

FAR EAST HOSPITALITY TRUST

Comprising

Far East Hospitality Real Estate Investment Trust
(managed by FEO Hospitality Asset Management Pte Ltd) and
Far East Hospitality Business Trust
(managed FEO Hospitality Trust Management Pte Ltd)

Minutes of the 10th Annual General Meeting of Far East Hospitality Trust ("Far East H-Trust")
held by electronics means on Thursday, 21 April 2022 at 3.00 p.m..

PRESENT

Directors of FEO Hospitality Asset Management Pte Ltd as manager of Far East Hospitality Real Estate Investment Trust ("REIT Manager") and FEO Hospitality Trust Management Pte Ltd as trustee manager of Far East Hospitality Business Trust ("Trustee-Manager") (collectively the "Managers")

Mr Wee Kheng Jin ^{A1} - Chairman of the Meeting
Ms Vivienne Lim Hui Bian ^{A1}

Mr Huang Cheng Eng
Ms Catherine Lee Khia Yee
Ms Celestine Khoo Geok Choo
Mr Benedict Leh Song Boon

Stapled Securityholders/ Proxies

As per attendance list

Key Management of the REIT Manager

Mr Gerald Lee ^{A1} - Chief Executive Officer ("CEO")
Ms Regina Yap - Chief Financial Officer

DBS Trustee Limited as trustee of Far East Hospitality Real Estate Investment Trust ("REIT Trustee")

Jane Lim
Jeremy Toh
Joyce Chua

In Attendance

Ms Lin Moi Heyang - Company Secretary
Ms Tang Pei Chan - Tricor Evatthouse Corporate Services
Mr James Tan ^{A1} - From the office of the REIT Manager

BY INVITATION:

Ernst & Young LLP

Mr Nelson Chen - Audit Partner-in-charge, Ernst & Young LLP
Mr Tan Seng Choon - Former Audit Partner-in-charge, Ernst & Young LLP

Notes:-

1. The live webcast and audio conference were conducted via the platform provided by Septus Singapore Pte Ltd
2. All shareholders, representatives, invitees and persons in attendance attended the meeting either via live webcast or audio conference.
3. *Names with superscript "A1" were those who attended the meeting by physically present at Pecheli, Orchard, 6 Woodlands Square Level 4, Woods Square Tower 2, Singapore 737737.*

1.0 WELCOME AND INTRODUCTION

1.1 Mr Wee Kheng Jin¹, the Chairman of the Managers' Board, who had been nominated by the REIT Trustee to preside as Chairman of the meeting ("Chairman") in accordance with paragraph 8 of the Schedule 1 of the Trust Deed constituting Far East Hospitality Real Estate Investment Trust ("Far East H-REIT") dated 1 August 2012 (as amended), welcomed the stapled securityholders to the 10th annual general meeting of Far East H-Trust ("AGM" or "Meeting"). The Chairman informed that due to the COVID-19 situation, the AGM was held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings) Order 2020.

The Chairman acknowledged that stapled securityholders who were participating via webcast would be taken as present at and counted for quorum purpose for the Meeting.

1.2 The Chairman introduced the following who were with him in person at the Meeting:-

- Mr Vivienne Lim Hui Bian, the Lead Independent Director, Chairman of the Nominating Committee, member of the Audit, Sustainability and Risk Committee, and member of the Remuneration Committee; and
- Mr Gerald Lee, the CEO of the Managers.

The Chairman then introduced the rest of the directors of the Managers who were participating the AGM via live webcast, namely, Mr Huang Cheng Eng, Ms Catherine Lee, Ms Celestine Khoo and Mr Benedict Leh.

2.0 RESPONSES TO QUESTIONS FROM STAPLED SECURITYHOLDERS

2.1 The Chairman informed the meeting that Far East H-Trust had received some questions from stapled securityholders prior to the AGM. Substantive questions received had been addressed in the announcement published at Far East H-Trust's website and SGXNET

¹The Chairman of the Board of Trustee-Manager presided as chairman at a general meeting in accordance with paragraph 3.1 of the Schedule 1 of trust deed constituting Far East Hospitality Business Trust dated 1 August 2012 (as amended).

on 8 April 2022. The presentation to be delivered by the CEO will provide more insights on the business performance and outlook of Far East H-Trust.

(The responses to the substantive and relevant questions to the proposed resolutions were uploaded on SGXNET on 8 April 2022 and are as contained in the document attached herein and marked as “**Annex A**” for identification purpose).

3.0 PRESENTATION ON THE PERFORMANCE OF FAR EAST H-TRUST

3.1 The CEO gave a presentation on the year in review for Far East H-Trust in FY2021, covering financial and operational performance, capital management, portfolio optimization with the divestment of Central Square, asset enhancement initiatives, sustainability and corporate governance, and an update on current operating environment and the outlook.

3.2 (The presentation slides were uploaded on SGXNET after the Meeting and are as contained in the document attached herein and marked as “**Annex B**” for identification purpose).

4.0 QUORUM

4.1 The Chairman noted that a quorum was present and declared the 10th AGM of Far East H-Trust open at 3.00 p.m..

5.0 NOTICE OF AGM

5.1 The Annual Report together with the notice of AGM dated 28 March 2022 convening the Meeting, having been circulated to the stapled securityholders within the statutory period was taken as read.

6.0 VOTING BY POLL

6.1 The Chairman of the Meeting informed that he had been appointed as proxy by some stapled securityholders and he had voted in accordance with their specific instructions by way of polls.

6.2 The Chairman further informed that the polling agent, Boardroom Corporate & Advisory Services Pte. Ltd. had counted the proxy votes received and the independent scrutineers, DrewCorp Services Pte Ltd had verified the results of the polls. The results of the verified polls would be announced once the proposed resolutions have been formally tabled.

6.3 The Chairman proceeded to put forth the proposed resolutions and announced the results of the polls.

7.0 PROPOSED ORDINARY RESOLUTIONS

7.1 Ordinary Resolution 1 - Audited Financial Statements of Far East H-Trust

The Chairman tabled the first proposed resolution and announced the verified poll results as follows:-

“That the audited Financial Statements of Far East H-Trust for the financial year ended 31 December 2021, 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 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 contained therein be hereby received and adopted.”

The verified results of the poll were:

<u>Resolution 1</u>	<u>Number of shares</u>	<u>Percentage</u>
FOR	1,261,693,875	99.99%
AGAINST	158,100	0.01%
Total No. of Valid Votes	1,261,851,975	100.00%

The Chairman declared Resolution 1 carried as an Ordinary Resolution.

7.2 Ordinary Resolution 2 - Re-appointment of Auditors

The Chairman tabled the second proposed resolution and announced the verified poll results as follows:-

“That Ernst & Young LLP, Certified Public Accountants, Singapore, be and are hereby re-appointed as auditors of Far East H-Trust to hold office until the conclusion of the next annual general meeting at a remuneration to be determined by the REIT Manager and the Trustee-Manager.”

The verified results of the poll were:

<u>Resolution 2</u>	<u>Number of shares</u>	<u>Percentage</u>
FOR	1,254,001,384	99.40%
AGAINST	7,602,826	0.60%
Total No. of Valid Votes	1,261,604,210	100.00%

The Chairman declared Resolution 2 carried as an Ordinary Resolution.

7.3 Ordinary Resolution 3 – Authority to Issue Stapled Securities

The Chairman tabled the third proposed resolution and announced the verified poll results as follows:-

“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:
 - (i) any 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;
 - (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.”

The verified results of the poll were:

<u>Resolution 3</u>	<u>Number of shares</u>	<u>Percentage</u>
FOR	1,246,391,039	98.76%
AGAINST	15,640,071	1.24%
Total No. of Valid Votes	1,262,031,110	100.00%

The Chairman declared Resolution 3 carried as an Ordinary Resolution.

8.0 CLOSE OF AGM

8.1 Before concluding the AGM, the Chairman on behalf of the Boards of the Managers express his appreciation to Mr Huang Cheng Eng who will be stepping down from his position as non-independent non-executive director, for his counsel and contributions over the past 10 years and for guiding the Management through the formative period of the Trust.

There being no other business, on behalf of the Board and Management, the Chairman thanked the stapled securityholders for their attendance.

The AGM ended at 3.40 p.m..

Confirmed as true and correct record of the proceedings

Wee Kheng Jin
Chairman of the Board



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 FEO Hospitality Trust Management Pte. Ltd. Co.Reg.No.:201210698W
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FAR EAST HOSPITALITY TRUST

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)

Far East Hospitality Business Trust

(a business trust constituted on 1 August 2012 under the laws of the Republic of Singapore)

ANNOUNCEMENT

Annual General Meeting held on 21 April 2022 Responses to Substantial and Relevant Questions

FEO Hospitality Asset Management Pte. Ltd., as manager of Far East Hospitality Real Estate Investment Trust (“**Far East H-REIT**”, and the manager of Far East H-REIT, the “**REIT Manager**”), and FEO Hospitality Trust Management Pte. Ltd. as trustee-manager of Far East Hospitality Business Trust (“**Far East H-BT**”, and the trustee-manager of Far East H-BT, the “**Trustee-Manager**”, and together with the REIT Manager, the “**Managers**”, and Far East H-REIT and Far East H-BT together, “**Far East H-Trust**”) would like to thank all stapled securityholders of Far East H-Trust (“**Stapled Securityholders**”) who have submitted their questions in advance of our Annual General Meeting (“**AGM**”) to be held virtually via “live” audio-visual webcast and “live” audio-only stream at 3.00 p.m. on Thursday, 21 April 2022.

Please refer to the subsequent pages for responses to the list of substantial and relevant questions.

A. Business Performance and Outlook	
1.	<p>With the easing of international travel restrictions and Singapore’s Safe Management Measures, what is management’s expectations for FY2022, in terms of occupancy and RevPAR/RevPAU for its’ Hotels and Serviced Residences and commercial units?</p>
	<p>Since the introduction of Vaccinated Travel Lanes in September 2021, Singapore has seen a 3-fold increase in the number of visitor arrivals between September 2021 and February 2022, compared to the same period the year before.</p> <p>As Singapore and the world transitions to living with COVID-19 as an endemic, the REIT Manager remains cautiously optimistic on the continued increase in visitor arrivals, especially given the easing of travel restrictions that have recently come into effect. More arrivals into Singapore will benefit both hotels and serviced residences.</p> <p>Meanwhile, Far East H-REIT continues to be protected by the fixed rent component of the master leases for all our properties, providing a minimum rental income that offers downside protection for Stapled Securityholders.</p> <p>On the front of Far East H-REIT’s commercial units, the relaxation of safe management measures will encourage companies to bring more of their staff back to offices, and allow for a greater variety of activities, dining and entertainment. These will spur more confidence and take-up of commercial spaces in Far East H-REIT’s portfolio.</p>

B. Portfolio Optimisation	
2.	What was the rationale for divesting Village Residence Clark Quay¹ (“VRCQ”) during the pandemic? If market conditions were better, would a higher value be attained?
	<p>The attractive selling price of Central Square¹ was a result of obtaining an Outline Permission from the Urban Redevelopment Authority (“URA”), supporting the rezoning and redevelopment of the site with a 78% increase in the gross floor area. Following the grant of URA’s Outline Permission, the Managers carefully evaluated all options, including undertaking redevelopment of the site, and concluded that it will be in the best interest of Stapled Securityholders to divest Central Square¹. This is due to several considerations, including the long gestation period, and that the 10% development limit applicable to S-REITs will be exceeded should Far East H-REIT undertake the redevelopment.</p> <p>The sale was also timely as it was concluded before the Government’s introduction of additional cooling measures on residential properties which took effect from 16 December 2021.</p>
3.	With unutilised revolving credit facilities of S\$300 million and sale proceeds from VRCQ¹, does management have any potential purchases on the horizon?
	<p>The divestment of Central Square¹ has allowed Far East H-REIT to strengthen its’ balance sheet by paring down debt, reducing the aggregate leverage and having greater financial flexibility for bigger projects.</p> <p>The REIT Manager continues to assess the market environment and seek out potential yield accretive opportunities.</p>

C. Financials	
4.	In relation to Note 4 “Investment Property Held for Sale” of the Annual Report, the leasehold interest of VRCQ¹ had been negotiated to be sold for S\$313.2 million plus up to S\$18.0 million for potential incentive fee. Could management explain the rationale behind VRCQ’s¹ independent valuation of S\$271.4 million as opposed to using the sale price of S\$313.2 million?
	<p>Fair value is defined in the accounting standard as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.</p> <p>The valuation is conducted according to the Singapore Institute of Surveyors and Valuers guidelines. Market value is estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.</p> <p>While the fair value was established at S\$271.4 million based on the independent valuation, the buyer was prepared to purchase Central Square¹ at S\$313.2 million plus an incentive of up to S\$18.0 million. It is likely that the buyer has considered the strategic value of a synergistic redevelopment together with its adjacent site at Central Mall.</p>

¹ VRCQ is located at Central Square, a mixed-use development comprising serviced residences and commercial spaces.

5.	In relation to Note 3 “Investment Properties” of the Annual Report, does fair value change of S\$78.2 million include VRCQ¹? If yes, what is the total fair value change of all other properties excluding VRCQ¹?
	Yes, the fair value change of S\$78.2 million includes VRCQ ¹ . The total fair value change of all properties excluding VRCQ ¹ is S\$5.1 million which represents 0.1% and 1.1 % increase in fair value for the hotels and serviced residences respectively compared to the previous year.

By Order of the Board

Gerald Lee Hwee Keong
Chief Executive Officer
FEO Hospitality Asset Management Pte. Ltd.
(Company Registration No. 201102629K)

8 April 2022

By Order of the Board

Gerald Lee Hwee Keong
Chief Executive Officer
FEO Hospitality Trust Management Pte. Ltd.
(Company Registration No. 201210698W)

8 April 2022

¹ VRCQ is located at Central Square, a mixed-use development comprising serviced residences and commercial spaces.

Annex B



Presentation at
10th Annual General Meeting

21 April 2022

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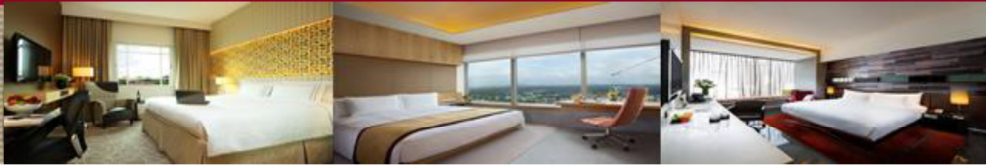
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Agenda

- Year in Review:
 - Financial & Portfolio Performance
 - Capital Management
 - Portfolio Optimisation – Divestment of Central Square
 - Asset Enhancement Initiatives
 - Sustainability & Corporate Governance
- Outlook

Financial & Operational Performance

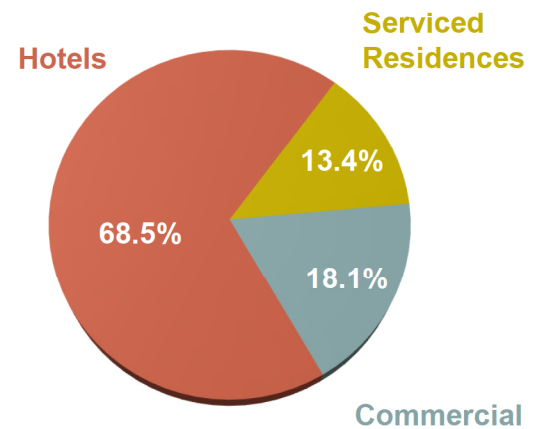


FAR EAST
HOSPITALITY
TRUST

FY 2021 Financial Performance

	FY 2021 S\$'000	YoY Variance %
Gross Revenue	83,248	(0.0)
Net Property Income	75,172	4.1
Income Available for Distribution	54,847	14.5
Distribution per Stapled Security (cents)	2.63	9.1

Breakdown of Revenue by Segment



- Gross Revenue for FY 2021 was S\$83.2 million, on par with FY2020. Net Property Income was 4.1% higher.
- Finance Expenses decreased mainly due to lower short-term interest rates and lower fixed interest rates on interest rate swap contracts.
- Distribution to Stapled Securityholders was S\$52.0 million resulting in a DPS of 2.63 cents, 9.1% higher year-on-year.



Portfolio Performance – Hotels

Operating Performance

Average Occupancy

79.4%

Average Daily Rate

S\$70

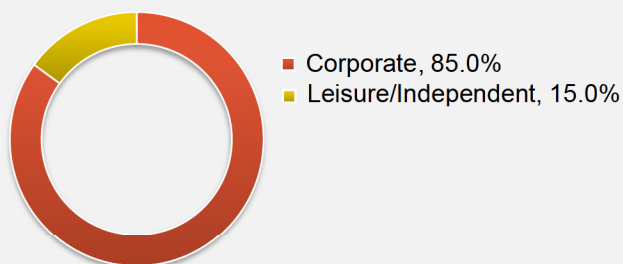
Revenue per Available Room

S\$56

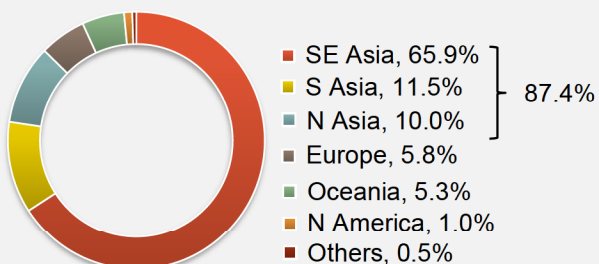
- For FY 2021, overall portfolio occupancy was largely supported by Government contracts.

Revenue Contribution

By Market Segment



By Region



- Revenue contribution by the Corporate segment was 85.0%, supported mainly by long-term Government contracts and companies requiring accommodation for their workers. The remaining 15% was contributed by the Leisure segment, supported mainly by domestic staycation demand as border closures continued to limit inbound travel bookings.
- Revenue contribution by the Asian region grew 6.8pp to 87.4%, reflecting the nationality of guests under Government contracts, companies requiring long stay accommodation for their foreign workers and domestic staycation demand.

Portfolio Performance – Serviced Residences

Operating Performance

Average Occupancy

77.5%

Average Daily Rate

S\$181

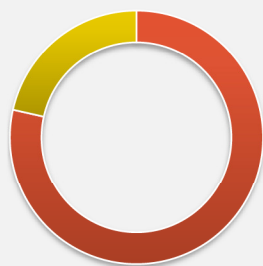
Revenue per Available Unit

S\$140

- For FY 2021, the Serviced Residences performed more robustly compared to the Hotels, relying on a healthy base of long-stay contracts, relocation business and lease renewals.

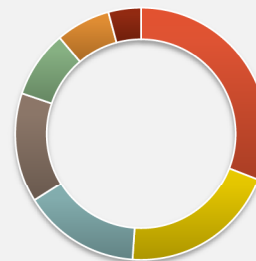
Revenue Contribution

By Market Segment



- Corporate, 78.5%
- Leisure/Independent, 21.5%

By Industry



- Services, 20.2%
- Banking & Finance, 15.0%
- Electronics & Manufacturing, 14.1%
- Oil & Gas, 8.6%
- FMCG, 7.0%
- Logistics, 4.2%
- Others, 30.9%

- Revenue contribution by the Corporate segment was 78.5%, supported by pre-existing long leases, project groups and relocation business.
- The Services and Banking & Finance industries represented the biggest contributors to revenue.

Portfolio Performance – Commercial Premises

Performance

Revenue

S\$15.1 million

Average Occupancy

70%

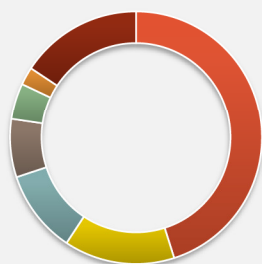
WALE

1.18 Years

- For FY 2021, revenue from the Retail and Office spaces decreased 8.8% year-on-year to S\$15.1 million due to lower occupancy at the Hotels contracted to the Government for isolation purposes.
- New leases entered during the year had a WALE of 2.23 years and made up 8.2% of Retail and Office revenue for the year.

Revenue Contribution

Trade Sector Mix of Tenants by Revenue



- Food & Beverage, 45.1%
- Real Estate, 14.2%
- Beauty & Wellness, 10.6%
- Education, 7.4%
- Legal, 4.7%
- Entertainment, 2.3%
- Others, 15.7%

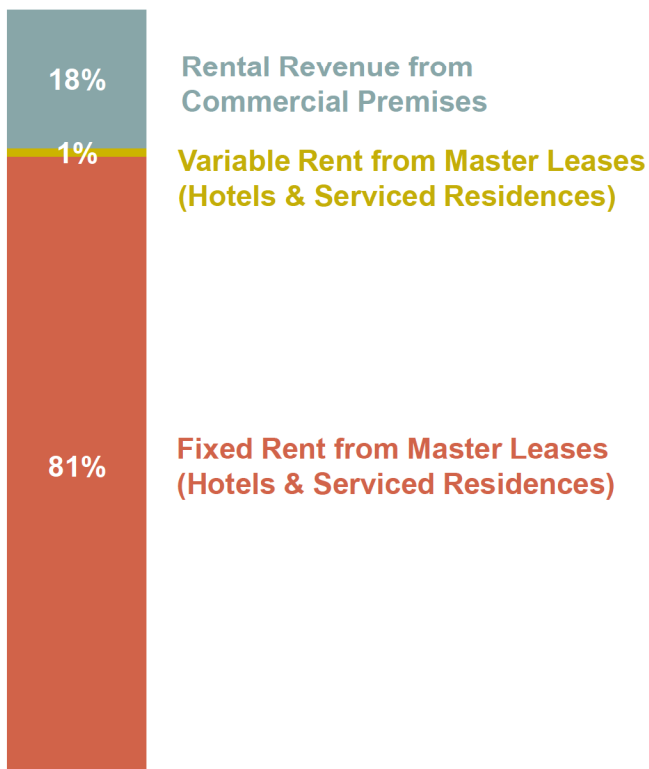
Top 10 Tenants (Revenue Contribution)

1. Far East Organization entities	10.1%
2. Akashi Japanese Restaurant OPH Pte Ltd	6.5%
3. Club Chinois Pte Ltd	5.8%
4. Sivasanta Group Pte Ltd	3.2%
5. Singapore Hospitality Group Pte Ltd	3.2%
6. SPH Media Limited	2.5%
7. Kam Boat Chinese Cuisine Pte Ltd	2.3%
8. G & R Fusion Pte Ltd	2.1%
9. Boffi Singapore Pte Ltd	2.1%
10. Commonwealth Concepts Pte Ltd	2.1%

- Top 10 tenants contributed about 39.9% of Retail and Office revenue.

Breakdown of Rental Revenue

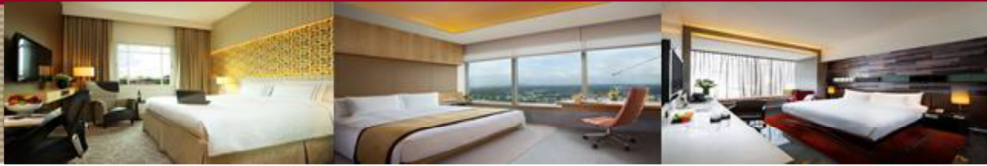
Revenue Mix



Fixed rent makes up large proportion of revenue

- Fixed rent from Hotels and Serviced Residences formed about 80% of gross revenue.
- The minimum rental payment provided downside protection for Stapled Securityholders and mitigated the impact of volatility experienced during adverse economic circumstances.
- 20-year master leases with the Sponsor for all properties remain unchanged.
- All master leases have remaining tenures of more than 10 years.

Capital Management



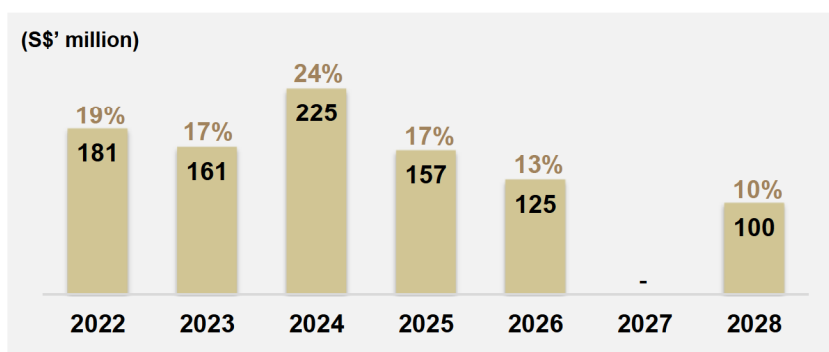
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Capital Management

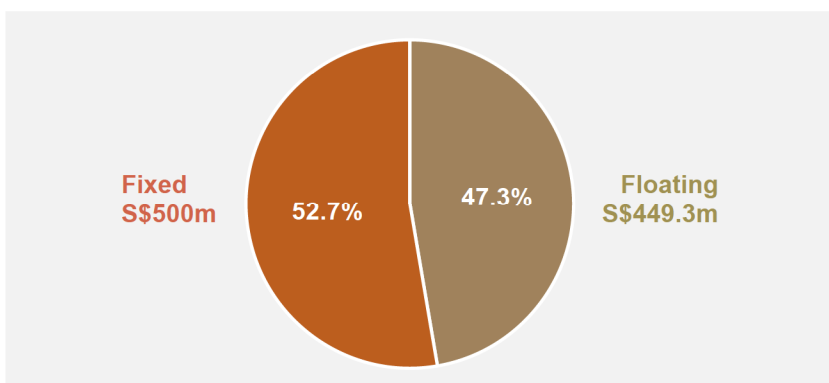
As at 31 Dec 2021

Total Debt	S\$949.3m
Available Revolving Facility	S\$300.0m
Aggregate Leverage	38.3%
Unencumbered Asset as % of Total asset	100%
Proportion of Fixed Rate	52.7%
Weighted Average Debt Maturity	2.7 years
Average Cost of Debt	1.9%
Interest Coverage Ratio¹	3.4x

Debt Maturity Profile



Interest Rate Profile



¹ Interest coverage ratio is computed based on EBITDA over interest expense as per the definition in the loan covenants. This would be 3.1x based on the definition prescribed by Appendix 6 of the Code on Collective Investment Schemes.

Capital Management

- **Financial Flexibility**

- Unencumbered assets: 13 properties with total value of S\$2.61 billion¹.
- Ample financial ability and flexibility to fund future asset enhancement initiatives and acquisitions.
- Available and undrawn facility: S\$300 million¹.

- **Minimisation of Refinancing Risk**

- Well-spread debt maturity profile to minimise refinancing risk – no more than 24% of debt due for refinancing in any year.
- Refinanced a S\$125 million term loan to a maiden 5-year sustainability-linked loan in March 2021.
- Weighted average debt to maturity of 2.7 years¹.

- **Appropriate Hedging Strategies**

- Maintaining appropriate proportion of interest rate hedges to manage interest rate risk.
- Executed a sustainability-linked interest rate swap of S\$85 million over a 2.5-year term.
- 52.7%¹ of borrowings on fixed rates with interest rate swaps.

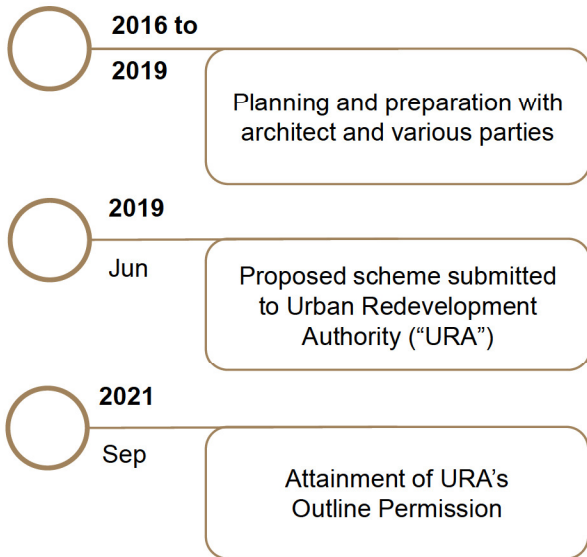
¹As at 31 December 2021

Portfolio Optimisation
• **Divestment of Central Square**



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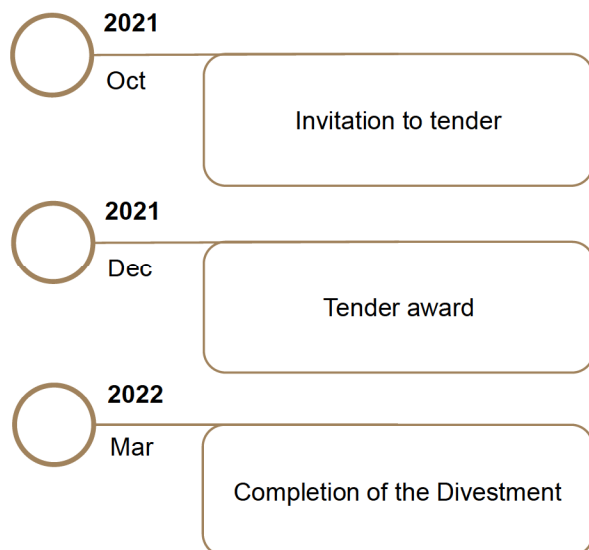
Preparation to Obtain Planning Approval



- Attainment of URA's Outline Permission in September 2021, supporting the rezoning of the site and an increase in maximum permissible Gross Floor Area ("GFA") by 78% to 31,758 sqm.



Crystallisation of Value Created



Deliberation of options

- Decision to divest was made after careful consideration, with factors such as the long gestation period and development threshold for REITs.

A tender was held to secure the best offer for Central Square

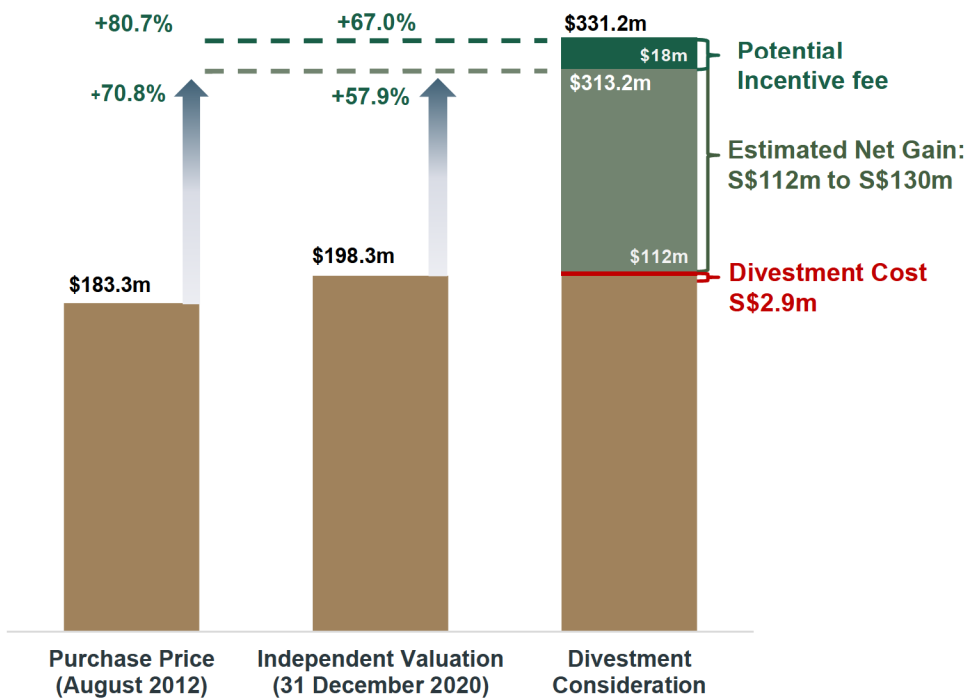
- Appointment of Knight Frank Pte Ltd as the marketing agent.
- An independent valuer was commissioned by the Trustee and REIT Manager.
- Independent auditor was appointed to witness the tender opening.

CDL emerged as the highest bidder in the tender

- Agreement signed with CDL.
- Divestment completed on 24 March 2022.

Key Benefits from Divestment

Unlocked Asset Potential to Realise Value



- Divestment consideration of S\$313.2m with an additional incentive fee of up to S\$18.0m, subject to certain conditions being fulfilled by 31 December 2023.
- Divestment represented an attractive exit yield of 1.8%¹.
- Premium:
 - ↑ 71% to 81% over purchase price.
 - ↑ 58% to 67% over valuation as at 31 December 2020.
- Estimated net gain of about S\$112m to S\$130m.



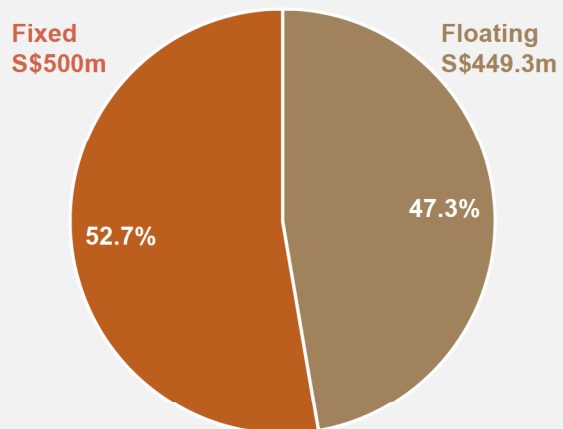
¹ Exit yield is calculated based on FY 2020 Net Property Income

Key Benefits from Divestment

Reduction of Floating Rate Loans

Interest Rate Profile

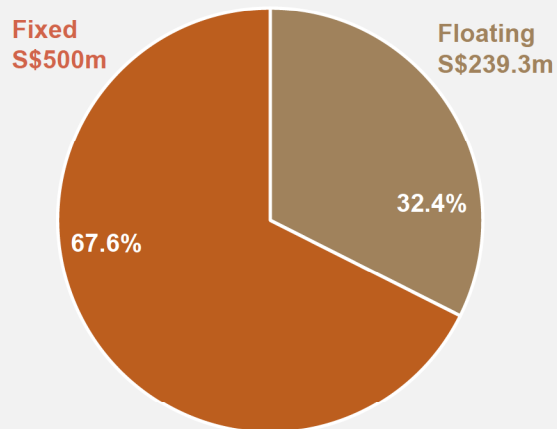
As at 31 December 2021



Total Debt of S\$949.3m



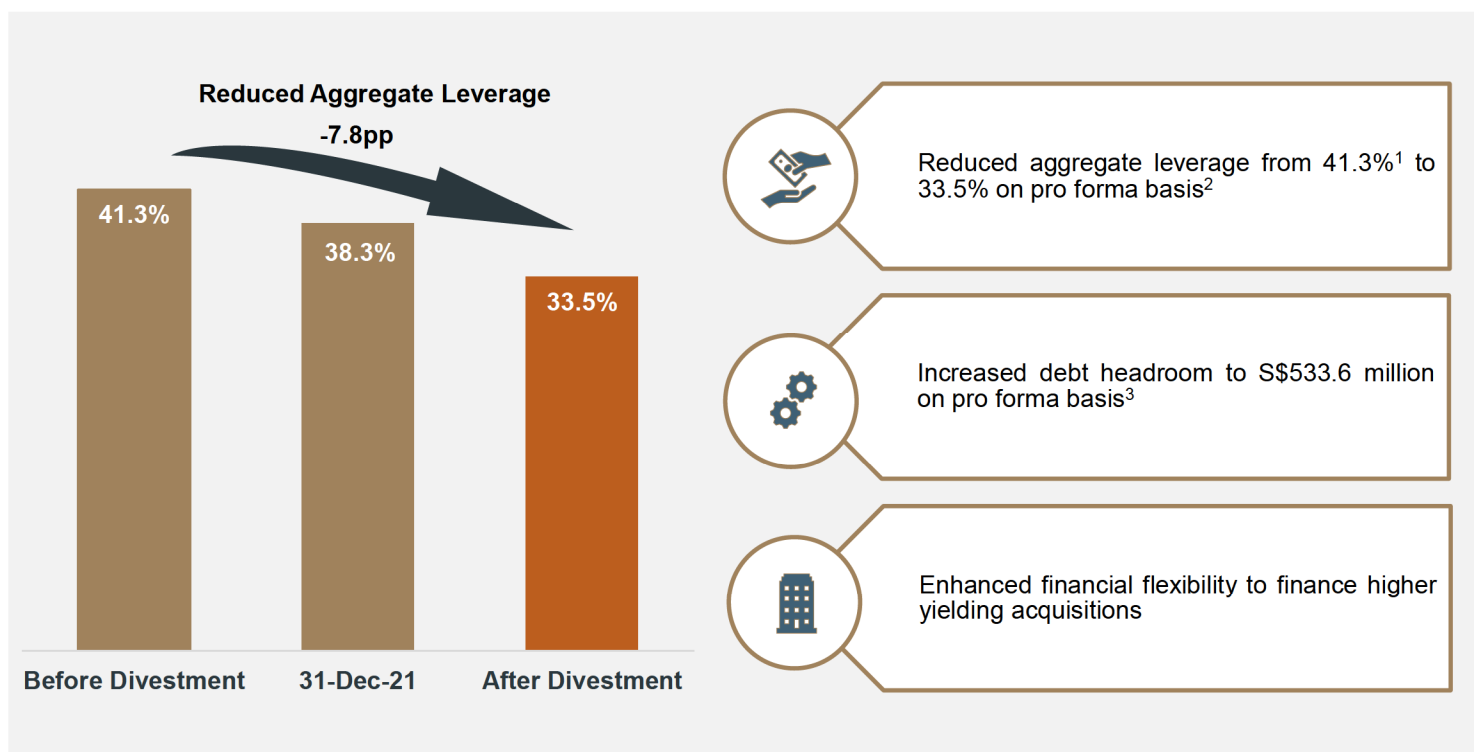
After divestment



Total Debt of S\$739.3m

Key Benefits from Divestment

Strengthened Balance Sheet & Increased Financial Flexibility



1 As at 30 June 2021

2 Assuming 83.9% of the net divestment proceeds are used to repay outstanding borrowings

3 Assuming aggregate leverage limit of 45%

Asset Enhancement Initiatives



Completed Initiatives

Village Hotel Bugis



Major plant and machinery were upgraded, resulting in substantial savings in energy savings and BCA's Green Mark Gold Plus Certification.

Village Hotel Changi



Replacement of the cooling towers were undertaken, resulting in better cooling efficiency and energy savings.

Oasia Hotel Novena



Overhaul of one of the building's chillers was carried out which improved the overall energy efficiency.

Enhancement Works in 2022

Orchard Rendezvous Hotel

Renovation of the outdoor refreshment area and forecourt



Orchard Rendezvous Hotel – New F&B Concepts



Brewerkz



Cafe Iguana



Brewerkz



Cafe Iguana



*Images shown are based on artist impression

Orchard Rendezvous Hotel – New F&B Concepts

WHITE *by Otto*
MARBLE



うんかい
UNKAI
SUSHI



White Marble



White Marble



Unkai Sushi



Enhancement Works in 2022

Regency House

Refurbishment of the lobby



Reception area*



Lounge area*



*Artist impression

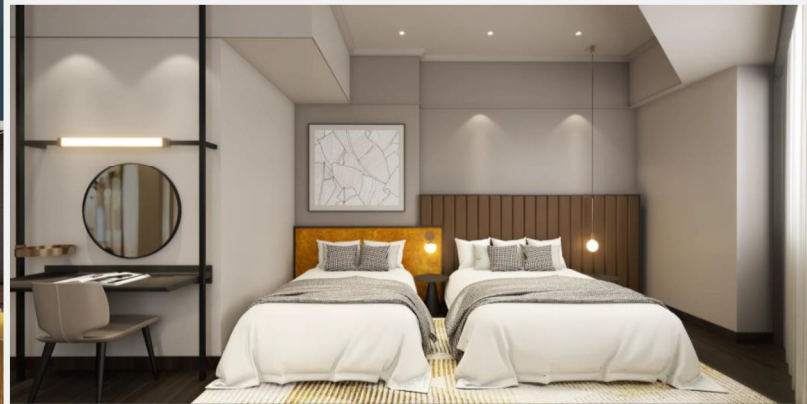
Enhancement Works in 2022

The Elizabeth Hotel

Upgrading of reception, common areas and guestrooms



Lobby*

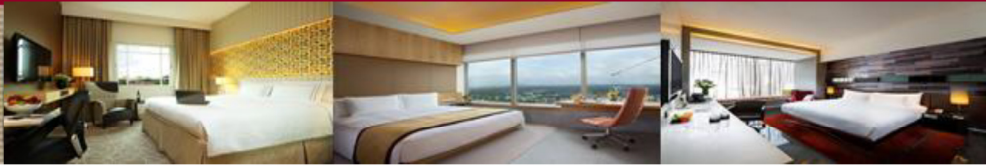


Family room*



*Artist impression

Sustainability & Corporate Governance



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Highlights on Sustainability Efforts

FEHT's Sustainability Journey



Key Highlights

- In October 2021, the Audit and Risk Committee was renamed as the Audit, Sustainability and Risk Committee to encapsulate the expanded scope and oversight over FEHT's sustainability efforts.
- With expertise from KPMG, a strategic review over FEHT's Environmental, Social and Governance framework, sustainability strategy and materiality topics was undertaken.



Continued Commitment to Sustainability Efforts

FEHT's 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 communities 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.



Corporate Governance Highlights

Alignment with Stapled Securityholders

Change in formula of Manager fee since 1 January 2020	Impact of change in formula on FY2021 fee
Base fee is reduced from 0.3% to 0.28% per annum of the value of the deposited property of Far East H-REIT.	Decrease in base fee of S\$0.5 million or 6.7%
Performance fee is reduced from 4.0% of the net property income to 4.0% of the net property income or 4.0% of the annual distributable amount for that financial year, whichever is lower.	Decrease in performance fee of S\$0.8 million or 26.7%

- The overall REIT Manager's Fees for FY 2021 is lower by **S\$1.3 million** or **12.3%** based on the above changes in formula.



Corporate Governance Highlights

Singapore Governance and Transparency Index (REITs and Business Trust)

Ranked 2nd

- In August 2021, FEHT was ranked 2nd out of 43 REITs and Business Trusts, on the Singapore Governance and Transparency Index, improving on its 4th position from 2020.

Governance Index for Trusts

Ranked Joint 9th

- In November 2021, FEHT was ranked joint 9th out of 45 REITs and Business Trusts, on the Governance Index for Trusts, maintaining its top 10 positioning from 2020.

Council for Board Diversity

Commended for attaining gender parity

- In September 2021, FEHT was commended by the Council for Board Diversity (“CBD”) for having **attained gender parity**, with 50% female representation on the Board, **well above the national average of 18%** for the top 100 SGX-listed companies and **CBD’s recommendation of having 25% female representation** by 2025.



Other Highlights

SIAS Investors' Choice Award

Runner-up

- In October 2021, FEHT was honoured as runner-up for the Shareholder Communications Excellence Award (REITs & Business Trusts category) in the 2021 SIAS Investor's Choice Awards, recognising FEHT's efforts in transparent disclosure and excellent communication with shareholders.

FTSE EPRA Nareit Global Developed Index

Inclusion of FEHT

- In September 2021, FEHT was included in the FTSE EPRA Nareit Global Developed Index. This inclusion supports our endeavour to improve the visibility of FEHT amongst institutional investors globally, allowing the Trust to further diversify its shareholder base and tap on a wider pool of capital going forward.

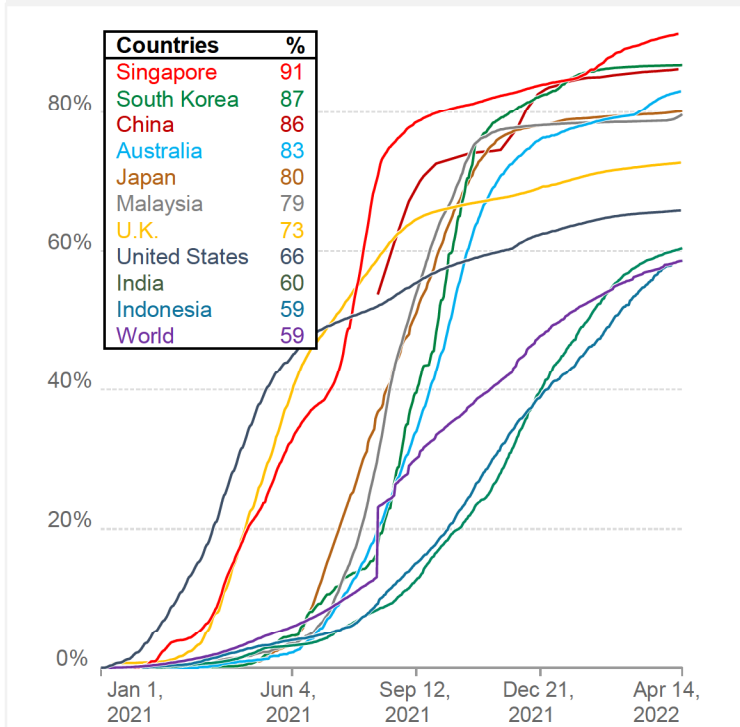


Outlook



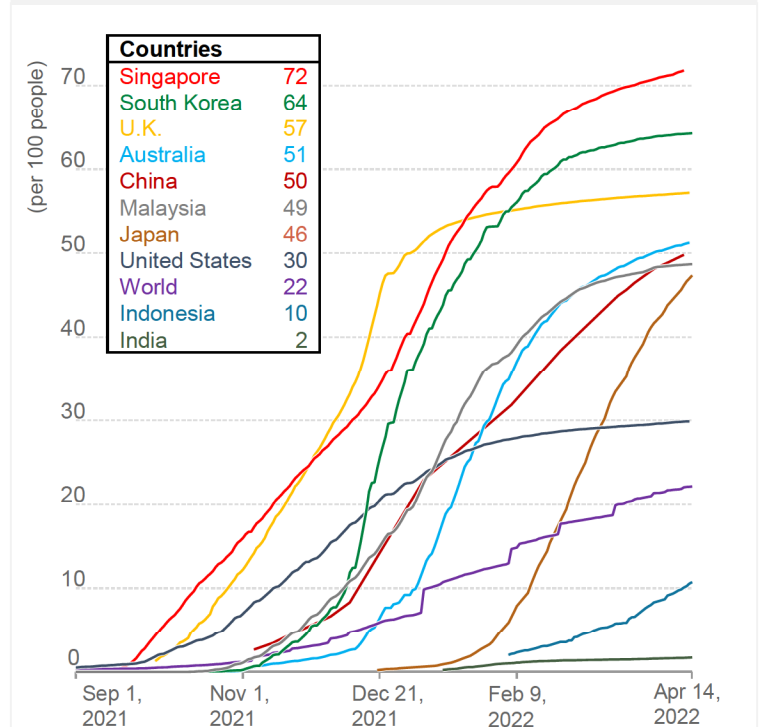
Vaccination Rates and Boosters Administered in Key Markets

Vaccination Rates



- Majority of people in key markets fully vaccinated.

Boosters Administered



- Continued progress of booster shots being administered.

Recovery of Air Passenger Numbers

Passenger Numbers

SHARE OF 2019	2021	2022	2023	2024	2025
International	27%	69%	82%	92%	101%
Asia Pacific	40%	68%	84%	97%	109%

- IATA expects traffic to/from/within Asia Pacific to reach 68% of 2019 levels in 2022.
- Expected improvement of passenger numbers is due to the progressive relaxation or elimination of travel restrictions in many markets.
- Airlines have also been gradually adding capacity. For example, Singapore Airlines is back to operating at 56% of pre-pandemic seat capacity.

Outlook for 2022

Gradual resumption of travel as the world transitions to living with COVID-19

- Rising number of COVID-19 vaccinations and booster shots administered globally coupled with the development of alternative forms of COVID-19 treatment and effective rapid testing will facilitate the recovery in international travel.
- Streamlining of travel measures and easing of safe distancing measures will encourage more travellers and bigger scale events in Singapore.

Muted supply of new hotel rooms

- Supply of 2,069 new rooms for 2022 is much lower than the average of 2,400 rooms added annually between 2015 and 2019¹.

Mitigating factors for Far East H-Trust

- Far East H-Trust's high fixed rent component in the master leases provides downside protection for the gross revenue of the Trust. The 20-year master leases on all portfolio assets are well-supported by the Sponsor, Far East Organization.

⁽¹⁾ Savills report issued as at March 2021

Medium-Term Outlook

Growing business hub – Singapore continues to attract foreign investments

- S\$11.8 billion in fixed asset investments in 2021, above the medium to long-term yearly target of between S\$8 billion and S\$10 billion set by the Economic Development Board.
- Strong investments by Electronics and Biomedical manufacturing firms with 67% and 13% of investment commitments coming from United States and Europe respectively.
- New investments expected to drive demand for accommodation from corporate travellers and project groups.

Expanding tourism offerings

- S\$500m set aside by the Singapore Tourism Board for the next few years to strengthen Singapore's position as a global hub for business tourism and urban wellness haven.
- Major expansion of key tourism areas such as the revamp of Mandai Wildlife Reserve, Sentosa (*including development of Pulau Brani, collectively known as the Greater Southern Waterfront project*), and the Integrated Resorts.

Ongoing infrastructure projects to enable Singapore to remain connected and relevant to the world

- Continued development of infrastructure projects such as Changi Airport Terminal 5, Tuas Mega port, the North South Corridor, and the Cross Island MRT line.



Thank You

For more information please visit
<http://www.fehtrust.com>

