

## NEWS RELEASE

### For Immediate Release

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## E&O Reports Steady Growth In Q2

**KUALA LUMPUR, 9 November 2018** – Eastern & Oriental Berhad (E&O) released its financial results for the first six months of its 2018-2019 fiscal year, recording a steady year-on-year (y-o-y) performance in the second quarter of 2019, with a marginal yield improvement.

Revenue for the 6-month period ended 30 September 2018 stood at RM379.4 million, up 2.73% from the same period a year ago, attributed to the Group's property segment which recorded an increase of RM18.3 million. The Group's pre-tax profit came in at RM61.8 million representing a decrease of 7.95% as compared to the financial period ended 30 September 2017.

Leading the performance of the Group was its core driver, the property segment which recorded a revenue of RM334.9 million higher by 5.76% compared to revenue achieved in 2H 2018. This was due to higher percentage of work progress on the reclaimed land in Seri Tanjung Pinang 2A and higher sales of the Group's completed properties in Seri Tanjung Pinang, Penang.

"Our property development segment has shown marked improvement for the period under review despite soft market with sales from the completed Andaman tower, the final phase within Quayside Seafront Condominiums in Seri Tanjung Pinang emerging as the leading contributor. The positive results for the first half of financial year 2019 continues the improving trend in our performance as reflected by our first quarter results."

"We take full cognisance of the challenges that lie ahead but remain positive and will continue to focus our sales initiatives on our current inventory of completed projects. Our recently launched "E&O Luxury Living" campaign has been well received and recorded successful sales figures for selected E&O landmark properties in Penang, Iskandar Malaysia and Kuala Lumpur City Centre," said E&O managing director, Kok Tuck Cheong.

In the interim, E&O's joint-venture projects—The Mews in the Kuala Lumpur city centre and Avira Garden Terraces in Iskandar Malaysia--- recorded lower revenue due to the completion of the properties in the previous financial year. The Group is now focused on the preparation for the launch of its second development with Mitsui Fudosan Co. Ltd, the JV partner for The Mews. Located at the intersection of Jalan Conlay and Jalan Kia Peng, this high-rise residential tower with an estimated GDV of RM900 million is planned for a launch in the second half of 2019.

Kok added that the progress of reclamation of the Group's Seri Tanjung Pinang Phase 2A project off the northeast coast of Penang is progressing steadily with land titles from the relevant authorities awarded in February 2018. The Group is working towards its first launch of service apartments and neighbourhood retail space in the second half of 2019.

“Our inventory level has dropped about 40% y-o-y, a positive sign amidst the prevailing soft market. We are pleased that the past year saw encouraging property sales, especially for our Penang projects and are looking towards unbilled sales of RM399.5 million that will be progressively recognised over the next two years”, concluded Kok.

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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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