



(Incorporated in the Republic of Singapore)
Company Registration No. 196700511H

COMPETITION AND CONSUMER COMMISSION OF SINGAPORE ISSUES INFRINGEMENT DECISION AGAINST HOTEL OPERATORS

Far East Orchard Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to provide an update on its earlier announcement dated 2 August 2018 in respect of the proposed infringement decision issued by the Competition and Consumer Commission of Singapore (“**CCCS**”) on 2 August 2018 (the “**PID**”). The PID provisionally found that certain hotel businesses and operators in Singapore including the Company’s subsidiary, Far East Hospitality Management (S) Pte. Ltd. and two hotels under its management (collectively, the “**FEH Parties**”) had allegedly contravened Section 34 of the Competition Act (Cap. 50B) by engaging in concerted practices involving the exchange of commercially sensitive information in connection with the provision of hotel room accommodation in Singapore to corporate customers.

Following the PID, the FEH Parties had, through its lawyers, made robust submissions in response to the PID. Despite this, CCCS has, today, released its formal decision (the “**Decision**”) and maintained the financial penalty of S\$286,610 as proposed in the PID (“**Penalty**”).

Although disappointed with the Decision, the Group respects the position taken by CCCS. The Group takes legal compliance very seriously and will continue to focus on growing its business in a principled and ethical manner with strict adherence to all applicable laws. It has and continues to routinely review and implement robust compliance and training programmes to ensure that its business practices are and continue to be fully compliant with all applicable laws.

The Board of Directors of the Company does not expect the Penalty to have any material impact on the net tangible assets and earnings per share of the Group for the current financial year ending 31 December 2019.

By Order of the Board

Phua Siyu, Audrey
Company Secretary
30 January 2019