



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

UPDATE ON THE USE OF PROCEEDS

Unless otherwise defined herein, all capitalised terms used herein have the meanings ascribed to them in the Shareholders' Circular dated 19 June 2012 (the "Circular").

Further to the Company's announcements of 20 November 2012 and 8 January 2013, the Board of Directors of Far East Orchard (the "**Company**") wishes to announce that the Company has further utilised S\$19.3 million from the net proceeds raised from the sale of the Hospitality Assets pursuant to the REIT Transaction for the payment of the Company's share in the 25% of the tender price for a land parcel at Fernvale Close. The Company has a 30% share in the land parcel at Fernvale Close.

As at today, the use of proceeds is updated as follows:

- (i) S\$356.4 million to discharge the then existing encumbrances over the Hospitality Assets;
- (ii) S\$58.7 million as part consideration for the Asset Swap Acquisition;
- (iii) S\$9.1 million for the stamp duty chargeable on the Asset Swap Acquisition;
- (iv) S\$1.0 million for the professional and other fees and expenses incurred by the Company in connection with the Transactions;
- (v) S\$35.4 million for the payment of the Special Dividend; and
- (vi) S\$19.3 million for the payment of the Company's 30% share of 25% of the tender price for a land parcel at Fernvale Close.

The balance of the proceeds of S\$236.6 million will be used for working capital and to fund the future business needs of the Company and its subsidiaries. The application of the balance of the proceeds will be announced as and when the balance proceeds are materially disbursed.

BY ORDER OF THE BOARD

Leow Chiap Seng
Company Secretary

11 July 2013