



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

INCORPORATION OF WHOLLY-OWNED SUBSIDIARY AND ENTRY INTO SUBSCRIPTION AGREEMENT FOR SHARES IN JOINT VENTURE COMPANY

1. INTRODUCTION

The Board of Directors (the “**Board**”) of the Company (together with its subsidiaries, the “**Group**”) is pleased to announce that the Group has, on 24 October 2014, incorporated a wholly owned subsidiary in Australia, Far East Orchard Sydney 1 Pty Ltd (“**FEOR Sydney 1**”) (the “**Incorporation**”).

The Group has, through FEOR Sydney 1, entered into a subscription agreement with Toga Pty Ltd (“**Toga**”) and Toga Developments Sydney Pty Limited (“**Toga Developments Sydney**”) dated 29 October 2014 to subscribe for shares representing 50% of the enlarged issued share capital of Toga Developments Sydney following the subscription (the “**Subscription**”), for the purpose of pursuing a joint venture property development project in Sydney, Australia (the “**JV Project**”).

2. INCORPORATION OF FEOR SYDNEY 1

For the purpose of the JV Project, the Company has, on 24 October 2014, incorporated a wholly owned subsidiary known as FEOR Sydney 1. The details of FEOR Sydney 1 are as follows;

Name of Company	Far East Orchard Sydney 1 Pty Ltd
Place of incorporation	Victoria, Australia
Issued and paid-up share capital	A\$2.00 comprising two (2) shares of A\$1.00 each.

The Incorporation was funded by the Company’s internal resources and is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2014.

3. SUBSCRIPTION OF SHARES AND MANAGEMENT OF THE JV PROJECT

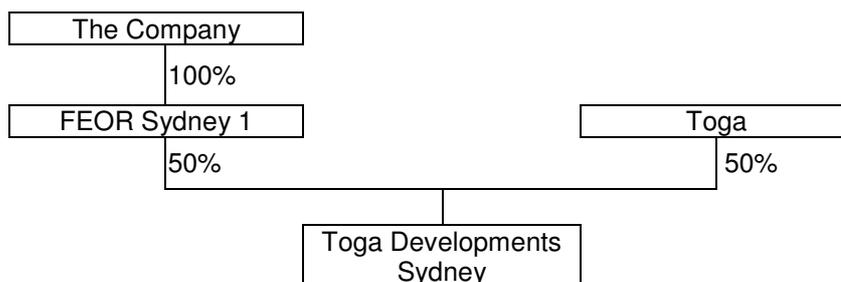
(i) Information on Toga Developments Sydney and the JV Project

Toga Developments Sydney is a private limited company that was incorporated as a wholly owned subsidiary of Toga in Victoria, Australia. It is principally engaged in property development in Australia.

Toga Developments Sydney has entered into a put and call option deed pursuant to which it may acquire land, together with the buildings thereon, located at 100-102 Elliott Street, Balmain, New South Wales (the “**Land**”) for A\$58 million. The JV Project entails the development of the Land into a mixed-use residential and retail/commercial harbourfront development in Balmain, an inner city suburb in Sydney.

For the purpose of pursuing the JV Project, the Company, through FEOR Sydney 1, entered into a Subscription Agreement dated 29 October 2014 to subscribe for 12 shares in Toga Developments Sydney, representing 50% of its enlarged issued capital, for an aggregate consideration of A\$12.00 (the “**Subscription Consideration**”). The Group had submitted an application to the Foreign Investment Review Board of Australia (“**FIRB**”) in respect of the Subscription and the acquisition of the Land and FIRB has granted the required approval.

Following the completion of the Subscription on 29 October 2014, FEOR Sydney 1 now holds 50% of the entire issued share capital of Toga Developments Sydney, as set out below:



The Subscription Consideration was determined between Toga and the Group on an arm’s length basis, taking into consideration the issued and paid up share capital of Toga Developments Sydney prior to the Subscription of A\$12.00 (comprising 12 shares of A\$1.00 each). As at 31 August 2014, Toga Developments Sydney has a net tangible liability of A\$7,232 (approximately S\$8,100).

In connection with the Subscription and the JV Project, FEOR Sydney 1 and Toga, together with Toga Developments Sydney, have also entered into a shareholders deed (the “**Shareholders Deed**”) on 29 October 2014 for the purpose of regulating the relationship between the parties in respect of the management and financing of the JV Project and as shareholders of Toga Developments Sydney. Under the Shareholders Deed, FEOR Sydney 1 has an obligation to pay committed capital contributions of up to A\$19.6 million (approximately S\$21.8 million), which is secured by a guarantee and indemnity granted by the Company in favour of Toga and Toga Developments Sydney.

The Group expects that Toga Developments Sydney and the JV Project will be financed by a combination of financing from banks or other financial institutions, equity and shareholder loans.

(ii) Financial effects of the Subscription

The Subscription Consideration and committed capital contributions to FEOR Sydney 1 pursuant to the Shareholders Deed will be funded by the internal resources and are not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2014.

By Order of the Board

Jessica Lien Mei Jin
Company Secretary

29 October 2014