

NEWS RELEASE

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Media enquiries:

Group Strategy & Communications

Malathi Pillay - General Manager, +60 12-284 8830 / malathi@easternandoriental.com

Esther Teo – Manager, +6 012 629 0628 / estherteo@easternandoriental.com

E&O reports pre-tax profit of RM62.8 million for 4Q FY18

Kuala Lumpur, 25 May 2018 – Eastern & Oriental Berhad (E&O) achieved revenue of RM280.05 million and pre-tax profit of RM62.85 million for the fourth quarter ended 31 March 2018 (4Q FY18). The premier lifestyle property development Group's revenue and pre-tax profit increased by 28% and 7% respectively, compared to the previous corresponding quarter.

Revenue and pre-tax profit for the 12-month period ended 31 March 2018 stood at RM981.27 million and RM197.27 million, respectively. This represented year-on-year (y-o-y) improvements of 39% in revenue and 57% in pre-tax profit.

Leading this performance was the Group's property segment which generated higher operating profit on the back of higher revenue recognised from the sale of completed properties as well as the maiden revenue recognition from the sale of 20% reclaimed land in Seri Tanjung Pinang Phase 2A project (STP2A) to Kumpulan Wang Persaraan (Diperbadankan) (KWAP). Additionally, the Group's hospitality segment contributed higher profit following the disposal of a subsidiary, E&O Express Sdn Bhd, the entity which owns the Lone Pine Hotel.

The pre-tax profit achieved for 4QFY18 was however, mitigated by higher income tax expenses—RM24.00 million in the quarter under review versus RM8.57 million in the corresponding quarter of the last financial year. The higher income tax expenses were attributed to higher revenue achieved in contrast to the occurrence of higher non-taxable income items in the previous corresponding quarter.

The higher income tax expenses led to a lower profit after tax after minority interest (PATAMI) of RM37.90 million recorded for 4QFY18 as compared to the same quarter of the previous financial year (PATAMI 4QFY17: RM48.46 million). Notwithstanding this, the 12-month PATAMI for FY18 rose by 16% to RM100.79 million.

On the back of this, the Group announced that it is proposing a first and final dividend via distribution of treasury stock units on the basis of one stock unit for every 50 existing ordinary stock units held in the Company for financial year ended 31 March 2018, which is equivalent to a 3.0 sen distribution per stock unit. This proposal will be put up for stockholders' approval

at the forthcoming annual general meeting while the entitlement date and payment date will be announced later.

“The market remained soft in the fourth quarter with an overall guarded and cautious sentiment. Despite this, E&O successfully mobilised a healthy level of sales for our completed properties as we pressed on with STP2A reclamation works. This has fuelled our performance for the quarter and FY18 as a whole,” said E&O managing director, Kok Tuck Cheong.

Kok said the STP2A project is progressing well and will continue to contribute positively to the Group's profit based on progressive work done. Most recently, the land titles to the 253 acres of reclaimed land at STP2A have been issued by the authorities.

The Group is targeting to launch several new projects in the next 12 months. These include 503 units of serviced apartments at the intersection of Jalan Conlay and Jalan Kia Peng—E&O's second joint-venture project with the subsidiary of Japanese conglomerate Mitsui Fudosan—with an estimated gross development value (GDV) of RM880 million. At an elevated and exclusive 3.8-acre site in Damansara Heights, The Peak residential development is being planned for launch with an estimated GDV of RM278 million.

Kok said “In addition to targeted launches of E&O-signature developments in Kuala Lumpur city centre, we will also be channelling our resources towards a much-anticipated maiden launch at STP2A in 2019.”

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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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