

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

**15 December 2022**

**EcoWorld International turns net cash positive in Q4 2022**  
**Aims to generate RM900 million excess cash in FY2023**  
**Targets distributions to shareholders in later part of 2023**

**KUALA LUMPUR:** Eco World International Berhad (EcoWorld International) announced its results for 4Q 2022 today.

Key points to note include the following:

***FY2022 Sales & Net Cash position + Targets & Plans for FY2023***

- EcoWorld International achieved RM2.158 billion sales in FY2022, 57% higher than the sales achieved in FY2021, and 8% above its RM2 billion sales target for FY2022.
- Embassy Gardens and London City Island were the biggest contributors to sales, securing RM749 million and RM328 million sales respectively in FY2022.
- The higher sales achieved in FY2022 has enabled the Group to turn net cash positive earlier than anticipated with cash balances having exceeded total borrowings as at 31 October 2022.
- The movement in EcoWorld International's Cash and Borrowing levels as compared to 3Q 2022 and 4Q 2021 is set out below:

	<b>As at 31 Oct 2022</b> <b>RM'000</b>	As at 31 Jul 2022 RM'000	As at 31 Oct 2021 RM'000
Cash and Bank Balances	<b>655,343</b>	336,884	336,115
Total Borrowings	<b>482,816</b>	510,754	900,538
<b>Net cash/(debt)</b>	<b>172,527</b>	<b>(173,870)</b>	<b>(564,423)</b>

- Medium Term Notes (MTN) make up the bulk of Total Borrowings – as at 31 October 2022 sufficient funds have been set aside to fully settle the MTN when it matures in May 2023.
- EcoWorld International's balance sheet strength is expected to substantially improve in FY2023.
- The Board has set a sales target of RM1.4 billion for FY2023 which does not include potential contribution from new launches. With completed properties making up the bulk of the sales target, the Group expects to generate cash of more than RM1 billion from the sale of such stocks.
- After setting aside funds for the Company and EcoWorld London's existing working capital requirements, EcoWorld International targets to have excess cash of approximately RM900 million.
- Subject to achieving the sales target, the Board aims to distribute excess cash in the Group to shareholders in the later part of 2023, following settlement of the Company's MTN and receipt of the necessary regulatory and shareholders approvals.

***4Q 2022 and FY2022 Financial results***

- EcoWorld International recorded a loss before tax (“LBT”) of RM94.64 million in 4Q 2022 as compared to the LBT of RM55.52 million in 4Q 2021. The higher LBT was mainly due to further impairment on the Group’s investment in EW-Ballymore recognised during the quarter.
- This was due to changes in market environment that led to the slowdown in sales, higher yield for valuation of commercial properties and higher weighted average cost of capital (“WACC”) applied in determining the recoverable amount of its investment in EW-Ballymore. A higher WACC was used in view of the more than 200 basis points increase in the UK risk-free rates as at 31 October 2022 as compared to 31 October 2021 - this resulted in a larger impairment (which is a non-cash item).
- Arising from the above review a further impairment in EW-Ballymore amounting to RM37.95 million was recognised in 4Q 2022 in addition to the impairment recognised in 2Q 2022. Going forward, a longer time period may be required to generate future sales proceeds. However, the management will steadfastly proceed to clear the inventories.
- For FY2022, EcoWorld International recorded a loss for the year of RM233.26 million, as compared to profit after tax (“PAT”) of RM15.88 million in FY2021. The current year loss was mainly due to projects undertaken by its subsidiaries and joint ventures having been substantially completed in prior years, revision of profit margins on certain ongoing projects, recognition of impairment on the investment in EW-Ballymore and lower other income.

***Comments on EcoWorld International’s performance in FY2022 and prospects for FY2023***

“The strategy to pursue monetisation of stocks, cash preservation and generation in FY2022 has delivered the desired results – thanks to the higher sales of RM2.158 billion achieved this year we were able to turn into a net cash position by 31 October 2022 which is ahead of schedule. We also have sufficient funds now in place to fully settle the Company’s MTN when it matures in May 2023,” said Dato’ Teow Leong Seng, President & CEO of EcoWorld International.

“Our focus on cash preservation and generation will continue in FY2023. Based on the strong demand we have seen for our properties and projects we aim to sell most of the Group’s available units by October 2023. This is expected to raise more than RM1 billion and we are targeting to achieve RM900 million excess cash from the sale of our existing stocks,” he continued.

“Subject to the relevant approvals being obtained, we hope to be able to make a distribution of the excess cash to our shareholders in the later part of 2023,” Teow said.

Commenting on prospects for FY2023, Teow noted that macroeconomic uncertainties remain with cost pressures expected to continue outstripping property price increases in the near to mid-term. Accordingly the Group will continue to review the feasibility of its remaining projects with a view towards proceeding with launches only after cost pressures stabilise and desired returns can be forecast with greater certainty. Similarly, potential acquisition of new landbank will also be evaluated stringently based on required rates of return before funds are committed for any purchase.

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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.

**For media enquiries, please contact EcoWorld Communications:**

Diana Chin	+6012 234 0159	<a href="mailto:diana.chin@ecoworld.my">diana.chin@ecoworld.my</a>
Allison Lee	+6012 224 1884	<a href="mailto:allison.lee@ecoworld.my">allison.lee@ecoworld.my</a>