

**ADVANCING  
WITH PURPOSE**

ANNUAL REPORT **2024**



Rendezvous Hotel Singapore, Main Lobby

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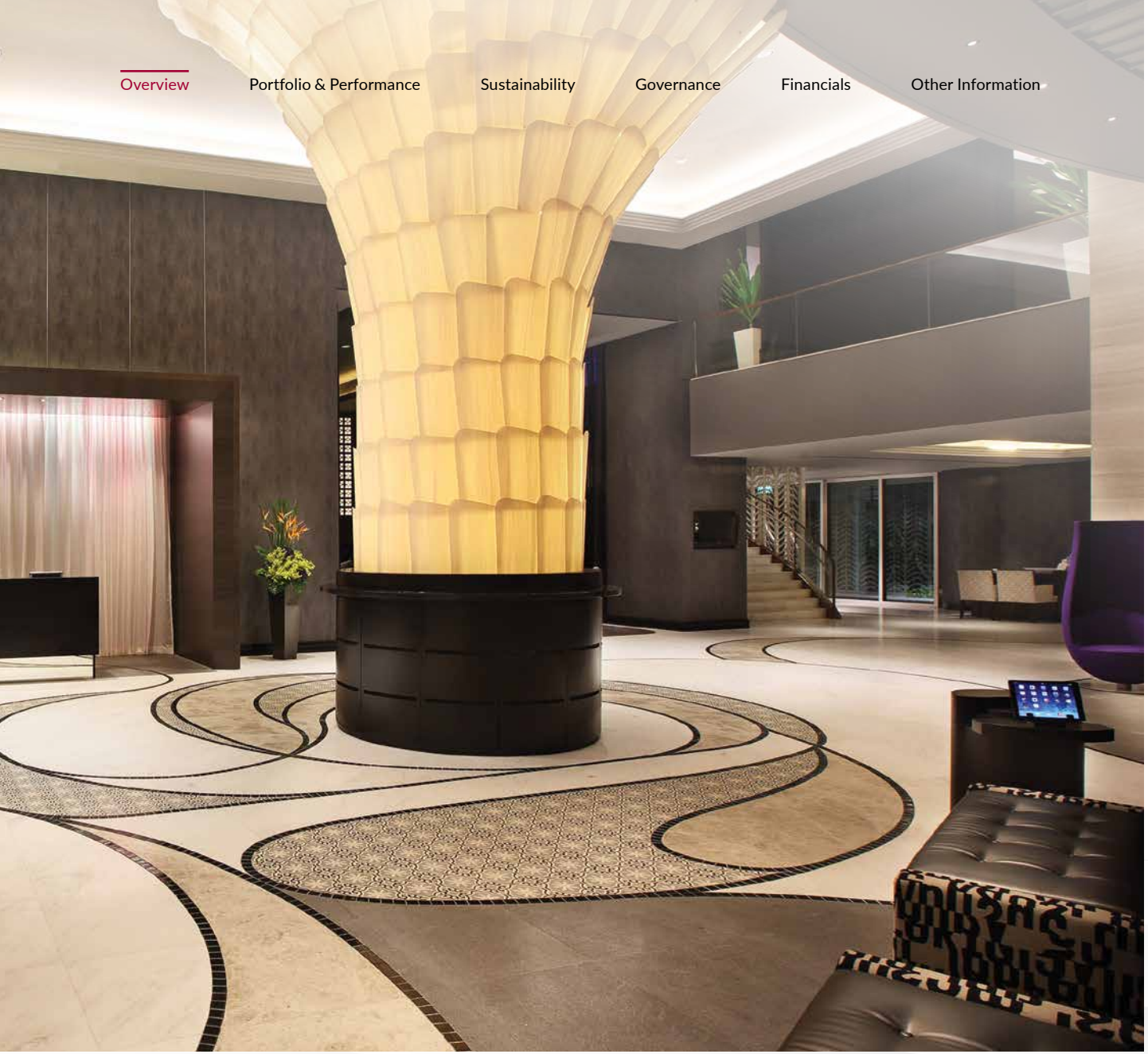
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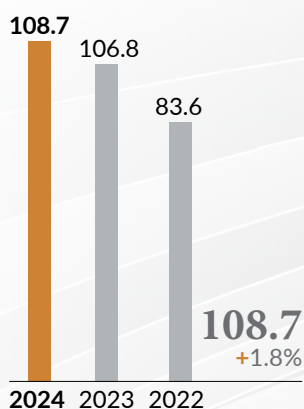
## ADVANCING WITH PURPOSE

Capitalising on the steady recovery in the travel and tourism sector, Far East H-Trust maintained a steady performance in FY 2024. Our strategic focus on portfolio optimisation and prudent asset enhancements has reinforced the Trust's resilience and adaptability. By leveraging evolving market dynamics and operational efficiencies in the hospitality segment, we remain committed to creating sustainable value for our Stapled Securityholders.

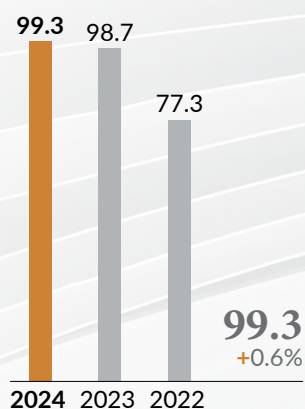
# KEY HIGHLIGHTS

## Financial Highlights

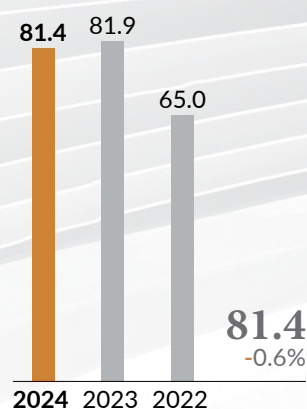
**Gross Revenue**  
S\$ million



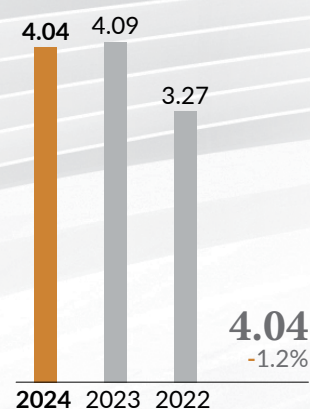
**Net Property Income**  
S\$ million



**Distribution to Stapled Securityholders**  
S\$ million



**Distribution per Stapled Security**  
Singapore cents



Balance Sheet (S\$ million)	2024	2023	2022
Total Assets <sup>1</sup>	<b>2,586.5</b>	2,622.4	2,555.1
Total Liabilities	<b>734.7</b>	755.7	755.3
Net Assets	<b>1,851.8</b>	1,866.7	1,799.8
Financial Ratios			
Gearing Ratio <sup>2</sup>	<b>30.8%</b>	31.3%	32.0%
Interest Coverage Ratio <sup>3</sup>	<b>3.0x</b>	3.5x	3.8x
Weighted Average Debt Maturity	<b>3.7 years</b>	3.8 years	3.1 years
Net Asset Value per Stapled Security (Singapore cents)	<b>90.6</b>	92.9	90.2
Operating Expenses			
Total Operating Expenses <sup>4</sup> (S\$ million)	<b>21.1</b>	19.8	17.0
Total Operating Expenses as a percentage of Net Asset Value	<b>1.1%</b>	1.1%	0.9%

1 The divestment of Central Square was completed on 24 March 2022.

2 Computed based on total borrowings as a percentage of deposited properties.

3 Interest Coverage Ratio is computed based on EBITDA over interest expense as per the definition in the loan covenants. This would be 2.9x (31 December 2023: 3.5x) based on the definition prescribed by Appendix 6 of the Code on Collective Investment Schemes.

4 Comprising property expenses and trust expenses, including all fees paid/payable to the REIT Manager and interested parties.



## Sustainability Highlights



### CREATING LASTING VALUE (Economic)



#### GROSS REVENUE

Grew by 1.8% year-on-year



#### PORTFOLIO VALUATION

0.2% year-on-year increase



#### SUSTAINABILITY-LINKED TERM LOANS

\$483.6 million of sustainability-linked term loans (approximately 68% of total committed borrowings)



### SECURING OUR FUTURE (Environment)



#### INTERIM CARBON EMISSION TARGET

Set a 2030 target to reduce absolute Scope 1 & 2 carbon emission by 20%, using 2024 as the base year



#### ENHANCED SUSTAINABILITY DISCLOSURES

Enhanced sustainability reporting by adding disclosure for three Scope 3 categories: Business Travel, Employee Commute and Waste



#### ESG RISK RATING

Morningstar Sustainalytics Ranked among the top 5% in the Global Universe<sup>1</sup>



### IMPACTING LIVES (Social)



#### EDUCATIONAL SUPPORT

12 recipients benefited from Far East Hospitality Trust's Education Assistance Scheme and its Bursary under the Singapore Institute of Technology



#### COMMUNITY INVOLVEMENT

Team members participated in 3 events with Life Community Services Society



### GOOD GOVERNANCE (Governance)



#### SINGAPORE GOVERNANCE AND TRANSPARENCY INDEX

Achieved the second highest base score and ranked 10 out of 43 REITs and Business Trusts for 2024

Top 10 ranking for 6 consecutive years since 2018



#### GENDER DIVERSITY

##### Board

43% Females  
57% Males

##### REIT Manager

50% Females  
50% Males

1 As of May 2024. Sustainalytics' ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and its effectiveness in managing them. This multidimensional approach combines management and exposure concepts to arrive at an absolute assessment of ESG risk.  
2 As at 31 December 2024.

# ABOUT US

Far East Hospitality Trust (“Far East H-Trust”) is a Singapore-listed trust focusing on hotels and serviced residences with a total asset value of about S\$2.52 billion as at 31 December 2024, making it one of the largest diversified hospitality portfolio in Singapore.

Far East H-Trust was listed on the Mainboard of Singapore Exchange Securities Trading Limited on 27 August 2012 (“Listing Date”) and has a market capitalisation of approximately S\$1.23 billion as at 31 December 2024. Far East H-Trust is a constituent of the FTSE EPRA Nareit Global Real Estate Index Series and several iEdge indices.

Far East H-Trust comprises Far East Hospitality Real Estate Investment Trust (“Far East H-REIT”) and Far East Hospitality Business Trust (“Far East H-BT”). Far East H-REIT is managed by FEO Hospitality Asset Management Pte. Ltd. (the “REIT Manager”) while Far East H-BT is managed by FEO Hospitality Trust Management Pte. Ltd. (the “Trustee-Manager”).

Far East H-REIT owns a portfolio of 12 assets comprising 9 hotels and

## VISION

To be the preferred hospitality REIT with a portfolio of mid-tier and upscale assets

## MISSION

To deliver sustainable income distribution and growth in total returns

3 serviced residences. In addition, Far East H-REIT has a 30.0% stake in a joint venture for the development of a hotel project located in Sentosa, which commenced operations in 2019.

Far East H-REIT is established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate, used primarily for hospitality-related purposes, whether wholly or partially, as well as real estate-related assets in connection to the foregoing.

Far East H-BT is established with a view to being appointed as a master lessee of last resort. It remains dormant as at the date of this report.

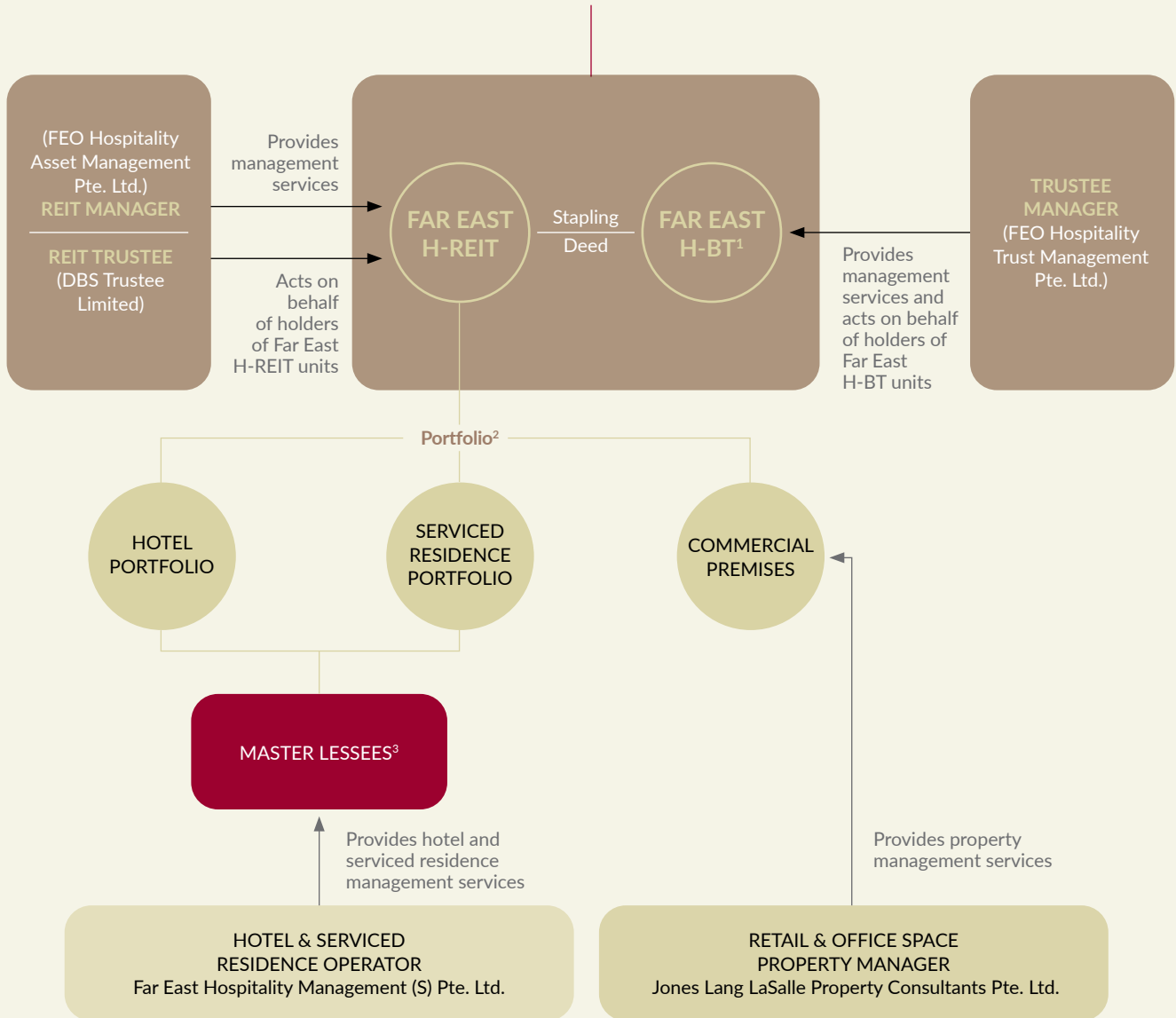
The REIT Manager and the Trustee-Manager are both 67.0% owned by FEO Asset Management Pte. Ltd., which is a wholly-owned subsidiary of Far East Organization Centre Pte. Ltd., and 33.0% owned by Far East Orchard Limited (“FEOR”). FEOR is 63.9% owned by Far East Organization Pte. Ltd. as at 31 December 2024.

In February 2025, the REIT Manager and Trustee-Manager announced the expansion of the Far East H-Trust’s investment strategies.



Village Hotel Changi, Main Lobby

# OUR STRUCTURE



1 Far East H-BT has been dormant since listing and serves as a master lessee of last resort.  
 2 Far East H-REIT has 12 properties comprising 9 hotels, 3 serviced residences and commercial spaces valued at S\$2.52 billion.  
 3 Master Lessees are sponsor companies, part of the Far East Organization group of companies.



# GROWTH STRATEGIES

The REIT manager is committed to delivering long-term sustainable distribution growth through three key strategies.



## 1 Value-Adding Acquisitions

The REIT Manager actively pursues acquisition opportunities in selected developed markets that provide attractive cash flows and yields to enhance the returns to Stapled Securityholders.

Far East H-Trust currently has a strong acquisition pipeline of 7 properties, totalling approximately 1,200 hotel rooms and 400 serviced residence units under a right of first refusal ("ROFR") with its Sponsor. The ROFR and other properties from the Sponsor offer acquisition opportunities for portfolio growth. Far East H-Trust further strives to grow its portfolio by exploring acquisitions in selected developed markets overseas from third parties and the Sponsor.



## 2 Asset Management and Enhancement

The REIT Manager regularly reviews the portfolio and leverages on the extensive experience of Far East H-Trust's Sponsor when embarking on refurbishment programmes. These asset enhancement initiatives aim to optimise the properties' appeal, leading to an improvement in operational performance.

Asset enhancements are also intended to improve the efficiency of space and to reduce operating costs in areas such as utilities.

Far East H-Trust enjoys economies of scale as it focuses on the Singapore hospitality market with operational shared services such as central reservations, revenue management and centralised human resource management across its properties.



## 3 Capital And Risk Management

For capital and risk management, the REIT Manager intends to maintain a prudent level of borrowings while maximising returns for Stapled Securityholders.

The REIT Manager endeavours to maintain a strong balance sheet with diversified funding sources. It seeks to manage the cost of debt, utilise interest rate hedging strategies to reduce exposure to market volatility and employ an appropriate mix of debt and equity to finance acquisitions.

The REIT Manager believes that this strategy places Far East H-Trust in good stead to capitalise on investment opportunities.



# LETTER TO STAPLED SECURITYHOLDERS

**Singapore's resilience and its enduring appeal as a global hub for leisure and business travel remain evident as the hospitality sector continues its steady recovery. With a well-diversified portfolio and a disciplined approach to capital management, Far East H-Trust is well-positioned to capitalise on future growth opportunities while delivering sustainable value to our Stapled Securityholders.**

**Wee Kheng Jin**  
Chairman

## Dear Stapled Securityholders,

On behalf of the Board of the REIT Manager and Trustee-Manager, I am pleased to present the Annual Report of Far East Hospitality Trust ("Far East H-Trust" or the "Trust") for the financial year ended 31 December 2024 ("FY 2024").

## Sustained Recovery in the Hospitality Sector

Singapore's hospitality sector continued to improve in 2024, with international visitor arrivals reaching 16.5 million, approximately 86% of pre-pandemic levels. The recovery was broad-based across many key markets, with a particularly strong rebound by arrivals from China that surged over 2.3 times compared to 2023, contributing 19% of total arrivals with 2.9 million visitors. Australia exceeded pre-pandemic levels by 3%, while most of Singapore's top 10 source markets neared full recovery. This momentum was supported by expanded air connectivity, visa-free entry for Chinese travellers, a host of world-class performances and a healthy lineup of Meetings, Incentives, Conferences, and Exhibitions ("MICE") events. These developments highlight Singapore's resilience and its enduring appeal as a global hub for leisure and business travel.

## Resilient Portfolio Performance

For the year, Far East H-Trust delivered a stable financial performance, with gross revenue increasing 1.8% year-on-year to S\$108.7 million. The Commercial Premises segment showed a marked improvement while the master lease rentals from the Hotels and Serviced Residences portfolio recorded a modest increase. Despite higher property tax expenses, net property income grew 0.6% year-on-year to S\$99.3 million. However, income available for distribution declined to S\$66.6 million due to higher net finance costs and a strategic reduction in the proportion of the REIT Manager's fee paid in Stapled Securities from 90% to 60%, aimed at mitigating longer-term dilution effects. Excluding this adjustment, income available for distribution would have been 4.8% higher at S\$69.8 million.

In anticipation of these impacts, we had announced various pro-active initiatives earlier. In that regard, for FY 2024, the REIT Manager further made an additional distribution of S\$8.0 million<sup>1</sup> to share the gains arising from the divestment of Central Square plus another S\$8.1 million<sup>2</sup> to buffer the higher interest cost as well as to support the change in the REIT Manager's fee structure. As a result, distribution to Stapled Securityholders amounted to S\$81.4 million, a slight decline of 0.6%. Distribution per Stapled Security stood at 4.04 cents, representing a yield of 6.6%<sup>3</sup>.

Segment-wise, our hotel portfolio benefited from higher visitor arrivals, with leisure travellers leading a 1.4-fold increase in revenue contribution from the year before. Average occupancy improved by 0.9 percentage points to 81.0%, while the Average Daily Rate ("ADR") rose by 4.5% to S\$178. These improvements led to a 5.7% increase in Revenue per Available Room ("RevPAR") to S\$144.

Performance of our serviced residence portfolio was impacted by a planned lift upgrading programme at one of our properties. While ADR increased by 4.0% to S\$271, supported by favourable pricing and short-stay leisure demand, average occupancy declined by 3.6

1 On 29 July 2022, the REIT Manager committed to distributing approximately S\$8.0 million per year over three years (ending March 2025), from the divestment gains of Central Square to supplement distributions while exploring new investment opportunities.  
2 On 28 July 2023, the REIT Manager announced plans to utilise a portion of the additional S\$18.0 million incentive fee received in March 2023 from the divestment of Central Square to cushion the impact of higher interest expenses.  
3 Calculated based on the DPS divided by the closing price of \$0.610 on the last trading day of 2024.

# LETTER TO STAPLED SECURITYHOLDERS



Village Hotel Sentosa, Map Room

Gross Revenue  
**108.7m**  
+1.8%

Net Property Income  
**99.3m**  
+0.6%

Distribution per Stapled Security  
**4.04 cents**

percentage points to 84.2% as a block of units were not available for three months due to the lift upgrading works. This resulted in a slight 0.4% decrease in Revenue per Available Unit ("RevPAU") to S\$228.

Our Commercial Premises segment recorded strong growth, with revenue increasing by 7.3% year-on-year to S\$17.3 million. While the segment has yet to return to pre-pandemic levels, rental rates for both retail and office spaces have risen. Occupancy for the retail units has improved, and the office spaces remained well-leased.

The total value of Far East H-Trust's portfolio of assets increased marginally by 0.2% or S\$6.0 million to S\$2.52 billion, reflecting stable valuations and a positive long-term outlook for the hospitality sector. Despite external challenges, the Trust remains well-positioned to capitalise on the sector's ongoing recovery and future growth opportunities.

## Enhancing Our Portfolio

Far East H-Trust continues to invest in asset enhancement initiatives to enhance property value, improve guest experience, and drive long-term revenue resilience. In 2024, we undertook a series of targeted refurbishments, including mechanical and electrical upgrades across selected properties. Sustainability remains a core focus, with energy-efficient enhancements implemented to reduce our carbon footprint and align with our long-term ESG goals.

## Expanding into Japan

Far East H-Trust is venturing beyond Singapore with its first overseas acquisition, in line with our strategy of pursuing yield-accretive investments in selected developed markets. We have entered into an agreement to acquire the Four Points by Sheraton Nagoya (the "Hotel") in Japan.

Japan's tourism sector is experiencing strong growth, with visitor arrivals reaching a record high of 36.9 million in 2024, surpassing pre-pandemic levels. International visitor spending has also surged to an all-time high of JPY 8.1 trillion, marking a 69.2% growth from JPY 4.8 trillion in 2019. This sustained momentum, coupled with the Japanese government's target to attract 60 million foreign visitors annually and its efforts to promote tourism beyond major cities, presents a compelling opportunity to expand into one of Asia's most dynamic hospitality markets.

Managed by Marriott International, Four Points by Sheraton Nagoya is poised to capture growing accommodation demand from leisure and business travellers transiting through Nagoya, a key gateway to Aichi and the broader Central Japan region – a major economic and industrial hub anchored by automotive, aerospace and robotics industries. In addition, the Hotel's proximity to Aichi Sky Expo, Japan's fourth-largest exhibition centre, making it an attractive choice for MICE participants.

While we remain focused on Singapore as our core market, this strategic expansion enhances the resilience of Far East H-Trust's portfolio through geographical diversification while unlocking new growth opportunities. As a result of capital recycling through the divestment of Central Square in 2022 and prudent capital management, we have a healthy balance sheet with low gearing and a large debt headroom. With the new acquisition, gearing is expected to remain low at 32.9%, ensuring financial flexibility to pursue new growth opportunities that may arise.

## Prudent Capital Management

As at 31 December 2024, the Trust maintained a strong balance sheet with total borrowings of S\$718.1 million and an aggregate leverage at 30.8%, reflecting an improvement from 31.3% a year ago. This places Far East H-Trust among the lowest-g geared S-REITs, underscoring its financial resilience.

During the year, term loans of S\$157.2 million due in April and November 2025 were successfully refinanced into sustainability-linked loans ahead of their maturity dates. The weighted average debt to maturity decreased slightly from 3.8 years to 3.7 years. Additionally, 57.9% of borrowings are hedged at fixed interest rates to manage exposure to interest rate volatility. Amid a high interest rate environment, the weighted average cost of debt increased to 4.1%. The Trust benefits from its association with its Sponsor, which, together with its longstanding relationships with banks, provides wider access to capital markets on favourable terms and on an unencumbered basis.

## Progressing Sustainability Initiatives

Since the publication of our inaugural Sustainability Report in 2017, Far East H-Trust has made meaningful progress in integrating Environmental, Social, and Governance ("ESG") considerations into our organisational focus, ensuring a pragmatic approach to sustainability. Over the years, we have strengthened our sustainability governance framework, refined our approach to climate risk management, and reinforced our commitment to achieving net-zero emissions by 2050.

# LETTER TO STAPLED SECURITYHOLDERS

During the year, we have made continued progress in our sustainability efforts. We are pleased to report that all 9 of Far East H-Trust's hotels have obtained the Global Sustainable Tourism Council ("GSTC") certification, ahead of the target set by the Singapore Tourism Board and Singapore Hotel Association. Other highlights in our sustainability efforts includes (i) reviewing and refining our decarbonisation roadmap, including setting a mid-term 2030 carbon emission reduction target of 20% from the base year of 2024; (ii) reviewing, updating and validating of our ESG material topics, climate risks and opportunities, as well as climate scenario analysis arising from flooding risk on our properties; (iii) expanding our climate-related disclosures to include disclosure on Scope 3 categories of Business Travel, Employee Commute and Waste, to provide stakeholders with greater transparency into our indirect emissions; and (iv) take further steps to prepare for upcoming regulatory reporting requirements including the International Sustainability Standards Board IFRS standards for Climate Reporting. These initiatives reflect our commitment to our ongoing efforts to minimise our environmental impact. As part of our decarbonisation roadmap, we have undertaken energy efficiency initiatives at selected properties. Following a feasibility study, the chiller replacement at Village Hotel Changi has commenced and is on track for completion by the end of 2025. When operational, the new system is expected to significantly reduce electricity consumption by up to 40% at the hotel, supporting our carbon reduction goals.

Recognising the growing importance of sustainable financing, we continued to expand our sustainability-linked funding. In 2024, the Trust had S\$483.6 million in sustainability-linked term loans and sustainability-linked swaps with a notional amount of S\$100.0 million. The REIT Manager remains committed to collaborating with banks to explore additional sustainability-focused financing solutions.

On the social front, Far East H-Trust remains dedicated to creating a positive impact within our communities. Our Education Assistance Scheme continues to support the children of employees working for the Trust's retail and office tenants, strengthening the relationship with one of our key stakeholders. We also introduced a bursary program for lower-income hospitality students at the Singapore Institute of Technology. The first grant was given to two recipients. Additionally, our employees participated at various community events organised by Life Community Services Society, a charity dedicated to empowering children, youths, and families through care and mentoring to build strong foundations for life. These collective efforts reflect our broader commitment to corporate social responsibility and community engagement.

## Commitment to High Governance Standards

For the year, Far East H-Trust remained among the top 10 REITs and Business Trusts in the Singapore Governance and Transparency Index ("SGTI") for the sixth consecutive year, demonstrating our continued commitment to corporate governance and transparency.

At Far East H-Trust, maintaining high standards of corporate governance remains a cornerstone of our principles, backed by the steadfast commitment of the Management and Board. Over the years, the Trust has received notable accolades, including consistent top 10 rankings in the Governance Index for Trusts ("GIFT")<sup>4</sup> from 2019 to 2022, and the ASEAN Corporate Governance Scorecard<sup>5</sup> in 2022, where it received the ASEAN Asset Class Award and ranked 8th among the top 100 publicly-listed entities in Singapore. In 2023, the Trust was honoured at the Securities Investors Association (Singapore) ("SIAS") Investors' Choice Awards, winning both the Singapore Corporate Governance Award and the Shareholder Communications Excellence Award in the REITs and Business Trusts category. This marked its third consecutive year of recognition by SIAS, with runner-up placements for both awards in 2022 and for

<sup>4</sup> The GIFT assessment framework has been undergoing a review of its assessment framework since 2023.

<sup>5</sup> The ASEAN Corporate Governance Scorecard assessment is held on a biennial basis.



the Shareholder Communications Excellence Award in 2021. A strong foundation in corporate governance complements our ESG goals, fostering an accountable, transparent, and sustainable enterprise. These accolades reinforce our commitment to high governance standards and proactive stakeholder engagement.

Far East H-Trust continues to be part of the FTSE EPRA Nareit Global Real Estate Index ("Index"), a milestone that has enhanced the Trust's visibility and recognition among global institutional investors since its inclusion on 20 September 2021. It has helped to diversify our shareholder base and provided access to a broader pool of capital, reinforcing the Trust's position to the global real estate investment market.

### Positive Outlook For 2025

Global economic growth is expected to continue supporting hospitality sector recovery in 2025. The International Monetary Fund forecasts global GDP growth at 3.3%, with China and the ASEAN-5<sup>6</sup> economies are projected to expand at 4.6% and 4.5%, respectively. As inflationary pressures eases, major central banks are expected to maintain policy rates with potential adjustments later in the year, depending on economic conditions. China's central bank is likely to maintain an accommodative stance, supporting economic growth, while monetary policies across ASEAN are expected to remain steady.

On the tourism front, the Singapore Tourism Board has forecasted higher international visitor arrivals of between 17.0 and 18.5 million travellers in 2025, representing a 3.0% to 12.1% year-on-year increase.

Singapore's strong reputation for safety, accessibility, and reliability continues to make it an attractive destination for both business and leisure travellers. The city's emergence as a key entertainment hub, alongside an increasing number of large-scale performances and experiential tourism offerings, is expected to further elevate its global appeal.

New attractions in Sentosa and at Mandai Wildlife Reserve, set to open in the first half of 2025, will enhance Singapore's tourism landscape, reinforcing its position as a leading destination for visitors. Against this backdrop, Far East H-Trust is well-positioned to leverage the continued recovery of the hospitality sector and deliver sustainable value to Stapled Securityholders.

### Appreciation

The Board and Management wish to express our appreciation for the steadfast support of our Stapled Securityholders, staff, tenants, and business partners. Your trust, especially during the COVID-19 pandemic, has inspired us to work harder to regain our growth momentum. With performance now surpassing pre-pandemic levels, we remain committed to long-term sustainable growth.

### Farewell

After serving as a Board member for 13 years with the past 6 years as Chairman, I feel it is an opportune time to relinquish the chairmanship role. I will be retiring from the board on 30 April 2025. Mr. Quek See Tiat, who joined the board on 1 May 2024, will assume the role of Chairman with effect from 1 May 2025.

It has been an honour to serve, and I am deeply grateful for the trust placed in me by past and present Board members. Please extend your support for See Tiat and the Board as they embark on the next phase of growth for Far East H-Trust. I am confident that the Board will remain steadfast in providing strategic guidance for the CEO and his management team to deliver sustainable value to all Stapled Securityholders.

**Wee Kheng Jin**  
Chairman

<sup>6</sup> ASEAN-5 refers to Indonesia, Malaysia, Philippines, Singapore and Thailand.

# BOARD OF DIRECTORS

Information as at 31 December 2024

- A** Audit, Sustainability and Risk Committee
- N** Nomination Committee
- R** Remuneration Committee

## Mr Wee Kheng Jin, 70

**N R**

Chairman and Non-Executive Director of the REIT Manager Board and Trustee-Manager Board

Mr Wee Kheng Jin has extensive finance experience in a variety of industries including banking, construction, hospitality services and real estate development.

Mr Wee held various positions at Far East Organization from February 2000 to December 2018. He served as a board member of Yeo Hiap Seng Limited from April 2010 to April 2017 and of Parkson Retail Asia Limited from September 2011 to October 2017.

Since his retirement as an Executive Director in Far East Organization in 2018, he continues his association with the Group as a Senior Advisor.

Prior to joining Far East Organization, he was with Citigroup for 16 years in various positions within the Asia Pacific Institutional Clients Group. Mr Wee also worked for United Engineers Limited and PricewaterhouseCoopers LLP (formerly known as PriceWaterhouse & Co).

### Date of first appointment as a Director

28 January 2011 – REIT Manager Board

24 July 2012 – Trustee-Manager Board

### Date of appointment as Chairman

1 July 2018 – REIT Manager Board and Trustee-Manager Board

### Length of service as a Director

13 years 11 months – REIT Manager Board

12 years 5 months – Trustee-Manager Board

### Board committee(s) served on

- Nominating Committee of the REIT Manager (Member)
- Remuneration Committee of the REIT Manager (Member)

### Academic and professional qualifications

- Bachelor of Accountancy, University of Singapore

### Present directorships in other listed companies

- Nil

### Present principal commitments

- Far East Organization (Senior Advisor)

### Past directorships in other listed companies held over the preceding three years (1 January 2022 to 31 December 2024)

- Nil

## Ms Vivienne Lim Hui Bian, 52

**A N R**

Lead Independent Director of the REIT Manager Board and Trustee-Manager Board

Ms Vivienne Lim is a lawyer in private practice. She has over 29 years of experience handling a wide variety of contentious as well as transactional corporate, commercial and real estate matters. She founded Genesis Law Corporation in 2004 and has been managing it since. Her main practice areas are corporate and commercial dispute resolution. She has substantial experience and advises regularly on corporate governance, legal and other regulatory compliance matters, especially for charities, non-profit organisations, co-operative societies and companies. She also advises regularly on private client, wealth and succession planning matters.

Ms Lim sits on various non-for-profit boards and committees in diverse fields ranging from education to sports, to religious and legal sector. Ms Lim was conferred the Public Service Medal in 2023.

### Date of first appointment as a Director

1 July 2018 – REIT Manager Board and Trustee-Manager Board

### Date of appointment as lead Independent Director

1 May 2021 – REIT Manager Board and Trustee-Manager Board

### Length of service as a Director

6 years 6 months – REIT Manager Board and Trustee-Manager Board

### Board committee(s) served on

- Nominating Committee of the REIT Manager (Chairman)
- Audit, Sustainability and Risk Committee of the REIT Manager (Member)
- Remuneration Committee of the REIT Manager (Member)

#### Academic and professional qualifications

- Bachelor of Laws (Honours), National University of Singapore

#### Present directorships in other listed companies

- Nil

#### Present principal commitments

- Genesis Law Corporation (Founding and Executive Director)
- CHIJ Board of Management (Chairman)
- Catholic Foundation Limited (Vice-Chairman)
- Pro Bono SG (Deputy Chairman)
- Football Association of Singapore – Disciplinary Committee and Women’s Committee (Member)
- Institute of Singapore Chartered Accountants (Lay Person – Investigation and Disciplinary Panel)
- Archdiocesan Governance and Structures Council (Member)
- CHIJ Sanctuary for Children Limited (Member)
- Law Society of Singapore (Member)
- Singapore Academy of Law (Member)

#### Past directorships in other listed companies held over the preceding three years (1 January 2022 to 31 December 2024)

- Nil

### Ms Catherine Lee Khia Yee, 56



Independent Director  
of the REIT Manager Board and Trustee-Manager Board

Ms Catherine Lee has more than 30 years of banking and finance, investment and fund management experience. In addition to her financial expertise, she has a wealth of experience in strategic planning, regional business expansion and transformation, risk management and stakeholder management in complex public-private partnerships.

Ms Lee is currently the Founder and CEO of Levain Consulting Pte Ltd which provides management and business consultancy services to commercial entities. She is also on the Board of ACRA and is a member of its Public Accountants Oversight Committee.

Prior to this, Ms Lee held the position of Chief Financial Officer of Clifford Capital, a company specialising in project financing, mezzanine investing, asset securitisation and management with global coverage, and had responsibilities over treasury, finance, credit decisions, strategic development and stakeholder management. Prior to joining Clifford Capital, Ms Lee was the Group CFO of SMRT Corporation and BreadTalk Group. Ms Lee also spent a total of 11 years in the banking industry where she specialised in corporate finance activities and in the private equity industry looking after a portfolio of public-listed and private companies in the US and Asia Pacific.

#### Date of first appointment as a Director

1 July 2019 – REIT Manager Board and Trustee-Manager Board

#### Length of service as a Director

5 years 6 months – REIT Manager Board and Trustee-Manager Board

#### Board committee(s) served on

- Audit, Sustainability and Risk Committee of the REIT Manager (Member)
- Nominating Committee of the REIT Manager (Member)

#### Academic and professional qualifications

- Bachelor of Accountancy (Honours), Nanyang Technological University of Singapore
- Chartered Accountant of Singapore, Institute of Singapore Chartered Accountants

#### Present directorships in other listed companies

- Nil

#### Present principal commitments

- Levain Consulting Pte Ltd (Founder and CEO)
- Accounting and Corporate Regulatory Authority (“ACRA”) (Director)
- Public Accountants Oversight Committee (Member)
- Singapore Institute of Directors – Corporate Members Engagement Committee (Member)

#### Past directorships in other listed companies held over the preceding three years (1 January 2022 to 31 December 2024)

- Nil



# BOARD OF DIRECTORS

Information as at 31 December 2024

## Ms Celestine Khoo Geok Choo, 58

**A R**

Independent Director  
of the REIT Manager Board and Trustee-Manager Board

Ms Celestine Khoo heads the venture, innovation and entrepreneurship office at the Singapore University of Technology and Design. She has proven experience in business development, business strategy and financial management in both public and private sectors. She was in investment banking at DBS and UBS. She then spearheaded the treasury and capital market development initiatives and the external fund management program at the Monetary Authority of Singapore. She subsequently led the business of a US-based financial services group as Head of Asia and Singapore country head. She also serves on the board investment committees of several non-profit organisations.

### Date of first appointment as a Director

1 October 2020 – REIT Manager Board and Trustee-Manager Board

### Length of service as a Director

4 years 3 months – REIT Manager Board and Trustee-Manager Board

### Board committee(s) served on

- Remuneration Committee of the REIT Manager (Chairman)
- Audit, Sustainability and Risk Committee of the REIT Manager (Member)

### Academic and professional qualifications

- Bachelor of Accountancy (1st Class Honours), National University of Singapore
- Master of Business Administration (Distinction), Cass Business School, London
- Chartered Accountant of Singapore, Institute of Singapore Chartered Accountants

### Present directorships in other listed companies

- Nil

### Present principal commitments

- Singapore University of Technology & Design (Senior Director, Venture, Innovation & Entrepreneurship)
- Assisi Hospice (Member, Investment Committee and Member, Finance Committee)

- Council of World Mission (Member, Investment Committee)
- St Gabriel's Foundation (Member, Investment Committee)
- YWCA (Member, Finance and Investment Committee)

Past directorships in other listed companies held over the preceding three years (1 January 2022 to 31 December 2024)

- Nil

## Mr Benedict Leh Song Boon, 53

**A**

Independent Director  
of the REIT Manager Board and Trustee-Manager Board

Mr Benedict Leh has more than 25 years of experience in various areas including banking and finance, capital markets, wealth management, private equity, hospitality, executive education as well as the non-profit sector.

From 2010 to 2018, he was the Chief Operating Officer of Wealth Management Institute ("WMI") and was responsible for curriculum development, financial management, governance, strategic development and stakeholder management. He was also the Programme Director for the SMU-WMI Master of Science in Wealth Management and played a key role in the revamp of the IBF Standards for the Singapore private banking industry in 2018.

In the hospitality-related sector, he was a director for Wine Advocate Pte Ltd, a global wine rating and F&B events business from 2017 to 2019. Prior to WMI, he spent over 13 years in the banking industry with Citigroup in Singapore and Credit Suisse in Hong Kong and has deep experience advising Singapore and international companies in the areas of debt and equity capital markets fundraising, corporate finance, mergers and acquisitions and initial public offerings. During that period, he was also involved in many advisory and funding exercises for hospitality-related companies and assets.

In the non-profit sector, he is currently a director of One for Jesus Ltd. He was vice-chairman and director of the Children's Cancer Foundation from 2015 to 2021, Head of NUH PatientCare Charity Fund from 2008 to 2010, and also served as a volunteer consultant at various charities, including Focus on the Family Singapore and Community Foundation of Singapore.



**Date of first appointment as a Director**

1 January 2021 – REIT Manager Board and Trustee-Manager Board

**Length of service as a Director**

4 years – REIT Manager Board and Trustee-Manager Board

**Board committee(s) served on**

- Audit, Sustainability and Risk Committee of the REIT Manager (Chairman)

**Academic and professional qualifications**

- Bachelor of Business Administration (1st Class Honours), National University of Singapore
- Chartered Financial Analyst, CFA Institute

**Present directorships in other listed companies**

- Nil

**Present principal commitments**

- One for Jesus Ltd (Director)

**Past directorships in other listed companies held over the preceding three years (1 January 2022 to 31 December 2024)**

- Nil

**Mr Quek See Tiat, 70**

Independent Director  
of the REIT Manager Board and Trustee-Manager Board



Mr Quek See Tiat was appointed to the REIT Manager Board and Trustee-Manager Board on 1 May 2024.

Mr Quek brings a wealth of experience in various areas including accountancy, auditing, corporate governance and real estate. He has also been actively involved in the non-profit sector and was conferred the Public Service Medal in 2009, the Public Service Star in 2014, and the Meritorious Service Medal in 2023.

From 1 July 1987 to 30 June 2012, Mr Quek was a Partner and subsequently Deputy Chairman of PricewaterhouseCoopers LLP (Singapore). After retiring from the firm, Mr Quek continued to be active as a non-executive director in both the public and private sectors.

Mr Quek holds appointments in Pavilion Energy Pte Ltd, Temasek Foundation Ltd., and Temasek Life Sciences Laboratory Limited. He is also the President of the Council for Estate Agencies and Chairman of the Accounting Standards Committee, ACRA. Additionally, he served as a director of Singapore Technologies Engineering Ltd, Singapore Press Holdings Ltd, and Neptune Orient Lines Ltd. In the public sector, he was Chairman of the Building and Construction Authority and a board member of the Monetary Authority of Singapore and Energy Market Authority.

**Date of first appointment as a Director**

1 May 2024 – REIT Manager Board and Trustee-Manager Board

**Length of service as a Director**

8 months – REIT Manager Board and Trustee-Manager Board

**Board committee(s) served on**

- Nominating Committee of the REIT Manager (Member)
- Remuneration Committee of the REIT Manager (Member)

**Academic and professional qualifications**

- Bachelor of Science (Economics) (Honours), London School of Economics and Political Science, United Kingdom
- Fellow, Institute of Chartered Accountants in England and Wales

**Present directorships in other listed companies**

- Nil

**Present principal commitments**

- Council for Estate Agencies (President)
- Accounting Standards Committee of the Accounting and Corporate Regulatory Authority (“ACRA”) (Chairman)

**Past directorships in other listed companies held over the preceding three years (1 January 2022 to 31 December 2024)**

- Singapore Technologies Engineering Ltd
- Singapore Press Holdings Limited

# BOARD OF DIRECTORS

Information as at 31 December 2024

## Mr Gerald Lee Hwee Keong, 58

Chief Executive Office and Executive Director of the REIT Manager Board and Trustee-Manager Board

Mr Gerald Lee has over 30 years of tourism, hospitality and real estate experience. Mr Lee joined Far East Organization in 2011 and is currently employed by the REIT Manager as the Chief Executive Officer ("CEO") where he is principally responsible for the management and conduct of the business of the REIT Manager and the Trustee-Manager. On 1 July 2022, Mr Lee was appointed as an Executive Director of the REIT Manager Board and Trustee-Manager Board.

From 2005 to 2010, Mr Lee was at CapitaLand Limited/The Ascott Limited. He started at CapitaLand as Senior Vice-President in the corporate office before concurrently assuming the role of Chief Brand and Marketing Officer at Ascott. He was subsequently posted overseas as CEO (Europe) for Ascott, responsible for growing the business in that region. He returned to assume the position of Deputy CEO, responsible for overseeing operations of the Ascott group.

From 1991 to 2005, Mr Lee was at the Singapore Tourism Board where he held various roles including heading the planning division, business travel and MICE division, and two overseas offices in North America. His last held position was Assistant CEO, in charge of all the leisure divisions.

Mr Lee was seconded to the Ministry of Trade & Industry as Deputy Director from 2000 to 2001, working on policies and industry development of the services sectors. He was concurrently seconded to the Sentosa Development Corporation as Director (Strategic Development) from 2001 to 2003 and was responsible for overseeing strategic projects and redevelopment initiatives.

### Date of first appointment as a Director

1 July 2022 – REIT Manager Board and Trustee-Manager Board

### Length of service as a Director

2 years 6 months – REIT Manager Board and Trustee-Manager Board

### Board committee(s) served on

- Nil

### Academic and professional qualifications

- Bachelor of Science (Distinction), Cornell University
- Executive Master of Business Administration (Distinction), INSEAD and Tsinghua University
- Chartered Financial Analyst, CFA Institute

### Present directorships in other listed companies

- Nil

### Present principal commitments

- Fontaine Investment Pte Ltd (Director)
- Singapore Institute of Technology (Chairperson, Industry Advisory Committee for Hospitality Business Programme)

### Past directorships in other listed companies held over the preceding three years (1 January 2022 to 31 December 2024)

- Nil

# MANAGEMENT TEAM

Information as at 31 December 2024

## Mr Gerald Lee Hwee Keong

Chief Executive Officer and Executive Director

Mr Gerald Lee is also the Executive Director of the REIT Manager Board and Trustee-Manager Board. For more information, please refer to his profile under the “Board of Directors” section on page 16 of the Annual Report.

## Ms Regina Yap Siew Buay

Chief Financial Officer

Ms Regina Yap joined the REIT Manager as Chief Financial Officer in 2017. She is responsible for all aspects of finance, tax and capital management, and also oversees compliance and corporate secretarial functions. She provides support for investment and investor relations matters of Far East H-Trust.

Ms Yap has more than 30 years of experience in group financial and management reporting, operational management and control, tax planning, risk and capital management, compliance and corporate secretarial work.

From 2011 to 2017, Ms Yap was the Head of Finance and Company Secretary of AIMS AMP Capital Industrial REIT Management Limited (now known as AIMS APAC REIT Management Limited) as manager of AIMS AMP Capital Industrial REIT (now known as AIMS APAC REIT). Her responsibilities include financial accounting and reporting, tax and risk management, capital management, compliance as well as corporate secretarial matters.

From 1996 to 2011, Ms Yap held various senior finance roles in CapitaLand Limited within several business units including hospitality, residential, commercial, corporate headquarters, and Australand Property Group. Her last held position was Vice President, Finance (South East Asia & Australia) with The Ascott Limited.

Before joining CapitaLand Limited, she was a Tax Consultant with PriceWaterhouse (now known as PricewaterhouseCoopers LLP).

Ms Yap graduated from Nanyang Technological University of Singapore with a Bachelor of Accountancy and obtained a Master of Applied Finance from Macquarie University of Sydney, Australia. She is also a Chartered Accountant with the Institute of Singapore Chartered Accountants and a member of the Regulatory Sub-Committee of the REIT Association of Singapore.

## Mr Desmond Tan Eng Kiat

Vice President, Asset Management and Enhancement

Mr Desmond Tan joined the REIT Manager in 2021. He is responsible for implementing long term asset enhancement initiatives and works closely with the Operator on building improvement works and replacement of plant and equipment. He also monitors the leasing and tenancy related matters for the commercial spaces.

Mr Tan has more than 20 years of experience in real estate spanning across residential, sales and leasing and management of retail commercial assets.

From 2017 to 2020, Mr Tan assumed roles of Senior Manager (Leasing) and General Manager (Suburban Cluster) at Far East Organization, Retail Business Group. He was responsible for the leasing performance of the assets and management of tenant relationships. He also oversaw the planning and execution of the business plans in the suburban malls in achieving operational and financial targets for the portfolio.

From 2000 to 2016, Mr Tan was actively involved in building the team that oversaw the growth of the residential corporate leasing portfolio at Far East Organization. Prior to joining the Retail Business Group at Far East Organization, Mr Tan was the Senior Manager responsible for the leasing performance of the Corporate Leasing portfolio of about 1,200 units, which represents the biggest private residential portfolio for lease in Singapore. During this tenure, he had undertaken various strategies implementation in channel management, direct sales and loyalty Programmes.

Mr Tan graduated from University of Bradford with a Bachelor of Business (Honours) in Business and Management.



# MANAGEMENT TEAM

Information as at 31 December 2024

## Mr Edmond Tan Wei De

Vice President, Investment and Asset Management

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Mr Edmond Tan joined the REIT Manager in 2023. He is responsible for sourcing suitable investments and executing the transactions. He also oversees the performance management of the hospitality assets.

Mr Tan has more than 14 years of experience in investments, asset management, private equity, fund management and wealth management.

From 2018 to 2023, Mr Tan was with Wing Tai Holdings Ltd. He was responsible for the real estate investment function and oversaw all aspects of acquisitions, divestments, and asset management.

From 2014 to 2018, Mr Tan was with private equity real estate managers Rockworth Capital Partners Pte Ltd and Firmus Capital Pte Ltd. He held positions as Investment Manager and Associate Director, responsible for capital transactions, asset management as well as portfolio management.

Prior to this, Mr Tan was with Citi Private Bank and NUS Investment Office where he provided investment advice and assessed investment opportunities related to the real estate-related sector.

Mr Tan graduated from National University of Singapore with a Bachelor of Business Administration (Honours)(Major in Finance and Minor in Technopreneurship) and a Master of Science in Real Estate. He is also a Chartered Financial Analyst.

## Mr James Tan You Rong

Manager, Investor Relations and Sustainability Management

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Mr James Tan joined the REIT Manager in 2022. As the key point of contact for the Investor Relations function, he is responsible for developing strategic communication and maintaining relations with the investment community. He monitors and presents the opinions of the investment community on Far East H-Trust to the Management and the Board.

In addition, Mr Tan is responsible for progressing Far East H-REIT's sustainability efforts and assists in asset management and compliance matters.

From 2015 to 2022, Mr Tan was with Raffles Medical Group Ltd where he handled the investor relations function and undertook rotations in various portfolios such as leasing, business development, due diligence and corporate related matters.

Mr Tan graduated from The University of Queensland with a Bachelor of Commerce (Major in Finance).



# CORPORATE DIRECTORY

## MANAGER OF FAR EAST H-REIT

### FEO Hospitality Asset

Management Pte. Ltd.  
1 Tanglin Road #05-01  
Orchard Rendezvous Hotel  
Singapore 247905  
Telephone: (65) 6833 6676  
Facsimile: (65) 6833 6673  
Email: enquiry@fehtrust.com  
Website: www.fehtrust.com

## TRUSTEE-MANAGER OF FAR EAST H-BT

### FEO Hospitality Trust Management Pte. Ltd.

1 Tanglin Road #05-01  
Orchard Rendezvous Hotel  
Singapore 247905  
Telephone: (65) 6833 6676  
Facsimile: (65) 6833 6673  
Email: enquiry@fehtrust.com  
Website: www.fehtrust.com

## BOARD OF DIRECTORS

### Chairman and Non-Executive Director

Mr Wee Kheng Jin

### Chief Executive Officer and Executive Director

Mr Gerald Lee Hwee Keong

### Lead Independent Director

Ms Vivienne Lim Hui Bian

### Independent Directors

Ms Catherine Lee Khia Yee  
Ms Celestine Khoo Geok Choo  
Mr Benedict Leh Song Boon  
Mr Quek See Tiat

## AUDIT, SUSTAINABILITY AND RISK COMMITTEE

### Chairman

Mr Benedict Leh Song Boon

### Members

Ms Vivienne Lim Hui Bian  
Ms Catherine Lee Khia Yee  
Ms Celestine Khoo Geok Choo

## NOMINATING COMMITTEE

### Chairman

Ms Vivienne Lim Hui Bian

### Members

Mr Wee Kheng Jin  
Ms Catherine Lee Khia Yee  
Mr Quek See Tiat

## REMUNERATION COMMITTEE

### Chairman

Ms Celestine Khoo Geok Choo

### Members

Mr Wee Kheng Jin  
Ms Vivienne Lim Hui Bian  
Mr Quek See Tiat

## MANAGEMENT TEAM

### Chief Executive Officer

Mr Gerald Lee Hwee Keong

### Chief Financial Officer

Ms Regina Yap Siew Buay

### Vice President, Asset Management & Enhancement

Mr Desmond Tan Eng Kiat

### Vice President, Investment & Asset Management

Mr Edmond Tan Wei De

## JOINT COMPANY SECRETARIES

Ms Lin Moi Heyang  
Ms Tang Pei Chan

## TRUSTEE OF FAR EAST H-REIT

### DBS Trustee Limited

12 Marina Boulevard  
Level 44 DBS Asia Central  
@ Marina Bay Financial Centre,  
Tower 3  
Singapore 018982  
Telephone: (65) 6878 8888  
Facsimile: (65) 6878 3977

## HOTEL AND SERVICED RESIDENCE OPERATOR

### Far East Hospitality Management (S) Pte. Ltd.

6 Eu Tong Sen Street  
#04-28 The Central  
Singapore 058817

## RETAIL AND OFFICE SPACE PROPERTY MANAGER

### Jones Lang LaSalle Property Consultants Pte. Ltd.

1 Paya Lebar Link #10-08  
Paya Lebar Quarter, Tower 2  
Singapore 408533  
Telephone: (65) 6220 3888

## INDEPENDENT AUDITOR

### Ernst and Young LLP

Public Accountants and Chartered Accountants, Singapore  
One Raffles Quay  
North Tower Level 18  
Singapore 048583  
Partner-in-charge: Nelson Chen  
Appointed effective from financial year ended 31 December 2022

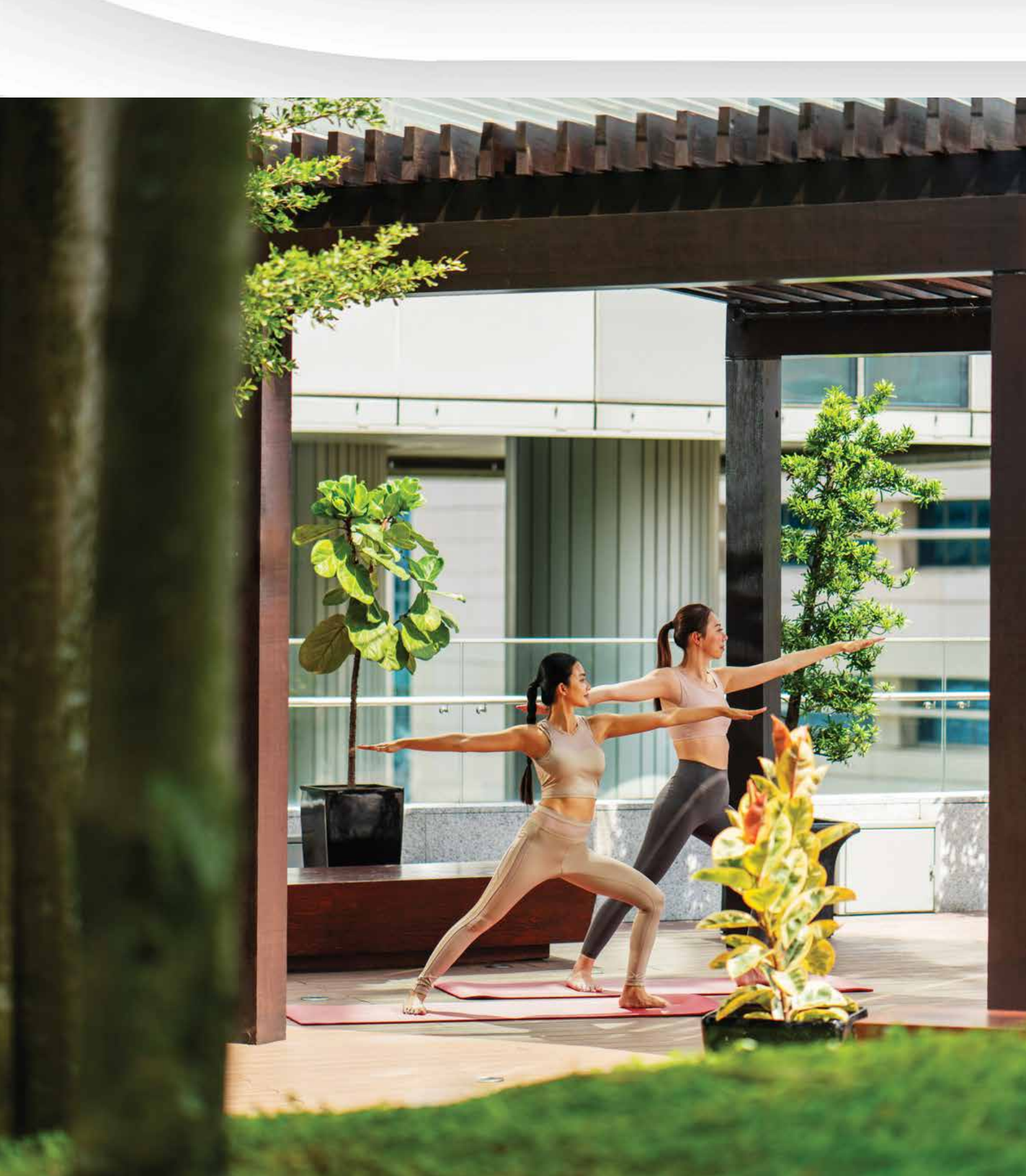
## STAPLED SECURITY REGISTRAR

### Boardroom Corporate & Advisory Services Pte. Ltd.

1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632  
Telephone: (65) 6536 5355  
Facsimile: (65) 6536 1360

## BANKERS

DBS Bank Ltd  
Oversea-Chinese Banking Corporation Limited  
United Overseas Bank Limited  
Malayan Banking Berhad





Oasia Hotel Novena, Garden Gazebo

# BUILDING A BALANCED PORTFOLIO

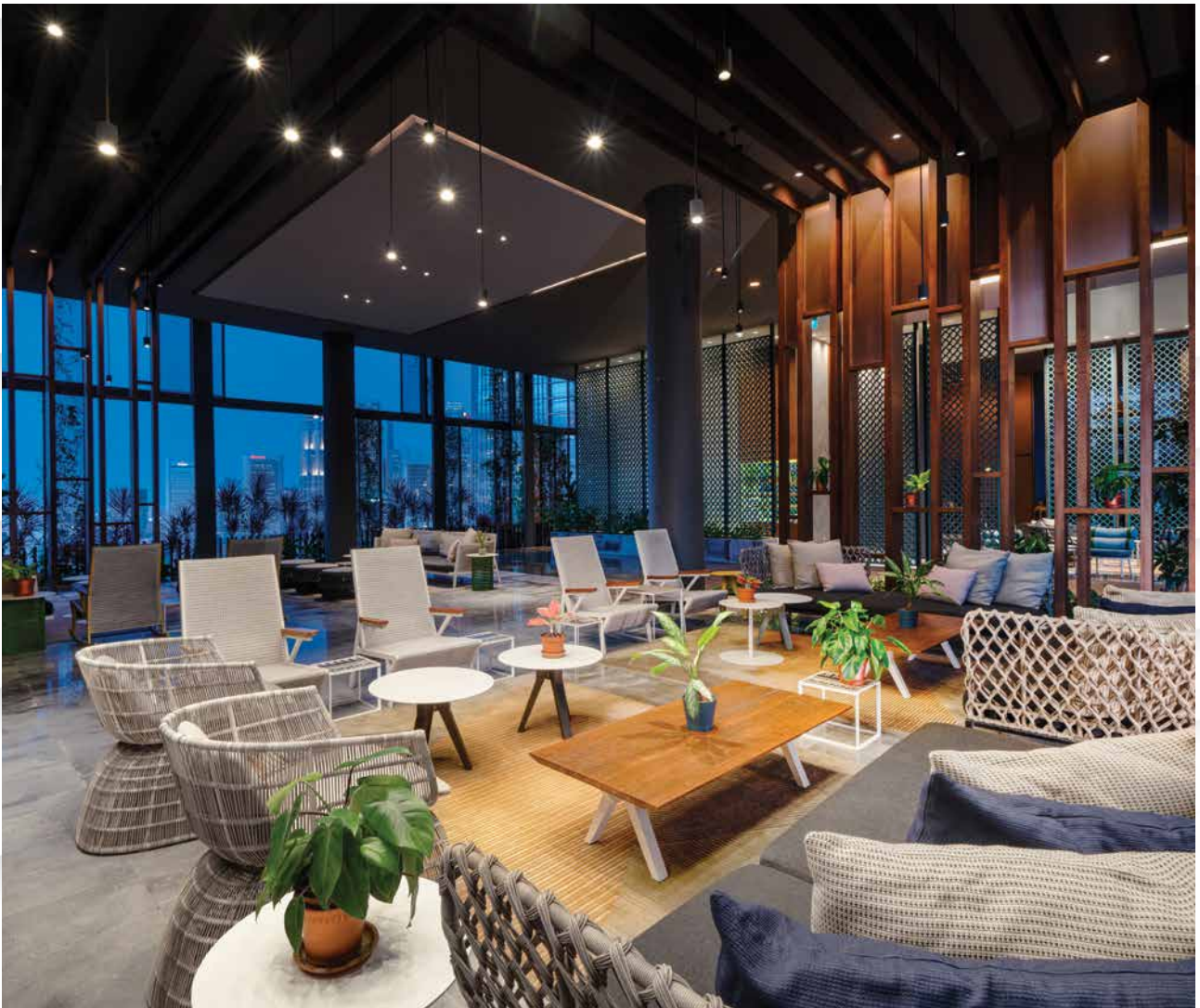


# OUR PORTFOLIO

**FAR EAST H-REIT HAS 2,775 HOTEL ROOMS AND 240 SERVICED RESIDENCE UNITS IN ITS PORTFOLIO, OFFERING INVESTORS AN OPPORTUNITY TO INVEST IN ONE OF THE LARGEST PORTFOLIO OF HOSPITALITY ASSETS IN SINGAPORE BY ASSET VALUE.**

The portfolio provides an attractive investment opportunity for investors to benefit from a balanced portfolio of hospitality assets targeting both short-term stays in relation to the hotels and longer-term stays in relation to the serviced residences.

Housed in 8 out of the 12 properties in the portfolio are 180 units of commercial spaces.



Oasia Hotel Downtown, Sky Pavilion





### Portfolio of Assets

#### Hospitality Assets



Hotels

**9**



Keys

**2,775**



Serviced Residences

**3**



Keys

**240**

#### Commercial Premises



Office NLA (SQ M)

**4,609**



Retail NLA (SQ M)

**11,862**



# OUR PORTFOLIO

## Oasia Hotel Downtown

100 Peck Seah Street, Singapore 079333

No of guest rooms:	314
Strata floor area (sq m):	17,967
Gross revenue for FY 2024 (S\$ million):	13.0
Remaining lease tenure (years):	58
Valuation as at 31 Dec 2024 (S\$ million):	278.0
Purchase price (S\$ million):	210.0 <sup>1</sup>
Master lessee/Vendor:	Far East SOHO Pte. Ltd.



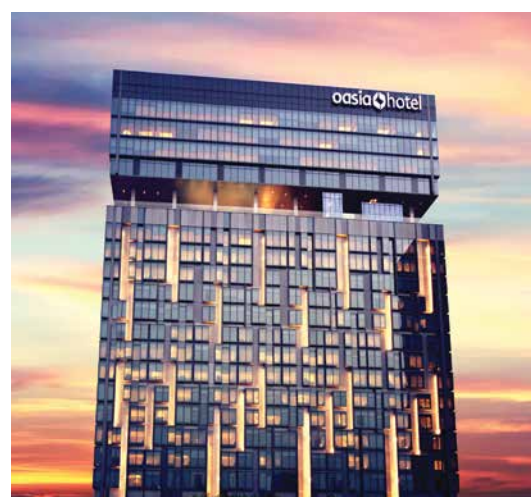
Oasia Hotel Downtown is an iconic award-winning hotel strategically located in the downtown Tanjong Pagar area, which is set to be Singapore's next waterfront district with a hive of business, commercial and residential activities.

The hotel's proximity to the Central Business District appeals to business travellers. It is well-connected to other parts of the island with the Tanjong Pagar MRT Station right at its doorstep and expressways within a few minutes' drive.

## Oasia Hotel Novena

8 Sinaran Drive, Singapore 307470

No of guest rooms:	428
Strata floor area (sq m):	22,516
Gross revenue for FY 2024 (S\$ million):	11.7
Remaining lease tenure (years):	80
Valuation as at 31 Dec 2024 (S\$ million):	349.0
Purchase price (S\$ million):	318.2
Master lessee:	Transurban Properties Pte. Ltd.



A welcome escape from the hustle and bustle of city life, Oasia Hotel Novena offers both business and leisure travellers the opportunity to refresh, refuel and recharge.

Oasia Hotel Novena is a short commute from the Central Business District and Orchard Road. Strategically located within Singapore's premier medical hub, the hotel also serves visiting medical tourists and their families.

<sup>1</sup> Refer to Notes 22 to the Financial Statements for more details on additional purchase consideration.

## Rendezvous Hotel Singapore

9 Bras Basah Road, Singapore 189559

No of guest rooms:	298
Gross floor area (sq m):	19,720
Retail NLA (sq m):	2,799
Gross revenue for FY 2024 (S\$ million):	11.7
Remaining lease tenure (years):	59
Valuation as at 31 Dec 2024 (S\$ million):	284.3
Purchase price (S\$ million):	264.3
Master lessee:	Serene Land Pte Ltd



Rendezvous Hotel Singapore reflects the history and trendsetting nature of the arts and heritage district it is situated in. Within walking distance to the Dhoby Ghaut and Bras Basah MRT stations, the hotel is a short commute away from Singapore's business and shopping districts.

Adjoining the hotel is The Rendezvous Gallery, with 3 floors of retail and F&B spaces, offering a mix of gastronomic delights, entertainment and wellness services.

## Orchard Rendezvous Hotel

1 Tanglin Road, Singapore 247905

No of guest rooms:	388
Gross floor area (sq m):	34,072
Retail NLA (sq m):	3,790
Office NLA (sq m):	2,318
Gross revenue for FY 2024 (S\$ million):	20.1
Remaining lease tenure (years):	38
Valuation as at 31 Dec 2024 (S\$ million):	401.5
Purchase price (S\$ million):	412.5
Master lessee:	Far East Orchard Limited



Orchard Rendezvous Hotel is located at the doorstep of major malls and boutiques along Orchard Road, offering a wide variety of retail and dining options for business and leisure travellers. Families on vacation will enjoy the 50-60 sqm family rooms that Orchard Rendezvous Hotel has to offer.

Since 2017, the hotel has undergone refurbishment of the guest rooms which was completed in March 2018 and revitalisation of the outdoor refreshment areas and building façade which was completed in 2022.



# OUR PORTFOLIO

## The Quincy Hotel

22 Mount Elizabeth, Singapore 228517

No of guest rooms:	108
Gross floor area (sq m):	4,810
Gross revenue for FY 2024 (S\$ million):	3.3
Remaining lease tenure (years):	63
Valuation as at 31 Dec 2024 (S\$ million):	87.0
Purchase price (S\$ million):	82.3
Master lessee:	Golden Development Private Limited



The first local boutique hotel to win the Best Hotel Experience Award at the Singapore Tourism Awards 2017, The Quincy Hotel caters to busy business executives and discerning leisure travellers.

The Quincy Hotel is a short walk from Orchard Road, surrounded by an abundance of local and world-class international cuisines, endless shopping options, and entertainment experiences.

## Vibe Hotel Singapore Orchard

24 Mount Elizabeth, Singapore 228518

No of guest rooms:	256
Gross floor area (sq m):	11,723
Retail NLA (sq m):	583
Gross revenue for FY 2024 (S\$ million):	7.4
Remaining lease tenure (years):	63
Valuation as at 31 Dec 2024 (S\$ million):	184.6
Purchase price (S\$ million):	186.7
Master lessee:	Golden Development Private Limited



Vibe Hotel Singapore Orchard officially opened in November 2022 after a six-month renovation. Located in the residential enclave of Orchard Road, the hotel offers easy access to Singapore's busiest and longest shopping belt, providing guests with a wide range of leisure and dining options.

## Village Hotel Albert Court

180 Albert Street, Singapore 189971

No of guest rooms:	210
Gross floor area (sq m):	11,426
Retail NLA (sq m):	1,003
Gross revenue for FY 2024 (S\$ million):	5.7
Remaining lease tenure (years):	63
Valuation as at 31 Dec 2024 (S\$ million):	132.5
Purchase price (S\$ million):	120.7
Master lessee:	First Choice Properties Pte Ltd



Minutes away from the cultural enclaves of Little India and Bugis, Village Hotel Albert Court is a pre-war development offering heritage blended with modern day flair. The hotel's charming courtyard provides moments of serenity and offers a wide range of retail and dining options.

## Village Hotel Bugis

390 Victoria Street, Singapore 188061

No of guest rooms:	393
Strata floor area (sq m):	21,761
Retail NLA (sq m):	1,164
Gross revenue for FY 2024 (S\$ million):	12.3
Remaining lease tenure (years):	54
Valuation as at 31 Dec 2024 (S\$ million):	247.5
Purchase price (S\$ million):	218.4
Master lessee:	Golden Landmark Pte Ltd



Located at the heart of Singapore's Arab and Malay heritage districts, Village Hotel Bugis offers tourists a glimpse into multicultural Singapore.

Surrounded by vibrant eateries, art galleries and boutiques in the nearby conservation buildings, the hotel is a stone's throw from Bugis MRT station, which conveniently connects to the Central Business District and Orchard areas.

# OUR PORTFOLIO

## Village Hotel Changi

1 Netheravon Road, Singapore 508502

No of guest rooms:	380
Gross floor area (sq m):	22,826
Retail NLA (sq m):	805
Gross revenue for FY 2024 (S\$ million):	7.7
Remaining lease tenure (years):	53
Valuation as at 31 Dec 2024 (S\$ million):	193.3
Purchase price (S\$ million):	238.5
Master lessee:	Far East Organization Centre Pte. Ltd.



Village Hotel Changi is an idyllic retreat, set apart from other hotels in urban Singapore. With its serene surroundings and 17 function spaces of various sizes, the hotel is the choice destination for corporate retreats and weddings.

Just a 15-minute drive from Changi Airport and a short boat ride from Pulau Ubin, Village Hotel Changi is a favourite for nature lovers and transit passengers on a stopover.

## Adina Serviced Apartments Singapore Orchard

121 Penang Road, Singapore 238464

No of units:	90
Gross floor area (sq m):	10,723
Retail NLA (sq m):	539
Office NLA (sq m):	2,291
Gross revenue for FY 2024 (S\$ million):	7.4
Remaining lease tenure (years):	69
Valuation as at 31 Dec 2024 (S\$ million):	174.3
Purchase price (S\$ million):	166.4
Master lessee:	Oxley Hill Properties Pte Ltd



Adina Serviced Apartments Singapore officially opened in July 2022 after refurbishment. It is located within Regency House, a mixed-use development.

As an upscale serviced residence, Adina Serviced Apartments Singapore Orchard caters to the accommodation needs of different travellers, offering a variety of apartment sizes ranging from Studios to 2-bedroom and 3-bedroom apartments. The serviced residence is also located within walking distance from Orchard Road, Singapore's iconic shopping belt.



## Village Residence Robertson Quay

30 Robertson Quay, Singapore 238251

No of units:	72
Strata floor area (sq m):	10,570
Retail NLA (sq m):	1,179
Gross revenue for FY 2024 (S\$ million):	5.3
Remaining lease tenure (years):	66
Valuation as at 31 Dec 2024 (S\$ million):	117.2
Purchase price (S\$ million):	113.2
Master lessee:	Riverland Pte Ltd



Village Residence Robertson Quay overlooks the historic Singapore River and is located within the trendy dining and entertainment district of Robertson Quay. The Central Business District, Fort Canning and Clarke Quay MRT stations are within a short walking distance.

## Village Residence Hougang

1 Hougang Street 91, Singapore 538692

No of units:	78
Strata floor area (sq m):	14,257
Gross revenue for FY 2024 (S\$ million):	3.1
Remaining lease tenure (years):	69
Valuation as at 31 Dec 2024 (S\$ million):	66.3
Purchase price (S\$ million):	64.7
Master lessee:	Serene Land Pte Ltd



Village Residence Hougang is located in the Hougang residential suburb, northeast of Singapore. The serviced residence is conveniently located next to Hougang One Mall and well connected by expressways and MRT. Village Residence Hougang is popular with companies in the neighbouring industrial estates.

# INVESTMENT

## Expansion and Diversification

Far East H-Trust is committed to sustainable growth through strategic investments that enhance long-term value and resilience of the portfolio. In February 2025, the REIT Manager and Trustee-Manager announced the expansion of the Trust's investment strategies to include a global scope and adjacent lodging asset classes. This expansion allows the Trust to access more investment opportunities in developed markets, increase diversification of income sources, and mitigate potential concentration risks.

## First Overseas Acquisition in Japan

As part of the expansion and diversification efforts, the Trust signed an agreement on 20 February 2025 to purchase a freehold 319-room upscale hotel property (the "Property" or the "Hotel") situated in Greater Nagoya, the third largest metropolitan area in Japan. The Property, known as Four Points by Sheraton Nagoya, Chubu International Airport, is strategically positioned within walking distance of the Nagoya Chubu Centrair International Airport (the "Airport") – the main airport serving Central Japan. Offering seamless accessibility for both international and domestic travellers, the Hotel is also near to Aichi Sky Expo, Japan's fourth largest exhibition centre, spanning 60,000 square meters of event space. The transaction is expected to be completed by end April 2025.

## Strategic Rationale and Benefits of the Acquisition

Expanding into Japan presents an opportunity to capitalise on the country's strong growth in tourism. In 2024, Japan recorded 36.9 million international visitors, reflecting a 47.1% increase from the previous year. With the government targeting 60.0 million visitors by 2030, the demand for quality hospitality assets is expected to remain robust.

Nagoya serves as a key gateway to Central Japan, offering access to major destinations such as Nagano, Toyama, Kanazawa, and Kyoto. To decentralise tourism beyond major cities like Tokyo and Osaka, the Japanese government has been actively promoting travel to regional destinations, helping to drive demand for accommodation in these areas.

Nagoya and the Aichi region are major economic and industrial hubs. It is home to over 180 automotive companies, including Toyota. Its aerospace cluster is the largest in Asia with 176 companies. The area also hosts key manufacturers in robotics, ceramics, electronics, appliances, and pharmaceuticals. With a strong corporate presence, the Airport serves as a transit hub for business travellers seeking well-located, high-quality accommodation, positioning the Hotel to capture this demand.

Additionally, the Hotel's proximity to Aichi Sky Expo makes it an attractive accommodation choice for visitors attending MICE (Meetings, Incentives, Conferences, and Exhibitions) events or performances at the centre. Some notable upcoming events include Tourism Expo Japan in 2025 and the Asian Games in 2026. With limited competition within its product class in the vicinity, the Hotel is well-placed to capitalise on the demand from participants attending events at the centre throughout the year.

Four Points by Sheraton Nagoya is managed by Marriott International Inc., a globally recognised hospitality group. With a strong presence worldwide, the group is supported by its extensive distribution network and Marriott Bonvoy, which is currently the world's largest hospitality loyalty program<sup>1</sup> with nearly 228 million members. As a brand under the programme, the Hotel benefits from a substantial potential customer base.

1 CoStar's "Hotel Brand Loyalty by the Numbers" report (June 2024), and latest loyalty programme membership figures from Marriott International and Hilton Worldwide Holdings as reported in their 4Q 2024 results.



Four Points by Sheraton Nagoya

## Transaction Overview

The Trust acquired the Hotel at an initial price of JPY 6.0 billion (S\$52.8 million)<sup>2</sup>, representing an attractive 23.0% discount to its independent valuation of JPY 7.79 billion (S\$68.6 million) as at 31 December 2024. The price is also well below the estimated replacement cost of JPY 8.61 billion (S\$75.8 million), which includes land value, reconstruction cost for a new hotel of similar standard, and incidental expenses.

Beyond its current performance, the Property offers considerable development potential. It sits on approximately 9,750 square metres of land, of which

6,750 square metres are currently leased to a car park operator. Subject to planning approval, this space could be repurposed for additional hotel facilities or other commercial uses, providing opportunities to further enhance the Property's long-term value.

## Looking Ahead

Far East H-Trust continues to adopt a disciplined and strategic approach to investments and capital deployment. While Singapore remains its core market, the Trust remains focused on identifying accretive investment opportunities that will strengthen its portfolio resilience and deliver sustainable returns to Stapled Securityholders.

<sup>2</sup> Based on an exchange rate of JPY 1 to S\$0.0088 unless stated otherwise.

<sup>3</sup> In addition to the initial purchase price, total payment of up to JPY 1.75 billion (S\$15.4 million) (the Adjusted Purchase Consideration referred to below) may be payable to an unrelated third-party seller, subject to the hotel achieving certain defined performance targets within the next three years.



# ASSET ENHANCEMENT INITIATIVES

## Asset Enhancement Initiatives in 2024

The REIT Manager remains committed to enhancing the value of Far East H-Trust's portfolio through targeted asset enhancement initiatives. In 2024, these efforts included façade refreshments of key properties, infrastructure upgrades to ensure optimal system performance, and renovations of commercial office spaces to improve leasing appeal. Collectively, these initiatives demonstrate the REIT Manager is committed to maintaining high property standards, enhancing operational efficiency, and advancing Far East H-Trust's decarbonisation roadmap while delivering improved experiences for tenants and guests.

During the year, building repainting works were completed at Village Residence Robertson Quay and Rendezvous Hotel Singapore. These enhancements revitalised both properties, improving the aesthetic appeal of the hotel, serviced residence, and retail commercial premises. The

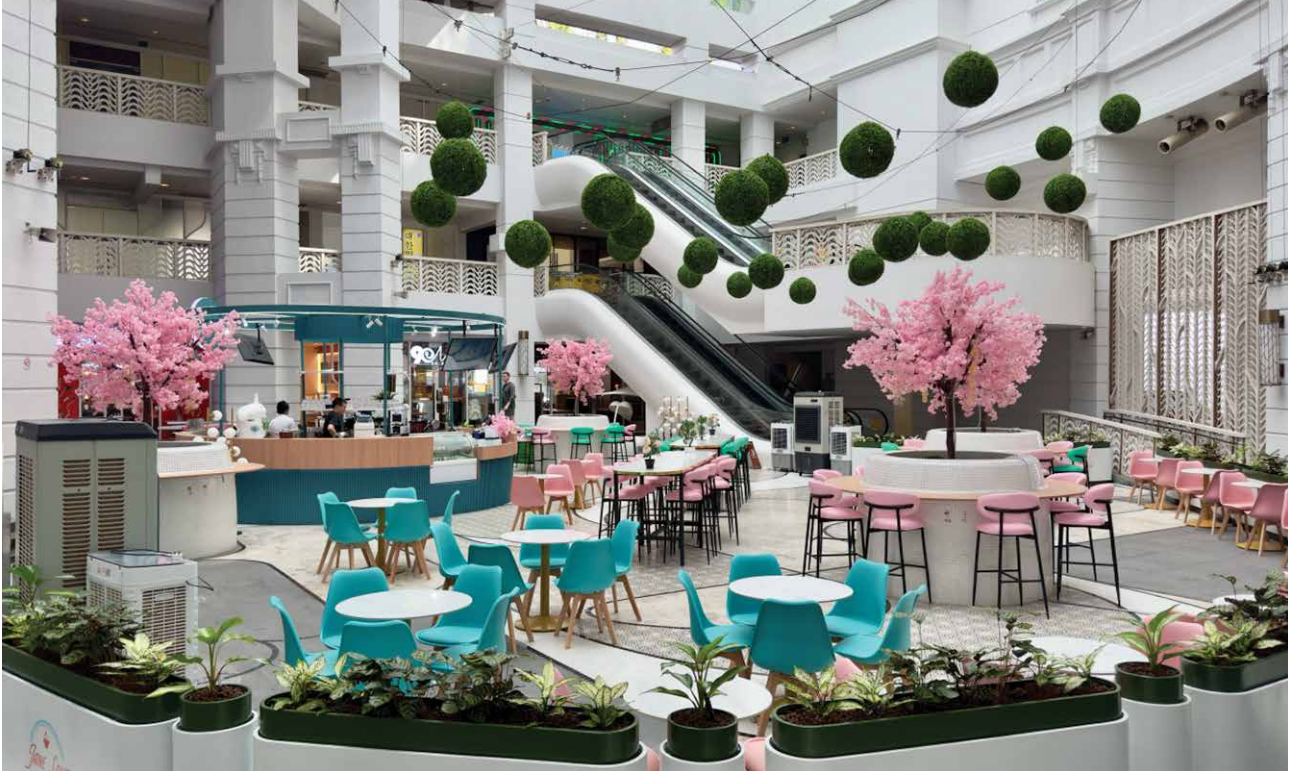
refreshed facades align with the vibrant precincts of the Singapore River and the arts district of Brash Basah and the properties will continue to be notable landmarks within the precincts.

At Orchard Rendezvous Hotel, efforts to maintain infrastructure reliability included overhauling of one of the property's two chiller plants. This ensures efficient system operation, mitigates additional carbon emission, and contributes to energy savings.

Lift modernisation works were carried out at Village Residence Robertson Quay to improve safety, reliability, and energy efficiency. The upgraded system incorporates an Alternating Current Variable Voltage Variable Frequency drive unit, which could achieve up to 40% in energy savings or approximately 1,892 kWh annually. These improvements not only enhance the operational performance of the lifts but also contribute to Far East H-Trust's sustainability goals.



Village Residence Robertson Quay



Rendezvous Hotel Singapore, Courtyard

As part of the holistic plan in reviewing the internet infrastructure of all properties, the high-speed internet infrastructure at Village Hotel Albert Court was upgraded. This included the replacement of core system including switches, network router and firewall, as well as upgrading all access points for all guest rooms and back-end offices. This improvement delivers faster and reliable connectivity, catering to the evolving needs of guests and supporting back-of-house operations effectively.

In 2024, with the expiry of an anchor tenant's lease at level 5 of the office block at Orchard Rendezvous Hotel, the REIT Manager undertook the renovation and sub-division of the entire floor for lease. The refreshment and sub-division of the space with contemporary design was well received and all sub-divided spaces were successfully leased upon completion of the renovation.

### Enhancement Works in 2025

Looking ahead, the REIT Manager will prioritise initiatives that align with sustainability objectives, enhance operational resilience, and drive portfolio optimisation to

deliver long-term value to stakeholders. Planned works include completing the chiller replacement project at Village Hotel Changi, expected to be operational by the end of 2025, which will significantly reduce electricity consumption and support Far East H-Trust's carbon emission reduction targets.

Between 2025 and 2027, feasibility studies and phased replacements of old chiller plants at Rendezvous Hotel and Vibe Hotel Singapore Orchard/The Quincy Hotel will be undertaken. The feasibility study for replacing the aging chiller plant at Rendezvous Hotel Singapore will also be completed. Once operational, these systems are expected to significantly reduce electricity consumption and carbon emission, advancing Far East H-Trust's decarbonisation roadmap and underscoring the REIT Manager's focus on energy efficiency and sustainability.

The REIT Manager will continue to explore asset enhancement opportunities that create value, modernise infrastructure, and improve guest experience to ensure that the portfolio remains competitive and aligned with evolving market trends.



## SINGAPORE MACROECONOMIC OVERVIEW

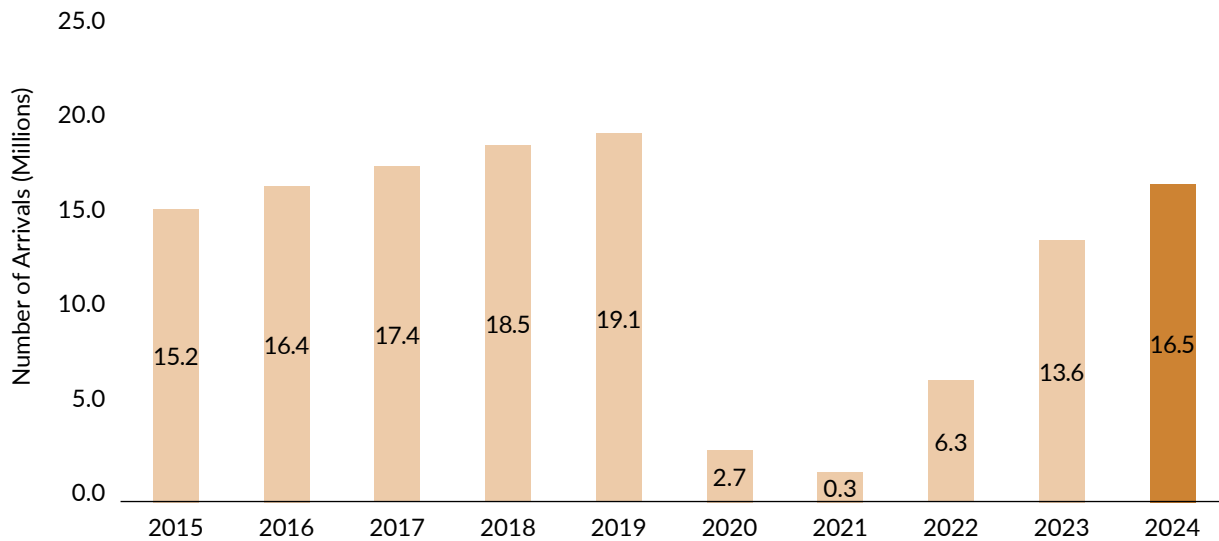
In 2024, Singapore’s economy expanded by 4.4%, accelerating from the 1.8% growth recorded in 2023. This growth was primarily driven by the Services Producing Industries which expanded by 4.5%. Within this sector, the Accommodation and Arts, Entertainment & Recreation industries recorded strong growth of 7.1% and 5.9%, respectively, moving in tandem with the continued recovery in international visitor arrivals.

The Ministry of Trade and Industry (“MTI”) has forecasted Singapore’s economy to grow between 1.0% and 3.0% in 2025. Despite the potential downside risks from an intensification in geopolitical and trade conflicts, the continuing recovery in air travel and tourist arrivals is expected to support the growth of aviation and tourism-related sectors, including air transport and accommodation.

## SINGAPORE TOURISM MARKET OVERVIEW

In 2024, Singapore welcomed approximately 16.5 million visitors, a 21.4% increase year-on-year (“YoY”), achieving the Singapore Tourism Board’s (“STB”) 2024 upper range target. Throughout the year, STB and the MTI collaborated to maintain Singapore’s status as a Global-Asia hub for business tourism, enhancing events with engaging experiences, promoting sustainability and urban wellness, and strengthening its position as an entertainment and musical performance hub. New attractions opened in 2024 included the SensoryScape, offering a multisensory experience walk that connects Resorts World Sentosa with Sentosa’s beaches. Palawan Beach was revitalised with a new leisure attraction, KidZania, an indoor theme park. In addition, Night Safari celebrated its 30th anniversary with the introduction of the Pangolin Trail, allowing visitors to observe different species in all weather conditions.

### Visitor Arrivals



Source: STB, CBRE



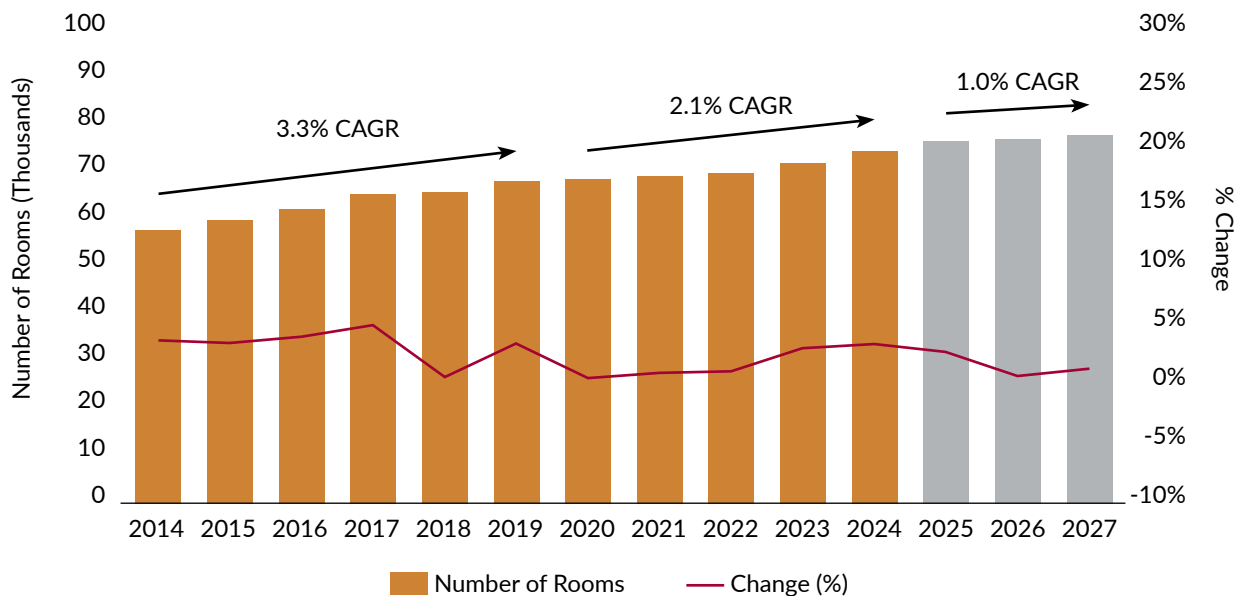
## SINGAPORE HOTEL MARKET OVERVIEW

### Supply of Hotels by the Number of Rooms

While the pandemic led to a limited supply of new hotels over the past few years, 2024 witnessed the opening of several establishments, including Mercure ICON Singapore City Centre, the reopening of Grand Hyatt (Phase 1), Lyf Bugis (formerly Hotel G), QT Singapore (formerly Hotel Telegram), and Train Pod @one-north. This trend reflects a competitive hotel landscape, with operators eager to expand their presence and find new ways to differentiate themselves.

Going forward, the pipeline of new room supply is anticipated to increase at a compounded annual growth rate (“CAGR”) of 1.0% between 2025 and 2027, representing approximately 3,537 keys, which is below the pre-pandemic historical 5-year CAGR of 3.3% between 2014 and 2019. Key openings until 2027 include the 62-key luxury Raffles Sentosa Resort & Spa, the 338-key luxury Banyan Tree Mandai Park, the 115-key upper upscale Mama Shelter, and the 808-key upscale Mövenpick Singapore, among others.

### Supply of Hotels by Number of Rooms



Source: STB, CBRE

# INDUSTRY OVERVIEW

## Demand and Performance

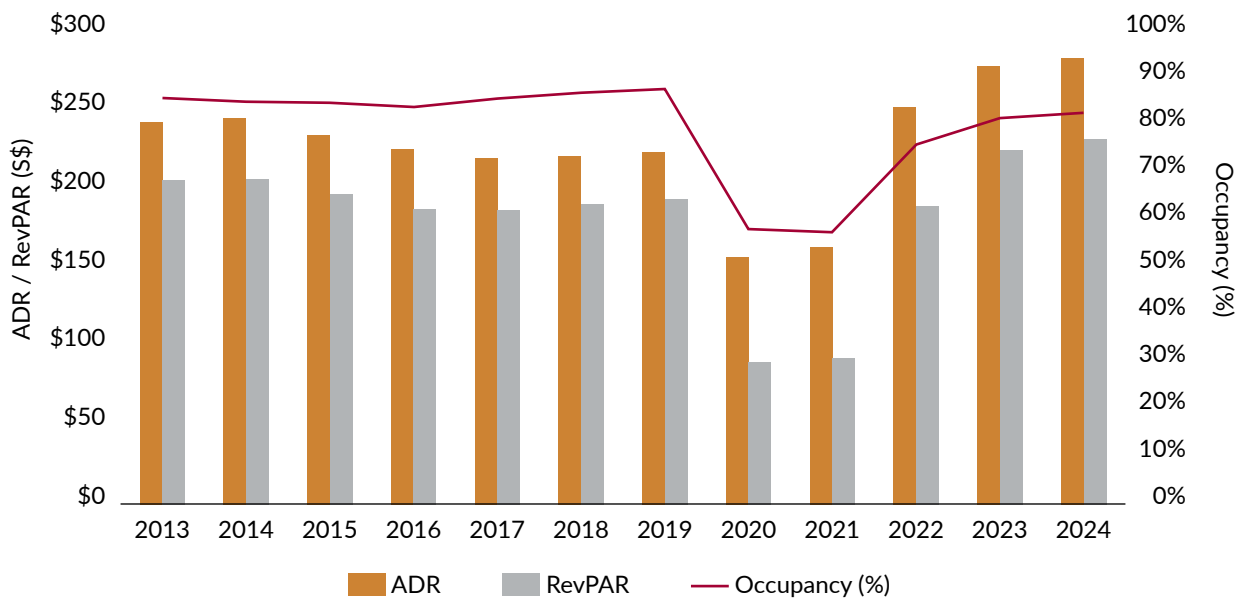
With strong visitor arrivals driving a thriving tourism landscape, market-wide average daily rate (“ADR”) continued its upward trajectory, in tandem with the increasing number of arrivals. In 2024, ADR reached a record high of S\$280, reflecting a 1.9% YoY increase. Concurrently, average occupancy grew 1.0 percentage points YoY to 81.8% leading to a revenue per available room (“RevPAR”) of S\$229, a notable 3.2% increase from same period last year.

## Investment Market

With the buoyant performance of Singapore’s tourism and hospitality markets, there has been strong optimism in the investment market. In 2024, five transactions were completed, amounting approximately S\$1.1 billion, in contrast to three transactions, totaling approximately S\$571 million in the year before. Investor confidence in Singapore’s strong long-term fundamentals, as well as its political and economic stability, is evident in these sales. Given its reputation as a safe haven for investments, the long-term outlook for the Singapore market remains favourable.

The table on the following page shows the hotel transactions in Singapore since 2018.

## Annual Hotel Performance



Source: STB, CBRE

### Hotel Transactions in Singapore (2018 – 2024)

Year	Name of Property	No. of Rooms	Contract Price (S\$'000)	Contract Price per Room (S\$'000)
2018	Oasia Hotel Downtown	314	210,000	669
2018	Beach Hotel	33	31,500	955
2018	Porcelain Hotel	84	64,800	771
2018	Chang Ziang Hotel	70	18,500	264
2018	Hamilton Hotel	42	18,200	433
2018	Wanderlust Hotel	29	37,000	1,276
2018	Wangz Hotel <sup>^</sup>	41	46,000	1,122
2018	Wangz Hotel <sup>^</sup>	41	60,000	1,463
<b>Total</b>		<b>654</b>	<b>486,000</b>	
2019	Ibis Novena	241	168,880	701
2019	Hotel Clover 769 North Bridge Road	27	26,800	993
2019	Claremont Hotel	90	68,800	764
2019	The Bay Hotel	319	235,000	737
2019	Andaz Hotel	342	475,000	1,389
2019	The Amaris by Santika	38	29,700	782
2019	Novotel Singapore Clarke Quay*	403	375,900	933
2019	W Singapore Sentosa Cove*	240	324,000	1,350
2019	Somerset Liang Court	-	163,300	-
<b>Total</b>		<b>1,700</b>	<b>1,867,380</b>	
2020	Amber Hotel Katong	46	27,000	587
<b>Total</b>		<b>46</b>	<b>27,000</b>	
2021	Gay World Hotel	27	13,500	500
2021	D'Kranji Farm Resort	35	4,800	137
2021	Balestier Hotel	42	15,000	357
2021	Malacca Hotel (and adjacent residential plot)	29	18,080	-
<b>Total</b>		<b>133</b>	<b>51,380</b>	

<sup>^</sup> Wangz Hotel was acquired by TCRE Partners Pte Ltd circa August 2018 and subsequently acquired by Cheong Sim Lam, a private investor circa November 2018.

\* Deal announced in November 2019 and completed on 16 July 2020.



# INDUSTRY OVERVIEW

Year	Name of Property	No. of Rooms	Contract Price (S\$'000)	Contract Price per Room (S\$'000)
2022	Porcelain Hotel+	138	90,000	652
2022	K Hotel	56	22,500	402
2022	HotelKai	32	20,771	649
2022	Porcelain Hotel+	138	90,000	652
2022	Hotel Clover	88	74,800	850
2022	Regin Hotel	46	19,500	424
2022	Fortuna Hotel	106	85,800	809
2022	Sofitel SO Singapore	134	240,000	1,791
2022	Hotel Soloha	45	53,380	1,186
2022	12 on Shan	78	86,500	1,109
2022	Sing Hoe Hotel	41	29,000	707
2022	Arabic Inn (48 Arab Street)	22	4,559	207
2022	New Society Backpackers Hostel	48	5,586	116
2022	Pasir Panjang Inn	54	21,221	393
<b>Total</b>		<b>1,026</b>	<b>843,618</b>	
2023	Amber Hotel/ Amber Hotel Katong	25	34,770	1,391
2023	K Hotel 8	56	10,800	193
2023	Parkroyal on Kitchener Road	542	525,000	969
<b>Total</b>		<b>623</b>	<b>570,570</b>	
2024	Capri by Fraser Changi City	313	170,000	543
2024	Concorde Hotel	407	284,589	699
2024	Hotel G Singapore	308	240,000	779
2024	Hotel Telegraph	134	180,000	1,343
2024	Lyf Funan	329	263,000	799
<b>Total</b>		<b>1,491</b>	<b>1,137,589</b>	

Source: RCA, CBRE Hotels

## Outlook

STB has projected visitor arrivals for 2025 to reach between 17 and 18.5 million, reflecting continued recovery in Singapore's tourism sector. With a well-managed pipeline of hotel room supply and collaborative efforts between STB and tourism/MICE (Meetings, Incentives, Conferences and Exhibitions) partners, Singapore is poised for sustained recovery in both leisure and business travel.

In 2025, a series of new attractions are set to open, such as Minion Land at Universal Studios Singapore, Singapore Oceanarium at Resorts World Sentosa, and Rainforest

Wild Asia at Mandai Wildlife Reserve. The expansion of the Marina Bay Sands and a new tourism hub at Jurong Lake District is scheduled in the coming years. Ongoing infrastructure projects aimed at enhancing Singapore's global connectivity include a S\$3.0 billion upgrade of Changi Airport's Terminal 1 to 4, the development of Changi Airport Terminal 5, the Tuas Mega Port, the North-South Corridor, and the Cross Island MRT line. Furthermore, Singapore has established a S\$165.0 million fund to promote itself as a major sports event destination over the next four years. This initiative will enable the hosting of more world-class sporting events and the construction of a new arena.

+ Porcelain Hotel was acquired by JL Asia Resources Pte Ltd circa March 2018 and subsequently acquired by RB Family Office circa February 2022.

### SINGAPORE SERVICED RESIDENCE ("SR") MARKET OVERVIEW

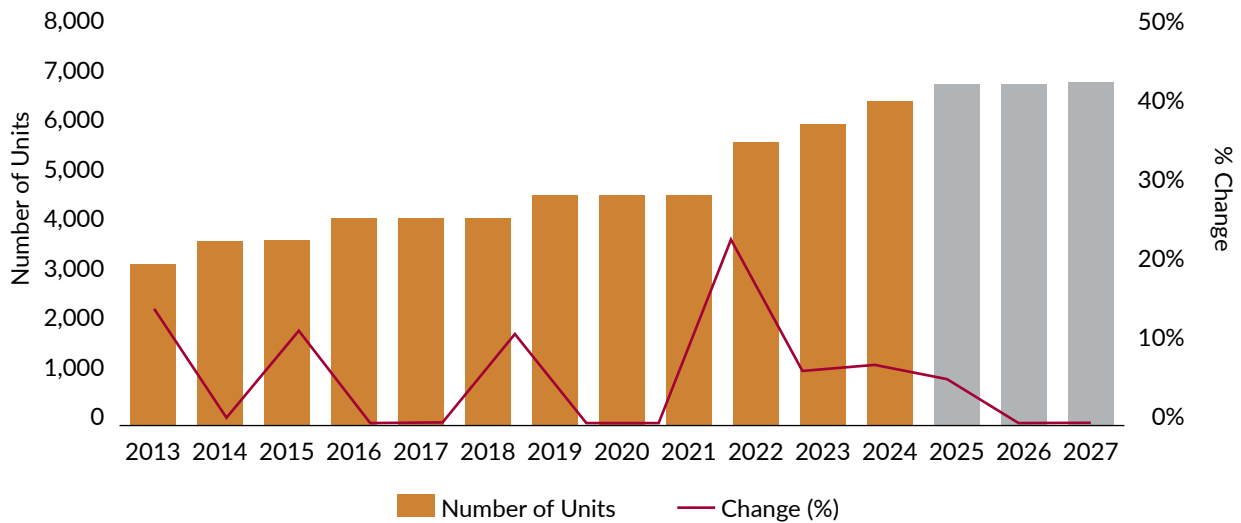
#### Supply of SRs by the Number of Units

The total supply of serviced residences has remained relatively low compared to the hotel market, with limited additions in recent years. In 2024, five new openings were recorded, including the 250-key Citadines Science Park, the 30-key Coliwoo River Valley 268, the 39-key Coliwoo River Valley, the 86-key Alma House, and the 255-key Quincy House Singapore. Future supply includes

the 192-key CanningHill Piers Somerset Serviced Residences, the 175-key Weave Suites Hillside, and the 37-key Mövenpick Living Singapore scheduled to open between 2025 and 2027. Additionally, land parcels for a new class of serviced residences, requiring a minimum three-month stay, were launched in December, featuring two sites at Upper Thomson Road and Zion Road, offering about 535 units in total.

The below chart shows the supply growth for both traditional and hybrid serviced residences.

Supply of Serviced Residences by Number of Units



Source: CBRE



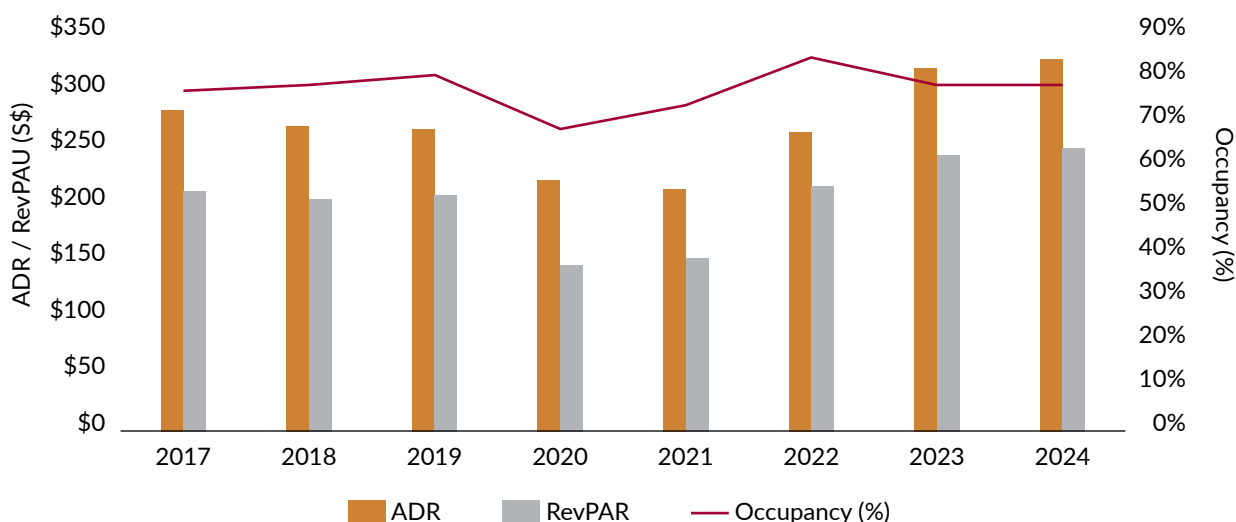
# INDUSTRY OVERVIEW

## Demand and Performance

The serviced residence market continues to play a vital role in meeting diverse accommodation needs, balancing long-stay demand with shifting travel patterns. While the performance of both the serviced residence and hotel markets generally move in tandem, serviced residences have leveraged their traditional long-stay business model to maintain a steady performance. The market benefits from demand driven by long-stay project groups, extended leases from corporate accounts, and local Singaporeans seeking alternative accommodations during renovations or displacements.

However, as corporate budgets tightened and the Singapore dollar remained relatively strong for much of the year before softening toward the end, demand for corporate and relocation stays moderated, increasing travel costs for businesses. In response, many serviced residences adapted by targeting higher-paying short-term guests to mitigate these challenges. This strategic shift contributed to a 2.5% YoY increase in the ADR to S\$318, while average occupancy remained steady at 76.1%. Consequently, revenue per available unit ("RevPAU") recorded a slight YoY increase of 2.5% to S\$242.

## Annual Serviced Residence Performance



Source: STR

## Investment Market

The investment market for serviced residence assets in Singapore has remained relatively muted in recent years, with only a few transactions occurring, as operators and developers prefer to acquire properties for conversion or redevelopment rather than purchasing existing stock.

This trend was evident even before the pandemic. Between 2018 and 2019, only three transactions were completed. These transactions included the sale of the 75-key Darby Park Executive Suites, the 146-key Ascott Raffles Place Singapore, and the 268-key Oakwood Premier OUE Singapore.

In 2023, no transactions were recorded, reflecting the impact of the high interest rate environment, marking a decrease from the two transactions recorded in 2022 which included the sale of Central Square, and the sale of Orchard Hills Residences.

In 2024, two transactions were completed, reflecting a gradual recovery in investor confidence and renewed interest in well-located long-stay accommodation assets. The sales included the 154-key Citadines Mount Sophia for S\$148.0 million and Fraser Residence River Promenade for S\$140.9 million.



The table below shows the latest transactions in Singapore for serviced residences, including those with hotel license:

### Serviced Residence Transactions in Singapore (2018 - 2024)

Year	Name of Property	No. of Units	Contract Price (S\$'000)	Contract Price per Unit (S\$'000)
2018	Darby Park Executive Suites*	75	92,710	1,236
<b>Total</b>		<b>75</b>	<b>92,710</b>	
2019	Ascott Raffles Place Singapore^	146	353,300	2,420
2019	Darby Park Executive Suites*+	75	160,000	2,133
2019	Oakwood Premier OUE Singapore^	268	289,000	1,078
<b>Total</b>		<b>489</b>	<b>802,300</b>	
2022	Central Square Village Residence (Village Residence Clark Quay)	128	331,200	2,588
2022	30 Bideford Road (Orchard Hills Residence - MGallery)	168	309,000	1,839
<b>Total</b>		<b>296</b>	<b>640,200</b>	
2024	Citadines Mount Sophia Singapore*	154	148,000	961
2024	Fraser Residence River Promenade^	72	140,889	1,956
<b>Total</b>		<b>226</b>	<b>288,889</b>	

Source: RCA, CBRE Hotels

^ Serviced residence with Hotel License

\* Serviced residence

+ Resold with underlying URA zoning changed from Residential to Hotel use

### Outlook

Over the years, the type of serviced residences has evolved to include new concepts such as co-living spaces and serviced residences licensed as hotels, which feature a higher proportion of smaller room types such as studios and one-bedroom apartments.

As economies worldwide reopened their borders, the resurgence in business travel, international assignments, and relocations has significantly increased demand for accommodation, particularly serviced residences. Southeast Asia continues to be an attractive region for foreign direct investments, supported by its youthful, tech-savvy workforce and growing middle class population. Strategically located within Southeast Asia and known for its talent pool, reliability and political stability, Singapore is well-positioned as a central and premier destination for both business and livability.

In 2024, Singapore attracted S\$13.5 billion in fixed asset investment commitments, aligning with the Economic Development Board's annual target of S\$8 to 10 billion. Despite global strategic adjustments by multinationals, the Singapore government still managed to secure major long-term investments across key sectors, including digital and IT infrastructure, advanced manufacturing, pharmaceuticals and aerospace industry. These investments are expected to draw expatriates and project teams into Singapore to support the development and operation of these large-scale investments.

Given the positive demand for long-stay accommodation offered by serviced residences, stability provided by the cash flows generated from serviced residence operations is expected to remain as an attractive factor for investors.

# PERFORMANCE REVIEW

## Market Overview

Singapore's hospitality sector continued its strong recovery, bolstered by rising international visitor arrivals, major events, and strategic tourism initiatives. Hosting world-class performances and business conferences further strengthened Singapore's appeal as a regional hub for both entertainment and commerce. The introduction of visa-free entry for Chinese travellers further boosted connectivity and underscored the strong bilateral ties supporting tourism and trade. Enhanced flight connectivity, strategic partnerships, and a growing emphasis on sustainability and experiential travel further reinforced Singapore's position as a premier global destination.

## Review of Hotel Portfolio Performance

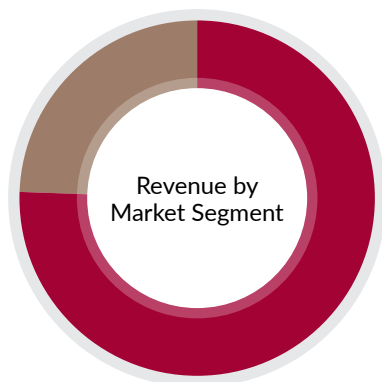
Far East H-Trust's hotel portfolio recorded a 0.9 percentage point improvement in average occupancy to 81.0% in FY 2024, with ADR increasing 4.5% to S\$178, reflecting the portfolio's steady recovery following the conclusion

of government contracts in the prior year. The hotels capitalised on major events and large-scale performances, particularly in the first and third quarters of 2024, to bolster performance. Overall, RevPAR increased 5.7% year-on-year to S\$144.

The Leisure segment emerged as the primary driver of revenue, contributing 75.6% of total hotel room revenue, as leisure travel far outpaced corporate demand. While corporate revenue (excluding government contracts) grew by 10% year-on-year, leisure revenue increased 1.4 times compared to FY 2023 and surpassed 2019 levels by 13.9%. This growth reflects the steady recovery of tourism, supported by improved accessibility, shifting traveller preferences, and Singapore's reputation as a safe and reliable destination.

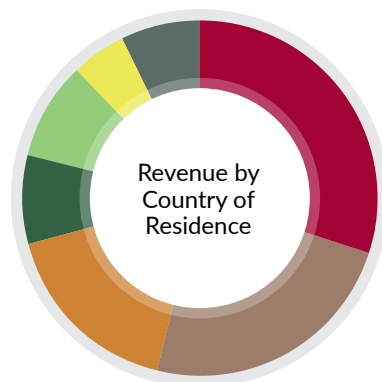
Across geographic markets, North Asia led with 29.8% of total revenue, driven by a strong rebound in Chinese arrivals. Southeast Asia and Europe followed, contributing 24.0% and 17.4% of revenue, respectively.

## Revenue by Market Segment



- Leisure/Independent 75.6%
- Corporate 24.4%

## Revenue by Country of Residence



- North Asia 29.8%
- Southeast Asia 24.0%
- Europe 17.4%
- South Asia 8.1%
- Oceania 9.0%
- North America 5.1%
- Others 6.6%

### Review of Serviced Residence Performance

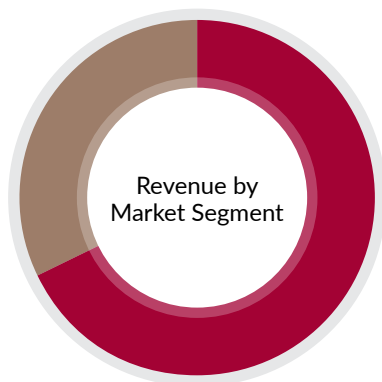
The serviced residence portfolio was supported by favourable pricing trends and a greater proportion of short-stay leisure bookings. Despite challenges such as lift upgrading works at one of the apartment blocks at Village Residence Robertson Quay which temporarily affected accessibility during the fourth quarter, the portfolio remained resilient.

The SR portfolio recorded an increase in ADR of 4.0% year-on-year, reaching S\$271. However, average occupancy declined by 3.6 percentage points to 84.2%,

reflecting the impact of reduced room availability. Consequently, revenue per available unit experienced a marginal decline of 0.4%, settling at S\$228.

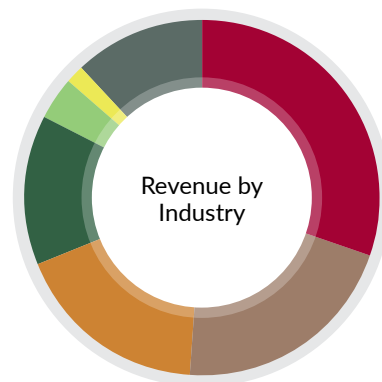
The Corporate segment remained the primary revenue driver, contributing 68.0% of total SR revenue, up from 67.3% in the previous year. Growth was led by higher rates secured from corporate clients across key industries, with the Services, Banking & Finance, and Electronics & Manufacturing sectors accounting for 69.0% of the Corporate segment's revenue. The Leisure segment contributed 32.0%, highlighting its importance during periods of softer corporate demand.

#### Revenue by Market Segment



● Corporate	68.0%
● Leisure/Independent	32.0%

#### Revenue by Industry



● Services	30.4%
● Banking & Finance	20.8%
● Electronics & Manufacturing	17.8%
● Oil & Gas	13.7%
● Logistics	3.7%
● Fast Moving Consumer Goods	1.9%
● Others	11.7%



# PERFORMANCE REVIEW

## Review of Commercial Premises Performance

Far East H-Trust has a total of 180 units of retail and office commercial spaces, housed in 8 out of the 12 properties in the portfolio. In 2024, revenue from the Commercial Premises segment accounted for 16.0% of Far East H-Trust's total gross revenue.

For FY 2024, revenue from the Commercial Premises segment increased by 7.3% year-on-year to S\$17.3 million, driven by higher rental rate and better occupancy for the portfolio. Overall, the segment's average occupancy increased by 3.3 pp, and rental rate per square foot (including turnover rent) rose by 4.4% compared to the previous year.

Revenue for the retail premises grew 10.8% year-on-year attributed to better occupancies and rental rates. The average occupancy for the retail premises grew 5.1 pp to 82.4% in 2024, largely due to higher occupancies at Rendezvous Hotel Singapore ("RHS"), Village Hotel Changi ("VHC"), Regency House ("RH") and Village Hotel Bugis ("VHB"). Notably, 4 new F&B and entertainment concepts were on-boarded at RHS during the year, leading to a stronger positioning for the retail gallery. Rental rates including turnover rent grew 4.2% year-on-year as a result of step-up rents, better renewal rates and better sales performances of tenants.

Revenue for the office premises was marginally lower by 1.9% year-on-year, primarily due to the temporary impact of the sub-division of an entire floor at Level 5 of Orchard Rendezvous Hotel ("ORH"). The expiry of an anchor tenant's lease provided an opportunity to modernise the space and enhance its functionality. The renovation was completed in March 2024 and all subdivided units have since been fully leased at higher rental rates. The average occupancy for the office premises remained high at 94.7% with strong renewal rates and demand for Grade B offices in the Orchard precinct.

In 2024, there were 122 tenants across various trade sectors, with the largest being the food & beverage industry.

As at 31 December 2024, the Commercial Premises segment had a lower weighted average lease expiry ("WALE") of 1.67 years as compared to 1.74 years in the previous period. Remaining lease tenure ranged from less than a year to 4.2 years.

New leases entered into during the year had a WALE of 2.4 years and made up 4.5% of Commercial Premises revenue for the year.

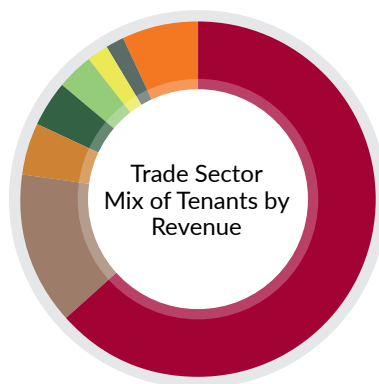
## Lease Maturity Profile as at 31 December 2024

	2025	2026	2027	2028	2029
% of Leases expiring	44%	41%	12%	2%	1%
% of total gross monthly revenue	24%	43%	27%	5%	1%

### Top 10 Commercial Premises Tenants as at 31 December 2024

No.	Tenant	Percentage of Revenue	Industry
1	Akashi Japanese Restaurant OPH Pte Ltd	6.5%	Food & Beverage
2	Club Chinois Pte Ltd	5.9%	Food & Beverage
3	Natureland Global Pte Ltd	4.0%	Beauty & Wellness
4	Singapore Hospitality Group Pte Ltd	3.6%	Food & Beverage
5	Menu 2 Pte Ltd	3.1%	Food & Beverage
6	Millionaires Taste Pte Ltd	2.8%	Food & Beverage
7	Royal Palm Pte Ltd	2.8%	Food & Beverage
8	Kam Boat Chinese Cuisine Pte Ltd	2.6%	Food & Beverage
9	Carnivore Brazilian Churrascaria Pte Ltd	2.6%	Food & Beverage
10	Caerus Horizons Pte Ltd	2.5%	Food & Beverage

### Trade Sector Mix of Tenants by Revenue (%)



●	Food & Beverage	63.6%
●	Beauty & Wellness	14.0%
●	Real Estate	4.9%
●	Education	4.4%
●	Consultancy	3.4%
●	Entertainment	1.9%
●	Retail-Convenience Store	1.4%
●	Others	6.4%



# CAPITAL MANAGEMENT

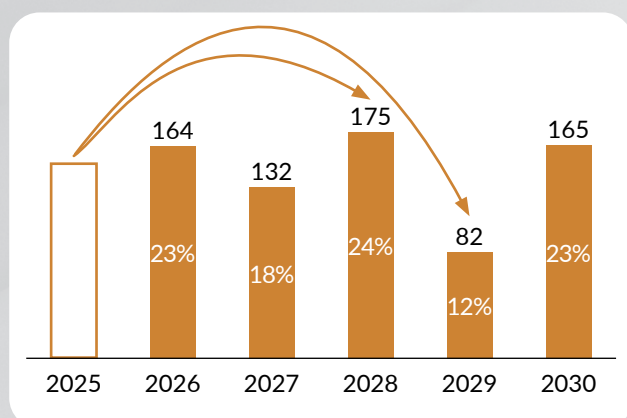
Far East H-Trust adopts a proactive approach to capital management, focusing on maintaining financial resilience through a strong balance sheet, a balanced mix of debt and equity for property acquisitions, diversified funding sources, and cost-efficient debt strategies.

As at 31 December 2024, Far East H-Trust had total borrowings of S\$718.1 million in term loan facilities. Total borrowings were lower than the previous year mainly due to prepayment of term loan of S\$23.6 million in June 2024. Aggregate leverage decreased from 31.3% to 30.8% in December 2024, a 0.5 percentage point improvement. This level is well within the gearing limit allowed by the Monetary Authority of Singapore (“MAS”) for property trusts in Singapore. In November 2024, MAS revised the Property Fund Appendix to establish a uniform leverage limit of 50% while lowering the minimum interest coverage ratio (“ICR”) to 1.5 times. Reflecting prudent financial management, Far East H-Trust maintains a healthy ICR of 3.0 times<sup>1</sup>.

The REIT Manager keeps a well-spread debt maturity profile to minimise any refinancing risk in any one year. There is no more than 24% of debt due for refinancing in any year.

## Debt Maturity Profile (\$ million)

as at 31 December 2024



In December 2024, the REIT Manager successfully refinanced S\$157.2 million in term loans comprising S\$107.2 million and S\$50.0 million loans, well ahead of their maturity due in April and November 2025. These were refinanced with the existing lenders into two sustainability-linked 4-year term loan of S\$75.0 million and 5-year term loan of S\$82.2 million, bringing the weighted average debt maturity to 3.7 years in December 2024. As a result, there are no term loans due in 2025.

Far East H-Trust has S\$275.0 million of undrawn Revolving Credit Facility. All its 12 investment properties are unencumbered. The debt headroom of S\$1,032.6 million (based on an aggregate leverage limit of 50%) provides Far East H-Trust with ample financial ability and flexibility to fund future asset enhancement initiatives and acquisitions.

Far East H-Trust strives to maintain an appropriate proportion of interest rate hedges to manage interest rate risk. As at 31 December 2024, 57.9% of its borrowings were on fixed interest rates arising from interest rate swap contracts entered into to hedge against the exposure to interest rate volatility.

Amid an elevated interest rate environment, the weighted average cost of debt rose to 4.1% compared to the previous year, with existing interest rate hedges helping to offset some of the impact. To cushion the impact of higher interest expenses, Far East H-Trust utilised S\$5.1 million of the S\$18.0 million incentive fee received in March 2023 from the divestment of Central Square. This proactive measure demonstrates the REIT Manager’s commitment to understanding and safeguarding stakeholders’ interest.

<sup>1</sup> ICR is computed as per the definition in the loan covenants. ICR would be 2.9 times based on the definition prescribed by Appendix 6 of the Code on Collective Investment Schemes.



# INVESTOR RELATIONS

A strong investor relations function is vital for promoting transparency and fostering good governance. The REIT Manager is committed to keeping Stapled Securityholders updated on the latest developments and performance of Far East H-Trust, and makes timely disclosures as required under the Listing Manual of the SGX-ST. Despite the transition to half-yearly financial reporting, the REIT Manager continues to provide business updates for 1Q and 3Q. Pertinent or material information is communicated to various stakeholders via releases on SGXNET, Far East H-Trust's website ([www.fehtrust.com](http://www.fehtrust.com)) and other channels including news releases, annual reports and at Stapled Securityholders' meetings.

## Investor Meetings and Briefings

To understand shareholder viewpoints and concerns, the REIT Manager engages the investment community by way of regular analyst briefings, investor roadshows and conferences, and one-on-one meetings. The CEO and CFO, together with the Investor Relations Manager, devote time to engage both prospective and existing investors on an ongoing basis, both in Singapore and abroad. Site visits to Far East H-Trust's hotels and serviced residences are also arranged for analysts and institutional investors who are keen to have a better understanding of the hospitality business and asset enhancement initiatives. Over the year, the REIT Manager participated in a mixture of in-person and virtual meetings with the investment community.

## Investor Relations Activities

	Date	Event	Organiser
Q1	14 Feb 2024	FY 2023 Post-Results Briefing for Analysts	Far East H-Trust
	14 Feb 2024	FY 2023 Post-Results Briefing for Institutional Investors	Macquarie Research
	20 Feb 2024	SIAS Corporate Connect Webinar	SIAS
	21 Feb 2024	Singapore REIT Day – Bangkok, Thailand	Maybank-SGX-REITAS
Q2	22 Apr 2024	12th Annual General Meeting	Far East H-Trust
	30 Apr 2024	1Q 2024 Interim Business Update for Analysts	Far East H-Trust
	30 Apr 2024	1Q 2024 Interim Business Update for Institutional Investors	DBS Group Research
	14 May 2024	Meet the CEOs Session	DBS-REITAS
	5 Jun 2024	Tour of Village Hotel Sentosa, The Outpost Hotel, and The Barracks Hotel with Thai investors	DBS Group Research
Q3	11 Jun 2024	Invest ASEAN Corporate Day – Penang, Malaysia	Maybank
	30 Jul 2024	2Q/ 1H 2024 Post-Results Briefing for Analysts	Far East H-Trust
	30 Jul 2024	2Q/ 1H 2024 Post-Results Briefing for Institutional Investors	Maybank
	22 Aug 2024	2024 ASEAN Thematics Investor Conference	Citibank
Q4	30 Oct 2024	3Q/ YTD Sep 2024 Interim Business Update for Analysts	Far East H-Trust
	15 Nov 2024	DBS-SGX-REITAS Bangkok Conference	DBS-SGX-REITAS
	26 Nov 2024	Singapore Corporate Day – Tokyo, Japan	SGX-J.P. Morgan

# INVESTOR RELATIONS

## General Meetings

Stapled Securityholders are given the opportunity to communicate their views at annual general meetings (“AGM”) and extraordinary general meetings (“EGM”). All directors and representatives from DBS Trustee Limited and the external auditor are present to address queries during the general meetings. Stapled Securityholders can then vote on the resolutions by electronic polling and an announcement of the results showing the number of votes cast for and against each resolution and the respective percentages are made known.

Following the conclusion of the general meeting, voting results and presentation slides are uploaded onto both SGXNET and the corporate website on the same day. Subsequently, meeting minutes along with Stapled Securityholders substantive questions and answers are made public via SGXNET and the corporate website. Minutes of general meetings are also provided to Stapled Securityholders upon request. For more information on Far East H-Trust’s AGM held on 22 April 2024, please refer to page 126 of the Corporate Governance report.

## Website

Stapled Securityholders and the public can also access the corporate website for the latest information on Far East H-Trust, including semi-annual financial reports, quarterly business updates, corporate announcements, annual reports, and circulars, as well as other information, including key insider movements in Stapled Securityholdings. The public can also subscribe to email alerts to be notified whenever Far East H-Trust has a new SGX filing or announcement.

## Investor Composition

As at 31 December 2024, approximately 68% of Far East H-Trust Stapled Securities were held by institutional investors, with the remaining 32% held by individuals. Entities related to Far East Organization continued to hold a majority stake, holding approximately 54% of Far East H-Trust’s Stapled Securities, providing strong support and stability. Excluding Far East Organization and its related entities, Singapore-based investors accounted for approximately 57% of the remaining holdings, followed by North American investors at about 19%.

Research Coverage
CGS-CIMB
Citi Research
DBS Group Research
J.P. Morgan
Maybank
Phillip Securities
UOB Kay Hian

Constituent of Key Indices <sup>1</sup>
FTSE EPRA Nareit Global Real Estate Index
iEdge APAC ex Japan Dividend Leaders REIT Index
iEdge-OCBC Singapore Low Carbon Select 50 Capped Index
iEdge SG Real Estate Index
iEdge Singapore Low Carbon Index
iEdge S-REIT Index
iEdge S-REIT Leaders Index

## Enquiries

For enquires on Far East H-Trust, please contact:

**Mr James Tan**

Manager, Investor Relations & Sustainability Management

T: +65 9783 8645

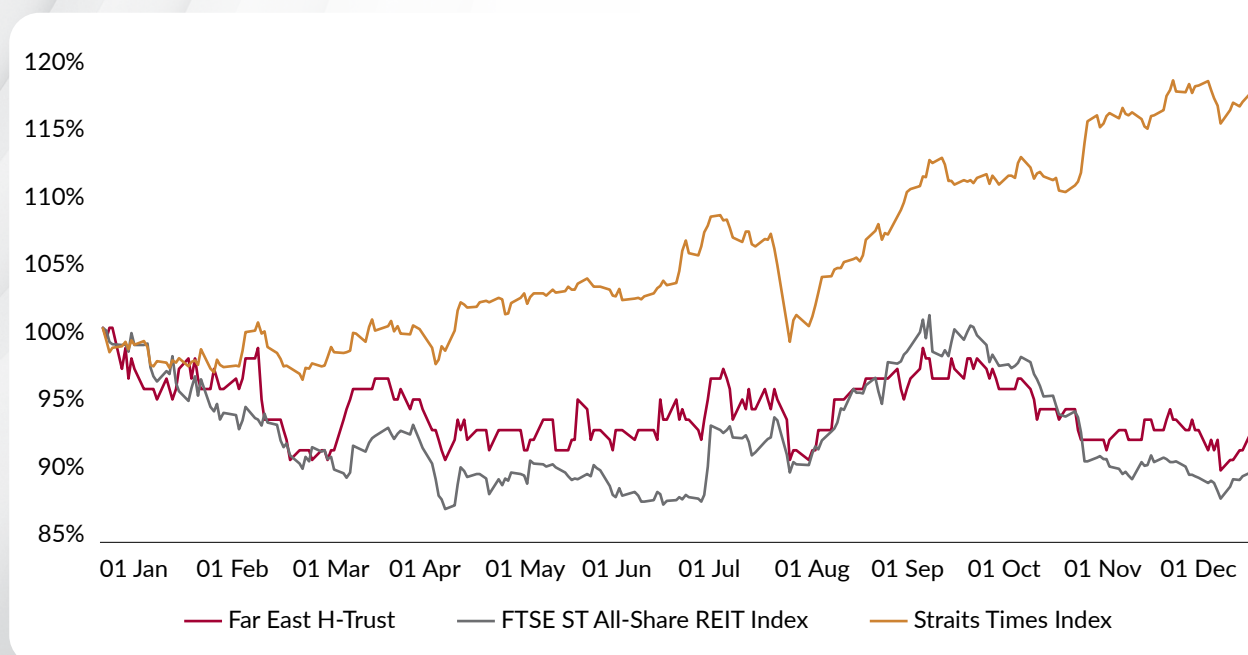
E: [jamestan@fareast.com](mailto:jamestan@fareast.com)

<sup>1</sup> The list of key indices is not exhaustive.

In 2024, Singapore's Real Estate Investment Trusts faced a challenging year with mixed returns across sub-industries. Despite global economic uncertainties and a high interest rate environment, Far East H-Trust's Stapled Security demonstrated resilience. While Far East H-Trust's Stapled Security recorded a decline of 8.3%, this was significantly better than the broader FTSE ST

All-Share REIT Index ("S-REIT") which fell by 11.8%. Including distributions, Far East H-Trust delivered a total return of -2.1%, outperforming the overall S-REIT sector's total return of -4.9%. Within the S-REIT sector, the hospitality sub-industry recorded a total return of -5.4%<sup>2</sup>.

### Far East H-Trust Stapled Security Price Vs. Major Indices



### Stapled Security Price Performance

	2024	2023
Opening price on the first trading day of the year (S\$)	0.665	0.625
Low (S\$)	0.595	0.560
High (S\$)	0.675	0.680
Closing price on the last trading day of the year (S\$)	0.610	0.665
Total trading volume (stapled securities)	306 million	346 million
Average daily trading volume (stapled securities)	1.2 million	1.4 million

<sup>2</sup> Source: SGX Research – January 2025.



**KEEPING PACE  
WITH SUSTAINABLE  
GOALS**



The Barracks Hotel, Swimming Pool







# SUSTAINABILITY REPORT

## BOARD STATEMENT

### Dear Stakeholders,

The Board is pleased to present Far East Hospitality Trust's ("Far East H-Trust" or the "Trust") eighth Sustainability Report for FY 2024. This report highlights our continued commitment to Environmental, Social, and Governance ("ESG") initiatives and the progress we have made in advancing sustainability across our operations.

Since the publication of our inaugural Sustainability Report for FY 2017, we have systematically strengthened our sustainability framework and governance. Over the years, we have conducted annual reviews and validation of our ESG strategy and material topics to ensure their continued relevance. Key milestones in our ESG efforts include (a) Comprehensive review, update and validation of Far East H-Trust's sustainability strategy; (b) Setup of an appropriate ESG structure where the Audit, Sustainability and Risk Committee ("ASRC") provides oversight, and the Sustainability Working Committee reviews and implements ESG initiatives in our business; (c) Comprehensive review of Enterprise Risk Management framework, taking into consideration ESG impacts, risk and opportunities in all relevant strategic planning and decision; (d) Annual review, update and validation of Far East H-Trust's ESG material topics; and (e) Establishing a long-term net zero emissions target by 2050.

For our environmental pillar of "Securing Our Future", we have taken steps to advance our sustainability goals. A key milestone in 2024 was the establishment of a mid-term emissions reduction target for 2030, aiming to reduce absolute carbon emission (Scope 1 and 2) by 20% from the base year of 2024. This is after a detailed study of our decarbonisation roadmap, taking into consideration emissions reduction strategies and measures being planned, including chiller plant replacements, expected grid efficiency improvements, and operational initiatives. The target follows a linear trajectory towards our 2050 net-zero ambition, ensuring a structured and progressive pathway, and is consistent with the linear pathway adopted by the Singapore Government for its Climate Targets announced in February 2025. As part of our assessment, we have adopted 2024 as the base year

as emission levels in prior years were distorted due to the impact of COVID-19. Using 2024 as the base year better reflects the near-full normalisation of operational activities post pandemic. Setting this mid-term target will help drive our long-term decarbonisation efforts to mitigate climate risks and integrate sustainability across our portfolio.

To support our ambition of achieving our 2030 reduction target, we have reviewed and refined our decarbonisation roadmap, outlining key initiatives to drive progress. At Village Hotel Changi, following a feasibility study, a tender was successfully conducted and awarded for the upgrade of its chiller plant and air-conditioning system. The new system, expected to be operational by the end of 2025, is targeted to achieve Green Mark Gold Plus certification. Over the next few years, feasibility studies will be conducted at Rendezvous Hotel Singapore and Vibe Hotel Singapore Orchard / The Quincy Hotel to assess the replacement of their older chiller systems.

To expand the scope in our sustainability reporting, we disclosed waste data and Scope 3 emissions for the first time, covering Business Travel (Category 6) and Employee Commute (Category 7). This disclosure reinforces our commitment to accountability and offers a more comprehensive perspective of our carbon footprint. During the year, we have also taken further steps to prepare for upcoming regulatory reporting requirements, including the requirements by the Singapore Exchange and the International Sustainability Standards Board ("ISSB") IFRS Standards for Climate Reporting. BDO Advisory Pte Ltd, our internal auditor, has reviewed our Sustainability Report and where appropriate, provided recommendations for improvement. In addition, a detailed analysis was undertaken to identify areas for additional disclosure (including, where applicable, areas in quantitative impact, comparative cross industry metrics, etc.) arising from the IFRS S1 and S2 and a work plan has been put in place to ensure timely compliance in due course. These initiatives reflect our commitment to our ongoing efforts to provide greater transparency in our Sustainability Reporting as part of our broader ESG strategy.



On the front of climate-related risks and opportunities, we have refreshed and reviewed the climate risk assessment for Far East H-Trust's portfolio of 12 properties in 2024, with a focused evaluation of Physical Risk from Flooding. The assessment was based on Representative Concentration Pathway ("RCP") 2.6 and RCP 4.5 climate scenarios (commonly referred to as below 1.5°C and below 2.7°C scenarios) for medium and long-term time horizons of 2030 and 2050.

This builds on past assessments, where both Physical and Transition Risks—such as regulatory changes, carbon pricing, and asset stranding risks—were evaluated using the Coastal Risk Screening Tool and Carbon Risk Real Estate Monitor ("CRREM") methodology. These insights continue to guide our long-term climate strategy, ensuring resilience across our portfolio.

Meanwhile, the REIT Manager continues to work closely with Far East Hospitality Management (S) Pte. Ltd. (the "Operator") to pursue shared ESG objectives. Regular quarterly meetings are conducted to drive sustainability initiatives across our portfolio. In 2024, all 9 hotels within the Far East H-Trust portfolio successfully attained the Global Sustainable Tourism Council ("GSTC") Industry Criteria for Hotels Certification. This was achieved ahead of the target set by the Singapore Tourism Board and the Singapore Hotel Association, articulated in their Hotel Sustainability Roadmap. This certification means that the Operator complies with the highest social and environmental standards in the industry. As public awareness grows about the harmful effects and the positive impacts of travel and tourism, the GSTC certification provides assurance that our hotels have undergone a credible assessment process and that the Operator is committed to sustainable practices and resource efficiency.

Far East H-Trust's commitment to the social aspect of Impacting Lives is demonstrated through the Education Assistance Scheme ("EAS"), which was established in 2022 to support the education of children of lower-income employees working for Far East H-Trust's tenants. Since its inception, a total of 24 bursaries have been awarded, benefitting children in their academic pursuits. In 2024, the EAS continued to extend its impact, with 10 bursaries awarded, reinforcing the Trust's dedication to foster educational opportunities for youths from

financially underprivileged families. Beyond providing financial assistance, this initiative also serves as an avenue to strengthen Far East H-Trust's relationship with its tenants, a key stakeholder group.

Building on our commitment to make education accessible, Far East H-Trust introduced a four-year bursary programme in 2024 in partnership with the Singapore Institute of Technology ("SIT"). This initiative is designed to support needy full-time students pursuing a Bachelor of Hospitality Business, to nurture the next generation of hospitality professionals. In its inaugural year, two bursaries were awarded to deserving students in support of their pursuit of academic and career aspirations. Through this initiative, Far East H-Trust not only strengthens its engagement with the community but also contributes to the development of a skilled talent pipeline for the hospitality industry.

In the area of sustainable financing, Far East H-Trust increased its sustainability-linked term loans to S\$483.6 million, now representing 68% of the Trust's total committed borrowings. Additionally, the Trust maintained sustainability-linked swaps with a notional amount of S\$100.0 million during the year.

Embarking on the path to sustainability requires collective effort, fostering an ecosystem of sustainable practices that create positive social impact and enhance community well-being. As a responsible steward of the Trust, we remain committed to strengthen our ESG initiatives while preparing for upcoming regulatory reporting requirements, including those set by the International Sustainability Standards Board for Climate Reporting, to ensure continued transparency and accountability.

Looking ahead, we will continue integrating sustainability into our strategy, enhancing climate resilience and operational efficiency to drive long-term value for stakeholders and contribute to a more sustainable hospitality sector.

**Board of Directors**  
REIT Manager Board  
Trustee-Manager Board

# SUSTAINABILITY REPORT

## ABOUT THE REPORT

### Reporting Scope

This report covers Far East H-Trust's ESG strategies, policies and performance for the financial year from 1 January 2024 to 31 December 2024 ("FY 2024"). The scope of this report includes all hotels and serviced residences owned by Far East H-Trust as shown below. This report should be read in conjunction with the other sections of the Annual Report for a comprehensive overview of our operations.

This report has been prepared in reference to the Global Reporting Initiative Standards 2021 ("GRI"), the Task Force for Climate-related Financial Disclosures ("TCFD"), the SGX- ST Listing Rules (711A and 711B), the SGX Sustainability Reporting Guide, and the Environmental Risk Management measures for Asset Managers as guided by the Monetary Authority of Singapore ("MAS").

The GRI standard has been chosen as it reflects the global standards for sustainability reporting in our industry and focuses on topics that impact stakeholders and our business operations. To achieve a high-quality report, the GRI Reporting Principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, verifiability has been applied. TCFD-aligned topics have also been disclosed in various sections of both the Annual and Sustainability report. For more information, please refer to the end of the sustainability report for the GRI and TCFD index summary.

The Sustainability report has undergone an internal review conducted by an independent internal auditor in FY 2024 to assess the design adequacy and effectiveness of internal controls and procedures in the report. As our processes mature in the years ahead, we will also consider commissioning an external independent assurance for our annual sustainability report in line with relevant regulations.

### Hotels

1. Village Hotel Albert Court
2. Village Hotel Bugis
3. Village Hotel Changi
4. Vibe Hotel Singapore Orchard
5. The Quincy Hotel
6. Orchard Rendezvous Hotel
7. Rendezvous Hotel Singapore
8. Oasia Hotel Novena
9. Oasia Hotel Downtown

### Serviced Residences

10. Village Residence Robertson Quay
11. Village Residence Hougang
12. Adina Serviced Apartments Singapore Orchard

### Accessibility

This report, published as a part of our Annual Report, is available in PDF format for download on our website: <https://feht.listedcompany.com/ar.html>. In line with our Environmental Policy to conserve resources and minimise impact on the environment, Far East H-Trust will only print a limited number of this report.

### Feedback

We welcome feedback from all stakeholders in our efforts to continuously improve our sustainability performance and practices. All feedback may be directed to Mr James Tan, Manager, Investor Relations and Sustainability Management at [jamestan@fareast.com](mailto:jamestan@fareast.com).



## SUSTAINABILITY STRATEGY

### Responsible Stewardship

Far East H-Trust's sustainability vision is about partnering our stakeholders to positively impact communities and the environment in markets we operate in.

#### Creating Lasting Value

We focus on long-term growth of our hospitality portfolio to unlock value for all stakeholders.



#### Securing Our Future

We collaborate with stakeholders to adopt energy-efficient initiatives and manage our resources responsibly to achieve climate resilience.



#### Impacting Lives

We proactively engage staff, tenants, customers, and the community to generate positive impacts.



#### Good Governance

We strive to maintain stakeholders' trust through continuous strengthening of our governance policies (aligned to global best practices), which underpin all of our sustainability efforts.

### What Sustainability Means to Far East H-Trust

Our approach to sustainability centres around the management of ESG impacts material to our business operations and their potential effect on stakeholders. We are committed to managing our risks and opportunities and addressing the concerns of stakeholders to ensure business resilience and creating a positive change in the community we operate in.

As such, Far East H-Trust's sustainability framework focuses on the following key areas to meet the needs and expectations of stakeholders:

- **Creating Lasting Value (Economic)**  
We focus on long-term growth of our hospitality portfolio to unlock value for all stakeholders.
- **Securing Our Future (Environment)**  
We collaborate with stakeholders to adopt energy-efficient initiatives and manage our resources responsibly to achieve climate resilience.

- **Impacting Lives (Social)**

We proactively engage staff, tenants, customers, and the community to generate positive impacts.

- **Good Governance**

We strive to maintain stakeholders' trust through continuous strengthening of our governance policies (aligned to global best practices), which underpin all our sustainability efforts.

### Sustainability Governance

#### Board Oversight

The Board and ASRC are responsible for ESG strategies and climate risk management across Far East H-Trust. The Board takes into consideration ESG and climate-related issues in all strategic planning exercises – including risk management, policy setting, annual budgets, capital expenditure planning, as well as acquisition and divestment deliberations.

The Board also ensures conformance with applicable regulations related to sustainability such as SGX-ST Listing Rules 711A and 711B, SGX Sustainability Reporting Guide and Environmental Risk Management measures for Asset Managers as set out by MAS.



# SUSTAINABILITY REPORT

## Management's Roles

Far East H-Trust's sustainability management is overseen by Mr Gerald Lee, Chief Executive Officer ("CEO") of the REIT Manager. He provides the overall sustainability direction and approves key sustainability practices and is supported by the Sustainability Working Committee ("SWC") comprising representatives from Finance, Asset Management and Investor Relations. The SWC drives and monitors sustainability initiatives of the Trust. The SWC works closely with and gathers inputs from the operator, the master lessees, and the property manager of the commercial premises.



## Governance Overview

Governing Body	Responsibilities
<b>Audit, Sustainability and Risk Committee</b>	<p><b>Oversees environmental, social and governance strategy</b></p> <ul style="list-style-type: none"> <li>Oversees the processes used to identify, evaluate and manage material ESG-related issues (including risks related to Far East H-Trust's business).</li> <li>Makes recommendations to the Board on Far East H-Trust's strategies, targets, policies, and roadmap pertaining to sustainability.</li> <li>Monitors the compliance with applicable regulations and policies as well as the adequacy of resource allocation and overall stakeholder engagement and outcomes.</li> <li>Reviews the effectiveness of strategies, targets, policies, and roadmaps pertaining to sustainability.</li> <li>Reviews the status updates on the implementation and progress against sustainability targets.</li> </ul>
<b>Sustainability Working Committee</b>	<ul style="list-style-type: none"> <li>Reports to the CEO.</li> <li>Identifies and examines ESG and climate-related risks and opportunities and provides relevant recommendations.</li> <li>Drives and monitors ESG and climate-related initiatives.</li> </ul>



Far East H-Trust integrates sustainability across all business operations and is committed to creating positive value for stakeholders. Our stakeholders have a vested interest in our business and influence our operations, products and services, business approach, and strategies. Understanding their interests and concerns is therefore important to us.

To build relationship and trust with our stakeholders, the REIT Manager strives to maintain open communication by proactively engaging them throughout the year via various channels. The engagements enable us to understand their key concerns and guides us in making informed management decisions to advance our sustainability strategies and objectives.

# SUSTAINABILITY REPORT

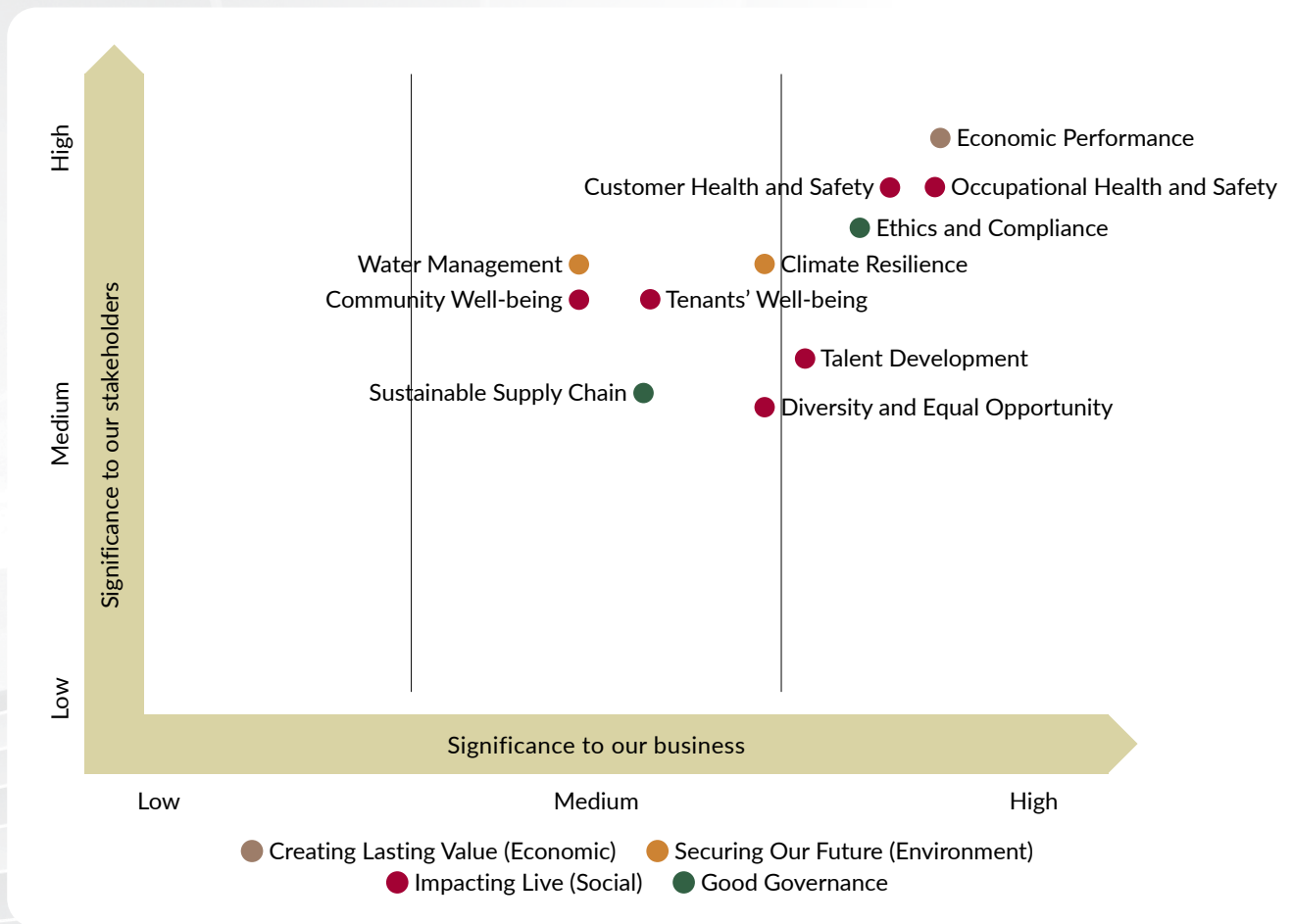
Key Stakeholders	Key Areas of Interests	Mode of Engagement
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>Business strategy and outlook</li> <li>ESG strategy and performance</li> <li>Governance controls</li> </ul>	<ul style="list-style-type: none"> <li>Board meetings</li> <li>Annual General Meeting</li> <li>Induction and orientation programmes for new Board Members</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Training and development</li> <li>Employee well-being</li> <li>Employee satisfaction</li> <li>Job security</li> <li>Occupational health and safety</li> <li>Diversity and equal opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Training and induction programmes</li> <li>Annual employee engagement survey</li> <li>Quarterly performance appraisals</li> <li>Career development</li> <li>Team building activities (Recreational, social, and community events)</li> </ul>
<b>Sponsor/Master Lessees</b>	<ul style="list-style-type: none"> <li>Financial and operational performance</li> </ul>	<ul style="list-style-type: none"> <li>Bilateral communication through meetings and site visits</li> </ul>
<b>Trustee</b>	<ul style="list-style-type: none"> <li>Good governance by Management and Board</li> <li>Safeguarding of stakeholder interests</li> </ul>	<ul style="list-style-type: none"> <li>Monthly reporting and updates</li> <li>Ongoing dialogues and regular feedback</li> </ul>
<b>Investment Community (Institutional and retail investors, and analysts)</b>	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>Business strategy and outlook</li> <li>Corporate governance</li> <li>ESG strategy and performance</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Annual report</li> <li>Results and business updates briefing</li> <li>Press Releases</li> <li>Corporate website and SGXNET announcements</li> <li>Investor meetings (One-on-one/conferences/ roadshows)</li> </ul>
<b>Operator/ Property Manager</b>	<ul style="list-style-type: none"> <li>Optimal operational performance</li> <li>Property maintenance and enhancements</li> <li>Implementation of ESG strategy and best practices</li> </ul>	<ul style="list-style-type: none"> <li>Monthly performance reviews and meetings</li> <li>Site inspections of properties and discussions on areas for improvement</li> <li>Reviews of asset enhancement and capital expenditure</li> <li>Quarterly sustainability meeting with the Operator</li> </ul>
<b>Customers (Guests/ Residents/ Tenants)</b>	<ul style="list-style-type: none"> <li>Well-being, health and safety</li> <li>Quality of service and facilities</li> <li>Customer experience and satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction surveys</li> <li>Feedback on the improvement of spaces</li> <li>Discussions on tenant assistance</li> </ul>
<b>Government/ Regulators and Industry/Business associations</b>	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Regulatory and industry trends</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory filings</li> <li>Briefings, dialogues and consultations</li> </ul>
<b>Local Community</b>	<ul style="list-style-type: none"> <li>Environmental and Social Impact</li> </ul>	<ul style="list-style-type: none"> <li>Social outreach programmes</li> </ul>

For more details on our engagement with Stapled Securityholders, Investment Community and the Media, please refer to page 47 on Investor Relations.



### MATERIALITY ASSESSMENT

Far East H-Trust had identified our material ESG topics in FY 2021 through a validation and review exercise, conducted with assistance and advice from a sustainability consultant, an international accounting firm. In FY 2024, considering operational dynamics and evolving ESG developments, the ASRC reviewed and refined material ESG topics, and was of the view that they remain accurate and relevant.



# SUSTAINABILITY REPORT



## UN SDGS

Recognising that the creation of a sustainable future requires action from both government leaders and businesses, Far East H-Trust supports the United Nations' Sustainable Development Goals ("UN SDGs") and is committed to contributing towards the advancement of sustainable development. We have identified 8 SDGs where we believe our business can create the most significant impact.

UN SDG Goals	Importance to Far East H-Trust	Chapter reference
 <b>Good Health and Well-being</b> Ensure healthy lives and promote well-being for all	We take active steps to create a healthy and safe working environment as well as to promote the well-being of our employees and stakeholders.	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Customer health and safety</li> <li>Tenants' well-being</li> <li>Community well-being</li> </ul>
 <b>Quality Education</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities	We believe in the importance of upskilling our employees to ensure they remain relevant in the changing business landscape and have the necessary skillset to perform their duties to the best of their abilities.	<ul style="list-style-type: none"> <li>Talent development</li> <li>Community well-being</li> </ul>
 <b>Affordable and Clean Energy</b> Increase substantially the share of renewable energy in the global energy mix	We constantly seek new opportunities to optimise our energy efficiency.	<ul style="list-style-type: none"> <li>Climate resilience</li> <li>Strategic and operational initiatives for energy conservation</li> </ul>
 <b>Decent Work and Economic Growth</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	We are committed to create lasting value for our stakeholders and ensure continual business growth.	<ul style="list-style-type: none"> <li>Economic performance</li> </ul>
 <b>Reduced Inequality</b> Reduce inequality within and among countries	We treat all employees and stakeholders with respect and is committed to provide equal opportunities for all regardless of their background.	<ul style="list-style-type: none"> <li>Diversity and equal opportunity</li> <li>Community well-being</li> </ul>
 <b>Responsible Consumption and Production</b> Ensure sustainable consumption and production patterns	We strive to be a responsible steward and sustainable consumption of resources.	<ul style="list-style-type: none"> <li>Climate resilience</li> <li>Water management</li> <li>Sustainable supply chain</li> </ul>
 <b>Climate Action</b> Take urgent action to combat climate change and its impacts	We seek to manage and minimise our carbon footprint and reduce our impact on the environment.	<ul style="list-style-type: none"> <li>Climate resilience</li> </ul>
 <b>Peace, Justice and Strong Institutions</b> Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	We strive to maintain stakeholders' trust through continuous strengthening of our governance policies (aligned to global best practices).	<ul style="list-style-type: none"> <li>Good Governance</li> </ul>

## OUR JOURNEY

2017	2018 to 2023	2024
<p><b>Inaugural Sustainability Report</b></p>	<ul style="list-style-type: none"> <li>Progressive refinement of sustainability initiatives and strategic review of sustainability framework</li> <li>Linking of management incentives to ESG KPIs and targets</li> <li>Reconstituted the Audit and Risk Committee as the ASRC, reinforcing our commitment towards integrating ESG and climate-risk considerations into our business</li> <li>First TCFD disclosure published</li> <li>Comprehensive review of the ERM framework, integration of ESG-related risk and inclusion of ESG considerations in all relevant strategic planning and decisions</li> <li>Preliminary climate risk assessment completed</li> </ul>	<ul style="list-style-type: none"> <li>Refined our decarbonisation roadmap, including setting a mid-term 2030 carbon emission reduction target of 20% from base year of 2024</li> <li>Reviewed and validated ESG material topics, climate risks and opportunities, including climate scenario analysis arising from flooding risk on our properties</li> <li>Expanded our climate-related disclosures to include Scope 3 emissions, starting with two categories being Business Travel (Category 6) and Employee Commute (Category 7)</li> <li>Disclosed waste data for the first time, setting the stage for more effective waste management and reduction strategies</li> <li>Made further preparation for upcoming regulatory reporting requirements including SGX and ISSB IFRS standards for Climate Reporting</li> </ul>

 <b>Creating Lasting Value</b> (Economic)	 <b>Securing Our Future</b> (Environment)	 <b>Impacting Lives</b> (Social)	 <b>Good Governance</b> (Governance)
<ol style="list-style-type: none"> <li>Gross revenue grew 1.8% year-on-year to S\$108.7 million.</li> <li>Portfolio valuation rose 0.2% year-on-year.</li> <li>S\$483.6 million of sustainability-linked term loans (68% of total committed borrowings).</li> </ol>	<ol style="list-style-type: none"> <li>Setting of mid-term 2030 carbon emission reduction target of 20% from base year of 2024.</li> <li>Enhanced sustainability reporting by adding disclosure for three Scope 3 categories: Business Travel, Employee Commute and Waste.</li> <li>Ranked among the top 5% of the Global Universe for the Morningstar Sustainalytics ESG rating<sup>1</sup>.</li> </ol>	<ol style="list-style-type: none"> <li>Twelve recipients benefited from the Education Assistance Scheme and the Bursary Programme with the Singapore Institute of Technology.</li> <li>Team members participated in 3 community events, bringing joy and meaningful experiences to the beneficiaries.</li> <li>Zero fatalities and occupational diseases.</li> </ol>	<ol style="list-style-type: none"> <li>Achieved the second highest base score in the Singapore Governance and Transparency Index<sup>2</sup>, ranking 10th overall.</li> <li>43% of the board consists of female directors, exceeding the recommended target set by the Council for Board Diversity for listed companies. Additionally, women make up 50% of the REIT Manager's employees, reflecting our commitment to gender diversity.</li> <li>Zero case of incidents relating to corruption, non-compliance and data leaks, theft or breaches.</li> </ol>

1 As of May 2024. Sustainalytics' ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and its effectiveness in managing them. This multidimensional approach combines management and exposure concepts to arrive at an absolute assessment of ESG risk.

2 REITs and Business Trust Category.



# SUSTAINABILITY REPORT

## CREATING LASTING VALUE



### Economic Performance

Far East H-Trust is committed to sustainable business growth and value creation for our stakeholders. We drive shareholder value and grow distributions through three key strategies – value-adding acquisitions, active asset management and enhancement, and prudent capital and risk management.

For FY 2024, gross revenue grew 1.8% year-on-year to S\$108.7 million, supported by higher contributions from Commercial Premises and steady master lease rental income from our Hotels and Serviced Residences. Net property income (“NPI”) rose by 0.6% to S\$99.3 million despite higher property tax expenses.

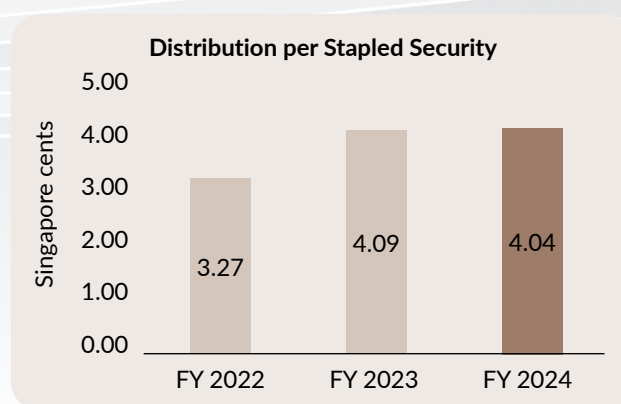
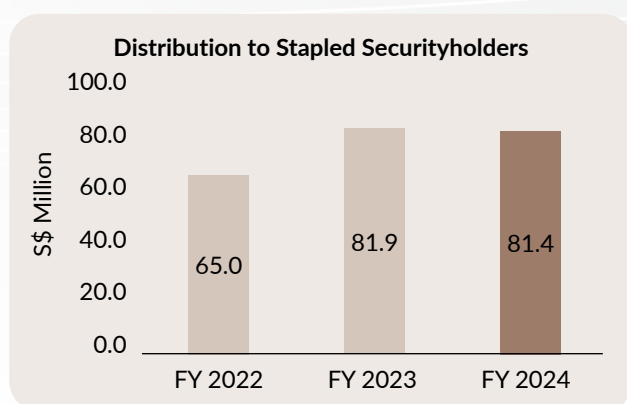
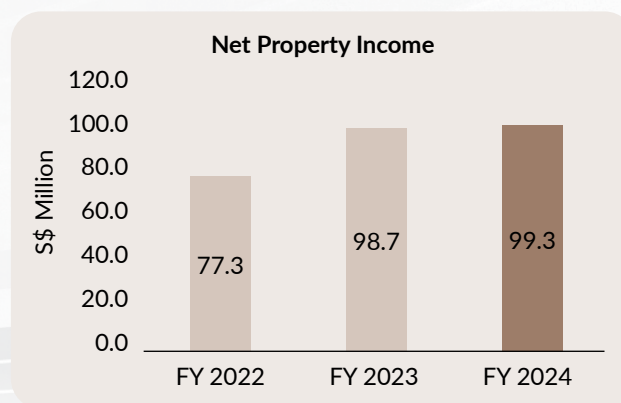
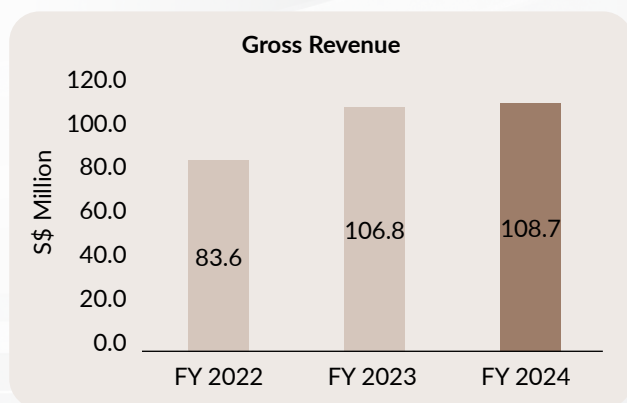
Distribution to Stapled Securityholders marginally declined by 0.6% year-on-year to S\$81.4 million, mainly due to

higher finance costs and a change in the proportion of the REIT Manager’s fee paid in Stapled Securities from 90% to 60% from 1 January 2024. This adjustment will benefit Stapled Securityholders in the long run by mitigating dilution and enhancing value. Distribution per Stapled Security (“DPS”) stood at 4.04 cents, exceeding the pre-pandemic level of 2019.

For a detailed breakdown of Far East H-Trust’s FY 2024 financial performance, please refer to the following sections of the Annual Report:

- Financial Highlights, page 02
- Growth Strategies, page 06
- Letter to Stapled Securityholders, page 07
- Our Portfolio, page 22
- Performance Review, page 42
- Capital Management, page 46

### Financial highlights and performance



## SECURING OUR FUTURE



### Greenhouse Gas Emissions ("GHG")

#### Target for FY 2025

- Reduce absolute carbon emission (Scope 1 and 2) by 3% from base year of 2024.

#### FY 2024 Disclosure of Scope 1, 2 and 3 Categories

##### Scope 1

Diesel	1 tCO <sub>2</sub> e
Natural Gas	237 tCO <sub>2</sub> e
Refrigerant	2,574 tCO <sub>2</sub> e

##### Scope 2

Electricity Purchased	14,293 tCO <sub>2</sub> e
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##### Scope 3

Waste Generated in Operations	2,934 kg <sup>1</sup>
Business Travel	33 tCO <sub>2</sub> e
Employee Commute	5 tCO <sub>2</sub> e

Far East H-Trust remains steadfast in our commitment to achieving net-zero emissions by 2050, aligning with Singapore's Green Plan and global climate goals. In 2024, we established a mid-term emissions reduction target for 2030, aiming to reduce absolute carbon emission (Scope 1 and 2) by 20% from the base year of 2024.

This target was set after a detailed study of our decarbonisation roadmap and glide path, taking into consideration emission reduction strategies and measures being planned, including chiller replacements, operational initiatives, and expected grid efficiency improvements. This mid-term target represents a linear trajectory towards our 2050 net-zero emissions goal, ensuring a

structured and progressive approach. Additionally, this trajectory mirrors the revised linear pathway announced by the Singapore Government for its Climate Targets announced in February 2025.

The choice to adopt 2024 as the base year was made because prior year emissions were distorted by the impact of COVID-19 and may not be representative. Using 2024 as the base year better reflects the near-full normalisation of visitor arrivals and operational activities after COVID-19. Establishing this mid-term target aligns with driving long-term decarbonisation efforts to mitigate climate risks and integrate sustainability across our portfolio.

<sup>1</sup> Waste disposed and recycled is measured in kilograms (kg) until an appropriate emission factor is identified for conversion into Scope 3 carbon emissions.

# SUSTAINABILITY REPORT

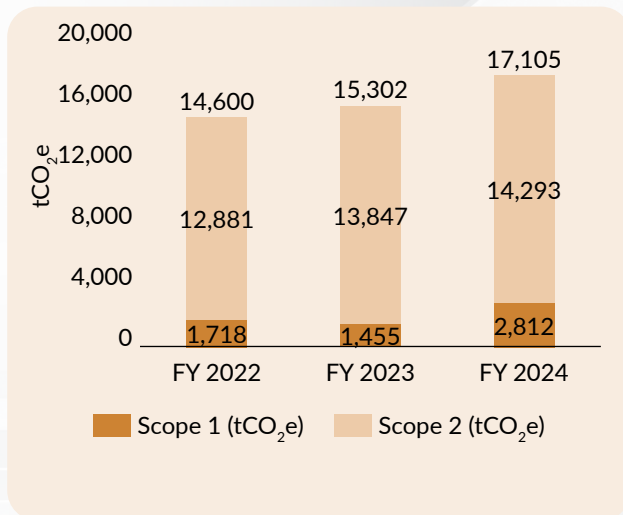
In 2024, total **Scope 1 and 2 emissions** stood at 17,105 tCO<sub>2</sub>e, reflecting a 11.8% year-on-year increase. The rise was primarily driven by higher Scope 1 emissions, which increased to 2,812 tCO<sub>2</sub>e (from 1,455 tCO<sub>2</sub>e in 2023) due to higher natural gas consumption as a result of higher occupancy levels. The increase was further exacerbated by a refrigerant leak at one of our chillers, an isolated incident detected during routine servicing which has since been rectified.

On a per occupied room basis, carbon emission intensity grew 11.0% to 7.0k tCO<sub>2</sub>e. However, this measurement was skewed by the block-booking of hotels for government quarantine purposes in FY 2022 and FY 2023, where rooms were classified as occupied regardless of actual usage. Adjusting for this effect, carbon emission intensity would have been 16.3% lower compared to FY 2023.

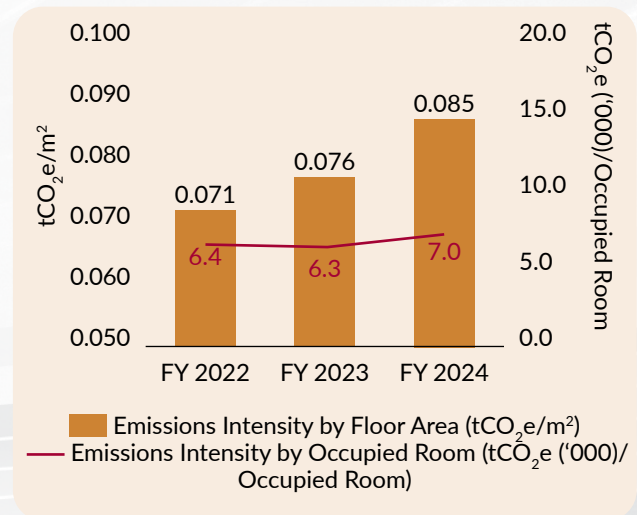
Additionally in 2024, we commenced disclosure of two categories of **Scope 3 emissions** related to the REIT Manager for the first time, totalling 38 tCO<sub>2</sub>e in 2024 - 33 tCO<sub>2</sub>e from Business Travel (Category 6) and 5 tCO<sub>2</sub>e from Employee Commute (Category 7). This disclosure enhances transparency in our sustainability reporting, providing greater insight into our broader carbon footprint.

To achieve these reductions, we have refined our decarbonisation roadmap, which will serve as a guide for our emissions reduction initiatives in the coming years. Key focus areas include replacement of older chiller systems in selected properties to improve energy efficiency across our portfolio.

## Carbon Emission<sup>2,3,4</sup>



## Carbon Emission Intensity



Carbon emission increased as occupancy continued to recover after COVID-19. However, carbon emission intensity was skewed by hotels in the government quarantine programme where all the rooms were treated as being occupied in 2022 and 2023.

- Far East H-Trust calculates its GHG emissions (Scope 1 and 2) using the operational control approach in accordance with the GHG Protocol. Emission factors in this report are derived from the Energy Market Authority of Singapore ("EMA") and the UK Department for Environment, Food and Rural Affairs ("DEFRA") environmental reporting guidelines, aligning with the Intergovernmental Panel on Climate Change's ("IPCC") approach to calculating GHG emissions and is one of the third-party databases recognised by the GHG Protocol.
- Scope 1 emissions comprise direct emissions from backup diesel generators, gas heaters and refrigerants.
- Scope 2 emissions comprise indirect emissions from purchased electricity, and the data presented were computed using the location-based method.



## Energy Consumption

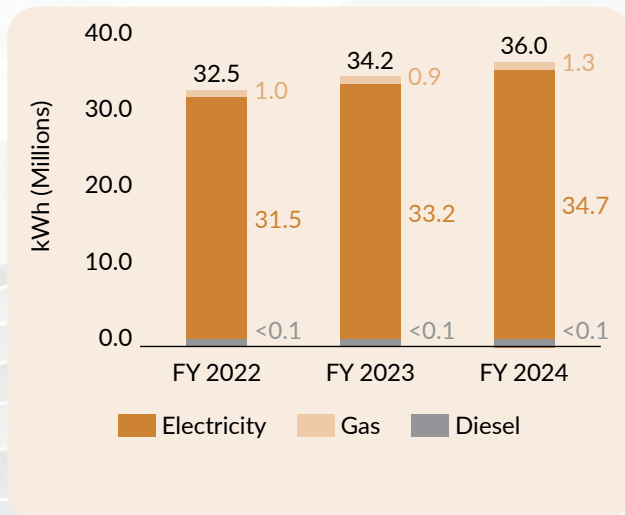
In our role as a custodian of hospitality, retail and office assets, we recognise the unique position we play at advancing the transition to a low-carbon economy. Our commitment extends to minimising our environmental footprint not only within our operations but also across the entire value chain. The REIT Manager periodically reviews our climate-related initiatives and engages key partners to identify ways to reduce emissions and mitigate climate risks.

To enhance our assessment of environmental impact, we have expanded energy consumption reporting beyond electricity to include natural gas and diesel. Electricity remained the primary energy source, accounting for approximately 96.4% of total consumption.

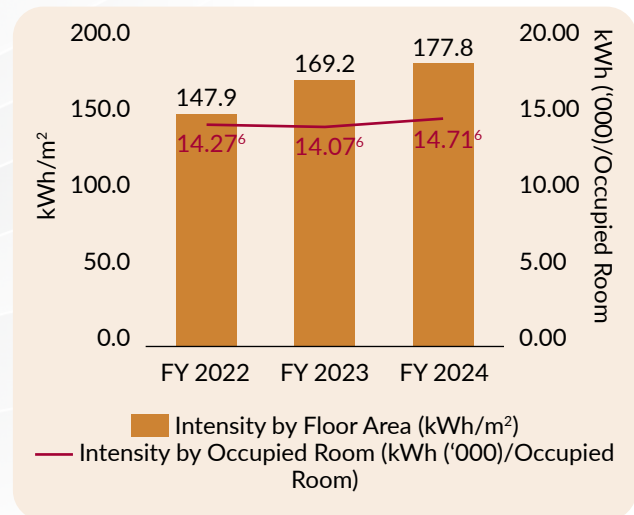
In 2024, as occupancy levels continued to recover and normalise, total energy consumption rose 5.3% year-on-year to 36.0 million kWh, with electricity consumption increasing by 4.4% to 34.7 million kWh.

On a per-occupied room basis, energy consumption intensity grew 4.6% to 14.71k kWh. However, this measurement was skewed by the block-booking of hotels for government quarantine purposes in FY 2022 and FY 2023, where rooms were classified as occupied regardless of actual usage. Adjusting for this effect, energy consumption intensity would have been lower by 21.1% lower than FY 2023, reinforcing the positive impact of ongoing energy efficiency measures.

### Energy Consumption<sup>5</sup>



### Energy Consumption Intensity



Energy consumption increased as occupancy continued to recover after COVID-19. However, energy consumption intensity was skewed by hotels in the government quarantine programme where all the rooms were treated as being occupied in 2022 and 2023.

<sup>5</sup> While energy efficient equipment and infrastructure have a material impact on energy consumption in the longer term, the Trust relies on the Operator for the day-to-day operations of our properties and works closely with the Operator to manage our energy consumption.

<sup>6</sup> Energy consumption intensity ('000 kWh/occupied Room) comprises electricity consumption intensity of 14.182 for FY 2024, 13.674 for FY 2023, and 13.841 for FY 2022; gas consumption intensity of 0.53 for FY 2024, 0.39 for FY 2023, and 0.43 for FY 2022; and diesel consumption intensity of less than 0.01 across all reported years.

# SUSTAINABILITY REPORT

## Strategic and Operational Initiatives for Energy Conservation

Far East H-Trust has in place an Energy Conservation Policy, which articulates our commitment towards reducing our environmental footprint. We adopt a multi-level and holistic approach in reducing energy consumption and achieving energy efficiency. Guided by the policy, all key principles, strategies and action plans are monitored and evaluated periodically.

Together with the Operator, the REIT Manager will continue to review energy management strategies regularly and map out key initiatives to meet the objectives of the policy. This includes reviewing the feasibility and ease of implementation of initiatives, relevance in terms of costs and benefits and their impact on guests and staff. We will also review our plant and machinery regularly to identify maintenance regimes and equipment upgrades that can optimise energy consumption.

In FY 2024, the following strategic and operational initiatives were undertaken to advance our progress towards achieving our energy targets:

- **Village Hotel Changi:** Following a successful feasibility study in 2023 on the chiller plant and air-conditioning and mechanical ventilation system, a tender was conducted, and a contract was awarded in 2024 for the replacement of these systems. The new chiller plant and air-conditioning system are expected to be operational by the end of 2025. Upon completion, the new system is anticipated to reduce electricity consumption by up to 40%, supporting Far East H-Trust's decarbonisation roadmap. With these enhancements, we expect Village Hotel Changi to attain Green Mark Gold certification.
- **Orchard Rendezvous Hotel:** Overhaul of one of the chiller plants as part of a preventive maintenance programme to ensure optimal system performance and reliability.
- **Village Residence Hougang and Village Residence Robertson Quay:** Lift modernisation with the installation of more efficient drive units.

Moving forward, the REIT Manager will continue to pursue energy-saving initiatives across our properties to reduce our overall carbon footprint and transform our properties into energy efficient buildings.

### Think Sustainable Hospitality

The Operator has in place the 'Think Sustainable Hospitality' initiative across all Far East H-Trust properties. Guests are able to calculate their estimated carbon emission and can choose to reduce their footprint by adjusting the frequency of room linen and towel changes. Additionally, guests have the option to pay for carbon offset through CarbonClick, a Certified B Corporation, using internationally certified carbon credits.

### THINK SUSTAINABLE HOSPITALITY DRIVEN BY INNOVATION.



**CARBON OFFSET**  
Take a quick measure of your carbon footprint and learn how you can offset them.



**ROOM LINEN**  
Place the linen card on your bed should you wish to request for a change of sheets.



**TOWEL**  
Kindly hang your towels up if you intend to reuse them.



**TAP WATER**  
Singapore's tap water is safe for direct drinking and fully complies with World Health Organization (WHO)'s guidelines.



**GLASS BOTTLE**  
We have replaced plastic bottles with glass bottles to reduce waste generation.



**TOILET PAPER**  
Use what's needed and reduce paper wastage.



Scan the QR code to find out more about how you can carbon offset your stay.

### Global Sustainable Tourism Council (“GSTC”)

In 2024, the Operator successfully achieved GSTC Industry Criteria for Hotels certification for all 9 hotels within the Far East H-Trust portfolio, putting it ahead of the target set by the Singapore Tourism Board and the Singapore Hotel Association articulated in their Hotel Sustainability Roadmap.



This certification affirms the Operator’s adherence to the highest social and environmental standards in the industry. As public awareness grows about the harmful effects and the positive impacts of travel and tourism, the GSTC certification provides hotel guests an assurance that the hotels have gone through a credible assessment process. By attaining this certification, the Operator reinforces its commitment to sustainable practices and resource efficiency, contributing to Singapore’s vision for a greener tourism sector.

Objective/ Key Principle of Energy Conservation Policy	Action Plans
Improve energy savings	<ul style="list-style-type: none"> <li>• Frequent checks of equipment to be done to maintain efficiency</li> <li>• Set targets to reduce building energy consumption year-on-year through improvement works and the addition of new energy-saving technologies</li> <li>• Partner with staff and the public on green education initiatives</li> </ul>

### Green Buildings

Far East H-Trust continuously seeks to integrate new sustainability initiatives and adopt innovative practices to adhere to the highest environmental standards and meet the standards set out by green building certification schemes.

The following properties have achieved the BCA’s Green Mark certification, a benchmarking scheme that incorporates internationally recognised best practices in environmental design and performance.

Certification	Property
Green Mark Gold Award	Village Hotel Albert Court
	Orchard Rendezvous Hotel

In 2024, the Green Mark certification for Village Hotel Changi and Village Hotel Bugis expired. Both hotels are undergoing re-certification in 2025.



# SUSTAINABILITY REPORT

## Water Management

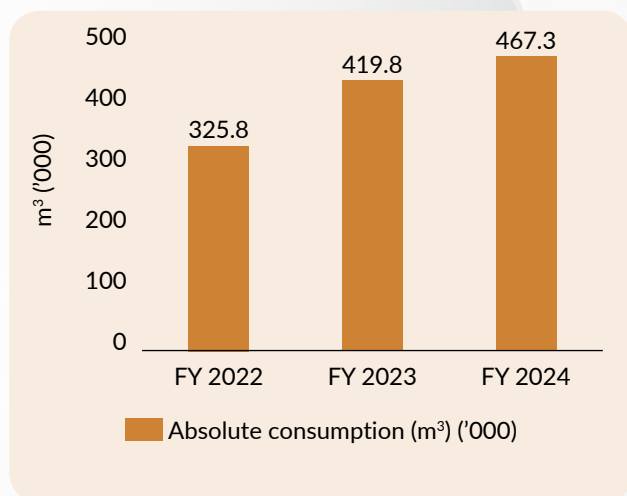
Water is essential to Far East H-Trust's operations. Recognising that our properties are located in water-scarce Singapore, we seek to work closely with our stakeholders to manage our water consumption and reduce our reliance on potable water.

During the year, water consumption increased 11.3% year-on-year due to a higher number of guests staying at our portfolio of hotels and serviced residences. When measured on an intensity basis per occupied room, consumption increased by 10.6% to 191.0 m<sup>3</sup>/occupied

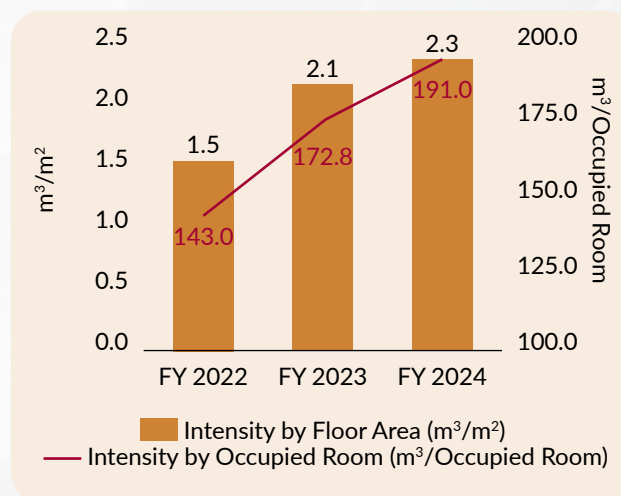
room. The increase in consumption also reflects changing guest usage patterns, as guests now rely more on in-room water sources for drinking following the transition away from bottled water to reduce plastic waste.

Although a formal water reduction target has not been set, the REIT Manager collaborates closely with the Operator to adopt a holistic approach to water management and to identify new water-saving opportunities to reduce overall consumption. One such initiative undertaken by the Operator is the "Think Sustainable Hospitality" programme, where guests are encouraged to minimise room service for towel and linen washes.

### Water Consumption



### Water Consumption Intensity



Water consumption increased as occupancy continued to recover after COVID-19. However, water consumption intensity was skewed by hotels in the government quarantine programme where all the rooms were treated as being occupied in 2022 and 2023.

## Waste

In 2024, Far East H-Trust began disclosing waste data as part of our ongoing commitment to environmental responsibility. Waste across our properties is primarily generated by guests and the general public, and commercial tenants operating within the premises.

For the year, a total of 2,932.9 tonnes of waste were disposed, of which 53.1 tonnes were recycled. Waste that is not recycled is incinerated at one of Singapore's waste-to-energy incineration plants, contributing to energy recovery. All waste generated across our properties are non-hazardous. This marks the first step toward disclosing emissions from Waste Generated in Operations (Scope 3 - Category 5). Once an appropriate emission factor is identified, the REIT Manager will disclose the Scope 3 emission from waste for Far East H-Trust.

As part of ongoing sustainability efforts, the Operator began transitioning to bulk amenity dispensers for shampoo, conditioner, and body wash in 2024, replacing single-use toiletry bottles provided during a guest's stay. These wall-mounted dispensers help reduce plastic waste and align with industry-wide efforts to promote more sustainable hotel operations.

Far East H-Trust remains committed to responsible waste management and continues to monitor waste disposal and recycling efforts across our portfolio. We also engaged the Operator to stay informed on waste management initiatives and explore ways to improve overall waste reduction and recycling practices.

## Climate Resilience

In 2024, we refreshed and reviewed the climate risk assessment for Far East H-Trust's portfolio of 12 properties, focusing on Physical Risk from flooding. The assessment was based on RCP 2.6 and RCP 4.5 climate scenarios (commonly referred to as "below 1.5°C" and "below 2.7°C" scenarios) for the medium-and long-term time horizons of 2030 and 2050.

To assess flooding risk, the Climate Central Coastal Risk Screening Tool was used to identify potential flood exposure for Far East H-Trust's properties and their surrounding areas. This analysis provided insights into the extent of possible inundation under different climate scenarios and supports strategic risk management planning.

In previous years, a broader climate risk assessment was conducted with guidance from our sustainability consultant, an international accounting firm. This earlier assessment covered both Physical Risks (including flooding and other hazards) and Transition Risks such as carbon pricing and regulatory changes. The Carbon Risk Real Estate Monitor ("CRREM") methodology—a real estate-specific scenario-based assessment tool—was used to evaluate the Trust's portfolio emissions against decarbonisation targets, excess emissions costs (including potential carbon tax impacts), and stranding asset risks.

Moving forward, we will continue to refine our climate risk assessments and monitor developments in climate-related risks. Where relevant, we will develop mitigation and adaptation plans to enhance the resilience of our properties and minimise potential business disruptions.

## Climate Risk and Opportunity

Far East H-Trust incorporates climate-related risks and opportunities into our strategic decision-making processes.

### Identification

The SWC conducts an annual exercise to screen and monitor potential climate-related drivers or trends that could impact the building and hospitality sectors in the markets where Far East H-Trust is operating. The types of risks and opportunities considered include physical and transition trends. The scope of risks and opportunities considered is based on their relevance to Far East H-Trust's hospitality assets and value chain (see column 1 in Tables 1 and 2).

### Assessment

The SWC will gather data from external and internal sources to assess the extent of financial impacts of the risks and opportunities identified. The committee will take into consideration the following criteria in its assessment:

- The degree of exposure to risks due to the locations of Far East H-Trust's physical assets and supply chain
- The extent of vulnerability due to the lack of existing capabilities or structure to mitigate risks
- Existing capabilities and resources that Far East H-Trust can tap on to capture opportunities



# SUSTAINABILITY REPORT

## Prioritisation

The SWC further reviews the risks and opportunities and conducts a prioritisation exercise to ensure an organised and structured approach towards managing climate-related impacts. The SWC takes into consideration the likelihood of occurrence, the magnitude of impact and our capabilities to mitigate risks or leverage opportunities across different time horizons.

The time horizons are defined as follow (see column 3 in Table 1 and column 2 in Table 2):

- Short term (<= 5 years)
- Medium term (6-10 years)
- Long term (>= 11 years)

Potential financial impact level: ● Low ● Medium ● High

## Strategies

The SWC recommends strategies to mitigate risks and capture opportunities based on the identification, assessment and prioritisation exercises conducted. The recommendations are developed in conjunction with the ASRC and subsequently presented to the Board for approval. Far East H-Trust's responses to climate-related impacts are reviewed periodically. The REIT Manager will, where appropriate, continue to enhance our climate disclosures.

**Table 1: Climate-related Risks**  
Transition Risks

Climate-related Risks	Risk Description	Time Horizon	Potential Financial Impact	Risk Mitigation Measures
<b>Regulatory Changes (e.g. Building and Construction Authority of Singapore, Monetary Authority of Singapore and Singapore Exchange) and Compliance Costs</b>	<ul style="list-style-type: none"> <li>• Changes in regulatory requirements may lead to increased costs due to rapid and urgent investments in retrofitting existing buildings to comply with new regulations.</li> </ul>	Short	<span style="color: orange;">●</span>	Far East H-Trust regularly keeps abreast of emerging and future regulations to better develop business and sustainability-related strategies, as well as to ensure regulatory compliance, and manage the associated legal, compliance and financial risks.
<b>Technological Obsolescence Due to Green Market Shifts</b>	<ul style="list-style-type: none"> <li>• Shifting market expectations and stricter sustainability standards may render current technology obsolete or non-compliant. Businesses may need to adopt greener alternatives and implement new processes, such as upgrading chillers and backup generators, to meet evolving environmental regulations and consumer demand for sustainable solutions.</li> </ul>	Medium	<span style="color: orange;">●</span>	The REIT Manager weighs the costs, benefits and overall value over the long run when considering the adoption of new technologies. The REIT Manager will work with the Operator, and master lessees in exploring the adoption of other energy-efficient solutions.



Climate-related Risks	Risk Description	Time Horizon	Potential Financial Impact	Risk Mitigation Measures
<b>Consumer Shift Toward Green Hospitality</b>	<ul style="list-style-type: none"> <li>A growing preference for environmentally sustainable accommodations may create market risk for Far East H-Trust. Meeting consumer expectations may require further investment in sustainability initiatives to remain competitive.</li> </ul>	Medium	●	<p>Key strategies in this area include working with the Operator to:</p> <ol style="list-style-type: none"> <li>Monitor the consumer and market expectations.</li> <li>Enhance our communication to customers and other stakeholders on our green hospitality strategy and efforts.</li> </ol>
<b>Stakeholder Concern and Access to Capital</b>	<ul style="list-style-type: none"> <li>Increasing stakeholder scrutiny and the rise of ESG-driven investment mandates may limit capital access if Far East H-Trust's assets do not meet sustainability standards.</li> <li>Growing pressure to reduce carbon emission in the hospitality and building industry could pose reputational risks if Far East H-Trust falls behind industry standards or underperforms relative to peers.</li> </ul>	Medium	●	<p>Far East H-Trust's key strategies in this area includes:</p> <ol style="list-style-type: none"> <li>Monitoring investors' and other stakeholders' expectations.</li> <li>Enhancing our communication to these stakeholders on our ESG strategies and efforts.</li> <li>Improving our rating on the relevant ESG ratings.</li> </ol>

## Physical Risks

Climate-related Risks	Risk Description	Time Horizon	Potential Financial Impact	Risk Mitigation Measures
<b>Flooding Frequency and Intensity</b>	<ul style="list-style-type: none"> <li>Far East H-Trust may face financial implications from direct damage to our properties. This may lead to reduced revenue from decreased capacity.</li> <li>More frequent and severe flooding may necessitate investments in flood prevention measures, increasing operational costs for Far East H-Trust's properties.</li> </ul>	Long	●	<p>Far East H-Trust has in place an insurance cover over property damage and business interruption. In addition, Far East H-Trust fully supports mitigation strategies by the government (e.g. coastal protection solutions and drainage projects) and will continue to monitor and implement relevant recommendations proposed by the authorities for our respective properties.</p>
<b>Rising Temperatures and Energy Demand</b>	<ul style="list-style-type: none"> <li>Higher temperatures will increase cooling demand, leading to greater energy consumption and higher maintenance costs for Far East H-Trust's properties.</li> </ul>	Long	●	<p>Far East H-Trust is exploring green sources of energy and other energy-efficient solutions as part of our decarbonation strategy and roadmap.</p>

# SUSTAINABILITY REPORT

**Table 2: Climate-related Opportunities**

Climate-related Risks	Driver Description	Time Horizon	Potential Financial Impact	Approach to Capture Opportunities
<b>Greater resource efficiency and cost savings</b>	Initiatives to meet BCA's Green Mark 2021 standards will lead to the adoption of green technologies (e.g. newer chiller systems, usage of renewable energy, rainwater harvesting, switching to lower emission refrigerants).	Medium	●	Far East H-Trust will progressively replace older equipment with more efficient technology and will work with the Operator to explore energy-efficient and water management solutions that are materially impactful and economically sustainable. Where possible, we will apply for the appropriate government grants.
<b>Access to new opportunities (e.g. Investment community and financing)</b>	Far East H-Trust's efforts at mitigating climate risk will open up more opportunities for partnership and collaboration (e.g. ESG Funds and Sustainable financing), and greater recognition by the investment community.	Medium	●	Far East H-Trust will progressively improve its sustainability initiatives and keep abreast of emerging and future regulations.  In the area of sustainable financing, Far East H-Trust has S\$483.6 million of sustainability-linked term loans as well as a sustainability-linked interest rate swap with a notional amount of S\$100 million during the year.
<b>Cultivating a talent pool of skilled ESG professionals</b>	Training and enrichment of knowledge in the area of ESG.	Short	●	The REIT Manager will send relevant employees for applicable sustainability trainings, including those organised by SGX and other relevant training providers.
<b>Building a sustainable portfolio</b>	Greater awareness over the importance of having greener assets and a focus to buy green assets to meet our long-term net zero emissions target.	Short	●	The REIT Manager has an investment management policy that includes climate criteria for new acquisitions.  Concurrently, a decarbonisation roadmap has been developed to guide Far East H-Trust in prioritising its initiatives for the years ahead.

## IMPACTING LIVES



### Occupational Health and Safety

Far East H-Trust is dedicated to fostering a safe and healthy working environment for all Operator employees at our properties, making their well-being a top priority. This commitment not only minimises the occurrence of workplace incidents and safeguards the Trust and the Operator against reputational risk and costly fines, but also enhances employees' morale and productivity.

To cultivate a strong health and safety culture, the Operator tracks various health and safety indicators, and monitors "near-misses" incidents in addition to reportable ones as required under the Workplace Safety and Health ("WSH") (Incident Reporting) Regulations. All "near-misses" and reportable incidents are evaluated and lessons learnt are shared with employees to prevent recurrences.

In FY 2024, Far East H-Trust maintained and achieved our target of ensuring zero workplace fatalities and zero occupational disease across our properties. The number of workplace incidents recorded was 13, which includes "near-misses" and minor incidents involving employees and/or third parties which occurred at the properties. As a preventive measure, periodic training will be arranged as a refresher on workplace safety and health in the affected employee's respective line of work.

The REIT Manager will continue working with the Operator to safeguard the health and safety of our employees and minimise the number of workplace incidents.

### Integrating Health and Safety in all Operations

Far East H-Trust complies with all statutory regulations such as the WSH Act and Fire Safety Act and takes a proactive approach towards inculcating a strong safety culture at the workplace to minimise the number of workplace injuries. To that end, we have implemented several key initiatives.

### Workplace Injury Compensation Insurance

All employees across the REIT's properties are covered under the Workmen's Compensation Insurance Scheme which provides monetary compensation for injuries suffered or sustained during the course of work. The amount of compensation depends on the extent of the injury, in accordance with the Work Injury Compensation Act 2019.

#### Target for FY 2025

Achieve zero workplace fatality across all its properties.

Health and Safety	FY 2022	FY 2023	FY 2024
Number of Workplace Fatalities	0	0	0
Number of Occupational Disease Cases	0	0	0
Number of Workplace Incidents (Including "near-misses")	37	30	13



# SUSTAINABILITY REPORT

Initiatives	Our Commitment to Health and Safety
<b>Workplace safety and health risk assessments</b>	The Operator carries out a WSH risk assessment once every 3 years or in the event of an incident at any of the Trust's properties and for all operational activities. These include identifying hazardous activities and/or workspaces and putting in place mitigation measures where necessary to prevent harm, injuries or accidents. Additionally, periodic equipment testing and maintenance, and regular monitoring of safety performance are carried out.
<b>Company emergency response teams ("CERT")</b>	The Operator's front office staff are fully certified to meet the requirements of the CERT and have undergone WSQ training in response to fire and emergency situations or equivalent courses, along with obtaining the CERT first aid certification. In addition to this, each property is equipped with a designated Site Main Controller and Site Incident Controller who are competent in managing site emergencies effectively. This ensures swift and efficient responses to any emergency incidents, prioritising safety and preparedness at all times.
<b>Certified fire safety managers ("FSM") and situational emergency drills</b>	Certified FSM are engaged to evaluate the fire safety measures at all properties. Periodic emergency drills are also conducted by the Operator and FSM to assess the level of preparedness in response to emergencies.

## Diversity and Equal Opportunity

At Far East H-Trust, we recognise our employees as the driving force behind the success of our organisation. We strive to attract and retain talent that aligns with our values and business objectives while fostering an inclusive and diverse workplace that provides equal opportunities for all.

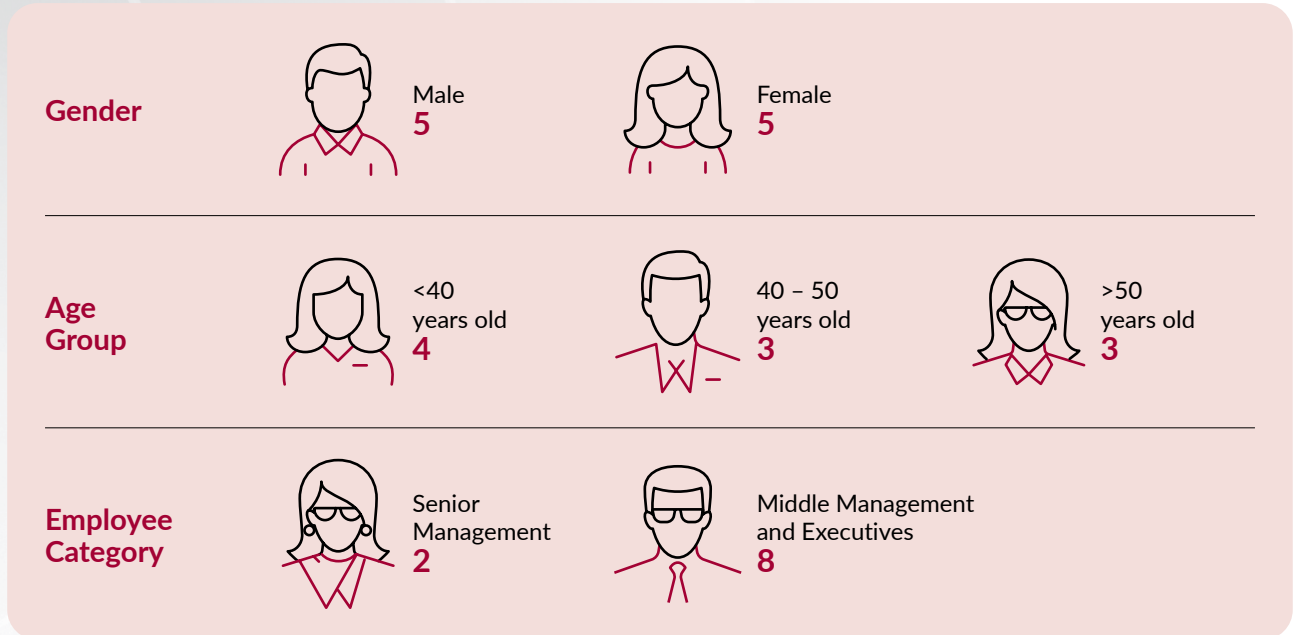
### Employee Profile

Far East H-Trust adopts fair hiring practices and promotes a culture of diversity in terms of age, gender and skillsets. To that end, we follow and subscribe to the Tripartite

Alliance for Fair and Progressive Employment Practices. We believe that employees with different backgrounds and experiences are essential in fostering a culture of innovation and creating sustained value for the business.

As of 31 December 2024, the REIT Manager had a total of ten full-time employees, consisting of nine permanent staff and one on a contract basis. The following table shows the breakdown of employees by gender, age and employee category.

During the year, there were no employee turnovers or new hires.



Far East H-Trust has zero tolerance toward any form of discrimination and adheres to fair employment practices. We are pleased to report zero incidents of discrimination in FY 2024.

Far East H-Trust values our employees’ feedback and concerns and believes that keeping them motivated is important to drive the long-term success of our business. We conduct an annual Colleague Engagement Survey to assess our employees’ level of engagement and to identify their strengths and areas for improvement.

For FY 2024, the employee engagement survey was not carried out as it was under review. It is targeted to be conducted in February 2025. The results will be presented in next year’s Annual Report.

### Employee Compensation and Benefits

Recognising that human resource is our most valuable asset, we prioritise and focus on the well-being of our employees. All our employees are covered by the Employment Act 1968 which outlines the employment terms and working conditions including contract requirements, remuneration, hours of work, overtime, rest days and annual leave entitlement.

We also provide all employees with competitive remuneration and financial rewards. Each year, we engage external consultants to conduct salary benchmarking to better understand and reward our employees in line with industry peers.

Our full-time employees also receive comprehensive benefits to incentivise the development of progressive, long-term careers, with the majority of benefits also applicable to contract employees. Additionally, eligible staff are entitled to parental leave. The infographics on the following page details key employee benefits offered to full-time employees.

# SUSTAINABILITY REPORT

## EMPLOYEE BENEFITS



Healthcare



Leave



Retirement Provision



Employee Health and Wellness



Self-Development



Life Insurance/Disability and Invalidity Coverage

## Talent Development

The REIT Manager places a high emphasis on upskilling our employees and invests in learning and development programmes to equip employees with the right skill sets. We believe career development and employee training is a crucial part of human resource management, and this will contribute towards developing a more agile workforce and ensure long-term business growth. To that end, we place a high emphasis on:

- Including individual development and career goals in the performance appraisal forms; and
- Investing in learning and training opportunities

## Learning and Development

In FY 2024, employees of the REIT Manager clocked an average of 29 training hours, with the breakdown of training hours by gender as follows:

### Average Training Hours per Employee per Gender



We develop our employees according to their abilities and job specifications, and during the year, various training courses were provided for employees.

To develop a culture of continuous learning within the organisation, employees are encouraged to pursue development opportunities and to acquire new skills through industry seminars and conferences, skills certification training and professional qualifications courses.

## Career Development

We take proactive steps to help our employees plan and work towards their career goals. New employees attend an orientation programme to understand Far East H-Trust's operations. Yearly performance appraisals are conducted to encourage self-improvement and employees also engage in regular communication and feedback sessions with supervisors. In FY 2024, 100% of employees had undergone performance review sessions.



## Customers' Health and Safety

With thousands of guests within our properties, the safety and health of guests at all Far East H-Trust properties are of utmost importance to us.

## Tenants' Well-being

Far East H-Trust also considers the well-being of our tenants as they spend a considerable amount of time on our properties. Therefore, we engage our tenants on an ongoing basis through festive season interactions, periodic site walks, and discussions during lease renewals to gather feedback and gain a better understanding of their concerns and requirements.

## Community Well-being

As a socially responsible organisation, Far East H-Trust has an annual budget to support initiatives under the Social pillar, benefitting the community through volunteerism, financial contributions and in-kind donations. The REIT Manager is committed to making a positive impact by fostering long-term relationships with beneficiaries and non-profit organisations for various causes. Additionally, Far East H-Trust actively participates in some of our Sponsor's community activities.

### Life Community Services Society

In 2024, Far East H-Trust deepened its partnership with Life Community Services Society ("LCSS"), a charity dedicated to empowering children, youths, and families through care and mentoring to build strong foundations for life. As part of this collaboration, Far East H-Trust supported a series of engagement activities that brought joy and meaningful experiences to the beneficiaries.

In August, employees of Far East H-Trust joined the beneficiaries of LCSS for an Action Motion experience at Home TeamNS Bedok Reservoir, where participants engaged in interactive challenges designed to promote teamwork and resilience. In September, the Trust sponsored a movie night at Shaw Lido cinema to provide the beneficiaries an opportunity to enjoy a shared cinematic experience in a welcoming and inclusive setting. As part of LCSS' Christmas celebration, the team distributed food packs to beneficiaries, bringing families together to celebrate the festive season through a variety of activities, performances, and community engagement initiatives.



# SUSTAINABILITY REPORT

## Crossings Cafe

Over the last few years, Far East H-Trust has supported Crossings Café, a social enterprise located at The Catholic Centre that provides employment for the disadvantaged and channels its profits to charitable causes. In support of its mission, Far East H-Trust purchased stored value vouchers for distribution to Staped Securityholders who attended the 2024 AGM, reinforcing our commitment to supporting meaningful causes while engaging our stakeholders.

## Education Assistance Scheme

The Education Assistance Scheme (“EAS”) was established in 2022 with the aim of improving the future of youths through education support. Beneficiaries of the EAS are children of lower-income employees working for Far East H-Trust’s tenants. Since its inception, a total of 24 bursaries have been awarded, benefitting children in their academic pursuits. In 2024, the EAS extended its impact, benefitting more youths with a total of 10 bursaries awarded. Beyond providing financial assistance, this initiative aims to strengthen Far East H-Trust’s relationship with tenants, a key stakeholder group, while contributing to the educational development of individuals.



## Bursary Programme with the Singapore Institute of Technology

Furthering our commitment to education, Far East H-Trust launched a four-year bursary programme in 2024 in partnership with the Singapore Institute of Technology. Designed to support full-time students pursuing a Bachelor of Hospitality Business, the programme awarded two bursaries in its inaugural year. This initiative aims to create opportunities for aspiring hospitality professionals, ensuring that students from low-income families receive

the support they need to achieve their academic and career aspirations while developing the talent pipeline for the industry.

These collective efforts reflect our broader commitment to corporate social responsibility and community engagement, demonstrating our dedication to making a meaningful and lasting impact on society.



## GOOD GOVERNANCE



### Board Diversity

Far East H-Trust believes that a balanced Board can provide the diversity of viewpoints and insights that will enhance decision-making and spur constructive debates. As such, the Board established a formal Board Diversity Policy, which provides a framework and ensures an appropriate level of diversity is present in the Board's composition, including the dimensions of skills, knowledge and industry experiences, gender, age and tenure.

As at end of 2024, the Board and its Board Committees comprise directors with an appropriate balance and diversity of skills, experience and knowledge. In terms of gender diversity, 3 out of 7 or 43% of directors are female. Our commitment to ensuring diversity among board members was first acknowledged by the Council for Board Diversity in 2021 when we were recognised as one of the initial top 100 companies to achieve gender parity in women's participation on the Board. Today, we remain well above the Council's recommended target<sup>9</sup> for listed companies, underscoring our ongoing commitment to fostering inclusive leadership and diverse perspectives at the Board level.

### Ethics and Compliance

Far East H-Trust is a firm believer that good corporate governance is imperative in achieving sustainable growth and business integrity. The REIT Manager and the Trustee- Manager are fully committed to upholding the highest standards of corporate governance, business integrity and professionalism to ensure continual business growth and to protect stakeholders' interests.

Far East H-Trust complied with all applicable laws, rules and regulations, and in all material aspects with the principles laid out in the Code of Corporate Governance 2018. The REIT Manager regularly reviews the relevant policies and guidelines. In addition, the REIT Manager is a member of the Financial Industry Disputes Resolution Centre Ltd and the REIT Association of Singapore.

### Compliance with Laws and Regulations

To foster a culture of responsible and ethical behaviour within the organisation, Far East H-Trust has put in place a comprehensive set of corporate policies and robust internal processes to ensure high standards of corporate governance. This includes:

- Investment Management Policy
- Personal Data Protection Policy
- Enterprise Risk Management Framework
- Roles and Responsibilities of Board of Directors
- Remuneration Policy
- Employee Code of Conduct
- Compliance with Competition Law

### Investment Management Policy

Our Investment Management Policy provides a set of guidelines for making investment and divestment decisions. Beyond financial parameters, the scope of the policy encompasses risks and opportunities related to ESG drivers. The policy is disseminated to all employees, fostering a common understanding and reducing the likelihood of subjectivity or non-compliance in investment or divestment decisions.

### Personal Data Protection Policy

Far East H-Trust's Personal Data Protection Policy outlines how Far East H-Trust and the REIT Manager manage all personal data in compliance with the Personal Data Protection Act ("PDPA") in Singapore. We also comply with local data protection and privacy laws in all operations out of Singapore.

### Employee Code of Conduct

Our Employee Code of Conduct, which is published on the intranet and accessible by all employees of the REIT Manager also sets out specific conduct and discipline that all employees will need to uphold. This includes:

- Workplace Conduct & Discipline
- Confidential Information
- Conflict of Interest
- Business Dealings
- Company Properties
- Reporting Misconduct/Irregularity and Suspected Misconduct/Irregularity

<sup>9</sup> The Council for Board Diversity has recommended for listed companies to have a 25% female representation on their boards by 2025 and 30% by 2030.



# SUSTAINABILITY REPORT

All employees of the REIT Manager are required to make a declaration on an annual basis where they pledge their compliance to the Code of Conduct. As for new employees, they are briefed on the Code of Conduct and are required to read and acknowledge the guidelines listed therein when they join the REIT Manager.

## Compliance with Competition Law

Far East H-Trust is committed to ensuring compliance with the Competition Act in the conduct of its business and does not authorise or condone any conduct that could give rise to any infringements of the Competition Act or create the appearance of impropriety.

## Corruption and Bribery Prevention Policy

Far East H-Trust adopts a zero-tolerance stance against any form of corruption and is committed to conducting our business with the highest standards of integrity.

We observe a Corruption and Bribery Prevention Policy with detailed guidelines and procedures in accordance to Far East Organization's ("FEO") Code of Conduct for the giving and receiving of gifts (monetary or otherwise), kickbacks, concessionary offers, lavish entertainment, and business dealings that may place the employee under any real or apparent obligation or indebtedness to any party. To maintain the highest standards of integrity in our work and business dealings, this policy is communicated to all employees, business associates and suppliers. Additionally, employees also undergo annual refresher training on the Trust's anti-corruption policies and practices.

## Whistle Blowing Policy and Loss Management Policy

Far East H-Trust's Whistle Blowing Policy is made available to all new employees when they join the REIT Manager, and they are briefed on this together with FEO's Code of Conduct. The Whistle Blowing Policy is also publicly disclosed on Far East H-Trust's website.

The Whistle Blowing Policy and the Loss Management Policy are established to enable employees and Directors of the REIT Manager and the Trustee-Manager as well as external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters in good faith. For all concerns raised, it will be independently investigated, and appropriate follow-up actions will be taken.

Whistle-blowers are given the option to remain anonymous and may report via an external independent hotline or directly to FEO's Head of Internal Audit. Establishing these policies reflects the REIT Manager's commitment to conduct its business within a framework that fosters the highest ethical standards. This year, we received zero complaints via our whistleblowing channels.

In FY 2024, Far East H-Trust is pleased to report zero incidents relating to corruption and non-compliance with laws and regulations.

To ensure that our practices remain relevant and effective, we will keep up with changes in policies and current trends through industry news and events and regularly monitor and evaluate our compliance level. For more information on Far East H-Trust's corporate governance practices, please refer to pages 90 to 132.

## Sustainable Supply Chain

Far East H-Trust recognises the importance of mitigating both social and environmental risks along the supply chain and is committed to the responsible management of our supply chain across our operations. To that end, we ensure that all supplies purchased are recognised under the Singapore Green Label Scheme ("SGLS") which endorses industrial and consumer products that have fewer undesirable effects on the environment. Administered by the Singapore Environment Council ("SEC"), the SGLS is the region's most established eco-labelling scheme with over 3,000 unique products certified across 28 countries. We communicate this initiative to our REIT's suppliers which further strengthens and enhances our commitment to the environment.

Additionally, the Operator has put in place the following principles to monitor the safety and environmental performance of its suppliers, contractors and landscapers. This includes:

- Giving preference to suppliers, contractors and landscapers who are ISO 14001 and OHSAS 18001 certified
- Requiring all suppliers, contractors and landscapers to comply with local government and other legal requirements
- Reviewing, monitoring and appraising new and re-contracting suppliers, contractors and landscapers on their level of compliance with prevailing laws and regulations

Guided by our environmental policy, Far East H-Trust will seek to source for products that have minimal environmental impact and gain support from customers and suppliers and ensure that they are made aware of the policy. Far East H-Trust will remain committed to collaborating with its stakeholders to practise responsible sourcing along its supply chain.

### Recognition for Good Corporate Governance

Our commitment and dedication to upholding the highest standards of corporate governance has garnered us various awards over the years. Some of these are listed in the table below.

Award	Description
<b>Singapore Governance and Transparency Index ("SGTI")<sup>10</sup></b>	<p>Ranked Among the Top 10 S-REITs and Business Trusts in the SGTI Assessment for Six Consecutive Years (2019 to 2024)</p> <p>The SGTI is a leading benchmark for assessing corporate governance practices among Singapore-listed companies. Far East H-Trust has consistently ranked among the top 10 S-REITs for six consecutive years, underscoring our strong commitment to governance excellence. In 2024, our base score improved from the previous year, securing the second-highest ranking in the REITs and Business Trusts category.</p>
<b>SIAS Investors' Choice Award ("SIAS")<sup>15</sup></b>	<p>Track Record of Excellence in Corporate Governance and Shareholder Communication</p> <p>Far East H-Trust has been recognised for its commitment to corporate governance and transparent shareholder communication. In 2023, Far East H-Trust won both the Singapore Corporate Governance Award and the Shareholder Communication Excellence Award under the REITs and Business Trusts category. Previously, the Trust was recognised as runner-up in both awards in 2022 and as runner-up in the Shareholder Communication Excellence Award in 2021.</p>
<b>Governance Index for Trusts ("GIFT")<sup>11</sup></b>	<p>Ranked Among the Top 10 S-REITs and Business Trusts in the GIFT Assessment for Four Consecutive Years (2019 to 2022)</p>
<b>ASEAN Corporate Governance Scorecard ("ACGS")<sup>12</sup></b>	<p>Ranked Among the Top 10 Publicly-Listed Entities in Singapore (by Market Capitalisation) and Recipient of the ASEAN Asset Class Award for 2021 (Awarded in 2022)</p>

10 REITs and Business Trust Category.

11 The GIFT assessment framework underwent a review in 2023. As of 31 December 2024, no further updates have been provided regarding its relaunch.

12 The next launch of the ASEAN Corporate Governance Scorecard assessment expected to be in 2025.

# SUSTAINABILITY REPORT

Statement of Use: Far East H-Trust has reported in reference with the GRI Standards for the period 1 January 2024 to 31 December 2024. Title of GRI Used: GRI 1: Foundation 2021 has been adopted within our Sustainability Report.

GRI Standards	Disclosure Number	Disclosure Title	Page Reference and/or Remark
<b>General Disclosures</b>			
GRI 2: General Disclosures 2021	Organisation and its Reporting Process		
	2-1	Organisational details	About Us, Pg 04
	2-2	Entities included in the organisation's sustainability reporting	About the Report, Pg 54
	2-3	Reporting period, frequency and contact point	
	2-4	Restatements of information	N/A
	2-5	External assurance	External assurance will be considered in line with relevant regulations
	Activities and Workers		
	2-6	Activities, value chain and other business relationships	Board Statement, Pg 52-53 About the Report, Pg 54 Supply Chain, Pg 80-81
	2-7	Employees	Impacting Lives – Employee Profile, Pg 74-75
	2-8	Workers who are not employees	N/A
	Governance		
	2-9	Governance structure and composition	Corporate Governance – Board Composition and Guidance, Pg 98-102
	2-10	Nomination and selection of the highest governance body	Corporate Governance – Board Membership, Pg 103-105
	2-11	Chair of the highest governance body	Corporate Governance – Chairman and CEO, Pg 102
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance – Accountability and Audit, Pg 112-123	
2-13	Delegation of responsibility for managing impacts		
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance, Pg 55-56	



GRI Standards	Disclosure Number	Disclosure Title	Page Reference and/or Remark
GRI 2: General Disclosures 2021	2-15	Conflicts of interest	Corporate Governance: Board Meetings and Activities, Pg 94-96 Risk Management and Internal Controls, Pg 112-119 Audit Committee, Pg 119-123
	2-16	Communication of critical concerns	Corporate Governance: Chairman and CEO, Pg 102 Whistle Blowing Policy, Pg 121 Engagement with Shareholders and Stakeholders, Pg 125-126
	2-17	Collective knowledge of the highest governance body	Corporate Governance: Board Matters, Pg 93-97 Board Composition and Diversity Policy, Pg 99-102
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance – Board Performance, Pg 106
	2-19	Remuneration policies	Corporate Governance – Remuneration Matters, Pg 107-111
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	
	<b>Strategy, Policy and Practices</b>		
2-22	Statement on sustainable development strategy	Board Statement, Pg 52-53	
2-23	Policy commitments	Good Governance, Pg 79-81	
2-24	Embedding policy commitment		
2-25	Processes to remediate negative impacts	Stakeholder Engagement, Pg 57-58	
2-26	Mechanisms for seeking advice and raising concerns	Good Governance, Pg 79-81	
2-27	Compliance with laws and regulations		
2-28	Membership associations		
<b>Stakeholder Engagement</b>			
2-29	Approach to stakeholder engagement	Stakeholder Engagement, Pg 57-58	
2-30	Collective bargaining agreements	There are no collective bargaining agreements in place	

# SUSTAINABILITY REPORT

GRI Standards	Disclosure Number	Disclosure Title	Page Reference and/or Remark
<b>Disclosure of Material Topics</b>			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Stakeholder Engagement, Pg 57-58
	3-2	List of material topics	Materiality Assessment, Pg 59
<b>Material Topic 1: Economic Performance</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Economic Performance, Pg 62 Financial Statements, Pg 139-203
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	
	201-2	Financial implications and other risks and opportunities due to climate change	Climate Resilience, Pg 69-72
<b>Material Topic 2: Resource Efficiency</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Securing Our Future, Pg 63-72
GRI 302: Energy 2016	<b>Energy</b>		
	302-1	Energy consumption within the organisation	Energy Consumption, Pg 65
	302-2	Energy consumption out of the organisation	
	302-3	Energy intensity	Strategic and Operational Initiatives for Energy Conservation, Pg 66-67
GRI 303: Water and Effluents 2018	<b>Water</b>		
	303-1	Interactions with water as a shared resource	Water Management, Pg 68 Water Source: Public Utilities Board
	303-2	Management approach: Management of water discharge-related impacts	
	303-3	Water consumption	
<b>Material Topic 3: Climate Change Mitigation, Adaptation and Resilience Building</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Greenhouse Gas Emissions, Pg 63-64
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-4	GHG emissions intensity	

GRI Standards	Disclosure Number	Disclosure Title	Page Reference and/or Remark
<b>Material Topic 4: Health and Safety</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 73-74
GRI 403: Occupational Health and Safety 2018	403-1	Work-related injuries	
	403-2	Hazard identification, risk assessment, and incident investigation	
	403-3	Occupational health services	
	403-4	Worker participation, consultation, and communication on occupational health and safety	
	403-5	Worker training on occupational health and safety	
	403-6	Promotion of worker health	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	
	403-9	Work-related injuries	
	403-10	Work-related ill health	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Impacting Lives, Pg 77
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	
<b>Material Topic 5: Diversity and Equal Opportunity</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Impacting Lives, Pg 74-76
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Impacting Lives, Pg 74-76
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3	Parental leave	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	



# SUSTAINABILITY REPORT

GRI Standards	Disclosure Number	Disclosure Title	Page Reference and/or Remark
<b>Material Topic 6: Talent Development</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Impacting Lives, Pg 76
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	
<b>Material Topic 7: Local Communities</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Impacting Lives, Pg 77-78
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	
<b>Material Topic 8: Ethics and Compliance</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Good Governance, Pg 79-81
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	
	205-2	Communication and training about anti-corruption policies and procedures	
	205-3	Confirmed incidents of corruption and actions taken	
<b>Material Topic 9: Waste</b>			
GRI 3: Material Topics 2021	3-3	Management of material topics	Waste, Pg69
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	
	306-2	Management of significant waste-related impacts	
	306-3	Waste generated	
	306-4	Waste diverted from disposal	
	306-5	Waste directed to disposal	

## TCFD Index

Core Element	Recommended Disclosure	Section and Page Reference
<b>Governance:</b> Disclose the organisation's governance around climate-related risks and opportunities	- Describe the board's oversight of climate-related risks and opportunities	Sustainability Strategy, Pg 55-56
	- Describe management's role in assessing and managing climate-related risks and opportunities	Sustainability Strategy, Pg 55-56 Climate Resilience, Pg 70
<b>Strategy:</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material	- Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Climate Resilience, Pg 69-72
	- Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	
	- Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	
<b>Risk Management:</b> Disclose how the organisation identifies, assesses, and manages climate-related risks	- Describe the organisation's processes for identifying and assessing climate-related risks	Climate Resilience, Pg 69-70
	- Describe the organisation's processes for managing climate-related risks	Climate Resilience, Pg 70-71
	- Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Enterprise Risk Management, Pg 88-89
<b>Metrics and Targets:</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	- Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Greenhouse Gas Emissions, Pg 63-64
	- Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	
	- Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Greenhouse Gas Emissions, Pg 63-64 Climate Resilience, Pg 70-72

# FOSTERING TRUST AND ACCOUNTABILITY



The Outpost Hotel, Rooftop Pool







# ENTERPRISE RISK MANAGEMENT

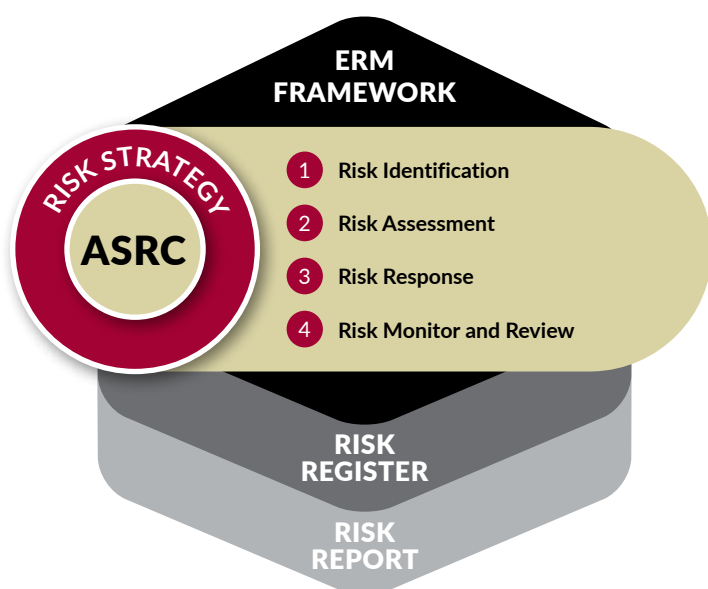
The Board recognises the importance of having a sound system of risk management and internal controls to safeguard Stapled Securityholders’ interests and Far East H-REIT’s assets.

Far East H-Trust has in place an Enterprise Risk Management (“ERM”) framework that aids in identifying, assessing and addressing risks on an ongoing basis.

The ASRC establishes an overall risk strategy of optimising opportunities within an approved risk appetite level and guides Management in the formulation of the ERM framework and risk policies while ownership of risk management lies with Management.

The nature and extent of risks are assessed regularly by Management and internal auditors, and periodic reports are submitted to the ASRC. The ASRC reports to the Board on material findings and makes recommendations or seeks guidance from the Board in respect of any material risk issues.

## STRUCTURED 4-STEP ERM FRAMEWORK FOR RISK MANAGEMENT



The REIT Manager adopts a structured 4-step risk management process comprising:

### (1) Risk Identification

Structured risk refresher exercises are conducted annually to identify risks that might have an impact on the ongoing operations (e.g., investment, financial, operational, compliance and reputational) of Far East H-Trust. Possible risks are identified through employee surveys and risk workshops which are further deliberated internally and by the ASRC to determine if any additional risks need to be highlighted for further actions to be taken.

### (2) Risk Assessment

Identified risks are then assessed using a risk-rating matrix based on their likelihood of occurrence as well as their impact should they occur. Subsequently, each risk item is ranked in a risk register to provide a better representation of the risks and to direct attention to risks with relatively higher probability of occurrence and more significant impact.

### (3) Risk Response

Action plans are developed to mitigate and address risks on a timely manner. In circumstances where it is not possible to mitigate risks, the REIT Manager will consider alternative avenues of transferring risks or may need to consider accepting or avoiding the risk altogether.

### (4) Risk Monitor and Review

Key risk indicators are established to define risk management baselines used by the REIT Manager for periodic monitoring, reporting and review by the management and ASRC on a regular basis.

The REIT Manager utilises a three-line defence system to monitor and review the risks identified. Clear roles and responsibilities at each line ensures sufficient oversight across our whole operations.

**(1) First Line of Defence**

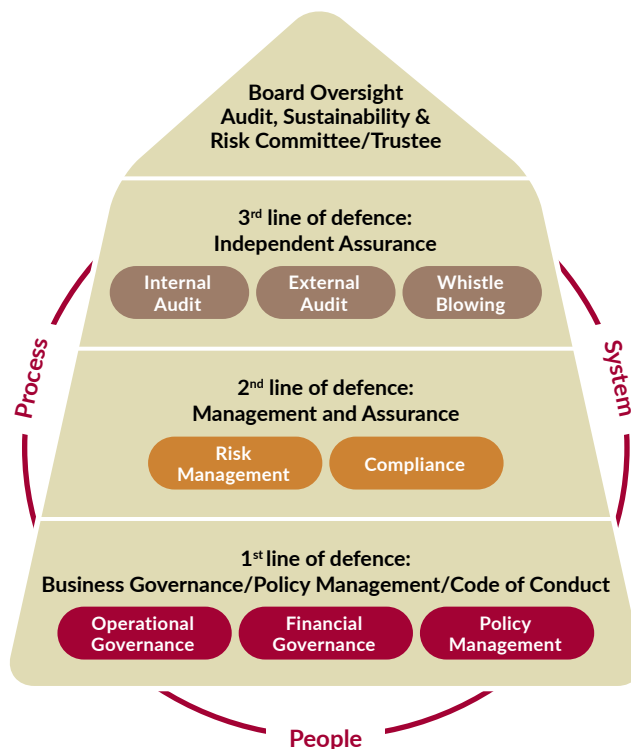
Business governance, policy management and code of conduct constitute the first line of defence for the respective business units to stay in compliance with governing policies and procedures.

**(2) Second Line of Defence**

Management and assurance constitute the second line of defence which monitors and reviews risk management controls and compliance and establishes policies and procedures to mitigate risk.

**(3) Third Line of Defence**

Independent internal and external audit constitutes the third line of defence which ensures adequacy and effectiveness of risk management.



A robust ERM framework enables the REIT Manager to manage risks systematically and remain nimble when capitalising on opportunities. With the support of the ASRC, the Board advises management in formulating various risk policies and guidelines. Terms of reference of the ASRC are disclosed on pages 121 and 122.

In FY 2024, the Board has assessed and deemed the REIT Manager’s risk management system to be adequate and effective in addressing the key risks identified below:

Material Risk	Risk Description and Countermeasures/Mitigation
<b>Interest Rates</b>	Risk that unfavourable interest rate movements could result in higher interest costs. Risk mitigation of appropriate hedging policies and close monitoring of interest rate sensitivity and exposure. Further elaboration can be found on page 193 under the “Notes to the Financial Statements” section of this Annual Report.
<b>Business Interruptions and Disruptions</b>	Risk of business interruptions and disruptions due to epidemics / COVID resurgence. The REIT Manager ensures operational resilience by having in place a business continuity plan to respond effectively to business disruptions while continuing critical business functions. Regular BCP drills are conducted and attestation to the Board is provided annually. The REIT Manager also maintains readiness to implement pandemic operating strategy should such disruptions occur.



# ENTERPRISE RISK MANAGEMENT

Material Risk	Risk Description and Countermeasures/Mitigation
<p><b>High Inflation Rate</b></p>	<p>Risk of high inflation rates arising from macroeconomic and geopolitical factors, tight labour market and high oil prices would have a material impact on revenue and profitability.</p> <p>Mitigating strategies include working with the Operator to implement strategies to reduce energy and water consumption to meet targets, leveraging on the Sponsor's scale in procurement of materials for property maintenance and enhancement, securing better electrical tariff rates as well as working with the Operator to implement optimal staffing strategies.</p>
<p><b>Demand and Supply of Hotel / SR Accommodation</b></p>	<p>Risk of lower demand resulting from a fall in foreign arrivals, leisure and corporate demand due to recession. Risk of oversupply of hotels in local market.</p> <p>Mitigation of risk by closely monitoring performance of Far East H-Trust's properties against market comparables and undertaking appropriate operational, marketing and sales actions. Further risk mitigation through long-term master lease arrangement with Sponsor.</p>
<p><b>Environmental and Climate-related Transitional Risk</b></p>	<p>Transition risks, including higher carbon taxes, excess emissions cost, regulatory reporting requirements, stranding asset value etc that may impact Far East H-Trust's financial performance and operations.</p> <p>The REIT Manager has in place a Sustainability Working Committee that monitors these transition risks closely and also regularly meets with the Operator to discuss sustainability initiatives to manage these risks.</p>
<p><b>Human Capital Risk</b></p>	<p>Human capital is a key function to enabling the REIT Manager to achieve its strategic business goals. Loss of employees and key management personnel could cause disruptions to business operations.</p> <p>The REIT Manager places a high emphasis on staff engagement and development of employees which aids in staff retention and ensuring relevant and highly skilled workforce for long-term business growth.</p> <p>Regular remuneration and benefits benchmarking are conducted to attract and retain appropriate talent for the business.</p> <p>Organisational surveys are also deployed to gather feedback and measure employee engagement.</p>

Material Risk	Risk Description and Countermeasures/Mitigation
<p><b>Regulatory and Compliance Risk</b></p>	<p>Changes in laws and regulations may affect Far East H-Trust and the REIT Managers' operations and results. Non-compliance to applicable laws and regulations may lead to penalties and negative publicity.</p> <p>The REIT Manager maintains a framework that proactively identifies the applicable laws and regulations and embeds compliance into the day-to-day operations.</p> <p>A comprehensive report is also presented to ASRC on a quarterly basis highlighting any non-compliance in respect of pertinent regulatory obligations and relevant bank covenants. Various internal policies and procedures have been put in place to facilitate staff awareness and to ensure compliance to the applicable laws and regulations.</p> <p>The REIT Manager also has in place a Corruption and Bribery Prevention Policy with detailed guidelines and procedures in accordance to Far East Organization's Code of Conduct which is communicated to all employees on an annual basis.</p> <p>A Whistle Blowing Policy is also made available to all new employees and is publicly disclosed on Far East H-Trust's website.</p>

# Corporate Governance

Far East Hospitality Trust (“Far East H-Trust”) is a hospitality stapled group comprising Far East Hospitality Real Estate Investment Trust (“Far East H-REIT”) and Far East Hospitality Business Trust (“Far East H-BT”).

Far East H-REIT is a real estate investment trust constituted by the Trust Deed dated 1 August 2012 (as amended, varied or supplemented from time to time) (“Trust Deed”) and entered into between FEO Hospitality Asset Management Pte. Ltd. (in its capacity as the manager of Far East H-REIT) (the “REIT Manager”) and DBS Trustee Limited (in its capacity as the trustee of Far East H-REIT) (the “REIT Trustee”).

Far East H-BT is a business trust constituted by the Trust Deed dated 1 August 2012 (as amended, varied or supplemented from time to time) and entered into by FEO Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of Far East H-BT) (the “Trustee-Manager”). Far East H-BT has been dormant since Far East H-Trust was listed on the Mainboard of Singapore Exchange Securities Trading Limited (the “SGX-ST”).

The REIT Manager has been issued a Capital Market Services Licence by the Monetary Authority of Singapore (“MAS”) for real estate investment management (“CMS Licence”) pursuant to the Securities and Futures Act 2001 of Singapore (the “SFA”) on 10 August 2012.

## FAR EAST H-TRUST AND CORPORATE GOVERNANCE

The framework of relevant legislations and guidelines governing Far East H-Trust include:

- i. The SFA;
- ii. The Code on Collective Investment Schemes (including Appendix 6 thereon on property funds) (the “CIS Code”, and Appendix 6 of the CIS Code, the “Property Funds Appendix”);
- iii. The Listing Manual issued by SGX-ST (the “Listing Manual”);
- iv. The Business Trusts Act 2004 of Singapore;
- v. The Code of Corporate Governance 2018 (“the Code”); and
- vi. Written directions, notices, codes and other guidelines that may be issued by the MAS from time to time.

The REIT Manager and the Trustee-Manager (“the Managers”) are fully committed to upholding the highest standards of corporate governance, business integrity and professionalism in all its activities. The Managers believe that sound and effective corporate governance policies and practices are essential in achieving sustainable growth, and consequently a trusted, successful and respected Far East H-Trust.

This corporate governance report (“CG Report”) sets out Far East H-REIT’s corporate governance framework and practices with specific reference to the principles and the provisions of the Code of Corporate Governance 2018, in accordance with to Rule 710 (“Rule 710”) of the SGX Listing Rules, and where applicable, the Listing Manual and the Companies Act 1967 of Singapore, (“Companies Act”). For the financial year ended 31 December 2024 (“FY 2024”), save as stated in this CG Report, Far East H-REIT has complied in all material aspects with the principles of the Code. Where there are variations from any of the provisions of the Code, an explanation has been provided within this CG Report, which includes the reason for the variation, as well as the practices adopted to be consistent with the intent and philosophy of the relevant principle in question.



# Corporate Governance

Due to the different legislative and regulatory requirements in relation to a REIT as compared with a business trust, the corporate governance disclosure requirements in relation to the REIT Manager are different from those in relation to the Trustee-Manager.

## (A) BOARD MATTERS

### **THE BOARD'S CONDUCT OF AFFAIRS**

**Principle 1: *The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.***

### **ROLE OF THE BOARD**

Pursuant to the Trust Deed, the board of directors of the REIT Manager (the "Board") is entrusted with the responsibility for the overall management of the REIT Manager and has general powers of management over the assets of Far East H-REIT.

The key roles and responsibilities of the Board are to:

- Set strategic objectives and direction, and provide guidance to the management of the REIT Manager ("Management") in executing those objectives;
- Manage Far East H-REIT's assets and liabilities for the benefit of the stapled securityholders of Far East H-Trust ("Stapled Securityholders");
- Formulate the business plans in relation to Far East H-REIT's properties;
- Recommend to the REIT Trustee on the acquisition, divestment or enhancement of assets of Far East H-REIT in accordance with its stated investment strategy;
- Ensure Management discharges its duties with integrity and accountability, and demonstrate the highest level of skills and professionalism;
- Establish a framework of prudent and effective controls that enables risks to be assessed and managed to safeguard the interests of the Stapled Securityholders and the assets of Far East H-Trust;
- Consider sustainability issues such as environmental issues as part of its strategic formulation;
- Ensure that Management maintains sound measures relating to corporate governance, financial regulations and internal policies including the Code of Conduct (further elaborated on pages 129 and 130); and
- Consider the perceptions of stakeholders that will affect Far East H-Trust's reputation.

### **BOARD COMMITTEES**

In the discharge of its functions, the Board is supported by three board committees which also serve to ensure that there are appropriate checks and balances. These committees are the Audit, Sustainability and Risk Committee ("ASRC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC") (collectively known as "Board Committees"). Each of the Board Committees is chaired by independent directors ("IDs") and reports to the Board. Membership of the various Board Committees is managed to ensure an equitable distribution of responsibilities among Board members, to maximise the effectiveness of the Board and to foster active participation and contribution from Board members. Diversity of experience and appropriate skills are considered in the composition of the respective Board Committees. The three Board Committees have different compositions in terms of members to encourage optimal contribution by all Board members and to have a wider range of views and perspectives.

# Corporate Governance

Each of the Board Committees has its own written terms of reference and operates under delegated authority from the Board. However, the Board retains overall responsibility for all decisions made by the Board Committees. Information on the ASRC, NC and RC can be found in the “Accountability and Audit”; “Board Membership” and “Board Performance”; and “Remuneration Matters” sections of this CG Report respectively.

## BOARD MEETINGS AND ACTIVITIES

The Board meets regularly, at least once every quarter, and as required by business imperatives or particular circumstances, to discuss and review business strategies and policies of Far East H-Trust, including any significant acquisition or disposal, portfolio performance, business outlook, movement in stapled securityholdings, and to approve the release of half-yearly and annual financial results as well as interim business updates.

In addition, the IDs of the Board schedule to meet as and when required to discuss matters without the presence of Management and the Chairman of the Board. In 2024, the IDs had one such meeting chaired by Ms Vivienne Lim, the lead independent director (“Lead ID”).

As a general rule, Board and Board Committee meeting notices and papers are required to be sent to the Directors and members of Board Committees at least five business days before the meetings. This would also enable any director who is unable to attend a meeting to provide input and raise queries on the agenda items. Board papers give the background, explanatory information, justification, risks and mitigating measures for each agenda item and mandate sought by Management, including, where applicable, relevant details, budgets, business plans, forecasts and projections. Directors can ask for additional information as needed to make informed decisions. However, papers containing price sensitive information may be tabled at the meetings themselves or discussed without any papers being distributed. All Board and Board Committee papers are kept and disseminated via an electronic board portal, which has proven to be an effective, secure and sustainable form of communication.

Executive officers of Far East Organization, external consultants or advisers who can provide additional insight into the relevant matters at hand may be invited to attend the meetings. The executive officers of Far East Organization will not participate in any decision-making process involving transactions between Far East H-Trust and the Sponsor, comprising Far East Organization and its group of companies (“FEO”).

Management recognises that the flow of information in an accurate, complete, adequate and timely manner is critical for the Board to be effective in discharging its duties. At the quarterly Board and ASRC meetings, Directors are updated on developments, challenges and changes in the operating environment, including changes in accounting standards, changes in laws and regulations governing the REIT industry, or changes that have a bearing on Far East H-Trust. The Board and Board Committee papers given to the Directors include updates on the operating and financial performance, strategic plans, regulatory and compliance updates and any other matters for discussion. On a monthly basis, Management also provides the Board with a brief update on the operating performance of Far East H-Trust, to enable the Board to exercise effective oversight.

The Directors of the Board have separate and independent access to Management and the Company Secretary at all times, and they are entitled to request from Management additional information to make informed decisions. The Directors, either individually or as a group, may at the REIT Manager’s expense seek independent professional advice where appropriate, in order to discharge their duties effectively.

# Corporate Governance

The corporate secretarial agent is Tricor Singapore Pte. Ltd., and the named Company Secretaries are Lin Moi Heyang and Tang Pei Chan. They attend to all corporate secretarial matters for the REIT Manager. At least one of the Company Secretaries attends all Board and Board Committee meetings and prepares minutes of meeting proceedings. They assist the Chairmen of the Board and Board Committees in ensuring that Board and Board Committee procedures are followed and that the REIT Manager's Constitution, Terms of Reference of the Board and Board Committees, applicable rules and regulations and best practices are complied with. The Company Secretaries advise the Board on all governance matters. They also work with Management to ensure that Board and Board Committee papers are provided to each Director at least five business days ahead of meetings. Their responsibilities also include assisting the REIT Manager in preparing the announcements to be uploaded on the SGXNET as required under the Listing Manual.

Where exigencies prevent a Director from attending a Board meeting in person, the Constitution of the REIT Manager permits the Director to participate via audio or video conference. The Board and Board Committees may also make decisions by way of resolutions in writing. In each meeting where matters requiring the Board's approval are to be considered, all members of the Board participate in the discussions and deliberations, and resolutions in writing are circulated to all Directors for their consideration and approval. The exception is where a Director has a conflict of interest in a particular matter, in which case, he or she will be required to recuse himself or herself from the deliberations and abstain from voting on the matter. This principle of collective decisions adopted by the Board ensures that no individual influences or dominates the decision-making process.

The number of meetings of the Board, ASRC, NC and RC held during FY 2024, as well as the attendance of every Director at these meetings and at the last annual general meeting are set out in the table below:

	Board Meetings	ASRC Meetings	NC Meetings	RC Meetings	Annual General Meeting
Number of meetings held in FY 2024	6	4	2	2	1
<b>Board members</b>					
Wee Kheng Jin	6/6	4/4 <sup>(1)</sup>	2/2	2/2	1/1
Vivienne Lim Hui Bian	6/6	4/4	2/2	2/2	1/1
Catherine Lee Khia Yee	6/6	4/4	2/2	N.A.	1/1
Celestine Khoo Geok Choo	6/6	4/4	N.A.	2/2	1/1
Benedict Leh Song Boon	6/6	4/4	N.A.	N.A.	1/1
Quek See Tiat <sup>(2)</sup>	3/3	N.A.	1/1	N.A.	N.A.
Gerald Lee Hwee Keong	6/6	4/4 <sup>(3)</sup>	2/2 <sup>(3)</sup>	2/2 <sup>(3)</sup>	1/1

(1) Mr Wee Kheng Jin's attendance at ASRC meetings was by invitation.

(2) Mr Quek See Tiat was appointed as an Independent Director and a member of the RC and NC on 1 May 2024.

(3) Mr Gerald Lee Hwee Keong is also the CEO of the REIT Manager and Trustee-Manager, and attended these meetings at the invitation of the respective committees.

N.A. Not applicable.

The Board has approved a list of matters reserved for the Board's decision-making. This sets clear directions for Management on matters that must be approved by the Board.



# Corporate Governance

The list of matters reserved for the Board's approval includes, but is not limited to:

- Long term strategy and objectives of Far East H-REIT
- Annual budget and business plans in relation to Far East H-REIT's properties
- Policies to safeguard the interests of the Stapled Securityholders and the assets of Far East H-REIT
- Investment strategy and mandate
- Distribution policy
- Announcements and press releases concerning Far East H-REIT
- Board memberships and other appointments
- Appointment and removal of the Company Secretary

In fulfilling its responsibilities to Far East H-REIT, the Board has approved a set of financial controls which sets out approval limits for operating expenditures, capital expenditures, procurements, general and administrative expenses and leases as well as arrangements in relation to cheque signatories. Appropriate delegation of authority and approval sub-limits are also provided at management level to facilitate operational efficiency.

## ORIENTATION AND TRAINING FOR DIRECTORS

The NC exercises oversight on the orientation, training and professional development of Directors, and also ensures that new Directors are aware of their duties and obligations.

The NC has a structured orientation and training framework to facilitate a smooth onboarding for new Directors. Newly-appointed Directors undergo a familiarisation programme tailored to provide them with a comprehensive understanding of Far East H-Trust.

The orientation training programme includes:

- Management presentations on Far East H-Trust's strategic objectives, business, operations, key management responsibilities, financial performance and governance practices; and
- Site visits to Far East H-Trust's hotels and serviced residences to gain insights of the assets.

In addition to the above, newly appointed Directors are given access to past Board and Board Committee meetings minutes and are also provided with key materials such as the Board and Board Committees terms of reference, relevant guidelines and policies relevant to their appointments.

Mr Quek See Tiat, Far East H-Trust's newest Independent Director, attended the orientation exercise organised by the REIT Manager following his appointment in May 2024. The CEO of the REIT Manager also separately briefed him on various company matters on a few occasions during the year.

Mr Quek is a highly experienced director, having served on the boards of several listed companies, bringing extensive expertise in corporate governance, finance and risk management. He was previously a board member of Singapore Technologies Engineering Ltd (2013–2024), where he chaired the Audit Committee (2017–2022) and the Risk and Sustainability Committee (2019–2024). He also served on the board of Singapore Press Holdings (2013–2022). His deep understanding of financial and regulatory frameworks strengthens the Board's collective expertise, reinforcing Far East H-Trust's commitment to strong governance and effective decision-making.

# Corporate Governance

The NC recognises the importance of continuous training and professional development to ensure Directors remain well-informed and effective in performing their roles on the Board and Board Committees to the best of their abilities. A Continuing Professional Development (“CPD”) training programme is in place to equip all Board members with the appropriate skills and relevant knowledge. As part of this programme, Directors receive ongoing training on key areas such as:

- New laws and regulatory developments, including updates to the Companies Act, Listing Manual and Securities and Futures Act;
- Sustainability-related matters, including Environmental, Social, and Governance (“ESG”) considerations;
- Industry trends and best practices; and
- Accounting and financial reporting standards.

In addition to CPD, Directors are encouraged to participate in relevant industry conferences, seminars, and courses, including those organised by the SID on corporate governance, leadership and industry-related topics. Directors may also recommend suitable training and development programmes to the Board to further enhance their expertise in specific areas.

Recognising the growing importance of sustainability in corporate governance, the NC ensures that Directors have the necessary knowledge and expertise in this area. In line with Rule 720 (7) of the Listing Manual, all Directors have completed sustainability training as prescribed by SGX-ST. New Directors who have not yet undertaken this training will either possess relevant expertise in sustainability or undergo further training as required.

The NC has assessed that Mr Quek has sufficient knowledge and understanding of sustainability, given his leadership role in the Risk and Sustainability Committee at Singapore Technologies Engineering Ltd and his recent sustainability-related training there. As such, he is not required to undergo additional sustainability training under Rule 720 (7) of the Listing Manual.

Directors engage in learning and development activities, either independently or through programmes facilitated or supported by the REIT Manager, e.g., seminars, conferences and workshops. To ensure a structured approach to ongoing learning, the NC oversees the CPD training programme for Board members, while the REIT Manager funds relevant training and development initiatives where applicable. In FY 2024, Directors participated in various professional development and training initiatives, including:

- Behind Closed Doors: Key Decisions and Insights from NRCs by SID
- Climate Governance Singapore Forum by SID
- SID Directors Conference 2024
- Sustainability Reporting by SGX
- Technical Training on Transitioning from TCFD to ISSB by IFRS Foundation

The Board is regularly updated either during Board meetings or at specially convened meetings (with the attendance of professional advisors, consultants, auditors and Management) on areas that may affect Far East H-Trust’s business and developments. The Management also provides the Board with timely information through regular updates on financial results, market trends in the hospitality sector and business developments.

# Corporate Governance

## **BOARD COMPOSITION AND GUIDANCE**

**Principle 2: *The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.***

The Board reviews the size and composition of the Board, with a view to ensuring effective decision making by taking into account the scope and nature of the operations of Far East H-Trust.

## **REVIEW OF DIRECTORS' INDEPENDENCE**

The independence of Directors is reviewed by the NC annually on a formal basis since the formation of the NC on 19 January 2016. The Board was established in 2012, and none of the independent directors has served on the Board beyond nine years since the date of his or her first appointment. Additionally, none of the Directors has been a substantial shareholder of the REIT Manager, or substantial Stapled Securityholder of Far East H-REIT.

Directors complete an annual confirmation of independence, whereby they are required to critically assess their own independence including independence from the major shareholder and management, which the NC takes into account for the purposes of this review. The Board has considered and determined, taking into account the views of the NC, that Ms Vivienne Lim, Ms Catherine Lee, Ms Celestine Khoo, Mr Benedict Leh and Mr Quek See Tiat have demonstrated independence in character and judgement in the discharge of their responsibilities as directors in FY 2024, and is satisfied that each of them has acted with independent judgement. The Board has also assessed the relationships or circumstances which are likely to affect, or could appear to affect, the directors' judgement. Based on the annual review of the directors' independence conducted by the NC, the criteria of independence as set out in the Code and SGX Listing Rule 210 (5)(d), and the declarations by the IDs of their independence, the Board is satisfied that Ms Vivienne Lim, Ms Catherine Lee, Ms Celestine Khoo, Mr Benedict Leh and Mr Quek See Tiat are independent.

In FY 2024, none of the IDs had any business relationship with the REIT Manager, its related companies, its substantial shareholders or its officers, as well as with Far East H-REIT and its substantial Stapled Securityholders that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of Far East H-Trust.

During FY 2024, each of the IDs had been independent from the management of the REIT Manager and Far East H-REIT, as well as from every substantial shareholder of the REIT Manager, and every substantial Stapled Securityholder of Far East H-Trust. This is in accordance with the guidance in the Securities and Futures (Licensing and Conduct of Business) Regulations (SFR), Regulation 13E(b)(i).

Mr Wee Kheng Jin (Chairman of the Board) was previously an Executive Director in FEO until his retirement on 31 December 2018, after which he continues his association with the Group as a Senior Advisor. At the same time, Mr Wee had also retired from the boards of all other FEO-related companies but remains as director of FEO Hospitality Asset Management Pte. Ltd. (the REIT Manager) and FEO Hospitality Trust Management Pte. Ltd. (the Trustee-Manager).

Mr Gerald Lee, CEO of the REIT Manager and Trustee-Manager was appointed as an Executive Director on 1 July 2022. Mr Lee's appointment comes as the Board sought to achieve a greater balance of diversity in the aspects of gender, age and professional qualifications. In addition, Mr Lee has over 30 years of tourism, hospitality and real estate experience, adding to the Board's wealth of experience, skills, knowledge and perspective.



# Corporate Governance

The Board has reviewed and is satisfied that, as at the last day of FY 2024, Mr Wee Kheng Jin, although being a non-independent director, and Mr Gerald Lee were able to act in and have acted in the best interests of all the Stapled Securityholders of Far East H-Trust. This is in accordance with the guidance in the Securities and Futures (Licensing and Conduct of Business) Regulations (SFR), Regulation 13E(b)(ii).

## BOARD COMPOSITION AND DIVERSITY POLICY

As of 31 December 2024, the Board comprises seven directors, five of whom are independent directors. Of the two non-independent directors, one (being the Chairman) is a non-executive director and another (being the CEO) is an executive director. The composition of the Board therefore complies with Provision 2.3 of the Code where the majority of the Board is made up of non-executive directors and Provision 2.2 of the Code where the majority of the board is made up of independent directors where the Chairman is not independent. This enables Management to benefit from their invaluable and objective perspectives on issues that are brought before the Board.

The current composition of the Board and the Board Committees is set out below:

Name of Director	Appointment	Audit, Sustainability and Risk Committee	Nominating Committee	Remuneration Committee
Wee Kheng Jin	Chairman Non-Independent Non-Executive Director	-	Member	Member
Vivienne Lim Hui Bian	Lead Independent Director	Member	Chairman	Member
Catherine Lee Khia Yee	Independent Director	Member	Member	-
Celestine Khoo Geok Choo	Independent Director	Member	-	Chairman
Benedict Leh Song Boon	Independent Director	Chairman	-	-
Quek See Tiat	Independent Director	-	Member	Member
Gerald Lee Hwee Keong	Executive Director and CEO	-	-	-

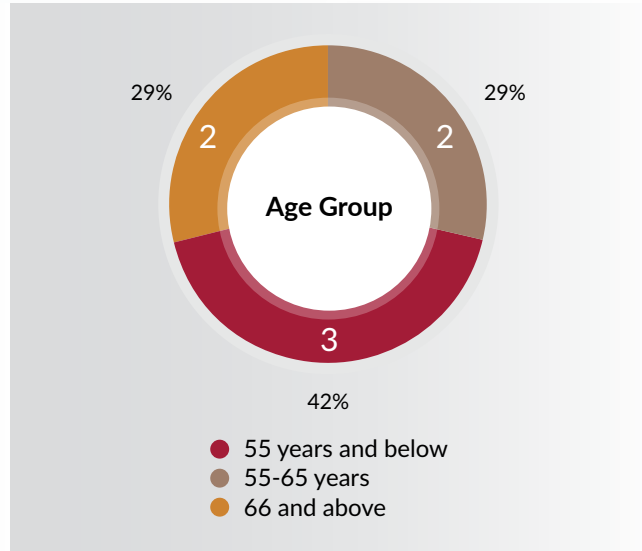
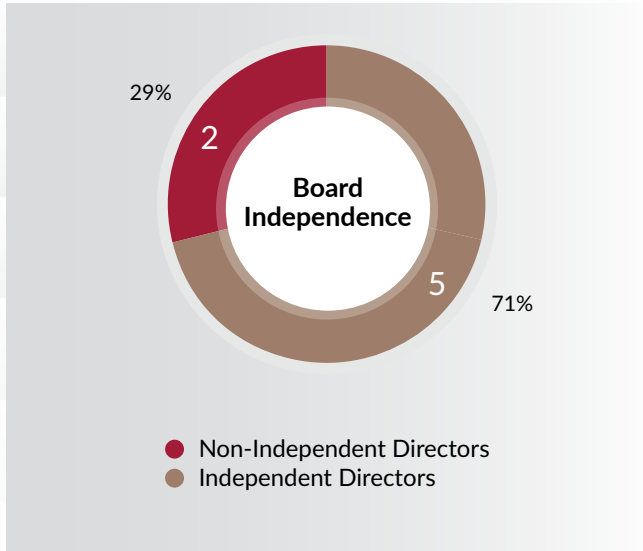
In Board meetings, directors participate in open and constructive discussions, consistently questioning Management's assumptions and proposals. The Board assesses Management's performance in achieving agreed goals, monitor performance reporting, and provide valuable perspectives and experiences.

The NC believes that a well-balanced Board fosters diversity viewpoints and insights, enriching decision-making. To achieve this, the Board has implemented a Diversity Policy that seeks to have an appropriate level of diversity in skills, knowledge, industry experiences, gender, age and tenure within its composition.

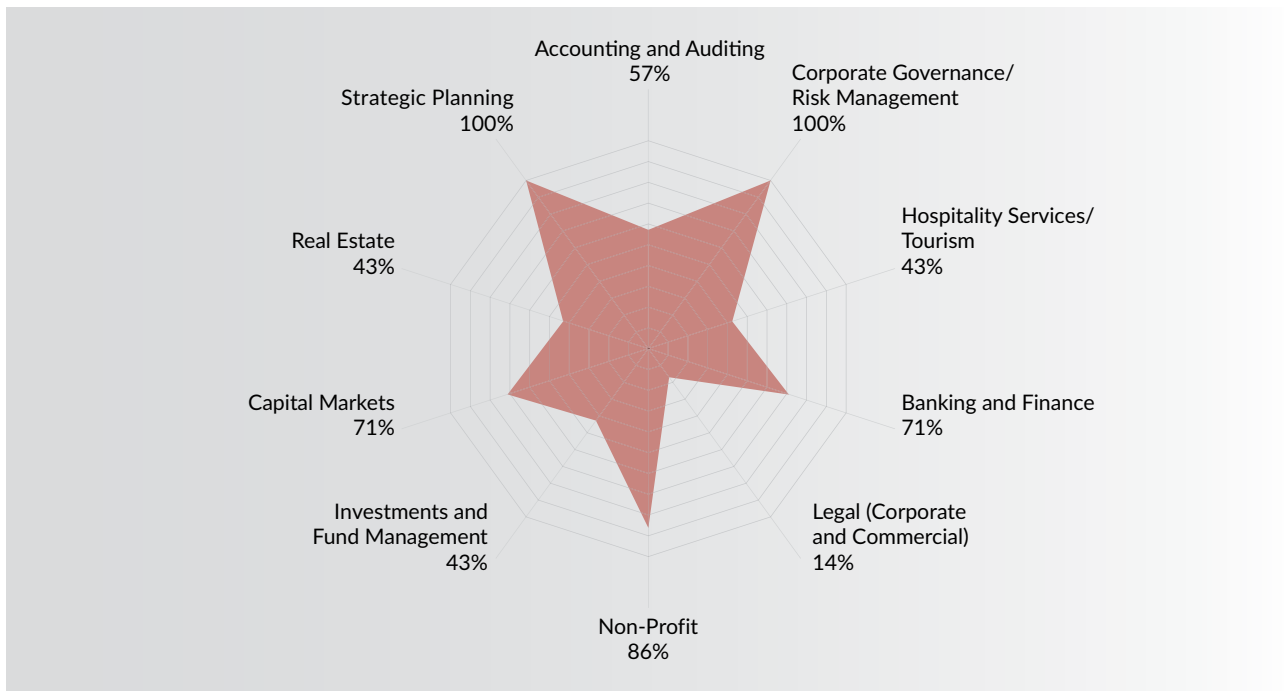
Under the Board Diversity Policy, the NC will, in reviewing and assessing the composition of the Board and making recommendations to the Board on the appointment of new directors, consider aspects such as professional qualifications, industry and geographic knowledge, skills, length of service, age, gender and the needs of the Trust. The NC will review the structure, size, balance and diversity of the Board annually and propose any changes to the Board to complement the Trust's objectives and strategies. In this regard, the NC will review and report to the Board annually the objectives and progress made in achieving an appropriately diverse board composition.

# Corporate Governance

## Independence and Age Group



## Skills, Knowledge and Industry Experience



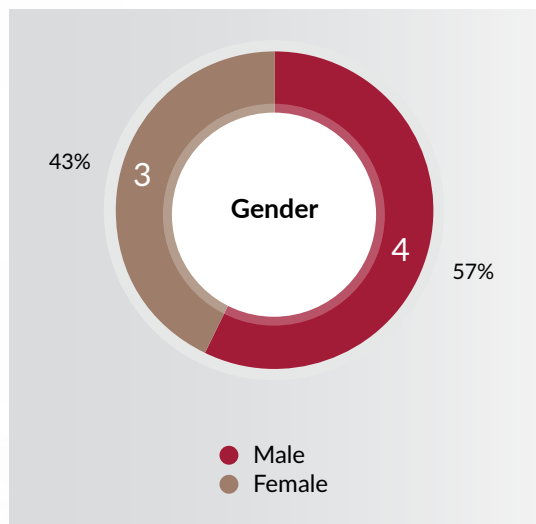
The Board consistently evaluates the skills, knowledge and industry experience of its Directors to ensure alignment with Far East H-Trust’s purpose and strategic objectives. The assessment includes a consideration of whether the current mix effectively addresses the skills needed for existing and emerging business and governance issues concerning both the REIT Manager and Far East H-Trust.

# Corporate Governance

**Target.** Considering Far East H-Trust’s size, complexity, business and regulatory environment it operates in, the NC strives to maintain a well-rounded Board with diverse qualifications and competencies, covering core areas including accounting, auditing, capital markets, banking, finance, investment, fund management, real estate, hospitality services, tourism, corporate governance, strategic planning and legal. We believe this diversity will enhance the Board’s effectiveness, shaping Far East H-Trust’s strategic goals and providing valuable guidance and oversight to the REIT Manager.

**Progress.** The Board and its Board Committees comprise directors with an appropriate balance and diversity of skills, experience and knowledge. The Directors have diverse backgrounds in accounting and auditing, capital markets, banking and finance, investment and fund management, real estate, hospitality services, tourism, corporate governance, strategic planning, and corporate and commercial law.

## Gender Diversity



**Target.** The NC aims for a minimum of 30% female directors, aligning with the Council for Board Diversity’s objective for women to constitute 30% of the boards of SGX-ST largest 100 listed companies by 2030.

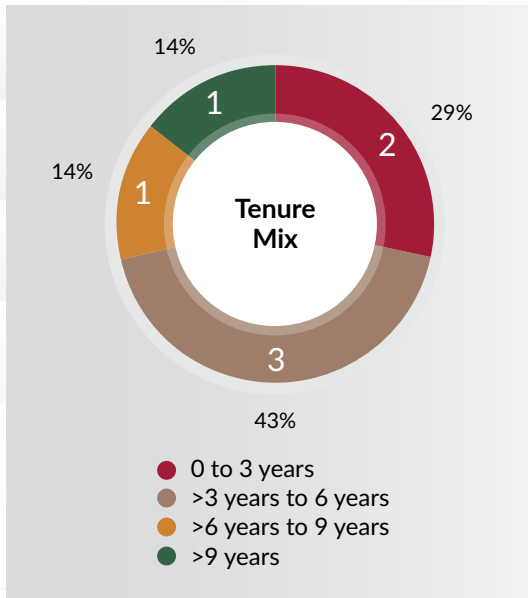
**Progress.** The representation of female directors on the Board, with three out of seven members (43%) surpasses the national average of 25.1%<sup>1</sup> for the largest 100 SGX-listed companies by market capitalisation.

<sup>1</sup> Statistics reported as at 31 December 2024 by the Council for Board Diversity.



# Corporate Governance

## Tenure of Directorship



**Target.** A diversity of tenure will achieve the progressive renewal of the Board so that there is the continuity of experienced directors as well as the onboarding of new directors to provide fresh perspectives on an ongoing basis. All director appointments will be based on merit, having due regard to the overall balance and effectiveness of the Board.

**Progress.** The Board and its Board Committees comprise of at least 1 director across the different identified tenure bands, providing a mix of fresh and experienced views.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

The positions of Chairman of the Board and Chief Executive Officer (“CEO”) of the REIT Manager are held by two different individuals in order to maintain effective segregation of duties, ensure an appropriate balance of power and authority, increased accountability and to maintain effective checks and balances. The Chairman of the Board and Trustee-Manager Board is Mr Wee Kheng Jin, while the CEO of the REIT Manager and CEO of the Trustee-Manager is Mr Gerald Lee. The Chairman and CEO are not related to each other and do not have close family ties.

There is a clear separation of the roles and responsibilities between the Chairman and the CEO of the REIT Manager. Mr Wee Kheng Jin leads the Board to ensure its effectiveness on all aspects of its role. He ensures that adequate time is given for discussion of all items at the board meeting, in particular strategic issues. He also facilitates effective contribution of the directors and encourages a culture of openness and debate at board meetings. The Chairman also ensures that the Board works together with integrity and competency, and that the Board engages Management in constructive debate on strategy, business operations, enterprise risk management and other plans.

Mr Gerald Lee is principally responsible for the management and conduct of the business of the REIT Manager. He has full executive responsibilities over the business direction and operational decisions in managing Far East H-REIT.

Provision 3.3 of the Code recommends the appointment of an independent director to be the lead independent director in certain circumstances, including where the Chairman is not independent. As such, Ms Vivienne Lim is the designated lead independent director. She is also the Chairman of the NC.

# Corporate Governance

Ms Vivienne Lim, as the lead independent director, provides leadership among the Directors to enhance objectivity and independence of the Board and has held meetings with the independent directors without the presence of the non-independent directors and Management as she deemed appropriate or necessary, and provided feedback to the Chairman of the Board after each meeting.

Ms Lim also acts as an alternative communication channel to the Board for Stapled Securityholders when the normal channels of communication with the Chairman or Management are inappropriate or inadequate. Questions or feedback may be submitted via email to the Lead Independent Director at [viviennelim@fareast.com](mailto:viviennelim@fareast.com).

## **BOARD MEMBERSHIP**

***Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.***

## **NOMINATING COMMITTEE**

The Board established its NC on 19 January 2016. The NC members are appointed by the Board from among its members, the majority of whom (including the Chairman of the NC) are independent directors. The members of the NC are Ms Vivienne Lim (Chairman of the NC and Lead ID), Ms Catherine Lee (Independent Director), Mr Quek See Tiat (Independent Director) and Mr Wee Kheng Jin (Non-Independent Director).

## **ROLES AND RESPONSIBILITIES OF THE NC**

The NC has written terms of reference setting out its scope and authority in performing the functions of a nominating committee, including assisting the Board in matters relating to:

- Selection and appointment of new directors and re-appointment of the existing Directors of the Board, taking into account their contribution, performance and ability to commit sufficient time and attention to the affairs of Far East H-REIT, as well as their respective commitments outside Far East H-REIT;
- Implementation and monitoring of the Board Diversity Policy in order to make recommendations to the Board on the diversity of skills, experience, gender, age, knowledge, size and composition of the Board;
- Determining annually whether or not a director is independent, having regard to the circumstances set forth in Provisions 2.1 and 2.2 of the Code and SGX Listing Rule 210 (5)(d);
- Deciding whether or not a director is able to and has been adequately carrying out his or her duties as a director;
- Review of succession plans, in particular the appointment and/or replacement of the Chairman, Board Members, the CEO and key management personnel;
- Development of the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;
- Review of training and professional development programmes for the Board and its Directors; and
- Such other authorities and duties as provided in the Code.

The NC administers nominations to the Board, reviews the structure, size and composition of the Board and reviews the performance and independence of the Directors. In addition, as part of regulatory requirements, MAS also requires prior approval for any change of the CEO or of any appointment of director.

# Corporate Governance

The NC is of the view that the members of the Board provide an appropriate balance and diversity of skills and commercial experience, as elaborated on in the Board Composition and Diversity Policy section on pages 101 to 104. The NC believes that a director's eligibility for selection, appointment and re-appointment goes beyond his or her attendance at meetings. The NC takes into consideration a director's competencies, commitment, contribution and performance, and is committed to providing an appropriate balance and diversity of skills, experience and knowledge.

## REVIEW OF DIRECTORS' TIME COMMITMENTS

All directors are required to commit sufficient time and attention to the affairs of Far East H-REIT and the REIT Manager. The NC will annually, and as required, assess the major commitments including employment and listed company directorships and whether the director has and can suitably fulfil his or her duties as a director of the REIT Manager.

Towards this end, the REIT Manager has established a policy that any of its directors may not take on more than the following number of listed company directorships without prior consultation and agreement of the NC and the Board:

- For a director who is an executive of a company (including the REIT Manager): not more than two external listed company directorships.
- For a director who is not an executive of any company: not more than five listed company directorships.

None of the current directors have reached the limits as set out in the above policy.

Based on Directors' full attendance record at Board and Board Committee meetings (set out on page 97) and contributions outside of formal Board and Board Committee meetings, the NC is satisfied that all Directors are able to and have committed sufficient time and discharged their duties adequately for the financial year ended 31 December 2024. The REIT Manager has no alternate directors on its Board.

Key information regarding the Directors such as academic and professional qualifications, committee membership, date of appointment, and details about the present and past directorships of each Director are set out on pages 12 to 16. The Directors' Stapled Securityholdings in Far East H-Trust are set out on page 225.

## SELECTION, APPOINTMENT AND SUCCESSION PLANNING FOR DIRECTORS

The NC regularly reviews the existing composition, attributes and competencies of the Board in order to determine the desired experience or expertise required to strengthen or supplement the Board. The NC is responsible for identifying and recommending suitable candidates for Board appointments.

As part of the Board's renewal and succession planning process, the NC applies the following principles when identifying candidates:

- The Board should comprise directors with a broad range of commercial experience, including expertise in business management, tourism and hospitality, real estate, finance, investments and legal matters;
- The Board should have diversity including in terms of gender and age;
- More than half of the Board should comprise independent directors as the Chairman is not an independent director;



# Corporate Governance

- Candidates identified based on the needs of the Trust, taking into account the strategic priorities and the relevant skills required.
- Candidates must be able to commit the necessary time and effort to fulfil their duties and responsibilities effectively; and
- Candidates must be fit and proper in accordance with MAS' fit and proper guidelines, taking into account their track records, capabilities and such other relevant experiences as may be determined by the Board.

To ensure a structured, rigorous and comprehensive search process, the NC sources potential candidates through recommendations from Board members and Management, as well as conducting external searches as a standard practice. As part of this process, the Board engages external search agencies, such as the Board Appointment Service of SID, as a platform to identify potential candidates. This approach broadens the pool of qualified candidates beyond internal networks, allowing the Board to tap into a wider range of expertise and diverse perspectives. In 2019, one of the Board members was successfully appointed through this channel.

The NC shortlists and interviews candidates before further evaluation by the Chairman of the Board. This ensures that recommendations on proposed candidates are objective and well-supported. Candidates are evaluated and selected based on their relevant expertise and potential contributions. Other factors including the current, mid-term and long-term needs and goals of Far East H-REIT. Once a candidate is selected, the NC conducts due diligence through reference checks before putting it up to the Board for approval.

As part of its ongoing Board succession planning, the NC reviews the Board's size, composition and competencies annually to ensure it remains well-balanced, diverse and aligned with regulatory requirements. The NC evaluates the Board's expertise with a long-term view, identifying areas that may require future strengthening to support governance, leadership effectiveness and organisational priorities. Board succession planning also considers:

- The need for progressive Board renewal to ensure a balance between continuity and fresh perspectives.
- The independence of long-serving Directors, including those approaching the nine-year tenure threshold under SGX Listing Rules.
- Potential leadership transitions, ensuring that appointments are made in an orderly manner while preserving institutional knowledge.

In recent years, the NC has progressively refreshed the Board, appointing independent directors at regular intervals to enhance board effectiveness. Past independent director appointments include Ms Vivienne Lim (2018), Ms Catherine Lee (2019), Ms Celestine Khoo (2020), and Mr Benedict Leh (2021). Additionally, Mr Quek See Tiat joined the Board in May 2024, further contributing to the Board's diversity and expertise.

Mr Gerald Lee, who was appointed to the Board in 2022, serves as the CEO of the REIT Manager and Trustee-Manager and is an Executive Director.

## KEY MANAGEMENT SUCCESSION

In addition to succession planning of the Board, the NC reviews the succession plans for the CEO and key management positions. Potential candidates for succession are reviewed for their readiness in the immediate, medium and long term. Given the small size of the REIT management team, the succession planning also includes reviewing possible cross-deployment of personnel from the wider group of the Sponsor. In January 2021, a senior staff from FEO joined the management team to assume the role of Vice President, Asset Management and Enhancement while the incumbent was redeployed to a unit within the Sponsor.

# Corporate Governance

## **BOARD PERFORMANCE**

**Principle 5: *The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.***

The NC assesses and discusses the performance of the Board as a whole and its Board Committees on an annual basis. The NC has in place a process to evaluate the effectiveness of the Board and its Board Committees, as well as the contribution by the Chairman and each individual Director. The review allows each Director to individually express his or her personal and confidential assessment of the Board's overall effectiveness in discharging its duties and responsibilities. It provides insights into the functioning of the Board and its Board Committees, whilst identifying areas that need strengthening or improvement.

The criteria for evaluation of the Board's performance includes board composition, access to information, board process, risk management, strategy and planning, board accountability, and engagement with CEO and Management. These performance criteria are approved by the Board, and are generally unchanged from year to year so that trends may be determined.

Directors complete evaluation questionnaires covering the Board and its Committees, as well as a self-assessment questionnaire for individual Directors. Their performance is assessed based on their duties, contributions, knowledge, and interaction with fellow Directors and Management.

In previous years, an external facilitator was engaged annually to assess the performance of the Board, its Committees, and individual Directors. For FY 2024, the NC conducted an internal review, which was deemed sufficient for assessing effectiveness. Going forward, the Board will engage an external facilitator every two years, with internal reviews in alternate years. This approach balances independent assessments with continuity in evaluating key performance areas.

The Company Secretaries of the REIT Manager (from Tricor Singapore Pte. Ltd., the corporate secretarial agent) assist in compiling and tabulating the responses received from Directors to facilitate the internal and external facilitator's assessment and analysis. The questionnaires are on a no-name basis and the submissions are kept confidential by the Company Secretaries of the REIT Manager who administer this process.

From the responses, a consolidated report is prepared and provided for the NC's review. The NC reviews the responses and feedback, as well as the areas where the Board's performance and effectiveness could be enhanced. The board performance evaluation results and recommendations for improvement are then presented to the Board for discussion and for implementation to help the Board discharge its duties more effectively.

Each director is given sufficient opportunity to bring to the Board his or her perspective to enable balanced and well-considered decisions to be made.

The Board, in consultation with the NC, is satisfied that the Board has met its performance objectives for the year under review.

# Corporate Governance

## (B) REMUNERATION MATTERS

### **PROCEDURES FOR DEVELOPING REMUNERATION POLICIES**

**Principle 6:** *The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

### **LEVEL AND MIX OF REMUNERATION**

**Principle 7:** *The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

### **DISCLOSURE ON REMUNERATION**

**Principle 8:** *The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

## REMUNERATION COMMITTEE

The RC members are appointed by the Board from among its members, the majority of whom (including the Chairman of the RC) are independent directors. The members of the RC are Ms Celestine Khoo (Chairman of RC), Ms Vivienne Lim (Lead ID), Mr Quek See Tiat (Independent Director) and Mr Wee Kheng Jin (Non-Independent Director).

## ROLES AND RESPONSIBILITIES OF THE RC

The RC plays an important role in ensuring the attraction, recruitment, motivation and retention of talents through competitive remuneration and progressive policies so as to achieve Far East H-Trust's goals, and to deliver sustainable Stapled Securityholder value, distribution income, as well as growth in total returns. Terms of reference setting out the scope and authority in performing the function of the RC have been written, and these include assisting the Board in matters relating to:

- Reviewing and recommending to the Board for endorsement a framework of remuneration for the directors and key management personnel (no member of the Board is involved in any decision of the Board relating to his or her own remuneration). The framework covers all aspects of remuneration, including fees, salaries, allowances, bonuses, grant of shares and share options and benefits-in-kind;
- Reviewing and recommending to the Board on the specific remuneration packages for each director as well as for the key management personnel;
- Consulting independent professional consultancy firms, where necessary in determining remuneration packages; and
- Considering the various disclosure requirements for directors' remuneration and ensuring that there is adequate disclosure in the financial statements to ensure and enhance transparency between Far East H-Trust and relevant interested parties.



# Corporate Governance

The RC seeks to ensure that the remuneration paid to the key management personnel of the REIT Manager is closely linked to the achievement of corporate and individual performance targets. The performance targets approved by the Board at the start of each year are set with the purpose of motivating a high degree of business performance with emphasis on both short-and longer-term quantifiable goals. At the close of each financial year, the RC reviews the achievements of the REIT Manager against the targets set to determine the overall performance taking into consideration qualitative factors such as the business environment, regulatory landscape and industry trends, and approves a bonus pool that is commensurate with the performance achieved.

Where necessary, the Board modifies the framework of remuneration to align the REIT Manager's compensation with the interests of the Stapled Securityholders. Remuneration of the directors, executive officers and employees of the REIT Manager is not paid out of the deposited property of Far East H-REIT but paid by the REIT Manager from the fees it receives.

## KEY MANAGEMENT EXECUTIVES' REMUNERATION FRAMEWORK

The remuneration of key management personnel is structured to take into account:

- The strategic objectives and goals of Far East H-Trust
- Corporate and individual performance, both in terms of financial and non-financial performance of Far East H-Trust through the incorporation of appropriate key performance indicators that are specific, measurable and result-oriented

The key performance indicators used to determine the remuneration of the CEO and key management personnel of the REIT Manager include:

- Far East H-Trust's income available for distribution
- Distribution per Stapled Security
- Total Stapled Securityholder Return
- Investor relations management
- Asset enhancement initiatives
- Corporate governance
- Environmental, social and corporate governance initiatives
- Other strategic initiatives as determined from time to time

These performance indicators are appropriate and meaningful measures which assess Management's performance, whilst taking into account the risk policies of Far East H-Trust. Structuring the level of remuneration as such aligns the interests of key management personnel with that of the Stapled Securityholders and promotes the long-term success of Far East H-Trust.

The remuneration of key management personnel comprises a fixed and a variable component. The fixed component comprises a fixed salary and compulsory employer contribution to the employees' Central Provident Fund. The variable component comprises short-term cash bonuses, and long-term equity-based incentives whereby stapled securities in Far East H-Trust ("Stapled Securities") are awarded under a Restricted Unit Plan based on pre-determined targets (e.g. total Stapled Securityholder return), set over a one-year performance period and vesting over a three-year period.

# Corporate Governance

This structure links rewards only to the performance of Far East H-Trust and the individual's performance, and there is no link to the performance of the controlling shareholder of the REIT Manager. It takes into consideration the risk policies of Far East H-Trust so as to be symmetric with risk outcomes and sensitive to the time horizon of risks.

The remunerations of the CEO and each of the key management personnel are reviewed by the RC and recommended to the Board for approval.

## NON-EXECUTIVE DIRECTORS' REMUNERATION AND FEE STRUCTURE

The RC also ensures that the remuneration of non-executive directors is appropriate to their level of contribution taking into account factors such as effort and time spent, and their responsibilities. The RC ensures that independent directors are not over-compensated to the extent that their independence may be compromised. None of the Directors has any service contracts with the REIT Manager.

The structure of directors' fees for non-executive directors comprises a base fee for serving as a Director and additional fee for serving as Chairman or member on each Board Committee. It also takes into account the following:

- Directors' responsibilities and contributions; and
- Industry practices and norms on remuneration, including the guidelines set out in the Remuneration Committee Guide of the SID.

The CEO, who is an executive Director, is remunerated as part of the key management personnel of the REIT Manager and does not receive any director's fees.

The directors' fees (including the Chairman) are paid in the form of cash (80% of the total fees) and Stapled Securities (20% of the total fees) with effect from the financial year commencing 2018. The incorporation of an equity component in the total remuneration of the Directors is intended to achieve the objective of aligning the interests of Directors with those of Stapled Securityholders and the long-term interests of the REIT. Non-executive directors are required to hold the Stapled Securities awarded under the above policy for as long as he/she is on the Board in order to better align the interests of non-executive Directors with the interests of Stapled Securityholders. A Director who steps down from the Board during a financial year will be paid fees calculated on a pro-rated basis.

Directors' fees are reviewed and endorsed by the RC. The framework for determining the Directors' fees is shown in the table below:-

Main Board	Chairman	S\$70,000 per annum
	Director	S\$55,000 per annum
Audit, Sustainability & Risk Committee	Chairman	S\$50,000 per annum
	Member	S\$25,000 per annum
Remuneration Committee	Chairman	S\$20,000 per annum
	Member	S\$10,000 per annum
Nominating Committee	Chairman	S\$15,000 per annum
	Member	S\$ 7,500 per annum

# Corporate Governance

## INDUSTRY BENCHMARKING AND ENGAGEMENT OF CONSULTANT

In determining the remuneration of its directors and key management personnel, the REIT Manager benchmarks against the industry and seeks views on market practices and trends by engaging an independent remuneration consultant, HR Guru Pte. Ltd. The consultant is not related to the REIT Manager, its controlling shareholder, its related corporations or any of its Directors. The REIT Manager also takes reference from market practices in the formulation and review of its remuneration policies.

The REIT Manager applies the principle that remuneration matters are to be sufficiently structured and benchmarked to good market practices in order to attract suitably qualified talent, to grow and manage Far East H-REIT. The REIT Manager applies the principle that the remuneration for the Board and key executives should be viewed in totality. It is a concerted pursuit of strong and ethical leadership for the success of Far East H-Trust and the REIT Manager.

The RC reviews the employment contracts to ensure that they contain fair and reasonable termination clauses. Contractual provisions have also been instituted to allow the REIT Manager to reclaim incentive components of the remuneration from the CEO and the key management personnel paid in prior years in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss.

The Board and RC have reviewed and ensured that the level and structure of remuneration for the REIT Manager's key management personnel and non-executive directors are in alignment with the long-term interests and risk management policies of Far East H-Trust.

## DISCLOSURE OF REMUNERATION

### Directors' fees<sup>(1)</sup>

The exact remuneration payable to each individual director for the financial year ended 31 December 2024 is as follows:-

Name of Director	Components of Directors' fees		
	Cash component (S\$)	Stapled Securities component <sup>(1)</sup>	Total (S\$)
Wee Kheng Jin	114,000	28,500	142,500
Vivienne Lim Hui Bian	84,000	21,000	105,000
Catherine Lee Khia Yee	70,000	17,500	87,500
Celestine Khoo Geok Choo	80,000	20,000	100,000
Benedict Leh Song Boon	84,000	21,000	105,000
Quek See Tiat <sup>(2)</sup>	38,672	9,668	48,340
Gerald Lee Hwee Keong <sup>(3)</sup>	-	-	-

(1) Each of the Directors (including the Chairman) will receive 20% of his or her total directors' fees in the form of Stapled Securities. The actual number of Stapled Securities to be awarded will be determined by reference to the volume-weighted average price for a Stapled Security for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST, for the period of 15 business days after the results announcement of Far East H-Trust for the financial year ending 2024. The remainder of the directors' fees shall be paid in cash. The Stapled Securities are to be issued from the existing holdings of the REIT Manager, hence no new Stapled Securities will be issued for this purpose.

(2) Mr Quek See Tiat was appointed as an Independent Director, effective 1 May 2024, and was entitled to director's fees for the period from 1 May 2024 to 31 December 2024.

(3) Mr Gerald Lee Hwee Keong, as CEO and Executive Director does not receive any Directors' fees for serving as a Director.



# Corporate Governance

## Level and Mix of Remuneration of the CEO and other Top 5 Key Executives

The exact remuneration paid to or payable to the CEO for the financial year ended 31 December 2024 is as follows:-

	Salary and Allowances <sup>(1)</sup> S\$	Variable Bonus <sup>(1)(2)</sup> S\$	Benefits-In-Kind S\$	Long-Term Incentive <sup>(3)</sup> S\$	Total <sup>(4)</sup> S\$
Gerald Lee Hwee Keong	570,340	122,946	1,510	236,750	931,546
	61%	13%	0%	26%	100%

The remuneration paid to or payable to each of the other top five key executives, in bands of S\$250,000, for the financial year ended 31 December 2024 is as follows:-

Remuneration Band and Names of Top 5 Key Executives	Salary and Allowances <sup>(1)</sup> %	Variable Bonus <sup>(1)(2)</sup> %	Benefits-In-Kind %	Long-Term Incentive <sup>(3)</sup> %	Total <sup>(4)</sup> %
<b>Between S\$500,000 to S\$750,000</b>					
Regina Yap Siew Buay	71%	15%	0%	14%	100%
<b>Between S\$250,000 to S\$500,000</b>					
Desmond Tan Eng Kiat	69%	16%	0%	15%	100%
Edmond Tan Wei De	69%	16%	0%	15%	100%
<b>Below S\$250,000</b>					
Chow Wai Yen	70%	15%	1%	14%	100%
James Tan You Rong	83%	16%	1%	0%	100%
<b>Total of Top 5 Key Executives (excluding CEO)</b>					<b>S\$1,577,550</b>

(1) Inclusive of employer's Central Provident Fund contributions.

(2) Payout is based on the achievement of pre-determined performance targets of FY 2024.

(3) Long-term incentive will be paid by Stapled Securities in Far East H-Trust pursuant to the REIT Manager's Restricted Unit Plan. The value of Stapled Securities awarded is based on the fair value of the Stapled Securities at the time of grant in FY 2024. The actual vesting can range between 0 to 150% of the initial contingent award depending on the achievement of the pre-determined targets at the end of the one-year performance period. The award will be vested annually over 3 years at the rate of 33% for 1st and 2nd vesting, and 34% for final vesting.

(4) Remuneration of the employees including long-term incentive is paid by the REIT Manager.

The remuneration of the CEO and other employees of the REIT Manager is paid out of the fees that the REIT Manager receives, and is not borne by Far East H-Trust.

There is no employee with the REIT Manager who is an immediate family member of a Director or the CEO of the REIT Manager or a shareholder of the REIT Manager or a substantial Stapled Securityholder of Far East H-Trust, and whose remuneration exceeds S\$100,000 during the year. None of our employees are shareholders of the REIT Manager or substantial Stapled Securityholders of Far East H-Trust.

# Corporate Governance

## (C) ACCOUNTABILITY AND AUDIT

### **RISK MANAGEMENT AND INTERNAL CONTROLS**

**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.**

### **ROLE OF THE BOARD AND ASRC IN ENSURING EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROLS**

The Board recognises the importance of a sound system of risk management and internal controls to safeguard Stapled Securityholders' interests and Far East H-REIT's assets. The Board affirms its responsibility for Far East H-REIT's system of risk management and internal controls, and for reviewing the adequacy and effectiveness of Far East H-REIT's risk management and internal control systems, including financial, operational, compliance and Information Technology ("IT") controls on an annual basis.

The ASRC assists the Board in examining the adequacy and effectiveness of internal controls policies and procedures to ensure that a robust risk management framework and internal control system is maintained while the Board reviews the adequacy and effectiveness of the risk management and internal control system. The ASRC also assesses the materiality of specific developments or risks that might have an impact on the business operations and security price of Far East H-Trust.

### **FORMULATION OF RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEM**

Far East H-Trust utilises the Enterprise Risk Management ("ERM") framework to identify, monitor and manage its risks. In setting up the risk management framework, the extent of risk tolerance and the risk parameters based on Far East H-REIT's current operations have been set and approved by the Board after taking into consideration Far East H-REIT's strategic objectives. The risk parameters guide Management on managing the risks of Far East H-REIT and these parameters are regularly reviewed to ensure they are relevant to Far East H-REIT's operating profile.

The ASRC guides Management in the formulation of risk policies and processes in identifying, evaluating and managing key risks while the ownership of risk management lies with the CEO and he is supported by the respective managers. The nature and extent of risks are assessed regularly by Management and internal auditors, and reports are submitted to the ASRC as and when necessary. The ASRC reports to the Board on material findings and makes recommendations or seeks guidance from the Board in respect of any material risk issues.

Any findings on material non-compliance or weaknesses in internal controls and risk management by the internal auditors are reported to the ASRC. The recommendations to further improve the internal control system and risk management system are reported to the ASRC and actions are taken by Management.

# Corporate Governance

## ASSESSMENT AND MANAGEMENT OF MATERIAL RISKS

The assessment of material risks, countermeasures and mitigating strategies are elaborated under the Enterprise Risk Management section on pages 91 to 93 of this Annual Report.

In managing conflicts of interest risk, the REIT Manager has instituted the following procedures:

- The REIT Manager will not manage any other REIT which invests in the same type of properties as Far East H-REIT;
- All executive officers will be employed by the REIT Manager and will not hold executive positions in any other entities;
- All resolutions in writing of the Directors of the REIT Manager in relation to matters concerning Far East H-REIT must be approved by a majority of the Directors, including at least one Director independent from management and business relationships with the REIT Manager;
- At least half of the Board shall comprise such independent directors;
- In respect of matters in which a director of the REIT Manager or his or her associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors of the REIT Manager and must exclude such interested director;
- In respect of matters in which the Sponsor has an interest, direct or indirect, any director appointed by the Sponsor to the Board to represent its interests will abstain from deliberations and voting on such matters. In such matters, the quorum must comprise a majority of the Directors of the REIT Manager independent from management and business relationships with the REIT Manager and must exclude such directors of the Sponsor. Save for resolutions relating to the removal of the REIT Manager, the REIT Manager and its associates (as defined in the Listing Manual) are prohibited from voting or being counted as part of a quorum in Stapled Securityholders' meetings convened to approve any matter in which the REIT Manager and/or any of its associates has an interest, and for so long as the REIT Manager is the manager of Far East H-REIT, the controlling shareholders of the REIT Manager and of any of its associates (as defined in the Listing Manual) are prohibited from voting or being counted as part of a quorum in any Stapled Securityholders' meetings convened to consider a matter in respect of which the relevant controlling shareholders of the REIT Manager and/or of any of its associates have an interest; and
- It is also provided in the Trust Deed that if the REIT Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the REIT Trustee for and on behalf of Far East H-REIT with an Interested Person (as defined in the Listing Manual) and/or, as the case may be, an Interested Party (as defined in the Property Funds Appendix) (collectively, a "Related Party") of the REIT Manager, the REIT Manager shall be obliged to consult with a reputable law firm (acceptable to the REIT Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the REIT Trustee, on behalf of Far East H-REIT, has a prima facie case against the party allegedly in breach under such agreement, the REIT Manager shall be obliged to take appropriate action in relation to such agreement. Directors of the REIT Manager will have a duty to ensure that the REIT Manager so complies. Notwithstanding the foregoing, the REIT Manager shall inform the REIT Trustee as soon as it becomes aware of any breach of any agreement entered into by the REIT Trustee for and on behalf of Far East H-REIT with a Related Party of the REIT Manager and the REIT Trustee may take such action as it deems necessary to protect the rights and interests of the Stapled Securityholders of Far East H-Trust. Any decision by the REIT Manager not to take action against a Related Party of the REIT Manager shall not constitute a waiver of the REIT Trustee's right to take such action as it deems fit against such Related Party.



# Corporate Governance

## INTERNAL CONTROL SYSTEM FOR RELATED PARTY AND INTERESTED PERSON TRANSACTIONS

The REIT Manager has established an internal control system to ensure that all Related Party Transactions, Interested Party Transactions (as defined in the Property Fund Appendix) and Interested Person Transactions (as defined in the Listing Manual) (collectively "IPT"):

- will be undertaken on an arm's length basis and on normal commercial terms; and
- will not be prejudicial to the interests of the Stapled Securityholders of Far East H-Trust.

Related party transactions have been disclosed in the financial statements of this annual report. As a general rule, the REIT Manager must demonstrate to the ASRC that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the REIT Manager, or obtaining valuations from independent professional valuers (in accordance with the Property Funds Appendix).

The REIT Manager maintains a register to record all IPT which are entered into by Far East H-REIT and the bases, including any quotations from unrelated parties and independent valuations obtained, on which they are entered into.

The REIT Manager has incorporated into its internal audit plan to review all IPT entered into by Far East H-REIT. The ASRC will monitor the procedures established to regulate IPT, including reviewing any IPT entered into from time to time and the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor IPT have been complied with (including relevant provisions of the Listing Manual and Property Funds Appendix). If a member of the ASRC has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

In addition, the REIT Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the ASRC.

Further, the following procedures will be adhered to:

- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding S\$100,000 in value but less than 3.0% of the value of Far East H-REIT's latest audited net tangible assets/net asset value will be subject to review by the ASRC at regular intervals;
- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of Far East H-REIT's latest audited net tangible assets/net asset will be subject to the review and prior approval of the ASRC. Such approval shall only be given if such transaction is conducted on an arm's length basis, on normal commercial terms and consistent with similar types of transactions made with third parties which are not interested parties; and

## Corporate Governance

- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding 5.0% of the value of Far East H-REIT's latest audited net tangible assets/ net asset value will be reviewed and approved prior to such transaction being entered into, on the basis described in the preceding paragraph, by the ASRC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Further, under the Listing Manual and the Property Funds Appendix, such transaction would have to be approved by the Far East H-Trust Stapled Securityholders at a meeting duly convened.

Where matters concerning Far East H-REIT relate to transactions entered into or to be entered into by the REIT Trustee for and on behalf of Far East H-REIT with an interested party (which would include relevant associates thereof), the REIT Trustee is required to ensure that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of Far East H-REIT and the Stapled Securityholders of Far East H-Trust, and are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question. Furthermore, the REIT Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving an interested party. If the REIT Trustee is to sign any contract with an interested party, the REIT Trustee will review the contract to ensure that it complies with the requirements relating to IPT in the Property Funds Appendix (as may be amended from time to time) and the provisions of the Listing Manual relating to IPT (as may be amended from time to time) as well as guidance prescribed by the MAS and SGX-ST.

Save for the IPT described under "Setting Up of Far East H-REIT and Future Related Party Transactions" in the IPO prospectus, Far East H-REIT will comply with Rule 905 of the Listing Manual by announcing any Interested Person Transaction in accordance with the Listing Manual if such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person (as defined in the Listing Manual) during the same financial year, is 3.0% or more of the value of Far East H-REIT's latest audited net tangible assets/net asset value.

The aggregate value of all Interested Person Transactions in accordance with the Listing Manual in FY 2024, and which are subject to Rules 905 and 906 of the Listing Manual excluding transactions of less than S\$100,000 in value, is disclosed below:

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		S\$'000	S\$'000
<b>FEO Hospitality Asset Management Pte. Ltd.</b>	REIT Manager		
Rental and utilities income <sup>(1)</sup>		339	-
Management fees <sup>(2)</sup>		10,591	-
Reimbursable expenses <sup>(3)</sup>		102	-
Rental deposits <sup>(4)</sup>		84	-

# Corporate Governance

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) S\$'000
<b>DBS Trustee Limited</b>	REIT		
Trustee's fee	Trustee	320	-
<b>Far East Organization and its related companies</b>	Controlling Stapled Security-holders of Far East H-Trust and its associate		
Rental income - Master Lease <sup>(5)</sup>		91,363	-
Hotel management fee <sup>(6)(7)(8)</sup>		542	-
Shared service fees <sup>(9)</sup>		970	-
Reimbursable expenses <sup>(6)</sup>		695	-
Technical and operation support service fee <sup>(6)(10)</sup>		511	-
Leasing commission - REIT Commercial Premises <sup>(11)</sup>		120	-
Other expenses <sup>(6)(12)</sup>		3,270	-
Other revenue <sup>(6)</sup>		238	-
Reimbursable expenses received/receivable <sup>(6)(13)</sup>		305	-
Interest income <sup>(14)</sup>		1,579	-
Interest expense <sup>(6)(15)</sup>		1,105	-
Rental income - Others <sup>(6)</sup>		261	-
Rental deposits <sup>(16)</sup>		(188)	-
Acquisition of investment property <sup>(17)</sup>		15,000	-

(1) The REIT Trustee has entered into tenancy agreement with the REIT Manager during the year which has been reviewed and approved by ASRC as follows:

Name of interested person	Term	Contract value S\$'000
FEO Hospitality Asset Management Pte. Ltd.	2 years	675

(2) Pursuant to the Trust Deed, the REIT Manager is entitled to a management fee comprising a base fee of 0.28% per annum of the value of the Far East H-REIT Deposited Property (as defined in the Trust Deed) and a performance fee of 4.0% per annum of net property income ("NPI") or the annual distributable amount (as defined in the Trust Deed) in the relevant year, whichever is lower.

(3) This relates to service fee for website maintenance, annual report production, AGM expenses, air tickets and other miscellaneous expenses.

(4) This relates to rental deposits received from the REIT Manager.

(5) This relates to the rental income received/receivable from the master lessees of the properties:

- First Choice Properties Pte Ltd	- Golden Development Private Limited
- Far East Organization Centre Pte. Ltd.	- Far East SOHO Pte. Ltd.
- Golden Landmark Pte. Ltd.	- Serene Land Pte Ltd
- Transurban Properties Pte. Ltd.	- Oxley Hill Properties Pte Ltd
- Far East Orchard Limited	- Riverland Pte Ltd



# Corporate Governance

- (6) Far East H-REIT holds 30% interest in Fontaine Investment Pte Ltd ("FIPL"), a joint venture company established to develop a hotel site in Sentosa. FIPL meets the criteria of an Entity at Risk being an associated company that is not listed on the Exchange. The aggregate value of interested person transactions included value at risk for transactions with Interested Persons of 30% on the basis of the Far East H-REIT's shareholding.
- (7) This relates to hotel management fee paid/payable by FIPL to Far East Hospitality Management (S) Pte. Ltd..
- (8) There is a top-up of shortfall of actual Gross Operating Profit ("GOP") less than Guaranteed GOP of S\$402k for FY2024 pursuant to the Hotel Management Agreement dated 24 April 2018 entered by FIPL with Far East Hospitality Management (S) Pte. Ltd..
- (9) This relates to the shared services agreements between the master lessees and Far East H-REIT in respect of the properties. The master lessees are paid monthly for a share of the costs of the applicable services provided to and attributed to the REIT Commercial Premises based on the agreed proportion of the total costs and expenses for the properties. The services provided or procured by the master lessees included cleaning and maintenance services, fire alarm system maintenance, lifts maintenance, landscape maintenance, waste disposal services, provision of security services, chiller plant maintenance, air conditioner maintenance and other services.
- (10) This relates to technical and operation support service fee paid/payable to related corporations of the REIT Manager:
- First Choice Properties Pte Ltd
  - Far East Organization Centre Pte. Ltd.
  - Golden Landmark Pte. Ltd.
  - Golden Development Private Limited
  - Far East Orchard Limited
  - Agape Services Pte. Ltd.
  - Serene Land Pte Ltd
  - Oxley Hill Properties Pte Ltd
  - Riverland Pte Ltd

REIT Trustee has extended the technical services agreements with the related corporations of the REIT Manager for 1 year with an estimated contract sum of S\$0.2 million during the year, which have been reviewed and approved by ASRC.

FIPL has extended its laundry service contract with Agape Services Pte. Ltd. with an estimated contract sum of S\$1.45 million for 3.6 years during the year which has been reviewed and approved by ASRC.

- (11) This relates to leasing commission paid/payable to Far East Real Estate Agency Pte. Ltd. and other third party marketing agents.
- (12) This relates to central engineering, property management & leasing services, vehicle lease, breakfast, all day dining, room service & banquet, technical and back office support fee paid/payable by FIPL to related corporations of the REIT Manager.

FIPL has entered into agreements with related corporations of the REIT Manager during the year which have been reviewed and approved by ASRC as follows:

Name of interested person	Term	Contract value S\$'000
Commonwealth Concepts Pte. Ltd.	1 year	2,213
Far East Management (Private) Limited	1 to 2 years	1,691
Far East Real Estate Agency Pte. Ltd.	5 years	128

- (13) This relates to reimbursement of utilities and other miscellaneous expenses from related corporations of the REIT Manager.
- (14) This relates to interest on shareholders' loan received/receivable from FIPL.
- (15) This relates to interest on shareholders' loan paid/payable by FIPL to Far East Organization Centre Pte. Ltd.
- (16) This relates to rental deposits refunded to related corporations of the REIT Manager.
- (17) This relates to Earn-out Amount in relation to acquisition of Oasis Hotel Downtown payable to a related corporation of the REIT Manager.

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Far East H-Trust has not obtained a Stapled Securityholders' mandate pursuant to Rule 920 of the Listing Manual for IPT.

Save as disclosed above, (a) there are no other material contracts entered into by Far East H-Trust and/or its subsidiaries including the interests of the CEO, any director or controlling Stapled Securityholder, either still subsisting at the end of the year or entered into since the end of the previous financial year; and (b) there were no additional IPT (excluding transactions of less than S\$100,000 each) entered into during the period under review.

The entry into and the fees and charges payable by Far East H-REIT under the Trust Deed, the Stapling Deed, the Shared Services Agreements, the Shared Electricity Services Agreements, the License Agreement and the leases set out in the section "Other Related Party Transactions" in the IPO Prospectus and/or circular, to the extent that details of these have been specifically disclosed in the IPO Prospectus and/or circular, which each constitutes an Interested Person Transaction, are deemed to have been specially approved by Stapled Securityholders upon purchase of the Stapled Securities and/or in the Extraordinary General Meeting and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect Far East H-REIT.

## **BOARD'S COMMENT ON INTERNAL CONTROLS AND RISK MANAGEMENT**

The Board receives quarterly certification of assurance from the CEO and CFO which assures that to the best of their knowledge, the accounting records have been properly maintained and the financial statements are drawn up so as to give a true and fair view of the financial position and financial performance, and that they are prepared in accordance with accounting standards. The CEO, CFO and other key management personnel also provide a certification of assurance to the Board that Far East H-Trust's risk management and internal control systems, to the extent that they address the financial, operational, compliance and IT risks faced by Far East H-Trust in its current business environment, have been adequately designed and are operating effectively in all material aspects, as at 31 December 2024.

Based on the risk management and internal control systems established and adhered to by Far East H-Trust, the assurance received from the CEO, CFO and other key management personnel, work performed by the internal and external auditors, and compliance manager, reviews conducted by Management and various Board Committees, the Board is of the view that Far East H-Trust's internal controls (including financial, operational, compliance and IT controls) and risk management system have been adequately designed and are operating effectively in all material aspects faced by Far East H-Trust in its business environment as at 31 December 2024. Far East H-Trust has no exposure or link to any sanction-related risk and has no material change in its risk of being subject to any Sanction Law. Far East H-Trust will continue to monitor its position on an ongoing basis and make any necessary disclosures as required by SGX and other relevant authorities on a timely and accurate basis.

The Board notes that the internal controls and risk management system established provides reasonable though not absolute assurance against material misstatement of loss and that Far East H-Trust will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. The Board accepts that the internal control systems contain inherent limitations and notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human errors, fraud and other irregularities.

The ASRC concurs with the Board's comment on the internal controls and risk management systems of Far East H-Trust.

# Corporate Governance

## ROLE AND DUTIES OF COMPLIANCE MANAGER

KPMG Services Pte Ltd (“KPMG”), the Compliance Manager, assists with the Far East H-Trust’s and the REIT Manager’s regulatory and compliance matters.

KPMG reports to the ASRC of the REIT Manager and their duties include:

- Advising and checking for the REIT Manager’s compliance with its regulatory obligations under the SFA and Listing Manual;
- Advising and checking for the representatives’ compliance with their regulatory obligations under the SFA, such as the maintenance of their relevant interests in listed specified products;
- Checking the returns and other documents to be submitted by the REIT Manager and its representatives to the MAS under the SFA from time to time, in relation to the REIT Manager’s CMS License for the regulated activity of REIT management; and
- Conducting regulatory training, as and when requested, to the REIT Manager, its Directors and its representatives as part of the quarterly compliance review.

## AUDIT COMMITTEE

***Principle 10: The Board has an Audit Committee which discharges its duties objectively.***

## AUDIT, SUSTAINABILITY AND RISK COMMITTEE

The ASRC members are appointed by the Board from among its members. The ASRC is comprised entirely of independent directors, and its members as at 31 December 2024 are Mr Benedict Leh (Chairman), Ms Vivienne Lim, Ms Catherine Lee and Ms Celestine Khoo.

The Board is of the view that the members of the ASRC bring with them invaluable and relevant managerial and professional expertise in accounting and related financial management domains to discharge their responsibilities. Mr Leh, Ms Lee and Ms Khoo have extensive experience in financial management and the capital markets. Both Ms Lee and Ms Khoo are Chartered Accountants with the Institute of Singapore Chartered Accountants and have extensive accounting and financial management expertise and experience. Ms Lim, a lawyer in private practice, and founder of Genesis Law Corporation, has experience in both contentious corporate and commercial litigation matters as well as non-contentious real estate advisory matters. Therefore, the Board considers Ms Lim as having sufficient financial management knowledge to discharge her responsibilities as a member of the ASRC.

None of the ASRC members are former partners or directors of Far East H-REIT’s existing external auditing firm, Ernst & Young LLP (“EY”) (a) within a period of two years commencing from the date of their ceasing to be partners or directors of EY; or (b) who have any financial interest in EY.

## KEY RESPONSIBILITIES AND ACTIVITIES OF THE ASRC

The ASRC’s responsibilities include and not limited to:

- i. Reviewing the financial statements of Far East H-REIT and Far East H-Trust;
- ii. Reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of Far East H-Trust, and announcements relating to Far East H-Trust’s financial performance;



# Corporate Governance

- iii. Reviewing and reporting to the Board at least annually the adequacy and effectiveness of the REIT Manager's internal controls, including financial, operational, compliance and IT controls, and risk management systems;
- iv. Reviewing the adequacy and effectiveness of the REIT Manager's internal audit and compliance functions;
- v. Reviewing the scope and results of the external audit and independence and objectivity of the external auditors;
- vi. Reviewing IPT and monitoring the procedures established to regulate IPT, including ensuring compliance with the provisions of the Listing Manual and the provisions of the Property Funds Appendix;
- vii. Deliberating on resolutions relating to conflicts of interest involving Far East H-REIT;
- viii. Monitoring the procedures in place to ensure compliance with applicable legislation, the Listing Manual and the Property Funds Appendix;
- ix. Reviewing the arrangements by which employees of the REIT Manager may, in confidence, safely raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action;
- x. Making recommendations to the Board on the appointment, reappointment and removal of external auditors and approving the remuneration and terms of engagement of external auditors;
- xi. Meeting with internal and external auditors, without the presence of the Management, at least once annually;
- xii. Overseeing sustainability and ESG issues and strategies as well as the process used to identify, evaluate and manage material ESG related issues;
- xiii. Making recommendations to the Board on the Far East H-REIT's strategies, targets, policies and roadmap pertaining to sustainability;
- xiv. Monitoring the compliance with applicable regulations and policies;
- xv. Reviewing the effectiveness of strategies, targets, policies and roadmaps pertaining to sustainability;
- xvi. Reviewing the status updates on the implementation and progress against sustainability targets.

The ASRC has explicit authority to investigate any matter within its terms of reference. The ASRC has full access to and co-operation by Management and the internal and external auditors and has full discretion to invite executive officers of the REIT Manager and the Sponsor, external consultants or advisers to attend its meetings. The internal and external auditors have unrestricted access to the ASRC.

During the year under review, four ASRC meetings were held. The ASRC also met separately with the internal auditor and external auditor, without the presence of the executive officers of the REIT Manager on one occasion each to discuss issues and to confirm that they had full access to and received co-operation and support from the Management.

The ASRC has conducted a review of all non-audit services provided and/to be rendered by EY, the external auditor, during the year under review. The aggregate amount of fees paid and payable to EY was S\$149,000, of which audit fees amounted to S\$84,500 and non-audit fees amounted to S\$64,500. The non-audit fees paid/payable to EY relates to general tax, GST compliance work and tax advisory work. The statutory audit fee for Far East H-Trust is relatively low compared to peer organisations because a significant part of the audit work relating to Far East H-REIT's gross revenue has been performed by the auditors of the Master Lessees.

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The fees paid to EY for non-audit services did not exceed 50% of the total fees paid. The ASRC, having regard to the nature and performance of the work by EY, is of the view that the auditor's independence and objectivity are not impaired or threatened.

In reviewing the nomination of EY for re-appointment for the financial year ending 31 December 2024, the ASRC had taken into consideration the Audit Quality Indicators Framework introduced by ACRA. The ASRC also considered the adequacy and experience of the professional staff and audit engagement partner assigned, EY's experience in the REIT sector and the size and complexity of the audit. The ASRC is satisfied with the independence and work of the external auditors and has recommended to the Board the re-appointment of EY as the external auditors of Far East H-Trust at the forthcoming annual general meeting.

The Board confirms that Far East H-Trust complies with the requirements of Rule 712 and Rule 715 of the Listing Manual in respect of the suitability of the auditing firm for Far East H-Trust.

## WHISTLE BLOWING POLICY

The REIT Manager has established a Whistle Blowing Policy and a Loss Management Policy for which relevant employees and Directors of the REIT Manager and the Trustee-Manager, as well as external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters in good faith, with the confidence that the relevant persons making the reports will be treated fairly and be protected from reprisal.

The objective of the Whistle Blowing Policy is to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken. The Whistle Blowing Policy deals with defalcation, impropriety, or wrongdoing by employees in situations including but not limited to suspected fraud, corruption, and unlawful or dishonest conduct.

Whistle-blowers are given the option to remain anonymous and may report via an external independent hotline or directly to FEO's Head of Internal Audit. Establishing these policies reflects the REIT Manager's commitment to conduct its business within a framework that fosters the highest ethical standards.

The Whistle Blowing Policy is made available to all new employees when they join the REIT Manager, and they are briefed on this together with FEO's Code of Conduct. The Whistle Blowing Policy is also publicly disclosed on Far East H-Trust's website at <https://www.fehtrust.com/corporate-governance.html>.

## REVIEWS CONDUCTED BY THE ASRC

During the year under review, the ASRC performed independent reviews of the half-yearly and full year financial results as well as interim business updates of Far East H-Trust before recommending to the Board for approval on the release of the financial statements and SGX announcements relating to Far East H-Trust's financial statements. In the process, the ASRC reviewed the significant financial reporting issues and judgements, including the appropriateness of accounting policies and the quality and completeness of disclosure to ensure the integrity of the financial statements. The ASRC also reviewed, among other matters, the following key audit matters ("KAM") identified by the external auditor for the financial year ended 31 December 2024:

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<b>Key Audit Matter</b>	<b>How the issue was addressed by ASRC</b>
Valuation of Investment Properties	<p>The ASRC considered the approach and methodology applied to the valuation model in assessing the valuation of investment properties. The ASRC noted that:</p> <ul style="list-style-type: none"><li>• There was appropriate use of third party valuers who have recognised professional qualification and experience in the location and category of properties being valued;</li><li>• In accordance with the Property Funds Appendix, the valuers have been changed every two years to provide independent and fresh perspective to the valuation process; and</li><li>• Material judgmental assumptions used in the valuations were within reasonable parameters.</li></ul> <p>The ASRC considered the findings of the external auditor, including the assessment of the appropriateness of the valuation techniques and the underlying assumptions applied, as well as the rapid changes in the market and economic conditions which increases the level of estimation uncertainty and judgement required.</p> <p>The ASRC considered the valuation of the investment properties to be appropriate.</p>

The ASRC reviewed and approved the audit plan and scope of the external auditors on the audit of the full year financial statements. The ASRC also reviewed and approved the internal audit plan and scope of the internal auditor's work and its audit programme. It reviewed the findings during the year and Management's responses thereto and it satisfied itself to the adequacy of the internal audit function. In addition, the ASRC reviewed the IPT to ensure compliance with the Listing Manual and the Property Funds Appendix.

Changes to the accounting standards and issues which have direct impact on the financial statements were reported and discussed with the ASRC at its meetings. The ASRC has considered the introduction of new accounting standards for the annual periods beginning on 1 January 2024 and the effect to the financial statements of Far East H-Trust.

The ASRC does not expect the adoption of the new standards to have material impact to the financial statements of Far East H-Trust.

## **ROLE AND DUTIES OF INTERNAL AUDITORS**

The role of the internal auditors is to assist the ASRC to ensure that the REIT Manager maintains a sound system of internal controls by regularly monitoring key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the ASRC, and conducting regular in-depth audits of high-risk areas.



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The ASRC approves the hiring, removal, evaluation and compensation of the internal auditor or the accounting/ auditing firm or corporation to which the internal audit function is outsourced. The REIT Manager has engaged BDO Advisory Pte Ltd (“BDO”) as the internal auditor for a three-year period commencing 1 January 2023. BDO adopts the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors (“IIA”). The internal auditor is independent of management and reports directly to the Chairman of the ASRC.

The internal auditor plans the internal audit schedules in consultation with, but independent of the REIT Manager. The audit plan is submitted to the ASRC for approval prior to the commencement of the internal audit work. The internal auditor has unfettered access to all the REIT Manager’s documents, records, properties and personnel, including access to the ASRC. The ASRC reviews the internal audit report regularly and monitors the implementation of the improvements required on internal control weaknesses identified.

During the year under review, Far East Management (Private) Limited (“FEMPL”) assisted in administering the Whistle Blowing Policy and Loss Management Policy of the REIT Manager. FEMPL reports to the ASRC on any whistle-blowing report or loss management incidents.

For the year under review, the ASRC is of the view that the internal audit function is adequately resourced and has appropriate standing within the company. The ASRC has reviewed and is satisfied with the adequacy, independence and effectiveness of the internal audit function.

## (D) SHAREHOLDER RIGHTS AND ENGAGEMENT

### **SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS**

***Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders’ rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

The Board is responsible for providing a balanced and understandable assessment of Far East H-REIT’s performance, position and prospects. In this regard, Management provides timely, complete, adequate information to the Board through the most expedient means. On a monthly basis, Management provides the Board with an update on Far East H-REIT’s operating performance. A set of management accounts with analysis is provided to the Board on a quarterly basis.

The Board embraces openness and transparency in the management of Far East H-REIT, whilst preserving its commercial interests. Financial reports, press releases, media and analyst presentation slides and other price sensitive information are disseminated to Stapled Securityholders through announcements via SGXNET and Far East H-Trust’s website.

The REIT Manager is committed to treating all Stapled Securityholders fairly and equitably, and seeks to facilitate the exercise of ownership rights by all Stapled Securityholders.

Far East H-Trust is committed to communicating with investors, analysts and the investment community in a timely and comprehensive manner. The REIT Manager release corporate information through posting announcements on SGXNET and Far East H-Trust’s corporate website. The REIT Manager continues to strive towards improving the standard of disclosures and transparency to help investors make more informed investment decisions.

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## ANNUAL GENERAL MEETING (“AGM”)

Stapled Securityholders are informed of AGMs or Extraordinary General Meetings (“EGM”) through reports or circulars sent to them. Notices of the general meetings are also announced via SGXNET and Far East H-Trust’s website. The Notice includes a disclosure of detailed information on each agenda item for the AGM. The requisite notice period for general meetings was adhered to. In addition, Securityholders will be able to submit their questions in advance with answers announced on SGXNet before proxy closes.

At Far East H-Trust’s 12<sup>th</sup> AGM held on 22 April 2024 the Chairman of the meeting with the assistance of the service providers, briefed Stapled Securityholders on the rules of the meeting, including poll voting procedures, which govern the meeting before they vote on the resolutions at the meeting by way of poll.

Directors, key management personnel of the REIT Manager and representatives from the REIT Trustee were physically present to address every Stapled Securityholders’ queries at the AGM and EGM. The external auditor was also physically present to answer Stapled Securityholders’ questions about the conduct of the audit and the content of the auditors’ report.

During the AGM, the CEO of Far East H-Trust made a presentation to update Far East H-Trust’s Stapled Securityholders on the market and industry operating environment, performance of Far East H-Trust’s hotels and serviced residences, asset enhancement initiatives that had taken place during the year, and other recent developments in relation to acquisitions or projects that had been undertaken.

Opportunity was also given to Stapled Securityholders to interact with Directors and Management of the REIT Manager, to communicate their views and ask questions on matters affecting Far East H-REIT.

Under normal circumstances, if any Stapled Securityholder who is not a Relevant Intermediary<sup>2</sup>, is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the meetings through proxy form sent in advance.

Stapled Securityholders who are Relevant Intermediaries may appoint more than two proxies to exercise all or any of its rights provided that each proxy is appointed to exercise rights attached to a different Stapled Security held by it. Where such Stapled Securityholder appoints more than two proxies, the appointments shall be invalid unless the Stapled Securityholder specifies the number of Stapled Securities in relation to which each proxy has been appointed. The amendment is consistent with the multiple proxies regime under the Companies (Amendment) Act 2014.

In line with Principle 11 of the Code, Stapled Securityholders who are absent in attendance will still be able to vote by proxy. Therefore, the REIT Manager has decided, for the time being, to refrain from implementing absentia voting until security, integrity, and other pertinent issues are satisfactorily resolved.

Each distinct issue is proposed as a separate resolution at the general meetings and the reasons and material implications are explained. All the resolutions at the AGM and EGM are moved by voting by poll. The voting and vote tabulation procedures are declared before the voting commences, and an independent scrutineer is appointed to count and validate the votes. Reliance 3P Advisory Pte. Ltd. was the appointed scrutineer for the last AGM. The voting results, showing the number of votes cast for and against each resolution and the respective percentages, are disclosed at the general meetings right after the votes are casted.

<sup>2</sup> “Relevant Intermediary” shall have the meaning ascribed to it in the Companies Act 1967, Section 181 (6) and apply with such modifications and qualifications as may be necessary.

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After the general meetings, announcements of the voting results are also made through SGXNET and on Far East H-Trust's website. Since 2019, the REIT Manager publishes minutes of general meetings of Stapled Securityholders on its corporate website, as soon as practicable. The minutes of Stapled Securityholders' meetings capture the attendance of Board members at the meetings, matters approved by Stapled Securityholders, voting results and substantial and relevant comments or queries from Stapled Securityholders relating to the agenda of the meetings, together with responses from the Board and Management. Minutes for the prior period are also available to our Stapled Securityholders upon their request. Stapled Securityholders' questions and answers were published through SGXNET and on Far East H-Trust's corporate website within one month after the AGM.

## DISTRIBUTION POLICY

Far East H-REIT's distribution policy is to distribute at least 90% of its taxable income. This distribution policy is stated on the corporate website. The actual level of distribution will be determined at the REIT Manager's discretion, taking into account the needs of Far East H-REIT for capital expenditure, working capital requirements and the liquidity position of Far East H-REIT. Since Far East H-Trust's listing in 2012, Far East H-Trust has distributed 100% of its taxable income to Stapled Securityholders.

## ENGAGEMENT WITH SHAREHOLDERS

**Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

The REIT Manager has established an Investor Relations Policy that governs regular, effective and fair communication with Stapled Securityholders.

Material information is disclosed in a comprehensive, accurate and timely manner via SGXNET and on Far East H-Trust's website. The CEO, CFO and the Investor Relations Manager of the REIT Manager actively engage institutional investors, analysts and fund managers to solicit and understand the views of the investment community via:

- Analyst briefings held every quarter after the financial results or business update announcements;
- One-on-one or group meetings, conference calls, investor luncheons, local/overseas road shows and conferences; and
- Far East H-Trust's website at [www.fehtrust.com](http://www.fehtrust.com) (an email alert option is available to subscribers who wish to be notified of newly posted announcements, press releases, presentations and publications).

During the analyst briefings, analysts are given the opportunity to ask questions. The questions are responded to by the CEO or CFO immediately.

The REIT Manager has established Far East H-Trust's corporate website as an information resource centre for retail and institutional investors and for regular dialogue with investors, such as to gather their views or inputs. They can also send their feedback or voice any concerns through Far East H-Trust's corporate email: [enquiry@fehtrust.com](mailto:enquiry@fehtrust.com).



# Corporate Governance

With a majority of Stapled Securities held by institutional investors, Management considers meetings with local and foreign fund managers an integral part of investor relations. During the year, the CEO, CFO and the Investor Relations Manager had a number of meetings with institutional investors. These meetings and roadshows with investors enabled the CEO to update potential and existing Stapled Securityholders on Far East H-Trust's developments. The REIT Manager also participated in various conferences as part of its efforts to build interest in Far East H-Trust. Further details on the various Investor Relations activities during the year can be found on page 47.

## (E) MANAGING STAKEHOLDER RELATIONSHIPS

### **ENGAGEMENT WITH STAKEHOLDERS**

***Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.***

Far East H-Trust strives to maintain open and fair communication with its key stakeholders, to understand their views, concerns, and objectives in order to work towards more sustainable growth. With the support of an external consultant, KPMG Services Pte Ltd, the REIT Manager has identified stakeholder groups which have a significant influence and interest in Far East H-Trust's operations and business and engaged these stakeholders to understand their ESG expectations. The key stakeholders identified are the Board, Employees, Sponsor/Master Lessees, Trustee, Stapled Securityholders/Investment Community/Media, Hotel and Serviced Residence Operator/Property Manager, Guests/Residents/Tenants, Government/Regulators and Industry/Business associations and the Local Community.

The Sustainability Report section of the Annual Report provides more details about the strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period, including:

- Sustainability strategy, governance overview, stakeholder engagement, materiality assessment, etc;
- Delivery of long-term sustainable and growing distributions to the Stapled Securityholders;
- Health, safety, welfare and development of employees; and
- Interaction and support for relevant communities.

The rights of Far East H-Trust's creditors, which comprise the lending banks, are protected with a well-spread out debt maturity that is well spread out, healthy interest coverage ratio and gearing ratio well below the regulated limits. Quarterly internal compliance reviews are also conducted to ensure that various capital management metrics remain compliant with loan covenants.

Far East H-Trust maintains a current corporate website at [www.fehtrust.com](http://www.fehtrust.com), and an email alert option is available to subscribers who wish to be notified of newly posted announcements, press releases, presentations and publications.

# Corporate Governance

## (F) ADDITIONAL INFORMATION

### DEALINGS IN STAPLED SECURITIES

The REIT Manager has adopted its own Trading Policy to provide guidance to relevant employees and Directors of the Sponsor, the REIT Manager and the Trustee-Manager in the dealing of the Stapled Securities. The Trading Policy sets out the implications of insider trading and principles that all relevant employees and Directors have to observe at all times:

- To act in the best interests of Stapled Securityholders;
- To avoid, and be seen to avoid, actual or potential conflict between personal interest and that of the Stapled Securityholders;
- To comply with the prohibition on trading in the Stapled Securities;
- To inform the Compliance Manager of Far East H-Trust within two working days of completion of the trade; and
- To avoid dealing in the securities of Far East H-Trust on short term considerations.

All relevant employees and Directors are strictly prohibited from dealing in the following instances:

- During the period commencing one month before the announcement of Far East H-Trust's half-year and full-year financial statements, as the case may be, and ending on the date of announcement of the relevant results; or
- (If Far East H-Trust announces its quarterly financial statements where required by the Exchange or otherwise), during the period commencing two weeks before the announcement of Far East H-Trust's financial statements for each of the first three quarters of its financial year and one month before the announcement of Far East H-Trust's financial statements for the full financial year, as the case may be, and ending on the date of announcement of the relevant results; and
- At any time when relevant employees and Directors are in possession of material or price sensitive information that is not available in the market.

Staff members of the REIT Manager who wish to trade in the Stapled Securities must obtain pre-trade approval from the CEO; the CEO is required to obtain pre-trade approval from either the Chairman of the ASRC or the Chairman of the Board for trading in securities of Far East H-Trust.

A pre-trade Board approval process has been put in place for Board members of the REIT Manager who wish to trade in the Stapled Securities.

### CORRUPTION AND BRIBERY PREVENTION POLICY

The REIT Manager adopts a strong stance against bribery and corruption. There are detailed guidelines and procedures listed in FEO's Code of Conduct for the giving and receiving of gifts (monetary or otherwise), kickbacks, concessionary offers, lavish entertainment, and business dealings that may place the employee under any real or apparent obligation or indebtedness to any party. In relation to these guidelines, all employees of the REIT Manager are required to make a declaration on an annual basis where they pledge to be compliant and uphold the core values in line with the Code of Conduct, which include not engaging in any corrupt or unethical practices. This serves as a reminder to all employees to maintain the highest standards of integrity in their work and business dealings. The REIT Manager's zero-tolerance policy towards bribery and corruption extends to its business dealings with third parties. Hence, the REIT Manager requires that certain agreements incorporate anti-bribery and anti-corruption provisions.

# Corporate Governance

FEO's Code of Conduct is published on the intranet which is accessible by all employees of the REIT Manager. New employees of the REIT Manager are briefed on the Code of Conduct and are required to read and acknowledge the guidelines listed therein when they join the REIT Manager.

## **RATIONALE FOR CHOICE OF REIT MANAGER**

FEO Hospitality Asset Management Pte. Ltd. comprises employees with a diverse set of functional competencies such as hospitality, asset management, capital markets and finance that enable the REIT Manager to carry out its duties in a satisfactory manner. Oversight of the REIT Manager is provided by the Board of Directors, which comprises experienced individuals with a diversity of thought and background, the majority of whom are independent.

## **PROVISIONS FOR REMOVAL OF THE REIT MANAGER**

Trust Deed provides certain circumstances under which the REIT Manager may be removed by notice in writing given by the REIT Trustee in certain situations, including by a resolution passed by a simple majority of Stapled Securityholders present and voting (with no Stapled Securityholders being disenfranchised) at a meeting of Stapled Securityholders duly convened and held in accordance with the provisions of the Trust Deed.

## **AVAILABILITY OF TRUST DEED**

A copy of the Trust Deed and of any supplemental deed (including any amending and restating deed) are available for inspection at the registered office of the REIT Manager during usual business hours in accordance with the relevant laws, regulations and guidelines and on application at a charge per copy of the document.

## **PROPERTY MANAGEMENT AND LEASING FEES**

Under the property management agreement in relation to the Trust's commercial premises, Jones Lang LaSalle Property Consultant Pte Ltd ("JLL") provides property management services, lease management services, arrears management services, property tax services and marketing coordination services for the RCP at a fixed service fee.

Under the marketing service agreements in relation to the commercial premises, marketing and leasing services are provided by Far East Real Estate Agency Pte Ltd for the office and serviced office premises and Jones Lang LaSalle Property Consultants Pte. Ltd. for the retail premises. Far East Real Estate Agency Pte. Ltd. and Jones Lang LaSalle Property Consultants Pte. Ltd. are paid commission fees equivalent to a certain month's rent depending on the lease term.

## **DISCLOSURES ON FEES PAYABLE TO THE REIT MANAGER**

Pursuant to the Trust Deed, the REIT Manager is entitled to receive fees payable out of the deposited property of Far East H-REIT.

The methodology for the computation and payment of fees, with reference to the relevant clauses in the Trust Deed, is disclosed on pages 163 and 164 under the "Notes to the Financial Statements" section of this Annual Report.



# Corporate Governance

The management fees are earned by the REIT Manager for the management of Far East H-REIT's portfolio of properties. These fees are reviewed from time to time and benchmarking is conducted to ensure alignment to the interests of Far East H-Trust's Stapled Securityholders.

The various fees earned by the REIT Manager and their rationale are further elaborated below:

## BASE FEE AND PERFORMANCE FEE

The base fee covers the day-to-day operational, compliance, monitoring and reporting costs as well as administrative overheads incurred by the REIT Manager. The base fee represents the compensation to the REIT Manager for executing its core responsibilities and is based on a percentage of the value of the Far East H-REIT's deposited properties. The base fee is an appropriate metric to determine the resources required for managing Far East H-REIT given that as Far East H-REIT grows in portfolio size, the complexity of management increases and the REIT Manager is expected to expend greater effort in fulfilling its responsibilities. Since 1 January 2020, the base fee was reduced from 0.3% to 0.28% per annum of the value of deposited property.

The performance fee is an objective benchmark and incentivises the REIT Manager to proactively manage its portfolio, which may include but are not limited to asset enhancement initiatives, repositioning or re-branding of its properties, re-segmentation of its properties' customer base and driving cost efficiencies to improve profit margins. Since 1 January 2020, the performance fee was changed to the lower of 4% of the net property income or annual distributable amount (after accounting for base fee but before accounting for performance fee) from 4% of the net property income previously.

Such fee methodology aligns the interests of the REIT Manager and Stapled Securityholders and ensures the long-term sustainability of the assets, instead of taking on excessive short-term risks to the detriment of the Stapled Securityholders.

## ACQUISITION FEE AND DIVESTMENT FEE

To continue delivering long-term sustainable distribution income to the Stapled Securityholders, the REIT Manager regularly reviews its portfolio of properties and sources for growth opportunities and yield-accretive acquisitions, and efficiently recycles capital through the divestment of underperforming or non-core assets. This involves a thorough review of the exposures, risks and returns as well as the overall value-add of the acquisition or divestment to the existing portfolio and future growth expectations.

The acquisition fee and divestment fee payable to the REIT Manager serve as a form of compensation for the time, effort and resources spent in sourcing, evaluating and executing potential opportunities to acquire new properties or in rebalancing and unlocking the underlying value of the existing properties within its asset portfolio to optimise Far East H-REIT's returns. The REIT Manager provides these services in addition to the provision of ongoing management services with the aim of ensuring income sustainability and achieving the investment objectives of Far East H-REIT.

The acquisition fee is 0.75% of purchase consideration for properties from related parties and 1% for properties for all other cases (or lower as the REIT Manager can determine). The divestment fee is 0.5% of the sale price. The acquisition fee is higher than the divestment fee because the time and efforts undertaken in terms of sourcing, evaluating and conducting due diligence, and fund raising for an acquisition, are higher as compared to a divestment.

# Corporate Governance

## STATEMENT OF POLICIES AND PRACTICES

Apart from the corporate governance practices disclosed in pages 94 to 132, the Trustee-Manager has prepared a statement of policies and practices in relation to the management and governance of Far East H-BT (as described in section 87(1) of the Business Trusts Act 2004 of Singapore) in respect of FY 2024, which is set out in pages 133 to 140 in this Annual Report.

# Statement of Policies and Practices for Far East Hospitality Business Trust

Far East Hospitality Business Trust (“Far East H-BT”) has been dormant, since the listing of Far East Hospitality Trust (“Far East H-Trust”) on the Main Board of the SGX-ST on 27 August 2012.

Although Far East H-BT is dormant, the board of directors of the Trustee-Manager (the “Trustee-Manager Board”) is committed to complying with the requirements under the Listing Manual, the Business Trust Act 2004 of Singapore (the “BTA”) and the Business Trusts Regulations 2005 (the “BTR”) (except where waivers have been obtained from the Monetary Authority of Singapore (the “MAS”) and disclosed in the IPO prospectus of Far East H-Trust), the Securities and Futures Act 2001 of Singapore (the “SFA”) as well as the Far East H-BT Trust Deed and the Stapling Deed.

The Trustee-Manager has the dual responsibilities of safeguarding the interests of the holders of Far East H-BT units (the “Far East H-BT Unitholders”), and managing the business conducted by Far East H-BT. The Trustee-Manager has general powers of management over the business and assets of Far East H-BT and its main responsibility is to manage Far East H-BT’s assets and liabilities for the benefit of the Far East H-BT Unitholders as a whole.

The Trustee-Manager, in exercising its powers and carrying out its duties as trustee-manager of Far East H-BT, is required to:

- Treat the Far East H-BT Unitholders in the same class fairly and equally and Far East H-BT Unitholders who hold Far East H-BT units in different classes (if any) fairly;
- Ensure that all payments out of the Trust property of Far East H-BT (the “Far East H-BT Trust Property”) are made in accordance with the Far East H-BT Trust Deed and the Stapling Deed;
- Report to the MAS any contravention of the BTA or the Business Trust Regulations by any other person that:
  - Relates to Far East H-BT; and
  - Has had, has or is likely to have, a material adverse effect on the interests of all the Far East H-BT Unitholders, or any class of Far East H-BT Unitholders, as a whole, as soon as practicable after the Trustee-Manager becomes aware of the contravention;
- Ensure that the Far East H-BT Trust Property is properly accounted for and ensure that the Far East H-BT Trust Property is kept distinct from the property held in its own capacity.

In the event that Far East H-BT becomes active, the Trustee-Manager will:

- At all times act honestly and exercise reasonable diligence in the discharge of its duties as trustee-manager of Far East H-BT in accordance with the BTA and the Far East H-BT Trust Deed;
- Act in the best interests of all Far East H-BT Unitholders as a whole and give priority to the interests of all Far East H-BT Unitholders as a whole over its own interests in the event of a conflict between the interests of all Far East H-BT Unitholders as a whole and its own interests;
- Not make improper use of any information acquired by virtue of its position as trustee-manager of Far East H-BT to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the Far East H-BT Unitholders;
- Hold the Far East H-BT Trust Property on trust for all Far East H-BT Unitholders as a whole in accordance with the terms of the Far East H-BT Trust Deed;
- Adhere with the business scope of Far East H-BT as set out in the Far East H-BT Trust Deed;
- Review interested person transactions in relation to Far East H-BT; and
- Review expense and cost allocations payable to the Trustee-Manager in its capacity as trustee-manager of Far East H-BT out of the Far East H-BT Trust Property, and ensure that fees and expenses charged to Far East H-BT are appropriate and in accordance with the Far East H-BT Trust Deed.



# Statement of Policies and Practices for Far East Hospitality Business Trust

The MAS has also granted the Trustee-Manager an exemption from compliance with sections 10(2)(a) and 11(1)(a) of the BTA to the extent that sections 10(2)(a) and 11(1)(a) require the Trustee-Manager Directors to act in the best interests of the Far East H-BT Unitholders only so long as:

- (i) The Trustee-Manager ensures that the units of Far-East H-BT remains stapled to the units of Far East H-REIT; and
- (ii) The Trustee-Manager and its Directors shall act in the best interests of all the Stapled Securityholders as a whole.

## **TRUST PROPERTY IS PROPERLY ACCOUNTED FOR**

In the event that Far East H-BT becomes active, Far East H-BT Trust Property shall be properly accounted for and kept distinct from the property of the Trustee-Manager in its own capacity. Different bank accounts shall be maintained for the Trustee-Manager in its personal capacity and its capacity as Trustee-Manager of Far East H-BT.

## **ADHERENCE TO THE BUSINESS SCOPE OF FAR EAST H-BT**

In the event that Far East H-BT becomes active, the Trustee-Manager Board shall review and approve all authorised businesses undertaken by Far East H-BT so as to ensure its adherence to the business scope as set out in the Far East H-BT Trust Deed. Such authorised businesses include:

- (i) The acquisition, disposition and ownership of authorised investments and all activities, concerns, functions and matters reasonably incidental thereto;
- (ii) Ownership of subsidiaries which are engaged in the acquisition, disposition and ownership of authorised investments and all activities, concerns, functions and matters reasonably incidental thereto; and
- (iii) Any business, undertaking or activity associated with, incidental and/or ancillary to the carrying on of the businesses referred to in paragraphs (i) and (ii), including the management and leasing of the authorised investments.

## **FEES PAYABLE TO THE TRUSTEE-MANAGER**

### **Management Fee**

The Trustee-Manager shall be entitled under the Far East H-BT Trust Deed to a management fee comprising 10.0% of the profit of Far East H-BT before interest and tax in the relevant financial year (calculated before accounting for this management fee in that financial year), payable in the event that Far East H-BT becomes active.

### **Trustee Fee**

Under the Far East H-BT Trust Deed, 0.1% per annum of the value of the Far East H-BT Trust Property and subject to a minimum fee of S\$10,000 per month, if any, shall be paid to the Trustee-Manager as trustee fees, provided that the value of the Far East H-BT Trust Property is at least S\$50.0 million and Far East H-BT is active.

For the period under review, no management fee and trustee fee were paid to the Trustee-Manager as Far East H-BT remains dormant.

# Statement of Policies and Practices for Far East Hospitality Business Trust

## EXPENSES CHARGED TO FAR EAST H-BT

The Trustee-Manager Board will carry out quarterly reviews to ensure that the expenses payable to the Trustee-Manager out of the Far East H-BT Trust Property are appropriate and in accordance with the Far East H-BT Trust Deed, in the event Far East H-BT becomes active.

For the period under review, no expenses were paid to the Trustee-Manager from the Far East H-BT Trust Property as Far East H-BT remains dormant.

## COMPLIANCE WITH THE BTA AND THE LISTING MANUAL

The Trustee-Manager will engage the services of and obtain advice from professional advisers and consultants from time to time to ensure compliance with the requirements of the BTA and the Listing Manual in the event that Far East H-BT becomes active.

## Composition of the Trustee-Manager Board

Under Regulation 12(1) of the BTR, the Trustee-Manager Board is required to comprise:

- at least a majority of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager;
- at least one-third of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager and from every Substantial Shareholder of the Trustee-Manager; and
- at least a majority of Trustee-Manager Directors who are independent from any single Substantial Shareholder of the Trustee-Manager.

The Trustee-Manager Board consists of seven Directors, five of whom are Independent Directors for the purposes of the BTA. They are:

Name	Position
Mr Wee Kheng Jin	Chairman and Non-Executive Director
Mr Gerald Lee Hwee Keong	Chief Executive Officer and Executive Director
Ms Vivienne Lim Hui Bian	Independent Director
Ms Catherine Lee Khia Yee	Independent Director
Ms Celestine Khoo Geok Choo	Independent Director
Mr Benedict Leh Song Boon	Independent Director
Mr Quek See Tiat	Independent Director

Mr Wee Kheng Jin (Chairman of the Board) is a non-independent director. Mr Wee had retired from his position as Executive Director in FEO on 31 December 2018, after which he had continued his association with the Group as a Senior Advisor.

As the Trustee-Manager Directors are also the directors of the REIT Manager, none of the Trustee-Manager Directors would, by definition under the BTR, be independent from a Substantial Shareholder as both the Trustee-Manager and the REIT Manager are 67.0% owned by FEO Asset Management Pte. Ltd., which is a wholly-owned subsidiary of Far East Organization Centre Pte. Ltd. ("FEOC"), and 33.0% owned by Far East Orchard Limited, which is 63.9% owned by Far East Organization Pte. Ltd. ("FEOPL"), as at 31 December 2024. FEOC, FEOPL and Far East Orchard Limited are all members of the Sponsor.

# Statement of Policies and Practices for Far East Hospitality Business Trust

The MAS has also granted the Trustee-Manager an exemption from compliance with regulations 12(1)(a) and 12(1)(b) of the BTR to the extent that regulations 12(1)(a) and 12(1)(b) of the BTR require the Trustee-Manager Directors to be independent, subject to certain conditions.

The stapling together of Far East H-BT units and Far East H-REIT units means that the Far East H-BT Unitholders are at the same time the investors of the Stapled Securities, who stand to benefit as a whole regardless of whether the appointed Trustee-Manager Directors are independent of the Sponsor.

In the event that Far East H-BT becomes active, the number of directors on the Trustee-Manager Board will be a minimum of six directors, and the Trustee-Manager shall ensure that its board of directors shall comprise a majority of independent directors for the purposes of the BTA. In addition, for so long as Far East H-BT is part of a stapled group and in the event that Far East H-BT becomes active, the boards of directors of the REIT Manager and the Trustee-Manager shall consist of the same individuals. The composition of directors are identical for both the REIT Manager and the Trustee-Manager, although Far East H-BT was dormant during the year.

In addition to compliance with requirements under the BTA, the composition of the Trustee-Manager Board is determined using the following principles:

- The Chairman of the Trustee-Manager Board should be a Non-Executive director; and
- The Trustee-Manager Board should consist of directors with a broad range of commercial experience.

The composition of the Trustee-Manager Board will be reviewed regularly to ensure that the Trustee-Manager Board has the appropriate mix of expertise and experience.

## ***Chairman and Chief Executive Officer***

The positions of Chairman of the Trustee-Manager Board and Chief Executive Officer of the Trustee-Manager are held by two different individuals in order to ensure an appropriate balance of power, increased accountability and to maintain effective checks and balances. The Chairman of the Trustee-Manager Board is Mr Wee Kheng Jin, while the Chief Executive Officer of the Trustee-Manager is Mr Gerald Lee.

## ***Access to Information***

The Trustee-Manager Board has separate and independent access to the management of the Trustee-Manager (the "Management") and the company secretary of the Trustee-Manager (the "Company Secretary") at all times and they are entitled to request from the Management additional information as needed to make informed decisions. The Directors also have access to independent professional advice where appropriate and whenever requested.

The Company Secretaries for the REIT Manager, Ms Lin Moi Heyang and Ms Tang Pei Chan are also the Company Secretaries for the Trustee-Manager.

The Company Secretary's responsibilities include assisting the Trustee-Manager in putting in place processes to ensure that the Trustee-Manager fulfils the compliance requirements under the Listing Manual, the SFA as well as the Far East H-BT Trust Deed and the Stapling Deed.



# Statement of Policies and Practices for Far East Hospitality Business Trust

Their roles also include the following:

- Ensuring that board procedures of the Trustee-Manager Board are followed;
- Assisting the Trustee-Manager with corporate secretarial matters for the Trustee-Manager; and
- Assisting the Trustee-Manager in preparing the announcements and notifications to be uploaded on the SGXNET as required under the Listing Manual.

## **Remuneration Matters**

As Far East H-BT remains dormant, no compensation is payable to the Directors of the Trustee-Manager.

## **Audit Committee**

The MAS has granted the Trustee-Manager an exemption from compliance with section 15(1) of the BTA to the extent that section 15(1) requires an audit committee to be constituted when Far East H-BT is active, subject to certain conditions.

## **External Auditor**

The Trustee-Manager, on behalf of Far East H-BT, confirms that Far East H-BT has complied with Rules 712 and 715 of the Listing Manual in relation to its auditing firm.

## **Internal Auditor**

As Far East H-BT remains dormant, no internal auditor is appointed.

## **RISK MANAGEMENT AND INTERNAL CONTROLS**

The Trustee-Manager Board will put in place appropriate internal control systems including the following to manage business risk in the event that Far East H-BT becomes active.

The Trustee-Manager Board will meet quarterly or more frequently if necessary and will review the financial performance of Far East H-BT against a previously approved budget. The Trustee-Manager Board will also review the business risks of Far East H-BT, examine liability management and will act upon any comments from both the internal and external auditors of Far East H-BT.

In assessing business risk, the Trustee-Manager Board will consider the economic environment and risks relevant to the property industry. It will review management reports prior to approving major transactions.

The Management will meet regularly to review the operations of the Trustee-Manager and Far East H-BT and discuss any disclosure issues.

# Statement of Policies and Practices for Far East Hospitality Business Trust

## INTERESTED PERSON TRANSACTIONS AND POTENTIAL CONFLICTS OF INTEREST

In general, transactions between:

- An entity at risk (in this case, the Trustee-Manager (acting in its capacity as the trustee manager of Far East H-BT) or any of the subsidiaries or associated companies of Far East H-BT); and
- Any of the Interested Persons (namely the Trustee-Manager (acting in its personal capacity), a related corporation or related entity of the Trustee-Manager (other than a subsidiary or subsidiary entity of Far East H-BT), an associated company or associated entity of the Trustee-Manager (other than an associated company or associated entity of Far East H-BT) (as defined in the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005), a Director, Chief Executive Officer or controlling shareholder of the Trustee-Manager, a controlling Far East H-BT Unitholder or an associate of any such Director, Chief Executive Officer, controlling shareholder or controlling Far East H-BT Unitholder), would constitute an Interested Person Transaction.

For so long as Far East H-BT is part of a stapled group and in the event that the REIT Manager Board and the Trustee-Manager Board cannot reach an agreement on any resolution relating to governance or compliance matters before them where such resolution would require the collective approval of both the boards of directors of the REIT Manager and the Trustee-Manager, the votes of the Independent Directors of the REIT Manager will prevail in the event that the Trustee-Manager Board has approved such resolutions.

Since the Far East H-REIT units and Far East H-BT units are held by the same pool of investors in the same proportion, concerns and potential abuses applicable to interested party transactions will be absent in transactions between Far East H-REIT and Far East H-BT.

## INTERNAL CONTROL SYSTEM

In the event that Far East H-BT becomes active, the Trustee-Manager will establish an internal control system to ensure that all future Interested Person Transactions:

- Will be undertaken on normal commercial terms; and
- Will not be prejudicial to the interests of Far East H-BT and the Far East H-BT Unitholders.

The Trustee-Manager will maintain a register to record all Interested Person Transactions which are entered into by Far East H-BT and the bases, including any quotations from unrelated parties obtained to support such bases, on which they are entered into.

The Trustee-Manager will also incorporate into its internal audit plan a review of all Interested Person Transactions entered into by Far East H-BT.

# Statement of Policies and Practices for Far East Hospitality Business Trust

Where matters concerning Far East H-BT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of Far East H-BT with an Interested Person (as defined in the BTA) of the Trustee-Manager (which would include relevant associates thereof) or Far East H-BT, the Trustee-Manager will consider the terms of such transactions to satisfy itself that such transactions are conducted:

- On normal commercial terms;
- Are not prejudicial to the interests of Far East H-BT and the Far East H-BT Unitholders; and
- In accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question.

If the Trustee-Manager is to sign any contract with an Interested Person of the Trustee-Manager or Far East H-BT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts.

Far East H-BT will comply with Rule 905 of the Listing Manual by announcing any Interested Person Transaction in accordance with the Listing Manual if such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person during the same financial year, is 3.0% or more of Far East H-BT's latest audited net tangible assets.

The aggregate value of all Interested Person Transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in Far East H-Trust's annual report for the relevant financial year.

Save for the Interested Person Transactions in connection with the setting up of Far East H-BT and future Interested Party Transactions (as disclosed in the IPO prospectus of Far East Hospitality Trust), Far East H-BT will comply with Rule 905 of the Listing Manual by announcing any Interested Person Transaction in accordance with the Listing Manual if such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person (as defined in the Listing Manual) during the same financial year, is 3.0% or more of the value of Far East H-BT's latest audited net tangible assets.

## POTENTIAL CONFLICTS OF INTEREST

The Trustee-Manager has instituted the following procedures to deal with conflict of interest issues:

- All resolutions in writing of the Trustee-Manager Directors in relation to matters concerning Far East H-BT will be approved by a majority of the Trustee-Manager Directors, including at least one Independent Trustee-Manager Director;
- All executive officers of the REIT Manager will be employed by the Trustee-Manager;
- In respect of matters in which a Trustee-Manager Director or his associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the Trustee-Manager Directors and must exclude such interested director;



# Statement of Policies and Practices for Far East Hospitality Business Trust

- In respect of matters in which the Sponsor have an interest, direct or indirect, any nominees appointed by the Sponsor to the Trustee-Manager Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Trustee-Manager Directors and must exclude any nominee directors of the Sponsor; and
- Where matters concerning Far East H-BT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of Far East H-BT with an Interested Person of the Trustee-Manager (which would include relevant associates thereof) or Far East H-BT, the Trustee-Manager Board is required to consider the terms of the transactions to satisfy itself that the transactions are conducted on normal commercial terms, are not prejudicial to the interests of Far East H-BT and the Far East H-BT Unitholders and are in compliance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with an Interested Person of the Trustee-Manager or Far East H-BT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as any other guidelines as may from time to time be prescribed by the MAS and SGX-ST that apply to business trusts.

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# Report of the Trustee of Far East Hospitality Real Estate Investment Trust

DBS Trustee Limited (the “REIT Trustee”) is under a duty to take into custody and hold the assets of Far East Hospitality Real Estate Investment Trust (“Far East H-REIT”) in trust for the holders of units (“Unitholders”) in Far East H-REIT. In accordance with the Securities and Futures Act 2001 of Singapore, its subsidiary legislation and the Code on Collective Investment Schemes, the REIT Trustee shall monitor the activities of FEO Hospitality Asset Management Pte. Ltd. (the “REIT Manager”) for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 1 August 2012, the first supplemental deed dated 19 October 2012, the second supplemental deed dated 18 April 2016, the third supplemental deed dated 17 April 2019, the fourth supplemental deed dated 23 March 2020 and the fifth supplemental deed dated 29 April 2020 (collectively referred to as the “Trust Deed”) between the REIT Manager and the REIT Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the REIT Trustee, the REIT Manager has, in all material respects, managed Far East H-REIT during the period covered by these financial statements set out on pages 153 to 205, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the REIT Trustee,  
DBS Trustee Limited

**Chan Kim Lim**  
Director

Singapore  
4 March 2025



# Report of the Manager of Far East Hospitality Real Estate Investment Trust

In the opinion of the directors of FEO Hospitality Asset Management Pte. Ltd. (the “REIT Manager”), the Manager of Far East Hospitality Real Estate Investment Trust (“Far East H-REIT”), the accompanying financial statements of Far East H-REIT and Far East Hospitality Trust (the “Stapled Group”), comprising Far East H-REIT and Far East Hospitality Business Trust (“Far East H-BT”), set out on pages 153 to 205, comprising their Balance Sheets, Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders’ Funds, Portfolio Statements, Cash Flow Statements and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial positions and portfolio holdings of Far East H-REIT and the Stapled Group as at 31 December 2024, and the financial performance, distributable income, movements in unitholders’ funds, and cash flows of Far East H-REIT and the Stapled Group for the year then ended, in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants and the provisions of Far East H-REIT’s trust deed dated 1 August 2012, the first supplemental trust deed dated 19 October 2012, the second supplemental deed dated 18 April 2016, the third supplemental deed dated 17 April 2019, the fourth supplemental deed dated 23 March 2020 and the fifth supplemental deed dated 29 April 2020 between DBS Trustee Limited (the “REIT Trustee”) and the REIT Manager (collectively referred to as the “Trust Deed”) and the stapling deed of Far East Hospitality Trust dated 1 August 2012 and the first supplemental deed dated 17 April 2019 between the REIT Trustee, the REIT Manager and FEO Hospitality Trust Management Pte. Ltd. (the trustee-manager of Far East H-BT). At the date of this statement, there are reasonable grounds to believe that Far East H-REIT and the Stapled Group will be able to meet their respective financial obligations as and when they materialise.

For and on behalf of the REIT Manager,  
FEO Hospitality Asset Management Pte. Ltd.

**Gerald Lee Hwee Keong**  
Director

Singapore  
4 March 2025

# Report of the Trustee-Manager of Far East Hospitality Business Trust

The directors of FEO Hospitality Trust Management Pte. Ltd., the trustee-manager of Far East Hospitality Business Trust (“Far East H-BT”, and the trustee-manager of Far East H-BT, the “Trustee-Manager”), submit this report to the unitholders together with the audited financial statements for the financial year ended 31 December 2024.

The directors of the Trustee-Manager in office at the date of this report are as follows:

Wee Kheng Jin (Chairman)  
 Vivienne Lim Hui Bian  
 Catherine Lee Khia Yee  
 Celestine Khoo Geok Choo  
 Benedict Leh Song Boon  
 Gerald Lee Hwee Keong  
 Quek See Tiat (Appointed on 1 May 2024)

According to the register kept by the Trustee-Manager for the purposes of Section 76 of the Business Trusts Act 2004 of Singapore (the “Act”), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in units in Far East H-BT are as follow:

Name of director	Direct interest		Deemed interest	
	Holdings at the beginning of the financial year or date of appointment	Holdings at the end of financial year	Holdings at the beginning of the financial year or date of appointment	Holdings at the end of financial year
Wee Kheng Jin	779,602	824,998	-	-
Vivienne Lim Hui Bian	121,340	153,993	-	-
Catherine Lee Khia Yee	85,372	112,450	-	-
Celestine Khoo Geok Choo	65,331	96,391	-	-
Benedict Leh Song Boon	58,259	90,116	-	-
Gerald Lee Hwee Keong	1,885,654	2,355,803	-	-
Quek See Tiat	-	-	-	-

Neither at the end of, nor at any time during the financial year, was the Trustee-Manager a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Trustee-Manager to acquire benefits by means of the acquisition of units in or debentures of Far East H-BT.

There were no changes in any of the abovementioned interests in Far East H-BT between the end of the financial year and 21 January 2025.

During the financial year, there were:

- (i) no options granted by the Trustee-Manager to any person to take up unissued units in Far East H-BT; and
- (ii) no units issued by virtue of any exercise of option to take up unissued units of Far East H-BT.

As at the end of the financial year, there were no unissued units of Far East H-BT under options.

The auditor, Ernst & Young LLP, have expressed their willingness to accept re-appointment.

# Report of the Trustee-Manager of Far East Hospitality Business Trust

In the opinion of the directors:

- (a) the financial statements of Far East H-BT set out on pages 153 to 205 are drawn up so as to give a true and fair view of the financial position of Far East H-BT as at 31 December 2024 and the financial performance, movements in unitholders' funds and cash flows of Far East H-BT for the year ended on that date in accordance with the provisions of the Act and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, there are reasonable grounds to believe that Far East H-BT will be able to pay its debts as and when they fall due.

With respect to the statement of comprehensive income of Far East H-BT for the year ended 31 December 2024, the directors further certify that:

- fees or charges paid or payable out of the trust property of Far East H-BT to the Trustee-Manager are in accordance with Far East H-BT's trust deed dated 1 August 2012 and the first supplemental deed dated 17 April 2019;
- interested person transactions are not detrimental to the interests of all the unitholders as a whole based on the circumstances at the time of the transaction; and
- the Board of Directors is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of Far East H-BT or on the interests of all the unitholders as a whole.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

For and on behalf of the Board of Directors of the Trustee-Manager,  
FEO Hospitality Trust Management Pte. Ltd.

**Gerald Lee Hwee Keong**  
Director

**Benedict Leh Song Boon**  
Director

Singapore  
4 March 2025



# Statement by the Chief Executive Officer of the Trustee-Manager of Far East Hospitality Business Trust

In accordance with Section 86 of the Act, I certify that I am not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of Far East H-BT or on the interests of all the unitholders of Far East H-BT as a whole.

**Gerald Lee Hwee Keong**  
Chief Executive Officer

Singapore  
4 March 2025

# Independent Auditor's Report

To Unitholders of

Far East Hospitality Real Estate Investment Trust

Far East Hospitality Business Trust

## Report on the audit of the financial statements

### Opinion

We have audited:

- (i) the financial statements of Far East Hospitality Real Estate Investment Trust ("Far East H-REIT") (constituted in the Republic of Singapore pursuant to a trust deed dated 1 August 2012, the first supplemental deed dated 19 October 2012, the second supplemental deed dated 18 April 2016, the third supplemental deed dated 17 April 2019, the fourth supplemental deed dated 23 March 2020 and the fifth supplemental deed dated 29 April 2020), which comprise the Balance Sheet and Portfolio Statement as at 31 December 2024, the Statement of Total Return, Distribution Statement, Statement of Movements in Unitholders' Funds and Cash Flow Statement for the financial year ended and notes to the financial statements, including material accounting policy information;
- (ii) the financial statements of Far East Hospitality Business Trust ("Far East H-BT") (constituted in the Republic of Singapore pursuant to a trust deed dated 1 August 2012) and the first supplemental deed dated 17 April 2019), which comprise the Balance Sheet as at 31 December 2024, the Statement of Comprehensive Income, Statement of Movement in Unitholders' Funds and Cash Flow Statement for the financial year then ended and notes to the financial statements, including material accounting policy information; and
- (iii) the consolidated financial statements of Far East Hospitality Trust ("Far East H-Trust") (constituted in the Republic of Singapore pursuant to a stapling deed dated 1 August 2012 and the first supplemental deed dated 17 April 2019 (the "Stapling Deed")), which comprise the Balance Sheet and Portfolio Statement as at 31 December 2024, the Statement of Total Return, Distribution Statement, Statement of Movements in Unitholders' Funds and Cash Flow Statement for the financial year then ended, and notes to the financial statements, including material accounting policy information,

as set out on pages 153 to 205. Far East Hospitality Trust, which comprises the Far East H-BT and the Far East H-REIT, is hereinafter referred to as the "Stapled Group".

In our opinion,

- (a) the accompanying financial statements of the Far East H-REIT and the Stapled Group present fairly, in all material respects, the financial positions and portfolio positions of the Far East H-REIT and the Stapled Group as at 31 December 2024 and the financial performance, distributable income, movement in unitholders' funds and cash flows of the Far East H-REIT and the Stapled Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants (the "ISCA") and the provisions of the Far East H-REIT Trust Deed and the Stapling Deed; and
- (b) the financial statements of the Far East H-BT are properly drawn up in accordance with the provisions of the Business Trusts Act 2004 of Singapore (the "Act") and Singapore Financial Reporting Standards (International) (the "SFRS (I)") so as to give a true and fair view of the state of affairs of the Far East H-BT as at 31 December 2024 and the financial performance, movement in unitholders' funds and cash flows of the Far East H-BT for the year ended on that date.

# Independent Auditor's Report

To Unitholders of

Far East Hospitality Real Estate Investment Trust

Far East Hospitality Business Trust

## Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (the "SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Far East H-REIT, Far East H-BT and Stapled Group in accordance with the Accounting and Corporate Regulatory Authority (the "ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (the "ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

### Valuation of investment properties

The Stapled Group owns a portfolio of 12 Singapore investment properties comprising 9 hotels and 3 serviced residences. The carrying amount of investment properties amounted to approximately \$2,515.5 million as at 31 December 2024, which accounted for approximately 97% of the Stapled Group's total assets. The investment properties are stated at their fair values based on independent external valuations and represent the single largest asset category of the Stapled Group.

The valuation of the investment properties is significant to our audit due to their magnitude and involves estimates. In addition, the valuation is complex and highly dependent on a range of assumptions and inputs adopted by the external valuers engaged by the REIT Manager and agreed by management. As disclosed in Note 3 and Note 19(d) to the financial statements, the valuations of the investment properties are sensitive to changes in the significant unobservable inputs. The most significant judgments and estimates affecting the valuations are discount rates, capitalisation rates, revenue per available room/unit and price per square foot used. Accordingly, we have identified this as a Key Audit Matter.



# Independent Auditor's Report

To Unitholders of

Far East Hospitality Real Estate Investment Trust

Far East Hospitality Business Trust

## Key Audit Matters (cont'd)

### Valuation of investment properties (cont'd)

Our audit procedures included, amongst others, an assessment of the Stapled Group's process relating to the selection of the external valuers, the determination of the scope of work of the external valuers, and the review of the valuation reports issued by the external valuers. We evaluated the objectivity, independence, and expertise of the external valuers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and objectivity. In addition, we held discussion with the external valuers to understand the valuation techniques adopted and how the market uncertainties have been considered in the key assumptions and inputs adopted in the valuation. We involved our internal real estate valuation specialist to assist us in assessing the appropriateness of the valuation model and the reasonableness of the significant assumptions, estimates and other property related data such as operating expenses and property taxes used by the external valuers, to arrive at the fair valuation of investment properties.

In addition, we evaluated the data used in the estimation process adopted by the external valuers and agreed by the management, by comparing and corroborating the data against historical rates and market data, taking into consideration comparability and market factors, to arrive at the fair valuation of investment properties. We also assessed the overall reasonableness of the fluctuations in the fair value of investment properties. Further, we have assessed the adequacy of the disclosures relating to investment properties in the financial statements.

The results of our independent analyses are consistent with those of management's conclusion.

## Information Other than the Financial Statements and Auditor's Report Thereon

FEO Hospitality Asset Management Pte. Ltd., the manager of Far East H-REIT (the "REIT Manager"), and FEO Hospitality Trust Management Pte. Ltd., the trustee-manager of Far East H-BT (the "Trustee-Manager") are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the REIT Manager for the Financial Statements

The REIT Manager is responsible for the preparation and fair presentation of the financial statements of Far East H-REIT and the Stapled Group in accordance with the recommendations of *RAP 7 Reporting Framework for Unit Trusts* issued by the ISCA, and for such internal control as the REIT Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

# Independent Auditor's Report

To Unitholders of

Far East Hospitality Real Estate Investment Trust

Far East Hospitality Business Trust

## Responsibilities of the Trustee-Manager for the Financial Statements

The Trustee-Manager is responsible for the preparation of financial statements of the Far East H-BT that gives a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets that are part of the trust property of the registered business trust are safeguarded against loss from unauthorised use or disposition; and transactions by the Trustee-Manager entered into on behalf of or purported to be entered into on behalf of the registered business trust are properly authorised and that they are recorded as necessary to permit the preparation of true and fair accounts and to maintain accountability of assets.

In preparing the financial statements, the REIT Manager and the Trustee-Manager are responsible for assessing the ability of the Far East H-REIT, Far East H-BT and the Stapled Group to continue as a going concern respectively, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the REIT Manager and the Trustee-Manager either intend to terminate or to cease operations of the Far East H-REIT, Far East H-BT and the Stapled Group respectively, or has no realistic alternative but to do so.

The Board of Directors of the REIT Manager and the Trustee-Manager are responsible for overseeing the financial reporting process of the Far East H-REIT, Far East H-BT and the Stapled Group.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Far East H-REIT, Far East H-BT and the Stapled Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the REIT Manager and the Trustee-Manager.

# Independent Auditor's Report

To Unitholders of

Far East Hospitality Real Estate Investment Trust

Far East Hospitality Business Trust

## Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of the use of the going concern basis of accounting by the REIT Manager and the Trustee-Manager and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Far East H-REIT, Far East H-BT and the Stapled Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Far East H-REIT, Far East H-BT and the Stapled Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Stapled Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Stapled Group as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Stapled Group audit. We remain solely responsible for our audit opinion.

We communicate with the REIT Manager and the Trustee-Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the REIT Manager and the Trustee-Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the REIT Manager and the Trustee-Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# Independent Auditor's Report

To Unitholders of

Far East Hospitality Real Estate Investment Trust

Far East Hospitality Business Trust

## Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager on behalf of the Far East H-BT have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Nelson Chen.

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants

Singapore  
4 March 2025



# Balance Sheets

As at 31 December 2024

	Note	2024			2023		
		Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000
<b>Non-current assets</b>							
Investment properties	3	2,515,500	2,515,500	-	2,509,550	2,509,550	-
Joint venture	4	-	-	-	-	-	-
Derivative financial assets	7	3,169	3,169	-	951	951	-
<b>Total non-current assets</b>		<b>2,518,669</b>	<b>2,518,669</b>	<b>-</b>	<b>2,510,501</b>	<b>2,510,501</b>	<b>-</b>
<b>Current assets</b>							
Cash and cash equivalents	5	19,661	19,661	-	63,093	63,093	-
Prepayments		103	103	-	85	85	-
Trade and other receivables	6	47,943	47,943	30	47,500	47,500	30
Derivative financial assets	7	145	145	-	1,276	1,276	-
<b>Total current assets</b>		<b>67,852</b>	<b>67,852</b>	<b>30</b>	<b>111,954</b>	<b>111,954</b>	<b>30</b>
<b>Total assets</b>		<b>2,586,521</b>	<b>2,586,521</b>	<b>30</b>	<b>2,622,455</b>	<b>2,622,455</b>	<b>30</b>
<b>Current liabilities</b>							
Trade and other liabilities	8	3,734	3,725	39	3,348	3,340	38
Accruals		3,902	3,901	1	4,101	4,100	1
Derivative financial liabilities	7	371	371	-	-	-	-
Rental deposits		1,637	1,637	-	1,534	1,534	-
Deferred income		90	90	-	90	90	-
Income tax payable		268	268	-	278	278	-
<b>Total current liabilities</b>		<b>10,002</b>	<b>9,992</b>	<b>40</b>	<b>9,351</b>	<b>9,342</b>	<b>39</b>
<b>Non-current liabilities</b>							
Borrowings	9	716,487	716,487	-	736,752	736,752	-
Derivative financial liabilities	7	593	593	-	2,231	2,231	-
Rental deposits		7,036	7,036	-	6,721	6,721	-
Deferred income		600	600	-	690	690	-
<b>Total non-current liabilities</b>		<b>724,716</b>	<b>724,716</b>	<b>-</b>	<b>746,394</b>	<b>746,394</b>	<b>-</b>
<b>Total liabilities</b>		<b>734,718</b>	<b>734,708</b>	<b>40</b>	<b>755,745</b>	<b>755,736</b>	<b>39</b>
<b>Net assets/(liabilities)</b>		<b>1,851,803</b>	<b>1,851,813</b>	<b>(10)</b>	<b>1,866,710</b>	<b>1,866,719</b>	<b>(9)</b>
Represented by:							
<b>Unitholders' funds</b>							
Unitholders' funds of Far East H-REIT		1,851,813	1,851,813	-	1,866,719	1,866,719	-
Unitholders' funds of Far East H-BT		(10)	-	(10)	(9)	-	(9)
		<b>1,851,803</b>	<b>1,851,813</b>	<b>(10)</b>	<b>1,866,710</b>	<b>1,866,719</b>	<b>(9)</b>
Stapled Securities/Units in issue ('000)	10	2,014,670	2,014,670	2,014,670	2,002,633	2,002,633	2,002,633
Net asset value per Stapled Security/ Unit issued and to be issued (cents)	11	90.57	90.57	(0.00049)	92.90	92.90	(0.00045)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Statements of Total Return of Far East H-REIT and the Stapled Group Statement of Comprehensive Income of Far East H-BT

For the financial year ended 31 December 2024

	Note	2024			2023		
		Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000
Master lease rental		91,363	91,363	-	90,649	90,649	-
Retail and office revenue		17,343	17,343	-	16,156	16,156	-
<b>Gross revenue</b>		<b>108,706</b>	<b>108,706</b>	<b>-</b>	<b>106,805</b>	<b>106,805</b>	<b>-</b>
Property tax		(6,651)	(6,651)	-	(5,330)	(5,330)	-
Property insurance		(121)	(121)	-	(103)	(103)	-
MCST contribution		(316)	(316)	-	(316)	(316)	-
Retail and office expenses		(1,719)	(1,719)	-	(1,857)	(1,857)	-
Property manager fees		(439)	(439)	-	(418)	(418)	-
Impairment losses on trade receivables		(123)	(123)	-	(40)	(40)	-
<b>Property expenses</b>		<b>(9,369)</b>	<b>(9,369)</b>	<b>-</b>	<b>(8,064)</b>	<b>(8,064)</b>	<b>-</b>
<b>Net property income</b>		<b>99,337</b>	<b>99,337</b>	<b>-</b>	<b>98,741</b>	<b>98,741</b>	<b>-</b>
REIT Manager's fees	12	(10,591)	(10,591)	-	(10,501)	(10,501)	-
Trustee's fees		(320)	(320)	-	(317)	(317)	-
Other trust expenses	13	(842)	(841)	(1)	(940)	(938)	(2)
Interest and other income	14	2,922	2,922	-	3,893	3,893	-
Finance expenses	14	(30,352)	(30,352)	-	(25,169)	(25,169)	-
<b>Net income before joint venture's results</b>		<b>60,154</b>	<b>60,155</b>	<b>(1)</b>	<b>65,707</b>	<b>65,709</b>	<b>(2)</b>
Share of results of joint venture	4	-	-	-	-	-	-
<b>Net income before tax and fair value changes</b>		<b>60,154</b>	<b>60,155</b>	<b>(1)</b>	<b>65,707</b>	<b>65,709</b>	<b>(2)</b>
Unrealised foreign exchange (loss)/gain		(3,120)	(3,120)	-	726	726	-
Fair value change in derivative financial instruments		2,355	2,355	-	(13,003)	(13,003)	-
Fair value change in investment properties	3	(12,421)	(12,421)	-	59,244	59,244	-
Gain on disposal of investment property		-	-	-	17,912	17,912	-
<b>Total return for the year before income tax</b>		<b>46,968</b>	<b>46,969</b>	<b>(1)</b>	<b>130,586</b>	<b>130,588</b>	<b>(2)</b>
Income tax expense	15	(268)	(268)	-	(278)	(278)	-
<b>Total return for the year after income tax</b>		<b>46,700</b>	<b>46,701</b>	<b>(1)</b>	<b>130,308</b>	<b>130,310</b>	<b>(2)</b>
Other comprehensive income for the year, net of income tax				-			-
<b>Total comprehensive income for the year</b>				<b>(1)</b>			<b>(2)</b>
<b>Earnings per Stapled Security (cents)</b>							
Basic	16	2.32	2.32	-	6.53	6.53	-
Diluted	16	2.29	2.29	-	6.50	6.50	-
<b>Distribution per Stapled Security (cents)</b>		<b>4.04</b>	<b>4.04</b>	<b>-</b>	<b>4.09</b>	<b>4.09</b>	<b>-</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Distribution Statements

For the financial year ended 31 December 2024

	2024		2023	
	Stapled Group \$'000	Far East H-REIT \$'000	Stapled Group \$'000	Far East H-REIT \$'000
<b>Amount available for distribution to Stapled Securityholders at the beginning of the year</b>	49,059	49,059	40,274	40,309
Total return for the year before income tax	46,968	46,969	130,586	130,588
Net distribution adjustments (Note A)	18,511	18,511	(58,949)	(58,949)
Other adjustments	1	-	37	-
Rollover adjustment	(204)	(204)	384	384
Income available for distribution for the current year:				
- Taxable income	65,276	65,276	72,058	72,023
- Tax exempt income	1,311	1,311	1,360	1,360
<b>Income available for distribution for the current year</b>	<b>66,587</b>	<b>66,587</b>	<b>73,418</b>	<b>73,383</b>
<b>Distribution of other gains</b>	<b>16,121</b>	<b>16,121</b>	<b>8,211</b>	<b>8,211</b>
<b>Amount available for distribution to Stapled Securityholders</b>	<b>131,767</b>	<b>131,767</b>	<b>121,903</b>	<b>121,903</b>
Distribution of 1.73 cents per Stapled Security for the period from 1 July 2022 to 31 December 2022	-	-	(34,443)	(34,443)
Distribution of 1.92 cents per Stapled Security for the period from 1 January 2023 to 30 June 2023	-	-	(38,401)	(38,401)
Distribution of 2.17 cents per Stapled Security for the period from 1 July 2023 to 31 December 2023	(43,510)	(43,510)	-	-
Distribution of 1.96 cents per Stapled Security for the period from 1 January 2024 to 30 June 2024	(39,454)	(39,454)	-	-
	(82,964)	(82,964)	(72,844)	(72,844)
<b>Amount available for distribution to Stapled Securityholders at end of the year</b>	<b>48,803</b>	<b>48,803</b>	<b>49,059</b>	<b>49,059</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Distribution Statements

For the financial year ended 31 December 2024

	2024		2023	
	Stapled Group \$'000	Far East H-REIT \$'000	Stapled Group \$'000	Far East H-REIT \$'000
Note A – Net distribution adjustments relate to the following non-taxable/non-tax deductible items and other adjustments:				
– REIT Manager’s fees paid/payable in Stapled Securities	6,357	6,357	9,451	9,451
– Trustee’s fees	320	320	317	317
– Amortisation of debt-related transaction cost	575	575	503	503
– Front end fees	(305)	(305)	(741)	(741)
– Unrealised foreign exchange loss/(gain)	3,120	3,120	(726)	(726)
– Gain on disposal of investment property	–	–	(17,912)	(17,912)
– Fair value change in investment properties	12,421	12,421	(59,244)	(59,244)
– Fair value change in derivative financial instruments	(2,355)	(2,355)	13,003	13,003
– Other items	(1,622)	(1,622)	(3,600)	(3,600)
Net distribution adjustments	18,511	18,511	(58,949)	(58,949)

Distributions of the Stapled Group represent the aggregate distributions by Far East H-REIT and Far East H-BT. Income available for distribution of the Stapled Group for the year is contributed solely by Far East H-REIT as Far East H-BT was dormant during the year.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# Statements of Movements in Unitholders' Funds

For the financial year ended 31 December 2024

	Unitholders' funds of Far East H-REIT			Unitholders' funds of Far East H-BT			Stapled Group
	Units in issue \$'000	Accumulated profit \$'000	Total \$'000	Units in issue \$'000	Accumulated (loss) \$'000	Total \$'000	Total \$'000
<b>2024</b>							
Balance at 1 January 2024	1,789,242	77,477	1,866,719	28	(37)	(9)	1,866,710
<b>Operations</b>							
Increase/(decrease) in net assets resulting from operations	-	46,701	46,701	-	(1)	(1)	46,700
	-	46,701	46,701	-	(1)	(1)	46,700
<b>Unitholders' transactions</b>							
Issuance of Stapled Securities							
- Payment of REIT Manager's fees	6,357	-	6,357	-	-	-	6,357
- Earn-out Amount for acquisition of investment property	15,000	-	15,000	-	-	-	15,000
Distribution to Stapled Securityholders	-	(82,964)	(82,964)	-	-	-	(82,964)
Net increase/(decrease) in net assets resulting from unitholders' transactions	21,357	(82,964)	(61,607)	-	-	-	(61,607)
Balance at 31 December 2024	1,810,599	41,214	1,851,813	-	-	-	1,851,813

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Statements of Movements in Unitholders' Funds

For the financial year ended 31 December 2024

	Unitholders' funds of Far East H-REIT			Unitholders' funds of Far East H-BT			Stapled Group
	Units in issue \$'000	Accumulated profit \$'000	Total \$'000	Units in issue \$'000	Accumulated (loss) \$'000	Total \$'000	Total \$'000
<b>2023</b>							
Balance at 1 January 2023	1,779,791	20,011	1,799,802	28	(35)	(7)	1,799,795
<b>Operations</b>							
Increase/(decrease) in net assets resulting from operations	-	130,310	130,310	-	(2)	(2)	130,308
	-	130,310	130,310	-	(2)	(2)	130,308
<b>Unitholders' transactions</b>							
Issuance of Stapled Securities – Payment of REIT Manager's fees	9,451	-	9,451	-	-	-	9,451
Distribution to Stapled Securityholders	-	(72,844)	(72,844)	-	-	-	(72,844)
Net increase/(decrease) in net assets resulting from unitholders' transactions	9,451	(72,844)	(63,393)	-	-	-	(63,393)
Balance at 31 December 2023	1,789,242	77,477	1,866,719	28	(37)	(9)	1,866,710

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Portfolio Statements

As at 31 December 2024

Description of property	Lease tenure	Location	Existing use	Stapled Group		Far East H-REIT	
				Carrying value at 31.12.2024	Percentage of total net assets	Carrying value at 31.12.2024	Percentage of total net assets
				\$'000	%	\$'000	%
<b>Investment properties - Singapore</b>							
Village Hotel Albert Court	75-year leasehold from 27 August 2012	180 Albert Street	Hotel	132,500	7.2	132,500	7.2
Village Hotel Bugis	66-year leasehold from 27 August 2012	390 Victoria Street	Hotel	247,500	13.4	247,500	13.4
Village Hotel Changi	65-year leasehold from 27 August 2012	1 Netheravon Road	Hotel	193,300	10.4	193,300	10.4
Vibe Hotel Singapore Orchard	75-year leasehold from 27 August 2012	24 Mount Elizabeth	Hotel	184,600	10.0	184,600	10.0
Oasia Hotel Novena	92-year leasehold from 27 August 2012	8 Sinaran Drive	Hotel	349,000	18.8	349,000	18.8
Orchard Rendezvous Hotel	50-year leasehold from 27 August 2012	1 Tanglin Road	Hotel	401,500	21.6	401,500	21.6
The Quincy Hotel	75-year leasehold from 27 August 2012	22 Mount Elizabeth	Hotel	87,000	4.7	87,000	4.7
Rendezvous Hotel Singapore	70-year leasehold from 1 August 2013	9 Bras Basah Road	Hotel	284,300	15.4	284,300	15.4
Oasia Hotel Downtown	65-year leasehold from 2 April 2018	100 Peck Seah Street	Hotel	278,000	15.0	278,000	15.0
Village Residence Hougang	81-year leasehold from 27 August 2012	1 Hougang Street 91	Serviced Residence	66,250	3.6	66,250	3.6
Village Residence Robertson Quay	78-year leasehold from 27 August 2012	30 Robertson Quay	Serviced Residence	117,250	6.3	117,250	6.3
Adina Serviced Apartments Singapore Orchard	81-year leasehold from 27 August 2012	121 Penang Road	Serviced Residence	174,300	9.4	174,300	9.4
Investment properties, at valuation				2,515,500	135.8	2,515,500	135.8
Joint venture				-	-	-	-
Other assets and liabilities (net)				2,515,500	135.8	2,515,500	135.8
<b>Net assets</b>				<b>(663,697)</b>	<b>(35.8)</b>	<b>(663,687)</b>	<b>(35.8)</b>
				<b>1,851,803</b>	<b>100.0</b>	<b>1,851,813</b>	<b>100.0</b>

As at 31 December 2024, independent valuations of the investment properties were undertaken by Savills Valuation And Professional Services (S) Pte Ltd based on the income capitalisation approach, discounted cash flow analysis and direct comparison approach for the hotels; and CBRE Pte. Ltd. based on the income capitalisation approach and discounted cash flow analysis for the serviced residences (direct comparison approach was also used for the retail commercial premises), and the resultant fair value of the investment properties are based on the respective values derived using various valuation methods with appropriate weightage applied. The REIT Manager believes that these independent valuers possess appropriate professional qualifications and recent experience in the location and category of the investment properties being valued.

The net changes in fair values of these investment properties have been recognised in the Statements of Total Return in accordance with the Stapled Group's accounting policies.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Portfolio Statements

As at 31 December 2024

Description of property	Lease tenure	Location	Existing use	Stapled Group		Far East H-REIT	
				Carrying value at 31.12.2023	Percentage of total net assets 31.12.2023	Carrying value at 31.12.2023	Percentage of total net assets 31.12.2023
				\$'000	%	\$'000	%
<b>Investment properties - Singapore</b>							
Village Hotel Albert Court	75-year leasehold from 27 August 2012	180 Albert Street	Hotel	129,800	7.0	129,800	7.0
Village Hotel Bugis	66-year leasehold from 27 August 2012	390 Victoria Street	Hotel	244,500	13.1	244,500	13.1
Village Hotel Changi	65-year leasehold from 27 August 2012	1 Netheravon Road	Hotel	202,900	10.9	202,900	10.9
Vibe Hotel Singapore Orchard	75-year leasehold from 27 August 2012	24 Mount Elizabeth	Hotel	181,400	9.7	181,400	9.7
Oasia Hotel Novena	92-year leasehold from 27 August 2012	8 Sinaran Drive	Hotel	341,900	18.3	341,900	18.3
Orchard Rendezvous Hotel	50-year leasehold from 27 August 2012	1 Tanglin Road	Hotel	423,600	22.6	423,600	22.6
The Quincy Hotel	75-year leasehold from 27 August 2012	22 Mount Elizabeth	Hotel	86,400	4.6	86,400	4.6
Rendezvous Hotel Singapore	70-year leasehold from 1 August 2013	9 Bras Basah Road	Hotel	283,800	15.2	283,800	15.2
Oasia Hotel Downtown	65-year leasehold from 2 April 2018	100 Peck Seah Street	Hotel	267,400	14.3	267,400	14.3
Village Residence Hougang	81-year leasehold from 27 August 2012	1 Hougang Street 91	Serviced Residence	65,250	3.5	65,250	3.5
Village Residence Robertson Quay	78-year leasehold from 27 August 2012	30 Robertson Quay	Serviced Residence	111,100	6.0	111,100	6.0
Adina Serviced Apartments Singapore Orchard	81-year leasehold from 27 August 2012	121 Penang Road	Serviced Residence	171,500	9.2	171,500	9.2
Investment properties, at valuation				2,509,550	134.4	2,509,550	134.4
Joint venture				-	-	-	-
Other assets and liabilities (net)				2,509,550	134.4	2,509,550	134.4
<b>Net assets</b>				(642,840)	(34.4)	(642,831)	(34.4)
				1,866,710	100.0	1,866,719	100.0

As at 31 December 2023, independent valuations of the investment properties were undertaken by Savills Valuation And Professional Services (S) Pte Ltd based on the income capitalisation approach, discounted cash flow analysis and direct comparison approach for the hotels; and CBRE Pte. Ltd. based on the income capitalisation approach and discounted cash flow analysis for the serviced residences (direct comparison approach was also used for the retail commercial premises), and the resultant fair value of the investment properties are based on the respective values derived using various valuation methods with appropriate weightage applied. The REIT Manager believes that these independent valuers possess appropriate professional qualifications and recent experience in the location and category of the investment properties being valued.

The net changes in fair values of these investment properties have been recognised in the Statements of Total Return in accordance with the Stapled Group's accounting policies.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# Cash Flow Statements

For the financial year ended 31 December 2024

	2024			2023		
	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000
<b>Cash flows from operating activities</b>						
Total return before income tax	46,968	46,969	(1)	130,586	130,588	(2)
Adjustments for:						
Interest and other income	(2,922)	(2,922)	-	(3,893)	(3,893)	-
Finance expenses	30,352	30,352	-	25,169	25,169	-
Gain on disposal of investment property	-	-	-	(17,912)	(17,912)	-
Unrealised foreign exchange loss/(gain)	3,120	3,120	-	(726)	(726)	-
Fair value change in derivative financial instruments	(2,355)	(2,355)	-	13,003	13,003	-
Fair value change in investment properties	12,421	12,421	-	(59,244)	(59,244)	-
Impairment losses on trade receivables	123	123	-	40	40	-
REIT Manager's fees paid/payable in Stapled Securities	6,357	6,357	-	9,451	9,451	-
Operating profit before working capital changes	94,064	94,065	(1)	96,474	96,476	(2)
Changes in working capital:						
Trade and other receivables	(1,329)	(1,329)	-	(828)	(828)	-
Trade and other liabilities	858	857	1	1,469	1,467	2
Rental deposits	316	316	-	288	288	-
Income tax paid	(278)	(278)	-	(146)	(146)	-
<b>Net cash generated from operating activities</b>	<b>93,631</b>	<b>93,631</b>	<b>-</b>	<b>97,257</b>	<b>97,257</b>	<b>-</b>
<b>Cash flows from investing activities</b>						
Capital expenditure on investment properties	(3,454)	(3,454)	-	(4,382)	(4,382)	-
Net proceeds from the divestment of investment property	-	-	-	17,912	17,912	-
Interest received from joint venture company	1,638	1,638	-	-	-	-
Interest received	1,467	1,467	-	2,054	2,054	-
<b>Net cash (used in) / generated from investing activities</b>	<b>(349)</b>	<b>(349)</b>	<b>-</b>	<b>15,584</b>	<b>15,584</b>	<b>-</b>
<b>Cash flows from financing activities</b>						
Proceeds from borrowings	159,430	159,430	-	225,000	225,000	-
Finance costs paid	(30,150)	(30,150)	-	(26,678)	(26,678)	-
Repayment of borrowings	(183,030)	(183,030)	-	(225,000)	(225,000)	-
Distribution to Stapled Securityholders	(82,964)	(82,964)	-	(72,844)	(72,844)	-
<b>Net cash used in financing activities</b>	<b>(136,714)</b>	<b>(136,714)</b>	<b>-</b>	<b>(99,522)</b>	<b>(99,522)</b>	<b>-</b>
Net (decrease) / increase in cash and cash equivalents	(43,432)	(43,432)	-	13,319	13,319	-
Cash and cash equivalents at beginning of the year	63,093	63,093	-	49,774	49,774	-
<b>Cash and cash equivalents at end of the year (Note 5)</b>	<b>19,661</b>	<b>19,661</b>	<b>-</b>	<b>63,093</b>	<b>63,093</b>	<b>-</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Cash Flow Statements

For the financial year ended 31 December 2024

## Significant non-cash transactions

During the year, there were the following significant non-cash transactions:

Approximately 10,304,000 (2023: 14,833,000) Stapled Securities amounting to \$6,367,000 (2023: \$9,451,000) were or would be issued to the REIT Manager as partial payment for the base and performance management fees for the financial year ended 31 December 2024.

Approximately 24,863,000 Stapled Securities amounting to \$15,000,000 would be issued to Far East SOHO Pte. Ltd. or its nominee for the Earn-out Amount in relation to the acquisition of Oasia Hotel Downtown as the Earn-out Event Condition has been met as disclosed in Note 22.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 1. GENERAL

Far East Hospitality Trust (“Far East H-Trust” or “Trust”) is a stapled group comprising Far East Hospitality Real Estate Investment Trust (“Far East H-REIT” or “H-REIT”) and Far East Hospitality Business Trust (“Far East H-BT” or “H-BT”) (collectively, the “Stapled Group”).

Far East H-REIT is a Singapore-domiciled real estate investment trust constituted in Singapore pursuant to the trust deed dated 1 August 2012, the first supplemental deed dated 19 October 2012, the second supplemental deed dated 18 April 2016, the third supplemental deed dated 17 April 2019, the fourth supplemental deed dated 23 March 2020 and the fifth supplemental deed dated 29 April 2020 (collectively, the “H-REIT Trust Deed”) between FEO Hospitality Asset Management Pte. Ltd. (the “REIT Manager”) and DBS Trustee Limited (the “REIT Trustee”). The REIT Trustee is under a duty to take into custody and hold the assets of Far East H-REIT in trust for the Stapled Securityholders of Far East H-REIT.

Far East H-BT is a Singapore-domiciled business trust constituted in Singapore by a trust deed dated 1 August 2012 and the first supplemental deed dated 17 April 2019 (“H-BT Trust Deed”) and is managed by FEO Hospitality Trust Management Pte. Ltd. (the “Trustee-Manager”).

The registered office of the REIT Manager and the Trustee-Manager (collectively, the “Managers”) is located at 1 Tanglin Road, #05-01 Orchard Rendezvous Hotel, Singapore 247905.

The securities in each of Far East H-REIT and Far East H-BT are stapled together under the terms of a stapling deed dated 1 August 2012 and the first supplemental deed dated 17 April 2019 entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager (the “Stapling Deed”) and cannot be traded separately. Each stapled security in Far East Hospitality Trust (the “Stapled Security”) comprises a unit in H-REIT (the “H-REIT Unit”) and a unit in H-BT (the “H-BT Unit”).

Far East H-Trust was formally admitted to the Official List of Singapore Exchange Securities Trading Limited (“SGX-ST”) on 27 August 2012.

The principal activity of H-REIT is to invest in income producing real estate in Singapore, used primarily for hospitality and/or hospitality related purposes, with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

As at the reporting date, Far East H-BT is inactive.

Several service agreements were entered into in relation to management of H-REIT and H-BT and its property operations. The fee structures of these services are as follow:

(a) **REIT Manager’s management fees**

Under Clauses 15.1.1 and 15.1.2 of the H-REIT Trust Deed, the REIT Manager is entitled to a management fee comprising a base fee of 0.28% per annum of the value of H-REIT’s Deposited Property (as defined in the H-REIT Trust Deed) and a performance fee of 4.0% per annum of H-REIT’s net property income or the annual distributable amount (as defined in the H-REIT Trust Deed) in the relevant year, whichever is lower.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 1. GENERAL (CONT'D)

### (a) **REIT Manager's management fees (cont'd)**

The REIT Manager may elect to receive the base fee and the performance fee in cash or Stapled Securities or a combination of both (as it may in its sole discretion determine). For financial year ended 31 December 2024, 60% (2023: 90%) of the management fees were or would be paid in Stapled Securities issued at the market price (as defined in the H-REIT Trust Deed) with the remainder to be paid in cash.

Any increase in the rate or any change in the structure of the REIT Manager's management fees must be approved by an extraordinary resolution at a meeting of holders of the H-REIT units duly convened and held in accordance with the provisions of the H-REIT Trust Deed.

The base fee payable in the form of Stapled Securities is paid on a quarterly basis, in arrears. The base fee payable in the form of cash is paid on a monthly basis, in arrears.

The performance fee is crystallised once a year and shall be paid in cash or at the election of the REIT Manager, in Stapled Securities, or combination of both, within 30 days from the date of the audited accounts of Far East H-REIT in arrears.

Under Clause 15.2.1 of the H-REIT Trust Deed, the REIT Manager is entitled to receive an acquisition fee of 0.75% of the purchase consideration for acquisition from related parties and 1% of the purchase consideration for all other cases (or such lower percentage as maybe determined by the REIT Manager in its absolute discretion) and a divestment fee of 0.5% of the sale price. The acquisition or divestment fee is payable to the REIT Manager in the form of cash and/or Stapled Securities (as the REIT Manager may elect) provided that in respect of any acquisition or divestment of real estate assets from or to related parties, such a fee should be in the form of Stapled Securities issued at prevailing market price instead of cash.

### (b) **REIT Trustee's fees**

Pursuant to the H-REIT Trust Deed, the REIT Trustee's fee shall not exceed the rate of 0.02% per annum of the value of H-REIT Deposited Property and is subject to a minimum amount of \$20,000 per month.

The REIT Trustee's fee is presently charged on a scaled basis of up to 0.02% per annum of the value of H-REIT's Deposited Property, subject to a minimum of \$20,000 per month, excluding out-of-pocket expenses and GST. The actual fee payable will be determined between the REIT Manager and the REIT Trustee from time to time. The REIT Trustee was paid a one-time inception fee of \$50,000.

Any increase in the REIT Trustee's fee above the permitted limit or change in the structure of the remuneration of the REIT Trustee shall be approved by an extraordinary resolution at a meeting of holders of the H-REIT Units duly convened and held in accordance with the provisions of the H-REIT Trust Deed.

The Trustee's fees are payable monthly in arrears.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 1. GENERAL (CONT'D)

### (c) **H-REIT property management fees**

Under the property management agreement dated 28 May 2024 between REIT Trustee, REIT Manager and Jones Lang LaSalle Property Consultant Pte Ltd ("JLL") in relation to the REIT commercial premises ("RCP"), JLL will provide property management services, lease management services, arrears management services, property tax services and marketing coordination services for the RCP. JLL is entitled to receive a fixed service fee, payable within 14 days upon receipt of invoice.

### (d) **H-REIT Leasing commission**

Under the marketing service agreement dated 15 July 2024 between REIT Trustee and JLL in relation to the retail component of RCP as well as the marketing service agreement dated 1 January 2023 between REIT Trustee and Far East Real Estate Agency Pte Ltd ("FEREA") in relation to the office and serviced office component of RCP, JLL and FERE A will provide marketing and leasing services for RCP. JLL and FERE A are entitled to receive a leasing commission, payable within 60 days from the commencement of the new or renewal lease.

### (e) **H-REIT Technical service fees**

Under the technical service agreements signed between REIT Trustee and Far East Organization and its group of companies ("FEO") in relation to the RCP, FEO will provide technical and operation support services for the RCP. FEO is entitled to receive a fixed service fee, payable within 30 days after the date of presentation of each invoice for the monthly fee.

### (f) **H-REIT Development management fees**

Under Clause 15.6 of the H-REIT Trust Deed, the REIT Manager is entitled to receive development management fees equivalent to 3.0% of the total project costs incurred in a development project undertaken by the REIT Manager on behalf of H-REIT. H-REIT will only undertake development activities within the limits of the Property Fund Appendix.

### (g) **Trustee-Manager's fees**

Pursuant to the H-BT Trust Deed, the Trustee-Manager is entitled to the following:

- a management fee comprising 10.0% of the profit of H-BT before interest and tax in the relevant financial year (calculated before accounting for this management fees in that financial year), payable in the event that H-BT becomes active;

The management fee is payable in the form of cash and/or Stapled Securities as the Trustee-Manager may elect.

Any portion of the management fee payable in the form of Stapled Securities is payable quarterly in arrears and any portion of the management fee payable in cash is payable monthly in arrears.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 1. GENERAL (CONT'D)

### (g) *Trustee-Manager's fees (cont'd)*

- a trustee fee of not exceeding 0.1% per annum of the value of H-BT's Trust Property (as defined in the Business Trusts Act), if any, subject to a minimum fee of \$10,000 per month, provided that the value of H-BT's Trust Property is at least \$50.0 million and H-BT has become active; and
- an acquisition fee of 0.75% of the purchase consideration for acquisition from related parties and 1.0% of the purchase consideration for all other cases (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) and a divestment fee of 0.5% of the sale price.

The acquisition fee and divestment fee are payable to the Trustee-Manager in the form of cash and/or Stapled Securities as Trustee-Manager may elect, and in such proportion as may be determined by the Trustee-Manager.

### (h) *H-BT Development management fees*

The Trustee-Manager is entitled to receive development management fees equivalent to 3.0% of the total project costs incurred in a development project undertaken by the Trustee-Manager on behalf of H-BT.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 2.1 *Basis of preparation*

The financial statements of H-REIT and the Stapled Group have been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the H-REIT Trust Deed and the Stapling Deed. RAP 7 requires the accounting policies to generally comply with the principles relating to recognition and measurement under the Financial Reporting Standards in Singapore ("FRS").

The financial statements of H-BT have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements are presented in Singapore dollars, which is the functional currencies of H-REIT and H-BT and rounded to the nearest thousand (\$'000), unless otherwise stated, and have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The accounting policies set out below have been applied consistently by H-REIT, H-BT and the Stapled Group.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.2 *Changes in material accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, H-REIT, H-BT and the Stapled Group have adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2024. The adoption of these standards did not have any material effect on the financial performance or position of H-REIT, H-BT and the Stapled Group.

### 2.3 *Standards issued but not yet effective*

H-REIT, H-BT and the Stapled Group have not early adopted the following standards and interpretations that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 109 and FRS 107: <i>Amendments to the classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to SFRS (I)s – Volume 11	1 January 2026
FRS 118 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
Amendments to FRS 110 and FRS 28: <i>Sale or Contribution of Assets between Investor and its Associate or Joint Venture</i>	Date to be determined

### 2.4 *Investment properties*

Investment properties are properties held either to earn rental income or capital appreciation or both, rather than for sale in the ordinary course of business, for use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost on acquisition, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Any gains or losses arising from changes in fair values of the investment properties are recognised in the statement of total return in the period in which they arise.

Fair value is determined at each reporting date in accordance with the H-REIT Trust Deed. In addition, the investment properties are to be valued by independent professional valuers at least once a year, in accordance with the Property Fund Appendix of CIS Code issued by MAS.

Subsequent expenditure relating to investment properties that have already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to H-REIT. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of total return in the year of retirement or disposal.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.4 *Investment properties (cont'd)*

Investment properties are not depreciated. Investment properties are subject to continued maintenance and regularly revalued on the basis set out above. For taxation purposes, H-REIT may claim capital allowances on assets that qualify as plant and machinery under the Singapore Income Tax Act 1947.

### 2.5 *Joint venture*

A joint venture is an entity over which H-REIT has joint control established by contractual arrangement, whereby H-REIT has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities.

H-REIT recognises its interest in a joint venture as an investment and accounts for the investment using the equity method from the date on which it becomes a joint venture. Under the equity method, the investment in joint venture is carried in the balance sheet at cost plus post-acquisition changes in H-REIT's share of net assets of the joint venture. The profit or loss reflects the share of the results of the operations of the joint venture. Distributions received from joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, H-REIT recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between H-REIT and joint venture are eliminated to the extent of the interest in the joint venture.

When H-REIT's share of losses in joint venture equals or exceeds its interest in the joint venture, H-REIT does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

After application of the equity method, H-REIT determines whether it is necessary to recognise an additional impairment loss on H-REIT's investment in joint venture. H-REIT determines at the end of each reporting period whether there is any objective evidence that the investment in joint venture is impaired. If this is the case, H-REIT calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in statement of total return.

The financial statements of joint venture is prepared as the same reporting date as the Stapled Group.

### 2.6 *Financial assets*

#### **Initial recognition and measurement**

Financial assets are recognised when, and only when H-REIT, H-BT or the Stapled Group becomes a party to the contractual provisions of the instruments.

At initial recognition, the Managers measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of total return.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.6 *Financial assets (cont'd)*

#### *Initial recognition and measurement (cont'd)*

Trade receivables are measured at the amount of consideration to which H-REIT, H-BT or the Stapled Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

#### **Subsequent measurement**

##### Investments in debt instruments

Subsequent measurement of debt instruments depends on H-REIT's, H-BT's or the Stapled Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The two measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in statement of total return when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income ("FVOCI") are measured at fair value through profit or loss. A gain or loss on debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in statement of total return in the period in which it arises.

##### Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in statement of total return.

#### **Derecognition**

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in statement of total return.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.7 *Impairment of financial assets*

H-REIT, H-BT or the Stapled Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that H-REIT, H-BT or the Stapled Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, H-REIT applies a simplified approach in calculating ECLs. Therefore, H-REIT does not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. H-REIT has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

H-REIT considers a financial asset in default when the counterparty fails to make contractual payments when these are past due, taking into account any collateral held. However, in certain cases, the REIT Manager may also consider a financial asset to be in default when internal or external information indicates that H-REIT is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by H-REIT. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.8 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and short-term highly liquid deposits, that are readily convertible to a known amount of cash and subject to insignificant risk of changes in value.

### 2.9 *Financial liabilities*

#### **Initial recognition and measurement**

Financial liabilities are recognised when, and only when, H-REIT, H-BT or the Stapled Group becomes a party to the contractual provisions of the financial instrument. The Managers determine the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.9 *Financial liabilities (cont'd)*

#### **Subsequent measurement**

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of total return when the liabilities are derecognised, and through the amortisation process.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in statement of total return.

### 2.10 *Rental deposits and deferred income*

Rental deposits relate to rental deposits received from tenants of the investment properties. The accounting policy for rental deposits as a financial liability is set out in Note 2.9.

Deferred income relates to the difference between consideration received for rental deposits and its fair value at initial recognition, and is credited to the statement of total return as gross rental income on a straight line basis over individual lease term.

### 2.11 *Net assets attributable to holders of the Stapled Security*

Net assets attributable to the Stapled Securityholders represent the holders' residual interest in the Stapled Security's net assets upon termination.

Expenses incurred in connection with the initial public offering of the Stapled Security and listing on the SGX-ST are deducted directly against net assets attributable to holders of Stapled Securities.

### 2.12 *Revenue recognition*

#### **Rental from operating leases**

Rental income receivable under operating leases is recognised in the statement of total return on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis. Contingent rent, which comprises gross turnover rental, is recognised as income in the accounting period on a receipt basis. No contingent rent is recognised if there are uncertainties that may result in the possible return of amounts received.

All its master lease rental agreements are entered into between H-REIT and related parties.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.13 Expenses

#### (a) **Property expenses**

Property expenses are recognised on an accrual basis.

#### (b) **REIT Manager fees**

Fees paid or payable to REIT Manager are recognised on an accrual basis based on the applicable formula stipulated in Note 1.

#### (c) **Trust expenses**

Trust expenses are recognised on an accrual basis.

### 2.14 Taxation

#### (a) **Current income tax**

Current income tax is the expected tax payable on the taxable income for the period, using tax rates and tax laws enacted or substantively enacted at the balance sheet date.

#### (b) **Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint venture where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.14 Taxation (cont'd)

#### (b) **Deferred tax (cont'd)**

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates, and interests in joint venture, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

#### (c) **Tax transparency**

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the income tax treatment of H-REIT. Subject to meeting the terms and conditions of the tax ruling which includes a distribution of at least 90% of the taxable income of H-REIT, the REIT Trustee will not be assessed to tax on the taxable income of H-REIT. Instead, the distributions made by H-REIT out of such taxable income are subject to tax in the hands of Unitholders, unless they are exempt from tax on H-REIT's distributions (the "tax transparency ruling"). Accordingly, the REIT Trustee and the REIT Manager will deduct income tax at the prevailing corporate tax rate from the distributions made to Unitholders that are made out of the taxable income of H-REIT, except:

- (i) where the beneficial owners are individuals or Qualifying Unitholders, the REIT Trustee and the REIT Manager will make the distributions to such Unitholders without deducting any income tax; and

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.14 Taxation (cont'd)

#### (c) Tax transparency (cont'd)

- (ii) where the beneficial owners are foreign non-individual investors, foreign funds or where the Units are held by nominee Unitholders who can demonstrate that the Units are held for beneficial owners who are foreign non-individual investors, the REIT Trustee and the REIT Manager will deduct/withhold tax at a reduced rate of 10% from the distributions.

A Qualifying Unitholder is a Unitholder who is:

- (i) a company incorporated and tax resident in Singapore;
- (ii) a body of persons (excluding companies or partnerships) incorporated or registered in Singapore, such as:
  - a. charities registered under the Charities Act 1994 or established by any written law; or
  - b. town councils; or
  - c. statutory boards; or
  - d. co-operative societies registered under the Co-operative Societies Act 1979; or
  - e. trade unions registered under the Trade Unions Act 1940;
- (iii) a Singapore branch of a company incorporated outside Singapore;
- (iv) an international organisation that is exempt from tax on such distribution by reason of an order made under the International Organisations (Immunities and Privileges) Act 1948;
- (v) real estate investment trust exchange-traded funds ("REIT ETFs") which have been accorded the tax transparency treatment;
- (vi) an agent bank or a Supplementary Retirement Scheme ("SRS") operator acting as nominee for individuals who have purchased Units in the Trust within the SRS; or
- (vii) a nominee who can demonstrate that the Units are held for beneficial owners who are individuals or who fall within the classes of Unitholders listed in (i) to (v) above.

The above tax transparency ruling does not apply to gains from the sale of real properties. Such gains which are considered as trading gains are assessable to tax on the REIT Trustee. Where the gains are capital gains, the REIT Trustee will not be assessed to tax and may distribute the capital gains without tax being deducted at source.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.14 *Taxation (cont'd)*

#### (d) **Sales tax**

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables on the balance sheet.

### 2.15 **Borrowing costs**

Borrowing costs are expensed in the period they occur, and consist of interest and other costs that H-REIT incurs in connection with the borrowing of funds.

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.16 **Segment reporting**

For management purposes, the Stapled Group is organised into operating segments based on the types of operations within the Stapled Group's portfolio. The segment manager reports to the management of the REIT Manager who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 20, including the factors used to identify the reportable segments and the measurement basis of segment information.

### 2.17 **Contingencies**

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of H-REIT; or

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.17 *Contingencies (cont'd)*

- (b) A present obligation that arises from past events but is not recognised because:
- (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of H-REIT.

### 2.18 *Significant accounting estimates and judgements*

The preparation of the financial statements requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Financial impact arising from revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is described in Note 3 – Investment properties.

H-REIT assesses at the end of each reporting period whether there is any indication that the interest in joint venture may be impaired. Determining whether there are indicators of impairment require judgements. In assessing whether the interest may be impaired, management reviews the joint venture's financial information, having regards to the financial performance and the fair value of the hotels held by the joint venture. The carrying amount of H-REIT's investment in joint venture and loan to joint venture are disclosed in Note 4 and 6 respectively.

### 2.19 *Consolidation*

#### *Stapling*

Where entities enter into a stapling arrangement, the stapling arrangement is accounted for as a business combination under the acquisition method.

#### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements of the Stapled Group.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.20 Foreign currency

#### Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing rate at the reporting date.

Foreign currency differences arising from translation are recognised in the Statement of Total Return.

## 3. INVESTMENT PROPERTIES

	2024			2023		
	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000
At 1 January	2,509,550	2,509,550	-	2,446,750	2,446,750	-
Capital expenditure capitalised	3,371	3,371	-	3,556	3,556	-
Earn-out Amount for acquisition of investment property	15,000	15,000	-	-	-	-
Fair value change recognised in statement of total return	(12,421)	(12,421)	-	59,244	59,244	-
At 31 December	2,515,500	2,515,500	-	2,509,550	2,509,550	-

Investment properties are stated at fair value based on valuations performed annually by independent professional valuers. The valuations are based on the income capitalisation approach, discounted cash flow analysis and direct comparison approach. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yields, discount rates, revenue per available room/unit, price per room and price per square foot.

The income capitalisation approach capitalises an income stream into a present value using an appropriate capitalisation rate. The discounted cashflow analysis involves discounting the expected future net cash flows over a period to arrive at a present value. The direct comparison approach involves the analysis of comparable sales and adjustments are made to reflect the differences in location, age, tenure and other relevant factors.

The ongoing geo-political headwinds and macro-economic uncertainty may have impact on the Singapore economy and the property market. The valuers have recommended to monitor the situation closely. The REIT Manager is of the view that the valuation methods and estimates are reflective of the market conditions as at 31 December 2024.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 4. JOINT VENTURE

	2024			2023		
	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000
Interest in net assets and carrying amount of joint venture						
At 1 January	-	-	-	-	-	-
Share of results of joint venture	-	-	-	-	-	-
At 31 December	-	-	-	-	-	-

The unrecognised losses of the joint venture for year ended 31 December 2024 is \$1,787,000 (2023: \$3,257,000) and cumulatively is \$10,007,000 (2023: \$8,220,000).

Details of the joint venture are as follows:

Name of entity	Country of constitution/ Principal place of business	Effective equity interest held by Far East H-REIT	
		2024	2023
		%	%
Fontaine Investment Pte. Ltd. ("FIPL") <sup>(1)</sup>	Singapore	30.0	30.0

<sup>(1)</sup> Audited by KPMG LLP, Singapore

Far East H-REIT has a 30% direct interest in the ownership and voting rights in FIPL under a joint venture agreement dated 22 September 2014. Pursuant to the terms of the joint venture agreement, H-REIT jointly controls the venture with other partner under the contractual agreement and requires unanimous consent for all major decisions over the relevant activities. FIPL is incorporated in Singapore with principal activities of property investment and development. FIPL has developed a hotel site located at Artillery Avenue, Sentosa comprising Village Hotel Sentosa, The Outpost Hotel Sentosa and The Barracks Hotel Sentosa. In 2019, the three hotels have obtained their temporary occupancy permits and commenced operations. The investment is accounted using the equity method.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 4. JOINT VENTURE (CONT'D)

Summarised financial information of FIPL based on its financial statements, and reconciliation with the carrying amount of the investment is as follows:

	2024 \$'000	2023 \$'000
<b>Non-current assets</b>		
Property, plant and equipment	453,730	464,279
Other non-current assets	156	300
	<u>453,886</u>	<u>464,579</u>
<b>Current assets</b>		
Cash and bank balances	23,087	28,192
Other current assets	3,131	3,686
	<u>26,218</u>	<u>31,878</u>
<b>Total assets</b>	<u>480,104</u>	<u>496,457</u>
Current liabilities	83,311	81,628
Non-current liabilities	430,150	442,231
<b>Total liabilities</b>	<u>513,461</u>	<u>523,859</u>
<b>Net liabilities</b>	<u>(33,357)</u>	<u>(27,402)</u>
<b>Total equity</b>	<u>(33,357)</u>	<u>(27,402)</u>
Proportion of the Stapled Group's ownership	30%	30%
Stapled Group's share of the net assets	-	-
<b>Carrying amount of the investment</b>	<u>-</u>	<u>-</u>
<b>Statement of comprehensive income</b>		
Revenue	67,817	62,354
Other income	1,105	1,054
Other expenses <sup>(1)</sup>	(51,627)	(50,029)
Finance expenses	(23,250)	(24,236)
<b>Total comprehensive loss</b>	<u>(5,955)</u>	<u>(10,857)</u>

(1) Includes depreciation expense of \$10.9 million (2023: \$10.8 million)

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following as at the balance sheet date:

	2024			2023		
	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000
Cash at bank	3,161	3,161	-	4,893	4,893	-
Short-term deposits	16,500	16,500	-	58,200	58,200	-
	<b>19,661</b>	<b>19,661</b>	<b>-</b>	<b>63,093</b>	<b>63,093</b>	<b>-</b>

The cash at bank does not earn interest. Short-term deposits are made for varying periods depending on the immediate cash requirements of the REIT and earn interest at respective short-term deposit rates.

## 6. TRADE AND OTHER RECEIVABLES

	2024			2023		
	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000
Trade receivables						
- the REIT Manager and related companies of REIT Manager	7,665	7,665	-	6,727	6,727	-
- third parties	1,865	1,865	-	1,710	1,710	-
Other receivables						
- related companies of REIT Manager	-	-	30	-	-	30
- loan to a joint venture company	36,408	36,408	-	36,408	36,408	-
- loan interest receivable	1,579	1,579	-	1,638	1,638	-
- third parties	426	426	-	1,017	1,017	-
Total trade and other receivables	47,943	47,943	30	47,500	47,500	30
Add: Cash and cash equivalents (Note 5)	19,661	19,661	-	63,093	63,093	-
Total financial assets at amortised cost	<b>67,604</b>	<b>67,604</b>	<b>30</b>	<b>110,593</b>	<b>110,593</b>	<b>30</b>

Trade receivables are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Outstanding balances with the REIT Manager and related parties of the REIT Manager are unsecured, interest-free, repayable on demand and are to be settled in cash.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 6. TRADE AND OTHER RECEIVABLES (CONT'D)

The loan to a joint venture company is used to fund the development of the hotel site located at Artillery Avenue, Sentosa. The amount is unsecured, earned interest at 4.34% per annum (2023: 4.53%) and repayable on demand.

### Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Far East H-REIT and the Stapled Group	
	2024 \$'000	2023 \$'000
Movement in allowance accounts:		
At the beginning of year	184	324
Charge for the year	123	40
Written off	(83)	(180)
At the end of year	224	184

## 7. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	Far East H-REIT and the Stapled Group	
	2024 \$'000	2023 \$'000
<b>Derivative assets</b>		
<b>Non-current</b>		
Interest rate swaps	854	951
Cross currency swaps	2,315	-
	3,169	951
<b>Current</b>		
Interest rate swaps	145	1,276
<b>Derivative liabilities</b>		
<b>Non-current</b>		
Interest rate swaps	(593)	(871)
Cross currency swaps	-	(1,360)
	(593)	(2,231)
<b>Current</b>		
Interest rate swaps	(371)	-
<b>Net derivative assets/(liabilities)</b>	2,350	(4)
Financial derivatives as a percentage of Stapled Group's net assets	0.13%	-%

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 7. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONT'D)

As at 31 December 2024, Far East H-REIT and the Stapled Group have interest rate swap contracts with a total notional amount of \$414.7 million (2023: \$315.0 million). Under the contracts, Far East H-REIT and the Stapled Group receive interest based on floating rates equivalent to 3-month or 6-month Singapore Overnight Rate Average ("SORA") / Fallback Swap Offer Rates ("SOR") (2023: 3-month or 6-month SORA/SOR) and pay fixed rates of interest ranging from 0.148% to 3.380% p.a. (2023: 0.148% to 3.200%) during the year.

As at 31 December 2024 and 2023, the Far East H-REIT and the Stapled Group held cross currency swaps ("CCS") with notional amount of United States dollar ("USD") 75.2 million or Singapore dollar ("SGD") 100.0 million equivalent, to hedge against the USD 75.2 million loan.

## 8. TRADE AND OTHER LIABILITIES

	2024			2023		
	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000
Trade payables						
- the REIT Manager	30	30	-	8	8	-
- related companies of the REIT Manager	117	117	-	138	138	-
- third parties	1,689	1,689	-	1,664	1,664	-
Other payables						
- the REIT Manager	39	-	39	38	-	38
- related companies of the REIT Manager	-	30	-	-	30	-
- third parties	1,859	1,859	-	1,500	1,500	-
Total trade and other liabilities	3,734	3,725	39	3,348	3,340	38
Add:						
Accruals	3,902	3,901	1	4,101	4,100	1
Borrowings (Note 9)	716,487	716,487	-	736,752	736,752	-
Less:						
Rental received in advance	(34)	(34)	-	(93)	(93)	-
GST payable	(1,814)	(1,814)	-	(1,453)	(1,453)	-
Total financial liabilities carried at amortised cost	722,275	722,265	40	742,655	742,646	39

Outstanding balances with the related companies and the REIT Manager under Far East H-REIT are unsecured, interest-free, repayable on demand and are to be settled in cash.

Subsequent to 31 December 2024, the REIT Manager has undertaken not to recall the amount due from H-BT.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 9. BORROWINGS

	2024			2023		
	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000
<b>Non-current liabilities</b>						
Bank loans (unsecured)	718,094	718,094	-	738,575	738,575	-
Less: Unamortised upfront fees	(1,607)	(1,607)	-	(1,823)	(1,823)	-
<b>Total borrowings</b>	<b>716,487</b>	<b>716,487</b>	<b>-</b>	<b>736,752</b>	<b>736,752</b>	<b>-</b>

The borrowings are made up of unsecured term loan facilities and revolving credit facilities.

As at the reporting date, the unsecured term loan facilities of \$718.1 million (2023: \$738.6 million) provided by four (2023: four) financial institutions have been fully drawn down.

The term loans have maturities ranging from three-year to seven-year (2023: three-year to seven-year) terms.

Under the terms of the term loan facilities, Far East H-REIT is required to comply with the following financial covenants at the end of each half-yearly period:

- Aggregate Leverage to Deposited Property of Far East H-REIT shall not at any time be more than the Aggregate Leverage Limit (as disclosed and defined in Note 18(a)) or such other ratio as may be agreed between Far East H-REIT and the financial institutions; and
- Interest coverage ratio computed based on EBITDA over interest expense.

The Stapled Group has complied with these covenants throughout the reporting period and as at 31 December 2024.

The uncommitted revolving credit facilities amounting to \$275.0 million (2023: \$275.0 million) are provided by three (2023: three) financial institutions. As at 31 December 2024, Far East H-REIT has uncommitted revolving credit facilities of \$275.0 million (2023: \$275.0 million) which remain unutilised.

A reconciliation of liabilities arising from Far East H-REIT and the Stapled Group's financing activities is as follows:

	1 January 2024	Cash flows	Non-cash changes		31 December 2024
	\$'000		\$'000	Amortisation of upfront fees \$'000	Others* \$'000
<b>Far East H-REIT and the Stapled Group Borrowings</b>	<b>736,752</b>	<b>(23,917)</b>	<b>575</b>	<b>3,077</b>	<b>716,487</b>

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 9. BORROWINGS (CONT'D)

	1 January	Cash flows	Non-cash changes		31 December
	2023		Amortisation of upfront fees	Others*	2023
	\$'000				\$'000
<b>Far East H-REIT and the Stapled Group</b>					
Borrowings	737,816	(975)	503	(592)	736,752

\* Others pertain to reclassifications made from borrowings in lieu of unpaid upfront fees accrued during the year and unrealised foreign exchange (gain)/loss.

## 10. STAPLED SECURITIES/UNITS IN ISSUE

A Stapled Security means a security comprising one unit of Far East H-REIT and one unit of Far East H-BT stapled together under the terms of the Stapling Deed.

	2024			2023		
	Stapled Group '000	Far East H-REIT '000	Far East H-BT '000	Stapled Group '000	Far East H-REIT '000	Far East H-BT '000
<b>Stapled Securities/Units in issue</b>						
At 1 January	2,002,633	2,002,633	2,002,633	1,988,382	1,988,382	1,988,382
<b>Issuance of Stapled Securities/ Units</b>						
REIT Manager's fees paid in Stapled Securities	12,037	12,037	12,037	14,251	14,251	14,251
At 31 December	2,014,670	2,014,670	2,014,670	2,002,633	2,002,633	2,002,633
<b>Stapled Securities/Units to be issued</b>						
REIT Manager's fees payable in Stapled Securities						
- Base fees	1,806	1,806	1,806	2,438	2,438	2,438
- Performance fees	3,292	3,292	3,292	4,393	4,393	4,393
- Earn-out Amount for acquisition of investment property	24,863	24,863	24,863	-	-	-
Total Stapled Securities/Units in issue and to be issued at end of year	2,044,631	2,044,631	2,044,631	2,009,464	2,009,464	2,009,464

Approximately 10,304,000 (2023: 14,833,000) Stapled Securities were issued or to be issued to the REIT Manager as satisfaction of management fees paid/payable to the REIT Manager in Stapled Securities, amounting to \$6,357,000 (2023: \$9,451,000) for the financial year.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 10. STAPLED SECURITIES/UNITS IN ISSUE (CONT'D)

Approximately 24,863,000 Stapled Securities amounting to \$15,000,000 would be issued to Far East SOHO Pte. Ltd. or its nominee for Earn-out Amount in relation to the acquisition of Oasia Hotel Downtown as the Earn-out Event Condition has been met as disclosed in Note 22.

Each Far East H-REIT unit is stapled together with a Far East H-BT unit under the terms of the Stapling Deed and cannot be traded separately. Each Stapled Security represents an undivided interest in Far East H-REIT and Far East H-BT.

The liability of a holder of the Stapled Securities is limited to the amount paid or payable for the Stapled Securities.

Each Stapled Security carries one vote.

## 11. NET ASSET VALUE PER STAPLED SECURITY

	2024			2023		
	Stapled Group	Far East H-REIT	Far East H-BT	Stapled Group	Far East H-REIT	Far East H-BT
Net asset value per Stapled Security is based on:						
Net assets/(liabilities) (\$'000)	1,851,803	1,851,813	(10)	1,866,710	1,866,719	(9)
Total issued and to be issued Stapled Securities ('000) (Note 10)	2,044,631	2,044,631	2,044,631	2,009,464	2,009,464	2,009,464
Net asset value per Stapled Security (cents)	90.57	90.57	(0.00049)	92.90	92.90	(0.00045)

## 12. REIT MANAGER'S FEES

	2024			2023		
	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000
Base fee	7,274	7,274	-	7,196	7,196	-
Performance fees	3,317	3,317	-	3,305	3,305	-
	10,591	10,951	-	10,501	10,501	-

The REIT manager has opted to receive 60% (2023: 90%) of its fees in the form of Stapled Securities with the balance in cash. An aggregate of approximately 10,304,000 (2023: 14,833,000) Stapled Securities were issued or to be issued to the REIT Manager as satisfaction of the 60% (2023: 90%) of the management fees paid/payable.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 13. OTHER TRUST EXPENSES

Other trust expenses comprise of professional fees and other recurring expenses.

Included in other trust expenses are the following items:

	2024			2023		
	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000
Audit fees	85	84	1	86	85	1
Non-audit fees	65	65	-	62	62	-
	150	149	1	148	147	1
Valuation fees	65	65	-	65	65	-

## 14. FINANCE INCOME AND EXPENSES

	2024			2023		
	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000
<b>Interest and other income</b>						
Interest income from						
- loan to joint venture	1,579	1,579	-	1,638	1,638	-
- short-term deposits	1,253	1,253	-	2,165	2,165	-
Others	90	90	-	90	90	-
	2,922	2,922	-	3,893	3,893	-
<b>Finance expenses</b>						
Amortisation of debt-related transaction costs	(575)	(575)	-	(503)	(503)	-
Amortisation of rental deposits	(101)	(101)	-	(98)	(98)	-
Interest expenses paid/payable to banks	(29,676)	(29,676)	-	(24,568)	(24,568)	-
	(30,352)	(30,352)	-	(25,169)	(25,169)	-

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 15. INCOME TAX EXPENSE

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 31 December 2024 and 2023 is as follows:

	2024			2023		
	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000
Reconciliation of effective tax						
Total return before tax	46,968	46,969	(1)	130,586	130,588	(2)
Income tax using Singapore tax rate of 17%	7,985	7,985	-	22,200	22,200	-
Income not subjected to tax	3,422	3,422	-	(9,433)	(9,433)	-
Tax transparency (Note 2.14c)	(11,104)	(11,104)	-	(12,554)	(12,554)	-
Rollover adjustment	(35)	(35)	-	65	65	-
	268	268	-	278	278	-

## 16. EARNINGS PER STAPLED SECURITY

Earnings per Stapled Security ("EPS") (cents)

	2024			2023		
	Stapled Group	Far East H-REIT	Far East H-BT	Stapled Group	Far East H-REIT	Far East H-BT
Basic	2.32	2.32	-	6.53	6.53	-
Diluted	2.29	2.29	-	6.50	6.50	-

The basic EPS is computed using total return for the year after tax over the weighted average number of Stapled Securities outstanding as follows:-

	2024			2023		
	Stapled Group	Far East H-REIT	Far East H-BT	Stapled Group	Far East H-REIT	Far East H-BT
Total return for the year after tax (\$'000)	46,700	46,701	(1)	130,308	130,310	(2)
Weighted average number of Stapled Security in issue ('000)	2,010,144	2,010,144	2,010,144	1,996,773	1,996,773	1,996,773

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 16. EARNINGS PER STAPLED SECURITY (CONT'D)

The diluted EPS is computed using total return for the year after tax over the weighted average number of Stapled Securities outstanding, adjusted for the effect of all dilutive potential Stapled Securities.

	2024			2023		
	Stapled Group	Far East H-REIT	Far East H-BT	Stapled Group	Far East H-REIT	Far East H-BT
Total return for the year after tax (\$'000)	46,700	46,701	(1)	130,308	130,310	(2)
Weighted average number of Stapled Security in issue ('000)	2,040,105	2,040,105	2,040,105	2,003,604	2,003,604	2,003,604



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 17. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following related party transactions were carried out at terms agreed between the parties during the financial year:

	2024			2023		
	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000
Master lease rental income received/receivable from related corporations of the REIT Manager	91,363	91,363	-	90,649	90,649	-
Rental and utilities income received/receivable from related corporations of the REIT Manager	-	-	-	753	753	-
Rental and utilities income received/receivable from the REIT Manager	339	339	-	166	166	-
Interest receivable from a joint venture company	1,579	1,579	-	1,638	1,638	-
Reimbursement of expenses received/receivable from related corporations of the REIT Manager	-	-	-	14	14	-
Management fees paid/payable to the REIT Manager	(10,591)	(10,591)	-	(10,501)	(10,501)	-
Trustee's fees paid/payable to the Trustee	(320)	(320)	-	(317)	(317)	-
Shared service fees paid/payable to related corporations of the REIT Manager	(970)	(970)	-	(929)	(929)	-
Reimbursement of expenses paid/payable to the REIT Manager	(103)	(102)	(1)	(145)	(143)	(2)
Reimbursement of expenses paid/payable to related corporations of the REIT Manager	(7)	(7)	-	(8)	(8)	-
Leasing commission paid/payable to related corporation of the REIT Manager	(80)	(80)	-	(108)	(108)	-
Technical service fee paid/payable to related corporations of the REIT Manager	(204)	(204)	-	(192)	(192)	-
Divestment fees paid to the REIT Manager	-	-	-	(90)	(90)	-
Earn-out Amount payable to a related corporation of the REIT Manager	(15,000)	(15,000)	-	-	-	-

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 17. RELATED PARTY TRANSACTIONS (CONT'D)

Far East H-REIT has entered into the following agreements for the management of the RCP:

- under marketing service agreements, FEREA was appointed as the marketing agents to provide marketing and leasing services for the office component of RCP. The marketing agent is entitled to receive leasing commission.
- under the technical service agreements with various companies within FEO to provide technical support services for the RCP, FEO is entitled to receive a fixed service fee.

## 18. FINANCIAL RISK MANAGEMENT

### (a) **Capital management**

The primary objective of the capital management of Far East H-REIT and the Stapled Group is to ensure that it maintains a strong and healthy capital structure in order to support its business and maximise Stapled Securityholder value.

Far East H-REIT is subject to the aggregate leverage limit as defined in the Property Fund Appendix of CIS Code issued by MAS ("Aggregate Leverage Limit"). With effect from 28 November 2024, the revised Code on Collective Investment Schemes stipulates that:

- a) the borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 50.0% of the fund's depository property; and
- b) the property fund should have a minimum interest coverage ratio of 1.5 times (as defined in the Property Fund Appendix).

As at 31 December 2024, Far East H-REIT's and the Stapled Group's Aggregate Leverage stood at 30.8% (2023: at 31.3%) of its Depository Property, which is within the limit set by the Property Fund Appendix.

There were no substantial changes in Far East H-REIT's and the Stapled Group's approach to capital management for the year ended 31 December 2024 and 2023.

### (b) **Financial risk management objectives and policies**

Exposure to credit, interest rate, foreign currency and liquidity risks arises in the normal course of Far East H-REIT's business. The REIT Manager continually monitors Far East H-REIT's exposure to the above risks. There has been no significant change to Far East H-REIT's exposure to these financial risks or the manner in which it manages and measures risks.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 18. FINANCIAL RISK MANAGEMENT (CONT'D)

### (b) *Financial risk management objectives and policies (cont'd)*

#### (i) **Credit risk**

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to Far East H-REIT as and when they fall due.

Far East H-REIT's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The REIT Manager has established credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed by the REIT Manager before lease agreements are entered into with customers. Credit risk is also mitigated by the rental deposits held for each of the customers.

The REIT Manager considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The REIT Manager has determined the default event on a financial asset to be when the counterparty fails to make contractual payments past due, taking into account any collateral held.

The REIT Manager determined that the financial assets are credit-impaired when:

- There is significant financial difficulty of the customer or counterparty
- A breach of contract, such as a default or past due event
- It is becoming probable that the customer or counterparty will enter bankruptcy or other financial reorganisation

Financial assets are written off when there is no reasonable expectation of recovery, such as a customer or counterparty failing to engage in a repayment plan with Far East H-REIT. Where loans and receivables have been written off, the REIT Manager continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of total return.

A summary of Far East H-REIT's internal grading category in the computation of the expected credit loss model for the loans and receivables is as follows:

Definition of category	Basis for recognition of expected credit loss provision
Loans and receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are past due.	Lifetime expected credit losses

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 18. FINANCIAL RISK MANAGEMENT (CONT'D)

### (b) *Financial risk management objectives and policies (cont'd)*

#### (i) *Credit risk (cont'd)*

Trade receivables

Far East H-REIT provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on historical observed default rates analysed in accordance with days past. The loss allowance provision as at 31 December 2024 is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Summarised below is the information about the credit risk exposure on the Stapled Group's trade receivables:

	Current \$'000	1 to 30 days past due \$'000	More than 30 days past due \$'000	Total \$'000
<b>31 December 2024</b>				
Gross carrying amount	8,973	147	634	9,754
Loss allowance provision	-	-	224	224
	Current \$'000	1 to 30 days past due \$'000	More than 30 days past due \$'000	Total \$'000
<b>31 December 2023</b>				
Gross carrying amount	7,773	161	687	8,621
Loss allowance provision	-	-	184	184

Information regarding loss allowance movement of trade receivables is disclosed in Note 6.

During the financial year, Far East H-REIT wrote-off \$84,000 (2023: \$180,000) of trade receivables which are more than 120 days past due as Far East H-REIT does not expect to receive future cash flows from these receivables. In 2024, there was a recovery of \$1,000 from the collection of cash flows previously written off (2023: \$1,000).

The maximum exposure to credit risk is represented by the carrying value of each financial asset on the balance sheet. At the balance sheet date, approximately 54% (2023: 54%) of the Stapled Group's trade receivables were due from 5 tenants who are reputable companies located in Singapore.

Trade and other receivables that are neither past due nor impaired represent creditworthy debtors with good payment record with the Stapled Group. Cash and short-term deposits are placed with banks regulated by the MAS.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 18. FINANCIAL RISK MANAGEMENT (CONT'D)

### (b) *Financial risk management objectives and policies (cont'd)*

#### (ii) *Interest rate risk*

Far East H-REIT's exposure to changes in interest rates relates primarily to its interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the REIT Manager on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The REIT Manager adopts a policy of fixing the interest rates for a portion of its outstanding borrowings using financial derivatives or other suitable financial products.

As at 31 December 2024, the REIT Manager has entered into interest rate swap contracts to exchange, at specified intervals, the difference between floating rate and fixed rate interest amounts calculated by reference to the agreed notional amounts of the unsecured bank loan.

Far East H-REIT's exposure to interest rate risk relates primarily to the remaining portion 42.1% (2023: 57.4%) of the unsecured bank loans that have not been hedged using interest rate swaps. The REIT Manager will regularly evaluate the feasibility of putting in place the appropriate level of interest rate hedges, after taking into account the prevailing market conditions.

#### *Sensitivity analysis for interest rate risk*

For the floating rate loans, a change of a hundred basis points increase or decrease in interest rate at the balance sheet date, with all other variables held constant, would decrease or increase the Stapled Group's total return for the period by approximately \$3,010,500 (2023: \$4,243,000).

#### (iii) *Liquidity risk*

Liquidity risk is the risk that Far East H-REIT will encounter difficulty in meeting financial obligations due to shortage of funds. Far East H-REIT's objective is to maintain sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations. The REIT Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance Far East H-REIT's operations and to mitigate the effects of fluctuations in cash flows. In addition, the REIT Manager monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 18. FINANCIAL RISK MANAGEMENT (CONT'D)

### (b) *Financial risk management objectives and policies (cont'd)*

#### (iii) *Liquidity risk (cont'd)*

The table below summarises the maturity profile of the financial liabilities at the balance sheet date based on contractual undiscounted payments.

	Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000	Total \$'000
<b>As at 31 December 2024</b>				
<b>Stapled Group</b>				
Trade and other liabilities	5,788	-	-	5,788
Derivative financial liabilities	371	593	-	964
Rental deposits	1,637	2,897	5,000	9,534
Borrowings	29,860	631,983	168,723	830,566
	<b>37,656</b>	<b>635,473</b>	<b>173,723</b>	<b>846,852</b>
<b>Far East H-REIT</b>				
Trade and other liabilities	5,778	-	-	5,778
Derivative financial liabilities	371	593	-	964
Rental deposits	1,637	2,897	5,000	9,534
Borrowings	29,860	631,983	168,723	830,566
	<b>37,646</b>	<b>635,473</b>	<b>173,723</b>	<b>846,842</b>
<b>Far East H-BT</b>				
Trade and other liabilities	40	-	-	40
<b>As at 31 December 2023</b>				
<b>Stapled Group</b>				
Trade and other liabilities	5,903	-	-	5,903
Derivative financial liabilities	-	2,231	-	2,231
Rental deposits	1,534	2,684	5,000	9,218
Borrowings	36,270	667,761	175,523	879,554
	<b>43,707</b>	<b>672,676</b>	<b>180,523</b>	<b>896,906</b>
<b>Far East H-REIT</b>				
Trade and other liabilities	5,894	-	-	5,894
Derivative financial liabilities	-	2,231	-	2,231
Rental deposits	1,534	2,684	5,000	9,218
Borrowings	36,270	667,761	175,523	879,554
	<b>43,698</b>	<b>672,676</b>	<b>180,523</b>	<b>896,897</b>
<b>Far East H-BT</b>				
Trade and other liabilities	39	-	-	39

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 18. FINANCIAL RISK MANAGEMENT (CONT'D)

### (b) *Financial risk management objectives and policies (cont'd)*

#### (iv) **Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

As at 31 December 2024 and 2023, Far East H-REIT was exposed to foreign currency risk on borrowings that are denominated in a currency, United States dollars other than its functional currency, Singapore dollars. Far East H-REIT hedges this risk by entering into a cross currency swap with notional amount of USD 75.2 million (or SGD 100 million equivalent).

#### *Sensitivity analysis for currency risk*

The Stapled Group's and Far East H-REIT's exposures to foreign currencies are as follows:

	USD \$'000
<b>As at 31 December 2024</b>	
<b>Far East H-REIT and Stapled Group</b>	
Borrowings	(75,188)
Net Statement of Financial Position Exposure	(75,188)
Add: Effect of cross currency swap	75,188
Net exposure	-
<b>As at 31 December 2023</b>	
<b>Far East H-REIT and Stapled Group</b>	
Borrowings	(75,188)
Net Statement of Financial Position Exposure	(75,188)
Add: Effect of cross currency swap	75,188
Net exposure	-

As the cross currency swap hedges the foreign currency risk on the borrowings that are denominated in USD, any reasonably possible strengthening/weakening of the SGD against USD at 31 December 2024, with all other variables held constant, would not have any impact to the Stapled Group's and Far East H-REIT's total return for the financial year ending 31 December 2024.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 19. FAIR VALUE OF ASSETS AND LIABILITIES

### (a) *Fair value hierarchy*

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

### (b) *Assets and liabilities measured at fair value measurements*

The following table shows an analysis of each class of assets and liabilities measured at fair value, including their levels in the fair value hierarchy, at the end of the reporting period:

	Far East H-REIT and the Stapled Group 2024		
	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets measured at fair value</b>			
Interest rate swaps	999	-	999
Cross currency swaps	2,315	-	2,315
	<b>3,314</b>	<b>-</b>	<b>3,314</b>
<b>Financial liabilities measured at fair value</b>			
Interest rate swaps	964	-	964
<b>Non-financial assets measured at fair value</b>			
Investment properties	-	2,515,500	2,515,500

During the financial year ended 31 December 2024, there have been no transfers between the respective levels.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 19. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (b) *Assets and liabilities measured at fair value measurements (cont'd)*

	Far East H-REIT and the Stapled Group 2023		
	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets measured at fair value</b>			
Interest rate swaps	2,227	-	2,227
<b>Financial liabilities measured at fair value</b>			
Interest rate swaps	871	-	871
Cross currency swaps	1,360	-	1,360
	2,231	-	2,231
<b>Non-financial assets measured at fair value</b>			
Investment properties	-	2,509,550	2,509,550

During the financial year ended 31 December 2023, there have been no transfers between the respective levels.

### (c) *Level 2 fair value measurements*

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

#### *Financial derivatives*

The fair value of interest rate swaps and cross currency swap are derived by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates or exchange rates for a similar instrument at the measurement date.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 19. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (d) Level 3 fair value measurements

#### (i) Information about significant unobservable inputs used in Level 3 fair value measurements

Description	Fair value at 31 December 2024 \$'000	Valuation Techniques	Unobservable inputs*	Range
Investment properties				
– Hotels, retail and office	2,157,700	Discounted cash flow	Discount rate	6.50%
			Revenue per available room	\$112 – \$266
		Income capitalisation method	Capitalisation rate	4.00% – 5.25%
		Direct comparison method (hotel)	Price per room	\$0.54 million – \$1.34 million
		Direct comparison method (retail and office)	Price per square foot	\$1,465 – \$4,562
– Serviced residences, retail and office	357,800	Discounted cash flow	Discount rate	5.50% – 6.50%
			Revenue per available unit	\$206 – \$336
		Income capitalisation method	Capitalisation rate	3.50% – 4.85%
		Direct comparison method (retail)	Price per square foot	\$1,594 – \$3,960
	<u>2,515,500</u>			

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 19. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (d) Level 3 fair value measurements (cont'd)

#### (i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair value at 31 December 2023 \$'000	Valuation Techniques	Unobservable inputs*	Range
Investment properties				
– Hotels, retail and office	2,161,700	Discounted cash flow	Discount rate	6.50%
			Revenue per available room	\$114 – \$259
		Income capitalisation method	Capitalisation rate	4.00% – 5.25%
			Direct comparison method (hotel)	Price per room
		Direct comparison method (retail and office)	Price per square foot	\$1,397 – \$5,231
– Serviced residences, retail and office	347,850	Discounted cash flow	Discount rate	5.50% – 6.50%
			Revenue per available unit	\$198 – \$323
		Income capitalisation method	Capitalisation rate	3.50% – 4.85%
		Direct comparison method (retail)	Price per square foot	\$1,456 – \$2,903
	<u>2,509,550</u>			

A significant increase or decrease in the discount rate and/or capitalisation rate would result in a significantly lower or higher fair value measurement. The higher the comparable sales price, the higher the fair value.

#### (ii) Valuation policies and procedures

The REIT Manager oversees Far East H-REIT's financial reporting valuation process and is responsible for setting its valuation policies and procedures.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 19. FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

### (d) **Level 3 fair value measurements (cont'd)**

#### (ii) *Valuation policies and procedures (cont'd)*

For all significant financial reporting valuations using valuation models and input unobservable to the REIT Manager, it is Far East H-REIT's policy to engage external valuation experts to perform the valuation. The REIT Manager is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance.

For valuations performed by external valuation experts, the REIT Manager reviews the appropriateness of the valuation methodologies and assumptions adopted. The REIT Manager also evaluates the appropriateness and reliability of the input used in the valuations.

In selecting the appropriate valuation models and input to be adopted for each valuation that uses significant unobservable input, external valuation experts are requested to calibrate the valuation models and input to actual market transactions that are relevant to the valuation if such information is reasonably available. External valuation experts are required, to the extent practicable, to use a minimum of two methodologies to cross-check valuations that are sensitive to unobservable input.

Significant changes in fair value measurements from period to period are evaluated by the REIT Manager for reasonableness. Contributable drivers to such fair value changes are identified and assessed for reasonableness against relevant information from independent sources or internal sources if necessary and where appropriate.

## 20. SEGMENT REPORTING

### **Business segment**

The Stapled Group has two reportable business segments as follows:

- hotels and serviced residences
- retail units, offices and others

Management monitors the operating results of the business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment information is presented in respect of Far East H-REIT and the Stapled Group's business segments, based on its management and internal reporting structure.

Segment revenue comprises mainly income generated from the master leases and retail and offices tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the chief operating decision maker for the purpose of assessment of segment performance.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 20. SEGMENT REPORTING (CONT'D)

### **Business segment (cont'd)**

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly management fees, performance fee, trust expenses, finance income, finance costs and related assets and liabilities.

Performance is measured based on segment net property income, as included in the internal management reports that are reviewed by the board of directors of the REIT Manager. Segment net property income is used to measure performance as management believes that such information is the most relevant in evaluating the results of its segments relative to other entities that operate within the same industry.

The reportable segments' results are as below:

2024

	Hotels and serviced residences \$'000	Retail units, offices and others \$'000	Total \$'000
Gross revenue	91,363	17,343	108,706
Segment net property income	85,882	13,455	99,337
REIT Manager's fees			(10,591)
Trustee's fees			(320)
Other trust expenses			(842)
Interest and other income			2,922
Finance expenses			(30,352)
Net income before tax and fair value changes			60,154
Unrealised foreign exchange loss			(3,120)
Gain on disposal of investment property			2,355
Fair value change in derivative financial instruments			2,355
Fair value change in investment properties	(13,992)	1,571	(12,421)
Total return for the year before income tax			46,968
Income tax expense			(268)
Total return for the year after income tax before distribution			46,700
Segment assets	2,194,716	330,531	2,525,247
Unallocated assets			61,274
Total assets			2,586,521
Segment liabilities	5,652	6,484	12,136
Unallocated liabilities			722,582
Total liabilities			734,718

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 20. SEGMENT REPORTING (CONT'D)

### *Business segment (cont'd)*

2023

	Hotels and serviced residences \$'000	Retail units, offices and others \$'000	Total \$'000
Gross revenue	90,649	16,156	106,805
Segment net property income	86,244	12,497	98,741
REIT Manager's fees			(10,501)
Trustee's fees			(317)
Other trust expenses			(940)
Interest and other income			3,893
Finance expenses			(25,169)
Net income before tax and fair value changes			65,707
Unrealised foreign exchange gain			726
Gain on disposal of investment property			17,912
Fair value change in derivative financial instruments			(13,003)
Fair value change in investment properties	50,779	8,465	59,244
Total return for the year before income tax			130,586
Income tax expense			(278)
Total return for the year after income tax before distribution			130,308
Segment assets	2,190,046	328,047	2,518,093
Unallocated assets			104,362
Total assets			2,622,455
Segment liabilities	6,563	6,071	12,634
Unallocated liabilities			743,111
Total liabilities			755,745

### *Geographical segments*

No geographical information is presented as the Stapled Group operates in Singapore only.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 21. COMMITMENTS

Far East H-REIT and the Stapled Group lease out their investment properties. Non-cancellable operating lease rentals receivable are as follows:

	2024			2023		
	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000	Stapled Group \$'000	Far East H-REIT \$'000	Far East H-BT \$'000
Receivable:						
Within 1 year	79,674	79,674	-	77,650	77,650	-
After 1 year but within 5 years	271,101	271,101	-	270,448	270,448	-
After 5 years	211,016	211,016	-	274,516	274,516	-
	<u>561,791</u>	<u>561,791</u>	<u>-</u>	<u>622,614</u>	<u>622,614</u>	<u>-</u>

The above operating lease rental receivables comprise amounts receivable under the Master Leases and the leases relating to the commercial units of the Properties.

Rental receivable under the Master Leases are based on the terms of the Master Lease Agreements. The amounts receivable for such leases are based on the fixed rent as set out in the Master Leases.

The REIT Trustee has granted an option to each of the Master Lessees to obtain an additional lease for another 20 years on expiry of the initial 20-year leases based on the same terms save for amendments required due to any changes in law.

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

	2024 \$'000	2023 \$'000
Capital commitments in relation to investment properties	3,237	2,306
Commitments to provide funding to joint venture	10,482	10,482
	<u>13,719</u>	<u>12,788</u>

## 22. EARN-OUT AMOUNT

On 12 January 2018, the REIT Trustee had entered into a conditional sale and purchase agreement with Far East SOHO Pte. Ltd. (the "Vendor"), a member of Far East Organization (a related party) to acquire a 65-year leasehold estate in Oasia Hotel Downtown (the "Property") for a purchase consideration of \$210.0 million. The acquisition was completed on 2 April 2018.

On 2 April 2018, the Vendor and the REIT Trustee entered into an Earn-out Agreement, in which the REIT Trustee will issue \$15.0 million worth of Stapled Securities to the Vendor if, by 31 December 2024 (or up to 31 December 2025 if there are any Extension Events (as defined in the Earn-out Agreement), the net property income ("NPI") of the Property is at least \$9.9 million per annum (the "Target NPI PA") for two full consecutive years (the "Earn-out Event Condition").

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 22. EARN-OUT AMOUNT (CONT'D)

As a result of the disruption caused by the COVID-19 pandemic and the various measures imposed by the Singapore government which have rendered the Property not operational in the normal course of business as a hotel for more than one month in both 2020 and 2021, an Extension Event had occurred in both years. The Extension Events have caused the Earn-out Expiry Date to be extended by two full Fiscal Years from 31 December 2023 to 31 December 2025, in accordance with Clause 2.5 of the Earn-out Agreement.

For 2019, the Target NPI PA of at least \$9.9 million per annum was met for the Property. 2020 and 2021 are regarded as Disrupted Years (as defined in the Earn-out Agreement) because the Target NPI PA was not achieved, and an Extension Event had occurred in both years. The second consecutive year will refer to 2022, being the Fiscal Year immediately following the Disrupted Years. For 2022, the Target NPI PA of at least \$9.9 million per annum was not met for the Property.

For 2023 and 2024, the Target NPI PA of at least \$9.9 million per annum was met for the Property. As the NPI of the Property was at least \$9.9 million per annum for two full consecutive years, the Earn-out Event Condition has been met.

In view that the Earn-out Event Condition has been met, the Earn-out Amount of \$15.0 million is recognised as approximately 24,863,000 Stapled Securities to be issued in the financial statements as at 31 December 2024 (Note 10). The Earn-out Stapled Securities will be issued to the Vendor or its nominee in 2025.

## 23. FINANCIAL RATIOS

	2024		2023	
	Stapled Group %	Far East H-REIT %	Stapled Group %	Far East H-REIT %
Expense ratio <sup>(1)</sup>				
- Including performance component of the REIT Manager's management fees	0.63	0.63	0.65	0.65
- Excluding performance component of the REIT Manager's management fees	0.46	0.46	0.47	0.47
Turnover ratio <sup>(2)</sup>	-	-	-	-

(1) The expense ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of Far East H-REIT and the Stapled Group, excluding property expenses, interest expense and income tax expense of each entity, where applicable.

(2) The turnover ratio is computed based on the lesser of purchases or sales of underlying investment properties of Far East H-REIT and the Stapled Group expressed as a percentage of daily average net asset value.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 24. SUBSEQUENT EVENTS

On 27 January 2025, Far East H-Trust issued approximately 1,806,000 new Stapled Securities at a price of \$0.6033 per Stapled Security in payment of 60% of the REIT Manager's fees (base fees) for the period from 1 October 2024 to 31 December 2024.

On 12 February 2025, the REIT Manager declared a distribution of \$41,943,000 or \$0.0208 per Stapled Security to Stapled Securityholders in respect of the period from 1 July 2024 to 31 December 2024.

On 20 February 2025, Far East H-REIT, through Nagoya Falcon TMK, entered into a sale and purchase agreement to acquire the trust beneficial interest in a hotel in Nagoya and FE Falcon 3 Pte. Ltd., a wholly owned and newly incorporated subsidiary of Far East H-BT, entered into a sale and purchase agreement to acquire the hotel operating company for the above-mentioned hotel for a total consideration of JPY6.05 billion (equivalent to \$53.2 million). The acquisitions of the hotel and the hotel operating company are expected to complete in April 2025.

## 25. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with resolutions of the REIT Manager and the Trustee-Manager on 4 March 2025.

# **FINANCIAL STATEMENTS FEO HOSPITALITY TRUST MANAGEMENT PTE. LTD. TRUSTEE-MANAGER**

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# Directors' Statement

The directors present their statement to the members together with the audited financial statements of FEO Hospitality Trust Management Pte. Ltd. (the "Company") for the financial year ended 31 December 2024.

## OPINION OF THE DIRECTORS

In the opinion of the directors,

- (i) the accompanying statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement, together with the notes thereon, are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date, and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts on the basis that the ultimate holding company has agreed to provide continuing financial support to enable it to meet its liabilities as and when they fall due.

## DIRECTORS

The directors of the Company in office at the date of this statement are:-

Wee Kheng Jin  
Vivienne Lim Hui Bian  
Lee Khia Yee  
Celestine Khoo Geok Choo  
Benedict Leh Song Boon  
Gerald Lee Hwee Keong  
Quek See Tiat

(Appointed on 1 May 2024)

## ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

# Directors' Statement

## DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

No director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year except that the directors had stapled security holdings in Far East Hospitality Trust as follow:

Name of director	Direct interest		Deemed interest	
	At the beginning of the financial year or date of appointment	At the end of financial year	At the beginning of the financial year or date of appointment	At the end of financial year
Wee Kheng Jin	779,602	824,998	-	-
Vivienne Lim Hui Bian	121,340	153,993	-	-
Lee Khia Yee	85,372	112,450	-	-
Celestine Khoo Geok Choo	65,331	96,391	-	-
Benedict Leh Song Boon	58,259	90,116	-	-
Gerald Lee Hwee Keong	1,885,654	2,355,803	-	-
Quek See Tiat	-	-	-	-

## AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

**Gerald Lee Hwee Keong**  
Director

**Benedict Leh Song Boon**  
Director

Singapore  
11 February 2025



# Independent Auditor's Report

To the Members of FEO Hospitality Trust Management Pte. Ltd.

For the financial year ended 31 December 2024

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### **Opinion**

We have audited the financial statements of FEO Hospitality Trust Management Pte. Ltd. (the "Company") which comprise the balance sheet of the Company as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967, (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

Management is responsible for other information. The other information comprises General information and Directors' Statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Directors for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

# Independent Auditor's Report

To the Members of FEO Hospitality Trust Management Pte. Ltd.

For the financial year ended 31 December 2024

## ***Responsibilities of Management and Directors for the Financial Statements (cont'd)***

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# Independent Auditor's Report

To the Members of FEO Hospitality Trust Management Pte. Ltd.

For the financial year ended 31 December 2024

## ***Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)***

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## ***Report on Other Legal and Regulatory Requirements***

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

**Ernst & Young LLP**  
Public Accountants and  
Chartered Accountants

Singapore  
11 February 2025

# Statement of Comprehensive Income

For the financial year ended 31 December 2024

	Note	2024 \$	2023 \$
Administrative expenses		(4,186)	(4,412)
<b>Loss before taxation</b>	4	(4,186)	(4,412)
Income tax expense	5	-	-
<b>Loss for the year, representing total comprehensive income for the year attributable to owners of the Company</b>		(4,186)	(4,412)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# Balance Sheet

As at 31 December 2024

	Note	2024 \$	2023 \$
<b>Current asset</b>			
Other receivable	6	100	100
		100	100
<b>Current liability</b>			
Other payables and accruals	7	(54,324)	(50,138)
<b>Net current liabilities and net liabilities</b>			
		(54,224)	(50,038)
<b>Equity attributable to the owners of the Company</b>			
Share capital	8	100	100
Accumulated losses		(54,324)	(50,138)
<b>Deficit in equity</b>			
		(54,224)	(50,038)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Statement of Changes in Equity

For the financial year ended 31 December 2024

	Attributable to owners of the Company		
	Share capital (Note 8) \$	Accumulated losses \$	Total \$
<b>2024</b>			
Balance at 1 January 2024	100	(50,138)	(50,038)
Loss representing total comprehensive income for the year	-	(4,186)	(4,186)
Balance at 31 December 2024	100	(54,324)	(54,224)
<b>2023</b>			
Balance at 1 January 2023	100	(45,726)	(45,626)
Loss representing total comprehensive income for the year	-	(4,412)	(4,412)
Balance at 31 December 2023	100	(50,138)	(50,038)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Cash Flow Statement

For the financial year ended 31 December 2024

	2024 \$	2023 \$
<b>Cash flows from operating activities:</b>		
Loss before taxation	(4,186)	(4,412)
<b>Operating loss before working capital changes</b>	(4,186)	(4,412)
Increase in other payables and accruals	4,186	4,412
<b>Net cash flows used in operating activities</b>	-	-
<b>Net movement in cash and cash equivalents and balance at end of the year</b>	-	-

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 1. CORPORATE INFORMATION

FEO Hospitality Trust Management Pte. Ltd. (the "Company") is a private limited liability company incorporated and domiciled in Singapore.

The registered office and principal place of business of the Company is located at 1 Tanglin Road #05-01, Orchard Rendezvous Hotel, Singapore 247905.

The principal activities of the Company are asset and portfolio management, and to act as trustee-manager for the Far East Hospitality Business Trust ("Far East H-BT").

The immediate and ultimate holding companies are FEO Asset Management Pte. Ltd. and Far East Organization Centre Pte Ltd, respectively. Both companies are incorporated in Singapore.

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### 2.1 *Basis of preparation*

The financial statements of the Company have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs").

The financial statements have been prepared on the historical cost basis and are presented in Singapore Dollars ("S\$") which is the Company's functional currency.

The financial statements of the Company have been prepared on the basis of going concern notwithstanding that the Company's total and current liabilities exceeded its total and current assets by \$54,224 (2023: \$50,038) as its ultimate holding company has agreed to provide continuing financial support to enable it to meet its liabilities as and when they fall due.

### 2.2 *Changes in material accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2024. The adoption of these standards did not have any effect on the financial performance or position of the Company.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.3 *Standard issued but not yet effective*

The Company has not early adopted the following standards that have been issued but not yet effective:

<i>Description</i>	<b><i>Effective for annual periods beginning on or after</i></b>
Amendments to FRS 109 and FRS 107: <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual Improvements to FRSs – Volume 11	1 January 2026
FRS 118 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
FRS 119 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027

### 2.4 *Financial assets*

#### Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

#### Subsequent measurement

##### *Investments in debt instruments*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement category for classification of debt instruments are:

##### Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.4 *Financial assets (cont'd)*

#### De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

### 2.5 *Financial liabilities*

#### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

#### Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

#### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

### 2.6 *Impairment of financial assets*

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.7 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.8 Taxes

#### (a) **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

#### (b) **Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

### 2.8 *Taxes (cont'd)*

#### (b) ***Deferred tax (cont'd)***

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

## 3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### 3.1 ***Judgements made in applying accounting policies***

In the process of applying the Company's accounting policies, the management did not make any judgements that have effect on the amounts recognised in the financial statements.

### 3.2 ***Key sources of estimation uncertainty***

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 4. LOSS BEFORE TAXATION

Loss before taxation has been arrived at after charging the following:

	2024 \$	2023 \$
Audit fees	3,000	3,000
Professional fees	490	1,018
Other expenses	696	394
	<u>4,186</u>	<u>4,412</u>

## 5. INCOME TAX EXPENSE

A reconciliation between income tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the year ended 31 December 2024 and 2023 is as follows:

	2024 \$	2023 \$
Loss before taxation	(4,186)	(4,412)
Tax benefit at applicable tax rate of 17% (2023: 17%)	(712)	(750)
Non-deductible expenses	712	750
Income tax expense	<u>-</u>	<u>-</u>

## 6. OTHER RECEIVABLE

	2024 \$	2023 \$
Other receivable – immediate holding company	<u>100</u>	<u>100</u>

Amount due from immediate holding company is non-trade, unsecured, non-interest bearing, repayable upon demand and is to be settled in cash.

## 7. OTHER PAYABLES AND ACCRUALS

	2024 \$	2023 \$
Other payables – related party	50,204	45,686
Accrued operating expenses	4,120	4,452
Total financial liabilities carried at amortised cost	<u>54,324</u>	<u>50,138</u>

Other payables due to a related party are non-trade, unsecured, non-interest bearing, repayable upon demand and are to be settled in cash.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 8. SHARE CAPITAL

	2024		2023	
	No. of ordinary shares	Amount \$	No. of ordinary shares	Amount \$
Ordinary shares issued and fully paid-up: At beginning of financial year and end of financial year	100	100	100	100

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

## 9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are credit risk and liquidity risk. The management reviews and agrees policies for managing these risks and they are summarised below:

(a) **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. For financial assets, the Company adopts the policy of dealing exclusively with high credit quality counterparties.

The Company has no significant concentrations of credit risk and has in place credit policies and procedures to ensure on-going evaluation and active account monitoring.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

(b) **Liquidity risk**

The Company manages the liquidity risk through the availability of funding from its ultimate holding company and related party.

Other payables and accruals based on contractual undiscounted payments have a maturity profile of less than 1 year.

# Notes to the Financial Statements

For the financial year ended 31 December 2024

## 9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (c) **Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares or obtain new borrowings. No changes were made in the objectives, policies or processes during the year ended 31 December 2024 and 2023. The Company is not subject to any externally imposed capital requirements.

### (d) **Fair value measurements**

#### **Financial instruments whose carrying amount approximates fair value**

Management has determined that the carrying amounts of other receivable and other payables and accruals approximate fair values due to their short-term nature.

## 10. RELATED PARTY TRANSACTIONS

In addition to related party transaction disclosed elsewhere in the financial statements, the following significant transaction took place between the Company and a related party at terms agreed between the parties:

	2024 \$	2023 \$
Reimbursement of expenses paid/payable to related party	4,518	4,301

Outstanding balances with related parties as at 31 December 2024 are set out in Notes 6 and 7.

## 11. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 11 February 2025.

# Statistics of Stapled Securityholdings

As at 24 February 2025

There were 2,016,476,607 Stapled Securities (one vote per Stapled Security) in issue as at 24 February 2025.

Each Stapled Security comprises one unit in Far East H-REIT and one unit in Far East H-BT. There is only one class of units in each of Far East H-REIT and Far East H-BT.

## DISTRIBUTION OF STAPLED SECURITYHOLDINGS

Size of Stapled Securityholdings	No. of Stapled Securityholders	%	No. of Stapled Securities	%
1 - 99	242	2.08	10,841	0.00
100 - 1,000	1,563	13.42	1,391,993	0.07
1,001 - 10,000	5,690	48.87	29,915,867	1.48
10,001 - 1,000,000	4,095	35.17	210,198,798	10.43
1,000,001 and above	53	0.46	1,774,959,108	88.02
<b>Total</b>	<b>11,643</b>	<b>100.00</b>	<b>2,016,476,607</b>	<b>100.00</b>

## LOCATION OF STAPLED SECURITYHOLDERS

Country	No. of Stapled Securityholders	%	No. of Stapled Securities	%
Singapore	11,399	97.90	1,968,141,011	97.60
Malaysia	166	1.43	4,170,651	0.21
Others	78	0.67	44,164,945	2.19
<b>Total</b>	<b>11,643</b>	<b>100.00</b>	<b>2,016,476,607</b>	<b>100.00</b>

## TWENTY LARGEST STAPLED SECURITYHOLDERS

No.	Name	No. of Stapled Securities	%
1	Golden Development Private Limited	449,715,963	22.30
2	Golden Landmark Pte Ltd	206,629,991	10.25
3	Far East Organization Centre Pte. Ltd.	196,396,847	9.74
4	Citibank Nominees Singapore Pte. Ltd.	181,587,091	9.01
5	FEO Hospitality Asset Management Pte. Ltd.	149,345,264	7.41
6	DBS Nominees (Private) Limited	89,163,160	4.42
7	Riverland Pte Ltd	86,499,632	4.29
8	DBSN Services Pte. Ltd.	66,383,250	3.29
9	HSBC (Singapore) Nominees Pte Ltd	54,526,679	2.70
10	Raffles Nominees (Pte.) Limited	44,370,195	2.20
11	Ng Win Kong Daryl	13,868,361	0.69
12	Ng Mien Yi Jeanne	13,868,356	0.69
13	Ng Win Loong David	13,868,356	0.69
14	Graham Ng Yong Qian (Huang Yongqian)	13,868,356	0.69
15	Edward Averrill Ng Yong Sheng	13,868,356	0.69
16	Ng Mien Hua Nikki	13,868,356	0.69
17	Ng Mien Yin Christine	13,868,356	0.69
18	Faith Ng Myen Ling (Huang Myenling)	13,868,356	0.69
19	Gregory Alva Ng Yong He	13,868,356	0.69
20	Melissa Ng Myen Ping	13,868,356	0.69
<b>Total</b>		<b>1,663,301,637</b>	<b>82.51</b>



# Statistics of Stapled Securityholdings

As at 24 February 2025

## FREE FLOAT

In Compliance with Listing Rule 1207 (9) of the SGX-ST Listing Manual, approximately 45.83% of the total number of Stapled Securities issued is held by the public as at 24 February 2025. Therefore, Listing Rule 723 of the SGX-ST Listing Manual has been complied with.

## DIRECTORS' INTERESTS IN STAPLED SECURITIES AS AT 21 JANUARY 2025

Name of Director	Direct Interest		Deemed Interest		Total No. of Stapled Securities held	
	No. of Stapled Securities held	%	No. of Stapled Securities held	%		%
Mr Wee Kheng Jin	824,998	0.041	-	-	824,998	0.041
Ms Vivienne Lim Hui Bian	153,993	0.008	-	-	153,993	0.008
Ms Catherine Lee Khia Yee	112,450	0.006	-	-	112,450	0.006
Ms Celestine Khoo Geok Choo	96,391	0.005	-	-	96,391	0.005
Mr Benedict Leh Song Boon	90,116	0.004	-	-	90,116	0.004
Mr Gerald Lee Hwee Keong	2,355,803	0.117	-	-	2,355,803	0.117
Mr Quek See Kiat	-	-	-	-	-	-

## SUBSTANTIAL STAPLED SECURITYHOLDERS' INTERESTS AS AT 24 FEBRUARY 2025

as listed in the Register of Substantial Securityholders' Stapled Securityholdings maintained by the Managers

Name of Substantial Stapled Securityholder	Direct Interest		Deemed Interest		Total no. of Stapled Securities held	
	No. of Stapled Securities held	%	No. of Stapled Securities held	%		%
Golden Development Private Limited	449,715,963	22.30	-	-	449,715,963	22.30
Far East Organization Centre Pte. Ltd. <sup>(1)</sup>	196,396,847	9.74	149,345,264	7.41	345,742,111	17.15
Golden Landmark Pte. Ltd.	206,629,991	10.25	-	-	206,629,991	10.25
FEO Hospitality Asset Management Pte. Ltd.	149,345,264	7.41	-	-	149,345,264	7.41
Estate of the late Mr Ng Teng Fong <sup>(2)</sup>	-	-	795,458,074	39.45	795,458,074	39.45
F.E. Holdings Pte Ltd <sup>(3)</sup>	-	-	293,129,623	14.54	293,129,623	14.54
Mdm Tan Kim Choo <sup>(4)</sup>	-	-	442,474,887	21.94	442,474,887	21.94
Mr Ng Chee Tat Philip <sup>(5)</sup>	-	-	1,088,587,697	53.98	1,088,587,697	53.98
Mr Ng Chee Siong <sup>(6)</sup>	-	-	795,458,074	39.45	795,458,074	39.45
Far East Orchard Limited <sup>(7)</sup>	-	-	149,345,264	7.41	149,345,264	7.41
Far East Organization Pte. Ltd. <sup>(8)</sup>	-	-	149,345,264	7.41	149,345,264	7.41
FEO Asset Management Pte. Ltd. <sup>(9)</sup>	-	-	149,345,264	7.41	149,345,264	7.41

# Statistics of Stapled Securityholdings

As at 24 February 2025

## Notes:

The percentages of the above interests are calculated based on total issued Stapled Securities as at 24 February 2025 which is 2,016,476,607

- (1) Far East Organization Centre Pte. Ltd. is deemed to be interested in 149,345,264 Stapled Securities held by FEO Hospitality Asset Management Pte. Ltd. by virtue of Far East Organization Centre Pte. Ltd.'s controlling interest in FEO Asset Management Pte. Ltd., which in turn has a controlling interest in FEO Hospitality Asset Management Pte. Ltd.
- (2) The Estate of the late Mr Ng Teng Fong ("the Estate") is deemed to be interested in 449,715,963 Stapled Securities held by Golden Development Private Limited, 196,396,847 Stapled Securities held by Far East Organization Centre Pte. Ltd., and 149,345,264 Stapled Securities held by FEO Hospitality Asset Management Pte. Ltd. By virtue of the Estate having:-
  - a) a controlling interest in Golden Development Private Limited and Far East Organization Centre Pte. Ltd.; and
  - b) a more than 20% interest in Far East Organization Pte. Ltd., which in turn has a controlling interest in Far East Orchard Limited, which in turn has interest of more than 20% in FEO Hospitality Asset Management Pte. Ltd.. The Estate also has a controlling interest in Far East Organization Centre Pte. Ltd., which in turn has a controlling interest in FEO Asset Management Pte Ltd, which in turn has a controlling interest in FEO Hospitality Asset Management Pte. Ltd..
- (3) As per announcement made on 28 April 2020, F.E. Holdings Pte Ltd is deemed to be interested in the aggregate of 293,129,623 Stapled Securities as follows:-
  - a) 206,629,991 Stapled Securities held by Golden Landmark Pte. Ltd. By virtue of F.E. Holding Pte Ltd's controlling interest in Golden Landmark Pte. Ltd.; and
  - b) 86,499,632 Stapled Securities held by Riverland Pte Ltd by virtue of F.E. Holdings Pte Ltd's controlling interest in Victory Realty Co Private Ltd, which in turn has a controlling interest in Riverland Pte Ltd.
- (4) Madam Tan Kim Choo is deemed to be interested in the aggregate of 442,474,887 Stapled Securities as follows:-
  - a) Golden Landmark Pte. Ltd. has a direct interest in 206,629,991 Stapled Securities. Madam Tan Kim Choo has an interest of more than 20% in F.E. Holdings Pte Ltd, which in turn has a controlling interest in Golden Landmark Pte. Ltd.;
  - b) Riverland Pte Ltd has a direct interest in 86,499,632 Stapled Securities. Madam Tan Kim Choo has an interest of more than 20% in F.E. Holdings Pte Ltd, which in turn has a controlling interest in Victory Realty Co Private Ltd, which in turn has a controlling interest in Riverland Pte Ltd; and
  - c) FEO Hospitality Asset Management Pte. Ltd. has a direct interest in 149,345,264 Stapled Securities. Madam Tan Kim Choo has an interest of more than 20% in Far East Organization Pte. Ltd., which in turn has a controlling interest in Far East Orchard Limited, which in turn has an interest of more than 20% in FEO Hospitality Asset Management Pte. Ltd..
- (5) Mr Ng Chee Tat Philip is deemed to be interested in 206,629,991 Stapled Securities held by Golden Landmark Pte. Ltd., 86,499,632 Stapled Securities held by Riverland Pte Ltd, 196,396,847 Stapled Securities held by Far East Organization Centre Pte. Ltd., 449,715,963 Stapled Securities held by Golden Development Private Limited, and 149,345,264 Stapled Securities held by FEO Hospitality Asset Management Pte. Ltd. By virtue of:-
  - a) Mr Ng Chee Tat Philip has a more than 20% interest in F.E. Holdings Pte Ltd, which in turn has a controlling interest in Golden Landmark Pte. Ltd.;
  - b) Mr Ng Chee Tat Philip has a more than 20% interest in F.E. Holdings Pte Ltd, which in turn has a controlling interest in Victory Realty Co Private Ltd, which in turn has a controlling interest in Riverland Pte Ltd;
  - c) Mr Ng Chee Tat Philip is a beneficiary of the Estate who in turn has a controlling interest in Far East Organization Centre Pte. Ltd.;
  - d) Mr Ng Chee Tat Philip is a beneficiary of the Estate who in turn has a controlling interest in Golden Development Private Limited; and
  - e) Mr Ng Chee Tat Philip is a beneficiary of the Estate who has a more than 20% interest in Far East Organization Pte. Ltd., which in turn has a controlling interest in Far East Orchard Limited, which in turn has a more than 20% interest in FEO Hospitality Asset Management Pte. Ltd.. The Estate also has a controlling interest in Far East Organization Centre Pte. Ltd., which in turn has a controlling interest in FEO Asset Management Pte. Ltd., which in turn has a controlling interest in FEO Hospitality Asset Management Pte. Ltd..
- (6) Mr Ng Chee Siong is deemed to be interested in 449,715,963 Stapled Securities held by Golden Development Private Limited, 196,396,847 Stapled Securities held by Far East Organization Centre Pte. Ltd., and 149,345,264 Stapled Securities held by FEO Hospitality Asset Management Pte. Ltd. By virtue of:
  - a) Mr Ng Chee Siong is a beneficiary of the Estate who in turn has a controlling interest in Golden Development Private Limited;
  - b) Mr Ng Chee Siong is a beneficiary of the Estate who in turn has a controlling interest in Far East Organization Centre Pte. Ltd.; and
  - c) Mr Ng Chee Siong is a beneficiary of the Estate who has a more than 20% interest in Far East Organization Pte. Ltd., which in turn has a controlling interest in Far East Orchard Limited, which in turn has a more than 20% interest in FEO Hospitality Asset Management Pte. Ltd.. The Estate also has a controlling interest in Far East Organization Centre Pte. Ltd., which in turn has a controlling interest in FEO Asset Management Pte. Ltd., which in turn has a controlling interest in FEO Hospitality Asset Management Pte. Ltd..

# Statistics of Stapled Securityholdings

As at 24 February 2025

- (7) Far East Orchard Limited is deemed to be interested in 149,345,264 Stapled Securities held by FEO Hospitality Asset Management Pte. Ltd. by virtue of Far East Orchard Limited's more than 20% interest in FEO Hospitality Asset Management Pte. Ltd..
- (8) Far East Organization Pte. Ltd. is deemed to be interested in 149,345,264 Stapled Securities held by FEO Hospitality Asset Management Pte. Ltd. by virtue of Far East Organization Pte. Ltd.'s controlling interest in Far East Orchard Limited, which in turn has a more than 20% interest in FEO Hospitality Asset Management Pte. Ltd..
- (9) FEO Asset Management Pte. Ltd. is deemed to be interested in 149,345,264 Stapled Securities held by FEO Hospitality Asset Management Pte. Ltd. by virtue of FEO Asset Management Pte. Ltd.'s controlling interest in FEO Hospitality Asset Management Pte. Ltd..

# Notice of Annual General Meeting



A stapled group comprising:

**FAR EAST HOSPITALITY  
REAL ESTATE INVESTMENT TRUST**

(a real estate investment trust constituted on 1 August 2012 under the laws of the Republic of Singapore)

managed by  
**FEO Hospitality Asset Management Pte. Ltd.**

**FAR EAST HOSPITALITY  
BUSINESS TRUST**

(a business trust constituted on 1 August 2012 under the laws of the Republic of Singapore)

managed by  
**FEO Hospitality Trust Management Pte. Ltd.**

**NOTICE IS HEREBY GIVEN** that the 13th Annual General Meeting of the holders of stapled securities in Far East Hospitality Trust ("**Far East H-Trust**", and the holders of stapled securities of Far East H-Trust, "**Stapled Securityholders**") will be held at Antica Ballroom, Orchard Rendezvous Hotel, 1 Tanglin Road, Singapore 247905 on Tuesday, 22 April 2025 at 2.30 p.m. to transact the following business:

## Ordinary Business

Ordinary Resolution 1 : To receive and adopt the audited Financial Statements of Far East H-Trust for the financial year ended 31 December 2024, comprising the audited Financial Statements of Far East Hospitality Real Estate Investment Trust ("**Far East H-REIT**") and the audited Financial Statements of Far East Hospitality Business Trust ("**Far East H-BT**"), the Report of DBS Trustee Limited, as the trustee of Far East H-REIT (the "**REIT Trustee**"), the Report of FEO Hospitality Asset Management Pte. Ltd., as the manager of Far East H-REIT (the "**REIT Manager**"), the Report of FEO Hospitality Trust Management Pte. Ltd., as the trustee-manager of Far East H-BT (the "**Trustee-Manager**"), the Statement by the Chief Executive Officer of the Trustee-Manager, together with the Auditor's Report thereon.

Ordinary Resolution 2 : To re-appoint Ernst & Young LLP as auditors of Far East H-Trust comprising Far East H-REIT and Far East H-BT to hold office until the conclusion of the next annual general meeting of Far East H-Trust and to authorise the REIT Manager and the Trustee-Manager to determine their remuneration.



# Notice of Annual General Meeting

## Special Business

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

Ordinary Resolution 3 :

**THAT** authority be and is hereby given to the REIT Manager and the Trustee-Manager, to

- (a) (1) issue new units in Far East H-REIT ("**Far East H-REIT Units**") and new units in Far East H-BT ("**Far East H-BT Units**", together the "**Stapled Securities**") whether by way of rights or otherwise; and/or
- (2) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Stapled Securities to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Stapled Securities,

at any time and upon such terms and conditions and for such purposes and to such persons as the REIT Manager and the Trustee-Manager may in their absolute discretion deem fit; and

- (b) issue Stapled Securities in pursuance of any Instrument made or granted by the REIT Manager and the Trustee-Manager while this Resolution is in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force), provided that:
  - (1) the aggregate number of Stapled Securities to be issued pursuant to this Resolution (including Stapled Securities to be issued in pursuance of Instruments made or granted pursuant to this Resolution), shall not exceed fifty per cent. (50%) of the total number of issued Stapled Securities (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Stapled Securities to be issued other than on a *pro rata* basis to Stapled Securityholders shall not exceed twenty per cent. (20%) of the total number of issued Stapled Securities (as calculated in accordance with sub-paragraph (2) below);
  - (2) subject to such manner of calculation as may be prescribed by The Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the purpose of determining the aggregate number of Stapled Securities that may be issued under sub-paragraph (1) above, the total number of issued Stapled Securities shall be based on the number of issued Stapled Securities at the time this Resolution is passed, after adjusting for:
    - (1) any new Stapled Securities arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and
    - (2) any subsequent bonus issue, consolidation or subdivision of Stapled Securities;

# Notice of Annual General Meeting

- (3) in exercising the authority conferred by this Resolution, the REIT Manager and the Trustee-Manager shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST), the Business Trusts Act 2004 of Singapore for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore), the trust deed constituting Far East H-REIT (as amended) (the “**REIT Trust Deed**”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore), the trust deed constituting Far East H-BT (as amended) (the “**BT Trust Deed**”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore) and the stapling deed stapling Far East H-REIT and Far East H-BT (as amended) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore) (the “**Stapling Deed**”);
- (4) (unless revoked or varied by the Stapled Securityholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next annual general meeting of Far East H-Trust or (ii) the date by which the next annual general meeting of Far East H-Trust is required by law to be held, whichever is earlier;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Stapled Securities into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the REIT Manager and the Trustee-Manager are authorised to issue additional Instruments or Stapled Securities pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments are issued; and
- (6) the REIT Manager, the REIT Trustee and the Trustee-Manager be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the REIT Manager, the REIT Trustee or, as the case may be, the Trustee-Manager may consider expedient or necessary or in the interest of Far East H-REIT, Far East H-BT and Far East H-Trust as a whole to give effect to the authority conferred by this Resolution.

(Please see Explanatory Note 1)

Ordinary Resolution 4 :

**THAT** authority be and is hereby given to the REIT Manager and the Trustee-Manager, to:

- (a) exercise all the powers of the REIT Manager and the Trustee-Manager to repurchase issued Stapled Securities for and on behalf of Far East H-Trust not exceeding in aggregate the Maximum Limit (as defined herein), at the Trust Deed Repurchase Price (as defined herein) and, in the event that the Trust Deed Repurchase Price exceeds the Maximum Price (as defined herein), to repurchase the issued Stapled Securities at no higher than the Maximum Price, by way of a market repurchase(s) transacted through the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Stapled Securities may be listed and quoted, and otherwise in accordance with all applicable laws and regulations including the rules of the SGX-ST, or, as the case may be, such stock exchange for the time being on which the Stapled Securities may be listed and quoted, be and is hereby authorised and approved generally and unconditionally (the “**Stapled Security Buy-Back Mandate**”);

# Notice of Annual General Meeting

- (b) (unless revoked or varied by the Stapled Securityholders in a general meeting) the authority conferred on the REIT Manager and the Trustee-Manager pursuant to the Stapled Security Buy-Back Mandate may be exercised by the REIT Manager and the Trustee-Manager at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (1) the date on which the next annual general meeting of Far East H-Trust is held;
  - (2) the date by which the next annual general meeting of Far East H-Trust is required by law or the provisions of the REIT Trust Deed, the BT Trust Deed or the Stapling Deed to be held; or
  - (3) the date which purchases of Stapled Securities pursuant to the Stapled Security Buy-Back Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

**“Average Closing Price”** means the average of the closing market prices of the Stapled Securities over the last five Market Days (as defined herein), on which transactions in the Stapled Securities were recorded, before the day on which the purchases were made and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and the date on which the purchases are made;

**“Current Stapled Security Value”** means at any time, the value of all the assets of Far East H-Trust (including assets accrued but not yet received), less all the liabilities of Far East H-Trust (including liabilities accrued but not yet paid) and any provision is taken into account in determining the liabilities of Far East H-Trust at that time divided by the number of Stapled Securities in issue and deemed to be in issue at that time;

**“Market Day”** means a day on which SGX-ST is open for trading in securities;

**“Maximum Limit”** means that number of Stapled Securities representing two per cent. (2%) of the total number of issued Stapled Securities as at the date of the passing of this Resolution;

**“Maximum Price”** in relation to a Stapled Security to be repurchased, means the repurchase price under a Stapled Security buy-back mandate shall not exceed one hundred and five per cent. (105%) of the Average Closing Price (as defined herein) of the Stapled Securities for a Market Repurchase; and

**“Trust Deed Repurchase Price”** in relation to a Stapled Security to be repurchased, means the Current Stapled Security Value of the relevant Stapled Security on the day the request is accepted by the REIT Manager and Trustee-Manager less the repurchase charge and less an amount to adjust the resultant total downwards to the nearest whole cent.

# Notice of Annual General Meeting

- (d) the REIT Manager, the REIT Trustee and Trustee-Manager be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the REIT Manager, the REIT Trustee or, as the case may be, the Trustee-Manager may consider expedient or necessary or in the interests of Far East H-REIT, Far East H-BT and Far East H-Trust as a whole to give effect to the authority conferred by this Resolution.

(Please see Explanatory Note 2)

By Order of the Board

**Lin Moi Heyang**  
Company Secretary  
FEO Hospitality Asset Management Pte. Ltd.  
(Company Registration No. 201102629K)  
21 March 2025

By Order of the Board

**Lin Moi Heyang**  
Company Secretary  
FEO Hospitality Trust Management Pte. Ltd.  
(Company Registration No. 201210698W)  
21 March 2025



# Notice of Annual General Meeting

## IMPORTANT NOTICE:

### Format of Meeting

1. The Annual General Meeting will be held in a wholly physical format at Antica Ballroom, Orchard Rendezvous Hotel, 1 Tanglin Road, Singapore 247905 on Tuesday, **22 April 2025** at **2.30 p.m.** **There will be no option for Stapled Securityholders to participate in the Annual General Meeting virtually.**
2. Printed copies of this Notice of Annual General Meeting dated **21 March 2025** (the “**Notice of AGM**”), the accompanying Proxy Form and Request Form have been/will be sent to Stapled Securityholders. All documents (including Far East H-Trust’s Annual Report, Proxy Form and the Notice of AGM) and information relating to the business of this Annual General Meeting have been/will be published on SGXNET and/or Far East H-Trust’s website at the URL <https://feht.listedcompany.com>. Stapled Securityholders and investors are advised to check SGXNET and/or Far East H-Trust’s website regularly for the latest updates on the status of the Annual General Meeting.

### Submission of Questions

3. Stapled Securityholders and SRS investors may submit questions relating to the resolutions to be tabled for approval at the Annual General Meeting. Questions must be received by the REIT Manager and Trustee-Manager no later than **2.30 p.m.** on **1 April 2025**, and can be submitted in the following manner:
  - via email to Far East H-Trust’s Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at [fehtagm2025@boardroomlimited.com](mailto:fehtagm2025@boardroomlimited.com); or
  - by post and deposited at the office of Far East H-Trust’s Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

Stapled Securityholders and SRS investors who submit questions via email or by post to Far East H-Trust’s Stapled Security Registrar must provide the following information:

- the Stapled Securityholder’s full name (as per NRIC/Passport);
- the Stapled Securityholder’s address; and
- the manner in which the Stapled Securityholder holds the Stapled Securities (e.g. via The Central Depository (Pte) Limited or SRS).

The REIT Manager and Trustee-Manager will endeavour to address all substantial and relevant questions received from Stapled Securityholders by the submission deadline of **2.30 p.m.** on **1 April 2025** and will publish the responses to such questions on SGXNET and the Far East H-Trust’s website by **16 April 2025**.

For any subsequent clarifications sought, or substantial and relevant follow-up questions (which are related to the resolutions to be tabled for approval at the Annual General Meeting) received after the submission deadline of 2.30 p.m. on **1 April 2025**, the REIT Manager and Trustee-Manager will endeavour to address them together with questions raised at the Annual General Meeting. Where substantially similar questions are received, they will be consolidated and not all questions may be individually addressed.

# Notice of Annual General Meeting

The REIT Manager and Trustee-Manager will publish the minutes of the Annual General Meeting on Far East H-Trust's website and on the SGXNET, and the minutes will include the responses to the substantial and relevant questions which are addressed during the Annual General Meeting.

## Appointment of Proxy(ies)

4. A Stapled Securityholder who is not a relevant intermediary entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Stapled Securityholder. Where a Stapled Securityholder appoints two proxies and does not specify the proportion of his/her stapled securityholding to be represented by each proxy, then the Stapled Securities held by the Stapled Securityholder are deemed to be equally divided between the proxies.
5. A Stapled Securityholder who is a relevant intermediary entitled to attend and vote at the Annual General Meeting is entitled to appoint more than two proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different Stapled Security or Stapled Securities held by such Stapled Securityholder. Where such Stapled Securityholder appoints more than two proxies, the appointments shall be invalid unless the Stapled Securityholder specifies the number of Stapled Securities in relation to which each proxy has been appointed.

In this Notice, a “**relevant intermediary**” means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds Stapled Securities in that capacity; or
  - (c) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act 1953 of Singapore, in respect of Stapled Securities purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Stapled Securities in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
6. A proxy need not be a Stapled Securityholder. A Stapled Securityholder may choose to appoint the Chairman of the Annual General Meeting as his/her/its proxy.
  7. The proxy form, duly completed and signed, must be submitted to the Managers in the following manner:
    - (a) if submitted by post, be lodged at the office of Far East H-Trust's Stapled Security Registrar at Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
    - (b) if submitted electronically, be submitted via email to fehtagm2025@boardroomlimited.com,

# Notice of Annual General Meeting

in either case, by **2.30 p.m.** on **20 April 2025**, being 48 hours before the time set for holding this AGM.

SRS investors who wish to appoint the Chairman of the Annual General Meeting as proxy should approach their respective SRS operators to submit their votes by **5.00 p.m.** on **9 April 2025**, being 7 working days before the date of the Annual General Meeting.

A Stapled Securityholder who wishes to submit the proxy form must first complete and sign the proxy form before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

## EXPLANATORY NOTES:

### 1. ORDINARY RESOLUTION 3

The Ordinary Resolution 3 above, if passed, will empower the REIT Manager and the Trustee-Manager to issue Stapled Securities and to make or grant instruments (such as warrants, debentures or other securities) convertible into Stapled Securities and issue Stapled Securities pursuant to such instruments from the date of the Annual General Meeting until the date of the next annual general meeting of Far East H-Trust. The aggregate number of Stapled Securities which the REIT Manager and the Trustee-Manager may issue (including Stapled Securities to be issued pursuant to convertibles) under this Resolution must not exceed fifty per cent. (50%) of the total number of issued Stapled Securities of which up to twenty per cent. (20%) of the total number of issued Stapled Securities may be issued other than on a pro rata basis to Stapled Securityholders.

The Ordinary Resolution 3 above, if passed, will empower the REIT Manager and the Trustee-Manager from the date of the Annual General Meeting until the date of the next annual general meeting of Far East H-Trust, to issue Stapled Securities as either partial or full payment of the fees which the REIT Manager and the Trustee-Manager are entitled to receive for their own accounts pursuant to the REIT Trust Deed and BT Trust Deed respectively.

For the purpose of determining the aggregate number of Stapled Securities that may be issued, the percentage of issued Stapled Securities will be calculated based on the total number of issued Stapled Securities at the time that Ordinary Resolution 3 above is passed, after adjusting for (i) new Stapled Securities arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed and (ii) any subsequent bonus issue, consolidation or subdivision of Stapled Securities.

Fund raising by issuance of new Stapled Securities may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Stapled Securityholders is required under the Listing Manual of SGX-ST, the REIT Trust Deed, the BT Trust Deed and the Stapling Deed or any relevant laws and regulations in such instances, the REIT Manager and the Trustee-Manager will then obtain the approval of Stapled Securityholders accordingly.

# Notice of Annual General Meeting

## 2. ORDINARY RESOLUTION 4

Ordinary Resolution 4 above, if passed, will empower the REIT Manager and the Trustee-Manager from the date of the AGM of Far East H-Trust until (i) the date on which the next annual general meeting of Far East H-Trust is held, (ii) the date by which the next annual general meeting of Far East H-Trust is required by law, or the provision of the REIT Trust Deed, the BT Trust Deed or the Stapling Deed to be held, or (iii) the date on which the purchases of Stapled Securities pursuant to the Stapled Security Buy-Back Mandate are carried out to the full extent mandated, whichever is the earliest, to exercise all the powers to repurchase issued Stapled Securities for and on behalf of Far East H-Trust not exceeding in aggregate two per cent. (2%) of the total number of Stapled Securities as at the date of the passing of this Resolution by way of market repurchase(s) on the terms of the Stapled Security Buy-Back Mandate set out in the Letter to Stapled Securityholders dated 21 March 2025, unless such authority is revoked or varied by the Stapled Securityholders in a general meeting.

## PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a Stapled Securityholder (i) consents to the collection, use and disclosure of the Stapled Securityholder's personal data by the REIT Manager, the Trustee-Manager and the REIT Trustee (or their agents) for the purpose of the processing, administration and analysis by the REIT Manager, the Trustee-Manager and the REIT Trustee (or their agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the REIT Manager, the Trustee-Manager and the REIT Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Stapled Securityholder discloses the personal data of the Stapled Securityholder's proxy(ies) and/or representative(s) to the REIT Manager, the Trustee-Manager and the REIT Trustee (or their agents), the Stapled Securityholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the REIT Manager, the Trustee-Manager and the REIT Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) and agrees that the Stapled Securityholder will indemnify the REIT Manager, the Trustee-Manager and the REIT Trustee (or their agents) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Stapled Securityholder's breach of warranty.



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A stapled group comprising:

**FAR EAST HOSPITALITY  
REAL ESTATE INVESTMENT TRUST**

(a real estate investment trust constituted on 1 August 2012 under the laws of the Republic of Singapore)

managed by

**FEO Hospitality Asset Management Pte. Ltd.**

**FAR EAST HOSPITALITY  
BUSINESS TRUST**

(a business trust constituted on 1 August 2012 under the laws of the Republic of Singapore)

managed by

**FEO Hospitality Trust Management Pte. Ltd.**

**Important:**

1. The Annual General Meeting will be held in a wholly physical format at Antica Ballroom, Orchard Rendezvous Hotel, 1 Tanglin Road, Singapore 247905 on Tuesday, **22 April 2025 at 2.30 p.m.**. **There will be no option for Stapled Securityholders to participate virtually.**
2. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
3. **Please read the Notes to the Proxy Form.**
4. SRS Investors:
  - (a) may vote at the Annual General Meeting if they are appointed as proxies by their respective SRS Operators and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or
  - (b) may appoint the Chairman of the Annual General Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective SRS Operators to submit their votes by **5.00 p.m.** on Wednesday, **9 April 2025**, being 7 working days before the date of the Annual General Meeting.

**Personal Data Privacy**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Stapled Securityholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 21 March 2025.

# Proxy Form

## 13<sup>th</sup> ANNUAL GENERAL MEETING OF FAR EAST HOSPITALITY TRUST

I/We \_\_\_\_\_ (Name(s) with NRIC No./Passport No./Company Registration No.)

of \_\_\_\_\_ (Address)

being a Stapled Securityholder/Stapled Securityholders of Far East Hospitality Trust ("Far East H-Trust") hereby appoint:

Name	Address	NRIC No./Passport No.	Proportion of Stapled Securityholdings	
			No. of Stapled Securities	%

and/or (delete as appropriate)

Name	Address	NRIC No./Passport No.	Proportion of Stapled Securityholdings	
			No. of Stapled Securities	%

or, both of whom failing, the Chairman of the meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, at the 13th Annual General Meeting of Far East H-Trust to be held at Antica Ballroom, Orchard Rendezvous Hotel, 1 Tanglin Road, Singapore 247905 on Tuesday, **22 April 2025 at 2.30 p.m.** and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against, or to abstain from voting on, the resolutions to be proposed at the Annual General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they may on any other matter arising at the Annual General Meeting and at any adjournment thereof.

Ordinary Resolutions		For*	Against*	Abstain*
<b>Ordinary Business</b>				
1.	To receive and adopt the audited Financial Statements of Far East H-Trust for the financial year ended 31 December 2024, comprising the audited Financial Statements of Far East Hospitality Real Estate Investment Trust ("Far East H-REIT") and the audited Financial Statements of Far East Hospitality Business Trust ("Far East H-BT"), the Report of DBS Trustee Limited, as the trustee of Far East H-REIT (the "REIT Trustee"), the Report of FEO Hospitality Asset Management Pte. Ltd., as the manager of Far East H-REIT (the "REIT Manager"), the Report of FEO Hospitality Trust Management Pte. Ltd., as the trustee-manager of Far East H-BT (the "Trustee-Manager"), the Statement by the Chief Executive Officer of the Trustee-Manager, together with the Auditor's Report thereon.			
2.	To re-appoint Ernst & Young LLP as auditors of Far East H-Trust comprising Far East H-REIT and Far East H-BT to hold office until the conclusion of the next annual general meeting of Far East H-Trust and to authorise the REIT Manager and the Trustee-Manager to determine their remuneration.			
<b>Special Business</b>				
3.	To authorise the REIT Manager and the Trustee-Manager to issue Stapled Securities and to make or grant convertible instruments.			
4.	To approve the renewal of the Stapled Security Buy-Back Mandate.			

\* Voting will be conducted by poll. If you wish your proxy/proxies to exercise all your votes "For" or "Against" the relevant resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish your proxy/proxies to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Stapled Securities in the relevant boxes provided. If you wish your proxy/proxies to abstain from voting on the resolution, please tick (✓) within the "Abstain" box provided. Alternatively, please indicate the number of Stapled Securities that your proxy/proxies is/are directed to abstain from voting.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

**Total number of Stapled Securities held**

Signature(s) of Stapled Securityholder(s) /  
Common Seal of Corporate Stapled Securityholder

**BUSINESS REPLY SERVICE  
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**FEO HOSPITALITY ASSET  
MANAGEMENT PTE. LTD.**  
(as manager of Far East Hospitality  
Real Estate Investment Trust)

and

**FEO HOSPITALITY TRUST  
MANAGEMENT PTE. LTD.**  
(as trustee-manager of Far East  
Hospitality Business Trust)

c/o

**STAPLED SECURITY REGISTRAR  
BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.**

1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632

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**Notes to Proxy Form**

1. A Stapled Securityholder who is not a relevant intermediary entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a Stapled Securityholder. Where a Stapled Securityholder appoints more than one proxy, he/she must specify the proportion of his/her holding (expressed as a percentage of the whole) to be represented by each proxy. Where a Stapled Securityholder appoints two proxies and does not specify the proportion of his/her stapled securityholding to be represented by each proxy, then the Stapled Securities held by the Stapled Securityholder are deemed to be equally divided between the proxies.
2. A Stapled Securityholder who is a relevant intermediary entitled to attend and vote at the Annual General Meeting is entitled to appoint more than two proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different Stapled Security or Stapled Securities held by such Stapled Securityholder. Where such Stapled Securityholder appoints more than two proxies, the appointments shall be invalid unless the Stapled Securityholder specifies the number of Stapled Securities in relation to which each proxy has been appointed.

"relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds Stapled Securities in that capacity; or
  - (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act 1953 of Singapore, in respect of Stapled Securities purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Stapled Securities in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A Stapled Securityholder should insert the total number of Stapled Securities held. If the Stapled Securityholder has Stapled Securities entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP"), he/she should insert that number of Stapled Securities. If no number is inserted, this form of proxy will be deemed to relate to all the Stapled Securities held by the Stapled Securityholder.

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4. The proxy form, duly completed and signed, must be submitted in the following manner:
  - (a) if submitted by post, be lodged at the office of Far East H-Trust's Stapled Security Registrar at Boardroom Corporate & Advisory Services Pte Ltd, at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) if submitted electronically, be submitted via email to fehtagm2025@boardroomlimited.com,in either case, by **2.30 p.m. on 20 April 2025**, being 48 hours before the time set for holding this AGM.

SRS investors who wish to appoint the Chairman of the Annual General Meeting as proxy should approach their respective SRS operators to submit their votes by **5.00 p.m. on 9 April 2025**.

A Stapled Securityholder who wishes to submit the proxy form must first complete and sign the proxy form before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

5. The Proxy Form must be signed by the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where a Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the REIT Manager and the Trustee-Manager) be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.
7. The REIT Manager and the Trustee-Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Stapled Securities entered in the Depository Register, the REIT Manager and the Trustee-Manager may reject a Proxy Form if the Stapled Securityholder, being the appointor, is not shown to have Stapled Securities entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by CDP to the REIT Manager and the Trustee-Manager.
8. All Stapled Securityholders will be bound by the outcome of the Annual General Meeting regardless of whether they have attended or voted at the Annual General Meeting.
9. On a poll, every Stapled Securityholder who is present in person or by proxy shall have one vote for every Stapled Security of which he/she is the Stapled Securityholder. A person entitled to more than one vote need not use all his/her votes or cast them the same way.





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Singapore 247905  
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[www.fehtrust.com](http://www.fehtrust.com)