

PART I INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 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		
	2015	2014	Increase / (Decrease)
	S\$'000	S\$'000	%
Sales	103,779	76,044	36.5
Cost of sales	(83,439)	(55,824)	49.5
Gross profit	20,340	20,220	0.6
Other income	1,408	1,005	40.1
Other (losses)/gains – net	(6,297)	4,899	nm
Expenses			
- Distribution and marketing	(3,169)	(3,008)	5.4
- Administrative	(6,608)	(7,187)	(8.1)
- Finance	(1,020)	(945)	7.9
- Other	(1,561)	(1,422)	9.8
Share of results of			
- joint ventures	1,934	2,237	(13.5)
- associated companies	649	654	(0.8)
Profit before income tax	5,676	16,453	(65.5)
Income tax expense	(2,204)	(2,406)	(8.4)
Net profit	3,472	14,047	(75.3)
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	(372)	94	nm
- associated companies	-	(89)	nm
Currency translation (losses)/gains arising from consolidation	(8,707)	4,577	nm
Other comprehensive (loss)/income, net of tax	(9,079)	4,582	nm
Total comprehensive (loss)/income	(5,607)	18,629	nm
Net profit attributable to:			
Equity holders of the Company	3,801	11,873	(68.0)
Non-controlling interest	(329)	2,174	nm
	3,472	14,047	(75.3)
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	(2,636)	15,051	nm
Non-controlling interest	(2,971)	3,578	nm
	(5,607)	18,629	nm

nm : not meaningful

Please refer to item 8 for the review of the performance of the Group.

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

	3 months ended 31 March		
	2015	2014	Increase / (Decrease) %
	S\$'000	S\$'000	%
The following items were credited/(charged) to the income statement:			
<u>Other income</u>			
Interest income			
- Bank deposits	147	540	(72.8)
- Advances to joint ventures	860	219	>100
<u>Cost of sales and administrative expenses</u>			
Depreciation of property, plant and equipment			
	(2,018)	(2,360)	(14.5)
Amortisation of intangible assets			
	(919)	(966)	(4.9)
<u>Other (losses)/gains – net</u>			
Impairment losses of:			
- Country club membership	-	(40)	nm
- Property, plant and equipment	(30)	-	nm
Loss on disposal of property, plant and equipment			
	-	(53)	nm
Net currency translation (losses)/gains			
	(6,267)	4,992	nm
<u>Finance expenses</u>			
Interest expense			
- Bank borrowings	(693)	(617)	12.3
- Advances from non-controlling interest	(327)	(328)	(0.3)
<u>Income tax expense</u>			
Over/(Under) provision of income tax in prior financial years - net			
	54	(247)	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	
	31.03.2015	31.12.2014	31.03.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	105,364	98,386	57,739	56,031
Trade and other receivables	84,681	81,376	166,586	167,003
Inventories	628	666	36	36
Development properties	810	38,691	-	-
Properties held for sale	123,863	123,863	-	-
	315,346	342,982	224,361	223,070
Non-current assets				
Investments in associated companies	9,075	8,424	696	696
Investments in joint ventures	237,496	241,107	300	300
Investments in subsidiaries	-	-	509,154	509,154
Other receivables	233,448	221,131	478,470	480,052
Investment properties	314,499	315,598	120,066	120,066
Property, plant and equipment	587,019	592,537	360,931	361,156
Intangible assets	150,084	151,506	-	-
Deferred income tax assets	863	1,413	-	-
	1,532,484	1,531,716	1,469,617	1,471,424
Total assets	1,847,830	1,874,698	1,693,978	1,694,494
LIABILITIES				
Current liabilities				
Trade and other payables	128,676	127,408	13,554	15,624
Current income tax liabilities	8,714	7,519	494	494
Borrowings	85,667	86,264	-	-
Provisions	5,605	5,923	-	-
	228,662	227,114	14,048	16,118
Non-current liabilities				
Other payables	405,062	406,687	606,386	605,295
Deferred income tax liabilities	27,311	27,481	548	548
Borrowings	-	19,476	-	-
Provisions	11,168	12,706	-	-
	443,541	466,350	606,934	605,843
Total liabilities	672,203	693,464	620,982	621,961
NET ASSETS	1,175,627	1,181,234	1,072,996	1,072,533
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	439,617	439,617	439,617	439,617
Revaluation and other reserves	333,566	340,003	329,629	329,629
Retained profits	393,597	389,796	303,750	303,287
	1,166,780	1,169,416	1,072,996	1,072,533
Non-controlling interest	8,847	11,818	-	-
TOTAL EQUITY	1,175,627	1,181,234	1,072,996	1,072,533

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

	As at 31.03.2015		As at 31.12.2014	
	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)	85,667	-	86,264	-
Amount repayable after one year (net of transaction costs)	-	-	19,476	-

Details of any collaterals

The non-current bank borrowings as at 31 December 2014 included the Group's share of joint operations' bank borrowings of \$19,476,000 which are secured over the Group's share of joint operations' development properties. The remaining bank borrowings of the Group are secured over an investment property 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	
	2015	2014
	S\$'000	S\$'000
Cash flows from operating activities		
Net profit	3,472	14,047
Adjustments for:		
Income tax expense	2,204	2,406
Depreciation of property, plant and equipment	2,018	2,360
Amortisation of intangible assets	919	966
Impairment loss on a country club membership	-	40
Interest income	(1,007)	(759)
Interest expense	1,020	945
Loss on disposal of property, plant and equipment	-	53
Impairment loss on property, plant and equipment	30	-
Share of results of joint ventures	(1,934)	(2,237)
Share of results of associated companies	(649)	(654)
Unrealised currency translation losses/(gains)	6,223	(4,963)
	12,296	12,204
Change in working capital:		
Trade and other receivables	(3,789)	(3,516)
Inventories	23	(387)
Development properties and properties held for sale	37,362	3,872
Trade and other payables	584	(9,556)
Provisions	(1,448)	(698)
Cash generated from operations	45,028	1,919
Income tax paid - net	(74)	(1,088)
Net cash provided by operating activities	44,954	831
Cash flows from investing activities		
Additions to property, plant and equipment	(3,097)	(2,001)
Disposal of property, plant and equipment	-	276
Investment in a joint venture	(3,890)	-
Advances to joint ventures	(11,579)	(900)
Advances from a joint venture	-	3,720
Interest received	124	760
Net cash (used in)/provided by investing activities	(18,442)	1,855
Cash flows from financing activities		
Proceeds from borrowings	1,836	3,189
Repayment of borrowings	(19,500)	(3,550)
Interest paid	(1,303)	(980)
Net cash used in financing activities	(18,967)	(1,341)
Net increase in cash and cash equivalents	7,545	1,345
Cash and cash equivalents at beginning of financial period	98,386	264,975
Effects of currency translation on cash and cash equivalents	(567)	845
Cash and cash equivalents at end of financial period	105,364	267,165

Included in cash and cash equivalents of the Group is the Group's share of its joint operation's bank balances and deposits amounting to \$3,204,000 (31 March 2014: \$9,407,000) 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

	← Attributable to equity holders of the Company →							Total	Non-controlling interest	Total equity
	Share capital	Capital reserve	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Hedging reserve	Retained profits			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2015	439,617	10,557	345,023	(14,055)	(625)	(897)	389,796	1,169,416	11,818	1,181,234
Total comprehensive loss for the period	-	-	-	(6,159)	-	(278)	3,801	(2,636)	(2,971)	(5,607)
Balance at 31 Mar 2015	439,617	10,557	345,023	(20,214)	(625)	(1,175)	393,597	1,166,780	8,847	1,175,627
Balance at 1 Jan 2014	420,616	10,557	342,516	(7,901)	(564)	(157)	377,691	1,142,758	9,442	1,152,200
Total comprehensive income for the period	-	-	-	3,376	(89)	(109)	11,873	15,051	3,578	18,629
Balance at 31 Mar 2014	420,616	10,557	342,516	(4,525)	(653)	(266)	389,564	1,157,809	13,020	1,170,829

Company's Statement of Changes in Equity

	Share capital	Asset revaluation reserve	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2015	439,617	329,629	303,287	1,072,533
Total comprehensive income for the period	-	-	463	463
Balance at 31 Mar 2015	439,617	329,629	303,750	1,072,996
Balance at 1 Jan 2014	420,616	339,686	286,533	1,046,835
Total comprehensive income for the period	-	-	490	490
Balance at 31 Mar 2014	420,616	339,686	287,023	1,047,325

- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	3 months ended	
	31.03.2015	31.12.2014
	'000	'000
Ordinary shares fully paid		
Number of shares at beginning and end of financial period	400,587	400,587

The Company does not have any convertibles.

The Company does not have any treasury shares.

- 1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31.03.2015	As at 31.12.2014
	'000	'000
Number of issued shares excluding treasury shares	400,587	400,587

The Company does not have any treasury shares.

- 1 (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as the Company does not have any treasury shares.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable. Refer to item 2 above.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the most recent audited annual financial statements, except where new or amended Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") became effective from the current financial year.

The adoption of the new or amended FRS and INT FRS did not result in substantial changes to the Group's accounting policies and had no material effect on the financial information.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to item 4 above.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

**3 months ended
31 March**

2015	2014
cents	cents

Earnings per ordinary share (EPS) for the year 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	0.95	3.05
(ii) On a fully diluted basis	0.95	3.05

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 31.03.2015	As at 31.12.2014	As at 31.03.2015	As at 31.12.2014
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	\$ 2.95	\$ 2.68	\$ 2.68

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 2015 ("Q1 2015")

Revenue

Revenue of the Group for Q1 2015 was \$103.8 million which was 36.5% higher than Q1 2014 mainly due to the increase from the property business as revenue from the hospitality business remained comparable to that of Q1 2014.

Revenue from the property business increased mainly due to the sale of the Group's 30% interest in 7 and 11 Bassein Road to Transurban Properties Pte Ltd for \$38.1 million as announced on 29 January 2015. The increase was partially offset by the absence in sales of medical suites at Novena Medical Center and Novena Specialist Center.

Gross profit

The Group's gross profit of \$20.3 million remained comparable to that of Q1 2014. There was minimal contribution from the one-off sale of 7 and 11 Bassein Road to the gross profit.

Other income

Other income of the Group for Q1 2015 was \$1.4 million which was 40.1% higher than Q1 2014 mainly due to the increase in interest income on the advances to property development joint ventures.

Other net losses

The Group recognised other net losses of \$6.3 million for Q1 2015 compared with net gains of \$4.9 million for Q1 2014. The net losses for Q1 2015 were mainly due to currency translation losses for the Group's funding of its Australian businesses as a result of the weakening of the Australian Dollar ("AUD") against Singapore Dollar ("SGD"). Similarly, the net gains for Q1 2014 were mainly due to the strengthening of the AUD against SGD.

Share of results of joint ventures

The Group's share of results of joint ventures for Q1 2015 was \$1.9 million which was 13.5% lower than Q1 2014 mainly due to decrease in average exchange rate of the AUD as a result of the weakening of the AUD against SGD.

Net profit

Net profit of the Group for Q1 2015 was \$3.5 million which was 75.3% lower than Q1 2014 as a result of the weakening of the AUD against SGD on our Australian investments. The Group's net profit of Q1 2015, excluding currency translation differences, was comparable to that of Q1 2014.

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

Assets

The Group's total assets as at 31 March 2015 were \$1,847.8 million. As compared to 31 December 2014, the total assets declined by \$26.9 million or 1.4% mainly due to the decrease in development properties due to the sale of 7 and 11 Bassein Road.

Liabilities

The Group's total liabilities as at 31 March 2015 were \$672.2 million. As compared to 31 December 2014, the total liabilities declined by \$21.3 million or 3.1% mainly due to the repayment of borrowings using the proceeds from the sale of 7 and 11 Bassein Road and the utilisation of the provisions.

Cash flows and working capital

Net cash inflows from operating activities for Q1 2015 were \$45.0 million which was \$44.1 million higher than Q1 2014 mainly due to the proceeds from sale of 7 and 11 Bassein Road. The Group's investment in and advances to the property development joint venture for the Harbourfront Balmain project in Sydney were the main contributors for the net cash outflows from investing activities for Q1 2015. The key contributor to the net cash outflows from financing activities for Q1 2015 was the repayment of borrowings using the proceeds from the sale of 7 and 11 Bassein Road. As a result, the Group generated net cash inflows for Q1 2015 of \$7.5 million, which was \$6.2 million higher than Q1 2014.

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**

In Singapore, the first two months of 2015 registered a decline of approximately 5% in visitor arrivals compared to the same period in 2014. The latest 2015 forecast from STB expects visitor arrivals to be flat with headwinds for the tourism sector expected to persist. With over 3,800 new rooms expected in 2015, we envisage the operating environment for the hospitality division to remain challenging in the near term.

In Australia, the economic outlook is expected to remain cautious in 2015 and room rates are forecast to grow modestly for the hospitality sector. Sydney and Melbourne will continue to expect moderate rise in room rates. For Perth, Brisbane and Adelaide, room rates and occupancy may experience challenges as a result of the increase in supply of new hotels. In addition, Perth and Brisbane will continue to face pressures for demand of hotel rooms, as the mining sector weakens on the back of low commodity prices.

The Group will continue to selectively expand its hospitality businesses by acquiring strategic assets and increasing management contracts. At the same time, the Group will also consider the divestment of properties to recycle capital for re-deployment towards higher yielding growth opportunities when appropriate.

Property development

In Singapore, we expect that various cooling measures will impact home-buying demand, hence prices of private residential properties are expected to remain on a path of moderation in 2015. We will continue to participate selectively in government land tenders that fit our investment strategy for our property development business.

Outside Singapore, we will continue to work with our partners to seek suitable overseas property development opportunities.

On 1 May 2015, the Group announced that it acquired four student accommodation properties in Newcastle upon Tyne, United Kingdom. Details of the properties were set out in the announcement on the same day.

11 Dividend**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect

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 2015 S\$'000
Far East Hospitality Real Estate Investment Trust	
Rental expense on operating leases	
- offices	(277)
- hotels and serviced residences	(5,922)
Far East Management (Private) Limited	
Management service fees	(407)
Hospitality services	(421)
Far East Organization Centre Pte Ltd	
Hospitality management income	620
Golden Development Private Limited	
Hospitality management income	753
Golden Landmark Pte Ltd	
Hospitality management income	329
Orchard Mall Pte Ltd	
Hospitality management income	226
Orchard Parksuites Pte Ltd	
Hospitality management income	419
Oxley Hill Properties Pte Ltd	
Hospitality management income	150
Riverland Pte Ltd	
Hospitality management income	128
Serene Land Pte Ltd	
Hospitality management income	477
Transurban Properties Pte Ltd	
Hospitality management income	448

The Company did not have any interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920), except as announced on 29 January 2015 where the Company's wholly-owned subsidiary, OPH Marymount Limited entered into a sale and purchase agreement to dispose of its interest in 7 and 11 Bassein Road to Transurban Properties Pte Ltd.

By Order of the Board

Mr Lui Chong Chee
Director
8 May 2015

STATEMENT PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of Far East Orchard Limited which may render the unaudited financial statements for the period ended 31 March 2015 to be false or misleading in any material respect.

On behalf of the Board of Directors

Koh Boon Hwee
Chairman

8 May 2015

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.