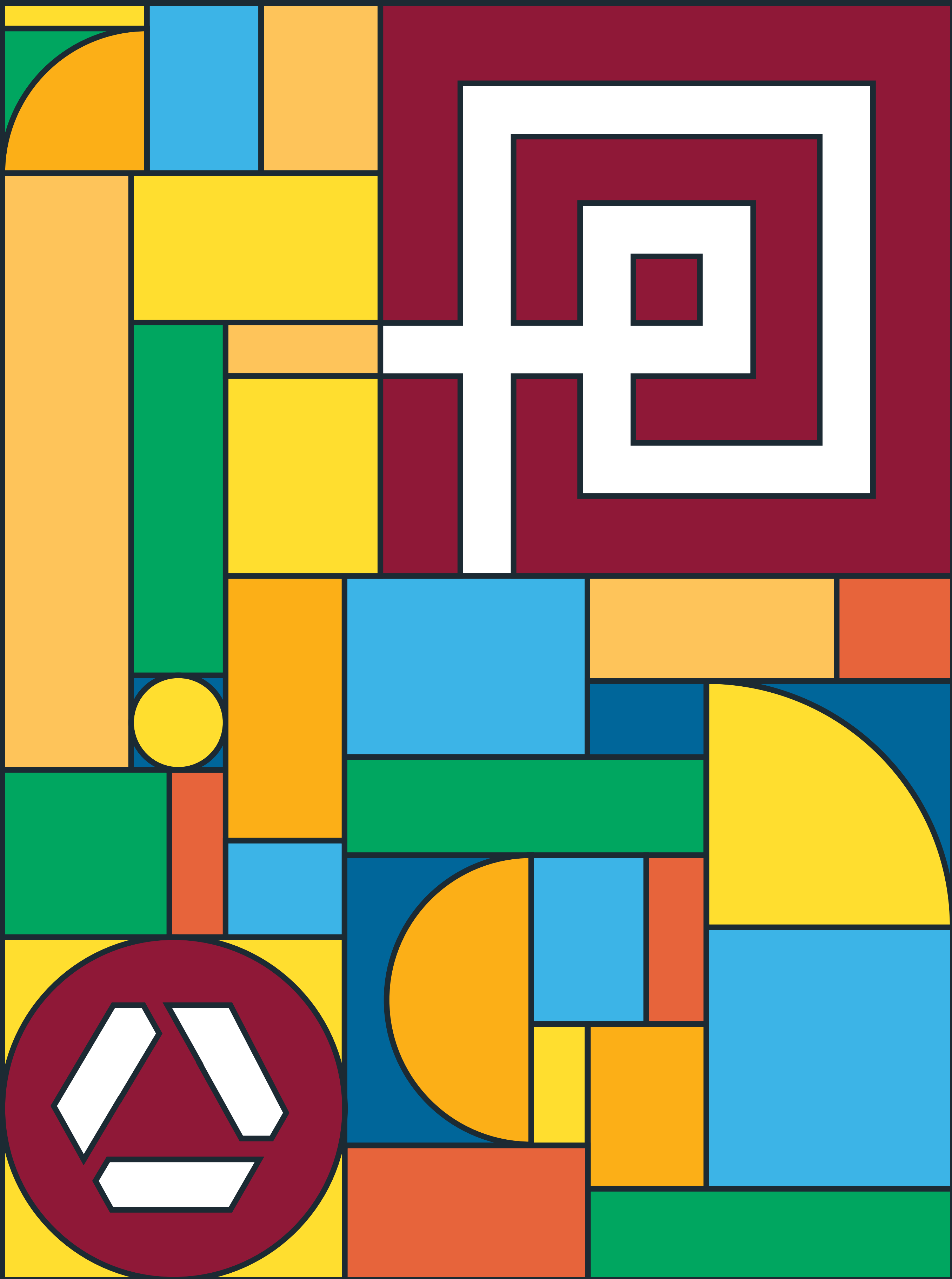


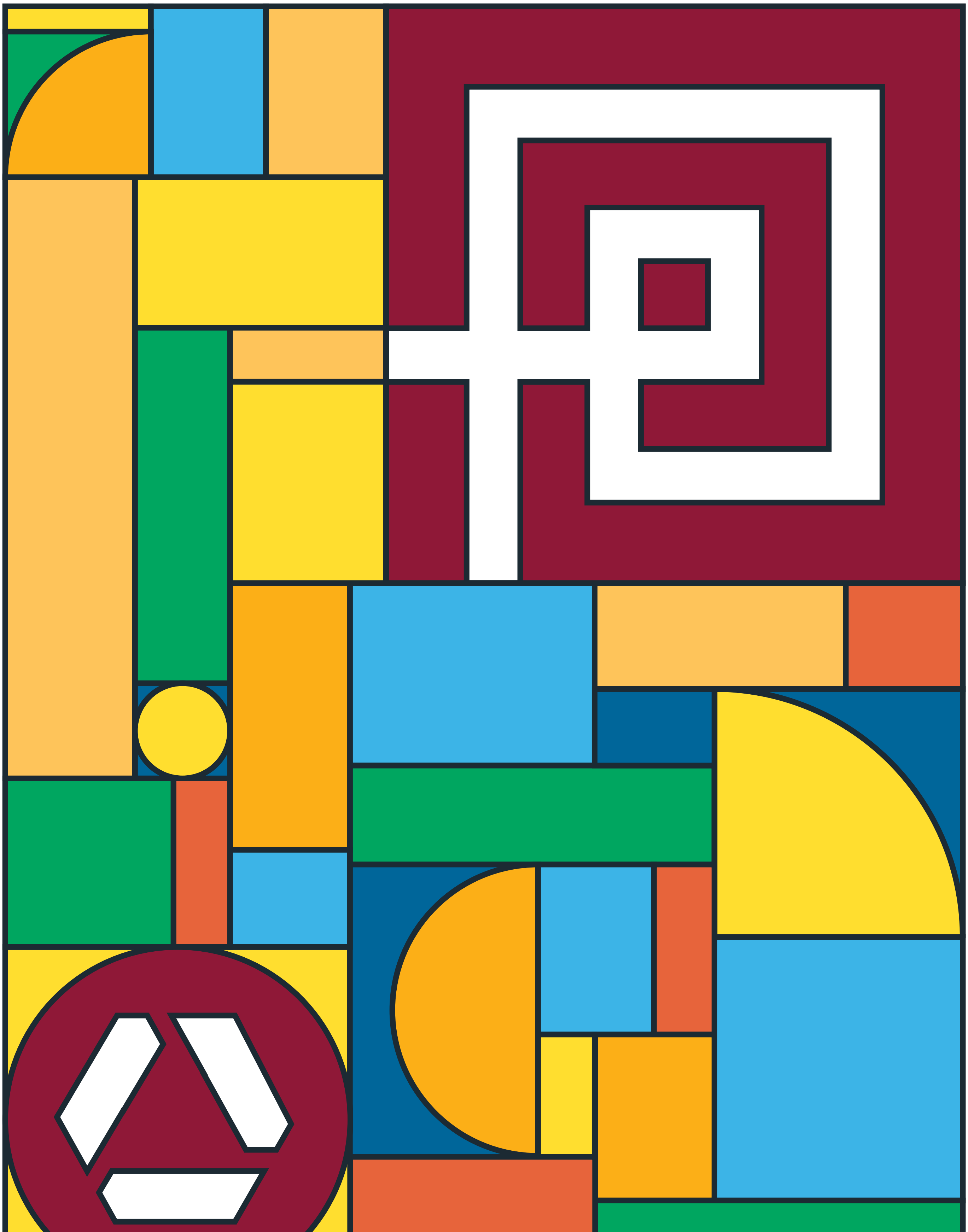
ANNUAL REPORT 2012

FAR EAST ORCHARD LIMITED

A MEMBER OF FAR EAST ORGANIZATION

THE FABRIC OF TRANSFORMATION

As a city grows, its landscape changes. With each exciting development, the skyline is redefined, as the new builds upon the old – creating a powerful transformation. Far East Orchard leverages on the firm fundamentals of its former self, Orchard Parade Holdings, and forges a new path with expansive horizons and limitless possibilities.



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CORPORATE PROFILE

Far East Orchard Limited (Far East Orchard) is a member of Far East Organization, Singapore's largest private property developer. Incorporated as Ming Court Limited in 1967, the Company came under Far East Organization in 1987 and was renamed Orchard Parade Holdings Limited in 1991. In July 2012, as part of a corporate restructuring, the Company adopted its new name of Far East Orchard Limited to better reflect its close alignment with its substantial shareholder and to leverage on the "Far East" brand. Far East Orchard is listed on the Mainboard of the Singapore Exchange since 1968.

An established developer, Far East Orchard delivered a number of successful residential, commercial and hospitality developments. It is currently developing euHabitat, a first-of-its-kind integrated residential development located in the eastern part of Singapore. Far East Orchard has also successfully developed The Floridian, The Nexus, Glendale Park, Regent Grove, Seasons View, Kew Green, Kew Residencia and The Manor Houses.

Redefining itself through a strategic transformation of the business in 2012, Far East Orchard has expanded into new complementary business lines in hospitality management and healthcare real estate segments.

The Company's hospitality arm, Far East Hospitality, operates the largest hospitality portfolio in Singapore comprising eight hotels and nine serviced residences, as well as the Sri Tiara Residences in Kuala Lumpur, Malaysia. Far East Hospitality has a stable of distinctive brands "Village", "Oasia" and "Quincy". Far East Orchard is a vertically integrated hospitality operator with the unique capability to both develop its own hospitality properties as well as manage a significant hospitality management business. A new addition to the serviced residence portfolio is currently underway via a redevelopment project in Kuala Lumpur.

Far East Orchard also owns a portfolio of medical suites in Singapore's premier medical hub of Novena. These purpose-built medical suites in Novena Medical Center and Novena Specialist Center are conceptualised to set the benchmark for a new generation of healthcare buildings with five star quality finishes, advanced technology and modern infrastructure, for medical specialists. Far East Orchard intends to be the premier private owner, operator and landlord of healthcare space in Singapore.

Today, Far East Orchard is a diversified business that is focused on property development, hospitality real estate development and management, and healthcare real estate space.

A STATEMENT FROM MR PHILIP NG

CHAIRMAN OF THE BOARD FROM 1993 TO 2012

Dear Shareholders,

The Transformation Has Begun

The Group underwent a successful strategic restructuring exercise in 2012. This restructuring is necessary to develop new business lines that complement the Group's strength in property development as well as to give the Group the opportunity to expand into the hospitality management and healthcare real estate sectors. This is also in line with the strategy to generate a sustainable and recurring income stream to augment the existing property development and investment business.

After the restructuring, Far East Orchard now has a new diversified portfolio focusing on property development, hospitality real estate development and management, and healthcare real estate space.

In conjunction with the restructuring, Orchard Parade Holdings Limited was re-named as Far East Orchard Limited (Far East Orchard) to reflect its alignment with Far East Organization and leverage on the 'Far East' brand.

The restructuring was completed on 27 August 2012, and the financial results for the financial year ended 31 December 2012 include the financial impacts from this restructuring.

Financial Highlights

Total group revenue for the financial year ended 31 December 2012 was lower, at $140.3 million. The decrease was primarily due to lower revenue recognised from the Group's property development project, Floridian, as the project was substantially sold and completed with the revenue recognised prior to 1 January 2012.

Net profit after tax for the year was a record $190.8 million. This was mainly from the net gain from the restructuring transactions.

New Leadership

As Far East Orchard begins the next phase of its transformative growth, I am pleased to pass the baton to Mr Koh Boon Hwee, who was appointed Non-Executive Chairman on 1 January 2013. Mr Koh brings his immense experience to the Group, as it actively develops and expands on its real estate capabilities and seeks to enlarge its footprint beyond Singapore. Mr Koh's excellent record in developing people, businesses and customers across a broad spectrum of industries and markets, will be instrumental in this regard.

I look forward to Mr Koh's stewardship in continuing to develop Far East Orchard and further raise the bar in business, management and operational excellence.

I would also like to thank all shareholders for your support during my tenure as Chairman, and hope that you will continue to extend the same support to the new Chairman and his Board.

Philip Ng Chee Tat
Immediate Past Non-Executive Chairman
27 March 2013

CHAIRMAN'S STATEMENT FROM MR KOH BOON HWEE

APPOINTED CHAIRMAN FROM 1 JANUARY 2013

Dear Shareholders,

Let me begin by stating that I am honoured to be appointed to the Board of Far East Orchard Limited as its Non-Executive Chairman. Together with my fellow Board members, we aim to steer Far East Orchard on its next phase of growth and to embark on another exciting journey.

With the strong management team led by Mr Lucas Chow, Group CEO and Managing Director, we will continue to build on the strong foundations laid by Mr Philip Ng during his tenure as Chairman. On behalf of the Board and management, I would like to express our appreciation to Mr Ng for his leadership and foresight over the years and for leading the restructuring of the Group to become the dynamic business that it is today.

The Journey Ahead

Moving forward, the future is indeed very exciting for Far East Orchard. Some of the opportunities may take time to realise as we build and develop new businesses, and as we seek growth in Singapore and in the region. Furthermore, the constantly changing business conditions and external environment will also present their own set of challenges for which we have to anticipate and be prepared for.

The Group's contribution from its hospitality division will come mainly from its new hospitality management business, and we are actively sourcing for opportunities that will allow us to expand our footprint beyond Singapore and to manage third party hospitality assets under our distinctive "Village", "Oasia" and "Quincy" brands. We will continue to seek opportunities to either develop or acquire appropriate hospitality assets to expand our hospitality business both in Singapore and abroad.

For our property development division, the Group will continue to sell units in euHabitat, a residential development project in which the Group has a 20% interest. We have also successfully launched SBF Center, a commercial development project, in which the Group also has a 20% interest. We will continue to seek opportunities to participate in government land tenders. For property investment, the Group will continue to source for and evaluate opportunities to expand our healthcare real estate space both in Singapore and the region.

The year ahead continues to be an exciting one for the Group. The Group is still evaluating the proposed transactions with The Straits Trading Company Limited and Toga Pty Limited that were announced on 26 November 2012 and 12 December 2012 respectively. The Group will provide further details in subsequent announcements in accordance with the Listing Rules at the appropriate times.

Dividends

In view of the financial results of the Group for the year ended 31 December 2012, the Board of Directors has recommended a first and final dividend of 6 cents per share.

Acknowledgement

On behalf of the Board, I wish to express my appreciation to our stakeholders, including our shareholders, valued customers and business associates for their unwavering support. My appreciation also goes to my fellow Board members for their invaluable advice and guidance during the year and to the management and staff for their hard work and contributions in the past year.

Koh Boon Hwee
Non-Executive Chairman
27 March 2013

FORWARD
A RENEWED COMMITMENT

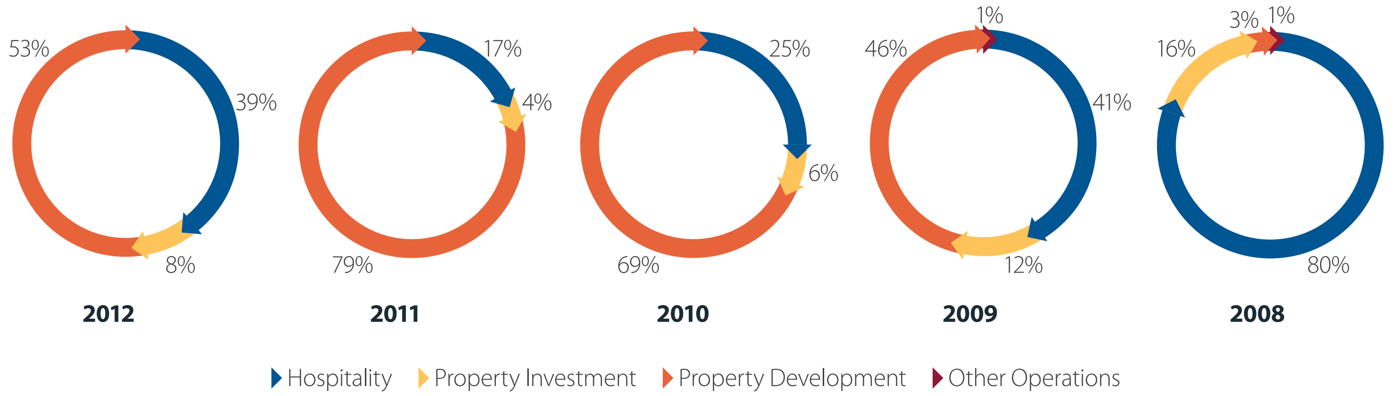
As it redefines its business focus, Far East Orchard is still committed to realising greater value for its shareholders. We are building on our strong foundation and expanding our presence – advancing ahead.

5-YEAR FINANCIAL HIGHLIGHTS

	2012 $'000	2011 $'000	2010 $'000	2009 $'000	2008 $'000
Hospitality	55,044	51,066	48,823	37,624	55,305
Property investment	10,399	11,373	11,118	10,545	10,844
Property development	74,866	229,834	135,822	42,262	2,146
Other operations	-	-	460	844	676
Total Group Revenue	**140,309**	**292,273**	**196,223**	**91,275**	**68,971**
Profit before income tax	194,944	147,804	95,633	14,197	31,335
Profit attributable to shareholders	190,755	124,791	82,531	13,210	26,951
Shareholders' equity	1,100,050	1,085,139	964,128	819,464	818,178
Total assets	1,685,295	1,655,333	1,446,563	1,305,837	1,348,668
Net assets per share ($)	2.92	2.99	2.73	2.34	2.33
Basic earnings per share (cents)	51.47	34.83	23.45	3.77	7.68
Final dividend per share (cents)	6	3	2	1	-
Special dividend per share (cents)	12	6	4	-	-
Dividend in specie per share (cents)	87	-	-	-	-
Gearing ratio	0.06	0.42	0.42	0.52	0.58

Notes:
1. Basic earnings per share are calculated by reference to the weighted average number of shares in issue during the year.
2. From 1 January 2012, the Group had adopted FRS 12 *Deferred Tax: Recovery of Underlying Assets*, under which investment properties measured at fair value are presumed to be recovered entirely from sale. The 2011 profit or loss account and the 2011 and 2010 balance sheets have been restated as disclosed in page 42 of the financial statements. Consequently, the affected financial ratios have been restated accordingly.
3. Dividend in specie of 0.22086 Yeo Hiap Seng Limited share (YHS) per share is calculated using the market price of YHS shares on the date of payment.

Group Revenue By Business Segment



LAND BANK & ASSETS OF THE GROUP

as at 31 December 2012

	Tenure	Site/Land Area (sq metres)	Approximate Lettable Area / Gross Floor Area (sq metres)	No. of Units / Rooms (Lettable and For Sale)
Development properties (residential and commercial)				
euHabitat[(1)]	Leasehold	41,261	57,766	750 units[(2)]
7 and 11 Bassein Road[(3)]	Freehold	4,775	tbc[(4)]	tbc[(4)]
SBF Center[(1)]	Leasehold	2,932	23,507	249 units[(5)]
Sub Total		48,968	81,273	999 units
Property under redevelopment				
Plaza Atrium[(6)]	Freehold	1,880	13,386[(7)]	249 rooms[(7)]
Sub Total		1,880	13,386	249 rooms
Medical suites and offices				
Tanglin Shopping Centre	Freehold	na	553	4 units
Novena Medical Center	Leasehold	na	3,379	45 units
Novena Specialist Center	Leasehold	na	3,464	47 units
Sub Total		-	7,396	96 units
Leased and managed properties[(8)]				
Orchard Parade Hotel	Freehold/99-Year[(9)]	8,143	26,558	388 rooms
Albert Court Village Hotel	99-Year	4,273	11,410	210 rooms
Central Square Serviced Residences	99-Year	6,238	8,813	127 rooms
Sub Total		18,654	46,781	725 rooms
Total		**69,502**	**148,836**	

na: Not applicable
tbc: To be confirmed

Notes:
(1) The Group's effective interest in this property is 20%.
(2) Total number of units being developed comprises of 748 residential units and 2 commercial units. 94% of total units sold as at 31 December 2012.
(3) The Group's effective interest in this property is 30%.
(4) Development planning in progress.
(5) Total number of units being developed comprises of 48 medical suites and 201 offices.
(6) Redeveloping into serviced residences.
(7) Proposed lettable area and rooms.
(8) Leasehold interests (50-year for Orchard Parade Hotel, 75-year for Albert Court Village Hotel and 80-year for Central Square Serviced Residences) sold to Far East Hospitality trust and leased back to the Group for an initial period of 20 years and an extendable term of another 20 years at the option of the Group. The Group has reversionary interests of the properties at the expiry of the 50-year, 75-year and 80-year leases.
(9) 1,069 sq metres is leasehold.

GROUP CEO'S OVERVIEW OF GROUP OPERATIONS

Dear Shareholders,

I am pleased to present my first report to shareholders as the Group CEO of Far East Orchard Limited.

2012 was a transformational year for Far East Orchard. It was a year of many milestones, and a year in which the foundation of growth was laid. Instrumental to this transformation was the successful corporate restructuring of the Group, the details of which were outlined in a circular to shareholders dated 19 June 2012. The restructuring exercise, which consisted of a REIT Transaction and an Asset Swap Transaction, was completed on 27 August 2012.

The REIT Transaction

Under the REIT Transaction, Far East Orchard had injected its hospitality assets into the Far East Hospitality Trust (Far East H-Trust). The Group then entered into master lease agreements with Far East H-Trust to operate these hospitality assets. As part of the transaction, the Group had also acquired a 33.0% interest in each of the REIT Manager and the Trustee-Manager.

The Asset Swap Transaction

Under the Asset Swap Transaction, Far East Orchard had acquired 45 units of medical suites in Novena Medical Center (NMC), 48 units of medical suites in Novena Specialist Center (NSC) and the entire hospitality management business of Far East Organization. The purchase consideration for these assets was satisfied by way of a transfer of a significant portion of the Group's shares in Yeo Hiap Seng Limited, with the balance settled in cash.

The successful restructuring resulted in new businesses that complement Far East Orchard's strengths and will give the Group the opportunity to expand into the hospitality management business and healthcare real estate space. These businesses not only build on our existing core capability as a property developer, but also complement our existing hospitality business. With the restructuring completed, we are truly a vertically integrated hospitality operator, with the unique ability to build and develop our own hotels and serviced residences, as well as operate hospitality assets under our own brands.

Financial Highlights

Net profit after tax was a record $190.8 million in 2012, up 52.9% from 2011. This was largely due to the gain on disposal of our shareholding in Yeo Hiap Seng Limited as part of the Asset Swap Transaction.

On the operating front, total revenue was $140.3 million, down 52.0%, from $292.3 million in 2011. Operating profit was $55.9 million, down 58.2% from 2011. This was primarily due to lower sales from our property development division.

As a result of the restructuring, the Group is now in a very strong financial position, with sizeable cash holding of $488.2 million as at 31 December 2012. Borrowing has also decreased significantly, mainly due to repayment of loans from the net proceeds received from the disposal of our hospitality assets as part of the REIT Transaction.

Property Development

The property development division saw significantly lower sales in 2012. Revenue was down 67.4%, to $74.9 million, from a record $229.8 million in 2011. This was due to the lower revenue recognised from our joint venture project with Wing Tai Holdings Limited, Floridian, of which 94% was sold in 2011. All remaining units in the development are now fully sold.

The Group currently has two projects under development.

The euHabitat is an integrated residential development of four distinct accommodation options in one contemporary community, comprising suites, SOHO apartments, condominiums and townhouses. As at 31 December 2012, 94% of total units in the project have been sold. As the project is in its early stages of development, no revenue has been recognised. The Group holds a 20% interest in the project.

The Group has also recently launched a new joint venture project together with Far East Organization. Known as SBF Center, this is a commercial development consisting of offices and medical suites in the prime central business district of downtown Singapore. Launched in March 2013, the project is now 68% sold, and is estimated to be completed in 2016. The Group also holds a 20% interest in this development.

The Group will continue to actively seek and identify suitable sites including government land tenders to build its landbank as well as pipeline of projects for future development.

Hospitality

The Group's hospitality division underwent significant changes during the year. As part of the REIT Transaction, the Group has now divested its leasehold interest in its three hospitality assets to Far East H-Trust. As a result, net contributions from these 3 assets are expected to be minimal going forward.

As part of the Asset Swap Transaction, Far East Orchard has also acquired the hospitality management business of Far East Organization. This gives Far East Orchard a platform to grow its footprint beyond Singapore. As at 31 December 2012, the hospitality portfolio contributed $5.3 million in revenue for the four months since acquisition, and had a total inventory of 3,400 rooms in Singapore and Malaysia. Far East Orchard now operates the largest hospitality portfolio in Singapore comprising eight hotels and nine serviced residences.

On a more macro level, the operating environment in the second half of 2012 has been very challenging and we have seen significant margin compression. Our occupancy continues to be high due to the high tourist arrivals, but we are also seeing our room rates eroding due to increased competition. Despite the challenging operating environment, our hospitality division continues to outperform the relevant industry benchmarks.

The Group is currently redeveloping its property in Malaysia. Previously known as Plaza Atrium, the office building is now under extensive renovations, and will be converted into a serviced residence in prime downtown Kuala Lumpur. The conversion is expected to be completed in the first quarter of 2014 and will add to the Group's hospitality portfolio.

As part of the Group's growth strategy, Far East Orchard is also concurrently pursuing appropriate inorganic growth opportunities. The Group is evaluating the proposed transactions with The Straits Trading Company Limited and Toga Pty Limited that were announced on 26 November 2012 and 12 December 2012 respectively, and will provide further details in subsequent announcements in accordance with its policy on continuing disclosure at the appropriate times.

Property Investment

The Group saw some significant changes to its property investment portfolio during the year. Most of the Group's investment properties were annexed to its hospitality assets and formed part of it, and therefore been divested as part of the REIT Transaction.

The Group had, however, acquired 93 units of medical suites in Novena Medical Center and Novena Specialist Center as part of the Asset Swap Transaction. These two purpose-built medical centres are located in the premier medical hub of Novena and are well supported by notable hospitals and healthcare institutions in the vicinity.

The Group intends to hold its medical suite portfolio both for long-term investment as well as having selected units for sale.

The Year Ahead

The global economic conditions are expected to remain uncertain in 2013. However, with its restructured businesses, Far East Orchard is well poised to address these challenges, and is in a good position to seize the opportunities ahead.

The Group will continue to exercise prudence in evaluating and exploring new opportunities and to enhance shareholders' value in a sustainable manner.

Lucas Chow Wing Keung
Group Chief Executive Officer and Managing Director
27 March 2013

OUTWARD
RECHARGED GROWTH

Beyond our strong presence in markets where we are known, we are growing our regional footprint by extending our competencies to new markets. We are ever ready to capitalise on opportunities – breaking new ground.

BOARD OF DIRECTORS & MANAGEMENT

Mr Koh Boon Hwee, 62
Non-executive Chairman

- *Chairman of Board of Directors*
- *Member of Nominating Committee*

Mr Koh Boon Hwee was appointed as a Non-executive Director and Chairman of the Board on 1 January 2013. At the Company's 45th Annual General Meeting, Mr Koh will retire and be eligible for re-election pursuant to Article 101 of the Company's Articles of Association. As Mr Koh serves on various executive committees in Far East Organization, the Nominating Committee of the Company considers Mr Koh to be non-independent.

Mr Koh is currently Executive Chairman of Credence Capital Fund II (Cayman) Ltd and Credence Partners Pte Ltd. He is also currently Non-Executive Chairman of Sunningdale Tech Ltd (formerly known as "Tech Group Asia Ltd"), Yeo Hiap Seng Limited, Yeo Hiap Seng (Malaysia) Berhad, AAC Technologies Holdings Inc, Rippledot Capital Advisers Pte Ltd, FEO Hospitality Asset Management Pte. Ltd. and FEO Hospitality Trust Management Pte. Ltd.

He started his career in 1977 at Hewlett Packard and rose to become its Managing Director in Singapore, a post he held from 1985 to 1990. From 1991 to 2000, he was Executive Chairman of the Wuthelam Group, and from 2002 to 2009, Mr Koh was at S i2i Limited (formerly known as "MediaRing Ltd") where his last held position was Executive Director. He was responsible for overseeing the corporate strategy and management of these companies. Mr Koh has concurrently been with Sunningdale Tech Ltd (formerly known as "Tech Group Asia Ltd") since 2003, where he oversaw the operations of the company as Executive Chairman and Chief Executive Officer from 2005 to 2008 and where he now acts in a non-executive capacity as Chairman.

Mr Koh was also the Non-Executive Chairman of the Singapore Telecom Group (SingTel) and its predecessor organisations from 1986 to 2001. From 2001 to 2005, Mr Koh served as Non-Executive Chairman of Singapore Airlines Limited, and from 2005 to 2010 as Non-Executive Chairman of DBS Group Holdings Ltd and DBS Bank Ltd.

From 1996 to 2010, Mr Koh served on the board of Temasek Holdings Pte Ltd, and was a member of the Executive Committee from 1997 to 2010.

Mr Koh is also a director of First Spring Ltd and Agilent Technologies, Inc, as well as a number of local and overseas private companies and local non-profit organisations, including the Harvard Singapore Foundation, Nanyang Technological University Board of Trustees, EDB International Advisory Council, the Research, Innovation and Enterprise Council (RIEC) and The William and Flora Hewlett Foundation.

Mr Koh graduated from Imperial College with a Bachelor of Science (Mechanical Engineering), First Class Honours, in 1972, and obtained a Master in Business Administration with Distinction from Harvard Business School in 1976.

Mr Lucas Chow Wing Keung, 59
Group Chief Executive Officer and Managing Director
- *Member of Board of Directors*

Mr Lucas Chow Wing Keung was appointed as the Chief Executive Officer and Managing Director of the Company on 15 March 2012. He was re-designated as Group Chief Executive Officer and Managing Director on 12 July 2012. He has been a Director of the Company since 1 June 2008. He was last re-elected as a Director of the Company on 27 April 2012. As Mr Chow is an employee of the substantial shareholder of the Company, he is considered by the Nominating Committee of the Company to be non-independent.

Mr Chow is currently an Executive Director of Far East Organization. He joined Far East Organization in June 2011. He provides strategic counsel to the Chief Executive Officer on new business growth and brand development across the organization's diverse portfolio. He serves on several high-level executive committees in Far East Organization including as Chairman of Far East Establishment Committee, member of Property Sales Executive Committee, F&B Executive Committee and Brand Executive Committee.

Prior to joining Far East Organization, Mr Chow was the Chief Executive Officer of MediaCorp, a leading media company in the region. Under his leadership, MediaCorp launched major initiatives in the digital space. Mr Chow was also the prime-mover of MediaCorp's corporate social responsibility programme. Mr Chow started his career with Hewlett Packard (HP) and spent almost 20 years in HP holding several senior positions. He joined Singtel in 1998 and held the positions of CEO (SingTel Mobile), Executive Vice President (Consumer Business) and Executive Vice President (Corporate Business). He was instrumental in increasing SingTel's broadband market share and driving regional expansion in the mobile business.

Mr Chow is an active leader in the business, media and telecommunications communities. He currently chairs the Singapore Health Promotion Board and also sits on various other boards of directors and advisory committees. He is a member of the National University of Singapore's Board of Trustees and chairs NUS Entrepreneurship Committee.

Mr Chow graduated with a Bachelor of Science (Honours) from the University of Aston, Birmingham (United Kingdom).

Mdm Ng Siok Keow, 66
Executive Director
- *Member of Board of Directors*

Mdm Ng Siok Keow was appointed Executive Director of the Company on 6 August 1987. She was last re-elected as a Director of the Company on 29 April 2011. As she is related to the substantial shareholders of the Company, she is considered by the Nominating Committee of the Company to be non-independent.

Mdm Ng is also an Executive Director of Far East Organization, the Chairman of the Management Committee of Cairnhill Community Club and holds directorship in Singapore Symphonia Company Ltd. She was awarded the Pingkat Bakti Masyarakat (PBM) in 1995, the Orchid Award by the Singapore Girl Guides Association in 1996 and the Bintang Bakti Masyarakat (BBM) in 2001.

Mdm Ng obtained her Bachelor of Science (Honours) degree in Chemistry from the University of Singapore.

Mdm Tan Siok Hwee, 62
Executive Director
- *Member of Board of Directors*

Mdm Tan Siok Hwee was appointed Executive Director of the Company on 6 August 1987. She is also an Executive Director of Far East Organization. At the Company's 45th Annual General Meeting, Mdm Tan will retire and be eligible for re-election pursuant to Article 96 of the Company's Articles of Association. As she is an employee of the substantial shareholder of the Company, she is considered by the Nominating Committee of the Company to be non-independent.

Mdm Tan obtained her Bachelor of Accountancy degree from the University of Singapore in 1973 and is a Certified Public Accountant. She has been a member of the Institute of Certified Public Accountants of Singapore since 1976.

BOARD OF DIRECTORS & MANAGEMENT

Arthur Kiong Kim Hock, 52
Executive Director
- *Member of Board of Directors*

Mr Arthur Kiong Kim Hock was appointed Executive Director and Chief Executive Officer of Hospitality of the Company on 1 September 2012. Mr Kiong is also an Executive Director of Far East Organization. At the Company's 45th Annual General Meeting, Mr Kiong will retire and be eligible for re-election pursuant to Article 101 of the Company's Articles of Association. As he is an employee of the substantial shareholder of the Company, he is considered by the Nominating Committee of the Company to be non-independent.

Mr Kiong was the Managing Director of Hotel Operation (Asia Pacific) and Senior Vice President of Group Marketing Services at Banyan Tree Hotels & Resorts. Prior to that, Mr Kiong was Vice-President of Marketing (Asia Pacific) for the Peninsula Group based in Hong Kong from 2002 to 2005, where he was responsible for the marketing functions in Head Office and Sales for the hotel outside the USA.

Mr Kiong has over 20 years of hotel industry experience having held operations, sales and marketing roles for various hotels in Asia and the USA including The Peninsula Hotels, the Mandarin Oriental Hong Kong, The Ritz-Carlton, Hyatt International, Westin Hotels and Banyan Tree Hotels & Resorts.

Mr Cheng Hong Kok, 70
Non-executive Director
- *Member of Board of Directors*
- *Chairman of Audit Committee*
- *Member of Remuneration Committee*

Mr Cheng Hong Kok was appointed Non-executive Director of the Company on 30 May 1996. He was last re-elected as a Director of the Company on 29 April 2011. Mr Cheng, being over the age of 70 years, will be re-appointed as a Director of the Company pursuant to Section 153(6) of the Companies Act (Cap.50). Mr Cheng Hong Kok, who had served on the Board for more than 9 years, is considered independent by the Nominating Committee based upon his experience, expression of views, attendance and participation in the meetings.

Mr Cheng is a Director of SP Corporation Limited and is the Chairman of its Audit Committee. He sat on the Board of Gul Technologies Singapore Ltd and was the Chairman of its Nominating and Remuneration Committees. Mr Cheng was a Director and an Executive Committee member of Singapore Petroleum Company Limited ("SPC") from 1999 to 2009. Prior to that, he was the President and Chief Executive Officer of SPC from 1981 to 1996. Through SPC, he was involved in the Asean Council on Petroleum (ASCOPE) for many years. He was also a Board member of the Singapore Economic Development Board from 1987 to 1990 and was a member of the Government Economic Planning Committee from 1989 to 1991.

Mr Cheng graduated from the University of London in 1964 with First Class Honours degree in Chemical Engineering and attended the Advanced Executive Management Program at the J. L. Kellogg Graduate School of Management, Northwestern University, USA, in 1981. In 1961, he was awarded the Singapore State Scholarship, the Colonial Welfare and Development Scholarship and the University of Malaya Entrance Scholarship. He was also awarded the University of Cambridge Fellowship and the Eisenhower Fellowship in 1964 and 1979 respectively.

BOARD OF DIRECTORS & MANAGEMENT

Mr Heng Chiang Meng, 67
Lead Independent Director & Non-executive Director

- *Member of Board of Directors*
- *Member of Audit Committee*
- *Chairman of Remuneration Committee*
- *Chairman of Nominating Committee*

Mr Heng Chiang Meng was appointed Non-executive Director of the Company on 19 June 1998. In 2008, Mr Heng was appointed as Lead Independent Director of the Company. He was appointed as the Chairman of the Remuneration Committee and Nominating Committee on 9 March 2011 and 29 April 2011 respectively. He was last re-elected as a Director of the Company on 28 April 2010. At the Company's 45th Annual General Meeting, Mr Heng will retire and be eligible for re-election pursuant to Article 96 of the Company's Articles of Association. Mr Heng Chiang Meng, who had served on the Board for more than 9 years, is considered independent by the Nominating Committee based upon his experience, expression of views, attendance and participation in the meetings.

Mr Heng holds directorships in various listed companies including Keppel Land Limited, Macquarie International Infrastructure Fund Limited and Academies Australasia Group Ltd, which is listed on the Australian Stock Exchange in Sydney, Australia.

Mr Heng holds a Bachelor of Business Administration (Honours) degree from the University of Singapore.

Mdm Ee Choo Lin Diana, 55
Non-executive Director

- *Member of Board of Directors*
- *Member of Audit Committee*
- *Member of Nominating Committee*
- *Member of Remuneration Committee*

Mdm Ee was appointed to the Board of the Company as an Independent Director and Member of the Audit and Nominating Committees on 29 April 2011. On 1 June 2011, she was appointed as a Member of the Remuneration Committee of the Company. She was last re-elected as a Director of the Company on 27 April 2012. The Nominating Committee considers Mdm Ee to be an independent director.

Mdm Ee brings with her over 25 years of international experience in the tourism and hospitality industry and has held senior positions managing multi hotel brands in Raffles International Limited and Fairmont Raffles Hotels International. She was formerly President of Raffles Hotels & Resorts where she had responsibilities for the overall operating and financial performance of the group's hotels worldwide and the brand's global growth strategy.

Mdm Ee is presently engaged in business advisory roles and is active in supporting the hospitality industry. She is a Board Member of the Singapore Tourism Board and a Director of Mt Faber Leisure Group Pte Ltd and SHATEC Institutes Pte Ltd, where she also serves as the Chairman of the Academic & Examinations Advisory Council. Mdm Ee presently sits on the Board of Governors of Republic Polytechnic Singapore and is the Vice-Chairman of the Hotel & Accomodation Industry Skills and Training Council of the Singapore Workforce Development Agency.

Mdm Ee obtained her Bachelor of Arts degree in Economics from the National University of Singapore.

Mr Yik Yen Shan, Vincent, 41
Chief Financial Officer

Mr Yik Yen Shan, Vincent was appointed Chief Financial Officer of the Group on 15 March 2012. He is responsible for all financial and accounting matters of the Group, as well as tax, treasury and investor relations.

Mr Yik graduated from the University of Queensland with a Bachelor of Commerce degree and is a member of CPA Australia. He has more than 15 years of experience in audit, accounting and finance. Prior to joining Far East Orchard Limited, he was the Chief Financial Officer of the Australia and New Zealand Banking Group in Singapore.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Executive Chairman
Mr Koh Boon Hwee

Group Chief Executive Officer and Managing Director
Mr Lucas Chow Wing Keung

Executive Directors
Mdm Ng Siok Keow
Mdm Tan Siok Hwee
Mr Arthur Kiong Kim Hock

Independent Directors
Mr Cheng Hong Kok
Mr Heng Chiang Meng
Mdm Ee Choo Lin Diana

COMPANY SECRETARIES
Ms Chloe Kho Kim Suan
Ms Madelyn Kwang Yeit Lam

AUDIT COMMITTEE

Chairman
Mr Cheng Hong Kok

Members
Mr Heng Chiang Meng
Mdm Ee Choo Lin Diana

NOMINATING COMMITTEE

Chairman
Mr Heng Chiang Meng

Members
Mr Koh Boon Hwee
Mdm Ee Choo Lin Diana

REMUNERATION COMMITTEE

Chairman
Mr Heng Chiang Meng

Members
Mr Cheng Hong Kok
Mdm Ee Choo Lin Diana

REGISTERED OFFICE
1 Tanglin Road #05-01
Orchard Parade Hotel
Singapore 247905
Telephone : (65) 6833 6688
Facsimile : (65) 6738 8085
Website : www.fareastorchard.com.sg

SHARE REGISTRAR
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Telephone : (65) 6536 5355
Facsimile : (65) 6536 1360

INDEPENDENT AUDITOR
PricewaterhouseCoopers LLP
8 Cross Street
#17-00 PWC Building
Singapore 048424

Partner-in-charge : Mr Tan Boon Chok
(Appointed since the financial year ended 31 December 2012)

MAIN BANKERS
Oversea-Chinese Banking Corporation Limited
DBS Bank Ltd

BUSINESS STRUCTURE

as at 27 March 2013

HOSPITALITY

- **100%** Hospitality and property management (operated by Jelco Properties Pte Ltd)
- **100%** Orchard Parade Hotel (operated by Far East Orchard Limited)
- **100%** Albert Court Village Hotel (operated by First Choice Properties Pte Ltd)
- **100%** Central Square Village Residences (operated by OPH Riverside Pte Ltd)
- **100%** Plaza Atrium (1) (owned by Pinehigh Development Sdn Bhd)

PROPERTY DEVELOPMENT

- **100%** OPH Marymount Limited
  - **20%** euHabitat
  - **30%** 7 & 11 Bassein Road
- **100%** Pearlvine Pte Ltd
  - **20%** Far East Opus Pte. Ltd. (SBF Center)
- **100%** OPH Orion Limited
  - **60%** Orwin Development Limited (Floridian)
- **100%** OPH Zenith Pte Ltd
  - **50%** Seasons Park Limited
- **100%** OPH Property Llimited
  - **50%** Hill Grove Realty Limited
- **100%** Tannery Holdings Pte Ltd
- **80%** Seasons Green Limited

PROPERTY INVESTMENT

- **100%** Medical suites at Novena Medical Center and Novena Specialist Center (2) (owned by Jelco Properties Pte Ltd)
- **100%** Office units at Tanglin Shopping Centre (owned by Far East Orchard Limited)
- **100%** Stable Properties Pte Ltd

INVESTMENT HOLDINGS

- **33%** FEO Hospitality Asset Management Pte. Ltd.
- **33%** FEO Hospitality Trust Management Pte. Ltd.
- **100%** OPH Investments Pte Ltd
  - **25%** Minard Investment Limited
    - **27%** Universal Gateway International Pte Ltd
  - **11%** SQL View Pte Ltd
- **100%** OPH Investment Trading Pte Ltd

Notes:
(1) Under redevelopment into serviced residences
(2) Certain medical suites at both properties are held for sale
(3) The above structure excludes companies under voluntary liquidation


oasia hotel
NOVENA
Specialist Center

TOWARDS
SUSTAINABLE FUTURE

2012 marks our foray into the growing healthcare real estate industry. This new business, coupled with our established portfolio, is poised to strengthen our reputation and capability as a trusted property developer – driving the future.

CORPORATE GOVERNANCE STATEMENT

as at 27 March 2013

Far East Orchard Limited is committed to maintaining a high standard of corporate governance and to promote corporate transparency, accountability and integrity to enhance shareholders' value.

This report describes the Group's corporate governance practices and structures that were in place during the financial year ended 31 December 2012, with specific reference to the principles and guidelines of the Singapore Code of Corporate Governance 2005 ("the Code"), as well as the Listing Manual of the Singapore Exchange Securities Trading Limited and the Singapore Companies Act, where applicable.

Principle 1
Board's Conduct of its Affairs

The Board has responsibility to provide entrepreneurial leadership, set strategic aims, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives. The functions of the Board include reviewing and approving the annual budget of the Group, ensuring that there is a sound system of internal controls to safeguard shareholders' investments and the Group's assets, reviewing monthly management accounts, reviewing the business performance of the Group, approving the release of the quarterly and year-end accounts, and endorsing the framework of remuneration for the Board and key executives.

The Board is made up of more than one-third Non-executive and Independent Directors who have the right core competencies and experience to enable them to contribute effectively.

Every director is expected, in the course of carrying out his/her duties, to act in good faith, provide insights and consider at all times, the interests of the Group.

The Board has established three board committees ("Board Committees") to assist in the execution of its responsibilities. They are the Audit Committee ("AC"), the Remuneration Committee ("RC") and the Nominating Committee ("NC").

The Board meets at least four times a year at regular intervals and whenever particular circumstances require. Telephonic attendance and conference via audio communication for Board meetings are allowed under the Company's Articles of Association. The Board and Board Committees may also make decisions by way of circulating resolutions.

The attendance of the Directors at scheduled meetings of the Board and Board Committees during the financial year ended 31 December 2012 is disclosed below:

CORPORATE GOVERNANCE STATEMENT

as at 27 March 2013

	Board		Audit Committee		Nominating Committee		Remuneration Committee	
Name of Director	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Philip Ng Chee Tat (1)	4	4	-	-	1	1	-	-
Lucas Chow Wing Keung	4	4	3*	3*	-	-	1	1
Ng Siok Keow	4	4	-	-	-	-	-	-
Tan Siok Hwee	4	4	-	-	-	-	-	-
Arthur Kiong Kim Hock (2)	1	1	-	-	-	-	-	-
Tjong Yik Min (3)	2	2	-	-	-	-	-	-
Eddie Yong Chee Hiong (3)	2	2	-	-	-	-	-	-
Cheng Hong Kok	4	4	4	4	-	-	2	2
Heng Chiang Meng	4	4	4	4	1	1	2	2
Ee Choo Lin Diana	4	4	4	4	1	1	2	2

Notes:
1. *Mr. Philip Ng Chee Tat stepped down as Non-executive Director and Chairman of the Board on 1 January 2013. He also ceased to be a member of the Nominating Committee on the same day.*
2. *Mr. Arthur Kiong Kim Hock was appointed as an Executive Director and Chief Executive Officer of Hospitality Division on 1 September 2012.*
3. *Mr. Tjong Yik Min and Mr. Eddie Yong Chee Hiong retired as Executive Directors on 27 April 2012.*
4. *A - Number of meetings held during the financial year/period from 1 January 2012 (or date of appointment, where applicable) to 31 December 2012.*
5. *B - Number of meetings attended during the financial year/period from 1 January 2012 (or date of appointment, where applicable) to 31 December 2012.*
6. ** - By invitation*

The Group has adopted internal guidelines regarding matters that require Board approval. The types of material transactions which require Board approval, include:

i) transactions in the ordinary course of business with gross value per transaction exceeding a specified amount;
ii) major transactions not in the ordinary course of business;
iii) borrowings and/or provision of corporate guarantees or other securities;
iv) acquisition or disposal of fixed assets exceeding a specified value;
v) equity or contractual joint ventures;
vi) diversification into new businesses; and
vii) interested person transactions.

Changes to regulations and accounting standards are monitored closely by Management. The directors are briefed during Board meetings or at specially convened sessions conducted by professionals on regulatory changes that have any significant bearing on the Group's or directors' obligations.

Newly appointed directors are provided training on the roles and responsibilities of a director of a public listed company. They are also briefed by Management on the business activities and strategic directions of the Group. Directors are briefed and provided with relevant information on the Group's policies and procedures relating to corporate conduct and governance including disclosure of interests in securities, restricted periods for dealings in the Group's securities and restrictions on disclosure of confidential or price-sensitive information.

The Directors may also attend other appropriate courses, conferences and seminars, at the Company's expense. These include programmes conducted by the Singapore Institute of Directors.

Principle 2
Board Composition and Guidance

The Board currently consists of eight Directors, of whom three are considered independent by the Board. There is a strong independent element on the Board, with independent Directors constituting more than one-third of the Board. Mr. Cheng Hong Kok, Mr. Heng Chiang Meng and Mdm. Ee Choo Lin Diana are considered Independent Directors.

The Board is of the view that its present size is appropriate and facilitates effective decision making, taking into account the scope and nature of the Group's operations. The Board comprises respected members of the business community who have long and extensive experience in various fields, including engineering, hospitality, corporate management, accounting, banking and finance. A profile of each member of the Board is found in the "Board of Directors and Management" section of the Annual Report.

An effective and robust Board, whose members engage in open and constructive debate and challenge management on its assumptions and proposals, is fundamental to good corporate governance. A Board should also aid in the development of strategic proposals and oversee effective implementation by Management to achieve set objectives. The Non-executive Directors are well supported by accurate, complete and timely information and have unrestricted access to management. Regular informal meetings are held for management to brief directors on prospective deals and potential developments at an early stage, before formal Board approval is sought. When Directors are unable to attend any Board or Board Committee meetings, they may provide their comments to the Chairman or relevant Board Committee Chairman, separately.

Principle 3
Chairman and Chief Executive Officer

The roles and responsibilities of the Chairman and Group Chief Executive Officer ("CEO") are distinct and separate.

The Chairman's responsibilities include setting the Group's strategies, promoting high standards of corporate governance and scheduling and managing meetings to enable the Board to perform its duties responsibly. He approves the agendas for the Board meetings and ensures sufficient allocation of time for thorough discussion of agenda items. He promotes an open environment for debate, and ensures Non-executive Directors are able to speak freely and contribute effectively. In addition, he provides close oversight, guidance, advice and leadership to the Group CEO and Management.

At annual general meetings and other shareholder meetings, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and management.

The Group CEO manages and develops the businesses of the Group. He is responsible for effectively managing and supervising the day-to-day business operations in accordance with the strategies, policies and business plans approved by the Board. The Group CEO is supported by the Executive Directors in leading Management in the day-to-day operations of the Group.

Board interaction with, and independent access, to senior management is encouraged.

Shareholders with concerns may contact the Lead Independent Director, Mr. Heng Chiang Meng directly, when contact through the normal channels via the Chairman or other management personnel has failed to provide a satisfactory resolution, or when such contact is inappropriate.

Principle 4
Board Memberships

The NC was established on 25 March 2002 and now comprises three members, all of whom are Non-executive Directors. The Chairman of the NC is Mr. Heng Chiang Meng, an Independent Director. The other members of the NC are Mr. Koh Boon Hwee and Mdm. Ee Choo Lin Diana.

The NC makes recommendations to the Board on all board committee appointments, assesses the effectiveness of the Board as a whole and reviews and recommends the appointment of key executives. The NC also determines annually the independence of each director of the Board. Each Independent Director is required to complete a checklist to confirm his/her independence. The checklist is drawn up based on the guidelines provided by the Code. The NC is of the view that Mr. Cheng Hong Kok, Mr. Heng Chiang Meng and Mdm. Ee Choo Lin Diana are Independent.

When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his/her duties as a Director of the Company. The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company, notwithstanding that some of the Directors have multiple board representations.

The NC is satisfied that all Directors have discharged their duties adequately for FY2012 and will continue to do so in FY2013.

The NC is charged with the responsibility of re-nominating the Directors. The Company's Articles of Association require one-third, or the number nearest one-third, of the directors, including the person holding the office of Managing Director (or any equivalent appointment however described), to retire from office. The directors to retire every year are those who have been longest in office since their last election or appointment. In addition, a newly appointed director will hold office only until the next annual general meeting at which he/she will be eligible for re-election. Directors of over 70 years of age are required to be re-appointed as a Director every year at the AGM under Section 153(6) of the Companies Act before they can continue to act as a Director.

Key information regarding the Directors, including their academic and professional qualifications, is listed in the "Board of Directors and Management" of the Annual Report.

Principle 5
Board Performance

The responsibilities of the NC include evaluating the performance of the Board and the Chairman of the Board based on a set of criteria. The assessment criteria includes the Board's performance against established performance objectives, contribution to ensuring effective risk management, response to problems and crisis, the Board's relationship with the Management and the adequacy of Board and committees' meetings held to enable proper consideration of issues.

The NC is of the view that the primary objective of the assessment exercise is to create a platform for the Board members to encourage exchange of views on the Board's strengths and shortcomings with a view to strengthening the effectiveness of the Board as a whole.

Principle 6
Access to Information

The Board has separate and independent access to the senior management of the Group, who keeps the Board apprised of the Group's operations and performance by providing monthly management reports.

The directors also have separate and independent access to the Company Secretaries. The role of the Company Secretaries, one of whom is always in attendance at Board meetings, includes preparing the agenda and papers for meetings of the Board and its various committees, writing and circulating minutes of meetings, sending Board members information relating to the Group as needed and ensuring that board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

Each member of the Board has direct access to the Group's independent professional advisors as and when necessary to enable each member to discharge his/her responsibility effectively. Any cost of obtaining professional advice will be borne by the Company.

Principle 7

Procedures for Developing Remuneration Policies

The RC was established on 25 March 2002 and now comprises three members, all of whom are Independent Directors. Mr Heng Chiang Meng, an Independent Director, chairs the RC. The other members of the RC are Mr. Cheng Hong Kok and Mdm. Ee Choo Lin Diana.

The RC reviews matters concerning remuneration of the Board, Group CEO and senior management. The RC approves the framework of remuneration for the entire organisation, including the structuring of the long-term incentive plans. The members of the RC do not participate in any decisions concerning their own remuneration. The RC's recommendations are submitted for the Board's discussion or, as the case may be, approval.

The RC recommends to the Board the specific remuneration packages for executive directors and the Group CEO upon recruitment. Subsequently, annual increments, variable bonuses and other incentive awards or benefit-in-kind, will be reviewed by the RC for recommendation to the Board.

The RC members are familiar with executive compensation matters as they manage their own businesses and/or are holding directorships in the boards of other listed companies.

In 2012, an external consultant was engaged to develop a market-based and competitive director compensation package for the Company. The proposed directors' fees structure for 2012 was recommended after taking into account the market trends and prevailing market rates. These fees will be tabled at the AGM for shareholders' approval.

The RC has access to appropriate advice from the Head of Human Resources, who attends all RC meetings. The RC may also seek external expert advice on remuneration of Directors and staff.

Principle 8

Level and Mix of Remuneration

All of the directors, whether executive or non-executive, receive the same amount of directors' fees. Members of the various committees receive additional fees for serving on the respective committees. The Chairman of each of these committees is paid additional fees. The aggregate of all these fees is approved for payment by the Company's shareholders at the Annual General Meeting of the Company.

The RC has reviewed and approved the service agreements of Mr. Lucas Chow, the Group CEO and Managing Director, and Mr. Arthur Kiong, the Executive Director and Chief Executive Officer of Hospitality Division. There are no excessively long or onerous removal clauses in these service agreements. The service agreements may be terminated by the Company giving them three (3) months' written notice or payment of salary in lieu of notice. The other Executive Directors receive only a nominal salary from the Group. All the Executive Directors have separate employment contracts with the substantial shareholder or its related company.

The RC is of the view that the Non-executive Directors are not over-compensated to the extent that their independence may be compromised.

The Group does not have any long-term incentive schemes or employee share option scheme.

Principle 9

Disclosure on Remuneration

The Company has adopted a remuneration policy for staff comprising a fixed component (in the form of a base salary) and a variable component, which is in the form of a variable bonus that is linked to the Company's and the individual's performance.

A breakdown showing the level and mix of each individual Director's remuneration in the financial year ended 31 December 2012 is appended below.

Name of Director	Fee* %	Base salary* %	Variable/performance-related income/bonuses %	Benefits in kind %
$750,000 to $1,000,000				
Lucas Chow Wing Keung [(1)]	3.65	78.51	17.84	-
Below $250,000				
Philip Ng Chee Tat [(2)]	100	-	-	-
Ng Siok Keow	100	-	-	-
Tan Siok Hwee	100	-	-	-
Tjong Yik Min [(3)]	100	-	-	-
Eddie Yong Chee Hiong [(3)]	9.10	88.91	-	1.99
Arthur Kiong Kim Hock [(4)]	5.51	81.54	6.04	6.91
Cheng Hong Kok	100	-	-	-
Heng Chiang Meng	100	-	-	-
Ee Choo Lin Diana	100	-	-	-

** Inclusive of allowances and Central Provident Fund contributions*

Notes:

(1) *Mr. Lucas Chow Wing Keung was appointed as Group Chief Executive Officer and Managing Director on 15 March 2012.*
(2) *Mr. Philip Ng Chee Tat stepped down as Non-executive Director and Chairman of the Board on 1 January 2013.*
(3) *Mr. Tjong Yik Min and Mr. Eddie Yong Chee Hiong retired as Executive Directors on 27 April 2012.*
(4) *Mr. Arthur Kiong Kim Hock was appointed as Executive Director and Chief Executive Officer of Hospitality Division on 1 September 2012.*

The remuneration of the top five key executives (who are not Directors of the Company) for the financial year ended 31 December 2012 is as follows:

Top 5 Key Executives	Designation	Remuneration Band
Yik Yen Shan, Vincent	Chief Financial Officer	$250,000 to $500,000
Raphael Saw Kheng Hwa	Chief Operating Officer and Director of Hospitality Division	Below $250,000
Richard Lee Voon Kean	Assistant Director of Hospitality Division	Below $250,000
Eric Tong Chun Wah	Assistant Director of Hospitality Division	Below $250,000
Brian Stampe	Assistant Director of Hospitality Division	Below $250,000

There was no employee of the Company and its subsidiaries who was an immediate family member of a Director or the CEO and whose remuneration exceeded $150,000 during the financial year ended 31 December 2012.

Principle 10
Accountability

The Board conducts itself in ways that deliver maximum sustainable value to the shareholders. The Board promotes best practices as a means to build an excellent business for the shareholders. The Board is accountable to shareholders for the Company's performance.

Shareholders are provided with information on the Group's financial performance, position and prospects through SGXNET announcements on a quarterly basis.

Management provides members of the Board with monthly management accounts and other information in connection with certain matters or transactions, which would require Board approval. In this way, the Board is kept abreast of the operations, financial performance, position and prospects of the Group.

Principle 11
Audit Committee

The Company's AC comprises three directors, all of whom are independent directors. Mr. Cheng Hong Kok is the Chairman of the AC, the other members are Mr. Heng Chiang Meng and Mdm. Ee Choo Lin Diana. The Board is of the view that all members of the AC have accounting and/or related financial management expertise and experience to discharge their responsibilities as members of AC.

The AC has explicit authority to investigate any matter within its terms of reference, which include assessing the appropriateness of mechanisms created to identify, prevent and minimise business risks; ensuring that a review of the effectiveness of the Group's material internal controls is conducted at least annually; reviewing the independent auditor's proposed audit scope and final audit report; reviewing the performance and considering the independence of the independent auditor and meeting with them annually; and reviewing all interested persons transactions.

The AC has full access to and the co-operation of the Group's Management and in addition, has absolute discretion to invite any director or executive officer of the Group to attend its meetings, as it deems necessary. The AC has nominated PricewaterhouseCoopers LLP for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting. The AC has conducted an annual review of non-audit services provided by the independent auditor to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity provided by the independent auditor before confirming their re-nomination.

In the last financial year, the AC held four meetings. In those meetings, the AC reviewed, *inter alia*, the internal auditor's report on interested party transactions as well as the various reports on other areas of the Group's business, the internal auditor's audit plan and fee for the current financial year, the independent auditor's final audit report, the year-end and quarterly announcements on financial statements, the Group's year-end and quarterly performances, and also discussed corporate governance matters. The AC has also met separately with the independent auditor and the internal auditors without the presence of the Company's Management. These meetings enable the independent auditor and internal auditors to raise issues encountered in the course of their audit directly to the AC.

The Group has put in place a whistle-blowing policy to provide employees with an avenue to raise concerns about possible improprieties in financial reporting or other matters. Details of the whistle-blowing policy have been made available to all employees.

Principle 12
Internal Controls

The Group places importance on the maintenance of a sound system of internal controls in order to safeguard shareholders' interests and the Group's assets. The AC ensures that the internal auditors conduct reviews of the Group's material internal controls, addressing financial, operational and compliance controls. Risk management and financial management are also assessed.

The AC reviews the effectiveness of the Group's internal controls on behalf of the Board. In their review, the AC considers the nature of the risks facing the Group and the extent to which these risks are acceptable, the likelihood of risks materialising and the Group's ability to reduce their occurence and impact on the business, and the cost versus the benefit of managing the risks.

Having reviewed the various areas of potential risks and the control measures employed to manage these risks, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, addressing financial, operational and compliance risks are adequate.

The Board has received assurance from the Group CEO and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, and the Company's risk management and internal control systems are effective.

Principle 13
Internal Audit

The Group outsources its internal audit function to the Group Internal Audit Department ("GIA") of Far East Organization, the Group's substantial shareholder. GIA reports directly to the AC and also reports administratively to Group CEO and Managing Director.

The AC ensures the adequacy of the internal audit function by examining the scope of GIA's work, the quality of their reports, their qualifications and training, their relationship with the independent auditor and their independence of the areas reviewed.

Having regard to the Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors, and having reviewed the functions and organisational structure of GIA, the AC is satisfied that GIA meets the requisite standards, is adequately resourced, and has appropriate standing within the Group.

Principle 14
Communication with Shareholders

The Group strives to disclose information to its shareholders in a timely manner and typically makes announcements through SGXNET. It also responds to queries from investors, fund managers and analysts but without making selective disclosure.

Principle 15
Greater Shareholder Participation

The Company's Articles of Association allow shareholders to vote in person or by proxy or by attorney, or in the case of a corporation by a representative. A shareholder may appoint up to two proxies to attend and vote in his stead at a general meeting. The Company has not amended its Articles of Association to provide for other methods of voting in absentia as these would require a costly system of authentication to ensure the integrity of information and the identity of shareholders in telephonic and electronic media.

At a general meeting, each distinct issue is the subject of a separate resolution. The chairmen of the various Board Committees are usually available at the Company's general meetings to address questions raised. The Company's auditors are also present at annual general meetings of the Company to address shareholders' queries on the conduct of audit and the preparation and content of the auditor's report.

RISK MANAGEMENT

Operation Risks

The operational risks facing the Group include changes in external market conditions such as government policies, rules and regulations relating to the property and financial markets, increase in interest rates, oversupply of properties, price-cutting by competitors and drop in visitor arrivals due to political instability, terrorism and health warnings. Other risks include increase in operating costs and the necessity for capital expenditure from time to time.

Management undertakes periodic reviews of the Group's past performances, identifies and assesses current and future operational and financial risks facing the Group and controls and manages these risks within the limits and strategies approved by the Board.

Financial Risks

The Group's activities are affected by various financial risks, including interest rate risk, exchange rate risk and liquidity risk, the details of each are set out in Note 33 to the financial statements of this annual report.

DEALINGS IN SECURITIES

The Company has issued an internal guideline on dealings by the Group's employees in the Company's shares. Directors and employees are prohibited from trading in the Company's shares two weeks before the announcement of the financial results of the Company for each of the first three quarters of its financial year, or one month prior to the announcement of the financial results of the Company for the full financial year up to and including the date of the announcement. In addition, all directors and employees are required to observe insider trading laws at all times and are prohibited from trading whilst in possession of price-sensitive information.

MATERIAL CONTRACTS

Save for the transactions set out in the Company's circular to shareholders dated 19 June 2012 and the related parties transactions as disclosed in the Financial Statements, no material contract involving the interests of any director or controlling shareholder of the Group has been entered into by the Company or any of its subsidiaries since the end of the financial year and no such contract subsisted at the end of the financial year.

USE OF PROCEEDS

The Company has utilised the net proceeds raised from the sale of the Hospitality Assets as follows:

(i) $356.4 million to discharge the then existing encumbrances over the Hospitality Assets;
(ii) $58.7 million as part consideration for the Asset Swap Acquisition;
(iii) $9.1 million for the stamp duty chargeable on the Asset Swap Acquisition;
(iv) $1.0 million for the professional and other fees and expenses incurred by the Company in connection with the transactions; and
(v) $35.4 million for the payment of the Special Dividend.

CORPORATE GOVERNANCE STATEMENT
as at 27 March 2013

INTERESTED PERSON TRANSACTIONS

Interested person transactions carried out during the financial year which fall under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited are as follows:

Name of interested person	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 of the Listing Manual)	
	2012	2011
	$'000	$'000
Far East Property Sales Pte Ltd		
Rental income	-	234
Sales & marketing service fees	(167)	(948)
Far East Organization Centre Pte Ltd		
Rental income	396	652
Hospitality management income	1,040	-
Purchase of goods and services	(273)	-
Far East Hospitality Services Pte Ltd		
Rental income	545	604
Management service fees	(1,952)	(2,255)
Far East Management (Private) Limited		
Rental income	488	360
Computer maintenance support fees	(260)	(260)
Management service fees	(2,203)	(1,017)
Property development, project management and sales & marketing service fees	(808)	(1,358)
Lyon Cleaning & Maintenance Services Pte Ltd		
Management service fees	(415)	-
Transurban Properties Pte Ltd		
Hospitality management income	697	-
Purchase of goods and services	(223)	-
Golden Development Private Limited		
Hospitality management income	1,237	-
Purchase of goods and services	(157)	-

CORPORATE GOVERNANCE STATEMENT

as at 27 March 2013

Name of interested person	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 of the Listing Manual)	
	2012	**2011**
	$'000	**$'000**
Golden Landmark Pte Ltd		
Hospitality management income	563	-
Purchase of goods and services	(174)	-
Oxley Hill Properties Pte Ltd		
Hospitality management income	208	-
Riverland Pte Ltd		
Hospitality management income	193	-
Serene Land Pte Ltd		
Hospitality management income	187	-
Orchard Landmark Pte Ltd		
Hospitality management income	129	-
Orchard Parksuites Pte Ltd		
Hospitality management income	648	-
Dollar Land Singapore Private Limited		
Hospitality management income	149	-
Far East Hospitality Real Estate Investment Trust		
Property management income	147	-
Purchase of goods and services	(274)	-
Master lessee rental	(10,571)	-

Pursuant to Rule 906 of the Listing Manual, the Company had obtained shareholders' approval to enter into transactions as set out in the circular to shareholders dated 19 June 2012. Certain transactions listed in the Circular are excluded from the disclosures as shown above.

FINANCIAL REPORT

CONTENTS

DIRECTORS' REPORT

For the financial year ended 31 December 2012

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2012 and the balance sheet of the Company as at 31 December 2012.

Directors

The directors of the Company in office at the date of this report are as follows:

Mr Koh Boon Hwee	(appointed on 1 January 2013)
Mr Lucas Chow Wing Keung	
Mdm Ng Siok Keow	
Mdm Tan Siok Hwee	
Mr Arthur Kiong Kim Hock	(appointed on 1 September 2012)
Mr Cheng Hong Kok	
Mr Heng Chiang Meng	
Mdm Ee Choo Lin Diana	

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

(a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director		**Holdings in which director is deemed to have an interest**	
	At 31.12.2012	At 1.1.2012	**At 31.12.2012**	At 1.1.2012
Company (No. of ordinary shares)				
Mdm Ng Siok Keow	**14,469**	14,469	**72,346**	72,346
Yeo Hiap Seng Limited (No. of ordinary shares)				
Mr Philip Ng Chee Tat *	**-**	-	**63,888,889**	-
Mdm Ng Siok Keow	**3,195**	-	**15,978**	-

* Mr Philip Ng Chee Tat stepped down as Non-executive Director and Chairman of the Board on 1 January 2013.

(b) The directors' interests in the ordinary shares of the Company as at 21 January 2013 were the same as those as at 31 December 2012, except for Mdm Ng Siok Keow, whose deemed interest in the Company was 77,038 shares.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report, and except that certain directors have employment relationships with related corporations of the ultimate holding company, and have received remuneration in those capacities.

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Mr Cheng Hong Kok (Chairman)
Mr Heng Chiang Meng
Mdm Ee Choo Lin Diana

All members of the Audit Committee were independent non-executive directors.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act.

The Audit Committee meets periodically with management, the internal auditor and the Company's independent auditor to discuss the scope and results of the internal and statutory audits, financial and operating results, internal controls, assistance given by the Company's management to the independent auditor, accounting policies and other significant matters, including the financial statements that accompany this report.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company. The Audit Committee has conducted an annual review of non-audit services provided by the independent auditor to satisfy itself that the nature and extent of such services will not prejudice their independence and objectivity before confirming their re-nomination.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

LUCAS CHOW WING KEUNG
Director

TAN SIOK HWEE
Director

27 March 2013

STATEMENT BY DIRECTORS

For the financial year ended 31 December 2012

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 36 to 104 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors

LUCAS CHOW WING KEUNG
Director

TAN SIOK HWEE
Director

27 March 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of Far East Orchard Limited (Formerly known as Orchard Parade Holdings Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Far East Orchard Limited (the "Company") and its subsidiaries (the "Group") set out on pages 36 to 104, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2012, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2012, and of the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore, of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 27 March 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2012

	Note	**2012 $'000**	2011 $'000 (restated)
Sales	4	**140,309**	292,273
Cost of sales		**(73,117)**	(146,124)
Gross profit		**67,192**	146,149
Other income	4	**7,537**	6,467
Other gains - net	4	**121,539**	3,508
Expenses			
- Distribution and marketing		**(12,187)**	(11,340)
- Administrative		**(13,261)**	(4,680)
- Finance	6	**(3,659)**	(9,245)
- Other		**(4,835)**	(4,154)
Share of profit of associated companies	16(a)	**32,618**	21,099
Profit before income tax		**194,944**	147,804
Income tax expense	8(a)	**(4,189)**	(23,013)
Net profit attributable to equity holders of the Company		**190,755**	124,791
Other comprehensive (loss)/income:			
Currency translation differences arising from consolidation	30(b)(ii)	**(230)**	(127)
Reclassification to profit or loss on partial disposal of an associated company		**(53,642)**	-
Share of other comprehensive income of associated company		**28,218**	(4,191)
Revaluation gains on property, plant and equipment	30(b)(i)	**3,212**	6,858
Adjustment for movement in deferred tax liability on revaluation surplus	28	**153**	(494)
Reversal of deferred tax liability on revaluation surplus on realisation	30(b)(i)	**21,893**	-
Other comprehensive (loss)/income, net of tax		**(396)**	2,046
Total comprehensive income attributable to equity holders of the Company		**190,359**	126,837
Earnings per share for net profit attributable to equity holders of the Company (cents per share)			
- Basic and diluted	9	**51.47**	34.83

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET – GROUP

As at 31 December 2012

	Note	2012 $'000	2011 $'000 (restated)	2010 $'000 (restated)
ASSETS				
Current assets				
Cash and cash equivalents	10	**488,164**	76,446	37,293
Trade receivables	11	**81,516**	188,303	56,436
Inventories	12	**60**	73	82
Development properties	13	**167,653**	169,974	154,647
Properties held for sale	14	**149,470**	-	-
Other current assets	15	**6,728**	342	4,003
		893,591	435,138	252,461
Non-current assets				
Investments in associated companies	16(a)	**5,268**	356,225	339,317
Other non-current assets	19	**111**	111	111
Investment properties	20(a)	**264,401**	166,915	173,243
Property, plant and equipment	21(a)	**392,539**	696,944	681,431
Intangible assets	22	**129,385**	-	-
		791,704	1,220,195	1,194,102
Total assets		**1,685,295**	1,655,333	1,446,563
LIABILITIES				
Current liabilities				
Trade payables	23	**58,382**	39,102	17,941
Other current payables	24	**63,575**	11,618	11,590
Deferred income	25	**6,797**	-	-
Current income tax liabilities	8(b)	**24,004**	7,655	8,824
Borrowings	26(a)	**-**	196,058	131,570
		152,758	254,433	169,925
Non-current liabilities				
Other non-current payables	27	**3,884**	4,366	4,016
Deferred income	25	**330,685**	-	-
Deferred income tax liabilities	28	**27,833**	51,793	34,437
Borrowings	26(a)	**70,085**	259,602	274,057
		432,487	315,761	312,510
Total liabilities		**585,245**	570,194	482,435
NET ASSETS		**1,100,050**	1,085,139	964,128
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	29	**394,612**	372,063	356,713
Revaluation and other reserves	30	**334,185**	526,024	525,968
Retained profits		**371,253**	187,052	81,447
TOTAL EQUITY		**1,100,050**	1,085,139	964,128

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET – COMPANY

As at 31 December 2012

	Note	2012 $'000	2011 $'000 (restated)	2010 $'000 (restated)
ASSETS				
Current assets				
Cash and cash equivalents	10	**435,212**	4,333	5,934
Trade receivables	11	**3,398**	2,064	2,338
Inventories	12	**40**	54	57
Other current assets	15	**5,946**	195	199
		444,596	6,646	8,528
Non-current assets				
Investments in associated companies	16(a)	**696**	-	-
Investments in subsidiaries	18(a)	**483,531**	483,531	483,536
Advances to subsidiaries	18(b)	**129,489**	196,561	172,812
Other non-current assets	19	**111**	111	111
Investment properties	20(a)	**111,288**	112,845	113,959
Property, plant and equipment	21(b)	**369,025**	435,295	432,681
		1,094,140	1,228,343	1,203,099
Total assets		**1,538,736**	1,234,989	1,211,627
LIABILITIES				
Current liabilities				
Trade payables	23	**3,522**	2,043	1,970
Other current payables	24	**56,777**	6,718	7,508
Deferred income	25	**6,797**	-	-
Current income tax liabilities	8(b)	**1,553**	5,081	5,702
Advances from subsidiaries	18(c)	**45,857**	-	-
Borrowings	26(a)	**-**	130,230	1,200
		114,506	144,072	16,380
Non-current liabilities				
Other non-current payables	27	**15**	739	723
Deferred income	25	**330,685**	-	-
Deferred income tax liabilities	28	**726**	4,332	4,489
Advances from subsidiaries	18(c)	**60,588**	136,892	122,464
Borrowings	26(a)	**-**	120,000	247,132
		392,014	261,963	374,808
Total liabilities		**506,520**	406,035	391,188
NET ASSETS		**1,032,216**	828,954	820,439
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	29	**394,612**	372,063	356,713
Revaluation and other reserves	30	**336,423**	404,415	400,541
Retained profits	31	**301,181**	52,476	63,185
TOTAL EQUITY		**1,032,216**	828,954	820,439

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2012

	Note	Share capital	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Share-based payment reserve	Retained profits	Total equity
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
2012								
Beginning of financial year								
As previously reported		372,063	502,608	(7,394)	30,557	253	181,552	1,079,639
Adoption of amended FRS 12 adjustment		-	-	-	-	-	5,500	5,500
As restated		372,063	502,608	(7,394)	30,557	253	187,052	1,085,139
Shares issued in-lieu of dividends	38	22,549	-	-	-	-	(22,549)	-
Dividends paid to shareholders in cash	38	-	-	-	-	-	(10,141)	(10,141)
Dividend in specie	38	-	-	-	-	-	(120,050)	(120,050)
Special dividend	38	-	-	-	-	-	(45,257)	(45,257)
Transfer of revaluation surplus to retained profits	30(b)(i)	-	(191,443)	-	-	-	191,443	-
Total comprehensive income for the year		-	25,258	5,156	(30,557)	(253)	190,755	190,359
End of financial year		**394,612**	**336,423**	**(2,238)**	**-**	**-**	**371,253**	**1,100,050**
2011								
Beginning of financial year								
As previously reported		356,713	498,234	(5,274)	33,008	-	76,549	959,230
Adoption of amended FRS 12 adjustment		-	-	-	-	-	4,898	4,898
As restated		356,713	498,234	(5,274)	33,008	-	81,447	964,128
Shares issued in-lieu of dividends	38	15,350	-	-	-	-	(15,350)	-
Dividends paid to shareholders in cash	38	-	-	-	-	-	(5,826)	(5,826)
Share of associated company's transfer from revaluation reserves		-	(1,990)	-	-	-	1,990	-
Total comprehensive income for the year		-	6,364	(2,120)	(2,451)	253	124,791	126,837
End of financial year		**372,063**	**502,608**	**(7,394)**	**30,557**	**253**	**187,052**	**1,085,139**

An analysis of the movements in each category within "Revaluation and other reserves" is presented in Note 30.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2012

	Note	2012 $'000	2011 $'000 (restated)
Cash flows from operating activities			
Net profit		**190,755**	124,791
Adjustments for:			
Income tax expense		**4,189**	23,013
Depreciation of property, plant and equipment		**5,854**	7,288
Amortisation of intangible assets		**976**	-
Interest income		**(1,119)**	(37)
Interest expense		**3,691**	9,272
Loss on disposal of property, plant and equipment		**3,278**	7
Gain on disposal of investment properties		**(1,683)**	-
Fair value gains on investment properties		**(5,541)**	(3,511)
Gain arising on dilution of interest in an associated company		**(2)**	-
Gain on partial disposal of an associated company		**(102,240)**	-
Reclassification from other comprehensive income on partial disposal of an associated company		**(53,642)**	-
Impairment loss on goodwill		**30,141**	-
Share of profits of associated companies		**(32,618)**	(21,099)
		42,039	139,724
Change in working capital:			
Trade receivables		**106,787**	(131,867)
Inventories		**13**	9
Development properties		**7,388**	(13,413)
Other current assets		**(5,878)**	3,661
Trade payables		**19,280**	21,161
Other payables		**1,816**	470
Deferred income		**(2,357)**	-
Cash generated from operations		**169,088**	19,745
Income tax paid - net		**(4,894)**	(7,321)
Net cash provided by operating activities		**164,194**	12,424
Cash flows from investing activities			
Payment for Asset Swap Transaction	37(b)	**(58,653)**	-
Additions to property, plant and equipment		**(11,684)**	(6,089)
Additions to investment properties		**(138)**	(99)
Proceeds from grant of leasehold interest in freehold land		**339,839**	-
Disposal of property, plant and equipment		**314,598**	2
Disposal of investment properties		**62,318**	-
Dividend paid to shareholders		**(10,141)**	(5,826)
Investments in associated companies	16(a)	**(696)**	-
Dividend received from an associated company	16(a)	**2,842**	-
Interest received		**611**	37
Net cash provided by/(used in) investing activities		**638,896**	(11,975)
Cash flows from financing activities			
Proceeds from borrowings		**243,856**	80,753
Repayment of borrowings		**(630,149)**	(33,364)
Interest paid		**(5,079)**	(8,685)
Net cash (used in)/provided by financing activities		**(391,372)**	38,704
Net increase in cash and cash equivalents		**411,718**	39,153
Cash and cash equivalents at beginning of financial year		**76,446**	37,293
Cash and cash equivalents at end of financial year	10	**488,164**	76,446

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Far East Orchard Limited, formerly known as Orchard Parade Holdings Limited, (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its principal place of business is 1 Tanglin Road #05-01, Orchard Parade Hotel, Singapore 247905.

With effect from 27 July 2012, the name of the Company was changed from Orchard Parade Holdings Limited to Far East Orchard Limited.

The principal activities of the Company are hospitality, investment holding and property investment. The principal activities of its subsidiaries are set out in Note 41 to the financial statements.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"), under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2012

On 1 January 2012, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and Company and had no material effect on the amounts reported for the current or prior financial years except for the adoption of the amendment to FRS 12, the effects of which are disclosed below.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2012 (continued)

The Group has adopted the amendments to FRS 12 *Deferred Tax: Recovery of Underlying Assets* on 1 January 2012. The Group previously provided for deferred tax liabilities for its investment properties that will be recovered through use. The amended FRS 12 has introduced a presumption that an investment property measured at fair value is recovered entirely by sale. Accordingly, there will be no deferred tax liability on investment properties as there is no tax on capital gains in Singapore should such a sale occur. The amendment is applicable retrospectively to annual periods beginning on or after 1 January 2012.

The effects on adoption are as follows:

Balance sheets

	Increase/(Decrease)					
	Group			Company		
	At 31 December 2012 $'000	At 31 December 2011 $'000	At 1 January 2011 $'000	**At 31 December 2012 $'000**	At 31 December 2011 $'000	At 1 January 2011 $'000
Deferred income tax liabilities	**(3,144)**	(3,022)	(3,118)	**(672)**	(735)	(820)
Investment in associated companies	**2,478**	2,478	1,780	**-**	-	-
Retained profits	**5,622**	5,500	4,898	**672**	735	820

Consolidated income statement for the year ended 31 December

	Increase/(Decrease)	
	2012 $'000	2011 $'000
Share of profit of associated companies	**-**	697
Income tax expense	**(122)**	95
Net profit attributable to equity holders of the Company	**122**	602

The adoption of amended FRS 12 does not have any material impact on the basic and fully diluted EPS of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

2. Significant accounting policies (continued)

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectibility of the related receivables is reasonably assured and the specific criteria for each of the Group's activities are met as follows:

(a) *Hotels and serviced residences operations*

Revenue from operation of hotels and serviced residences is recognised at the point at which the accommodation and related services are provided.

(b) *Hospitality and other management services*

Revenue from hospitality and other management services includes hospitality management fees, property management fees and other related fees.

(i) *Hospitality management fees*

Management fees earned from hospitality properties managed by the Group are recognised when services are rendered under the terms of the contract. The fees include a base fee, which is generally a percentage of the hospitality property's revenue, and/or an incentive fee, which is generally based on the hospitality property's profitability.

(ii) *Property management fees*

Property and project management fees are recognised when services are rendered under the terms of the contract.

(iii) *Other related fees*

Other related fees earned from hospitality properties managed by the Group are recognised when services are rendered under the terms of the contract.

(c) *Sale of development properties*

Revenue from sale of development properties under construction is recognised when the properties are delivered to the buyers, except for cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses, in which case sales are recognised by reference to the stage of completion of the properties. This is described in greater detail in Note 2.5.

(d) *Sale of properties held for sale*

Revenue from sale of properties held for sale is recognised when the properties are delivered to the buyers.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

(e) *Rental income*

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(f) *Interest income*

Interest income is recognised using the effective interest method.

(g) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

2.3 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises of the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

2. **Significant accounting policies** (continued)

2.3 Group accounting (continued)

(a) *Subsidiaries* (continued)

(ii) *Acquisitions* (continued)

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (i) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (ii) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets - Goodwill" for the subsequent accounting policy on goodwill.

(iii) *Disposals*

When a change in the Group ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) *Associated companies*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) *Associated companies* (continued)

(i) *Acquisitions*

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

(ii) *Equity method of accounting*

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the assets transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investments in associated companies are derecognised when the Group loses significant influence. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in associated companies in which significant influence is retained are recognised in profit or loss.

(d) *Joint ventures*

The Group's joint ventures are entities over which the Group has contractual arrangements to jointly share control over the economic activity of the entities with one or more parties. The Group's interest in joint ventures is accounted for in the consolidated financial statements using proportionate consolidation.

Proportionate consolidation involves combining the Group's share of the joint ventures' income and expenses, assets and liabilities and cash flows of the jointly-controlled entities on a line-by-line basis with similar items in the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(d) *Joint ventures* (continued)

When the Group sells assets to a joint venture, the Group recognises only the portion of gains or losses on the sale of assets that is attributable to the interest of the other venturers. The Group recognises the full amount of any loss when the sale provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

When the Group purchases assets from a joint venture, it does not recognise its share of the profits of the joint ventures arising from the Group's purchase of assets until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

The Group also has certain contractual arrangements with other participants to engage in joint activities that do not give rise to a jointly-controlled entity. These arrangements involve the joint ownership of assets and joint assumption of liabilities dedicated to the purposes of each venture but do not create a jointly-controlled entity as the venturers directly derive the benefits of operation of their jointly owned net assets, rather than deriving returns from an interest in a separate entity.

The financial statements of the Group include its share of the assets in such joint ventures, together with the liabilities, revenues and expenses arising jointly or otherwise from those operations. All such amounts are measured in accordance with the terms of each arrangement, which are usually in proportion to the Group's interest in the jointly-controlled assets.

The accounting policies of joint ventures have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2.4 Property, plant and equipment

(a) *Measurement*

(i) *Land and buildings*

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Leasehold land, and buildings on freehold and leasehold land are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Land and buildings are revalued by independent professional valuers on triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences, are recognised in other comprehensive income, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases in carrying amounts are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

2. **Significant accounting policies** (continued)

2.4 Property, plant and equipment (continued)

(a) *Measurement* (continued)

(ii) *Other property, plant and equipment*

Furniture and fittings, plant and equipment, motor vehicles and other assets are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (Note 2.8).

(b) *Depreciation*

Freehold land and construction-in-progress are not depreciated. Depreciation on other items of other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Plant, equipment, furniture and fittings	10 years
Motor vehicles	5 - 10 years
Other assets	5 - 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) *Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) *Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains - net". Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

2. Significant accounting policies (continued)

2.5 Development properties

Development properties refer to properties developed for sale.

Development properties that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete the development and selling expenses.

Sales of development properties under construction in respect of which sale and purchase agreements are entered into prior to completion of construction are recognised when the properties are delivered to the buyers, except in cases where the control and risk and rewards of the property are transferred to the buyers as construction progresses.

For sales of development properties of the Group that are within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 - *Agreements for the Construction of Real Estate*, the Group recognises revenue for sales of such development properties by reference to the stage of completion of the properties.

The stage of completion is determined by the proportion of construction costs incurred to date, as certified by the architects or quantity surveyors, to the estimated total construction costs for the project. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as expense immediately.

The aggregated costs incurred and the profit/loss recognised in each development property that has been sold are compared against progress billings up to the financial year-end. Where the costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as due from customers under "Trade receivables". Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as due to customers on development projects, under "Trade payables".

2.6 Properties held for sale

Properties held for sale are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

2.7 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses represents the excess of (i) the sum of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

2. Significant accounting policies (continued)

2.7 Intangible assets (continued)

(b) *Acquired hospitality management contracts*

Hospitality management contracts acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 40 years.

2.8 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.9 Investment properties

Investment properties include those portions of office buildings that are held for long-term rental yields and/or for capital appreciation and land under operating leases that is held for long-term capital appreciation or for a currently indeterminate use.

Investment properties are initially recognised at cost and subsequently carried at fair value representing open market values, determined annually by independent professional valuers. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.10 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

2. Significant accounting policies (continued)

2.11 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in associated company is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Intangible assets*
Property, plant and equipment
Investments in subsidiaries and associated companies

Intangible assets, property, plant and equipment and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to the paragraph "Property, plant and equipment" for the treatment of a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

2. Significant accounting policies (continued)

2.12 Financial assets

(a) *Loans and receivables*

Cash and cash equivalents, trade receivables, other current assets and advances to subsidiaries are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Group assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

These assets are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

(b) *Available-for-sale financial assets*

Available-for-sale financial assets are initially recognised at fair value plus transaction costs and subsequently carried at fair value. Changes in fair values are recognised in other comprehensive income and accumulated in the fair value reserve.

These financial assets are recognised on the date which the Group commits to purchase the asset. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the balance sheet date.

The Group assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired. Significant or prolonged decline in the fair value of an equity security below its cost is objective evidence that the security is impaired.

If there is evidence of impairment, the cumulative loss that was recognised in other comprehensive income is reclassified to profit or loss. Impairment losses on available-for-sale equity securities are not reversed through profit or loss.

On disposal, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2.13 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

2. Significant accounting policies (continued)

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.16 Operating leases

(a) *When the Group is the lessee*

The Group leases hotels, serviced residences and offices under operating leases from related parties [Note 35(b)].

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

(b) *When the Group is the lessor*

The Group leases investment properties under operating leases to non-related parties and related parties [Note 35(b)].

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

2.17 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

2. Significant accounting policies (continued)

2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities, except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.19 Provisions

Provisions for other liabilities or charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

2. Significant accounting policies (continued)

2.20 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2.21 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Company.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

2. Significant accounting policies (continued)

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments.

2.23 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.24 Dividends to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payment.

2.25 Financial guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries and joint ventures. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries or joint ventures fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values, if material, plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' and joint ventures' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's balance sheet.

Intra-group transactions are eliminated on consolidation.

2.26 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

3. Critical accounting estimates and assumptions

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Valuation of investment properties

The Group's investment properties, with a carrying amount of $264,401,000 [Note 20(a)] as at 31 December 2012, are stated at their estimated fair values which are determined annually by independent professional valuers. These estimated fair values may differ from the prices at which the Group's investment properties could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also, certain estimates require an assessment of uncontrollable factors, such as overall market conditions. Consequently, actual results of operations and realisation of these investment properties could differ from the estimates set forth in these financial statements, and the difference could be significant.

If the actual fair values of investment properties differ by 2% from the estimates used for these financial statements, the investment properties as at 31 December 2012 would be increased or reduced by $5,288,000 and the profit before income tax for the year then ended would be increased or reduced by the same amount.

(b) Sales of properties under development

The Group uses the percentage of completion method to recognise revenue on sales of properties under development. The stage of completion is determined by the proportion of construction costs incurred to date, as certified by the architects or quantity surveyors, to the estimated total construction costs for the project.

Significant assumptions are required to estimate the total construction costs that will affect the stage of completion and the revenue and profits recognised. In making these estimates, management has relied on past experience and the work of specialist.

If the total construction costs to be incurred increased/decreased by 1% from management's estimates, the Group's gross profit and net profit before tax will decrease/increase by $2,611,000.

(c) Estimated impairment of non-financial assets

Goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Intangible assets, property, plant and equipment and investment in subsidiaries and associates are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

An impairment charge of $30,141,000 arose in the financial year ended 31 December 2012. The impairment charge has arisen from the impairment of the additional goodwill which is a result of using the market price of YHS shares on the completion date, instead of the agreed price, to compute the consideration transferred for the acquisition of the business in the Asset Swap Transaction [Note 37(e)].

The recoverable amounts of these assets and, where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations required the use of estimates [Note 22(a)]. If the management's estimated net profit margin used in the value-in-use calculation for this CGU at 31 December 2012 had been lowered by 1%, an additional impairment charge of $2,771,000 would be required.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

4. Sales, other income and other gains - net

	Group	
	2012	2011
	$'000	$'000
Hotels and serviced residences operations	**49,697**	51,066
Hospitality and other management fees	**5,347**	-
Sale of development properties	**71,355**	229,383
Sale of properties held for sale	**3,394**	-
Rental income	**10,399**	11,373
Management fees charged to a joint venture	**117**	451
Total sales	**140,309**	292,273
Hotels and serviced residences service fees and other related income	**5,417**	5,598
Interest income - fixed deposits	**1,119**	37
Marketing, accounting and administrative fees	**60**	65
Other miscellaneous income	**941**	767
Total other income	**7,537**	6,467
Fair value gains on investment properties [Note 20(a)]	**5,541**	3,511
Gain arising on dilution of interest in an associated company and commencement of liquidation of a subsidiary	**1,002**	4
Loss on disposal of property, plant and equipment	**(357)**	(7)
<u>REIT Transaction (Note 35)</u>		
- Gain on disposal of property, plant and equipment	**1,289**	-
- Gain on disposal of investment properties	**1,683**	-
- Committed capital expenditure on disposed assets	**(4,210)**	-
	(1,238)	-
<u>Asset Swap Transaction (Note 35)</u>		
- Gain on partial disposal of an associated company	**102,240**	-
- Reclassification from other comprehensive income on partial disposal of an associated company	**53,642**	-
- Impairment loss of goodwill [Note 22(a)]	**(30,141)**	-
- Acquisition-related costs [Note 37(d)]	**(9,150)**	-
	116,591	-
Total other gains - net	**121,539**	3,508

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

5. Expenses by nature

	Group	
	2012	2011
	$'000	$'000
Advertising, promotion and marketing	**9,252**	8,522
Cost of development properties and properties held for sale	**38,834**	123,274
Depreciation of property, plant and equipment [Note 21(a)]	**5,854**	7,288
Directors' fees	**468**	358
Employee compensation (Note 7)	**12,168**	6,155
Hospitality supplies and services	**10,165**	9,924
Management service fees to a related party [Note 35(b)]	**5,805**	5,838
Fees on audit services paid/payable to:		
- Auditor of the Company	**342**	302
- Other auditors	**3**	3
Fees on non-audit services paid/payable to:		
- Auditor of the Company	**508**	-
Property tax and upkeep of properties	**3,612**	3,887
Amortisation of intangible assets [Note 22(b)]	**976**	-
Rental expense on operating leases	**8,983**	-
Other	**6,430**	747
Total cost of sales, distribution and marketing, administrative and other operating expenses	**103,400**	166,298

The rental expense presented in "cost of sales" includes the amortisation of deferred income amounting to $1,862,000 (Note 25). Included in the rental expense on operating leases is contingent rent amounting to $4,656,000 relating to the lease arrangements with Far East Hospitality Trust on hotels and serviced residences [Note 35(a)].

6. Finance expenses

	Group	
	2012	2011
	$'000	$'000
Interest expense	**5,574**	11,262
Currency translation gains - net	**(32)**	(27)
	5,542	11,235
Less: Interest expense capitalised in development properties and property, plant and equipment	**(1,883)**	(1,990)
Finance expenses recognised in profit or loss	**3,659**	9,245

Borrowing costs on general financing were capitalised at a rate of 1.6% (2011: 2.1%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

7. Employee compensation

	Group	
	2012	2011
	$'000	$'000
Wages and salaries	**10,726**	5,332
Employer's contribution to defined contribution plans including Central Provident Fund	**930**	524
Other benefits	**512**	299
	12,168	6,155

8. Income taxes

(a) Income tax expense

	Group	
	2012	2011
	$'000	$'000 (restated)
Tax expense attributable to profit is made up of:		
- Current income tax	**23,696**	6,284
- Deferred income tax	**(16,832)**	16,862
	6,864	23,146
Over provision in prior financial years:		
- Current income tax	**(2,453)**	(133)
- Deferred income tax	**(222)**	-
	(2,675)	(133)
	4,189	23,013

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

8. Income taxes (continued)

(a) Income tax expense (continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	2012	2011
	$'000	$'000 (restated)
Profit before tax	**194,944**	147,804
Share of profit of associated companies, net of tax	**(32,618)**	(21,099)
Profit before tax and share of profit of associated companies	**162,326**	126,705
Tax calculated at tax rate of 17% (2011: 17%)	**27,595**	21,540
Effects of:		
- Different tax rates in other countries	**(44)**	326
- Statutory stepped income exemption	**(134)**	(104)
- Expenses not deductible for tax purposes	**8,343**	2,596
- Income not subject to tax	**(28,864)**	(1,063)
- Deferred tax asset not recognised	**313**	15
- Utilisation of previously not recognised tax losses	**(261)**	-
- Tax incentives	**(84)**	(164)
Tax charge	**6,864**	23,146

The Group and Company's tax liabilities have been measured based on the corporate tax rate and tax laws prevailing at balance sheet date. On 25 February 2013, the Singapore Minister of Finance announced changes to the Singapore tax laws, which included new incentives that might be available to certain entities with effect from the year of assessment 2013. The Company's tax expense for the financial year ended 31 December 2012 has not taken into consideration the effect of these incentives as these incentives were not enacted or substantively enacted by the balance sheet date.

(b) Movement in current income tax liabilities

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**7,655**	8,824	**5,081**	5,702
Income tax paid - net	**(4,894)**	(7,321)	**(2,513)**	(4,392)
Tax expense	**23,696**	6,285	**1,374**	3,896
Over provision in prior financial years	**(2,453)**	(133)	**(2,389)**	(125)
End of financial year	**24,004**	7,655	**1,553**	5,081

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

9. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2012	2011 (restated)
Net profit after tax attributable to equity holders of the Company ($'000)	**190,755**	124,791
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**370,604**	358,257
Basic earnings per share (cents per share)	**51.47**	34.83

(b) Diluted earnings per share

The basic earnings per share are the same as the diluted earnings per share as there are no dilutive potential ordinary shares.

10. Cash and cash equivalents

	Group		Company	
	2012 $'000	2011 $'000	**2012 $'000**	2011 $'000
Cash at bank and on hand	**16,724**	13,026	**7,012**	4,333
Short-term bank deposits	**471,440**	63,420	**428,200**	-
	488,164	76,446	**435,212**	4,333

Cash and cash equivalents of the Group include amounts totalling $27,056,000 (2011: $67,544,000), representing the Group's attributable share of joint ventures' bank balances and fixed deposits, held under the Housing Developers (Project Account) (Amendment) Rule 1997 and the Housing Developers (Project Account) Rules 1990, withdrawals of which are restricted to payments for project expenditure incurred, until the completion of the projects.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

10. Cash and cash equivalents (continued)

Short-term bank deposits at the balance sheet date have an average maturity of one month (2011: one month) from the end of the financial year with the following weighted average effective interest rates:

	Group		Company	
	2012	2011	**2012**	2011
Short-term bank deposits	**1.02%**	0.10%	**1.12%**	-

11. Trade receivables

	Group		Company	
	2012 $'000	2011 $'000	**2012 $'000**	2011 $'000
Trade receivables:				
- related parties [Note 35(b)]	**4,320**	848	**544**	89
- non-related parties	**5,930**	17,372	**2,854**	1,975
Accrued revenue	**71,266**	-	**-**	-
Due from customers [Note 13(c)]	**-**	170,866	**-**	-
	81,516	189,086	**3,398**	2,064
Less: Allowance for impairment of receivables - non-related parties	**-**	(783)	**-**	-
	81,516	188,303	**3,398**	2,064

Accrued revenue represents mainly the remaining balances of sales consideration for completed development properties to be billed.

12. Inventories

	Group		Company	
	2012 $'000	2011 $'000	**2012 $'000**	2011 $'000
Food and beverage	**37**	30	**31**	28
Linen and utensils	**-**	4	**-**	3
Sundry supplies	**23**	39	**9**	23
	60	73	**40**	54

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

13. Development properties

(a) Composition:

	Group	
	2012	2011
	$'000	$'000
Properties under development [Note 13(b)]	**167,653**	169,974

(b) Unsold properties under development

	Group	
	2012	2011
	$'000	$'000
Freehold/leasehold land	**152,650**	163,398
Development costs	**15,003**	6,576
	167,653	169,974

Included in properties under development is an amount of $101,972,000 (2011: $96,961,000) representing the Group's share in joint ventures. These joint ventures are contractual arrangements without a jointly-controlled entity (Note 17).

Agreements for the sale of certain properties under development have been signed. Deposits and progress billings amounting to $30,370,000 (2011: $23,995,000) on these agreements, for which significant construction work has not commenced, are presented with "trade payables" (Note 23). This amount represents the Group's share in joint ventures. These joint ventures are contractual arrangements without a jointly-controlled entity (Note 17).

(c) Sold properties under development where revenue is recognised as construction progresses is as follows:

	Group	
	2012	2011
	$'000	$'000
Aggregate costs incurred and profits recognised		
Freehold land	**-**	70,085
Development costs and attributable profits	**-**	327,459
	-	397,544
Less: Progress billings	**-**	(226,678)
	-	170,866
Due from customers (Note 11)	**-**	170,866

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

13. Development properties (continued)

(d) As at 31 December 2012, development properties with a net carrying amount of $167,653,000 (2011: $169,974,000) were pledged as security for banking facilities of the Group [Note 26(b)].

(e) Details of the development properties of the Group as at 31 December 2012 are as follows:

Description and location	Existing use	Stage of completion	Expected completion date	Site area (sq. metres)	Gross floor area (sq. metres)	Group's effective interest in the property
Held jointly with a related party by wholly owned subsidiary, OPH Marymount Limited						
euHabitat: Land Parcel 780 at Jalan Eunos, Singapore	Condominium housing development	Construction work has commenced.	December 2016	41,261	57,766	20%
7 and 11 Bassein Road, Singapore	Condominium housing development	Acquisition of land completed.	Construction work has not yet commenced.	4,775	*	30%
Held by 20%-held joint venture company, Far East Opus Pte Ltd						
SBF Center: Land Parcel 825 at Robinson Road/Cecil Street, Singapore	Commercial	Construction work has not commenced.	2016	2,932	*	20%

** Not shown as construction work has yet to commence.*

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

14. Properties held for sale

Properties held for sale of the Group as at 31 December 2012 comprise of the medical suites, acquired on 27 August 2012 as part of the Asset Swap Transaction described in Notes 35(a) and 37, that are held for sale. The carrying amount of these properties is $149,470,000 as at 31 December 2012.

Details of the properties held for sale of the Group as at 31 December 2012 are as follows:

Description and location	Existing use	Site area (sq. metres)	Gross floor area (sq. metres)
Held by wholly owned subsidiary, Jelco Properties Pte Ltd			
Novena Medical Center: 10 Sinaran Drive, Singapore	Medical suites	7,823	593
Novena Specialist Center: 8 Sinaran Drive, Singapore	Medical suites	5,789	2,741

15. Other current assets

	Group		Company	
	2012 $'000	2011 $'000	**2012 $'000**	2011 $'000
Deposits				
- a related party [Note 35(b)]	**5,000**	-	**5,000**	-
- non-related parties	**251**	95	**107**	11
Other receivables				
- related parties [Note 35(b)]	**533**	-	**-**	-
- non-related parties	**616**	-	**-**	-
Prepayments	**328**	247	**839**	184
	6,728	342	**5,946**	195

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

16. Investments in associated companies

(a)

	Group		Company	
	2012 **$'000**	2011 $'000 (restated)	**2012** **$'000**	2011 $'000
Equity investment at cost			**696**	-
Beginning of financial year	**356,225**	339,317		
Share of profits	**32,618**	21,099		
Share of currency translation reserve [Note 30(b)(ii)]	**(1,871)**	(1,993)		
Share of fair value gains/(losses) on available-for-sale financial assets [Note 30(b)(iii)]	**30,148**	(2,451)		
Share of share-based payment reserve [Note 30(b)(iv)]	**(59)**	253		
Dividends received	**(2,842)**	-		
Additions	**696**	-		
Dividend in specie (Note 38)	**(120,050)**	-		
Disposals	**(289,597)**	-		
End of financial year	**5,268**	356,225		

The summarised financial information of associated companies, without applying the proportion of ownership interest in each of the associated companies held by the Group, is as follows:

	Group	
	2012 **$'000**	2011 $'000
Assets	**12,240**	678,903
Liabilities	**(5,390)**	(131,936)
Revenue	**3,831**	443,000
Net profit	**1,773**	45,168

As at 31 December 2011, goodwill amounting to $108,968,000 relating to the Group's investment in an associated company, Yeo Hiap Seng Limited ("YHS"), a company listed on the Singapore Exchange, was included in the carrying amount of investments in associated companies. The carrying amount of the Group's investment in YHS was $349,946,000 for which the quoted market price was $329,721,000. The carrying amount of the Group's investment in YHS of $166,329,000 was pledged as security for banking facilities of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

16. Investments in associated companies (continued)

(a) (continued)

The Group divested its entire investment in YHS during the year through the Asset Swap Transaction described in Notes 35(a) and 37 and the dividend in specie of 0.22086 YHS share per share (Note 38).

During the year, the Company acquired 33% interest in FEO Hospitality Asset Management Pte Ltd and FEO Hospitality Trust Management Pte Ltd for a cash consideration of $696,033 [Note 35(a)].

(b) Advances to associated companies

	Group	
	2012	2011
	$'000	$'000
Advances to associated companies	**860**	860
Less: Allowance for impairment losses	**(860)**	(860)
	-	-

The advances to associated companies are unsecured, interest-free and repayable on demand. Repayments are not expected within the next twelve months.

Details of the associated companies, which all have financial year-ends that are co-terminous with the Group, are provided in Note 41.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

17. Investments in joint ventures

The following amounts represent the Group's share of the assets and liabilities and income and expenses of joint ventures, Orwin Development Limited and Far East Opus Pte Ltd, which are included in the consolidated balance sheet and statement of comprehensive income using the line-by-line proportionate consolidation method:

	Group	
	2012 **$'000**	2011 $'000
Assets		
- Current assets	**174,541**	315,904
- Non-current assets	**75,382**	34,102
	249,923	350,006
Liabilities		
- Current liabilities	**40,438**	7,929
- Non-current liabilities	**77,554**	95,437
	117,992	103,366
Net assets	**131,931**	246,640
Sales	**71,354**	229,383
Expenses	**(40,945)**	(128,339)
Profit before tax	**30,409**	101,044
Income tax expense	**(5,591)**	(16,986)
Profit after tax	**24,818**	84,058
Operating cash inflows/(outflows)	**160,671**	(7,746)
Investing cash inflows	**45**	111
Financing cash (outflows)/inflows	**(463)**	31,900
Total cash inflows	**160,253**	24,265
Proportionate interest in joint ventures' commitments [Note 32(b)(i)]	**1,299**	13,657

There are no contingent liabilities relating to the Group's interest in the joint ventures.

Details of the joint ventures in respect of Orwin Development Limited and Far East Opus Pte Ltd are provided in Note 41.

The Group also has two contractual arrangements with a related party, a company that is controlled by one of the shareholders of the Company's ultimate holding company, to engage in joint activities that do not give rise to a jointly-controlled entity. The Group's share in the assets [Note 13(b)] in such joint ventures, together with the liabilities [Note 23 and Note 26(a)], revenues and expenses arising jointly or otherwise from those operations are included in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

18. Investments in subsidiaries

		Company	
		2012	2011
		$'000	$'000
(a)	Unquoted equity shares at cost:		
	- 15% redeemable cumulative preference shares	**396,100**	396,100
	- Ordinary shares	**97,106**	97,106
		493,206	493,206
	Less: Allowance for impairment losses	**(9,675)**	(9,675)
		483,531	483,531
(b)	*Non-current*		
	Advances to subsidiaries	**252,026**	319,058
	Less: Allowance for impairment losses	**(122,537)**	(122,497)
		129,489	196,561

The advances to subsidiaries are unsecured and repayable on demand. Repayments are not expected within the next twelve months. Interest is charged at a weighted average effective interest rate of 1.31% (2011: 1.80%) per annum on advances to subsidiaries of $113,007,000 (2011: $111,928,000). The other advances are interest-free.

		Company	
(c)		**2012**	2011
		$'000	$'000
	Current		
	Advances from subsidiaries	**45,857**	-
	Non-current		
	Advances from subsidiaries	**60,588**	136,892

The advances from subsidiaries are interest-free, unsecured and repayable on demand. Repayments are not expected within the next twelve months for the non-current advances.

Details of the subsidiaries are included in Note 41.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

19. Other non-current assets

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
At cost				
Available-for-sale financial assets - unlisted securities	**1,336**	1,336	**-**	-
Country club membership	**228**	228	**228**	228
	1,564	1,564	**228**	228
Less: Allowance for impairment losses				
Available-for-sale financial assets - unlisted securities	**(1,336)**	(1,336)	**-**	-
Country club membership	**(117)**	(117)	**(117)**	(117)
	111	111	**111**	111

Investments are classified as non-current assets, unless they are expected to be realised within 12 months from the balance sheet date or unless they need to be sold to raise working capital.

20. Investment properties

(a)

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Beginning of financial year	**166,915**	173,243	**112,845**	113,959
Currency translation differences	**-**	(182)	**-**	-
Acquisition of business [Note 37(c)]	**152,442**	-	**-**	-
Additions	**138**	99	**-**	37
Disposals [Note 35(a)]	**(60,635)**	-	**(6,013)**	-
Reclassified to property, plant and equipment [Note 21(a)]	**-**	(9,756)	**-**	-
Net fair value gain/(loss) recognised in profit or loss (Note 4)	**5,541**	3,511	**4,456**	(1,151)
End of financial year	**264,401**	166,915	**111,288**	112,845

Additions during the year comprise of the medical suites, acquired on 27 August 2012 as part of the Asset Swap Transaction described in Notes 35(a) and 37, that are held as investment properties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

20. Investment properties (continued)

(b) Investment properties are carried at fair values at the balance sheet date as determined by independent professional valuers on an open market value basis.

Investment properties are leased to non-related parties and related parties [Note 32(c)] under operating leases. As at 31 December 2011, investment properties with a carrying amount of $166,915,000 were pledged as security for banking facilities of the Group [Note 26(b)].

The following amounts are recognised in profit and loss:

	Group	
	2012	2011
	$'000	$'000
Rental income	**9,488**	10,453
Direct operating expenses	**(2,669)**	(2,627)

(c) Details of investment properties are as follows:

	Tenure	Unexpired term of the lease
Singapore		
Shops and offices (land only) at Orchard Parade Hotel, Tanglin Road	Freehold	-
4 office units at Tanglin Shopping Centre, Tanglin Road	Freehold	-
37 medical suites at Novena Medical Center, Sinaran Drive	Leasehold	89
10 medical suites at Novena Specialist Center, Sinaran Drive	Leasehold	93

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

21. Property, plant and equipment

	Freehold and leasehold land	Freehold and leasehold buildings	Plant, equipment, furniture and fittings	Construction-in-progress	Motor vehicles	Other assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
(a) Group							
2012							
Cost or valuation							
Beginning of financial year							
Cost	-	-	41,671	4,280	43	2,271	48,265
Valuation	558,979	124,422	-	-	-	-	683,401
	558,979	124,422	41,671	4,280	43	2,271	731,666
Currency translation differences	(221)	-	-	(70)	-	-	(291)
Acquisition of business	-	-	217	-	77	26	320
Additions	-	269	1,383	7,835	963	1,482	11,932
Disposals	(190,707)	(120,926)	(3,907)	(1,792)	-	(589)	(317,921)
Transfers	-	-	1,500	(1,500)	-	-	-
Written off	-	-	-	(16)	-	-	(16)
Adjustment on revaluation	5,539	(3,765)	-	-	-	-	1,774
End of financial year	373,590	-	40,864	8,737	1,083	3,190	427,464
Representing:							
Cost	-	-	40,864	8,737	1,083	3,190	53,874
Valuation	373,590	-	-	-	-	-	373,590
	373,590	-	40,864	8,737	1,083	3,190	427,464
Accumulated depreciation							
Beginning of financial year	-	-	32,669	-	43	2,010	34,722
Depreciation charge (Note 5)	1,558	2,162	1,894	-	42	198	5,854
Disposals	(964)	(1,318)	(1,928)	-	-	(3)	(4,213)
Adjustment on revaluation	(594)	(844)	-	-	-	-	(1,438)
End of financial year	-	-	32,635	-	85	2,205	34,925
Net book value							
End of financial year	**373,590**	**-**	**8,229**	**8,737**	**998**	**985**	**392,539**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

21. Property, plant and equipment (continued)

(a) Group

	Freehold and leasehold land $'000	Freehold and leasehold buildings $'000	Plant, equipment, furniture and fittings $'000	Construction-in-progress $'000	Motor vehicles $'000	Other assets $'000	Total $'000
2011							
Cost or valuation							
Beginning of financial year							
Cost	-	-	39,951	61	43	2,245	42,300
Valuation	544,240	128,083	-	-	-	-	672,323
	544,240	128,083	39,951	61	43	2,245	714,623
Currency translation differences	55	-	-	-	-	-	55
Reclassified from investment property [Note 20(a)]	9,756	-	-	-	-	-	9,756
Additions	-	-	1,708	4,407	-	26	6,141
Disposals	-	-	(176)	-	-	-	(176)
Transfers	-	-	188	(188)	-	-	-
Adjustment on revaluation	4,928	(3,661)	-	-	-	-	1,267
End of financial year	558,979	124,422	41,671	4,280	43	2,271	731,666
Representing:							
Cost	-	-	41,671	4,280	43	2,271	48,265
Valuation	558,979	124,422	-	-	-	-	683,401
	558,979	124,422	41,671	4,280	43	2,271	731,666
Accumulated depreciation							
Beginning of financial year	-	-	31,147	-	43	2,002	33,192
Depreciation charge (Note 5)	2,312	3,279	1,689	-	-	8	7,288
Disposals	-	-	(167)	-	-	-	(167)
Adjustment on revaluation	(2,312)	(3,279)	-	-	-	-	(5,591)
End of financial year	-	-	32,669	-	43	2,010	34,722
Net book value							
End of financial year	**558,979**	**124,422**	**9,002**	**4,280**	**-**	**261**	**696,944**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

21. Property, plant and equipment (continued)

	Freehold and leasehold land $'000	Freehold and leasehold buildings $'000	Plant, equipment, furniture and fittings $'000	Construction-in-progress $'000	Motor vehicles $'000	Other assets $'000	Total $'000
(b) Company							
2012							
Cost or valuation							
Beginning of financial year							
Cost	-	-	28,240	1,140	43	2,006	31,429
Valuation	359,888	68,675	-	-	-	-	428,563
	359,888	68,675	28,240	1,140	43	2,006	459,992
Additions	-	269	427	475	228	-	1,399
Disposals	-	(66,058)	(3,041)	-	-	(238)	(69,337)
Transfers	-	-	1,501	(1,501)	-	-	-
Adjustment on revaluation	4,112	(2,886)	-	-	-	-	1,226
End of financial year	364,000	-	27,127	114	271	1,768	393,280
Representing:							
Cost	-	-	27,127	114	271	1,768	29,280
Valuation	364,000	-	-	-	-	-	364,000
	364,000	-	27,127	114	271	1,768	393,280
Accumulated depreciation							
Beginning of financial year	-	-	22,886	-	43	1,768	24,697
Depreciation charge	-	1,251	1,203	-	21	-	2,475
Disposals	-	(760)	(1,666)	-	-	-	(2,426)
Adjustment on revaluation	-	(491)	-	-	-	-	(491)
End of financial year	-	-	22,423	-	64	1,768	24,255
Net book value							
End of financial year	**364,000**	**-**	**4,704**	**114**	**207**	**-**	**369,025**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

21. Property, plant and equipment (continued)

(b) Company

	Freehold and leasehold land $'000	Freehold and leasehold buildings $'000	Plant, equipment, furniture and fittings $'000	Construction-in-progress $'000	Motor vehicles $'000	Other assets $'000	Total $'000
2011							
Cost or valuation							
Beginning of financial year							
Cost	-	-	27,708	38	43	2,006	29,795
Valuation	355,936	70,683	-	-	-	-	426,619
	355,936	70,683	27,708	38	43	2,006	456,414
Additions	-	-	586	1,177	-	-	1,763
Disposals	-	-	(129)	-	-	-	(129)
Transfers	-	-	75	(75)	-	-	-
Adjustment on revaluation	3,952	(2,008)	-	-	-	-	1,944
End of financial year	359,888	68,675	28,240	1,140	43	2,006	459,992
Representing:							
Cost	-	-	28,240	1,140	43	2,006	31,429
Valuation	359,888	68,675	-	-	-	-	428,563
	359,888	68,675	28,240	1,140	43	2,006	459,992
Accumulated depreciation							
Beginning of financial year	-	-	21,922	-	43	1,768	23,733
Depreciation charge	-	1,914	1,090	-	-	-	3,004
Disposals	-	-	(126)	-	-	-	(126)
Adjustment on revaluation	-	(1,914)	-	-	-	-	(1,914)
End of financial year	-	-	22,886	-	43	1,768	24,697
Net book value							
End of financial year	**359,888**	**68,675**	**5,354**	**1,140**	**-**	**238**	**435,295**

(c) If the freehold and leasehold land and buildings of the Group and the Company stated at valuation as at 31 December 2012 were included in the financial statements at cost less accumulated depreciation, their net book values would have been $11,773,000 (2011: $164,406,000) and $2,183,000 (2011: $47,776,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

21. Property, plant and equipment (continued)

(d) Bank borrowings are secured on property, plant and equipment of the Group and the Company with carrying amounts of $18,065,000 (2011: $686,526,000) and $Nil (2011: $428,563,000) respectively [Note 26(b)].

(e) At the balance sheet date, the freehold land of the Group comprises:

Location	Description and existing use
Singapore	
1 Tanglin Road#	Hotel operation
Malaysia	
Lorong P Ramlee, Kuala Lumpur	Serviced residences under re-development

The Group has reversionary interests of the following properties:

Location	Description and existing use	Tenure
Singapore		
1 Tanglin Road#	Hotel operation	Freehold/99-year leasehold with effect from April 1965
180 Albert Street#	Hotel operation	99-year leasehold with effect from September 1990
20 Havelock Road#	Serviced residences operation	99-year leasehold with effect from February 1995

Leasehold interests (50-year for 1 Tanglin Road, 75-year for 180 Albert Street and 80-year for 20 Havelock Road) sold to Far East Hospitality Trust and leased back to the Group for an initial period of 20 years and an extendable term of another 20 years at the option of the Group. The Group has reversionary interests of the properties at the expiry of the 50-year, 75-year and 80-year leases.

(f) Valuation

The freehold and leasehold land and buildings are carried at fair values at the balance sheet date as determined by independent professional valuers on an open market value basis.

For the financial year ended 31 December 2012, the Group and the Company recognised revaluation surplus of $3,212,000 and $1,717,000 (2011: $6,858,000 and $3,858,000) in the asset revaluation reserve of the Group and the Company respectively [Note 30(b)(i)].

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

22. Intangible assets

	Group	
	2012 **$'000**	2011 $'000
Composition:		
Goodwill arising on business acquisition [Note 22(a)]	**41,301**	-
Hospitality management contracts [Note 22(b)]	**88,084**	-
	129,385	-

(a) Goodwill arising on business acquisition

	Group	
	2012 **$'000**	2011 $'000
Cost		
Beginning of financial year	**-**	-
Acquisition of business [Note 37(c)]	**71,442**	-
End of financial year	**71,442**	-
Accumulated impairment		
Beginning of financial year	**-**	-
Impairment charge (Note 4)	**30,141**	-
End of financial year	**30,141**	-
Net book value	**41,301**	-

Impairment test for goodwill

Goodwill is allocated to the Group's hospitality management business cash-generating unit ("CGU"). The recoverable amount of this CGU was determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a one-year period. Cash flows beyond the one-year period were extrapolated using the weighted average growth rate of 3.5%, budgeted net profit margin of 39.5% and discount rate of 10.0%. The growth rate did not exceed the long-term growth rate for the business in which the CGU operates. The management determined budgeted net profit margin based on past performance and its expectations of market developments. The weighted average growth rate used was consistent with forecasts included in industry reports. The discount rate used was pre-tax and reflected specific risks relating to the CGU.

An impairment charge of $30,141,000 (2011: Nil) is included in "Other gains - net" in the consolidated statement of comprehensive income. The impairment charge has arisen from the impairment of the additional goodwill which is a result of using the higher market price of YHS shares on the completion date, instead of the agreed price, to compute the consideration transferred for the acquisition of the businesses in the Asset Swap Transaction [Note 37(e)].

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

22. Intangible assets (continued)

(b) Hospitality management contracts

	Group	
	2012	2011
	$'000	$'000
Cost		
Beginning of financial year	**-**	-
Acquisition of business [Note 37(c)]	**89,060**	-
End of financial year	**89,060**	-
Accumulated impairment		
Beginning of financial year	**-**	-
Amortisation charge (Note 5)	**976**	-
End of financial year	**976**	-
Net book value	**88,084**	-

An amortisation expense of $976,000 (2011: Nil) is included within "Cost of sales" in the consolidated statement of comprehensive income.

23. Trade payables

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Trade payables to:				
- non-related parties	**26,980**	11,013	**3,522**	1,846
- related parties [Note 35(b)]	**1,032**	4,094	**-**	197
	28,012	15,107	**3,522**	2,043
Due to customers [Note 13(b)]	**30,370**	23,995	**-**	-
	58,382	39,102	**3,522**	2,043

Included in trade payables of the Group is an amount of $30,370,000 (2011: $23,995,000) from the Group's share in joint ventures. These joint ventures are contractual arrangements without a jointly-controlled entity (Note 17).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

24. Other current payables

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Other payables				
- non-related parties	**1,670**	1,038	**143**	16
- related parties [Note 35(b)]	**1,246**	4,244	**672**	3,006
	2,916	5,282	**815**	3,022
Interest payable	**43**	353	**-**	207
Accrual for operating expenses	**14,786**	4,578	**10,594**	2,668
Rental deposits	**573**	1,405	**111**	821
Dividend payable (Note 38)	**45,257**	-	**45,257**	-
	63,575	11,618	**56,777**	6,718

The other current payables to related parties are unsecured, interest-free and repayable on demand.

25. Deferred income

On 27 August 2012, the Group granted 50 years of leasehold interest in the freehold land of Orchard Parade Hotel to Far East Hospitality Trust as part of the REIT Transaction [Note 35(a)]. The proceeds arising from the grant of leasehold interest is recognised on the balance sheets as deferred income and amortised over the lease term of 50 years.

	Group and Company	
	2012	2011
	$'000	$'000
Deferred income		
- current	**6,797**	-
- non-current	**330,685**	-
	337,482	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

25. Deferred income (continued)

The following amounts are credited to profit and loss during the financial year.

	Group and Company	
	2012 **$'000**	2011 $'000
Rental income	**495**	-
Cost of sales	**1,862**	-
	2,357	-

26. Borrowings

(a)

	Group		Company	
	2012 **$'000**	2011 $'000	**2012** **$'000**	2011 $'000
Current				
Bank borrowings*	**-**	196,058	**-**	130,230
Non-current				
Bank borrowings*	**70,085**	259,602	**-**	120,000
Total borrowings	**70,085**	455,660	**-**	250,230

* Net of transaction costs.

The bank borrowings of the Group and the Company are variable rate borrowings.

Included in the Group's non-current bank borrowings is an amount of $31,720,000 (2011: $35,200,000) from the Group's share in joint ventures that do not give rise to a jointly-controlled entity (Note 17).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

26. Borrowings (continued)

(b) Securities granted

As at 31 December 2012, the securities for the borrowings are the Group's development properties and certain land and buildings; and the assignment of the rights and benefits with respect to these assets. As at 31 December 2011, the securities for the borrowings are as follows:

(i) the Group's development properties, investment properties and land and buildings; and the assignment of the rights and benefits with respect to these assets;

(ii) certain quoted shares held by the Group in an associated company; and

(iii) fixed and floating charge over the assets of the Company and certain subsidiaries.

27. Other non-current payables

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Rental deposits	**866**	1,348	**15**	739
Advances from minority shareholders of subsidiaries	**2**	2	**-**	-
Advances from associated companies	**3,016**	3,016	**-**	-
	3,884	4,366	**15**	739

The advances from minority shareholders and associated companies are unsecured, interest-free and repayable on demand. Repayments are not expected within the next twelve months.

28. Deferred income taxes

Deferred income tax liabilities to be settled from balance sheet date are as follows:

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Deferred income tax liabilities				
- to be settled within one year	**12,212**	27,128	**161**	251
- to be settled after one year	**15,621**	24,665	**565**	4,081
	27,833	51,793	**726**	4,332

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

28. Deferred income taxes (continued)

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of approximately $84,548,000 (2011: $86,279,000) which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. These tax losses have no expiry date.

The movements in deferred tax liabilities are as follows:

Group

	Accelerated tax depreciation	Asset revaluation surplus	Recognition of profits on percentage of completion	Other	Total
	$'000	$'000	$'000	$'000	$'000
2012					
Beginning of financial year	1,521	22,076	26,846	1,350	51,793
Charged/(credited) to:					
- profit or loss	(449)	(30)	(16,353)	-	(16,832)
- equity	-	(153)	-	-	(153)
Acquisition of business [Note 37(c)]	15,140	-	-	-	15,140
Reversal of deferred tax liability on revaluation surplus on realisation [Note 30(b)(i)]	-	(21,893)	-	-	(21,893)
Under/(over) provision in prior financial years	-	-	1,128	(1,350)	(222)
End of financial year	16,212	-	11,621	-	27,833
2011					
Beginning of financial year	1,526	21,702	9,859	1,350	34,437
Charged/(credited) to:					
- profit or loss	(5)	(120)	16,987	-	16,862
- equity	-	494	-	-	494
End of financial year	1,521	22,076	26,846	1,350	51,793

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

28. Deferred income taxes (continued)

Company

	Accelerated tax depreciation $'000	Asset revaluation surplus $'000	Other $'000	Total $'000
2012				
Beginning of financial year	1,014	1,968	1,350	4,332
Credited to:				
- profit or loss	(288)	(30)	-	(318)
- equity	-	(407)	-	(407)
Reversal of deferred tax liability on revaluation surplus on realisation [Note 30(b)(i)]	-	(1,531)	-	(1,531)
Overprovision in prior financial years	-	-	(1,350)	(1,350)
End of financial year	726	-	-	726
2011				
Beginning of financial year	1,035	2,104	1,350	4,489
Credited to:				
- profit or loss	(21)	(120)	-	(141)
- equity	-	(16)	-	(16)
End of financial year	1,014	1,968	1,350	4,332

29. Share capital

	Group and Company			
	No. of ordinary shares		Amount	
	2012 '000	2011 '000	**2012 $'000**	2011 $'000
Beginning of financial year	**363,309**	353,007	**372,063**	356,713
Shares issued in-lieu of dividends	**13,834**	10,302	**22,549**	15,350
End of financial year	**377,143**	363,309	**394,612**	372,063

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

30. Revaluation and other reserves

	Group		Company	
	2012 **$'000**	2011 $'000	**2012** **$'000**	2011 $'000
(a) Composition				
Asset revaluation reserve	**336,423**	502,608	**336,423**	404,415
Currency translation reserve	**(2,238)**	(7,394)	**-**	-
Fair value reserve	**-**	30,557	**-**	-
Share-based payment reserve	**-**	253	**-**	-
	334,185	526,024	**336,423**	404,415
(b) Movements				
(i) *Asset revaluation reserve*				
Beginning of financial year	**502,608**	498,234	**404,415**	400,541
Revaluation surplus on property, plant and equipment (Note 21)	**3,212**	6,858	**1,717**	3,858
Movement in deferred tax liability on revaluation surplus (Note 28)	**153**	(494)	**407**	16
Reversal of deferred tax liability on revaluation surplus on realisation (Note 28)	**21,893**	-	**1,531**	-
Transfer to retained profits	**(191,443)**	-	**(71,647)**	-
Share of associated company's transfer to retained profits	**-**	(1,990)	**-**	-
End of financial year	**336,423**	502,608	**336,423**	404,415

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

30. Revaluation and other reserves (continued)

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
(b) Movements (continued)				
(ii) *Currency translation reserve*				
Beginning of financial year	**(7,394)**	(5,274)	**-**	-
Net currency translation differences of financial statements of a foreign subsidiary company	**(230)**	(127)	**-**	-
Share of associated company's currency translation reserve [Note 16(a)]	**(1,871)**	(1,993)	**-**	-
Reclassification to profit or loss on partial disposal of an associated company	**7,257**	-	**-**	-
End of financial year	**(2,238)**	(7,394)	**-**	-
(iii) *Fair value reserve*				
Beginning of financial year	**30,557**	33,008	**-**	-
Share of associated company's fair value gains/(losses) on available-for-sale financial assets [Note 16(a)]	**30,148**	(2,451)	**-**	-
Reclassification to profit or loss on partial disposal of an associated company	**(60,705)**	-	**-**	-
End of financial year	**-**	30,557	**-**	-
(iv) *Share-based payment reserve*				
Beginning of financial year	**253**	-	**-**	-
Share of associated company's share-based payment reserve [Note 16(a)]	**(59)**	253	**-**	-
Reclassification to profit or loss on partial disposal of an associated company	**(194)**	-	**-**	-
End of financial year	**-**	253	**-**	-

Revaluation and other reserves are non-distributable.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

31. Retained profits

Movements in retained profits for the Company are as follows:

	Company	
	2012	2011
	$'000	$'000 (restated)
Beginning of financial year	**52,476**	63,185
Net profit	**581,513**	10,467
Shares issued in-lieu of dividends	**(22,549)**	(15,350)
Dividends paid to shareholders in cash	**(10,141)**	(5,826)
Dividend in specie	**(326,508)**	-
Special dividend	**(45,257)**	-
Transfer of revaluation surplus to retained profits	**71,647**	-
End of financial year	**301,181**	52,476

Movements in retained profits for the Group are shown in the consolidated statement of changes in equity.

32. Commitments

(a) Corporate guarantees

Corporate guarantees issued by the Company to banks in respect of banking facilities granted to the subsidiaries and joint ventures are disclosed in Note 33(b).

(b) Capital commitments

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investments in associated companies are as follows:				
(i) Property under development	**36,459**	52,698	**-**	-
(ii) Property, plant and equipment	**19,136**	24,153	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

32. Commitments (continued)

(c) Operating lease commitments - where the Group is a lessor

The Group leases out its investment properties under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	Group		Company	
	2012 $'000	2011 $'000	**2012 $'000**	2011 $'000
Not later than one year				
- non-related parties	**5,141**	7,980	**137**	5,977
- related parties [Note 35(b)]	**18**	1,484	**18**	519
	5,159	9,464	**155**	6,496
Between one and five years				
- non-related parties	**4,725**	6,229	**-**	4,504
- related parties [Note 35(b)]	**-**	685	**-**	126
	4,725	6,914	**-**	4,630
Later than five years				
- non-related parties	**114**	-	**-**	-
	9,998	16,378	**155**	11,126

(d) Operating lease commitments - where the Group is a lessee

The Group leases hotels, serviced residences and offices from related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights. The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group		Company	
	2012 $'000	2011 $'000	**2012 $'000**	2011 $'000
Not later than one year	**17,814**	-	**10,378**	-
Between one and five years	**68,500**	-	**40,243**	-
Later than five years	**249,085**	-	**146,521**	-
	335,399	-	**197,142**	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

32. Commitments (continued)

(d) Operating lease commitments - where the Group is a lessee (continued)

Included in the above are commitments of the Group under non-cancellable lease rentals that relate to the fixed portion due to Far East Hospitality Trust over the remaining tenure of the initial 20-year lease term that commenced in August 2012 in respect of Orchard Parade Hotel, Albert Court Village Hotel and Central Square Village Residences. The amounts due are as follows:

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Not later than one year	**17,000**	-	**10,000**	-
Between one and five years	**68,000**	-	**40,000**	-
Later than five years	**249,085**	-	**146,521**	-
	334,085	-	**196,521**	-

In addition to the above fixed portion, contingent lease rentals determined based on a percentage of gross operating revenue and gross operating profits of these properties have also been committed.

33. Financial risk management

The Group's activities expose it to market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Group's overall risk management objective is to effectively manage these risks and minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out by a team within the management of the Group.

(a) Market risk

(i) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets other than fixed deposits with banks, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

33. Financial risk management (continued)

(a) Market risk (continued)

(i) *Cash flow and fair value interest rate risk* (continued)

The Group's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings. The Company's exposure to cash flow interest rate risks arises mainly from variable-rate borrowings and advances from/to subsidiaries at variable rates. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure.

The borrowings of the Group and the Company at variable rates are mainly denominated in Singapore Dollars. If the interest rates increase/decrease by 0.4% (2011: 0.1%) with all other variables including tax rate being held constant, the profit after tax of the Group and the Company will be lower/higher by $65,000 (2011: $362,000) and $Nil (2011: $250,000) as a result of higher/lower interest expense on these borrowings.

(ii) *Currency risk*

The Group's currency exposure to foreign currency risk is not significant as most of its transactions are denominated in Singapore Dollars, except for its Malaysian subsidiary, where transactions are denominated in Malaysian Ringgit. The Malaysian subsidiary mainly owns a freehold property in Kuala Lumpur, Malaysia [Note 21(e)] which is being redeveloped into serviced residences.

The subsidiary has a majority of its financial assets and liabilities denominated in its functional currency and therefore do not present any significant foreign currency risk to the Group.

The Company's business is not exposed to any significant foreign exchange risk as the majority of its financial assets and liabilities are denominated in Singapore Dollars.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history and/or requiring deposits to be placed with the Group prior to provision of certain of its services. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group has no significant concentrations of credit risk and has in place credit policies and procedures to ensure on-going credit evaluation and active account monitoring.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

33. Financial risk management (continued)

(b) Credit risk (continued)

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet. In addition, the Company has off-balance sheet exposure to credit risk as follows:

	Company	
	2012	2011
	$'000	$'000
Corporate guarantees provided to banks on banking facilities of subsidiaries and joint ventures	**70,375**	205,963

(i) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with reputable banks. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) *Financial assets that are past due and/or impaired*

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2012	2011	**2012**	2011
	$'000	$'000	**$'000**	$'000
Past due 0 to 2 months	**3,564**	2,128	**789**	538
Past due 2 to 4 months	**426**	1,438	**5**	1
Past due over 4 months	**-**	865	**-**	-
	3,990	4,431	**794**	539

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

33. Financial risk management (continued)

(b) Credit risk (continued)

(ii) *Financial assets that are past due and/or impaired* (continued)

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2012 **$'000**	2011 $'000	**2012** **$'000**	2011 $'000
Gross amount	**-**	783	**-**	-
Less: Allowance for impairment losses	**-**	(783)	**-**	-
	-	-	**-**	-
Beginning of financial year	**783**	832	**-**	-
Allowance (written back)/made	**(771)**	31	**-**	-
Allowance utilised	**(12)**	(80)	**-**	-
End of financial year	**-**	783	**-**	-

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, as well as the availability of funding through an adequate amount of committed credit facilities. At the balance sheet date, assets held by the Group and the Company for managing liquidity risk included cash and short-term deposits as disclosed in Note 10.

The Group and the Company manage the liquidity risk by maintaining sufficient cash to meet the normal operating commitments and having an adequate amount of committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

33. Financial risk management (continued)

(c) Liquidity risk (continued)

The table below analyses financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000
Group			
At 31 December 2012			
Trade and other payables	91,587	-	-
Borrowings	1,395	20,918	52,056
Other non-current liabilities	-	3,587	297
	92,982	**24,505**	**52,353**
At 31 December 2011			
Trade and other payables	26,543	-	-
Borrowings	323,157	72,313	68,700
Other non-current liabilities	-	3,793	573
	349,700	**76,106**	**69,273**
Company			
At 31 December 2012			
Trade and other payables	60,299	-	-
Other non-current liabilities	-	15	-
	60,299	**15**	**-**
At 31 December 2011			
Trade and other payables	8,761	-	-
Borrowings	251,869	-	-
Other non-current liabilities	-	352	387
	260,630	**352**	**387**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

33. Financial risk management (continued)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. Consistent with how management monitors capital, the gearing ratio is calculated as total borrowings divided by total equity.

	Group		Company	
	2012 $'000	2011 $'000 (restated)	**2012 $'000**	2011 $'000 (restated)
Total borrowings	**70,085**	455,660	**-**	250,230
Total equity	**1,100,050**	1,085,139	**1,032,216**	828,954
Gearing ratio%	**6%**	42%	**-**	30%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2012 and 2011.

(e) Fair value measurements

The Group presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Available-for-sale financial assets are unlisted securities that are not traded in an active market. These financial instruments are fully impaired as at the end of financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

33. Financial risk management (continued)

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheet and in Note 19 to the financial statements, except for the following:

	Group		Company	
	2012 **\$'000**	2011 \$'000	**2012** **\$'000**	2011 \$'000
Loans and receivables	**576,080**	264,844	**573,206**	202,969
Financial liabilities at amortised cost	**195,926**	510,746	**166,759**	396,622

34. Immediate and ultimate holding company

The Company's immediate and ultimate holding company is Far East Organisation Pte Ltd, incorporated in Singapore.

35. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and related parties at terms agreed between the parties:

(a) Restructuring

At the Extraordinary General Meeting on 11 July 2012, the shareholders of the Company approved the proposed restructuring of the Group involving a REIT Transaction and an Asset Swap Transaction (each as described below) subject to the successful listing of the Far East Hospitality Trust ("Far East H-Trust"). The listing of Far East H-Trust was completed on 27 August 2012 and consequently, the Group completed the REIT Transaction and Asset Swap Transaction on the same day.

Following the approval of the proposed restructuring of the Group, to gain an additional platform for the Group's growth and to demonstrate its participation in the management of Far East H-Trust, the Group acquired a 33% interest in FEO Hospitality Asset Management Pte. Ltd. (manager of Far East Hospitality Real Estate Investment Trust) and FEO Hospitality Trust Management Pte. Ltd. (trustee-manager of Far East Hospitality Business Trust) for a cash consideration of \$696,000 and \$33 respectively. The 33% interest has been treated as an associated company and equity accounted for.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

35. Related party transactions (continued)

(a) Restructuring (continued)

REIT Transaction

Under the REIT Transaction, the Group completed the sale of leasehold interests in three of its hospitality assets to Far East H-Trust: 50-year leasehold interest in Orchard Parade Hotel, 75-year leasehold interest in Albert Court Village Hotel and 80-year leasehold interest in Central Square Village Residences commencing from 27 August 2012 for a cash consideration of $716,570,000. Far East H-Trust has, in turn, entered into agreements ("Master Lease Agreements") on 27 August 2012 to lease all three hospitality assets, excluding the commercial premises, back to the Group for an initial 20 years and an extendable term of another 20 years at the option of the Group. In accordance with the Master Lease Agreements, the Group is the lessee ("Master Lessee") and Far East H-Trust is the lessor ("Master Lessor"). The Master Lessee is required to pay the Master Lessor an annual rental for the duration of the term (initial and extended term) of each Master Lease Agreement comprising of a fixed rent for each hospitality asset or a variable rent computed based on the sum of a fixed percentage of the hospitality asset's gross operating revenue and gross operating profit, whichever is higher.

Asset Swap Transaction

Under the Asset Swap Transaction, the Group (through its wholly-owned subsidiary, Jelco Properties Pte Ltd ("JPPL")) completed the acquisition of medical suites in Novena Medical Center ("NMC") and Novena Specialist Center ("NSC") and the hospitality management business from Novena Point Pte Ltd ("NPPL"), Transurban Properties Pte. Ltd. ("TPPL") and Far East Hospitality Services Pte Ltd ("FEHS") respectively. NPPL, TPPL and FEHS are related parties of the Group being companies that are controlled by the shareholders of the Company's ultimate holding company (Note 34). The purchase consideration is satisfied by 200,942,854 ordinary shares of Yeo Hiap Seng Limited ("YHS") held by the Group (through JPPL) at an agreed price of $1.80 per YHS share and $58,653,000 in cash.

With the acquisition of the hospitality management business, the hospitality management agreements of FEHS are novated to the Group (through JPPL). In accordance with the hospitality management agreements, the Group acts as the operator of the assets of the Far East H-Trust and other related parties for which it receives management fees. The Group also entered into further agreements (Property Management Agreements) with Far East H-Trust to operate the commercial premises of its assets for which it receives management fees.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

35. Related party transactions (continued)

(b) Sales and purchases of goods and services

	Group	
	2012 **$'000**	2011 $'000
Amount billed to a joint venture:		
- Management fees	**117**	451
Amount billed (by)/to other related parties:		
- Management services, property management, accounting, computer support and other fees	**(4,829)**	(3,532)
- Property development, project management, and sales and marketing service fees	**(976)**	(2,306)
- Rental income	**1,429**	1,850
- Rental expense on operating leases		
• offices	**(274)**	-
• hotels and serviced residences	**(10,571)**	-
- Hospitality and other management fees	**5,347**	-
- Purchase of goods and services	**(827)**	-

Other related parties comprise companies that are controlled by the shareholders of the Company's ultimate holding company (Note 34).

Outstanding balances at 31 December 2012, arising from deposits, sale and purchase of goods and services, are set out in Notes 11, 15, 23 and 24 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

35. Related party transactions (continued)

(c) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2012	2011
	$'000	$'000
Wages and salaries	**1,928**	634
Employer's contribution to defined contribution plans, including Central Provident Fund	**61**	26
Directors' fees	**468**	358
	2,457	1,018

Included in the above is total compensation to directors of the Company amounting to $1,708,000 (2011: $482,000).

The banding of directors' remuneration is disclosed in the Corporate Governance Statement.

36. Segment information

Management has determined the operating segments based on the reports reviewed by the Group's chief operating decision maker ("CODM") that are used to make strategic decisions.

The CODM considers the business from a business segment perspective only as the Group's business segments operate predominantly in Singapore only. After the restructuring of the Group during the year, the Group is organised into four main business segments namely:

- Hospitality - operation of Orchard Parade Hotel, Albert Court Village Hotel and Central Square Village Residences under Master Lease Agreements and management of hospitality properties and other properties
- Property development - sale of development properties and properties held for sale
- Property investment - rental of investment properties
- Investment holding - investment in unquoted shares and investments in REIT Manager and Trustee-Manager

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

36. Segment information (continued)

The segment information provided to the CODM for the reportable segments is as follows:

	Hospitality $'000	Property development $'000	Property investment $'000	Investment $'000	Group $'000
2012					
Revenue	55,044	74,866	10,399	-	140,309
Operating profit	18,521	29,303	6,955	1,075	55,854
Corporate expenses					(10,765)
Finance expense					(3,659)
Fair value gains on investment properties	-	-	5,541	-	5,541
Gain arising on dilution of interest in an associated company					2
Effects of REIT and Asset Swap Transactions					115,353
Share of profit of associated companies	-	(17)	-	788	771
Share of profit of partially disposed associated company[1]					31,847
Profit before income tax					194,944
Income tax expense					(4,189)
Net profit					190,755
Segment assets	525,754	434,937	286,192	433,144	1,680,027
Associated companies					5,268
Total assets					1,685,295

[1] This relates to investment held in an associated company, Yeo Hiap Seng Limited.

	Hospitality $'000	Property development $'000	Property investment $'000	Investment $'000	Group $'000
2011					
Revenue	51,066	229,834	11,373	-	292,273
Operating profit	28,572	96,768	8,308	(15)	133,633
Corporate expenses					(1,194)
Finance expense					(9,245)
Fair value gains on investment properties	-	-	3,511	-	3,511
Share of profit of associated companies					21,099
Profit before income tax					147,804
Income tax expense					(23,013)
Net profit					124,791
Segment assets	690,012	423,500	185,023	573	1,299,108
Associated companies					356,225
Total assets					1,655,333

There are no revenues from transactions with a single external customer that accounts for 10 per cent or more of the Group's revenue for the financial years ended 31 December 2012 and 2011.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

37. Business combinations

As described in Note 35(a), under the Asset Swap Transaction, on 27 August 2012, the Group (through its wholly-owned subsidiary, JPPL) completed the acquisition of medical suites in NMC and NSC and the hospitality management business from NPPL, TPPL and FEHS respectively. As a result of the acquisition of the:

- hospitality management business, the Group is expected to become a vertically-integrated hospitality operator with the ability to both develop its own hospitality properties as well as manage a significant hospitality management business; and
- medical suites, the Group will have the opportunity to participate in the growing healthcare industry in Singapore and in the increasing demand for healthcare space.

Details of the consideration paid, the assets acquired and liabilities assumed and the effects on the cash flows of the Group, at completion date, are as follows:

(a) Purchase consideration

	$'000
Cash paid	58,653
200,942,854 YHS shares	391,839
Consideration transferred for the businesses	**450,492**

(b) Effect on cash flows of the Group

	$'000
Cash paid (as above)	58,653
Cash outflow on acquisition	**58,653**

(c) Identifiable assets acquired and liabilities assumed

	$'000
Medical suites [included in properties held for sale (Note 14) and investment properties (Note 20)]	305,350
Hospitality management contracts (included in intangible assets) [Note 22(b)]	89,060
Property, plant and equipment (Note 21)	320
Total assets	394,730
Deferred tax liabilities (Note 28)	(15,140)
Other payables	(540)
Total liabilities	(15,680)
Total identifiable net assets	**379,050**
Add: Goodwill [Note 22(a)]	71,442
Consideration transferred for the businesses	**450,492**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

37. Business combinations (continued)

(d) Acquisition-related costs

Acquisition-related costs of $9,150,000 are included in "Other gains - net" in the consolidated statement of comprehensive income and in operating cash flows in the consolidated statement of cash flows.

(e) Goodwill

The goodwill of $71,442,000 arising from the acquisition is attributable to:

- the additional goodwill, that amounts to $30,141,000, which is a result of using the market price of YHS shares on the completion date, instead of the agreed price, to compute the consideration transferred for the acquisition of the businesses in the Asset Swap Transaction; and
- the existence of an assembled hospitality management workforce that permits the Group to continue to operate the acquired business from the completion date.

The additional goodwill of $30,141,000 is impaired upon acquisition [Note 22(a)].

(f) Revenue and profit contribution

The acquired businesses contributed revenue of $10,324,000 and net profit of $2,248,000 to the Group for the period from 27 August 2012 to 31 December 2012.

Had the businesses been consolidated from 1 January 2012, consolidated revenue and consolidated profit for the year ended 31 December 2012 would have been $149,169,000 and $192,489,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

38. Dividends

	Group		Company	
	2012 **$'000**	2011 $'000	**2012** **$'000**	2011 $'000
Ordinary dividends paid				
Final dividend paid in respect of the previous financial year of 9 cents per share (2011: 6 cents per share)				
- Shares issued in-lieu of dividends (Note 31)	**22,549**	15,350	**22,549**	15,350
- Dividends paid to shareholders in cash (Note 31)	**10,141**	5,826	**10,141**	5,826
Special dividend of 12 cents per share (Note 31)	**45,257**	-	**45,257**	-
Dividend in specie of 0.22086 YHS share per share	**120,050**	-	**326,508**	-
	197,997	21,176	**404,455**	21,176

At the Annual General Meeting on 30 April 2013, a final dividend of 6 cents per share amounting to a total of $22,948,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2013.

39. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2013 or later periods and which the Group has not early adopted:

- Amendments to FRS 1 *Presentation of Items of Other Comprehensive Income* (effective for annual periods beginning on or after 1 July 2012)
- FRS 110 *Consolidated Financial Statements* (effective for annual periods beginning on or after 1 January 2014)
- FRS 111 *Joint Arrangement* (effective for annual periods beginning on or after 1 January 2014)
- FRS 112 *Disclosure of Interests in Other Entities* (effective for annual periods beginning on or after 1 January 2014)
- FRS 113 *Fair Value Measurement* (effective for annual periods beginning on or after 1 January 2013)

The Group is presently assessing the impact of the adoption of these standards and amendment.

40. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Far East Orchard Limited on 27 March 2013.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

41. Listing of companies in the Group

Name of company	Principal activities	Country of incorporation and place of business	Cost of investment		Equity holding held by the Company or its nominees		Equity holding held by subsidiaries or their nominees	
			2012 $'000	2011 $'000	**2012 %**	2011 %	**2012 %**	2011 %
Subsidiaries held by the Company								
Stable Properties Pte Ltd	Property investment	Singapore	*	*	**100**	100	**-**	-
First Choice Properties Pte Ltd	Operation of hotel and property investment	Singapore	**12,083**	12,083	**100**	100	**-**	-
Tannery Holdings Pte Ltd	Property development and investment	Singapore	*	*	**100**	100	**-**	-
Pinehigh Development Sdn Bhd	Property investment and development	Malaysia	**	**	**100**	100	**-**	-
Westview Properties Pte Ltd(3)	Property development	Singapore	**17,370**	17,370	**100**	100	**-**	-
Jadevine Limited(3)	Property development	Singapore	**26,018**	26,018	**100**	100	**-**	-
Pearlvine Pte Ltd	Property development	Singapore	**7,863**	7,863	**100**	100	**-**	-
OPH Property Limited	Investment holding	Singapore	*	*	**100**	100	**-**	-
OPH Westcove Pte Ltd(3)	Property development	Singapore	**1,000**	1,000	**100**	100	**-**	-
OPH Zenith Pte Ltd	Investment holding	Singapore	*	*	**100**	100	**-**	-
OPH Riverside Pte Ltd	Operation of serviced residences, serviced offices and property investment	Singapore	**30,972**	30,972	**100**	100	**-**	-
OPH Investments Pte Ltd	Investment holding	Singapore	*	*	**100**	100	**-**	-
OPH Marymount Limited	Property development	Singapore	**1,000**	1,000	**100**	100	**-**	-
OPH Orion Limited	Investment holding	Singapore	*	*	**100**	100	**-**	-
Jelco Properties Pte Ltd	Investment holding and management of hospitality and other properties	Singapore	**396,100**	396,100	**100**	100	**-**	-
OPH Investment Trading Pte Ltd	Investment trading and holding	Singapore	*	*	**100**	100	**-**	-
Seasons Green Limited	Property development	Singapore	**800**	800	**80**	80	**-**	-
			493,206	493,206				
Associated companies held by the Company								
FEO Hospitality Asset Management Pte. Ltd.	REIT Manager of Far East Hospitality Trust	Singapore	**696**	-	**33**	-	**-**	-
FEO Hospitality Trust Management Pte. Ltd.	Trustee-Manager of Far East Hospitality Trust	Singapore	***	-	**33**	-	**-**	-
			696	-				

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2012

41. Listing of companies in the Group (continued)

Name of company	Principal activities	Country of incorporation and place of business	Equity holding held by the Company or its nominees 2012 %	2011 %	Equity holding held by subsidiaries or their nominees 2012 %	2011 %
Joint ventures held by subsidiaries						
Joint venture of:						
OPH Orion Limited:						
Orwin Development Limited(1)	Property development	Singapore	**-**	-	**60**	60
Pearlvine Pte Ltd:						
Far East Opus Pte. Ltd.	Property development	Singapore	**-**	-	**20**	20
Associated companies held by subsidiaries						
Associated company of:						
Jelco Properties Pte Ltd:						
Yeo Hiap Seng Limited(2)	Consumer food and beverage products, property development	Singapore	**-**	-	**-**	49.53
OPH Property Limited:						
Hill Grove Realty Limited	Property development	Singapore	**-**	-	**50**	50
OPH Zenith Pte Ltd:						
Seasons Park Limited	Property development	Singapore	**-**	-	**50**	50
OPH Investments Pte Ltd:						
Minard Investment Limited	Investment holding	British Virgin Islands	**-**	-	**25**	25

All Singapore-incorporated subsidiaries are audited by PricewaterhouseCoopers LLP, Singapore.

The Company has complied with Rule 712 and Rule 716 of the Listing Manual issued by Singapore Exchange Securities Trading Limited in relation to its auditors.

** Cost of investment is $2.00.*
*** Cost of investment is RM2.00.*
**** Cost of investment is $33.00.*

(1) *Orwin Development Limited is a subsidiary of the Group under the Singapore Companies Act, Cap. 50, by virtue of the Group's equity interests exceeding 50%. However, for accounting purposes, Orwin Development Limited is regarded as a joint venture (Note 17) in accordance with FRS 31, Financial Reporting of Interests in Joint Ventures because a contractual agreement exists between the shareholders which requires unanimous consent from the shareholders for all strategic financial and operating activities relating to the company.*

(2) *Yeo Hiap Seng Limited ("YHS") is listed on the Singapore Exchange and is a subsidiary of Far East Organisation Pte Ltd ("FEO"), the immediate and ultimate holding company of the Company through its other direct interest held by FEO.*

(3) *Voluntary liquidation in progress.*

STATISTICS OF SHAREHOLDINGS

As at 14 March 2013

Issued and fully paid-up capital	:	$404,476,091.27
Number of shares issued	:	382,474,747
Class of shares	:	Ordinary shares fully paid
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 999	521	9.47	103,391	0.03
1,000 - 10,000	3,773	68.57	16,668,533	4.36
10,001 - 1,000,000	1,186	21.56	45,057,549	11.78
1,000,001 and above	22	0.40	320,645,274	83.83
Total	5,502	100.00	382,474,747	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Far East Organisation Pte Ltd	225,710,849	59.01
2	Maybank Kim Eng Securities Pte Ltd	14,619,947	3.82
3	Citibank Nominees Singapore Pte Ltd	9,100,314	2.38
4	Bank of East Asia Nominees Pte Ltd	8,529,148	2.23
5	BNP Paribas Pte Bank Nominees Pte Ltd	8,379,824	2.19
6	United Overseas Bank Nominees Pte Ltd	6,892,200	1.80
7	Daiwa (Malaya) Private Limited	6,731,200	1.76
8	DBS Nominees Pte Ltd	6,419,077	1.68
9	Paramount Assets Investments Pte Ltd	5,324,324	1.39
10	UOB Kay Hian Pte Ltd	4,024,683	1.05
11	Raffles Nominees Pte Ltd	3,080,049	0.81
12	DBS Vickers Securities (S) Pte Ltd	2,784,535	0.73
13	OCBC Securities Private Ltd	2,774,962	0.73
14	Lee Pineapple Company Pte Ltd	2,662,162	0.70
15	OCBC Nominees Singapore Pte Ltd	2,530,689	0.66
16	The Estate of Khoo Teck Puat, Deceased	2,412,200	0.63
17	HSBC (Singapore) Nominees Pte Ltd	1,768,341	0.46
18	Hotel Holdings (Private) Ltd	1,699,600	0.44
19	DB Nominees (S) Pte Ltd	1,687,752	0.44
20	Phillip Securities Pte Ltd	1,219,451	0.32
	Total	318,351,307	83.23

STATISTICS OF SHAREHOLDINGS

As at 14 March 2013

SUBSTANTIAL SHAREHOLDERS
(as shown in the Register of Substantial Shareholders)

Name	Direct Interest	%	Deemed Interest	%
Far East Organisation Pte Ltd	225,710,849	59.01	-	-
The Estate of Khoo Teck Puat, deceased(1)	2,248,400	0.59	18,702,600	4.89
Tan Kim Choo(2)	224,659	0.06	225,710,849	59.01
The Estate of Ng Teng Fong, deceased(3)	-	-	225,710,849	59.01

Notes:

(1) The Estate of Khoo Teck Puat, deceased, is deemed to be interested in the shares held by Daiwa (Malaya) Private Limited, Goodwood Park Hotel Limited, Hotel Holdings (Private) Limited, Industrial Syndicate (Private) Ltd, Kim Eng Securities Pte Ltd, Leo Investments Corpn S B and Luxor Hotel Limited.

(2) Mdm Tan Kim Choo is deemed to be interested in the shares of the Company held by Far East Organisation Pte Ltd ("FEO") through her 50% shareholding in the issued share capital of FEO.

(3) The Estate of Ng Teng Fong, deceased is deemed to be interested in the shares of the Company held by FEO through the estate's 50% shareholding in the issued share capital of FEO.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

Based on the information provided to the Company as at 14 March 2013, approximately 35.43% of the issued share capital of the Company was held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

FAR EAST ORCHARD LIMITED (Formerly known as Orchard Parade Holdings Limited)
(Incorporated in the Republic of Singapore) (Registration No: 196700511H)

NOTICE IS HEREBY GIVEN that the Forty-fifth Annual General Meeting of Far East Orchard Limited (the "Company") will be held at Antica I, Level 2, Orchard Parade Hotel, 1 Tanglin Road, Singapore 247905 on Tuesday, 30 April 2013 at 2.30 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2012 together with the Reports of the Directors and Independent Auditor thereon. **(Resolution 1)**

2. To declare a first and final one-tier tax exempt dividend of $0.06 per ordinary share for the financial year ended 31 December 2012. **(Resolution 2)**

3. To approve the payment of $467,829 as Directors' fees for the financial year ended 31 December 2012 (2011: $358,048). **(Resolution 3)**

4. To approve the sum of up to $516,000 as Directors' fees for the financial year ending 31 December 2013, to be paid quarterly in arrears. **(Resolution 4)**

5. To re-elect the following Directors retiring pursuant to Articles 96 and 101 of the Company's Articles of Association:-
   (i) Mdm Tan Siok Hwee (retiring pursuant to Article 96) **(Resolution 5)**
   (ii) Mr Heng Chiang Meng (retiring pursuant to Article 96) **(Resolution 6)**
   (iii) Mr Koh Boon Hwee (retiring pursuant to Article 101) **(Resolution 7)**
   (iv) Mr Arthur Kiong Kim Hock (retiring pursuant to Article 101) **(Resolution 8)**

6. To re-appoint Mr Cheng Hong Kok as a Director of the Company pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore, to hold such office from the date of this Annual General Meeting until the next Annual General Meeting of the Company. **(Resolution 9)**

7. To re-appoint PricewaterhouseCoopers LLP as Independent Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 10)**

8. To transact any other ordinary business that may be properly transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without modifications:

9. Authority to allot and issue shares

   "That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (***Act***) and the Listing Manual of the Singapore Exchange Securities Trading Limited (***SGX-ST***), authority be and is hereby given to the Directors of the Company to:

NOTICE OF ANNUAL GENERAL MEETING

FAR EAST ORCHARD LIMITED (Formerly known as Orchard Parade Holdings Limited)
(Incorporated in the Republic of Singapore) (Registration No: 196700511H)

(a) (i) issue shares in the capital of the Company (***Shares***) whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, ***Instruments***) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding any treasury shares, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares (excluding treasury shares, if any) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares, if any) shall be based on the total number of issued Shares (excluding treasury shares, if any) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Act and the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the articles of association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." **(Resolution 11)**

NOTICE OF ANNUAL GENERAL MEETING

FAR EAST ORCHARD LIMITED (Formerly known as Orchard Parade Holdings Limited)
(Incorporated in the Republic of Singapore) (Registration No: 196700511H)

BY ORDER OF THE BOARD

CHLOE KHO KIM SUAN
MADELYN KWANG YEIT LAM
Company Secretaries

Singapore,
11 April 2013

Explanatory Notes:

(1) **Ordinary Resolution 3** is to approve payment of $467,829 as Directors' fees for the financial year ended 31 December 2012. An increase in the Directors' fees is being proposed for the financial year ended 31 December 2012, following a review by the Remuneration Committee with the assistance of an external consultant that took into account competitive director compensation package, market trends and prevailing market rates.

(2) **Ordinary Resolution 6** is to re-elect Mr Heng Chiang Meng who will be retiring by rotation pursuant to Article 96 of the Articles of Association and if he is re-elected, he will remain as the Chairman of the Remuneration and Nominating Committees and a member of the Audit Committee. Mr Heng is considered an Independent Director.

(3) **Ordinary Resolution 7** is to re-elect Mr Koh Boon Hwee (who was appointed on 1 January 2013) pursuant to Article 101 of the Articles of Association and if he is re-elected, he will remain as a member of the Nominating Committee. Mr Koh is considered a non-Independent Director.

(4) **Ordinary Resolution 9** is to re-appoint Mr Cheng Hong Kok pursuant to Section 153(6) of the Companies Act, Chapter 50, to hold such office from the date of this Annual General Meeting until the next Annual General Meeting of the Company, and if he is re-appointed, he will be remain as the Chairman of the Audit Committee and a member of the Remuneration Committee. Mr Cheng is considered an Independent Director.

(5) **Ordinary Resolution 11**, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to allot and issue shares and to make or grant instruments convertible into shares in the capital of the Company for such purposes as they consider would be in the interest of the Company, provided that the aggregate number of shares which may be issued (including shares to be issued pursuant to convertibles) under this Resolution shall not exceed 50% of the issued shares (excluding treasury shares, if any) in the capital of the Company, of which not more than 20% may be issued other than on a pro-rata basis. The total number of shares which may be issued will be calculated based on the total number of issued shares (excluding treasury shares, if any) in the capital of the Company at the time this Resolution is passed after adjusting for (a) new shares arising from the conversion or exercise of convertible securities or employee share options on issue at the time this Resolution is passed, and (b) any subsequent bonus issue, consolidation or subdivision of shares. This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

NOTICE OF ANNUAL GENERAL MEETING

FAR EAST ORCHARD LIMITED (Formerly known as Orchard Parade Holdings Limited)
(Incorporated in the Republic of Singapore) (Registration No: 196700511H)

Notes:

(i) A member of the Company entitled to attend and vote at the above Meeting may appoint not more than two proxies to attend and vote in his/her stead.

(ii) Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.

(iii) If the member is a corporation, the instrument appointing the proxy must be under its common seal or under the hand of its attorney.

(iv) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 1 Tanglin Road #05-01, Orchard Parade Hotel, Singapore 247905 not less than 48 hours before the time appointed for holding the above Meeting.

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FAR EAST ORCHARD LIMITED
(Formerly known as Orchard Parade Holdings Limited)
(Incorporated in the Republic of Singapore)
(Registration No: 196700511H)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT
1. For investors who have used their CPF monies to buy Far East Orchard Limited shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY.**
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We ____

of ____

being a member/members of Far East Orchard Limited (the "**Company**") hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or *(delete as appropriate)*

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

as my/our proxy/proxies to vote for me/us on my/our behalf at the Forty-fifth Annual General Meeting ("AGM") of the Company to be held on Tuesday, 30 April 2013 at 2.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

No.	**Resolutions relating to:**	**For***	**Against***
1.	Adoption of Audited Financial Statements together with the Reports of Directors and Independent Auditor		
2.	Payment of first and final tax-exempt dividend		
3.	Approval of Directors' fees of $467,829 for the financial year ended 31 December 2012		
4.	Approval of Directors' fees for the sum of up to $516,000 for the financial year ending 31 December 2013		
5.	Re-election of Mdm Tan Siok Hwee as a Director		
6.	Re-election of Mr Heng Chiang Meng as a Director		
7.	Re-election of Mr Koh Boon Hwee as a Director		
8.	Re-election of Mr Arthur Kiong Kim Hock as a Director		
9.	Re-appointment of Mr Cheng Hong Kok as a Director		
10.	Re-appointment of PricewaterhouseCoopers LLP as Independent Auditor		
11.	Authority to allot and issue shares		

* Please indicate your vote "For" or "Against" with a tick (✓) within the box provided.

Dated this ____________ day of ____________________ 2013.

Total number of shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Affix
Postage
Stamp

Company Secretary
Far East Orchard Limited
1 Tanglin Road
#05-01 Orchard Parade Hotel
Singapore 247905

Fold along dotted line

Fold along dotted line

Notes:

1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

2. Where a member appoints two proxies, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.

3. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by the member.

4. This proxy form must be deposited at the Company's registered office at 1 Tanglin Road #05-01, Orchard Parade Hotel, Singapore 247905 not less than 48 hours before the time set for the AGM.

5. This proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney.

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy or proxies, failing which the instrument may be treated as invalid.

General

The Company shall be entitled to reject an instrument appointing a proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

FAR EAST ORCHARD LIMITED

A MEMBER OF FAR EAST ORGANIZATION

Registration No. 196700511H
1 Tanglin Road #05-01
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