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

MEDIA RELEASE

FAR EAST ORCHARD REPORTS FY2025 RESULTS

Highlights:

- **Revenue growth in FY2025:**
  - Increased 29.1%, driven by consolidation of Homes for Students ("HFS") following second-stage acquisition and expansion of Japan hospitality business[1]

- **Earnings performance:**
  - Profit after tax decreased to S$54.8 million, reflecting lower net fair value gains
  - One-off gains of S$28.9 million from the acquisition of additional stake in a property joint venture ("JV") in Singapore[2] and completion of the stage two acquisition of HFS cushioned the lower valuation gains

- **Proposed first and final dividend of 4.0 Singapore cents per share**

Summary of Financial Results

S$ million	FY2025	FY2024	% CHANGE
Revenue	247.6	191.9	29.1
Operating profit	64.2	77.8	(17.5)
Profit after tax[(a)]	54.8	61.3	(10.7)
Profit attributable to equity holders of the Company[(a)]	54.0	59.0	(8.4)
Earnings per share (Singapore cents)[(a)]	11.0 cents	12.1 cents	(8.7)

[(a)] Excluding all other gains/losses (net of tax), including share of fair value gains/losses on investment properties of JV and associated company, FY2025 profit after tax, profit attributable to equity holders and EPS would have been S$19.1 million, S$19.0 million and 3.9 cents, respectively (FY2024: S$30.0 million, S$27.4 million and 5.6 cents).

27 February 2026, Singapore – Far East Orchard Limited ("Far East Orchard", and together with its subsidiaries, the "Group") reported lower profit after tax of S$54.8 million for the full year ended 31 December 2025 ("FY2025") (FY2024: S$61.3 million), due to lower net fair value gains on the PBSA portfolio, softer performance from the hospitality business segment and higher interest expense. These were partly mitigated by higher Property segments contributions and one-off gains (from the acquisition of an additional stake in a property JV and re-measurement gains recognised on completion of the second-stage HFS phased acquisition).

Revenue was up 29.1% year-on-year to S$247.6 million, driven mainly by the consolidation of HFS following the stage two acquisition and expansion of the Japan hospitality business.

Operating profit declined to S$64.2 million (FY2024: S$77.8 million), mainly due to a S$3.0 million fair value loss of a PBSA JV development asset, compared to a S$10.7 million gain in FY2024. Excluding share of fair value gains/losses on investment properties of an associated company and a joint venture,

[1] Newly opened Japan properties in 2025 – Far East Village Hotel Osaka, Namba South and Far East Village Hotel Osaka, Honmachi.
[2] An additional 6.7% interest in Woodlands Square Pte. Ltd. ("Property JV") was acquired in January 2025.

operating profit for FY2025 and FY2024 would be S$64.6 million and S$66.8 million, respectively, a marginal decline of 3.3%.

The PBSA segment was impacted by higher operating costs, partially mitigated by HFS' full-year contributions (49%-stake in first 9-month, increasing to 84%-stake from 30 September 2025).

Hospitality business operating performance moderated during the year, mainly due to lower contributions from Australia and Europe hospitality JVs, which were impacted by the March 2025 cybersecurity incident previously disclosed and a one-off legal liability recognised. Europe saw weaker performance in 2025, following a stronger event calendar in 2024. Certain owned and leased hospitality properties were affected by ongoing refurbishment and surrounding works, while the Singapore hospitality management business faced higher operating costs. The expansion of Japan's hospitality business mitigated the soft performance, supported by newly added managed hotels and higher room rates across the Japan portfolio.

The Property segments recorded higher contributions, supported by higher rentals and increased shareholding in a property JV. This helped mitigate softer core operating business performances.

In line with the Group's objective of delivering sustainable returns to shareholders, and taking into consideration the Group's operating performance, cash flow position and strategic priorities, the Board has proposed a first and final dividend of 4.0 Singapore cents per share.

Outlook

FEOR30 Strategy & Overall Outlook

The Group has commenced its next five-year strategy, FEOR30, focusing on strengthening and scaling an integrated lodging platform established under its FEOR25 strategy, to build earnings resilience and grow recurring income. This will be supported by disciplined capital allocation, selective use of third-party capital, and continued optimisation of the Hospitality and PBSA portfolios.

Global conditions in 2026 are expected to remain challenging, with risks from trade and geopolitical uncertainties, potential market volatility, and financing cost pressures[3], which may moderate short-term performance. Against this backdrop, the Group remains focused on executing FEOR30 to scale its lodging platform for sustainable long-term growth.

Hospitality

Global tourism is projected to grow at a normalised pace of 3% to 4% in 2026, supported by consumer demand and air connectivity. Operating conditions across markets are expected to remain mixed, reflecting ongoing cost pressures[4] and geopolitical uncertainties. In Singapore, the hospitality sector is expected to benefit from a pipeline of major leisure and MICE-related events.[5] However, short-term performance may be moderated by cost pressures and competitive dynamics.

In Japan, following a record-breaking 2025 fuelled by post-COVID recovery and the Osaka Expo (42.7 million foreign visitors), the hospitality sector is expected to moderate in 2026[6]. While ADRs will remain high, growth is expected to be lower than 2025 levels as demand stabilises. Ongoing political tensions between Japan and China have led to a decline in Chinese arrivals since November 2025, which may affect short-term performance. However, Japan's underlying fundamentals, international MICE pipeline, and a relatively weaker Yen remain supportive of the hospitality sector.

Australia's tourism recovery to continue in 2026, with international visitor numbers projected to return

[3] The International Monetary Fund (IMF). "Resilient growth as technology and adaptability offset trade policy headwinds". Jan 2026.
[4] UN Tourism. "International tourist arrivals up 4% in 2025 reflecting strong travel demand around the world." Jan 2026.
[5] STB. "Record Singapore tourism receipts from January to September 2025." Feb 2026.
[6] Savills, "Record inbound tourism fuels hotel sector growth". Feb 2026.

to pre-COVID levels and domestic visitors are expected to grow modestly.[7] Continued growth in international tourism and major events in key cities, along with the expansion of aviation capacity and the opening of Western Sydney Airport, is expected to support demand. However, ongoing refurbishment works at certain Group's properties are expected to temper short-term performance but support longer-term competitiveness.

UK PBSA

The UK PBSA sector in 2026 is expected to normalise following several years of elevated growth. UCAS' January 2026 cycle data showed a 3.1% year-on-year increase in university applicants to 619,360, with international applicants rising to 124,830 (+5.1%), of which China (+10%) remains the top source. Applicants to higher-ranking universities continued to increase compared to lower-ranking universities[8]. While structural demand fundamentals remain supportive overall, rental growth has moderated. Certain cities face more challenges due to less favourable demand-supply dynamics, resulting in lower occupancy. Development activities continue to be constrained by high construction costs and regulatory requirements[9], limiting the delivery of new supply in the short-term compared to pre-COVID-19 levels.

The Group remains cognisant of current market conditions and will focus on operational efficiency and cost discipline, supported by HFS capabilities, while continuing to build fund management capabilities to pursue selective growth opportunities and enhance portfolio flexibility.

Mr Alan Tang, Group Chief Executive Officer of Far East Orchard, said, "Our AY25/26 owned UK PBSA portfolio occupancy was slightly lower than last year, in line with broader market performance. Pre-leasing for the next academic year (AY26/27) is tracking positively, marginally ahead of the same period last year for AY25/26. FY2025 saw positive momentum, with the closing of our first fund, expansion of our Japan hospitality business, and the stepped-up acquisition of HFS, positioning us to unlock greater synergies and accelerate growth. With that, the Group will likely see higher revenue contribution from the UK market."

He added, "Under our five-year FEOR30 strategy, the Group remains focused on strengthening and scaling our integrated lodging platform. We are also prudently allocating capital, balancing market risks, growing recurring income streams, and enhancing earnings resilience to support long-term performance and strategic objectives amid a challenging operating environment."

– END –

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

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[7] Tourism Research Australia (TRA). "Tourism forecast for Australia". 2026
[8] UCAS, "Growing 18-year-old population pushes UK university applicant numbers higher". 28 Jan 2026
[9] CBRE "Reports Positive Total Returns for PBSA Despite Market Challenges". Nov 2025.

Addendum
FY2025 Operational Highlights

Hospitality
As at 31 December 2025, the Group owns and manages over 100 properties with more than 18,000 hospitality rooms across 11 countries.

- *New Openings:*
  - 11 April 2025: Far East Village Hotel Namba South (77-room)
  - 15 July 2025: Far East Village Hotel Osaka, Honmachi (165-room)
  - TFE Hotels added four hotels of approximately 380 rooms, including Adina's debut in the UK in Cambridge and Glasgow.

- *Ongoing refurbishments/ works:*
  - Rendezvous Hotel Perth Scarborough (337-room) – multi-year refurbishment programme commencing October 2024 (carried out in three phases) with expected completion in 2028; Room renovations completed; Second phase of the works expected to commence in Q2 2026. Hotel remains operational throughout refurbishment.
  - Rendezvous Hotel Melbourne (340-room) – expecting to commence a 12-month façade refresh works in Q2 2026
  - Adina Apartment Hotel Sydney Darling Harbour (114-room) – Closed for major refurbishment from October 2025. Expected completion in 2nd half 2026.
  - Adina Frankfurt Neue Oper (139-room) – Refresh refurbishment works ongoing, while hotel remains operational. Expected completion in 2nd half 2026.
  - Orchard Rendezvous Hotel, Singapore (the Group's leased and managed property) – Affected by nearby construction activity; ongoing impact expected over the next few years.

UK PBSA
The Group's owned PBSA portfolio comprises over 3,700 operational beds across 13 properties, and three development projects in Bristol, Glasgow and Manchester. Upon completion of the current developments, the UK PBSA portfolio will exceed 4,900 beds across 16 properties. Together with HFS, the Group will own and operate approximately 60,000 PBSA beds.

Portfolio occupancy for the operational beds for the academic year commencing September 2025 ("AY25/26") is 88% (AY24/25: 92%).

- *PBSA Platform Expansion:*
  - Completed HFS Stage 2 acquisition on 30 September 2025, increasing stake from 49% to 84%, making HFS a subsidiary. Since the initial 49% stake acquisition in April 2024, HFS' managed beds portfolio has grown by approximately 15,000 beds. As at 31 December 2025, HFS manages over 55,000 beds across the UK and Ireland.
  - Pipeline includes developments in Bristol (706-bed), expected completion in 2026; Glasgow (273-bed), expected completion in 2027; and Manchester (239-bed), expected completion in 2028.

- *PBSA Fund Management & Investment:*
  - The Group's private fund, FE UK Student Accommodation Development Fund (FESAD), achieved final close in June 2025 with £96 million in committed capital. Funds have been deployed to developments at:
    - Osborne Street, Glasgow; and
    - Plymouth Grove, Manchester.

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 18,000 rooms in Australia, Austria, Denmark, Germany, Hungary, Japan, Malaysia, New Zealand, Singapore, Switzerland and the UK, across 10 distinct brands.

Far East Orchard's PBSA portfolio comprises over 3,700 beds across key cities in the UK, with three developments underway in Bristol, Glasgow and Manchester. Upon completing these projects, the portfolio will exceed 4,900 beds across 16 properties. In 2024, the Group acquired a 49% stake in Homes for Students ("HFS"), a leading UK PBSA operator managing over 55,000 beds. In September 2025, the Group increased its stake to 84%. This acquisition, along with the establishment of a private student accommodation fund, further strengthens the Group's position in the UK market. With HFS, the Group's total portfolio comprises approximately 60,000 owned and managed beds.

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

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