

**PRESS RELEASE**

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**For Immediate Release**

**EcoWorld Malaysia's local operations record core earnings growth of 30.9% in 2Q 2018  
EcoWorld International on track to commence profit recognition in 3Q 2018**

**KUALA LUMPUR:** Eco World Development Group Berhad (EcoWorld Malaysia) announced today that the Group's Core EBIT from its Malaysian operations grew by 30.9% from RM62.1 million in 2Q 2017 to RM81.3 million in 2Q 2018. This is mainly attributable to three of its Malaysian joint-ventures, namely *Eco Grandeur*, *Eco Ardence* and *Bukit Bintang City Centre (BBCC)* having commenced revenue and profit recognition which enabled RM9.0 million to be recognised as the Group's share of profit from its Malaysian joint-ventures versus a loss of RM5.3 million in 2Q 2017.

Going forward, the Group's profit will increasingly be derived from projects undertaken by its various joint-ventures in Malaysia and abroad as these projects attain the threshold and criteria for profit recognition to begin. Notably, the Company's international joint-venture, namely EcoWorld International Berhad (EcoWorld International), is expected to turn profitable in 2H 2018 when its *London City Island* and *Embassy Gardens* projects are completed and handed over, commencing from 3Q 2018.

As at 2Q YTD 2018, EcoWorld Malaysia achieved sales of RM923 million whilst EcoWorld International recorded RM698 million sales in the first seven months of FY2018.

President and CEO of EcoWorld Malaysia, Dato' Chang Khim Wah said, "2Q 2018 began well with sales interest picking up following a successful Chinese New Year Campaign and positive response to various localised marketing activities undertaken by our projects in the Klang Valley, Iskandar Malaysia and Penang. However, in the lead up to GE14 buying momentum slowed – uncertainties on the outcome caused many customers to hold back from making commitments in April up until early May 2018."

Chang noted that post GE14 the public mood has improved markedly however sales were still slow in the month of May as many Malaysians continued to be caught up with post-election news fever. Interest on the latest happenings about the New Malaysia caused internet traffic to hit an all-time high – this inspired the Group to launch its *#OnlyEcoWorld* Campaign in June 2018 using mainly social media tools.

Post-GE14, customers have also expressed a renewed optimism and greater confidence regarding their personal futures and that of their families going forward. This appears to have created a strong pull factor to buy not just any home but one that they will want to live in for generations which dovetails perfectly with the message of *#OnlyEcoWorld*. Through this campaign the Group aims to highlight the distinctiveness of each of its Signature Developments as well as the unique value proposition EcoWorld offers customers backed by its commitment to service excellence and continued value creation.

"Through *#OnlyEcoWorld* we will be working hard over the next four months to catch up on our RM3.5 billion sales target from our Malaysian projects for FY2018. Response so far has been tremendously encouraging. Our sales galleries and project sites are packed every weekend since we launched the campaign at the start of this month and we are also seeing a steady stream of visitors keen to buy a home coming in on weekdays," said Chang.

Outside Malaysia, EcoWorld International's development pipeline is increasing rapidly - following the completion of its Stage 1 acquisitions under the joint-venture with Willmott-Dixon in 2Q 2018, the Group completed the acquisition of an additional site forming part of its Stage 2 acquisitions. This

brings the number of new projects acquired in Greater London to seven in total to add on to the original three in Central London which augurs well for EcoWorld International's intermediate and long-term growth prospects.

President and CEO of EcoWorld International, Dato' Teow Leong Seng commented, "Our ambition to establish EcoWorld as a truly international brand moved another step forward when we re-branded the new projects acquired under our joint-venture with Willmott-Dixon as EcoWorld London. This will enable us to strengthen our market presence and positioning in the UK even as we broaden & deepen our share of the London market, which remains one of the world's foremost global cities for property investment."

"The seven new sites we have acquired in Greater London along with a strong and experienced multi-disciplinary team in London will enable us to hit the ground running. They will offer a wide variety of products designed to suit the needs of local housebuyers via Open Market Sale as well as developments created to appeal to institutional investors in the fast-growing Built-to-Rent segment of the market," Teow said.

"Four of the new sites are active projects, namely Kensal Rise, Millbrook Park, Nantly House and Aberfeldy Village with small parcels launched and deliveries commencing in 2018 and 2019. This will add on to our earnings stream over the next one to two years even as we work towards getting the remaining parts of the developments launched and sold to contribute towards meeting our FY2018 sales target of RM3 billion from our UK and Australian projects," he continued.

Construction progress is also well on-track in both Malaysia and London which will enable the Group to record continued growth in profits in the upcoming quarters. In this regard EcoWorld Malaysia's unbilled progress billings as at 30 April 2018 (based on its effective stakes in its Malaysian and International joint-ventures) stands at RM5.9 billion whilst EcoWorld International's has grown to RM6.1 billion as at 31 May 2018 thus setting a strong foundation for further expansion of the earnings pipeline going forward.

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The EcoWorld Group's sizeable and increasingly matured land bank in Malaysia along with the brand's growing presence in the UK is expected to contribute positively to its future prospects. With 18 out of 20 projects in Malaysia already launched and 7 new projects in the UK, the Group is well-positioned to grow from strength to strength as it works to further unlock the value of its Malaysian landbank and increase the breadth, depth and resilience of its overseas business under EcoWorld International.

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### **About Eco World Development Group Berhad (EcoWorld Malaysia)**

EcoWorld Malaysia is a public listed Malaysian company involved mainly in property development. The Group is led by some of the most well-known and respected players in the property industry.

It has secured approximately 8,126.4 acres of land bank with a total gross development value (GDV) of RM87.5 billion. Currently, EcoWorld Malaysia has a presence in the Klang Valley, Iskandar Malaysia and Penang with 20 projects in total comprising a product range that includes affordable, upgrader and luxury homes, integrated high-rise developments and green business parks.

Through Eco World International Berhad (EcoWorld International), the brand has also extended its reach to the United Kingdom and Australia.

In 2017 and 2016, EcoWorld Malaysia is honoured to be one of the Top 10 Developers at The Edge Malaysia Property Excellence Awards and also proud to be named 'Best of the Best Employers - Malaysia' in AON's Best Employer Studies.

## **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 five ongoing projects in the United Kingdom and two in Australia with total gross development values (GDV) of GBP2.19 billion and AUD558 million respectively. In March 2019 it completed the acquisition of six new sites in a significant joint-venture with Be Living, the development arm of Willmott Dixon, a prominent UK construction and development company, which will add another GBP1.1 billion to its total GDV.

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.

In the UK, EcoWorld International through its joint-venture company, EcoWorld-Ballymore is currently developing three waterside residential projects in the east and west of London. They are Embassy Gardens in Nine Elms, London City Island in Leamouth Peninsula and Wardian London in Canary Wharf.

EcoWorld International is also developing a project named West Village in Parramatta, Australia – a suburb and major business district in the metropolitan area of Sydney and has entered the Melbourne market with the Yarra One development in South Yarra.

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

Diana Chin	+6012 234 0159	diana.chin@ecoworld.my
Allison Lee	+6012 224 1884	allison.lee@ecoworldinternational.com
Cheng Swee Leong	+6012 280 3561	slcheng@ecoworld.my
Rachel Lee	+6012 338 2755	pohyin.lee@ecoworld.my