



FAR EAST ORCHARD LIMITED

56th ANNUAL GENERAL MEETING

25 April 2024

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 2023 (“FY2023”).
- 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 of the future performance of Far East Orchard.
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AGENDA

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Our Strategic Focus

- FEOR 25 Strategy

02

FY2023 Key Financial Highlights

- Key Financial Highlights
- Dividends

03

FY2023 Business Review

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

04

Sustainability Highlights

05

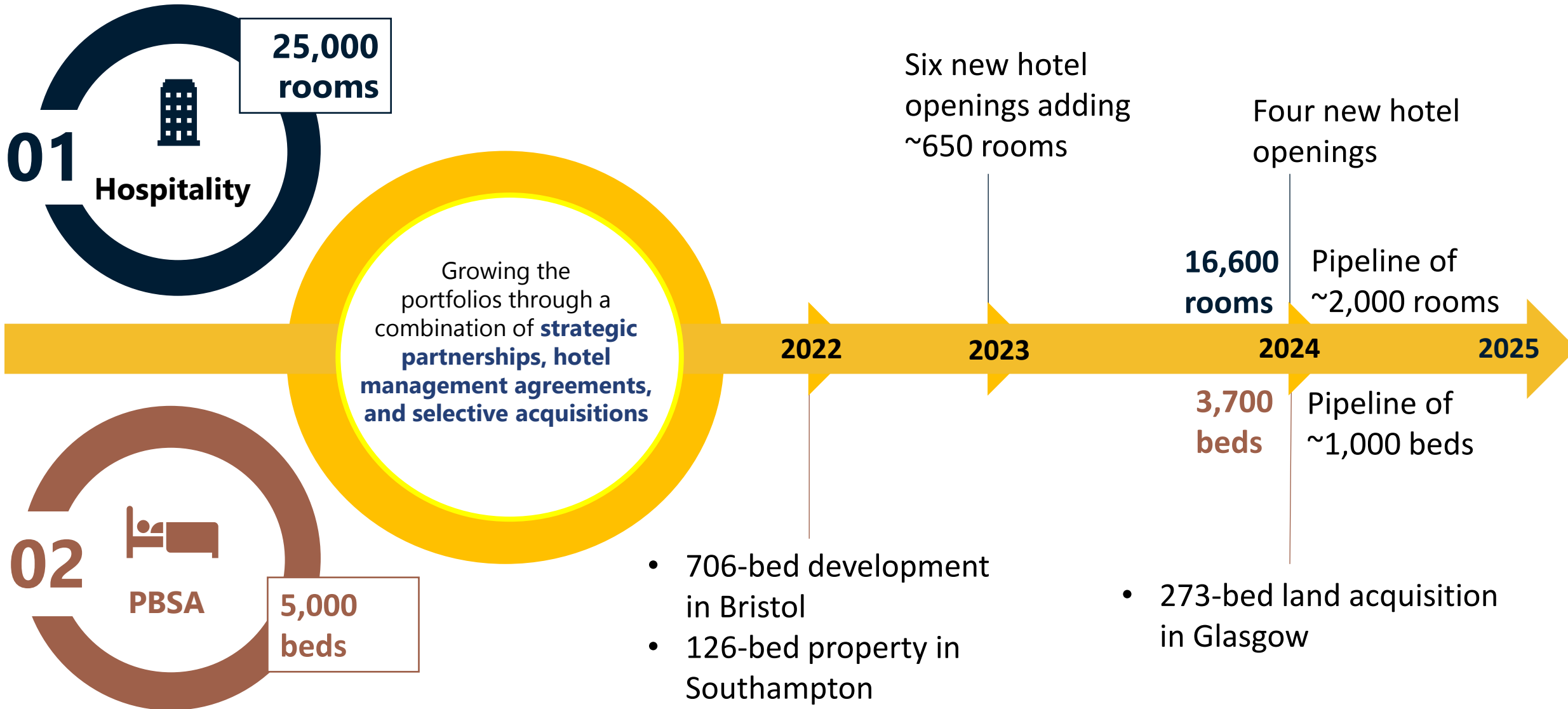
2024 Outlook

About Far East Orchard & Strategic Focus



Shaping Growth

Strategic Focus: FEOR 25 Strategy

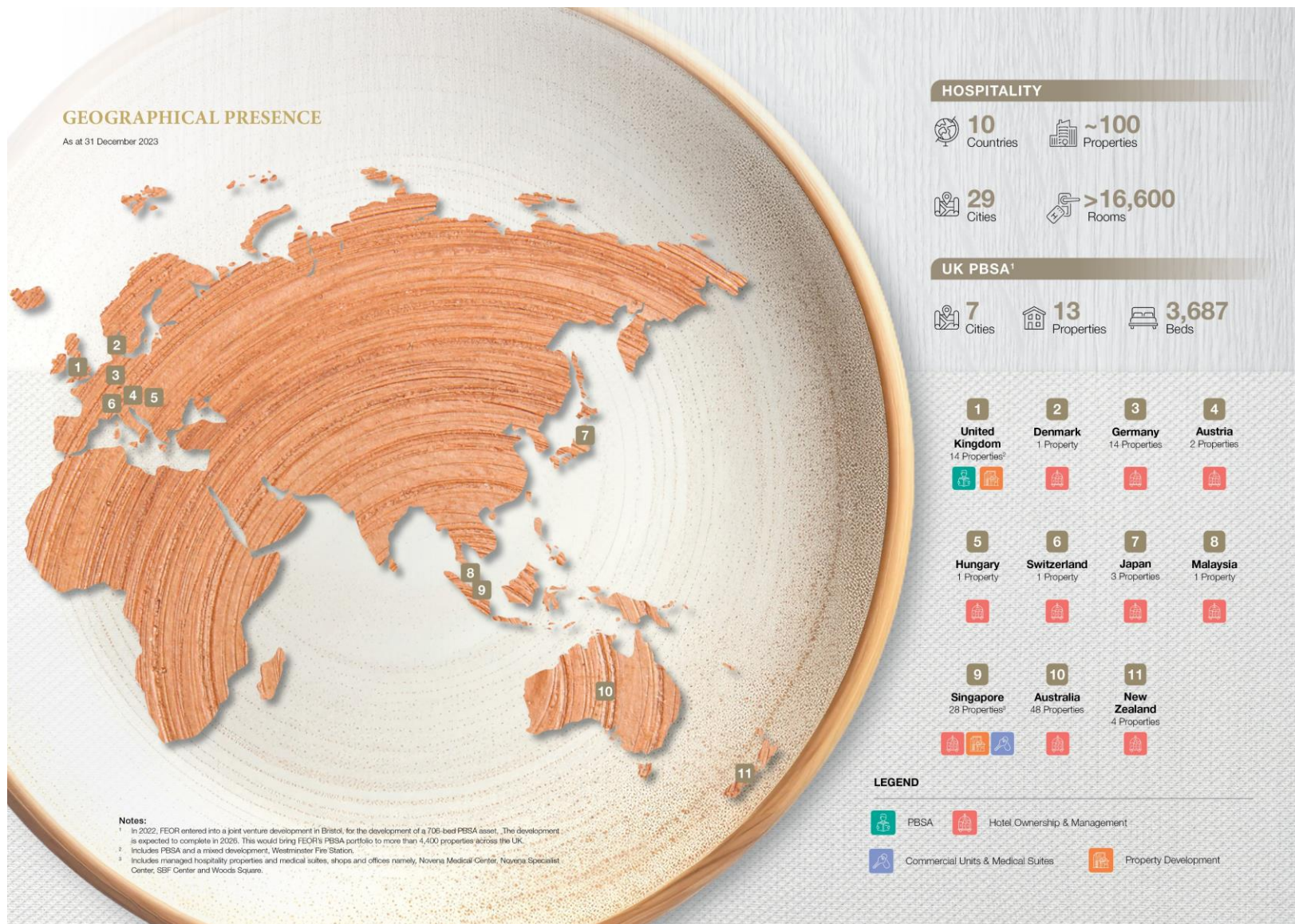


Strategic Focus: Creating Value for Shareholders



At a Glance

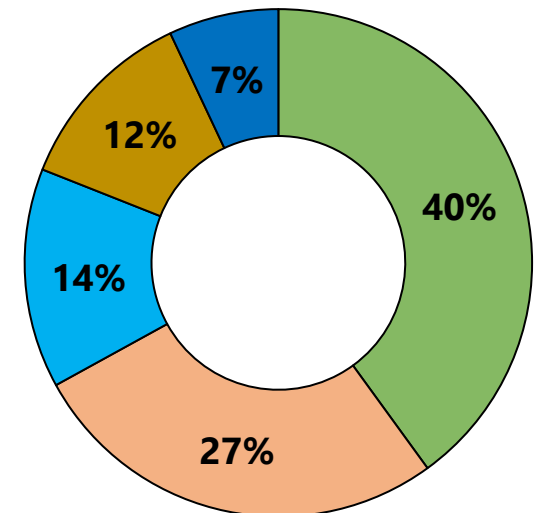
Far East Orchard today is a lodging platform with global hospitality operations and a growing portfolio of student accommodation assets in the UK.



As at 31 December 2023

Total Assets
S\$2.6 billion

Total Assets by Business Segment



- Hospitality
- PBSA
- Property development
- Property investment
- Others *

* Includes Corporate Assets

FY2023 Key Financial Highlights



Far East Village Tokyo, Asakusa, Japan



Vibe Hotel Singapore Orchard



Emily Davis PBSA

Key Financial Highlights

- Higher net profit after tax mainly due to fair value gains on investment properties
- Highest operating profit in 10 years driven by hospitality recovery

Revenue



S\$183.6 M

▲ 30.3%

FY2022: S\$141.0 M

Operating Profit



S\$57.9 M

▲ 7.2%

FY2022: S\$54.0 M

Profit after Tax



S\$66.1 M¹

▲ >100.0%² ▼ 14.9%³

FY2022: S\$21.5 M

Profit Attributable to Equity Holders



S\$66.0 M¹

▲ >100.0%² ▼ 17.3%³

FY2022: S\$21.9 M

Earnings per share



13.7 cents

▲ >100.0%² ▼ 19.4%³

FY2022: 4.7 cents

1. FY2023 included net fair value gains on investment properties (fair value gains of S\$58.3m, pre-tax). Excluding this, net profit and profit attributable to equity holders would have been S\$18.3m and S\$18.1m respectively, and EPS would have been at 3.77 cents. **2.** Compared to FY2022 **3.** Compared to FY2022 excluding the net fair value gains in FY23.

Capital Management

Proactive capital management, balance sheet remains robust.

As at 31 December 2023



**CASH & CASH
EQUIVALENTS**

S\$225.6 M

▼ 3.2%

Dec-22: S\$233.2 M



**DEBT/EQUITY
RATIO**

44.1%

▲ 2.2 pp

Dec-22: 46.2%



TOTAL ASSETS

S\$2.6 B

▲ 3.2%

Dec-22: S\$2.5 B



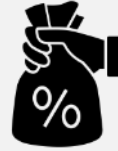
NAV PER SHARE

S\$2.7

▲ 1.9%

Dec-22: S\$2.73

FY2023 Dividend



**Total Dividend
4.0 cents per share**

FY2022: 4.0 cents¹



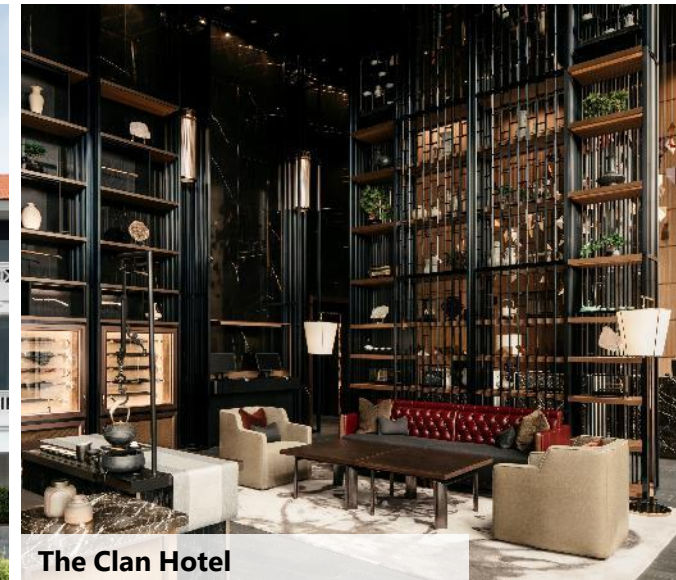
**First and Final Dividend
4.0 cents per share**

- Taking into consideration the improved business performance, funding requirements for future business growth and expansion.
- Important to maintain financial flexibility amidst the volatile and uncertain macroeconomic environment.

1. Includes a special dividend of 1.0 cents per share in FY2022.

Hospitality Business

Delivering Singapore-inspired hospitality



Hospitality Global Presence

As at 31 December 2023

Close to **100** hotels
with more than
16,600 rooms

2024 Pipeline:

Four hotel openings¹, totalling 600 rooms across Australia, Germany and Singapore



10 Brands in 29 Cities



Countries	Denmark	Germany	Austria	Hungary	Switzerland	Japan	Malaysia	Singapore	Australia	New Zealand
Property	1	14	2	1	1	3	1	32	48	4
Pipeline	-	1	-	-	-	-	-	1	2	-

Expansion of the Hospitality Business in 2023

Opened six hotels totalling >650 rooms across four countries.
These include Australia, Japan, Malaysia, and the Group's debut into Switzerland.

The Interlude Hotel
19 rooms
Opened in Jul 2023



Adina Serviced Apartments Vienna
131 rooms
Opened in Jul 2023



Far East Village Tokyo, Asakusa, Japan
134 rooms
Opened in Apr 2023



Adina Apartment Hotel Geneva
140 rooms
Opened in Mar 2023



Further expansion into Australia to diversify source markets and attract international tourists

Vibe Hotel Adelaide
123 rooms
Opened in Mar 2023

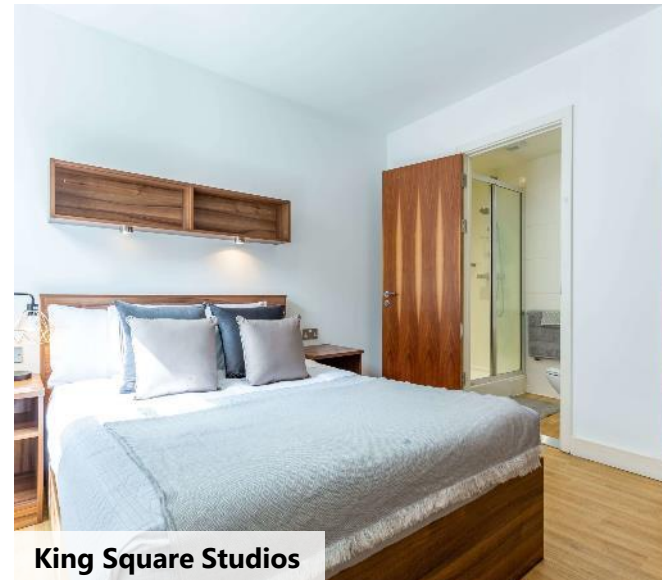


Adina Apartment Hotel Pentridge Melbourne
106 rooms
Opened in Feb 2023



PBSA Business

Deepening presence in the UK student accommodation market



Resilient UK PBSA Portfolio

3,687 operational beds across 13 properties in 7 UK cities.

1 Portland Green Student Village (PGSV), Newcastle upon Tyne



2 Liverpool



3 Bristol²



4 Leeds



5 Sheffield



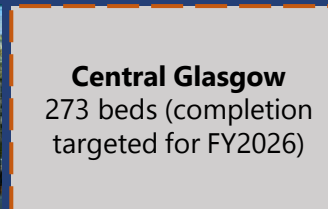
6 Brighton



7 Southampton



8 Glasgow³



Portfolio valuation:
> £370m (~S\$634m)¹

AY2023/24
Occupancy 99%



Cities	Newcastle upon Tyne	Liverpool	Bristol ²	Leeds	Sheffield	Brighton	Southampton
No. of property	5	1	3	1	1	1	1
Total no. of operational beds	1,469	323	600	239	735	195	126

As at 31 December 2023

¹ As at 31 December 2023. ² The development site in Silverthorne Lane, Bristol, is expected to deliver 706 beds and is expected to be completed by 2026. ³ The latest acquisition in March 2024 is a 180-bed PBSA in Glasgow, Scotland and is expected to be completed in 2026.

Property Development/Investment



Woods Square



Westminster Fire Station

Property Developments

Woods Square



Singapore

Westminster Fire Station



London, United Kingdom

Location	Singapore	London, United Kingdom
Property type	Commercial	Residential
Far East Orchard's effective interest	33%	100%
Total units	514	17 units; 1 restaurant
Total units launched for sale	376	-
Percentage of units sold as at 31 Dec 23	52%*	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 with potential divestment opportunities in the future

Novena Medical Center



Novena Specialist Center



Total no. of investment properties

44 Medical Suites:

39 Medical Suites:

Properties held for sale

- 7 Medical Suites

- 29 Medical Suites

Properties for investment

- 37 Medical Suites

- 10 Medical Suites



Sustainability Highlights



Environmental



Social



Governance

FY2023 Sustainability Highlights

MINIMISING ENVIRONMENTAL AND CLIMATE-RELATED IMPACT (ENVIRONMENT)



5%

reduction of Scope 1 and 2 emissions of owned properties in 2023 against SBTi target of 42% by 2030 from the baseline year¹ of 2022



Scope 3 disclosures

initiated disclosures for business travel and upstream fuel-related and energy-related emissions

SUPPORTING PEOPLE (SOCIAL)



14%

reduction in workplace reportable injuries in 2023 from 2022



ZERO

incidence of discrimination and no corrective action taken in 2023



81.7 hours

average annual training hours given per team member



319.5 hours

team member volunteer hours on Local Community engagement

UPHOLDING INTEGRITY (GOVERNANCE)



Most Transparent Company Award (Real Estate)

Securities Investors Association Singapore (“SIAS”) Investors’ Choice Awards 2023



38th out of 474

ranking on Singapore Governance & Transparency Index 2023



ZERO

violations of the Competition Act and CCCS guidelines and lapses with SGX Listing Rules and no known incidents of bribery or corruption

¹ The target has been re-baselined to include three owned hotels in Australia.



2024 Outlook



Glasgow (Artist Impression)



Adina Apartment Hotel Dusseldorf, Germany



Travelodge Hurstville, Sydney

2024 Outlook

2024 Macroeconomic Outlook	Hospitality Outlook	PBSA Outlook
<p>Uncertainties persist</p> <ul style="list-style-type: none"> International Monetary Fund raised 2024 global growth forecast to 3.1% from 2.9% in 2023, with broadly balanced upside and downside risks to global growth.¹ Upsides: Faster disinflation may lead to easing of financial conditions Downsides: Geopolitical conflicts, supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. 	<p>Cautiously optimistic</p> <ul style="list-style-type: none"> International tourism rebound from increased confidence and Asia's travel rebound is offset by economic and geopolitical challenges. United Nations World Tourism Organization expects international tourism to fully recover to pre-pandemic levels in 2024.² Singapore's international arrivals expected at 16 million in 2024, still below pre-pandemic levels of 19.1 million.³ 	<p>Expected to remain strong</p> <ul style="list-style-type: none"> Students' demand growth remains strong and resilient, driven by UK's record high student population and acute supply shortage.⁴ Sustained demographic growth is projected from domestic students in the UK over the next 10 years, and the UK is becoming more attractive to international students. Foresee much room for PBSA market to grow and will actively explore opportunities to expand this business.

¹ IMF. "Moderating Inflation and Steady Growth Open Path to Soft Landing." 30 January 2024. ² UNWTO. "International Tourism to Reach Pre-Pandemic Levels in 2024 (unwto.org)." 19 January 2024. ³ The Business Times. "Singapore expects to see 15 million to 16 million visitors in 2024, below pre-Covid levels." 1 February 2024. ⁴ CBRE. "CBRE Real Estate Market Outlook 2024 | UK." 2024.



Far East
Orchard
LIMITED

Thank you

Vision

Far East Orchard is an enduring Singapore Real Estate Enterprise that strives to deliver steadfast growth for all stakeholders and the community.

Mission

Far East Orchard is a real estate company with a lodging platform that aims to achieve sustainable and recurring income through a diversified and balanced portfolio.

Contact Us

For more information, please visit us at <https://www.fareastorchard.com.sg>