



ORCHARD PARADE HOLDINGS LIMITED

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

MEDIA RELEASE

ORCHARD PARADE HOLDINGS LIMITED TO EXPAND INTO HOSPITALITY MANAGEMENT AND HEALTHCARE REAL ESTATE AND TO INJECT ASSETS INTO PROPOSED FAR EAST HOSPITALITY TRUST

- **OPHL is seeking shareholders' approval to inject its hospitality assets into a proposed Far East H-Trust and to enter into an asset swap with parent Far East Organization to acquire its hospitality management business and selected healthcare properties**
- **Proposed special dividend and dividend in specie to shareholders, subject to shareholders' approval for the restructuring and successful IPO of Far East H-Trust**
- **Name change to Far East Orchard Limited to better reflect new positioning**

13 June 2012 Singapore - Orchard Parade Holdings Limited (OPHL or the Company) today announced that it will be seeking shareholders' approval to inject its three hospitality assets (the Hospitality Assets) into a proposed Far East Hospitality Trust¹ (Far East H-Trust) to be listed on SGX-ST. At the same time, OPHL will also acquire the hospitality management business of Far East Organization (FEO) and selected healthcare properties from FEO. Arising from the proposed restructuring, OPHL also proposes a Special Dividend and Dividend in Specie to its shareholders as well as a name change for the Company.

Unlocking value for shareholders

As the listed hotel and property arm of FEO, OPHL has more than 40 years of experience and expertise in the hospitality, property investment and property development businesses. The Company's hospitality portfolio includes Orchard Parade Hotel, Albert Court Village Hotel and Central Square Village Residences. OPHL has also successfully developed a number of projects such as the Floridian, The Nexus, Glendale Park, Kew Green and Seasons Park. Projects currently under development include euHabitat and Plaza Atrium. OPHL also owns a portfolio of quality commercial and office assets in Singapore and Malaysia. OPHL is a

¹ Far East Hospitality Trust is a proposed hospitality stapled group to be sponsored by the Sponsors (who are part of Far East Organization).

substantial shareholder of listed food and beverage group, Yeo Hiap Seng Limited (YHS).

With its strengths in property development and investment, OPHL intends to extend its business into complementary business lines of hospitality management, as well as the provision of healthcare real estate space. Through this, OPHL aims to capitalise on the opportunities in the hospitality management and healthcare sectors.

Commenting on the sale of the Hospitality Assets², OPHL's Chief Executive Officer and Managing Director, Mr Lucas Chow said: *"Shareholders' approval at the EGM is the first step towards a possible injection of our hospitality assets into Far East H-Trust as well as the acquisition of new businesses in hospitality management and healthcare real estate."*

The REIT Transaction³

Under the REIT Transaction, OPHL will be injecting the Hospitality Assets into a Far East H-Trust for a total consideration of at least S\$702 million. OPHL will then enter into master lease agreements with Far East H-Trust and will operate the Hospitality Assets. As part of the transaction, OPHL will also be acquiring a 33.0% interest in each of the REIT Manager and the Trustee-Manager.

"By unlocking the value of OPHL's Hospitality Assets, we can build up our capabilities to participate more actively in future land tenders and developments. OPHL will also benefit from a sustainable and steady recurrent income stream with scalable growth via a share of the REIT Manager's fees", Mr Chow added.

The Asset Swap Transaction

Under the proposed Asset Swap Transaction, OPHL will be acquiring 45 units of medical suites in Novena Medical Center (NMC), 48 units of medical suites in Novena Specialist Center (NSC) and the entire hospitality management business of FEO (Hospitality Management Business). As purchase consideration for these assets, OPHL will be divesting 35.0% of its 49.5% stake in YHS to FEO at a 40.6% premium to its last traded price, with the balance to be settled in cash.

"We believe that the Asset Swap Transaction is a win-win situation for OPHL as it will allow us to acquire ready businesses that will generate returns within a short span of time", commented Mr Chow.

² Hospitality Assets collectively refers to Orchard Parade Hotel, Albert Court Village Hotel and Central Square Village Residences owned by OPHL and / or its respective subsidiaries.

³ More details of the transaction have been provided in the attached announcement

Proceeds from the REIT Transaction will be used to partially fund the Asset Swap Transaction, to reduce OPHL's borrowings and to reward shareholders with a Special Dividend. The balance of the cash proceeds will add to OPHL's cash reserves for future business growth.

The Company wishes to point out that there is no certainty that the transactions will be carried out. Far East H-Trust will lodge its prospectus and make the necessary announcements at the appropriate time.

The Special Dividend and Dividend in Specie

Conditional upon shareholders' approval for the entire restructuring exercise and the successful listing of the REIT, OPHL proposes a special one-tier tax-exempt dividend of S\$0.12 per share and a dividend in specie of the Company's remaining 14.5% stake in YHS, which amounts to approximately 0.229 YHS shares per OPHL Share (i.e. 229 YHS shares per 1,000 OPHL shares) as at 31 May 2012⁴.

Commenting on the Special Dividend and Dividend in Specie, OPHL's Non-Executive Chairman Mr Philip Ng, who is also Chief Executive Officer of FEO said: *"Management has enjoyed unstinting support from our shareholders to see us through our various stages of growth. This corporate restructuring exercise will allow OPHL to expand into new business areas and redefine us as a business enterprise."*

Growing hospitality management and operations business beyond Singapore

Over the years, OPHL has grown to become an established owner of hospitality properties. The expansion into the hospitality management business will enable OPHL to become a vertically integrated hospitality operator, with the ability to both develop its own hospitality properties as well as manage a significant hotel management business.

OPHL will be acquiring an existing business with an experienced management and an established portfolio of hospitality brands, which includes eight operating hotels and 10 serviced residences. This will significantly increase its footprint and allow OPHL to explore and grow other hospitality management opportunities.

Seeking new opportunities in healthcare space

The proposed extension of its business into the provision of healthcare real estate space will give OPHL the opportunity to participate in the growing healthcare industry in Singapore. The demand for healthcare will continue to remain strong in line with a growing and aging population and increasingly affluent residents. In addition, the Singapore Government is also actively promoting Singapore as a

⁴ For the avoidance of doubt, the actual number of YHS shares per Share to be distributed to Shareholders pursuant to the Dividend in Specie will be determined based on OPHL's issued share capital on the books closure date for the Dividend in Specie.

medical tourism hub, with many visitors seeking medical care and using its medical facilities.

“We are very excited about the prospects of Singapore’s growing healthcare industry. The highly regarded and advanced Singapore healthcare system has led to a vibrant and rapidly growing medical tourism industry. The demand for advanced medical facilities will continue to be strong and this will benefit the uptake of the medical suites⁵ we acquired via the Asset Swap Transaction. As we continue to build on our strengths as an established property developer to expand into developing healthcare properties, OPHL is positioned to be the premier private owner, operator and landlord of healthcare space in Singapore.” Mr Chow commented.

Through the Asset Swap Transaction, OPHL will acquire a portfolio of medical suites, which will consist of units held for long term investment as well as units which will be available for sale.

“With shareholders’ approval of the proposed restructuring and the successful listing of the REIT, OPHL will end up with a scalable business that is profit generating on a recurrent basis, while gaining immediate access into the hospitality management and healthcare sectors. The key point I would like to stress is scalability, which offers sustainable growth”, concluded Mr Ng.

Positioned to leverage the Far East Brand

OPHL also proposes to change its name to “Far East Orchard Limited” to better reflect its close alignment with its substantial shareholder and to leverage on the “Far East” brand. The name change will ensure a distinct and clear association with FEO and allow Far East Orchard Limited to leverage the brand.

For the avoidance of doubt, the actual completion of the Transactions (save for the acquisition of shares in the REIT Manager and the Trustee-Manager) and the payment of the Special Dividend and the Dividend in Specie shall be conditional on the initial public offering of Far East H-Trust and the listing and quotation and commencement of trading of Far East H-Trust on the SGX-ST taking place. In the event that such listing and trading does not take place, completion of the sale and purchase of the relevant assets and businesses under the Transactions (save for the acquisition of shares in the REIT Manager and the Trustee-Manager) will not occur and the Special Dividend and Dividend in Specie will not be payable to Shareholders.

⁵ Collectively refers to the proposed acquisition of the 45 units of medical suites in NMC and 48 units of medical suites in NSC

It is envisaged that the acquisition of shares in the REIT Manager and the Trustee-Manager will be completed after Shareholders' approval is obtained and immediately prior to the lodgement of the preliminary prospectus with the MAS in connection with the initial public offering of Far East H-Trust.

In the event that the initial public offering of Far East H-Trust and the subsequent listing and trading does not take place, the Company will still proceed with the proposed Name Change if Shareholders' approval for the Name Change is obtained.

In the meantime, Shareholders are advised to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interests and to exercise caution when dealing with the Shares. In the event that Shareholders wish to deal in the Shares, they should seek their own advice and/or consult their own stockbrokers.

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Note: This media release is to be read in conjunction with the Company's announcement which has been released on the SGXnet on the same date.

About Orchard Parade Holdings Limited (OPHL)

Orchard Parade Holdings Limited engages in the investment, development, and management of real estate properties in Singapore and Malaysia. The company's property investment portfolio comprises commercial and office assets and it also operates various hospitality assets. Incorporated as Ming Court Limited in 1967, the company came under Far East Organization in 1987 and was renamed Orchard Parade Holdings Limited in 1991. Headquartered in Singapore, Orchard Parade Holdings Limited is a subsidiary of Far East Organisation Pte Ltd.

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