



(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 19th June 2012 (the "Circular").

Further to the Company's announcements of 20th November 2012, 8th January 2013 and 11th July 2013, the Board of Directors of Far East Orchard Limited (the "**Company**") wishes to announce that the Company has further utilised S\$153.76 million from the net proceeds raised from the sale of the Hospitality Assets pursuant to the REIT Transaction for the payment of the Initial Subscription Amount pursuant to the terms of the Toga Subscription Agreement under the proposed Joint Venture with Toga Pty Ltd (as defined in the Circular to shareholders dated 24th June 2013 in relation to, inter alia, the proposed joint venture between FEOrchard and The Straits Trading Company Limited ("STC") ("STC Joint Venture"), the proposed joint venture between FEOrchard with Toga ("Toga Joint Venture"), and convening the extraordinary general meeting of FEOrchard held on 9th July 2013).

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.
- (vii) S\$153.76 million for the payment of the Initial Subscription Amount (as defined in the Company's circular to shareholders dated 24th June 2012) pursuant to the terms of the Toga Subscription Agreement

The balance of the proceeds of S\$82.84 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

6th August 2013