

FAR EAST ORCHARD LIMITED
(Company Registration Number: 196700511H)
(Incorporated in the Republic of Singapore)
(the “**Company**”, and together with its subsidiaries, the “**Group**”)

MINUTES OF FIFTY-SIXTH ANNUAL GENERAL MEETING

DATE : Thursday, 25 April 2024

TIME : 10.00 a.m.

PRESENT : Per Attendance List maintained by the Company

CHAIR OF THE MEETING : Ms Koh Kah Sek

1. INTRODUCTION & QUORUM

- 1.1 Ms Koh Kah Sek, Chair of the Board of Directors, welcomed shareholders to the Company’s 56th Annual General Meeting (“**AGM**”). The Chair informed that she received confirmation from the Company Secretary that a quorum was present and called the Meeting to order.
- 1.2 The Chair introduced the Board members (namely Mr Ramlee Bin Buang, Mdm Diana Ee, Mr Shailesh Anand Ganu, Ms Ku Xian Hong, Mr Samuel Rhee and Mr Chan Hon Chew) and the Group CEO & Executive Director Mr Alan Tang (“**Mr Tang**”).
- 1.3 The Chair also introduced CFO Ms Joanna Gok, CEO of Far East Hospitality Mr Arthur Kiong (“**Mr Kiong**”) and Company Secretary Ms Audrey Phua before she invited Mr Tang to give his presentation.

2. GROUP CEO PRESENTATION AND PRIOR QUESTIONS FROM SHAREHOLDERS

- 2.1 Mr Tang welcomed shareholders to the AGM. He explained that shareholders had been invited to submit in advance, questions relating to the resolutions to be tabled for approval. The Company’s responses to shareholders’ substantial and relevant questions submitted in advance of the AGM have been published on SGXNet and the Company’s website on 17 April 2024.
- 2.2 Mr Tang gave a presentation covering the Group’s strategic focus over the years and leading up to FY2025 which involve creating value for shareholders, FY2023 financial performance, dividend payment, a review of the hospitality, purpose-built student accommodation (“**PBSA**”) and property development businesses, sustainability highlights and 2024 outlook. The presentation slides were published on SGXNet and the Company’s website on 25 April 2024 and are annexed hereto as “**Annexure A**”.

3. NOTICE OF MEETING

- 3.1 The Chair thanked Mr Tang for his presentation.
- 3.2 The Chair informed that the Notice of AGM dated 9 April 2024 (“**Notice**”) was sent to all shareholders via ordinary mail, publication on SGXNet and the Company’s website and was also published in the Business Times on 9 April 2024. The Notice and Resolutions contained therein were taken as read.
- 3.3 The Chair informed shareholders that she had been appointed as proxy by some shareholders and would be voting in accordance with their instructions.
- 3.4 Voting was conducted by poll. Boardroom Corporate & Advisory Services Pte. Ltd. and Reliance 3P Advisory Pte. Ltd. had been appointed as polling agent and independent scrutineer respectively.

The validity of the proxies submitted by shareholders 72 hours before the AGM had been duly checked and the votes of all such valid proxies had been counted and verified. The percentage of votes received for each Resolution shall be rounded to 2 decimal places.

3.5 A representative of the independent scrutineer explained the procedures for the electronic poll voting process to shareholders.

3.6 The Company addressed shareholders' questions before proceeding to the Resolutions.

4. QUESTION & ANSWER SESSION

Queries from Shareholder A

4.1 Shareholder A enquired on the Company's capital management strategy and the reason(s) for the increase in finance cost in FY2023. The Chair referred Shareholder A to Note 9 (Financial Expenses) of the Company's audited financial statements for FY2023 ("**FS FY2023**"). Interest expense for bank borrowings had increased from approximately S\$15 million to S\$34 million due to the higher weighted average interest rate. As at 31 December 2023, the Group entered into fixed interest rate swaps for some of its variable rate borrowings; cash and bank balances amounted to S\$225 million; and the debt to equity ratio was 44%.

4.2 Shareholder A noted that the Company is focusing on growing recurring income and enquired whether there is a specific percentage of assets allocated to recurring income; and whether the Group's asset portfolio is managed based on recurring and non-recurring income.

4.3 The Chair shared that since 2012, the Company had embarked on a transformation journey to focus on recurring income and its strategy of two pillars of growth in hospitality and PBSA. As at 31 December 2023, more than 90% of Group income was recurring income. The Company has been moving away from one-off development projects which require time to monetise. An example of such a project is Woods Square ("**WS**"), where some units were sold in 2023 and the remaining unsold units are currently leased out. Another development project is Westminster Fire Station ("**WFS**") in the UK. As high inflation and interest costs have dampened the UK residential market, WFS is currently being leased out while the Company awaits an appropriate time to sell it.

4.4 Mr Tang added that approximately 14% of the Group's assets comprised development projects such as WFS and WS. Management will realise these assets when market conditions improve. In working towards an asset light approach, Management is growing its hospitality and PBSA businesses for the Group's next phase of growth.

4.5 With reference to Note 18 (Investments in Joint Ventures) of FS FY2023, Shareholder A enquired on the reason(s) for (i) the decrease in Toga Trust's profit; and (ii) increase in profit after tax of WS despite a drop in revenue. He asked why WS has not distributed dividends from its profits to the Company.

4.6 The Chair explained that the drop in Toga Trust's profit before tax from S\$40 million in FY2022 to S\$5 million in FY2023 was attributed to various one-off gains in FY2022, including the gain from the derecognition of lease liabilities, the receipt of government grants and revaluation gains. Excluding these one-off gains, Toga Trust would have recorded a loss in FY2022. The decrease in revenue in FY2023 for WS was due to lower sales but was mitigated by the leasing income generated by the unsold units. The cash generated from the operations was used to pare down borrowings for WS to mitigate the higher financing cost resulting from the high interest rate. In FY2023, WS also recognized a fair value gain on its investment property, further attributing to the higher share in profits after tax.

4.7 Shareholder A commented that despite achieving its strongest operating profit in the last 10 years in FY2023, the Company is proposing a dividend of 4 cents per ordinary share for FY2023 (the "**Proposed Dividend**"), compared to dividend payments of 6 cents per ordinary share in previous

years. He enquired on the rationale for (i) not reinstating the dividend payment to pre-pandemic levels of 6 cents per ordinary share; and (ii) the maintenance of a scrip dividend scheme (while adding his view that the Company's cash position is healthy and a scrip dividend scheme may adversely affect the net asset value ("**NAV**") of the Company).

4.8 The Chair shared that the Proposed Dividend was deliberated extensively by the Board as the Company's dividend policy must be sustainable. The net profit of S\$66 million in FY2023, when stripped of revaluation gains, translates to an underlying earnings per share of 3.77 cents, and the Proposed Dividend exceeds this. The Company had declared dividend payments of 6 cents per ordinary share from 2013 to 2019, when earnings were then supported by development assets which did not generate recurring income. The Board and Management are working towards achieving dividend payments of 6 cents per ordinary share by focusing on the Company's two growth pillars and improving operating profit.

4.9 Mr Tang explained that the Company maintains a scrip dividend scheme to ensure a strong cash position for flexibility in seizing acquisition opportunities. The strong cash reserves allow the Group to pare down its borrowings and reduce financing costs in a high interest rate environment. The scrip dividend scheme also provides shareholders with maximum flexibility between receiving cash or shares.

Queries from Shareholder B

4.10 Shareholder B enquired whether the Group's hospitality business benefitted from recent events such as the Taylor Swift concerts; and whether such benefits were more significant for the Group's hospitality business in Singapore or Australia.

4.11 Mr Kiong informed that recent concert events such as Taylor Swift and Coldplay, as well as the Lunar New Year period had a positive effect on the hospitality business, particularly in Singapore. During these periods, revenue for the hospitality business increased as occupancy and room rates increased. The Singapore Tourism Board's efforts to bring in such events had benefitted the hospitality sector.

4.12 In response to Shareholder B's question on whether the Group plans to work with concert organisers to offer concert and accommodation packages, Mr Kiong explained why Management had elected not to do so, and how bundling such packages could be complex. The Group has performed well by keeping to a simple and clear pricing strategy.

4.13 Shareholder B enquired whether Management had explored possible synergies between the Group's hospitality and PBSA businesses and commented that students at the PBSA properties could potentially be future customers of the Group's hospitality business.

4.14 The Chair thanked Shareholder B for his suggestion. Currently, the Group's PBSA operations are outsourced. Should the Group have the opportunity to acquire a suitable platform to operate its PBSA, Management would then be in a position to explore the possibility of synergies between the Group's PBSA and hospitality businesses.

4.15 Shareholder B observed that recent social media coverage by Chinese tourists had berated the high cost of Singapore as a travel destination. He enquired about Management's plans to continue attracting Chinese tourists.

4.16 Mr Kiong noted Shareholder B's observation and expressed that the Chinese market is important as it constitutes 20% of Singapore's visitor arrivals. Mr Kiong explained that our hotels which range from mid-tier to upscale could offer individual Chinese travelers value and quality in accommodation choices.

Queries from Shareholder C

4.17 Shareholder C commented that the Company's share price seems low and queried if efforts are being made to improve it. The Chair thanked Shareholder C for his support as a long term

shareholder. Share price movements are influenced by numerous factors, some of which are outside of the Board and Management's control. The Board and Management focuses on factors within their control, including improving operating profit, growing the Group's portfolio and improving the portfolio's performance. Shareholder C acknowledged that macro-economic factors also affected share price.

- 4.18 In response to Shareholder C's enquiry on whether there were plans to implement share buyback, Mr Tang advised that Management is currently not considering share buyback. Management is working on the Company's two pillars of growth and conserving cash for growth.
- 4.19 Shareholder C commented that the Company's net profit of S\$66 million included S\$58 million of unrealised fair value gains and queried if the Company has sufficient earnings to pay the Proposed Dividend. He opined that yield should be more than 4% to attract investors; and that the Company's finance costs are higher than if it were to place its cash in a bank. The Chair explained that the Company's underlying earnings per share are approximately 3.77 cents and the Company has sufficient profits to pay the Proposed Dividend.
- 4.20 Shareholder C noted that many of the Group's PBSA are located in Newcastle and opined that some are in cities not known for their universities, including Southampton and Glasgow. He opined that it might be challenging to exit these locations in future, and while universities in the UK are currently attractive to Chinese students, this might change over time.
- 4.21 The Chair shared that based on industry statistics, 70% of PBSA occupancy was attributed to local students and not foreign students. The PBSA asset class is performing well due to a supply issue (even in locations not traditionally known for their universities) and student applications continue to grow.
- 4.22 Shareholder C expressed concerns with the affordability of education in the UK amidst the country's weak economic conditions and forecasted job losses, and that the Company's shares are trading at a 60% discount to NAV compared to other asset-light companies.
- 4.23 Mr Tang advised that the Company is working towards becoming asset-light. The Company is actively managing its assets, and divestment will be undertaken at an opportune timing, with funds redeployed thereafter. Based on statistics, there remains demand for PBSA while supply of PBSA remains low and regulatory requirements for PBSA are stringent. Management had assessed demand in the locations of the Group's PBSA and considered pricing and yield. In the last two years, the Group's PBSA had achieved 99% occupancy and enjoyed rental growth, which had resulted in revaluation gains despite increasing costs.

Query from Shareholder D

- 4.24 Shareholder D enquired about the reason(s) for the Group's concentration of PBSA in Newcastle. Mr Tang informed that the Group's first foray into the PBSA asset class was in Newcastle. Since then, the Group has diversified into other cities. The Group's PBSA in Newcastle continues to yield healthy returns and demand remains strong. Management continues to monitor performance closely and will divest/recycle its PBSA assets, including those in Newcastle, when the timing is opportune.
- 4.25 Having addressed shareholders' questions, the Chair proceeded to the Resolutions.

ORDINARY BUSINESS

5 ORDINARY RESOLUTION 1 – ADOPTION OF THE AUDITED FINANCIAL STATEMENTS TOGETHER WITH THE DIRECTORS' STATEMENT AND THE REPORT OF THE INDEPENDENT AUDITOR FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

- 5.1 The first resolution was to receive and adopt the Audited Financial Statements together with the

Directors' Statement and the Report of the Independent Auditor for the financial year ended 31 December 2023.

5.2 The Chair proposed the motion, and the poll voting results were as follows:

	<u>Number of votes cast</u>
Votes for	319,843,503 (100.00%)
Votes against	5,817 (0.00%)
Total no. of valid votes	319,849,320

5.3 The Chair declared the motion carried. IT WAS RESOLVED:

That the Audited Financial Statements together with the Directors' Statement and the Report of the Independent Auditor for the financial year ended 31 December 2023 thereon be received and adopted.

6 ORDINARY RESOLUTION 2 – APPROVAL OF FIRST AND FINAL DIVIDEND

6.1 Resolution 2 was to approve a first and final one-tier tax exempt dividend of 4 cents per ordinary share for the financial year ended 31 December 2023. If approved by shareholders, the first and final dividend will be paid on or around 5 July 2024.

6.2 The Chair proposed the motion, and the poll voting results were as follows:

	<u>Number of votes cast</u>
Votes for	319,855,695 (100.00%)
Votes against	15,817 (0.00%)
Total no. of valid votes	319,871,512

6.3 The Chair declared the motion carried. IT WAS RESOLVED:

That a first and final one-tier tax exempt dividend of 4 cents per ordinary share for the financial year ended 31 December 2023 be approved.

7 ORDINARY RESOLUTION 3 – APPROVAL OF DIRECTORS' FEES OF UP TO S\$520,000 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024

7.1 Resolution 3 was to approve Directors' fees for the sum of up to S\$520,000 for the financial year ending 31 December 2024, to be paid quarterly in arrears.

7.2 The Chair proposed the motion, and the poll voting results were as follows:

	<u>Number of votes cast</u>
Votes for	319,658,197 (99.99%)
Votes against	47,119 (0.01%)
Total no. of valid votes	319,705,316

7.3 The Chair declared the motion carried. IT WAS RESOLVED:

That the payment of a sum of up to Five Hundred Twenty Thousand Singapore Dollars (S\$520,000) as Directors' Fees for the financial year ending 31 December 2024, to be paid quarterly in arrears, be approved.

7.4 Shareholder C opined that the Directors' fees were low and requested that the Remuneration Committee look into ensuring that the Directors are appropriately remunerated. The RC Chair

thanked Shareholder C for his feedback and explained that a review of the Directors' fees will be undertaken in the coming year.

8 ORDINARY RESOLUTION 4 – RE-ELECTION OF MR RAMLEE BIN BUANG

8.1 Resolution 4 was to re-elect Mr Ramlee Bin Buang, a Director retiring by rotation pursuant to Regulation 98 of the Company's Constitution. Being eligible, Mr Ramlee had offered himself for re-election.

8.2 If re-elected, Mr Ramlee will remain as the Lead Independent Director, Chair of the Audit & Risk Committee, and a member of the Nominating Committee. Mr Ramlee is considered a Non-Executive and Independent Director for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

8.3 The Chair proposed the motion, and the poll voting results were as follows:

	<u>Number of votes cast</u>
Votes for	319,821,311 (99.99%)
Votes against	20,201 (0.01%)
Total no. of valid votes	319,841,512

8.4 The Chair declared the motion carried. IT WAS RESOLVED:

That Mr Ramlee Bin Buang be re-elected as a Director of the Company.

9 ORDINARY RESOLUTION 5 – RE-ELECTION OF MR CHAN HON CHEW

9.1 Resolution 5 was to re-elect Mr Chan Hon Chew, a Director retiring pursuant to Regulation 103 of the Company's Constitution. Being eligible, Mr Chan had offered himself for re-election.

9.2 If re-elected, Mr Chan will be appointed as a member of the Audit & Risk Committee at the conclusion of the 56th AGM. Mr Chan is considered a Non-Executive and Independent Director for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

9.3 The Chair proposed the motion, and the poll voting results were as follows:

	<u>Number of votes cast</u>
Votes for	319,801,311 (99.99%)
Votes against	20,201 (0.01%)
Total no. of valid votes	319,821,512

9.4 The Chair declared the motion carried. IT WAS RESOLVED:

That Mr Chan Hon Chew be re-elected as a Director of the Company.

10 RETIREMENT OF MR SAMUEL GENE RHEE AS A DIRECTOR

10.1 The Company had on 6 March 2024 announced Mr Samuel Gene Rhee's intention to retire at the 56th AGM and to not seek re-election as a Non-Executive and Independent Director of the Company. Consequently, Mr Rhee shall also cease to act as Chair of the Nominating Committee and as a member of the Remuneration Committee at the conclusion of the 56th AGM.

10.2 The Board and Management placed on record their appreciation to Mr Rhee for his invaluable contributions during his tenure.

11 ORDINARY RESOLUTION 6 – RE-APPOINTMENT OF INDEPENDENT AUDITOR

11.1 Resolution 6 was to approve the re-appointment of PricewaterhouseCoopers LLP as Independent Auditor of the Company and to authorise the Directors to fix their remuneration.

11.2 The Chair proposed the motion, and the poll voting results were as follows:

	<u>Number of votes cast</u>
Votes for	319,761,619 (99.99%)
Votes against	20,201 (0.01%)
Total no. of valid votes	319,781,820

11.3 The Chair declared the motion carried. IT WAS RESOLVED:

That PricewaterhouseCoopers LLP be re-appointed as Independent Auditor of the Company at a remuneration to be fixed by the Directors.

SPECIAL BUSINESS

The Chair proceeded to deal with the Special Business of the AGM.

12 ORDINARY RESOLUTION 7 – AUTHORITY TO ALLOT AND ISSUE SHARES

12.1 Resolution 7 was to authorise the Directors to allot and issue new shares in the capital of the Company, and to make or grant convertible instruments that might require shares to be issued, up to an aggregate of 50% of the total number of issued shares, excluding any treasury shares, with a sub-limit of 20% for issues that are not on a pro-rata basis to shareholders.

12.2 The full text of Resolution 7 was set out in the Notice and was taken as read.

12.3 The Chair proposed the motion, and the poll voting results were as follows:

	<u>Number of votes cast</u>
Votes for	313,836,959 (98.14 %)
Votes against	5,964,285 (1.86%)
Total no. of valid votes	319,801,244

12.4 The Chair declared the motion carried. IT WAS RESOLVED:

That pursuant to Section 161 of the Companies Act 1967 of Singapore (“**Act**”) and the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the Directors of the Company (the “**Directors**”) to:

- (a) (i) allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible or exchangeable into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force)

issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force, provided that:

- (1) the aggregate number of Shares to be allotted and issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding any treasury shares and subsidiary holdings, if any) (as calculated in accordance with subparagraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (i) new Shares arising from the conversion or exercise of any convertible securities or exercise of share options or vesting of share awards, which were issued and outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Act and the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

13 ORDINARY RESOLUTION 8 – PROPOSED RENEWAL OF THE SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS

- 13.1 Resolution 8 was to renew the Shareholders’ Mandate for Interested Person Transactions, to allow the Company, its subsidiaries and associated companies or any of them, to enter into certain Interested Party Transactions as described in the Letter to Shareholders dated 9 April 2024.
- 13.2 The full text of Resolution 8 was set out in the Notice and was taken as read. The details of, and rationale for, the Shareholders’ Mandate are set out in the Letter to Shareholders. If approved by shareholders, the Shareholders’ Mandate will continue in force until the next AGM of the Company. The Company’s majority shareholder, Far East Organization Pte. Ltd. (“FEO”), Directors with relationships with FEO, and their respective associates, have abstained from voting on this Resolution.
- 13.3 The Chair proposed the motion, and the poll voting results were as follows:

	<u>Number of votes cast</u>
Votes for	7,285,218 (98.22%)
Votes against	132,387 (1.78%)

Total no. of valid votes 7,417,605

13.4 The Chair declared the motion carried. IT WAS RESOLVED:

That:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, for the Company, its subsidiaries and associated companies which are entities at risk as defined under Chapter 9 of the Listing Manual of the SGX-ST, or any of them, to enter into any of the transactions falling within the types of Interested Person Transactions, particulars of which are set out in the Letter to Shareholders, with any person who is of the class of Interested Persons described in the Letter to Shareholders, provided that such transactions are made on normal commercial terms, are not prejudicial to the interests of the Company and its minority shareholders and are in accordance with the review procedures for Interested Person Transactions as set out in the Letter to Shareholders;
- (b) the approval given in sub-paragraph (a) above (the "**Mandate**") shall, unless revoked or varied by the Company in general meeting, continue in force until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier; and
- (c) the Directors be and are hereby authorised, jointly or severally, to take such steps and exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or necessary or in the interest of the Company to give effect to the Mandate and/or this Resolution.

14 CONCLUSION OF AGM

14.1 There being no further business, the Chairman declared the 56th AGM closed at 11.45 a.m. The Chairman thanked everyone for their attendance and support.

CONFIRMED

KOH KAH SEK
CHAIR
25 April 2024



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

01

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

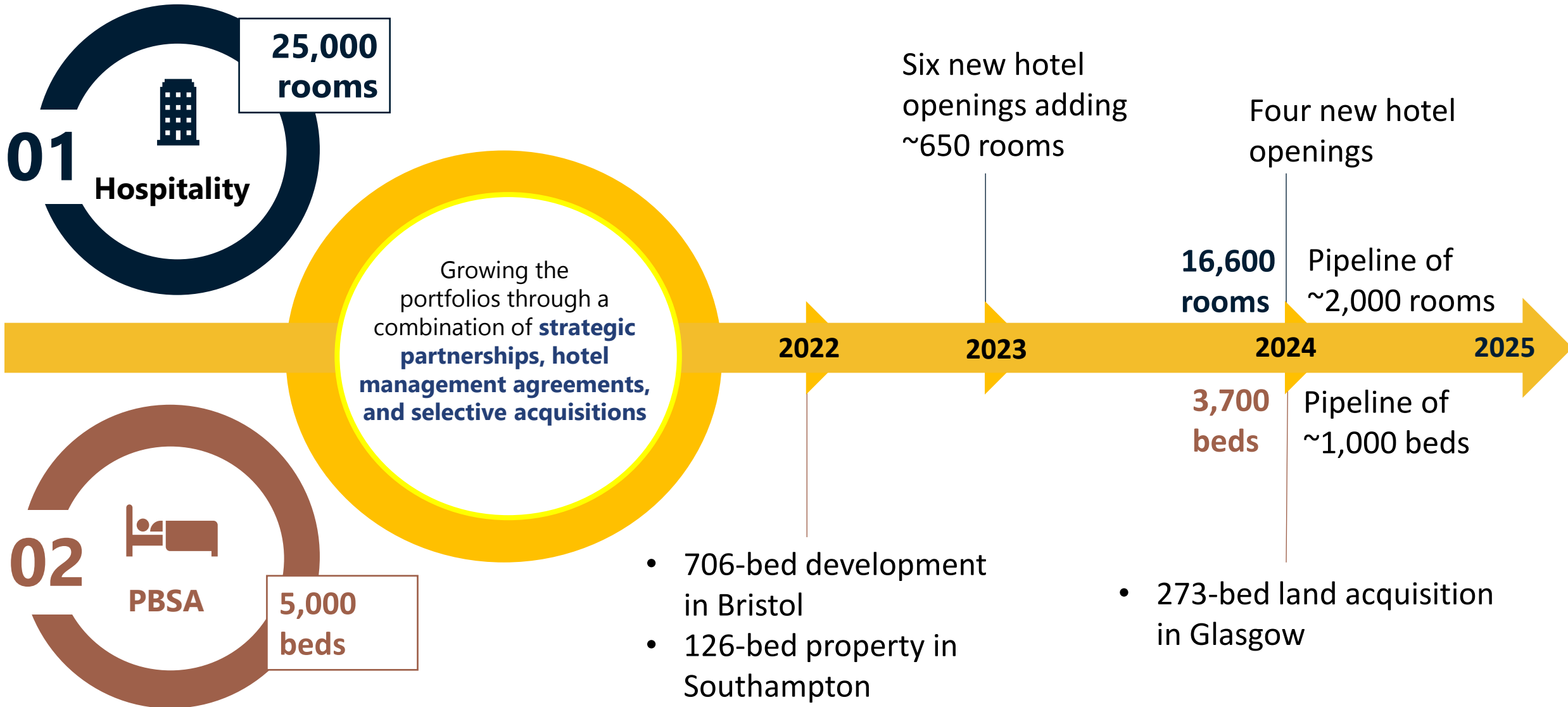




Far East
Orchard
LIMITED

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.



HOSPITALITY

- 10 Countries
- ~100 Properties
- 29 Cities
- >16,600 Rooms

UK PBSA¹

- 7 Cities
- 13 Properties
- 3,687 Beds

1 United Kingdom 14 Properties ²	2 Denmark 1 Property	3 Germany 14 Properties	4 Austria 2 Properties
5 Hungary 1 Property	6 Switzerland 1 Property	7 Japan 3 Properties	8 Malaysia 1 Property
9 Singapore 28 Properties ³	10 Australia 48 Properties	11 New Zealand 4 Properties	

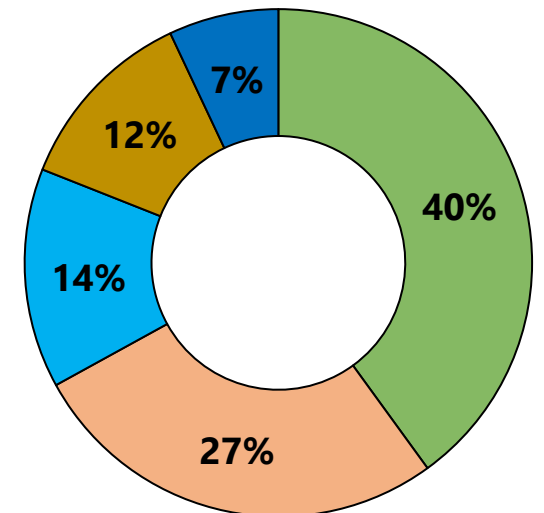
LEGEND

- PBSA
- Hotel Ownership & Management
- Commercial Units & Medical Suites
- Property Development

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%

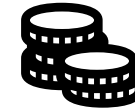
Dec-22: S\$2.73

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

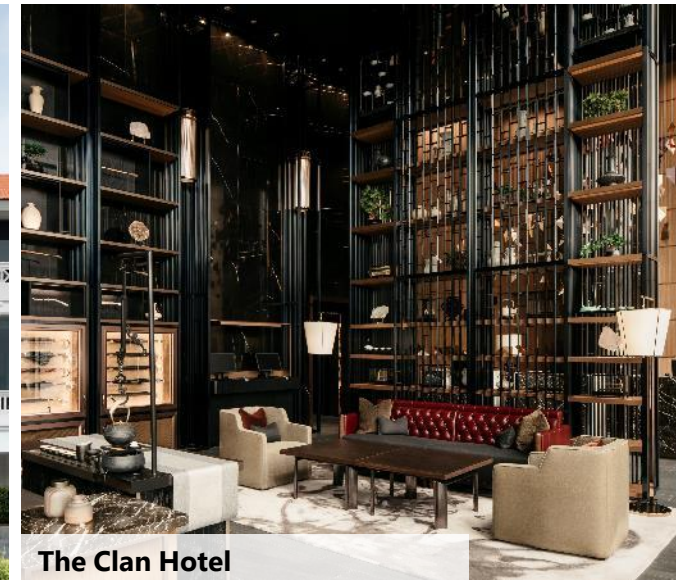
Delivering Singapore-inspired hospitality



Adina Singapore Orchard Hotel



Oasia Resort Sentosa



The Clan Hotel

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

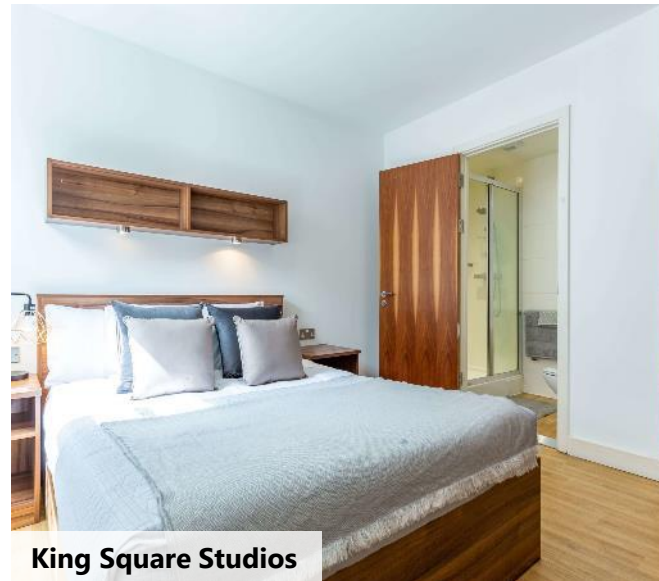


Adina Apartment Hotel Pentridge Melbourne
106 rooms
Opened in Feb 2023



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



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

AY2023/24
Occupancy 99%

2 Liverpool

3 Bristol²



4 Leeds

5 Sheffield

6 Brighton

7 Southampton

8 Glasgow³



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>