# FAR EAST ORCHARD LIMITED AND ITS SUBSIDIARIES
(Registration No. 196700511H)

# UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
For the Six Months Ended 30 June 2026

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## A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Note | Six months ended 30 June 2026 $'000 | Six months ended 30 June 2025 $'000 | Increase/ (Decrease) % |
|---|---|---|---|---|
| Revenue | 4 | **248,467** | 91,349 | >100 |
| Cost of sales | | **(173,933)** | (41,048) | >100 |
| Gross profit | | **74,534** | 50,301 | 48.2 |
| Expenses | | | | |
| − Distribution and marketing | | **(6,085)** | (5,126) | 18.7 |
| − Administrative | | **(42,279)** | (22,162) | 90.8 |
| Other income | | | | |
| − Interest income | | **2,128** | 2,345 | (9.3) |
| − Others | | **355** | 541 | (34.4) |
| Finance expenses | | **(17,736)** | (18,945) | (6.4) |
| Other gains – net | | **2,554** | 10,668 | (76.1) |
| Share of profit/(loss) of | | | | |
| − Associated companies | | **4,760** | 6,985 | (31.9) |
| − Joint ventures | | **(1,620)** | (1,512) | 7.1 |
| Profit before income tax | 5 | **16,611** | 23,095 | (28.1) |
| Income tax expense | 6 | **(4,994)** | (5,058) | (1.3) |
| **Profit after income tax** | | **11,617** | 18,037 | (35.6) |
| **Other comprehensive income/(loss):** | | | | |
| *Items that may be reclassified subsequently to profit or loss:* | | | | |
| Cash flow hedges - Fair value gains/(losses) | | **5,926** | (2,776) | nm |
| Share of other comprehensive income/(loss) of joint ventures | | **338** | (1,774) | nm |
| Currency translation differences arising from consolidation | | **5,766** | 4,040 | 42.7 |
| | | **12,030** | (510) | nm |
| *Items that will not be reclassified subsequently to profit or loss:* | | | | |
| Share of other comprehensive (loss)/income of: | | | | |
| − Associated companies | | **(1,772)** | (1,880) | (5.7) |
| − Joint ventures | | **2,813** | 2,970 | (5.3) |
| Tax expense relating to share of joint venture's asset revaluation reserve movement | | **(700)** | (704) | (0.6) |
| Currency translation differences arising from consolidation | | **2,900** | (9) | nm |
| **Other comprehensive income/(loss), net of tax** | | **15,271** | (133) | nm |
| **Total comprehensive income** | | **26,888** | 17,904 | 50.2 |
| **Profit/(Loss) attributable to:** | | | | |
| Equity holders of the Company | | **11,779** | 19,591 | (39.9) |
| Non-controlling interest | | **(162)** | (1,554) | (89.6) |
| | | **11,617** | 18,037 | (35.6) |
| **Total comprehensive income/(loss) attributable to:** | | | | |
| Equity holders of the Company | | **23,393** | 19,022 | 23.0 |
| Non-controlling interest | | **3,495** | (1,118) | nm |
| | | **26,888** | 17,904 | 50.2 |
| **Basic and diluted earnings per share for profit attributable to equity holders of the Company** (cents per share) | | **2.40** | 4.01 | (40.1) |

nm: not meaningful

## B. CONDENSED INTERIM BALANCE SHEETS

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | **30 June 2026 $'000** | 31 December 2025 $'000 | **30 June 2026 $'000** | 31 December 2025 $'000 |
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and bank balances | 7 | **146,171** | 178,749 | **20,512** | 35,464 |
| Trade and other receivables | | **72,665** | 80,319 | **164,080** | 162,378 |
| Inventories | | **232** | 254 | **9** | 12 |
| Properties held for sale | | **115,111** | 163,382 | **-** | - |
| | | **334,179** | 422,704 | **184,601** | 197,854 |
| **Non-current assets** | | | | | |
| Derivative financial instruments | | **3,233** | - | **2,308** | - |
| Financial asset, at fair value through other comprehensive income ("FVOCI") | | **1,817** | 3,111 | **1,817** | 3,111 |
| Other non-current assets | | **269** | 499 | **544,463** | 589,135 |
| Investments in associated companies | 8 | **251,841** | 251,111 | **746** | 696 |
| Investments in joint ventures | 8 | **328,634** | 322,795 | **300** | 300 |
| Investments in subsidiaries | | **-** | - | **886,464** | 886,370 |
| Investment properties | 9 | **1,027,170** | 1,030,534 | **158,000** | 158,000 |
| Property, plant and equipment | 10 | **537,829** | 538,705 | **349,651** | 353,328 |
| Intangible assets | 11 | **188,090** | 191,034 | **-** | - |
| Deferred income tax assets | | **4,082** | 4,270 | **2,852** | 3,001 |
| | | **2,342,965** | 2,342,059 | **1,946,601** | 1,993,941 |
| **Total assets** | | **2,677,144** | 2,764,763 | **2,131,202** | 2,191,795 |
| | | | | | |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade and other payables | | **128,269** | 149,733 | **39,948** | 40,875 |
| Current income tax liabilities | | **6,303** | 4,375 | **-** | - |
| Lease liabilities | | **11,202** | 10,717 | **7,912** | 7,667 |
| Borrowings | 12 | **98,871** | 151,641 | **17,411** | 62,753 |
| Deferred income | | **12,937** | 20,409 | **6,797** | 6,797 |
| | | **257,582** | 336,875 | **72,068** | 118,092 |
| **Non-current liabilities** | | | | | |
| Other payables | | **120,774** | 121,696 | **205,403** | 198,930 |
| Derivative financial instruments | | **-** | 2,663 | **-** | 2,552 |
| Lease liabilities | | **63,166** | 68,633 | **47,075** | 51,091 |
| Borrowings | 12 | **491,082** | 495,629 | **423,799** | 427,732 |
| Deferred income | | **238,929** | 242,327 | **238,929** | 242,327 |
| Deferred income tax liabilities | | **72,184** | 71,692 | **551** | 619 |
| | | **986,135** | 1,002,640 | **915,757** | 923,251 |
| **Total liabilities** | | **1,243,717** | 1,339,515 | **987,825** | 1,041,343 |
| **NET ASSETS** | | **1,433,427** | 1,425,248 | **1,143,377** | 1,150,452 |
| | | | | | |
| **EQUITY** | | | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | | | |
| Share capital | 13 | **553,854** | 552,569 | **553,854** | 552,569 |
| Revaluation and other reserves | | **346,067** | 334,431 | **296,469** | 291,721 |
| Retained profits | | **515,613** | 523,850 | **293,054** | 306,162 |
| | | **1,415,534** | 1,410,850 | **1,143,377** | 1,150,452 |
| **Non-controlling interest** | | **17,893** | 14,398 | **-** | - |
| **TOTAL EQUITY** | | **1,433,427** | 1,425,248 | **1,143,377** | 1,150,452 |

## C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

**The Group**

| | | ← Attributable to equity holders of the Company → | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Note | Share capital $'000 | Capital reserve $'000 | Asset revaluation reserve $'000 | Currency translation reserve $'000 | Fair value reserve $'000 | Hedging reserve $'000 | Other reserves $'000 | Retained profits $'000 | Total $'000 | Non-controlling interest $'000 | Total equity $'000 |
| **2026** | | | | | | | | | | | | |
| **Balance at 1 January 2026** | | **552,569** | **13,977** | **407,842** | **(74,046)** | **(1,209)** | **(1,002)** | **(11,131)** | **523,850** | **1,410,850** | **14,398** | **1,425,248** |
| Profit/(loss) for the period | | - | - | - | - | - | - | - | 11,779 | 11,779 | (162) | 11,617 |
| Other comprehensive income/(loss) for the period | | - | - | 1,480 | 5,691 | (1,772) | 6,215 | - | - | 11,614 | 3,657 | 15,271 |
| **Total comprehensive income/(loss) for the period** | | - | - | 1,480 | 5,691 | (1,772) | 6,215 | - | 11,779 | 23,393 | 3,495 | 26,888 |
| Dividend paid in cash relating to 2025 | 14 | - | - | - | - | - | - | - | (18,352) | (18,352) | - | (18,352) |
| Shares issued in-lieu of cash for dividend relating to 2025 | 14 | 1,285 | - | - | - | - | - | - | (1,285) | - | - | - |
| Dividend paid to non-controlling interests subject to put options | | - | - | - | - | - | - | - | (357) | (357) | - | (357) |
| **Total transactions with owners, recognised directly in equity** | | 1,285 | - | - | - | - | - | - | (19,994) | (18,709) | - | (18,709) |
| Transfer of share of associated company's fair value reserve upon disposal | | - | - | - | - | 22 | - | - | (22) | - | - | - |
| **Balance at 30 June 2026** | | **553,854** | **13,977** | **409,322** | **(68,355)** | **(2,959)** | **5,213** | **(11,131)** | **515,613** | **1,415,534** | **17,893** | **1,433,427** |
| 2025 | | | | | | | | | | | | |
| Balance at 1 January 2025 | | 550,723 | 13,977 | 408,120 | (81,070) | (1,480) | 1,969 | - | 495,441 | 1,387,680 | 8,479 | 1,396,159 |
| Profit/(loss) for the period | | - | - | - | - | - | - | - | 19,591 | 19,591 | (1,554) | 18,037 |
| Other comprehensive income/(loss) for the period | | - | - | 1,586 | 3,458 | (1,880) | (3,733) | - | - | (569) | 436 | (133) |
| Total comprehensive income/(loss) for the period | | - | - | 1,586 | 3,458 | (1,880) | (3,733) | - | 19,591 | 19,022 | (1,118) | 17,904 |
| Dividend relating to 2024 | 14 | - | - | - | - | - | - | - | (24,455) | (24,455) | - | (24,455) |
| Total transactions with owners, recognised directly in equity | | - | - | - | - | - | - | - | (24,455) | (24,455) | - | (24,455) |
| Transfer of share of associated company's fair value reserve upon disposal | | - | - | - | - | 6 | - | - | (6) | - | - | - |
| Balance at 30 June 2025 | | 550,723 | 13,977 | 409,706 | (77,612) | (3,354) | (1,764) | - | 490,571 | 1,382,247 | 7,361 | 1,389,608 |

## C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (continued)

**The Company**

| | Note | Share capital $'000 | Asset revaluation reserve $'000 | Currency translation reserve $'000 | Fair value reserve $'000 | Hedging reserve $'000 | Retained profits $'000 | Total equity $'000 |
|---|---|---|---|---|---|---|---|---|
| **2026** | | | | | | | | |
| **Balance at 1 January 2026** | | **552,569** | **293,887** | **(657)** | **751** | **(2,260)** | **306,162** | **1,150,452** |
| Profit for the period | | - | - | - | - | - | 6,529 | 6,529 |
| Other comprehensive (loss)/income for the period | | - | - | (90) | - | 4,838 | - | 4,748 |
| **Total comprehensive (loss)/income for the period** | | - | - | (90) | - | 4,838 | 6,529 | 11,277 |
| Dividend paid in cash relating to 2025 | 14 | - | - | - | - | - | (18,352) | (18,352) |
| Shares issued in-lieu of cash for dividend relating to 2025 | 14 | 1,285 | - | - | - | - | (1,285) | - |
| **Total transactions with owners, recognised directly in equity** | | 1,285 | - | - | - | - | (19,637) | (18,352) |
| **Balance at 30 June 2026** | | **553,854** | **293,887** | **(747)** | **751** | **2,578** | **293,054** | **1,143,377** |
| 2025 | | | | | | | | |
| Balance at 1 January 2025 | | 550,723 | 303,087 | (480) | 549 | (636) | 296,444 | 1,149,687 |
| Profit for the period | | - | - | - | - | - | 5,020 | 5,020 |
| Other comprehensive income/(loss) for the period | | - | - | 50 | - | (1,937) | - | (1,887) |
| Total comprehensive income/(loss) for the period | | - | - | 50 | - | (1,937) | 5,020 | 3,133 |
| Dividend relating to 2024 | 14 | - | - | - | - | - | (24,455) | (24,455) |
| Total transactions with owners, recognised directly in equity | | - | - | - | - | - | (24,455) | (24,455) |
| Balance at 30 June 2025 | | 550,723 | 303,087 | (430) | 549 | (2,573) | 277,009 | 1,128,365 |

## D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

| | Note | Six months ended 30 June 2026 $'000 | 2025 $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit after income tax | | **11,617** | 18,037 |
| Adjustments for: | | | |
| Income tax expense | 6 | **4,994** | 5,058 |
| Depreciation of property, plant and equipment | 5 | **8,789** | 8,273 |
| Amortisation of intangible assets | 5 | **3,450** | 1,110 |
| Write-back of allowance for impairment losses on trade receivables - net | 5 | **(175)** | (89) |
| Reversal of impairment of property, plant and equipment | 5 | **-** | (225) |
| Fair value gains on investment properties - net | 5 | **-** | (263) |
| Fair value loss/(gain) on derivatives (non-designated) | 5 | **38** | (54) |
| Gain on acquisition of additional interest in a joint venture | 5 | **-** | (9,122) |
| Gain on disposal of property, plant and equipment | 5 | **(116)** | - |
| Interest income | 5 | **(2,128)** | (2,345) |
| Finance expenses | 5 | **17,736** | 18,945 |
| Share of profit of associated companies | | **(4,760)** | (6,985) |
| Share of loss of joint ventures | | **1,620** | 1,512 |
| Unrealised currency translation gains | | **(2,448)** | (1,016) |
| | | **38,617** | 32,836 |
| Change in working capital: | | | |
| Trade and other receivables | | **7,795** | (92) |
| Inventories | | **20** | 36 |
| Properties held for sale | | **48,255** | - |
| Trade and other payables | | **(25,923)** | (13,037) |
| Cash generated from operations | | **68,764** | 19,743 |
| Interest paid | | **(112)** | (280) |
| Income tax paid – net | | **(3,719)** | (2,306) |
| **Net cash provided by operating activities** | | **64,933** | 17,157 |
| | | | |
| **Cash flows from investing activities** | | | |
| Additions to property, plant and equipment | 10 | **(1,795)** | (4,237) |
| Additions to investment properties | 9 | **(1,479)** | (943) |
| Additions to intangible assets | | **(1,385)** | - |
| Investment in a financial asset, at FVOCI | | **-** | (23) |
| Investment in associated companies | | **(50)** | (25,075) |
| Investment in joint ventures | | **(754)** | (6,578) |
| Disposal of property, plant and equipment | | **116** | - |
| Payment of contingent consideration | | **(5,475)** | - |
| Advances to joint ventures | | **-** | (6,866) |
| (Repayment of)/Advances from joint ventures | | **(1,393)** | 12,986 |
| Dividends received from an associated company | | **2,310** | - |
| Dividends received from a joint venture (a) | | **165** | - |
| Distribution income from FVOCI | | **1,215** | - |
| Interest received | | **2,183** | 1,716 |
| Income tax paid - net | | **-** | (709) |
| **Net cash used in investing activities** | | **(6,342)** | (29,729) |

## D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

| | Note | Six months ended 30 June 2026 $'000 | Six months ended 30 June 2025 $'000 |
|---|---|---|---|
| **Cash flows from financing activities** | | | |
| Decrease/(Increase) in bank deposits pledged | | **537** | (1,999) |
| Proceeds from borrowings | | **-** | 14,299 |
| Repayment of borrowings | | **(52,158)** | (253) |
| Repayment of advances from non-controlling interests | | **-** | (6,762) |
| Principal payment of lease liabilities | | **(5,301)** | (4,705) |
| Dividend paid to non-controlling interests subject to put options | | **(357)** | - |
| Interest paid on lease liabilities | | **(2,283)** | (2,539) |
| Interest paid on borrowings | | **(15,196)** | (15,922) |
| Dividends paid to equity holders of the Company | 14 | **(18,352)** | - |
| **Net cash used in financing activities** | | **(93,110)** | (17,881) |
| | | | |
| **Net decrease in cash and cash equivalents** | | **(34,519)** | (30,453) |
| | | | |
| **Cash and cash equivalents** | | | |
| Beginning of financial period | | **160,834** | 180,801 |
| Effects of currency translation on cash and cash equivalents | | **2,478** | 418 |
| **End of financial period** | 7 | **128,793** | 150,766 |

The following significant non-cash investing activities were excluded from the consolidated statement of cash flows as they did not involve movements of cash or cash equivalents:

(a) Advances from joint ventures amounting to $749,000 as at 31 December 2025 were settled through non-cash distributions declared by the joint ventures.

## E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

### 1. General information

Far East Orchard Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. These condensed interim financial statements as at and for the six months ended 30 June 2026 comprise the Company and its subsidiaries (the "Group").

The principal activities of the Company are investment holding, hotel operations and property investment. The principal activities of the Group are investment holding, ownership and management of hospitality properties and purpose-built student accommodation ("PBSA") properties, property development and property investment.

### 2. Basis of preparation

The condensed interim financial statements as at and for the six months ended 30 June 2026 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Committee and should be read in conjunction with the Group's annual financial statements as at and for the financial year ended 31 December 2025. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2025.

The accounting policies adopted are consistent with those disclosed in the Group's annual financial statements as at and for the year ended 31 December 2025 which were prepared in accordance with SFRS(I), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars ("SGD" or "$"), which is the Company's functional currency.

### 2.1. New and amended standards adopted by the Group

On 1 January 2026, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial period. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial period/years.

### 2.2. Critical accounting estimates, assumptions and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025.

Estimates, assumptions and judgements are reviewed on an ongoing basis and are based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under the current circumstances.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Notes 9 and 10 – Valuation of investment properties and land and buildings classified under property, plant and equipment using significant unobservable inputs
- Note 11 – Impairment assessment of goodwill: key assumptions underlying recoverable amounts

### 3. Seasonal operations

The Group's student accommodation business is subject to seasonal fluctuations aligned with the academic calendar which commences in September each year to June/July the following year. Revenue in third quarter is typically lower due to summer break. Other than that, the Group's businesses are not significantly affected by seasonal or cyclical factors during the six months ended 30 June 2026.

## E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 4. Revenue

| | Group | |
|---|---|---|
| | Six months ended 30 June | |
| | **2026** | 2025 |
| | **$'000** | $'000 |
| Revenue from contracts with customers | **212,037** | 53,510 |
| Rental income | **36,430** | 37,839 |
| | **248,467** | 91,349 |

*Disaggregation of revenue from contracts with customers*

The Group derives revenue from the transfer of goods and services over time in the following major revenue streams:

| | Group | |
|---|---|---|
| | Six months ended 30 June | |
| | **2026** | 2025 |
| | **$'000** | $'000 |
| Hospitality ownership and operations | | |
| − Non-related parties | **46,386** | 41,529 |
| Hospitality management | | |
| − Other related parties* | **12,752** | 11,337 |
| − Joint venture* | **442** | 389 |
| Student accommodation management | **101,792** | 255 |
| Sale of properties held for sale | **50,665** | - |
| Total revenue from contracts with customers | **212,037** | 53,510 |

*Related parties and the joint venture comprise mainly companies which are controlled by the equity holders of the Company's ultimate holding company.

### 5. Profit before income tax

### 5.1 Significant items

| | Group | | |
|---|---|---|---|
| | Six months ended 30 June | | |
| | **2026** | 2025 | Increase/ (Decrease) |
| | **$'000** | $'000 | % |
| The following items were credited/(charged) to the income statement: | | | |
| Other income | | | |
| Interest income from bank deposits | **2,101** | 2,292 | (8.3) |
| Interest income from advances to joint ventures | **27** | 53 | (49.1) |
| Government grant income (a) | **101** | 312 | (67.6) |
| Cost of sales and administrative expenses | | | |
| Depreciation of property, plant and equipment | | | |
| − Right-of-use assets (Note 10) | **(4,661)** | (4,350) | 7.1 |
| − Other property, plant and equipment (Note 10) | **(4,128)** | (3,923) | 5.2 |
| Amortisation of intangible assets | **(3,450)** | (1,110) | >100 |
| Write-back of allowance for impairment losses on trade receivables | **175** | 89 | 96.6 |
| Other gains – net | | | |
| Reversal of impairment of property, plant and equipment | **-** | 225 | (100.0) |
| Fair value gains on investment properties – net | **-** | 263 | (100.0) |
| Fair value (loss)/gain on derivatives (non-designated) | **(38)** | 54 | nm |
| Gain on acquisition of additional interest in a joint venture (b) | **-** | 9,122 | (100.0) |
| Gain on disposal of property, plant and equipment | **116** | - | nm |
| Currency exchange gains – net | **2,476** | 1,004 | >100 |

nm: not meaningful

## E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 5. Profit before income tax (continued)

### 5.1 Significant items (continued)

| | Group | | |
|---|---|---|---|
| | Six months ended 30 June | | |
| | **2026** | 2025 | Increase/ (Decrease) |
| | **$'000** | $'000 | % |
| The following items were credited/(charged) to the income statement: | | | |
| Finance expenses | | | |
| Interest expense for: | | | |
| − bank borrowings | **(14,561)** | (16,594) | (12.3) |
| − advances from non-controlling interests | **(701)** | (757) | (7.4) |
| − lease liabilities | **(2,281)** | (2,539) | (10.2) |
| Cash flow hedges, reclassified from hedging reserves | **(193)** | 945 | nm |
| Total finance expenses | **(17,736)** | (18,945) | (6.4) |

(a) Government grant income in the six months ended 30 June 2026 and 2025 includes various grants received from the Singapore government.

(b) A one-off gain on the acquisition of additional interest in a property joint venture in Singapore was recognised during the six months ended 30 June 2025 as the purchase consideration was lower than the fair value of the additional share of net assets acquired. See Note 8(b).

### 5.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the condensed interim financial statements.

### 6. Income tax expense

| | Group | |
|---|---|---|
| | 6 months ended 30 June | |
| | **2026** | 2025 |
| | **$'000** | $'000 |
| Current income tax | **5,335** | 5,713 |
| Deferred income tax | **(489)** | (33) |
| | **4,846** | 5,680 |
| Under/(Over)-provision of current income tax in relation to prior years | **148** | (622) |
| | **4,994** | 5,058 |

### 7. Cash and bank balances

For the purpose of presenting the condensed interim consolidated statement of cash flows, cash and cash equivalents comprise the following:

| | Group | |
|---|---|---|
| | **30 June 2026** | 30 June 2025 |
| | **$'000** | $'000 |
| Cash and bank balances | **146,171** | 172,852 |
| Less: Bank deposits pledged | **(17,378)** | (22,086) |
| Cash and cash equivalents per condensed interim consolidated statement of cash flows | **128,793** | 150,766 |

## E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 8. Investments in associated companies and joint ventures

(a) The Group holds a 36.5% interest in FE UK Student Accommodation Development Fund ("the Fund"). The Fund was established in August 2024 and achieved its final closing in June 2025 with total committed capital of £96.0 million. The Group's investment in the Fund is accounted for as a joint venture.

As at 30 June 2026, the Group had committed £35.0 million to the Fund, of which £11.0 million (approximately $18.9 million) was injected as capital. The remaining committed capital, based on the Group's proportionate interest, amounted to £24.0 million (approximately $41.2 million).

(b) On 24 January 2025, the Group through its wholly owned subsidiary, acquired additional 6.7% interest (the "WS Acquisition") in Woodlands Square Pte. Ltd., ("WSPL") for $25.0 million from one of its joint venture partners ("Seller"). 26.6% interest in WSPL held by Seller was sold to the other existing joint venture partner ("Partner"). Subsequent to the WS Acquisition, the Group's interest in WSPL increased from 33.3% to 40.0% while the Partner holds the remaining 60.0% interest. As the purchase consideration was below the fair value of the additional share of net assets acquired, a one-off gain of $9.1 million was recognised in "Other gains - net" (Note 5.1(b)). With the loss of joint control following the Partner's increase in interest in WSPL to 60%, WSPL was reclassified from a joint venture to an associate.

(c) On 21 June 2024, the Group announced that Far East Opus Pte. Ltd. ("FEOpus"), a joint venture entity in which the Group holds a 20% interest in, was served with legal claims in the High Court of Singapore on 31 May 2024 by some unit owners ("claimants") of SBF Center, a commercial development completed in 2016. FEOpus disputes these claims and believes they are without merit. As announced on 10 June 2025, FEOpus succeeded in its appeal to strike out one claimant's application. As this was a test case, subject to any further appeal, the Court's findings on the law will be binding on all the other claimants. On 24 July 2025, the claimant in the test case filed a further appeal against the Court's decision. Thereafter 7 of the 13 claimants withdrew their claims and 6 claimants (including the claimant in the test case) remain.

Subsequent to 30 June 2026, as announced on 20 July 2026, the Court of Appeal of Singapore allowed the appeal by the claimant in the test case, and therefore the claims by all 6 claimants against FEOpus will proceed to trial. Even if the 6 claimants are successful, the Group's maximum potential financial exposure will be limited to the proportional sum of these claims based on its 20% effective interest in FEOpus, which is not expected to have a material impact on the Group's financial position and ability to continue its existing business operations. Accordingly, as at 30 June 2026, no provision has been made in respect of these claims.

(d) In March 2022, a claim was lodged against a subsidiary of a joint venture, Toga Hotel Holdings Unit Trust ("Toga Trust"), alleging underpayment of rent for a lease, wrongful termination of the lease and repudiation of the lease. Following a court judgement issued against Toga Trust in September 2025, the Group recognised its share on the one-off recognition of the liability of A$1,621,000 (approximately $1,352,000) in relation to this claim under the share of results of joint ventures in FY2025.

(e) During the six months ended 30 June 2026, the Group has injected capital of £250,000 (approximately $427,000) into a joint venture developing a purpose-built student accommodation project in Bristol, UK. The Group will provide additional funding of £158,000 (approximately $271,000), if called.

### 9. Investment properties

| | Group<br>30 June<br>2026<br>$'000 | Company<br>30 June<br>2026<br>$'000 |
|---|---|---|
| Beginning of interim period | 1,030,534 | 158,000 |
| Additions | 1,479 | - |
| Currency translation differences | (4,843) | - |
| End of interim period | 1,027,170 | 158,000 |
| Comprising: Completed properties | 1,027,170 | 158,000 |

## E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 9. Investment properties (continued)

**Valuation processes, techniques and inputs used in Level 3 fair value measurements**

The fair values of the investment properties as at 31 December 2025, which represent the highest and best use, have been determined based on valuations carried out at year-end by external, independent and qualified valuers. The investment properties are measured and carried at fair value using inputs that are not based on observable market data (unobservable inputs), i.e. Level 3 fair values based on year-end valuations performed.

In assessing whether the fair values remained appropriate at half-year, the Group considered whether any movement in market data such as discount rates, capitalisation rates, changes in underlying cash flows or sales comparables would result in a material impact to the fair values of the properties since 31 December 2025. The Group will engage external independent qualified valuers whenever carrying amounts of the properties are likely to differ materially from the fair values recognised in the last financial reporting period.

The Group has assessed that the fair values determined based on the year-end valuations performed as at 31 December 2025 remain appropriate as at 30 June 2026. Accordingly, no fair value movements have been recognised for the six months ended 30 June 2026.

### 10. Property, plant and equipment

**Group**

| | Freehold and leasehold land | Building and office | Plant, equipment, furniture and fittings | Construction -in-progress | Motor vehicles | Leasehold improvements and other assets | Total |
|---|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Six months ended 30 June 2026** | | | | | | | |
| Beginning net book value | 366,656 | 146,186 | 9,612 | 8,117 | - | 8,134 | 538,705 |
| Currency translation differences | 2,031 | 2,815 | 282 | 353 | - | 304 | 5,785 |
| Additions | - | 333 | 609 | 1,186 | - | - | 2,128 |
| Transfers | - | - | - | (37) | - | 37 | - |
| Depreciation charge (Note 5.1) | - | (6,888) | (1,264) | - | - | (637) | (8,789) |
| End of interim period | **368,687** | **142,446** | **9,239** | **9,619** | **-** | **7,838** | **537,829** |
| **As at 30 June 2026** | | | | | | | |
| Cost | - | 163,776 | 67,285 | 9,619 | 439 | 16,153 | 257,272 |
| Valuation | 368,687 | 91,935 | - | - | - | - | 460,622 |
| | 368,687 | 255,711 | 67,285 | 9,619 | 439 | 16,153 | 717,894 |
| Accumulated depreciation and impairment losses | - | (113,265) | (58,046) | - | (439) | (8,315) | (180,065) |
| **Net book value** | **368,687** | **142,446** | **9,239** | **9,619** | **-** | **7,838** | **537,829** |
| As at 31 December 2025 | | | | | | | |
| Cost | - | 163,717 | 65,917 | 8,117 | 865 | 15,615 | 254,231 |
| Valuation | 366,656 | 89,102 | - | - | - | - | 455,758 |
| | 366,656 | 252,819 | 65,917 | 8,117 | 865 | 15,615 | 709,989 |
| Accumulated depreciation and impairment losses | - | (106,633) | (56,305) | - | (865) | (7,481) | (171,284) |
| Net book value | 366,656 | 146,186 | 9,612 | 8,117 | - | 8,134 | 538,705 |

As at 30 June 2026, the Group's carrying value of property, plant and equipment included right-of-use assets amounting to $52,742,000 (31 December 2025: $57,079,000).

Company
During the six months ended 30 June 2026, the Company acquired property, plant and equipment amounting to $52,000. No right-of-use assets were acquired and there were no disposals of assets during the period.

**Valuation processes, techniques and inputs used in Level 3 fair value measurements**

In line with the valuation of investment properties, management will assess whether the fair values of the Group's properties remain appropriate and engage external, independent, and qualified valuers when deemed necessary. The Group has assessed that the fair values of the property, plant and equipment, determined based on the year-end valuations performed at 31 December 2025, remained appropriate as at 30 June 2026, and as such, no revaluation movements have been recognised for the six months ended 30 June 2026.

## E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 11. Goodwill

Intangible assets include goodwill arising from acquisition of hospitality management business and student accommodation management business.

(i) Goodwill of $37,257,000 is allocated to the Management services cash-generating-unit ("CGU") within the Group's hospitality business. For the impairment assessment as at 31 December 2025, the recoverable amount of the Management services CGU was determined based on fair value less cost to sell, which was computed using the average of the values derived from Discounted Cash Flow method and Guideline Public Company method (Level 3 valuation techniques) based on management's estimates. For further information, please refer to Note 22(a) in the Group's annual financial statements for the year ended 31 December 2025.

(ii) Goodwill of $62,287,000 is allocated to the Management Services CGU within the Group's student accommodation business and arose from the acquisition of Homes for Students Limited. As the purchase price allocation was completed in FY2025 and the acquisition was close to year-end, management assessed that the recoverable amount approximates its carrying value as at 31 December 2025. For further information, please refer to Note 22(b) in the Group's annual financial statements for the year ended 31 December 2025.

As at 30 June 2026, management has considered whether there are any indicators of impairment in relation to the goodwill allocated to the Group's hospitality and student accommodation businesses and has not identified any instances that could cause the carrying amount of the respective CGUs to exceed their recoverable amounts. No further testing for impairment of goodwill was performed as there were no indicators of impairment.

### 12. Borrowings

| | Group | | Company | |
|---|---|---|---|---|
| | **30 June 2026 $'000** | 31 December 2025 $'000 | **30 June 2026 $'000** | 31 December 2025 $'000 |
| Amount repayable in one year or less, or on demand (net of transaction costs) | | | | |
| − Secured | **81,460** | 88,888 | **-** | - |
| − Unsecured | **17,411** | 62,753 | **17,411** | 62,753 |
| | **98,871** | 151,641 | **17,411** | 62,753 |
| Amount repayable after one year (net of transaction costs) | | | | |
| − Secured | **67,283** | 67,897 | **-** | - |
| − Unsecured | **423,799** | 427,732 | **423,799** | 427,732 |
| | **491,082** | 495,629 | **423,799** | 427,732 |
| | **589,953** | 647,270 | **441,210** | 490,485 |

The secured bank borrowings of the Group and the Company are secured over certain bank deposits, investment properties and property, plant and equipment.

### 13. Share capital

| | Group and Company | | | |
|---|---|---|---|---|
| | Number of shares | | Amount | |
| | **30 June 2026 '000** | 31 December 2025 '000 | **30 June 2026 $'000** | 31 December 2025 $'000 |
| Beginning of half-year financial period | **490,939** | 490,939 | **552,569** | 552,569 |
| Shares issued in-lieu of dividend | **1,042** | - | **1,285** | - |
| End of financial period | **491,981** | 490,939 | **553,854** | 552,569 |

The Company has not issued any convertibles nor holds any treasury shares as at 30 June 2026 and 30 June 2025. The Company's subsidiaries do not hold any shares in the Company as at 30 June 2026 and 30 June 2025. There were no sales, transfers, disposal, cancellation and/or use of treasury shares and subsidiary holdings as at 30 June 2026 and 30 June 2025.

## E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 14. Dividend

A first and final dividend of 4 cents per share amounting to a total of $19,637,000 relating to 2025 ("FY2025 Dividend") was approved at the Annual General Meeting held on 17 April 2026. On 29 June 2026, 1,041,507 new shares amounting to $1,285,000 have been allotted and issued to the eligible shareholders who had elected to participate in the Scrip Dividend Scheme in respect of the FY2025 Dividend. Dividends amounting to $18,352,000 have been paid in cash on 29 June 2026.

A first and final dividend of 4 cents per share and a special dividend of 1 cent per share amounting to a total of $24,455,000 relating to 2024 ("FY2024 Dividend") was approved at the Annual General Meeting held on 25 April 2025. On 4 July 2025, 1,840,557 new shares amounting to $1,846,000 were allotted and issued to the eligible shareholders who had elected to participate in the Scrip Dividend Scheme in respect of the FY2024 Dividend. Dividends amounting to $22,609,000 were paid in cash on 4 July 2025.

### 15. Capital commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

| | Group | |
|---|---|---|
| | **30 June 2026 $'000** | 31 December 2025 $'000 |
| Investment properties | **1,806** | 354 |
| Property, plant and equipment | **3,214** | 5,891 |
| | **5,020** | 6,245 |

### 16. Net asset value

| | Group | | Company | |
|---|---|---|---|---|
| | **30 June 2026** | 31 December 2025 | **30 June 2026** | 31 December 2025 |
| Net asset value per ordinary share based on total number of issued shares as at the end of the period/year | **$2.88** | $2.87 | **$2.32** | $2.34 |

### 17. Fair value measurements

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Fair value measurement disclosure of other assets that are recognised or measured at fair value, can be found in Note 9 and 10.

## E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 17. Fair value measurements (continued)

| | Group | | Company | |
|---|---|---|---|---|
| | **30 June 2026 $'000** | 31 December 2025 $'000 | **30 June 2026 $'000** | 31 December 2025 $'000 |
| *Assets* | | | | |
| Derivative financial instruments – Level 2 | **3,233** | - | **2,308** | - |
| Financial asset, at FVOCI – Level 3 | **1,817** | 3,111 | **1,817** | 3,111 |
| *Liabilities* | | | | |
| Derivative financial instruments – Level 2 | **-** | 2,663 | **-** | 2,552 |

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of the reporting period/year. There were no transfers between Levels 1, 2 and 3 during the period.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

Derivative financial instruments
Derivative financial instruments comprise interest rate swaps designated as cash flow hedges of floating rate borrowings. These instruments are measured at fair value at each reporting date and are classified under Level 2 of the fair value hierarchy, as their fair values are determined using valuation techniques with observable market inputs, including forward interest rates and yield curves.

Financial asset, at FVOCI
For the investment classified as FVOCI, it is an unlisted equity security measured at fair value at each reporting period. The Group estimates the fair value of its unlisted equity security classified as FVOCI based on its share of the investee company's net asset value ("NAV"), which is a significant unobservable input. NAV is determined by reference to the attributable net assets of the investee company based on the latest available financial statements, adjusted, where applicable, for valuations of the underlying investment properties held by the investee determined primarily by independent and professional valuers. Management reviews the appropriateness of the methodologies used to determine NAV, and evaluates the appropriateness and reliability of inputs (including those developed internally by management) used in the determination of NAV.

## E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 18. Segment information

**Operating Segments**
Segment information is presented based on the reports reviewed by senior management for performance measurement and resource allocation.

(a) Hospitality Business
The Group operates its hospitality business across three segments.

(i) Management services

The management services segment includes all of the hospitality properties that the Group manages directly in Singapore, Japan, and Malaysia.

(ii) Operations

The operations segment includes leased properties in Singapore and Australia and the Group’s investment in Toga Hotel Holdings Unit Trust and the REIT Manager of Far East Hospitality Trust.

(iii) Property ownership

The property ownership segment includes hospitality properties located in Australia, Germany, Denmark, Malaysia and Japan that are owned directly by the Group or through the Group’s investments in joint ventures.

(b) Student Accommodation Business
The Group operates its student accommodation business across two segments.

(i) Property ownership

The property ownership segment includes properties located in the United Kingdom that are owned directly or held through a joint venture by the Group, and including those under development, that are held for rentals and/or long-term capital appreciation. The segment also includes the Group’s investment in a student accommodation development fund.

(ii) Management services

The management services segment is principally engaged in the management of student accommodation properties in the United Kingdom and Europe.

(c) Property Business
The Group manages its property business across two segments.

(i) Development

The development segment includes all unsold completed properties that are held through either joint ventures or joint operations, medical suites that are held for sale, the mixed development held for sale in the United Kingdom, as well as land held for future use. Rental income, if any, from the leasing of properties held for sale is included under the property investment segment in the reports reviewed by the senior management.

(ii) Investment

The investment segment includes medical suites that are held for rentals or/and long-term capital appreciation.

There was no revenue from transactions with a single external customer that accounts for 10% or more of the Group’s revenue for the six months ended 30 June 2026 and 2025, except for revenue attributable to the Development segment, relating to the sale of Westminster Fire Station which accounted for approximately 19% of the Group's revenue for the six months ended 30 June 2026.

## E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 18. Segment information (continued)

The segment information provided to the senior management for the reportable segments are as follows:

| | Hospitality | | | Student accommodation | | Property | | Total |
|---|---|---|---|---|---|---|---|---|
| | Management services | Operations | Property ownership | Property ownership | Management services | Development | Investment | |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | **$'000** |
| 1 January to 30 June 2026 | | | | | | | | |
| Total segment revenue | 20,257 | 18,387 | 25,186 | 29,004 | 104,768 | 50,655 | 5,231 | **253,488** |
| Inter-segment revenue | (1,622) | - | - | - | (3,399) | - | - | **(5,021)** |
| Revenue from external parties | 18,635 | 18,387 | 25,186 | 29,004 | 101,369 | 50,655 | 5,231 | **248,467** |
| Expenses include (a): | | | | | | | | |
| − Cost of properties sold | - | - | - | - | - | (48,256) | - | **(48,256)** |
| − Depreciation of property, plant and equipment | (57) | (4,299) | (3,377) | - | (556) | - | - | **(8,289)** |
| − Amortisation of intangible assets | (1,110) | - | - | - | (2,340) | - | - | **(3,450)** |
| − Supplies and services | (1,933) | (3,626) | (5,861) | - | (56,556) | - | - | **(67,976)** |
| − Employee compensation | (7,470) | (4,625) | (8,245) | - | (37,810) | - | - | **(58,150)** |
| − Property tax and upkeep of properties | (60) | (467) | (2,421) | (8,317) | - | - | (1,161) | **(12,426)** |
| Operating profit | 2,171 | 4,346 | 327 | 14,955 | 1,666 | 826 | 3,743 | **28,034** |
| Share of profit/(loss) of: | | | | | | | | |
| − associated companies | - | 1,374 | - | - | - | 3,386 | - | **4,760** |
| − joint ventures | - | (1,800) | 582 | (366) | - | (36) | - | **(1,620)** |
| Total operating profit | 2,171 | 3,920 | 909 | 14,589 | 1,666 | 4,176 | 3,743 | **31,174** |
| Corporate expenses | | | | | | | | **(1,509)** |
| Interest income | | | | | | | | **2,128** |
| Finance expenses | | | | | | | | **(17,736)** |
| Other gains - net | | | | | | | | **2,554** |
| Profit before income tax | | | | | | | | **16,611** |
| Income tax expense | | | | | | | | **(4,994)** |
| Profit after income tax | | | | | | | | **11,617** |

(a) These expenses exclude those under the Corporate assets segment.

## E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 18. Segment information (continued)

| | Hospitality | | | Student accommodation | | Property | | Total |
|---|---|---|---|---|---|---|---|---|
| | Management services | Operations | Property ownership | Property ownership | Management services | Development | Investment | |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| As at 30 June 2026 | | | | | | | | |
| Segment assets | 113,507 | 62,005 | 217,311 | 703,765 | 128,886 | 585,652 | 193,985 | 2,005,111 |
| Investments in associated companies | - | 34,084 | - | - | - | 217,757 | - | 251,841 |
| Investments in joint ventures | - | 175,559 | 90,045 | 27,381 | - | 35,649 | - | 328,634 |
| | 113,507 | 271,648 | 307,356 | 731,146 | 128,886 | 839,058 | 193,985 | 2,585,586 |
| Corporate assets | | | | | | | | 91,558 |
| Total assets | | | | | | | | 2,677,144 |
| Segment assets include: | | | | | | | | |
| Additions to: | | | | | | | | |
| − Investment in associated companies | - | 50 | - | - | - | - | - | 50 |
| − Investment in joint ventures | - | - | - | 754 | - | - | - | 754 |
| − Intangible assets | - | - | - | - | 1,385 | - | - | 1,385 |
| − Investment properties | - | - | - | 1,479 | - | - | - | 1,479 |
| − Property, plant and equipment | - | 390 | 1,441 | - | 297 | - | - | 2,128 |

## E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 18. Segment information (continued)

| | Hospitality | | | Student accommodation | | Property | | Total |
|---|---|---|---|---|---|---|---|---|
| | Management services | Operations | Property ownership | Property ownership | Management services | Development | Investment | |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | **$'000** |
| <u>1 January to 30 June 2025</u> | | | | | | | | |
| Total segment revenue | 17,493 | 19,124 | 20,842 | 30,342 | - | - | 5,268 | 93,069 |
| Inter-segment revenue | (1,720) | - | - | - | - | - | - | (1,720) |
| Revenue from external parties | 15,773 | 19,124 | 20,842 | 30,342 | - | - | 5,268 | 91,349 |
| Expenses include (a): | | | | | | | | |
| − Depreciation of property, plant and equipment | (53) | (4,236) | (3,435) | - | - | - | - | (7,724) |
| − Amortisation of intangible assets | (1,110) | - | - | - | - | - | - | (1,110) |
| − Hospitality supplies and services | (1,178) | (3,767) | (5,172) | - | - | - | - | (10,117) |
| − Employee compensation | (5,071) | (4,436) | (7,562) | - | - | - | - | (17,069) |
| − Property tax and upkeep of properties | (62) | (387) | (2,440) | (9,071) | - | - | (1,090) | (13,050) |
| Operating profit/(loss) | 3,138 | 4,928 | (1,925) | 16,025 | (229) | (44) | 3,540 | 25,433 |
| Share of profit/(loss) of: | | | | | | | | |
| − associated companies | - | 1,799 | - | - | 1,950 | 3,236 | - | 6,985 |
| − joint ventures | - | (2,004) | 878 | (683) | - | 297 | - | (1,512) |
| Total operating profit/(loss) | 3,138 | 4,723 | (1,047) | 15,342 | 1,721 | 3,489 | 3,540 | 30,906 |
| Corporate expenses | | | | | | | | (1,879) |
| Interest income | | | | | | | | 2,345 |
| Finance expenses | | | | | | | | (18,945) |
| Other gains - net | | | | | | | | 10,668 |
| Profit before income tax | | | | | | | | 23,095 |
| Income tax expense | | | | | | | | (5,058) |
| Profit after income tax | | | | | | | | 18,037 |

(a) These expenses exclude those under the Corporate assets segment.

## E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 18. Segment information (continued)

| | Hospitality | | | Student accommodation | | Property | | Total |
|---|---|---|---|---|---|---|---|---|
| | Management services | Operations | Property ownership | Property ownership | Management services | Development | Investment | |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| As at 30 June 2025 | | | | | | | | |
| Segment assets | 112,404 | 69,080 | 212,130 | 759,620 | 118 | 638,874 | 170,828 | 1,963,054 |
| Investments in associated companies | - | 32,878 | - | - | 34,248 | 208,417 | - | 275,543 |
| Investments in joint ventures | - | 162,702 | 92,496 | 28,759 | - | 35,611 | - | 319,568 |
| | 112,404 | 264,660 | 304,626 | 788,379 | 34,366 | 882,902 | 170,828 | 2,558,165 |
| Corporate assets (b) | | | | | | | | 114,958 |
| Total assets | | | | | | | | 2,673,123 |
| Segment assets include: | | | | | | | | |
| Additions to: | | | | | | | | |
| − Investment in associated companies | - | - | - | - | - | 25,075 | - | 25,075 |
| − Investment in joint ventures | - | - | - | 10,869 | - | - | - | 10,869 |
| − Investment properties | - | - | 5 | 938 | - | - | - | 943 |
| − Property, plant and equipment (b) | - | 60 | 4,168 | - | - | - | - | 4,228 |

(b) During the six months ended 30 June 2025, the Group acquired property, plant and equipment amounting to $9,000 under Corporate assets segment.

## E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 18. Segment information (continued)

#### Geographical information

The Group's business segments operate in five main geographical areas:

- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally the management of hospitality properties, hotel operations, property development, property investment and investment holding.
- Australia – the operations in this area are principally the management of hospitality properties, hotel operations and property ownership.
- United Kingdom – the operations in this area are principally student accommodation properties ownership, development and management of student accommodation properties.
- Japan – the operations include management of hospitality properties, hotel operations and property ownership in Japan.
- Other countries – the operations include hotel operations and property ownership in Malaysia, Germany and Denmark.

| | Revenue | |
|---|---|---|
| | 6 months ended 30 June | |
| | **2026** | 2025 |
| | **$'000** | $'000 |
| Singapore | **37,367** | 32,338 |
| Australia | **25,338** | 20,775 |
| United Kingdom | **177,425** | 31,360 |
| Japan | **5,971** | 4,664 |
| Other countries | **2,366** | 2,212 |
| | **248,467** | 91,349 |

| | Non-current assets | |
|---|---|---|
| | **30 June 2026** | 31 December 2025 |
| | **$'000** | $'000 |
| Singapore | **1,097,541** | 1,103,922 |
| Australia | **343,911** | 330,762 |
| United Kingdom | **772,899** | 775,137 |
| Japan | **37,504** | 39,262 |
| Other countries | **91,110** | 92,976 |
| | **2,342,965** | 2,342,059 |

## F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

### 1. Review

The condensed consolidated statement of financial position of Far East Orchard Limited and its subsidiaries as at 30 June 2026 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, statement of changes in equity of the Company and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditor.

### 2. Review of performance of the Group

### (a) Group performance review for the six months ended 30 June 2026 ("1H FY26")

**Revenue**
Revenue for 1H FY26 increased by $157.2 million (>100%) to $248.5 million (1H FY25: $91.3 million), mainly due to the consolidation of revenue from Homes for Students Limited ("HFS") into the PBSA business segment following the completion of the second stage of the phased acquisition on 30 September 2025. This was partially offset by a marginal decline in revenue from the Group's PBSA owned portfolio due to lower occupancy rates in certain cities. Portfolio occupancy for academic year which commenced in September 2025 ("AY25/26") was approximately 88% (AY24/25: 92%).

The hospitality business also recorded higher revenue, supported by stronger performance from the Group's owned hotel in Australia following the completion of the phase one refurbishment works earlier this year, as well as contributions from the new leased and managed properties in Japan which commenced operations in 2025.

In addition, revenue was boosted by the completion of the sale of Westminster Fire Station and a medical suite unit in February 2026, both of which were classified as "Properties held for sale" as at 31 December 2025.

**Gross profit**
Gross profit for 1H FY26 increased by $24.2 million (48.2%) to $74.5 million (1H FY25: $50.3 million) mainly due to HFS' consolidation, partially offset by the higher amortisation expense of intangibles recognised in cost of sales following completion of stage two acquisition of HFS.

**Expenses**
Total expenses increased by $21.1 million to $48.4 million in 1H FY26 (1H FY25: $27.3 million), mainly due to higher administrative expenses with the consolidation of HFS expenses following the completion of stage two acquisition.

Distribution and marketing expenses increased by $1.0 million, mainly due to higher marketing spend in the PBSA portfolio and newly opened properties in Japan, as well as selling expenses relating to the properties sold.

**Other income**
Other income, comprising interest income from bank deposits and grant income, declined by $0.4 million to $2.5 million in 1H FY26 (1H FY25: $2.9 million), due to lower interest income from the lower bank deposits and deposit rates, and lower grants received from the Singapore government.

**Finance expenses**
Finance expenses decreased by $1.2 million to $17.7 million in 1H FY26 (1H FY25: $18.9 million), mainly due to active borrowings repayments and the benefit of fixed-rate interest swaps entered into during Q1 FY26.

**Other gains – net**
Other gains – net were lower in 1H FY26 mainly due to the absence of a one-off gain of $9.1 million recognised in 1H FY25 from the WS Acquisition. This was partially offset by a higher unrealised currency translation gain of $2.5 million (1H FY25: $1.0 million), primarily arising from the strengthening of the Australian Dollar against SGD.

**Share of profit/loss of associated companies and joint ventures**
Share of profit of associated companies decreased to $4.8 million in 1H FY26 (1H FY25: $7.0 million), mainly due to the absence of contribution from HFS following its reclassification from an associated company to a subsidiary on 30 September 2025 upon completion of the second stage of the phased acquisition, which increased the Group's equity interest from 49% to 84% and resulted in the Group obtaining control over HFS.

Share of loss from joint ventures was $1.6 million in 1H FY26 (1H FY25: loss of $1.5 million), mainly due to weaker performance from the hospitality joint ventures arising from refurbishment works disruptions and higher operating and finance costs. In 1H FY25, performance was impacted by a cybersecurity incident in March 2025.

**F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2** (continued)

**2. Review of performance of the Group** (continued)

**(a) <u>Group performance review for the six months ended 30 June 2026 ("1H FY26")</u>** <u>(continued)</u>

**Profit after income tax and Profit attributable to equity holders of the Company**
The Group recorded a profit after income tax of $11.6 million in 1H FY26 (1H FY25: $18.0 million). The decrease was mainly due to the absence of a one-off gain from the WS Acquisition recognised in 1H FY25. Profit attributable to equity holders of the Company amounted to $11.8 million in 1H FY26, compared to $19.6 million in 1H FY25. Excluding all other gains, 1HFY26 profit after income tax and profit attributable to equity holders of the company would have been higher at $9.1 million and $9.8 million respectively (1HFY25: $7.4 million and $9.1 million respectively).

**(b) <u>Cash flow, working capital, assets or liabilities of the Group</u>**

**Cash flow and working capital**
In 1H FY26, the Group utilised cash and cash equivalents amounting to $34.5 million (1H FY25: $30.5 million). The net decrease in cash and cash equivalents was mainly due to active repayments of borrowings and dividends paid to equity holders of the Company, partly offset by proceeds from property sales.

Net cash generated from operating activities in 1H FY26 amounted to $64.9 million, an increase from $17.2 million in 1H FY25. The higher operating cash inflows were primarily due to proceeds from the sale of Westminster Fire Station and a medical suite unit.

Net cash used in investing activities in 1H FY26 was $6.3 million, as compared to $29.7 million in 1H FY25. The cash outflow in 1H FY26 mainly related to the payment of contingent consideration of £3.2 million (approximately $5.5 million) in March 2026 in connection with the stage two acquisition of HFS, following the satisfaction of the relevant conditions. The higher cash outflows in 1H FY25 were primarily due to the WS Acquisition and additional capital contribution to student accommodation development fund. These were partially offset by advances received from joint ventures that would be subsequently converted into distributions upon finalisation of the joint ventures' profits.

Net cash used in financing activities amounted to $93.1 million in 1H FY26 (1H FY25: $17.9 million). The higher cash outflows in 1H FY26 were mainly due to repayments of borrowings and dividends paid to equity holders of the Company. In 1H FY25, cash outflows included repayment of advances to a non-controlling interest partly offset by net proceeds from borrowings utilised to fund the Group's capital contribution to the student accommodation development fund.

**Assets**
As at 30 June 2026, total assets stood at $2,677.1 million, a decrease of $87.6 million from 31 December 2025, mainly due to lower cash balances and a reduction in properties held for sale following the completion of the sale of Westminster Fire Station and a medical suite unit. The weakening of British Pound ("GBP") against SGD also led to negative foreign currency translation effects on investment properties.

**Liabilities**
As at 30 June 2026, the Group's total liabilities amounted to $1,243.7 million, a decrease of $95.8 million from 31 December 2025. The decline was mainly due to partial repayments of borrowings using property sales proceeds, settlement of the £3.2 million (approximately $5.5 million) contingent consideration payable relating to the stage two acquisition of HFS, and foreign currency translation effects on GBP-denominated borrowings.

**3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast has been disclosed.

**F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2** (continued)

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The global operating environment is expected to remain uneven amidst evolving trade policies, geopolitical tensions and financial market volatility.[1] While the Group continues to make progress in executing FEOR30 and sees opportunities across its lodging platform, operating conditions are expected to remain mixed across markets and business segments.

Against this backdrop, the Group remains focused on disciplined capital allocation, maintaining balance sheet flexibility and selectively pursuing opportunities that strengthen its recurring earnings base.

For the Hospitality sector, operating conditions vary across markets. In Singapore, international visitor arrivals declined by 1.7% YoY in 1H FY2026, with softer visitor arrivals in Q2 2026.[2] Australia continued to see a gradual recovery in international arrivals,[3] while Japan's tourism demand remained elevated despite moderating from the 2025 base.[4] Geopolitical uncertainties remain elevated, affecting booking visibility and forward bookings in H2, particularly within the leisure segment. Accordingly, the Group will focus on strengthening its capabilities in revenue management, loyalty programme and operating efficiency, while pursuing selective asset enhancement initiatives across its portfolio.

For the UK PBSA sector, the AY26/27 admissions cycle has seen continued growth in undergraduate applicant numbers. The Universities and Colleges Admissions Service reported a record number of 665,070 applicants, a 4.6% increase YoY, with 7.1% increase in international applicants.[5] These trends support demand for high-quality student accommodation in key university markets.[6]

For the Group's PBSA portfolio, while pre-leasing for AY26/27 in the first half remains encouraging and is tracking marginally ahead of the same period last year, rental growth has moderated.

The Group will continue to advance its UK PBSA development pipeline while selectively deploying capital through investment and fund management opportunities that support long-term recurring income growth. At the same time, the Group remains mindful of ongoing macroeconomic uncertainties, evolving student mobility trends and market-specific operating conditions. Management will balance growth initiatives with disciplined capital management and operational execution.

[1] The International Monetary Fund (IMF). "Global Economy in Crosscurrents of War and Technology". July 2026
[2] Singapore Tourism Board. "Singapore Tourism Analytics Network, Monthly Visitor Arrivals". June 2026.
[3] Australian Bureau of Statistics. "Overseas Arrivals and Departures, Australia". May 2026.
[4] Japan National Tourism Organization. "Visitor Arrivals to Japan, June 2026". July 2026.
[5] UCAS. "Record number of UK school leavers head into the results period with an offer of a university or college place this year". July 2026
[6] UCAS. "30 June Deadline 2026 Briefing". July 2026.

*This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions, such as (without limitation) general industry and economic conditions, interest rate movements, cost of capital and capital availability, competition from other companies and venues for sale/manufacture/distribution of goods and services, shift in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.*

**F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2** (continued)

**5. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Material changes in contributions to sales and operating profit are explained in paragraph 2(a).

**6. Dividend**

**(a) Current Financial Period Reported On**

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

None.

**(c) Date payable**

Not applicable.

**(d) Record date**

Not applicable.

**7. If no dividend has been declared/recommended, a statement to that effect**

Dividends are not recommended or declared for half-year. Any recommendation for dividend will be made only after consideration of the full year results and the factors indicated in our dividend policy, and any declaration/payment of dividends will be subject to shareholder approval.

## F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

### 8. Interested person transactions

The Company had obtained approval for a shareholders' mandate for interested person transactions under Rule 920(1)(a)(ii) as set out in the circular to shareholders dated 24 June 2013.

| Name of interested person | Nature of relationship | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than $100,000) | Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) |
|---|---|---|---|
| | | Half-year ended 30 June 2026 $'000 | Half-year ended 30 June 2026 $'000 |
| Hospitality Management income | | | |
| Ariake Hospitality Kabushiki Kaisha | Each interested person is an associate of the Company's controlling shareholders. | 267 | - |
| Boo Han Holdings Pte Ltd | | 515 | - |
| China Classic Pte Ltd | | 731 | - |
| Commons SR Trustee Pte. Ltd. | | 760 | - |
| Dollar Land Singapore Private Limited | | 141 | - |
| Far East Organization Centre Pte. Ltd. | | 807 | - |
| Far East Soho Pte. Ltd. | | 522 | - |
| Far East SR Trustee Pte. Ltd. | | 254 | - |
| Fontaine Investment Pte. Ltd. | | 792 | - |
| Golden Development Private Limited | | 1,065 | - |
| Golden Landmark Pte Ltd | | 304 | - |
| Orchard Mall Pte. Ltd. | | 256 | - |
| Orchard Parksuites Pte Ltd | | 813 | - |
| Oxley Hill Properties Pte Ltd | | 380 | - |
| Riverland Pte Ltd | | 260 | - |
| Sakuragicho Hospitality Kabushiki Kaisha | | 109 | - |
| Serene Land Pte Ltd | | 514 | - |
| Transurban Properties Pte. Ltd. | | 533 | - |
| Management income | | | |
| Far East Hospitality Real Estate Investment Trust[7] | Associate of the Company's controlling shareholders | 1,695 | - |
| Management services | | | |
| Far East Management (Private) Limited | Each interested person is an associate of the Company's controlling shareholders. | 1,183 | - |
| Far East Real Estate Agency Pte. Ltd. | | 478 | - |
| Rental expense on operating leases - hotels and offices | | | |
| Far East Hospitality Real Estate Investment Trust – hotels | Each interested person is an associate of the Company's controlling shareholders. | 7,025 | - |
| Far East Rocks Pty Ltd – hotel | | 458 | - |
| Riverhub Pte Ltd – office | | 463 | - |
| Purchase of club membership | | | |
| Far East Organization Centre Pte. Ltd. | Associate of the Company's controlling shareholders | - | 108 |

[7]Pursuant to the trust deed constituting Far East Hospitality Real Estate Investment Trust ("Far East H-REIT") (the "Trust Deed") and entered into between FEO Hospitality Asset Management Pte. Ltd. ("FEOHAM") (in its capacity as the manager of Far East H-REIT) and DBS Trustee Limited (in its capacity as the trustee of Far East H-REIT), FEOHAM is entitled to a management fee comprising a base fee of 0.28% per annum of the value of the Deposited Property (as defined in the Trust Deed) and a performance fee of 4.0% per annum of net property income or the annual distributable amount (as defined in the Trust Deed) in the relevant period, whichever is lower. During the six months ended 30 June 2026, the Company was a 33% shareholder of FEOHAM and this amount represents 33% of the management fees received during the financial period, being the value at risk to the Group.

## F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (continued)

**Confirmation Pursuant to Rule 720(1) of the Listing Manual**

The Company has received undertakings from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**Confirmation Pursuant to Rule 705(5) of the Listing Manual**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of Far East Orchard Limited which may render the unaudited interim financial statements for the six months ended 30 June 2026 to be false or misleading in any material respect.

**On behalf of the Board of Directors**

| | |
|---|---|
| Koh Kah Sek<br>Chair | Alan Tang Yew Kuen<br>Group CEO and Executive Director |

6 August 2026