

MULTIPLE PROPOSALS (I) PROPOSED ACQUISITION BY ECO WORLD BE CO LTD OF 70% EQUITY INTEREST IN 12 DEVELOPMENT PROJECTS LOCATED ACROSS GREATER LONDON AND THE SOUTH EAST OF ENGLAND AND A DEVELOPMENT MANAGEMENT ENTITY FROM BE LIVING HOLDINGS LIMITED (A DEVELOPMENT ARM OF WILLMOTT DIXON HOLDINGS LIMITED) ("PROPOSED ACQUISITION") (II) PROPOSED VARIATION IN THE USE OF PROCEEDS RAISED FROM ECOWORLD INTERNATIONAL'S INITIAL PUBLIC OFFERING ("PROPOSED VARIATION")

ECO WORLD INTERNATIONAL BERHAD

Type	Announcement
Subject	MULTIPLE PROPOSALS
Description	<p>(I) PROPOSED ACQUISITION BY ECO WORLD BE CO LTD OF 70% EQUITY INTEREST IN 12 DEVELOPMENT PROJECTS LOCATED ACROSS GREATER LONDON AND THE SOUTH EAST OF ENGLAND AND A DEVELOPMENT MANAGEMENT ENTITY FROM BE LIVING HOLDINGS LIMITED (A DEVELOPMENT ARM OF WILLMOTT DIXON HOLDINGS LIMITED) ("PROPOSED ACQUISITION")</p> <p>(II) PROPOSED VARIATION IN THE USE OF PROCEEDS RAISED FROM ECOWORLD INTERNATIONAL'S INITIAL PUBLIC OFFERING ("PROPOSED VARIATION")</p>

Reference is made to the announcement dated 8 November 2017 in relation to the Proposed Acquisition.

The Board of Directors of EcoWorld International wishes to announce that EcoWorld Be is proposing to enter into a joint venture with Be Living Holdings Limited to jointly develop 12 development projects located across Greater London and South East England. As part of the joint venture, EcoWorld International will also be acquiring Be Living's development management business thereby gaining its own development management team in the United Kingdom.

The Proposed Acquisition is expected to be carried out in 2 stages namely, Stage 1 comprising 6 development projects (nearly all of which are at various stages of securing planning consent) and Stage 2 comprising another 6 development projects (mostly without planning consent).

Given that the acquisitions under Stage 1 are targeted to be completed by the first quarter of 2018, the purchase consideration for Stage 1 will be funded via the proceeds raised from EcoWorld International's initial public offering (which was completed on 3 April 2017) ("IPO Proceeds"). This will result in a variation in the use of IPO Proceeds that was originally contemplated in EcoWorld International's prospectus dated 9 March 2017.

Please refer to the attached announcement for further details of the Proposed Acquisition and Proposed Variation.

This announcement is dated 15 December 2017.

Please refer attachment below.

Attachments

[EcoWorld International - Announcement \(Main\) \(151217\).pdf](#)
373.0 kB

Announcement Info

Company Name	ECO WORLD INTERNATIONAL BERHAD
Stock Name	EWINT
Date Announced	15 Dec 2017
Category	General Announcement for PLC
Reference Number	GA1-15122017-00072

ECO WORLD INTERNATIONAL BERHAD (“ECOWORLD INTERNATIONAL”)

- (I) **PROPOSED ACQUISITION BY ECO WORLD BE CO LTD (“ECOWORLD BE”) (AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF ECOWORLD INTERNATIONAL) OF 70% EQUITY INTEREST IN 12 DEVELOPMENT PROJECTS LOCATED ACROSS GREATER LONDON AND THE SOUTH EAST OF ENGLAND AND A DEVELOPMENT MANAGEMENT ENTITY FROM BE LIVING HOLDINGS LIMITED (A DEVELOPMENT ARM OF WILLMOTT DIXON HOLDINGS LIMITED) (“PROPOSED ACQUISITION”)**
 - (II) **PROPOSED VARIATION IN THE USE OF PROCEEDS RAISED FROM ECOWORLD INTERNATIONAL’S INITIAL PUBLIC OFFERING (“PROPOSED VARIATION”)**
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Unless otherwise stated, the exchange rate of GBP1.00 : RM5.4851, being the middle rate quoted by Bank Negara Malaysia at 5:00 p.m. on 14 December 2017, has been applied throughout this announcement for illustration purposes.

1. INTRODUCTION

Reference is made to the announcement dated 8 November 2017 in relation to the Proposed Acquisition.

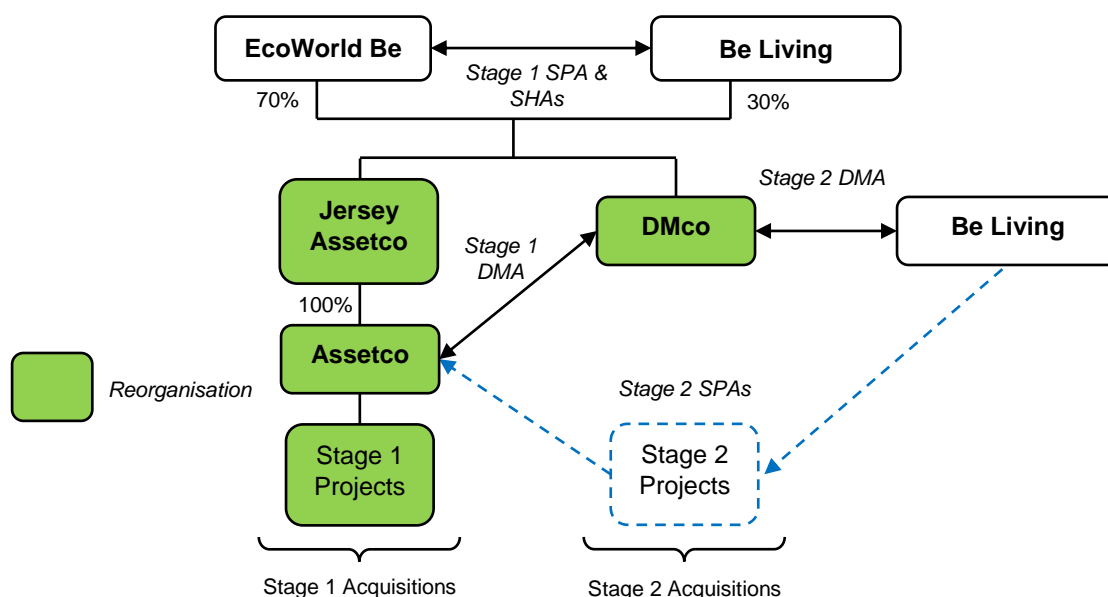
The Board of Directors of EcoWorld International (“**Board**”) wishes to announce that EcoWorld Be is proposing to enter into a joint venture with Be Living Holdings Limited (“**Be Living**”) to jointly develop 12 development projects located across Greater London and South East England.

As part of the joint venture, EcoWorld International will also be acquiring Be Living’s development management business thereby gaining its own development management team in the United Kingdom.

The Proposed Acquisition is expected to be carried out in 2 stages namely, Stage 1 comprising 6 development projects (nearly all of which are at various stages of securing planning consent) and Stage 2 comprising another 6 development projects (mostly without planning consent).

Be Living functions as the development arm of Willmott Dixon Holdings Limited (“**Willmott Dixon**”), a well-established construction group in the United Kingdom that has been operating for over 160 years.

The overall structure illustrating the main components of the Proposed Acquisition is summarised as follows:



EcoWorld Be, has on 15 December 2017 entered into a conditional sale and purchase agreement (“**Stage 1 SPA**”) with Be Living to acquire the following:

- (i) 70% equity interest in Be Eco World Holdings Limited (“**Assetco**”); and
- (ii) 70% equity interest in Be Eco World Development Management Company Limited (“**DMco**”).

(Items (i) and (ii) above shall collectively be referred to as the “**Stage 1 Acquisitions**”)

The Stage 1 SPA is conditional upon, among other things, Be Living completing its corporate reorganisation comprising the following steps:

- (a) Be Living, and to the extent relevant, Be Living’s subsidiaries, to transfer their shares and limited liability partnership (“**LLP**”) member interests in the entities within the Be Living group (“**Stage 1 Subsidiaries**”) that hold the following 6 development projects (“**Stage 1 Projects**”) to the Assetco:

No.	Project	Borough
1.	South Woking	Woking
2.	Kensal Rise and Maida Hill	Brent and Westminster, London
3.	Millbrook Park	Barnet, London
4.	Barking Abbey Retail Park	Barking and Dagenham, London
5.	Barking Site	Barking and Dagenham, London
6.	Nantly House (Lampton)	Hounslow, London

- (b) Be Living, and to the extent relevant, Be Living’s subsidiaries, to transfer the property development management business carried on by the Be Living group to the DMco.

(Items (a) and (b) above shall collectively be referred to as the “**Reorganisation**”)

Upon completion of the Stage 1 SPA, the following agreements (the forms of which have been agreed by the relevant parties as at the date of this announcement) will be entered into between the respective parties:

- (aa) shareholders’ agreement between, among others, EcoWorld Be, Be Living, a company to be incorporated in Jersey (“**Jersey Assetco**”) and Assetco to regulate the relationship of EcoWorld Be and Be Living as shareholders of the Jersey Assetco as well as regulating certain aspects of the Jersey Assetco and Assetco (“**Jersey Assetco SHA**”); and

- (bb) a counter-indemnity deed between, among others, EcoWorld International, Hardwicke Investments Limited ("**Hardwicke**"), Willmott Dixon, Assetco and Jersey Assetco relating to certain identified guarantees provided in connection with the business of the Assetco, DMco and the Stage 1 Subsidiaries ("**Counter-Indemnity Deed**").

Upon completion of Stage 1 SPA, EcoWorld Be and Be Living will undertake a share for share exchange such that Jersey Assetco will be structured as the holding company of Assetco.

In addition to the above, the following agreements are anticipated to be agreed and/or entered into between the relevant EcoWorld Be group and Be Living group by January 2018:

- (1) conditional sale and purchase agreements ("**Stage 2 SPAs**") between EcoWorld Be (if Stage 1 SPA is yet to be completed at such point in time) or the AssetCo (if Stage 1 SPA has been completed at such point in time) and the respective vendors for the acquisition of all shares and LLP member interests in the relevant entities within the Be Living group ("**Stage 2 Subsidiaries**") that hold or will hold 6 development projects located within the boroughs of Hounslow, Tower Hamlets, Bromley, Lambeth and Ealing ("**Stage 2 Projects**") ("**Stage 2 Acquisitions**");
- (2) shareholders' agreement between, inter alia, EcoWorld Be, Be Living and DMco to regulate the relationship of EcoWorld Be and Be Living as shareholders of the DMco as well as regulating certain aspects of the DMco ("**DMco SHA**").

Jersey Assetco SHA and DMco SHA shall collectively be referred to as the "**SHAs**".

- (3) development management agreements between the DMco and the following parties:
 - (i) Assetco in respect of the development management of the Stage 1 Projects ("**Stage 1 DMA**");
 - (ii) Assetco and Be Living in respect of the development management of the Stage 2 Projects ("**Stage 2 DMA**"); and
 - (iii) Be Living in respect of the development management of the other projects which are retained by or remain under Be Living's direct control.

(Items (i), (ii) and (iii) above shall collectively be referred to as the "**DMAs**")

- (4) a referral fee letter between EcoWorld Be and Be Living in respect of a referral arrangement such that off-market assets can be introduced by Be Living for the benefit of the Assetco, Stage 1 Subsidiaries and/or Stage 2 Subsidiaries (collectively known as the "**Target Group**") ("**Referral Letter**").

Further details of the Stage 2 SPAs, DMAs and Referral Letter will be set out in a separate announcement when the respective agreements have been agreed and/or entered into between the relevant EcoWorld Be group and Be Living group.

Given that the Stage 1 SPA is targeted to be completed by the first quarter of 2018, the purchase consideration for the Stage 1 Acquisitions will be funded via the proceeds raised from EcoWorld International's initial public offering ("**IPO**") (which was completed on 3 April 2017) ("**IPO Proceeds**"). This will result in a variation in the use of IPO Proceeds that was originally contemplated in EcoWorld International's prospectus dated 9 March 2017.

Further details of the Stage 1 Acquisitions and Proposed Variation are set out in Sections 2 and 3 of this announcement, respectively, whilst further details of the Stage 1 Projects are set out in **Appendix I** of this announcement.

2. DETAILS OF THE STAGE 1 ACQUISITIONS

2.1 Purchase consideration

The purchase consideration for the Stage 1 Acquisitions ("**Stage 1 Consideration**") amounts to GBP85.505 million (equivalent to about RM469.0 million) less a sum equal to:

- (i) 50% of the warranty and indemnity insurance policy ("**W&I Policy**"); and
- (ii) 70% of the external finance debt amounts upon Completion (as defined in Section 2.8.2 of this announcement).

Based on current forecast as at 31 December 2017, the Stage 1 Consideration less 70% of the projected external finance debt amounting to GBP20.54 million (equivalent to about RM112.67 million), yields a net consideration of GBP64.96 million (equivalent to about RM356.34 million) (before deducting 50% of the W&I Policy).

The final Stage 1 Consideration payable by EcoWorld Be is subject to a completion adjustment mechanism whereby there will be pound for pound adjustments to the purchase consideration for:

- (i) any difference between:
 - (a) the forecasted work-in-progress of the Stage 1 Subsidiaries amounting to GBP107.54 million (equivalent to about RM589.9 million) and net book value ("**NBV**") of the DMco as at 31 December 2017; and
 - (b) the actual work-in-progress of the Stage 1 Subsidiaries and NBV of the DMco;
- (ii) actual existing shareholders' loan upon Completion;
- (iii) actual external finance debt amounts upon Completion; and
- (iv) actual other net assets upon Completion,

Given that the Stage 1 Consideration will be satisfied in GBP, the RM-equivalent amount will also be subject to foreign exchange fluctuations at the point of settlement.

In addition to the Stage 1 Consideration, EcoWorld Be shall pay a sum equal to 0.525% of the GDV (excluding affordable housing element) of all sites (including Nantly House) to be developed by Be Living (Lampton) LLP ("**Lampton LLP**") (the LLP member interests of which will be transferred to the Assetco post-Reorganisation) ("**Lampton Consideration**") pursuant to the Stage 1 SPA.

Willmott Partnership Homes (Hounslow Framework) LLP (now known as Lampton LLP), Willmott Partnership Homes Limited and Lampton Development 360 LLP ("**Lampton 360**") (an LLP established by the London Borough of Hounslow ("**LBH**")) have entered into a framework agreement to develop 12 identified sites and/or other sites owned by Lampton 360/LBH within the borough ("**Lampton Project**"). Under the framework agreement, the development costs including the expenditure in bringing forward individual sites that are owned by Lampton 360/LBH along with the subsequent profit will be shared in 50:50 proportion between the parties.

The Nantly House site is the first scheme to be brought forward under the Lampton Project. Additional sites to be brought forward under the Lampton Project will be subject to viability assessment and the joint venture's board approval.

2.2 Basis and justification of arriving at the Purchase Consideration

The Stage 1 Consideration amounting to GBP64.96 million (equivalent to about RM356.34 million) was arrived at based on the equity valuation of the Stage 1 Projects* derived using the discounted cash flow methodology in reliance on Be Living's management estimated combined GDV of the Stage 1 Projects* of GBP1.09 billion (equivalent to about RM5.97 billion).

The discounted cash flow methodology is adopted for the overall valuation as it is the most appropriate method to derive the intrinsic value that is reflective of the time value of money of the future cash flows based on the different discount rates applied for both the open-market-sale (“OMS”) and build-to-rent (“BTR”) businesses, which allows EcoWorld International to assess the planning and construction risk profiles associated with the respective Stage 1 Projects*.

A range of discount rates have been applied depending on the nature of the project. Consented BTR being discounted at the lower end of the range, reflecting the reduced risk given the forward funding model and unconsented OMS projects being discounted at the upper end of the range, reflecting the risk and uncertainty over sales and planning.

The Board is of the view that the Stage 1 Consideration is reasonable after taking into consideration, among other things, the following:

- (i) KPMG LLP's assessment of the equity valuation under the discounted cash flow methodology and its bases and assumptions used to derive such value, which they have concluded to be reasonable and supportable. KPMG LLP has also relied on other methodologies such as mark-to-market balance sheet, comparable companies and comparable transactions analysis and leveraged buyout model to serve as a cross-check of its assessment of the equity valuation under the discounted cash flow methodology; and
- (ii) Jones Lang LaSalle Limited's preliminary evaluation on the combined GDV of the Stage 1 Projects*, which indicates that the GDV for the Stage 1 Projects* based on the values used to derive the equity valuation in (a) above is supportable.

Note:

* Excluding Nantly House (Lampton). The purchase consideration of Nantly House (Lampton) amounting to GBP1.295 million (equivalent to about RM7.10 million) was arrived at based on the sum equal to 70% of the NBV of Lampton LLP.

2.3 Source of funding

The table below summarises the total purchase consideration for the Stage 1 Acquisitions and Lampton Consideration as well as the respective corresponding source of funding:

	Purchase consideration (70% equity)		Source of funding
	GBP million	RM million	
Stage 1 Consideration	64.96	356.34	IPO Proceeds
Lampton Consideration	<i>To be determined</i>	<i>To be determined</i>	Bank borrowings and/or other debt instruments

While the exact quantum of development costs in respect of the Stage 1 Projects cannot be ascertained at this juncture, such development costs are expected to be funded through bank borrowings and/or internally-generated funds.

2.4 Liabilities to be assumed

Save as disclosed in Section 2.1, this Section 2.4 and Section 2.10.2 below, EcoWorld International, its subsidiaries and joint ventures (“**Group**”) will not be assuming any liabilities (including contingent liabilities or guarantees) arising from the Stage 1 Acquisitions.

EcoWorld International and/or EcoWorld Be may provide corporate guarantee(s) (based on our proportionate shareholdings in Assetco) to secure any loan requirements to finance the Stage 1 Acquisitions and the development cost of the Stage 1 Projects, if required.

2.5 Information on the Assetco

Be Eco World Holdings Limited is a private limited company incorporated on 1 December 2006 in England and Wales.

As at the date of this announcement, the directors of the Assetco are Richard John Willmott, Brian Patrick Brady and Wendy Jane McWilliams.

The issued share capital of the Assetco is GBP1.00 comprising 1 ordinary share of GBP1.00 each. The sole shareholder of the Assetco is Be Living Limited (*formerly known as Prime Place (Bromley) Limited*), an indirect wholly-owned subsidiary of Be Living.

2.6 Information on the DMco

Be Eco World Development Management Company Limited is a private limited company incorporated on 1 February 2005 in England and Wales.

As at the date of this announcement, the directors of the DMco are Brian Patrick Brady, Andrew James William Telfer, Richard John Willmott, Wendy Jane McWilliams and Graham Mark Dundas.

The issued share capital of the DMco is GBP2.00 comprising 2 ordinary shares of GBP1.00 each. The sole shareholder of the DMco is Be Living Limited (*formerly known as Prime Place Developments Limited*), an indirect wholly-owned subsidiary of Be Living.

2.7 Information on Be Living

Be Living Holdings Limited is a private limited company incorporated on 1 May 2001 in England and Wales, and is a sister company of Willmott Dixon, a well-established construction group in the United Kingdom that has been operating since 1852.

As at the date of this announcement, the directors of Be Living are Elizabeth Margaret Catchpole, Christopher Simon Durkin, Colin Enticknap, Wendy Jane McWilliams, Thomas Anthony Lewis Olsen, Andrew James William Telfer, Philip Michael Wainwright and Richard John Willmott. The substantial shareholders of Be Living as at the date of this announcement.

There are 10,500,000 fully paid ordinary shares in Be Living Holdings Limited held by Walsworth Limited (5,250,001 shares) and Hardwicke Investments Limited (5,249,999 shares). There are 3,220,000 management shares in Be Living Holdings Limited held by individuals including directors/employees as at the date of this announcement.

2.8 Salient terms of the Stage 1 SPA

2.8.1 Conditions Precedent

The Stage 1 SPA is conditional upon the fulfilment of the conditions precedent as set out therein ("**Conditions Precedent**"), including:

- (i) the W&I Policy having been obtained;
- (ii) the Reorganisation having been completed;
- (iii) consent of Bursa Malaysia Securities Berhad to the application of monies to the Stage 1 Acquisitions having been obtained; and

- (iv) EcoWorld Be having confirmed that it has completed its due diligence to its reasonable satisfaction.

If any of the Conditions Precedent set out in paragraphs (i), (ii) and (iii) of Clause 2.8.1 above is not satisfied by 31 January 2018 or the Condition Precedent set out in paragraph (iv) of Clause 2.8.1 above is not satisfied by 31 December 2017, either party may terminate the Stage 1 SPA unless the parties have agreed to waive any of the relevant unsatisfied Conditions Precedent prior to the said date.

The Stage 1 SPA shall become unconditional on the satisfaction of each of the Conditions Precedent in accordance with the terms and conditions therein prior to 31 March 2018 ("**Long Stop Date**").

If the Conditions Precedent are not satisfied by the Long Stop Date, the Stage 1 SPA shall cease to have effect immediately thereafter unless the parties have agreed to waive any of the unsatisfied Conditions Precedent prior to the Long Stop Date.

2.8.2 Completion of the Stage 1 Acquisitions

Completion of the Stage 1 Acquisitions ("**Completion**") shall take place on the date which is 5 business days after the Conditions Precedent are satisfied or at such other date as may be agreed by the parties.

On Completion, the following shall take place:

- (i) Be Living delivers to EcoWorld Be the SHAs, Stage 2 SPAs, DMAs, Referral Letter and Counter-Indemnity Deed executed by Be Living, Assetco, Jersey Assetco, DMco and each relevant member of the Be Living group and Hardwicke group that is a party to them;
- (ii) EcoWorld Be pays a sum equal to the Stage 1 Consideration and delivers to Be Living the SHAs, Referral Letter and Counter-Indemnity Deed executed by EcoWorld Be and each member of EcoWorld International group that is a party to them.

2.8.3 Default and Termination

If either Be Living or EcoWorld Be fails to comply with its obligations under clause 2.8.2(i) or clause 2.8.2(ii) above, the party which has not so failed to comply shall, without prejudice to any other rights or remedies which it may have, be entitled to defer Completion to a date not less than 5 business days and not more than 10 business days after that date ("**Deferred Completion Date**"). If the relevant obligations have not been complied with by the Deferred Completion Date (or such other date for Completion as may be agreed in writing by Be Living and EcoWorld Be), then the party not in default shall be entitled to terminate the Stage 1 SPA.

If at any time before Completion, Be Living is in material breach of any of its warranties or covenants set out in the Stage 1 SPA and where that breach is capable of remedy, it is not remedied to EcoWorld Be's reasonable satisfaction by the date which is the earlier of (i) 30 business days after the date of EcoWorld Be's notice to Be Living on the material breach; or (ii) 5 business days prior to Completion, then EcoWorld Be shall be entitled to terminate the Stage 1 SPA.

2.8.4 Disclosure Letter

A letter shall be issued by Be Living to EcoWorld Be making specific disclosures of any matters arising which cause or may cause certain warranties set out in the Stage 1 SPA to be untrue or misleading or inaccurate ("**Disclosure Letter**").

2.9 Salient terms of the Jersey Assetco SHA

2.9.1 Effective date, term and termination

The Jersey Assetco SHA shall become effective on the date of the Jersey Assetco SHA and shall continue to be in force and effect for an indefinite term until the earlier of the shareholders agreeing in writing to terminate the Jersey Assetco SHA or 3 months after the Target Group ceasing to hold any material interests in any land and/or buildings, subject to the other provisions of the Jersey Assetco SHA.

2.9.2 Business of the Jersey Assetco and DMco

The business of the Jersey Assetco shall be to undertake the development of the Target Group's business which involves the development, financing, sale and/or letting of the real estate assets held or to be held by the Target Group.

The business of the DMco shall be to undertake development management activities including that of the Target Group's business.

2.9.3 Board of directors and chairman

Any shareholder shall be entitled to appoint and maintain in office a number of directors proportionate to its proportion of ordinary shares held in the capital of the Jersey Assetco or DMco (as the case may be) to the boards of the Jersey Assetco or DMco (as the case may be) and its subsidiaries and joint venture entities, where applicable.

The chairman of each board meeting of the Jersey Assetco or DMco (as the case may be) shall be designated by EcoWorld Be and appointed by the directors present at any such meeting acting by majority vote. The chairman will not have a second or casting vote.

2.9.4 Reserved matters

Certain reserved matters have been set out in the Jersey Assetco SHA which may only be passed with the approval of voting shareholders holding at least 80% of the ordinary shares held by the voting shareholders in the capital of the Jersey Assetco or DMco (as the case may be).

2.9.5 Guarantees by parent company

As the ultimate parent company of the shareholders, EcoWorld International and Hardwicke agree to guarantee the payment obligations of EcoWorld Be and Be Living respectively from time to time under the SHA.

2.10 Salient terms of the Counter-Indemnity Deed

2.10.1 Primary Indemnity

In consideration of the Be Living group and Hardwicke group (including Hardwicke and Willmott Dixon) ("**Guarantors**") acting as guarantors for certain guarantees provided in connection with the Target Group's business ("**Guarantees**"), the Jersey Assetco and Assetco undertake to indemnify the Guarantors for the amount that the Guarantors pay to any recipient under the Guarantees.

If the Jersey Assetco and Assetco fail to pay pursuant to the above paragraph, interest to the Guarantors calculated on the sum at the specified rate under the Counter-Indemnity Deed for the period from the date upon which the Guarantors incurred such loss, cost and/or expenses up to the date of actual payment is to be paid by the Jersey Assetco and Assetco on a joint and several basis.

2.10.2 Secondary Indemnity

Further in consideration of the Guarantors acting as guarantors for the Guarantees, EcoWorld International and Hardwicke undertake to the Guarantors that if the Jersey Assetco or Assetco becomes obliged to pay any amount to the Guarantors but do not pay such amount in accordance with the Counter-Indemnity Deed, EcoWorld International and Hardwicke shall pay the amount to either the Jersey Assetco or Assetco in their respective proportion of shares held (through their own or their subsidiaries) in the capital of the Jersey Assetco.

3. DETAILS OF THE PROPOSED VARIATION

The table below represents the status of the use of IPO Proceeds as at 31 October 2017:

As at 31 October 2017	Original use	Utilised	Re-allocation	Balance unused
	RM million	RM million	RM million	RM million
Debt repayment				
- Repayment of bank borrowings	1,211	(1,159)	(52)	-
- Repayment of advances	156	(144)	(12)	-
Subtotal	1,367	(1,303)	(64)	-
Settlement of the acquisition of Eco World Investment Co Ltd	38	(38)	-	-
Working capital				
- United Kingdom projects	673	(133)	-	540
- West Village project	219	(43)	-	176
- General working capital and/or future land acquisition(s)	234	(102)	75	207
Listing expenses	53	(42)	(11)	-
Total	2,584	(1,661)	-	923

In order to facilitate the payment of the purchase consideration for the Stage 1 Acquisitions, the use of the IPO Proceeds is proposed to be varied as follows:

	(a) Balance unused per original use	(b) Proposed Variation	(c) = (a) + (b) Revised proposed use
	RM million	RM million	RM million
Working capital			
- United Kingdom projects	540	(205)	335 ⁽¹⁾
- West Village project	176	(154)	22 ⁽¹⁾
- General working capital and/or future land acquisition(s)	207	359	566 ⁽²⁾
Total	923	-	923

Notes:

- (1) Based on estimated amount of working capital required for property development expenditure from November 2017 until October 2018.
- (2) The table below represents the breakdown of the revised proposed use of the RM566 million allocated for general working capital and/or future land acquisition(s):

Revised use	RM million
Stage 1 Consideration	356
General working capital requirements until the end of October 2018 and/or future land acquisition(s)	210
Total	566

If at any point in time after taking into account:

- (i) the actual use of any of the working capital requirements allocated to EcoWorld International's existing projects; and

- (ii) the prevailing exchange rate between RM and the working capital's currency,

and the revised estimate of the amount to be incurred for any of EcoWorld International's existing project is:

- (a) higher than the amount estimated under the revised proposed utilisation stated in Column (c) above, the deficit may be funded out of any available excess proceeds allocated for any of the other projects or general working capital and/or future land acquisition(s).
- (b) lower than the amount estimated under the revised proposed utilisation stated in Column (c) above, the excess may (subject to the same first being made available for use to the other projects, if required) be used for general working capital and/or future land acquisition(s).

The Proposed Variation is subject to approval being obtained from EcoWorld International's shareholders at an extraordinary general meeting to be convened.

For information purposes, EcoWorld International will submit an application to Bursa Securities for a waiver from having to immediately seek its shareholders' approval for the Proposed Variation prior to completion of the Stage 1 SPA ("**Proposed Waiver**").

The Proposed Waiver is being sought from Bursa Securities after taking into consideration, among other things, the following:

- (aa) rationale and benefits of the Proposed Acquisition as set out in Section 5.1 of this announcement; and
- (bb) timing of the settlement of the purchase consideration for the Stage 1 Acquisitions as set out in Section 2.8.2 of this announcement.

4. **CONDITIONALITY OF THE STAGE 1 ACQUISITIONS AND PROPOSED VARIATION**

The Stage 1 Acquisitions are conditional upon the conditions precedent of the Stage 1 SPA being fulfilled (or waived in accordance with the terms and conditions of such agreement).

The Stage 1 Acquisitions and Proposed Variation are inter-conditional.

The Stage 1 Acquisitions and Proposed Variation (collectively referred to as the "**Stage 1 Proposals**") are conditional upon the Conditions Precedent set out in Section 2.8.1 and all the relevant approvals set out in Section 9 of this announcement being obtained.

5. **RATIONALE AND BENEFITS**

5.1 **Proposed Acquisition**

On 3 April 2017, EcoWorld International successfully completed its IPO and listing on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") with over RM2.5 billion in equity funds raised. The completion of the IPO places the Group in a strong financial position to pursue the objective of expanding its development pipeline to seek sustainable earnings growth and to build on the success achieved by its initial four projects in the United Kingdom and Australia.

Since listing date, EcoWorld International has announced two acquisitions. The first is the acquisition of an 80% stake in Eco World-Salcon Y1 Pty Ltd (*formerly known as Salcon Development (Australia) Pty Ltd*) to jointly develop the Yarra One project in South Yarra, Melbourne together with Salcon Berhad. More recently EcoWorld International also announced the proposed acquisition of another site located in Macquarie Park, Sydney's second largest business district and one of the largest employment business and technology precincts in the Southern Hemisphere.

In the United Kingdom, the Group has considered numerous proposals and is of the view that the Proposed Acquisition presents it with a unique opportunity to acquire a 70% majority stake in:

- (i) a portfolio of development sites (comprising Stage 1 Projects and Stage 2 Projects) which will enable it to gain access to a sizeable landbank of circa 8,200 residential units with an estimated GDV of at least GBP2.6 billion. The sites are situated within Greater London and South East England, all of which have good transport links to Central London and international airports; and
- (ii) a development management arm with full multi-disciplinary team of highly experienced personnel. This will provide EcoWorld International with a strong pool of talent and manpower resources to grow its United Kingdom business and bring it to greater heights.

The price point envisaged for the development sites contemplated under the Proposed Acquisition ranges from GBP500 psf to GBP800 psf. This broadens the spectrum of price points currently offered by EcoWorld International's existing portfolio of development projects and will allow it to tap into the pool of domestic and foreign investors in the affordable segment.

Domestic buyers of projects within the price range contemplated above are entitled to benefit from government homeownership initiatives such as the Help-to-Buy scheme, where the United Kingdom Government will provide an equity loan (interest-free for 5 years) for new build residential properties of up to 40% of the price within Greater London and 20% outside of London.

Recently, in the Chancellor's Autumn Statement in November 2017, a stamp duty exemption has also been proposed for properties priced up to GBP500,000 in London. Along with the Help-to-Buy scheme, the proposal will boost the already strong local demand for homes within these price points and further insulate the affordable segment from global sentiment. All this bodes well for the joint-venture given that the majority of the homes to be developed are proposed to be priced below GBP500,000.

In addition, the joint-venture with Be Living (which will remain a 30% shareholder of the Jersey Assetco and DMco) will enable EcoWorld International to:

- (a) establish an immediate footprint in the BTR subsector by co-developing the BTR platform with Be Living and enter the private rented sector ("**PRS**") which is increasingly popular in London as demand shifts from owner occupier to private rental; and
- (b) leverage on Be Living's shareholders' long-established reputation in the construction industry, as well as extensive network of business relations and contacts developed with key stakeholders and local authorities, to potentially participate as a co-developer in off-market residential schemes via the Referral Agreement.

The Proposed Acquisition is therefore consistent with the Group's strategy to:

- (aa) seek good opportunities to firmly establish its brand as an international developer with a strong local presence in mature and economically vibrant markets, particularly in the United Kingdom and Australia; and

- (bb) provide a healthy pipeline of projects over the medium to long term at multiple price points and varying stages of development, duration and completion periods,

thus ensuring the long-term viability of its business model and improving the resilience and sustainability of its future revenue stream.

5.2 Proposed Variation

The Proposed Variation serves to facilitate the settlement of the purchase consideration for the Stage 1 Acquisitions upon the Completion of the Stage 1 Acquisitions.

While the Proposed Variation will result in a shortfall of RM359 million in working capital requirements of the existing United Kingdom projects and West Village project from November 2018 until completion, such shortfall would be funded by bank borrowings and/or other debt instruments, further details of which will be announced in due course.

6. OVERVIEW AND OUTLOOK OF THE UNITED KINGDOM PROPERTY MARKET

For the 3rd quarter of 2017, the Bank of England reports that activity and price inflation in the housing market had continued to soften, with the slowdown concentrated in the secondary market and especially in higher price brackets. For many contacts, the market had slowed around the general election. But there were some signs of a further weakening following the election, and the market had remained subdued during the summer. Contacts in London and surrounding areas reported the weakest sentiment across regions; in contrast, parts of the Midlands, Scotland, Wales and Northern Ireland were more buoyant. Supply and demand appeared to be broadly in balance across the overall market. Demand had proved more resilient in the new-build sector, though some contacts pointed to early signs of a slight weakening in this market. Help to Buy was regarded as crucial to sustaining demand among first-time buyers.

In the residential mortgage market, both lender and broker contacts reported that competition remained intense, driven by new market entrants and low funding costs. However, this competition was mainly concentrated on customers with the cleanest credit history. More customers were taking out fixed-rate deals; mortgages with longer terms, in many cases over 30 years, were becoming more popular. There were more reports of transactions falling through due to surveyors down-valuing properties, reflecting concerns about falling prices.

The Bank of England further reports in its November 2017 update that the housing market demand had strengthened overall. Contacts reported a divergence in regional conditions, with signs of excess supply in London and the South, but some excess demand in most other parts of the United Kingdom.

(Sources: Agents' Summary of Business Conditions 2017 Q3 dated 20 September 2017 and November 2017 Update dated 8 November 2017, both published by the Bank of England)

It was also announced on 2 October 2017 that the United Kingdom government will invest a further GBP10 billion in the Help to Buy equity loan scheme, due to popularity of the scheme across the country. The new funding means that the Help to Buy equity loan scheme could help around 135,000 more people to buy homes by 2021. This would bring the total number of households across England that would be supported through the scheme since it began in 2013 to around 360,000.

(Source: Announcement entitled "£10 billion new funding for Help to Buy Equity Loan" dated 2 October 2017 by the United Kingdom's Department for Communities and Local Government published on www.gov.uk)

In a policy paper presented by the United Kingdom's Department of Communities and Local Government to the Parliament in February 2017, the United Kingdom government has indicated its desire for institutional investors to invest more widely in housing, including shared ownership.

Following the 2012 review of barriers to institutional investment in the private rented sector, the government's Private Rented Sector Task Force made major early in-roads to establish the BTR model in the United Kingdom, and to stimulate initial investor interest. The United Kingdom government has supported this through the GBP3.5 billion Private Rented Sector Housing Guarantee Scheme, and the GBP1 billion BTR Fund.

Purpose-built market rent will drive up overall housing supply, and increase choice and standards for people living in privately rented homes. Purpose-built market rent also has the potential to help provide more stable rented accommodation for families. The proportion of households in the PRS with dependent children has increased from 29% in 2003 - 2004 to 37% in 2014 - 2015.

As part of its initiative to support more BTR developments, the United Kingdom's government proposes to change the National Planning Policy Framework so authorities know they should plan proactively for BTR where there is a need, and to make it easier for BTR developers to offer affordable private rental homes instead of other types of affordable housing. The United Kingdom government also proposes to ensure that family-friendly tenancies of 3 or more years are available for those tenants that want them on schemes that benefit from the changes.

(Source: Policy paper entitled "Fixing our broken housing market" dated 7 February 2017 published by the United Kingdom's Department for Communities and Local Government)

7. RISK FACTORS

7.1 Non-completion risk

Completion of the Stage 1 Acquisitions is subject to, among others, the fulfilment of the conditions precedent set out in the Stage 1 SPA. There is no guarantee that the conditions precedent will be fulfilled or the Stage 1 Acquisitions will be completed within the timeframe stipulated in the Stage 1 SPA or at all. Any delay in the fulfilment of the conditions precedent or non-fulfilment thereof will lead to a delay in the completion or termination of the Stage 1 Acquisitions, respectively.

Nevertheless, the Board is confident that the Conditions Precedent will be met within the stipulated timeframe and will take all reasonable steps and exert all effort to obtain the necessary approvals to complete the Stage 1 Acquisitions in a timely manner.

7.2 Business risk

The Stage 1 Acquisitions are subject to risks inherent in the property development industry, of which the Group is already involved in. Such risks may include adverse changes in real estate market prices, changes in demand for types of residential and commercial properties, competition from other property developers, changes in economic, social and political condition, delay in completion of property development projects against the scheduled completion, performance of third-party sub-contractors, labour and material supply shortages, fluctuations in the prices of building materials and costs of labour charges and adverse changes in property tax assessments and other statutory charges. Any adverse change in such conditions may have an adverse material effect on the business of the Target Group.

EcoWorld International and Be Living together with the DMco will take measures to mitigate the above risks such as conducting market intelligence surveys, monitoring and adjusting development and marketing strategies in response to changing economic conditions and market demand, conducting continuous reviews of the operations of the business, closely monitoring the progress of the Stage 1 Projects as well as leveraging on the experienced and capable management team of EcoWorld International and Be Living.

7.3 Funding and interest rate risk

The Group may seek external financing to fund the development of the Stage 1 Projects. The Group's ability to arrange for external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investors' confidence in the Group or any restrictions imposed by the Malaysian Government and political, social and economic conditions in Malaysia. There can be no assurance that the necessary financing will be available in the amounts or on terms acceptable to the Group.

In addition, the Group could potentially be exposed to fluctuations in interest rates on such external debt financing obtained, leading to higher borrowing costs which may adversely affect the Group's future results of operations and financial performance as well as its ability to service future loan repayment obligations. Nevertheless, the Group shall continuously monitor and review its debt and equity funding mix, which includes taking into consideration its gearing level, interest costs as well as cash flows in achieving an overall optimal capital structure.

7.4 Risk of disputes between shareholders

Certain shareholders reserved matters have been set out in the Jersey Assetco SHA, which include, among other things, approval of the business plan, acquisition or disposal of any land or business with a value in excess of the materiality threshold and financial related matters. These matters may only be passed with the approval of shareholders holding at least 80% of the shares held by the shareholders in the capital of the Jersey Assetco or DMco (as the case may be).

Disputes may occur between EcoWorld Be and Be Living regarding their relationship as shareholders of Jersey Assetco and DMco, which they may not be able to resolve amicably and result in a deadlock situation. In such circumstances, there are mechanisms in place under the Jersey Assetco SHA for a shareholder to buy out the other shareholder's shares or for the parties to sell the Target Group and/or the land or business held or owned by the Target Group on the open market.

8. EFFECTS OF THE STAGE 1 PROPOSALS

8.1 Share capital and substantial shareholders' shareholdings

The Stage 1 Proposals will not have any effect on the issued and paid-up share capital and shareholdings of the substantial shareholders of EcoWorld International as the Stage 1 Proposals do not involve any issuance of new ordinary shares in EcoWorld International ("Shares").

8.2 NA per Share and gearing

For illustrative purposes only, based on the latest audited consolidated statement of financial position of EcoWorld International as at 31 October 2016 and on the assumption that the following transactions have been effected on that date:

- (i) the IPO and listing of EcoWorld International on the Main Market of Bursa Securities comprising the issuance, allotment and listing of 2,153,459,200 Shares at a price of RM1.20, which was completed on 3 April 2017;
- (ii) the bonus issue of warrants in EWI ("**Warrants**") comprising the issuance, allotment and listing of 960,000,000 Warrants to all shareholders of EWI on the basis of 2 Warrants for every 5 Shares held immediately after the IPO, which was completed on 3 April 2017;

- (iii) the use of proceeds raised from the IPO which have been earmarked for the repayment of the Group's debt, settlement of the acquisition of Eco World Investment Co Ltd, payment for expenses incurred for the IPO (part of which have been settled through the upfront deduction from the IPO Proceeds on 3 April 2017) and working capital and/or future land acquisitions, including the additional drawdown of bank borrowings and advances by shareholders which will be repaid using the IPO Proceeds; and

(events (i), (ii) and (iii) are collectively referred to as “**IPO Transactions**”, of which the adjustments relating to events that have been completed on 3 April 2017 were reviewed by the external auditors of EcoWorld International)

- (iv) the Stage 1 Acquisitions,

the pro forma effects of these transactions on EcoWorld International's consolidated NA per Share and gearing are as follows:

	Audited as at 31 October 2016	After the IPO Transactions	After the IPO Transactions and Stage 1 Acquisitions⁽¹⁾
	(RM'000)	(RM'000)	(RM'000)
Share capital	246,541	2,590,293	2,590,293
Share premium	49,158	— ⁽²⁾	—
Warrant reserve	—	277,021	277,021
Exchange translation reserve	34,698	(12,666)	(12,666)
Accumulated losses	(222,514)	(277,456)	(290,896)
NA attributable to the owners of EWI	107,883	2,577,192	2,563,752
Non-controlling interests	4,788	4,788	4,788
Total equity/NA	112,671	2,581,980	2,568,540
No. of Shares in issue ('000)	246,541	2,400,000	2,400,000
NA per Share attributable to the owners of EWI (RM)	0.44	1.07	1.07
Interest-bearing bank borrowings (RM'000)	923,867	47,891	47,891
Gearing (times) ⁽³⁾	8.20	0.02	0.02

Notes:

- (1) After netting-off expenses relating to the Stage 1 Acquisitions amounting to GBP2.4 million (equivalent to about RM13.36 million).
- (2) After writing-off estimated IPO expenses of about RM12.54 million up to 31 January 2017 and transfer of unutilised share premium of RM36.62 million to share capital accounts pursuant to the Companies Act 2016, which came into effect since 31 January 2017.
- (3) Computed based on total interest-bearing bank borrowings over total equity/NA.

The Proposed Variation will not have any effect on the NA per Share and gearing of the Group.

8.3 Earnings per Share (“EPS”)

The Stage 1 Proposals are not expected to have any material effect on the earnings and EPS of the Group for the financial year ending 31 October 2018. Nevertheless, the Stage 1 Proposals are expected to contribute positively to the future earnings and EPS of the Group upon physical completion and handover of vacant possession of the units under the Stage 1 Projects.

9. APPROVALS REQUIRED

9.1 Stage 1 Acquisitions

The Stage 1 Acquisitions are not subject to the approval of EcoWorld International's shareholders.

9.2 Proposed Variation

The Proposed Variation is subject to approval being obtained from Bursa Securities for the Proposed Waiver.

10. PERCENTAGE RATIO FOR THE STAGE 1 ACQUISITIONS

Based on the latest pro forma audited consolidated financial statements of EcoWorld International for the financial year ended 31 October 2016 which has been reviewed by the auditors and the total purchase consideration of GBP64.96 million (equivalent to about RM356.34 million), the highest percentage ratio applicable to the Stage 1 Acquisitions under Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Securities is 13.4%.

11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONENCTED TO THEM

None of the directors, major shareholders of EcoWorld International and/or persons connected to them have any interest, direct or indirect, in the Stage 1 Proposals.

12. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Stage 1 Proposals, including but not limited to the following:

- (i) salient terms of the Stage 1 SPA, Jersey Assetco SHA and the Counter-Indemnity Deed;
- (ii) basis and justification of arriving at the purchase consideration for the Stage 1 Acquisitions;
- (iii) rationale and benefits of the Proposed Acquisition and Proposed Variation;
- (iv) risk factors of the Stage 1 Proposals; and
- (v) effects of the Stage 1 Proposals,

and after careful deliberation, is of the opinion that the Stage 1 Proposals are in the best interest of EcoWorld International.

13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring unforeseen circumstances, the Stage 1 Acquisitions are expected to be completed by the first quarter of 2018.

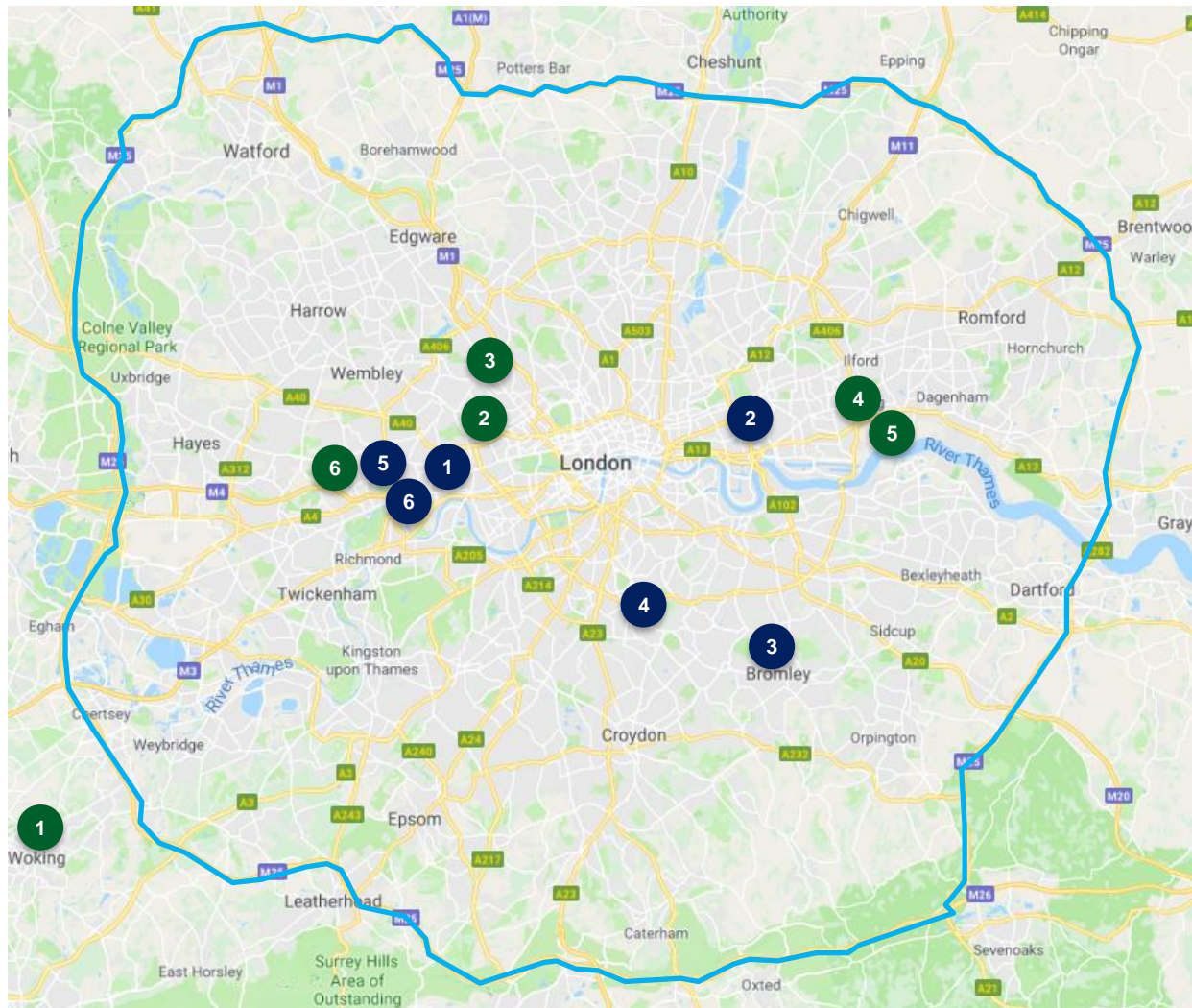
14. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of EcoWorld International at Suite 59, Setia Avenue, No. 2, Jalan Setia Prima S U13/S, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia during normal office hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement:

- (i) Stage 1 SPA and the Disclosure Letter;
- (ii) Jersey Assetco SHA; and
- (iii) Counter-Indemnity Deed.

This announcement is dated 15 December 2017.

INFORMATION ON THE STAGE 1 PROJECTS



● Stage 1 Projects ● Stage 2 Projects — M25 Motorway

Stage 1 Projects

No.	Location	Borough
1.	South Woking	Woking
2.	Kensal Rise and Maida Hill	Brent and Westminster, London
3.	Millbrook Park	Barnet, London
4.	Barking Abbey Retail Park	Barking and Dagenham, London
5.	Barking Site	Barking and Dagenham, London
6.	Lampton	Hounslow, London

INFORMATION ON THE STAGE 1 PROJECTS (Cont'd)

STAGE 1 PROJECTS

1. SOUTH WOKING

Woking is a town located in the heart of Surrey. It comprises a major town centre regeneration project made up of 3 distinct elements: Goldsworth Road South, Goldsworth Road North and Goldsworth Road Island.



Goldsworth Road South, Goldsworth Road North and Goldsworth Road Island sites:

Title no./lot no.	<ul style="list-style-type: none"> ▪ Goldsworth Road South site – SY515908 and SY843197 ▪ Goldsworth Road North site – SY672104 and SY119592 ▪ Goldsworth Road Island site – SY455421, SY417822 and SY312813
Postal address	<ul style="list-style-type: none"> ▪ Goldsworth Road South site – Philips Court, 30-32 Goldsworth Road, Woking, Surrey, GU21 6JT ▪ Goldsworth Road North site – 15-29 Goldsworth Road and 8 Church Street West, Woking, Surrey, GU21 6JZ ▪ Goldsworth Road Island site – Jubilee House, Station Approach, Woking, GU22 7LH; 15 Guildford Road, Woking, GU22 7PX; and Lynton House, Station Approach, Woking, GU22 7PY
Site area	3.4 acres
Tenure	Freehold

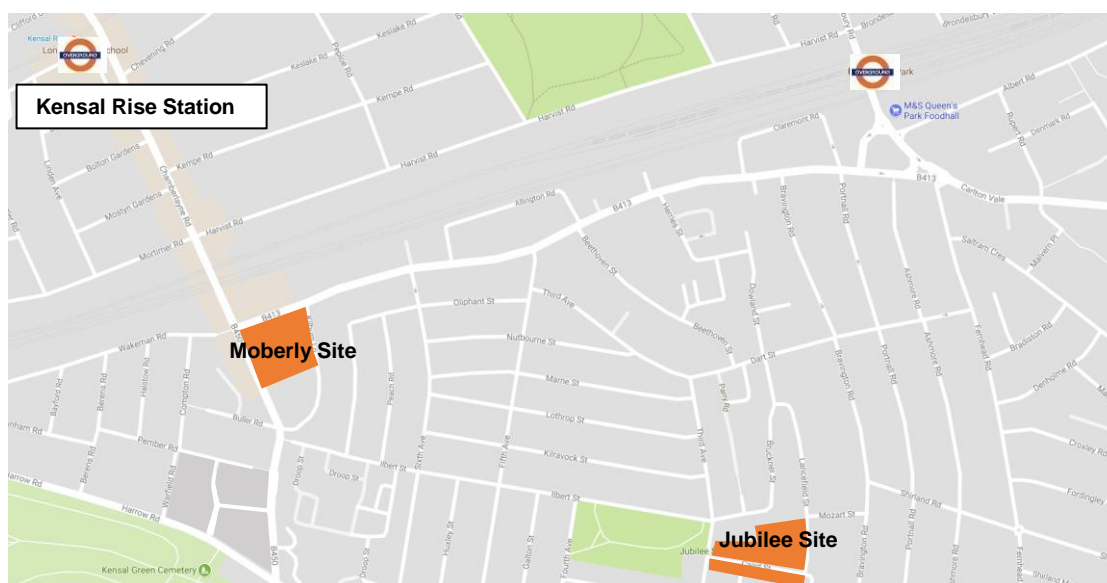
INFORMATION ON THE STAGE 1 PROJECTS (Cont'd)

Proposed development	<ul style="list-style-type: none"> ▪ Goldsworth Road South site <ul style="list-style-type: none"> - Residential-led development with commercial element at the Goldsworth Road South site based on planning consent obtained ▪ Goldsworth Road North and Goldsworth Road Island sites <ul style="list-style-type: none"> - Proposed residential development - Planning consent has yet to be obtained and as such, it is too preliminary to ascertain the construction programme at this juncture
Connectivity	<ul style="list-style-type: none"> ▪ 5 minutes' walk from the Goldsworth Road South, Goldsworth Road North and Goldsworth Road Island sites to Woking Station ▪ 25 minutes from Woking Station to Waterloo Station (via South Western Rail)
Encumbrances	<p>The land titles comprising Goldsworth Road South are subject to:</p> <ul style="list-style-type: none"> ▪ various covenants in favour of Network Rail for the protection of its adjoining railway that abuts the site; and ▪ a charge in favour of Titlestone Real Estate Limited dated 12 October 2015. The loan facility which this charge supports is due to be repaid by the seller on 14 December 2017

INFORMATION ON THE STAGE 1 PROJECTS (Cont'd)

2. KENSAL RISE AND MAIDA HILL

The Moberly site is located in the South part of the London Borough of Brent where it bounds Westminster City Council, while the Jubilee site lies within the City of Westminster.



Jubilee and Moberly sites:

Title no./lot no.	<ul style="list-style-type: none"> ▪ Moberly and Jubilee Phase 1 – AGL373471 and AGL380611 and NGL959120 ▪ Jubilee Phase 2 – AGL373471 and AGL380611
Postal address	<ul style="list-style-type: none"> ▪ Moberly and Jubilee Phase 1 – Moberly Sports Centre, The Quadrant, Kilburn Lane, London W10 4AH ▪ Jubilee Phase 2 – Jubilee Sports Centre, Caird Street, London W10 4RR
Site area	1.9 acres
Tenure	Leasehold (expires 250 years from and including 10 March 2016)
Proposed development	<ul style="list-style-type: none"> ▪ Residential development at the Jubilee site based on planning consent obtained ▪ Residential development at the Moberly site based on planning consent obtained
Connectivity	<ul style="list-style-type: none"> ▪ Zone 2 ▪ 10 minutes' walk from the Jubilee site to Queen's Park Station ▪ 20 minutes from Queen's Park Station to Bond Street Station (via Bakerloo and Jubilee lines) ▪ 7 minutes' walk from the Moberly site to Kensal Rise Station ▪ 28 minutes from Kensal Rise Station to Charing Cross Station (via Bakerloo line)

INFORMATION ON THE STAGE 1 PROJECTS *(Cont'd)*

Encumbrances	<ul style="list-style-type: none"> ▪ There are historic restrictive covenants affecting part of the land comprised in title NGL959120 (which forms part of the title to Moberly & Jubilee Phase 1). Restrictive covenant title indemnity insurance has been put on risk to cover an event of a claim being made for breach of these covenants. ▪ The land titles comprising Moberly and Jubilee Phase 1 are subject to charges dated 22 August 2016 and 10 March 2016 in favour of Royal Bank of Scotland Plc and Westminster City Council respectively, securing development finance facilities.
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INFORMATION ON THE STAGE 1 PROJECTS (Cont'd)

3. MILLBROOK PARK

Millbrook Park is located in Mill Hill, North London within the London Borough of Barnet. Mill Hill East Station is a short 5-minute walk from the site and is a 25-minute tube ride away from King's Cross.



Millbrook Park site:

Title no./lot no.	AGL369918
Postal address	Inglis Barracks, Millbrook Park, Mill Hill, NW7 1FJ
Site area	2.7 acres
Tenure	Freehold
Proposed development	Residential development based on planning consent obtained.
Connectivity	<ul style="list-style-type: none"> ▪ Zone 4 ▪ 5 minutes' walk from the Millbrook Park site to Mill Hill East Station ▪ 20 minutes from Mill Hill East Station to Euston Station (via Northern line)
Encumbrances	<ul style="list-style-type: none"> ▪ There are restrictive covenants affecting the title to the property, but for which are not considered material so as to restrict the development of the site for residential purposes. ▪ The title to the property is subject to 2 charges dated 20 July 2016 and 27 January 2017 in favour of The Inglis Consortium LLP and HSBC Bank Plc respectively, securing development finance facilities.

INFORMATION ON THE STAGE 1 PROJECTS (Cont'd)

4. BARKING ABBEY RETAIL PARK

Barking Abbey Retail Park is located in East London within the jurisdiction of the London Borough of Barking and Dagenham. The site is situated approximately 700 metres away from Barking Station.



Barking Abbey Retail Park site:

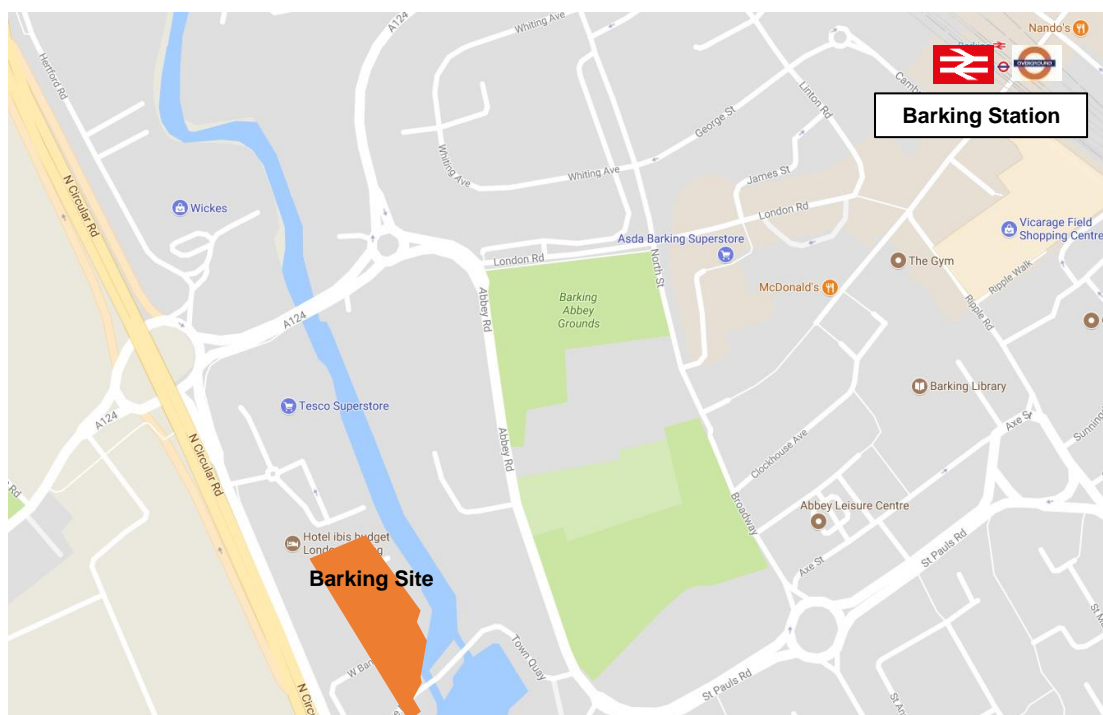
Title no./lot no.	TGL477206 and TGL477177
Postal address	Abbey Road, Barking, London
Site area	3.9 acres
Tenure	Freehold
Proposed development	Residential development based on planning consent obtained.
Connectivity	<ul style="list-style-type: none"> ▪ Zone 4 ▪ 8 minutes' walk from the Barking Abbey Retail Park site to Barking Station ▪ 30 minutes from Barking Station to Liverpool Street Station (via Hammersmith and City line)
Encumbrances	There are land use restrictive covenants affecting the title to the property which prohibits certain food retailers from trading from the property (with the exception of Marks and Spencer in limited circumstances).

INFORMATION ON THE STAGE 1 PROJECTS (Cont'd)

5. BARKING SITE

The Barking Site sits on the opposite of River Roding from the Barking Abbey Retail Park site.

The Barking Site is located in East London within the London Borough of Barking and Dagenham and located close to Barking Station.



Barking Site:

Title no./lot no.	NGL181218
Postal address	Highbridge Road, Barking, IG11 7BS
Site area	1.1 acres
Tenure	Freehold
Proposed development	<ul style="list-style-type: none"> Proposed residential development Planning consent has yet to be obtained and as such, it is too preliminary to ascertain the construction programme at this juncture
Connectivity	<ul style="list-style-type: none"> Zone 4 15 minutes' walk from the Barking Site to Barking Station (existing) 10 minutes' walk from the Barking Site to Barking Station (with proposed footbridge) 30 minutes from Barking Station to Liverpool Street Station (via Hammersmith and City line)

INFORMATION ON THE STAGE 1 PROJECTS *(Cont'd)*

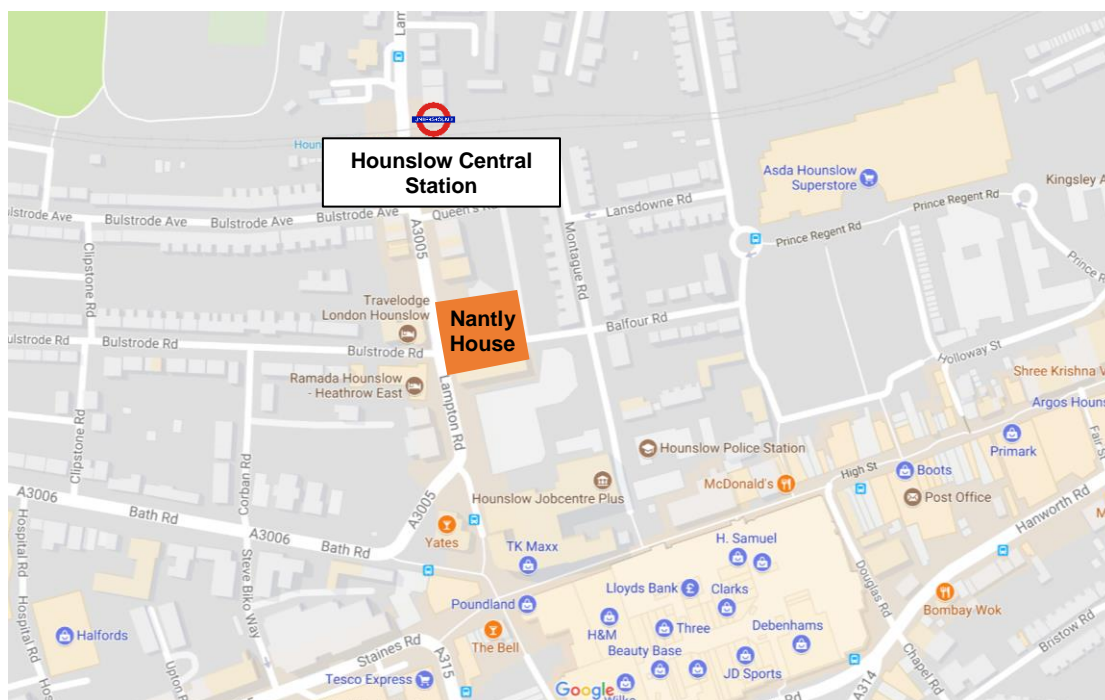
Encumbrances	<ul style="list-style-type: none">▪ Title NGL181218 is subject to a deed which grants rights to The River Roding Catchment Board a right to enter the site to repair and maintain the river wall. The Seller intends to construct a walkway and associated structure over the route of the river wall.▪ The deed of grant contains covenants to maintain the river wall. The seller has confirmed that it will not be able to comply with these covenants.
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INFORMATION ON THE STAGE 1 PROJECTS (Cont'd)

6. LAMPTON

On 8 February 2017, Willmott Partnership Homes (Hounslow Framework) LLP (“WPH LLP”) has entered into a framework agreement with Lampton Development 360 LLP (a LLP established by the Hounslow Council in 2012) on sites owned by the Hounslow Council (“Lampton 360 Framework”) on a 50:50 joint venture basis.

The Nantly House site is the first scheme to come forward under the Lampton 360 Framework. Additional sites to be drawn from the Lampton 360 Framework will be subject to viability assessment and the joint venture’s board approval.



Nantly House site:

Title no./lot no.	MX249127, NGL162010 and NGL89936.
Postal address	33 Lampton Road Hounslow London, TW3 1JG
Site area	1.1 acres
Tenure	Freehold
Proposed development	Residential development based on planning consent obtained.
Connectivity	<ul style="list-style-type: none"> ▪ Zone 4/5 ▪ 2 minutes' walk from the Nantly House site to Hounslow Central Station (existing) ▪ 13 minutes from Hounslow Central Station to Heathrow Airport (via Piccadilly line) ▪ 37 minutes from Hounslow Central Station to Green Park Station (via Piccadilly line)

INFORMATION ON THE STAGE 1 PROJECTS *(Cont'd)*

Encumbrances	Title MX249127 is subject to historic land use restrictive covenants (none of which restrict the use and/or development of the land for residential or commercial purposes).
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