

PRESS RELEASE

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For Immediate Release

**EcoWorld Malaysia and EcoWorld International maintain
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) announced today that their targets to achieve RM6 billion sales each (RM12 billion combined) over two financial years FY2019 – FY2020 will be maintained despite the slow start to FY2019.

Commenting on the prospects for the year, Dato' Chang Khim Wah, President & CEO of EcoWorld Malaysia said: "The quiet period experienced in the first four months of FY2019 was not unexpected. Our highly successful #OnlyEcoWorld Campaign which enabled the Group to record RM1.9 billion sales in the final four months of FY2018 ended on 31 October 2018. There was also a temporary lull in buying activities after the National Home Ownership Campaign (NHOC) was announced on 2 November 2018 as buyers took the time to check out the best deals available in the market."

"We are pleased to note however that following the launch of the NHOC on 1 March 2019 sales have picked up again," Chang added.

The resurgence in buying interest is attributable largely to EcoWorld Malaysia's HOPE – Home Ownership Programme with EcoWorld – which was unveiled on 22 January 2019 in preparation for the official launch of the NHOC. HOPE represents the Group's most comprehensive and complete home ownership solution to-date which offers two methods for purchasers to start their home ownership journey:

- Outright purchase via EcoWorld's Help2Own (H2O) financial assistance programme; and
- Rent first and own later via EcoWorld's customised Stay2Own (S2O) programme developed in partnership with Maybank HouzKEY.

The programme is targeted at helping genuine homeowners, particularly young people just starting out in their careers, young families as well as upgraders, own a good home earlier, thus assisting them to accumulate wealth sooner.

"Based on the highly positive response to HOPE, the fundamental desirability of all our projects and our commitment to actively grow the value of our properties over time for the benefit of our customers, we are confident that we will be able to meet our two-year sales target of RM6 billion," Chang said.

On the international front, Dato' Teow Leong Seng, President & CEO of EcoWorld International said: "Whilst market conditions in both the UK and Australia remain challenging as Brexit and economic uncertainties weigh on individual homebuyers' sentiment, it has also opened up opportunities for the Group to sell good-quality Build-to-Rent (BtR) residential properties on an en-bloc basis to institutional investors."

Citing EcoWorld London's success with the GBP389 million deal with Invesco Real Estate last year, EcoWorld International announced that the Group is pursuing new BtR deals to tap into the growing institutional demand for purpose-built BtR developments in the UK. In this regard, several sites in EcoWorld London's existing portfolio have already been identified for BtR development.

Management is working to close the sales of these BtR developments through forward-funding agreements with institutional investors within this or the next financial year – this will contribute substantially towards EcoWorld International’s two-year sales target of RM6 billion to be achieved over FY2019 and FY2020.

Beyond current market challenges, EcoWorld International highlighted that the fundamentals of residential property markets in London, Sydney and Melbourne are strong, underpinned by growing populations and their status as global cities. In London, the Group is seeing strong occupier demand for its completed units as London City Island and Embassy Gardens have achieved occupancy rates of more than 90% in the first quarter of the current financial year. In Sydney and Melbourne, the overall rental vacancy rates of apartments are low, at just 2-3% which bodes well for the mid to longer term prospects for the Group’s Australian projects.

Other key highlights of the results announcements include the following:

- EcoWorld Malaysia recorded Profit After Tax of RM30.3 million whilst EcoWorld International recorded Profit After Tax of RM24.3 million in 1Q 2019;
- Construction works of EcoWorld International’s projects are progressing well with several residential blocks in London scheduled for completion this year and further handovers expected in both the UK and Australia in the next financial year. This will enable a substantial percentage of EcoWorld International’s RM6.6 billion future revenue as at 28 February 2019 to be translated into earnings in FY2019 and FY2020;
- Similarly, EcoWorld Malaysia’s future revenue remains strong totalling RM6.08 billion as at 28 February 2019 – this is attributable to the strong sales achieved in FY2018 which provides good earnings visibility for FY2019 and FY2020.

As at 28 February 2019, EcoWorld Malaysia and EcoWorld International’s land bank are as follows:

Location of projects	No of projects	Land bank (acres)	
		Original land size	Undeveloped
Klang Valley	8	4,735.3*	2,892.8
Iskandar Malaysia	7	2,926.1	1,575.7
Penang	5	465.0	328.2
The Group	20	8,126.4	4,796.7
London	11	50.3	n/a
Sydney & Melbourne	3	2.4	0.7
EcoWorld International	14	52.7	0.7

* Includes acquisitions by a joint-venture pending completion

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 three in Australia with total gross development values of GBP4.1 billion and AUD697 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.

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.

Over in Australia, the Company is also developing 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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