

NEWS RELEASE

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E&O obtains approval for commencement of reclamation works for STP2

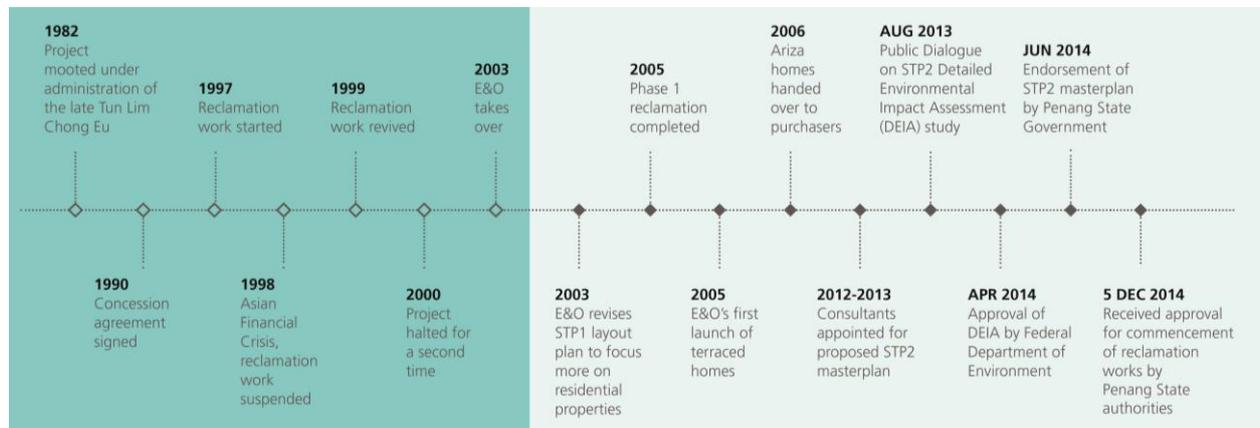
Kuala Lumpur, 8 December 2014 – Eastern & Oriental Berhad (E&O) has received approval for the commencement of reclamation works for the Seri Tanjung Pinang Phase Two (STP2) project from the Penang State authorities. This follows the sequence of approvals E&O had earlier obtained with regard to the proposed STP2 project in Tanjung Tokong, Penang. Having fully complied with all relevant requirements, E&O had obtained approval of the Detailed Environmental Impact Assessment (DEIA) by the Federal Department of Environment in April 2014, and received endorsement of the STP2 Masterplan by the Penang State Government in June 2014.

With approval for the commencement of reclamation works for STP2, Tanjung Pinang Development Sdn. Bhd., a subsidiary of E&O, is inviting qualified and experienced contractors to participate in a Pre-Qualification exercise for the reclamation project that is open to Malaysian and/or international contractors as well as joint ventures between the two, who meet all mandatory requirements as stated in the Notice of Pre-Qualification published in the national edition of The Star and New Straits Times on 8 and 9 December, 2014. The main scope of works include: land reclamation works, soil improvement works, dredging works, coastal protection works, marine piling works, and other associated marine works. Closing date for the submission of the completed Pre-Qualification document is 24 December 2014, 12 noon Malaysian time.

In 1990, a concession agreement was signed for the reclamation and development in phases of 240 acres extending the Tanjung Tokong foreshore, and 760 acres of island reclamation offshore. When E&O took over the twice abandoned project in 2003, this became known as Seri Tanjung Pinang 1 (STP1) and STP2 respectively. E&O assumed the rights, obligations as well as liabilities of the original concessionaire and proceeded to complete the reclamation of STP1 in 2005. With

development now nearing completion on STP1, E&O is progressing with the planned reclamation and development of STP2.

Project Timeline



At STP1, E&O has fully complied with its contractual obligations by surrendering a total of 27 acres as State Government Reserve and land for public uses, as well as 20 acres for the Penang Outer Ring Road (PORR) alignment. At STP2, over and above the contractual obligation to surrender 60 acres on the reclaimed island, E&O has agreed to reclaim at its own cost and surrender a further 131 acres along Gurney Drive, bringing the total of 191 acres to be surrendered to the Penang State Government as E&O's contribution to infrastructure development.

[END]

SERI TANJUNG PINANG PHASE 2

SETTING THE SCENE

The evolution of the project that is now known as “Seri Tanjung Pinang” was first mooted by Penang’s second Chief Minister in the 1980s.

Historically, the concession was given by the Penang State Government in 1990 with the concession providing for reclamation and development in phases of approximately 980 acres of land along the north-east coast of Tanjung Tokong.

Reclamation did commence but setbacks resulting from the 1998 Asian Financial Crisis left the site idle for many years, becoming a partially reclaimed area clearly visible from Gurney Drive.

ENTER E&O

In 2003, E&O assumed the rights, obligations and liabilities of the former concessionaire. In reviving the abandoned site, E&O reconfigured the development mix in favour of residential homes instead of the original focus on high density commercial properties. Despite the substantial initial acquisition and investment cost during still testing economic conditions, E&O completed the reclamation of Seri Tanjung Pinang Phase 1 (STP1), and held its maiden launch of terraced homes in 2005, with handover to purchasers in 2006.

In almost a decade, the transformation has provided an innovative range of new homes and amenities, with Penangites forming the majority of residents at STP1, followed gradually by a wider regional audience of purchasers.

FULFILLING OBLIGATIONS

With the 240 acres of STP1 nearing completion, Seri Tanjung Pinang Phase 2 (STP2) is the natural progression for E&O to apply its efforts in accordance with the terms of the concession agreement. In this regard, E&O is fulfilling its obligations in the application to obtain necessary approvals for the reclamation of the remaining 760 acres and is ready to comply with all conditions set by relevant authorities.

In 2013-14, E&O focused on preparations to submit to the Department of Environment the Detailed Environmental Impact Assessment (DEIA) Study for STP2, which involved holding a Public Dialogue on 24 August 2013 at the Straits Quay Convention Centre, amongst other stringent requirements and studies.

Several measures were undertaken by E&O to create public awareness and garner attendance for the public dialogue. These included placing advertisements in three languages (Bahasa Malaysia, English, Chinese) in seven major dailies; placing posters at community centres in Tanjung Tokong, Gurney Drive and Tanjung Bungah; and setting up a dedicated microsite on STP2 where members of the public could register their attendance.

During the public dialogue, attended by close to 500 people, a panel comprising the E&O Group Managing Director and teams of local and international technical consultants introduced the proposed conceptual masterplan of STP2, presented the salient points of the DEIA and fielded questions from the floor. Information boards on the DEIA study and STP2 were also displayed for public viewing.

To allow the public a further opportunity to comment on the DEIA study, the document was then placed on public display for 10 weeks at several central locations nationwide including the National Library, the DOE Library at Putrajaya, Penang State Public Library, Penang Municipal Council, Tanjung Tokong Police Station and all DOE state offices.

All these steps were taken to allow the general public to have the opportunity to be aware, understand, comment and participate in this project.



Left: The partially reclaimed site in 2001;

Right: Seri Tanjung Pinang Phase One



NOTICE OF PRE-QUALIFICATION

PRE-QUALIFICATION OF CONTRACTORS FOR PROPOSED RECLAMATION FOR SERI TANJUNG PINANG (PHASE II) DEVELOPMENT (STP2), PENANG

Tanjung Pinang Development Sdn. Bhd. (TPD)'s principal business activities are land reclamation and development. TPD operates as a subsidiary of Eastern & Oriental Berhad. TPD wishes to invite qualified and experienced Contractors to participate in a Pre-Qualification exercise for a reclamation project of approximately 900 acres at Tanjung Tokong, Penang, Malaysia. Contractors are required to submit a duly completed Pre-Qualification document with comprehensive supporting information. Contractors are to take note that participation in this Pre-Qualification exercise does not guarantee invitation to the subsequent stage of Tender Submission. All Pre-Qualification documents submitted will be reviewed and scored on the basis of content, completeness and quality. Only shortlisted Contractors will be notified to proceed to the subsequent stage of Tendering.

SCOPE OF WORK	AVAILABILITY OF PRE-QUALIFICATION DOCUMENT	REQUEST FOR CLARIFICATION
The main scope of works generally include but are not limited to the following components: i. Land reclamation works; ii. Soil improvement works; iii. Dredging works; iv. Coastal protection works; v. Marine piling works; and vi. Other associated marine works.	The Pre-Qualification document is available and can be downloaded from http://www.drnik.com.my/stp2/	All requests for clarification on the Pre-Qualification document shall be submitted in writing via email to stp2@drnik.com.my no later than 17th December 2014 by 12.00 noon (Malaysian time). No change in any substance of the Pre-Qualification document shall be entertained.

MANDATORY REQUIREMENTS

Prospective Contractors that meet the following criteria and who wish to tender for the above Works are invited to submit the duly completed Pre-Qualification document.

- Pre-Qualification is open to all experienced Malaysian and/or International Contractor(s) as well as joint ventures (JV) between the two, subject to all of the following:
 - satisfying the Pre-Qualification criteria and having the relevant experience of at least 10 years in the field of Civil Engineering Construction;
 - specialising in land reclamation works, soil improvement, dredging works, coastal protection, marine piling and other associated marine works; and
 - possessing necessary main equipment such as cutter suction dredger, trailer hopper suction dredger, barges, piling equipment and other auxiliary equipment to carry out the above Scope of Works.
- All Pre-Qualified contractors must be registered with the Malaysian Construction Industry Development Board (CIDB), or are in the process of registering with CIDB, upon submission of tender.
- Malaysian Contractors who wish to submit for pre-qualification must be registered with CIDB - Grade G7. Contractors participating as a JV company shall submit their JV agreement as proof of partnership.
- International Marine Contractors shall:
 - provide proof to the satisfaction of TPD that it has strong financial standing and adequate sources of finances to meet the construction cash flow requirement of not less than USD 100 million of share-holder fund of single entity;
 - provide proof of relevant experience internationally or locally as a main contractor and have undertaken and satisfactorily completed similar contracts for the past 5 years;
 - have minimum average annual construction turnover of USD 1.0 billion per annum;
 - have carried out similar marine works of not less than USD 500 million in a single contract; and
 - have sufficient knowledge of the requirements of local authorities for all approvals and practices. For an international company, this can be met by engaging Malaysians experienced in works of similar nature.
- Malaysian Marine Contractors who wish to participate in a JV with an International contractor shall:
 - provide proof of relevant experience as a main contractor and have undertaken and satisfactorily completed similar contracts for the past 10 years;
 - have minimum average annual construction turnover of RM 20 million per annum; and
 - have carried out similar marine works of not less than RM 50 million in a single contract.
- Malaysian Marine Contractors who wish to participate as a single entity shall meet the same criteria as set out for International Marine Contractors.

SUBMISSION OF PRE-QUALIFICATION DOCUMENT

Contractors are required to submit the following:

- A duly completed Pre-Qualification document with all comprehensive supporting information;
- One (1) original hardcopy and one (1) copy of the hardcopy in an arch file (type 2 rings) with properly indexed dividers for each section; and
- One (1) CD containing an electronic copy in PDF format with properly indexed dividers for each section.

Submissions shall be provided in a plain sealed envelope marked:

"Pre-Qualification for PROPOSED RECLAMATION FOR SERI TANJUNG PINANG (PHASE II) DEVELOPMENT (STP2), PENANG.

The titles are to be written/printed at the top centre of the envelope, addressed to:

Tanjung Pinang Development Sdn. Bhd. Level 3A (Annexe), Menara Millenium, 8, Jalan Damanlela, Damansara Heights, 50490 Kuala Lumpur.

CLOSING DATE FOR SUBMISSION: 24TH DECEMBER 2014, BY 12:00 NOON (MALAYSIAN TIME)

* TPD shall have the absolute discretion to accept or reject any application and it shall be understood that TPD and / or its consultants shall not be held responsible for any costs or expenses incurred by the contractors for the preparation and submission for the pre-qualification exercise.