

## NEWS RELEASE

For Immediate Release

### **E&O secures cornerstone JV partner for STP2A**

*Kuala Lumpur, 30 March 2017* – Eastern & Oriental Berhad (E&O) announced today that its subsidiary Tanjung Pinang Development Sdn Bhd (TPD) has sealed a milestone partnership with Kumpulan Wang Persaraan (Diperbadankan) (KWAP) to jointly develop the Seri Tanjung Pinang Phase 2A (STP2A) project in Penang.

STP2A is the first phase of the 760-acre Seri Tanjung Pinang Phase 2 (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.

TPD has entered into a conditional sale and purchase agreement (SPA) with KWAP to dispose of 20% of the STP2A development land measuring approximately 1.445 million square feet (sq ft) of net development land to KWAP for a cash consideration of RM766,022,310.42.

At the same time, TPD has also entered into a conditional joint venture (JV) agreement with KWAP to develop the entire STP2A development land via a special purpose vehicle (SPV), Persada Mentari Sdn Bhd, which will be 80%-owned by TPD and 20% by KWAP.

“We are deeply honoured to partner KWAP, a highly-valued and reputable institution, in our journey to transform the concept of STP2A into reality. The joint-venture will be on a solid platform to realise the potential of the project and bring it to fruition,” said E&O managing director, Kok Tuck Cheong.

Commenting on the investment, Dato’ Wan Kamaruzaman bin Wan Ahmad, the Chief Executive Officer of KWAP said, “Entering partnership with E&O is an exciting journey and inaugurates our first equity participation into property development for KWAP. E&O’s record of accomplishment in the industry as well as the quality of their delivery will assure the success of this project.”

At the operational level, Kok said “The proceeds from the proposed transaction will be utilised towards reclamation and infrastructure costs, working capital and/or the repayment of borrowings for the project.”

Having obtained the necessary approvals for commencement of works, reclamation works for STP2A started in early 2016 and are in progress. 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.



(L-R) Nik Amlizan Mohamed, Chief Investment Officer, KWAP; YBhg Dato' Wan Kamaruzaman Wan Ahmad, Chief Executive Officer, KWAP; YBhg Dato' Azizan Abdul Rahman, Chairman, E&O Bhd; Kok Tuck Cheong, Managing Director, Bhd

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#### **About Tanjung Pinang Development Sdn Bhd (TPD) & Seri Tanjung Pinang Phase 2 (STP2)**

Tanjung Pinang Development (TPD) is a subsidiary of Eastern & Oriental Berhad (E&O) and holds the Concession Rights to both phases of the Seri Tanjung Pinang (STP) reclamation project at Tanjung Tokong on the northeast coast of Penang Island, Malaysia. The first phase (STP1) of the reclamation comprising 240 acres was completed in 2006. Reclamation of the 760-acre second phase (STP2) which commenced in 2016, is underway.

Over and above the concession rights to reclaim the land for STP, TPD is also reclaiming at its own cost, 131 acres off the Gurney Drive foreshore for the Penang State Government.

**[www.stp2.my](http://www.stp2.my)**

#### **About Kumpulan Wang Persaraan (Diperbadankan) [KWAP]**

Kumpulan Wang Persaraan (Diperbadankan) [KWAP] or the Retirement Fund (Incorporated) was established on 1<sup>st</sup> March 2007 under the Retirement Fund Act 2007 (Act 662) replacing the repealed Pensions Trust Fund Act 1991 (Act 454).

KWAP manages contributions from the federal government and relevant agencies to obtain optimum returns on its investments through sound management and investment of the Fund in equity, fixed income securities, money market instruments and other forms of investments as permitted under the Retirement Fund Act 2007 (Act 662). The Fund shall be applied towards assisting the Federal Government in financing its pension duties.

Visit **[www.kwap.gov.my](http://www.kwap.gov.my)** for more information.

*Media Contact:*

*Corporate Affairs Department*

*Amirah Kamarulzaman - T: 03 2174 8000 / [corpaffairs@kwap.gov.my](mailto:corpaffairs@kwap.gov.my)*

#### **About 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 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 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.

**[www.easternandoriental.com](http://www.easternandoriental.com)**

*Media Contact:*

*Group Strategy & Communications*

*Karen De Cruz - General Manager, +6 016 2965 778 / [karen@easternandoriental.com](mailto:karen@easternandoriental.com)*

*Esther Teo – Manager, +6012 629 0628 / [estherteo@easternandoriental.com](mailto:estherteo@easternandoriental.com)*