



FAR EAST ORCHARD LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 196700511H)

NEWS RELEASE

**FAR EAST ORCHARD EXPANDS FURTHER INTO EUROPE
TO DEVELOP STUDENT HOUSING**

- **The four properties located in UK are valued at £40.9 million**
- **Student accommodation is the Group's latest asset class within its property development portfolio**

Singapore, 1 May 2015 – Far East Orchard Limited (FEOrchard or the Group) has acquired a portfolio of student accommodation properties within Shieldfield, Newcastle upon Tyne, United Kingdom (UK) (**Investment**) for £40.9 million. The Investment involves acquiring two land sites for development into purpose-built student accommodation, an existing student accommodation, and another student accommodation undergoing development. The latter is expected to be completed in the second half of 2015.

On this initiative in UK, Group Chief Executive Officer and Managing Director of FEOrchard, Mr Lui Chong Chee said, "For the Group, this move represents several milestones: an expansion of our property development beyond Singapore into Europe, and an extension of our development capabilities into the student housing sector in the UK, to develop our position as a leading regional real estate player. It also pools together the extensive experience from our established hospitality operations. As the UK student accommodation market has been structurally undersupplied¹, we plan to contribute and provide high quality purpose built student housing. In addition, this new asset class opens a door to stable capital growth in one of Europe's major property markets for FEOrchard."

The student accommodation sector is increasingly becoming one of the fastest growing real estate investment opportunities. It also presents an opening for the Group to diversify its property development portfolio. The Financial Times in UK has reported that 30,000 extra

¹ Insight - Student Property, Knight Frank, 2014

university places has been released for the 2014-2015 entry, before ending controls on student numbers next year².

According to global real estate service provider Jones Lang LaSalle (JLL), the UK student buy-to-let market is buoyant; the picture is one of healthy, sustainable growth and overall stability for the sector despite well-publicised demographic dip in the number of 18-year-olds in the UK³. JLL forecasted an annual rental growth rate of 3-4 per cent for London, 2-3 per cent in university towns and 3-5 per cent regionally. Data from commercial real estate analytics firm, Real Capital Analytics, showed that the average investment yield for UK student accommodation was 5.8 per cent, compared to 5.1 per cent for offices⁴.

The property acquisitions, funded by internal sources and/or external debt facilities, consist of:

- Turner Court, an existing operating building
- Rosedale Court, an ongoing development
- Land site for development of two buildings
- Land site for development of three buildings

These freehold properties are well-located within walking distance of educational institutions such as Northumbria University, Newcastle University, Newcastle University Business School and Newcastle College.

According to The Complete University Guide (CUG), the Northumbria University is based in one of the best two cities for students in the UK, with the other city being London. It is also one of the largest universities in the UK, ranked 60th on CUG's University League Table 2016, attracting more than 33,000 students from 135 countries.

Newcastle University is a founding member of the Russell Group of 24 leading research institutions in the UK. It is one of the UK's leading universities with a thriving international community of almost 22,900 students in three faculties: Humanities and Social Sciences; Medical Sciences; and Science Agriculture and Engineering. Newcastle University is ranked 26th on CUG's University League Table 2016. In addition, it was ranked 10th in UK for the quality of student life based on Times Higher Education Student Experience Survey 2015.

In the last one year, FEOrchard acquired four hotels in Germany and Denmark for €21.0 million. The Group also entered into a residential development joint venture project in Sydney, Australia.

—END—

² Universities admissions poised to top 500,000, Financial Times, 14 August 2014

³ UK Student Housing Quarterly Bulletin, 2015 Q1 Review, Jones Lang LaSalle

⁴ Greystar to buy U.K. student-housing portfolio, The Wall Street Journal, 8 March 2015

About Far East Orchard Limited (www.fareastorchard.com.sg)

Far East Orchard Limited (Far East Orchard) is a member of Far East Organization, Singapore's largest private property developer. Today, it has a diversified portfolio focusing on property development, hospitality real estate development and management, and healthcare real estate.

The Company currently has four residential and commercial projects under development in Singapore, as well as a hospitality property undergoing redevelopment in Malaysia. The latest addition is a residential development project, Harbourfront Balmain, in Sydney, Australia, a joint venture with Toga Group.

As a vertically integrated regional hospitality owner and operator with a sizeable overseas network, Far East Orchard, through its hospitality management arm, Far East Hospitality, has a global portfolio of over 80 properties with more than 13,000 rooms.

Far East Orchard also owns a portfolio of purpose-built medical suites in Novena Medical Center and Novena Specialist Center, which are located in Singapore's premier Novena medical hub. It intends to be the premier private owner, operator and landlord of healthcare space in Singapore.

Issued for and on behalf of Far East Orchard Limited

Karen Yap
Weber Shandwick
T: +65 6825 8068
M: +65 9738 6291
E: kyap@webershandwick.com

Pearlyn Lau
Weber Shandwick
T: +65 6825 8057
M: +65 9459 7077
E: plau@webershandwick.com

Notes to Editor:



The interiors of Rosedale Court, a brand new student development due to open in 2015. It is part of the hugely popular, lively student community in Portland Green Student Village in Newcastle.



Turner Court is a very popular student development which is part of the Portland Green Student Village. The site provides a combination of 4 to 7 bedroom en-suite cluster apartments and studios that can cater for single or double occupancy.