the RM1.47 billion homes priced above RM650,000 sold (representing 72% of total residential sales) in FY2023.”

“Despite our success in capturing the high-end market, we were always aware that over reliance on a single revenue pillar would be unsustainable. Accordingly, we have been strategically expanding and growing our product range and market share to cover the entire spectrum of the Malaysian real estate space. This is the main reason we have been able to consistently meet and exceed our sales targets over the last 10 years.”

“Today, the EcoWorld brand has gained wide acceptance across 4 sizeable and diversified revenue pillars, namely our ***Eco Townships, Eco Business Parks, Eco Rise*** and ***Eco Hubs*** pillars. This enables the Group to cater to every segment of the residential, commercial and industrial markets. More importantly, we have the agility and flexibility to adapt & target our launches to serve needs of the market segment with the highest demand in a particular year, thus accelerating sales and improving returns for our shareholders.”

“Since FY2020, we have been noticing a surge in demand from the industrial sector. Accordingly, we focused our efforts here which resulted in a 68% 4-year compounded annual growth rate in sales achieved by our ***Eco Business Parks*** pillar, culminating in more than RM1 billion sales of industrial properties recorded in a single year for the first time in FY2023. We believe this momentum will continue and with a new business park, ***EBP VI*** in Kulai, Johor, which we plan to launch in FY2025, we are well placed to capture the strong interest shown by local and international industrialists in our projects.

“Our ***Eco Hubs*** pillar is also growing from strength to strength. As our townships mature, we are confident that our commercial properties, complemented by our placemaking efforts through the development of retail spaces such as our Labs series, community malls, lush town parks and scenic lakes, will enjoy ever increasing demand. This creates a virtuous transformative cycle as the greater vibrancy of our commercial spaces further enhances the liveability of our townships, thereby benefitting not just our residents but also the wider population living in the vicinity of our projects.”

“On the residential front, to complement our ***Eco Townships*** and serve the needs of younger homebuyers as well as those looking for homes at a more affordable price point, we introduced the ***duduk*** series of apartments which has become a core component of our fast-growing ***Eco Rise*** revenue pillar. Following the success of the first three series in the Klang Valley, namely ***Huni D’ Eco Ardence, Se.Ruang D’ Eco Sanctuary*** and ***Hana D’ Eco Ardence***, we introduced our first ***duduk*** apartments, ***Ceria D’ Eco Horizon*** in Penang in 4Q 2023.”

In FY2024, the ***duduk*** series will be launched in Iskandar Malaysia, beginning with ***Sa.Young D’ Eco Botanic*** followed by ***Santai D’ Eco Spring***. The Klang Valley will also see more ***duduk*** launches in FY2024, namely ***Riang D’ Eco Majestic*** and ***Se.Duduk D’ Kajang***.

“***Se.Duduk D’Kajang*** represents an exciting first for us in that we are bringing our ***duduk*** brand out of our own ***Eco Townships*** into a matured locale that already enjoys the comprehensive lifestyle amenities that buyers have come to expect from our ***duduk*** apartments. We are getting extremely positive response from our pre-marketing of the project which opens up interesting possibilities for further growth of our ***Eco Rise***

pillar beyond our own developments,” said Chang.

Given the maturity of the Group’s current development portfolio, EcoWorld Malaysia has entered a highly cash-generative phase of each project’s lifecycle. In addition, future revenue as at 31 October 2023 remains healthy at RM3.49 billion, providing clear earnings and cashflow visibility in the near and mid-term.

Accordingly, for FY2024, the Board is maintaining its sales target at RM3.5 billion for its Malaysian operations as the Group focuses on sustainable growth by improving absolute returns from its valuable landbank (whether via margin improvement or higher yield per sq ft of land developed). This is with the aim of sustaining EcoWorld Malaysia’s ability to continue rewarding shareholders with good dividend payments.

Further, in view of the Group’s healthy cash position and strong balance sheet, EcoWorld Malaysia is actively seeking to acquire more landbank to extend the breadth and depth of its product offerings under each of its four revenue pillars, with a view towards increasing its future pipelines of growth.

About Eco World Development Group Berhad (EcoWorld Malaysia)

EcoWorld Malaysia is a public listed Malaysian company involved in property development with more than 8,000 acres of landbank in the Klang Valley, Iskandar Malaysia and Penang, amounting to total gross development values exceeding RM80 billion.

We have four sizeable and diversified revenue pillars: **Eco Townships, Eco Rise, Eco Hubs** and **Eco Business Parks**, enabling us to serve all segments of the real estate market. Through Eco World International Berhad, the EcoWorld brand has also extended its reach to the United Kingdom and Australia.

We are honoured to be one of the Top 10 Developers at The Edge Malaysia Property Excellence Awards since 2016. In December 2020, we were included in the FTSE4Good Bursa Malaysia (F4GBM) Index and in April 2021, we became a member of the United Nations Global Compact (UNGC) in line with our commitment to sustainability as our primary core value.

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