



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

INCORPORATION OF INDIRECT WHOLLY-OWNED SUBSIDIARY AND ENTRY INTO SALE AND PURCHASE AGREEMENT FOR SHARES IN A COMPANY

1. INTRODUCTION

The Board of Directors (the "**Board**") of the Company (together with its subsidiaries, the "**Group**") is pleased to announce that the Group has, on 30 June 2016, incorporated an indirect wholly owned subsidiary, Far East Orchard Development (UK) Pte. Ltd. ("**FEOD**") (the "**Incorporation**"), particulars of which are set out in paragraph 2 below.

FEOD has entered into a sale and purchase agreement ("**SPA**") with Ms Amanda Spencer, Mr Keith Barber and Mr Gary Humphreys (collectively, the "**Sellers**"), Mr Charles Baxter ("**Mr Baxter**") and Coveside Limited ("**Coveside**") on 4 July 2016 under which FEOD has agreed to acquire shares comprising 90% (the "**Sale Shares**") of the issued share capital of WFS 1 Limited ("**WFS1**") from the Sellers (the "**Share Acquisition**") on the terms and conditions of the SPA. FEOD's acquisition of the Sale Shares is for the purpose of acquiring a property development project in the City of Westminster, London, the United Kingdom ("**UK**"), more particularly described in paragraph 3(i) below (the "**Project**").

2. INCORPORATION OF FEOD

The details of FEOD are as follows:

Name of Company	Far East Orchard Development (UK) Pte. Ltd.
Place of incorporation	Singapore
Issued and paid-up share capital	S\$1.00 comprising one (1) share

The Incorporation was funded by the Company's internal resources and does not have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2016.

3. ACQUISITION OF SHARES AND MANAGEMENT OF THE PROJECT

(i) Information on WFS1 and the Project

WFS1 is a private limited company that holds all the shares in Westminster Fire Station Limited ("**WFSL**"). Both WFS1 and WFSL are incorporated in the UK.

WFSL has entered into a Contract for Sale with The London Fire and Emergency Planning Authority ("**Property Seller**") to acquire the freehold land and the building thereon known as the Former Westminster Fire Station, located at 4 Greycoat Place, London (the "**Property**") for £9.4 million (the "**Property Acquisition**"). On completion of the Property Acquisition, WFSL will also make a payment of £0.21 million to the Property Seller for the purpose of extending the original completion date from 4 March 2016 to 4 July 2016. The Property is located in the prime central location within Victoria, in the City of Westminster, central London. The area is well served by public transport infrastructure with the St. James's Park Station and Victoria Station within walking distance.

The Project entails the development of the Property, a Grade II listed building, into a mixed-use development comprising residential accommodation and a restaurant in Central London.

For the purpose of acquiring the Project, the Company, through FEOD, entered into the SPA to acquire from the Sellers, 855 ordinary shares in WFS1, representing 90% of its issued capital, for an aggregate consideration of £85.50 (the “**Consideration**”) in cash, payable as follows:

Name of Seller	Number of Sale Shares at £0.10 per Share	Consideration
Amanda Spencer	655	£65.50
Keith Barber	100	£10.00
Gary Humphreys	100	£10.00

The Consideration was determined between the Sellers and the Group on an arm’s length basis, taking into consideration the issued and paid up share capital of WFS1 prior to the Share Acquisition. As at 22 June 2016 WFS1 has a net tangible asset value of £95.00 (approximately S\$171.81).

Following the completion of the Share Acquisition, also on 4 July 2016, FEOD now holds 90% of the entire issued share capital of WFS1.

Please refer to Appendix 1 of this announcement for the structure of WFS1 immediately before the Share Acquisition, and after the Share Acquisition and the completion of the Property Acquisition.

Under the terms of the SPA, on completion of the Share Acquisition, FEOD entered into loan agreements with WFS1 and WFSL totaling £10.2 million for the purposes of, inter alia, completing the Property Acquisition.

FEOD and Mr Baxter, have also entered into a Shareholder Agreement on 4 July 2016 for the purpose of regulating the relationship between the parties in respect of the management and financing of the Project and as shareholders of WFS1.

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

(ii) Management of the Project

WFSL has appointed Coveside as development manager of the Project.

Coveside, trading as Alchemi Group, is a privately owned, specialist residential development company operating in the prime central London market.

4. **RATIONALE FOR THE SHARE ACQUISITION**

The Share Acquisition presents a prime investment opportunity and allows the Group to expand its property development portfolio beyond Singapore and Australia, into UK. The Share 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. The Group continues to have confidence in the long term fundamentals of the UK property market.

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 Share Acquisition is in the Company’s ordinary course of business. The Board has decided to voluntarily disclose the Share Acquisition to enhance the corporate disclosure standards of the Company.

5. **FINANCIAL EFFECTS**

The Share Acquisition is not expected to have any 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 2016.

6. **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS**

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

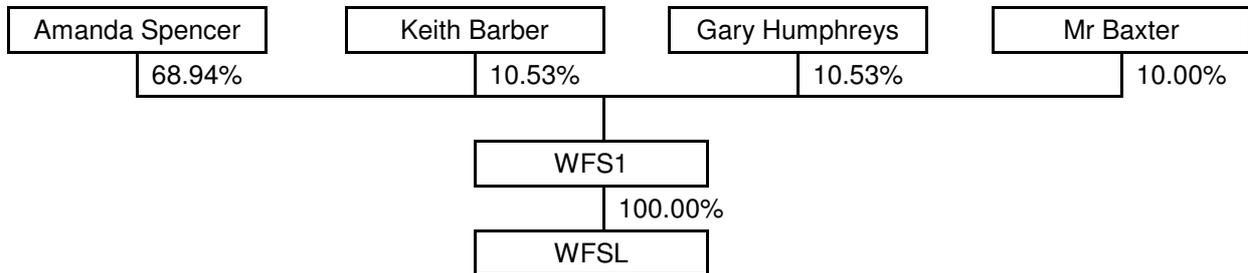
By Order of the Board

Chwee Chong Foon
Company Secretary
4 July 2016

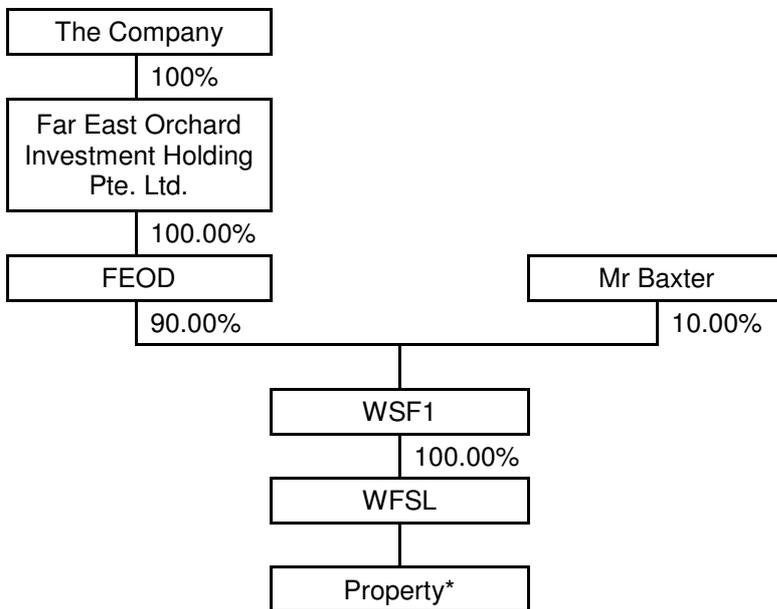
Note: The conversion of £ to S\$ was based on an assumed exchange rate of £1:S\$1.8085

**Appendix 1
WFS1 Structure**

Immediately before the Share Acquisition



Immediately after the Share Acquisition and the Completion of the Property Acquisition



* After the Property Acquisition is completed on 4 July 2016.