

**PRESS RELEASE**  
**For Immediate Release**

**17 December 2020**

**RM3.8 BILLION SALES ACHIEVED BY ECOWORLD BRAND**  
**EcoWorld Malaysia exceeds FY2020 sales target and declares maiden dividend**  
**EcoWorld International targets to declare dividends in FY2021**

**KUALA LUMPUR:** Eco World Development Group Berhad (EcoWorld Malaysia) and Eco World International Berhad (EcoWorld International) announced their results for the 4Q 2020 today.

Key highlights include the following:

*EcoWorld Malaysia*

- EcoWorld Malaysia exceeded its FY2020 sales target of RM2 billion by 15% with full-year sales amounting to RM2.3 billion. Sales in 4Q 2020 exceeded RM1 billion, higher than the RM960 million recorded in 3Q 2020. Collectively, 2H 2020 sales comprise 85% of total sales in FY2020.
- Revenue in 4Q 2020 is the highest recorded in the four quarters of FY2020, signifying a healthy rebound in both sales as well as construction progress, following gradual relaxation of the Movement Control Order (MCO) from 3Q 2020 onwards.
- Gross Profit was lower than FY2019 mainly due to closure of sales galleries during the MCO, the temporary cessation of site activities from mid-March to mid-June and the cumulative impact of inventories written down in 3Q 2020 and 4Q 2020.
- To mitigate the impact of the lower gross profit, extensive cost control measures were implemented Group-wide. This resulted in total savings of RM84.5 million in Selling, Marketing and Administration Expenses in FY2020.
- As a result, the Group was able to record Profit Before Tax (PBT) of RM169.0 million and Profit After Tax (PAT) of RM135.2 million in FY2020. If not for the write down on inventories of RM98.8million, PBT would have been RM268 million which is slightly higher than FY2019 PBT of RM266 million.
- The strong cashflows generated from sales, steady loan repayments and the Group's strict financial discipline resulted in continued improvement of EcoWorld Malaysia's gearing position as follows:

	<b>FY2020</b>	<b>FY2019</b>	<b>FY2018</b>
Gross Gearing	0.71	0.83	0.89
Net Gearing	0.61	0.70	0.77

- Future Revenue remains strong at RM3.7 billion as at 31 October 2020. Apart from being among the highest in the industry, the ratio of Future Revenue / Net Debt which stands at 1.3x is also well above that of most other property developers. This will continue to provide both earnings visibility and cashflow certainty going forward.
- Premised on the results achieved, the Board of Directors of EcoWorld Malaysia has declared a maiden interim dividend of 2 sen per share to its shareholders for FY2020.

***EcoWorld International***

- EcoWorld International recorded its strongest quarterly sales with RM448 million achieved in 4Q 2020 bringing full-year sales to RM1.4 billion. This is 25% higher than FY2019 despite the challenging market conditions and disruption in marketing plans for many locations due to Covid-19. The substantially stronger sales clearly reaffirm London's position as a major property investment destination for global property investors.
- Gross profit for the year of RM99.99 million was substantially higher than FY2019 due to commencement of revenue and profit recognition of West Village in Australia, following completion and commencement of handover of units sold to customers.
- EcoWorld International recorded PBT of RM113.89 million and PAT of RM82.58 million in FY2020, as compared to PBT of RM190.30 million and PAT of RM190.28 million in FY2019. PBT and PAT in FY2020 were lower due to lower share of results in joint ventures and commencement of accounting impairment of goodwill.
- The lower share of results in joint ventures was partly due to Covid-19 site closures and social distancing measures implemented which resulted in slower progressive Build-to-Rent revenue recognition and lower number of units being completed and handed over in FY2020.
- As at 31 October 2020, EcoWorld International's Future Revenue stands at RM2.9 billion whilst its Gross and Net Gearing levels remain low at 0.45x and 0.34x respectively.
- Handover of Wardian London commenced in 4Q 2020 and following some delays due to the "Stage 4" movement restrictions imposed in Melbourne from early August 2020 to late September 2020, Yarra One is now nearing completion and handover is on track to commence shortly.
- Following handovers of West Village as well as Wardian London in FY2020 and with Yarra One completion on the horizon, EcoWorld International targets to repatriate some profits from the Group's UK and Australia projects for dividend declaration in FY2021.

***Comments by Tan Sri Liew Kee Sin, Chairman of EcoWorld Malaysia on performance and prospects***

On a combined basis, the EcoWorld brand achieved RM3.8 billion sales in Malaysia, the United Kingdom and Australia. It is the same level recorded in FY2019 which is a remarkable result given the extreme disruptions Covid-19 has caused globally and in every market in which we operate.

This outcome could not have been secured if not for Team EcoWorld's ability to swiftly adapt to new market realities and seize every opportunity presented before them to further broaden and deepen the EcoWorld brand's market share.

For FY2021, EcoWorld Malaysia and EcoWorld International have set a combined sales target of RM5 billion. Based on the strategic plans we have put in place in every geographic location to re-strategise and refocus on key segments of the market that have proven depth and resilience, I am confident that the target, despite being 30% higher than the sales achieved in FY2020, is attainable.

In addition, the proactive steps taken in FY2020 to reduce and reset the cost structure of both our Malaysian and International operations coupled with our team's willingness to continually reinvent and relearn the way we do business, will help counteract the impact of a soft property market and preserve cashflow and profits. Based on the measures undertaken, I am therefore confident the EcoWorld brand is well positioned to not just come out of this crisis but to thrive in the years ahead.

***Comments on EcoWorld Malaysia's performance in FY2020 and plans for FY2021***

“The resurgence in buying interest we experienced following the re-opening of our sales galleries in 3Q 2020 continued throughout 4Q 2020. As a result, EcoWorld Malaysia recorded almost RM2 billion sales in 2H 2020. We are indeed grateful to our customers for their tremendous vote of confidence in our properties and projects which enabled us to achieve a total of RM2.3 billion sales for FY2020, exceeding the sales target set by a comfortable 15% margin. This clearly demonstrates that by working hard to ensure that we have the right products in the right location, we have and will continue to be able to tap into the strong fundamental demand for quality homes, even in the most challenging of times,” said Dato Chang Khim Wah, President & CEO of EcoWorld Malaysia.

Chang shared that apart from the solid performance of its residential developments, rising demand for the Group's business park projects, which saw sales increase by 193% from RM75.2 million in 3Q YTD 2020 to RM220.4 million in 4Q YTD 2020, also contributed to the overall sales achieved.

“A little known fact about EcoWorld Malaysia is the size of our industrial portfolio. We are quite a big player in this space with approximately 1,760 acres under development. This gives us total Gross Development Values (GDV) of RM9.5 billion from our four ***Eco Business Parks*** located in ***Senai, Tebrau*** and ***Pasir Gudang*** in Iskandar Malaysia and ***Puncak Alam*** in Selangor. As at 31 October 2020 we have achieved cumulative sales of RM2.1 billion from our business parks segment,” he highlighted.

“Over the years, we have built up a strong network of contacts with local and foreign industrialists and developed a close working relationship with both Federal and State regulatory authorities involved in the promotion and approval of industrial developments in Iskandar Malaysia and Selangor.

In FY2021, we intend to further grow our share of this important market. We are confident that the uptick in buying interest we experienced in 4Q 2020 can be sustained. The attractive tax and other incentives offered by the Malaysian Government under PENJANA and as announced in Budget 2021, to increase foreign direct as well as local private investments in key industries and service sectors, will help underpin the growing demand,” Chang continued.

On the residential front Chang mentioned that the official launch of the Group's new ***duduk*** series of vertical townships in two locations, namely ***Huni @ Eco Ardence*** and ***Se.Ruang @ Eco Sanctuary*** contributed to the sales achieved in 4Q 2020. Since its launch in September 2020 over 1,000 units of the semi-furnished 1,000 sq ft apartments with starting prices from RM393,000 per unit have been sold to-date – the strong demand, coming mainly from young homeowners, adds to the pool of potential upgraders for both these townships in the future.

“Our strategic decision to focus on meeting the housing needs of the M40 / Gen Y & Gen Z groups will expand further in FY2021 with the launch of numerous exciting new projects and products in the pipeline. First up is the upcoming launch of ***Eco Botanic II*** in early 2021. We have received overwhelming interest for the first phase terraced homes priced from RM500,000 to RM800,000 which are well within the affordability range of young M40 families,” Chang said.

“We also plan to officially launch a new product called ***Co-Homes*** at ***Eco Grandeur*** in the Klang Valley and ***Eco Horizon*** in Penang. Designed to provide an innovative solution for all generations, customers can choose to buy a single 1,000 sq ft unit (at a starting price of less than RM400,000) or mix & match ground floor and / or first floor units for harmonious multi-generational living,” he explained.

“In Kuala Lumpur, we will shortly be unveiling ***SWNK Houze @ BBCC*** which offers a wide range of serviced apartments from studio units, 1-bed, 2-beds, 2+1 beds, 3-beds as well as dual key units with a cool, urban-chic vibe in FY2021. This will enable us to meet the needs of young urbanites and investors seeking to own a residential property within the city,” said Chang.

*SWNK Houze* will be situated right above *BBC*'s Entertainment Hub and immediately adjacent to the *Mitsui-Lalaport Retail Mall*. Purchasers and residents of *SWNK Houze* will therefore be able to enjoy the best of inner-city living with a wide variety of retail and entertainment options (offered by Sony Music's *Zepp Hall*, the *Malaysian Grand Bazaar* and cineplexes which are all housed within the Entertainment Hub).

For FY2021, EcoWorld Malaysia is targeting to achieve sales of RM2.875 billion which is a 25% increase from the actual RM2.3 billion sales achieved in FY2020. The above new launches are expected to contribute towards the attainment of the sales target. This will enable the Group to further strengthen its future revenue position which stands at RM3.7 billion as at 31 October 2020, still one of the highest in the industry.

***Comments on EcoWorld International's performance in FY2020 and plans for FY2021***

"We are pleased to share that despite a turbulent year caused by the Covid-19 pandemic, commencement of handover of *Wardian, London* has started in 4Q 2020. Launched in late 2015, *Wardian* comprises two residential towers of 50 and 55 storeys. As at 31 October 2020, 249 private units have been handed over to the purchasers with a balance 293 private units sold to be handed over in the next few months. Including other projects in the Group's portfolio, the Group has delivered more than 2,000 private units to purchasers since 2018," said Dato Teow Leong Seng, President & CEO of EcoWorld International.

"By the 1<sup>st</sup> quarter of FY2021, we would have commenced handover of *Yarra One* in Melbourne. Once that has been completed, we would have effectively delivered to purchasers the bulk of the portfolio of projects we started with when we were listed in 2017. This will release substantial amounts of cash and following repayment of the respective project loans, we intend to repatriate some of the cash / profits generated for dividend declaration by EcoWorld International in FY2021," Teow continued.

On the sales front, EcoWorld International launched *The Modern*, the final block of *Embassy Gardens* and *Lily House*, the third residential block in *Verdo Kew Bridge* in 4Q 2020. Construction works of these two residential blocks are ongoing and the Group expects them to start contributing significant revenue upon completion in FY2022.

"We have also been making good progress on our proposed sale of Build-to-Rent (BtR) blocks in *Quayside Barking* (formerly known as Tesco Barking). Major institutional investors continued to show keen interest in the asset following extensive discussions with management. They have also given some good feedback which we are taking on board to further refine the development plans. As such the sale of *Quayside Barking* has been rescheduled to FY2021," Teow explained.

"Looking forward into FY2021, we believe that demand for London properties will remain strong. Property agents are expecting the acute undersupply of residential properties in London to worsen in the coming years due to reduced supply as a result of disruptions caused by Covid-19. This will continue to provide support to London's property prices and rental rates. More importantly, undersupply of homes will sustain the demand for rental properties and attract more investment into the UK's BtR sector," Teow continued.

Down south in Australia, major local banks are predicting a recovery in housing sentiment on the back of improved economic conditions in 2021. A rollout of the Covid-19 vaccine may also enable cross-border travel to resume which could improve the buying interest of foreign purchasers. Management has planned a series of marketing events for FY2021 to take advantage of the recovery in home buying interest and foreign demand for residential properties to sell the remaining units of *West Village* in Sydney and *Yarra One* in Melbourne.

EcoWorld International has set a sales target of RM2.2 billion for FY2021 which takes into account the expected gradual economic recovery and market sentiment in the United Kingdom and Australia. The target will be revisited if the property markets conditions change significantly.

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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 8,325.3 acres of land bank with a total gross development value (GDV) of RM86.9 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 18 existing and upcoming projects in the United Kingdom and Australia with total gross development value of GBP4.8 billion and AUD716 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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