

PRESS RELEASE
For Immediate Release

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68% higher sales in first four months of FY2022 vs FY2021
London City Island & Embassy Gardens top performers

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

Key highlights for 1Q 2022 include the following:

- EcoWorld International achieved RM685 million sales in the 1st four months of FY2022 which is 68% higher than the sales recorded in the same period in FY2021.
- The Group also has a strong reservation pipeline of RM393 million - total sales including reserves as at 28 February 2022 adds up to a total of RM1.077 billion.
- Embassy Gardens and London City Island were the biggest contributors to sales, generating RM240 million and RM229 million sales respectively based on contracts exchanged.
- The Group recorded a loss before tax (“LBT”) of RM12.74 million in 1Q 2022 due to fewer handovers of properties sold to customers in the current quarter. This is as compared to a profit of RM77.47 million recognised in 1Q 2021 based on the completion method of accounting adopted in both Australia and the UK, following substantial handovers of units sold to customers at the start of the last financial year.
- Gross and net gearing levels of the Group remain low at 0.29 times and 0.21 times respectively as borrowings have been significantly pared down following completion of major projects in London, Sydney and Melbourne.

Comments on EcoWorld International’s performance in 1Q 2022

“EcoWorld International had a good start to FY2022 as the attractive incentive packages being offered to customers led to a resurgence in buying interest particularly for our London City Island and Embassy Gardens projects. Local demand in Australia has also been recovering steadily which contributed to the RM685 million sales secured in the 1st four months of this financial year,” said Dato’ Teow Leong Seng, President & CEO of EcoWorld International.

Whilst the near-term market outlook continues to be challenging, with concerns regarding the potential escalation of the current conflict in Europe between Russia and Ukraine compounding supply chain constraints and fears of rising inflation rates, EcoWorld International has certain inherent advantages.

“Our projects in Australia are fully completed and our major projects in London under the EcoWorld-Ballymore joint venture are very close to achieving full completion. The impact of an inflationary environment could therefore favour us as our selling prices stand to benefit from rising property prices while our costs on the completed and near-completed projects are largely shielded from inflationary pressure,” said Teow.

“We do however acknowledge the uncertain market environment caused by rising geo-political tensions – against such a backdrop the strategic decision we made at the end of 2021 to accelerate cash recoupment via the sale of our completed units, remains very sound.

We are continuing to see good interest from investors, both institutional and retail, for our projects in both the UK and Australia. This includes several large offers which we are currently assessing. Should we decide to proceed with these offers, our plans to repatriate the capital which we have invested in our completed projects could be accelerated,” Teow continued.

Teow reiterated that it remains the Board’s intention to sell the remaining units in the EcoWorld-Ballymore and Australian projects in the next two to three years with a key goal of making further distributions to shareholders after setting aside a portion of the capital recouped from these completed projects to be reinvested for future growth.

He also mentioned that the Group’s other UK joint-venture, EcoWorld London, had successfully obtained the planning permission for its Woking site (“Woking”), located in Surrey, which has an estimated Gross Development Value of around £350 million. Management is targeting to finalise the development programme and launch the project by late calendar year 2022 if market conditions are conducive. The launch of Woking will mark the Group’s maiden expansion beyond the city of London in the UK. EcoWorld London is also working towards obtaining the planning permission for Oxbow Phase 4, which is targeted to be launched around the same time as Woking.

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 18 existing and upcoming projects in the United Kingdom and Australia with total gross development value of GBP4.7 billion and AUD0.7 billion 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.

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