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

MEDIA RELEASE

FAR EAST ORCHARD DELIVERS STRONGER OPERATING PROFIT; RECOMMENDS TOTAL DIVIDEND OF 5.0 CENTS PER SHARE FOR FY2024

- **Operating profit of S$78.5 million, an increase of 35.6% year-on-year**
- **Higher contributions from both hospitality and purpose-built student accommodation business segments**
- **Recommends final dividend of 5.0 cents per share in total for FY2024, which includes a 1.0 cents per share special dividend from capital recycling**

28 February 2025, Singapore – Far East Orchard Limited ("Far East Orchard", and together with its subsidiaries, the "Group") today reported its financial year results for the full year ended 31 December 2024 ("FY2024").

SUMMARY OF FINANCIAL PERFORMANCE

Financial Highlights

S$ million	FY2024	FY2023	% CHANGE
Revenue	191.9	183.6	4.5
Operating profit	78.5	57.9	35.6
Profit after income tax[(1)]	61.3	66.1	-7.2
Profit attributable to equity holders of the Company[(1)]	59.0	65.9	-10.6
Earnings per share (Singapore cents)[(1)]	12.1 cents	13.7 cents	-11.9

[(1)] Included net fair value gains (net of tax) on investment properties. Excluding this, profit after income tax and profit attributable to equity holders would have been S$35.5 million (FY2023: S$18.3 million) and S$33.3 million (FY2023: S$18.1 million), respectively; EPS would have been at 6.82 cents (FY2023: 3.77 cents).

The Group's full-year revenue increased 4.5% to S$191.9 million (FY2023: S$183.6 million), boosted by the higher revenue contribution from the Purpose-built Student Accommodation ("PBSA") business segment. The Hospitality business segment, which contributed a majority of S$126.5 million in revenue, continued to provide stable contributions.

The Group's operating profit increased 35.6%, or S$20.6 million, to S$78.5 million (FY2023: S$57.9 million), driven by improvements in the operating performance of both the PBSA and Hospitality business segments.

The PBSA business segment operating profit increased from S$21.5 million to S$37.1 million. The segment benefited from rental growth, additional contributions from a Southampton PBSA asset acquired in May 2023, and the share of profits from the PBSA operating platform, Homes for Students ("HFS"), in which the Group acquired a 49% stake in April 2024.

The Group's hospitality business segment operating profit increased S$4.9 million to S$29.1 million, driven by stronger performance in Japan and Europe. In October 2024, the Group commenced a major refurbishment project for an owned hospitality property in Australia. The works had negatively impacted the operating performance of the property.

In December 2024, the Group completed the divestment of a hospitality asset, Rendezvous Hotel Perth Central ("RHPC"), recognising a gain on disposal of S$5.9 million. This disposal aligns with the Group's proactive asset management strategy to realise the value of RHPC and improve capital allocation.

Despite the improvement in operating profit and gain on disposal of RHPC, profit after income tax was lower at S$61.3 million (FY2023: S$66.1 million), mainly due to the lower net fair value gains recognised on investment properties and higher unrealised currency translation losses recognised in FY2024 (weakening of Australian Dollar against the Singapore Dollar). Excluding the fair value gains (net of tax), the profit after income tax would have been higher at S$35.5 million (FY2023: S$18.3 million).

The Group continues to exercise prudent capital management, preserving sufficient cash reserves and credit lines to ensure financial flexibility for future growth opportunities. In line with the Group's objective of delivering sustainable returns to the shareholders, the Board has recommended a first and final dividend of 4.0 Singapore cents per share, along with a special dividend of 1.0 Singapore cent per share, following the successful divestment of RHPC. This would bring the total dividend for FY2024 to 5.0 Singapore cents per share, up from 4.0 Singapore cents per share in FY2023.

Commenting on the FY2024 results, Mr Alan Tang, Group Chief Executive Officer of Far East Orchard, said, "Amid the current uncertain and high-cost environment, the Group is pleased to deliver a resilient set of results in FY2024, riding on the PBSA rental reversions and global travel recovery. The strategic expansion of the PBSA business as part of strengthening our lodging platform has also contributed to the positive momentum towards the Group's FEOR25 strategy. Our core business fundamentals remain sound, underpinned by disciplined capital management and portfolio optimisation."

OPERATIONAL UPDATES IN FY2024

In FY2024, several developments across the Hospitality and PBSA businesses built the foundation for strengthening the Group's lodging platform and expanding its recurring income streams.

Hospitality Business – Unlocking Opportunities

According to the latest UN Tourism Barometer, global tourism rebounded to 99% of 2019-levels in 2024. While arrivals in Asia and the Pacific region reached 87% of 2019 levels, up from 66% at the end of 2023, it still remained below the 2019 levels.[1] This sustained recovery has driven higher occupancies and room rates for the Group's hospitality business.

In 2024, the Group added over 1,000 rooms to its portfolio with openings in Australia, New Zealand and Singapore. Our hospitality joint venture, Toga Far East Hotels ("TFE Hotels"), strengthened its presence in New Zealand through a strategic partnership with Heritage Hotels, adding over 500 rooms across five properties in Auckland, Wellington, Christchurch and Queenstown. The portfolio has since been rebranded under Adina and Rendezvous.

As at 31 December 2024, the Group's hospitality arm, Far East Hospitality, together with TFE Hotels, owns or operates over 100 properties with more than 17,500 rooms across 10 countries. Expansion continues in 2025, with approximately 500 new rooms openings expected in Australia and Austria. The EVE Hotel Sydney, operated by TFE Hotels, opened in February 2025.

PBSA Business – Delivering on Strategic Focus

The UK PBSA sector remained operationally resilient in 2024, underpinned by strong student demand and high occupancy levels across the portfolio. The Group delivered stronger performance, benefiting from both the favourable market dynamics that drove rental growth and strategic acquisitions.

[1] UNWTO. "International Tourism Recovers Pre-Pandemic Levels in 2024 (unwto.org)". 25 Jan 2025.

As at 31 December 2024, portfolio occupancy for the academic year commencing September 2024 ("AY24/25") stood around 90% (AY23/24: 99%) with a lower occupancy rate, nevertheless, AY24/25 continued to achieve rental growth.

The Group's PBSA portfolio valuation as at 31 December 2024 was £391 million (S$669 million) across 13 assets in seven UK cities, reflecting a valuation gain of £13 million (S$22 million) driven by rental growth and a sustained supply-demand imbalance. The Group's joint venture PBSA development in Bristol is progressing well and is on track to be completed in 2026. Valuation gain was also recognised on this development in FY2024 and included in the share of profits from joint ventures.

Delivering on the strategic objectives, the Group acquired a 49% stake in HFS, UK PBSA operator, in April 2024. Committed to building a resilient lodging platform leveraging on the Group's investment and asset management capabilities, in August 2024, the Group established its first private fund to focus on PBSA development opportunities in the UK. The fund's first seed development, Osborne Street, Glasgow (273-bed), is in the pre-construction phase, with construction set to commence in 2025.

The Group's PBSA portfolio currently comprises close to 3,700 beds across key cities in the UK, with two developments in Bristol and Glasgow. Upon completion of the developments, the PBSA portfolio will grow to approximately 4,700 beds across 15 properties. Together with HFS, the Group will operate more than 60,000 beds.

OUTLOOK

The International Monetary Fund (IMF) projects global growth of 3.3% in 2025, a slight upward revision but still below the historical average. While inflation is expected to decline to 4.2% in 2025, the pace of disinflation remains uneven across regions. Macroeconomic and geopolitical uncertainties, including financial market volatility and policy shifts, continue to weigh on investment sentiment, business strategies, and consumer spending.[2]

Against the backdrop of economic and geopolitical uncertainties, the Group remains cautious and will focus on maintaining resilience and targeting strategic growth opportunities while navigating the evolving market conditions.

Hospitality Business

Global tourism is expected to grow by 3% to 5% in 2025, driven by Asia-Pacific's continued recovery and steady growth across most regions. This outlook assumes stable economic conditions, easing inflation, and no major geopolitical tension.[1]

In Singapore, international visitor arrivals are projected at 17.0 million to 18.5 million in 2025, still below the 2019 peak of 19.1 million[3], with key source markets such as China, India, and Southeast Asia (Indonesia, Thailand, and Vietnam) continuing to lag behind in recovery.

In Australia, international arrivals have reached 85% of 2019 levels, with domestic travel seeing modest growth. While a full recovery is projected by 2025, the moderating inflationary environment may slow momentum.[4]

Japan's tourism sector is set to grow, with international arrivals forecasted at 40.2 million in 2025, supported by favourable exchange rates, government initiatives, and Expo 2025 Osaka-Kansai.[5]

While global tourism is expected to grow steadily in 2025, the near-term outlook remains tempered by high costs and economic and geopolitical uncertainties, which could slow demand recovery. In addition,

---

[2] IMF. "Growth on Divergent Paths Amid Elevated Policy Uncertainty". Jan 2025.
[3] STB. "Singapore Achieves Historical High in Tourism Receipts in 2024". 4 Feb 2025.
[4] CBRE "Asia Pacific Hotel Trends Q4 2024". 20 Jan 2025.
[5] Japan National Tourism Organization. "Japan Tourism Statistics". Jan 2025.

refurbishment at selected properties and surrounding construction at a property which impacted operating performance in 2024 is expected to continue into 2025.

As part of the Group's proactive portfolio management strategy to enhance asset competitiveness and optimise long-term performance, refurbishments across our properties are underway:

- Rendezvous Hotel Scarborough (337-room) commenced a multi-year major refurbishment in October 2024 and is expected to be completed by 2028.
- Adina Apartment Hotel Sydney Darling Harbour (114-room) and Adina Apartment Hotel Frankfurt Neu Oper (134-room) are scheduled for refurbishment in 2025 and re-opening in 2026.

The Group's leased and managed property, Orchard Rendezvous Hotel, Singapore, is affected by nearby construction, and works will continue over the next few years.

In view of the uncertainties, the Group remains cautiously optimistic, prioritising cost control and strategic growth.

PBSA Business

The outlook for the UK PBSA sector is encouraging, underpinned by domestic demand from the larger population of UK 18-year-olds, improving number of international student applications, and a persistent supply-demand imbalance. The latest UCAS' January 2025 cycle application data show a 1.0% year-on-year increase in university applicants to 600,660, with international applicants rising by 2.7% to 118,800.[6] The top three countries with international applicants are China (+8.9%), India (-0.3%) and the US (+11.7%).[7]

However, the supply remains constrained, with under 20,000 new beds expected in 2025 which is below the estimated 100,000 beds needed annually. Far East Orchard's portfolio is strategically located near key higher-tariff[8] universities and is well-poised to capture this growing demand.

With the acquisition of HFS, Far East Orchard has become one of the largest PBSA operators in the UK, managing over 60,000 beds. This scale strengthens the Group's operational efficiency and capabilities. The Group continues to expand its portfolio and capabilities to build a resilient lodging platform.

Following the establishment of the PBSA fund and the capital raised in 2024, the Group will continue to target high-potential PBSA development projects in the UK, aligning with its strategy to deploy the committed capital effectively.

Mr Tang added, "We expect to see the flattening of the rent and room rate growth at our PBSA and Hospitality businesses due to the normalisation of the post-pandemic surge and market uncertainties. Despite easing inflation and slow interest rate decline, we continue to operate in an elevated cost environment amid the ongoing economic and geopolitical uncertainties. We will adopt a cautious approach to remain focused on scaling our lodging platform and enhancing our capabilities while staying vigilant and adaptable, carefully assessing opportunities and risks to position the Group for sustainable growth and to create long-term value for our shareholders."

– END –

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

[6] UCAS. "UCAS Release Undergraduate January Equal Consideration Applicant Data for 2025". 13 Feb 2025.
[7] Knight Frank. "UK Student Market Update Q4 2024". Jan 2025.
[8] Higher-tariff universities refer to institutions with more selective entry requirements, requiring higher A-Level grades and UCAS points for admission. These institutions often include members of the Russell Group.

Appendix:

Hospitality – New Hotels Openings

The EVE Hotel, Sydney, Australia (Opened in February 2025)

Quincy House, Singapore (Opened in October 2024)

Vibe Hotel Melbourne Docklands, Australia (Opened in April 2024)

UK PBSA

1 The development site in Silverthorne Lane, Bristol, is expected to deliver approx. 690 beds and to be completed by FY2026. **2** Private fund's first seed development.

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

Far East Orchard Limited ("Far East Orchard") is a real estate company with a lodging platform that aims to achieve sustainable and recurring income through a diversified and balanced portfolio. Established in 1967, Far East Orchard has a proven track record in real estate development, investment, and management across residential, commercial, hospitality, and Purpose-Built Student Accommodation ("PBSA") in Australia, Japan, Malaysia, Singapore, and the United Kingdom ("UK").

Listed on the Mainboard of the Singapore Exchange, Far East Orchard is also a member of Far East Organization, Singapore's largest private property developer. Following a strategic transformation in 2012, the Group expanded into hospitality management and invested in healthcare real estate. In 2015, it diversified its portfolio to include the development and investment of PBSA properties in the UK.

In 2023, Far East Orchard celebrated a decade of partnerships in the hospitality business with The Straits Trading Company Limited and Toga Group, Australia. Its hospitality arm, Far East Hospitality, together with the joint venture, Toga Far East Hotels, now owns more than 10 assets and manages over 100 properties with more than 17,500 rooms in Australia, Austria, Denmark, Germany, Hungary, Japan, Malaysia, New Zealand, Singapore, and Switzerland, across 10 distinct brands.

Far East Orchard's PBSA portfolio comprises close to 3,700 beds across key cities in the UK and two PBSA developments in Bristol and Glasgow. With the completion of the developments, the Group's total PBSA portfolio will grow to approximately 4,700 beds across 15 properties. In 2024, Far East Orchard acquired a 49% stake in a UK PBSA operator, Homes for Students. In the same year, the Group also launched a private student accommodation fund focused on PBSA development in the UK.

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

For further information, please contact:

Far East Orchard Limited
Investor Relations
Tel: (65) 6830 6599
Email: ir@fareastorchard.com.sg