



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

**INCORPORATION OF AN INDIRECT WHOLLY-OWNED SUBSIDIARY
- FAR EAST HOSPITALITY MANAGEMENT (S) PTE. LTD.**

The Board of Directors of Far East Orchard Limited ("the Company") wishes to announce that the Company has on 20 May 2013, incorporated an indirect wholly-owned subsidiary in Singapore, named Far East Hospitality Management (S) Pte. Ltd. ("FEHM(S)"). The Company will hold the shares of FEHM(S) through its direct wholly-owned subsidiary, Far East Hospitality Holdings Pte. Ltd.

The initial issued and paid-up capital of FEHM(S) is S\$1.00, comprising 1 ordinary share issued at S\$1.00. The principal activity of FEHM(S) is hospitality management.

The incorporation of FEHM(S) was funded internally and is not expected to have any material impact on the earnings per share and the net tangible assets per share of the Group for the current financial year ending 31 December 2013.

None of the directors and substantial shareholders of the Company has any interest, direct or indirect, in FEHM(S), save for their shareholdings in the Company.

BY ORDER OF THE BOARD

Leow Chiap Seng
Company Secretary

20 May 2013