

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

	Group			Group		
	3 months ended 30 September		Increase / (Decrease)	9 months ended 30 September		Increase / (Decrease)
	2012	2011 *(restated)		2012	2011 *(restated)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sales	22,708	72,841	(68.8)	118,734	218,121	(45.6)
Cost of sales	(10,291)	(34,791)	(70.4)	(53,775)	(106,508)	(49.5)
Gross profit	12,417	38,050	(67.4)	64,959	111,613	(41.8)
Other income	1,658	1,651	0.4	5,042	4,838	4.2
Other gains/(losses) - net	116,163	(604)	nm	116,342	3,469	nm
Expenses						
- Distribution and marketing	(2,054)	(2,505)	(18.0)	(9,587)	(6,930)	38.3
- Administrative	(2,403)	(1,573)	52.8	(7,643)	(3,317)	130.4
- Finance	(512)	(2,022)	(74.7)	(3,197)	(6,775)	(52.8)
- Other	(1,461)	(1,602)	(8.8)	(4,961)	(4,678)	6.0
Share of profit of associated companies	1,506	6,060	(75.1)	32,086	16,276	97.1
Profit before income tax	125,314	37,455	234.6	193,041	114,496	68.6
Income tax credit/(expense)	287	(5,515)	nm	(5,200)	(17,518)	(70.3)
Net profit attributable to equity holders of the Company	125,601	31,940	293.2	187,841	96,978	93.7

* Please refer to item 5 for the effects from the adoption of Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets* on income tax expenses in Q3 2011 and YTD 30 September 2011 which increased by \$11,000 and \$101,000 respectively. As a result, net profits in Q3 2011 and YTD 30 September 2011 decreased by \$11,000 and \$101,000 respectively.

nm : not meaningful

1 (a)(i) Consolidated Statement of Comprehensive Income (continued)

	Group			Group		
	3 months ended 30 September		Increase / (Decrease)	9 months ended 30 September		Increase / (Decrease)
	2012	2011 *(restated)		2012	2011 *(restated)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net profit attributable to equity holders of the Company	125,601	31,940	293.2	187,841	96,978	93.7
Other comprehensive income/ (loss):						
Revaluation surplus on property, plant and equipment	-	2,155	nm	1,679	5,983	(71.9)
Adjustment for movement in deferred tax liability on revaluation surplus	-	(363)	nm	153	(345)	nm
Reversal of deferred tax liability on revaluation surplus on realisation	21,893	-	nm	21,893	-	nm
Currency translation differences arising from consolidation	6	21	(71.4)	(224)	(194)	15.5
Reclassification to profit or loss on partial disposal of an associated company	(53,642)	-	nm	(53,642)	-	nm
Share of associated company's reserves	1,411	4,791	(70.5)	28,218	3,007	838.4
Other comprehensive (loss)/ income for the financial period, net of tax	(30,332)	6,604	nm	(1,923)	8,451	nm
Total comprehensive income attributable to equity holders of the Company	95,269	38,544	147.2	185,918	105,429	76.3

* Please refer to item 5 for the effects from the adoption of Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets* on income tax expenses in Q3 2011 and YTD 30 September 2011 which increased by \$11,000 and \$101,000 respectively. As a result, net profits in Q3 2011 and YTD 30 September 2011 decreased by \$11,000 and \$101,000 respectively.

nm : not meaningful

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

	Group			Group		
	3 months ended 30 September		Increase / (Decrease)	9 months ended 30 September		Increase / (Decrease)
	2012	2011		2012	2011	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
The following items were credited/ (charged) to the income statement:						
<u>Other income</u>						
Interest income - fixed deposits	46	10	360.0	93	21	342.9
<u>Cost of sales, administrative and other expenses</u>						
1. Depreciation of property, plant and equipment	(1,450)	(1,810)	(19.9)	(5,285)	(5,446)	(3.0)
2. Amortisation of intangible assets	(221)	-	nm	(221)	-	nm
3. Bad debts written off	-	-	nm	(21)	-	nm
4. Doubtful debts (allowance)/ write-back	-	(17)	nm	18	(17)	nm
<u>Other gains/(losses) - net</u>						
1. Fair value (losses)/gains on investment properties	-	(598)	nm	531	3,486	(84.8)
2. Gain arising on dilution of interest in an associated company	-	-	nm	2	-	nm
3. Loss on disposal of property, plant and equipment	(1)	(6)	(83.3)	(355)	(8)	nm
4. REIT Transaction						
- Gain on disposal of property, plant and equipment	1,289	-	nm	1,289	-	nm
- Gain on disposal of investment properties	1,683	-	nm	1,683	-	nm
- Committed capital expenditure on disposed assets	(4,391)	-	nm	(4,391)	-	nm
	(1,419)	-	nm	(1,419)	-	nm
5. Asset Swap Transaction						
- Gain on partial disposal of an associated company	102,240	-	nm	102,240	-	nm
- Reclassification from other comprehensive income on partial disposal of an associated company	53,642	-	nm	53,642	-	nm
- Goodwill written-off in respect of business acquisition	(30,141)	-	nm	(30,141)	-	nm
- Stamp duties	(9,150)	-	nm	(9,150)	-	nm
	116,591	-	nm	116,591	-	nm
<u>Finance expenses</u>						
1. Interest expense	(519)	(2,029)	(74.4)	(3,222)	(6,791)	(52.6)
2. Currency translation gains - net	7	7	-	25	16	56.3
<u>Income tax expenses</u>						
Adjustment for over provision of tax in respect of prior years	1,407	344	309.0	2,615	67	nm

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		
	30.09.2012	31.12.2011 *(restated)	31.12.2010 *(restated)	30.09.2012	31.12.2011 *(restated)	31.12.2010 *(restated)
	S\$'000			S\$'000		
ASSETS						
Current assets						
Cash and cash equivalents	485,069	76,446	37,293	431,341	4,333	5,934
Trade receivables	91,035	188,303	56,436	2,258	2,064	2,338
Inventories	64	73	82	43	54	57
Development properties	165,879	169,974	154,647	-	-	-
Properties held for sale	152,908	-	-	-	-	-
Assets held for distribution	120,050	-	-	-	-	-
Other current assets	5,768	342	4,003	5,188	195	199
	1,020,773	435,138	252,461	438,830	6,646	8,528
Non-current assets						
Investments in associated companies	4,734	356,225	339,317	696	-	-
Investments in subsidiaries	-	-	-	483,531	483,531	483,536
Advances to subsidiaries	-	-	-	170,266	196,561	172,812
Other non-current assets	111	111	111	111	111	111
Investment properties	259,391	166,915	173,243	106,943	112,845	113,959
Property, plant and equipment	388,843	696,944	681,431	367,618	435,295	432,681
Intangible assets	133,057	-	-	-	-	-
	786,136	1,220,195	1,194,102	1,129,165	1,228,343	1,203,099
Total assets	1,806,909	1,655,333	1,446,563	1,567,995	1,234,989	1,211,627
LIABILITIES						
Current liabilities						
Trade payables	54,067	39,102	17,941	1,607	2,043	1,970
Other current payables	194,920	11,618	11,590	227,205	6,718	7,508
Current income tax liabilities	23,338	7,655	8,824	2,205	5,081	5,702
Borrowings	-	196,058	131,570	-	130,230	1,200
	272,325	254,433	169,925	231,017	144,072	16,380
Non-current liabilities						
Borrowings	70,117	259,602	274,057	-	120,000	247,132
Advances from subsidiaries	-	-	-	243,465	136,892	122,464
Other non-current liabilities	3,733	4,366	4,016	48	739	723
Deferred income tax liabilities	32,741	51,793	34,437	2,364	4,332	4,489
Deferred income	332,390	-	-	332,390	-	-
	438,981	315,761	312,510	578,267	261,963	374,808
Total liabilities	711,306	570,194	482,435	809,284	406,035	391,188
NET ASSETS	1,095,603	1,085,139	964,128	758,711	828,954	820,439
EQUITY						
Capital and reserves attributable to equity holders of the Company						
Share capital	394,612	372,063	356,713	394,612	372,063	356,713
Revaluation and other reserves	332,658	526,024	525,968	334,890	404,415	400,541
Retained profits	368,333	187,052	81,447	29,209	52,476	63,185
TOTAL EQUITY	1,095,603	1,085,139	964,128	758,711	828,954	820,439

* Please refer to item 5 for the effects from the adoption of Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets* on retained profits, deferred income tax liabilities and the Group's share of adjustment by its associated company, YHS.

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

	As at 30.09.2012		As at 31.12.2011	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand (Note 1)	-	-	196,058	-
Amount repayable after one year (Note 1)	70,117	-	259,602	-

Note 1: net of transaction costs

The Group has outstanding banker's guarantees of \$5.5 million as at 30 September 2012 (31 December 2011: \$41.5 million). \$36.0 million as at 31 December 2011 was used to support the withdrawal of surplus from a Project Account under Rule 10 of the Housing Developers (Project Account) Rules.

Details of any collateral

As at 30 September 2012, bank borrowings are secured over the Group's development properties and one piece of freehold land and building in Kuala Lumpur, Malaysia.

As at 31 December 2011, all bank borrowings are secured over the Group's development properties, investment properties, freehold and leasehold land and buildings; certain quoted shares held by the Group in an associated company held by a subsidiary; fixed and floating charge over all the assets of the Company and certain subsidiaries; assignment of all rights to and benefits from the sale and purchase agreements, rental proceeds, lease tenancies, building contracts, licences and insurance policies in respect of development properties, investment properties and freehold and leasehold land and buildings within the Group; and corporate guarantees by the Company.

- 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 Statement of Cash Flows

	Group			
	3 months ended 30 September		9 months ended 30 September	
	2012	2011 *(restated)	2012	2011 *(restated)
S\$'000	S\$'000	S\$'000	S\$'000	
Cash flows from operating activities				
Net profit	125,601	31,940	187,841	96,978
Adjustments for:				
Income tax (credit)/expense	(287)	5,515	5,200	17,518
Depreciation of property, plant and equipment	1,450	1,810	5,285	5,446
Amortisation of intangible assets	221	-	221	-
Interest income	(46)	(10)	(93)	(21)
Interest expense	519	2,029	3,222	6,791
Net loss on disposal of property, plant and equipment	3,103	6	3,457	8
Gain on disposal of investment properties	(1,683)	-	(1,683)	-
Fair value losses/(gains) on investment properties	-	598	(531)	(3,486)
Gain arising on dilution of interest in an associated company	-	-	(2)	-
Gain on partial disposal of an associated company	(102,240)	-	(102,240)	-
Reclassification from other comprehensive income on disposal of an associated company	(53,642)	-	(53,642)	-
Goodwill written-off in respect of business acquisition	30,141	-	30,141	-
Share of profit of associated companies	(1,506)	(6,060)	(32,086)	(16,276)
	1,631	35,828	45,090	106,958
Change in working capital:				
Trade receivables	8,022	(27,255)	97,268	(96,771)
Development properties	1,461	19,339	5,964	26,544
Inventories	(1)	6	9	11
Other current assets	(4,836)	(3,069)	(5,426)	442
Trade payables	(1,325)	16,850	14,965	13,588
Other payables	9,597	553	5,304	(1,946)
Cash generated from operations	14,549	42,252	163,174	48,826
Income tax paid - net	(2,268)	(1,791)	(4,581)	(6,607)
Net cash provided by operating activities	12,281	40,461	158,593	42,219
Cash flows from investing activities				
Payment for Asset Swap Transaction	(58,653)	-	(58,653)	-
Additions to property, plant and equipment	(4,327)	(1,136)	(8,798)	(3,505)
Additions to investment properties	-	(22)	(138)	(134)
Proceeds from grant of leasehold interest in freehold land	339,839	-	339,839	-
Disposal of property, plant and equipment	314,369	-	314,390	1
Disposal of investment properties	62,318	-	62,318	-
Dividend paid to shareholders	-	-	(10,147)	(5,829)
Investments in associated companies	(696)	-	(696)	-
Dividend received from an associated company	1	-	2,842	-
Interest received	46	10	93	21
Net cash provided by/(used in) investing activities	652,897	(1,148)	641,050	(9,446)

* Please refer to item 5 for the effects from the adoption of Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets* on income tax expenses in Q3 2011 and YTD 30 September 2011 which increased by \$11,000 and \$101,000 respectively. As a result, net profits in Q3 2011 and YTD 30 September 2011 decreased by \$11,000 and \$101,000 respectively.

Consolidated Statement of Cash Flows (continued)

	Group			
	3 months ended 30 September		9 months ended 30 September	
	2012	2011 *(restated)	2012	2011 *(restated)
S\$'000	S\$'000	S\$'000	S\$'000	
Cash flows from financing activities				
Proceeds from borrowings	895	858	242,331	27,868
Repayment of borrowings	(356,856)	(3,626)	(628,580)	(21,671)
Interest paid	(1,318)	(3,054)	(4,771)	(6,503)
Net cash used in financing activities	(357,279)	(5,822)	(391,020)	(306)
Net increase in cash and cash equivalents	307,899	33,491	408,623	32,467
Cash and cash equivalents at beginning of financial period	177,170	36,269	76,446	37,293
Cash and cash equivalents at end of financial period	485,069	69,760	485,069	69,760

Cash and cash equivalents of the Group include amounts totalling \$33,578,000 (2011: \$49,795,000), representing the Group's attributable share of joint ventures' bank balances and fixed deposits, held under the Housing Developers (Project Account) (Amendment) Rules 1997 and the Housing Developers (Project Account) Rules 1990, withdrawals of which are restricted to payments for project expenditure incurred, until the completion of the projects.

- 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	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Share-based payment reserve	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jul 2012	394,612	504,440	(8,647)	58,466	174	216,596	1,165,641
Transfer of revaluation surplus to retained profits	-	(191,443)	-	-	-	191,443	-
Dividend in Specie payable	-	-	-	-	-	(120,050)	(120,050)
Special Dividend payable	-	-	-	-	-	(45,257)	(45,257)
Total comprehensive income for the period	-	21,893	6,415	(58,466)	(174)	125,601	95,269
Balance at 30 Sep 2012	394,612	334,890	(2,232)	-	-	368,333	1,095,603

Consolidated Statement of Changes in Equity (continued)

	Share capital	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Share-based payment reserve	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jul 2011							
As previously reported	372,065	498,308	(8,144)	33,879	-	124,268	1,020,376
Adoption of amended FRS 12 adjustment *	-	-	-	-	-	4,808	4,808
As restated	372,065	498,308	(8,144)	33,879	-	129,076	1,025,184
Share of associated company's transfer from revaluation reserve	-	(543)	-	-	-	543	-
Total comprehensive income for the period	-	1,792	1,028	3,784	-	31,940	38,544
Balance at 30 Sep 2011	372,065	499,557	(7,116)	37,663	-	161,559	1,063,728

Company's Statement of Changes in Equity

	Share capital	Asset revaluation reserve	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jul 2012				
394,612	405,006	36,694	836,312	
Transfer of revaluation surplus to retained profits	-	(71,647)	71,647	-
Dividend in Specie payable	-	-	(166,598)	(166,598)
Special Dividend payable	-	-	(45,257)	(45,257)
Total comprehensive income for the period	-	1,531	132,723	134,254
Balance at 30 Sep 2012	394,612	334,890	29,209	758,711

	Share capital	Asset revaluation reserve	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jul 2011				
As previously reported	372,065	402,754	50,666	825,485
Adoption of amended FRS 12 adjustment *	-	-	747	747
As restated	372,065	402,754	51,413	826,232
Total comprehensive income for the period	-	1,097	1,234	2,331
Balance at 30 Sep 2011	372,065	403,851	52,647	828,563

* Please refer to item 5 for the effects from the adoption of Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets*.

- 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.

Ordinary shares fully paid

Number of shares at beginning of financial period

Shares issued in-lieu of dividends

Number of shares at end of financial period

3 months ended 30 September 2012	As at 30.06.2012	As at 30.09.2011
'000	'000	'000
377,143	363,309	353,007
-	13,834	10,302
377,143	377,143	363,309

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.

Number of issued shares excluding treasury shares

The Company does not have any treasury shares.

As at 30.09.2012	As at 31.12.2011
'000	'000
377,143	363,309

- 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 Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2011. The adoption of revised Financial Reporting Standards ("FRS") that are relevant and effective for annual periods beginning on or after 1 January 2012 did not result in any significant change except as disclosed in item 5 below.

- 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.

The Group has adopted the Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets* on 1 January 2012. The Group previously provided for deferred tax liabilities for its investment properties that will be recovered through use. The amended FRS 12 has introduced a presumption that an investment property measured at fair value is recovered entirely by sale. Accordingly, there will be no deferred tax liability on investment properties as there is no tax on capital gains in Singapore should such a sale occur. The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012.

The effects from the adoption are as noted in the relevant items in other pages as well as follows:

Statements of Financial Position

	Group		Company	
	Increase/(Decrease)		Increase/(Decrease)	
	As at 31.12.2011	As at 31.12.2010	As at 31.12.2011	As at 31.12.2010
	\$'000	\$'000	\$'000	\$'000
Deferred income tax liabilities	(3,022)	(3,118)	(735)	(820)
Investments in associated companies	2,478	1,780	-	-
Retained profits	5,500	4,898	735	820

Consolidated Statement of Comprehensive Income

	Group	
	Increase/(Decrease)	
	3 months ended 30 September 2011	9 months ended 30 September 2011
	\$'000	\$'000
Income tax expense	11	101
Net profit attributable to equity holders of the Company	(11)	(101)

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.

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
- (ii) On a fully diluted basis

Group			
3 months ended 30 September		9 months ended 30 September	
2012	2011 *(restated)	2012	2011 *(restated)
cents	cents	cents	cents
33.30	8.79	50.99	27.20
33.30	8.79	50.99	27.20

* Please refer to item 5 for the effects from the adoption of Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets*. Basic and fully diluted EPS for YTD 30 September 2011 decreased by 0.03 cents.

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.

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

Group		Company	
As at 30.09.2012	As at 31.12.2011 *(restated)	As at 30.09.2012	As at 31.12.2011 *(restated)
\$ 2.91	\$ 2.99	\$ 2.01	\$ 2.28

The Company does not have any treasury shares.

* Please refer to item 5, effects from the adoption of on Amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets*. The Group's NAV per share as at 31 December 2011 increased by 0.02 cents while there was no change on the Company's NAV per share.

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

Significant Changes

The Company held an Extraordinary General Meeting (“EGM”) on 11 July 2012, where the shareholders of the Company approved the proposed restructuring of the Company involving a REIT Transaction and an Asset Swap Transaction. The details of the transactions were given in a circular to shareholders dated 19 June 2012 (“Circular”). The approvals were conditional on the initial public offering of Far East Hospitality Trust (“Far East H-Trust”) and the listing and quotation of the Stapled Securities (as defined in the Circular) and commencement of trading of such Stapled Securities on the SGX-ST taking place. The listing of Far East H-Trust was successfully launched on 27 August 2012. Accordingly, the REIT Transaction and Asset Swap Transaction were completed on 27 August 2012. The financial results as announced include the financial impacts from these transactions.

The Asset Swap Transaction is a business acquisition and the purchase price allocation exercise for this acquisition will be finalised by year end. The amounts recorded as at 30 September 2012 for the assets (including intangibles, investment properties, properties held for sale and fixed assets) and liabilities (including deferred tax liabilities and other payables) acquired are based on a preliminary purchase price allocation exercise.

Revenue

Total Group revenue for Q3 2012 was down by 68.8% to \$22.7 million, as compared against Q3 2011, primarily due to lower sales and lower revenue recognised from the Group's property development project, the Floridian, of which 94% of the project was sold and recognised prior to 1 January 2012.

Revenue for the hospitality division increased marginally by \$0.5 million in Q3 2012 compared to the same period last year. Revenue from property investment decreased by \$0.8 million for the same period as the investment properties within the 3 hospitality assets, namely Orchard Parade Hotel (“OPH”), Albert Court Village Hotel and Central Square Village Residences, were also divested together as part of the REIT Transaction. Also as part of the REIT Transaction, the Company had granted a 50-year leasehold interest in the freehold land of OPH to Far East Hospitality Real Estate Investment Trust (“Far East H-REIT”). The proceeds related to the lease of this freehold land are deferred and will be recognised over the 50 years.

With the completion of the Asset Swap Transaction on 27 August 2012, the newly acquired medical units in Novena Medical Center (“NMC”) and Novena Specialist Center (“NSC”) had contributed \$0.4 million, and the hospitality management business contributed \$1.5 million to the Group's revenue.

Gross Profit and Other Income, Gains or Losses

Gross profit in Q3 2012 of \$12.4 million was lower by \$25.7 million or 67.5% against the \$38.1 million recorded in Q3 2011. The decrease was mainly due to the lower sales from property development, where gross profit declined by \$24.5 million.

(a) Group Performance Review (continued)**Gross Profit and Other Income, Gains or Losses (continued)**

The divestment of the hospitality assets and related investment properties from the REIT Transaction resulted in a gain on disposal of \$3.0 million. This was offset by a committed capital expenditure of \$4.4 million on renovation works that was approved and started prior to the divestment, but was not yet completed as at divestment date.

The Group recognised a gain on disposal of \$102.2 million upon the divestment of its Yeo Hiap Seng Limited ("YHS") shares (the "Disposal Shares" as defined in the Circular) from the Asset Swap Transaction (also as defined in the Circular). As a result of the higher market price of YHS shares on 27 August 2012, the "Completion Date", which was used to compute the consideration value for the acquisition of the businesses in the Asset Swap Transaction, an imputed goodwill of \$30.1 million resulted. This goodwill was accordingly impaired and written off on acquisition. The divestment also resulted in the recognition of its unrealised gains previously equity accounted for by the Group. The unrealised gain of \$53.6 million mainly in the fair value reserve is now transferred from the Consolidated Statement of Changes in Equity and is realised as other gains in the Statement of Comprehensive Income. After accounting for stamp duties of \$9.2 million paid for the acquired assets, the net result from the Asset Swap Transaction was a gain of \$116.6 million.

Expenses

Total expenses showed a decrease of \$1.3 million in Q3 2012 as compared to Q3 2011. The decrease was mainly due to lower financing cost that came from lower interest rates as well as lower level of borrowings.

Associated companies

The Group's associated company, YHS, had reported lower profits in Q3 2012 as compared to Q3 2011. With the divestment of its 35.0% shareholdings in YHS, the Group's share of profits in Q3 2012 was accounted for on a pro-rated basis, up to 26 August 2012.

Group Results

As a result of all of the above, the Group reported an increase in its net profit to \$125.6 million in Q3 2012 as compared to \$31.9 million in the same period in 2011.

(b) Statements of Financial Position**Group - Significant Variances**

The Group's cash and cash equivalents as at 30 September 2012 of \$485.1 million was an increase of \$408.7 million from \$76.4 million as at 31 December 2011. The increase came mainly from net receipts from the divestment of the 3 hospitality assets and related investment properties as well as collections from sale of units in development projects.

The reduction in trade receivables was mainly a result of collections received from sale of units in development projects.

The properties held for sale as at 30 September 2012 were medical units in NMC and NSC acquired as part of the Asset Swap Transaction.

(b) Statements of Financial Position (continued)**Group - Significant Variances (continued)**

Assets held for distribution consists of the remaining YHS shares held by the Group as at 30 September 2012 for distribution as Dividend in Specie (as defined in the Circular) as disclosed in paragraph 11.

Other current assets increased by \$5.5 million to \$5.8 million as at 30 September 2012. The increase was mainly due to the security deposit furnished by Far East Orchard Limited as Master Lessee to the REIT Trustee (as defined in the Circular).

The decrease in investments in associated companies came primarily from the de-recognition of YHS following the divestment of the Disposal Shares by the Group in the Asset Swap Transaction.

The increase in investment properties of \$92.5 million from \$166.9 million as at 31 December 2011 to \$259.4 million as at 30 September 2012, came mainly from the acquisition of the medical units in NMC and NSC as part of the Asset Swap Transaction that are held for lease.

The decrease in property, plant and equipment was due to the granting of the leasehold interests in the 3 hospitality assets to Far East H-REIT.

The intangible assets of \$133.1 million comprise mainly the fair value of the hospitality management contracts acquired and the goodwill on acquisition as part of the Asset Swap Transaction.

Trade payables saw an increase of \$15.0 million from \$39.1 million as at 31 December 2011 to \$54.1 million as at 30 September 2012. The increase was mainly from accruals made for the remaining construction cost for the Floridian project which obtained its Temporary Occupation Permit ("TOP") on 5 March 2012.

Other current payables increased by \$183.3 million to \$194.9 million, from \$11.6 million as at 31 December 2011. This was mainly due to the accrual of the Special Dividend as well as the Dividend in Specie (as defined in the Circular).

Current income tax liabilities at \$23.3 million were higher by \$15.6 million from \$7.7 million at 31 December 2011. This was mainly due to the progressive transfer from deferred income tax liabilities relating to the Floridian project upon TOP, which also contributed to the decrease in deferred income tax liabilities as at 30 September 2012.

Total borrowings decreased by \$385.6 million to \$70.1 million, from \$455.7 million as at 31 December 2011 mainly from the repayments made from the proceeds received from the divestment of the 3 hospitality assets.

The deferred income of \$332.4 million as at 30 September 2012 relates to the granting of the 50-year leasehold interest to Far East H-REIT. The income will be recognised over the lease period.

Company

The Company's increased cash and cash equivalents as at 30 September 2012 at \$431.3 million was primarily due to the granting of the leasehold land interest and the divestment of the OPH building as part of the REIT Transaction.

(b) Statements of Financial Position (continued)**Company (continued)**

The changes in other current assets, investment properties, property, plant and equipment, other current payables, current income tax liabilities and deferred income tax liabilities arose from causes that were primarily similar to those as described above for the Group.

During the financial period, the Company has acquired 33% interest in FEO Hospitality Asset Management Pte. Ltd. and FEO Hospitality Trust Management Pte. Ltd. (REIT Manager and Trustee-Manager respectively, as defined in the Circular).

(c) Statement of Cash Flows

Operating activities for the 3 months ended 30 September 2012 generated a net cash inflow of \$12.3 million. Investing activities mainly from the divestment and acquisition of properties, netted an inflow of \$652.9 million while there was an outflow in financing activities of \$357.3 million, primarily from repayment of borrowings.

As a result of the above, the Group recorded a net increase in cash and cash equivalents of \$307.9 million for Q3 2012 as compared to a net increase of \$33.5 million for the same period in 2011.

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 the 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 restructuring involving the REIT Transaction and Asset Swap Transaction as approved by the shareholders at the EGM on 11 July 2012 were completed upon the successful listing of Far East H-Trust on 27 August 2012.

Payment of Special Dividend and Dividend in Specie, also approved at the EGM, were declared as disclosed in paragraph 11.

Contribution from the Group's property development business will ease as it had recognised the final profit from the Floridian project. The Group, through its joint venture, will continue to sell units in euHabitat in which the Group has a 20% effective interest. Almost 92% of the total units in this project have been sold. The other joint-venture projects are in the early stages of development and no recognition of revenue is expected for the current financial year.

With the restructuring completed, the Group's contribution from hospitality will come mainly from the hospitality management business while those from investment properties will be derived primarily from the medical units.

11 Dividend**(a) Any dividend declared for the current financial period reported on?**

The Board of Directors is pleased to announce the following dividends in respect of the financial year ending 31 December 2012, which were approved by shareholders at the Extraordinary General Meeting of the Company held on 11 July 2012 upon the terms set out in the Company's circular to shareholders dated 19 June 2012.

Name of dividend	Dividend in Specie
Dividend Type	YHS shares
Dividend Amount per Share	0.22086 YHS share for every one (1) share held by entitled shareholders

Name of dividend	Special Dividend (One-tier tax exempt)
Dividend Type	Cash or share-in lieu
Dividend Amount per Share	12.00 cents

(b) Corresponding Period of the Immediately Preceding Financial Year

None

(c) Date payable

Dividend in Specie and Special Dividend will be paid on or about 3 December 2012 and 8 January 2013 respectively. Please refer to the relevant announcements to be released separately on 9 November 2012.

(d) Books closure date

The books closure date for the Dividend in Specie and Special Dividend is 23 November 2012.

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

Not applicable.

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 does not have interested person transactions that require shareholders' mandate.

By Order of the Board

Chloe Kho Kim Suan / Madelyn Kwang Yeit Lam

Secretaries

9 November 2012

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 30 September 2012 to be false or misleading in any material respect.

On behalf of the Board of Directors

Philip Ng Chee Tat
Non-executive ChairmanLucas Chow Wing Keung
Group CEO & Managing Director

9 November 2012

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.