FEO Hospitality Asset Management Pte. Ltd. Co. Reg. No.: 201102629K
FEO Hospitality Trust Management Pte. Ltd. Co. Reg. No.: 201210698W
1 Tanglin Road #05-01, Orchard Rendezvous Hotel, Singapore 247905
Tel: +65 6833 6688 Fax: +65 6833 6622 www.fehtrust.com

FAR EAST HOSPITALITY TRUST ACHIEVES 29.2% GROWTH IN INCOME AVAILABLE FOR DISTRIBUTION FOR 1H 2023

Highlights:

- Gross revenue grows 26.9% year-on-year ("YoY") with strong performance from all segments.
- Distribution per Stapled Security ("DPS") improves 24.7% YoY to 1.92 cents.
- The hotel and serviced residence segments achieve higher overall gross revenue as compared to pre-COVID levels in 1H 2019 on a same-store basis.

Singapore, 28 July 2023 – Far East Hospitality Trust ("Far East H-Trust") achieved a 26.9% year-on-year ("YoY") growth in gross revenue of S$52.0 million for the half-year ended 30 June 2023 ("1H 2023") and income available for distribution grew 29.2% YoY to S$37.4 million. Excluding the effect of Central Square which was divested in March 2022, gross revenue would have grown 31.3% as compared to 1H 2022. Net property income ("NPI") grew 30.7% YoY (or 34.7% excluding Central Square) to S$49.0 million on the back of higher revenue and lower property expenses.

Distribution to Stapled Securityholders grew 25.6% YoY to S$38.4 million as a result of higher NPI and distribution of other gains from the divestment of Central Square[1]. This translates to a DPS of 1.92 cents, a 24.7% increase compared to the same period last year.

During the period, Far East H-Trust received an additional payment of S$18.0 million ("Incentive Fee"), being the maximum amount payable by the Acquirer of Central Square after having obtained provisional permission from the Urban Redevelopment Authority of Singapore.

Summary of Results

	1H 2023 (S$'000)	1H 2022 (S$'000)	Variance (%)
Gross revenue	52,038	40,998	26.9
Net property income	48,970	37,455	30.7
Income available for distribution	37,412	28,957	29.2
Distribution to Stapled Securityholders	38,401	30,581	25.6
- from taxable income	34,401	28,595	20.3
- from other gains	4,000	1,986	>100.0
DPS (cents)	1.92	1.54	24.7

[1] As announced on 29 July 2022, the REIT Manager has committed to distributing a portion of the divestment gains, expected to be approximately S$8.0 million per year over 3 years, based on the highest historical annual NPI of Central Square achieved since Far East H-Trust's initial public offering ("IPO").

Mr Gerald Lee, Chief Executive Officer of the REIT Manager said, "We are heartened to see our various efforts resulting in progressive improvement in operational performance across all segments of the portfolio. This has enabled gross revenue from our existing hotels and serviced residences to recover above the pre-COVID levels in 1H 2019. With further restoration in flight capacity of major carriers in Asia Pacific and recovery of visitor arrivals into Singapore, supported by a healthy pipeline of events and activities, the portfolio can be expected to benefit from the rebound in the local hospitality sector."

Review of Performance

	1H 2023		**1H 2022**		**Better / (Worse)**	
	Hotels	**SRs[2]**	**Hotels**	**SRs[2]**	**Hotels**	**SRs**
Average Occupancy (%)	78.3	88.3	68.2	88.5	10.1pp	(0.2pp)
Average Daily Rate ("ADR") (S$)	169	253	99	206	71.4%	23.0%
Revenue per Available Room ("RevPAR") / Revenue per Available Unit ("RevPAU") (S$)	133	224	67	182	96.9%	22.8%

Hotels

For the period, ADR of the hotels grew 71.4% YoY to S$169, with good demand from corporate groups and further recovery in leisure bookings. The hotels on government contracts were also contracted at higher rates as compared to 1H 2022. Average occupancy increased 10.1pp YoY to 78.3% as some hotels in the portfolio were ramping up in 1H 2022 after exiting the government contracts. In addition, The Elizabeth Hotel (rebranded as Vibe Hotel Singapore Orchard) was also closed for renovation in 1H 2022. Correspondingly, Revenue per available room ("RevPAR") grew 96.9% YoY to S$133.

Serviced Residences ("SRs")

The SRs continued to demonstrate strong performance with new long-stay bookings secured at higher rates. As such, ADR grew 23.0% YoY to S$253 and RevPAU registered a 22.8% YoY increase to S$224, close to the all-time high of S$230 since the Trust's IPO.

REIT Commercial Premises

Despite the disposal of Central Square, revenue from the retail and office spaces grew 11.0% YoY to S$8.0 million as higher occupancies and rents were secured on the back of improving market conditions. Revenue of the existing commercial spaces grew 20.4% YoY.

[2] On a same-store basis, excluding VRCQ from 1H 2022, average occupancy would have decreased 1.9pp YoY from 90.2% to 88.3% while ADR would have grown 21.8% from S$208 to S$253. RevPAU would have been 19.3% higher YoY from S$187 to S$224.

Capital Management

As at 30 June 2023, total debt stood at S$741.2 million with an aggregate leverage of 32.0%. The average cost of debt increased to 3.2% per annum on the back of higher interest rates as compared to last year. The proportion of fixed rate borrowings stood at 47.2%. The REIT Manager plans to utilise a portion of the S$18.0 million Incentive Fee to cushion the impact from possible higher interest expenses.

In March 2023, early refinancing of a S$100.0 million term loan due in April 2024 was completed with a S$125.0 million sustainability-linked facility comprising a term loan of S$100.0 million and revolving credit facility of S$25.0 million. The weighted average debt to maturity improved from 3.1 years in December 2022 to 3.5 years in June 2023.

Outlook

For the first half of 2023, international visitor arrivals into Singapore continued to trend upwards, reaching 6.3 million visitor arrivals. With a healthy pipeline of events lined up for the remainder of 2023, visitor arrivals are expected to achieve Singapore Tourism Board's target of around 12 to 14 million visitors.

While the hospitality sector has rebounded to a much healthier state, the return of Chinese travellers into Singapore will form the next phase of recovery. For the month of June, visitor arrivals from China grew 18% month-on-month to 113.3k arrivals, forming about 37% of 2019's monthly average.

Despite macroeconomic headwinds arising from an elevated inflationary and interest rate environment, the REIT Manager remains positive over the longer-term prospects of the hospitality industry. Continued efforts by the Government and the industry to uphold Singapore's attractiveness as a destination for investments, MICE (Meetings, incentives, conferences and exhibitions), and leisure activities will drive demand for the years ahead.

For more information, please contact:
James Tan
Manager, Investor Relations & Sustainability Management
Tel: +65 9783 8645
Email: jamestan@fareast.com.sg

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 totaling 3,015 hotel rooms and serviced residence units valued at approximately S$2.45 billion as at 31 December 2022. 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 63.3% owned by Far East Organization Pte. Ltd. as at 31 December 2022.

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.