

PART I INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 1(a)(i) **An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Comprehensive Income

	12 months ended 31 December		Increase/ (Decrease) %
	2020 \$'000	2019 \$'000	
Revenue	112,215	156,063	(28.1)
Cost of sales	(67,753)	(88,249)	(23.2)
Gross profit	44,462	67,814	(34.4)
Other income	11,590	4,500	>100
Other gains – net	2,737	13,141	(79.2)
Expenses			
- Distribution and marketing	(6,862)	(11,550)	(40.6)
- Administrative	(32,709)	(33,488)	(2.3)
- Finance	(17,106)	(16,865)	1.4
Share of (loss)/profit of			
- joint ventures	(7,613)	3,169	nm
- associated companies	2,142	3,211	(33.3)
(Loss)/Profit before income tax	(3,359)	29,932	nm
Income tax expense	(5,550)	(4,152)	33.7
(Loss)/Profit after income tax	(8,909)	25,780	nm
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Cash flow hedges – fair value losses ⁽¹⁾	(1,796)	-	nm
Share of other comprehensive loss of joint ventures	(2,664)	(2,382)	11.8
Currency translation differences arising from consolidation	15,051	(4,561)	nm
	10,591	(6,943)	nm
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive income/(loss) of:			
- joint ventures	6,125	5,756	6.4
- associated companies	(2,612)	2,958	nm
Revaluation (losses)/gains on property, plant and equipment – net	(13,766)	8,878	nm
Currency translation differences arising from consolidation	5,815	(2,432)	nm
Other comprehensive income, net of tax	6,153	8,217	(25.1)
Total comprehensive (loss)/income	(2,756)	33,997	nm
(Loss)/Profit attributable to:			
Equity holders of the Company	1,538	26,031	(94.1)
Non-controlling interest	(10,447)	(251)	>100
	(8,909)	25,780	nm
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	811	35,363	(97.7)
Non-controlling interest	(3,567)	(1,366)	>100
	(2,756)	33,997	nm

nm : not meaningful

⁽¹⁾ This relates to fair value changes of the interest rate swaps entered into to hedge interest rate exposure of the Group.

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

	12 months ended		Increase/ (Decrease) %
	31 December		
	2020	2019	
	\$'000	\$'000	
The following items were credited/(charged) to the income statement:			
<u>Other income</u>			
Interest income from:			
- bank deposits	2,474	4,340	(43.0)
- advances to a joint venture	88	-	nm
Grant income ^(2a)	9,840	-	nm
Grant expense – rent concessions ^(2b)	(1,003)	-	nm
<u>Cost of sales and administrative expenses</u>			
Depreciation of property, plant and equipment			
- Right-of-use assets	(12,667)	(12,674)	(0.1)
- Other property, plant and equipment	(8,265)	(9,192)	(10.1)
Amortisation of intangible assets	(2,705)	(2,820)	(4.1)
Write-off of property, plant and equipment	(18)	(38)	(52.6)
(Allowance for)/write-back of impairment losses on trade receivables	(790)	13	nm
<u>Other gains – net</u>			
Impairment of:			
- Properties held for sale	(1,024)	-	nm
- Right-of-use assets	(1,140)	-	nm
- Goodwill	(8,838)	-	nm
Fair value gains on investment properties	4,521	18,825	(76.0)
Revaluation losses on property, plant and equipment	(2,340)	(2,033)	15.1
Currency exchange gains/(losses) - net	11,553	(1,920)	nm
Gain/(loss) on disposal of:			
- Property, plant and equipment	5	(27)	nm
- Investment properties	-	(1,704)	nm
<u>Finance expenses</u>			
Interest expense for:			
- Bank borrowings	(6,676)	(6,029)	10.7
- Advances from a non-controlling interest	(1,331)	(1,327)	0.3
- Lease liabilities	(8,958)	(9,509)	(5.8)
Cash flow hedges, reclassified from hedging reserve	(141)	-	nm
<u>Income tax expense</u>			
Over provision of income tax in prior financial years	734	3,532	(79.2)

nm : not meaningful

^(2a) Grant income relates mainly to wage subsidies and property tax rebates received from the Singapore and Australian governments.

^(2b) Grant expense relates to the property tax rebates received from the Singapore Government that were transferred to tenants in the form of rent concessions during the year.

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

	Group		Company	
	31 December 2020 \$'000	31 December 2019 \$'000	31 December 2020 \$'000	31 December 2019 \$'000
ASSETS				
Current assets				
Cash and cash equivalents ⁽³⁾	278,382	257,430	151,178	159,832
Trade and other receivables	28,472	26,688	176,403	172,892
Inventories	267	323	17	14
Development properties	61,235	50,781	-	-
Properties held for sale	117,036	123,959	-	-
	485,392	459,181	327,598	332,738
Non-current assets				
Other non-current assets	276	20,903	350,471	349,535
Investments in associated companies	21,620	22,090	696	696
Investments in joint ventures	478,282	444,009	300	300
Investments in subsidiaries	-	-	873,415	883,529
Investment properties	878,837	793,841	136,524	139,175
Property, plant and equipment	635,378	660,934	391,155	409,666
Intangible assets	114,318	125,368	-	-
Deferred income tax assets	4,511	4,505	2,461	2,292
	2,133,222	2,071,650	1,755,022	1,785,193
Total assets	2,618,614	2,530,831	2,082,620	2,117,931
LIABILITIES				
Current liabilities				
Trade and other payables	105,485	113,692	13,738	13,267
Current income tax liabilities	5,423	6,021	-	129
Lease liabilities	11,908	11,257	5,811	5,531
Borrowings	283,325	336,208	157,800	251,372
Deferred income	8,423	11,056	6,817	6,817
	414,564	478,234	184,166	277,116
Non-current liabilities				
Other payables	98,635	98,257	362,018	363,630
Lease liabilities	136,077	145,368	80,385	84,920
Borrowings	399,756	225,419	180,309	89,230
Derivative financial instruments ⁽⁴⁾	1,796	-	336	-
Deferred income	276,311	283,108	276,311	283,108
Deferred income tax liabilities	32,003	29,143	-	-
	944,578	781,295	899,359	820,888
Total liabilities	1,359,142	1,259,529	1,083,525	1,098,004
NET ASSETS	1,259,472	1,271,302	999,095	1,019,927
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	515,234	498,006	515,234	498,006
Revaluation and other reserves	340,548	341,185	288,452	301,647
Retained profits	385,101	409,955	195,409	220,274
	1,240,883	1,249,146	999,095	1,019,927
Non-controlling interest	18,589	22,156	-	-
TOTAL EQUITY	1,259,472	1,271,302	999,095	1,019,927

1(b)(i) (continued)

Notes to the Statements of financial position

- (3) For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	31 December 2020 \$'000	31 December 2019 \$'000
Cash and cash equivalents (as above)	278,382	257,430
Less: Bank deposits pledged	(31,235)	(24,952)
Cash and cash equivalents per consolidated statement of cash flows	247,147	232,478

- (4) Derivative financial instruments relate to interest rate swaps entered to hedge interest rate risk on part of the Group's borrowings.

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

	As at 31 December 2020		As at 31 December 2019	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand (net of transaction costs)	105,525	177,800	84,836	251,372
Amount repayable after one year (net of transaction costs)	219,447	180,309	136,189	89,230
	219,447	180,309	136,189	89,230

Details of any collaterals

The secured bank borrowings of the Group are secured over certain subsidiaries' bank deposits, investment properties and property, plant and equipment.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.
Consolidated Statement of Cash Flows

	12 months ended 31 December	
	2020	2019
	\$'000	\$'000
Cash flows from operating activities		
(Loss)/Profit after income tax	(8,909)	25,780
Adjustments for:		
Income tax expense	5,550	4,152
Depreciation of property, plant and equipment	20,932	21,866
Amortisation of intangible assets	2,705	2,820
(Gain)/loss on disposal of property, plant and equipment	(5)	27
Loss on disposal of investment properties	-	1,704
Fair value gains on investment properties	(4,521)	(18,825)
Revaluation losses on property, plant and equipment	2,340	2,033
Write-off of property, plant and equipment	18	38
Impairment of goodwill	8,838	-
Impairment of a right-of-use asset	1,140	-
Impairment of properties held for sale	1,024	-
Interest income	(2,562)	(4,340)
Finance expenses	17,106	16,865
Share of loss/(profit) of joint ventures	7,613	(3,169)
Share of profit of associated companies	(2,142)	(3,211)
Unrealised currency translation (gains)/losses	(10,093)	1,903
	39,034	47,643
Change in working capital:		
Trade and other receivables	4,348	4,985
Inventories	78	24
Development properties and properties held for sale	(3,301)	(8,174)
Trade and other payables	(18,578)	(9,465)
Cash generated from operations	21,581	35,013
Interest paid	(136)	(180)
Income tax paid – net	(2,126)	(3,012)
Net cash provided by operating activities	19,319	31,821
Cash flows from investing activities		
Acquisitions of companies, net of cash acquired	-	(219,613)
Additions to property, plant and equipment	(1,640)	(862)
Proceeds from disposal of property, plant and equipment	12	7
Additions to investment properties	(71,729)	(22,714)
Proceeds from disposal of investment properties	-	2,865
Dividends received from joint ventures	1,387	6,685
Investment in joint ventures	(23,398)	-
Repayment of advances from joint ventures	(42)	(3,561)
Advances from joint ventures	15,508	2,400
Advance payment for a joint venture	-	(1,201)
Interest received	3,666	3,501
Income tax paid – net	(78)	(1,093)
Net cash used in investing activities	(76,314)	(233,586)

1(c) (continued)

Consolidated Statement of Cash Flows (continued)

	12 months ended 31 December	
	2020	2019
	\$'000	\$'000
Cash flows from financing activities		
Proceeds from borrowings	220,258	324,280
Repayment of borrowings	(111,358)	(64,881)
Repayment of principal portion of lease liabilities	(10,937)	(10,845)
Interest paid on lease liabilities	(8,958)	(9,509)
Interest paid on borrowings	(8,277)	(8,180)
Dividend paid to equity holders of the Company	(9,074)	(24,825)
Repayment of advances from non-controlling interest	-	(544)
Net cash provided by financing activities	71,654	205,496
Net increase in cash and cash equivalents	14,659	3,731
Cash and cash equivalents		
Beginning of financial year	257,430	256,287
Less: Bank deposits pledged ⁽⁵⁾	(31,235)	(24,952)
Effects of currency translation on cash and cash equivalents	6,293	(2,588)
End of financial year	247,147	232,478

⁽⁵⁾ Certain bank deposits are pledged in relation to the security granted for certain borrowings.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity

	← Attributable to equity holders of the Company →								Non-controlling interest	Total Equity
	Share Capital	Capital Reserve	Asset Revaluation Reserve	Currency Translation Reserve	Fair Value Reserve	Hedging Reserve	Retained profits	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020										
Balance at 1 January 2020	498,006	13,977	371,151	(43,412)	861	(1,392)	409,955	1,249,146	22,156	1,271,302
Profit for the year	-	-	-	-	-	-	1,538	1,538	(10,447)	(8,909)
Other comprehensive income/(loss) for the year	-	-	(9,500)	15,034	(2,612)	(3,649)	-	(727)	6,880	6,153
Total comprehensive income/(loss) for the year	-	-	(9,500)	15,034	(2,612)	(3,649)	1,538	811	(3,567)	(2,756)
Dividend paid in cash relating to 2019	-	-	-	-	-	-	(9,074)	(9,074)	-	(9,074)
Shares issued in-lieu of cash for dividend relating to 2019	17,228	-	-	-	-	-	(17,228)	-	-	-
Transfer of share of associated company's fair value reserve upon disposal	-	-	-	-	90	-	(90)	-	-	-
Total transactions with owners, recognised directly in equity	17,228	-	-	-	90	-	(26,392)	(9,074)	-	(9,074)
Balance at 31 December 2020	515,234	13,977	361,651	(28,378)	(1,661)	(5,041)	385,101	1,240,883	18,589	1,259,472

1(d)(i) (continued)

Consolidated Statement of Changes in Equity

	← Attributable to equity holders of the Company →									
	Share Capital	Capital Reserve	Asset Revaluation Reserve	Currency Translation Reserve	Fair Value Reserve	Hedging Reserve	Retained profits	Total	Non-controlling interest	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>2019</u>										
Balance at 1 January 2019	496,604	10,557	358,304	(38,034)	(2,186)	(297)	410,240	1,235,188	26,942	1,262,130
Profit for the year	-	-	-	-	-	-	26,031	26,031	(251)	25,780
Other comprehensive income/(loss) for the year	-	-	12,847	(5,378)	2,958	(1,095)	-	9,332	(1,115)	8,217
Total comprehensive income/(loss) for the year	-	-	12,847	(5,378)	2,958	(1,095)	26,031	35,363	(1,366)	33,997
Dividend paid in cash relating to 2018	-	-	-	-	-	-	(24,825)	(24,825)	-	(24,825)
Shares issued in-lieu of cash for dividend relating to 2018	1,402	-	-	-	-	-	(1,402)	-	-	-
Capital reorganisation ⁽⁶⁾	-	3,420	-	-	-	-	-	3,420	(3,420)	-
Transfer of share of associated company's fair value reserve upon disposal	-	-	-	-	89	-	(89)	-	-	-
Total transactions with owners, recognised directly in equity	1,402	3,420	-	-	89	-	(26,316)	(21,405)	(3,420)	(24,825)
Balance at 31 December 2019	498,006	13,977	371,151	(43,412)	861	(1,392)	409,955	1,249,146	22,156	1,271,302

⁽⁶⁾ On 20 February 2019, Jelco Properties Pte Ltd ("JPPL"), a 100% owned subsidiary, delivered a hospitality management agreement to Far East Hospitality Management (S) Pte. Ltd. ("FEHMS"), a 70%-owned subsidiary. The hospitality management agreement was previously a deferred pipeline agreement when the Group transferred its hospitality management business from JPPL to FEHMS on 1 November 2013 (the "Business Transfer"). As the Business Transfer was deemed as a reorganisation of entities under common control, a capital reserve of \$3,420,000 was recognised during the period, being the 30% share attributable to the non-controlling interest shareholder of FEHMS.

1(d)(i) (continued)

Company's Statement of Changes in Equity

	Share Capital	Asset Revaluation Reserve	Hedging Reserve	Retained profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
Balance at 1 January 2020	498,006	301,647	-	220,274	1,019,927
Profit for the year	-	-	-	1,437	1,437
Other comprehensive loss for the year	-	(12,859)	(336)	-	(13,195)
Total comprehensive income/(loss) for the year	-	(12,859)	(336)	1,437	(11,758)
Dividend paid in cash relating to 2019	-	-	-	(9,074)	(9,074)
Shares issued in-lieu of cash for dividend relating to 2019	17,228	-	-	(17,228)	-
Total transactions with owners, recognised directly in equity	17,228	-	-	(26,302)	(9,074)
Balance at 31 December 2020	515,234	288,788	(336)	195,409	999,095
2019					
Balance at 1 January 2019	496,604	292,967	-	238,997	1,028,568
Profit for the year	-	-	-	7,504	7,504
Other comprehensive income for the year	-	8,680	-	-	8,680
Total comprehensive income for the year	-	8,680	-	7,504	16,184
Dividend relating to 2018 paid in cash	-	-	-	(24,825)	(24,825)
Shares issued in-lieu of cash for dividend relating to 2018	1,402	-	-	(1,402)	-
Total transactions with owners, recognised directly in equity	1,402	-	-	(26,227)	(24,825)
Balance at 31 December 2019	498,006	301,647	-	220,274	1,019,927

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

	6 months ended	
	31 December 2020	30 June 2020
	'000	'000
Ordinary shares fully paid		
Number of shares at beginning of financial period	438,360	438,360
Number of shares issued in-lieu of cash for dividend	17,125	-
Number of shares at end of financial period	455,485	438,360

The Company does not have any convertibles or treasury shares.

The Company also does not have any subsidiary that holds shares issued by the Company.

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

	As at 31 December 2020	As at 31 December 2019
	'000	'000
Number of issued shares excluding treasury shares	455,485	438,360

The Company does not have any treasury shares.

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

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

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable as the Company does not have any subsidiary that holds shares issued by the Company.

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

The figures have not been audited or reviewed by the Company's auditor.

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

Not applicable. Refer to paragraph 2 above.

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

There has been no change in the accounting policies and methods of computation adopted by the Group for the current reporting period compared with the audited financial statements for the year ended 31 December 2019, except for the adoption of new or revised FRS that are mandatory for the financial year beginning on or after 1 January 2020.

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

The Group has adopted the new accounting standards, amendment and interpretation to existing standards which is mandatory for accounting periods beginning on or after 1 January 2020. The adoption of these FRS has no significant impact on the Group.

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

	12 months ended 31 December	
	2020	2019
	cents	cents
Earnings per ordinary share (EPS) for the period based on net profits attributable to shareholders after deducting any provision for preference dividends: -		
(i) Based on weighted average number of ordinary shares in issue	0.35	5.95
(ii) On a fully diluted basis	0.35	5.95

The Company does not have any preference shares.

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	Group		Company	
	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
Net asset value (NAV) per ordinary share based on total number of issued shares excluding treasury shares as at the end of the year	\$2.72	\$2.85	\$2.19	\$2.33

The Company does not have any treasury shares.

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a) **Group performance review for the year ended 31 December 2020 ("FY20")**

Revenue

Revenue for FY20 decreased by \$43.9 million (28.1%) to \$112.2 million (FY19: \$156.1 million). The decline was driven by the Group's hospitality business, which has been adversely impacted by the COVID-19 pandemic. With borders closures and global travel at a standstill, the occupancy level for the Group's hotels plummeted. The decline in occupancy had been partially mitigated by the demand for accommodation facilities for isolation purposes in Singapore and Australia and demand from companies for accommodation for their foreign workers in Singapore. The decrease in revenue from the hospitality business was partially offset by the higher revenue from the student accommodation properties in the United Kingdom ("UK") given the full year contribution from the five purpose-built student accommodation ("PBSA") properties acquired in 2019.

Gross profit

Gross profit decreased by \$23.4 million (34.4%) to \$44.5 million in FY20 (FY19: \$67.8 million). The decrease was mainly due to the lower gross profit of the hospitality business, partially offset by the higher gross profit contribution from the student accommodation business in the UK.

Depreciation of property, plant and equipment was lower by \$0.9 million due to lower carrying value of assets upon the recognition of revaluation losses in 2019.

Other income

Other income included interest income from bank deposits and grant income. The Group's other income increased by \$7.1 million to \$11.6 million in FY20 (FY19: \$4.5 million) mainly due to the various COVID-19 related grants received, including property tax rebates and rental relief from landlords, and wage subsidies from the governments in Singapore and Australia. The increase was partially offset by property tax rebates given to tenants of our commercial properties and lower interest income from lower bank deposits rates in FY20 compared to the preceding year.

Other gains – net

Other net gains for FY20 included:

- Currency translation gains of \$11.6 million (FY19: currency translation losses of \$1.9 million) mainly arising from monetary assets and liabilities denominated in Australian Dollar ("AUD") due to strengthening of AUD against SGD;
- Net fair value gains on investment properties of \$4.5 million in FY20 was attributed to fair value gains on the PBSA assets, partially offset by the fair value losses from medical suites and other investment properties held by the Group;
- Revaluation losses of \$2.3 million on certain hospitality assets (held as property, plant and equipment) in Australia and Malaysia;
- Impairment charge on goodwill arising from the Group's hospitality property ownership business in Australia amounting to \$8.8 million and impairment of a right-of-use asset in New Zealand of \$1.1 million, due to the decline in the expected operating performance as a result of the ongoing COVID-19 situation; and
- Impairment of medical suites that are held for sale of \$1.0 million due to the decrease in net realizable value.

8 (continued)

(a) Group performance review for the year ended 31 December 2020 ("FY20") (continued)**Expenses**

Total expenses decreased by \$5.2 million to \$56.7 million in FY20 (FY19: \$61.9 million) primarily due to reduction and deferral of marketing and promotional spend in view of the COVID-19 pandemic. The decrease was partially offset by the higher operating expenses with the addition of five PBSA properties acquired in 2019 and higher finance expenses in relation to the higher borrowings to finance the related acquisitions.

Share of loss/profit of joint ventures and associated companies

The Group's share of loss of joint ventures for FY20 was \$7.6 million compared to share of profit of \$3.2 million in FY19. The share of loss stemmed from operating losses from the hospitality joint ventures in Australia and Europe, revaluation losses on certain hotel properties, impairment charge on management rights and the pre-opening expenses incurred for the opening of a hotel. The share of loss was partially offset by the share of profit from the sales of commercial units at Woods Square, which obtained TOP in February 2020.

The Group's share of profit of associated companies for FY20 decreased by \$1.1 million to \$2.1 million in FY20 stemming from lower management fees chargeable to Far East Hospitality Real Estate Investment Trust.

Income tax expense

Despite the operating losses, the Group incurred income tax expense on the PBSA and property investment business segments, partially offset by lower taxable income from Australia. Income tax expense for FY20 was \$1.4 million higher compared to FY19 mainly due to a reversal of overprovision on deferred taxes relating to unremitted profits of the Group's joint venture upon finalisation of prior years' tax in FY19.

Loss/Profit after income tax and Profit attributable to equity holders of the Company

The Group recorded a loss after income tax of \$8.9 million in FY20 as compared to a profit after income tax of \$25.8 million in FY19. Profit attributable to equity holders of the Company was \$1.5 million in FY20 as compared to \$26.0 million in FY19.

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

The Group generated a net increase in cash and cash equivalents for FY20 of \$14.7 million compared to net increase of \$3.7 million in FY19.

Net cash inflows from operating activities of the Group for FY20 were \$19.3 million compared to \$31.8 million for FY19. Lower net cash inflows in FY20 were mainly due to decrease in payables due to timing.

Net cash used in investing activities of the Group for FY20 was \$76.3 million compared to \$233.6 million for FY19. Net cash outflows in FY20 were mainly due to the acquisition of a student accommodation property located in Bristol, UK ("PBSA Acquisition") in November 2020.

Net cash inflows from financing activities of the Group for FY20 were \$71.7 million compared to \$205.5 million for FY19. Net cash inflows in FY20 have included bank borrowings mainly to finance the PBSA Acquisition.

Assets

Total assets as at 31 December 2020 were \$2,618.6 million. Compared to 31 December 2019, total assets increased by \$87.8 million.

The increase in total assets was mainly due to an increase in investment properties of \$85.0 million following the PBSA Acquisition in November 2020 and net fair value gains recognised. Investment in joint ventures increased by \$34.3 million mainly due to completion of the hotel development in Tokyo, Japan including the share of revaluation gain of the hotel, partially offset by share of losses and reserves from the Group's hospitality joint ventures in Australia and Europe.

The increase was partially offset by the decrease in property, plant and equipment of \$25.6 million subsequent to the revaluation losses on certain hospitality assets and the impairment charge on a-right-of-use asset. Intangible assets also decreased due to impairment charge on goodwill from hospitality property ownership business in Australia.

8 (continued)

(c) Cash flow, working capital, assets or liabilities of the Group (continued)**Liabilities**

Total liabilities as at 31 December 2020 were \$1,359.1 million. Compared to 31 December 2019, total liabilities increased by \$99.6 million mainly due to the additional bank borrowings to finance the PBSA Acquisition in November 2020 and working capital partially offset by payments of operating expenses and lease liabilities. The increase in deferred income tax liabilities was mainly due to the recognition of deferred tax liabilities in relation to the fair value gains of investment properties. The Group entered into interest rate swaps, which were designated as derivative financial instruments, to hedge its interest rate risk exposure on the borrowings denominated in GBP during the year.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results are in line with comments previously disclosed to shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The negative impact of COVID-19 continues to be felt around the world. Confidence remains fragile and recovery is likely to be subdued, depending on factors such as individual countries' ability to contain the virus, as well as the effectiveness of government support and policies and borders reopening.

Hospitality

The hospitality industry continues to be one of the hardest-hit by the global pandemic, as travel restrictions remain in force across the world. The recovery is expected to be slow as the new COVID-19 variants are keeping borders closed. Mass international travel is unlikely to resume in a major way in 2021.

In the longer-term, we remain positive on the hospitality sector, and expect gradual recovery as travel confidence returns with the progressive rollout of COVID-19 vaccination around the world. Meanwhile, the Group has plans to continue growing its hospitality footprint.

UK PBSA

Despite uncertainties posed by COVID-19 and Brexit, University admission figures proved to be resilient for the academic year (AY) 2020/21. Based on end of cycle data from UK universities compiled by Universities and Colleges Admissions Service (UCAS), total acceptances grew by 5.4% year-on-year to over 570,000 for AY 2020/21. Enrolments grew across the board among UK students, EU students, and non-EU applicants. The Group will continue to explore opportunities to grow its portfolio of PBSA assets in the UK, focusing on cities with positive supply/demand dynamics and high-tariff universities.

FY21 Outlook

As the hospitality business segment remains the biggest contributor to the Group's recurring income, the Group expects its financial performance in FY2021 to remain under pressure amid the protracted and uncertain global recovery for travel and tourism. The Group remains committed to executing its lodging platform strategy, through the selective and prudent expansion of its hospitality and PBSA portfolios. The Group has sufficient liquidity to meet its operational requirements and will continue to exercise prudence in managing its resources while positioning for the eventual recovery.

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

The Board of Directors is pleased to recommend the following dividend in respect of the financial year ended 31 December 2020 for approval by shareholders at the next Annual General Meeting to be convened:

Name of Dividend	- First and Final (One-tier tax exempt)
Dividend Type	- Cash or share in-lieu
Dividend Amount Per Share	- 3 cents - First and final dividend

(b) Corresponding Period of the Immediately Preceding Financial Year

The following dividend was declared and paid in respect of financial year ended 31 December 2019 as approved by shareholders at the Annual General Meeting held at 26 June 2020:

Name of Dividend	- First and Final (One-tier tax exempt)
Dividend Type	- Cash or share in-lieu
Dividend Amount Per Share	- 6 cents - First and final dividend

The dividend was paid on 4 September 2020.

(c) Date payable

To be announced later.

(d) Record date

To be announced later.

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

Not applicable.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company had obtained approval for a shareholders' mandate for interested person transactions under Rule 920(1)(a)(ii) as set out in the circular to shareholders dated 24 June 2013.

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than \$100,000)	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
		12 months ended 31 December 2020 \$'000	12 months ended 31 December 2020 \$'000
<u>Agape Services Pte. Ltd.</u> Supply of goods and services	Associate of controlling shareholder	(468)	-
<u>Ariake Hospitality Kabushiki Kaisha</u> Principal and interest accrued on shareholders' loan ⁽⁷⁾	Associate of controlling shareholder	-	4,436
<u>Ariake Properties (Singapore) Pte Ltd</u> Subscription of preferred shares ⁽⁸⁾	Associate of controlling shareholder	-	15,210
<u>Ariake Properties Tokutei Mokuteki Kaisha</u> Subscription of preferred shares ⁽⁸⁾	Associate of controlling shareholder	-	15,520
<u>Boo Han Holdings Pte. Ltd.</u> Hospitality management income	Associate of controlling shareholder	488	-
		-	4,441
<u>Dollar Land Singapore Private Limited</u> Hospitality management income	Associate of controlling shareholder	239	-
<u>Far East Hospitality Real Estate Investment Trust</u> Management income ⁽⁹⁾	Associate of controlling shareholder	3,139	-
		270	-
			-
		(1,083)	-
		(17,441)	-
<u>Far East Land (Japan) Pte. Ltd.</u> Subscription of preferred shares ⁽⁸⁾	Associate of controlling shareholder	-	7,915

⁽⁷⁾ As set out in the Group's announcement dated 7 October 2019, Ariake Hospitality Kabushiki Kaisha ("AHKK") is a 50-50 joint venture entity by Far East Hospitality Holdings Pte. Ltd. ("FEHH") (a 70% held subsidiary of the Company) with Boo Han Holdings Pte. Ltd. ("BHH") (a member of Far East Organization). These amounts relate to the aggregate amount (inclusive of principal and interest) as at 31 December 2020 owing by AHKK to its shareholders, FEHH and BHH, relating to the purchase of a hotel project located in Ariake, Tokyo.

⁽⁸⁾ As set out in the Group's announcement dated 6 August 2020, 49% of the preferred equity shares in Ariake Properties Tokutei Mokuteki Kaisha ("TMK") was issued to Ariake Properties (Singapore) Pte. Ltd. (a 50-50 joint venture company held by FEHH and BHH, which was incorporated and announced on 27 September 2019), 25.5% of the preferred equity shares in the TMK was issued to the Japan branch of Far East Hospitality Properties (Japan) Pte. Ltd. (a wholly owned subsidiary of FEHH, which was incorporated and announced on 15 July 2019), with the remaining 25.5% of the preferred equity shares in the TMK issued to the Japan branch of Far East Land (Japan) Pte. Ltd. (a wholly owned subsidiary of BHH).

⁽⁹⁾ Pursuant to the trust deed constituting Far East Hospitality Real Estate Investment Trust ("FEH-REIT") dated 1 August 2012 (as amended, varied or supplemented from time to time) (the "Trust Deed") and entered into between FEO Hospitality Asset Management Pte. Ltd. ("FEOHAM") (in its capacity as the manager of FEH-REIT) and DBS Trustee Limited (in its capacity as the trustee of FEH-REIT), FEOHAM is entitled to a management fee comprising a base fee of 0.3% per annum of the value of the Deposited Property (as defined in the Trust Deed) and a performance fee of 4.0% per annum of net property income (as defined in the Trust Deed). During the financial year ended 31 December 2019, the Company was a 33% shareholder of FEOHAM and this amount represents 33% of the management fees received during the financial year, being the value at risk to the Group.

13 (continued)

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than \$100,000)	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
		12 months ended 31 December 2020 \$'000	12 months ended 31 December 2020 \$'000
<u>Far East Management (Private) Limited</u> Management service fees	Associate of controlling shareholder	(2,007)	-
Hospitality services		(2,340)	-
Project management service fees		(428)	-
<u>Far East Organization Centre Pte Ltd</u> Hospitality management income	Associate of controlling shareholder	1,207	-
<u>Far East Real Estate Agency Pte. Ltd.</u> Property management services	Associate of controlling shareholder	(333)	-
<u>Far East Rocks Pty Ltd</u> Rental expense on operating leases - hotel	Associate of controlling shareholder	(266)	-
<u>Far East Soho Pte. Ltd.</u> Hospitality management income	Associate of controlling shareholder	496	-
<u>Fontaine Investment Pte Ltd</u> Hospitality management income	Associate of controlling shareholder	1,412	-
<u>Golden Development Private Limited</u> Hospitality management income	Associate of controlling shareholder	1,598	-
<u>Golden Landmark Pte. Ltd.</u> Hospitality management income	Associate of controlling shareholder	594	-
<u>Orchard Mall Pte. Ltd.</u> Hospitality management income	Associate of controlling shareholder	386	-
<u>Orchard Parksuites Pte Ltd</u> Hospitality management income	Associate of controlling shareholder	884	-
<u>Oxley Hill Properties Pte Ltd</u> Hospitality management income	Associate of controlling shareholder	364	-
<u>Riverland Pte Ltd</u> Hospitality management income	Associate of controlling shareholder	300	-
<u>Serene Land Pte Ltd</u> Hospitality management income	Associate of controlling shareholder	853	-
<u>Transurban Properties Pte. Ltd.</u> Hospitality management income	Associate of controlling shareholder	667	-

14 Confirmation Pursuant to Rule 720(1) of the Listing Manual

Far East Orchard Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.

	Hospitality			Property			Total	
	Management services- Singapore	Operations- Singapore	Operations- Australia and New Zealand	Property ownership	Student accommodation	Development		Investment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
2020								
Total segment sales	16,190	24,823	5,264	24,924	28,426	6,561	8,124	114,312
Inter-segment sales	(2,097)	-	-	-	-	-	-	(2,097)
Sales to external parties	14,093	24,823	5,264	24,924	28,426	6,561	8,124	112,215
Operating profit/(loss)	976	5,509	(2,237)	(4,997)	13,551	566	5,831	19,199
Share of profit/(loss) of:								
- joint ventures	-	-	(14,347)	(5,738)	-	12,472	-	(7,613)
- associated companies	-	2,142	-	-	-	-	-	2,142
Total operating profit/(loss)	976	7,651	(16,584)	(10,735)	13,551	13,038	5,831	13,728
Corporate expenses								(4,249)
Interest income								2,562
Finance expenses								(17,106)
Others*								1,706
Loss before income tax								(3,359)
Income tax expense								(5,550)
Loss after income tax								(8,909)
Segment assets	118,500	459,456	13,776	258,269	584,485	180,402	290,766	1,905,654
Investments in associated companies	-	21,620	-	-	-	-	-	21,620
Investments in joint ventures	-	-	193,523	93,381	-	191,378	-	478,282
	118,500	481,076	207,299	351,650	584,485	371,780	290,766	2,405,556
Corporate assets								213,058
Total assets								2,618,614

* Material and non-cash items are disclosed as "Other gains – net" in Section 1(a)(ii).

15 (continued)

	Hospitality			Property			Total	
	Management services-Singapore	Operations-Singapore	Operations-Australia and New Zealand	Property ownership	Student accommodation	Development		Investment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<u>2019</u>								
Total segment sales	22,131	44,141	12,745	51,801	19,092	-	9,456	159,366
Inter-segment sales	(3,303)	-	-	-	-	-	-	(3,303)
Sales to external parties	18,828	44,141	12,745	51,801	19,092	-	9,456	156,063
Operating profit/(loss)	4,109	9,484	760	5,042	7,493	(89)	7,295	34,094
Share of profit of:								
- joint ventures	-	-	(151)	2,753	-	567	-	3,169
- associated companies	-	3,211	-	-	-	-	-	3,211
Total operating profit	4,109	12,695	609	7,795	7,493	478	7,295	40,474
Corporate expenses								(8,502)
Interest income								4,340
Finance expenses								(16,865)
Others*								10,485
Profit before income tax								29,932
Income tax expense								(4,152)
Profit after income tax								25,780
Segment assets	121,731	479,115	19,394	281,568	490,665	179,613	302,394	1,874,480
Investments in associated companies	-	22,090	-	-	-	-	-	22,090
Investments in joint ventures	-	-	199,873	65,230	-	178,906	-	444,009
	121,731	501,205	219,267	346,798	490,665	358,519	302,394	2,340,579
Corporate assets								190,252
Total assets								2,530,831

* Material and non-cash items are disclosed as "Other gains – net" in Section 1(a)(ii).

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Material changes in contributions to sales and operating profit are due to the same reasons as explained in paragraph 8(a).

17 A breakdown of sales

	Group		
	12 months ended		
	31 December		
	2020	2019	Increase/ (Decrease)
	\$'000	\$'000	%
Sales reported for 1st half year	64,938	75,262	(13.7)
Net (loss)/profit after tax before deducting minority interests reported for 1st half year	(5,963)	5,330	nm
Sales reported for 2nd half year	47,277	80,801	(41.5)
Net (loss)/profit after tax before deducting minority interests reported for 2nd half year	(2,946)	20,450	nm

18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend

	Latest Full Year	Previous Full Year
	\$'000	\$'000
First and final dividend on ordinary shares	13,665	26,302

The Company does not have any preference shares.

19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) for the financial year ended 31 December 2020.

There are no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

On behalf of the Board of Directors

Koh Boon Hwee
Chairman

25 February 2021

Alan Tang Yew Kuen
Group CEO and Executive Director