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VILLA WORLD LIMITED ABN 38 117 546 326 ASX CODE: VLW

Villa World announces joint venture for Wollert residential development

Leading residential property developer Villa World has announced a joint venture agreement with Singapore's Ho Bee Land that will deliver 285 home sites in Wollert, north of the Melbourne CBD.

The joint venture development relates to Villa World's two previously contracted land parcels totalling ~16ha located adjacent to the future Wollert town centre, with an expected gross end value of ~\$84million.

Located less than 30 kilometres from the CBD and under 20 kilometres from Melbourne airport, the new Elyssia community will offer home sites with an average land size of approximately 395m² at an expected average sale price of \$300,000.

According to Villa World Managing Director and CEO Craig Treasure, the joint venture arrangement with Ho Bee Land is a continuation of the company's capital management strategies, and demonstrates that appropriate partnering arrangements can maximise Villa World's return on equity.

Michael Vinodolac, Villa World's General Manager – Operations said "We are very pleased to be working with Ho Bee on this project as both groups have been jointly pursuing opportunities for some time. We share a similar risk appetite and a disciplined approach to capital deployment."

Nicholas Chua – Ho Bee Land's Group Director added "This project marks our first land subdivision development in Australia and continues our diversification into the Australian market which commenced in 2012. We are pleased to be partnering with Villa World, who have a proven track record of over 30 years. We are confident this will be another successful project for us in Australia."

The joint venture is expected to contribute ~\$5.2million to Villa World's 1H18 NPAT, with development revenue contributing to the company's profit from FY19.

The partners will contribute capital and share profits on the basis of 51% (Villa World) and 49% (Ho Bee). The joint venture will obtain project specific financing for the development in due course.

About Ho Bee Land Limited

Ho Bee Land Limited was listed on the main board of the Singapore Exchange in 1999 and currently has a market capitalisation of S\$1.7 billion. Headquartered in Singapore, Ho Bee Land also has property investments and developments in Australia, China and United Kingdom.

About Villa World

Established in 1986, Villa World is an ASX300 listed residential property developer, specialising in contemporary Australian homes and land, in master planned communities in east coast States.

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