



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

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## SALE OF PROPERTY UNITS AT WOODS SQUARE PURSUANT TO RULE 910(1) OF CHAPTER 9 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

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### 1. INTRODUCTION

The Board of Directors (the “**Board**”) of Far East Orchard Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements released by the Company on 17 April 2014 and 2 March 2015 in relation to a joint venture by its wholly-owned subsidiary, Tannery Holdings Pte Ltd (“**THPL**”) with Far East Civil Engineering (Pte.) Limited (“**FECE**”) and Sekisui House, Ltd (“**Sekisui**”) for the proposed development of a land parcel at Woodlands Square (“**Woods Square**”), and the incorporation of a private limited company known as Woodlands Square Pte. Ltd. (“**WSPL**”) to own and undertake the development of Woods Square (collectively, the “**Prior Announcements**”).

As disclosed in the Prior Announcements, each of THPL, FECE and Sekisui holds one-third interest in the share capital of WSPL.

Further to the Prior Announcements, the Board wishes to announce that WSPL has on 23 August 2019 entered into an option to purchase, a sale and purchase agreement and a side letter (collectively, the “**SPA**”) with Far East Management (Private) Limited (“**FEM**”), a member of Far East Organization, for the sale of 3 property units at Woods Square (“**Sale Units**”) from WSPL to FEM (the “**Sale**”).

The Sale will constitute an interested person transaction (“**IPT**”) within the meaning of Chapter 9 of the listing manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”).

### 2. INFORMATION ON WOODS SQUARE AND THE SALE UNITS

Woods Square is a 99-year leasehold integrated office development which is currently being developed by WSPL.

The Sale Units are #04-01, #05-01 and #06-01, located in one of the 2 tower blocks of Woods Square. As at the date of this announcement, the aggregate strata area of the Sale Units is approximately 6,796 square metres.

### 3. SALIENT TERMS OF THE SPA

The aggregate consideration for the Sale is S\$131,700,000 (the “**Consideration**”), being approximately S\$19,379.05 per square metre. It was negotiated on an arm’s length and willing buyer-willing seller basis, taking into account the transaction prices of other units at Woods Square and other market comparables. There is no percentage discount given to FEM.

Pursuant to the terms of the SPA, FEM shall pay to WSPL 5% of the Consideration (being S\$6,585,000.00) upon the granting of the option to purchase, 15% of the Consideration (being S\$19,755,000) upon the exercise of the option to purchase, and the balance 80% of the Consideration (being S\$105,360,000) in accordance with development and completion milestones.

The parties have also agreed that if the strata area of the Sales Units is varied during the development of Woods Square, then the Consideration shall be adjusted accordingly based on S\$19,379.05 per square metre.

#### **4. RATIONALE FOR AND BENEFITS OF THE SALE**

FEM had made a direct and unsolicited offer for the Sale Units, at an offer price which is comparable to the transaction prices of other units at Woods Square. In addition, as this is a direct offer, no commission is payable on the Sale.

#### **5. CHAPTER 9 OF THE LISTING MANUAL**

##### **5.1. IPT**

The Company's immediate holding company, Far East Organization Pte. Ltd., is 50% owned by the Estate of Mr Ng Teng Fong, deceased (the "**Estate**"). The Estate is therefore a controlling shareholder of the Company. As the Estate holds a majority of the shares in FEM, FEM is an associate of the Estate. Accordingly, FEM (being an associate of a controlling shareholder of the Company) is an "interested person" under Rule 904(4)(a) of the Listing Manual. Similarly, as the Estate holds 100% of the shares in FECE, FECE is an associate of the Estate, and accordingly, an "interested person".

THPL and FECE each holds one-third interest in the share capital of WSPL. Accordingly, WSPL is an associated company of the Company and an "entity at risk" under Rule 904(2)(c) of the Listing Manual.

Pursuant to the above, the Sale between FEM and WSPL will constitute an interested person transaction under Chapter 9 of the Listing Manual ("**IPT**").

##### **5.2 Statement of the Audit & Risk Committee ("**ARC**") and Board of Directors**

The ARC has reviewed the terms and conditions of the Sale and is satisfied that: (a) the Sale is on normal commercial terms, (b) the number and terms of the Sale are fair and reasonable, and (c) the terms are not prejudicial to the interests of the Company and its minority shareholders.

The Board of Directors has also reviewed the terms and conditions of the Sale and is also satisfied that: (a) the Sale is on normal commercial terms, (b) the number and terms of the Sale are fair and reasonable, and (c) the terms are not prejudicial to the interests of the Company and its minority shareholders. Mr Koh Boon Hwee, Mr Lui Chong Chee and Ms Koh Kah Sek have abstained from voting and/or making any recommendation in respect of the Sale.

Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2018, the latest audited net tangible assets ("**NTA**") of the Group as at 31 December 2018 was approximately S\$1,168,116,000. As the Group has a one-third interest in the share capital of WSPL, the amount at risk to the Group is one-third of the Consideration, being S\$43,900,000. Accordingly, the amount at risk to the Group represents approximately 3.8% of the Group's latest audited NTA.

For the current financial year commencing on 1 January 2019 and up to 31 July 2019, (a) the total value of all IPTs with FEM is approximately S\$2,463,000; and (b) the total value of all IPTs with all interested persons is approximately S\$28,040,000.

**6. FURTHER UPDATES**

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

By Order of the Board

Phua Siyu Audrey  
Company Secretary  
23 August 2019