

PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 1 (a)(i) **An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Comprehensive Income

	3 months ended 31 March		
	2014	2013*	Increase / (Decrease)
	S\$'000	S\$'000	%
Sales	76,044	19,196	>100
Cost of sales	(55,824)	(13,030)	>100
Gross profit	20,220	6,166	>100
Other income	1,005	838	19.9
Other losses - net	(64)	-	nm
Expenses			
- Distribution and marketing	(3,008)	(1,516)	98.4
- Administrative	(7,187)	(3,317)	>100
- Finance	4,018	(51)	nm
- Other	(1,422)	(555)	>100
Share of results of			
- joint ventures accounted for using equity method	2,237	(394)	nm
- associated companies	654	507	29.0
Profit before income tax	16,453	1,678	>100
Income tax expense	(2,406)	(220)	>100
Net profit	14,047	1,458	>100
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation gains arising from consolidation	4,577	35	>100
Share of other comprehensive income/(loss) of			
- joint ventures accounted for using equity method	94	-	nm
- associated companies	(89)	-	nm
Other comprehensive income, net of tax	4,582	35	>100
Total comprehensive income	18,629	1,493	>100
Net profit attributable to:			
Equity holders of the Company	11,873	1,458	>100
Non-controlling interests	2,174	-	nm
	14,047	1,458	>100
Total comprehensive income attributable to:			
Equity holders of the Company	15,051	1,493	>100
Non-controlling interests	3,578	-	nm
	18,629	1,493	>100

*Certain comparative figures have been reclassified to conform to current period's presentation.

Please refer to item 8 for the review of the performance of the Group.

1 (a)(ii) Other profit and loss items disclosure

	3 months ended 31 March		
	2014	2013	Increase / (Decrease)
	S\$'000	S\$'000	%
The following items were credited/(charged) to the income statement:			
<u>Other income</u>			
Interest income			
- Bank deposits	540	708	(23.7)
- Advances to joint ventures	219	-	nm
<u>Cost of sales and administrative expense</u>			
Depreciation of property, plant and equipment	(2,360)	(581)	>100
Amortisation of intangible assets	(966)	(402)	>100
<u>Other losses - net</u>			
Impairment loss on a country club membership	(40)	-	nm
Loss on disposal of property, plant and equipment	(53)	-	nm
Currency translation gains - net	29	-	nm
<u>Finance expenses</u>			
Interest expense			
- Bank borrowings	(617)	(51)	>100
- Advances from a non-controlling interest	(328)	-	nm
Currency translation gains - net	4,963	-	nm
<u>Income tax expense</u>			
Adjustment for under provision of tax in respect of prior years	(247)	(23)	>100

nm : not meaningful

- 1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	Group		Company	
	31.03.2014	31.12.2013	31.03.2014	31.12.2013
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	267,165	264,975	199,912	199,548
Trade and other receivables	71,370	67,278	169,905	169,161
Inventories	1,275	857	35	39
Development properties	40,119	40,365	-	-
Properties held for sale	136,571	140,417	-	-
	516,500	513,892	369,852	368,748
Non-current assets				
Investments in associated companies	8,377	7,812	696	696
Investments in joint ventures	289,100	282,167	300	300
Investments in subsidiaries	-	-	553,532	553,532
Other receivables	74,695	73,617	282,926	281,207
Investment properties	305,291	304,475	116,209	116,209
Property, plant and equipment	593,381	588,204	371,775	371,673
Intangible assets	155,438	155,907	-	-
Deferred income tax assets	4,255	4,765	-	-
	1,430,537	1,416,947	1,325,438	1,323,617
Total assets	1,947,037	1,930,839	1,695,290	1,692,365
LIABILITIES				
Current liabilities				
Trade and other payables	126,214	133,051	54,888	59,618
Deferred income	7,956	7,526	6,800	6,802
Current income tax liabilities	5,472	4,761	1,900	2,617
Provisions	7,867	8,268	-	-
	147,509	153,606	63,588	69,037
Non-current liabilities				
Other payables	183,034	179,377	261,540	251,957
Deferred income	322,189	323,888	322,189	323,888
Deferred income tax liabilities	17,493	17,371	648	648
Borrowings	90,554	89,415	-	-
Provisions	15,429	14,982	-	-
	628,699	625,033	584,377	576,493
Total liabilities	776,208	778,639	647,965	645,530
NET ASSETS	1,170,829	1,152,200	1,047,325	1,046,835
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	420,616	420,616	420,616	420,616
Revaluation and other reserves	347,629	344,451	339,686	339,686
Retained profits	389,564	377,691	287,023	286,533
	1,157,809	1,142,758	1,047,325	1,046,835
Non-controlling interests	13,020	9,442	-	-
TOTAL EQUITY	1,170,829	1,152,200	1,047,325	1,046,835

1 (b)(ii) Aggregate amount of the group's borrowings and debt securities

	As at 31.03.2014		As at 31.12.2013	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable after one year (net of transaction costs)	90,554	-	89,415	-

Details of any collaterals

The securities for the borrowings are the Group's share of its joint operations' development properties, and certain land and buildings under property, plant and equipment.

- 1 (c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statements of Cash Flows

	3 months ended 31 March	
	2014 S\$'000	2013 S\$'000
Cash flows from operating activities		
Net profit	14,047	1,458
Adjustments for:		
Income tax expense	2,406	220
Depreciation of property, plant and equipment	2,360	581
Amortisation of intangible assets	966	402
Impairment loss on a country club membership	40	-
Interest income	(759)	(708)
Interest expense	945	51
Loss on disposal of property, plant and equipment	53	-
Share of results of joint ventures	(2,237)	394
Share of results of associated companies	(654)	(507)
Unrealised currency translation gains	(4,963)	-
	12,204	1,891
Change in working capital:		
Trade and other receivables	(3,516)	673
Inventories	(387)	(4)
Development properties and properties held for sale	3,872	(1,658)
Trade and other payables	(8,287)	(5,770)
Provisions	(698)	-
Deferred income	(1,269)	(1,450)
Cash generated from operations	1,919	(6,318)
Income tax paid - net	(1,088)	(308)
Net cash provided by/(used in) operating activities	831	(6,626)
Cash flows from investing activities		
Additions to property, plant and equipment	(2,001)	(1,365)
Disposal of property, plant and equipment	276	-
Advances to a joint venture	(900)	(59)
Advances from a joint venture	3,720	19,200
Interest received	760	701
Net cash provided by investing activities	1,855	18,477
Cash flows from financing activities		
Dividend paid to shareholders	-	(35,393)
Repayment to a non-controlling interest	(233)	-
Proceeds from borrowings	3,189	1,501
Repayment of borrowings	(3,550)	(860)
Interest paid	(747)	(203)
Net cash used in financing activities	(1,341)	(34,955)
Net increase/(decrease) in cash and cash equivalents	1,345	(23,104)
Cash and cash equivalents at beginning of financial period	264,975	450,820
Effects of currency translation on cash and cash equivalents	845	-
Cash and cash equivalents at end of financial period	267,165	427,716

Consolidated Statements of Cash Flows (continued)

Cash and cash equivalents of the Group include amounts totalling \$9,407,000 (31 March 2013: \$8,051,000), representing the Group's attributable share of its joint operation's bank balances and deposits, held under the development project rules in Singapore and the use of which is governed by these rules.

- 1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity

	Share capital	Capital reserve	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Hedging reserve	Retained profits	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2014	420,616	10,557	342,516	(7,901)	(564)	(157)	377,691	1,142,758	9,442	1,152,200
Total comprehensive income for the period	-	-	-	3,376	(89)	(109)	11,873	15,051	3,578	18,629
Balance at 31 Mar 2014	420,616	10,557	342,516	(4,525)	(653)	(266)	389,564	1,157,809	13,020	1,170,829
Balance at 1 Jan 2013	394,612	-	336,423	(2,238)	-	-	371,253	1,100,050	-	1,100,050
Shares issued in-lieu of dividends	9,864	-	-	-	-	-	-	9,864	-	9,864
Total comprehensive income for the period	-	-	-	35	-	-	1,458	1,493	-	1,493
Balance at 31 Mar 2013	404,476	-	336,423	(2,203)	-	-	372,711	1,111,407	-	1,111,407

Company's Statement of Changes in Equity

	Share capital	Asset revaluation	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2014	420,616	339,686	286,533	1,046,835
Total comprehensive income for the period	-	-	490	490
Balance at 31 Mar 2014	420,616	339,686	287,023	1,047,325
Balance at 1 Jan 2013	394,612	336,423	301,181	1,032,216
Shares issued in-lieu of dividends	9,864	-	-	9,864
Total comprehensive income for the period	-	-	702	702
Balance at 31 Mar 2013	404,476	336,423	301,883	1,042,782

- 1 (d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	3 months ended	
	31.03.2014	31.12.2013
<u>Ordinary shares fully paid</u>	'000	'000
Number of shares at beginning and end of financial period	389,912	389,912

The Company does not have any convertibles.

The Company does not have any treasury shares.

- 1 (d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at	As at
	31.03.2014	31.12.2013
	'000	'000
Number of issued shares excluding treasury shares	389,912	389,912

The Company does not have any treasury shares.

- 1 (d)(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable as the Company does not have any treasury shares.

- 2 **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the Company's auditors.

- 3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable. Refer to item 2 above.

- 4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the most recent audited annual financial statements, except where new or amended Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") became effective from the current financial year.

The adoption of the new or amended FRS and INT FRS did not result in substantial changes to the Group's accounting policies and had no material effect on the financial information.

- 5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to item 4 above.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group 3 months ended 31 March	
	2014 cents	2013 cents
Earnings per ordinary share (EPS) for the period based on net profits attributable to shareholders after deducting any provision for preference dividends: -		
(i) Based on weighted average number of ordinary shares in issue	3.05	0.38
(ii) On a fully diluted basis	3.05	0.38

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	As at 31.03.2014	As at 31.12.2013	As at 31.03.2014	As at 31.12.2013
Net asset value (NAV) per ordinary share based on total number of issued shares excluding treasury shares as at the end of the period/year	\$ 3.00	\$ 2.96	\$ 2.69	\$ 2.68

The Company does not have any treasury shares.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a) Group performance review for the 3-month period ended 31 March 2014 ("Q1 2014")

Revenue

Revenue of the Group for Q1 2014 was \$76.0 million and this was \$56.8 million higher than Q1 2013.

Revenue from the hospitality division increased \$36.3 million to \$53.5 million for Q1 2014. This was mainly due to the hospitality businesses acquired from The Straits Trading Company Limited ("STC") on 1 November 2013.

Revenue from the property development division increased \$20.2 million as compared with Q1 2013. This primarily came from the progressive recognition of revenue from the euHabitat project.

Gross profit

Gross profit of the Group for Q1 2014 was \$20.2 million, \$14.1 million higher than Q1 2013. The increase was mainly attributable to the newly acquired hospitality businesses and the contribution from the euHabitat project.

Expenses

Total distribution and marketing, administrative, finance and other expenses of the Group for Q1 2014 were \$7.6 million and were \$2.2 million higher than Q1 2013. The increase in expenses was mainly due to the newly acquired hospitality businesses, which was offset by the currency translation gains of \$5.0 million due to the strengthening of the Australian Dollar against the Singapore Dollar since the end of the previous financial year end.

Share of results of joint ventures accounted for using equity method

The Group's share of results of joint ventures for Q1 2014 comprised mainly the result of the joint venture with Toga Pty Ltd ("Toga", together "Toga Joint Venture").

The Group's share of results of joint ventures for Q1 2013 comprised mainly the result of Far East Opus Pte Ltd – the joint venture for the SBF Center project.

(a) Group performance review (continued)**Share of results of associated companies**

The Group's share of results of associated companies for Q1 2014 and Q1 2013 comprised mainly the results of FEO Hospitality Asset Management Pte. Ltd. – the REIT Manager of Far East Hospitality Trust.

Income tax

Income tax expense of the Group for Q1 2014 was higher than Q1 2013 due to higher taxable profit.

Net profit

The Group reported a net profit of \$14.0 million for Q1 2014 which was \$12.6 million higher than Q1 2013. The increase was mainly due to the contribution from the newly acquired hospitality businesses, euHabitat project, and Toga Joint Venture.

(b) Statements of financial position**Group - significant variances**

Inventories increased \$0.4 million to \$1.3 million as at 31 March 2014 due to the operational requirements of the newly acquired hospitality businesses.

Current income tax liabilities increased \$0.7 million to \$5.5 million as at 31 March 2014 mainly due to the current income tax expense incurred during the current quarter.

Company - significant variances

Current income tax liabilities decreased \$0.7 million to \$1.9 million as at 31 March 2014. This was mainly due to the payment of tax liabilities during the quarter.

(c) Consolidated statement of cash flows

Operating activities generated a net cash inflow of \$0.8 million during the current quarter as compared to a net outflow of \$6.6 million for the corresponding 3 months in 2013 mainly due to the increase in net profit.

Investing activities generated a net cash inflow of \$1.9 million during the quarter as compared to \$18.5 million in 1Q 2013; mainly due to advances from a joint venture.

Financing activities generated a net cash outflow of \$1.3 million during the quarter. Net cash outflow in 1Q 2013 of \$35.0 million was mainly due to dividends paid.

The above activities have resulted in a net cash inflow of \$1.3 million during the current quarter.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results are in line with comments previously disclosed to shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group completed the business ventures with Toga and STC on 6 August 2013 and 1 November 2013 respectively. The financial information in this announcement therefore included the results of the Toga Joint Venture and the results of the hospitality businesses acquired from STC.

The Group's existing hospitality management business, the Toga Joint Venture and the acquired hospitality business from STC will continue to contribute to the results of the hospitality division.

For the property development division, the Group has a 20% interest in the euHabitat project which is about 99% sold. The Group recognised revenue and profits for the project by reference to the stage of completion of the project during the year. The Group also has a 30% interest in Watervine Homes Pte. Ltd., a joint venture company set up with Frasers Centrepoint and Sekisui House, Ltd, to develop the RiverTrees Residences project on the land parcel at Fernvale Close. The project is about 49% sold.

On 17 April 2014, the Group, jointly with Far East Civil Engineering (Pte.) Limited, an associate of the Company's controlling shareholder, and Sekisui House, Ltd, was awarded a land parcel at Woodlands Square. The Group has a one-third interest in the land parcel which will be used for commercial development.

The Group will continue to selectively expand its hospitality business by acquiring strategic assets for long-term growth.

The Group will also continue to participate selectively in tenders for land for development.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared for the quarter ended 31 March 2014.

- 13 **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company had obtained approval for a shareholders' mandate for interested person transactions under Rule 920(1)(a)(ii) as set out in the circular to shareholders dated 24 June 2013.

Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than \$100,000)

Name of interested person	3 months ended 31 March 2014 S\$'000
Dollar Land Singapore Private Ltd	
Hospitality management income	109
Far East Hospitality Real Estate Investment Trust	
Property management income	131
Rental expense on operating leases	
- offices	(252)
- hotels and serviced residences	(7,106)
Far East Management (Private) Limited	
Management service fees	(305)
Hospitality services	(454)
Far East Organization Centre Pte Ltd	
Hospitality management income	669
Management service fees	(158)
Golden Development Pte Ltd	
Hospitality management income	838
Golden Landmark Pte Ltd	
Hospitality management income	395
Lyon Cleaning & Maintenance Services Pte Ltd	
Hospitality services	(174)
Orchard Mall Pte Ltd	
Hospitality management income	194
Orchard Parksuites Pte Ltd	
Hospitality management income	431
Oxley Hill Properties Pte Ltd	
Hospitality management income	160

13 (continued)

 Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than \$100,000)

<u>Name of interested person</u>	<u>3 months ended 31 March 2014 S\$'000</u>
Riverland Pte Ltd	
Hospitality management income	132
Serene Land Pte Ltd	
Hospitality management income	519
Transurban Properties Pte Ltd	
Hospitality management income	523

The Company did not have any interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920).

By Order of the Board

Jessica Lien Mei Jin
Secretary
24 April 2014

STATEMENT PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of Far East Orchard Limited which may render the unaudited financial statements for the period ended 31 March 2014 to be false or misleading in any material respect.

On behalf of the Board of Directors

Koh Boon Hwee
Chairman

Lucas Chow Wing Keung
Group CEO & Managing Director

24 April 2014

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.