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		
	2018	2017	Increase / (Decrease)
	S$'000	S$'000	%
Sales	**39,150**	39,410	(0.7)
Cost of sales	**(23,924)**	(25,875)	(7.5)
Gross profit	**15,226**	13,535	12.5
Other income	**975**	1,175	(17.0)
Other (losses)/gains – net	**(2,395)**	2,739	nm
Expenses			
- Distribution and marketing	**(2,328)**	(2,205)	5.6
- Administrative	**(7,319)**	(7,043)	3.9
- Finance	**(1,187)**	(1,357)	(12.5)
- Other	**-**	(10)	nm
Share of profit of			
- joint ventures	**4,389**	1,262	>100
- associated companies	**733**	677	8.3
Profit before income tax	**8,094**	8,773	(7.7)
Income tax credit/(expense)	**356**	(2,012)	nm
Total profit	**8,450**	6,761	25.0
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive gain/(loss) of joint ventures	**20**	(53)	nm
Currency translation differences arising from consolidation	**(5,632)**	6,696	nm
	(5,612)	6,643	nm
Items that will not be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	**(2,599)**	3,046	nm
Other comprehensive (loss)/gain, net of tax	**(8,211)**	9,689	nm
Total comprehensive income	**239**	16,450	(98.5)
Total profit attributable to:			
Equity holders of the Company	**7,669**	5,603	36.9
Non-controlling interest	**781**	1,158	(32.6)
	8,450	6,761	25.0
Total comprehensive income attributable to:			
Equity holders of the Company	**2,101**	12,246	(82.8)
Non-controlling interest	**(1,862)**	4,204	nm
	239	16,450	(98.5)

nm : not meaningful

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

	3 months ended 31 March		
	2018	2017	Increase / (Decrease)
	S$'000	S$'000	%
The following items were credited/(charged) to the income statement:			
Other income			
Interest income from:			
- Bank deposits	**798**	626	27.5
- Advances to joint ventures	**-**	158	nm
Cost of sales and administrative expenses			
Depreciation of property, plant and equipment	**(2,440)**	(2,683)	(9.1)
Amortisation of intangible assets	**(822)**	(963)	(14.6)
(Allowance)/Write-back of allowance made for impairment loss on trade receivables	**(52)**	7	nm
Other (losses)/gains – net			
Currency exchange (losses)/gains - net	**(2,395)**	2,739	nm
Finance expenses			
Interest expense for:			
- Bank borrowings	**(860)**	(1,031)	(16.6)
- Advances from a non-controlling interest	**(327)**	(326)	0.3
Income tax expense			
Over/(under) provision of income tax in prior financial years - net	**1,618**	(6)	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	
	31.03.2018	31.12.2017 (restated)	01.01.2017 (restated)	**31.03.2018**	31.12.2017
	S$'000	S$'000	S$'000	**S$'000**	S$'000
ASSETS					
Current assets					
Cash and cash equivalents	**250,096**	219,585	209,262	**185,040**	156,376
Trade and other receivables	**29,213**	27,496	33,265	**172,275**	194,214
Inventories	**182**	333	361	**11**	12
Development properties	**35,262**	31,012	21,753	**-**	-
Properties held for sale	**124,030**	124,030	124,030	**-**	-
	438,783	402,456	388,671	**357,326**	350,602
Non-current assets					
Investments in associated companies	**15,373**	14,640	9,964	**696**	696
Investments in joint ventures	**478,578**	480,703	466,118	**300**	300
Investments in subsidiaries	**-**	-	-	**883,601**	883,601
Other receivables	**349**	18,590	57,147	**132,995**	119,118
Investment properties	**502,366**	492,975	446,515	**130,968**	130,968
Property, plant and equipment	**540,696**	544,962	566,726	**315,506**	313,770
Intangible assets	**131,598**	132,870	136,388	**-**	-
Deferred income tax assets	**96**	99	100	**-**	-
	1,669,056	1,684,839	1,682,958	**1,464,066**	1,448,453
Total assets	**2,107,839**	2,087,295	2,071,629	**1,821,392**	1,799,055
LIABILITIES					
Current liabilities					
Trade and other payables	**129,948**	123,171	132,013	**14,424**	14,560
Current income tax liabilities	**8,833**	7,381	6,299	**485**	485
Borrowings	**191,342**	180,145	157,008	**85,023**	74,979
Provisions	**-**	-	642	**-**	-
	330,123	310,697	295,962	**99,932**	90,024
Non-current liabilities					
Other payables	**418,011**	419,721	427,481	**654,071**	644,784
Deferred income tax liabilities	**32,457**	33,145	39,060	**305**	305
Borrowings	**44,973**	41,712	46,353	**44,973**	41,712
Provisions	**2,138**	2,122	2,267	**-**	-
	497,579	496,700	515,161	**699,349**	686,801
Total liabilities	**827,702**	807,397	811,123	**799,281**	776,825
NET ASSETS	**1,280,137**	1,279,898	1,260,506	**1,022,111**	1,022,230
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	**479,244**	479,244	475,489	**479,244**	479,244
Revaluation and other reserves	**326,138**	331,750	316,807	**281,999**	281,999
Retained profits	**440,806**	433,137	436,744	**260,868**	260,987
	1,246,188	1,244,131	1,229,040	**1,022,111**	1,022,230
Non-controlling interest	**33,949**	35,767	31,466	**-**	-
TOTAL EQUITY	**1,280,137**	1,279,898	1,260,506	**1,022,111**	1,022,230

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

	As at 31.03.2018		As at 31.12.2017	
	Secured	**Unsecured**	Secured	Unsecured
	S$'000	**S$'000**	S$'000	S$'000
Amount repayable in one year or less, or on demand (net of transaction costs)	**106,319**	**85,023**	105,166	74,979
Amount repayable after one year (net of transaction costs)	**-**	**44,973**	-	41,712

Details of any collaterals

The secured bank borrowings of the Group are secured over certain investment properties and certain 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	
	2018	2017
	S$'000	S$'000
Cash flows from operating activities		
Net profit	**8,450**	6,761
Adjustments for:		
Income tax (credit)/expense	**(356)**	2,012
Depreciation of property, plant and equipment	**2,440**	2,683
Amortisation of intangible assets	**822**	963
Interest income	**(798)**	(784)
Interest expense	**1,187**	1,357
Share of profit of joint ventures	**(4,389)**	(1,262)
Share of profit of associated companies	**(733)**	(677)
Unrealised currency translation losses/(gains)	**2,317**	(2,705)
	8,940	8,348
Change in working capital:		
Trade and other receivables	**(1,688)**	3,428
Inventories	**152**	57
Development properties	**(3,170)**	(1,006)
Trade and other payables	**5,542**	(4,423)
Provisions	**-**	(161)
Cash generated from operations	**9,776**	6,243
Interest paid	**(45)**	(45)
Income tax paid - net	**(157)**	(1,046)
Net cash provided by operating activities	**9,574**	5,152
Cash flows from investing activities		
Additions to property, plant and equipment	**(2,638)**	(432)
Additions to investment properties	**(4,978)**	(4,564)
Dividends received from a joint venture	**1,548**	-
Repayment of advances from a joint venture	**18,281**	-
Advances to a joint venture	**-**	(17)
Interest received	**548**	509
Income tax refunded - net	**1,837**	-
Net cash provided by/(used in) investing activities	**14,598**	(4,504)
Cash flows from financing activities		
Proceeds from borrowings	**9,728**	7,001
Interest paid	**(1,325)**	(1,159)
Net cash provided by financing activities	**8,403**	5,842
Net increase in cash and cash equivalents	**32,575**	6,490
Cash and cash equivalents		
Beginning of financial period	**219,585**	209,262
Effects of currency translation on cash and cash equivalents	**(2,064)**	841
End of financial period	**250,096**	216,593

Included in cash and cash equivalents of the Group as at 31 March 2018 was the Group's share of its joint operation's bank balances and deposits amounting to Nil (31 March 2017: $3,025,000) 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 interest	Total equity
	← Attributable to equity holders of the Company →									
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 January 2018	479,244	10,557	339,868	(17,930)	(395)	(350)	432,561	1,243,555	35,767	1,279,322
Effects of adoption of FRS 115	-	-	-	-	-	-	576	576	-	576
Balance at 1 January 2018 (restated)	**479,244**	**10,557**	**339,868**	**(17,930)**	**(395)**	**(350)**	**433,137**	**1,244,131**	**35,767**	**1,279,898**
Profit for the period	-	-	-	-	-	-	7,669	7,669	781	8,450
Other comprehensive loss for the period	-	-	-	(5,612)	-	-	-	(5,612)	(2,599)	(8,211)
Total comprehensive income for the period	-	-	-	(5,612)	-	-	7,669	2,057	(1,818)	239
Balance at 31 March 2018	**479,244**	**10,557**	**339,868**	**(23,542)**	**(395)**	**(350)**	**440,806**	**1,246,188**	**33,949**	**1,280,137**
Balance at 1 January 2017	475,489	10,557	329,261	(20,085)	(2,393)	(533)	436,315	1,228,611	31,466	1,260,077
Effects of adoption of FRS 115	-	-	-	-	-	-	429	429	-	429
Balance at 1 January 2017 (restated)	475,489	10,557	329,261	(20,085)	(2,393)	(533)	436,744	1,229,040	31,466	1,260,506
Profit for the period	-	-	-	-	-	-	5,603	5,603	1,158	6,761
Other comprehensive income for the period	-	-	-	6,643	-	-	-	6,643	3,046	9,689
Total comprehensive income for the period	-	-	-	6,643	-	-	5,603	12,246	4,204	16,450
Balance at 31 March 2017 (restated)	475,489	10,557	329,261	(13,442)	(2,393)	(533)	442,347	1,241,286	35,670	1,276,956

1(d)(i) (continued)

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 January 2018	479,244	281,999	260,987	1,022,230
Loss for the period	-	-	(119)	(119)
Total comprehensive loss for the period	-	-	(119)	(119)
Balance at 31 March 2018	**479,244**	**281,999**	**260,868**	**1,022,111**

	Share capital	Asset revaluation reserve	Retained profits	Total equity
	S$'000	S$'000	S$'000	S$'000
Balance at 1 January 2017	475,489	278,022	278,901	1,032,412
Profit for the period	-	-	794	794
Total comprehensive income for the period	-	-	794	794
Balance at 31 March 2017	475,489	278,022	279,695	1,033,206

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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	
	31.03.2018	31.12.2017
	'000	'000
Ordinary shares fully paid		
Number of shares at beginning and end of financial period	**425,132**	425,132

The Company does not have any convertibles.
The Company does not have any treasury shares.
The Company does not have any subsidiary that holds shares issued by the Company.

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 31.03.2018	As at 31.12.2017
	'000	'000
Number of issued shares excluding treasury shares	**425,132**	425,132

The Company does not have any treasury shares.

1(d)(iv) A statement showing all sales, transfers, 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.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as the Company does not have any subsidiary that holds shares issued by the Company.

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 auditor.

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 as stated in Note 5.

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

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 following new accounting standards, amendments and interpretations to existing standards which are mandatory for accounting periods beginning on or after 1 January 2018.

<u>Adoption of SFRS(I)</u>
The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore Financial Reporting Standards (International)' ("SFRS(I)") hereinafter.

Subsequent to the last financial year end, as required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018 and issued its first set of financial information prepared under SFRS(I) for the financial period ended 31 March 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group also concurrently applied SFRS(I) 15 *Revenue from Contracts with Customers*.

The Group is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial year ending 31 December 2018), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. The adoption of SFRS(I) did not result in any substantial change to the Group's accounting policies as the accounting policies adopted by the Group under the previous accounting framework are consistent with SFRS(I). The Group also did not elect any relevant optional exemptions. Accordingly, no adjustments or restatement are made to the financial statements.

<u>Adoption of SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15")</u>

SFRS(I) 15 replaces the previous Singapore Financial Reporting Standards FRS 11 *Construction Contracts*, FRS 18 *Revenue*, and related interpretations.

Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of SFRS(I) 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

SFRS(I) 15 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Under SFRS(I) 15, entities sometimes incur costs (such as sales commissions) to obtain or fulfil a contract. Contract costs that meet certain criteria are capitalised as an asset and are amortised as revenue is recognised.

The Group incurred sales commissions for sale of units in a property development project through a joint venture. In accordance with the requirements of SFRS(I) 1, the Group adopted SFRS(I) 15 retrospectively and the adjustments are as follows:

5 (continued)

	As at 31.12.2017			As at 01.01.2017		
	As previously reported	Adoption of SFRS(I) 15	As restated	As previously reported	Adoption of SFRS(I) 15	As restated
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Statement of financial position (Group)						
Investment in joint ventures	480,127	576	480,703	465,689	429	466,118
Total non-current assets	1,684,263	576	1,684,839	1,682,529	429	1,682,958
Total assets	2,086,719	576	2,087,295	2,071,200	429	2,071,629
Retained profits	432,561	576	433,137	436,315	429	436,744
Capital and reserves attributable to equity holders of the Company	1,243,555	576	1,244,131	1,228,611	429	1,229,040
Net assets / total equity	1,279,322	576	1,279,898	1,260,077	429	1,260,506

No adjustments are required for the Consolidated Statement of Comprehensive Income and Consolidated Statement of Cash Flows for the financial period ended 31 March 2017.

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.**

	3 months ended 31 March	
	2018	2017
	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	**1.80**	1.33
(ii) On a fully diluted basis	**1.80**	1.33

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 31.03.2018	As at 31.12.2017 (restated)	**As at 31.03.2018**	As at 31.12.2017
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	**$2.93**	$2.93	**$2.40**	$2.40

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 2018 ("Q1 FY18")

Revenue
The Group's sales for Q1 FY18 were relatively stable at $39.2 million, compared to $39.4 million in Q1 FY17. An increase in sales contribution from Oasia Suites Kuala Lumpur following continued ramp up of operations and the opening of two student accommodation properties in Newcastle in August 2017, was offset by a decline in sales from our hospitality business in Australia due to weak market conditions in Perth and softening demand in Melbourne.

Gross profit
The Group's gross profit for Q1 FY18 was $15.2 million, or 12.5% higher than Q1 FY17. This was due to higher sales from Oasia Suites Kuala Lumpur and opening of two student accommodation properties in Newcastle. Despite a decline in sales from our hospitality business in Australia, gross profit was relatively stable compared to Q1 FY17 as the Group began to realise the benefits from cost control measures implemented in FY17.

In addition, depreciation and amortization expenses were lower due to lower carrying value of assets after the recognition of revaluation losses in 2017.

Other income
Other income for Q1 FY18 was $0.2 million lower than Q1 FY17. This was mainly due to no interest income (Q1 FY17: $0.2 million) received from joint venture companies following the repayment of the outstanding balances in FY17.

Other (losses)/gains – net
This comprised mainly currency translation differences arising from monetary assets and liabilities denominated in Australian Dollar, which depreciated against Singapore Dollar during Q1 FY18.

Expenses
Total expenses for Q1 FY18, excluding cost of sales, were $10.8 million, compared to $10.6 million in Q1 FY17. The increase was mainly due to higher investment by the Group in its backend infrastructure to increase productivity and scalability ($0.4 million). This was partially offset by a decrease in finance expenses ($0.2 million) following the repayment of a RM85.0 million bank borrowing in Q2 FY17.

Share of profit of joint ventures
The Group's share of profit of joint ventures was higher mainly due to recognition of profit from its joint venture property development project in Australia, Harbourfront Balmain, on units settled in Q1 FY18.

Income tax credit/(expense)
The Group reported an income tax credit for Q1 FY18 due to receipt of tax credits on foreign withholding taxes previously paid on dividends received from a joint venture, which resulted in an over-provision of income taxes in prior financial years. This was partially offset by income tax provision for Q1 FY18.

Total profit
Total profit of the Group for Q1 FY18 was $8.5 million, or 25.0% higher than Q1 FY17 mainly due to higher gross profit and share of profit of joint ventures, and lower tax expenses, partially offset by higher currency translation losses.

8 (continued)

(b) <u>Cash flow, working capital, assets or liabilities of the Group</u>

Cash flow and working capital
The Group generated a net increase in cash and cash equivalents for Q1 FY18 of $32.6 million compared to $6.5 million in Q1 FY17.

Net cash inflows from operating activities of the Group for Q1 FY18 were $9.6 million compared to $5.2 million for Q1 FY17 primarily due to improvement in working capital.

Net cash inflows from investing activities of the Group for Q1 FY18 were $14.6 million compared to net cash outflows of $4.5 million for Q1 FY17. This was mainly due to repayment of advances from Harbourfront Balmain joint venture which attained practical completion in December 2017.

Net cash inflows from financing activities of the Group for Q1 FY18 were $8.4 million compared to $5.8 million for Q1 FY17. This was due to additional drawdown of bank borrowings to finance the development of student accommodation properties and a residential property in the United Kingdom ("UK").

Assets
Total assets as at 31 March 2018 were $2,107.8 million. Compared to 31 December 2017, total assets increased by $20.5 million mainly due to the increase in cash and cash equivalents as noted above and the capitalisation of the on-going construction costs of the properties under development in UK.

Liabilities
Total liabilities as at 31 March 2018 were $827.7 million. Compared to 31 December 2017, total liabilities increased by $20.3 million due to increase in trade and other payables and additional bank borrowings to finance developments.

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.

Hospitality
Near-term outlook for the Singapore hospitality sector is expected to remain subdued as the market absorbs additional rooms that came on stream in the second half of 2017. However, the medium-term outlook is positive, with limited new room supply in 2018 and demand is supported by a recovery in corporate travel and a strong Meetings, Incentives, Conventions and Events calendar[1]. The Singapore Tourism Board projects that international visitor arrivals will grow 1 – 4% to reach 17.6 million to 18.1 million this year.

In Australia, outlook for the hospitality industry remains positive, with international and domestic visitor nights expected to grow 6.4% and 3.3% per annum respectively into 2020[2]. However, the pace of growth is expected to vary amongst the different cities that the Group operates in. The Sydney hotel accommodation market is expected to continue to be the top performer. In Melbourne, room rate growth is forecasted to be subdued until 2020 due to an expected influx of new supply. Performance of hotels in Perth and Brisbane are anticipated to remain weak given the expected increase in room supply.

European tourism demand is expected to remain buoyant in 2018. The growing demand for service apartments in Germany bodes well for our existing and pipeline properties under the Adina Apartment Hotel brand.

The Group plans to continue to grow its hospitality businesses by increasing the number of management contracts, acquiring strategic assets and divesting properties to recycle capital for re-deployment towards higher yielding growth opportunities.

[1] In Focus: Singapore - Preparing for a smart future, HVS, 26 Mar 2018
[2] Tourism and hotel market outlook Executive Summary, Deloitte Access Economics, 15 Mar 2018

10 (continued)

Property
The Group expects residential property sentiments in Singapore to be positive, supported by the recent increase in transaction volumes and higher home prices. The office market recovery appears to be underway with continued healthy demand. Most of the Group's residential and commercial projects have been substantially sold. The Group will remain disciplined as it continues to seek development opportunities.

Harbourfront Balmain, the Group's 50-50 joint venture with Toga Group, in Sydney, Australia, has been well-received. 98% of the residential units and all commercial units have been sold as at 31 March 2018. The Sydney residential market is expected to continue to moderate with regulatory cooling measures in place. However, long-term prospects remain sound supported by a strong economic outlook and population growth.

The Group has commenced development of its first residential project in the UK, comprising the refurbishment of the heritage property and development of a new residential building. Located in the prime central borough of the City of Westminster, London, it will feature 17 residential units and a restaurant. In the near term, weakness in the UK property market is expected as Brexit-related uncertainties continue to weigh on the UK economy. Nonetheless, the Group remains confident about the long-term fundamentals of the UK property market.

Development of Newton Court, our student accommodation building in Newcastle upon Tyne is on track and expected to be completed this year. In Brighton, our student accommodation development is progressing as planned and slated for completion in 2019. Total applicant numbers for UK higher education courses for the 2018/19 academic year remained stable with a year-on-year increase in applications from international and EU students.[3] While the national student to bed ratio remains healthy, cities with a large volume of existing supply and development pipelines, such as Newcastle upon Tyne, may experience slower growth.

The Group continues to monitor market developments closely and review its strategy accordingly. The Group will continue to seek suitable real estate opportunities that fit its strategy as a diversified real estate group.

[3] UK Student Housing Market, Knight Frank, 9 Apr 2018

11 **Dividend**

(a) Current Financial Period Reported On

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

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 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.

Name of interested person	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than $100,000)
	3 months ended 31 March 2018 S$'000
Boo Han Holdings Pte Ltd	
Hospitality management income	154
Far East Hospitality Real Estate Investment Trust	
Rental expense on operating leases	
- offices	(316)
- hotels and serviced residences	(5,160)
Far East Management (Private) Limited	
Management service fees	(794)
Hospitality services	(476)
Far East Organization Centre Pte Ltd	
Hospitality management income	574
Far East Rocks Pty Ltd	
Rental expense on operating leases - hotel	(391)
Far East Soho Pte Ltd	
Hospitality management income	390
Golden Development Private Limited	
Hospitality management income	660
Golden Landmark Pte Ltd	
Hospitality management income	361
Orchard Mall Pte Ltd	
Hospitality management income	225
Orchard Parksuites Pte Ltd	
Hospitality management income	345
Oxley Hill Properties Pte Ltd	
Hospitality management income	138
Riverland Pte Ltd	
Hospitality management income	109
Serene Land Pte Ltd	
Hospitality management income	432
Transurban Properties Pte Ltd	
Hospitality management income	444

By Order of the Board
Mr Lui Chong Chee
Director
24 April 2018

Confirmation 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 2017 to be false or misleading in any material respect.

Confirmation Pursuant to Rule 720(1) of the Listing Manual

Far East Orchard Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

On behalf of the Board of Directors

Koh Boon Hwee
Chairman

Lui Chong Chee
Group CEO & Managing Director

24 April 2018

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.