

## **MEDIA RELEASE**

### **FAR EAST ORCHARD'S 1Q FY2026 BUSINESS UPDATE**

- **Resilient 1Q FY2026 operational performance across Hospitality and UK Purpose-built Student Accommodation (“PBSA”) businesses despite heightened macro volatility**
- **Operating profit lifted by sales of the properties held under our Property segments; Net profit after tax lower mainly due to the absence of prior year one-off gain and higher tax from the sales**
- **Pro-active asset enhancement initiatives continued to progress during the quarter**

**7 May 2026, Singapore** – Far East Orchard Limited (“Far East Orchard”, and together with its subsidiaries, the “Group”) today announced its voluntary business update for the first quarter ended 31 March 2026 (“1Q FY2026”).

The Hospitality and Student Accommodation segments delivered relatively stable operational performance in 1Q FY2026 as compared to 1Q FY2025, amid a highly volatile operating environment. The Group began consolidating the results of Homes for Students (“HFS”) since October 2025, following the completion of its stage two acquisition in September. While this contributed incremental operating results during the quarter, the impact was partially offset by amortisation of intangible assets arising from the acquisition. During the quarter, the Property segments completed the sales of Westminster Fire Station and a medical suite unit (both classified as “Properties held for sale” as at 31 December 2025). Operating profit increased marginally year-on-year, supported by contributions from the Property segments.

Profit after tax was lower year-on-year mainly due to the absence of a S\$9.1 million one-off gain recognised in 1Q FY2025, and higher tax expenses arising from sales of properties held for sale.

**Group Chief Executive Officer of Far East Orchard, Mr Alan Tang, said,** “We started the year with a resilient operating performance of our core operating hospitality and PBSA businesses, which anchored our recurring income. While the operating environment is getting more uncertain amid geopolitical tensions and with rising cost pressures, demand across our key markets has remained broadly stable. The sales of the properties held under our Property segments have bolstered the operating profit in the first quarter.”

## **OPERATIONAL UPDATES**

### **Hospitality**

The Hospitality portfolio remained resilient. The Group’s owned and managed hotels in Australia and Japan delivered higher contributions in 1Q FY2026. In Japan, contributions were supported by newly opened properties in Osaka in 2025. This was offset by lower contributions from Singapore due to higher costs and from Europe due to ongoing refurbishment works.

The multi-year refurbishment at Rendezvous Hotel Perth Scarborough continues to progress, with its next phase scheduled to commence in 2Q FY2026. The hotel remains operational throughout the works. Refurbishment works across selected properties in Sydney, Melbourne and Frankfurt remain in line with the previously announced timeline. Short-term impact is expected to weigh on near-term performance while the works are ongoing.

### **UK Purpose-built Student Accommodation (“PBSA”)**

The UK PBSA portfolio delivered moderated performance, with occupancy for the academic year commencing September 2025 (“AY25/26”) standing at 88% (AY24/25: 92%). Pre-leasing for the upcoming academic year commencing September 2026 (“AY26/27”) is tracking slightly ahead of the same period last year.

The Group conducts a proactive approach to asset management, ensuring our PBSA properties remain relevant through refurbishments and enhancements aligned with market trends. Targeted refurbishment works across selected assets are scheduled in 2Q and 3Q FY2026, targeting completion before the commencement of the upcoming AY26/27, with minimal operational disruption expected.

The Group’s development pipeline in Bristol, Glasgow and Manchester remains on track, with completions expected between 2026 and 2028. In particular, Timber Yard, the 706-bed development in Bristol, is on track to open to students in AY26/27.

HFS has continued to expand its operating footprint in Europe through Orla Living, and is expecting to open a 425-bed PBSA property in L’Aquila, Italy in 3Q 2026.

### **OUTLOOK**

The operating environment remains highly uncertain amid ongoing geopolitical tensions, including developments in the Middle East. The International Monetary Fund (“IMF”) has revised global growth for 2026 downwards to approximately 3.1%, with elevated energy prices and tighter financial conditions continuing to pose near-term challenges.<sup>1</sup>

Against this backdrop, macroeconomic and geopolitical developments are likely to continue influencing consumer sentiment, travel patterns and operating conditions across the Group’s key markets.

For the Hospitality business segment, the Group has not observed any material disruption to demand in Q1 2026. However, booking visibility remains limited, and near-term booking momentum may soften amid heightened uncertainty and elevated travel costs across key markets. The extent of any impact will depend on the duration and severity of ongoing geopolitical developments. A prolonged escalation could lead to supply chain disruptions, higher energy and operating costs, inflation re-acceleration, and weaker travel demand as individuals and corporates moderate discretionary spending.

In the UK PBSA business segment, underlying fundamentals remain supported by structural supply-demand imbalances in key university cities and sustained growth in UK student enrolments. Acceptance for AY25/26 undergraduate students increased by 2.3% from the previous year, with international undergraduate students rising by 6.8%<sup>2</sup>. While overall international student numbers have moderated from prior peak levels in 2023 following visa restrictions on dependents introduced from January 2024, recent data points show signs of stabilisation in 2025, with student visa granted to main student applicants increasing by 4% compared to 2024<sup>3</sup>. In the last two years, PBSA rental growth has moderated from the exceptional post-pandemic highs as the market normalises. Some cities are beginning to experience challenges due to changes in demand-supply dynamics. Against this backdrop, the Group continues to prioritise occupancy, tenant retention and long-term income sustainability over short-term yield maximisation.

In the near term, Far East Orchard is not expected to be materially impacted by the rising energy costs as a significant portion of the Group’s energy requirements for the current year is secured under fixed-rate or hedged contracts, providing cost visibility and mitigating exposure to short-term price spikes. However, sustained increases in energy and labour costs will exert pressure on margins. The

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<sup>1</sup> IMF, “[Global economy in the shadow of war.](#)” Apr 2026.

<sup>2</sup> UCAS end-of-cycle data 2025 report

<sup>3</sup> UK Home Office – February 2026

Group continues to actively manage cost pressures through hedging arrangements, forward procurement strategies and operational efficiency initiatives to mitigate near-term price volatility.

Mr Tang added, “Looking ahead, the operating environment is expected to remain volatile amid geopolitical uncertainties, inflationary pressures and potential shifts in consumer behaviour. The Group will continue to monitor developments closely and remain prudent in its operational and capital allocation decisions in executing our FEOR30 strategy.”

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**About Far East Orchard Limited ([www.fareastorchard.com](http://www.fareastorchard.com))**

Far East Orchard Limited (SGX:O10) is a Singapore-listed real estate company with a lodging platform focused on generating sustainable and recurring income through a diversified and balanced portfolio across hospitality and student accommodation. Established in 1967 and listed on the Mainboard of the Singapore Exchange, it is a member of Far East Organization, Singapore's largest private property developer.

The Group has real estate development, investment and management capabilities across Asia Pacific and Europe. Its hospitality business, Far East Hospitality, together with its joint venture, Toga Far East Hotels, owns over 10 assets and manages more than 100 properties with over 18,000 rooms.

In the UK, Far East Orchard owns more than 3,700 purpose-built student accommodation ("PBSA") beds, and holds an 84% stake in Homes for Students (HFS), a leading UK PBSA operator. Together, the Group's student accommodation platform spans approximately 60,000 owned and managed beds across key university cities. Alongside the establishment of a private student accommodation fund, the Group has further strengthened its presence in the UK PBSA market.

The Group also owns purpose-built medical suites for lease and sale in Novena, Singapore's premier medical hub.

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