

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

**14 September 2022**

**10 months sales + reserves exceed RM2 billion, 58% higher than FY2021**  
**Monetisation strategy on track to enable distributions to shareholders in 1-2 years**

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

Key highlights for 3Q 2022 include the following:

- As at 31 August 2022, EcoWorld International has total sales plus reserves of RM2.090 billion which is 58% more than RM1.326 billion recorded in the same period of FY2021.
- Embassy Gardens and London City Island remain the biggest contributors to sales and reservations, with RM625 million and RM345 million recorded respectively.
- The launch of New Road Triangle in London in August 2022 also contributed RM268 million, following the en-bloc sale of the project's open market as well as affordable housing components.
- Property sales activities in the UK and Australia have generally improved compared to FY2021, however, markets remain challenging with cost increases exceeding house price growth.
- The Group recorded loss before tax ("LBT") of RM55.45 million in 3Q 2022 as compared to profit before tax ("PBT") of RM10.33 million in 3Q 2021. The LBT is partly due to fewer handovers of properties sold to customers in Australia in the current quarter. Profit margins on several ongoing projects in the United Kingdom have also been revised due to increase in costs as the Covid-19 pandemic and wider economic headwinds have caused supply chain challenges, longer construction timeframe, delay in completions and price inflation.
- Notwithstanding the loss incurred, EcoWorld International's balance sheet continues to strengthen as the Group's strategy of monetising its assets records steady progress.
- This is evidenced by the significant reduction in the Group's gross and net gearing levels to 0.20 times and 0.07 times respectively as at 31 July 2022.

***Comments on EcoWorld International's performance in 3Q 2022***

"Our 10-month sales and reserves of more than RM2 billion is broadly in line with our sales target and substantially higher than what was achieved in the same period last year. The sustained demand for our properties has contributed to the good progress made on our monetisation strategy of selling our completed stocks to accelerate cash build-up. Accordingly, we are well-positioned to be able to meet our pledge of returning a portion of the excess cash generated to our shareholders within the next 1-2 years," said Dato' Teow Leong Seng, President & CEO of EcoWorld International.

As regards expansion strategies, Teow noted that the Board remains cautious. Supply chain issues continue to exacerbate cost pressures and potential delays in construction progress raises the overall development cost including holding cost and overheads to be borne by developments launched. Rising interest rates could further widen the gap between cost inflation and house price growth.

“Given the highly fluid operating environment, we are reassessing the development plans of future launches and will continue to be very selective as we evaluate potential opportunities for land acquisition. Whilst this does limit the Group’s development activities in the near term, continued prudence is necessary given the macroeconomic uncertainties,” he said.

“Meanwhile, as we focus on realising the value of our remaining completed stocks in London and Australia, we will be generating substantial cash reserves. Based on what has been achieved to date, which is reflected in our low net gearing of only 0.07 times, we expect to turn net cash positive by early FY2023. This will place us in good stead to be able to take advantage of any attractive landbanking opportunities that may emerge once the market enters recovery mode and inflationary pressures as well as supply chain issues normalise.” Teow said.

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### **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 19 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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