

FAR EAST ORCHARD LIMITED

54th ANNUAL GENERAL MEETING

18 April 2022, 10.00 a.m.

Presentation by Group CEO

Disclaimer

This presentation should be read in conjunction with the audited full year financial statements of Far East Orchard Limited (“Far East Orchard”) for the year ended 31 December 2021 (“FY2021”).

This presentation is for information only and may contain forward-looking statements that involve assumptions, risks and uncertainties. Statements in this presentation that are not historical facts are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. These forward-looking statements are based on Far East Orchard’s current intentions, plans, expectations, assumptions and views about future events and are subject to risks, uncertainties and other factors, many of which are outside Far East Orchard’s control. Because actual results, performance or events could differ materially from Far East Orchard’s current intentions, plans, expectations, views and assumptions about the future, such forward-looking statements are not, and should not be construed as a representation as to future performance of Far East Orchard. It should be noted that the actual performance of Far East Orchard may vary significantly from such statements. Far East Orchard shall not be liable for any loss or damage of any kind suffered due to any omission, error, inaccuracy, incompleteness in this presentation, or any reliance on this presentation. Far East Orchard shall not be liable for the content of information provided by or quoted from third parties.

AGENDA

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- FY2021 Financial Highlights
- Dividends

02

FY2021 Business Review

- Hospitality
- Purpose-Built Student Accommodation (“PBSA”)
- Property Development/Investment

03

Outlook

- FEOR 25 Strategy & Looking Ahead



Far East
Orchard
LIMITED

OUR LODGING PLATFORM,
OUR WAY FORWARD




2021


FY2021 Financial Highlights

Higher contribution from PBSA business drives earnings, mitigated weak hospitality business performance.


Net profit after tax driven primarily by fair value gains




Revenue
S\$106.8 M
▼ 4.8%
FY2020: S\$112.2 M




Operating Profit
S\$4.4 M
▼ > 100%
FY2020: S\$13.7 M



Total Profit/(Loss)
S\$16.8 M
▲ > 100%
FY2020: S\$(8.9) M



Profit Attributable to
Equity Holders
S\$28.1 M
▲ > 100%
FY2020: S\$1.5 M

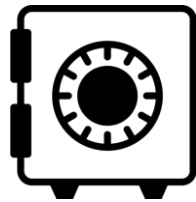


Earnings per share
6.12 cents
▲ > 100%
FY2020: 0.35 cents

Capital Management

Resilient Balance Sheet

Balance sheet and liquidity position remain healthy



**CASH & CASH
EQUIVALENTS**

S\$255.2 M

▼ 8.3%

FY2020: S\$278.4 M



**DEBT/EQUITY
RATIO**

0.54

-

FY2020: 0.54



TOTAL ASSETS

S\$2.6 B

-

FY2020: S\$2.6 B



NAV PER SHARE

S\$2.76

▲ 1.5%

FY2020: S\$2.72

FY2021 Financial Highlights

Significant items impacting total profit/loss in 2021

- Significant fair value gains on investment properties turned Group's net loss in FY2020 to net profit position in FY2021
- Government grants and support continued to be received in FY21. Expect to taper off in 2022.

Gain/(Loss)	In S\$'mil		Fair Value Changes from 2020 recognised in P&L	
				In S\$'mil
Fair value changes on investment properties	43.9	}	Retail/Commercial Assets	4.1
Gain on re-measurement of lease liability ¹	5.1		PBSA Portfolio	39.8
Government grant income ²	8.3		Medical Suites (held as IP)	-
Reclassification of exchange difference upon disposal of subsidiaries ¹	1.4		Total	43.9
Currency exchange losses – net	(5.3)			
Total	53.4			

Notes:

1) Refer to Note 8 of the audited financial statements for the details.

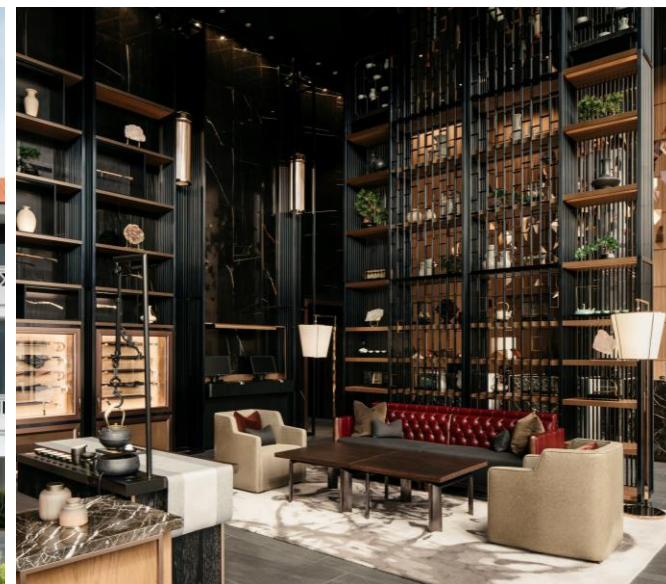
2) Government grant income received in FY2021 comprises wage subsidies received under the Jobs Support Scheme and JobKeeper Payment Scheme in Singapore and Australia respectively, and rental support received from the Singapore Government.

FY2021 Dividend

 **3.0 cents per share**
FY2020: 3.0 cents

- Increase in attributable profit in FY2021 was attributed to fair value gains.
- Maintained dividend of 3.0 cents per share despite protracted pandemic operating environment.
- Important to maintain a strong liquidity position to face the uncertainties ahead.

Hospitality



2021 Hotel Openings

Added approx. 1,600 rooms across eight hotels in Singapore, Australia, Japan and Europe

The Clan Hotel
324 rooms
Opened in Mar 2021



Far East Village Yokohama
227 rooms
Opened in Jun 2021



Oasia Resort Sentosa
191 rooms
Opened in Sep 2021



Adina Apartment Hotel Munich
234 rooms
Opened in Oct 2021



Adina Apartment Hotel Wiesbaden
126 rooms
Opened in Nov 2022



TFE Hotels debuted 'A by Adina' brand

A by Adina Canberra
130 rooms
Opened in Jan 2021



A by Adina Sydney
194 rooms
Opened in Apr 2021



First Quincy-brand hotel outside of Singapore

Quincy Hotel Melbourne
241 rooms
Opened in Mar 2021



Hospitality Global Presence & Pipeline

As at 31 December 2021

More than
100 properties
with approx.
18,000 rooms



Venturing into
Switzerland and
Vietnam



JV with Real Hospitality Group

60%
ownership



Founded in 2010 in the U.S.



Operates >90 hotels globally under white-label or franchised brands.



Incorporated Real Hospitality Group Asia Co in June 2020, entered the PRC market.

Expansion into the People's Republic of China's domestic tourism market

- PRC had one of the largest domestic markets in the world pre-COVID¹
- Showing signs of recovery during the pandemic²
- Good time to enter the PRC market and grow our global presence

March 2022
Entered into a joint-venture agreement



40%
ownership



Actively growing our hospitality footprint globally, as well as in markets with deep domestic exposure

Mutual Synergies

- RHG's vast experience in managing third-party branded hotels
- Enter the PRC market with an experienced joint venture partner.

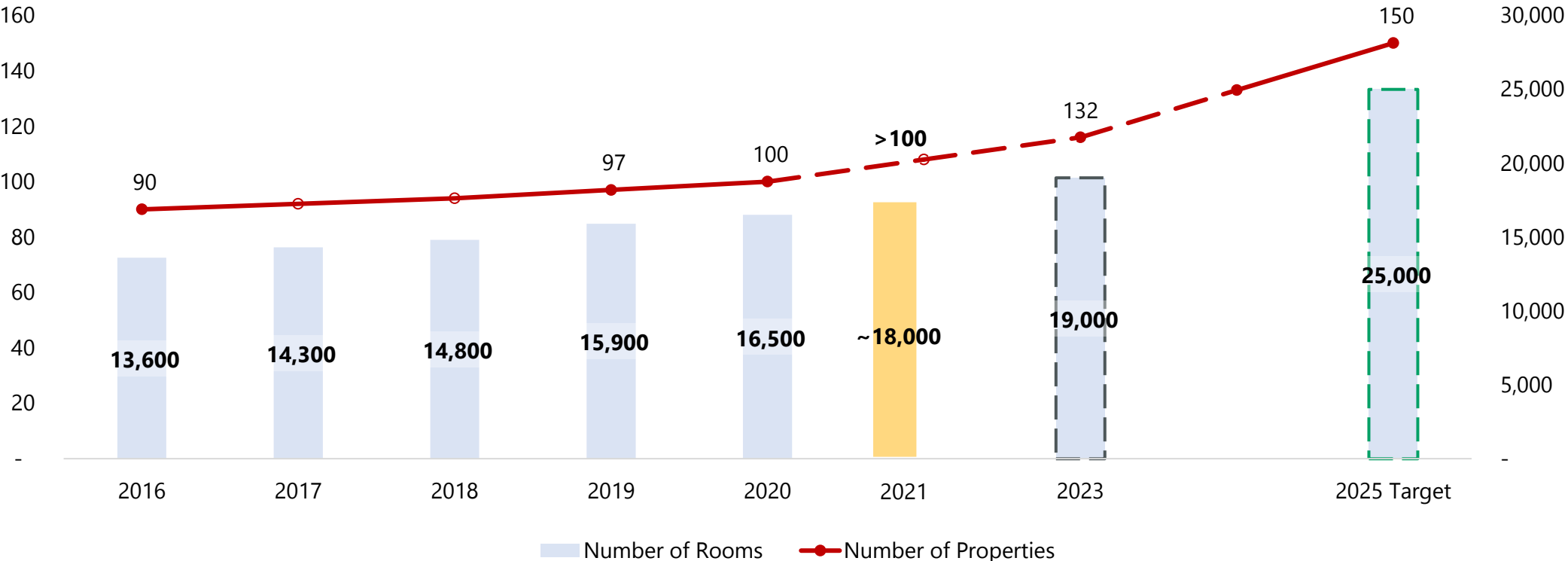
¹ <https://www.statista.com/statistics/1100783/apac-domestic-tourism-expenditure-by-country/>

² <https://www.asgam.com/index.php/2022/03/28/slowing-chinese-tourism-recovery-to-pressure-economic-growth-fitch/>

Growing Hospitality Management Portfolio



Hospitality continues to be the core contributor to our recurring income base



Number of rooms are rounded to the nearest hundred.
As at 30 December 2021

Purpose-built Student Accommodation (“PBSA”)



Resilient UK PBSA Portfolio

3,561 beds across 12 properties in 6 United Kingdom cities

Portland Green Student Village, Newcastle upon Tyne

Bryson Court 366 beds	Marshall Court 196 beds	Newton Court 295 beds
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Rosedale Court 338 beds	Turner Court 274 beds
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Liverpool

The Glassworks 323 beds

Bristol

St Lawrence House 166 beds	Harbour Court 133 beds	King Square Studios 301 beds
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Leeds

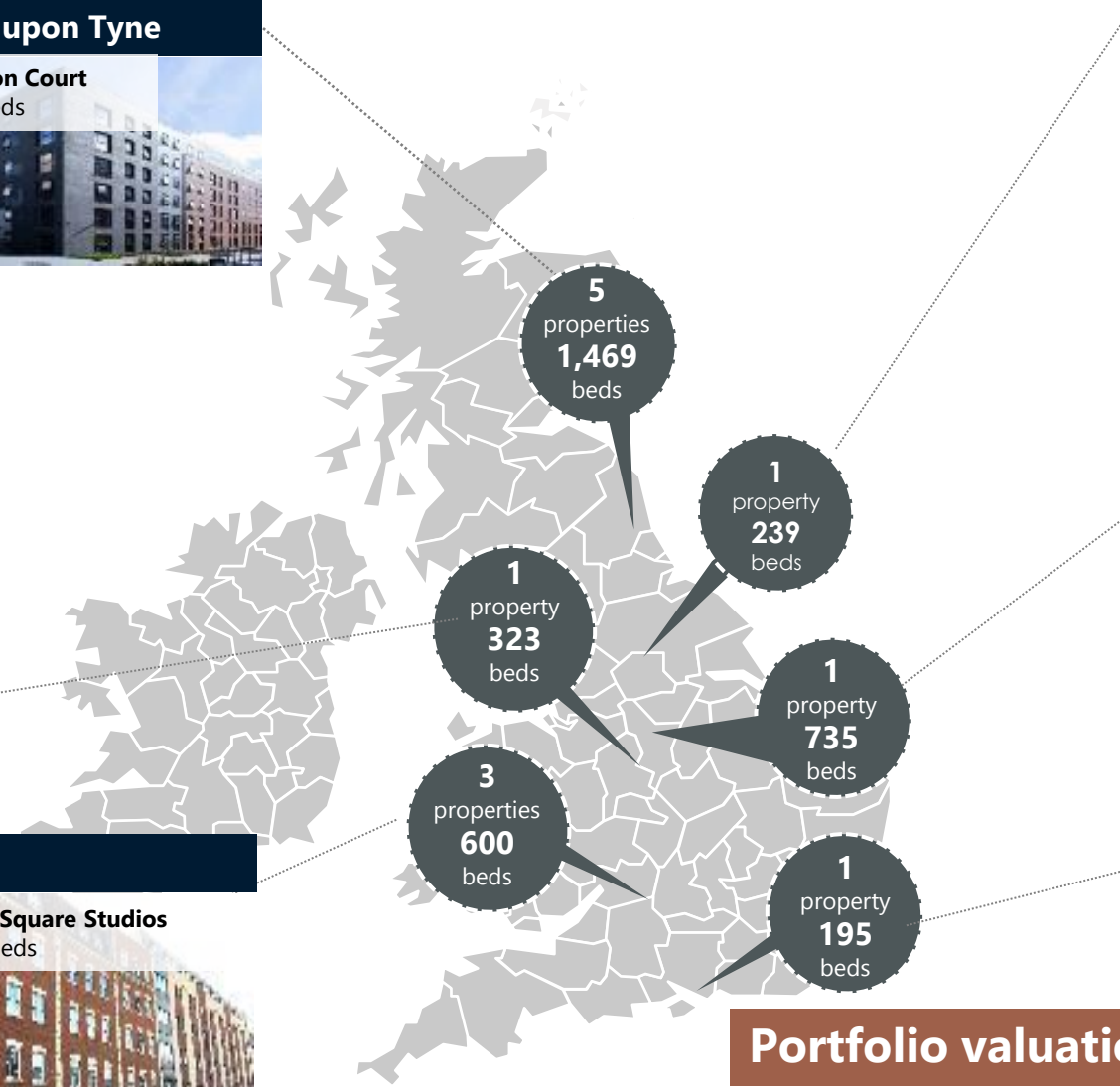
The Foundry 239 beds

Sheffield

The Elements 735 beds

Brighton

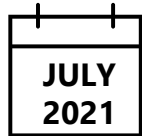
Hollingbury House 195 beds



Portfolio valuation of S\$607 million

Student Demand for UK Higher Education Continues

PBSA business in the UK remains resilient, demand is expected to go on strong

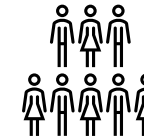


Easing of UK's COVID-19 restrictions; universities resumed in-person teaching



2021 UCAS end of cycle¹

- The number of UK applications increased
 - 12% increase in applicants from outside of the EU
- Decline in applications from EU students mitigated by an increase in non-EU students' applicants



Academic Year 2021/22

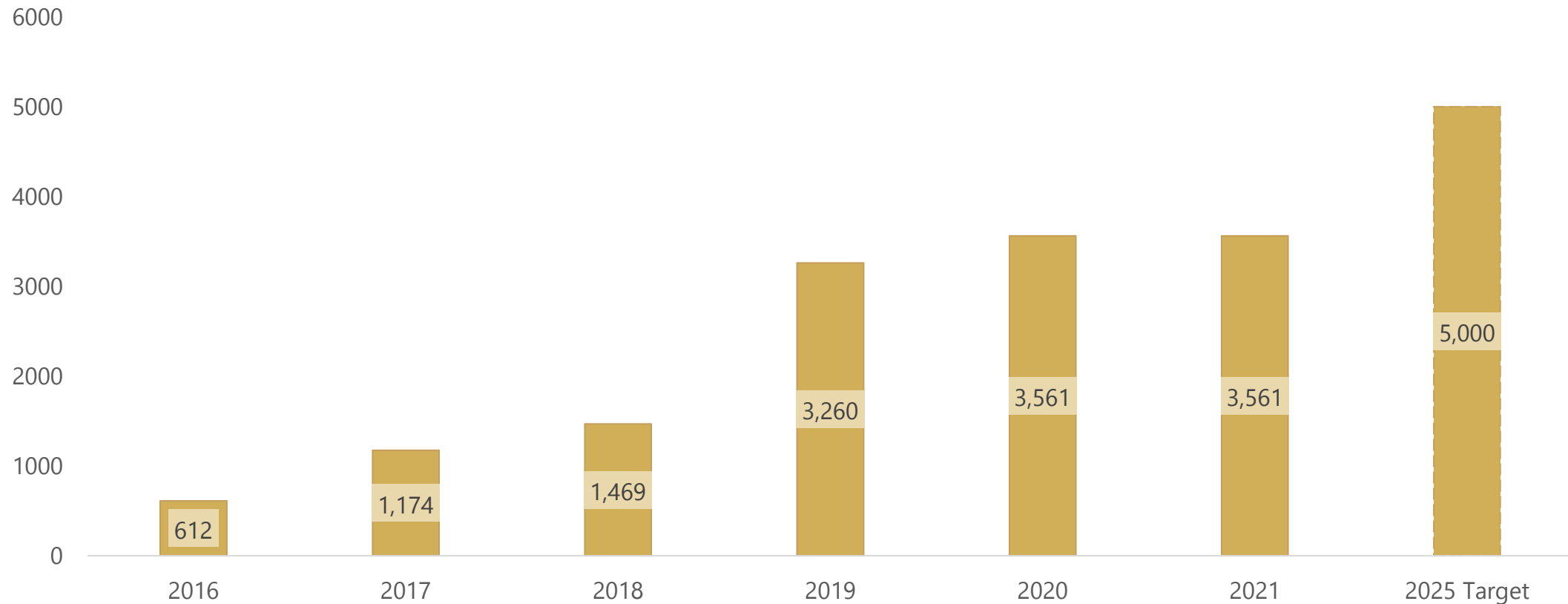
As at 31 Dec 2021

Average Occupancy >85%

¹ <https://www.ucas.com/corporate/news-and-key-documents/news/ucas-end-cycle-2021-strong-demand-uk-he-amidst-global-pandemic>

PBSA – Growth of PBSA Portfolio

Working towards achieving 2025 target of 5,000 beds





Property Development/Investment



Property development Update

Residential/Commercial

	Woods Square	Westminster Fire Station
		
Location	Singapore	London, United Kingdom
Far East Orchard's effective interest	33%	100%
Total units	514	17 units; 1 restaurant
Total units launched for sale	208	-
Percentage of units sold as at 31 Dec 21	71%*	N.A.
TOP	5 Feb 2020	31 August 2021

* Based on units launched for sale

Property Investment

Stable recurring source of income from medical suites

Novena Medical Center



44 Medical Suites¹

Novena Specialist Center



39 Medical Suites²

¹ 7 units held under "Properties held for sale" and 37 units held under "Investment Properties".

² 229 units held under "Properties held for sale" and 10 units held under "Investment Properties"



Sustainability

Committing to Sustainability Efforts

SUSTAINABILITY VISION

We strive to create sustained economic value for our stakeholders and contribute responsibly to the environment and society, while upholding a high standard of corporate governance.

Together, we work towards creating a sustainable future through our real estate and lodging platform.



Minimise Environment Impacts

Reducing our environmental footprint and preserving environmental resources across our platforms

Implementations:

- Tracking carbon footprint in properties we have control in
- Initiatives in place to minimise and conserve environmental resources

Supporting Our People

People-first business

Strive to provide safe and conducive environment; empower staff to take charge of their own success.

Maintain the highest safety and health standards to ensure customers have the best experience.

Resilient Business

Accountable to all stakeholders to ensure the long-term success of our business.

This is done through a diversified and balanced portfolio in the geographies we operate.

Upholding Integrity

We believe in ethical and transparent business practices across our value chain will go a long way in maintaining business continuity and our market reputation.


Sustainability Key Highlights

Minimising Environmental Footprint



3 managed hotels achieved green mark certificate in 2021

7 managed hotels to achieve green mark certificate in 2022



began **Tracking** carbon emissions in owned and managed properties

To reduce **1%** absolute carbon emission annually from 2022



Four-year SLL of **£50 million** secured in 2021



Voluntarily **Disclose** Climate-related risks aligned to TCFD recommendations from 2022

Supporting People



42 workplace injuries



0 workplace fatalities




0 Case of occupational diseases

Upholding Integrity




Top 8% of SGX-listed firms in SGTI 2021


Building a Resilient Business



S\$30.7 million Distributed for employee compensation and benefit



S\$12.3 million In tax contributions



70% of total suppliers engaged are locally based



Outlook

Outlook

FY2022 remains clouded by various downside risks including continued COVID-19 flare-ups, supply chain issues, labour shortages, global inflation and ongoing geopolitical tensions.



Travel and Tourism

- Full recovery is forecasted to be at least two years away – 2024 or later.
- Continued recovery from international tourism¹
 - All regions had a significant rebound
 - Domestic markets are likely to steer the sector's recovery
- New economic uncertainties hampering travellers' confidence
- Group's hospitality business expected to be impacted in the near term



UK PBSA

- Enrolment numbers for higher education in the UK continue to increase
 - Initial application data for AY2022/23, showed a 5% increased²
- Continuous rising trend is driven by domestic and non-European Union international student demand.
- Continued investment interest, with investors looking beyond disruptions in the 2022/23 academic year³
- Expect the PBSA business to remain resilient.



¹ <https://www.unwto.org/news/tourism-enjoys-strong-start-to-2022-while-facing-new-uncertainties>

² <https://www.knightfrank.com/research/article/2022-02-17-what-does-the-latest-student-applications-data-tell-us-about-the-uk-pbsa-market>

³ <https://www.knightfrank.com/research/article/2022-01-21-confidence-returns-to-uk-student-market>



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OUR LODGING PLATFORM,
OUR WAY FORWARD



Thank you

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Far East Orchard Limited (<https://www.fareastorchard.com.sg>)