Far East Orchard Limited
(Incorporated in the Republic of Singapore)
Company Registration No. 196700511H

DISPOSAL OF UNITS IN TANGLIN SHOPPING CENTRE IN A COLLECTIVE SALE

1. INTRODUCTION

The Board of Directors (the "**Board**") of Far East Orchard Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that the Company has completed the disposal of its 4 strata office lots in Tanglin Shopping Centre in a collective sale ("**Units**"), by way of a public tender ("**Disposal**") to Hillthorpe Investments Pte Ltd ("**Purchaser**"). The Purchaser is not related to the Group and is not an interested person of the Company.

As previously stated in the Company's full year financial results announcement dated 24 February 2022 (page 20) and in the Company's annual report (page 161), each in respect of the financial year ended 31 December 2021 of the Group, the aggregate sale price for Tanglin Shopping Centre was S$868 million, and the Company would receive sale proceeds for the Units (through its wholly-owned subsidiary) based on an agreed allocation. The Company has held these Units as investment property. A gain on the Disposal, being the difference between the allocation of the sale proceeds and carrying value of the units, is expected to be recognised from the Disposal.

2. SALIENT TERMS

The aggregate strata area of the Units is 553 square metres, representing 1.56% of the total strata area and 2.17% of the total share value of Tanglin Shopping Centre, which is a freehold office-cum-shopping complex.

The Disposal was subject to certain conditions being satisfied, including an order being obtained from the Strata Titles Board for the sale of all units in Tanglin Shopping Centre which was received on 31 August 2022.

The collective sale price achieved for Tanglin Shopping Centre was S$868 million. As at 31 December 2021, the net book value of the Units was approximately S$13.1 million. The Company will be receiving S$18.7 million as the aggregate sale consideration for the Units.

3. RATIONALE FOR THE DISPOSAL

The Board believes that the Disposal of the Units is in the best interests of the Group and shareholders as it will enable the Group to realise the value of the Units, which were held as investment properties. The Disposal will result in a gain on disposal of approximately S$5.6 million.

Pursuant to paragraph 2 of Practice Note 10.1 of the Listing Manual of Singapore Exchange Securities Trading Limited, the Board is of the view that the Disposal is in the Company's ordinary course of business as (a) the Disposal is carried out as part of the Group's existing principal business of investment in and disposal of properties, and (b) the Disposal does not change the Group's risk profile. While the Company is not required to announce the Disposal under Chapter 10 of the Listing Manual, the Board has decided to voluntarily disclose

additional details of the Disposal to enhance the corporate disclosure standards of the Company.

4. FINANCIAL EFFECTS OF THE DISPOSAL

4.1 Bases and assumptions

The pro forma financial effects of the Disposal are based on, *inter alia*, the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2021.

The pro forma financial effects have been presented for illustration purposes only and do not necessarily reflect the actual financial position and earnings of the Group following the completion of the Disposal.

4.2 Net tangible assets ("**NTA**") per Share

For illustrative purposes, assuming the Disposal had taken place on 31 December 2021, the pro forma financial effects of the Disposal on the Group's NTA are as follows:

	Before the Disposal	**After the Disposal**
NTA (S$'000)	1,180,290	1,185,928
Total number of issued shares ('000)	464,534	464,534
NTA per share (S$)	2.54	2.55

4.3 Earnings per Share ("**EPS**")

For illustrative purposes, assuming the Disposal had taken place on 1 January 2021, the pro forma financial effects of the Disposal on the Group's EPS are as follows:

	Before the Disposal	**After the Disposal**
Profit attributable to equity holders of the Company (S$'000)	28,127	33,765
Weighted average number of issued shares ('000)	459,947	459,947
Earnings per share (cents)	6.12	7.34

By Order of the Board

Phua Siyu Audrey
Company Secretary
1 December 2022