



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

---

## JOINT VENTURE MEMORANDUM OF UNDERSTANDING WITH TOGA PTY LIMITED

---

Far East Orchard Limited (the "**Company**") is pleased to announce that it has on 12 December 2012 entered into a non-binding memorandum of understanding (the "**MOU**") with Toga Pty Limited ("**Toga**") in relation to a proposed joint venture.

Pursuant to the MOU, the Company and Toga have agreed to explore the formation of a joint venture vehicle (the "**JV Vehicle**") to serve as a hotel management and ownership platform, through which the Company and Toga intend to take advantage of growth opportunities in the hotel real estate market in Australia and New Zealand (the "**Joint Venture**"). It is envisaged that upon the formation of the Joint Venture, the JV Vehicle will hold Toga's hotel management business as well as five (5) hotel assets located in Australia (the "**ATAF Assets**").

The ATAF Assets consist of the following five (5) hotel real estate located in Australia:

- (i) Medina Grand Harbourside;
- (ii) Medina Grand Adelaide Treasury;
- (iii) Medina Executive Brisbane;
- (iv) Vibe Hotel Sydney; and
- (v) Travelodge Mirambeena Resort Darwin.

The Company is currently evaluating the Joint Venture and the transactions contemplated pursuant to the Joint Venture (the "**Proposed Transactions**"), including its shareholding interest in the Joint Venture and the structure of the same. The implementation of the Joint Venture and the Proposed Transactions are subject to, *inter alia*, the completion of satisfactory due diligence and relevant valuations being carried out by the Company and Toga, the receipt of relevant approvals and definitive documentation in relation to the Joint Venture and/or the Proposed Transactions being negotiated, finalised and executed by the parties. As at the date of this announcement, no definitive documentation has been executed in relation to the Joint Venture and/or the Proposed Transactions and accordingly, there can be no assurance that the Joint Venture and/or the Proposed Transactions will materialise.

The Joint Venture and/or the Proposed Transactions are not expected to have a material impact on the Company's financial performance for the financial year ending 31 December 2012.

The Company will provide further details in subsequent announcements in accordance with the listing rules of the Singapore Exchange Securities Trading Limited at the appropriate junctures. The Company also wishes to clarify that the proposed transactions under the MOU with Toga and the non-binding memorandum of understanding with The Straits Trading Company Limited, as announced by the Company on 26 November 2012, are separate and independent transactions.

In the meantime, shareholders of the Company 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 shares in the Company. In the event that shareholders of the Company wish to deal in the shares of the Company, they are advised to seek their own professional advice and/or consult their stockbrokers.

By Order of the Board

Madelyn Kwang Yeit Lam  
Company Secretary  
12 December 2012