

PRESS RELEASE

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For Immediate Release

EcoWorld Group record highest ever quarterly profits in 3Q FY2019
EcoWorld Malaysia's Profit Before Tax increased by 94%
EcoWorld International recorded 4.5 times increase in Profit After Tax

KUALA LUMPUR: Eco World Development Group Berhad (EcoWorld Malaysia) and Eco World International Berhad (EcoWorld International) announced their results for the 3Q FY2019.

Key highlights include the following:

EcoWorld Malaysia

- Revenue and gross profit grew by 15% and 17% respectively in 3Q FY2019 as compared to 3Q FY2018. Projects which contributed to revenue and gross profit in 3Q 2019 were ***Eco Majestic, Eco Forest, Eco Sanctuary*** and ***Eco Sky*** in the Klang Valley, ***Eco Botanic, Eco Spring, Eco Summer, Eco Business Park I, Eco Business Park II, Eco Tropics*** and ***Eco Business Park III*** in Iskandar Malaysia and ***Eco Meadows*** and ***Eco Terraces*** in Penang.
- Share of results from joint-ventures increased by 96% in 3Q FY2019 as compared to 3Q FY2018. This reflects the stellar results posted by ***EcoWorld International*** (see below) and good progress of works achieved by the Group's Malaysian joint-ventures, namely ***Eco Grandeur & Eco Business Park V, Eco Horizon, Eco Ardence*** and ***Bukit Bintang City Centre (BBCC)***.
- The strong performance by its subsidiaries, Malaysian and international joint-ventures enabled EcoWorld Malaysia to record Profit before Tax (PBT) for 3Q FY2019 of RM65.34 million and Profit after Tax (PAT) of RM50.48 million. This is an increase of 94% and 82% respectively as compared to 3Q FY2018.
- As at 31 August 2019, EcoWorld Malaysia's effective stake in the future revenue of properties sold by its subsidiaries and joint-ventures remains high at RM5.86 billion – this assures continued good earnings visibility going forward for the Group.

EcoWorld International

- PAT for 3Q FY2019 came in at RM58.73 million – this was 4.5x the PAT recorded in 3Q FY2018. The huge jump in profits is due to higher recognition of revenue and profit by the Group's joint-venture projects in the United Kingdom following completion and commencement of handover of two additional residential blocks at ***London City Island*** and the commencement of revenue and profit recognition of EcoWorld London's Built-to-Rent (BtR) sales.
- Another two residential blocks in ***London City Island*** and ***Embassy Gardens*** are expected to commence delivery to purchasers in 4Q FY2019. Beyond the current financial year, EcoWorld International expects to hand over ***Wardian London*** in London as well as ***West Village*** in Sydney and ***Yarra One*** in Melbourne in FY2020.
- The sizeable handovers coming up greatly strengthen EcoWorld International's near-term earnings visibility – this will enable a significant portion of the Group's effective stake in the future revenue of properties sold amounting to RM5.8 billion as at 31 August 2019 to be translated into revenue and share of profits from joint-ventures in FY2019 and FY2020.

Comments on EcoWorld Malaysia's performance & prospects for FY2019

Dato' Chang Khim Wah, President & CEO of EcoWorld Malaysia said: "Our profits for 3Q FY2019 are the highest we have ever achieved since we first started. The disciplined approach we have taken over the years to build up the EcoWorld brand, coupled with strong on-ground execution and close customer engagement, has ensured that our future revenue pipeline is consistently maintained at a high level – this is paying off for the Group today."

"We are also happy to note that the positive momentum established after the official launch of the National Home Ownership Campaign (NHOC) on 1 March 2019 has continued for EcoWorld," he said.

EcoWorld Malaysia recorded RM1.94 billion in sales as at 31 August 2019 of which RM1.71 billion was secured in the 6 months since the launch of the NHOC in March 2019. Apart from various attractive homeownership solutions offered through EcoWorld's own HOPE Campaign, the strength of the brand and EcoWorld's clear commitment to continually raise the bar on both product quality and service delivery have enabled the Group to continue to garner strong sales amidst a challenging market. Buyers are drawn by the distinctive EcoWorld DNA showcased at every project and their confidence is further bolstered by Team EcoWorld's willingness to go the extra mile to explore and implement innovative new ideas that will create greater value for its customers.

"It is often said "Seeing is Believing" and this certainly holds true for EcoWorld. The recent **#AnakAnakMalaysia** walks which were held at the sites of our completed and soon to be handed over projects in the Klang Valley, Iskandar Malaysia and Penang, have successfully reinforced the unique value propositions an EcoWorld Signature development offers property owners. On ground customer engagement sessions in preparation for the upcoming maiden handover of homes to our customers at **Eco Ardence** and **Eco Grandeur** in the Klang Valley have also boosted interest in upcoming new phase launches," Chang mentioned.

"Our unrelenting efforts to improve every aspect of **Life@EcoWorld**, as evidenced in the wide array of carefully curated amenities and services we provide at our various projects, is another reason why our customers choose us," he continued.

In the final quarter of the financial year, EcoWorld Malaysia will begin unveiling new phase launches at its various projects as it presses on to achieve the two-year RM6 billion sales target set for FY2019 and FY2020. These include **Cora** at **Eco Ardence** featuring Semi-Dees and Bungalows as well as **Regent Gardens** at **Eco Grandeur** offering an exciting opportunity for customers to design their own dream home.

Other new phases to be launched with innovative ideas and concepts incorporated to appeal to the specific target customer group include the **Hazelton** launch at **Eco Forest** featuring the new Ergo Homes design emphasising efficient space planning and communal living and a new phase of **Mellowood** homes at **Eco Majestic**. Up north in Penang, **Eco Horizon** will be launching the **Brydon** collection of Semi-Dees and Bungalows while down south in Iskandar Malaysia, **Eco Spring** will introduce **Rosé**, a new Garden Home series, inspired by the strong reception these products have received in the Klang Valley.

Comments on EcoWorld International's performance & prospects for FY2019

Dato' Teow Leong Seng, President & CEO of EcoWorld International said: "3Q FY2019 marks an important milestone for EcoWorld International. Compared to 3Q FY2018, Profit After Tax (PAT) increased more than four-fold and on a year-to-date basis we recorded PAT of RM71.5 million as compared to a loss of RM23.2 million for 3Q YTD 2018."

"We are on track to handover all the remaining residential blocks at **London City Island** and **Embassy Gardens** and will be handing over **Wardian London** and both our Australian projects, namely **West Village** in Sydney and **Yarra One** in Melbourne next year. Our Build-to-Rent (BtR) blocks in **Kew Bridge** have also achieved Golden Brick which enabled the project to start recognising revenue and profits," he said.

"FY2019 and FY2020 will therefore be very strong years for EcoWorld International as the bulk of our RM5.8 billion future revenue as at 31 August 2019 are translated into revenue and share of profits from joint ventures – this provides our shareholders with very good near-term earnings visibility," Teow continued.

On the sales front EcoWorld International recorded RM773 million sales in the first ten months of FY2019. The Group's projects in the UK generated RM686 million sales while those in Australia generated RM87 million. Mid-mainstream products for the London market priced from GBP500 psf to GBP800 psf continued to account for more than half of the sales achieved in this period.

Property market sentiment has also picked up in Australia following its Federal Election in May 2019. The market received a further boost in July 2019 when Australian Prudential Regulation Authority, the financial sector regulator, relaxed mortgage lending guidelines which increased the mortgage capacity of homebuyers. There are signs that the Australian market has bottomed as mortgage lending in July 2019 rose 15% compared to the preceding month.

EcoWorld International is maintaining its sales target of RM6 billion to be achieved over FY2019 and FY2020. Potential BtR deals in the UK that are being pursued by EcoWorld London with institutional investors are expected to be the key sales driver in these two financial years.

EcoWorld London also recently launched the second residential block (**Jasmine House**) in **Verdo@Kew Bridge** in August 2019 for the retail market, riding on the strong take-up of its first residential block launched in early 2019. In addition, it is working on multiple planning applications for projects that target the mid-mainstream London residential property market to capture the resilient demand for homes in this segment which is largely unaffected by uncertainties surrounding the UK's withdrawal from the European Union (Brexit).

With regard to the Group's higher-end products, the strong underlying demand for these products is evidenced by the close to 90% occupancy rate achieved by the units in both **London City Island** and **Embassy Gardens** that have been handed over to purchasers. London's status as the premier global real estate destination, particularly for high-quality residential property investment remains compelling and its appeal to global high net-worth investors remains second to none. Accordingly, management is confident that sales of the remaining units of **London City Island**, **Embassy Gardens** and **Wardian London** will all experience an uptick once the outcome of Brexit is settled.

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.

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

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 GBP3.9 billion and AUD698 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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