

## FAR EAST HOSPITALITY TRUST

A hospitality 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)

### CLARIFICATION ON ANNUAL REPORT 2016

FEO Hospitality Asset Management Pte. Ltd., as manager of Far East Hospitality Real Estate Investment Trust (the "REIT Manager"), and FEO Hospitality Trust Management Pte. Ltd. as trustee-manager of Far East Hospitality Business Trust (the "Trustee-Manager", and together with the REIT Manager, the "**Managers**"), refers to Far East Hospitality Trust's annual report for the financial year ended 31 December 2016 (the "Trust's annual report 2016"), which was made available on the SGXNET.

The Managers wish to provide clarification in response to Singapore Exchange Securities Trading Limited's (the "SGX-ST") query as follows:-

#### Query from the SGX-ST

Guideline 11.3 of the Corporate Governance Code ("Code") recommends that the Board should comment in the Trust's annual report 2016 on whether it has received assurance from the CEO and CFO that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Trust's operations and finances; and (b) regarding the effectiveness of the Trust's risk management and internal control system. In this regard, please disclose whether the Board had received aforementioned assurance from CFO, or otherwise explain for the deviation from the recommendation of the Code as required by Listing Rule 710.

#### Response from the Managers

After the Chief Financial Officer ("CFO") of the Managers left on 31 December 2015, the position was filled by a financial controller. There was therefore no assurance provided by the CFO as required under Guideline 11.3 of the Code.

There was assurance provided by the Chief Executive Officer ("CEO") and the Financial Controller (the "FC") of the Managers to the Board that to the best of their knowledge, the accounting records have been properly maintained and the financial statements, give a true and fair view of the properties' operations and finance, and that the Trust's risk management and internal control systems including financial, operational, compliance and information technology controls are adequate and effective.

Following the departure of the FC in August 2016, the Vice President of Finance of the Managers has been entrusted with overseeing the accounting and financial matters of the Trust. The Board is fully aware of the arrangements and coverage of duty, and accepted the assurance by the CEO.

When there is a CFO for the Managers, assurance from both the CEO and CFO will be obtained in accordance with Guideline 11.3 of the Code.

By Order of the Board

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Gerald Lee Hwee Keong  
Chief Executive Officer  
FEO Hospitality Asset Management Pte. Ltd.  
(Company Registration No. 201102629K)  
27 April 2017

Gerald Lee Hwee Keong  
Chief Executive Officer  
FEO Hospitality Trust Management Pte. Ltd.  
(Company Registration No. 201210698W)  
27 April 2017