Far East Orchard Limited
(Incorporated in the Republic of Singapore)
Company Registration No. 196700511H

RESPONSE TO SGX REGCO QUERY ON THE COMPANY'S ANNUAL REPORT FOR FY2022

Far East Orchard Limited (the "**Company**") has received a query from the Singapore Exchange Regulation ("**SGX RegCo**") on 17 April 2023 in relation to the Company's Annual Report for the financial year ended 31 December 2022 ("**FY2022**") announced on 4 April 2023. The Board of Directors of the Company sets out its response to the query below:

SGX RegCo's Query:

If there are material discrepancies between an issuer's preliminary full year results and its audited full year results, the issuer is required to disclose and explain the material discrepancies via an SGXNET announcement pursuant to Listing Rule 704(6). Please explain the material discrepancies in net cash used in financing activities and net decrease in cash and cash equivalents on page 84 of Annual Report 2022, when compared to the Company's unaudited Financial Statements For The Year Ended 31 December 2022 announced on 27 February 2023.

The Company's Response:

The Company wishes to highlight that there was a re-presentation made in the Consolidated statement of cash flows reported in the Audited Financial Statements for FY2022 as compared to that which was disclosed in the Unaudited Announcement.

The bank deposit pledged was being re-presented in the cash flows from financing activities instead of a deduction against the cash and cash equivalents in the Consolidated statement of cash flows, as the Company believes that this will be clearer for the users of the financial statements. There was no adjustment made to the cash and equivalents balance and the cash and bank balances as at 31 December 2022.

A comparison between the consolidated statement of cash flows per the Unaudited Announcement and the Audited financial statements is as follows:

S$'000	**Per preliminary unaudited announcement**		**Per audited financial statements**		
	2022	2021	2022	2021	
Cash flows from financing activities					
Decrease in bank deposits pledged	-	-	3,156	2,556	Note 1
Net cash used in financing activities	(50,634)	(24,905)	(47,478)	(22,349)	
Net decrease in cash and cash equivalents	(12,739)	(20,355)	(9,583)	(17,799)	
Cash and cash equivalents					
Beginning of financial year	255,189	278,382	226,510	247,147	
Less: Bank deposits pledged	(25,523)	(28,679)	-	-	Note 2
End of financial year	207,672	226,510	207,672	226,510	Note 3

Explanatory Notes:

1. In the Group's audited financial statements, bank deposits pledged is presented as a cashflow movement in the financing activities in the consolidated statement of cash flows. In FY2022, it was presented as a decrease in bank deposits pledged of S$3,156,000 (FY2021: S$ 2,556,000).

2. In the Group's unaudited financial statements announced on 27 February 2023, the gross amount of the bank deposits pledged was presented as a deduction in the cash and cash equivalents movement of S$25,523,000 for FY2022 (FY2021: S$28,679,000).

3. The decrease in the bank deposits pledged was re-presented as a movement in the cash flows from financing activities in the audited financial statements as this will result in the cash and cash equivalents at the end of the financial year for FY2021 to be the same as the cash and cash equivalents at the beginning of the financial year for FY2022.

By Order of the Board

Phua Siyu Audrey
Company Secretary
18 April 2023