

FAR EAST ORCHARD LIMITED

55th ANNUAL GENERAL MEETING

19 April 2023

Presentation by Group CEO

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- 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 2022 ("FY2022").
- This presentation is for information only and may contain forward-looking statements that involve assumptions, risks and uncertainties.
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- Property Development/Investment

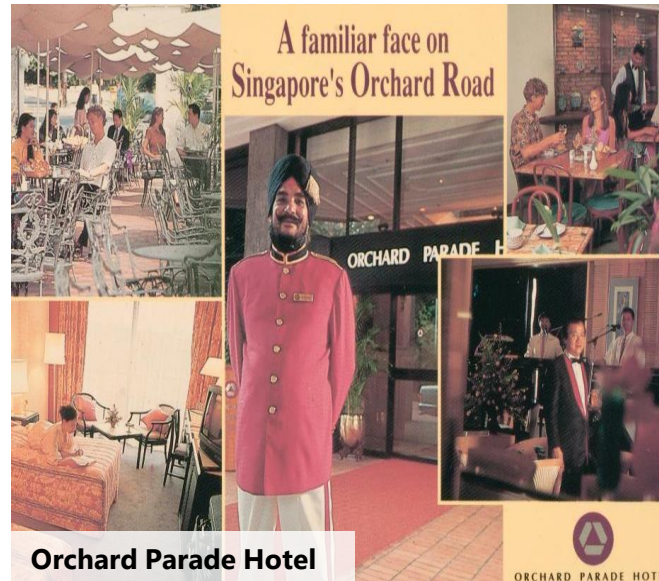
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About Far East Orchard & Strategic Focus



Strategic Focus



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

FEOR 25 Strategy



25,000 rooms



5,000 beds

Grow the portfolios through a combination of strategic partnerships, hotel management agreements and selective acquisitions.



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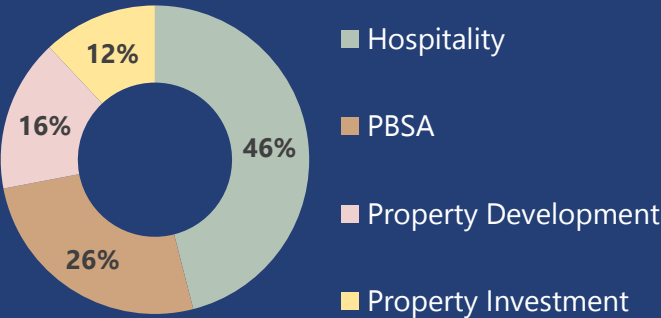
Unwavering Focus

At a Glance

As at 31 December 2022

\$2.5 billion
Total Assets

Total assets by business segment



Hospitality
9 countries/28 cities, >90 properties,
~16,500 rooms

UK PBSA¹
12 properties, 3,561 beds

Property Development/Investment
5 properties

Countries	UK	Denmark	Germany	Austria	Hungary	Japan	Malaysia	Singapore	Australia	New Zealand
Property	13 ²	1	14	1	1	2	1	28 ³	47	4

¹ In 2022, Far East Orchard acquired two PBSA properties, a 690-bed development site in Bristol and a 180-bed property in Southampton. The development site in Bristol and the acquisition of the Southampton property are expected to be completed in 2027 and April 2023, respectively, which would bring Far East Orchard’s PBSA portfolio to more than 4,400 beds across 14 properties in the UK.
² Includes a residential/commercial development, Westminster Fire Station. ³ Includes medical suites, shops and offices namely, Novena Medical Centre, Novena Specialist Centre, SBF Centre and Woods Square.



Financial Performance

FY2022 Financial Highlights

Higher net profit after tax from improved operating performance offset by unrealized translation losses from the weakening of AUD and GBP. FY21 PAT included S\$43.9m of unrealized fair value gains on investment properties.

Revenue



S\$141.0 M

▲ 32.0%

FY2021: S\$106.8 M

Operating Profit



S\$54.0 M

▲ > 100%

FY2021: S\$4.4 M

Total Profit



S\$21.5 M

▲ 28.0%² ▲ 179.1%³

FY2021: S\$16.8 M¹

Profit Attributable to Equity Holders



S\$21.9 M

▼ 22.1%² ▲ 249.2%³

FY2021: S\$28.1M¹

Earnings per share



4.7 cents

▼ 17.0%² ▲ 246.1%³

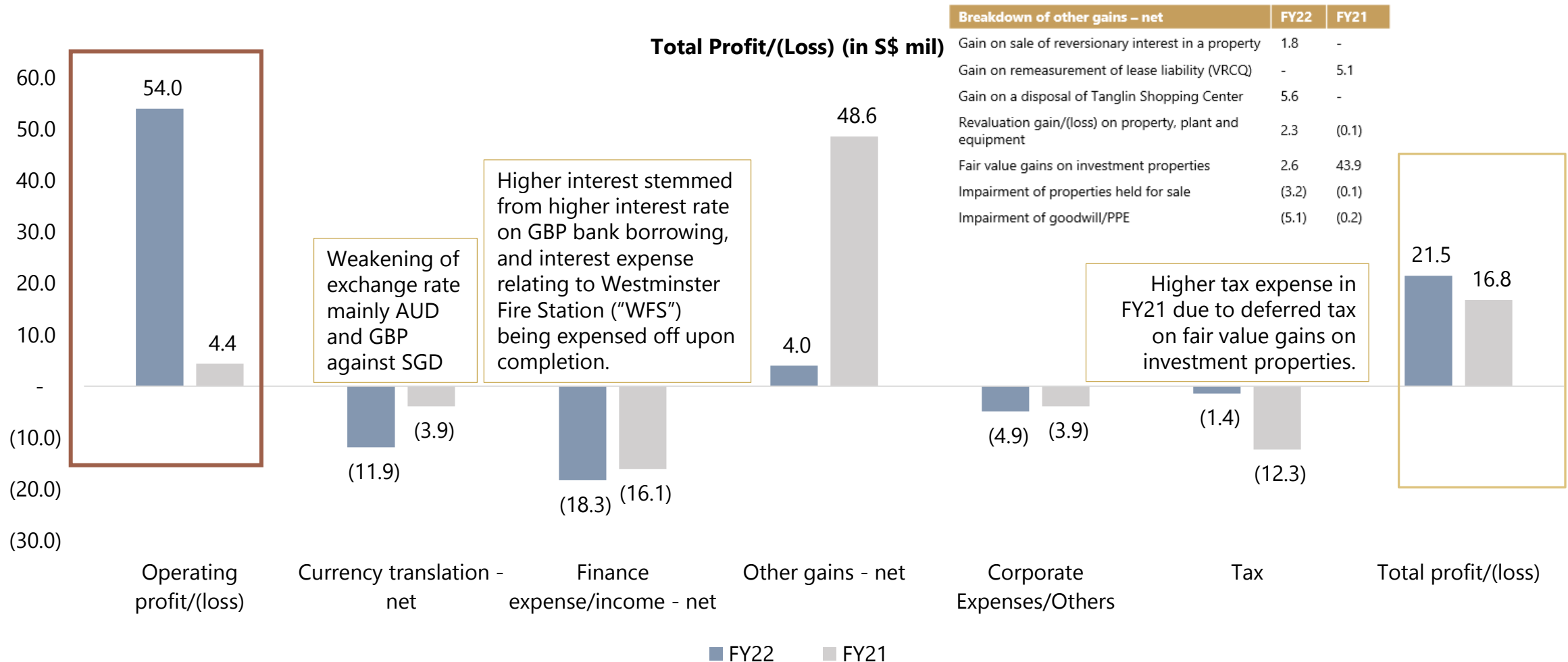
FY2021: 6.1 cents

¹ FY2021 included unrealized fair value gains on investment properties of S\$43.9m. Excluding this, total loss and loss attributable to equity holders would have been S\$27.2m, and S\$14.7m, respectively, and EPS would have been at (3.2) cents. ² Compared to FY2021. ³ Compared to FY2021, excluding the unrealized fair value gains on investment properties.

FY2022 Financial Highlights

Total Profit/(Loss)

The Group achieved higher net profit after tax of S\$21.5m, driven primarily by stronger operating performance. For FY21, excluding the fair value gains of S\$43.9m mainly from PBSA portfolio, the Group would have been in a loss after tax position.



FY2022 Financial Highlights

Revaluation of Assets

Fair value gains in FY2022 mainly coming from the medical suites (2021: PBSA)

Investment Properties – Fair Value Changes from 2021

	In S\$'mil	%
Retail/Commercial Assets	0.5	0.4
PBSA Portfolio	(3.2)	(0.2)
Medical Suites	5.3	3.5
Total	2.6 <i>(recognised in profit & loss)</i>	

Property, plant and equipment – Fair Value Changes from 2021

	In S\$'mil	%
Hospitality Assets	10.6 <i>(mainly recognised in other comprehensive income)</i>	2.0

Capital Management

Proactive capital management, balance sheet remains robust.

As at 31 December 2022



CASH & CASH EQUIVALENTS

S\$233.2 M

▼ 8.6%

Dec-21: S\$255.2 M



DEBT/EQUITY RATIO

46.2%

▼ 7.4 pp

Dec-21: 53.6%



TOTAL ASSETS

S\$2.5 B

▼ 3.4%

Dec-21: S\$2.6 B



NAV PER SHARE

S\$2.73

▼ 1.0%

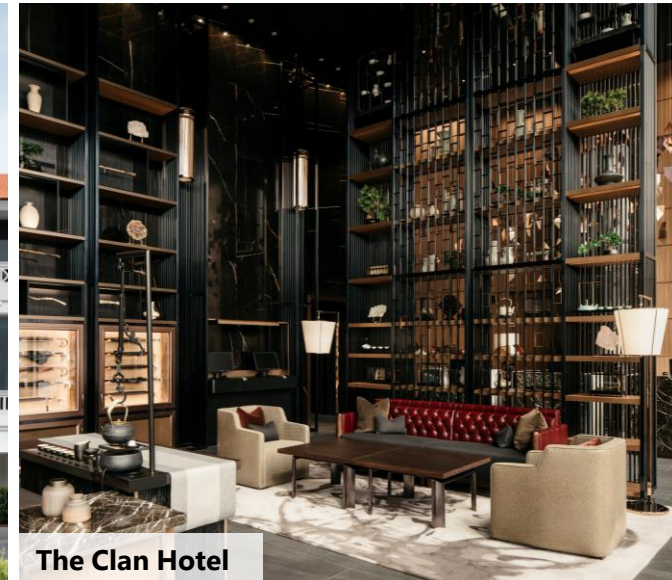
Dec-21: S\$2.76

FY2022 Dividend



- Taking into consideration the improved business performance, one-off gain from sale of Tanglin Shopping Centre, funding requirements for future business growth and expansion.
- Important to maintain financial flexibility amidst the volatile and uncertain macroeconomic environment.

Hospitality Business



Hospitality Global Presence

As at 31 December 2022

Over **90** hotels with
close to **16,500** rooms

2023 Pipeline:
5 hotel openings¹, totalling 754 rooms
across Australia, Japan, Malaysia and
Switzerland.



10 Brands in 28 Cities

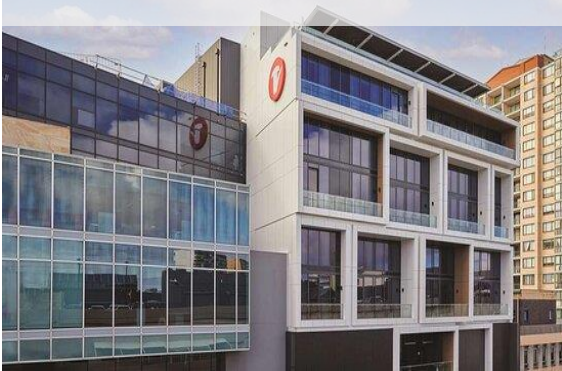


Countries	Denmark	Germany	Austria	Hungary	Switzerland	Japan	Malaysia	Singapore	Australia	New Zealand
Property	1	14	1	1	1	2	1	24	47	4
Rooms (2023 pipeline)					+140	+134	+241		+239	

Continuous Expansion of the Hospitality Business

Opened 3 hotels across Sydney and Germany, totalling 494 rooms in 2022, and opened Far East Village Tokyo, Asakusa, on 1 April 2023.

Travelodge Hurstville, Sydney
124 rooms
Opened in Jan 2022



Adina Apartment Hotel Dusseldorf, Germany
201 rooms
Opened in Mar 2022



Adina Apartment Hotel Stuttgart
169 rooms
Opened in Mar 2022



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



Diversify source markets and attract Australian inbound tourists

The first Adina and Vibe Hotels brands in Singapore

Adina Singapore Orchard
88 rooms
Opened in Jul 2022



Vibe Hotel Singapore Orchard
256 rooms
Opened in Nov 2022



Strategic Formation of Two Milestone JVs

10th Year Partnership: Building a stronger and enlarged portfolio



A MEMBER OF THE TECITY GROUP



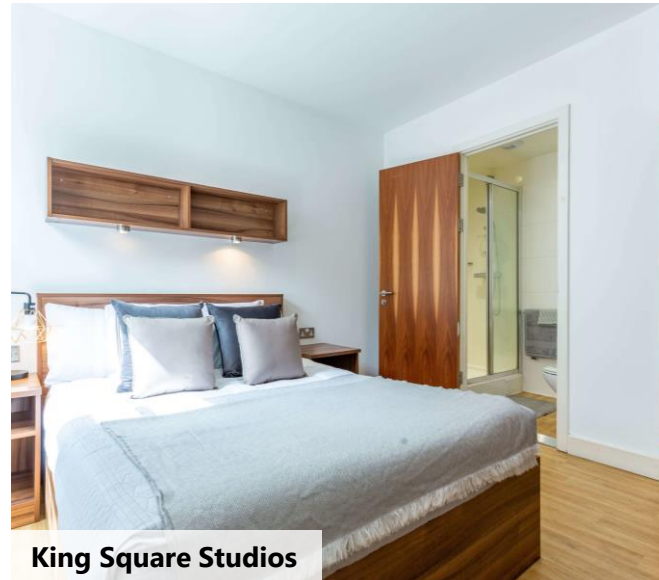
**Expands Regional
Footprint**

**Increases Scale &
Efficiency**

**Increases Recurring
Income**

**Increases Future
Opportunities**

Purpose-built Student Accommodation ("PBSA") Business



Resilient UK PBSA Portfolio

3,561 operational beds across 12 properties in 6 UK cities.

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



2 Liverpool

3 Bristol²



4 Leeds

5 Sheffield

6 Brighton

7 Southampton³



Cities	Newcastle upon Tyne	Liverpool	Bristol ²	Leeds	Sheffield	Brighton	Southampton ³
No. of property	5	1	4	1	1	1	1
Total no. of operational beds	1,469	323	600	239	735	195	-

Portfolio valuation:
>£300m (~S\$500m)¹



As at 31 December 2022

¹ As at 31 December 2022. ² The development site in Silverthorne Lane, Bristol, is expected to deliver approx. 690 beds and to be completed by FY2027. ³ The latest acquisition in December 2022 is a 180-bed PBSA in Southampton (expected to be completed in April 2023).

Strong recovery with positive mid-term outlook for student demand

PBSA business in the UK remains resilient, demand remains strong

UCAS forecasts higher student numbers – To hit 1 million by 2026 (+50%), with international applicants' growth to >200,000 (+46%)



Positive outlook for student numbers

- **Underpinned** by broad demographic trends, with the population of 18-year-olds forecasted to increase.
- **Reopened travel borders** encourage international students to study in the UK.
- **Growth trend for international students** likely to be driven by the weakening of the Sterling Pound.



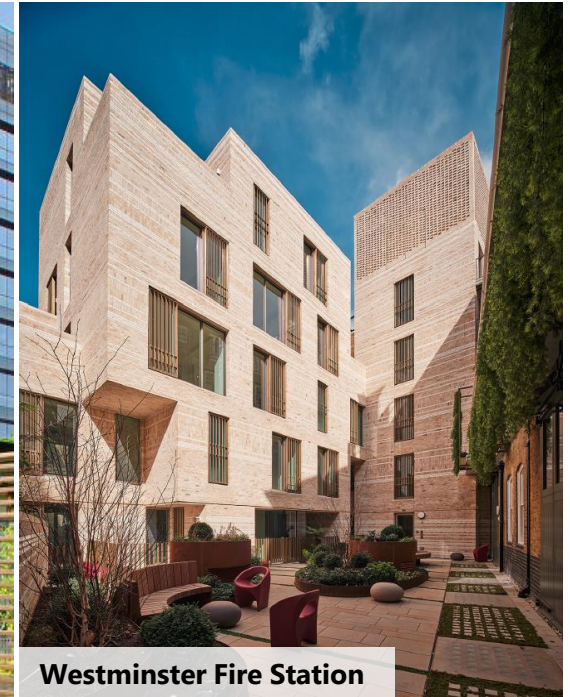
Stable and recurring income source

- **Stronger occupancy levels** than prior year. AY22/23¹ has achieved close to full occupancy at 99% (AY21/22: 86%).
- **Increased demand** for upcoming AY23/24. Reservations across the portfolio are significantly ahead of current year during the same period.
- **More partnerships** with universities and training institutions. Higher number of nominations and referral agreements are established.

Property Development/Investment



Woods Square



Westminster Fire Station

Property Development Update

Residential/Commercial

	Woods Square	Westminster Fire Station
		
Location	Singapore	London, United Kingdom
Far East Orchard's effective interest	33%	100%
Total units	514	17 units; 1 restaurant
Total units launched for sale	236	Phase 1 (Mar 22) – 9 units Phase 2 (Dec 22) – 8 units
Percentage of units sold as at 31 Dec 22	74%*	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

Novena Medical Center



44 Medical Suites¹

Novena Specialist Center



39 Medical Suites²

¹ 7 units were held under "Properties held for sale", and 37 units were held under "Investment Properties".

² 29 units were held under "Properties held for sale", and 10 were held under "Investment Properties".



Commitment to Sustainability

FY2022 Sustainability Highlights

Awards & Accolades



Bronze Award for 'Best Risk Management' at Singapore Corporate Awards 2022 (mid-cap category)



Achieved top 8% ranking among SGX-listed firms in SGTI 2022

Sustainability Highlights



Committed to setting a target in line with SBTi to reduce Scope 1 and Scope 2 emissions by 42% for owned properties by 2030¹.



14% reduction in workplace injuries in FY2022; and **Zero** workplace fatalities for 6 consecutive years in FY2022.



Zero violations of Competition Act and Consumer Commission of Singapore (CCCS) guidelines, lapses with SGX-ST listing manual and known incidents of bribery or corruption.

¹ Using 2022 as a baseline year as it provides comprehensive data that reflects close to a pre-pandemic GHG emission level.



2023 Outlook

2023 Outlook

2023 Macroeconomic Outlook	Hospitality Outlook	PBSA Outlook
2023 remains challenging <ul style="list-style-type: none">International Monetary Fund lowered 2023 global growth forecast to 2.8% from 3.4% in 2022, amidst financial sector turmoil, ongoing effects of geopolitical tensions and high inflation.¹	<ul style="list-style-type: none">Tourism sector shifted positively, despite macroeconomic and geopolitical uncertainty.United Nations World Tourism Organization reported >900 million tourists travelled in 2022With China's reopening, Asia Pacific will likely benefit from recovery.²	<ul style="list-style-type: none">Students' demand growth remains strong and resilient, driven by UK's domestic and international students.³Sustained demographic growth projected from domestic students in the UK over the next 10 yearsContinued attraction of the UK for international students.

¹ IMF. "[A Rocky Recover](#)." April 2023. ² UNWTO. "[Tourism set to return to pre-pandemic levels in some regions in 2023](#)." 17 January 2023. ³ Knight Frank. "[Student Property Report](#)." 2023.



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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>