

## NEWS RELEASE

### For Immediate Release

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## STP2A reclamation 99% complete

*Kuala Lumpur, 27 August 2019* – Eastern & Oriental Berhad (E&O) today announced its financial results for the first quarter ended 30 June 2019 (1Q2020) where total revenue achieved for the period decreased to RM134.59 million as compared to RM200.00 million recorded for the first quarter ended 30 June 2018 (1Q2019). This figure represents a decrease of RM65.41 million or 32.70%.

The decrease in the Group's revenue was mainly attributable to the property segment which recorded a revenue of RM119.57 million in 1Q2020 as compared to RM179.14 million recorded in 1Q2019. The property segment was impacted by lower revenue recognition as the development projects in Seri Tanjung Pinang (STP) 1, namely The Tamarind and the Ariza Seafront Terraces were completed in the previous financial year.

The Group's hospitality segment registered a decrease of RM6.33 million in revenue from RM13.66 million 1Q2020 as compared to RM19.99 million in 1Q2019. The decrease was mainly due to the temporary closure of the Heritage Wing of Eastern & Oriental Hotel since March 2019 for an extensive refurbishment exercise. The Heritage Wing is set to re-open for business in December 2019 with newly appointed suites, F&B concepts and secured bookings for the refreshed Grand Ballroom.

The Group posted profit before tax of RM12.45 million for 1Q2020 as compared to profit before tax of RM29.05 million in 1Q2019.

On a positive note, the Group's net gearing ratio reduced to 0.25 times as at 30 June 2019 compared to 0.28 times as at 31 March 2019 with cash balance increasing to RM889.47 million.

Commenting on the financial results, Kok Tuck Cheong, Managing Director of E&O said, “Despite the challenging property environment this year, we managed to sell RM79 million worth of inventory in 1Q2020 comprising 30 units with an average price of RM2.65 million per unit. This is a strong indication that our projects continue to command a price premium and appeal to astute investors.

Moving forward, the Group is focused on laying the foundation for the next growth trajectory in Seri Tanjung Pinang Phase 2A (STP2A). Reclamation for STP2A is now 99% complete with approvals for infrastructure works in place and construction of the first vehicular bridge underway while the second bridge is in the detailed design stage. The scale, significance and impact of STP2A will be a game changer for Penang, firmly establishing the island as the pride of Malaysia to a worldwide audience.

For FY2020, we are projected to launch two E&O-signature developments in Kuala Lumpur with a total GDV of about RM1 billion. ”

The Group completed a private placement of new shares raising RM127.63 million in March 2019. The next phase of fundraising is the expected completion of the Proposed Rights Issue with Warrants exercise which will further strengthen the financial position and capital base of the Group.

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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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