



## **FAR EAST ORCHARD LIMITED AND ITS SUBSIDIARIES**

(Registration No. 196700511H)

### **UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

For the Six Months and Full Year Ended 31 December 2025

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**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	6 months ended 31 December			12 months ended 31 December		
		2025 \$'000	2024 \$'000	Increase/ (Decrease) %	2025 \$'000	2024 \$'000	Increase/ (Decrease) %
<b>Revenue</b>	4	<b>156,284</b>	94,544	65.3	<b>247,633</b>	191,873	29.1
Cost of sales		<b>(95,440)</b>	(47,712)	100.0	<b>(136,488)</b>	(93,605)	45.8
<b>Gross profit</b>		<b>60,844</b>	46,832	29.9	<b>111,145</b>	98,268	13.1
Expenses							
- Distribution and marketing		<b>(6,433)</b>	(6,311)	1.9	<b>(11,559)</b>	(10,925)	5.8
- Administrative		<b>(33,731)</b>	(24,722)	36.4	<b>(55,893)</b>	(46,155)	21.1
<b>Operating profit</b>		<b>20,680</b>	15,799	30.9	<b>43,693</b>	41,188	6.1
Other income							
- Interest income		<b>1,923</b>	2,765	(30.5)	<b>4,268</b>	6,339	(32.7)
- Others		<b>1,136</b>	1,363	(16.7)	<b>1,677</b>	2,216	(24.3)
Finance expenses		<b>(19,482)</b>	(17,132)	13.7	<b>(38,427)</b>	(34,249)	12.2
Other gains/(losses) and impairment losses – net		<b>23,219</b>	24,910	(6.8)	<b>33,887</b>	26,796	26.5
Share of profit/(loss) of							
- Associated companies		<b>7,581</b>	2,517	>100	<b>14,566</b>	4,770	>100
- Joint ventures		<b>974</b>	19,829	(95.1)	<b>(538)</b>	25,749	nm
<b>Profit before income tax</b>	5	<b>36,031</b>	50,051	(28.0)	<b>59,126</b>	72,809	(18.8)
Income tax credit/(expense)	6	<b>690</b>	(8,430)	nm	<b>(4,368)</b>	(11,520)	(62.1)
<b>Profit after income tax</b>		<b>36,721</b>	41,621	(11.8)	<b>54,758</b>	61,289	(10.7)
<b>Other comprehensive income/(loss):</b>							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Cash flow hedges – Fair value gains/(losses)		<b>217</b>	(4,013)	nm	<b>(2,559)</b>	(3,583)	(28.6)
Share of other comprehensive income/(loss) of joint ventures		<b>680</b>	(1,403)	nm	<b>(1,094)</b>	(939)	16.5
Currency translation differences arising from consolidation							
- Gains/(Losses)		<b>3,489</b>	(9,427)	nm	<b>7,529</b>	(7,324)	nm
- Reclassification		-	152	(100.0)	-	152	(100.0)
		<b>4,386</b>	(14,691)	nm	<b>3,876</b>	(11,694)	nm
<i>Items that will not be reclassified subsequently to profit or loss:</i>							
Share of other comprehensive income/(loss) of:							
- Associated companies		<b>1,918</b>	(415)	nm	<b>38</b>	(2,199)	nm
- Joint ventures		<b>11,365</b>	6,269	81.3	<b>14,335</b>	6,991	>100
Revaluation losses on property, plant and equipment – net		<b>(10,327)</b>	(552)	>100	<b>(11,031)</b>	(1,300)	>100
Financial assets, at fair value through other comprehensive income ("FVOCI") – Fair value gains – equity investments		<b>202</b>	369	(45.3)	<b>202</b>	369	(45.3)
Currency translation differences arising from consolidation		<b>1,771</b>	(4,950)	nm	<b>1,762</b>	(5,000)	nm
<b>Other comprehensive income/(loss), net of tax</b>		<b>9,315</b>	(13,970)	nm	<b>9,182</b>	(12,833)	nm
<b>Total comprehensive income</b>		<b>46,036</b>	27,651	66.5	<b>63,940</b>	48,456	32.0
<b>Profit attributable to:</b>							
Equity holders of the Company		<b>34,415</b>	40,740	(15.5)	<b>54,006</b>	58,968	(8.4)
Non-controlling interest		<b>2,306</b>	881	>100	<b>752</b>	2,321	(67.6)
		<b>36,721</b>	41,621	(11.8)	<b>54,758</b>	61,289	(10.7)
<b>Total comprehensive income/(loss) attributable to:</b>							
Equity holders of the Company		<b>38,999</b>	30,928	26.1	<b>58,021</b>	50,231	15.5
Non-controlling interest		<b>7,037</b>	(3,277)	nm	<b>5,919</b>	(1,775)	nm
		<b>46,036</b>	27,651	66.5	<b>63,940</b>	48,456	32.0
<b>Basic and diluted earnings per share for profit attributable to equity holders of the Company (cents per share)</b>		<b>7.01</b>	8.33	(15.8)	<b>11.02</b>	12.07	(8.7)

nm: not meaningful

## B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		31 December 2025 \$'000	31 December 2024 \$'000	31 December 2025 \$'000	31 December 2024 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	7	178,749	200,888	35,464	82,737
Derivative financial instruments		-	793	-	12
Trade and other receivables		80,319	50,079	162,378	181,871
Inventories		254	302	12	13
Properties held for sale		163,382	168,461	-	-
		<u>422,704</u>	<u>420,523</u>	<u>197,854</u>	<u>264,633</u>
<b>Non-current assets</b>					
Derivative financial instruments		-	262	-	262
Financial asset, at FVOCI		3,111	3,047	3,111	3,047
Other non-current assets		499	4,674	589,135	516,594
Investments in associated companies	8	251,111	64,521	696	696
Investments in joint ventures	8	322,795	484,252	300	300
Investments in subsidiaries		-	-	886,370	856,520
Investment properties	9	1,030,534	1,011,382	158,000	147,200
Property, plant and equipment	10	538,705	549,705	353,328	369,413
Intangible assets	11	191,034	98,838	-	-
Deferred income tax assets		4,270	4,259	3,001	3,229
		<u>2,342,059</u>	<u>2,220,940</u>	<u>1,993,941</u>	<u>1,897,261</u>
<b>Total assets</b>		<u>2,764,763</u>	<u>2,641,463</u>	<u>2,191,795</u>	<u>2,161,894</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		149,733	113,344	40,875	40,038
Current income tax liabilities		4,375	5,093	-	592
Lease liabilities		10,717	9,566	7,667	7,200
Borrowings	12	151,641	326,496	62,753	201,157
Deferred income		20,409	18,289	6,797	6,797
		<u>336,875</u>	<u>472,788</u>	<u>118,092</u>	<u>255,784</u>
<b>Non-current liabilities</b>					
Other payables		121,696	102,949	198,930	203,654
Derivative financial instruments		2,663	1,171	2,552	1,171
Lease liabilities		68,633	77,976	51,091	58,759
Borrowings	12	495,629	277,640	427,732	242,961
Deferred income		242,327	249,124	242,327	249,124
Deferred income tax liabilities		71,692	63,656	619	754
		<u>1,002,640</u>	<u>772,516</u>	<u>923,251</u>	<u>756,423</u>
<b>Total liabilities</b>		<u>1,339,515</u>	<u>1,245,304</u>	<u>1,041,343</u>	<u>1,012,207</u>
<b>NET ASSETS</b>		<u>1,425,248</u>	<u>1,396,159</u>	<u>1,150,452</u>	<u>1,149,687</u>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	13	552,569	550,723	552,569	550,723
Revaluation and other reserves		334,431	341,516	291,721	302,520
Retained profits		523,850	495,441	306,162	296,444
		<u>1,410,850</u>	<u>1,387,680</u>	<u>1,150,452</u>	<u>1,149,687</u>
<b>Non-controlling interest</b>		<u>14,398</u>	<u>8,479</u>	<u>-</u>	<u>-</u>
<b>TOTAL EQUITY</b>		<u>1,425,248</u>	<u>1,396,159</u>	<u>1,150,452</u>	<u>1,149,687</u>

FAR EAST ORCHARD LIMITED AND ITS SUBSIDIARIES

(Registration No. 196700511H)

Unaudited Condensed Interim Consolidated Financial Statements for the Six Months and Full Year Ended 31 December 2025

**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

	Note	← The Group		Attributable to equity holders of the Company					Retained profits	Total	Non-controlling interest	Total equity
		Share capital	Capital reserve	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Hedging reserve	Other reserves				
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2025</b>												
<b>Balance at 1 January 2025</b>		<b>550,723</b>	<b>13,977</b>	<b>408,120</b>	<b>(81,070)</b>	<b>(1,480)</b>	<b>1,969</b>	<b>-</b>	<b>495,441</b>	<b>1,387,680</b>	<b>8,479</b>	<b>1,396,159</b>
Profit for the year		-	-	-	-	-	-	-	54,006	54,006	752	54,758
Other comprehensive (loss)/income for the year		-	-	(278)	7,024	240	(2,971)	-	-	4,015	5,167	9,182
<b>Total comprehensive (loss)/income for the year</b>		<b>-</b>	<b>-</b>	<b>(278)</b>	<b>7,024</b>	<b>240</b>	<b>(2,971)</b>	<b>-</b>	<b>54,006</b>	<b>58,021</b>	<b>5,919</b>	<b>63,940</b>
Dividend relating to 2024	14	-	-	-	-	-	-	-	(22,609)	(22,609)	-	(22,609)
Shares issued in-lieu of cash for dividend relating to 2024		1,846	-	-	-	-	-	-	(1,846)	-	-	-
Acquisition of a subsidiary	19(e)	-	-	-	-	-	-	-	-	-	6,330	6,330
Put option over non-controlling interests	19(e)	-	-	-	-	-	-	(11,131)	-	(11,131)	(6,330)	(17,461)
Dividend paid to non-controlling interests subject to put option		-	-	-	-	-	-	-	(1,111)	(1,111)	-	(1,111)
Total transactions with owners, recognised directly in equity		1,846	-	-	-	-	-	(11,131)	(25,566)	(34,851)	-	(34,851)
Transfer of share of associated company's fair value reserve upon disposal		-	-	-	-	31	-	-	(31)	-	-	-
<b>Balance at 31 December 2025</b>		<b>552,569</b>	<b>13,977</b>	<b>407,842</b>	<b>(74,046)</b>	<b>(1,209)</b>	<b>(1,002)</b>	<b>(11,131)</b>	<b>523,850</b>	<b>1,410,850</b>	<b>14,398</b>	<b>1,425,248</b>
<b>2024</b>												
Balance at 1 January 2024		549,380	13,977	404,854	(73,713)	339	6,078	-	454,701	1,355,616	10,254	1,365,870
Profit for the year		-	-	-	-	-	-	-	58,968	58,968	2,321	61,289
Other comprehensive income/(loss) for the year		-	-	4,559	(7,357)	(1,830)	(4,109)	-	-	(8,737)	(4,096)	(12,833)
<b>Total comprehensive income/(loss) for the year</b>		<b>-</b>	<b>-</b>	<b>4,559</b>	<b>(7,357)</b>	<b>(1,830)</b>	<b>(4,109)</b>	<b>-</b>	<b>58,968</b>	<b>50,231</b>	<b>(1,775)</b>	<b>48,456</b>
Dividend relating to 2023	14	-	-	-	-	-	-	-	(18,167)	(18,167)	-	(18,167)
Shares issued in-lieu of cash for dividend relating to 2023		1,343	-	-	-	-	-	-	(1,343)	-	-	-
Total transactions with owners, recognised directly in equity		1,343	-	-	-	-	-	-	(19,510)	(18,167)	-	(18,167)
Transfer of share of associated company's fair value reserve upon disposal		-	-	-	-	11	-	-	(11)	-	-	-
Transfer of revaluation gains to retained profits		-	-	(1,293)	-	-	-	-	1,293	-	-	-
Balance at 31 December 2024		550,723	13,977	408,120	(81,070)	(1,480)	1,969	-	495,441	1,387,680	8,479	1,396,159

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

**The Company**

	Share capital	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Hedging reserve	Retained profits	Total equity
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2025</b>							
<b>Balance at 1 January 2025</b>	<b>550,723</b>	<b>303,087</b>	<b>(480)</b>	<b>549</b>	<b>(636)</b>	<b>296,444</b>	<b>1,149,687</b>
Profit for the year	-	-	-	-	-	34,173	34,173
Other comprehensive (loss)/income for the year	-	(9,200)	(177)	202	(1,624)	-	(10,799)
<b>Total comprehensive (loss)/income for the year</b>	<b>-</b>	<b>(9,200)</b>	<b>(177)</b>	<b>202</b>	<b>(1,624)</b>	<b>34,173</b>	<b>23,374</b>
Dividend relating to 2024	-	-	-	-	-	(22,609)	(22,609)
Shares issued in-lieu of cash for dividend relating to 2024	1,846	-	-	-	-	(1,846)	-
<b>Total transactions with owners, recognised directly in equity</b>	<b>1,846</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,455)</b>	<b>(22,609)</b>
<b>Balance at 31 December 2025</b>	<b>552,569</b>	<b>293,887</b>	<b>(657)</b>	<b>751</b>	<b>(2,260)</b>	<b>306,162</b>	<b>1,150,452</b>
<b>2024</b>							
Balance at 1 January 2024	549,380	301,687	(322)	174	(81)	304,540	1,155,378
Profit for the year	-	-	-	-	-	11,414	11,414
Other comprehensive income/(loss) for the year	-	1,400	(158)	375	(555)	-	1,062
Total comprehensive income/(loss) for the year	-	1,400	(158)	375	(555)	11,414	12,476
Dividend relating to 2023	-	-	-	-	-	(18,167)	(18,167)
Shares issued in-lieu of cash for dividend relating to 2023	1,343	-	-	-	-	(1,343)	-
Total transactions with owners, recognised directly in equity	1,343	-	-	-	-	(19,510)	(18,167)
Balance at 31 December 2024	550,723	303,087	(480)	549	(636)	296,444	1,149,687

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	Note	Twelve months ended	
		31 December	
		2025	2024
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Profit after income tax		54,758	61,289
Adjustments for:			
Income tax expense		4,368	11,520
Depreciation of property, plant and equipment	5	16,804	16,734
Amortisation of intangible assets	5	3,250	2,221
Allowance for impairment losses on trade receivables - net		502	2,292
Impairment of properties held for sale	5	5,709	3,102
(Reversal of)/Impairment of property, plant and equipment	5	(237)	21
Fair value gains on investment properties – net	5	(8,007)	(32,288)
Fair value gain on derivatives (non-designated)	5	(54)	-
Gain on acquisition of additional interest in a joint venture	5	(9,122)	-
Remeasurement gain on previously held interest in an associated company	5	(19,783)	-
Gain on disposal of non-current asset classified as held-for-sale	5	-	(5,867)
Loss on disposal of property, plant and equipment		4	2
Reclassification of exchange differences from currency translation reserve	5	-	152
Interest income	5	(4,268)	(6,339)
Finance expenses	5	38,427	34,249
Distribution income from FVOCI		(848)	-
Share of profit of associated companies		(14,566)	(4,770)
Share of loss/(profit) of joint ventures		538	(25,749)
Unrealised currency translation (gains)/losses		(2,438)	7,930
		<b>65,037</b>	<b>64,499</b>
Change in working capital:			
Trade and other receivables		(869)	1,648
Inventories		51	88
Trade and other payables		(4,419)	(4,394)
Cash generated from operations		<b>59,800</b>	<b>61,841</b>
Interest paid		(224)	(225)
Income tax paid – net		(5,883)	(6,119)
<b>Net cash provided by operating activities</b>		<b>53,693</b>	<b>55,497</b>
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment	10	(9,368)	(5,930)
Additions to investment properties	9	(1,774)	(2,222)
Additions to intangible assets		(767)	-
Proceeds from disposal of non-current asset classified as held-for-sale		-	15,757
Investment in a financial asset, at FVOCI		(39)	(773)
Investment in an associated company		(25,075)	(30,755)
Investment in joint ventures		(7,007)	(6,152)
Disposal of property, plant and equipment		3	-
Acquisition of businesses, net of cash acquired	19	(20,408)	-
Repayment/(advances) to joint ventures		572	(8,107)
Advances from joint ventures		15,949	9,193
Dividends received from an associated company		-	832
Dividends received from joint ventures		10,309	11,891
Distribution income from FVOCI		848	-
Interest received		4,584	6,865
Income tax paid – net		(706)	(1,038)
<b>Net cash used in investing activities</b>		<b>(32,879)</b>	<b>(10,439)</b>

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

	Note	Twelve months ended 31 December	
		2025 \$'000	2024 \$'000
<b>Cash flows from financing activities</b>			
Decrease in bank deposits pledged		3,779	1,667
Proceeds from borrowings		141,841	64,824
Repayment of borrowings		(105,915)	(69,380)
Repayment of advances from non-controlling interests		(9,796)	-
Principal payment of lease liabilities		(9,718)	(8,987)
Dividend paid to non-controlling interests subject to put options		(1,111)	-
Interest paid on lease liabilities		(4,954)	(5,483)
Interest paid on borrowings		(32,863)	(28,367)
Dividends paid to equity holders of the Company		(22,609)	(18,167)
<b>Net cash used in financing activities</b>		<b>(41,346)</b>	<b>(63,893)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(20,532)</b>	<b>(18,835)</b>
<b>Cash and cash equivalents</b>			
Beginning of financial year		179,194	202,271
Effects of currency translation on cash and cash equivalents		2,172	(4,242)
<b>End of financial year</b>	7	<b>160,834</b>	<b>179,194</b>

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) Certain advances from joint ventures as at 31 December 2024 were settled through non-cash distributions declared by the joint ventures, amounting to \$9,718,000.
- (b) In connection with the Group's fund investment during the financial year, advances to joint ventures of \$5,822,000 were reclassified to investments in joint ventures pursuant to a capital restructuring.

## **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 and full year ended 31 December 2025 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 and full year ended 31 December 2025 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 2024. 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 2024.

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 2024 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 dollar, which is the Company's functional currency.

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

On 1 January 2025, 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 year. 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 financial statements.

#### **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 2024.

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 businesses are not affected significantly by seasonal or cyclical factors during the six months and full year ended 31 December 2025.

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

**4. Revenue**

	Group			
	6 months ended 31 December		12 months ended 31 December	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Revenue from contracts with customers	125,032	62,614	178,542	123,308
Rental income	31,252	31,930	69,091	68,565
	<b>156,284</b>	<b>94,544</b>	<b>247,633</b>	<b>191,873</b>

*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			
	6 months ended 31 December		12 months ended 31 December	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Hospitality ownership and operations				
– Singapore	18,561	19,813	34,711	37,551
– Australia	25,103	24,224	44,225	50,436
– Japan	6,973	3,180	11,020	6,256
– Other countries	3,046	3,059	5,256	5,234
	<b>53,683</b>	<b>50,276</b>	<b>95,212</b>	<b>99,477</b>
Hospitality management and other related fees received/receivable				
Singapore				
– Other related parties*	12,092	11,704	23,202	22,997
Japan				
– Other related parties*	259	261	486	461
– Joint venture*	448	373	837	373
Student accommodation management and other related fees received/receivable				
United Kingdom	58,550	-	58,805	-
Total revenue from contracts with customers	<b>125,032</b>	<b>62,614</b>	<b>178,542</b>	<b>123,308</b>

\*Other 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					
	6 months ended 31 December			12 months ended 31 December		
	2025 \$'000	2024 \$'000	Increase/ (Decrease) %	2025 \$'000	2024 \$'000	Increase/ (Decrease) %
The following items were credited/(charged) to the income statement:						
<u>Other income</u>						
Interest income from bank deposits (a)	1,894	2,717	(30.3)	4,186	6,247	(33.0)
Interest income from advances to joint venture	29	48	(39.6)	82	92	(10.9)
Government grant income (b)	13	1,075	(98.8)	325	1,637	(80.1)
<u>Cost of sales and administrative expenses</u>						
Depreciation of property, plant and equipment						
– right-of-use assets (Note 10)	(4,502)	(4,350)	3.5	(8,852)	(8,701)	1.7
– other property, plant and equipment (Note 10)	(4,029)	(4,143)	(2.8)	(7,952)	(8,033)	(1.0)
Amortisation of intangible assets	(2,140)	(1,111)	92.6	(3,250)	(2,221)	46.3
Allowance for impairment losses on trade receivables - net	(591)	(1,967)	(70.0)	(502)	(2,292)	(78.1)

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

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

**5.1 Significant items** (continued)

	Group					
	6 months ended 31 December			12 months ended 31 December		
	2025 \$'000	2024 \$'000	Increase/ (Decrease) %	2025 \$'000	2024 \$'000	Increase/ (Decrease) %
The following items were credited/(charged) to the income statement: (continued)						
<u>Other gains/(losses) and impairment losses – net</u> (Impairment)/Reversal of impairment of:						
– properties held for sale (c)	(5,709)	(3,102)	84.0	(5,709)	(3,102)	84.0
– other property, plant and equipment (Note 10)	12	14	(14.3)	237	(21)	nm
Fair value gains on investment properties – net (Note 9)	7,744	32,288	(76.0)	8,007	32,288	(75.2)
Fair value gain on derivatives (non-designated)	-	-	-	54	-	nm
Gain on acquisition of additional interest in a joint venture (d)	-	-	-	9,122	-	nm
Remeasurement gain on previously held interest in an associated company (e)	19,783	-	nm	19,783	-	nm
Gain on disposal of non-current asset classified as held-for-sale (f)	-	5,867	(100.0)	-	5,867	(100.0)
Currency exchange gains/(losses) – net	1,393	(10,003)	nm	2,397	(8,082)	nm
Reclassification of exchange differences from currency translation reserve	-	(152)	(100.0)	-	(152)	(100.0)
<u>Finance expenses</u>						
Interest expense for:						
– bank borrowings (a)	(16,247)	(18,595)	(12.6)	(32,841)	(37,068)	(11.4)
– advances from non-controlling interests	(718)	(669)	7.3	(1,475)	(1,331)	10.8
– lease liabilities	(2,415)	(2,675)	(9.7)	(4,954)	(5,483)	(9.6)
Cash flow hedges, reclassified from hedging reserves (a)	(102)	4,807	nm	843	9,633	(91.2)
Total finance expenses	(19,482)	(17,132)	13.7	(38,427)	(34,249)	12.2

nm: not meaningful

- (a) Interest income from bank deposits declined for the six months and full year ended 31 December 2025 due to lower bank deposits and reduced interest rates.

Interest expense on bank borrowings, after including effects of cash flow hedges, increased for the six months and full year ended 31 December 2025 due to the expiration of a low-rate fixed interest hedge on certain borrowings in December 2024.

- (b) Government grant income declined for the six months and full year ended 31 December 2025 due to lesser grants received from the Singapore government.
- (c) Impairment charge was recognised on a mixed development held for sale in the UK based on its net realisable value. The net realisable value was derived with reference to indicative market price as at 31 December 2025.
- (d) A one-off gain on the acquisition of additional interest in a property joint venture in Singapore was recognised during the full year ended 31 December 2025 as the purchase consideration was lower than the fair value of the additional share of net assets acquired (Note 8(b)).
- (e) A one-off gain in relation to the re-measurement of the Group's previously held 49% equity interest in Homes for Students Limited was recognised following completion of the second stage of the phased acquisition (Note 8(c)).
- (f) A gain on disposal of a hotel property in Perth, Australia of \$5,867,000 was recognised in 2024 subsequent to the completion of the sale in December 2024.

**5.2 Related party transactions**

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

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

**6. Income tax (credit)/expense**

	Group			
	6 months ended		12 months ended	
	31 December	2024	31 December	2024
	<b>2025</b>		<b>2025</b>	
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Tax expense attributable to profit is made up of:				
Profit for the financial year:				
- Current income tax	3,268	4,245	8,981	7,877
- Deferred income tax	<b>(2,014)</b>	4,906	<b>(2,047)</b>	4,811
	<b>1,254</b>	9,151	<b>6,934</b>	12,688
(Over-provision)/Under-provision in prior financial years:				
- Current income tax	<b>(1,944)</b>	(1,168)	<b>(2,566)</b>	(1,168)
- Deferred income tax	-	447	-	-
	<b>(690)</b>	8,430	<b>4,368</b>	11,520

**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	
	31 December	31 December
	2025	2024
	<b>\$'000</b>	\$'000
Cash and bank balances	<b>178,749</b>	200,888
Less: Bank deposits pledged	<b>(17,915)</b>	(21,694)
Cash and cash equivalents per condensed interim consolidated statement of cash flows	<b>160,834</b>	179,194

Please refer to Note 19 for the effects of acquisition of businesses on the cash flows of the Group.

**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 is accounted for as a joint venture.

As at 31 December 2025, the Group had committed £35.0 million to the Fund, of which £10,826,000 (approximately \$18,754,000) was injected as capital. The remaining committed capital, based on the Group’s proportionate interest, amounted to £24,174,000 (approximately \$41,876,000).

- (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 \$9,122,000 was recognised in “Other gains/(losses) and impairment losses - net” (Note 5.1(d)). 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 30 September 2025, the Group completed the second stage of the phased acquisition of its interest in Homes for Students Limited (“HFS”), increasing its equity interest from 49% to 84% and resulting in the Group obtaining control over HFS. As such, HFS was reclassified from an associate to a subsidiary and the Group’s previously held equity interest in HFS was remeasured to fair value, with reference to the purchase consideration, resulting in a gain on remeasurement of \$19,783,000 that was recognised in profit or loss under “Other gains/(losses) and impairment losses - net” (Note 5.1(e)).

Further details of the acquisition are set out in Note 19.

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

### 8. Investments in associated companies and joint ventures (continued)

- (d) 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. The matter is currently before the Court of Appeal.

Even if the claimants are successful in their claims, the maximum potential financial exposure estimated is not expected to have a material impact on the Group’s financial position and ability to continue its existing business operations. As at 31 December 2025, no provision has therefore been made on the claims.

- (e) 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. As at 31 December 2024, no provision has been made as the legal advice obtained by the joint venture entity indicates that it is not probable that a material liability will arise. In September 2025, subsequent to a court judgment issued against Toga Trust, a one-off recognition of the liability in relation to this claim has been recognised accordingly.
- (f) During the financial year ended 31 December 2025, the Group extended advances of £350,000 (\$608,000) to a joint venture developing a purpose-built student accommodation project in Bristol, UK. The Group will provide additional funding of £408,000 (approximately \$706,000), if called.

### 9. Investment properties

	Group		Company	
	31 December 2025 \$’000	31 December 2024 \$’000	31 December 2025 \$’000	31 December 2024 \$’000
Beginning of financial year	1,011,382	967,750	147,200	142,800
Additions – Subsequent expenditure	1,774	2,222	-	-
Net fair value gains recognised in profit or loss (Note 5.1)	8,007	32,288	10,800	4,400
Currency translation differences	9,371	9,122	-	-
End of financial year	<b>1,030,534</b>	1,011,382	<b>158,000</b>	147,200
Comprised: Completed properties	<b>1,030,534</b>	1,011,382	<b>158,000</b>	147,200

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

The Group engages external, independent and qualified valuers to determine the fair value of its investment properties on an annual basis or whenever there are indicators that carrying amounts may differ materially from fair values, based on the properties’ highest and best use. Management reviews the valuation reports, assesses movements against prior year valuations and discusses key assumptions with the independent valuers.

The Group’s investment properties and land and buildings classified under property, plant and equipment (Note 10) are measured at fair value using valuation techniques that incorporate significant unobservable inputs and are therefore categorised as Level 3 in the fair value hierarchy. The valuation techniques applied include sales comparison, discounted cash flow, and income capitalisation methods.

In assessing whether the fair values remained appropriate, management considered whether any movement in market data, such as discount rates, capitalisation rates, changes in underlying cash flows or sales comparable adopted in the valuations are reasonable. There have been no significant changes in the valuation methodologies used by the valuers compared to the last financial year-end.

As at 31 December 2025, the fair value of the investment properties amounted to \$1,030,534,000 (31 December 2024: \$1,011,382,000).

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

**9. Investment properties** (continued)

**Reconciliation of fair value measurement to valuation report**

	Group		Company	
	31 December 2025 \$'000	31 December 2024 \$'000	31 December 2025 \$'000	31 December 2024 \$'000
Fair value of investment properties based on valuation report	1,031,612	1,012,410	158,000	147,200
Less: carrying amount of accrued receivables	(1,078)	(1,028)	-	-
Carrying amount of investment properties	1,030,534	1,011,382	158,000	147,200

**10. Property, plant and equipment**

	Group						
	Freehold and leasehold land \$'000	Building and office \$'000	Plant, equipment, furniture and fittings \$'000	Construction -in-progress \$'000	Motor vehicles \$'000	Leasehold improvements and other assets \$'000	Total \$'000
<b>Year ended 31 December 2025</b>							
Beginning net book value	373,870	157,144	7,721	1,611	47	9,312	549,705
Currency translation differences	1,133	1,845	62	16	-	98	3,154
Acquisition of businesses (Note 19)	-	1,528	800	-	-	-	2,328
Additions	-	-	2,777	6,588	-	3	9,368
Disposals	-	-	(7)	-	-	-	(7)
Transfers	-	-	57	(98)	-	41	-
Reversal of impairment loss (Note 5.1)	-	12	225	-	-	-	237
Revaluation adjustments – other comprehensive loss	(8,347)	(929)	-	-	-	-	(9,276)
Depreciation charge (Note 5.1)	-	(13,414)	(2,023)	-	(47)	(1,320)	(16,804)
End of financial year	366,656	146,186	9,612	8,117	-	8,134	538,705
<b>As at 31 December 2025</b>							
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)
<b>Net book value</b>	<b>366,656</b>	<b>146,186</b>	<b>9,612</b>	<b>8,117</b>	<b>-</b>	<b>8,134</b>	<b>538,705</b>
<b>As at 31 December 2024</b>							
Cost	-	162,191	62,043	1,611	865	15,386	242,096
Valuation	373,870	92,734	-	-	-	-	466,604
	373,870	254,925	62,043	1,611	865	15,386	708,700
Accumulated depreciation and impairment losses	-	(97,781)	(54,322)	-	(818)	(6,074)	(158,995)
Net book value	373,870	157,144	7,721	1,611	47	9,312	549,705

As at 31 December 2025, the Group's carrying value of property, plant and equipment included right-of-use assets amounting to \$57,079,000 (2024: \$64,412,000).

**Company**

During the financial year ended 31 December 2025, the Company acquired property, plant, and equipment amounting to \$591,000. No right-of-use assets were acquired, and disposed assets with carrying value of \$1,000.

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

**10. Property, plant and equipment** (continued)

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

The Group engages external, independent and qualified valuers to determine the fair value of the Group's land and buildings classified as property, plant and equipment, on an annual basis and whenever their carrying amounts are likely to differ materially from their revalued amounts, based on the properties' highest and best use.

At the end of each financial reporting period, management assesses whether the fair values of the Group's properties remain appropriate and engages external, independent and qualified valuers when deemed necessary. The valuation techniques applied incorporate significant unobservable inputs and the resulting fair value measurements are categorised as Level 3 in the fair value hierarchy.

External valuers were engaged for all valuations of the Group's properties as at 31 December 2025. The valuation techniques and key unobservable inputs used were consistent with those applied in the previous financial year. As at 31 December 2025, the total freehold and leasehold land and buildings of the Group amounted to \$455,758,000 (31 December 2024: \$466,604,000).

**11. Intangible assets**

Intangible assets include goodwill on acquisitions, acquired management contracts and customer relationships.

Goodwill includes (i) \$37,257,000 allocated to the Management services cash-generating-unit ("CGU") within the Group's hospitality business and (ii) \$62,957,000 arising from the acquisition of Homes for Students Limited ("HFS"), under Operations within the Student Accommodation business (Note 19).

- (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 ("FVLCTS"), which was computed using the average of the values derived 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 23(a) in the Group's annual financial statements for the year ended 31 December 2024.
- (ii) Goodwill and identifiable intangible assets were recognised on the acquisition of Homes for Students Limited following the completion of the purchase price allocation exercise. The residual goodwill is subject to annual impairment testing. As at 31 December 2025, management has assessed that the recoverable amount of goodwill arising from the acquisition approximates its carrying value given the completion date is close to year-end. Further details on the goodwill and identifiable intangible assets are disclosed in Note 19.

Based on management's assessment of the recoverable amount as at 31 December 2025, no impairment charge was recognised.

**12. Borrowings**

	Group		Company	
	31 December 2025 \$'000	31 December 2024 \$'000	31 December 2025 \$'000	31 December 2024 \$'000
Amount repayable in one year or less, or on demand (net of transaction costs)				
– Secured	88,888	125,339	-	-
– Unsecured	62,753	201,157	62,753	201,157
	<b>151,641</b>	<b>326,496</b>	<b>62,753</b>	<b>201,157</b>
Amount repayable after one year (net of transaction costs)				
– Secured	67,897	34,679	-	-
– Unsecured	427,732	242,961	427,732	242,961
	<b>495,629</b>	<b>277,640</b>	<b>427,732</b>	<b>242,961</b>
	<b>647,270</b>	<b>604,136</b>	<b>490,485</b>	<b>444,118</b>

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

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

**13. Share capital**

	Group and Company			
	Number of shares		Amount	
	31 December 2025 '000	31 December 2024 '000	31 December 2025 \$'000	31 December 2024 \$'000
Beginning of financial year	489,099	487,757	550,723	549,380
Shares issued in-lieu of dividend	1,840	1,342	1,846	1,343
End of financial year	<b>490,939</b>	489,099	<b>552,569</b>	550,723

The Company has not issued any convertibles nor holds any treasury shares as at 31 December 2025 and 31 December 2024. The Company's subsidiaries do not hold any shares in the Company as at 31 December 2025 and 31 December 2024. There were no sales, transfers, disposal, cancellation and/or use of treasury shares and subsidiary holdings as at 31 December 2025 and 31 December 2024.

**14. Dividend**

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 have been 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 have been paid in cash on 4 July 2025.

A first and final dividend of 4 cents per share amounting to a total of \$19,510,000 relating to 2023 ("FY2023 Dividend") was approved at the Annual General Meeting held on 25 April 2024. 1,341,401 new shares amounting to \$1,343,000 were allotted and issued on 5 July 2024 to the eligible shareholders who had elected to participate in the Scrip Dividend Scheme in respect of the FY2023 Dividend. Dividends amounting to \$18,167,000 were paid in cash on 5 July 2024.

At the upcoming Annual General Meeting, a first and final dividend of 4 cents per share amounting to a total of \$19,638,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in equity attributable to equity holders of the Company as an appropriation of retained profits in the financial year ending 31 December 2026.

**15. Capital commitments**

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

	Group	
	31 December 2025 \$'000	31 December 2024 \$'000
Investment properties	354	1,105
Property, plant and equipment	5,891	9,652
	<b>6,245</b>	10,757

Capital commitments as at 31 December 2025 and 31 December 2024 for property, plant and equipment relate mainly to refurbishment works for a hotel in Perth.

**16. Net asset value**

	Group		Company	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Net asset value per ordinary share based on total number of issued shares as at the end of the year	<b>\$2.87</b>	\$2.84	<b>\$2.34</b>	\$2.35

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

**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.

	Group		Company	
	31 December 2025 \$'000	31 December 2024 \$'000	31 December 2025 \$'000	31 December 2024 \$'000
<i>Assets</i>				
Derivative financial instruments – Level 2	-	1,055	-	274
Financial asset, at fair value through other comprehensive income (“FVOCI”) – Level 3	<b>3,111</b>	3,047	<b>3,111</b>	3,047
<i>Liabilities</i>				
Derivative financial instruments – Level 2	<b>2,663</b>	1,171	<b>2,552</b>	1,171

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

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**

For the year ended 31 December 2025, the Group has updated its reportable segments and restated the comparatives to better reflect the business activities of the Group and in accordance with how the Group's Group Chief Executive Officer assesses the operating segments' results. With the expansion of the Group's student accommodation business following the acquisition of Homes for Students Limited, a UK-based operator, the reportable segment under the student accommodation business has been expanded into two segments to include both the property ownership and operations segments. The freehold and leasehold land of a hotel in Singapore is classified under the property development segment, as it is held for future use. Further, certain corporate expenses have been re-classified under the respective reportable segments to better reflect the costs supporting the business segments.

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, Japan 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.

The Group manages 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) Operations

The operations segment comprises the Group's investment in a United Kingdom-based operator of purpose-built student accommodation, which is accounted for as an associate prior to 30 September 2025 and subsequently consolidated (Note 8(c)). The operator is principally engaged in the management of student accommodation assets specifically designed to serve the housing needs of students.

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 and the mixed development that are 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 investment segment in the reports reviewed by the Group's Group Chief Executive Officer.

(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 full year ended 31 December 2025 and 2024.

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

**18. Segment information** (continued)

The segment information provided to the Group Chief Executive Officer for the reportable segments are as follows:

	Hospitality			Student accommodation		Property		Total
	Management services	Operations	Property ownership	Property ownership	Operations	Development	Investment	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<u>2025</u>								
Total segment revenue	39,315	41,194	47,950	53,834	59,683	-	10,983	252,959
Inter-segment revenue	(3,770)	-	-	-	(1,556)	-	-	(5,326)
Revenue from external parties	<u>35,545</u>	<u>41,194</u>	<u>47,950</u>	<u>53,834</u>	<u>58,127</u>	<u>-</u>	<u>10,983</u>	<u>247,633</u>
Expenses include (a):								
- Depreciation of property, plant and equipment	(110)	(8,508)	(6,862)	-	(263)	-	-	(15,743)
- Amortisation of intangible assets	(2,221)	-	-	-	(1,029)	-	-	(3,250)
- Supplies and services	(3,336)	(9,607)	(11,451)	-	(35,252)	-	-	(59,646)
- Employee compensation	(11,123)	(8,853)	(15,661)	-	(17,860)	-	-	(53,497)
- Property tax and upkeep of properties	(118)	(910)	(4,875)	(11,324)	(72)	(77)	(2,228)	(19,604)
Operating profit/(loss)	5,844	10,128	(349)	24,527	1,455	(91)	8,674	50,188
Share of profit/(loss) of:								
- associated companies	-	3,745	-	-	1,631	9,190	-	14,566
- joint ventures	-	412	2,628	(3,949)	-	371	-	(538)
Total operating profit	<u>5,844</u>	<u>14,285</u>	<u>2,279</u>	<u>20,578</u>	<u>3,086</u>	<u>9,470</u>	<u>8,674</u>	<u>64,216</u>
Corporate expenses								(4,818)
Interest income								4,268
Finance expenses								(38,427)
Other gains/(losses) and impairment losses - net								<u>33,887</u>
Profit before income tax								59,126
Income tax expense								<u>(4,368)</u>
Profit after income tax								<u>54,758</u>

(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	Operations	Development	Investment	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>As at 31 December 2025</u>								
Segment assets	116,602	223,329	226,028	730,408	139,345	477,611	194,200	2,107,523
Investments in associated companies	-	36,742	-	-	-	214,371	-	251,113
Investments in joint ventures	-	167,829	92,115	27,164	-	35,685	-	322,793
	<u>116,602</u>	<u>427,900</u>	<u>318,143</u>	<u>757,572</u>	<u>139,345</u>	<u>727,667</u>	<u>194,200</u>	<u>2,681,429</u>
Corporate assets (b)								83,334
Total assets								<u>2,764,763</u>
Segment assets include:								
Additions to:								
- Investment in associated companies	-	-	-	-	-	25,075	-	25,075
- Investment in joint ventures	-	-	-	12,829	-	-	-	12,829
- Intangible assets	-	-	-	-	767	-	-	767
- Investment properties	-	-	5	1,769	-	-	-	1,774
- Property, plant and equipment	61	951	8,269	-	85	-	-	9,366

(b) During the year ended 31 December 2025, the Group acquired property, plant and equipment amounting to \$2,000 under 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	Operations	Development	Investment	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>2024</u>								
Total segment revenue	33,532	44,182	53,849	53,840	-	-	9,915	195,318
Inter-segment revenue	(3,445)	-	-	-	-	-	-	(3,445)
Revenue from external parties	30,087	44,182	53,849	53,840	-	-	9,915	191,873
Expenses include (a):								
- Depreciation of property, plant and equipment	(116)	(8,424)	(7,079)	-	-	-	-	(15,619)
- Amortisation of intangible assets	(2,221)	-	-	-	-	-	-	(2,221)
- Hospitality supplies and services	(1,831)	(10,022)	(13,441)	-	-	-	-	(25,294)
- Employee compensation	(10,395)	(8,229)	(18,203)	-	-	-	-	(36,827)
- Property tax and upkeep of properties	(179)	(925)	(5,559)	(17,495)	-	-	(2,160)	(26,318)
Operating profit/(loss)	6,759	10,396	(1,044)	26,942	(938)	(96)	5,295	47,314
Share of profit/(loss) of:								
- associated companies	-	3,293	-	-	1,477	-	-	4,770
- joint ventures	-	6,590	4,139	9,571	-	5,449	-	25,749
Total operating profit	6,759	20,279	3,095	36,513	539	5,353	5,295	77,833
Corporate expenses								(3,910)
Interest income								6,339
Finance expenses								(34,249)
Other gains/(losses) and impairment losses - net								26,796
Profit before income tax								72,809
Income tax expense								(11,520)
Profit after income tax								61,289

(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	Operations	Development	Investment	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>As at 31 December 2024</u>								
Segment assets	112,712	221,962	234,875	732,960	186	490,062	170,178	1,962,935
Investments in associated companies	-	32,958	-	-	31,563	-	-	64,521
Investments in joint ventures	-	170,254	89,389	18,311	-	206,298	-	484,252
	<u>112,712</u>	<u>425,174</u>	<u>324,264</u>	<u>751,271</u>	<u>31,749</u>	<u>696,360</u>	<u>170,178</u>	<u>2,511,708</u>
Corporate assets (b)								129,755
Total assets								<u>2,641,463</u>
Segment assets include:								
Additions to:								
- Investment in associated companies	-	-	-	-	30,755	-	-	30,755
- Investments in joint ventures	-	-	-	6,152	-	-	-	6,152
- Investment properties	-	-	208	2,014	-	-	-	2,222
- Property, plant and equipment	40	198	5,643	-	-	-	-	5,881

(b) During the year ended 31 December 2024, the Group acquired property, plant and equipment amounting to \$49,000 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, property 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	
	12 months ended 31 December	
	2025	2024
	\$'000	\$'000
Singapore	<b>68,306</b>	69,968
Australia	<b>47,559</b>	53,619
United Kingdom	<b>114,169</b>	55,962
Japan	<b>12,343</b>	7,090
Other countries	<b>5,256</b>	5,234
	<b>247,633</b>	191,873

  

	Non-current assets	
	31 December 2025	31 December 2024
	\$'000	\$'000
Singapore	<b>1,103,922</b>	1,040,973
Australia	<b>330,762</b>	327,819
United Kingdom	<b>775,137</b>	724,091
Japan	<b>39,262</b>	35,570
Other countries	<b>92,976</b>	92,487
	<b>2,342,059</b>	2,220,940

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

**19. Business combination**

On 30 September 2025, the Group acquired additional 35% interest in its associate, Homes for Students Limited (“HFS”), increasing its interest from 49% to 84% and resulting in the Group obtaining control over HFS. HFS is an entity incorporated in the United Kingdom with its principal activity being management of Purpose-Built Student Accommodation. As part of the acquisition, the Group also entered into a call and put option agreement with the non-controlling shareholders to acquire the remaining 16% shares not owned by the Group (Note (e)).

Details of the consideration paid, the assets acquired and liabilities assumed and the effects of the cash flows of the Group, at completion date, are as follows:

(a) Purchase consideration

	\$'000
Cash consideration paid	37,165
Contingent consideration	5,579
Total consideration transferred for the businesses	<u>42,744</u>

The contingent consideration payable is subject to conditions to be met and expected to be paid in March 2026. The fair value of the contingent consideration is determined based on the forecasted cost savings that will be achieved.

(b) Effects on cash flows of the Group

	\$'000
Cash paid (as above)	37,165
Less: Cash and cash equivalents acquired	<u>(16,757)</u>
Cash outflow on acquisition	<u>20,408</u>

(c) Identifiable assets acquired and liabilities assumed

	\$'000
Cash and cash equivalents	16,757
Trade and other receivables	31,804
Property, plant and equipment	2,328
Intangible assets	31,864
Deferred income tax assets	280
Total assets	<u>83,033</u>
Trade and other payables	(33,275)
Current income tax liabilities	(773)
Lease liabilities	(1,528)
Deferred income tax liabilities	<u>(7,863)</u>
Total liabilities	<u>(43,439)</u>
Net identifiable assets acquired	<u>39,594</u>

(d) Acquisition-related costs

Acquisition-related costs of \$46,000 are included in administrative expenses in the profit or loss in operating cash flows in the consolidated statement of cash flows.

**E. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS** (continued)**19. Business combination** (continued)

## (e) Goodwill arising from acquisition

	\$'000
Consideration transferred	42,744
Add: Fair value of the equity interest in the acquiree held by the acquirer immediately before the acquisition date	53,477
Less: Net amounts of the identifiable assets acquired and liabilities assumed on acquisition date	(39,594)
Add: Non-controlling interest	6,330
Goodwill arising from acquisition	<u>62,957</u>

The goodwill of \$62,957,000 arising from the acquisition is in relation to the benefit of expected synergies, technology innovation and the assembled workforce of HFS upon attaining control. These benefits were not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The Group has recognised a put option liability of \$17,461,000 granted to the non-controlling interest ("NCI") to sell their remaining 16% interest to the Group, that is exercisable after 2 November 2030, based on the present value of the redemption value in "Other payables". The anticipated-acquisition method has been elected to account for the NCI subject to put option, where the interest of NCI holding the written put option amounting to \$6,330,000, which was determined based on the proportionate share of HFS' net assets, is derecognised when the financial liability is recognised. The difference in the carrying value of the financial liability and the non-controlling interest amounting to \$11,131,000 at completion date has been recognised in "Other reserves".

## (f) Impact of acquisition on the results of the Group

HFS contributed \$58,127,000 and \$1,539,000 to the Group's revenue and profit after income tax respectively, for the period between the date of acquisition and the reporting date. If the acquisition of HFS had been completed on the first day of the financial year, the Group revenue for the year would have been \$384,076,000 and Group's profit after income tax would have been \$56,416,000.

**20. Event occurring after balance sheet date**

- (a) Subsequent to year-end, the Group entered into a sales agreement for the sale of its mixed-use development held for sale in UK. As at 31 December 2025, the mixed-use development was carried at its net realisable value after recognition of an impairment charge (see note 5.1(c)).
- (b) The Company's subsidiary, Homes for Students Limited ("HFS"), has received a Letter Before Action dated 13 February 2026 from an existing client of HFS ("Client"). The Letter Before Action states that the Client had been the subject of a cyber-fraud incident, and alleged that HFS should make payment of approximately £4.74 million ("Claim Amount") to the Client in connection with the incident. No formal action has been filed by the Client against HFS to date. Based on preliminary external legal advice, HFS has been advised that there are grounds to successfully defend the allegations in the Letter Before Action. HFS will, in consultation with its legal advisers, vigorously defend against the allegations in the Letter Before Action and any potential proceedings which may arise out of the allegations. If the Client commences formal action and is successful for the full Claim Amount, the Claim Amount is expected to result in adverse financial impact to the Group's profitability. The Group's (including HFS') IT systems and networks are completely independent from those of the Client and have not been impacted by the said cyber-fraud incident suffered by the Client. As at 31 December 2025, no provision has been made in relation to this claim.

## 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 31 December 2025 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 and year then ended and the 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 and full year ended 31 December 2025 ("2H FY25" and "FY25")

##### Revenue

Revenue for 2H FY25 increased by \$61.8 million (65.3%) to \$156.3 million (2H FY24: \$94.5 million). For FY25, revenue increased by \$55.7 million (29.1%) to \$247.6 million (FY24: \$191.9 million).

For both 2H FY25 and FY25, the increase in revenue was mainly attributable to 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 of the UK-based PBSA operator on 30 September 2025. Revenue from the Group's PBSA owned portfolio saw marginal decline due to lower occupancy rate in certain cities. As at 31 December 2025, the Group's PBSA portfolio occupancy for academic year which commenced in September 2025 ("AY25/26") was 88% (AY24/25: 92%).

In 2H FY25, revenue from the hospitality business also increased by \$4.1 million to \$69.0 million (2H FY24: \$64.9 million), mainly driven by better performance in Japan from higher room rates and additional fee contributions from newly opened hotels in Japan.

For FY25, the increase in revenue from the PBSA business was partially offset by lower revenue from the Group's hospitality business segment. Hospitality revenue declined by \$3.4 million to \$124.7 million (FY24: \$128.1 million), mainly due to weaker performance from owned hotels in Australia and leased properties in Singapore. An owned hotel in Australia was negatively impacted by ongoing refurbishment works which commenced in October 2024. In addition, a leased property in Singapore was affected by surrounding construction works. The absence of contribution from a hotel property divested in December 2024 further contributed to the decline. The lower revenue was partially offset by better performance in Japan and contributions from newly opened leased properties in Japan.

##### Gross profit

Gross profit increased by \$14.0 million (29.9%) to \$60.8 million in 2H FY25 (2H FY24: \$46.8 million) and \$12.8 million (13.1%) to \$111.1 million in FY25 (FY24: \$98.3 million) mainly due to the increase in revenue, 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 \$9.2 million to \$40.2 million in 2H FY25 (2H FY24: \$31.0 million). For FY25, total expenses increased by \$10.4 million to \$67.5 million (FY24: \$57.1 million), mainly due to higher administrative expenses arising from higher operating costs for the PBSA portfolio, and the consolidation of HFS expenses following the completion of the stage two acquisition, partially mitigated by lower allowance for impairment losses on trade receivables.

Distribution and marketing expenses were also higher by \$0.1 million and \$0.6 million in 2H FY25 and FY25, respectively, due to increased marketing efforts for the hospitality management services segment.

##### Other income

Other income, comprising mainly interest income from bank deposits and grant income, declined by \$1.0 million to \$3.1 million in 2H FY25 (2H FY24: \$4.1 million) and \$2.7 million to \$5.9 million in FY25 (FY24: \$8.6 million) due to the lower interest income, arising from lower bank deposit balances and deposit rates, as well as lesser grants received from the Singapore government. This was partially offset by the distribution income received from FVOCI.

##### Finance expenses

Finance expenses increased by \$2.4 million to \$19.5 million in 2H FY25 (2H FY24: \$17.1 million) and by \$4.2 million to \$38.4 million in FY25 (FY24: \$34.2 million), mainly due to higher borrowing costs following the expiry of fixed-rate interest swaps in December 2024.

##### Other gains/(losses) and impairment losses – net

The Group recognised net gains of \$23.2 million in 2H FY25 (2H FY24: \$24.9 million) and \$33.9 million in FY25 (FY24: \$26.8 million). The lower net gains in both periods were mainly due to lower net fair value gains on investment properties, partially offset by one-off gains and positive unrealised currency translation effects.

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

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

**(a) Group performance review for the six months and full year ended 31 December 2025 (“2H FY25” and “FY25”)**  
(continued)

**Other gains/(losses) and impairment losses – net (continued)**

Fair value gains on investment properties amounted to \$7.7 million in 2H FY25 and \$8.0 million in FY25, lower compared to 2H FY24 and FY24 (fair value gains of \$32.3 million). The lower gains were mainly due to net fair value losses on the PBSA portfolio, partially offset by valuation uplift of the freehold and leasehold land in Singapore and the medical suites.

In January 2025, the Group recognised a one-off gain of \$9.1 million arising from the acquisition of an additional stake in a property joint venture (“WS Acquisition”), as the purchase consideration was below the fair value of the acquired net assets. In 2H FY25, a \$19.8 million gain on remeasurement of the previously held 49% equity interest in HFS was recognised, following the completion of the second stage of the phased acquisition where the Group increased its equity interest to 84%.

An unrealised currency translation gain of \$1.4 million was recognised in 2H FY25 (2H FY24: loss of \$10.0 million), and \$2.4 million in FY25 (FY24: loss of \$8.1 million), arising mainly from the strengthening of AUD and GBP against SGD.

In addition, included in “Other gains/(losses) and impairment losses – net” in 2H FY25 and FY25 was an impairment charge of \$5.7 million (2H FY24 and FY24: \$3.1 million) on a mixed-use development held for sale, based on its net realisable value. In FY24, the Group recognised a \$5.9 million gain on the disposal of a hotel property in Perth, Australia.

**Share of profit/loss of associated companies and joint ventures**

The Group’s share of profit of associated companies increased to \$7.6 million in 2H FY25 (2H FY24: \$2.5 million) and \$14.6 million for FY25 (FY24: \$4.8 million), mainly due to contributions from a property joint venture in Singapore that was reclassified as an investment in associated companies following the WS Acquisition (Note 8(b)). The increase was further supported by a higher share of profits from the incremental shareholding acquired after the WS Acquisition.

The Group’s share of profit of joint ventures was \$1.0 million in 2H FY25 (2H FY24: \$19.8 million). For FY25, the share of loss of joint ventures amounted to \$0.5 million (FY24: share of profit of \$25.7 million). The decline was mainly due to fair value losses recognised by a PBSA joint venture, compared to fair value gains in the preceding year. Contributions from hospitality joint ventures in Australia and Europe were also lower due to weaker European performance (stronger event calendars in Europe in 2024) and the impact of a cyber incident in March 2025 and a one-off legal liability recognised. In addition, there was an absence of profit contribution following the reclassification of the property joint venture to an associated company in January 2025.

**Income tax expense**

Income tax expense in 2H FY25 and FY25 was lower primarily due to higher deferred tax recognised on the higher fair value gains of investment properties in 2H FY24 and FY24.

**Profit after income tax and Profit attributable to equity holders of the Company**

The Group reported a profit after income tax of \$36.7 million in 2H FY25, compared to \$41.6 million in 2H FY24. For FY25, profit after income tax was \$54.8 million (FY24: \$61.3 million). The decrease was mainly due to lower profit contributions from the hospitality business segment, higher finance costs and lower net fair value gains on investment properties, partially offset by higher contributions from newly acquired business, HFS and the property segments, and one-off gains.

Profit attributable to equity holders of the Company amounted to \$34.4 million in 2H FY25, compared to \$40.7 million in 2H FY24. For FY25, profit attributable to equity holders was \$54.0 million, compared to \$59.0 million in FY24.

**(b) Cash flow, working capital, assets or liabilities of the Group**

**Cash flow and working capital**

In FY25, the Group utilised cash and cash equivalents amounting to \$20.5 million, compared to \$18.8 million in FY24. The net decrease in cash and cash equivalents was primarily due to cash outflows for the WS Acquisition.

Net cash generated from operating activities in FY25 amounted to \$53.7 million, compared to \$55.5 million in FY24, was flat against prior year.

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

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

**(b) Cash flow, working capital, assets or liabilities of the Group (continued)**

**Cash flow and working capital (continued)**

Net cash used in investing activities was \$32.9 million in FY25, compared to \$10.4 million in FY24. Cash outflows in FY25 were mainly related to the WS Acquisition, the stage 2 acquisition of HFS and additional capital contributions to a student accommodation development fund (the "Fund"). This was partially offset by consolidation of HFS' cash balances, dividends received and advances from the hospitality joint ventures (the advances would be converted to dividends upon finalisation of the joint ventures' profits). In FY24, investing cash outflows was mainly related to the stage 1 acquisition of HFS and investments in the Fund, partially offset by advances and dividends from joint ventures and proceeds from the sale of a hotel property.

Net cash used in financing activities amounted to \$41.3 million in FY25, compared to \$63.9 million in FY24 due to lower borrowings in FY24. The cash outflows in FY25 were mainly due to draw down of borrowings to fund the Group's investment in the Fund, the stage 2 acquisition of HFS, repayment of advances to a non-controlling interest, interest payments on borrowings, and cash dividend payouts to shareholders.

**Assets**

As at 31 December 2025, total assets stood at \$2,764.8 million, an increase of \$123.3 million from 31 December 2024. The increase primarily driven by the consolidation of HFS following the completion of the second stage of the phased acquisition and the recognition of goodwill and intangible assets arising from the acquisition. The Group's investment in associated companies increased due to the reclassification of an investment in a property joint venture to investment in an associated company following the WS Acquisition, partially offset by the derecognition of HFS as an associate upon its classification as a subsidiary following the second stage acquisition.

These increases were partially offset by a reduction in investments in joint ventures arising from the reclassification and dividend declarations by joint ventures. Property, plant and equipment decreased mainly due to a revaluation loss arising from a lower valuation of freehold and leasehold land in Singapore, partly offset by additions from capital expenditure relating to refurbishment works in an Australian hotel. Cash balances also decreased mainly due to the \$25.0 million payment for the WS Acquisition, the \$22.6 million cash dividend payout to shareholders, and repayments of \$9.8 million of advances to a non-controlling interest, offset by advances from hospitality joint ventures and the consolidation of HFS' cash balances.

**Liabilities**

As at 31 December 2025, the Group's total liabilities amounted to \$1,339.5 million, an increase of \$94.2 million from 31 December 2024. The increase was primarily due to higher trade and other payables arising from the consolidation of HFS, as well as an increase in non-current other payables mainly due to the recognition of a put option liability over the remaining 16% interest in HFS. Borrowings also increased due to drawdowns to fund the Group's capital injection into the student accommodation development fund joint venture and the second stage acquisition of HFS. These increases were partially offset by the repayment of advances to a non-controlling interest and the declaration of dividends against advances from the hospitality joint ventures during the year.

**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.

**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.**

**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<sup>1</sup>, 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.

**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. (continued)**

**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<sup>2</sup> and geopolitical uncertainties. In Singapore, the hospitality sector is expected to benefit from a pipeline of major leisure and MICE-related events.<sup>3</sup> 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<sup>4</sup>. 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 to pre-COVID levels and domestic visitors are expected to grow modestly.<sup>5</sup> 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<sup>6</sup>. 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<sup>7</sup>, 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.

1 The International Monetary Fund (IMF). "Resilient growth as technology and adaptability offset trade policy headwinds". Jan 2026.

2 UN Tourism. "International tourist arrivals up 4% in 2025 reflecting strong travel demand around the world." Jan 2026.

3 STB. "Record Singapore tourism receipts from January to September 2025." Feb 2026.

4 Savills, "Record inbound tourism fuels hotel sector growth". Feb 2026. Savills, "Record inbound tourism fuels hotel sector growth". Feb 2026.

5 Tourism Research Australia (TRA). "Tourism forecast for Australia". 2026

6 UCAS, "Growing 18-year-old population pushes UK university applicant numbers higher". 28 Jan 2026

7 CBRE "Reports Positive Total Returns for PBSA Despite Market Challenges". Nov 2025.

*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.*

**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).

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

**6. Dividend**

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

The Board of Directors is pleased to recommend the following dividend in respect of the financial year ended 31 December 2025 for approval by shareholders at the next Annual General Meeting to be convened:

Name of Dividend	- First and final (One-tier tax exempt)
Dividend Type	- Cash or share in-lieu
Dividend Amount Per Share	- 4 cents – First and final dividend

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

The following dividend was declared and paid in respect of financial year ended 31 December 2024 (“FY2024 Dividend”) as approved by shareholders at the Annual General Meeting held on 25 April 2025:

Name of Dividend	- First and final (One-tier tax exempt)
Dividend Type	- Cash or share in-lieu
Dividend Amount Per Share	- 4 cents – First and final dividend

Name of Dividend	- Special (One-tier tax exempt)
Dividend Type	- Cash or share in-lieu
Dividend Amount Per Share	- 1 cent - Special dividend

1,840,557 new shares amounting to \$1,846,000 have been allotted and issued on 4 July 2025 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 have been paid in cash on 4 July 2025.

**(c) Date payable**

To be announced later.

**(d) Record date**

To be announced later.

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

Not applicable.

**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 year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
		Full year ended 31 December 2025 \$'000	Full year ended 31 December 2025 \$'000
<b>Hospitality Management income</b>			
Ariake Hospitality Kabushiki Kaisha	Each interested person is an associate of the Company's controlling shareholders.	546	-
Boo Han Holdings Pte. Ltd.		549	-
China Classic Pte Ltd		1,534	-
Commons SR Trustee Pte. Ltd.		884	-
Dollar Land Singapore Private Limited		238	-
Far East Organization Centre Pte Ltd		1,548	-
Far East Soho Pte. Ltd.		1,096	-
Far East SR Trustee Pte Ltd		370	-
Fontaine Investment Pte Ltd		1,764	-
Golden Development Private Limited		1,926	-
Golden Landmark Pte. Ltd.		1,020	-
Orchard Mall Pte. Ltd.		589	-
Orchard Parksuites Pte Ltd		1,106	-
Oxley Hill Properties Pte Ltd		475	-
Riverland Pte Ltd		324	-
Sakuragicho Hospitality Kabushiki Kaisha		304	-
Serene Land Pte Ltd	1,196	-	
Transurban Properties Pte. Ltd.	1,077	-	
<b>Management services income</b>			
Ariake Hospitality Kabushiki Kaisha	Associate of the Company's controlling shareholders	104	-
<b>Management income</b>			
Far East Hospitality Real Estate Investment Trust <sup>1</sup>	Associate of the Company's controlling shareholders	3,695	-
<b>Management services</b>			
Far East Management (Private) Limited	Each interested person is an associate of the Company's controlling shareholders.	2,170	-
Far East Real Estate Agency Pte. Ltd.		648	-
<b>Sales and marketing services</b>			
Far East Real Estate Agency Pte. Ltd.	Associate of the Company's controlling shareholders	242	-
<b>Rental expense on operating leases</b>			
<b>- hotels and offices</b>			
Far East Hospitality Real Estate Investment Trust	Each interested person is an associate of the Company's controlling shareholders.		
- office		112	-
- hotels		16,002	-
Far East Rocks Pty Ltd - hotel		882	-
Riverhub Pte Ltd - office		908	-
<b>Acquisition of additional stake in a joint venture company<sup>2</sup></b>			
Far East Civil Engineering (Pte.) Limited	Associate of the Company's controlling shareholders	-	25,000

<sup>1</sup>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 year, whichever is lower. During the full year ended 31 December 2025, the Company was a 33% shareholder of FEOHAM and this amount represents 33% of the management fees received during the financial year, being the value at risk to the Group.

<sup>2</sup>The transaction relates to the acquisition of a 6½% interest in a joint venture company, Woodlands Square Pte. Ltd. ("WSPL"), by Tannery Holdings Pte Ltd ("THPL"), a wholly-owned subsidiary of the Company, resulting in THPL's increased shareholding in WSPL alongside Far East Civil Engineering (Pte.) Limited, an associate of the estate of the late Mr Ng Teng Fong, a controlling shareholder of the Company. Further details of the transaction are set out in the Company's announcement dated 24 January 2025, titled "Acquisition of Additional 6½% Interest in Woodlands Square Pte. Ltd.".

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

**9. A breakdown of sales**

	Group		
	Full year ended	31 December	Increase/ (Decrease)
	2025	2024	%
	\$'000	\$'000	
Sales reported for the first half year	<b>91,349</b>	97,329	(6.1)
Profit after tax before deducting non-controlling interests reported for first half year	<b>18,037</b>	19,668	(8.3)
Sales reported for the second half year	<b>156,284</b>	94,544	65.3
Profit after tax before deducting non-controlling interests reported for second half year	<b>36,721</b>	41,621	(11.8)

**10. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) for the financial year ended 31 December 2025.**

There are no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

**11. 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.

**On behalf of the Board of Directors**

Koh Kah Sek  
Chairman

27 February 2026

Alan Tang Yew Kuen  
Group CEO and Executive Director