

FAR EAST HOSPITALITY TRUST REPORTS HIGHER GROSS REVENUE AND NET PROPERTY INCOME FOR FY 2024

Highlights:

- Gross revenue and net property income increase by 1.8% and 0.6% year-on-year to S\$108.7 million and S\$99.3 million respectively.
- Higher contributions from all segments supported by better operating performance.
- Distribution per Stapled Security of 4.04 cents remains above the pre-COVID level of 2019.

Singapore, 12 February 2025 – Far East Hospitality Trust (“**Far East H-Trust**” or the “**Trust**”) achieved a revenue growth of 1.8% for the financial year ended 31 December 2024 (“**FY 2024**”), supported by higher contributions from the REIT Commercial Premises segment as well as steady contribution in master lease rentals from the Hotels and Serviced Residences. This increase was achieved despite visitor arrivals to Singapore recovering to only 86% of pre-COVID level of 2019. Net property income (“**NPI**”) rose by 0.6% to S\$99.3 million despite higher property tax expenses.

Summary of Results

	2H 2024 (S\$'000)	2H 2023 (S\$'000)	Variance (%)	FY 2024 (S\$'000)	FY 2023 (S\$'000)	Variance (%)
Gross revenue	54,898	54,767	0.2	108,706	106,805	1.8
Net property income	49,871	49,771	0.2	99,337	98,741	0.6
Income available for distribution ¹	32,697	39,996	(18.2)	66,587	75,060	(11.3)
Distribution to Stapled Securityholders	41,943	43,510	(3.6)	81,397	81,911	(0.6)
- from taxable income	32,062	39,299	(18.4)	65,276	73,700	(11.4)
- from other gains	9,881	4,211	>100.0	16,121	8,211	96.3
DPS (cents)	2.08	2.17	(4.1)	4.04	4.09	(1.2)

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 Securities¹. In anticipation of higher finance expenses in 2024, the REIT Manager had announced earlier that the Trust intended to utilise a portion of the S\$18.0 million incentive fee received in March 2023 to cushion the impact. As such, the REIT Manager will be distributing S\$5.1 million as other gains distribution for this purpose, and another S\$3.0 million to negate the impact on the change in the proportion of the REIT Manager’s fee paid in Stapled Securities. These are in addition to the previously committed S\$8.0 million per year of capital distribution to share the gains from the divestment

¹ Income available for distribution for 2H 2024 and FY 2024 would have been 4.9% higher at S\$34.3 million and 4.8% higher at S\$69.8 million respectively if not for the change in the proportion of the REIT Manager’s fee paid/payable in the form of Stapled Securities, which was reduced from 90% to 60%.

of Central Square². This translates to a distribution per Stapled Security of 4.04 cents, which is still above the pre-COVID level of 2019.

Mr Gerald Lee, Chief Executive Officer of the REIT Manager said, “The hospitality sector continued its recovery in 2024, although visitor arrivals to Singapore have yet to return to pre-COVID level. Our portfolio remained resilient, with the hotels achieving stronger operating performance, tapping on the improving leisure demand as well as the major events taking place during the year. We also managed to improve the occupancy and secured higher rental revenues for our commercial properties. Through proactive measures announced last year, we were also able to cushion the impact of higher interest expenses. Looking ahead, our prudent capital management has sustained distributions while providing the flexibility for further expansion. We remain focused on enhancing our properties, managing costs effectively, and actively seeking opportunities to grow Far East H-Trust.”

Review of Performance

	2H 2024		2H 2023		Better / (Worse)	
	Hotels	SRs	Hotels	SRs	Hotels	SRs
Average Occupancy (%)	81.5	83.2	81.7	87.4	(0.2 pp)	(4.2 pp)
Average Daily Rate (“ADR”) (S\$)	180	276	171	267	5.2%	3.2%
Revenue per Available Room (“RevPAR”) / Revenue per Available Unit (“RevPAU”) (S\$)	147	230	140	234	5.0%	(1.6%)

	FY 2024		FY 2023		Better / (Worse)	
	Hotels	SRs	Hotels	SRs	Hotels	SRs
Average Occupancy (%)	81.0	84.2	80.1	87.8	0.9 pp	(3.6 pp)
Average Daily Rate (S\$)	178	271	170	260	4.5%	4.0%
RevPAR / RevPAU (S\$)	144	228	136	229	5.7%	(0.4%)

Hotels

During the year, the Hotel segment recorded a 0.9 percentage points (“pp”) improvement in average occupancy to 81.0%, 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 30-day visa free waiver for Chinese travellers also contributed to a significant increase in visitors from China, further supporting hotel demand. This, along with major events and large-scale performances helped to bolster performance, particularly in first and third quarters of 2024. Overall, RevPAR increased 5.7% year-on-year to S\$144.

² As announced on 29 July 2022, the REIT Manager intended to distributing S\$8.0 million annually for three years from the divestment gain of Central Square which was completed in March 2022.

Serviced Residences (“SRs”)

For the SR segment, ADR recorded a 4.0% increase in ADR to S\$271, supported by favourable pricing trends and a greater proportion of short-stay leisure bookings. Average occupancy remained healthy at 84.2%, comparable to the pre-pandemic level of 83.5% in 2019, keeping the RevPAU stable at S\$228.

REIT Commercial Premises (“RCP”)

Revenue from the RCP segment amounted to S\$17.3 million, marking a 7.3% increase from the previous year, driven by higher retail and office rental rates and improved occupancies. The retail segment experienced stronger performance, supported by improved leasing activity following the exit of properties from government contracts. The office spaces maintained high overall occupancies, underpinned by steady lease renewals.

Portfolio Valuation

As at 31 December 2024, Far East H-Trust’s portfolio value increased 0.2% to S\$2.52 billion, reflecting stable asset valuations amid a recovering hospitality sector. The Trust remains financially resilient, positioning itself to capitalise on future growth opportunities while maintaining prudent capital management.

Capital Management

As at 31 December 2024, total debt stood at S\$718.1 million, of which 57.9% were on fixed interest rates arising from interest rate swap contracts entered into to hedge against the exposure to interest rate volatility. Together with higher portfolio value, aggregate leverage improved to 30.8%, a reduction of 0.5 pp from a year ago.

In December 2024, term loans of S\$157.2 million comprising S\$107.2 million and S\$50.0 million loans were successfully refinanced, well ahead of their maturity due in April and November 2025. These were refinanced with two new sustainability-linked term loans of S\$75.0 million and S\$82.2 million, maturing in 2028 and 2029 respectively. As such, there are no term loans due in 2025. The weighted average debt maturity was 3.7 years as at 31 December 2024.

Amid an elevated interest rate environment, the weighted average cost of debt stabilised at 4.1% for the full year of 2024. With low gearing and a large debt headroom, Far East H-Trust is well-positioned to pursue yield-accretive opportunities.

Outlook

Singapore's hospitality sector is expected to benefit from sustained travel demand, a healthy line up of global events, and expanding air connectivity in 2025. The Singapore Tourism Board ("STB")³ projects visitor arrivals to reach between 17.0 and 18.5 million, building on the 16.5 million recorded in 2024. In addition, the International Air Transport Association ("IATA")⁴ forecasts global air travel to grow by 6.7% in 2025, surpassing five billion passengers for the first time. This optimism is also reflected in traveller sentiment, with a Skyscanner survey⁵ indicating that 80% of the respondents plan to take the same number or more trips in 2025, with 70% maintaining or increasing spending on flights and 68% on accommodations. This highlights the resilience of travel demand, supporting the sector's sustained recovery.

Singapore's expanding tourism offerings will further enhance its attractiveness as a global travel destination. In 2025, several attractions will open, reinforcing Singapore's status as a premier hub for family and leisure travel. Rainforest Wild Asia, Singapore's fifth wildlife park and Asia's first adventure-based zoological park, is set to open in March 2025. Minion Land at Universal Studios Singapore, the first of its kind in Southeast Asia, will open in February 2025, while the expanded Singapore Oceanarium, three times larger than its predecessor, is scheduled for launch in the first half of the year. Towards the end of 2025, Disney Adventure, Walt Disney's first and largest Asia-based cruise ship will set sail from Singapore, further strengthening the country's position as a key tourism hub.

On a macroeconomic front, the International Monetary Fund⁶ projects global GDP growth of 3.3%, with China and ASEAN-5 (Indonesia, Malaysia, Philippines, Singapore, Thailand) expanding at 4.6% and 4.5%, respectively. However, challenges remain. Geopolitical tensions and economic uncertainties may weigh on consumer confidence while a strong Singapore dollar could impact affordability for some markets. Nonetheless, lower inflation and potential interest rate adjustments in the major markets could boost travel spending. Furthermore, the Trust has a diversified range of hotels which cater to a wide range of guests, including those from the price-sensitive mass market segment.

The REIT Manager remains positive about the future prospects of the REIT Sector and hospitality industry. The Singapore interest rate is expected to ease, which will lead to lower financing costs for Far East H-Trust. With the continued recovery in leisure and corporate travel, coupled with new attractions and policy-driven tourism initiatives, Singapore remains a premier destination for business, entertainment, cultural and culinary experiences.

³ Singapore Achieves Historical High in Tourism Receipts in 2024 (Singapore Tourism Board), 4 February 2025

⁴ Strengthened profitability expected in 2025 even as supply chain issues persist (International Air Transport Association), 10 December 2024

⁵ 2025 Horizons Report (Skyscanner), 11 October 2024, with results from a survey of 19,000 respondents

⁶ World Economic Outlook Update (International Monetary Fund), 17 January 2025

For more information, please contact:

James Tan
Manager, Investor Relations & Sustainability Management
Tel: +65 9783 8645
Email: jamestan@fareast.com

ABOUT FAR EAST HOSPITALITY TRUST (“Far East H-Trust”)

Far East H-Trust is a Singapore-Focused Hotel and Serviced Residence Hospitality Trust listed on the Main Board of The Singapore Exchange Securities Trading Limited (“SGX-ST”). 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-Trust was listed on the SGX-ST on 27 August 2012 and has a portfolio of 12 properties totalling 3,015 hotel rooms and serviced residence units valued at approximately S\$2.52 billion as at 31 December 2024. In addition, Far East H-REIT holds a 30.0% stake in Fontaine Investment Pte Ltd (a joint venture with Far East Organization Centre Pte. Ltd., a member company of Far East Organization), which has developed three hotels in Sentosa. Managed by FEO Hospitality Asset Management Pte. Ltd. and FEO Hospitality Trust Management Pte. Ltd. (collectively, the “Managers”) and sponsored by members of Far East Organization Group (the “Sponsor”), Far East H-Trust seeks to provide Stapled Securityholders with regular, stable and growing distributions on a half-yearly basis.

ABOUT THE MANAGERS

FEO Hospitality Asset Management Pte. Ltd. and FEO Hospitality Trust Management Pte. Ltd. are the managers of Far East H-REIT and Far East H-BT respectively. Both are 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.

IMPORTANT NOTICE

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers’ current view of future events.

The value of the Stapled Securities and the income derived from them, if any, may fall as well as rise. The Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of their affiliates. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors should note that they will have no right to request the Managers to redeem or purchase their Stapled Securities for so long as the Stapled Securities are listed on the SGX-ST. It is intended that investors and Stapled Securityholders may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities. The past performance of Far East H-Trust is not necessarily indicative of the future performance of Far East H-Trust.