



**FAR EAST ORCHARD LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No. 196700511H)

**NEWS RELEASE**

## **Far East Hospitality makes first hotel acquisitions in Europe**

- **Acquisitions will strengthen business presence in multiple geographies for company to capture opportunities in Europe's hospitality sector.**
- **These are derived from partnership synergies with Toga Group, ushering this month the first anniversary of the joint venture.**
- **Hospitality and property development business will continue to contribute a steady flow of recurring income to Far East Orchard, creating meaningful value to shareholders.**

**Singapore, 1 August 2014** – Far East Orchard Limited's (FEOrchard) hospitality arm, Far East Hospitality Holdings Pte Ltd (Far East Hospitality) has today, acquired 50% interests in a portfolio of property companies which own four hotel properties in Europe. This is a move that will boost income and expands FEOrchard's footprint in the hospitality ownership business into the European market.

Together with its joint venture partner Toga Group, Far East Hospitality will jointly acquire interests in a portfolio of companies from Toga Accommodation Fund (TAF) (TAF Property Companies). In addition, Far East Hospitality will purchase a 50% interest in a separate portfolio of companies from Toga Group (Toga Property Companies). TAF Property Companies holds three hotels, namely Adina Apartment Hotel Berlin Checkpoint Charlie, Adina Apartment Hotel Frankfurt Neue Oper, and Adina Apartment Hotel Copenhagen. Toga Property

Companies hold one hotel, the Adina Apartment Hotel Berlin Hauptbahnhof. The four hotels, located in Berlin and Frankfurt, Germany and Copenhagen, Denmark, have been independently valued with an aggregate valuation of approximately €107.1 million.

The hotels are currently operating under an umbrella brand of 'Adina Apartment Hotels' by Toga Far East Hotels (TFE Hotels), the joint venture between Far East Hospitality and Toga Group. TFE Hotels is one of the largest hospitality management platforms in Australia.

In 2013, international tourist arrivals globally grew by 5% to reach a record 1.1 million. Europe benefited the most from this growth, receiving 29 million more arrivals than in 2012, a 5% gain. Russia and China were Europe's largest source markets in 2013.<sup>1</sup>

Commenting on the acquisitions, Mr Lucas Chow, FEOrchard's Group Chief Executive Officer and Managing Director, said: "We are delighted that FEOrchard has made its first asset acquisitions in Europe, continuing our expansion plans from the string of hospitality transactions in Australia last year. We believe that this transaction sends a strong signal of our capability to rapidly seize opportunities and leverage on the synergies offered by our joint venture partner, Toga Group."

The purchases of the European hotels came hot on the heels of the joint venture TFE Hotels' recent acquisitions of two office buildings in Sydney and Brisbane for hotel conversion in the last two months – (1) A 13-level office property (280 George Street) in the Sydney central business district in June; and (2) A heritage-listed building in Brisbane's CBD (171 George Street) last month. TFE Hotels continues to actively pursue growth opportunities across Australia through both the hospitality management and ownership businesses.

Chief Executive Officer for Far East Hospitality, Mr Arthur Kiong, said: "The acquisition of these four hotels in Germany and Denmark will further strengthen our foothold in Europe and sets the platform for us to pursue more opportunities for the Group in the future. We are optimistic of Europe's ability to attract tourist arrivals globally as Europe remains the world's largest tourism region. Our European properties will stand to benefit from the growing optimism of the recovering European economy. Together with the recent property acquisitions in Australia by our joint venture, TFE Hotels, Far East Hospitality is on a trail to create new growth platforms to transition into a leading regional player. These

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<sup>1</sup> Room to grow—European cities hotel forecast for 2014 and 2015 by PricewaterhouseCoopers, March 2014.

acquisitions in Europe and Australia mark our strong partnership with our joint venture partner, Toga Group, as we celebrate our one year anniversary this month and we believe there will be more of such opportunities ahead.”

Through these acquisitions, Far East Hospitality continues to create a strong foundation for new growth platforms to transition the company into a leading regional player with strong recognition for its umbrella of hotels and serviced residences brands.

The hospitality business is and will continue to contribute a steady flow of recurring income to Far East Orchard Limited, creating meaningful value to shareholders.

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**About Far East Hospitality ([www.stayfareast.com](http://www.stayfareast.com))**

Far East Hospitality Holdings Pte Ltd (Far East Hospitality) is a regional hospitality owner and operator with a broad portfolio of nine unique and complementary brands of hotels, serviced residences and apartment hotels, including Adina Apartment Hotels, Medina Serviced Apartments, Marque, Oasia, Quincy, Rendezvous, Travelodge Hotels, Vibe Hotels and Village.

With the recent acquisition of four new hotels in Europe, Far East Hospitality owns and operates a combined portfolio of more than 13,000 rooms under its management across 80 hotels and services residences in eight countries – Australia, China, Denmark, Germany, Hungary, Malaysia, New Zealand and Singapore, with more in its development pipeline.

Far East Hospitality is a 70-30 joint venture formed in 2013 between Far East Orchard Limited (a listed company under Far East Organization) and The Straits Trading Company Limited. In the same year of its formation, Far East Hospitality, through its wholly-owned subsidiary Far East Hospitality Investments (Australia) Pte Ltd, completed a 50-50 joint venture with Australia’s Toga Group.

For more information, please visit [www.stayfareast.com](http://www.stayfareast.com).

### **About Far East Orchard Limited ([www.fareastorchard.com.sg](http://www.fareastorchard.com.sg))**

Far East Orchard Limited (Far East Orchard) is a member of Far East Organization, Singapore's largest private property developer. Today, it has a diversified portfolio focusing on property development, hospitality real estate development and management, and healthcare real estate.

The Company currently has four residential and commercial projects under development in Singapore, as well as a hospitality property undergoing redevelopment in Malaysia.

As a vertically integrated regional hospitality owner and operator with a sizeable overseas network, Far East Orchard, through its hospitality management arm, Far East Hospitality, has a global portfolio of over 80 properties with more than 13,000 rooms across eight countries.

Far East Orchard also owns a portfolio of purpose-built medical suites in Novena Medical Center and Novena Specialist Center, which are 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.

Toga now operates in Australia, New Zealand and Europe across the following integrated areas: property development, design, construction and project management, investment and 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.

In 2013 Toga Group and Singapore's Far East Orchard Limited, a member of Far East Organization, established Toga Far East Hotels (TFE Hotels) by combining Toga Group's hotel operating business with a portfolio of five Australian hotel assets and capital commitments to invest in and develop further hotels. Today, TFE Hotels comprises:

- A hotel management business with over 9,000 keys under management across over 65 hotels and apartment hotels in Australia, New Zealand,

Germany, Denmark and Budapest operated under the following brands: Adina Apartment Hotels, Medina Serviced Apartments, Rendezvous Hotels, Vibe Hotels and Travelodge Hotels, and;

- A hotel real estate portfolio with a value of approximately A\$200 million. Additionally, TFE Hotels has recently acquired sites located in the Sydney and Brisbane Central Business Districts which will be redeveloped as hotels and have with a total value of over A\$170 million.

**Issued for and on behalf of Far East Orchard Limited**

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