

20 September 2018
For Immediate Release

EcoWorld Malaysia's sales rebound strongly following #OnlyEcoWorld campaign
EcoWorld International records maiden profits in 3Q 2018
FY2018 RM6.5 billion EcoWorld brand combined sales target maintained

KUALA LUMPUR: Eco World Development Group Berhad (EcoWorld Malaysia) announced today that following the launch in June 2018 of its #OnlyEcoWorld campaign accompanied by the EcoWorld Help2Own (EW-H2O) financing package, its sales have rebounded strongly. As at 31 August 2018 total sales achieved has reached RM2 billion, which is more than double the total sales of RM923 million recorded in the first six months of the financial year.

“We are delighted with the market’s reception to our #OnlyEcoWorld campaign. The intense social media and digital marketing drive over the last three months has been very successful in reaching out to our target customers. Through a series of highly entertaining, informative & shareable videos, we were able to communicate to them the distinct & unique value proposition that each Signature EcoWorld Development offers. This attracted the right crowds to visit us at our sales galleries where we were then able to share more about how we could help them own their dream home through our EcoWorld Help2Own (EW-H2O) financing package,” said Dato’ Chang Khim Wah, President and CEO of EcoWorld Malaysia.

“As a result, we have been able to double up our sales across all three regions where our 18 ongoing projects are located. This proves that buying interest, whether in the Klang Valley, Iskandar Malaysia or Penang, remains strong – the challenge is in coming up with the right products and development concepts that meet the lifestyle needs & aspirations of today’s discerning homebuyers,” he continued.

The positive sales momentum generated through the above on-line campaign will be further boosted by a series of off-line customer focused events which culminated with the #AnakAnakMalaysia 2018 celebrations held over two months from July to September.

2018 marks the 4th year that EcoWorld and Star Media Group have been collaborating on this patriotic campaign in conjunction with Merdeka and Malaysia Day. This year’s upbeat & catchy #JomKeHadapan theme clearly resonated with Malaysians from all walks of life.

Thousands thronged the Group’s sales galleries to collect the highly sought after red wristbands and five detachable charms in the shape of the ubiquitous Nasi Lemak, Wau Bulan (Peninsula East Coast), Hornbill (Sarawak) Mount Kota Kinabalu (Sabah) & a heartfelt “I Love Malaysia” logo. The #AnakAnakMalaysia Walks also saw record numbers joining with some 10,000 participants at Eco Ardence in the Klang Valley, more than 5,000 at Eco Tropics in Iskandar Malaysia and at least 4,000 at Eco Horizon in Penang.

“Over the next two months we will be working hard to convert the many leads generated from both our on-line and off-line campaigns to lock in sales at all our projects with the aim of achieving our FY2018 Malaysian sales target of RM3.5 billion by 31 October 2018,” Chang said.

On the financial front, revenues from sales of EcoWorld brand properties in Malaysia also grew strongly. As at 3Q YTD 2018, RM1.55 billion revenue was recorded by the Group’s subsidiaries and RM705.4 million recorded by its Malaysian joint-ventures of which the Group’s effective share, based on its equity stakes in the respective joint-ventures, amounted to RM374.8 million.

This contributed to the steady growth in EcoWorld Malaysia’s core earnings – its Core EBIT (Earnings before Interest & Tax) grew by 10.9% from RM64.7 million in 3Q 2017 to RM71.8 million in 3Q 2018

whilst Core PBT for 3Q YTD 2018 was 6.2% higher than 3Q YTD 2017.

The main reasons for the improvement in EcoWorld Malaysia's Core EBIT and Core PBT include the following:

- Commencement of revenue and profit recognition by all of the Group's joint-venture projects,
- 52% reduction in selling & marketing expenses (3Q YTD 2018 vs 3Q YTD 2017) – this is due to the strategic shift by the Group towards more impactful yet cost-effective digital marketing platforms coupled with targeted on-ground marketing strategies employed by its matured projects, and
- 14.5% savings on administrative expenses as compared to 3Q YTD 2017 arising from various cost savings measures implemented during the financial year.

Outside Malaysia, EcoWorld International achieved two significant milestones in 3Q 2018.

First, the Group commenced the handover of units in Amelia Tower of London City Island in July 2018. This marks the Group's first overseas project to be handed over, three years after the EcoWorld brand was launched internationally in 2015. Amelia Tower has a take-up rate of 99% and many units were signed up for rental within a week of handover, which augurs well for the prospects of the entire London City Island development as well as the EcoWorld brand name in the London property market.

The successful completion of Amelia Tower enabled the Group to achieve its second important milestone of reporting its maiden quarterly net profit attributable to shareholders of RM10.4 million, of which EcoWorld Malaysia's 27% share amounted to RM2.8 million. More units in London City Island and another project, Embassy Gardens, are scheduled for handover in the remaining months of the financial year which will contribute positively to the Group's profitability in 4Q FY2018.

EcoWorld International is also on track to achieve its RM3 billion sales target for FY2018. As at 31 August 2018, RM1.026 billion sales have been secured with its ongoing projects in London contributing RM847 million while those in Australia generated RM179 million.

In addition to this, EcoWorld London announced on 29 August 2018 that it had entered into Heads of Terms with Invesco Real Estate, a North American Pension Fund, for the sale and forward funding of more than 1,000 new Build to Rent (BtR) homes on two sites in Kew and Barking.

"This is a highly significant deal not just for EcoWorld International but also for the UK property market. Valued at nearly GBP400 million (approximately RM2.1 billion), it will be one of the largest BtR deals ever undertaken in the UK. Invesco Real Estate's decision to make such a sizeable commitment in the midst of ongoing Brexit negotiations clearly demonstrates London's continued attractiveness to well-informed global property investors who remain confident of the city's long-term growth potential," said Dato' Teow Leong Seng, President and CEO of EcoWorld International.

"Their choice of our Kew and Barking sites is also a welcome vote of confidence for the EcoWorld brand and EcoWorld London's ability to develop and manage these schemes to the high quality that investors and residents expect from us. We aim to complete the sale to Invesco Real Estate by October 2018 which will contribute towards achieving our FY2018 sales target of RM3 billion," he added.

On the corporate front, the gross development value (GDV) of EcoWorld International's UK projects has increased to GBP4.1 billion (with remaining GDV of GBP2.7 billion as at 31 August 2018) and the total development pipeline has expanded to over 8,000 units. This is following the acquisition by EcoWorld London of its eighth site (Kew Bridge) on 20 August 2018.

"We are also working towards acquiring the remaining four sites which form part of our Stage 2 Acquisitions under the joint-venture with the Willmott Dixon Group as and when the relevant conditions precedent are met. Meanwhile, in Australia we are targeting to complete our acquisition of the Macquarie Park site in Sydney by late-2018," Teow said.

Tan Sri Liew, Chairman of EcoWorld Malaysia said “Going forward, the prospects for EcoWorld Malaysia and EcoWorld International remain very bright. The team has worked extremely hard to turn challenges at home and abroad into opportunities to further extend our market reach and entrench the EcoWorld brand in the minds of homeowners and institutional investors. Their unrelenting pace, passion and commitment to excellence over the last five years have borne fruit as evidenced in the improvement in both sales numbers and financial results achieved in the current quarter”.

“As at 31 August 2018 EcoWorld Malaysia’s and EcoWorld International’s effective share of unbilled progress billings stand at RM6.16 billion and RM6 billion respectively. Our large number of ongoing projects, the increasing maturity of the our Malaysian landbank coupled with the growing pipeline of new projects secured by EcoWorld International also provides with us a strong foundation on which to anchor our growth ambitions. In this regard, the EcoWorld brand’s remaining GDV to be developed amounts to approximately RM86.5 billion on a combined basis – this will assure the sustainability of the Group’s local and international business model for many years to come” he added.

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 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, 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 11 projects in the United Kingdom and two in Australia with total gross development values of GBP4.1 billion and AUD558 million 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.

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.

In June 2018, EcoWorld London was launched as part of a significant joint-venture between EcoWorld International and Be Living, the residential development arm of Willmott Dixon Holdings Ltd. The launch increases EcoWorld International’s total development pipeline in the UK to add on projects from Barnet to Barking; and Westminster to Woking.

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