

PRESS RELEASE

**13 December 2018**  
**For Immediate Release**

**EcoWorld Brand sales in Malaysia & abroad exceed RM6 billion in FY2018**  
**RM12 billion combined 2-year sales target announced for FY2019-FY2020**

**KUALA LUMPUR:** Eco World Development Group Berhad (EcoWorld Malaysia) and Eco World International Berhad (EcoWorld International) target to achieve RM12 billion combined sales over two financial years FY2019 – FY2020 after announcing a strong set of results for the financial year ended 31 October 2018 today.

Key highlights of the FY2018 results announcements include the following:

**EcoWorld Malaysia**

- Core Profit After Tax (Core PAT) grew by 46% from RM113.1 million in FY2017 to RM165.6 million in FY2018
- EcoWorld Malaysia's share of results from joint-ventures increased by RM86.3 million, moving from a loss of RM30.9 million in FY2017 to a profit of RM55.4 million in FY2018
- Substantial reductions in both selling and marketing as well as administrative expenses during the current financial year contributed to the strong results achieved – this is attributable to:
  - the successful deployment of more impactful and cost-effective marketing strategies to engage directly with customers and the broader reach achieved through digital marketing platforms via an optimal mix of traditional & social media channels, and
  - various measures implemented to optimise resources and enhance productivity which enabled substantial cost savings to be realised
- Total sales from Malaysian projects exceeded RM3.1 billion in FY2018 with more than RM2.2 billion achieved in 2H 2018 following the success of the Group's #OnlyEcoWorld Campaign
- The Group's share of unbilled sales to be carried forward to FY2019 stands at RM6.435 billion, a record high for EcoWorld Malaysia

**EcoWorld International**

- The Group turned profitable in FY2018 with RM35.5 million Profit After Tax (PAT) achieved vs a loss of RM87.5 million in FY2017
- EcoWorld London's strong capabilities in the Built-to-Rent (BtR) subsector enabled EcoWorld International to overcome Brexit uncertainties to record total sales of RM3.3 billion for FY2018. This is well above the target set for the financial year of RM3 billion and over 60% higher than the RM2.0 billion achieved in FY2017
- EcoWorld International's share of unbilled sales to be carried forward to FY2019 also reached a record high of RM6.6 billion
- The Group's growing project portfolio in the United Kingdom & Australia will further bolster earnings visibility going forward

FY2018 marks the 4<sup>th</sup> consecutive year that EcoWorld Brand sales have crossed the RM6 billion mark. Cumulative sales from FY2014 – FY2018, contributed by projects in Malaysia, United Kingdom and Australia, amounted to RM28 billion, which enabled both companies to post the strong growth in profits achieved in FY2018.

EcoWorld Malaysia and EcoWorld International's positive results in FY2018 demonstrate that there remains sizeable markets to be captured in segments that are inherently resilient, even during cyclical downturns, due to the strength of underlying fundamental demand.

Dato Chang Khim Wah, President and CEO of EcoWorld Malaysia said, "2018 has been a landmark year for the Group on many fronts. Our partnership-for-growth strategy put in place two years ago to enable us to grow strongly without over-extending our balance sheet is now bearing fruit. All our joint-ventures, whether within or outside Malaysia, have commenced revenue and profit recognition – these numbers are set to grow healthily as the projects mature and become more established."

"Thanks to the unrelenting drive & determination of the team, in just 5 years we have managed to entrench EcoWorld in every key economic corridor where we are now represented through 18 ongoing projects spread across the Klang Valley, Iskandar Malaysia and Penang. Our Brand DNA and Brand Promise are well-understood by the market and we are extremely gratified that homebuyers today regard EcoWorld as a brand of choice, as attested by the overwhelming response to our recently concluded #OnlyEcoWorld campaign," Chang continued.

Dato Teow Leong Seng, President & CEO of EcoWorld International said, "Our strategic decision to enter the extremely resilient UK mid-mainstream market with its fast-growing BtR subsector has proven correct. We are indeed humbled to have managed to win the confidence of Invesco Real Estate, a global property investment management firm, for the sale of more than 1,000 BtR homes to one of its international separate account clients recently."

"At more than RM2 billion in value, this sale is the largest BtR deal ever concluded in the UK – that it was achieved less than 6 months after we completed our acquisition of 70% of the Willmott Dixon residential development business makes it especially notable. More importantly, it speaks volumes to the fact that we now have a Best-in-Class BtR team through EcoWorld London with the experience and capabilities to make us a market leader in this fast-growing and recession proof segment," Teow said.

For the upcoming financial year, market conditions in the UK are expected to remain soft at best, at least until Brexit concerns are resolved. Accordingly, EcoWorld International will concentrate on expanding its BtR footprint in London as a key growth driver for the Group in the medium term.

In this regard, EcoWorld London already has existing sites with the potential to deliver over 3,000 BtR units which the Group intends to realise over the next 2-3 years - this will be supported by new launches of private residential developments that cater mainly to owner-occupiers in the mid-mainstream UK market. The Group will also work on selling the remaining units from its original 3 projects in the UK and 2 projects in Australia to local and international individual buyers.

Back home in Malaysia, the focus will be on bringing the Group's Signature Townships up another level to drive further value creation. Under the aegis of a new programme named "Life@EcoWorld", various new elements have been introduced to heighten the desirability & liveability of every EcoWorld development. This includes the creation of digitally enabled communities using 4<sup>th</sup> IR solutions as well as the introduction of Integrated Wellness & Care components that meet the needs & lifestyle aspirations of our customers at every stage of their lives.

EcoWorld Malaysia will also be embarking on a new campaign in FY2019 called HOPE – Home Ownership Programme with EcoWorld – that will incorporate two innovative home ownership solutions to help our customers own their dream home. Further details on this exciting new campaign

will be revealed during its official launch in January 2019.

Looking ahead to FY2019, the strong performance in the current and previous financial years has therefore placed EcoWorld Malaysia and EcoWorld International on a very sound footing. Prospects of both companies are undergirded by the record high levels of locked-in progress billings of RM6.435 billion and RM6.615 billion respectively as at 31 October 2018 which provides clear earnings visibility for FY2019 – FY2020. This position will be further strengthened by additional sales achieved in FY2019 especially after EcoWorld Malaysia kicks off its HOPE campaign and additional en-bloc sales to institutional investors for another 2-3 BtR sites are sealed by EcoWorld International.

Premised on the above, the Boards of both EcoWorld Malaysia and EcoWorld International have approved a sales target of RM6 billion to be achieved by each company over the next 2 financial years. On a combined basis this adds up to a RM12 billion sales target for the EcoWorld Brand from FY2019-FY2020. The longer 2-year time-frame will provide greater latitude in the scheduling of sale and launches of products for the retail market and the requisite time to negotiate the best possible terms on en-bloc sales to institutional investors. This will enable better strategies to be crafted to realise optimal value from the Group’s landbank in Malaysia, United Kingdom and Australia which management is confident of achieving.

As at 31 October 2018, EcoWorld Malaysia and EcoWorld International’s land bank are as follows:-

Location of projects	No of projects	Land bank (acres)	
		Original size	Undeveloped land
Klang Valley	8	4,735.3*	2,919.1
Iskandar Malaysia	7	2,926.1	1,575.7
Penang	5	465.0	332.4
<b>EcoWorld Malaysia</b>	<b>20</b>	<b>8,126.4</b>	<b>4,827.2</b>
London	11	50.3	n/a
Sydney & Melbourne	2	1.7	-
<b>EcoWorld International</b>	<b>13</b>	<b>52.0</b>	<b>n/a</b>

\* Includes acquisitions by a joint-venture pending completion

The large number of maturing projects in Malaysia and the increase in new projects secured by EcoWorld International will continue to provide the EcoWorld brand with a strong foundation on which to anchor its growth ambitions and assures the sustainability of both companies’ business model going forward.

Commenting on the performance and prospects of both EcoWorld Malaysia and EcoWorld International, Tan Sri Liew Kee Sin, Chairman of EcoWorld Malaysia said, “The greatest test for management is the ability to roll with the punches and consistently outperform the market especially during bad times. On this note I am pleased to note that both EcoWorld Malaysia and EcoWorld International have proven their mettle time and again to overcome the many challenges encountered since the EcoWorld Brand was birthed 5 years ago.”

“This ability to execute strongly, adapt, re-strategise & quickly move forward to seize new opportunities will continue to hold us in good stead, whatever the future may bring. I am therefore confident that 2019 will be another very good year for EcoWorld as we forge ahead to realise our vision of Creating Tomorrow & Beyond,” he said.

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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 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](mailto:diana.chin@ecoworld.my)

Allison Lee +6012 224 1884 [allison.lee@ecoworldinternational.com](mailto:allison.lee@ecoworldinternational.com)

Cheng Swee Leong +6012 280 3561 [slcheng@ecoworld.my](mailto:slcheng@ecoworld.my)

Rachel Lee +6012 338 2755 [pohyin.lee@ecoworld.my](mailto:pohyin.lee@ecoworld.my)