

TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) : NON RELATED PARTY TRANSACTIONS PROPOSED ACQUISITION BY ECO WORLD (MACQUARIE) PTY LTD ("ECOWORLD MACQUARIE"), A WHOLLY-OWNED SUBSIDIARY OF FORTUNE QUEST GROUP LTD ("FORTUNE QUEST"), WHICH IN TURN IS A WHOLLY-OWNED SUBSIDIARY OF ECO WORLD INTERNATIONAL BERHAD ("ECOWORLD INTERNATIONAL"), OF PROPERTIES ON A PIECE OF LAND MEASURING APPROXIMATELY 2,751 SQUARE METRES LOCATED AT 1-3 LACHLAN AVENUE, MACQUARIE PARK, SYDNEY, NSW 2113, AUSTRALIA FOR AN ESTIMATED TOTAL PURCHASE CONSIDERATION OF AUD40.0 MILLION ("PROPOSED ACQUISITION")

ECO WORLD INTERNATIONAL BERHAD

Type	Announcement
Subject	TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS) NON RELATED PARTY TRANSACTIONS
Description	PROPOSED ACQUISITION BY ECO WORLD (MACQUARIE) PTY LTD ("ECOWORLD MACQUARIE"), A WHOLLY-OWNED SUBSIDIARY OF FORTUNE QUEST GROUP LTD ("FORTUNE QUEST"), WHICH IN TURN IS A WHOLLY-OWNED SUBSIDIARY OF ECO WORLD INTERNATIONAL BERHAD ("ECOWORLD INTERNATIONAL"), OF PROPERTIES ON A PIECE OF LAND MEASURING APPROXIMATELY 2,751 SQUARE METRES LOCATED AT 1-3 LACHLAN AVENUE, MACQUARIE PARK, SYDNEY, NSW 2113, AUSTRALIA FOR AN ESTIMATED TOTAL PURCHASE CONSIDERATION OF AUD40.0 MILLION ("PROPOSED ACQUISITION")

The Board of Directors of EcoWorld International wishes to announce that on 24 November 2017, EcoWorld Macquarie has entered into a put and call option agreement with the owners of 25 apartment units in respect of the acquisition of such units in the strata scheme comprised by Strata Plan 6481 located at 1-3 Lachlan Avenue, Macquarie Park, Sydney, NSW 2113, Australia for a purchase consideration of AUD33.8 million.

Please refer to the attached announcement for further details of the Proposed Acquisition (including the acquisition of the remaining 5 apartment units).

This announcement is dated 24 November 2017.

Please refer attachment below.

Attachments



[Macquarie Park - Announcement \(24.11.2017\).pdf](#)
615.6 kB



[Macquarie Park - Press Release \(24.11.2017\).pdf](#)
169.5 kB

Announcement Info

Company Name

ECO WORLD INTERNATIONAL BERHAD

Stock Name	EWINT
Date Announced	24 Nov 2017
Category	General Announcement for PLC
Reference Number	GA1-23112017-00071

ECO WORLD INTERNATIONAL BERHAD (“ECOWORLD INTERNATIONAL”)

PROPOSED ACQUISITION BY ECO WORLD (MACQUARIE) PTY LTD (“ECOWORLD MACQUARIE”), A WHOLLY-OWNED SUBSIDIARY OF FORTUNE QUEST GROUP LTD (“FORTUNE QUEST”), WHICH IN TURN IS A WHOLLY-OWNED SUBSIDIARY OF ECOWORLD INTERNATIONAL, OF PROPERTIES ON A PIECE OF LAND MEASURING APPROXIMATELY 2,751 SQUARE METRES (APPROXIMATELY 0.7 ACRES) LOCATED AT 1-3 LACHLAN AVENUE, MACQUARIE PARK, SYDNEY, NSW 2113, AUSTRALIA (“PROJECT LAND”) FOR AN ESTIMATED TOTAL PURCHASE CONSIDERATION OF AUD40.0 MILLION (“PROPOSED ACQUISITION”)

(Unless otherwise stated, the exchange rate of Australian Dollar (“AUD”) 1.00 : Ringgit Malaysia (“RM”) 3.1320), being the middle rate quoted by Bank Negara Malaysia at 5:00 p.m. on 23 November 2017, has been applied in this announcement for illustration purposes.)

1. INTRODUCTION

The board of directors of EcoWorld International (“**Board**”) wishes to announce that EcoWorld Macquarie, a wholly-owned subsidiary of Fortune Quest, which in turn is a wholly-owned subsidiary of EcoWorld International, had on 24 November 2017 entered into a put and call option agreement (“**Option Agreement**”) with the owners of 25 apartment units (“**Vendors**”) in the strata scheme comprised by Strata Plan 6481 (“**Strata Scheme**”), located at 1-3 Lachlan Avenue, Macquarie Park, Sydney, NSW 2113, Australia (“**Properties**”) involving the following rights:

- (a) EcoWorld Macquarie has the right to exercise the call option to buy the Properties from the Vendors during the period starting 43 days after the date of the Option Agreement and expiring on 7 September 2018 (“**Call Option Period**”); or
- (b) the Vendors have the right to exercise the put option to sell the Properties to EcoWorld Macquarie during the period starting on the day after the Call Option Period ends and expiring 30 business days thereafter (“**Put Option Period**”),

for a purchase consideration of approximately AUD33.8 million (equivalent to RM105.86 million) (“**Purchase Consideration**”).

Upon the exercise of the call or put option under the Option Agreement, EcoWorld Macquarie will enter into a definitive sale and purchase agreement with each of the Vendors to purchase the Properties (“**SPA**”). The agreed form of the SPA is attached to the Option Agreement.

Under the relevant Australian legislation, being the Strata Schemes Development Act 2015 (NSW), owners of at least 75% of the entitlements in a strata scheme (derived based on the collective total gross floor area (“**GFA**”) of the apartment units) (“**Unit Entitlement**”) can agree to end their strata scheme, so the site can be redeveloped or sold. With the Option Agreement to purchase 25 out of 30 apartment units, representing approximately 84.2% of the Unit Entitlement, EcoWorld Macquarie can proceed with the acquisition of all units through a strata renewal process under such act (“**Strata Renewal Process**”).

EcoWorld Macquarie intends to acquire all apartment units either through negotiation with the owners of the remaining five (5) apartment units to reach an agreement or via the Strata Renewal Process.

On the assumption that the purchase price for the remaining five (5) apartment units is derived based on the same price per square metre (“**sq m**”) as the other 25 apartment units (which is in line with the requirements of the Strata Renewal Process), the estimated total purchase consideration for all apartment units in the Strata Scheme is AUD40.0 million (equivalent to RM125.28 million).

EcoWorld Macquarie will commence the Strata Renewal Process as soon as possible and run this process in tandem with negotiation with the owners of the remaining five (5) apartment units to facilitate completion of the SPAs by the Completion Date (defined in Section 2.2.1).

Following acquisition of all apartment units in the Strata Scheme, EcoWorld Macquarie proposes to redevelop the land into a residential-led with a small commercial component development to be known as the “**Macquarie Park Project**”.

Further details of the Option Agreement and SPA are set out in the following sections.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Salient Terms of the Option Agreement

2.1.1 Condition Precedent

- (a) The Option Agreement is conditional upon EcoWorld Macquarie obtaining the approval or notification of non-objection (“**FIRB Approval**”) from the Treasurer of the Commonwealth of Australia (“**Treasurer**”) in relation to EcoWorld Macquarie’s acquisition of the Properties (“**FIRB Condition**”) on or before 2 February 2018*.

Note:

* *By a side letter dated on the same date as the Option Agreement (“**Side Letter**”), the parties have agreed to extend this date to 16 February 2018 (“**FIRB Condition Date**”).*

- (b) In order to satisfy the FIRB Condition, EcoWorld Macquarie is required to apply to the Treasurer for the FIRB Approval within five (5) business days from the date of the Option Agreement.
- (c) If EcoWorld Macquarie has complied with the requirement as set out in Section 2.1.1(b) and the FIRB Condition is not satisfied by the FIRB Condition Date, EcoWorld Macquarie may rescind the Option Agreement and the Call Option Fee (defined in Section 2.1.2(a)) will be refunded to EcoWorld Macquarie by the Vendors.

2.1.2 Call Option and Put Option

- (a) On the date of the Option Agreement, EcoWorld Macquarie is required to pay the call option fee of AUD1,689,794 (equivalent to RM5,292,435) (“**Call Option Fee**”), being 5% of the Purchase Consideration, to the Vendors’ solicitors as stakeholder and the Vendors are required to pay the put option fee of AUD10 (equivalent to RM31) (“**Put Option Fee**”) to EcoWorld Macquarie.
- (b) In consideration of the Call Option Fee, each Vendor grants to EcoWorld Macquarie an option (“**Call Option**”) for EcoWorld Macquarie to purchase the Properties at the Purchase Consideration upon terms and conditions of the SPA during the Call Option Period.
- (c) In consideration of the Put Option Fee, EcoWorld Macquarie grants to each Vendor an option (“**Put Option**”) for the Vendors to require EcoWorld Macquarie to purchase the Properties at the Purchase Consideration upon the terms and conditions of the SPA during the Put Option Period. The Put Option lapses if EcoWorld Macquarie has exercised the Call Option under Section 2.1.2(b).
- (d) If either the Call Option or the Put Option is exercised, then the Call Option Fee will form part of the Purchase Consideration.

2.1.3 Guarantee by Fortune Quest

In consideration of the Vendors entering into the Option Agreement at the request of Fortune Quest, Fortune Quest guarantees to the Vendors:

- (a) payment of all money payable by EcoWorld Macquarie under the Option Agreement; and
- (b) the performance by EcoWorld Macquarie of all of EcoWorld Macquarie's other obligations under the Option Agreement.

2.1.4 Authority granted to EcoWorld Macquarie

- (a) The Vendors agree to authorise EcoWorld Macquarie to prepare and lodge any application, and to assist EcoWorld Macquarie in relation to obtaining of the development consent for the development of the Properties pursuant to the Environmental Planning and Assessment Act 1979 (NSW).
- (b) Subject to the satisfaction of the FIRB Condition, the Vendors also agree to provide to EcoWorld Macquarie a power of attorney to vote or abstain from voting on behalf of the Vendors at any meeting of the owners corporation in relation to the Properties and execute any documents in connection therewith for the purposes of commencing and progressing the Strata Renewal Process.

2.2 Salient Terms of the SPA

On the exercise of either the Call Option or the Put Option, the SPA will be entered into between each Vendor and EcoWorld Macquarie upon the terms and conditions of the SPA.

2.2.1 Completion

- (a) The completion of the sale and purchase of the Properties ("**Completion**") will be the earlier of 9 November 2018 or a date that is three (3) months after the date of notice by EcoWorld Macquarie to the Vendors requiring early settlement ("**Completion Date**").
- (b) On Completion, the following shall take place:
 - (i) the Vendors must cause the legal title to the Properties to pass to EcoWorld Macquarie free of any mortgage or other interests; and
 - (ii) EcoWorld Macquarie must pay to the Vendors the Purchase Consideration less the Call Option Fee.
- (c) If Completion does not occur in accordance with Section 2.2.1(a), the party who is not in default and is ready, willing and able to proceed to Completion may serve a notice on the defaulting party requiring the other party to complete not less than 14 days from the date of service of the notice.
- (d) If Completion takes place after the Completion Date due to delay solely caused by EcoWorld Macquarie, interest to the Vendors calculated on the unpaid balance of the Purchase Consideration at the specified rate under the SPA on a daily basis from the Completion Date to the date on which the SPA is completed is to be paid by EcoWorld Macquarie as liquidated damages.

2.2.2 Guarantee by Fortune Quest

In consideration of the Vendors entering into the SPAs at the request of Fortune Quest, Fortune Quest guarantees to the Vendors:

- (a) payment of all money payable by EcoWorld Macquarie under the SPA; and
- (b) the performance by EcoWorld Macquarie of all of EcoWorld Macquarie's other obligations under the SPA.

2.2.3 Strata Renewal

In the event EcoWorld Macquarie proceeds to acquire all apartment units within the Strata Scheme through the Strata Renewal Process, the Vendors shall not do or procure any third party to do anything to impede any steps taken by EcoWorld Macquarie and shall assist EcoWorld Macquarie in relation to the Strata Renewal Process.

2.2.4 Interdependency of the SPA

- (a) Each of the SPAs arising out of the exercise of the Call Option or the Put Option under the Option Agreement are interdependent and a termination of any of the SPAs, other than due to EcoWorld Macquarie's default, which results in the number of apartment units falling below 23 or the Unit Entitlement falling below 75% (whichever is the greater) ("**Minimum Number**") will entitle EcoWorld Macquarie to terminate or rescind the other SPAs.
- (b) Completion of each of the SPAs are also conditional upon the simultaneous completion of the other SPAs which is equal to or more than the Minimum Number.

2.3 Basis and justification of arriving at the Purchase Consideration

The Purchase Consideration of approximately AUD33.8 million (equivalent to RM105.86 million) (for 25 apartment units in the Strata Scheme who have participated in the collective sale under the Option Agreement), was arrived at on a willing-buyer willing-seller basis after taking into consideration, among others, the strategic location and development prospects of the Project Land as set out in Sections 4 and 5 of this announcement as well as recently concluded transactions in Macquarie Park.

On the assumption that the purchase price for the remaining five (5) apartment units is derived based on the same price per sq m as the other 25 apartment units, the estimated total purchase consideration for all apartment units in the Strata Scheme is AUD40.0 million (equivalent to RM125.28 million), which represents approximately AUD3,635 per sq m based on the estimated GFA of 11,004 sq m.

In arriving at the Purchase Consideration, the Company had taken note of the following recently completed transactions:

- (i) a transaction involved 55 apartment units located at 15-21 Cottonwood Crescent, Macquarie Park, measuring approximately 5,130 sq m in land area was sold for more than AUD80.0 million, representing about AUD3,898 per sq m based on the estimated GFA of 20,520 sq m; and
- (ii) a transaction involved 40 apartment units located at 5-7 Cottonwood Crescent and 8 Lachlan Avenue, Macquarie Park measuring approximately 3,212 sq m in land area was sold for about AUD50.0 million, representing about AUD3,891 per sq m based on the estimated GFA of 12,848 sq m.

The Board is of the view that the Purchase Consideration is reasonable given that the Purchase Consideration is in line with the market price for the sites around Macquarie Park.

2.4 Settlement of Purchase Consideration

The Purchase Consideration shall be paid by EcoWorld Macquarie to the Vendors on Completion.

2.5 Source of funding

EcoWorld Macquarie expects to fund the Purchase Consideration via the proceeds raised from the initial public offering of EcoWorld International which was completed on 3 April 2017 and/or bank borrowings.

2.6 Liabilities to be assumed

Save as disclosed in Section 2.5 and this Section 2.6, EcoWorld International, its subsidiaries and joint ventures ("**Group**") will not be assuming any liabilities (including contingent liabilities) arising from the Proposed Acquisition.

EcoWorld International and/or Fortune Quest may provide corporate guarantee(s) to secure any loan requirements to finance the Project Land and the development cost thereof, if required.

3. INFORMATION ON ECOWORLD MACQUARIE

EcoWorld Macquarie is a private limited company incorporated in Australia on 8 November 2017. The issued and paid-up share capital is AUD1 comprising of 100 ordinary shares.

EcoWorld Macquarie is a wholly-owned subsidiary of Fortune Quest, which in turn is a wholly-owned subsidiary of EcoWorld International and its principal activity is property development. As at the date of this announcement, the directors of EcoWorld Macquarie are Dato' Teow Leong Seng and Yap Foo Leong.

4. INFORMATION ON THE PROJECT LAND

The Project Land, which is situated 12 kilometres northwest of Sydney's central business district ("**CBD**"), is strategically positioned within close proximity to Waterloo Road, Herring Road and Epping Road. Waterloo Road houses Macquarie Innovation Park District ("**MIPD**"), Macquarie University Train Station and Macquarie Shopping Centre. MIPD is Sydney's second largest business district and one of the largest business and technology precincts in the Southern Hemisphere. It is also one of Sydney's largest employment centres which hosts major global players across the pharmaceutical, technology, electronics and telecommunications industries like Fujitsu, Canon, 3M, Microsoft, Procter & Gamble and Johnson and Johnson, to name a few.

The Project Land is situated adjacent to Macquarie University in the Macquarie University Precinct (also known as Herring Road Precinct), home to one of Australia's top 10 universities and top two percent (2%) universities in the world that attracts thousands of international students annually. Herring Road Precinct forms part of the New South Wales's state government's priority growth precinct programme called the Urban Activation Precincts. This programme is implemented to ensure that selected areas with good access to existing or planned transportation infrastructure, have the potential to provide for the significant growth in housing and jobs as Macquarie Park is set to become the fourth largest CBD in Australia behind Sydney, Melbourne and Brisbane by 2030.

Macquarie Park is located along one of Sydney's largest motorways and it is a highly connected hub with excellent road and rail infrastructure, with Macquarie University Train Station and Macquarie Shopping Centre located approximately 400 metres and 500 metres, from the Project Land, respectively. Furthermore, the Project Land is situated in close proximity to high frequency bus routes from Macquarie Shopping Centre's bus interchange and Epping Road's bus network that travels in and out of the Macquarie University Precinct daily.

Besides being located within close proximity to Waterloo Road, Herring Road and Epping Road and have excellent road and rail infrastructure, the Project Land also reaps the benefit of Macquarie Shopping Centre and Macquarie Park with a plethora of lifestyle and entertainment options, from campgrounds and bushwalks to a wide range of shopping, dining and entertainment choices.



There is an existing building located on the Project Land which is an en-bloc of 30 apartment units ("**Building**"). The estimated total gross land area of the Building is 2,751 sq m and the estimated GFA is 11,004 sq m.

A summary of the Project Land is as follows:

Land description	<p>The Project Land comprises 30 strata titled units.</p> <p>Details of the certificate of title are as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Certificate of Title</th> <th style="text-align: left;">Lot No.</th> </tr> </thead> <tbody> <tr> <td>Strata Plan 6481</td> <td>Lots 1-30</td> </tr> </tbody> </table>	Certificate of Title	Lot No.	Strata Plan 6481	Lots 1-30
Certificate of Title	Lot No.				
Strata Plan 6481	Lots 1-30				
Postal address	1-3 Lachlan Avenue, Macquarie Park, Sydney, NSW 2113, Australia				
Land area	About 2,751 sq m				
Tenure	Freehold				
Category of land use/council zoning	B4 Mixed Use Zoning				
Existing use	En-bloc of 30 units of apartment units with carparks with an estimated land area of 2,751 sq m. As at the date of the announcement, the occupancy rate is 100.0%.				
Proposed use	Macquarie Park Project				
Expected commencement and completion dates for the Macquarie Park Project	Construction commencement expected in the first half of 2019 and is estimated to be completed by the second half of 2022.				
Estimated gross development value ("GDV") of the Macquarie Park Project	AUD139.0 million (equivalent to about RM435.35 million) (inclusive of Goods and Services Tax ("GST"))				
Status of approval	As of the date of the announcement, no planning permits have been submitted in respect of EcoWorld Macquarie's proposed development of the Project Land.				
NBV of the Project Land	EcoWorld Macquarie is not privy to such information which belongs to the Vendors.				
Encumbrances	<p>Presently, there are certain encumbrances registered under the title of the Project Land, including mortgages, by-laws and covenants. However, on Completion, the following will take place:</p> <p>(a) in respect of mortgages, the legal title to the Properties will pass to EcoWorld Macquarie free of any mortgages;</p> <p>(b) in respect of by-laws, these will not be applicable given that the Strata Scheme will be terminated and EcoWorld Macquarie proposes to redevelop the Project Land; and</p> <p>(c) in respect of covenants, these appear to be obsolete and EcoWorld Macquarie may apply to the Land and Property Information New South Wales to remove them from the title.</p>				

The Macquarie Park Project is targeted to be launched in the first half of 2019 and is expected to be completed over the next three (3) to four (4) years. The GDV of the Macquarie Park Project is estimated to be about AUD139.0 million (equivalent to about RM435.35 million) (inclusive of GST).

EcoWorld Macquarie is currently in the initial stages of development planning and is unable to ascertain the expected development cost required for the proposed development at this juncture.

5. RATIONALE FOR THE PROPOSED ACQUISITION AND PROSPECTS OF THE PROJECT LAND

On 3 April 2017, EcoWorld International successfully completed its initial public offering (“**IPO**”) and listing on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). With the completion of the listing exercise, the Company is in a good position to build on the early success achieved by its existing projects in the United Kingdom and Australia.

EcoWorld International intends to seek sustainable earnings growth over the longer term by continually replenishing and growing its pipeline of projects through the acquisition of development sites or by entering into joint ventures with suitable partners. Accordingly, the Company will continue to seek out suitable development opportunities to firmly establish its brand in mature and economically vibrant markets, particularly in the United Kingdom and Australia.

The Proposed Acquisition enables EcoWorld International, through EcoWorld Macquarie, to gain access to 2,751 square meters of prime land situated within Macquarie Park, located 12 kilometres northwest of central Sydney and is one of the most popular business park-turned-residential suburbs of Sydney. Macquarie Park is currently Sydney’s second largest business district and is set to become fourth largest CBD in Australia behind Sydney, Melbourne and Brisbane by 2030.

Located at the Macquarie University Precinct (also known as Herring Road Precinct), the Project Land is planned as part of the New South Wales state government’s priority growth precincts programme known as the Urban Activation Precincts programme to enhance the area’s existing role as a major commercial centre and innovation district.

State government investment in infrastructure, particularly the north-south rail lines, has turned Macquarie Park into a highly connected hub, on top of being home to Macquarie University, one of Australia’s leading research universities, and houses global players across the pharmaceutical, technology, electronics and communications industries within MPID. It is also the head office location for many Australia’s Top 100 companies. There is an increasing demographic growth in Sydney’s northwest, in part because residents can work in a place like Macquarie Park.

The Proposed Acquisition is therefore in line with EcoWorld International’s aims to grow its local customer base in each of its target markets and will complement EcoWorld International’s current property development portfolio, of five (5) ongoing projects in London, Sydney, and Melbourne. EcoWorld International plans to develop 125 units of residential apartments with a small component of retail with an estimated GDV of AUD139.0 million (inclusive of GST) however, this proposed development is subject to obtaining the necessary planning approval.

The Proposed Acquisition is therefore consistent with the Group’s strategy to seek good opportunities in selected matured international markets to expand its operations in line with the Group’s ambitions to become a prominent global property player.

6. OVERVIEW AND OUTLOOK OF THE AUSTRALIAN PROPERTY MARKET

The Australian economy is expected to expand at a solid pace over the next couple of years, and labour market developments have been quite positive of late. The drag on growth from the end of the mining investment boom has eased and is likely to end sometime in the next year or so. Investment in the non-mining sector has been increasing but growth in consumption has been below average. Inflation and wage growth remain low. Both are expected to increase only gradually over time. The outlook for the Australian economy is little changed from three (3) months ago. Quarterly GDP growth is expected to have eased slightly in the September quarter. Beyond that, growth is forecast to average about three percent (3%) over the next couple of years.

Dwelling investment looks to have peaked earlier than previously expected, and the pipeline of projects to be completed is now being worked down in some states. Dwelling investment is nonetheless expected to remain at a high level over the next couple of years, but not to contribute to overall economic growth. This implies that housing supply will continue to expand at an above-average rate, which would tend to weigh on housing prices and rents in some markets. Housing credit growth has eased a little, and the profile of new lending has shifted away from interest-only and other riskier types of lending. This suggests that recent prudential measures are helping to address risks in household balance sheets. Household debt remains high, however, and continues to increase faster than household income. Conditions in the established housing market have eased noticeably in Sydney, but have remained relatively strong in Melbourne. Housing prices are little changed recently in Brisbane and Perth. Growth in rents is below average in most cities, while in Perth rents continue to fall and vacancy rates are rising.

(Source: Statement on Monetary Policy dated 9 November 2017 prepared by the Reserve Bank of Australia)

7. RISK FACTORS

Below are some non-exhaustive risk factors that may be inherent to the Group in relation to the Proposed Acquisition:

7.1 Non-completion risk

Completion of the Proposed Acquisition is subject to among others, the fulfilment of the FIRB Condition by the FIRB Condition Date and the completion of the SPA by the Completion Date. There are no guarantees that the FIRB Condition will be fulfilled by the FIRB Condition Date or the Proposed Acquisition will be completed by the Completion Date. There could also be potential delays if EcoWorld Macquarie is required to acquire all apartment units within the Strata Scheme through the Strata Renewal Process.

Nevertheless, the Board is confident that the FIRB Condition will be met and the SPA will be completed within the stipulated timeframe. The Board will take all reasonable steps and exert all effort to obtain the necessary approvals to complete the Proposed Acquisition in a timely manner.

7.2 Business risk

The Proposed Acquisition is 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 development.

7.3 Funding and interest rate risk

The Group may seek external financing to fund the development of the Project Land. 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 Government of Malaysia and political, social and economic conditions in Malaysia. There can be no assurance that the necessary financing will be available in 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. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

8.1 Share capital and substantial shareholders' shareholdings

The Proposed Acquisition is not expected to have any effect on the issued share capital and shareholdings of the substantial shareholders of EcoWorld International as it does not involve the issuance of ordinary shares in EcoWorld International.

8.2 Net asset ("NA") per Share and gearing

The Proposed Acquisition is not expected to have a material effect on the consolidated NA per share of EcoWorld International for the financial year ending 31 October 2018.

8.3 Earnings and earnings per share ("EPS")

The Proposed Acquisition is 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 Proposed Acquisition is 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 Macquarie Park Project.

9. APPROVAL REQUIRED

The Proposed Acquisition is not conditional upon any other corporate proposals of EcoWorld International and the Proposed Acquisition does not require the approval of the shareholders of EcoWorld International.

10. PERCENTAGE RATIO FOR THE PROPOSED ACQUISITION

Based on the latest proforma audited consolidated financial statements of EcoWorld International for the financial year ended 31 October 2016 which has been reviewed by the auditors and on the assumption that the estimated total purchase consideration for all apartment units in the Strata Scheme is AUD40.0 million (equivalent to RM125.28 million), the highest percentage ratio applicable to the Proposed Acquisition under Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Securities ("**Listing Requirements**") is 4.72%.

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

None of the directors or major shareholders of EcoWorld International, or persons connected with them, have any interest, direct or indirect, in the Proposed Acquisition.

12. DIRECTORS' STATEMENT

The Board, after having considered all aspects of the Proposed Acquisition including but not limited to the following:

- (i) the salient terms of the Option Agreement;
- (ii) the rationale for the Proposed Acquisition;
- (iii) recently concluded land transactions in Macquarie Park;
- (iv) the risk factors of the Proposed Acquisition;
- (v) the financial effects of the Proposed Acquisition; and
- (vi) the outlook and prospects of the Macquarie Park Project,

And after careful deliberation, is of the opinion that the Proposed Acquisition is in the best interest of EcoWorld International.

13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring unforeseen circumstances, the Proposed Acquisition is expected to be completed by the fourth quarter of 2018.

14. DOCUMENTS FOR INSPECTION

The Option Agreement (including the agreed form of the SPA) and the Side Letter 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, Malaysia during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 24 November 2017.

PRESS RELEASE



24 November 2017

For Immediate Release

EcoWorld International acquires prime site in Sydney popular with locals for AUD139 million project

KUALA LUMPUR: Eco World International Berhad (EcoWorld International) announced today that it had secured access to a prime development land situated 12 kilometres northwest of Sydney’s central business district with plans to develop an AUD139 million Gross Development Value (GDV) project there.

The project site is situated at 1-3 Lachlan Avenue, Macquarie Park, Sydney adjacent to Macquarie University in the Macquarie University Precinct. This locale is home to one of Australia’s top 10 universities and top two percent (2%) universities in the world that attracts thousands of international students annually. It is also strategically positioned within close proximity to the Macquarie Innovation Park District (“MIPD”), Macquarie University Train Station and Macquarie Shopping Centre.

MIPD is Sydney’s second largest business district and one of the largest business and technology precincts in the Southern Hemisphere. It is also one of Sydney’s most important employment centres which hosts major global players across the pharmaceutical, technology, electronics and telecommunications industries like Fujitsu, Canon, 3M, Microsoft, Procter & Gamble and Johnson and Johnson, to name a few.

“We are delighted to be able to add the Macquarie Park site, which is situated in a fast-growing location extremely popular with Sydney-siders, to our growing project portfolio in Australia. Our decision to focus on serving the needs of the domestic property market began with the acquisition of the Yarra One site in South Yarra, Melbourne. This was followed by our recent entry into the Heads of Agreement with Willmott Dixon to potentially acquire 12 projects in the UK. The announcement today is therefore in line with our overall strategy to localise our brand wherever we operate,” said Dato Teow Leong Seng, President and CEO of EcoWorld International.

At present there is an existing building located on the project site with 30 en-bloc apartment units. Under the Strata Schemes Development Act 2015 (Australia), 75% of unit owners in a strata scheme can agree to end their strata scheme, so the site can be redeveloped or sold.

EcoWorld International has entered into a call and put option agreement with owners of 25 of the apartment units to acquire these units by way of a collective sale. This represents approximately 84.2% of the strata scheme which enables EcoWorld International to proceed with the acquisition of all the apartment units through a strata renewal process under the Act.

The estimated purchase price to acquire the entire site is approximately AUD40 million and the proposed acquisition is expected to be completed by November 2018.

EcoWorld International plans to develop 125 units of residential apartments with a small component of retail. The total estimated GDV of the project is AUD139 million and it is targeted to be launched in the first half of 2019 and completed over 3 – 4 years from the date of launch.

Funding for the proposed acquisition of the Sydney project is expected to come from a combination of the proceeds of EcoWorld International's recent IPO and bank borrowings / other debt instruments.

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 Warden 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.

For media enquiries, please contact:

Allison Lee M +6012 224 1884 E allison.lee@ecoworldinternational.com