



52ND ANNUAL GENERAL MEETING

Presentation by Group CEO

26 June 2020



FAR EAST
ORCHARD
LIMITED

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 period ended 31 December 2019.

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

Financial Performance

- FY2019 Financial Highlights

FY2019 Business Review

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

Business Update

- COVID-19 Update

Outlook

- Looking Ahead

FY2019 FINANCIAL HIGHLIGHTS

Stable year-on-year financial performance

	FY2019	FY2018
Sales	S\$156.1M	S\$150.9M
Total profit	S\$25.8M	S\$33.4M
Profit attributable to equity holders	S\$26.0M	S\$32.9M

Healthy balance sheet and gearing ratio

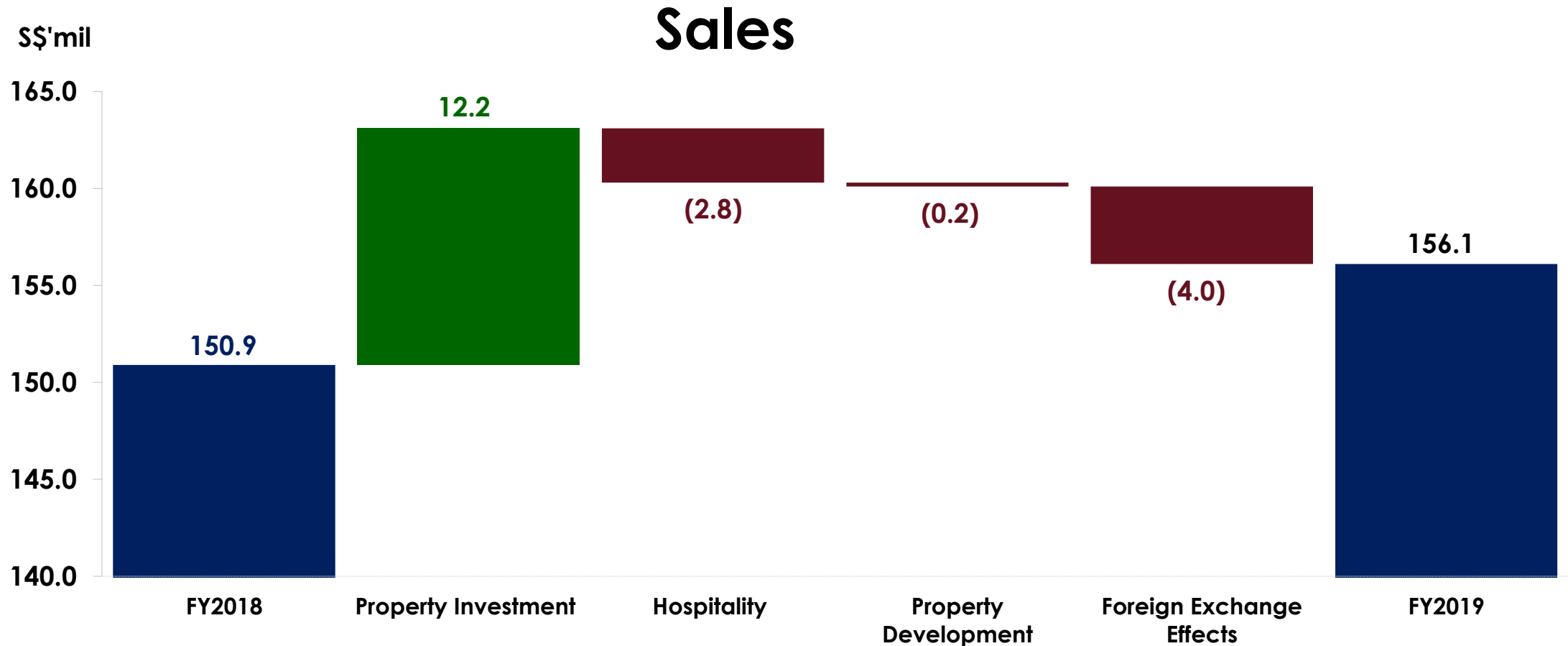
	31 Dec 19	31 Dec 18
Net asset value per share ⁽¹⁾	S\$2.85	S\$2.89
Debt equity ratio	44%	23%
Earnings per share⁽²⁾	6.0 cents	7.6 cents
Final dividend per share	6.0 cents	6.0 cents

Notes:

(1) Based on number of issued shares as at year end.

(2) Based on weighted average number of ordinary shares in issue during the year. Figures have been rounded.

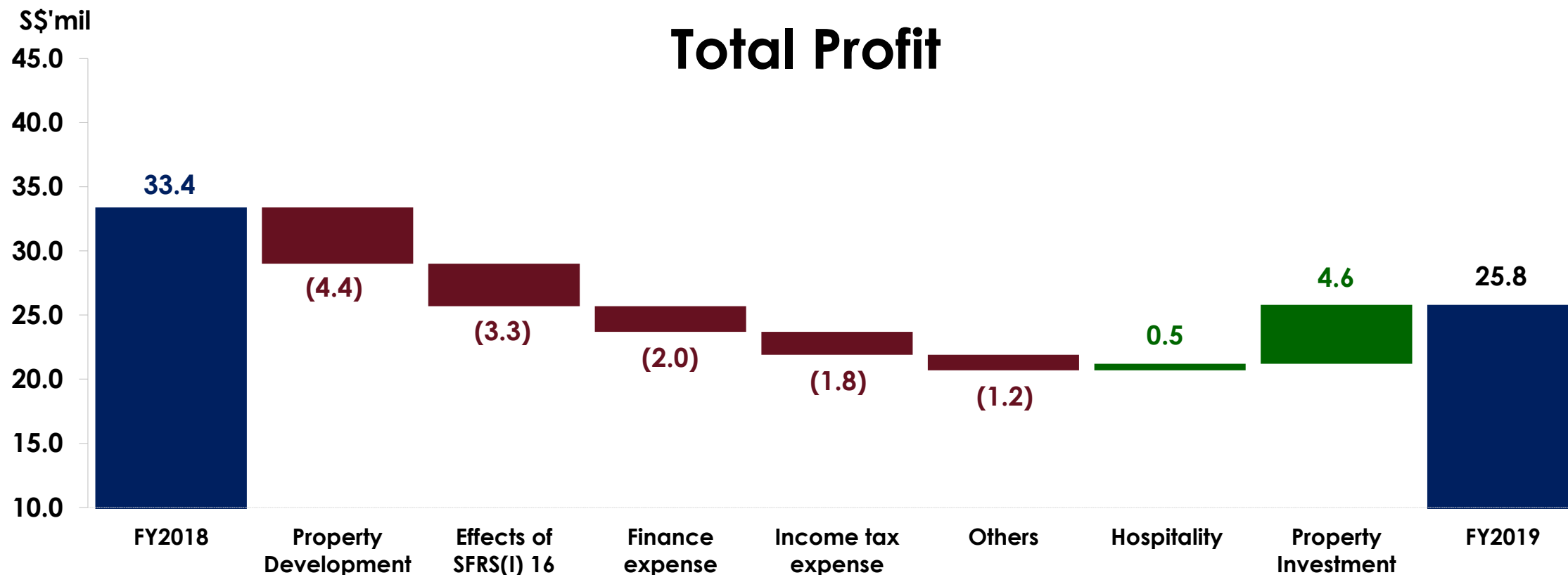
FY2019 FINANCIAL PERFORMANCE



FY2019 revenue was supported mainly by higher PBSA business in the UK on an increase in occupied beds and contribution from 5 PBSA properties acquired during the year.

FY2019 FINANCIAL PERFORMANCE

Total Profit

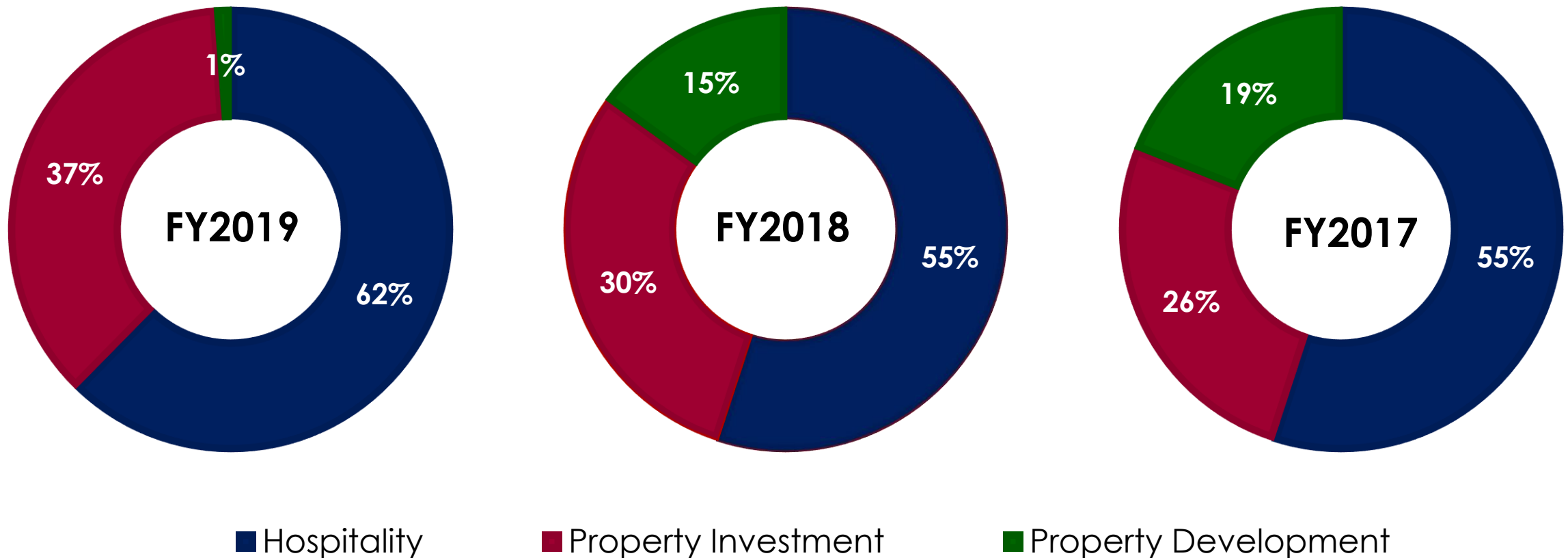


FY2019 profit was affected by absence of share of profit from JV property development project in Australia, effects of adoption of SFRS(I) 16 on Leases and higher finance expenses; partially offset by higher contributions from PBSA investments in the UK and hospitality management services business in Singapore.

BUILDING A RESILIENT PORTFOLIO

Enhanced financial stability with increased proportion of operating profit from recurring income bases – Hospitality & Property Investment

Total Operating Profit by Business Segment





FAR EAST
HOSPITALITY



TFE hotels



H O S P I T A L I T Y

HOSPITALITY



TFE hotels
COLLECTION



Adina

FAR EAST
COLLECTION

RENDEZVOUS

2019

>15,500
ROOMS

>95
PROPERTIES

7
COUNTRIES

ADDED

~1,000
ROOMS

4
PROPERTIES

IN
2019

PIPELINE OF

>3,500
ROOMS

OR

25
PROPERTIES

HOSPITALITY – 2019 ACHIEVEMENTS

Hotel Openings: 4 new properties (~1,000 rooms) in Singapore and Australia

Village Hotel Sentosa

606 rooms

Opened in Apr 2019



The Outpost Hotel Sentosa

193 rooms

Opened in Apr 2019



Vibe Hotel Sydney Darling Harbour

145 rooms

Opened in Oct 2019



The Barracks Hotel Sentosa

40 rooms

Opened in Dec 2019



Pipelines: Secured contracts for ~300 rooms in Vietnam and Singapore

HOSPITALITY – PIPELINES

Secured pipelines of more than 3,500 rooms or 25 properties



**New countries of Austria, Japan,
Switzerland and Vietnam**

HOSPITALITY – 2020 HOTEL OPENINGS

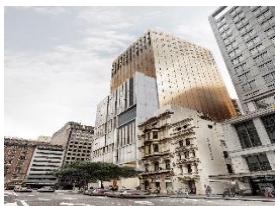
Reviewing the expected addition of ~1,550 rooms to hospitality management portfolio in light of the COVID-19 development



Far East Village Hotel Ariake



The Clan Hotel



Adina Apartment Hotel Sydney



Adina Apartment Hotel Melbourne West End



Vibe Hotel Melbourne
Opened in Apr 2020



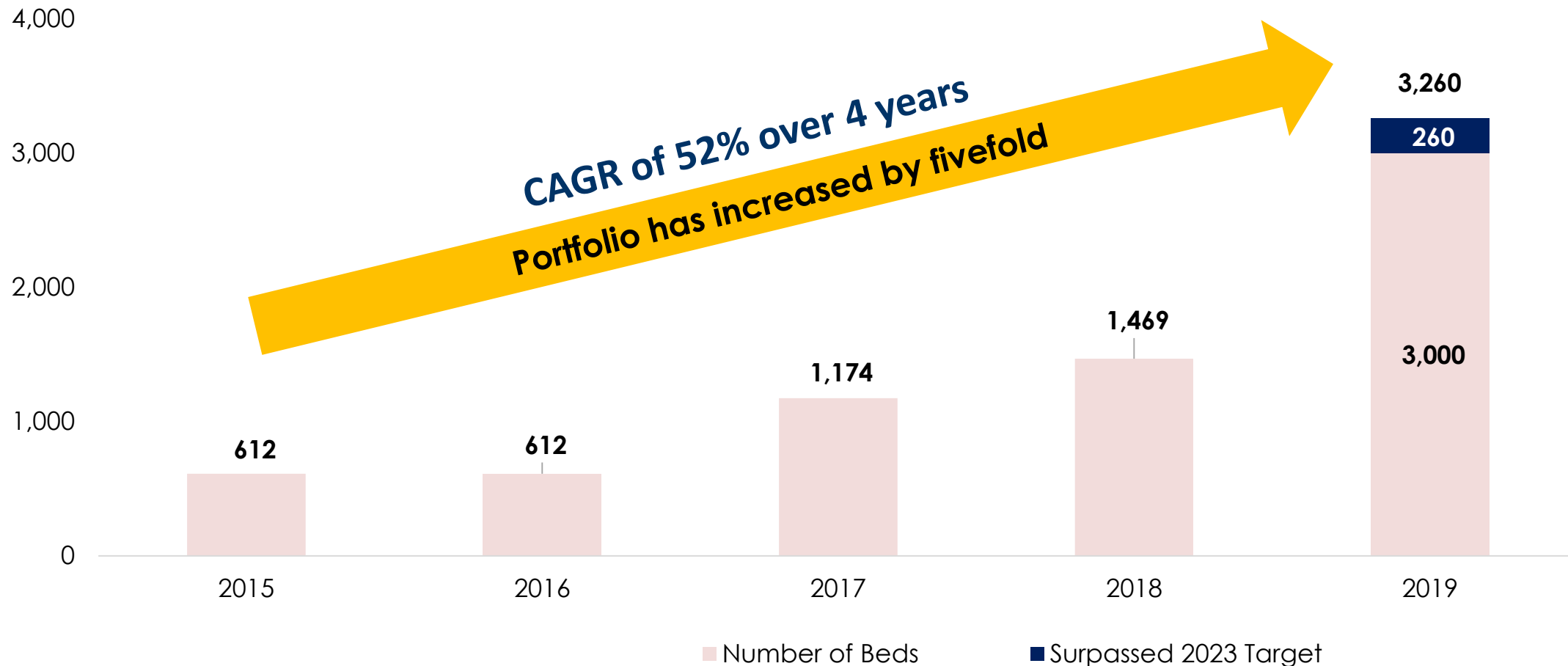
Travelodge Hotel Wynyard Quarter



STUDENT ACCOMMODATION




PBSA – GROWTH OF PBSA PORTFOLIO

Surpassed target to grow portfolio to 3,000 beds ahead by 2023



PBSA – EXPANDING OUR PBSA PORTFOLIO

Addition of more than 1,500 beds in 2019 through acquisitions

	Harbour Court	St Lawrence House	The Glassworks	The Elements	The Foundry
					
Group's effective interest	100%	100%	100%	100%	100%
Tenure	Freehold	Freehold	Freehold	Freehold	Freehold
Acquisition Price	£55.0 mil (~S\$98.7 mil ¹)			£66.5mil (~S\$115.7mil ²)	
Beds	133	166	323	735	239
Location	Bristol	Bristol	Liverpool	Sheffield	Leeds
Acquisition Date	Mar 2019			Nov 2019	

¹ Based on the exchange rate of GBP1:SGD1.794 prevailing as at 15 Mar 2019

² Based on the exchange rate of GBP1:SGD1.740 prevailing as at 8 Nov 2019

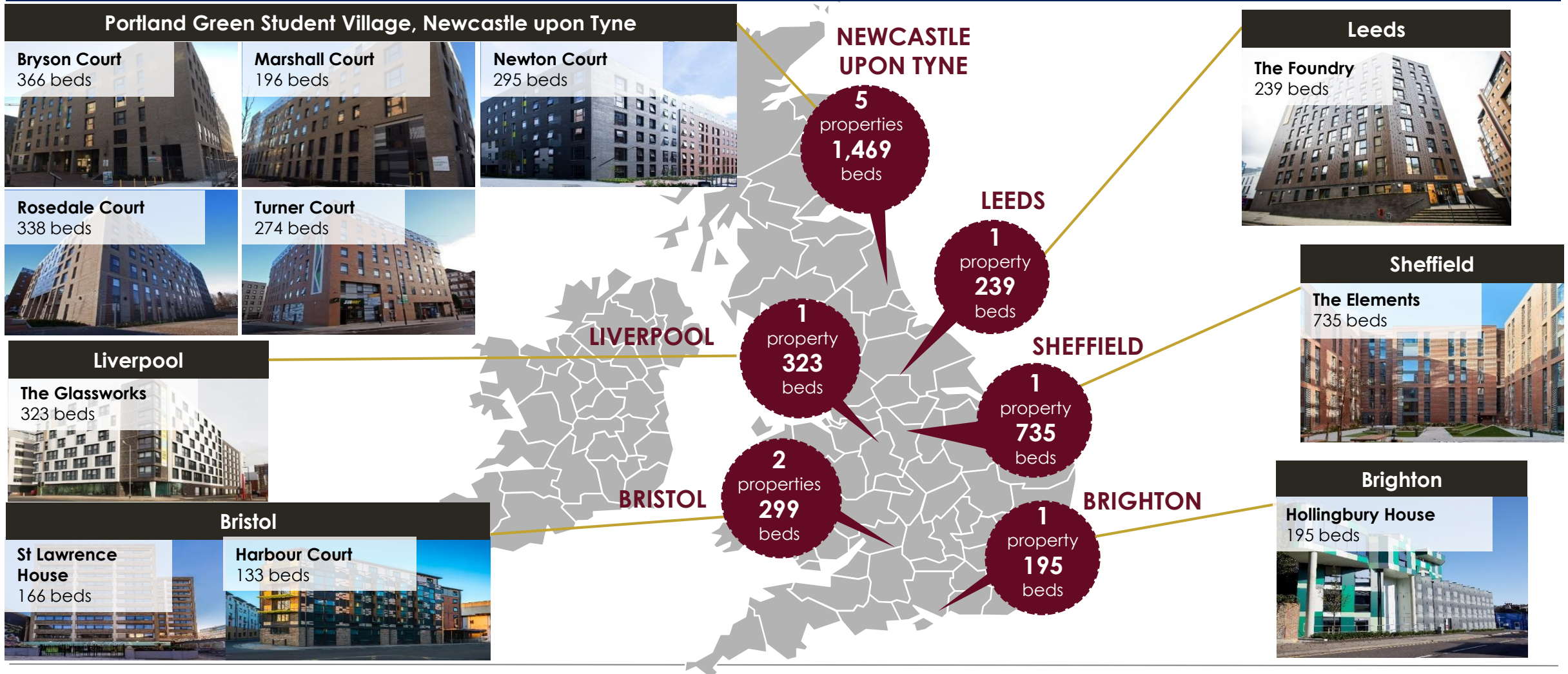
PBSA – ADDITION THROUGH DEVELOPMENT

Completed development of the 195-bed Hollingbury House, Brighton, UK in Sep 2019



UK PURPOSE-BUILT STUDENT ACCOMMODATION

Portfolio of 3,260 beds across 11 properties in 6 UK cities





PROPERTY
DEVELOPMENT

PROPERTY DEVELOPMENT PROJECTS

Completed in Feb 2020



Woods Square

Singapore

514 units

Far East Orchard's Effective Interest: 33%

Under development



Westminster Fire Station

London, United Kingdom

17 units and a restaurant

Far East Orchard's Effective Interest: 100%

BUSINESS UPDATE

BUSINESS IMPACT DUE TO COVID-19

**Operating
environment
deteriorated**

**Operations
disrupted as
tourism & travel
industry grounded
to a halt**

**Demand for
accommodation
in the hospitality
industry adversely
affected**

COVID-19 rapidly evolved into a global pandemic¹

Intensifying national lockdowns, tightened border controls & closures to flatten the spread of COVID-19

Negatively impacted RevPAR

¹ WHO announced COVID-19 outbreak a pandemic on 11 March 2020

IMPACT OF COVID-19 ON HOSPITALITY BUSINESS

**RevPAR declined across our major markets
in Singapore, Australia & Germany in Q1 FY2020**

RevPAR	Q1 FY20	Q1 FY19	% Change
Singapore	S\$88.30	S\$133.20	-33.7
Australia	A\$110.30	A\$136.10	-19.0
Germany	€71.20	€93.50	-23.9

- Widespread border closures and national lockdowns across the world decimated global demand for travel and accommodation
- Recovery uncertain

IMPACT OF COVID-19 ON PBSA BUSINESS

LOCKDOWN

The UK government instituted a national lockdown on 23 March 2020

UNIVERSITIES

Universities adopted remote teaching and cancelled / suspended on-campus activities. Student continue their programmes online.

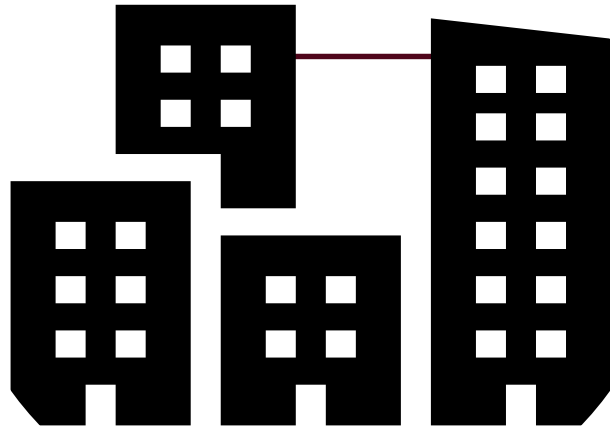
TENANCIES

Allow students at our PBSA properties early cancellation of tenancies for the last semester of AY19/20

Revenue impact of around £3 million

Despite the COVID-19 outbreak, our PBSA properties continue to receive bookings for AY20/21

IMPACT OF COVID-19 ON COMMERCIAL LEASES



Commercial
Properties -
Singapore



Medical Suites



Offices

Committed to passing down in full the property tax rebate and honouring rental relief measures as announced in the Fortitude Budget to all medical and office tenants at its respective properties to weather this crisis together

COVID-19 MITIGATION MEASURES

Health, safety & well-being of our employees, guests, residents, partners and vendors remains our #1 priority

- Comprehensive health and precautionary measures including safe distancing, telecommuting were implemented at each of our properties and offices
- Adjust business continuity plans and existing measures at various locales to align with the government measures

Cost containment measures were implemented at the corporate and property level to conserve cash flow

- Measures in areas such as hiring and leave clearance, travelling and procurement
- Temporary closure of certain floors and common facilities at our hotels
- Deferral of non-essential service contracts and spent
- Tap on government budgetary support schemes such as Jobs Support Scheme in Singapore and JobKeeper Scheme in Australia



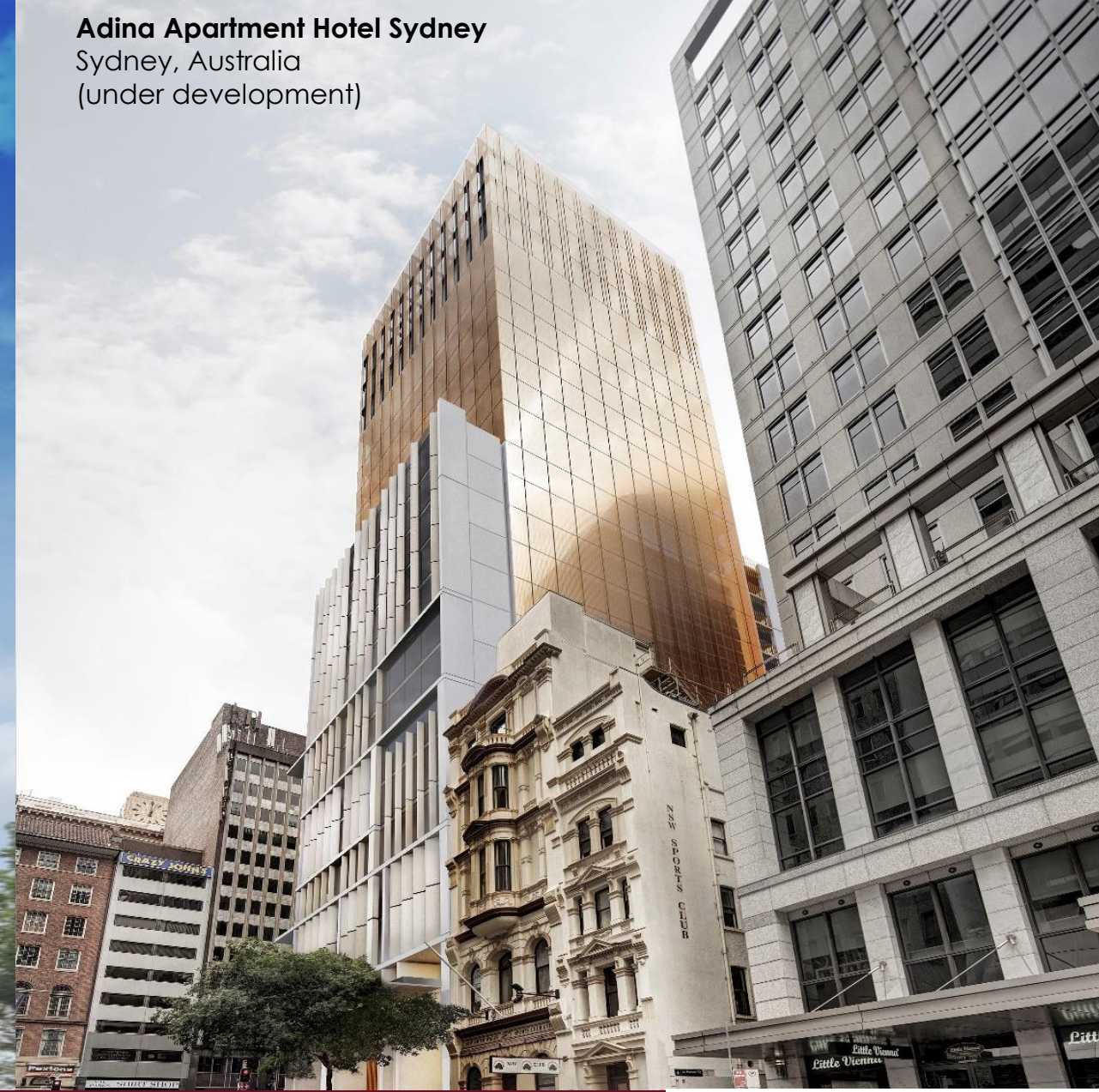
OUTLOOK

- Uncertainty of COVID-19 pandemic development and economic recovery will weigh on the Group's business for the rest of FY20
- Operating environment for our hospitality business is expected to be difficult in the immediate future
- Other risks including intensification of trade wars, rising geopolitical tensions remain to create uncertainty to our business landscape
- Extent of the COVID-19 impact on the financial performance remains challenging to assess at this juncture but we will continue to do our best in navigating this downturn and provide timely update on any material development
- Use this crisis to rethink and transform our operations to prepare for post COVID-19
- Prudent capital management with manageable gearing and accessibility to credit facilities
- With strong balance sheet and dedication of our colleagues, the Group will emerge strong to meet the new normal that awaits us

Far East Village Hotel Ariake
Tokyo, Japan



Adina Apartment Hotel Sydney
Sydney, Australia
(under development)



THANK YOU