



**FAR EAST  
ORCHARD  
LIMITED**

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

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## AWARD OF TENDER OF LAND PARCEL AT FERVALE CLOSE

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### 1. INTRODUCTION

The Board of Directors of Far East Orchard Limited (the "**Company**") wishes to announce that it has on 14 June 2013 been awarded a tender by the Housing & Development Board ("HDB") for a land parcel at Fernvale Close (the "**Land**") zoned for residential purposes jointly with FCL Topaz Pte. Ltd. (a member of Frasers Centrepoint) ("FCL") and Sekisui House, Ltd ("Sekisui"). The total tender price for the Land is approximately S\$256.98 million (the "**Tender Price**").

The Company, FCL and Sekisui will be entering into a joint venture to acquire and develop the Land ("**Proposed Joint Venture**").

### 2. THE PROPOSED JOINT VENTURE AND FINANCIAL EFFECTS

The Company's capital contribution in the Proposed Joint Venture, will be 30%, while that of FCL will be 40% and that of Sekisui will be 30%. The Company's share of the capital contribution towards the Proposed Joint Venture will be funded by internal sources and bank borrowings.

It is intended that the risks and rewards arising from the Proposed Joint Venture will be in proportion to the capital contribution of each joint venture partner. On this basis, the parties will negotiate and enter into a definitive joint venture agreement as soon as practicable. The Company will make an appropriate announcement in due course once the terms of the joint venture agreement are finalized.

### 3. RATIONALE FOR THE PROPOSED JOINT VENTURE AND BENEFIT TO THE COMPANY

The Proposed Joint Venture will allow the Company to collaborate with partners with excellent track records and strong financials and would give the Company an opportunity to participate in bigger development projects.

BY ORDER OF THE BOARD

Leow Chiap Seng  
Company Secretary  
14 June 2013