



# Far East Orchard

Far East Orchard Limited  
(Incorporated in the Republic of Singapore)  
Company Registration No. 196700511H

---

## 57<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD ON 25 APRIL 2025 RESPONSES TO SHAREHOLDERS ON SUBSTANTIAL AND RELEVANT QUESTIONS

---

1. The Board of Directors (the “**Board**”) of Far East Orchard Limited (the “**Company**”) would like to thank shareholders for submitting their questions in advance of the Company’s 57<sup>th</sup> Annual General Meeting (“**AGM**”), which will be conducted physically on 25 April 2025, Friday at 10.00 a.m. (Singapore time) at the Antica Ballroom, Level 2, Orchard Rendezvous Hotel, Singapore, 1 Tanglin Road, Singapore 247905.
2. Please refer to **Appendix 1** for the Company’s responses to the questions received from shareholders as of 10.00 a.m. on 15 April 2025, Tuesday (the “**submission deadline**”) that are substantial and relevant to the AGM resolutions. The questions could have been rephrased for clarity of context.
3. The Company will endeavour to address the substantial and relevant questions received after the submission deadline and those received “live” at the AGM, during the AGM itself.

By Order of the Board

Phua Siyu Audrey  
Company Secretary  
17 April 2025

## Appendix 1

### Question and Responses 1:

I note the company has the FEOR2025 strategy, with the aim of growing the hospitality portfolio to 25,000 rooms and PBSA to 5,000 beds by 2025. As per FY2022 AR, we have 16,500 rooms and 3,500 beds. As per last year FY2023 AR, we have 16,600 rooms and 3,687 beds. From this year FY2024 AR (page 3): It appears that the company has more than 17,500 rooms and 3,700 beds. It does seem we are still quite far away from our target of 25,000 rooms and 5,000 beds.

(a) It is now Year 2025, will the company be able to achieve the goals set out in FEOR25?

(b) When does management envisage it will reach the goals set out in FEOR25? Please detail and explain.

### Responses to Q1(a) and (b)

- On the hospitality front, while we continue to pursue growth, it is unlikely we will reach the 25,000-room target within 2025. Expansion via asset-light hotel management contracts in our targeted markets has remained challenging post-pandemic. Hotel room supply growth slowed down globally due to new construction projects being delayed or cancelled arising from inflationary pressure and rising construction costs. The uncertainty in the operating environment caused by the recent geopolitical developments and macroeconomic volatility will continue to be a challenge to our business.
- As at FY2024, we have ~17,500 hospitality rooms. The Group's hospitality business, Far East Hospitality ("FEH"), and joint venture Toga Far East Hotels ("TFE Hotels"), continue to push forward with new openings this year. Through FEH and TFE Hotels, the Group has recently commenced the operation of two properties across Austria and Australia, and expanded into Osaka, Japan, with the opening of Far East Village Hotel Osaka, Namba South. Including our signed pipeline projects, our portfolio will reach ~18,000 hospitality rooms. Under the current environment, to achieve the 25,000 rooms growth organically would be challenging in the near term.
- On the purpose-built student accommodation ("PBSA") front, we strengthened our position in the UK PBSA sector with the acquisition of a 49% stake in Homes for Students Limited ("HFS"), UK's largest independent PBSA operator, in April 2024.
- Additionally, we have made significant progress on our owned PBSA assets. The current bed count (~3,700) excludes three newly acquired development sites:
  - 706-bed in Bristol, acquired in December 2022, expected completion in 2026;
  - 273-bed in Glasgow, acquired in March 2024, expected completion in 2027; and
  - 239-bed in Manchester, acquired in March 2025, expected completion in 2028.Upon completion of the developments, the Group's total PBSA portfolio will exceed 4,700 beds across 16 properties.
- With over 50,000 beds under management, HFS significantly enhances our UK presence and operational capabilities, resulting in us surpassing the 5,000-bed target, with over 55,000 owned and managed beds.
- In August 2024, the Group also took a major step forward in our asset-light strategy by establishing our first private student accommodation development fund (the "Fund") in Singapore. The Glasgow and Manchester PBSA developments, seeded into or acquired by the Fund, also mark our entry into two new UK cities.
- The Group aspires to be a lodging platform to achieve sustainable and recurring income. The focus of FEOR25 has always been to strengthen the hospitality and PBSA platform to scale up for growth and further expansion beyond 2025.
- Growth remains a key component of our business strategy and we remain committed to identifying and exploring growth targets in line with the Group's investment policy and financial prudence that meet the required financial returns profile.
- Through continued asset optimisation, capital recycling, and strategic acquisitions such as the Glasgow and Manchester PBSA developments and the HFS acquisition, we are committed to scaling our lodging platform and progressing our transition towards an asset-light, fee-based investment management model.

**Question and Responses 2:**

I note that it has been a long, long time since Far East Orchard last injected its hospitality assets into its REIT vehicle, Far East Hospitality Trust (“FEHT”).

**(a) Are there plans to inject hospitality assets into FEHT? If so, what property and when?**

**(b) What are the reasons that Far East Orchard is not willing to sell to the FEHT or that FEHT is not willing to buy from Far East Orchard? Is there misalignment in terms of pricing, values, etc? Please elaborate.**

**Responses to Q2(a) and (b)**

- The Group injected two hospitality assets into FEHT as part of its asset-light strategy in 2012.
- Asset injections are evaluated based on prevailing market conditions and alignment with the Group’s long-term strategic objectives.
- FEOR and FEHT operates independently with separate Boards and Management teams.
- The Group’s Board and Management continue to explore opportunities for capital recycling to enhance shareholder value.
- We adopt a disciplined and value-driven approach to asset divestments, aiming to realise assets at optimal value and at the right time. For example, we completed the disposal of the 103-room Rendezvous Hotel Perth Central in December 2024, and realised a gain on disposal of S\$5.9 million.