



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

ACQUISITION OF PROPERTY IN BRIGHTON, EAST SUSSEX, UK

1. INTRODUCTION

The Board of Directors (the "**Board**") of Far East Orchard Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Group has, through its wholly-owned subsidiary, DJTwo Limited, entered into an agreement (the "**Agreement**") to expand the Group's existing overseas property portfolio by acquiring a property (the "**Property**") located in Brighton, East Sussex, United Kingdom ("**UK**") (the "**Acquisition**"). Details of the Property are set out in paragraph 3 below.

2. PURCHASE CONSIDERATION AND FUNDING

The purchase price for the Acquisition is £5,347,886 (inclusive of Value Added Tax ("**VAT**")). The purchase price was arrived at on a willing-buyer, willing-seller basis after taking into account the independent valuation carried out on the Property and various commercial factors, including, *inter alia*, the location of the Property, its potential as a source of rental income and the recent transacted prices for other properties in the vicinity.

Under the Agreement, the purchase price for the Acquisition shall be paid in the following manner:

- (a) a deposit of £300,000 upon execution of the Agreement; and
- (b) the balance of the purchase price shall be paid on the completion date of the Agreement.

The Acquisition will be funded by internal sources and/or external debt facilities.

3. **THE PROPERTY**

Through the Acquisition, the Group will acquire the Property located within Brighton, East Sussex, UK, which consists of a land site for development.

The Group intends to develop the land site into purpose-built student accommodation and the development is estimated to be completed by the end of 2018. The Property is well-located within walking distance from the University of Brighton's Moulsecoomb and Grand Parade campus, easily accessible to Brighton city centre as well as other higher education campus via public transportation to University of Brighton's Falmer campus and the University of Sussex.

Details of the Property that will be integrated to the Group's overseas portfolio pursuant to the Acquisition are as follows:

Location	Effective Interest	Tenure	Estimated Site Area (sq m)	Estimated No. of rooms/ units	Purchase Price (inclusive of VAT)
Brighton, East Sussex, UK	100%	Freehold	1,616	191-205 student rooms, and 8 affordable housing units	£5,347,886

4. **SALIENT TERMS OF THE ACQUISITION**

Pursuant to the Agreement, the Property will be purchased free from all encumbrances other than (a) any matters, other than charges, contained in the records maintained by the Land Registry of the UK; (b) any matters discoverable by inspection of the Property before the date of the Agreement; (c) any matters which the seller does not and could not reasonably know about; (d) any matters, other than charges, disclosed or which would have been disclosed by searches and enquiries; (e) public requirements; and (f) any matters which are unregistered interests which override registered dispositions under Schedule 3 to the Land Registration Act of the UK.

5. **RATIONALE FOR THE ACQUISITION**

The Board believes the Acquisition presents a prime investment opportunity to the Group, which diversifies the property portfolio of the Group. The Acquisition is also in line with the Group's efforts to develop our position as a leading industry player in the wider region by further extending its geographical reach in Europe.

Based on the Housing Strategy 2015 report from the Brighton & Hove City Council, the Company understands that the universities in Brighton have plans to increase student numbers by 9,000 over the next 5 years. In addition, Brighton has been reported to be among the top 10 cities in UK for young people to live in.

Pursuant to Rule 3.2 of Practice Note 10.1 of the Listing Manual, approval from the shareholders of the Company is not required as the Acquisition is in the Company's ordinary course of business.

6. FINANCIAL EFFECTS

The Acquisition is not expected to have a material impact on the Group's consolidated net earnings per share and consolidated net tangible assets per share of the Group for the current financial year ending 31 December 2015.

7. DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition, other than their shareholdings in the Company.

By Order of the Board

Chwee Chong Foon
Company Secretary
30 December 2015