

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 September			9 months ended 30 September		
	2018	2017	Increase / (Decrease) %	2018	2017	Increase / (Decrease) %
	S\$'000	S\$'000		S\$'000	S\$'000	
Sales	35,886	36,273	(1.1)	110,831	111,699	(0.8)
Cost of sales	(25,357)	(25,493)	(0.5)	(73,549)	(76,084)	(3.3)
Gross profit	10,529	10,780	(2.3)	37,282	35,615	4.7
Other income	1,264	845	49.6	3,383	2,924	15.7
Other (losses)/gains – net	(1,371)	480	nm	(4,802)	1,720	nm
Expenses						
- Distribution and marketing	(2,691)	(2,195)	22.6	(7,467)	(6,717)	11.2
- Administrative	(7,325)	(6,645)	10.2	(22,255)	(21,040)	5.8
- Finance	(1,395)	(975)	43.1	(3,676)	(3,042)	20.8
- Other	-	(17)	nm	(40)	(104)	(61.5)
Share of profit of						
- joint ventures	2,054	1,685	21.9	6,161	3,080	>100
- associated companies	783	668	17.2	2,784	2,051	35.7
Profit before income tax	1,848	4,626	(60.1)	11,370	14,487	(21.5)
Income tax expense	(1,527)	(1,433)	6.6	(2,006)	(4,166)	(51.8)
Total profit	321	3,193	(89.9)	9,364	10,321	(9.3)
Other comprehensive (loss)/ income:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Share of other comprehensive (loss)/income of joint ventures	-	(28)	nm	163	34	>100
Currency translation differences arising from consolidation	(5,034)	2,004	nm	(12,360)	5,555	nm
	(5,034)	1,976	nm	(12,197)	5,589	nm
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Share of other comprehensive Income/(loss) of:						
- joint ventures	-	-	-	3,942	4,721	(16.5)
- associated companies	6	502	(98.8)	(1,834)	1,239	nm
Tax on share of joint ventures' revaluation gain	-	-	-	(626)	(1,037)	(39.6)
Currency translation differences arising from consolidation	(1,749)	965	nm	(5,132)	2,503	nm
Other comprehensive (loss)/ income, net of tax	(6,777)	3,443	nm	(15,847)	13,015	nm
Total comprehensive (loss)/ income	(6,456)	6,636	nm	(6,483)	23,336	nm
Total profit attributable to:						
Equity holders of the Company	564	2,964	(81.0)	9,787	9,646	1.5
Non-controlling interest	(243)	229	nm	(423)	675	nm
	321	3,193	(89.9)	9,364	10,321	(9.3)
Total comprehensive (loss)/ income attributable to:						
Equity holders of the Company	(4,464)	5,452	nm	(1,922)	19,042	nm
Non-controlling interest	(1,992)	1,184	nm	(4,561)	4,294	nm
	(6,456)	6,636	nm	(6,483)	23,336	nm

nm : not meaningful

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

	3 months ended 30 September			9 months ended 30 September		
	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:						
<u>Other income</u>						
Interest income from:						
- Bank deposits	1,069	502	>100	2,843	1,706	66.6
- Advances to joint ventures	-	148	nm	-	473	nm
<u>Cost of sales and administrative expenses</u>						
Depreciation of property, plant and equipment	(2,734)	(3,241)	(15.6)	(7,659)	(8,494)	(9.8)
Amortisation of intangible assets	(796)	(828)	(3.9)	(2,394)	(2,478)	(3.4)
Write-off of property, plant and equipment	-	-	-	(2)	(5)	(60.0)
Allowance made for impairment loss on trade receivables	(233)	(19)	>100	(313)	(241)	29.9
<u>Other (losses)/gains – net</u>						
Loss on disposal of property, plant and equipment	(4)	(4)	-	(4)	(7)	(42.9)
Currency exchange (losses)/gains - net	(1,367)	484	nm	(4,798)	1,727	nm
<u>Finance expenses</u>						
Interest expense for:						
- Bank borrowings	(1,061)	(640)	65.8	(2,684)	(2,050)	30.9
- Advances from non-controlling interest	(334)	(335)	(0.3)	(992)	(992)	-
<u>Income tax expense</u>						
(Under)/over provision of income tax in prior financial years - net	-	(3)	nm	1,291	(10)	nm

nm : not meaningful

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

	Group			Company	
	30.09.2018	31.12.2017 (restated)	01.01.2017 (restated)	30.09.2018	31.12.2017
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents ¹	257,685	219,585	209,262	190,764	156,376
Trade and other receivables	29,768	27,496	33,265	170,700	194,214
Inventories	283	333	361	8	12
Development properties	39,042	31,012	21,753	-	-
Properties held for sale	123,863	124,030	124,030	-	-
	450,641	402,456	388,671	361,472	350,602
Non-current assets					
Other non-current assets	19,604	18,590	57,147	144,868	119,118
Investments in associated companies	15,590	14,640	9,964	696	696
Investments in joint ventures	501,504	480,703	466,118	300	300
Investments in subsidiaries	-	-	-	883,393	883,601
Investment properties	504,908	492,975	446,515	130,968	130,968
Property, plant and equipment	532,148	544,962	566,726	315,875	313,770
Intangible assets	129,674	132,870	136,388	-	-
Deferred income tax assets	94	99	100	-	-
	1,703,522	1,684,839	1,682,958	1,476,100	1,448,453
Total assets	2,154,163	2,087,295	2,071,629	1,837,572	1,799,055
LIABILITIES					
Current liabilities					
Trade and other payables	139,034	123,171	132,013	28,146	14,560
Current income tax liabilities	5,016	7,381	6,299	485	485
Borrowings	206,497	180,145	157,008	51,119	74,979
Provisions	-	-	642	-	-
	350,547	310,697	295,962	79,750	90,024
Non-current liabilities					
Other payables	414,505	419,721	427,481	646,141	644,784
Borrowings	89,460	41,712	46,353	89,460	41,712
Deferred income tax liabilities	32,354	33,145	39,060	305	305
Provisions	2,003	2,122	2,267	-	-
	538,349	496,700	515,161	735,906	686,801
Total liabilities	888,896	807,397	811,123	815,656	776,825
NET ASSETS	1,265,267	1,279,898	1,260,506	1,021,916	1,022,230
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	496,604	479,244	475,489	496,604	479,244
Revaluation and other reserves	319,997	331,750	316,807	281,999	281,999
Retained profits	417,416	433,137	436,744	243,313	260,987
	1,234,017	1,244,131	1,229,040	1,021,916	1,022,230
Non-controlling interest	31,250	35,767	31,466	-	-
TOTAL EQUITY	1,265,267	1,279,898	1,260,506	1,021,916	1,022,230

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

	Group	
	30.09.2018	30.09.2017
	S\$'000	S\$'000
Cash and cash equivalents (as above)	257,685	211,050
Less: Bank deposits pledged	(21,802)	-
Cash and cash equivalents per consolidated statement of cash flows	235,883	211,050

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

	As at 30.09.2018		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)	155,378	51,119	105,166	74,979
Amount repayable after one year (net of transaction costs)	-	89,460	-	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 September		9 months ended 30 September	
	2018	2017 (restated)	2018	2017 (restated)
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total profit	321	3,193	9,364	10,321
Adjustments for:				
Income tax expense	1,527	1,433	2,006	4,166
Depreciation of property, plant and equipment	2,734	3,241	7,659	8,494
Amortisation of intangible assets	796	828	2,394	2,478
Write-off of property, plant and equipment	-	-	2	5
Interest income	(1,069)	(650)	(2,843)	(2,179)
Interest expense	1,395	975	3,676	3,042
Loss on disposal of property, plant and equipment	4	4	4	7
Share of profit of joint ventures	(2,054)	(1,685)	(6,161)	(3,080)
Share of profit of associated companies	(783)	(668)	(2,784)	(2,051)
Unrealised currency translation losses/(gains)	1,834	(294)	5,116	(1,440)
	4,705	6,377	18,433	19,763
Change in working capital:				
Trade and other receivables	(5,162)	(3,249)	(2,663)	7,320
Inventories	24	22	34	63
Development properties	(1,685)	(1,575)	(7,987)	(4,379)
Trade and other payables	4,582	(13)	12,369	(14,259)
Provisions	-	(159)	-	(476)
Cash generated from operations	2,464	1,403	20,186	8,032
Interest paid	(90)	(46)	(135)	(135)
Income tax paid - net	(1,190)	(792)	(5,628)	(3,031)
Net cash provided by operating activities	1,184	565	14,423	4,866

1(c) (continued)

Consolidated Statements of Cash Flows (continued)

	3 months ended 30 September		9 months ended 30 September	
	2018 S\$'000	2017 (restated) S\$'000	2018 S\$'000	2017 (restated) S\$'000
Cash flows from investing activities				
Additions to property, plant and equipment	(353)	(1,304)	(3,940)	(2,177)
Proceeds from disposals of property, plant and equipment	4	-	4	-
Additions to investment properties	(4,218)	(5,616)	(14,958)	(22,019)
Investment in a joint venture	(34,021)	-	(34,021)	-
Dividends received from joint ventures	10,179	-	11,970	1,600
Repayment of advances from joint ventures	-	39,752	18,281	39,752
Advances to joint ventures	-	(459)	-	(659)
Prepaid investment in a joint venture ²	(100)	-	(19,327)	-
Interest received	1,466	1,650	2,748	2,569
Income tax (paid)/received - net	(427)	-	1,090	-
Net cash (used in)/ provided by investing activities	(27,470)	34,023	(38,153)	19,066
Cash flows from financing activities				
Proceeds from borrowings	41,382	7,677	78,967	39,251
Repayment of borrowings	-	(8,909)	-	(36,509)
Interest paid	(1,540)	(1,654)	(4,272)	(3,863)
Dividend paid to shareholders	(8,148)	-	(8,148)	(21,605)
Net cash provided by/(used) in financing activities	31,694	(2,886)	66,547	(22,726)
Net increase in cash and cash equivalents	5,408	31,702	42,817	1,206
Cash and cash equivalents				
Beginning of financial period	254,210	179,943	219,585	209,262
Less: Bank deposits pledged ³	(21,802)	-	(21,802)	-
Effects of currency translation on cash and cash equivalents	(1,933)	(595)	(4,717)	582
End of financial period	235,883	211,050	235,883	211,050

Included in cash and cash equivalents of the Group as at 30 September 2018 was the Group's share of its joint operation's bank balances and deposits amounting to Nil (30 September 2017: \$3,035,000) held under the development project rules in Singapore and the use of which is governed by these rules.

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.

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 →						Retained profits	Total	Non-controlling interest	Total equity
	Share capital	Capital reserve	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Hedging reserve				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2018	479,244	10,557	342,189	(25,254)	(2,235)	(232)	442,360	1,246,629	33,242	1,279,871
Profit for the period	-	-	-	-	-	-	564	564	(243)	321
Other comprehensive (loss)/income for the period	-	-	-	(5,034)	6	-	-	(5,028)	(1,749)	(6,777)
Total comprehensive (loss)/income for the period	-	-	-	(5,034)	6	-	564	(4,464)	(1,992)	(6,456)
Dividend relating to 2017 paid in cash	-	-	-	-	-	-	(8,148)	(8,148)	-	(8,148)
Shares issued in-lieu of cash for dividend relating to 2017	17,360	-	-	-	-	-	(17,360)	-	-	-
Total transactions with owners, recognised directly in equity	17,360	-	-	-	-	-	(25,508)	(8,148)	-	(8,148)
Balance at 30 September 2018	496,604	10,557	342,189	(30,288)	(2,229)	(232)	417,416	1,234,017	31,250	1,265,267

	← Attributable to equity holders of the Company →						Retained profits	Total	Non-controlling interest	Total equity
	Share capital	Capital reserve	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Hedging reserve				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2017	475,489	10,557	331,840	(16,539)	(1,656)	(487)	421,316	1,220,520	34,576	1,255,096
Effects of adoption of FRS 115	-	-	-	-	-	-	505	505	-	505
Balance at 1 July 2017 (restated)	475,489	10,557	331,840	(16,539)	(1,656)	(487)	421,821	1,221,025	34,576	1,255,601
Profit for the period (restated)	-	-	-	-	-	-	2,964	2,964	229	3,193
Other comprehensive income for the period	-	-	-	1,890	502	96	-	2,488	955	3,443
Total comprehensive Income for the period	-	-	-	1,890	502	96	2,964	5,452	1,184	6,636
Shares issued in-lieu of cash for dividend relating to 2016	3,755	-	-	-	-	-	(3,755)	-	-	-
Total transactions with owners, recognised directly in equity	3,755	-	-	-	-	-	(3,755)	-	-	-
Balance at 30 September 2017	479,244	10,557	331,840	(14,649)	(1,154)	(391)	421,030	1,226,477	35,760	1,262,237



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 July 2018	479,244	281,999	261,364	1,022,607
Profit for the period	-	-	7,457	7,457
Total comprehensive income for the period	-	-	7,457	7,457
Dividend relating to 2017 paid in cash	-	-	(8,148)	(8,148)
Shares issued in-lieu of cash for dividend relating to 2017	17,360	-	(17,360)	-
Total transactions with owners, recognised directly in equity	17,360	-	(25,508)	(8,148)
Balance at 30 September 2018	496,604	281,999	243,313	1,021,916

	Share capital	Asset revaluation reserve	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2017	475,489	278,022	258,180	1,011,691
Profit for the period	-	-	396	396
Total comprehensive income for the period	-	-	396	396
Shares issued in-lieu of cash for dividend relating to 2016	3,755	-	(3,755)	-
Total transactions with owners, recognised directly in equity	3,755	-	(3,755)	-
Balance at 30 September 2017	479,244	278,022	254,821	1,012,087

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	
	30.09.2018	30.06.2018
Ordinary shares fully paid	'000	'000
Number of shares at beginning of financial period	425,132	425,132
Number of shares issued in-lieu of cash for dividend	12,072	-
Number of shares at end of financial period	437,204	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 30.09.2018	As at 31.12.2017
	'000	'000
Number of issued shares excluding treasury shares	437,204	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 30.09.2017			9 months ended 30.09.2017		
<u>Consolidated Statement of Comprehensive Income</u>						
Share of profit of joint ventures	1,641	44	1,685	2,960	120	3,080
Profit before income tax	4,582	44	4,626	14,367	120	14,487
Total profit	3,149	44	3,193	10,201	120	10,321
Total comprehensive income	6,592	44	6,636	23,216	120	23,336
Total profit attributable to equity holders of the Company	2,920	44	2,964	9,526	120	9,646
Total comprehensive income attributable to equity holders of the Company	5,408	44	5,452	18,922	120	19,042
	As at 31.12.2017			As at 01.01.2017		
<u>Statement of financial position (Group)</u>						
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 30.09.2017			9 months ended 30.09.2017		
<u>Consolidated Statement of Cash Flows</u>						
Total profit	3,149	44	3,193	10,201	120	10,321
Share of profit of joint ventures	(1,641)	(44)	(1,685)	(2,960)	(120)	(3,080)
	As at 30.09.2017			As at 01.07.2017		
<u>Consolidated Statement of Changes in Equity</u>						
Retained profits	420,481	549	421,030	421,316	505	421,821
Capital and reserves attributable to equity holders of the Company	1,225,928	549	1,226,477	1,220,520	505	1,221,025
Total equity	1,261,688	549	1,262,237	1,255,096	505	1,255,601

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 September		9 months ended 30 September	
	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	0.13	0.70	2.28	2.28
(ii) On a fully diluted basis	0.13	0.70	2.28	2.28

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 30.09.2018	As at 31.12.2017 (restated)	As at 30.09.2018	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	\$2.82	\$2.93	\$2.34	\$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 30 September 2018 ("Q3 FY18")

Revenue

The Group's sales for Q3 FY18 were lower at \$35.9 million, compared to \$36.3 million in Q3 FY17. This was mainly due to lower sales from our hospitality business in Australia from weak market conditions in Perth and Melbourne. The decline was partially offset by increase in sales from Orchard Rendezvous Hotel (formerly known as Orchard Parade Hotel).

Gross profit

The Group's gross profit for Q3 FY18 was marginally lower at \$10.5 million, compared to \$10.8 million in Q3 FY17.

Depreciation of property, plant and equipment was lower due to lower carrying value of assets after the recognition of revaluation losses in 2017.

Other income

Other income for Q3 FY18 was \$0.4 million higher than Q3 FY17. This was 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 Q3 FY18.

8 (continued)

(a) Group performance review for the 3-month period ended 30 September 2018 ("Q3 FY18") (continued)**Expenses**

Total expenses for Q3 FY18, excluding cost of sales, were \$11.4 million, compared to \$9.8 million in Q3 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 profit of joint ventures/associated companies

The Group's share of profit of joint ventures for Q3 2018 was \$2.8 million, compared to \$2.4 million in Q3 2017. This was mainly due to higher share of profit from the hospitality joint ventures, driven by strong performance of the hotels in Germany during the quarter.

(b) Cash flow, working capital, assets or liabilities of the Group**Cash flow and working capital**

The Group generated a net increase in cash and cash equivalents for Q3 FY18 of \$5.4 million compared to \$31.7 million in Q3 FY17.

Net cash inflows from operating activities of the Group for Q3 FY18 were \$1.2 million compared to \$0.6 million for Q3 FY17.

Net cash outflows from investing activities of the Group for Q3 FY18 were \$27.5 million compared to net cash inflows of \$34.0 million for Q3 FY17. This was mainly due to an equity injection amounting to A\$33.8 million (\$34.0 million) into a hospitality joint venture, Toga Hotel Holdings Unit Trust ("THHUT"), to increase the Group's equity interest from 45.6% to 50.0%. Net cash inflows in Q3 FY17 were mainly due to a repayment of advances from a joint venture property development project, RiverTrees Residences, of \$39.8 million.

Net cash inflows from financing activities of the Group for Q3 FY18 were \$31.7 million compared to net cash outflows of \$2.9 million for Q3 FY17, arising from the drawdown of bank borrowings to finance the equity injection into THHUT, and the development of the residential and student accommodation properties in the UK. The cash inflows were partially offset by payout of cash dividends of \$8.1 million during the quarter.

Assets

Total assets as at 30 September 2018 were \$2,154.2 million. Compared to 31 December 2017, total assets increased by \$66.9 million mainly due to the increase in cash and cash equivalents, the capitalisation of the on-going construction costs of the properties under development in the UK and the increase in carrying value of investment in joint ventures following the equity injection into THHUT.

Other non-current assets as at 30 September 2018 were \$19.6 million, or \$1.0 million higher compared to 31 December 2017. As of 30 September 2018, the Group made a prepayment of investment in a joint venture⁴ of JPY1,575.1 million (equivalent to \$19.3 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 September 2018 were \$888.9 million. Compared to 31 December 2017, total liabilities increased by \$81.5 million due to an increase in trade and other payables and additional bank borrowings to finance developments, the prepayment of investment in a joint venture⁴ and the equity injection into THHUT.

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

Near-term outlook for the Singapore hospitality sector is positive, underpinned by limited new room supply and expected increase in visitor arrivals. Demand for serviced residences is expected to lag that of hotels as corporate long-stay demand remains soft.

The Sydney hotel market is showing signs of slowing down due to new room supply. In Melbourne and Perth, occupancy and room rates are expected to be challenged by a continued increase in new supply. While Brisbane hotels are supported by strengthening corporate demand, new supply will constrain growth in room rates. The Group remains focused on driving operational efficiencies in the cities it operates in.

The United Nations World Tourism Organization forecasts growth of 4 – 5% in international tourism arrivals to Europe in 2018. 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 nine months of 2018, the Group, through its subsidiaries and hospitality joint venture, signed hotel management contracts for 2,100 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. It will also consider acquisitions of strategic assets and opportunities to deliver higher return on divestment as they arise.

Property

Near-term residential property sentiments in Singapore are expected to be subdued. The July cooling measures and revised guidelines on the maximum number of allowable units outside the central area effective from January 2019 are expected to impact buyers' demand and curb developers' profit margins. 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.

In Australia, the Sydney and Melbourne residential markets continue to slow down due to regulatory cooling measures in place and increased supply.

In prime central London, UK, the Group's first residential development of the former Westminster Fire Station is progressing as planned and expected to be completed in 2019. Weakness in the UK property market is expected in the near-term as Brexit-related uncertainties and the prospects of rising interest rates weigh on the UK economy. The Group remains confident about the long-term fundamentals of the UK property market in prime residential locations.

The Group completed its 295-bed student accommodation building in Newcastle upon Tyne, UK – Newton Court, ahead of the commencement of the academic year in August. With Newton Court, the Group has an operational portfolio of 1,469 beds with healthy occupancy rates, contributing to its recurring income. In Brighton, the Group is developing its 193-bed student accommodation building, slated for completion in 2019. Demand for purpose-built student accommodation remains strong with continued demand for UK higher education courses and a healthy national student to bed ratio.

The Group will continue to seek 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) 9 months ended 30 September 2018 S\$'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) 9 months ended 30 September 2018 S\$'000
Boo Han Holdings Pte. Ltd.		
Hospitality management income	506	-
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 ⁶	-	(19,327)
China Classic Pte Ltd		
Hospitality management income	132	-
Dollar Land Singapore Private Limited		
Hospitality management income	232	-
Far East Hospitality Real Estate Investment Trust		
Rental expense on operating leases		
- offices	(865)	-
- hotels and serviced residences	(16,886)	-
Far East Management (Private) Limited		
Management service fees	(2,154)	-
Hospitality services	(1,325)	-
Far East Organization Centre Pte Ltd		
Hospitality management income	1,684	-
Far East Rocks Pty Ltd		
Rental expense on operating leases - hotel	(996)	-
Far East Soho Pte. Ltd.		
Hospitality management income	1,169	-
Golden Development Private Limited		
Hospitality management income	2,007	-
Golden Landmark Pte Ltd		
Hospitality management income	1,078	-
Kitchen Language Pte. Ltd.		
Supply of goods and services	(112)	-
Orchard Mall Pte. Ltd.		
Hospitality management income	668	-
Orchard Parksuites Pte Ltd		
Hospitality management income	1,096	-

⁶ As set out in the Group's announcement dated 28 May 2018.

13 (continued)

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)
	9 months ended 30 September 2018 S\$'000	9 months ended 30 September 2018 S\$'000
Oxley Hill Properties Pte Ltd Hospitality management income	419	-
Riverland Pte Ltd Hospitality management income	332	-
Serene Land Pte Ltd Hospitality management income	1,329	-
Transurban Properties Pte Ltd Hospitality management income	1,327	-

By Order of the Board

 Mr Lui Chong Chee
 Director
 8 November 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 September 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

8 November 2018

 Lui Chong Chee
 Group CEO & Managing Director

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.