



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

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

Pursuant to Rule 706A of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors (the “**Board**”) of Far East Orchard Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the following in respect of the first half year ended 30 June 2020:

Issue of preferred equity shares in Ariake Properties TMK

The Board refers to the announcements released by the Company on 28 May 2018, 27 September 2019, 7 October 2019 and 28 April 2020 in relation to a joint venture by its subsidiary, Far East Hospitality Holdings Pte. Ltd. (“**FEHH**”) with Boo Han Holdings Pte Ltd (“**Boo Han**”), for a conditional purchase and sale agreement with Shimizu Corporation for the joint purchase of a hotel project in Japan (the “**Announcements**”). All defined terms used therein and not otherwise defined will have the meaning ascribed to them in the Announcements.

Prior to the completion of the purchase and sale agreement announced on 28 April 2020, 49% of the preferred equity shares in Ariake Properties TMK (“**TMK**”) was issued to Ariake Properties (Singapore) Pte. Ltd. (a 50-50 joint venture company held by FEHH and Boo Han, which was incorporated and announced on 27 September 2019), 25.5% of the preferred equity shares in the TMK was issued to the Japan branch of Far East Hospitality Properties (Japan) Pte. Ltd. (a wholly owned subsidiary of FEHH, which was incorporated and announced on 15 July 2019), with the remaining 25.5% of the preferred equity shares in the TMK issued to the Japan branch of Far East Land (Japan) Pte Ltd (a wholly owned subsidiary of BHH). The preferred equity shares were issued for an aggregate amount of ¥3.35 billion. This value was determined in accordance with our funding requirements for the total consideration of the purchase and sale agreement, with the balance of the consideration being funded by bank borrowings. For further details of the consideration for the purchase and sale agreement, please refer to the announcement released by the Company on 28 May 2018.

Pursuant to the subscription of the preferred equity shares set out above which was completed on 23 April 2020, the TMK has become an associated company of the Company.

By Order of the Board

Phua Siyu Audrey
Company Secretary
6 August 2020