

PRESS RELEASE
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RM1.5 billion sales + reserves in 7 months, 52% higher than FY2021
EWI targets further distributions to shareholders in 1-2 years

KUALA LUMPUR: Eco World International Berhad (EcoWorld International) announced its results for 2Q 2022 today.

Key highlights for 2Q 2022 include the following:

- EcoWorld International is on track to achieve its sales target of RM2 billion for FY2022. Total sales plus reserves as at 31 May 2022 (7 months) adds up to RM1.533 billion which is 52% more than RM1.012 billion recorded in the same period of FY2021.
- Embassy Gardens and London City Island continue to be the biggest contributors to sales and reservations, generating RM549 million and RM304 million respectively.
- EW-Ballymore, the Group's first joint-venture in the United Kingdom, has fully paid down its bank loans in April 2022 and was able to commence its maiden repayment of shareholder loans to EcoWorld International in May 2022.
- EW-Ballymore currently has about £400 million worth of completed properties which are readily monetisable for further distributions to EcoWorld International.
- Given the present market conditions and that EW-Ballymore projects are at the tail-end of completion, the Board has taken a prudent stand to recognise an impairment of RM36 million on its investment in the EW-Ballymore portfolio based on current estimated selling prices for the remaining completed stock.
- This contributed to the loss before tax ("LBT") of RM66.53 million in 2Q 2022 as compared to profit before tax ("PBT") of RM18.52 million reported for 2Q 2021. The LBT is also due to fewer handovers of properties sold to customers in the current quarter as the majority of units sold had been handed over in the last financial year.
- Gross and net gearing levels of the Group remain low at 0.30 times and 0.23 times respectively.
- The Group's plans to monetise its completed stocks in the United Kingdom and Australia is expected to generate substantial cash reserves and it will strive to accelerate sales with a view towards achieving improved overall returns to shareholders.
- A portion of the funds generated from the sales of its completed stocks will be earmarked for reinvestment, with the balance to be repatriated to Malaysia for a planned distribution to shareholders within the next 1-2 years.

Comments on EcoWorld International's performance in 2Q 2022

"The strong start EcoWorld International experienced in 1Q 2022 has continued into 2Q 2022 with total sales and reserves of RM1.533 billion recorded as at 31 May 2022. Our London City Island and Embassy Gardens projects continue to lead sales performance and we have also seen a good uptick in

demand for our Australian projects in 2Q 2022,” said Dato’ Teow Leong Seng, President & CEO of EcoWorld International.

Teow explained that since 4Q 2021, EcoWorld International’s strategy has been to:

- focus on monetisation of completed stocks at the EW-Ballymore and Australian projects; and
- selectively evaluate new opportunities for growth with a view towards eventually reinvesting the sizeable cash reserves the Group will be generating from the sales of its current projects

“Our monetisation strategy has progressed well, enabling us to repay all the project development loans for our Australian projects as well as all the bank borrowings of our EW-Ballymore joint-venture. At the Group level we have also begun receiving some repayment of our shareholders advances from EW-Ballymore,” he said.

“However, despite the resurgence in demand we have seen over the last seven months, selling prices for properties have not increased at quite the same pace as yet. This is because market sentiment continues to be weighed down by inflationary concerns and rising interest rates, compounded by geo-political tensions caused by the ongoing conflict between Russia and Ukraine. Interestingly though, rents in London have been going up particularly at our EW-Ballymore projects due to their prime location, transport accessibility and excellent liveability. Such rental growth augurs well for an eventual price recovery which should help us to achieve better overall returns from the sale of our completed properties for the benefit of our shareholders,” he continued.

Teow highlighted that EW-Ballymore currently has about £400 million worth of completed properties which are readily monetisable given the sustained interest received on all three projects within the portfolio.

“Once the remaining completed properties in our EW-Ballymore portfolio as well as our Australian projects are sold, EcoWorld International will have substantial cash reserves to be deployed. We intend to set aside a portion of the cash generated for reinvestment in new projects for our future growth – the balance we are targeting to be repatriated from the United Kingdom and Australia for distribution to our shareholders within the next 1-2 years,” Teow said.

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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