
JOINT VENTURE FOR THE DEVELOPMENT OF A PURPOSE-BUILT STUDENT ACCOMMODATION PROJECT IN THE UNITED KINGDOM

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 Far East Orchard Investment Holding Pte. Ltd., (a wholly-owned subsidiary of the Company) (“**FEOI**”), has on 14 June 2022 entered into a joint venture agreement and share subscription agreement (collectively, the “**JVA**”) with Aurum Investments (Private) Limited (“**Aurum**”) and Way Assets Pte. Ltd. (“**Way Assets**”, together with FEOI and Aurum, the “**JV Partners**”), in relation to the acquisition of a plot of land located in Bristol in the United Kingdom to carry out the development of a purpose-built student accommodation project (the “**Development**”).

2. SALIENT TERMS OF THE JVA

2.1 Structure

FEOI has subscribed for shares in a joint venture company incorporated in Singapore named Silverthorne Locke Holdings Pte. Ltd. (“**SLH**”), such that FEOI holds 50% of the shareholding of SLH, with the remaining 37.5% held by Aurum and 12.5% held by Way Assets. SLH is the 85% shareholder of a company incorporated in the UK named Silverthorne Locke Limited (“**SLL**”), with the remaining 15% held by Atlas Land Limited. The JV Partners have agreed to commit capital and shareholder loans of up to an aggregate of £26.6m (approximately S\$45.0m¹, the “**Committed Amount**”) into SLH, which will be funded by the JV Partners in proportion to their respective shareholding in SLH.

FEOI’s share of the committed capital is £13.3m (approximately S\$22.5m¹) will be satisfied in cash by FEOI through a combination of internal resources and external debt facilities.

2.2 The Development

The Committed Amount will be used by SLL for the acquisition of the freehold interest in a plot of land located at Plot 6 Silverthorne Lane, Bristol BS2 0QD (the “**Site**”). It is intended that the Site will be developed into a purpose-built student accommodation of at least 690 beds. The development manager for the Development is Studio Hive Limited (“**SH**”).

The Development is expected to be fully completed in the financial year ending 31 December 2027.

3. INFORMATION ON THE PARTIES

3.1 Aurum Investments (Private) Limited

Aurum is a company incorporated in Singapore, and is wholly owned by Woh Hup Holdings Pte Ltd (“**WH**”). WH was established in 1927 and is now one of Singapore’s largest privately owned construction and civil engineering specialists with projects in the Southeast Asia region throughout Asia. WH has delivered large-scale projects such as Clifford Pier,

¹ Based on the exchange rate of GBP1:SGD1.69 prevailing as at 14 June 2022.

MacDonald House, Golden Mile Complex, Great World City, Orchard Central, Gardens By The Bay and Jewel Changi Airport, buildings that helped fill in the city's landscape. WH also has investments in development projects in the UK and construction projects in India.

3.2 Way Assets Pte. Ltd.

Way Assets is a company incorporated in Singapore on 17 February 2016 and is an investment holding company for a Singapore based single family office with interests in a long term diversified portfolio of assets including real estate, equities, investee companies and funds.

3.3 Atlas Land Limited

Atlas Land is a company incorporated in the United Kingdom, which is wholly owned by Globus Holdings, an investment company incorporated in Guernsey, which is in turn jointly owned by Mr and Mrs Alan Chaytor, both currently residing in Switzerland.

4. **RATIONALE FOR AND BENEFITS OF THE JOINT VENTURE (“JV”)**

The Board is of the view that the JV presents a prime investment opportunity for the reasons set out below:

(i) Continued expansion of the Group's student accommodation portfolio

The JV allows the Group to continue expanding its student accommodation portfolio into a UK city with favourable demand and supply dynamics. Bristol is an established university city in the UK with a large full-time student population. The Site will be located within 10-minute walk to a planned new campus by University of Bristol.

(ii) Aligned with the Group's strategic focus to grow its recurring income streams

The JV is in line with the Group's strategic focus to increase the recurring and stabilised income of the Group.

Pursuant to Rule 3.2 of Practice Note 10.1 of the Listing Manual of Singapore Exchange Securities Trading Limited, the Board is of the view that the JV is in the Company's ordinary course of business. While the JV is not a disclosable transaction under Rule 1010 of the Listing Manual, the Board has decided to voluntarily disclose additional details of the JV to enhance the corporate disclosure standards of the Company.

5. **FINANCIAL EFFECTS**

The Development is not expected to have any material impact on the consolidated net earnings per share and consolidated NTA per share of the Group for the current financial year ending 31 December 2022.

6. **FURTHER UPDATES**

The Company will, in due course and where relevant, make such further announcements through SGXNET to inform JV Partners of any material updates or developments.

By Order of the Board

Phua Siyu Audrey
Company Secretary
14 June 2022