



**FAR EAST ORCHARD LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No. 196700511H)

**MEDIA RELEASE**

**FAR EAST ORCHARD SIGNS MOU WITH TOGA PTY LIMITED TO  
ESTABLISH A HOSPITALITY MANAGEMENT BUSINESS AND OWNERSHIP  
PLATFORM IN AUSTRALIA**

**12 December 2012 Singapore** – Far East Orchard Limited (“FEOrchard” or the “Company”) has signed a non-binding memorandum of understanding (MOU) with Toga Pty Limited (“Toga Group”) to explore the establishment of a Joint Venture (JV) Company in Australia which will own the hospitality management business of the Toga Group and hospitality assets in Australia (“Proposed Joint Venture”).

Under the MOU, FEOrchard will subscribe for shares in the JV Company which will hold the hospitality management business of the Toga Group. The JV Company will also explore the acquisition from the Toga Accommodation Fund (“TAF”) of 100% interest in two hotels and three serviced apartments in Australia. These five properties, with a total inventory of more than 700 units, are located in Sydney, Adelaide, Brisbane and Darwin.

Established in 1963, the Toga Group is one of the largest hospitality operators in Australia with hospitality management contracts to operate approximately 6,700 rooms across 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 brands strategically positioned in the value and mid-market segments, of which, the “Medina”, “Adina” and “Vibe” brands are wholly-owned and the “Travelodge” brand is licensed. The TAF, of which Toga Group owns 20%, is an unlisted property fund that invests in serviced apartments and hotel assets in Australia and Europe operated by the Toga Group.

Commenting on the MOU, FEOrchard’s Group Chief Executive Officer and Managing Director, Mr Lucas Chow said: *“We continue to source for opportunities which will allow Far East Orchard to expand our footprint beyond Singapore and to manage third party hospitality assets. If the Proposed Joint Venture is to proceed, this JV platform will bring together two leading hospitality operators, who have significant experience and scale of operations in our respective markets; to combine resources and forge synergies in the hospitality industry.”*

While the Company is concurrently exploring the proposed transactions under the non-binding MOU signed with The Straits Trading Company Limited (“STC”) on 26 November 2012, the proposed transactions under the two MOUs with Toga and STC are separate and independent transactions.

*“In the event that the transactions under both MOUs are to proceed, it will allow Far East Orchard to establish itself as a regional hospitality operator and owner with a sizeable overseas network, including a potential investment portfolio of eight hotels in Australia. Through these partnerships, Far East Orchard will be able to tap on the expanded regional portfolio of more than 80 hotels and serviced residences under nine distinctive brands in the value to upscale market segments. This will also bring altogether more than 12,000 rooms in our portfolio across Singapore, Malaysia, Australia, New Zealand, Germany, Denmark and China”, Mr Chow added.*

The Company is currently evaluating the Proposed Joint Venture and the transactions contemplated pursuant to the Proposed Joint Venture ("Proposed Transactions"), including its shareholding interest in the Proposed Joint Venture and the structure of the same. The implementation of the Proposed Joint Venture and the Proposed Transactions are also subject to, *inter alia*, satisfactory due diligence, relevant valuations being carried out, the receipt of the requisite approvals, and definitive agreements being negotiated, finalised and executed by the parties. As no definitive agreements have been executed yet, there can be no assurance that the Proposed Transactions will proceed. FEOrchard will provide further details in subsequent announcements in accordance with the Listing Rules at the appropriate times.

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 the shareholders 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](http://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 ([www.toga.com.au](http://www.toga.com.au))**

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.

The Toga Group now employs in excess of 1,800 staff in Australia, New Zealand and Europe across the following integrated areas: Property Development, Design, Construction & Project Management, Investment & Asset Management, Funds Management and Hospitality Management. Passion, integrity, respect, commitment and leadership underpin the operations and culture of the Toga Group and its exceptional track record as a fully integrated property group.

Issued for and on behalf of Far East Orchard Limited

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