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 30 June			6 months ended 30 June		
	2018	2017 (restated)	Increase / (Decrease)	**2018**	2017 (restated)	Increase / (Decrease)
	S$'000	S$'000	%	**S$'000**	S$'000	%
Sales	**35,795**	36,016	(0.6)	**74,945**	75,426	(0.6)
Cost of sales	**(24,268)**	(24,716)	(1.8)	**(48,192)**	(50,591)	(4.7)
Gross profit	**11,527**	11,300	2.0	**26,753**	24,835	7.7
Other income	**1,144**	904	26.5	**2,119**	2,079	1.9
Other (losses)/gains – net	**(1,036)**	(1,499)	(30.9)	**(3,431)**	1,240	nm
Expenses						
- Distribution and marketing	**(2,448)**	(2,317)	5.7	**(4,776)**	(4,522)	5.6
- Administrative	**(7,611)**	(7,352)	3.5	**(14,930)**	(14,395)	3.7
- Finance	**(1,094)**	(710)	54.1	**(2,281)**	(2,067)	10.4
- Other	**(40)**	(77)	(48.1)	**(40)**	(87)	(54.0)
Share of (loss)/profit of						
- joint ventures	**(282)**	133	nm	**4,107**	1,395	>100
- associated companies	**1,268**	706	79.6	**2,001**	1,383	44.7
Profit before income tax	**1,428**	1,088	31.3	**9,522**	9,861	(3.4)
Income tax expense	**(835)**	(721)	15.8	**(479)**	(2,733)	(82.5)
Total profit	**593**	367	61.6	**9,043**	7,128	26.9
Other comprehensive income/(loss):						
Items that may be reclassified subsequently to profit or loss:						
Share of other comprehensive income/(loss) of:						
- joint ventures	**143**	137	4.4	**163**	62	>100
- associated companies	**(1,840)**	737	nm	**(1,840)**	737	nm
Currency translation differences arising from consolidation	**(1,694)**	(3,167)	(46.5)	**(7,326)**	3,551	nm
	(3,391)	(2,293)	47.9	**(9,003)**	4,350	nm
Items that will not be reclassified subsequently to profit or loss:						
Share of other comprehensive income of:						
- joint ventures	**3,942**	4,721	(16.5)	**3,942**	4,721	(16.5)
Tax on share of joint ventures' revaluation gains	**(626)**	(1,037)	(39.6)	**(626)**	(1,037)	(39.6)
Currency translation differences arising from consolidation	**(784)**	(1,508)	(48.0)	**(3,383)**	1,538	nm
Other comprehensive (loss)/income, net of tax	**(859)**	(117)	>100	**(9,070)**	9,572	nm
Total comprehensive (loss)/ income	**(266)**	250	nm	**(27)**	16,700	nm
Total profit attributable to:						
Equity holders of the Company	**1,554**	1,079	44.0	**9,223**	6,682	38.0
Non-controlling interest	**(961)**	(712)	35.0	**(180)**	446	nm
	593	367	61.6	**9,043**	7,128	26.9
Total comprehensive income/ (loss) attributable to:						
Equity holders of the Company	**441**	1,344	(67.2)	**2,542**	13,590	(81.3)
Non-controlling interest	**(707)**	(1,094)	(35.4)	**(2,569)**	3,110	nm
	(266)	250	nm	**(27)**	16,700	nm

nm : not meaningful

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

	3 months ended 30 June			6 months ended 30 June		
	2018	2017	Increase / (Decrease)	**2018**	2017	Increase / (Decrease)
	S$'000	S$'000	%	**S$'000**	S$'000	%
The following items were credited/(charged) to the income statement:						
Other income						
Interest income from:						
- Bank deposits	**976**	578	68.9	**1,774**	1,204	47.3
- Advances to joint ventures	**-**	167	nm	**-**	325	nm
Cost of sales and administrative expenses						
Depreciation of property, plant and equipment	**(2,485)**	(2,570)	(3.3)	**(4,925)**	(5,253)	(6.2)
Amortisation of intangible assets	**(776)**	(687)	13.0	**(1,598)**	(1,650)	(3.2)
Write-off of property, plant and equipment	**(2)**	(5)	(60.0)	**(2)**	(5)	(60.0)
Allowance made for impairment loss on trade receivables	**(28)**	(232)	(87.9)	**(80)**	(225)	(64.4)
Other (losses)/gains – net						
Loss on disposal of property, plant and equipment	**-**	(3)	nm	**-**	(3)	nm
Currency exchange (losses)/ gains - net	**(1,036)**	(1,496)	(30.7)	**(3,431)**	1,243	nm
Finance expenses						
Interest expense for:						
- Bank borrowings	**(763)**	(379)	>100	**(1,623)**	(1,410)	15.1
- Advances from non-controlling interest	**(331)**	(331)	-	**(658)**	(657)	0.2
Income tax expense						
(Under)/over provision of income tax in prior financial years - net	**(327)**	(1)	>100	**1,291**	(7)	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	
	30.06.2018	31.12.2017 (restated)	01.01.2017 (restated)	**30.06.2018**	31.12.2017
	S$'000	S$'000	S$'000	**S$'000**	S$'000
ASSETS					
Current assets					
Cash and cash equivalents[1]	**254,210**	219,585	209,262	**189,471**	156,376
Trade and other receivables	**25,207**	27,496	33,265	**171,976**	194,214
Inventories	**313**	333	361	**8**	12
Development properties	**37,266**	31,012	21,753	**-**	-
Properties held for sale	**124,030**	124,030	124,030	**-**	-
	441,026	402,456	388,671	**361,455**	350,602
Non-current assets					
Investments in associated companies	**14,801**	14,640	9,964	**696**	696
Investments in joint ventures	**479,896**	480,703	466,118	**300**	300
Investments in subsidiaries	**-**	-	-	**883,764**	883,601
Other non-current assets	**19,515**	18,590	57,147	**137,427**	119,118
Investment properties	**502,092**	492,975	446,515	**130,968**	130,968
Property, plant and equipment	**538,465**	544,962	566,726	**316,046**	313,770
Intangible assets	**130,746**	132,870	136,388	**-**	-
Deferred income tax assets	**96**	99	100	**-**	-
	1,685,611	1,684,839	1,682,958	**1,469,201**	1,448,453
Total assets	**2,126,637**	2,087,295	2,071,629	**1,830,656**	1,799,055
LIABILITIES					
Current liabilities					
Trade and other payables	**133,448**	123,171	132,013	**27,383**	14,560
Current income tax liabilities	**5,111**	7,381	6,299	**485**	485
Borrowings	**213,793**	180,145	157,008	**90,528**	74,979
Provisions	**-**	-	642	**-**	-
	352,352	310,697	295,962	**118,396**	90,024
Non-current liabilities					
Other payables	**416,113**	419,721	427,481	**645,873**	644,784
Deferred income tax liabilities	**32,763**	33,145	39,060	**305**	305
Borrowings	**43,475**	41,712	46,353	**43,475**	41,712
Provisions	**2,063**	2,122	2,267	**-**	-
	494,414	496,700	515,161	**689,653**	686,801
Total liabilities	**846,766**	807,397	811,123	**808,049**	776,825
NET ASSETS	**1,279,871**	1,279,898	1,260,506	**1,022,607**	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	**325,025**	331,750	316,807	**281,999**	281,999
Retained profits	**442,360**	433,137	436,744	**261,364**	260,987
	1,246,629	1,244,131	1,229,040	**1,022,607**	1,022,230
Non-controlling interest	**33,242**	35,767	31,466	**-**	-
TOTAL EQUITY	**1,279,871**	1,279,898	1,260,506	**1,022,607**	1,022,230

[1] For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	30.06.2018	30.06.2017
	S$'000	S$'000
Cash and cash equivalents (as above)	**254,210**	179,943
Less: Bank deposits pledged	**(22,200)**	-
Cash and cash equivalents per consolidated statement of cash flows	**232,010**	179,943

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

	As at 30.06.2018		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)	**123,265**	**90,528**	105,166	74,979
Amount repayable after one year (net of transaction costs)	**-**	**43,475**	-	41,712

Details of any collaterals
The secured bank borrowings of the Group are secured over certain bank deposits, investment properties and 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 30 June		6 months ended 30 June	
	2018	2017 (restated)	**2018**	2017 (restated)
	S$'000	S$'000	**S$'000**	S$'000
Cash flows from operating activities				
Total profit	**593**	367	**9,043**	7,128
Adjustments for:				
Income tax expense	**835**	721	**479**	2,733
Depreciation of property, plant and equipment	**2,485**	2,570	**4,925**	5,253
Amortisation of intangible assets	**776**	687	**1,598**	1,650
Write-off of property, plant and equipment	**2**	5	**2**	5
Interest income	**(976)**	(745)	**(1,774)**	(1,529)
Interest expense	**1,094**	710	**2,281**	2,067
Loss on disposal of property, plant and equipment	**-**	3	**-**	3
Share of loss/(profit) of joint ventures	**282**	(133)	**(4,107)**	(1,395)
Share of profit of associated companies	**(1,268)**	(706)	**(2,001)**	(1,383)
Unrealised currency translation losses/(gains)	**965**	1,559	**3,282**	(1,146)
	4,788	5,038	**13,728**	13,386
Change in working capital:				
Trade and other receivables	**4,187**	7,141	**2,499**	10,569
Inventories	**(142)**	(16)	**10**	41
Development properties	**(3,132)**	(1,798)	**(6,302)**	(2,804)
Trade and other payables	**2,245**	(9,823)	**7,787**	(14,246)
Provisions	**-**	(156)	**-**	(317)
Cash generated from operations	**7,946**	386	**17,722**	6,629
Interest paid	**-**	(44)	**(45)**	(89)
Income tax paid - net	**(4,281)**	(1,193)	**(4,438)**	(2,239)
Net cash provided/(used in) by operating activities	**3,665**	(851)	**13,239**	4,301
Cash flows from investing activities				
Additions to property, plant and equipment	**(949)**	(441)	**(3,587)**	(873)
Additions to investment properties	**(5,762)**	(11,839)	**(10,740)**	(16,403)
Dividends received from joint ventures	**243**	1,600	**1,791**	1,600
Repayment of advances from joint ventures	**-**	-	**18,281**	-
Advances to joint ventures	**-**	(183)	**-**	(200)
Prepaid investment in a joint venture[2]	**(19,227)**	-	**(19,227)**	-
Interest received	**734**	410	**1,282**	919
Income tax (paid)/received - net	**(320)**	-	**1,517**	-
Net cash used in investing activities	**(25,281)**	(10,453)	**(10,683)**	(14,957)

[2] On 28 May 2018, the Group, through its subsidiary Far East Hospitality Holdings Pte. Ltd. ("FEHH"), entered into a joint venture with Boo Han Holdings Pte Ltd, a related party, to jointly forward purchase a trust beneficiary interest of a plot of land and hotel to be constructed thereon in Japan. At the balance sheet date, the joint venture entity had not been set up. Upon the incorporation of the joint venture entity, the advance payment made by FEHH on 28 May 2018 in relation to the forward purchase will be transferred to the joint venture entity as equity investment.

1(c) (continued)

Consolidated Statements of Cash Flows (continued)

	3 months ended 30 June		6 months ended 30 June	
	2018	2017 (restated)	**2018**	2017 (restated)
	S$'000	S$'000	**S$'000**	S$'000
Cash flows from financing activities				
Proceeds from borrowings	**27,857**	24,573	**37,585**	31,574
Repayment of borrowings	**-**	(27,600)	**-**	(27,600)
Interest paid	**(1,407)**	(1,050)	**(2,732)**	(2,209)
Dividend paid to shareholders	**-**	(21,605)	**-**	(21,605)
Net cash provided/(used in) by financing activities	**26,450**	(25,682)	**34,853**	(19,840)
Net increase/(decrease) in cash and cash equivalents	**4,834**	(36,986)	**37,409**	(30,496)
Cash and cash equivalents				
Beginning of financial period	**250,096**	216,593	**219,585**	209,262
Less: Bank deposits pledged[3]	**(22,200)**	-	**(22,200)**	-
Effects of currency translation on cash and cash equivalents	**(720)**	336	**(2,784)**	1,177
End of financial period	**232,010**	179,943	**232,010**	179,943

Included in cash and cash equivalents of the Group as at 30 June 2018 was the Group's share of its joint operation's bank balances and deposits amounting to Nil (30 June 2017: $3,029,000) held under the development project rules in Singapore and the use of which is governed by these rules.

[3] Certain bank deposits are pledged in relation to the security granted for certain borrowings.

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

	← Attributable to equity holders of the Company							→		
	Share capital	Capital reserve	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Hedging reserve	Retained profits	Total	Non-controlling interest	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2018	479,244	10,557	339,868	(23,542)	(395)	(350)	440,806	1,246,188	33,949	1,280,137
Profit for the period	-	-	-	-	-	-	1,554	1,554	(961)	593
Other comprehensive income/(loss) for the period	-	-	2,321	(1,712)	(1,840)	118	-	(1,113)	254	(859)
Total comprehensive income/(loss) for the period	-	-	2,321	(1,712)	(1,840)	118	1,554	441	(707)	(266)
Balance at 30 June 2018	**479,244**	**10,557**	**342,189**	**(25,254)**	**(2,235)**	**(232)**	**442,360**	**1,246,629**	**33,242**	**1,279,871**

	← Attributable to equity holders of the Company							→		
	Share capital	Capital reserve	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Hedging reserve	Retained profits	Total	Non-controlling interest	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2017	475,489	10,557	329,261	(13,442)	(2,393)	(533)	441,918	1,240,857	35,670	1,276,527
Effects of adoption of FRS 115	-	-	-	-	-	-	429	429	-	429
Balance at 1 April 2017 (restated)	475,489	10,557	329,261	(13,442)	(2,393)	(533)	442,347	1,241,286	35,670	1,276,956
Profit for the period (restated)	-	-	-	-	-	-	1,079	1,079	(712)	367
Other comprehensive income/(loss) for the period	-	-	2,579	(3,097)	737	46	-	265	(382)	(117)
Total comprehensive income/(loss) for the period	-	-	2,579	(3,097)	737	46	1,079	1,344	(1,094)	250
Dividend relating to 2016 paid in cash	-	-	-	-	-	-	(21,605)	(21,605)	-	(21,605)
Total transactions with owners, recognised directly in equity	-	-	-	-	-	-	(21,605)	(21,605)	-	(21,605)
Balance at 30 June 2017	475,489	10,557	331,840	(16,539)	(1,656)	(487)	421,821	1,221,025	34,576	1,255,601

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 April 2018	479,244	281,999	260,868	1,022,111
Profit for the period	-	-	496	496
Total comprehensive income for the period	-	-	496	496
Balance at 30 June 2018	**479,244**	**281,999**	**261,364**	**1,022,607**

	Share capital	Asset revaluation reserve	Retained profits	Total equity
	S$'000	S$'000	S$'000	S$'000
Balance at 1 April 2017	475,489	278,022	279,695	1,033,206
Profit for the period	-	-	90	90
Total comprehensive income for the period	-	-	90	90
Dividend relating to 2016 paid in cash	-	-	(21,605)	(21,605)
Total transactions with owners, recognised directly in equity	-	-	(21,605)	(21,605)
Balance at 30 June 2017	475,489	278,022	258,180	1,011,691

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	
	30.06.2018	31.03.2018
Ordinary shares fully paid	**'000**	'000
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 30.06.2018	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, amendment and interpretation to existing standards which is mandatory for accounting periods beginning on or after 1 January 2018.

Adoption of SFRS(I)
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 quarter 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 IFRS*. The Group also concurrently applied new major 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.

Adoption of SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15")
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 FRS 115 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.

5 (continued)

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:

	As previously reported	Adoption of FRS 115	As restated	As previously reported	Adoption of FRS 115	As restated
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
	3 months ended 30.06.2017			**6 months ended 30.06.2017**		
Consolidated Statement of Comprehensive Income						
Share of profit of joint ventures	57	76	133	1,319	76	1,395
Profit before income tax	1,012	76	1,088	9,785	76	9,861
Total profit	291	76	367	7,052	76	7,128
Total comprehensive income	174	76	250	16,624	76	16,700
Total profit attributable to equity holders of the Company	1,003	76	1,079	6,606	76	6,682
Total comprehensive income attributable to equity holders of the Company	1,268	76	1,344	13,514	76	13,590
	As at 31.12.2017			**As at 01.01.2017**		
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
	3 months ended 30.06.2017			**6 months ended 30.06.2017**		
Consolidated Statement of Cash Flows						
Total profit	291	76	367	7,052	76	7,128
Share of profit of joint ventures	(57)	(76)	(133)	(1,319)	(76)	(1,395)
	As at 30.06.2017			**As at 01.04.2017**		
Consolidated Statement of Changes in Equity						
Retained profits	421,316	505	421,821	441,918	429	442,347
Capital and reserves attributable to equity holders of the Company	1,220,520	505	1,221,025	1,240,857	429	1,241,286
Total equity	1,255,096	505	1,255,601	1,276,527	429	1,276,956

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 30 June		6 months ended 30 June	
	2018 cents	2017 cents (restated)	**2018 cents**	2017 cents (restated)
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	**0.37**	0.26	**2.17**	1.58
(ii) On a fully diluted basis	**0.37**	0.26	**2.17**	1.58

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 30.06.2018	As at 31.12.2017 (restated)	**As at 30.06.2018**	As at 31.12.2017 (restated)
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) <u>Group performance review for the 3-month period ended 30 June 2018 ("Q2 FY18")</u>

Revenue
The Group's sales for Q2 FY18 were marginally lower at $35.8 million, compared to $36.0 million in Q2 FY17. This was mainly due to lower sales from our hospitality business in Australia arising from weak market conditions in Perth and Melbourne. The decline was partially offset by the increase in sales from Oasia Suites Kuala Lumpur and Orchard Parade Hotel.

Gross profit
The Group's gross profit for Q2 FY18 was $11.5 million, $0.2 million higher than Q2 FY17. The increase was mainly due to higher gross profit contribution from Oasia Suites Kuala Lumpur. Despite a decline in sales from our hospitality business in Australia, gross profit was relatively stable compared to Q2 FY17 due to operational improvement measures implemented in December 2017.

Other income
Other income for Q2 FY18 was $0.2 million higher than Q2 FY17. This was mainly due to higher interest income from higher bank deposits in FY18.

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 Q2 FY18.

8 (continued)

(a) <u>Group performance review for the 3-month period ended 30 June 2018 ("Q2 FY18")</u> (continued)

Expenses
Total expenses for Q2 FY18, excluding cost of sales, were $11.2 million, compared to $10.5 million in Q2 FY17. The increase was mainly due to higher spend on advertising and promotions and investment in backend infrastructure for its Singapore hospitality management business, and the recognition of interest expenses on bank borrowings in profit or loss after the opening of the two student accommodation properties in Newcastle upon Tyne in September 2017.

Share of (loss)/profit of joint ventures/associated companies
The Group's share of loss of joint ventures for Q2 2018 was $0.3 million, compared to share of profit of $0.1 million in Q2 2017. This was mainly due to the recognition of share of a one-off provision for an onerous hospitality lease agreement in Melbourne by the Group's hospitality joint ventures during the quarter.

The Group's share of profit of associated companies was higher due to increased contributions from FEO Hospitality Asset Management Pte Ltd ("FEOHAM"). FEOHAM recognised a one-off acquisition fee from the acquisition of Oasia Hotel Downtown by Far East Hospitality Real Estate Investment Trust (Far East H-REIT) in April 2018.

(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 Q2 FY18 of $4.8 million compared to a net decrease of $37.0 million in Q2 FY17.

Net cash inflows from operating activities of the Group for Q2 FY18 were $3.7 million compared to net cash outflows of $0.9 million for Q2 FY17, primarily due to an improvement in working capital.

Net cash outflows from investing activities of the Group for Q2 FY18 were $25.3 million compared to $10.5 million for Q2 FY17. This was mainly due to a prepayment of investment in a joint venture entity[4] of JPY1,567.6 million (equivalent to $19.2 million) and additions to properties under development in the United Kingdom ("UK").

Net cash inflows from financing activities of the Group for Q2 FY18 were $26.5 million compared to net cash outflows of $25.7 million for Q2 FY17. This was due to drawdown of bank borrowings to finance the prepayment of investment in a joint venture entity[4], and the development of the residential and student accommodation properties in the UK. Net cash outflows in Q2 2017 were due to repayment of a RM85.0 million (equivalent to S$27.6 million) bank borrowing and payout of cash dividends.

Assets
Total assets as at 30 June 2018 were $2,126.6 million. Compared to 31 December 2017, total assets increased by $39.3 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 the UK.

Other non-current assets as at 30 June 2018 were $19.5 million, or $0.9 million higher compared to 31 December 2017. During the quarter, the Group made a prepayment of investment in a joint venture entity[4] of JPY1,567.6 million (equivalent to $19.2 million), partially offset by repayment of advances from the Harbourfront Balmain joint venture of $18.3 million in Q1 2018.

Liabilities
Total liabilities as at 30 June 2018 were $846.8 million. Compared to 31 December 2017, total liabilities increased by $39.4 million due to an increase in trade and other payables and additional bank borrowings to finance developments and the prepayment of investment in a joint venture entity[4].

[4] On 28 May 2018, the Group, through its subsidiary Far East Hospitality Holdings Pte. Ltd. ("FEHH"), entered into a joint venture with Boo Han Holdings Pte Ltd, a related party, to jointly forward purchase a trust beneficiary interest of a plot of land and hotel to be constructed thereon in Japan. At the balance sheet date, the joint venture entity had not been set up. Upon the incorporation of the joint venture entity, the advance payment made by FEHH on 28 May 2018 in relation to the forward purchase will be transferred to the joint venture entity as equity investment.

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
The Singapore Tourism Board projects that international visitor arrivals will grow 1 – 4% with arrivals expected to range between 17.6 million and 18.1 million this year. Near-term outlook for the Singapore hospitality sector is expected to be positive, underpinned by limited new room supply, rising visitor arrivals, a recovery in corporate demand and a strong Meetings, Incentives, Conventions and Events calendar[5]. However, service residences, demand is expected to lag behind that of hotels as corporate long-stay demand remains soft.

In Australia, while the 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[6], 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 and Perth, where the Group owns and operates hotels, performance is expected to be challenged by the continued increase in new supply[7], exerting downward pressures on room rates. The Group remains focused on driving operational efficiencies in these cities. While performance of hotels in Brisbane is anticipated to improve, supported by strengthening corporate demand, new supply will constrain growth in room rates. In July 2018, the Group completed the development of and opened the 220-room Adina Apartment Hotel Brisbane located in Brisbane's Central Business District.

The United Nations World Tourism Organization forecasts growth of 4 – 5% in international tourism arrivals to Europe in 2018[8]. The growing demand for service apartments in Germany bodes well for the Group's existing and pipeline properties under the Adina Apartment Hotel brand.

In the first six months of 2018, the Group signed hotel management contracts for 1,920 rooms in Australia, Germany and Singapore, bringing the total hospitality pipeline to 4,100 rooms. These properties will progressively open from mid-2019 onwards to 2021. The Group will 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.

Property
The unexpected increase in Additional Buyer's Stamp Duty ("ABSD") and tightening of Loan-to-Value limits for residential property purchases introduced in early July is expected to impact buyers' demand. As a result, the Group expects near-term residential property sentiments in Singapore to be subdued. The additional 5% non-remissible ABSD imposed on developers also increases the capital commitment and risks for developers. The Group's residential projects have been fully sold as at 30 June 2018. The office market recovery appears to be underway with continued healthy demand and limited supply. The Group continues to actively market and sell the integrated office development project at Woods Square. The Group will remain disciplined as it selectively seeks development opportunities in Singapore.

Harbourfront Balmain, the Group's 50-50 joint venture with Toga Group, in Sydney, Australia, has been fully sold as at 30 June 2018. The Sydney residential market is expected to continue to slow down with regulatory cooling measures in place.

The Group's first residential project development in the UK, comprising the refurbishment of the heritage property and development of a new residential building, is progressing as planned. 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 and the prospects of rising interest rates continue to weigh on the UK economy. Nonetheless, the Group remains confident about the long-term fundamentals of the UK property market in prime residential locations.

[5] Easing of supply pressures a boon for hoteliers in 2018, Business Times, 27 Jun 2018
[6] Tourism and Hotel Market Outlook Executive Summary, Deloitte Access Economics, 15 Mar 2018
[7] Australia Hotels, Q2 2018, CBRE, 26 Jul 2018
[8] Pg 17, European Cities Hotel Forecast for 2018 and 2019, Apr 2018

10 (continued)

Property (continued)
Newton Court, our student accommodation building in Newcastle upon Tyne is expected to be completed and become operational by Q4 this year. This will add 295 beds to our existing 1,174-bed portfolio in Newcastle upon Tyne, UK. 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 for both the January and March 2018 deadlines. The UK government announced on 15 June 2018 a relaxation of the Tier 4 Student Visas for international students from 11 countries, including China. The changes, with effect from 7 July 2018, aim to make it easier for international students to study in the UK. 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 will continue to seek suitable real estate development or investment opportunities that fit its strategy as a diversified real estate group.

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)	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
	6 months ended 30 June 2018 S$'000	6 months ended 30 June 2018 S$'000
Boo Han Holdings Pte Ltd		
Hospitality management income	329	-
Transaction with an interested person in relation to a conditional purchase and sale agreement for the joint purchase of a plot of land and hotel to be constructed thereon in Japan[8]	-	(19,227)
Dollar Land Singapore Private Limited		
Hospitality management income	151	-
Far East Hospitality Real Estate Investment Trust		
Rental expense on operating leases		
- offices	(561)	-
- hotels and serviced residences	(10,830)	-
Far East Management (Private) Limited		
Management service fees	(1,426)	-
Hospitality services	(902)	-
Far East Organization Centre Pte Ltd		
Hospitality management income	1,100	-
Far East Rocks Pty Ltd		
Rental expense on operating leases - hotel	(694)	-
Far East Soho Pte Ltd		
Hospitality management income	767	-
Golden Development Private Limited		
Hospitality management income	1,283	-
Golden Landmark Pte Ltd		
Hospitality management income	719	-
Orchard Mall Pte Ltd		
Hospitality management income	444	-
Orchard Parksuites Pte Ltd		
Hospitality management income	702	-
Oxley Hill Properties Pte Ltd		
Hospitality management income	275	-
Riverland Pte Ltd		
Hospitality management income	215	-
Serene Land Pte Ltd		
Hospitality management income	867	-
Transurban Properties Pte Ltd		
Hospitality management income	874	-

[8] As set out in the Group's announcement dated 28 May 2018.

By Order of the Board
Mr Lui Chong Chee
Director
3 August 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 30 June 2018 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

3 August 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.