

PRESS RELEASE
For Immediate Release

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EcoWorld International's net cash up by 159%
On track to achieve FY2023 RM1.4 billion sales target

KUALA LUMPUR: Eco World International Berhad (EcoWorld International) announced its results for 1Q 2023 today.

Key points to note include the following:

- EcoWorld International achieved RM335 million sales plus reserves of RM189 million, totalling RM524 million in the first 4 months of FY2023. This places it on track to achieve the full year sales target of RM1.4 billion.
- Its focus on selling completed stocks has enabled significant cashflows to be generated.
- In just 3 months, EcoWorld International's net cash position has improved from RM172.5 million as at 31 October 2022 to RM 446.2 million as 31 January 2023, representing an increase of 159%.
- The Group's net cash is expected to strengthen further in the coming quarters as funds at its United Kingdom (UK) joint ventures are repatriated.
- Accordingly, subject to achieving the sales target and receiving the relevant regulatory approvals, the Board's intention to distribute the RM900 million estimated excess cash to shareholders in the later part of 2023 is progressing as planned.
- EcoWorld International recorded a loss before tax ("LBT") of RM30.36 million in 1Q 2023 vs a LBT of RM12.74 million in 1Q 2022, mainly due to foreign exchange ("forex") losses of RM25.97 million in the current quarter. The forex losses arose from the weakening of the British Pound ("GBP") against Ringgit Malaysia ("RM").
- Subsequent to 1Q 2023, the GBP has appreciated. Should the GBP remain at current level or continue to strengthen against RM, the foreign exchange losses recognized in 1Q 2023 will be fully or partially reversed in later quarters.

Comments on EcoWorld International's performance

"The Group's focus on selling our completed stocks is achieving the intended result of accelerating cash generation. Sales remain steady in the first 4 months of FY2023 with Embassy Gardens contributing RM125 million, followed by Wardian, London City Island and Oxbow bringing in RM67 million, RM63 million and RM33 million respectively," said Dato' Teow Leong Seng, President & CEO of EcoWorld International.

"Despite homebuyers becoming more cautious following increases in interest rates, shortage of homes continues to provide support for housing demand. We plan to sustain our sales momentum by offering attractive incentive packages to buyers and tapping overseas demand through international marketing events. This will enable significant additional cashflow to be generated for the Group in the upcoming quarters," Teow highlighted.

“In Australia, our development plan for the Macquarie Park site has received approval from the relevant authorities in February 2023. However, given elevated uncertainties in the current property market we are reviewing our options for the site,” he mentioned.

A similar stand will be taken with regard to the Group’s existing unlaunched projects in the UK. Feasibilities will be carefully examined and stress tested and any launches will proceed only after cost pressures stabilise and expected returns that meet the Group’s requirements can be forecast with greater certainty.

“Our focus this year will continue to be the monetisation of stocks, cash preservation and generation in order to deliver the promised distribution of excess cash to shareholders which is proceeding in accordance to plan based on the sales and reservations that we have achieved to date,” 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 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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