

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS PROPOSED ACQUISITION BY ECO WORLD BE CO LTD (AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF ECO WORLD INTERNATIONAL BERHAD ("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")

ECO WORLD INTERNATIONAL BERHAD

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| Type | Announcement |
| Subject | TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS |
| Description | PROPOSED ACQUISITION BY ECO WORLD BE CO LTD (AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF ECO WORLD INTERNATIONAL BERHAD ("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") |

*This announcement should be read together with EcoWorld International's announcement made to Bursa Malaysia Securities Berhad on 15 December 2017 in respect of the Proposed Acquisition ("**Stage 1 Announcement**"). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those used in the Stage 1 Announcement.*

Reference is made to the announcement dated 8 November 2017 and 15 December 2017 in relation to the Proposed Acquisition.

The Board wishes to announce that the Stage 1 Acquisitions were completed on 16 March 2018 at around 8:00 p.m. London time (i.e. 17 March 2018 at around 4:00 a.m. Malaysia time), following the settlement of the provisional Stage 1 Consideration amounting to GBP63.76 million (equivalent to about RM348.47 million) ("**Stage 1 Completion**").

Concurrent with the Stage 1 Completion, the Jerseyco SHA and counter-indemnity deed in respect of the Stage 1 Projects have been entered into between the respective parties.

The Board also wishes to announce that the conditional sale and purchase agreements between the Assetco and Be Living in respect of the Stage 2 Acquisitions along with other relevant agreements relating to the Proposed Acquisition were entered into on 16 March 2018.

Please refer to the attached announcement for further details of the Stage 2 Acquisitions.

This announcement is dated 19 March 2018.

Please refer attachment below.

Attachments



[EcoWorld International - Announcement \(Main\) \(19.03.2018\).pdf](#)
240.5 kB

[EcoWorld International - Announcement \(Appendix\) \(19.03.2018\).pdf](#)

722.1 kB

[EcoWorld International - Press Release \(19.03.2018\).pdf](#)

109.1 kB

Announcement Info

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ECO WORLD INTERNATIONAL BERHAD (“ECOWORLD INTERNATIONAL”)

PROPOSED ACQUISITION BY ECO WORLD BE CO LTD (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”)

*This announcement should be read together with EcoWorld International’s announcement made to Bursa Malaysia Securities Berhad on 15 December 2017 in respect of the Proposed Acquisition (“**Stage 1 Announcement**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those used in the Stage 1 Announcement.*

Unless otherwise stated, the exchange rate of GBP1.00 : RM5.4654, being the middle rate quoted by Bank Negara Malaysia at 5:00 p.m. on 16 March 2018, has been applied throughout this announcement for illustration purposes.

1. INTRODUCTION

Reference is made to the announcements dated 8 November 2017 and 15 December 2017 in relation to the Proposed Acquisition.

The Board wishes to announce that the Stage 1 Acquisitions were completed on 16 March 2018 at around 8:00 p.m. London time (i.e. 17 March 2018 at around 4:00 a.m. Malaysia time), following the settlement of the provisional Stage 1 Consideration amounting to GBP63.76 million (equivalent to about RM348.47 million) (“**Stage 1 Completion**”).

This amount is subject to a completion adjustment mechanism pursuant to the Stage 1 SPA which entails adjustments to take into account the actual work-in-progress, existing shareholders’ loans, external finance debt and other net assets of the Assetco, DMco and Stage 1 Subsidiaries as at the Stage 1 Completion date.

Concurrent with the Stage 1 Completion, the shareholders’ agreement between, among others, EcoWorld Be, Be Living, Assetco and Be Eco World Investment Company Limited (“**Jerseyco**”) (“**Jerseyco SHA**”) and the counter-indemnity deed in respect of the Stage 1 Projects have been entered into between the respective parties. Further details of the said agreements are set out in the Stage 1 Announcement.

The Board also wishes to announce that the following agreements have been entered into between the respective parties on 16 March 2018:

- (i) conditional sale and purchase agreements (“**Stage 2 SPAs**”) between the Assetco and Be Living for the acquisition of all shares and LLP member interests in the entities within the Be Living group (“**Stage 2 Subsidiaries**”) that hold or will hold the following 6 Stage 2 Projects:

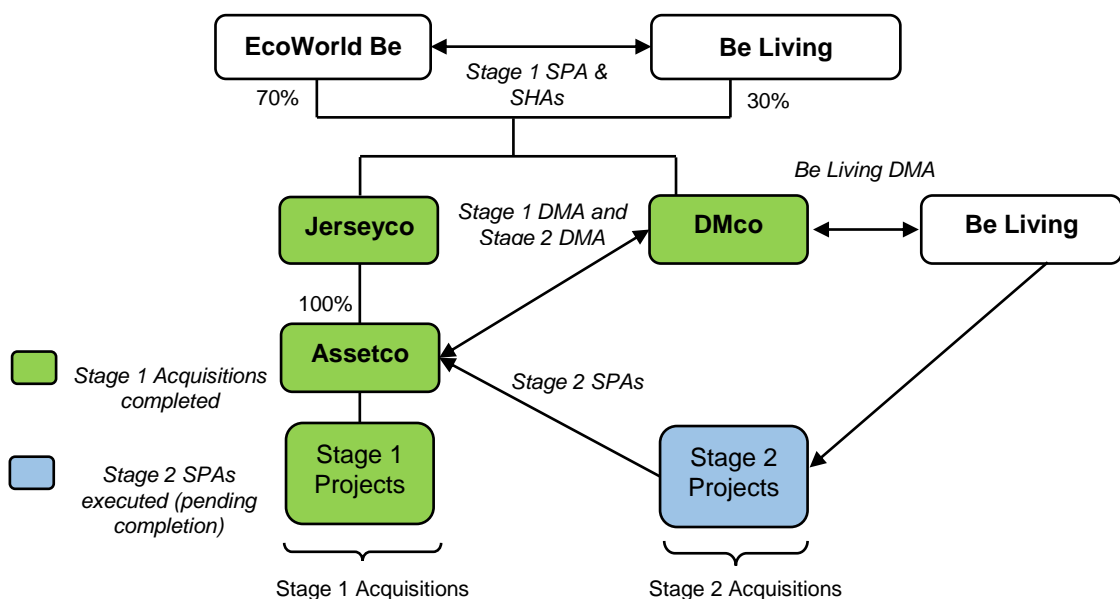
| No. | Project | Borough |
|------------|--|-----------------------|
| 1. | Kew Bridge | Hounslow, London |
| 2. | Aberfeldy Village | Tower Hamlets, London |
| 3. | Bromley North and Bromley Sherman Road | Bromley, London |
| 4. | Tulse Hill | Lambeth, London |
| 5. | Ealing | Ealing, London |
| 6. | Osterley | Hounslow, London |

(collectively, the “**Stage 2 Acquisitions**”)

- (ii) shareholders’ agreement between EcoWorld Be, Be Living and the DMco to regulate the relationship of EcoWorld Be and Be Living as shareholders of DMco as well as regulating certain aspects of the DMco (“**DMco SHA**”);

- (iii) development management agreements between the DMco and the following parties:
 - (a) Assetco in respect of the development management of the Stage 1 Projects (“**Stage 1 DMA**”);
 - (b) Assetco in respect of the development management of the Stage 2 Projects (except for the Kew Bridge and Aberfeldy Village projects) (“**Stage 2 DMA**”); and
 - (c) Be Living in respect of the development management of the:
 - (aa) Kew Bridge and Aberfeldy Village projects; and
 - (bb) other projects which are retained by or remain under Be Living’s direct control
 (collectively, the “**Be Living DMA**”); and
- (iv) a referral letter issued by the Assetco to Be Living in respect of a referral arrangement involving, among other things, introduction of off-market assets by the Willmott Dixon group for the benefit of the Assetco, DMco, Stage 1 Subsidiaries and/or Stage 2 Subsidiaries (“**Target Group**”) (“**Referral Letter**”).

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



Further details of the Stage 2 Acquisitions are set out in Section 2 of this announcement, whilst further details of the Stage 2 Projects are set out in **Appendix I** of this announcement.

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2. DETAILS OF THE STAGE 2 ACQUISITIONS

2.1 Purchase consideration

The purchase consideration for the Stage 2 Acquisitions ("**Stage 2 Consideration**") payable by the Assetco is equivalent to the base consideration of GBP61.10 million less a sum equal to:

- (i) 28.58% of the total warranty and indemnity insurance policy in respect of the Stage 2 Acquisitions ("**Stage 2 W&I Policy**"); and
- (ii) the net external finance debt of the entities that hold the Aberfeldy Village project ("**Aberfeldy Entities**") upon the completion of the Aberfeldy Village acquisition ("**Aberfeldy Completion**").

For illustration purposes, assuming the Stage 2 W&I Policy and the projected net external finance debt of the Aberfeldy Entities amount to GBP3.45 million, the Stage 2 Consideration payable by the Assetco is estimated to be GBP57.65 million. Of this amount, GBP40.36 million (equivalent to about RM220.57 million) will be borne by EcoWorld Be based on its 70% equity interest in the Assetco, whilst the remaining 30% is to be borne by Be Living.

The final Stage 2 Consideration is also subject to a completion adjustment mechanism whereby there will be adjustments to the purchase consideration for:

- (a) any difference between:
 - (i) the forecasted work-in-progress of the Stage 2 Subsidiaries as at 31 December 2017; and
 - (ii) the actual work-in-progress of the Stage 2 Subsidiaries upon the completion of the Stage 2 Acquisitions ("**Stage 2 Completion**");
- (b) actual existing shareholders' loan upon the Stage 2 Completion;
- (c) actual other net assets of the Stage 2 Subsidiaries upon the Stage 2 Completion;
- (d) actual external finance debt of the Aberfeldy Entities upon the Aberfeldy Completion;
- (e) the increased/decreased value of the relevant planning consents being obtained for the Bromley North, Bromley Sherman Road, Tulse Hill, Ealing and Osterley projects against pre-agreed base case parameters relating to the private residential area (including BTR), affordable residential area and commercial use area; and/or
- (f) the reduction in total development cost needed to achieve the pre-agreed gross margin and gross profit thresholds for Bromley Sherman Road, Tulse Hill and Ealing set out in the respective Stage 2 SPAs based on the planning consent being obtained, should Be Living elect to make up the shortfall of such pre-agreed gross margin and gross profit thresholds. Should Be Living elect not to do so within the pre-agreed timeframe, the Assetco may terminate the respective Stage 2 SPAs.

Given that the Stage 2 Consideration will be satisfied in GBP, the RM-equivalent amount will also be subject to foreign exchange fluctuations at the point of settlement.

2.2 Basis and justification of arriving at the purchase consideration

The base consideration for the Stage 2 Acquisitions amounting to GBP61.10 million (equivalent to about RM333.94 million) payable by the Assetco represents the discounted cash flow of the Stage 2 projects ascribed by KPMG LLP in reliance on Be Living's management estimated combined GDV of the Stage 2 Projects of GBP1.5 billion (equivalent to about RM8.2 billion).

Based on EcoWorld Be's 70% equity interest in the Assetco, the estimated Stage 2 Consideration to be borne by Eco World Be amounts to GBP40.36 million (equivalent to about RM220.57 million), whilst the remaining 30% of the Stage 2 Consideration is to be borne by Be Living.

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 OMS and BTR businesses, which allows EcoWorld International to assess the planning and construction risk profiles associated with the respective Stage 2 Projects.

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

In KPMG LLP's assessment, they have 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.

The base consideration for the Stage 2 Acquisitions is reasonable given that the discounted cash flow's equity value of the Stage 2 projects, which forms the basis in arriving at the consideration, falls within the range of the equity values derived using other valuation methods, i.e. mark-to-market balance sheet, comparable companies and comparable transactions analysis and leveraged buyout model.

2.3 Source of funding

The table below summarises the estimated Stage 2 Consideration to be borne by EcoWorld Be as well as the respective corresponding source of funding:

| | <u>Estimated purchase consideration (70% equity)</u> | | <u>Source of funding</u> |
|---------------------------------|--|-------------------|---|
| | <u>GBP million</u> | <u>RM million</u> | |
| Estimated Stage 2 Consideration | 40.36 | 220.57 | Bank borrowings, other debt instruments and/or internally-generated funds |

While the exact quantum of development costs in respect of the Stage 2 Projects cannot be ascertained at this juncture, such development costs are expected to be funded through bank borrowings, other debt instruments and/or internally-generated funds.

2.4 Liabilities to be assumed

Save as disclosed in Section 2.1 of this announcement and this Section 2.4, the Group will not be assuming any liabilities (including contingent liabilities or guarantees) arising from the Stage 2 Acquisitions.

EcoWorld International and/or EcoWorld Be may provide corporate guarantee(s) (based on our proportionate shareholdings in the Jerseyco/Assetco) to secure any loan requirements to finance the Stage 2 Acquisitions and the development cost of the Stage 2 Projects, if required.

2.5 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.

There are 10,500,000 fully paid ordinary shares in Be Living held by Walsworth Limited (5,250,001 shares) and Hardwicke Investments Limited (5,249,999 shares).

2.6 Salient terms of the Stage 2 SPAs

2.6.1 Kew Bridge and Aberfeldy Village

(i) Conditions precedent

The Stage 2 SPAs in respect of the Kew Bridge and Aberfeldy Village projects ("**KA SPAs**") are conditional upon the fulfilment of the conditions precedent as set out therein ("**KA CPs**"), including:

- (a) in respect of the Kew Bridge project only, execution of a new development agreement to replace the original development agreement dated 23 December 2014 between Kew Bridge Gate Developments LLP (in which Be Living has LLP member interest) and the other parties relating to the development of the Kew Bridge project; and
- (b) in respect of the Aberfeldy Village project only, consents of third parties relating to the change of control in Aberfeldy New Village LLP (in which Be Living has LLP member interest).

The KA SPAs shall become unconditional on the satisfaction of each of the KA CPs in accordance with the terms and conditions therein prior to 31 January 2019 ("**KA Long Stop Date**").

If the KA CPs are not satisfied by the KA Long Stop Date, the KA SPAs shall cease to have effect immediately thereafter unless the parties otherwise agree to proceed to the KA Completion (as defined in Section 2.6.1(ii) of this announcement).

(ii) Completion

Completion of the Stage 2 Acquisitions in respect of the Kew Bridge and Aberfeldy Village projects ("**KA Completion**") shall take place on the date which is 5 business days after the KA CPs are satisfied or such other date as may be agreed by the parties.

On the KA Completion, the following shall take place:

- (a) Be Living delivers to the Assetco the executed KA Disclosure Letter (as defined in Section 2.6.1(iv) of this announcement), if any and KA Counter-Indemnity Deed (as defined in Section 2.6.1(v) of this announcement); and
- (b) Assetco pays a sum equal to the Stage 2 Consideration in respect of the Kew Bridge and Aberfeldy Village projects and delivers to Be Living the counter-executed KA Disclosure Letter, if any and KA Counter-Indemnity Deed.

(iii) Default and termination

If either Be Living or the Assetco fails to comply with its obligations under Sections 2.6.1(ii)(a) or 2.6.1(ii)(b) of this announcement, 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 the KA Completion to a date not less than 5 business days and not more than 10 business days after that date ("**Deferred KA Completion Date**"). If the relevant obligations have not been complied with by the Deferred KA Completion Date (or such other date for the KA Completion as may be agreed in writing by Be Living and the Assetco), then the party not in default shall be entitled to terminate the KA SPAs.

If at any time before the KA Completion, Be Living is in material breach of any of its warranties or covenants set out in the KA SPAs and where that breach is capable of remedy, it is not remedied to the Assetco's reasonable satisfaction by the date which is the earlier of 5 business days prior to the KA Completion, then the Assetco shall be entitled to terminate the KA SPAs.

(iv) Disclosure letter

A letter shall be issued by Be Living to Assetco (and accepted by the Assetco) making specific disclosures if there are any matters arising in the period between the date of the KA SPAs and the date of the letter which cause or may cause certain warranties set out in the KA SPAs to be untrue or misleading or inaccurate ("**KA Disclosure Letter**").

(v) Counter-Indemnity Deed

A counter-indemnity deed shall be entered into between, among others, EcoWorld International, Hardwicke, Assetco and Jerseyco relating to certain identified guarantees provided in connection with the business of the Assetco, DMco and the relevant Stage 2 Subsidiaries relating to the Kew Bridge and Aberfeldy Village projects ("**KA Counter-Indemnity Deed**").

2.6.2 Bromley North, Bromley Sherman Road, Tulse Hill, Ealing and Osterley

(i) Conditions precedent

The Stage 2 SPAs in respect of the Bromley North, Bromley Sherman Road, Tulse Hill, Ealing and Osterley projects ("**BTEO SPAs**") are conditional upon the fulfilment of the conditions precedent as set out therein ("**BTEO CPs**"), including:

- (a) in respect of each of the Bromley North, Bromley Sherman Road, Tulse Hill, Ealing and Osterley projects, satisfactory planning consents being obtained from the respective local councils;
- (b) in respect of the Bromley North and Osterley projects, the entry into a development agreement or purchase agreement granting the relevant Stage 2 Subsidiary the right to acquire land as part of the relevant Stage 2 Project and the satisfaction of all conditions therein;
- (c) in respect of the Bromley Sherman Road and Tulse Hill projects, the satisfaction of all conditions in the development agreement or purchase agreement granting the relevant Stage 2 Subsidiary the right to acquire land as part of the relevant Stage 2 Project; and
- (d) in respect of the Ealing project, the satisfaction of all conditions in the agreement for lease granting the relevant Stage 2 Subsidiary the right to lease land as part of the Ealing project.

The BTEO SPAs shall become unconditional on the satisfaction of each of the BTEO CPs in accordance with the terms and conditions therein prior to the 5th anniversary of the date of the respective BTEO SPAs (“**BTEO Long Stop Date**”).

If the BTEO CPs are not satisfied by the BTEO Long Stop Date, the BTEO SPAs shall cease to have effect immediately thereafter unless the parties have agreed to waive any of the unsatisfied BTEO CPs prior to the BTEO Long Stop Date.

(ii) Completion

Completion of the Stage 2 Acquisitions in respect of the Bromley North, Bromley Sherman Road, Tulse Hill, Ealing and Osterley projects (“**BTEO Completion**”) shall take place immediately prior to the time fixed for completion of the acquisition by the relevant Stage 2 Subsidiary of the relevant Stage 2 Project under the respective development agreement, purchase agreement or agreement for lease (as described in Section 2.6.2(i) of this announcement) or such other date as may be agreed by the parties.

On the BTEO Completion, the following shall take place:

- (a) Be Living delivers to the Assetco the executed BTEO Disclosure Letter (as defined in Section 2.6.2(iv) of this announcement), if any and the BTEO Counter-Indemnity Deed (as defined in Section 2.6.2(v) of this announcement); and
- (b) Assetco pays a sum equal to the Stage 2 Consideration in respect of the Bromley North, Bromley Sherman Road, Tulse Hill, Ealing and Osterley projects and delivers to Be Living the counter-executed BTEO Disclosure Letter, if any and the BTEO Counter-Indemnity Deed.

(iii) Default and termination

If either Be Living or the Assetco fails to comply with its obligations under Sections 2.6.2(ii)(a) or 2.6.2(ii)(b) of this announcement, 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 the BTEO Completion to a date not less than 5 business days and not more than 10 business days after that date (“**Deferred BTEO Completion Date**”). If the relevant obligations have not been complied with by the Deferred BTEO Completion Date (or such other date for the BTEO Completion as may be agreed in writing by Be Living and the Assetco), then the party not in default shall be entitled to terminate the BTEO SPAs.

If at any time before the BTEO Completion, Be Living is in material breach of any of its warranties or covenants set out in the BTEO SPAs and where that breach is capable of remedy, it is not remedied to the Assetco’s reasonable satisfaction by the date which is the earlier of 5 business days prior to the BTEO Completion Date, then the Assetco shall be entitled to terminate the BTEO SPAs.

(iv) Disclosure letter

A letter shall be issued by Be Living to the Assetco (and accepted by the Assetco) making specific disclosures if there are any matters arising in the period between the date of the BTEO SPAs and the date of the letter which cause or may cause certain warranties set out in the BTEO SPAs to be untrue or misleading or inaccurate (“**BTEO Disclosure Letter**”).

(v) Counter-Indemnity Deed

A counter-indemnity deed shall be entered into between, among others, EcoWorld International, Hardwicke, Assetco and Jerseyco relating to certain identified guarantees provided in connection with the business of the Assetco, DMco and the relevant Stage 2 Subsidiaries relating to the Bromley North, Bromley Sherman Road, Tulsa Hill, Ealing and Osterley projects (“**BTEO Counter-Indemnity Deed**”).

3. DETAILS OF THE AGREEMENTS RELATING TO THE DMCO

3.1 Salient terms of the DMAs

3.1.1 Stage 1 DMA

(i) Appointment

Assetco shall appoint the DMco as the exclusive development manager for the Stage 1 Projects in accordance with the terms and conditions of the Stage 1 DMA.

(ii) Effective date, term and termination

The Stage 1 DMA shall become effective on the date of the Stage 1 DMA and shall continue to be in force and effect until notice of termination by either party on the cessation by EcoWorld Be or Be Living holding ownership interests in the DMco, subject to the other provisions of the Stage 1 DMA.

(iii) Development management services

The services to be provided by the DMco in respect of the Stage 1 Projects shall broadly comprise the following:

- (a) project planning and control, conceptual design and planning and project implementation and administration; and
- (b) coordination of sales, marketing, post completion matters, project accounting and general administration.

(iv) Extended development management services

Automatically on and with effect from the Stage 2 Completion, the DMco’s appointment and provision of services under the Stage 1 DMA shall be extended to the Stage 2 Projects

3.1.2 Stage 2 DMA

(i) Appointment

Assetco shall appoint the DMco as the exclusive development facilitation manager for the Stage 2 Projects (except for the Kew Bridge and Aberfeldy Village projects) in accordance with the terms and conditions of the Stage 2 DMA.

(ii) Effective date, term and termination

The Stage 2 DMA shall become effective on the date of the Stage 2 DMA and shall continue to be in force and effect until notice of termination by either party on the cessation by EcoWorld Be or Be Living holding ownership interests in the DMco, subject to the other provisions of the Stage 2 DMA.

The Stage 2 DMA shall automatically terminate on the Stage 2 Completion.

(iii) Development management services

The services to be provided by the DMco in respect of the Stage 2 Projects (except for the Kew Bridge and Aberfeldy Village projects) shall broadly comprise the following:

- (a) coordinating with the professional team appointed by Be Living on the preparation of the planning application in respect of the Stage 2 Projects;
- (b) monitoring the submission and progress of the planning application with the local planning authority, and all other relevant matters to obtain planning permission in relation to the Stage 2 Projects;
- (c) management and/or negotiation of any third-party agreements required to facilitate the development of the Stage 2 Projects; and
- (d) coordination of sales, marketing, project accounting and general administration.

3.1.3 Be Living DMA

(i) Appointment

Be Living shall appoint the DMco as the exclusive development manager for the Kew Bridge and Aberfeldy Village projects and the other projects which are retained by or remain under Be Living's direct control ("**Be Retained Assets**") in accordance with the terms and conditions of the Be Living DMA.

(ii) Effective date, term and termination

The Be Living DMA shall become effective on the date of the Be Living DMA and shall continue to be in force and effect until notice of termination by either party on the earlier of the disposal of the last unit of the Be Retained Assets, the cessation by EcoWorld Be or Be Living holding ownership interests in the DMco or 1 January 2022, subject to the other provisions of the Be Living DMA.

The Be Living DMA shall automatically terminate:

- (a) in respect of the Kew Bridge and Aberfeldy Village projects, on the KA Completion; and
- (b) in respect of the Be Retained Assets, on 8 February 2023.

(iii) Development management services

The services to be provided by the DMco under the Be Living DMA shall broadly comprise the following:

- (a) such development management and aftercare services as Be Living may reasonably require to service each development; and
- (b) such development management and aftercare services as may be reasonably expected to be provided by an experienced development manager for a residential development.

3.2 Salient terms of the DMco SHA

(i) Effective date, term and termination

The DMco SHA shall become effective on the date of the DMco 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 DMco SHA or 3 months after the Target Group ceases to hold any material interests in any land and/or buildings, subject to the other provisions of the DMco SHA.

(ii) Business of the DMco

The business of the DMco shall be to manage the development of the real estate assets held by the Assetco and Be Living pursuant to the DMAs.

(iii) 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 DMco to the board of the DMco and any member of the DMco group, where applicable.

The chairman of each board meeting of the DMco 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.

(iv) Reserved matters

Certain reserved matters have been set out in the DMco 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 DMco.

4. REFERRAL LETTER

4.1 Salient terms of the Referral Letter

Assetco shall pay to Be Living an agreed sum (as detailed in Section 4.2 of this announcement) when an asset is introduced for the benefit of and accepted by the Target Group in any of the following circumstances, subject to the terms and conditions of the Referral Letter:

- (i) off market assets introduced to Assetco by any member of the Willmott Dixon group on an exclusive first offer basis;
- (ii) off market assets sourced by persons employed by any member of the Target Group and directly attributable to the (a) association of such persons with the Willmott Dixon group's principals; or (b) business contacts of such persons gained before and during their employment by the Willmott Dixon group; and
- (iii) assets (a) forming any part of an ongoing project approved by the parties; or (b) introduced to the Target Group by persons approved by the parties.

4.2 Referral fee

Assetco shall pay a sum equal to 2.0% of the GDV of the asset to be developed (excluding affordable housing element) ("**Referral Fee**") in respect of any assets described in Sections 4.1(i), 4.1(ii) and 4.1(iii) of this announcement. Such Referral Fee is payable on the transfer of such assets to any member of the Target Group or on the commencement of development activity, as the case may be, and is expected to be funded through bank borrowings, other debt instruments and/or internally-generated funds.

5. CONDITIONALITY OF THE STAGE 2 ACQUISITIONS

The Stage 2 Acquisitions are conditional upon the KA CPs and BTEO CPs (as the case may be) as set out in Sections 2.6.1(i) and 2.6.2(i) of this announcement being fulfilled (or waived in accordance with the terms and conditions of such agreement).

The Stage 2 Acquisitions are not conditional upon any other corporate proposals of EcoWorld International.

6. RATIONALE AND BENEFITS

Prior to completing the Stage 1 Acquisitions, EcoWorld International had 3 projects ongoing in London, namely London City Island Phase 2, Embassy Gardens Phase 2, and Wardian London. These 3 projects, which target mainly the upper mainstream and prime home buyer segments, have performed well with 73% of total launched units sold as at 31 October 2017.

The Proposed Acquisition therefore provided a timely opportunity for the Group to replenish its development pipeline in the United Kingdom whilst also realising its ambition of becoming an international developer with a strong local presence and customer following where its projects are based.

The completion of the Stage 1 Acquisitions has added approximately GBP1.1 billion to EcoWorld International's remaining GDV of GBP1.01 billion (as at 31 October 2017) and upon completion of the Stage 2 SPAs, the Group's GDV will increase by another GBP1.5 billion. In terms of the number of projects, this has increased from only 3 projects to 9 with the completion of the Stage 1 Acquisitions and once the Stage 2 Acquisitions are completed, EcoWorld International will have 15 projects in the United Kingdom.

Based on the approved and proposed development plans, the Stage 1 Projects and Stage 2 Projects will enable EcoWorld International to substantially increase its development presence in Greater London and the South East of England by developing circa 8,200 residential units with a total estimated GDV of at least GBP2.6 billion.

The Group remains confident about the prospects of London's residential property market, in particular that of the mid-mainstream market where local property demand currently exceeds supply. The potential decline in overall supply of new residential properties due to cautious sentiments among developers also presents a unique opportunity for the Group to enhance its brand name particularly amongst the local populace.

All Stage 1 Projects and Stage 2 Projects are situated close to or within a 10- to 20-minute walk to tube or rail stations offering a 30- to 40-minute commute to Central London and providing easy access to international airports. These projects are located within the London commuter belt in areas where the local population live and commute to the capital for work.

The price point envisaged for the development sites contemplated under the Proposed Acquisition ranges from GBP500 psf to GBP800 psf. These developments will therefore allow the Group to tap into the large pool of domestic owner occupiers and investors in the mid-mainstream housing segment, broadening the spectrum of price points currently offered by the Group's existing portfolio of projects within Central London which ranges from GBP800 psf to GBP1,500 psf.

Domestic buyers of the projects within the price range of GBP500 psf to GBP800 psf are also likely to benefit from government homeownership initiatives such as the equity loan offered under the Help-to-Buy scheme and stamp duty relief for purchase of residential properties.

Further, the Proposed Acquisition will provide the Group an immediate footprint in the BTR segment and add diversity to the Group's product offering – this will improve the resilience and sustainability of the Group's overall revenue stream.

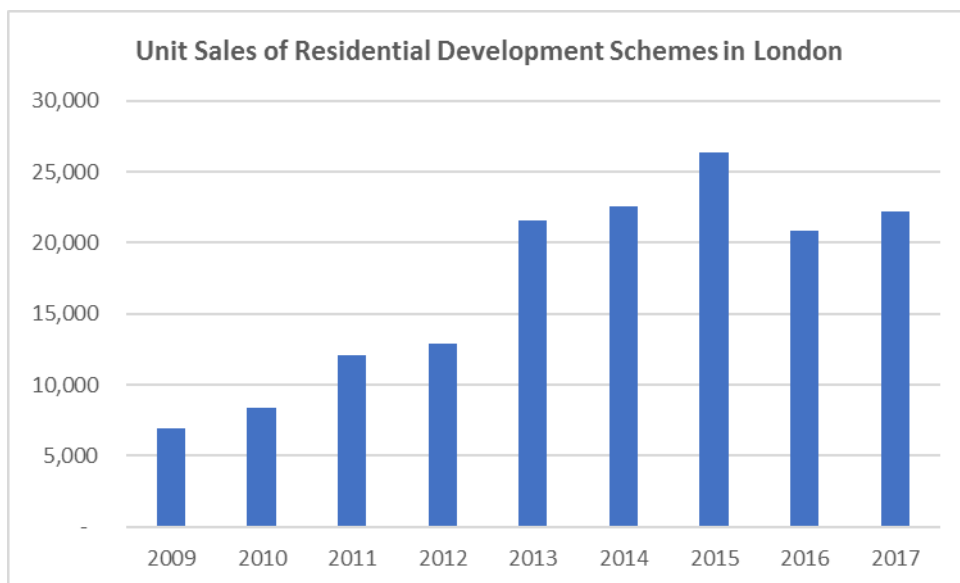
In addition, all projects contemplated under the Proposed Acquisition are spread across different locations in Greater London. This allows the Group to launch multiple sites simultaneously targeting the mid-mainstream market where demand is strongest thereby strengthening its near- and medium-term earnings potential and extending its earnings visibility well beyond 2020.

Note:

* Source: Molior London

7. OVERVIEW AND OUTLOOK OF THE UNITED KINGDOM PROPERTY MARKET

Based on statistics presented by Molior, sales of residential units across London for 2017 rose by 6.5% as compared to 2016. In fact, residential unit sales across London for the whole of 2017 have only been beaten in 2014 and 2015. The chart below summarises the residential unit sales across London for the past 9 years:



(Source: Quarterly Sales Analysis January 2018 dated 19 January 2018 published by Molior London)

According to Jones Lang LaSalle (“JLL”), across Greater London, where domestic owner-occupiers dominate, affordability will be the overriding influence. Financial support from parents is expected to continue to assist homebuying. Investors will play a lesser role going forward as investor stamp duty and income tax changes impact on returns. But a potential strong economy, especially post-2019, is expected to drive housing demand and push up prices.

In Central London, JLL expects demand for new developments to remain muted but steady over the next two years until the prospects of the United Kingdom after exiting the European Union (“**Brexit**”) are clearer. A bedrock of demand will continue from domestic owner-occupiers supported by a steady stream of international buyers and investors.

In Prime Central London, JLL forecasts another couple of years of subdued activity and pressure on pricing, especially at the top-end of the market where stamp duty impacts are greatest. Prime developments may experience greater vulnerability in the short-term.

Across all of these markets house price growth is forecast to be muted during 2018 and 2019. Although JLL believes the markets should pick-up from 2020 once the details of Brexit become clearer, JLL’s house price forecasts are more modest than over the past 20 years. JLL believes this is the new normal that we should all come to expect for the foreseeable future.

JLL thinks there is an upside potential to all of their London house price forecasts. The London housing market is traditionally more volatile than elsewhere in the country and could benefit if Brexit negotiations lead to a significant boost to London's credibility. International buyers have remained committed to London through this uncertainty and JLL expects them to continue to be a big part of its future.

While Brexit will affect the whole of the United Kingdom, there are reasons to believe that London will experience stronger negative influences. The majority of migrants live in London, which is now one-third international by country of birth. With the country's 'engines of growth' in the Capital, notably the vulnerable financial sector, Brexit will dampen demand for London property.

Brexit is already impacting jobs in London. With prospects uncertain, businesses are not expanding, investing and planning in the same way that they otherwise would. This is dragging on everyday Londoners' job prospects as well as overseas secondments. So, whatever the eventual outcome of Brexit, the support for London's housing market will be weakened.

JLL believes that many of the question marks over London's stature in the world are overblown. Yes, the outlook is uncertain, and net inward migration will be lower, but London will remain a key and cosmopolitan global city, a cultural icon and a great place to do business.

London may be a little different in five years' time, but will not be fundamentally altered. Demand from international high net worth individuals will continue while overseas investors are also unlikely to shy away from London because of Brexit. JLL believes that stamp duty and affordability influences will be far more important for international buyers than Brexit.

(Source: The New Housing Paradigm, UK residential forecasts November 2017 published by JLL)

BTR sector outlook

Affordability constraints, coupled with less quantifiable factors including lifestyle shifts, has led to a rapid increase in the size of the private rental sector, which has more than doubled in the last decade. We expect this trend to continue. PricewaterhouseCoopers have forecast an additional 1.8 million private rented households by 2025.

The BTR sector has thus recently attracted significant investment. And with approximately GBP30 billion targeting the sector over the next 5 years, this growth looks set to continue. The majority of investment has focused on London and the prime regional cities. However, as investors become more familiar with the sector and willing to take more risk, investment will spread into secondary towns and cities.

The rented stock will further diversify. The majority of development is in the form of city centre apartments, but there is an increasing concentration of families living in the sector.

According to the latest English Housing report, households with dependent children now account for a third of renters. Developers are likely to respond to this demographic group with more bespoke BTR developments. For example, Sigma launched its PRS REIT in 2017, with a mandate to provide family homes for rent across England (outside London).

House price and rental forecasts 2018 – 2021 UK, %

| % | 2018 | 2019 | 2020 | 2021 | Total |
|----------|-------------|-------------|-------------|-------------|--------------|
| Rent | 3.2 | 2.9 | 3.4 | 3.6 | 21.0 |
| Price | 1.5 | 4.7 | 3.9 | 2.3 | 17.1 |

(Source: 2018 UK Real Estate Market Outlook published by CBRE)

8. RISK FACTORS

8.1 Non-completion risk

Completion of the Stage 2 Acquisitions is subject to, among other things, the fulfilment of the conditions precedent set out in the respective Stage 2 SPAs. There is no guarantee that the conditions precedent will be fulfilled or the Stage 2 Acquisitions will be completed within the timeframe stipulated in the Stage 2 SPAs 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 2 Acquisitions.

Nevertheless, the Board is confident that the conditions precedent set out in the respective Stage 2 SPAs 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 2 Acquisitions in a timely manner.

8.2 Business risk

The Stage 2 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 conditions, 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 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 2 Projects as well as leveraging on the experienced and capable management team of EcoWorld International and Be Living.

8.3 Funding and interest rate risk

The Group may seek external financing to fund the development of the Stage 2 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.

8.4 Risk of disputes between shareholders

Certain shareholders reserved matters have been set out in the Jerseyco SHA and DMco 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 Jerseyco or DMco (as the case may be).

Disputes may occur between EcoWorld Be and Be Living regarding their relationship as shareholders of Jerseyco 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 Jerseyco SHA and DMco SHA for a shareholder to buy out the other shareholder's shares in both Assetco and DMco or for the parties to sell the Target Group and the land or business held or owned by the Target Group on the open market.

9. EFFECTS OF THE STAGE 2 ACQUISITIONS

9.1 Share capital and substantial shareholders' shareholdings

The Stage 2 Acquisitions 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 2 Acquisitions do not involve any issuance of new Shares.

9.2 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 2017 and on the assumption that the Stage 1 Acquisitions and Stage 2 Acquisitions have been effected on that date, 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 2017 | After the Stage 1 Acquisitions⁽¹⁾ | After the Stage 1 Acquisitions and Stage 2 Acquisitions⁽²⁾ |
|--|--|---|--|
| | (RM'000) | (RM'000) | (RM'000) |
| Share capital | 2,592,451 | 2,592,451 | 2,592,451 |
| Warrant reserve | 276,418 | 276,418 | 276,418 |
| Exchange translation reserve | 17,644 | 17,644 | 17,644 |
| Accumulated losses | (341,637) | (354,945) | (354,945) |
| NA attributable to the owners of EcoWorld International | 2,544,876 | 2,531,568 | 2,531,568 |
| Non-controlling interests | 2,768 | 2,768 | 2,768 |
| Total equity/NA | 2,547,644 | 2,534,336 | 2,534,336 |
| No. of Shares in issue ('000) | 2,400,000 | 2,400,000 | 2,400,000 |
| NA per Share attributable to the owners of EcoWorld International (RM) | 1.06 | 1.05 | 1.05 |
| Interest-bearing bank borrowings (RM'000) | 128,597 | 128,597 | 349,170 |
| Gearing (times) ⁽³⁾ | 0.05 | 0.05 | 0.14 |

Notes:

- (1) After netting-off expenses relating to the Stage 1 Acquisitions amounting to GBP2.4 million (equivalent to about RM13.31 million).
- (2) After settlement of the Stage 2 Consideration amounting to GBP40.36 million (equivalent to about RM220.57 million) which is assumed to be funded via bank borrowings and/or other debt instruments.
- (3) Computed based on total interest-bearing bank borrowings over total equity/NA.

9.3 EPS

The Stage 2 Acquisitions 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 2 Acquisitions 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 2 Projects.

10. APPROVALS REQUIRED

The Stage 2 Acquisitions are not subject to the approval of EcoWorld International's shareholders.

11. PERCENTAGE RATIO FOR THE PROPOSED ACQUISITION

Based on the latest audited consolidated financial statements of EcoWorld International for the financial year ended 31 October 2017 and the total estimated purchase consideration for the Proposed Acquisition (after aggregation with the Provisional Stage 1 Consideration in accordance with Paragraph 10.12 of the Main Market Listing Requirements) of GBP104.12 million (equivalent to about RM569.04 million), the highest percentage ratio applicable to the Proposed Acquisition under Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Securities is 22.36%.

12. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED 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 2 Acquisitions.

13. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Stage 2 Acquisitions, including but not limited to the following:

- (i) salient terms of the Stage 2 SPAs, DMco SHA, DMAs and Referral Letter;
- (ii) basis and justification of arriving at the Stage 2 Consideration;
- (iii) rationale and benefits of the Proposed Acquisition;
- (iv) risk factors of the Stage 2 Acquisitions; and
- (v) effects of the Stage 2 Acquisitions,

and after careful deliberation, is of the opinion that the Stage 2 Acquisitions are in the best interest of EcoWorld International.

14. ESTIMATED TIMEFRAME FOR COMPLETION

Barring unforeseen circumstances, the Stage 2 Acquisitions are expected to be completed progressively upon fulfilment of the conditions precedent set out in the respective Stage 2 SPAs over the next 1 to 3 years i.e. 2019 to 2021.

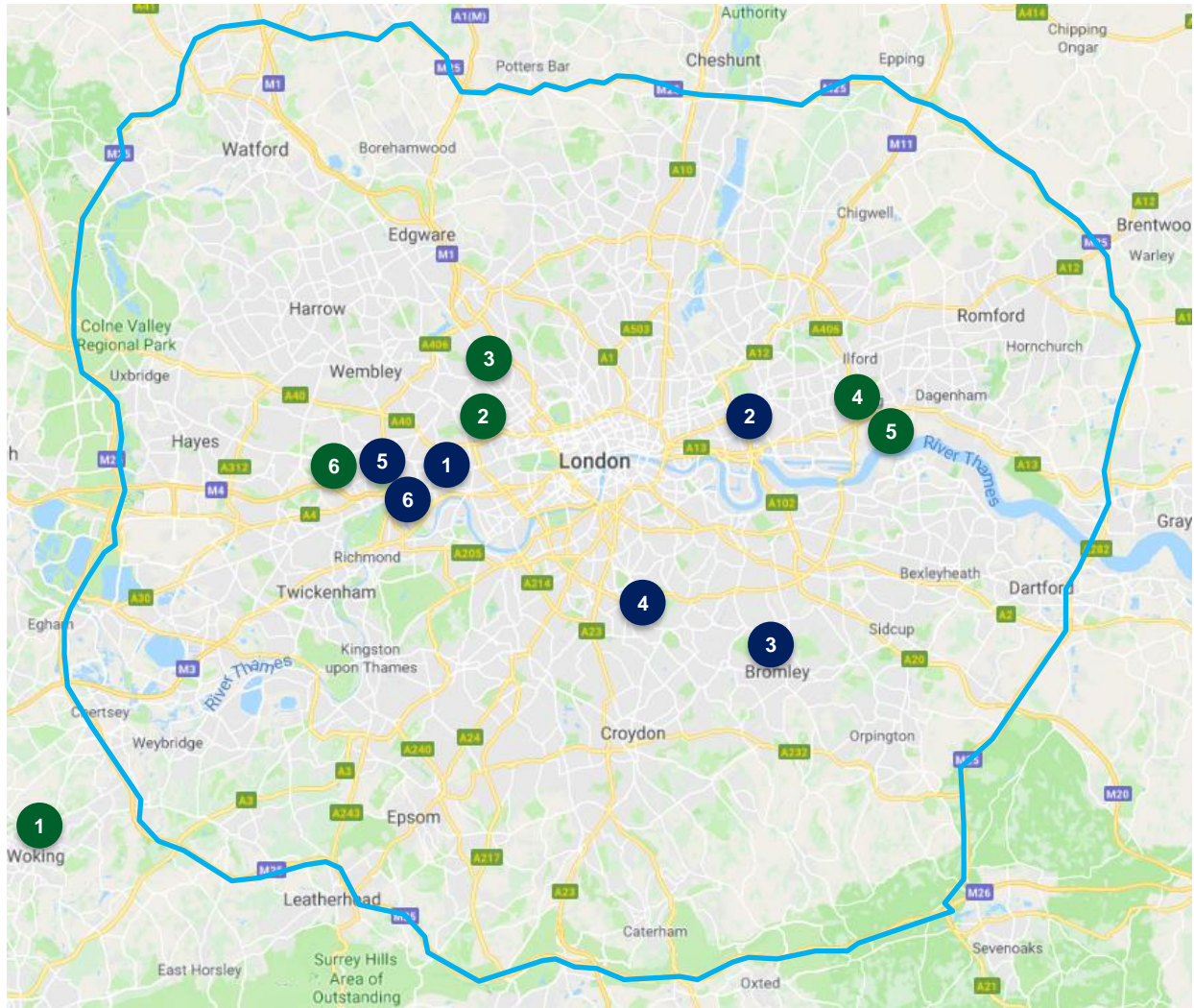
15. DOCUMENTS AVAILABLE FOR INSPECTION

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 2 SPAs;
- (ii) agreed form of each of the KA Disclosure Letter and/or BTEO Disclosure Letter (if any);
- (iii) agreed form of each of the KA Counter-Indemnity Deed and BTEO Counter-Indemnity Deed;
- (iv) Jerseyco SHA and DMco SHA;
- (v) DMAs; and
- (vi) Referral Letter.

This announcement is dated 19 March 2018.

INFORMATION ON THE STAGE 2 PROJECTS



● Stage 1 Projects ● Stage 2 Projects — M25 Motorway

Stage 2 Projects

| No. | Location | Borough |
|------------|--|-----------------------|
| 1. | Kew Bridge | Hounslow, London |
| 2. | Aberfeldy Village | Tower Hamlets, London |
| 3. | Bromley North and Bromley Sherman Road | Bromley, London |
| 4. | Tulse Hill | Lambeth, London |
| 5. | Ealing | Ealing, London |
| 6. | Osterley | Hounslow, London |

INFORMATION ON THE STAGE 2 PROJECTS (Cont'd)

STAGE 2 PROJECTS

1. KEW BRIDGE

The Kew Bridge site, located in West London, is a 10-minute walk away from the Kew Bridge Station (Zone 3).



Kew Bridge and Griffin Park sites:

| | |
|-----------------------------|--|
| Title no./lot no. | <ul style="list-style-type: none"> ▪ Kew Bridge site – AGL400634 ▪ Griffin Park site – Part of title no. NGL560153 and the whole of title no. AGL25433 |
| Postal address | <ul style="list-style-type: none"> ▪ Kew Bridge site – (Central Eastern, Central Southern, Capital Court, Duffy Land) Lionel Road South, Brentford, TW8 0JA ▪ Griffin Park site – Braemer Road, Brentford TW8 0NT |
| Site area | 16.5 acres |
| Tenure | <ul style="list-style-type: none"> ▪ Kew Bridge site – Leasehold ▪ Griffin Park site – Freehold |
| Proposed development | <ul style="list-style-type: none"> ▪ Kew Bridge site <ul style="list-style-type: none"> - Residential development based on planning consent obtained ▪ Griffin Park site <ul style="list-style-type: none"> - Residential development based on planning consent obtained |

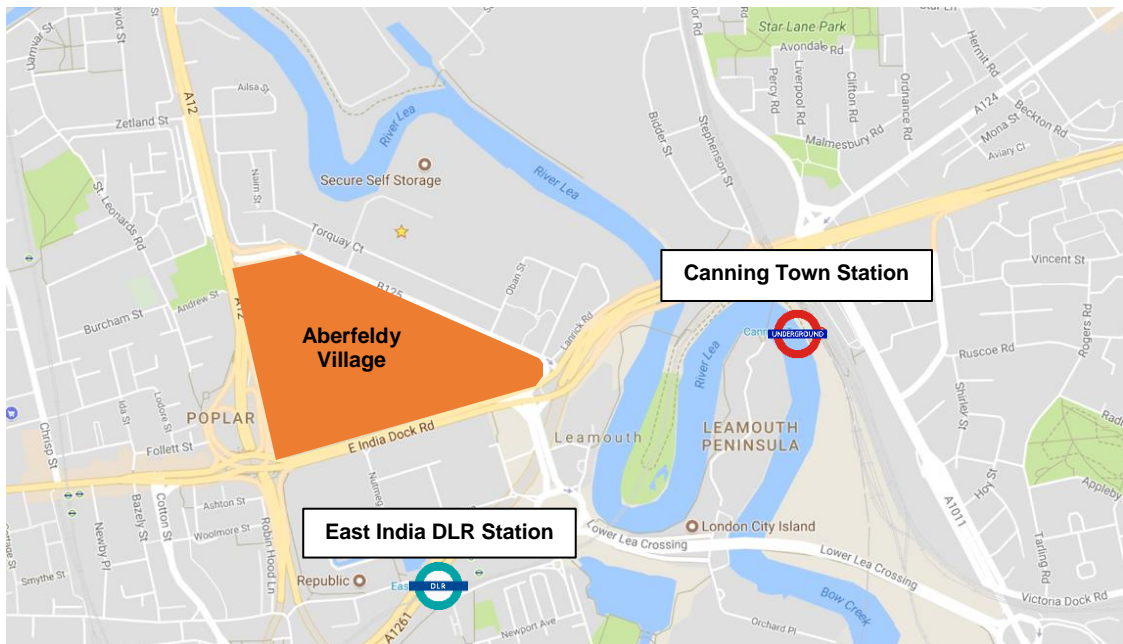
INFORMATION ON THE STAGE 2 PROJECTS (Cont'd)

| | |
|---------------------|---|
| Connectivity | <ul style="list-style-type: none">▪ Zone 3▪ Kew Bridge site<ul style="list-style-type: none">- 10 minutes' walk from the Kew Bridge site to Kew Bridge Station- 30 minutes from Kew Bridge Station to Waterloo Station (via South Western Rail)▪ Griffin Park site<ul style="list-style-type: none">- 14 minutes' walk from the Griffin Park site to Kew Bridge Station- 8 minutes' walk from the Griffin Park site to Brentford Station- 32 minutes from Brentford Station to Waterloo Station (via South Western Rail) |
| Encumbrances | The scheme is adjacent to the railway on three sides and requires consents and approvals from Network Rail for construction and bridge formation works. |

INFORMATION ON THE STAGE 2 PROJECTS (Cont'd)

2. ABERFELDY VILLAGE

Aberfeldy Village is located within the London Borough of Tower Hamlets, an area which is undergoing major regeneration with fast access to Canary Wharf and Central London.



Aberfeldy Village (Phase 3):

| | |
|-----------------------------|--|
| Title no./lot no. | <ul style="list-style-type: none"> ▪ Phase 3a – AGL410313 ▪ Phase 3b – AGL410338 |
| Postal address | <ul style="list-style-type: none"> ▪ Phase 3a – Aberfeldy Estate, Blair Street, London. ▪ Phase 3b – Aberfeldy Estate, Blair Street, London |
| Site area | 7 acres (for 6 phases) |
| Tenure | <ul style="list-style-type: none"> ▪ Phase 3a – Leasehold (155 years from and including 23 March 2017) ▪ Phase 3b – Leasehold (155 years from and including 23 March 2017) |
| Proposed development | Mixed development based on planning consent obtained. |
| Connectivity | <ul style="list-style-type: none"> ▪ Zone 2/3 ▪ 6 minutes' walk from the Aberfeldy Village site to East India Station ▪ 12 minutes from East India Station to Bank Station (via Docklands Light Railway) ▪ 5 minutes from East India Station to Canary Wharf (via bus) ▪ 20 minutes' walk from the Aberfeldy Village site to Canning Town Station ▪ 17 minutes from Canning Town Station to Bond Street Station (via Jubilee line) |

INFORMATION ON THE STAGE 2 PROJECTS *(Cont'd)*

| | |
|---------------------|--|
| Encumbrances | <p>There are restrictive covenants affecting the respective land titles for Phase 3a and Phase 3b. The risks associated with these covenants are covered by a restrictive covenant title indemnity insurance.</p> <p>Both land titles are subject to a charge dated 28 March 2017 in favour of Lloyds Bank plc, securing development finance facilities.</p> |
|---------------------|--|

INFORMATION ON THE STAGE 2 PROJECTS (Cont'd)

3. BROMLEY NORTH AND BROMLEY SHERMAN ROAD

The Bromley Sherman Road and Bromley North sites are located towards the South East of London and have been identified as a major metropolitan centre in the London Plan. Both Bromley Sherman Road and Bromley North sites are a 10-minute walk from Bromley Town Centre.



Bromley Sherman Road and Bromley North sites:

| | |
|------------------------------------|--|
| <p>Title no./lot no.</p> | <ul style="list-style-type: none"> ▪ Bromley Sherman Road site – SGL585798 and SGL528996 ▪ Bromley North site – P65632, SGL588255, SGL606498, SGL483192 |
| <p>Postal address</p> | <ul style="list-style-type: none"> ▪ Bromley Sherman Road site – 6-8 Sherman Road and 10 Sherman Road, Bromley, BR1 3NH ▪ Bromley North site – 63-67 Tweedy Road, Bromley, BR1 3NH |
| <p>Site area</p> | <p>3.8 acres</p> |
| <p>Tenure</p> | <ul style="list-style-type: none"> ▪ Bromley Sherman Road site – Freehold ▪ Bromley North site – Freehold |
| <p>Proposed development</p> | <ul style="list-style-type: none"> ▪ Proposed residential development for the Bromley Sherman Road and Bromley North sites ▪ Planning consent has yet to be obtained and as such, it is too preliminary to ascertain the construction programme at this juncture |
| <p>Connectivity</p> | <ul style="list-style-type: none"> ▪ Zone 4 ▪ 1 minute' walk from both Bromley Sherman Road and Bromley North sites to Bromley North Station ▪ 30 minutes from Bromley North Station to Victoria Station (via Southeastern rail) ▪ 14 minutes' walk from both Bromley Sherman Road and Bromley North sites to Bromley South Station ▪ 16 minutes from Bromley South Station to Victoria Station (via Southeastern rail) |

INFORMATION ON THE STAGE 2 PROJECTS *(Cont'd)*

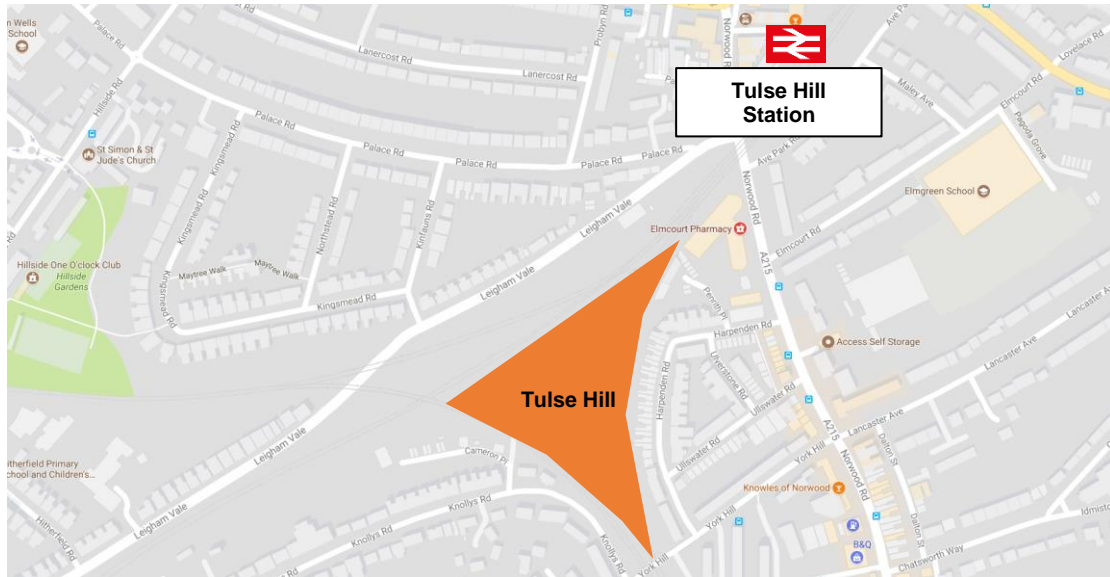
| | |
|---------------------|--|
| Encumbrances | <ul style="list-style-type: none">▪ Bromley Sherman Road site<ul style="list-style-type: none">- 6-8 Sherman Road is subject to various restrictive covenants including rights reserved over the property that are typical where the landowner is Network Rail- 10 Sherman Road is subject to various historic conveyances and access rights in favour of adjoining land▪ Bromley North site<ul style="list-style-type: none">- Part of the property at 65 Tweedy Road is subject to restrictive covenants |
|---------------------|--|

INFORMATION ON THE STAGE 2 PROJECTS (Cont'd)

4. TULSE HILL

The Tulse Hill site is located to the South West side of Tulse Hill Station and is bounded by rail tracks on all 3 sides.

Tulse Hill is a popular suburb located in South London within the London Borough of Lambeth with direct rail services to Blackfriars Station and London Bridge Station.



Tulse Hill site:

| | |
|------------------------------------|--|
| <p>Title no./lot no.</p> | <ul style="list-style-type: none"> ▪ Main site – Unregistered ▪ Access land –TGL482175 |
| <p>Postal address</p> | <p>Knollys Road, Tulse Hill, London</p> |
| <p>Site area</p> | <p>3.1 acres</p> |
| <p>Tenure</p> | <p>Freehold</p> |
| <p>Proposed development</p> | <ul style="list-style-type: none"> ▪ Proposed residential development of the Tulse Hill site ▪ Planning consent has yet to be obtained and as such, it is too preliminary to ascertain the construction programme at this juncture |
| <p>Connectivity</p> | <ul style="list-style-type: none"> ▪ Zone 3 ▪ 15 minutes’ walk from the Tulse Hill site to Tulse Hill Station (via proposed overhead footbridge) ▪ 16 minutes from Tulse Hill Station to Blackfriars Station (via Thameslink rail) ▪ 22 minutes from Tulse Hill Station to London Bridge Station (via Southern Rail) |
| <p>Encumbrances</p> | <p>The title to the main site derives from various historic conveyances</p> |

INFORMATION ON THE STAGE 2 PROJECTS (Cont'd)

5. EALING

Ealing is located in West London within the London Borough of Ealing.



Ealing site:

| | |
|-----------------------------|---|
| Title no./lot no. | AGL362588 and AGL388141 |
| Postal address | Gurnell Leisure Centre, Ruislip Road East, Ealing W13 0AL |
| Site area | 16.3 acres |
| Tenure | Leasehold |
| 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 |

INFORMATION ON THE STAGE 2 PROJECTS (Cont'd)

| | |
|---------------------|---|
| Connectivity | <ul style="list-style-type: none">▪ Zone 4▪ 10 minutes' walk from the Ealing site to Castle Bar Park Station▪ 27 minutes from Castle Bar Park Station to London Heathrow (via Great Western Railway and Heathrow Connect lines)▪ 30 minutes from Castle Bar Park Station to London Paddington Station (via Great Western Railway and Heathrow Connect lines) |
| Encumbrances | The property is subject to rights reserved in favour of the Ealing Council and an adjoining landowner |

INFORMATION ON THE STAGE 2 PROJECTS (Cont'd)

6. OSTERLEY

The Osterley site is located adjacent to the headquarters for Sky UK Limited and GlaxoSmithKline's offices.



Osterley site:

| | |
|-----------------------------|---|
| Title no./lot no. | AGL25233 |
| Postal address | Osterley Park, Syon Lane, Isleworth, TW7 5NZ |
| Site area | 2.1 acres |
| Tenure | The land interest when acquired will be held leasehold/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 ▪ 8 minutes' walk from the Osterley site to Syon Lane Station ▪ 30 minutes from Syon Lane Station to Waterloo Station (via Southwestern rail) |
| Encumbrances | The land interest when acquired is anticipated to be free from encumbrances |

PRESS RELEASE

19 March 2018

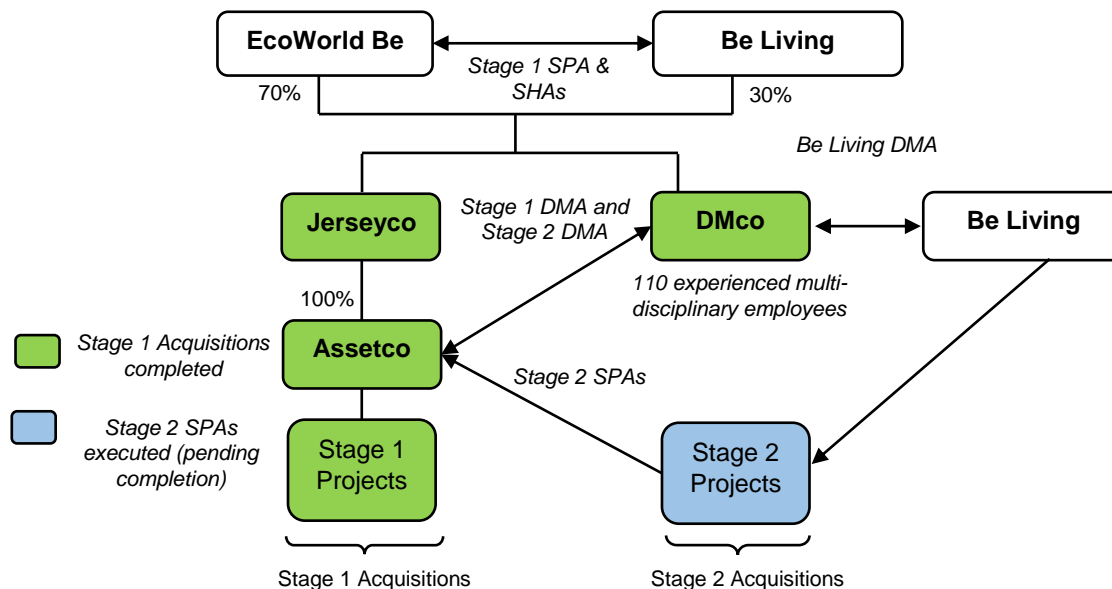
For Immediate Release

ECOWORLD INTERNATIONAL POWERS AHEAD IN ITS PLAN TO GO LOCAL IN THE UK

KUALA LUMPUR: Eco World International Berhad (EcoWorld International) announced today that it had made significant progress towards realising its ambitions to become a local UK developer following:

- i. Completion of the Stage 1 Acquisitions of its joint-venture with Be Living Holdings Limited (Be Living), which adds 6 new sites to its existing 3 projects in London. The estimated GDV of the 6 sites is approximately £1.1 billion – this will bring total remaining GDV to slightly more than double remaining GDV of £1.01 billion (as at 31 October 2017) from its ongoing UK projects;
- ii. Signing of definitive agreements for the Stage 2 Acquisitions which will potentially add another 6 sites with an estimated GDV of £1.5 billion - upon completion of the acquisition of the Stage 2 sites, the Group’s total number of projects in the UK will increase from 3 when it was listed around this time last year to 15 in total.

A diagrammatic illustration of the joint-venture is set out below:



More importantly, the above joint-venture with Be Living, a sister company of prominent UK contractor & developer Willmott Dixon Holdings Limited, will open up the following markets for EcoWorld International:

- Access to the mid-mainstream market with the capability to supply homes at price points ranging from £500 psf to £800 psf that an average income earner in London is able to afford;

- Immediate entry into the Built-to-Rent subsector which has seen rapid growth due to the substantial increase in the size of the private rental sector

This will greatly increase the breadth, depth and resilience of the Group’s UK business through the:

- extension of its geographical reach from its current Central London locations to Greater London and the South-East of England;
- expansion of its product range at price points covering the mid, upper-mid and prime residential market segments, and
- widening the Group’s customer base beyond individual homeowners and investors to institutional funds looking to acquire BTR properties in good locations.

“The completion of the Stage 1 Acquisitions marks the start of a new era for EcoWorld International in the United Kingdom. Going forward, we are well positioned to grow our UK business strongly to meet both local and international demand in the traditional Open Market Sale (OMS) subsector as well as rising institutional demand in the Built-to-Rent (BTR) subsector,” said Dato’ Teow Leong Seng, President and CEO of EcoWorld International.

The Stage 1 sites which have been acquired are as follows:

| 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. | Lampton | Hounslow, London |

5 out of the 6 sites have secured planning consent which will enable the projects to be launched within the next 1-2 years. In addition, several projects, namely Millbrook Park, Kensal Rise and Maida Hill have launched phases which can be made available for sale within the current financial year. EcoWorld International is also planning to pursue the forward sale of one or two BTR blocks within the other projects which will further contribute towards the Group’s sales performance for FY2018.

The Stage 2 sites which are proposed to be acquired upon fulfilment of the conditions precedents of the respective SPAs are:

| No. | Project | Borough |
|------------|--|-----------------------|
| 1. | Kew Bridge | Hounslow, London |
| 2. | Aberfeldy Village | Tower Hamlets, London |
| 3. | Bromley North and Bromley Sherman Road | Bromley, London |
| 4. | Tulse Hill | Lambeth, London |
| 5. | Ealing | Ealing, London |
| 6. | Osterley | Hounslow, London |

The Group targets to complete the Kew Bridge and Aberfeldy Village sites within the current financial year whilst the remaining sites are proposed to be completed subject to satisfactory planning consents meeting pre-agreed minimum criteria being obtained from the respective local councils. This conditional and progressive method of completion will enable EcoWorld International to better manage its cashflow and mitigate its development risks.

All 12 sites are located within the London commuter belt in areas where the local population live and commute to the capital for work. The sites are also situated close to or within a 10-20 minute walk to tube or rail stations offering a 30-40 minute commute to Central London and providing easy access to International Airports.

Commenting on the Group's prospects Teow highlighted that local demand in the mid-mainstream market currently exceeds supply. In addition, domestic buyers of projects within the price range contemplated above are entitled to benefit from various government homeownership initiatives such as the Help-to-Buy scheme and stamp duty reliefs. This will further boost the already strong demand in this segment of the market and further insulate the affordable sector from the vagaries of global sentiment and Brexit concerns.

With regard to the BTR subsector, CBRE, in its 2018 UK Real Estate Market Outlook opined that it has grown strongly thus attracting significant investment recently and that the positive trend is expected to continue. This is due to the rapid increase in the size of the private rental sector, which has more than doubled in the last decade due to affordability constraints, coupled with less quantifiable factors including lifestyle shifts.

All this also bodes well for the joint-venture and EcoWorld International's growth prospects in the years ahead. With this new joint-venture in place, the Group will be able to offer homes priced from £500 psf to £800 psf to cater to the needs of the local market as well as meet international demand via its existing projects in prime Central London. The substantial increase in its development pipeline by circa 8,200 units (total of Stage 1 & Stage 2 sites) will also extend its earnings visibility well beyond 2021.

On the funding front, the Stage 1 Acquisitions were completed using proceeds raised from the EcoWorld International's initial public offering (IPO) in April 2017. With regard to the Stage 2 Acquisitions, the Group's share of the estimated purchase consideration of GBP40.36 million (approximately RM220.57 million) is expected to be funded by bank borrowings, other debt instruments and/or internally-generated funds. This is in view of its low gearing level of only 0.05 times as at 31 October 2017 after taking into account the RM2.5 billion raised from the IPO.

Please refer to the detailed announcement for further details of the proposed acquisition and joint-venture.

About Willmott Dixon

Willmott Dixon is a privately-owned contracting, development and interior fit-out group, which was ranked the 42nd largest private company in the UK by the 2017 Sunday Times Top Track list. Group Chief Executive Rick Willmott is the fifth generation to lead the business, which was founded in 1852 and now generates over £1bn a year in sales.

The company is behind important projects like a new home for the Met Office supercomputer in Exeter, restoring the famous Old Admiralty Building as the new home for the Department of Education, plus bringing back to life the east wing of the iconic Alexandra Palace.

Be Living was created by Willmott Dixon as its residential development company and has a strong track-record for developing significant regeneration schemes in London and the South East, using its build to rent capabilities alongside its ability to create homes for sale and affordable rent.

About Eco World International Berhad (EcoWorld International)

EcoWorld International is a public company listed on the Main Market of Bursa Malaysia Securities Berhad on 3 April 2017. Its core business involves property development outside Malaysia. It has five ongoing projects in the United Kingdom and Australia with a total gross development value of RM13.97 billion. Major shareholders in EcoWorld International are Eco World Development Group Berhad – a well-known Malaysian property developer and GuocoLand Limited – a public company listed on the Singapore Exchange.

In the United Kingdom, EcoWorld International through its joint-venture company, EcoWorld-Ballymore is developing three waterside residential projects in the east and west of London. They are Embassy Gardens in Nine Elms, London City Island in Leamouth Peninsula and Wardian London in Canary Wharf.

EcoWorld International is also developing a project named West Village in Parramatta, Australia – a suburb and major business district in the metropolitan area of Sydney and has recently entered the Melbourne market with the Yarra One development in South Yarra.

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