

NEWS RELEASE

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Media enquiries:

Group Strategy & Communications

Karen De Cruz – General Manager, +6016 2965 778 / karen@easternandoriental.com

Esther Teo – Manager, +6012 6290 628 / estherteo@easternandoriental.com

E&O shareholders support RM766 mil land sale to KWAP

E&O-KWAP JV cemented

Kuala Lumpur, 7 August 2017 – Eastern & Oriental Berhad (E&O) shareholders have approved the disposal of a portion of development land at the Seri Tanjung Pinang Phase 2 (STP2) project, by the Group’s subsidiary Tanjung Pinang Development Sdn Bhd (TPD) to Kumpulan Wang Persaraan (Diperbadankan) (KWAP).

The approval was obtained at an extraordinary general meeting (EGM) today and covers the sale of 20% of net development land measuring 1.445 million square feet (sq ft) on Phase 2A of STP2 (STP2A) for a cash consideration of RM766,022,310.42.

STP2A is the first phase of the 760-acre STP2 reclamation project on the northeast coast of Penang island, for which TPD has been granted the concession rights to reclaim and develop. STP2A has a total gross area of approximately 250 acres.

E&O managing director, Kok Tuck Cheong said the go-ahead from E&O shareholders “is an important milestone towards realising the TPD partnership with KWAP to develop STP2A”. A special purpose vehicle (SPV), Persada Mentari Sdn Bhd (PMSB), has been formed for this reason and will be owned by TPD and KWAP on an 80% and 20% basis, respectively.

The Group will use the proceeds from the land disposal to meet the funding requirements for STP2A reclamation and infrastructure works.

Kok added, “The shareholders’ vote of approval reinforces the management’s direction and belief that STP2A will be a major earnings driver for E&O over the next decade. The sale of the land will enable the Group to unlock the value of our investment in STP2A, realise capital appreciation of the land and partially monetise our investment in STP2A. Importantly, this allows the Group to further reinvest into the development of STP2A.”

Meanwhile, reclamation works for STP2A continue to gain momentum since commencing in early 2016. Pursuant to the terms of the reclamation contract, these works are due to be completed within the second half of 2018 barring any unforeseen circumstances.

“We are targeting a first launch at STP2A in 2019, marking a significant new chapter in the E&O Group’s vision of creating an exemplar integrated masterplanned development - one that takes pride in what has been achieved in Seri Tanjung Pinang Phase 1, that serves as a ready benchmark for innovation and standards to be elevated at STP2” said Kok.

As the award-winning 240-acre first phase of STP (STP1) approaches maturity after 12 years since its maiden property launch, the Group is aligning its resources and focus on the reclamation and development of STP2.

Starting from the first launch of Ariza courtyard terraced homes in 2005, E&O has built more than 3,000 homes at STP1 with a gross development value in excess of RM5.0 billion.

STP1 is already the largest seafront development in Penang island, a highly coveted residential address that is a thriving community for Penangites as well as expatriate families of 20 nationalities. The total area of STP1 and STP2 combined will form 1,000 acres, making it the single largest seafront development in the prime northeast district of Penang island. Its exceptional seafront location enjoys easy access to the UNESCO World Heritage Site of George Town, and the famed heritage Eastern & Oriental Hotel from which the E&O Group proudly takes its name.

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The E&O Group (东家集团)

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, the award-winning **Seri Tanjung Pinang** (STP) 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. Reclamation of the second phase of STP started in 2016 and is on-going.

In Johor’s southern development corridor of Iskandar Malaysia, E&O has embarked on **Avira**, a 207-acre development within Bandar Medini Iskandar 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. 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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