FAR EAST ORCHARD LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 196700511H)

MEDIA RELEASE

FAR EAST ORCHARD REPORTS 1H FY2026 RESULTS; FEOR30 EXECUTION PROGRESSES THROUGH PLATFORM EXPANSION AND DISCIPLINED CAPITAL RECYCLING

- **FEOR30 Execution Strengthens Integrated Lodging Platform**
  - Consolidation of Homes for Students ("HFS") significantly scales UK PBSA operating platform and integrated lodging capabilities, enhancing recurring income and cash flow
  - Adjusted PATMI increased 7.7% year-on-year ("YoY") to S$9.8 million, impacted by higher non-cash amortisation arising from HFS acquisition accounting
  - Active asset management initiatives supported earnings improvement with completion of phased asset enhancement works at Rendezvous Hotel Perth Scarborough
  - Completed S$50.7 million of strategic capital recycling through the disposal of non-core assets – Westminster Fire Station and one Novena Medical Center unit

Summary of Financial Results

S$ million	30 June 2026 ("1H FY2026")	30 June 2025 ("1H FY2025")	YoY Change (%)
Revenue	248.5	91.3	>100%
Total operating profit	31.2	30.9	1.0
Profit after tax	11.6	18.0	(35.6)
Adjusted Profit after tax[a]	9.1	7.4	23.0
Profit attributable to equity holders of the Company ("PATMI")	11.8	19.6	(39.9)
Adjusted PATMI[a]	9.8	9.1	7.7

[a] Excluding all other gains and associated tax effects.

6 August 2026, Singapore – Far East Orchard Limited ("Far East Orchard", and together with its subsidiaries, the "Group") today announced its financial results for the half-year period ended 30 June 2026 ("1H FY2026"), marking continued progress in the execution of its FEOR30 Strategy.

Revenue increased to S$248.5 million, mainly due to the consolidation of HFS following the second stage of the phased acquisition on 30 September 2025. The Group also completed S$50.7 million of capital recycling through the disposal of Westminster Fire Station and one Novena Medical Center unit, in line with its asset-right approach under FEOR30.

The consolidation of HFS significantly expanded the Group's scale, recurring income base and operating cash flows. Notwithstanding this, it is a low-margin business and the benefit was offset by non-cash amortisation charges relating to intangible assets recognised as part of the HFS acquisition accounting.

PATMI declined YoY. This mainly reflected the absence of a one-off S$9.1 million non-cash gain recognised in 1H FY2025 arising from the acquisition of an additional interest in the Woods Square joint venture. Excluding all other gains and associated tax effects, adjusted PATMI in 1H FY2026 would have been 7.7% higher at S$9.8 million, supported by contributions from completed property sales and improved performance from the Group's hospitality assets, coupled with lower interest expenses.

Mr Alan Tang, Group Chief Executive Officer of Far East Orchard, said, *"The first half demonstrates the steady progress we are making under FEOR30. Through the HFS acquisition, we now operate one of the largest independent third-party PBSA platforms in the UK with a strengthened recurring management income base.*

Alongside scaling the platform, we continue to recycle capital from mature and non-core assets while managing our balance sheet prudently. Looking ahead, we remain focused on growing recurring earnings and enhancing capital productivity while maintaining financial flexibility amidst an uncertain operating environment. As we execute our FEOR30 strategy, we will balance growth opportunities with prudent capital management and disciplined investment."

1H FY2026 Operational Highlights

<u>Scaling an Integrated Lodging Platform</u>
The Group continues to scale its lodging platform across Hospitality, PBSA and fund management.

For Hospitality, the Group's joint venture, TFE Hotels, expanded its Australian footprint with the opening of the 148-key Adina Apartment Hotel Chermside Brisbane in May 2026.

For PBSA, the Group made further progress across its UK development pipeline. The 706-bed development Timber Yard, in Bristol, is on track for completion in August 2026, ready to welcome students for the academic year commencing September 2026 ("AY26/27"). Under the Far East UK Student Accommodation Development Fund ("FESAD"), the 273-bed Glasgow development is progressing well and remains on track for completion in 2027. Meanwhile, the 239-bed Plymouth Grove development in Manchester received Gateway 2 approval in July 2026, has commenced construction, and is expected to complete in 2028. The Group will continue to deploy the remaining FESAD funds selectively.

Beyond the UK, HFS is expanding its European operating footprint through Orla Living. Its first managed property in Italy, a 425-bed PBSA development in L'Aquila, is expected to commence operations in Q3 2026.

<u>Enhancing Operating Performance</u>
Hospitality revenue increased 11.6% YoY to S$62.2 million for 1H FY2026, supported by stronger performance from the Group's owned hotel in Australia, Rendezvous Hotel Perth Scarborough ("RHPS") and additional contributions from the two Osaka properties opened in 2025.

Overall, hospitality operating performance remained broadly stable YoY despite mixed market conditions. At the same time, the Group maintains an active approach to asset management, including ongoing enhancement works across selected properties to strengthen their long-term competitiveness, guest proposition and support operating performance.

Stronger contributions from RHPS and the Japan hospitality business were offset by weaker performance in Singapore. The hospitality joint ventures in Australia and Europe were impacted by refurbishment works and weaker European market performance. The joint venture's owned property, Adina Sydney Darling Harbour, which has been closed for refurbishment since October 2025, reopened in August 2026.

Total PBSA revenue increased 329.7% YoY to S$130.4 million for 1H FY2026, reflecting the enlarged operating platform operated under HFS. Within the total, revenue from the Group's owned PBSA portfolio moderated by 4.4% YoY to S$29.0 million due to lower AY25/26 occupancy in certain cities.

To ensure PBSA properties remain competitive, the Group is carrying out targeted refurbishment works across selected PBSA properties and is on track to complete before the commencement of the upcoming AY26/27, with minimal operational disruption expected.

Disciplined Capital Management

The Group maintains a disciplined approach to capital management, with a focus on strengthening balance sheet flexibility to support sustainable, scalable growth.

In 1H FY2026, the Group repaid S$52.2 million of outstanding borrowings, partly utilising proceeds from the property divestments completed during the period. Total borrowings decreased to S$590.0 million as at 30 June 2026 (31 December 2025: S$647.3 million), and debt-to-equity ratio decreased from 45.4% to 41.2%.

The Group's average cost of debt decreased to 4.9% from 5.2% in 1H FY2025, supported by active debt management and interest rate hedging. Approximately 64.0% of the Group's borrowings were on fixed rates, providing greater certainty over financing costs amid an evolving interest rate environment. Average debt maturity stood at 3.6 years as at 30 June 2026, compared with 3.4 years as at 31 December 2025. In July 2026, the Group successfully refinanced approximately S$61 million of borrowings due in 2026 to 2031. Correspondingly, the average debt maturity has increased to approximately 4.0 years.

Looking Ahead

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.

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[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.

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Note: This media release is to be read in conjunction with the Company’s announcement on SGXNET on the same date.

About Far East Orchard Limited (www.fareastorchard.com)

Far East Orchard Limited ("Far East Orchard") is a Singapore-listed real estate company with a global lodging platform, uniquely positioned to capture value across the full Hospitality and Purpose-Built Student Accommodation ("PBSA") asset lifecycle. Established in 1967, the Group combines investment, asset management and operational capabilities to grow recurring income through a diversified portfolio and disciplined capital allocation. Far East Orchard's lodging platform spans more than 18,000 hospitality rooms across 11 countries and approximately 60,000 owned and managed PBSA beds.

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