

Q2 FY2019 RESULTS & BRIEFING

27 JUNE 2019



ECOWORLD INTERNATIONAL



FINANCIAL UPDATES

EW **PROFIT & LOSS**
2019 || AS AT 30 APRIL 2019

RM'000	1 ST QUARTER ENDED 31 JAN 2019	2 ND QUARTER ENDED 30 APR 2019	PERIOD ENDED 30 APR 2019
Revenue	-	-	-
Direct Expenses	(878)	(705)	(1,583)
Gross Loss	(878)	(705)	(1,583)
Other Operating Income	3,029	2,790	5,819
Selling & Marketing Expenses	(778)	(919)	(1,697)
Administrative Expenses	(12,709)	(12,948)	(25,657)
Unrealised gain/(loss) on foreign exchange	1,656	(1,585)	71
Finance Costs	(12,855)	(12,452)	(25,307)
Share of Results of Joint Ventures	46,654	13,825	60,479
Profit/(Loss) before Taxation	24,119	(11,994)	12,125
Taxation	225	400	625
Net Profit	24,344	(11,594)	12,750
Profit/(Loss) attributable to shareholders	22,758	(11,981)	10,777
Basic Profit/(Loss) per Share (Sen)	0.95	(0.50)	0.45

UNBILLED SALES OF RM6.6 BILLION AS AT 31 MAY 2019.
STRONGER EARNINGS EXPECTED IN 2H FY2019 ARISING FROM HANDOVERS IN LCI & EG

EW BALANCE SHEET
2019 AS AT 30 APRIL 2019

RM'000	PERIOD ENDED	
	30 APR 2019	31 OCT 2018 RESTATED ¹
No. of Ordinary Shares	2,400,000	2,400,000
Share Capital	2,592,451	2,592,451
Shareholders' Funds	2,488,915	2,476,089
NA per Share (RM)	1.04	1.03
Total Cash	413,054	436,960
Total Borrowings	1,073,003	836,078
Net Cash / (Debt)	(659,949)	(399,118)
Gross Debt – Equity Ratio (x)	0.43	0.34
Net Debt – Equity Ratio (x)	0.26	0.16

1) Restatement due to adoption of MFRS15

- Net Debt / Equity remains low - higher borrowings since October 2019 due to loan drawdown for Australian projects
- Minimal equity expected for EcoWorld-Ballymore projects as ongoing funding requirement to be met with sales proceeds
- Completion of Kensal Rise Ph1, Millbrook Park Ph1 and Aberfeldy Village Ph3A to ease funding requirements of EcoWorld London
- BtR business requires minimal funding

EW SALES BREAKDOWN
2019 || AS AT 31 MAY 2019

PROJECT	EWI STAKE	NO. OF UNITS LAUNCHED	NO. OF UNITS SOLD	CUMULATIVE SALES (MILLION)	SALES VALUE (MILLION)	
					FY2015-2018	FY2019
United Kingdom						
London City Island	75%	1,145	971	£534	£523	£11
Embassy Gardens	75%	593	406	£342	£341	£1
Wardian London	75%	764	640	£441	£428	£14
Millbrook Park	70%	188	75	£29	£23	£5
Kensal Rise & Maida Hill	70%	71	70	£49	£34	£16
Nantly House	35%	75	75	£23	£19	£4
Aberfeldy Village	35%	301	122	£45	£31	£14
Kew Bridge	70%	583	530	£244	£223	£21
Barking Wharf Ph1	70%	597	597	£166	£166	-
Woking	70%	-	-	£15	-	£15 ¹
UK Sub-total		4,317	3,486	£1,889	£1,787	£102
Australia						
West Village	100%	398	373	A\$288	A\$288	-
Yarra One	100%	256	160	A\$144	A\$131	A\$13
Australia Sub-total		654	533	A\$431	A\$418	A\$13
GRAND TOTAL		4,971	4,019	RM11,396	RM10,810	RM586

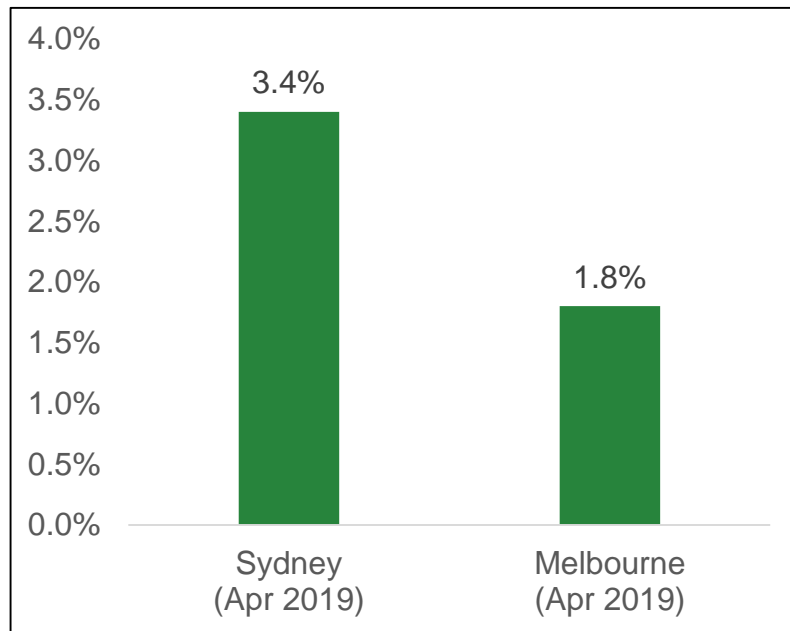
Note:

1) Sale of land to Local Authority

**TARGET TO CLOSE MAJOR BtR DEAL TO CONTRIBUTE TOWARDS
RM6 BILLION SALES FOR FY2019 - FY2020**

MARKET UPDATES

VACANCY RATES IN SYDNEY AND MELBOURNE



**LOW VACANCY RATES IN SYDNEY AND MELBOURNE
PROVIDE SUPPORT TO PROPERTY PRICES**

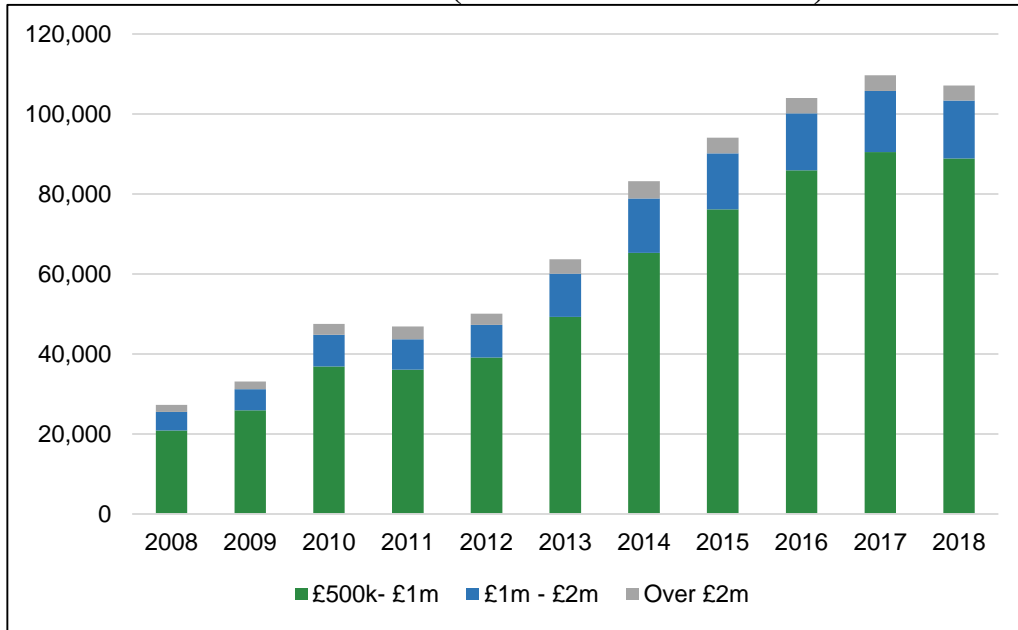
Australia Federal Election

- Confidence on policy stability has improved as the incumbent is returned to power
- The Coalition (incumbent) promised to help 10,000 first homebuyers into the market by topping up their 5% deposits with a government guarantee for 15% of the loan.

Potential relaxation on mortgage lending guidelines

- The Reserve Bank of Australia (RBA) cut interest rate from 1.50% to 1.25% in June 2019.
- Australian Prudential Regulation Authority (APRA) has proposed relaxation on mortgage lending that will allow banks to assess the serviceability of loans at lower interest rates.
- The relaxation is expected to increase owner-occupiers' borrowing capacity.

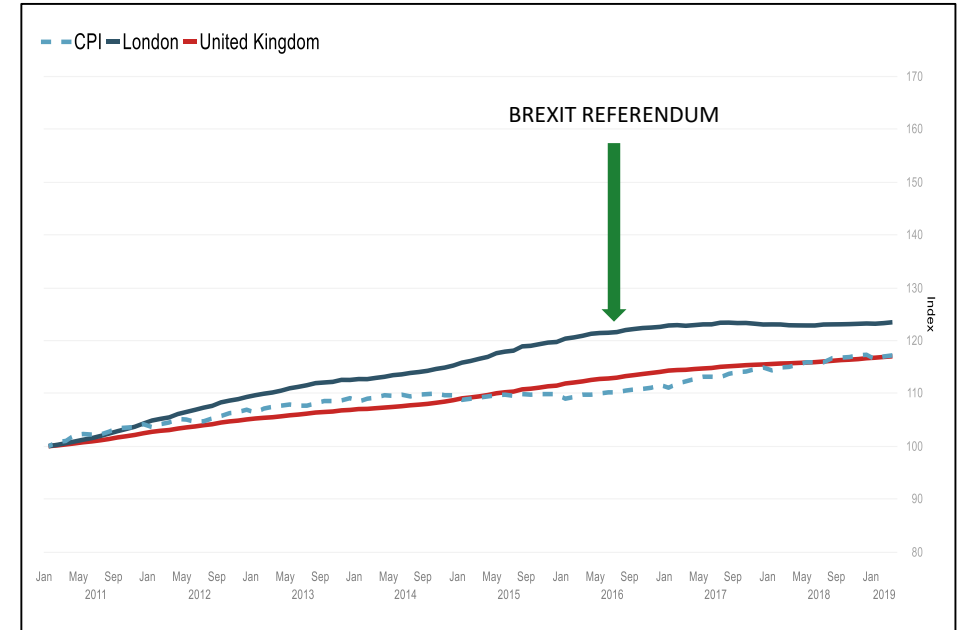
NUMBER OF UK RESIDENTIAL TRANSACTION BY PRICE BAND (£0.5M AND HIGHER)



TRANSACTION OF RESIDENTIAL PROPERTIES PRICED ABOVE £500K DECLINED BY A MARGINAL 2% IN 2018

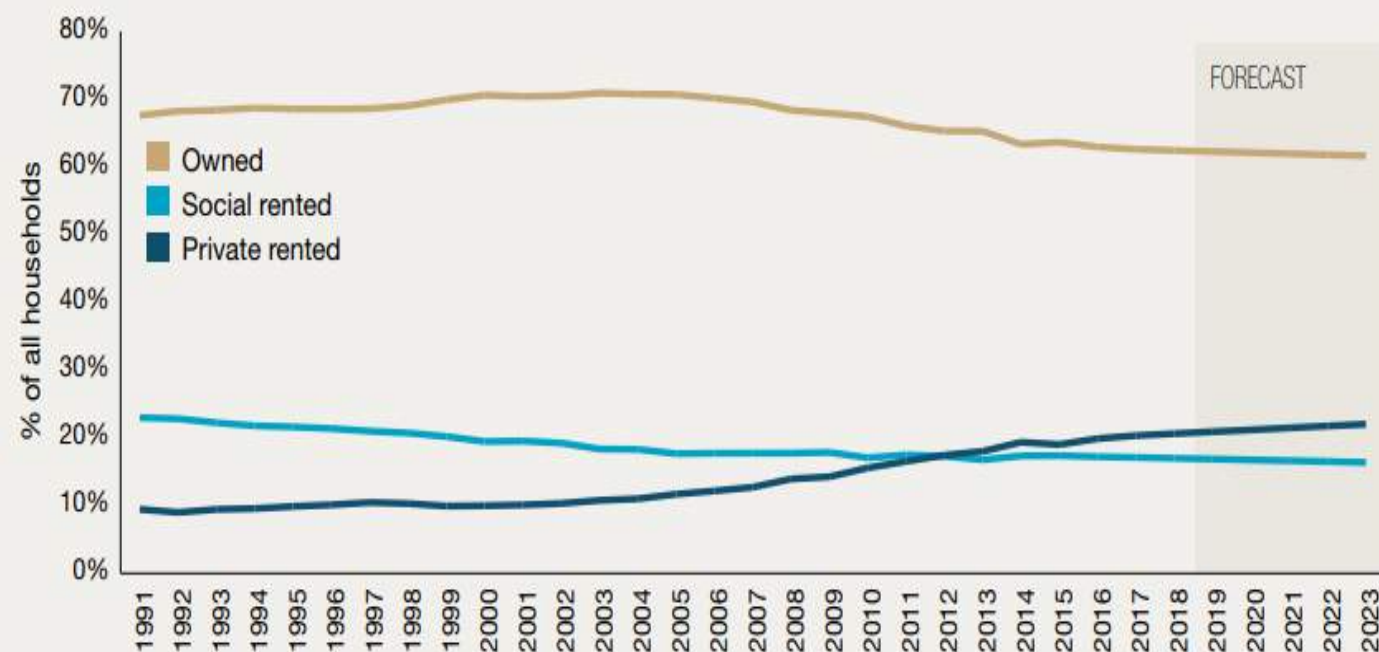
Source: HMRC, ONS

UK INFLATION RATE & RENT LEVELS



RENT LEVELS IN THE UK AND LONDON HAVE GROWN IN TANDEM WITH INFLATION

Growth of the Private Rented Sector (Historic and forecast tenure distribution in England)



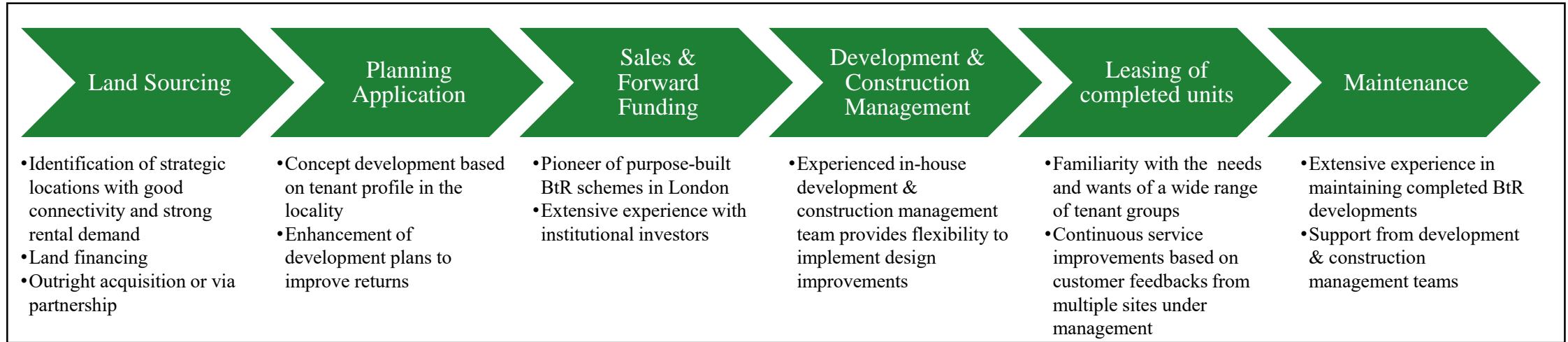
Source: Knight Frank Research. 1980 to 1991: DOE Labour Force Survey Housing Trailer; 1992 to 2008: ONS Labour Force Survey; 2008-09 onwards: English Housing Survey, full household sample

- An additional 560,000 households are expected to be living in the private rented sector by 2023.
- This takes the total proportion of those renting privately within the housing market to 22% by 2023, up from 20.6% today. PWC estimates the percentage to further increase to 40% by 2030.
- Cumulative BtR investment in the UK is expected to increase from £35 billion in 2019 to £75 billion in 2025.
- Net investment yields for completed stock stable at around 3.5% for good Zone 3-6 locations.

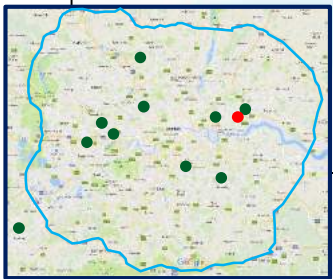
(Source: Knight Frank, CBRE)

BtR BUSINESS & PIPELINE

EW **BtR BUSINESS MODEL**
2019 ||| **FULL-FLEDGED BtR CAPABILITIES**



E_W BtR PIPELINE
2019 ||| BARKING WHARF PHASE 2



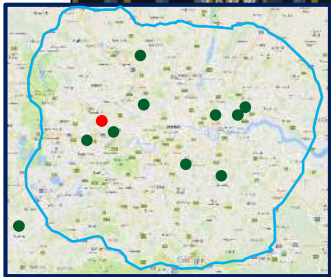
- Across the river from Phase 1 BtR site (currently under construction as part of Invesco deal)
- Site currently being used as car park of Tesco
- Development of c. 500 BtR homes
- Potential to increase development size by acquiring adjacent land
- Pedestrian bridge connects with Phase 1 creating new route to town centre & tube station
- 8 minutes' walk to Barking Station and 30 minutes to Liverpool Street Station (via Hammersmith and City Line)

BtR PIPELINE 2019 ||| WOKING



- Located a short distance to the west of the centre of Woking, Surrey
- 5 minutes' walk to Woking station and 25 minutes to Waterloo station (via South Western Rail)

E_W BtR PIPELINE 2019 ||| EALING

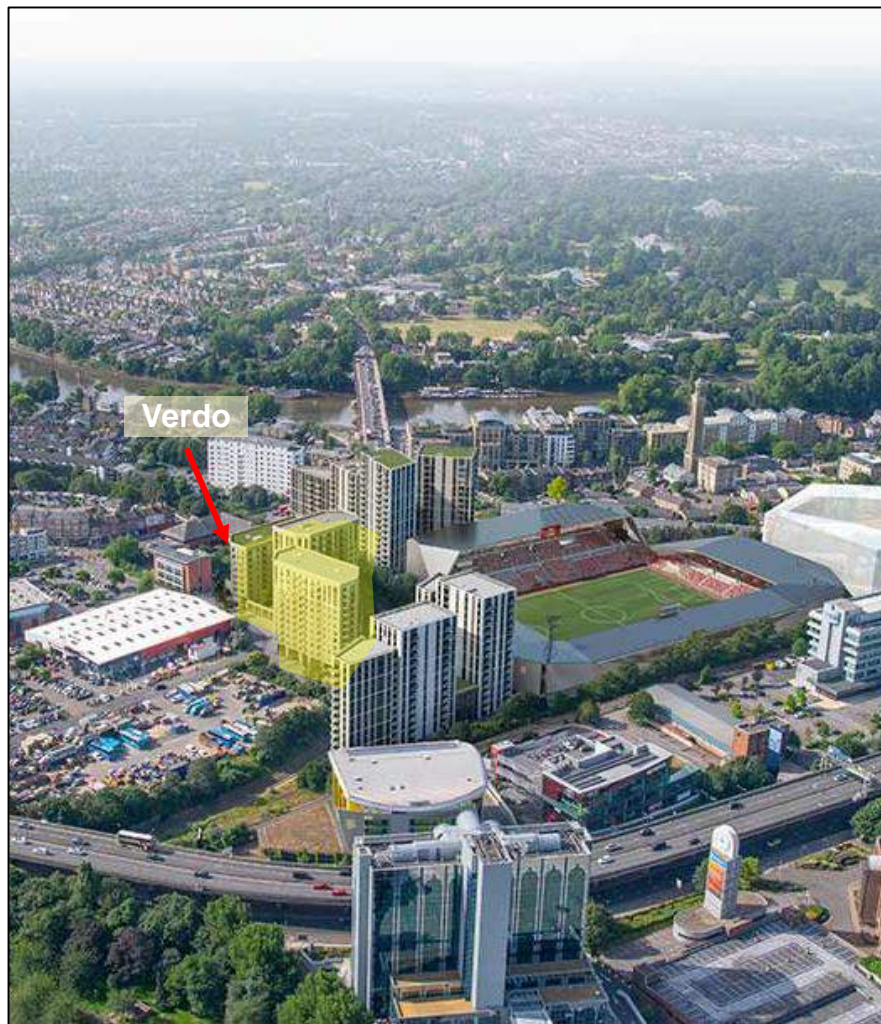


- Currently a leisure centre and park
- 10 minutes' walk to Castle Bar Park station and 30 minutes to London Paddington station (via Great Western Railway & Heathrow Connect Lines)



NEW LAUNCHES

VERDO @ KEW BRIDGE



VERDO @ KEW BRIDGE

- First OMS component in Kew Bridge comprising three residential blocks
- GDV of £139 million
- Block I was previewed in Jan 2019 and marketing suite opened in April 2019
- Selling price of £400k to £825k (c. £750 psf)
- 43% take-up rate by units (Block I)
- Block J to be launched in late-FY2019
- Target handover by FY2022

MILLBROOK PARK PHASE 2

PHASE 2

PHASE 1



MILLBROOK PARK PHASE 2

- Opened for registration in May 2019
- GDV of £66 million
- Selling price of £400k to £1.5m (average of c.660k/£680 psf)
- Target handover by FY2021



PROJECT UPDATES

LONDON CITY ISLAND



- **BLOCK A&M:**
 - ❑ 395 units handed over since July 2018
- **BLOCK B&C:**
 - ❑ Commenced handover in May 2019
- **BLOCK D,E,F:**
 - ❑ Block D&E 82% complete as at April 2019
 - ❑ Target to commence handover in Q3 2019

WARDIAN



EAST & WEST TOWERS

- ❑ 68% complete as at April 2019
- ❑ Target to commence handover in 2H FY2020

EMBASSY GARDENS



BLOCK A04:

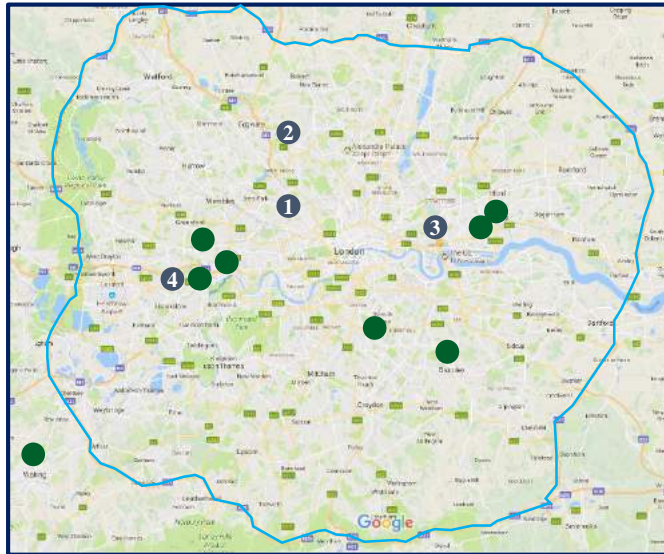
- ❑ 120 units handed over since October 2018

BLOCK A05:

- ❑ 80% complete as at April 2019
- ❑ Target to commence handover in late-FY2019

EW UK PROJECTS

2019 ||| ECOWORLD LONDON (OPEN MARKET SALES)



1. Kensal Rise (M&J Phase 1)

PHASE 1

- ☐ Completed in December 2018
- ☐ Only 1 unit remains unsold

PHASE 2

- ☐ Yet to be launched



3. Aberfeldy Village

PHASE 3A

- ☐ Phased handover commenced in April 2019
- ☐ Target completion in July 2019

PHASE 3B

- ☐ Launched in Oct 2018
- ☐ Target completion by mid-2021



2. Millbrook Park

PHASE 1

- ☐ Target completion by Q3 FY2019

PHASE 2

- ☐ Open for registration starting May 2019



4. Nantly House

- ☐ Completed en-bloc sale of 60 private and affordable housing units to Council
- ☐ Target completion by 4Q 2019

KEW BRIDGE



- Construction of stadium and BtR blocks progressing
- Target to achieve Golden Brick by Q4 FY2019
- Target completion of BtR units by 2H 2021

BARKING WHARF



- Main works commenced in Jan 2019. Groundworks and lift core progressing
- Target to achieve Golden Brick by Q4 FY2019
- Target completion by 2H 2021

EW 2019 AUSTRALIA PROJECTS

WEST VILLAGE, YARRA ONE, MACQUARIE PARK

WEST VILLAGE, SYDNEY



- Slab pour has reached level 26
- Target handover in mid-2020

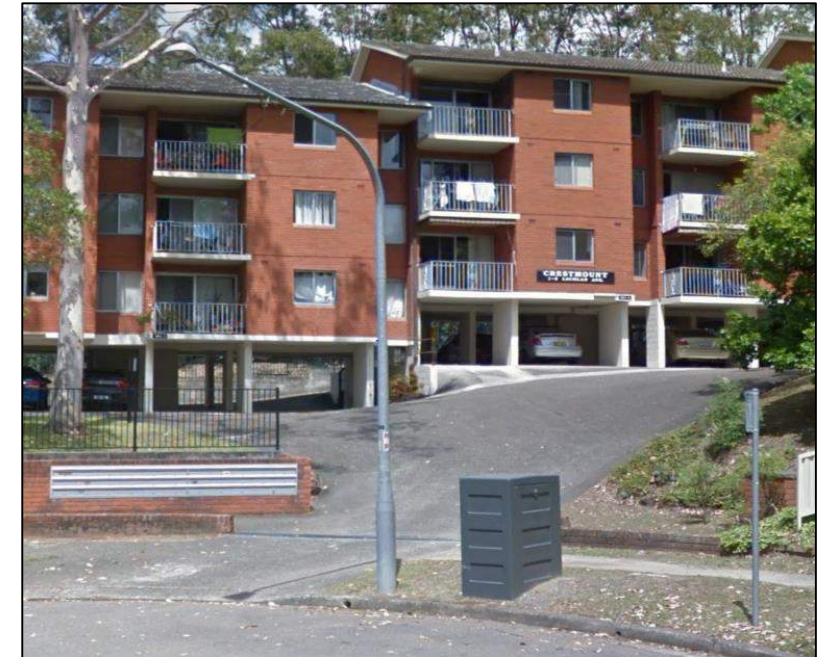
YARRA ONE, MELBOURNE



- Acquired 20% stake in Y1 from Salcon in April 2019 for A\$4.5 million
- Core wall is up to level 8
- Target handover in 2H 2020

ECOWORLD
INTERNATIONAL
CREATING TOMORROW & BEYOND

MACQUARIE PARK, SYDNEY



- 25 existing apartment units acquired on 9 November 2018
- Acquired another 4 units on 30 May 2019
- To acquire the remaining 1 unit through Strata Renewal Process/Negotiation
- Target to launch in 2020

New Launches & Delivery

- Additional residential blocks in LCI and EG to be completed in 2H FY2019
- New launches to target mid-mainstream market segment in London
- Warden, West Village, Yarra One on track for completions in FY2020
- Construction works of BtR blocks in Kew and Barking Wharf on track to enable revenue recognition by Q4 FY2019

Outlook

- Pursuing new BtR sites & deals to tap into growing institutional demand for UK rental assets
- Maintaining sales target of RM6 billion – to be achieved in FY2019-FY2020
- Future revenue remains high as at 31 May 2019:

**RM 6.6 BILLION FUTURE REVENUE PROVIDES
CLEAR EARNINGS VISIBILITY FROM FY 2019 - 2021**

**POTENTIAL SIZEABLE BTR DEAL TO FURTHER
BOOST FUTURE REVENUE**