



FAR EAST ORCHARD LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 196700511H)

MEDIA RELEASE

FAR EAST ORCHARD REPORTS NET LOSS OF S\$5.9 MILLION FOR 1H FY21 DUE TO CONTINUED IMPACT OF THE COVID-19

- **Higher revenue from purpose-built student accommodation (“PBSA”) segment in the United Kingdom (“UK”)**
- **Performance remains weighed down by COVID-19 impact, mainly on its hospitality business**
- **Recovery of global tourism is expected to be protracted due to the emergence of COVID-19 variants, and varying vaccination rates**
- **Slated to open fourth hotel on Sentosa Island, in second half of the year**

4 August 2021, Singapore – Far East Orchard Limited (“Far East Orchard” or the “Company”, and together with its subsidiaries, the “Group”) recorded a net loss of S\$5.9 million for the half-year period ended 30 June 2021 (“1H FY21”) due to the ongoing impacts of the COVID-19 pandemic.

SUMMARY OF 1H FY21 FINANCIAL PERFORMANCE

Financial Highlights

(S\$ million)	1H FY21	1H FY20	% Change
Revenue	54.9	64.9	-15.0%
Loss after income tax	(5.9)	(6.0)	-1.4%
Loss attributable to equity holders of the Company	(1.9)	(0.9)	>100

N.M: not meaningful

The Group’s performance continues to be materially impacted by the COVID-19 pandemic. In particular, the hospitality business remains the hardest hit as ongoing lockdowns and border closures impeded international travel and tourism. The financial impact would have been more severe if not for the continued contracted business of hotels in Singapore for the use as government isolation facilities, and corporate accommodation requirements for foreign workers. Various government support grants, most of which ended by June 2021, had also partially mitigated the impact. Compared to 1H FY20, the adverse impact of the pandemic only started accelerating towards end of March 2020.

Operating losses were also mitigated by contribution from the PBSA segment in the UK. In 1H FY21, this included the full six months contribution from a PBSA asset, King Square Studios, acquired in November 2020.

As at 30 June 2021, the Group maintained a healthy cash position of S\$263.7 million, compared to S\$278.4 million as at 31 December 2020.

Group Chief Executive Officer of Far East Orchard, Mr Alan Tang, commented, “The return to normalisation is an arduous journey, but the team demonstrated resilience, versatility and responsiveness to the turbulence wrought by COVID-19. Numerous efforts were made to cushion the impact on our hospitality business, which would have otherwise been much dire. We have worked hard in the first half of the year with tenacity and will persevere on with this momentum amid the challenging macroeconomic landscape, alongside our stakeholders.”

OPERATIONAL UPDATES & OUTLOOK

Pushing ahead with the expansion plan amid the challenging operating environment, in 1H FY21, the Group’s hospitality arm, Far East Hospitality, opened three new hotels across Asia Pacific: the 324-key The Clan Hotel in Singapore on March 1; the 241-key Quincy Hotel Melbourne in Australia on March 12; and the 227-key Far East Village Hotel Yokohama in Japan on June 1. Our joint venture in Australia, TFE Hotels debuted “A by Adina” hotel brand in February with the opening of A by Adina, Canberra, followed by the completion and opening of the 194-key A by Adina, Sydney in April 2021. The Group is slated to open its fourth hotel on the Sentosa Island in Singapore in the second half of the year, the 191-key Oasia Resort Sentosa.

As at 30 June 2021, the Group’s PBSA portfolio in the UK maintained an occupancy level of over 80%. UK continues to see a record high university application for the academic year (“AY”) 2021/22.¹ Easing of in-person teaching and learning restrictions by the UK government has enabled universities to structure their courses without constraints. The Group continues to remain confident of the PBSA demand and expects the pace of booking to pick up from July 2021.

Alan Tang added, “Uncertainties remain, with spikes in community cases and emergence of new COVID-19 variants around the world deterring countries from reopening its borders. We expect that COVID-19 will continue to impact the Group’s performance. Taking a long-term approach, we remain hopeful that global tourism will, slowly but surely improve as vaccination rollout progresses globally. The resilience of our performance is also underpinned by our commitment to executing its lodging platform strategy, through selective and prudent expansion of its hospitality and PBSA portfolios, while continuing to exercise prudence in managing our resources.”

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¹ More Students Ready to Take Next Step Despite Pandemic. UCAS, 8 July 2021.

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

Far East Orchard Limited (“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. Far East Orchard has been listed on the Mainboard of the Singapore Exchange since 1968. It is a member of Far East Organization, Singapore’s largest private property developer.

Established since 1967, Far East Orchard has developed residential, commercial, hospitality and PBSA properties in Australia, Malaysia, Singapore, and the United Kingdom (“UK”).

Redefining itself through a strategic transformation of the business in 2012, Far East Orchard expanded into the complementary businesses of hospitality management and healthcare real estate. In 2015, it diversified its real estate portfolio to include PBSA properties in the UK.

Through its hospitality partnerships with The Straits Trading Company and Toga Group, Far East Orchard’s hospitality arm — Far East Hospitality — now owns more than 10 hospitality assets and manages over 100 properties with more than 16,500 rooms in Australia, Denmark, Germany, Hungary, Japan, Malaysia, New Zealand, and Singapore. Its stable of nine unique and complementary hospitality brands are Oasia, Quincy, Rendezvous, Village, Far East Collection, Adina Apartment Hotels and Adina Serviced Apartments, Vibe Hotels, Travelodge Hotels and TFE Hotels Collection. In April 2020, Far East Hospitality’s joint venture with Boo Han Holdings Pte Ltd, an entity of Far East Organization, completed the purchase of a land and hotel project in Tokyo, and this hotel commenced operations as Far East Village Hotel Ariake in July 2020.

Far East Orchard currently has a PBSA portfolio in the UK comprising more than 3,500 beds in the cities of Brighton, Bristol, Leeds, Liverpool, Newcastle upon Tyne and Sheffield. This includes the recently acquired 301-bed King Square Studios in Bristol in November 2020.

The Group also holds a portfolio of purpose-built medical suites for lease and for sale in Singapore’s premier medical hub in Novena.

Far East Orchard is currently redeveloping the former Westminster Fire Station located in the prime central borough of the City of Westminster, London, UK, into a mixed-use development comprising residential apartments and a restaurant. In 2020, it completed the Woods Square integrated office development at Woodlands Regional Centre, Singapore’s Northern Gateway, developed with Far East Organization and Sekisui House, Ltd.

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