

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		
	3 months ended 31 March		Increase / (Decrease)
	2013	2012	
S\$'000	S\$'000	%	
Sales	17,854	62,299	(71.3)
Cost of sales	(12,597)	(29,598)	(57.4)
Gross profit	5,257	32,701	(83.9)
Other income	2,187	1,552	40.9
Other gains	-	534	nm
Expenses			
- Distribution and marketing	(1,892)	(4,904)	(61.4)
- Administrative	(3,321)	(1,886)	76.1
- Finance	(51)	(1,876)	(97.3)
- Other	(1,009)	(1,698)	(40.6)
Share of profit of associated companies	507	24,480	(97.9)
Profit before income tax	1,678	48,903	(96.6)
Income tax expense	(220)	(2,771)	(92.1)
Net profit attributable to equity holders of the Company	1,458	46,132	(96.8)

nm : not meaningful

Consolidated Statement of Comprehensive Income (continued)

	Group		
	3 months ended 31 March		Increase / (Decrease)
	2013	2012	
S\$'000	S\$'000	%	
Net profit attributable to equity holders of the Company	1,458	46,132	(96.8)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	35	38	(7.9)
Share of other comprehensive income of an associated company	-	16,135	nm
Items that will not be reclassified subsequently to profit or loss:			
Revaluation gains on property, plant and equipment	-	1,679	nm
Adjustment for movement in deferred tax liability on revaluation surplus	-	152	nm
Other comprehensive income, net of tax	35	18,004	(99.8)
Total comprehensive income attributable to equity holders of the Company	1,493	64,136	(97.7)

nm : not meaningful

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

	Group		
	3 months ended 31 March		Increase / (Decrease)
	2013	2012	
S\$'000	S\$'000	%	
The following items were credited/(charged) to the income statement:			
<u>Other income</u>			
Interest income - fixed deposits	713	16	nm
<u>Cost of sales, administrative and other expenses</u>			
- Depreciation of property, plant and equipment	(581)	(1,920)	(69.7)
- Amortisation of intangible assets	(402)	-	nm
- Bad debts written off	-	(16)	nm
- Doubtful debts write-back	-	16	nm
<u>Other gains</u>			
- Fair value gains on investment properties	-	531	nm
- Gain on disposal of property, plant and equipment	-	1	nm
- Gain arising on dilution of interest in an associated company	-	2	nm
<u>Finance expenses</u>			
- Interest expense	(51)	(1,885)	(97.3)
- Currency translation gains - net	-	9	nm
<u>Income tax expense</u>			
Adjustment for (under)/over provision of tax in respect of prior years	(23)	1,151	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	
	31.03.2013	31.12.2012	31.03.2013	31.12.2012
	S\$'000		S\$'000	
ASSETS				
Current assets				
Cash and cash equivalents	482,561	488,164	412,347	435,212
Trade receivables	48,826	81,516	3,179	3,398
Inventories	64	60	44	40
Development properties	170,003	167,653	-	-
Properties held for sale	149,470	149,470	-	-
Other current assets	6,943	6,728	5,857	5,946
	857,867	893,591	421,427	444,596
Non-current assets				
Investments in associated companies	5,773	5,268	696	696
Investments in subsidiaries	-	-	483,531	483,531
Advances to subsidiaries	-	-	111,116	129,489
Other non-current assets	111	111	111	111
Investment properties	264,401	264,401	111,288	111,288
Property, plant and equipment	393,462	392,539	368,916	369,025
Intangible assets	128,983	129,385	-	-
	792,730	791,704	1,075,658	1,094,140
Total assets	1,650,597	1,685,295	1,497,085	1,538,736
LIABILITIES				
Current liabilities				
Trade payables	69,522	58,382	972	3,522
Other current payables	14,112	63,575	8,904	56,777
Deferred income	7,046	6,797	6,820	6,797
Current income tax liabilities	25,803	24,004	1,374	1,553
Advances from subsidiaries	-	-	45,857	45,857
	116,483	152,758	63,927	114,506
Non-current liabilities				
Other non-current liabilities	4,043	3,884	84	15
Deferred income	328,986	330,685	328,986	330,685
Deferred income tax liabilities	20,765	27,833	726	726
Advances from subsidiaries	-	-	60,580	60,588
Borrowings	68,913	70,085	-	-
	422,707	432,487	390,376	392,014
Total liabilities	539,190	585,245	454,303	506,520
NET ASSETS	1,111,407	1,100,050	1,042,782	1,032,216
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	404,476	394,612	404,476	394,612
Revaluation and other reserves	334,220	334,185	336,423	336,423
Retained profits	372,711	371,253	301,883	301,181
TOTAL EQUITY	1,111,407	1,100,050	1,042,782	1,032,216

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

	As at 31.03.2013		As at 31.12.2012	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable after one year (Note 1)	68,913	-	70,085	-

Note 1: net of transaction costs

Details of any collateral

The securities for the borrowings are the Group's development properties and certain land and buildings; and the assignment of the rights and benefits with respect to these assets.

- 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 31 March	
	2013	2012
	S\$'000	S\$'000
Cash flows from operating activities		
Net profit	1,458	46,132
Adjustments for:		
Income tax expense	220	2,771
Depreciation of property, plant and equipment	581	1,920
Amortisation of intangible assets	402	-
Interest income	(713)	(16)
Interest expense	51	1,885
Gain on disposal of property, plant and equipment	-	(1)
Fair value gains on investment properties	-	(531)
Gain arising on dilution of interest in an associated company	-	(2)
Share of profit of associated companies	(507)	(24,480)
	1,492	27,678
Change in working capital:		
Trade receivables	32,690	1,740
Inventories	(4)	(8)
Development properties	(2,192)	(260)
Other current assets	(213)	(174)
Trade payables	11,140	15,784
Other payables	(4,004)	(3,117)
Deferred income	(1,450)	-
Cash generated from operations	37,459	41,643
Income tax (paid)/refunded - net	(5,493)	267
Net cash provided by operating activities	31,966	41,910
Cash flows from investing activities		
Additions to property, plant and equipment	(1,365)	(2,019)
Additions to investment properties	-	(10)
Disposal of property, plant and equipment	-	1
Dividend paid to shareholders	(35,393)	-
Interest received	711	16
Net cash used in investing activities	(36,047)	(2,012)
Cash flows from financing activities		
Proceeds from borrowings	1,501	240,734
Repayment of borrowings	(2,709)	(271,074)
Interest paid	(314)	(2,059)
Net cash used in financing activities	(1,522)	(32,399)
Net (decrease)/increase in cash and cash equivalents	(5,603)	7,499
Cash and cash equivalents at beginning of financial period	488,164	76,446
Cash and cash equivalents at end of financial period	482,561	83,945

Cash and cash equivalents of the Group include amounts totalling \$30,432,000 (2012: \$37,944,000), 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 Jan 2013	394,612	336,423	(2,238)	-	-	371,253	1,100,050
Shares issued in-lieu of dividends	9,864	-	-	-	-	-	9,864
Total comprehensive income for the period	-	-	35	-	-	1,458	1,493
Balance at 31 Mar 2013	404,476	336,423	(2,203)	-	-	372,711	1,111,407

	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 Jan 2012	372,063	502,608	(7,394)	30,557	253	187,052	1,085,139
Total comprehensive income for the period	-	1,831	(509)	16,795	(113)	46,132	64,136
Balance at 31 Mar 2012	372,063	504,439	(7,903)	47,352	140	233,184	1,149,275

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 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

	Share capital	Asset revaluation reserve	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2012	372,063	404,415	52,476	828,954
Total comprehensive income for the period	-	591	3,605	4,196
Balance at 31 Mar 2012	372,063	405,006	56,081	833,150

- 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/year
 Number of shares issued in-lieu of dividends
 Number of shares at end of financial period/year

As at 31.03.2013	As at 31.12.2012
'000	'000
377,143	363,309
5,332	13,834
382,475	377,143

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

As at 31.03.2013	As at 31.12.2012
'000	'000
382,475	377,143

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 audited annual financial statements of the previous financial year, except where new or amended Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") became effective from this 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	
		2013	2012
		cents	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	0.38	12.70
(ii)	On a fully diluted basis	0.38	12.70

- 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 31.03.2013	As at 31.12.2012	As at 31.03.2013	As at 31.12.2012
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	\$ 2.91	\$ 2.92	\$ 2.73	\$ 2.74

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

Revenue

Total revenue for the Group for Q1 2013 was \$17.9 million which was lower by 71.3% as compared to \$62.3 million in Q1 2012. The decrease was primarily because revenue from the Floridian project had been fully recognised in previous years. The other joint-venture property development projects are in their early stages of development.

Revenue from hospitality increased by \$3.5 million as compared with Q1 2012 mainly due to the hospitality management business acquired in August 2012. Revenue from property investment decreased by \$1.0 million as most of the investment properties annexed to the hospitality assets were divested last year as part of the restructuring.

Gross Profit and Other Income, Gains or Losses

Gross profit for Q1 2013 at \$5.3 million was lower by \$27.4 million or 83.8% compared to \$32.7 million achieved in Q1 2012. The decrease was mainly due to the lower contribution from property development.

Other income for Q1 2013 at \$2.2 million was higher by \$0.6 million, mainly as a result of higher interest income earned from placement of more fixed deposits with banks.

Expenses

Total expenses for Q1 2013 of \$6.3 million had decreased by \$4.1 million or 39.4% from \$10.4 million in Q1 2012. The expenses were lower primarily due to lower selling expenses from property development and savings in financing costs as a result of lower borrowings. However, the decrease in expenses was offset by an increase in administrative expenses mainly due to increase in professional fees, rental expenses and staff costs.

Associated companies

The Group's share of profits from associated companies was lower because the Group had divested its interest in Yeo Hiap Seng Limited in August 2012.

Income tax

Income tax was lower due to lower taxable profits mainly due to lower profits from property development as mentioned above.

Group Results

As a result of the above, the Group reported a decrease in net profit to \$1.5 million in Q1 2013 as compared to \$46.1 million in Q1 2012.

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

The reduction in trade receivables as at 31 March 2013 as compared to 31 December 2012 was mainly a result of collections received for the remaining balance of sales consideration for the completed development properties.

Trade payables increased by \$11.1 million from \$58.4 million as at 31 December 2012 to \$69.5 million as at 31 March 2013. The increase was mainly due to deposits and progress billings received for development properties that are still in their early stages of development.

Other current payables declined by \$49.5 million from \$63.6 million as at 31 December 2012 to \$14.1 million. The decrease was mainly due to the payment of the Special Dividend on 8 January 2013.

Deferred income tax liabilities decreased by \$7.1 million mainly due to the transfer of the tax liability to current income tax liabilities when the Floridian project received its Certificate of Statutory Completion in January 2013.

Company - Significant Variances

The decrease in advances to subsidiaries was primarily due to repayments from subsidiaries.

The decrease in trade and other payables was mainly due to the payment of the Special Dividend on 8 January 2013.

(c) Statement of Cash Flows

Operating activities for the quarter generated a net cash inflow of \$32.0 million. There was a net outflow of \$36.0 million in investing activities primarily from the cash payment of the Special Dividend to shareholders and net outflow of \$1.5 million in financing activities from the repayment of borrowings.

As a result, the Group had a net decrease in cash and cash equivalents of \$5.6 million as compared to a net increase of \$7.5 million for the corresponding period in 2012.

- 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.**

For the property development division, the Group, through its joint venture, will continue to sell units in the euHabitat. Over 97% of the total units in this project have been sold. No revenue has been recognised for the period ended 31 March 2013 as the project is still in its early stages of development. The Group holds a 20% interest in this project. Meanwhile, the Group will continue to participate in the various land tenders for future development.

Contribution from the hospitality division for the Group will come mainly from the hospitality management business and contribution from investment properties will come mainly from the medical units.

The Group has made further announcements on the proposed transactions with The Straits Trading Company Limited and Toga Pty Limited on 15 April 2013 and 18 April 2013 respectively. The proposed transactions disclosed in those announcements are subject to shareholders' approval at an Extraordinary General Meeting to be convened in due course. These transactions do not have any material impact on the financial statements of the Group for the current financial period ended 31 March 2013.

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/recommended, a statement to that effect

No dividend has been declared for the quarter ended 31 March 2013.

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 under Rule 920(1)(a)(ii).

By Order of the Board

Chloe Kho Kim Suan / Madelyn Kwang Yeit Lam

Secretaries

30 April 2013

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 2013 to be false or misleading in any material respect.

On behalf of the Board of Directors

Koh Boon Hwee
ChairmanLucas Chow Wing Keung
CEO & Managing Director

30 April 2013

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.