

NEWS RELEASE

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E&O issues letter of award for STP2 reclamation works

Kuala Lumpur, 28 October 2015 – Main Board-listed lifestyle property developer Eastern & Oriental Berhad (E&O) made a filing with Bursa Malaysia today announcing that the Group's subsidiary Tanjung Pinang Development Sdn Bhd (TPD) has issued a letter of award (LOA) to China Communications Construction Company (M) Sdn Bhd (CCCC (M)) to undertake the proposed reclamation of the Seri Tanjung Pinang Phase 2 (STP2) project in Penang.

CCCC(M) is a wholly-owned Malaysian subsidiary of China Communications Construction Company Limited (CCCC) and was incorporated to principally undertake the reclamation of STP2.

E&O group managing director, Dato' Seri Terry Tham Ka Hon said, "To select the reclamation contractor, we went through an extremely rigorous tender process that included the pre-qualification of potential contractors prior to the tender submission."

"We believe that in terms of technical competency, track record, local project experience as well as contract competitiveness, the shortlist of reputable international firms has led us to finalise the award to CCCC(M)," said Tham.

CCCC is listed on the Shanghai Stock Exchange and the Main Board of the Hong Kong Stock Exchange. The Group is the largest infrastructure construction and dredging company in China and the world's largest dredging company in terms of both total capacity of trailing suction hopper dredgers and total cutter section dredgers, the key machinery in the reclamation dredging process.

The infrastructure giant has established its track record in Malaysia with the design and construction of the 24-kilometre Sultan Abdul Halim Muadzam Shah Bridge (Penang Second Bridge), Malaysia's longest bridge. The company has also executed a host of large-scale reclamation projects which include the Hong Kong New Airport Platform Project and the Macao International Airport.

The LOA comprises two main parts. The first part involves the acceptance of the tender to reclaim Phase 2A of STP2 (Package 1) for a contract price of approximately RM1.035 billion. Phase 2A of STP2 measures approximately 384 acres comprising 253 acres to be reclaimed off Penang's northeast coast and 131 acres on the Gurney Drive foreshore.

The second part of the LOA covers the conditional award for the proposed reclamation works for Phase 2B and Phase 2C of STP2 (Package 2) to CCCC(M) for a contract sum of approximately

RM1.285 billion subject to adjustments for exchange rate and fuel price fluctuations, and changes in cost if applicable. Phases 2B and 2C measure approximately 507 acres in total.

According to Tham, efforts to secure the financiers for the project are being pursued concurrently and will be finalised soon.

He said, "With the reclamation contractor identified and financing arrangements soon-to-be firmed up, we look forward towards operationalising STP2 and bringing the project to fruition with mobilisation and commencement of works targeted by the year-end."

Tham also said that all relevant requirements and authorities' approvals are already in hand. These include the approval of the project's Detailed Environmental Impact Assessment (DEIA) study by the Federal Department of Environment, endorsement of the STP2 masterplan and granting of the Planning Permission for STP2 reclamation works by the Penang state authorities.

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Left to right:

- Liu Shu Dong, Deputy General Manager, CCCC Tianjin Dredging Co Ltd
- Ir Fang Zhen Ru, Managing Director, China Communications Construction Company (M) Sdn Bhd
- Dato' Azizan Abdul Rahman, Chairman, E&O Berhad
- Eric Chan Kok Leong, Deputy Managing Director, E&O Berhad

The E&O Group

The E&O Group (**Eastern & Oriental Berhad**) is a listed company on Bursa Malaysia that has established a reputation as the premier lifestyle property developer of exclusive addresses for the discerning.

In Kuala Lumpur, E&O's landmark properties include **The Mews**, **St Mary Residences**, **Dua Residency**, **Idamansara** and **Seventy Damansara**, all located in the most prime and prestigious neighbourhoods of the capital city.

In Penang, **Seri Tanjung Pinang** is the island's first masterplanned seafront development that is now a highly sought-after and thriving community to locals as well as expatriates from over 20 nationalities.

In Johor's southern development corridor of Iskandar Malaysia, E&O has embarked on **Avira**, a 207-acre wellness-themed development within Medini that has easy accessibility to the Second Link connection to Singapore.

In its expansion overseas, E&O's international foray into real estate investment and development is focused within prime locations in London, including **Princes House** along Kingsway, **ESCA House** in Bayswater, and a commercial property in **Hammersmith**.

E&O's leading position as a lifestyle developer is anchored by its niche in luxury hospitality derived from its namesake, the iconic **Eastern & Oriental Hotel**, a cherished heritage landmark in George Town established in 1885. Along the popular beachfront, **Lone Pine Hotel** stands as the only boutique resort on Batu Ferringhi and the Group has further leveraged on its experience and expertise in hospitality management with the opening of **E&O Residences** serviced apartments in Kuala Lumpur.

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