



FAR EAST ORCHARD LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 196700511H)

MEDIA RELEASE

**FAR EAST ORCHARD TO ENTER INTO A 50-50 JOINT VENTURE WITH
TOGA GROUP TO FORM ONE OF THE LARGEST HOSPITALITY
MANAGEMENT PLATFORMS IN AUSTRALIA**

- **The joint venture with Toga Group will allow Far East Orchard to become one of the largest hospitality operators in Australia**
- **The joint venture will own the hospitality management business of Toga Group, which includes more than 50 existing management agreements and 5 more in the pipeline, with the option to acquire five hospitality assets in Australia**

18 April 2013 Singapore – Far East Orchard Limited (“FEOrchard” or the “Company”) had previously announced on 12 December 2012 (“the Initial Announcement”) a proposed joint venture with Toga Pty Ltd (“Toga”) to explore the formation of a joint venture vehicle to take advantage of growth opportunities in the hotel real estate market in Australia and New Zealand (the “Joint Venture”).

Further to the Initial Announcement, FEOrchard would like to announce that it has today, together with its newly incorporated wholly-owned subsidiary, Far East Hospitality Investments (Australia) Pte Ltd (“FEOrchard Subscriber”), entered into a subscription and redemption agreement (the “Subscription Agreement”) with the following entities:

- (a) Toga;
- (b) Toga Hospitality Investments Pty. Limited;
- (c) Toga Hotel Management Holdings Pty Limited; and
- (d) Toga Hotel Holdings Pty Limited (in its capacity as trustee of the Toga Hotel Holdings Unit Trust (the “Trust SPV“)).

Pursuant to the Subscription Agreement,

- (i) FEOrchard Subscriber will subscribe for an aggregate of 225 million new securities in the Trust SPV, for an aggregate consideration of A\$225 million, representing a 50% interest in the Joint Venture (the “Subscription”); and
- (ii) Trust SPV will have the option to enter into relevant option agreements with Toga Accommodation Fund to acquire the five Australian Hospitality Assets (the “Option”) (Refer to Annex B).

The Trust SPV, upon completion of the Subscription, and if the Option is exercised, will own Toga Group’s hospitality management business and five Hospitality Assets (Refer to Annex A).

Mr Lucas Chow, FEOrchard's Group Chief Executive Officer and Managing Director commented: *"We are delighted to enter into the joint venture partnership with Toga Group and start a new chapter in Australia together. By bringing two leading hospitality operators together into this Joint Venture, we believe it will generate significant synergies, and be one of the key growth drivers for our hospitality management business going forward."*

Rationale for the Joint Venture

As a vertically integrated hospitality operator with the capability to develop its own hospitality properties and manage a significant hospitality management business, FEOrchard has been promoting its portfolio of hospitality brands and pursuing new third party management contracts that would add growth and recurring income to FEOrchard, allowing it to expand and diversify its existing hospitality management portfolio regionally.

Expanding FEOrchard's Footprint in the Hospitality Management Business

The Joint Venture presents FEOrchard with an excellent opportunity and an effective platform to gain a strategic foothold in Australia, a key tourism market in the Asia Pacific. It will also further extend its hotel management and ownership business beyond Singapore and Malaysia, into Australia, New Zealand, Germany and Denmark and help FEOrchard establish itself as a regional hospitality owner and operator with a sizeable overseas network.

The Toga Group is one of the largest hospitality operators in Australia with hospitality management contracts to operate approximately 6,800 rooms across more than 50 hotels and serviced apartments in Australia, New Zealand, Germany and Denmark. The Toga Group's hospitality management business operates under four strong and prominent value and mid-market brands, of which, the "Medina", "Adina" and "Vibe" brands are wholly-owned and the "Travelodge" brand is licensed.

With the expanded platform of hotels and serviced residences across different hospitality brands, FEOrchard will be able to offer, more options to its customers across multiple geographies, while catering to different targeted segments.

Increasing Scale and Operating Efficiency through the Combined Operating Platform

The Joint Venture will bring potential revenue enhancement opportunities, cost savings and greater operational efficiencies from the increase in size and scale of FEOrchard's overseas operations.

Increasing Sustainable and Recurring Income Stream

The Joint Venture is also in line with FEOrchard's objectives of delivering long term growth and enhancing the recurring income stream for FEOrchard and its shareholders. This expanded platform will enable FEOrchard to continue growing in the Asia-Pacific region by operating more third party hospitality assets and engaging in cross-selling initiatives between its brands and geographic markets.

Increasing Opportunities to Pursue Yield Accretive Hospitality Investments with a Strong Like-minded Partner

FEOrchard and Toga Group will be able to combine their financial resources to pursue more yield accretive acquisitions and growth opportunities, either in hospitality-related assets or hospitality management business, and share their networks to direct new and exciting opportunities to the Joint Venture.

Establishing Partnerships, Building Platforms

FEOrchard also announced a separate transaction on 15 April 2013, involving a joint venture implementation agreement with The Straits Trading Company Limited (“STC”), where the said joint venture (“JVCo”) when completed, will comprise FEOrchard and STC’s existing hospitality management businesses and STC’s three hotel assets in Australia (“STC Assets”).

With the Joint Venture announced today, and assuming that both STC and Toga joint ventures are approved by shareholders, there will be significant potential operational synergies to be derived, leveraging from the combined management capabilities and the scale of the expanded operating platforms between FEOrchard, Toga and STC.

Chief Executive Officer for Far East Hospitality, Mr Arthur Kiong remarked: *“If the joint ventures with STC and Toga are both approved by shareholders, our existing portfolio will grow from approximately 3,600 rooms under management across 18 hotels and serviced apartments to a combined portfolio of more than 13,000 rooms under management across 80 hotels and serviced apartments, with a substantial regional footprint. The additional portfolio will also make us one of the largest operators in Australia and give us the scale and operational synergies to operate efficiently there. Furthermore, we believe this proposed Joint Venture will further increase awareness of FEOrchard’s hospitality brands in the regional markets and provide cross-selling opportunities to FEOrchard’s existing hospitality portfolio.”*

On the two announcements released by FEOrchard this week, Mr Chow concluded: *“Such opportunity for us to work with two leading hospitality partners is rare, and this would allow us to capitalise on a wide range of opportunities in the hospitality sector and take FEOrchard’s hospitality business to the next level. Our combined platform and capability across multiple geographies will make us (FEOrchard, Toga and STC) a force to be reckoned with in the Asia Pacific hospitality space.”*

The transactions contemplated under the Subscription Agreement are subject to the principle terms and conditions precedent in the Subscription Agreement and the approval of FEOrchard shareholders at an extraordinary general meeting (“EGM”) to be convened. A circular will be issued to FEOrchard shareholders in due course, together with a notice of EGM for the purpose of seeking shareholders’ approval for the transactions to be completed under the Subscription Agreement.

Shareholders should note that the completion of the Subscription is conditional upon, *inter alia*, the approval of shareholders of FEOrchard. Shareholders and potential investors of FEOrchard are advised to exercise caution when trading in the shares of FEOrchard. In the event that the shareholders and potential investors of FEOrchard wish to deal in the shares of the Company, they are advised to seek their own professional 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 released on the SGXnet on the same date.

About Far East Orchard Limited (www.fareastorchard.com.sg)

Far East Orchard Limited, a member of Far East Organization, Singapore's largest private property developer, is an established developer that has delivered a number of successful residential, commercial and hospitality developments. Today, it has a diversified portfolio focusing on property development, hospitality real estate development and management, and healthcare real estate space.

As a vertically integrated hospitality operator, Far East Orchard also has the unique capability of developing its own hospitality properties and managing a significant hospitality business. These may be standalone hospitality properties or come under the Company's distinctive "Village", "Oasia" or "Quincy" hospitality brands. The Company operates Singapore's largest hospitality portfolio comprising eight hotels and nine serviced residences, as well as the Sri Tiara Residences in Kuala Lumpur, Malaysia.

Far East Orchard also owns a portfolio of purpose-built medical suites in Novena Medical Center and Novena Specialist Center, which is located in Singapore's premier Novena medical hub. It intends to be the premier private owner, operator and landlord of healthcare space in Singapore.

About Toga Group

The Toga Group was established in 1963 by the current Executive Chairman, Mr. Ervin Vidor, AM as a property development, construction, investment and management group initially focusing on medium sized residential and commercial developments.

Toga now operates in Australia, New Zealand and Europe across the following integrated areas: Property Development, Design, Construction & Project Management, Investment & Asset Management and Hospitality Management. Through its integrated capability Toga is an active developer of hotels, residential apartments and mixed use projects including retail and commercial.

The hospitality management arm of Toga Group ("Toga Hotels") is one of the leading accommodation providers in Australia. Toga Hotels opened the first Medina Serviced Apartment in Sydney in 1982. It currently operates more than 50 serviced apartments and hotels, or more than

6,800 apartments and hotel rooms across Australia, New Zealand, Germany and Denmark, and employs over 1,500 team members across these countries. The hotels and apartment hotels are operated by Toga Hotels under the "Medina Serviced Apartments", "Adina Apartment Hotels", "Vibe Hotels" and the "Travelodge Hotels" brands.

Issued for and on behalf of Far East Orchard Limited

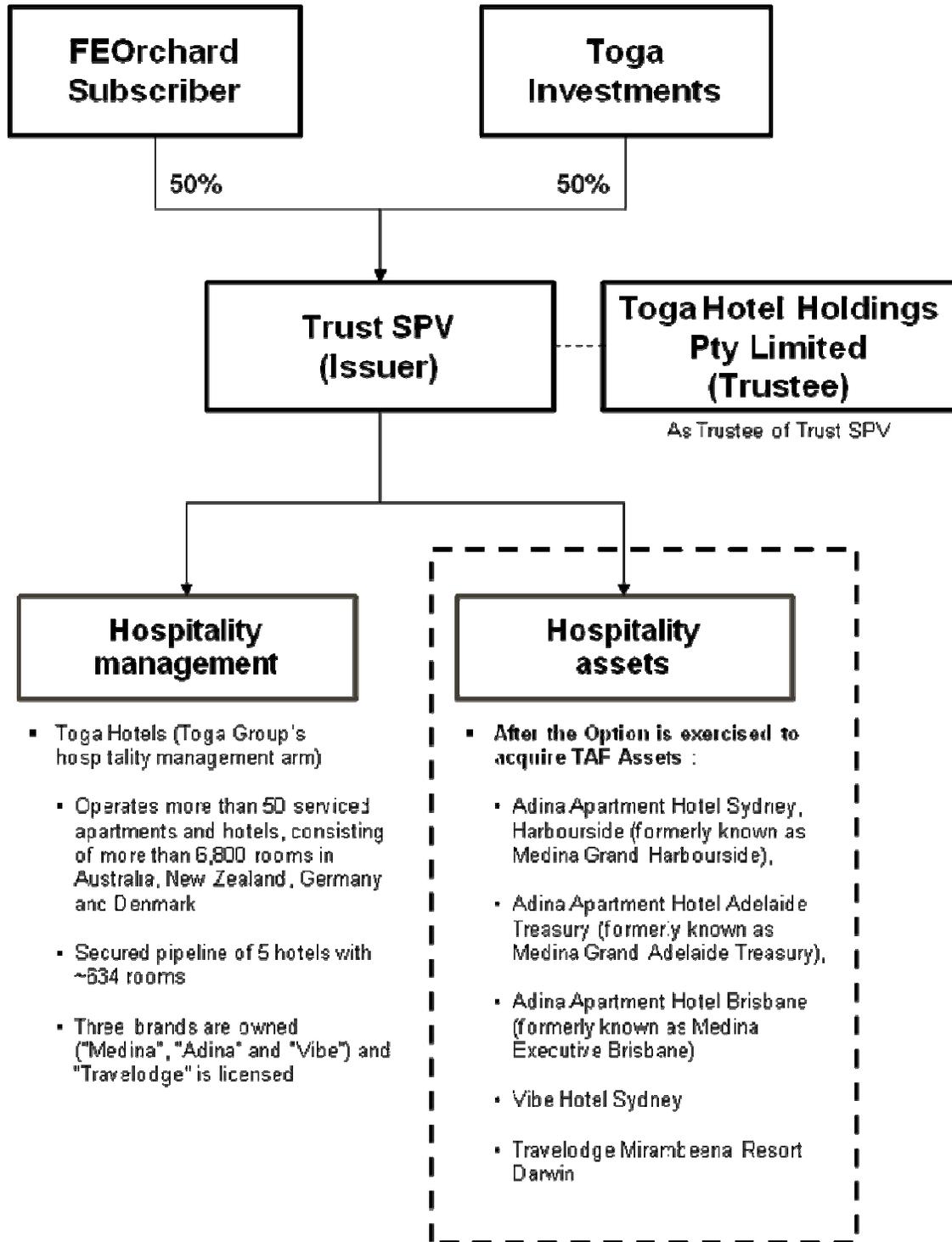
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Annex A – Proposed structure of Joint Venture



Annex B – Toga Group serviced apartments and hotels

Adina Apartment Hotel Sydney, Harbourside *(formerly known as Medina Grand Harbourside)*



Adina Apartment Hotel Sydney, Harbourside is a 4.5 star rated apartment hotel well situated within the western corridor of the Sydney Central Business District (“CBD”). The hotel offers guests panoramic views of Sydney city and Darling Harbour from its 113 studio and one bedroom self contained apartments. The complex is located adjacent to the Sydney Aquarium and within close proximity to Darling Harbour, Town Hall, King Street and Cockle Bay Wharves, Queen Victoria Building and the financial and retail entertainment precincts of the CBD. It has many convenient amenities and facilities such as retail shops, a restaurant, conference facilities, swimming pool and a gymnasium.

Adina Apartment Hotel Adelaide Treasury
(formerly known as Medina Grand Adelaide Treasury)



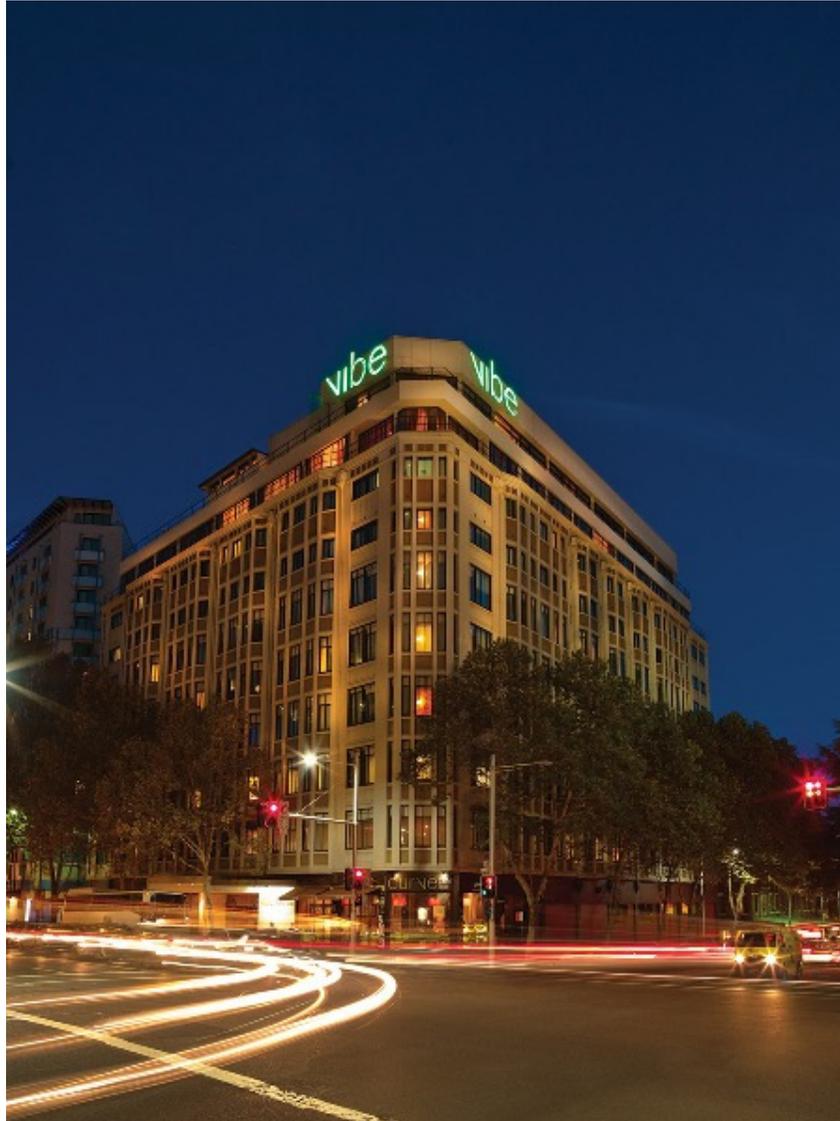
Adina Apartment Hotel Adelaide Treasury is a 4.5 star apartment hotel comprising a total of 79 serviced apartments, five function areas, restaurant and bar, pool spa and sauna, gym and central courtyard. The property is contained within the historic Adelaide Treasury building, which was extensively renovated and converted to a modern serviced apartment complex in 2002. Medina Grand Adelaide Treasury occupies prime position within the heart of the Adelaide CBD, situated on the north-eastern corner of Flinders and King Williams Streets overlooking Victoria Square. Adelaide's retail precinct of Rundle Mall, the Adelaide Sky City Casino, Parliament Houses, Government House and the Adelaide Convention Centre and Exhibition Hall are all within close proximity.

Adina Apartment Hotel Brisbane
(formerly known as Medina Executive Brisbane)



Adina Apartment Hotel Brisbane is a 4.5 star apartment hotel comprising 159 rooms, a restaurant, lounge/bar, meeting rooms, swimming pool, tennis court and gymnasium. The one and two bedroom apartments all have lounge/kitchen, separate bedroom and laundry facilities. The complex is prominently situated on the northern fringe of the Brisbane CBD overlooking the Brisbane River, Kangaroo Point and inner city. Situated alongside the northern end of the iconic Story Bridge, the property is a short walk from Brisbane's central office precinct and riverfront restaurants.

Vibe Hotel Sydney



The Vibe Hotel Sydney is a 4.0 star full service hotel situated in the southern precinct of Sydney's CBD at the corner of Elizabeth Street and Goulburn Street. The hotel was acquired by Toga Group in 2004 and rebranded and extensively refurbished to Vibe brand standards. The property is well positioned in close proximity to Sydney's major retail precinct, and has convenient access to public transport with Sydney Central Railway Station and Railway Square located approximately 550 meters to the south of the property, providing bus, rail and light rail transport services. Its facilities include a restaurant, café and bar, five function rooms, gymnasium, and a rooftop swimming pool.

Travelodge Mirambeena Resort Darwin



Travelodge Mirambeena Resort Darwin is situated on 1.31 hectares of land in the Darwin city centre. It is a modern full service 3.5 and 4.0 star hotel located in Darwin's central business district, well serviced by the nearby retail and restaurant precinct. The hotel offers 192 hotel rooms and 32 self contained townhouses, pool, spa and gym facilities, conference rooms and a café and bar. Darwin is the major commercial centre servicing the Northern Territory and is a hub to a wide range of Australia's booming industries including mining, offshore oil and gas production, pastoralism, tourism and tropical horticulture.