

PRESS RELEASE
For Immediate Release

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EcoWorld Group sales exceeds RM4 billion in 10 months of FY2021
- EcoWorld Malaysia sales of RM3.11 billion surpassed its FY2021 sales target
- EcoWorld International records steady sales increase to RM1.33 billion

KUALA LUMPUR: Eco World Development Group Berhad (EcoWorld Malaysia) and Eco World International Berhad (EcoWorld International) announced their results for 3Q 2021 (9 months ended 31 July 2021) today.

Key highlights include the following:

EcoWorld Malaysia

- EcoWorld Malaysia recorded RM2.873 billion sales in 3Q YTD 2021 and by 31 August 2021, sales had reached RM3.11 billion. Sales increased by more than RM1 billion since 2Q 2021 enabling the Group to surpass its full year target for FY2021 of RM2.875 billion. Total sales achieved by EcoWorld Malaysia in 10 months of FY2021 is also 35% higher than the RM2.3 billion sales achieved in FY2020.
- The Group's share of future revenue as at 31 August 2021 remains high at RM4.1 billion – RM3.72 billion was contributed by its Malaysian projects whilst EcoWorld Malaysia's attributable share of EcoWorld International's future revenue stands at RM386 million as at 31 August 2021.
- The Group recorded Profit After Tax (PAT) of RM35.15 million which is slightly lower than the PAT of RM35.83 million achieved in 2Q 2020. On a 9-month cumulative basis, PAT for 3Q YTD 2021 remains 59% higher as compared to 3Q YTD 2020.
- EcoWorld Malaysia's balance sheet continues to strengthen with net gearing levels falling from 0.62 times in FY2020 to 0.51 times in 3Q 2021. Further, strong cash inflows generated from high sales enabled the Group's total borrowings to be lowered from RM3.32 billion as at 31 October 2020 to RM2.99 billion as at 31 July 2021.

EcoWorld International

- EcoWorld International achieved RM338 million sales in 3Q 2021 & a further RM81 million in August 2021, bringing year-to-date sales to RM1.04 billion. This, plus reserves of RM285 million, adds up to a total of RM1.33 billion as at 31 August 2021.
- The Group recorded PAT of RM2.99 million in 3Q 2021 which is lower than 3Q 2020 due to lesser number of units sold to customers being handed over in the current quarter by its Australian projects as well as lower share of profits from its UK joint-ventures.
- EcoWorld International's 9 months PAT up to 3Q YTD 2021 of RM71.54 million remains higher than the 3Q YTD 2020 PAT of RM64.72 million.
- Gross and Net Gearing levels remain low at only 0.36 times and 0.18 times respectively as at 31 July 2021, as project completions bring in substantial cashflow enabling the Group's borrowings to be steadily repaid.

Comments on EcoWorld Malaysia’s performance in 3Q 2021

“Despite the implementation of MCO 3.0 followed by the FMCO during our 3Q 2021, we are very pleased to report that the Group has surpassed our FY2021 sales target in 10 months. Sales remained strong in all three geographic regions as well as across market segments which indicates the strength of fundamental demand for our projects and products,” said Dato’ Chang Khim Wah, President & CEO of EcoWorld Malaysia.

A comparison of sales achieved vs FY2020 by region and project type is set out below:

Region	FY2020 full year sales	Sales for the 10 months to 31 Aug 2021	
	Amount	Amount	As a percentage of FY2020 full year sales
	RM’mil	RM’mil	%
Klang Valley	1,555	1,847	118
Iskandar Malaysia	608	969	159
Penang	139	294	212
Total Malaysia	2,302	3,110	135

Project type	FY2020 full year sales	Sales for the 10 months to 31 Aug 2021	
	Amount	Amount	As a percentage of FY2020 full year sales
	RM’mil	RM’mil	%
Residential and commercial	2,082	2,713	130
Eco Business Parks I, II, III & V	220	397	180
Total Malaysia	2,302	3,110	135

Chang attributed the sales outperformance to Team EcoWorld’s agility in pursuing on-line leads aggressively, supported by:

- Extensive, targeted and localised social media marketing efforts to drive better communication and engagement with homebuyers across a wide range of digital platforms;
- Active promotion of EcoWorld Malaysia’s commercial and industrial products which garnered strong take-ups from business owners and investors;
- Effectiveness of the Group’s digitalisation initiatives (from frontline to backroom processes) which enabled systematic follow-through with potential customers and conversion of leads into sales online.

“To ensure that we are able to move forward strongly and operate safely, in June 2021, the Group initiated the EcoWorld Corporate Vaccination programme which covered not just Team EcoWorld but also their family members and members of EcoWorld Malaysia’s key supply chain. Over 8,000 individuals were vaccinated under this programme – this includes our contractors and all their site workers, both local and foreign,” said Chang.

“Our decision to accelerate the mass vaccination of everyone under our care and a large number of those within our sphere of influence is in line with the Government’s efforts to reach the target of having 80% of the nation’s population immunised in the shortest time possible. Now that 100% of our staff who are medically eligible for vaccination and more than 80% of site workers are fully vaccinated, all of EcoWorld Malaysia’s construction sites are able to operate at full capacity, which will enable us to catch up on work progress,” he continued.

“We have also been permitted to reopen our sales galleries, and are therefore able to welcome customers to visit us once again to personally view our projects and properties, which is still an important step in the buying process for many. This will enable EcoWorld Malaysia to proceed with our plans for the launch of several new phases before the end of the year to build up a strong pipeline of sales for the upcoming year. To ensure the safety of all parties, visits are strictly by appointment and visitors will be required to undergo RTK-Antigen self-tests (which we will supply) and strict SOPs will be observed at all times,” Chang stressed.

Moving ahead, Malaysia’s rapid vaccination rate has placed the country on track to achieve the targeted 60% immunisation rate by the end of September 2021 which should enable the reopening of nearly all economic sectors based on the Government’s National Recovery Plan. The Board believes that this will provide a strong boost to both consumer and business confidence going forward, thus setting the stage for an economic rebound in 2022 which EcoWorld Malaysia is well positioned to take advantage of.

Comments on EcoWorld International’s performance in 3Q 2021

“We continued to see steady improvement in sales in Australia and the UK in 3Q 2021. Although Yarra One in Melbourne experienced some rescissions, sales in West Village, Parramatta picked up substantially. On a net basis, sales of our Australian projects jumped from A\$0.5 million in 2Q 2021 to A\$16 million in 3Q 2021 on the back of buoyant local demand. In the UK, our sales grew by 5% in 3Q 2021 compared to 2Q 2021,” said Dato’ Teow Leong Seng, President & CEO of EcoWorld International.

Teow noted that demand from foreign and local buyers in London remained stable despite the introduction of an additional 2% stamp duty for foreign buyers in April 2021 and expiry of stamp duty holiday in June 2021.

Riding on the steady sales momentum, EcoWorld International launched the second phase of Block A03 (marketed as The Modern) in Embassy Gardens in June 2021. Comprising 153 private residential units, this represents the final phase of block A03 as well as the last remaining private residential units in the entire Embassy Gardens development. The second phase of Block A03 is targeted for completion in early FY2022. As a result, sales of units in this block will translate into significant cash inflows for the group in the next few months.

“FY2021 has undoubtedly been challenging as new waves of infection swept through the Group’s main geographical markets of London, Sydney and Melbourne. Demand was also soft due to continued border closures. However, as we approach the end of this financial year and as the remaining lockdowns begin to be eased in tandem with rising vaccination rates, we are optimistic that market conditions will steadily improve,” said Teow.

“Early indications of improving fundamentals can be seen in the house prices in Inner London which were 2.5% higher than one year ago as at June 2021. We also believe that demand for residential property in London, a major employment centre, has room for further recovery, as more workers return to offices. Some anecdotal signs of stronger demand for residential property in London can be seen in the rental rate growth which turned positive in the second quarter of 2021 for the first time since before the pandemic” he continued.

House prices in Sydney and Melbourne similarly rose by 5% in the 12 months to July 2021. While the price growth momentum and property transaction volume may be affected by reintroduction of lockdown measures recently, low interest rates and lack of advertised supply could provide support to property prices.

With regards to construction, supply chain disruption and labour shortages are causing delays and driving cost pressures in the UK construction industry. However, construction progress of the Group’s

active projects in London are still largely on track. The Build-to-Rent (BtR) developments in Barking Wharf and Kew Bridge are expected to be completed in 2021, while the Open Market Sales (OMS) units in the first phase of Embassy Gardens Block A03 are scheduled to commence handover in the current financial year. The OMS units in Millbrook Park Phase 2, Kew Bridge, Oxbow Phase 3B and Third & Caird are expected to be completed by FY2022. All these upcoming completions will generate substantial cash inflow for the Group following handover of properties sold to customers.

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.

In December 2020, EcoWorld Malaysia was included in the FTSE4Good Bursa Malaysia (F4GBM) Index in recognition of the Group's efforts on Sustainability and good Economic, Social and Governance practices. Thereafter in April 2021, EcoWorld Malaysia was conferred the EdgeProp Malaysia’s Responsible Developer: Building Sustainable Development Award 2021 and also accepted as a participant of the United Nations Global Compact (UNGC) based on our commitment to making the UNGC’s principles part of the strategy, culture and day-to-day operations of our company.

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.

The Company has two active projects in Australia, namely 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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