

**Far East Hospitality Trust**  
**Unaudited Financial Statements Announcement**  
**For the half year and full year ended 31 December 2022**

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**

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**INTRODUCTION**

Far East Hospitality Trust (“Far East H-Trust” or the “Stapled Group”) 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 and Far East H-BT are managed by FEO Hospitality Asset Management Pte. Ltd. (“REIT Manager”) and FEO Hospitality Trust Management Pte. Ltd. (“Trustee-Manager”) respectively.

Far East H-REIT is a Singapore-based real estate investment trust established principally to invest on a long-term basis in a diversified portfolio of income-producing hospitality-related real estate in Singapore.

Stapled Securities in Far East H-Trust commenced trading on the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 27 August 2012 with an initial portfolio of 11 properties comprising 7 hotels and 4 serviced residences (“SRs”) located in Singapore. In August 2013, Far East H-REIT acquired Rendezvous Hotel Singapore.

In September 2014, Far East H-REIT took a 30% stake in a joint venture to develop a new hotel site located at Artillery Avenue, Sentosa with Far East Organization Centre Pte. Ltd., a member of Far East Organization.

On 2 April 2018, Far East H-REIT completed the acquisition of Oasia Hotel Downtown, bringing its portfolio to 13 properties consisting of 9 hotels and 4 SRs located in Singapore. For the Sentosa hotel development project, the temporary occupancy permit (“TOP”) for the first phase, comprising Village Hotel Sentosa (“VHS”) and The Outpost Hotel Sentosa (“TOH”) was obtained on 31 October 2018. VHS and TOH have commenced hotel operations from 1 April 2019. The TOP for the final phase comprising The Barracks Hotel Sentosa (“TBH”) and two retail blocks, was obtained on 26 September 2019. TBH has commenced hotel operations from 1 December 2019.

On 2 December 2021, Far East H-REIT entered into a put and call option agreement, and the binding contract for the sale and purchase of the leasehold interest in Village Residences Clarke Quay (“VRCQ”) deemed entered into upon exercise of the call option or (as the case may be) the put option with an unrelated third-party acquirer for the divestment of its leasehold interest in VRCQ. On 17 March 2022, the call option was exercised and the divestment of VRCQ was completed on 24 March 2022.

Far East H-BT is currently dormant. Accordingly, the financial information of Far East H-BT has not been presented.

**Distribution Policy**

Far East H-REIT’s distribution policy is to distribute at least 90% of its taxable income. Since its listing, Far East H-REIT has distributed 100% of its taxable income.

Far East H-BT remains dormant as at the date of this report. In the event that Far East H-BT becomes active and profitable, Far East H-BT’s distribution policy will be to distribute as much of its income as practicable, and the determination to distribute and the quantum of distributions to be made by Far East H-BT will be determined by the Trustee-Manager’s Board at its sole discretion.

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**
**1(a) Income statements together with comparatives for corresponding periods in immediately preceding financial year**
**1(a)(i) Statements of Total Return and Distribution Statements**

		Far East H-REIT					
Note	2H 2022	2H 2021	Better / (Worse)	FY 2022	FY 2021	Better / (Worse)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
	35,035	33,963	3.2	68,783	68,172	0.9	
	7,546	7,716	(2.2)	14,796	15,076	(1.9)	
	<b>42,581</b>	<b>41,679</b>	<b>2.2</b>	<b>83,579</b>	<b>83,248</b>	<b>0.4</b>	
	(1,514)	(1,521)	0.5	(3,909)	(5,183)	24.6	
	(48)	(51)	5.9	(94)	(103)	8.7	
	(169)	(180)	6.1	(349)	(360)	3.1	
	(764)	(1,055)	27.6	(1,491)	(1,953)	23.7	
	(3)	344	>(100.0)	24	(2)	>100.0	
	(209)	(237)	11.8	(431)	(475)	9.3	
	<b>(2,707)</b>	<b>(2,700)</b>	<b>(0.3)</b>	<b>(6,250)</b>	<b>(8,076)</b>	<b>22.6</b>	
	<b>39,874</b>	<b>38,979</b>	<b>2.3</b>	<b>77,329</b>	<b>75,172</b>	<b>2.9</b>	
	(4,918)	(4,846)	(1.5)	(9,430)	(9,442)	0.1	
	(154)	(162)	4.9	(309)	(319)	3.1	
	(485)	(403)	(20.3)	(1,041)	(694)	(50.0)	
	1,271	259	>100.0	1,648	500	>100.0	
	(10,308)	(9,183)	(12.3)	(18,440)	(19,874)	7.2	
	<b>25,280</b>	<b>24,644</b>	<b>2.6</b>	<b>49,757</b>	<b>45,343</b>	<b>9.7</b>	
	-	(1,564)	100.0	-	(4,060)	100.0	
	<b>25,280</b>	<b>23,080</b>	<b>9.5</b>	<b>49,757</b>	<b>41,283</b>	<b>20.5</b>	
	1,973	4,138	(52.3)	12,673	11,558	9.6	
	102,182	76,985	32.7	102,182	78,237	30.6	
	(6)	-	N.M.	39,290	-	N.M.	
	<b>129,429</b>	<b>104,203</b>	<b>24.2</b>	<b>203,902</b>	<b>131,078</b>	<b>55.6</b>	
	(107)	(34)	>(100.0)	(146)	(67)	>(100.0)	
	<b>129,322</b>	<b>104,169</b>	<b>24.1</b>	<b>203,756</b>	<b>131,011</b>	<b>55.5</b>	
<b>Distribution Statement</b>							
	<b>129,429</b>	<b>104,203</b>	<b>24.2</b>	<b>203,902</b>	<b>131,078</b>	<b>55.6</b>	
	(99,921)	(74,844)	(33.5)	(145,628)	(76,560)	(90.2)	
	-	(4,585)	100.0	-	(4,585)	100.0	
	171	3,465	(95.1)	-	-	N.M.	
	29,679	28,239	5.1	58,274	49,933	16.7	
	521	4,755	(89.0)	713	4,915	(85.5)	
	<b>30,200</b>	<b>32,994</b>	<b>(8.5)</b>	<b>58,987</b>	<b>54,848</b>	<b>7.5</b>	
<b>Distribution comprises:</b>							
- from taxable income	29,665	28,083	5.6	58,260	49,777	17.0	
- from tax-exempt income	597	2,175	(72.6)	597	2,175	(72.6)	
- from other gains	4,181	-	N.M.	6,167	-	N.M.	
	<b>34,443</b>	<b>30,258</b>	<b>13.8</b>	<b>65,024</b>	<b>51,952</b>	<b>25.2</b>	

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**

Far East H-Trust						
Note	2H 2022	2H 2021	Better / (Worse)	FY 2022	FY 2021	Better / (Worse)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Master lease rental	35,035	33,963	3.2	68,783	68,172	0.9
Retail and office revenue	7,546	7,716	(2.2)	14,796	15,076	(1.9)
<b>Gross revenue</b>	<b>42,581</b>	<b>41,679</b>	<b>2.2</b>	<b>83,579</b>	<b>83,248</b>	<b>0.4</b>
Property tax	(1,514)	(1,521)	0.5	(3,909)	(5,183)	24.6
Property insurance	(48)	(51)	5.9	(94)	(103)	8.7
MCST contribution	(169)	(180)	6.1	(349)	(360)	3.1
Retail and office expenses	(764)	(1,055)	27.6	(1,491)	(1,953)	23.7
Reversal of/(impairment losses) on trade receivables	(3)	344	>(100.0)	24	(2)	>100.0
Property manager fees	(209)	(237)	11.8	(431)	(475)	9.3
<b>Property expenses</b>	<b>(2,707)</b>	<b>(2,700)</b>	<b>(0.3)</b>	<b>(6,250)</b>	<b>(8,076)</b>	<b>22.6</b>
<b>Net property income</b>	<b>39,874</b>	<b>38,979</b>	<b>2.3</b>	<b>77,329</b>	<b>75,172</b>	<b>2.9</b>
REIT Manager's fees	(4,918)	(4,846)	(1.5)	(9,430)	(9,442)	0.1
Trustee's fees	(154)	(162)	4.9	(309)	(319)	3.1
Other trust expenses	(485)	(403)	(20.3)	(1,042)	(695)	(49.9)
Interest and other income	1,271	259	>100.0	1,648	500	>100.0
Finance expenses	(10,308)	(9,183)	(12.3)	(18,440)	(19,874)	7.2
<b>Net income before joint venture's results</b>	<b>25,280</b>	<b>24,644</b>	<b>2.6</b>	<b>49,756</b>	<b>45,342</b>	<b>9.7</b>
Share of results of joint venture	-	(1,564)	100.0	-	(4,060)	100.0
<b>Net income before tax and fair value changes</b>	<b>25,280</b>	<b>23,080</b>	<b>9.5</b>	<b>49,756</b>	<b>41,282</b>	<b>20.5</b>
Fair value change in derivative financial instruments	1,973	4,138	(52.3)	12,673	11,558	9.6
Fair value change in investment properties and investment property held for sale	102,182	76,985	32.7	102,182	78,237	30.6
(Loss)/gain on disposal of investment property	(6)	-	N.M.	39,290	-	N.M.
<b>Total return for the period before income tax</b>	<b>129,429</b>	<b>104,203</b>	<b>24.2</b>	<b>203,901</b>	<b>131,077</b>	<b>55.6</b>
Income tax expense	(107)	(34)	>(100.0)	(146)	(67)	>(100.0)
<b>Total return for the period</b>	<b>129,322</b>	<b>104,169</b>	<b>24.1</b>	<b>203,755</b>	<b>131,010</b>	<b>55.5</b>
<b>Distribution Statement</b>						
<b>Total return for the period before income tax</b>	<b>129,429</b>	<b>104,203</b>	<b>24.2</b>	<b>203,901</b>	<b>131,077</b>	<b>55.6</b>
Net tax adjustments	(99,921)	(74,844)	(33.5)	(145,628)	(76,560)	(90.2)
Rollover adjustment	-	(4,585)	100.0	-	(4,585)	100.0
Undistributed taxable income from previous period	171	3,465	(95.1)	-	-	N.M.
Taxable income	29,679	28,239	5.1	58,273	49,932	16.7
Tax-exempt income	521	4,755	(89.0)	713	4,915	(85.5)
<b>Income available for distribution</b>	<b>30,200</b>	<b>32,994</b>	<b>(8.5)</b>	<b>58,986</b>	<b>54,847</b>	<b>7.5</b>
<b>Distribution comprises:</b>						
- from taxable income	29,665	28,083	5.6	58,260	49,777	17.0
- from tax-exempt income	597	2,175	(72.6)	597	2,175	(72.6)
- from other gains	4,181	-	N.M.	6,167	-	N.M.
	<b>34,443</b>	<b>30,258</b>	<b>13.8</b>	<b>65,024</b>	<b>51,952</b>	<b>25.2</b>

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**

The Manager resolved to distribute S\$34.4 million to Stapled Securityholders for 2H 2022, comprising taxable income of S\$29.6 million; tax-exempt income of S\$0.6 million and other gains of S\$4.2 million from divestment of VRCQ. Far East H-REIT's distribution policy is to distribute at least 90.0% of its taxable income for the full financial year. For FY2022, the Manager has resolved to distribute 100.0% of its taxable income available for distribution to the Stapled Securityholders.

**Notes:**

NM – Not meaningful

- (a) The decrease in property tax expense is due to lower annual value assessment for all properties.
- (b) Higher other trust expenses mainly due to non-claimable input tax.
- (c) Higher interest and other income arose from higher interest rates on the shareholder loan due from Fontaine Investment Pte Ltd ("FIPL") and interest income earned on fixed deposits placement using the balance proceeds from divestment after repayment of term loans and cash generated from operations.
- (d) Higher finance cost for 2H2022 mainly due to higher short term interest rates. For FY2022, finance expenses is lower compared to FY2021 mainly due to repayment of \$260.3 million of term loans and RCF using proceeds from the divestment of VRCQ.
- (e) The share of results of joint venture relates to the equity accounting of FIPL's results. The share of losses has exceeded the carrying amount of the investment since December 2021.
- (f) This relates to net change in fair value of interest rate swap contracts entered to hedge against the interest rate exposure of Far East H-REIT. This is a non-tax chargeable / deductible item and has no impact on the taxable income and distributable income to the Stapled Securityholders.
- (g) The fair value change in investment properties of S\$102.2 million for FY2022 arose from the revaluation of 9 hotels and 3 SRs as at 31 December 2022. The independent valuations of the investment properties were carried out by Savills Valuation And Professional Services (S) Pte. Ltd. and CBRE Pte. Ltd. Please refer to Note 1(e)(3) *Investment properties* for more details. This is a non-tax chargeable / deductible item and has no impact on the taxable income and distributable income to the Stapled Securityholders.
- (h) The gain on disposal of investment property pertains to the divestment of VRCQ which was completed on 24 March 2022.
- (i) Included in the net tax adjustments are the following:

	No	2H 2022	2H 2021	Better / (Worse)	FY 2022	FY 2021	Better / (Worse)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
- REIT Manager's fees paid/payable in Stapled Securities	(1)	4,426	4,361	1.5	8,487	8,497	(0.1)
- Trustee's fees		154	162	(4.9)	309	319	(3.1)
- Amortisation of debt-related transaction cost		288	342	(15.8)	667	668	(0.1)
- Fair value change in derivative financial instruments		(1,973)	(4,138)	52.3	(12,673)	(11,558)	(9.6)
- Fair value change in investment properties and investment property held for sale		(102,182)	(76,985)	(32.7)	(102,182)	(78,237)	(30.6)
- Loss/(gain) on disposal of investment property		6	-	N.M.	(39,290)	-	N.M.
- Share of results of joint venture		-	1,564	(100.0)	-	4,060	(100.0)
- Other items		(640)	(150)	>(100.0)	(946)	(309)	>(100.0)
<b>Net tax adjustments</b>		<b>(99,921)</b>	<b>(74,844)</b>	<b>(33.5)</b>	<b>(145,628)</b>	<b>(76,560)</b>	<b>(90.2)</b>

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**

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**Notes:**

- (1) This represents 90% of REIT Manager's fees paid/payable in Stapled Securities.
- (j) The rollover adjustment for FY 2021 relates to (i) a transfer from taxable income to tax-exempt income arising from government cash grant received in FY 2020 under Rental Relief Framework; and (ii) the difference between the taxable income previously distributed and the quantum finally agreed with the Inland Revenue Authority of Singapore ("IRAS") for the Year of Assessment ("YA") 2020.
- (k) For 2H 2022, this relates to taxable income that were undistributed in 1H 2022 due to rounding. For 2H 2021, this relates to the release of the S\$3.5 million of taxable income available for distribution to Stapled Securityholders retained in 1H 2021.

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**
**1(b) Balance Sheets**
**1(b)(i) Balance Sheets as at 31 December 2022**

	Note	As at 31 December 2022			As at 31 December 2021		
		Far East H-Trust	Far East H-REIT	Far East H-BT	Far East H-Trust	Far East H-REIT	Far East H-BT
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>							
Investment properties	(a)	2,446,750	2,446,750	-	2,336,500	2,336,500	-
Joint venture	(b)	-	-	-	-	-	-
Derivative financial assets	(i)	8,982	8,982	-	2,450	2,450	-
<b>Total non-current assets</b>		<b>2,455,732</b>	<b>2,455,732</b>	<b>-</b>	<b>2,338,950</b>	<b>2,338,950</b>	<b>-</b>
<b>Current assets</b>							
Cash and cash equivalents	(c)	49,774	49,774	-	11,694	11,694	-
Prepayments		81	81	-	81	81	-
Trade and other receivables	(d)	45,489	45,489	30	42,683	42,683	30
Investment property held for sale	(e)	-	-	-	271,400	271,400	-
Derivative financial assets	(i)	4,017	4,017	-	-	-	-
<b>Total current assets</b>		<b>99,361</b>	<b>99,361</b>	<b>30</b>	<b>325,858</b>	<b>325,858</b>	<b>30</b>
<b>Total assets</b>		<b>2,555,093</b>	<b>2,555,093</b>	<b>30</b>	<b>2,664,808</b>	<b>2,664,808</b>	<b>30</b>
<b>Current liabilities</b>							
Trade and other liabilities	(f)	2,704	2,698	36	53,085	53,080	35
Borrowings	(g)	-	-	-	181,304	181,304	-
Accruals	(h)	5,892	5,891	1	4,316	4,315	1
Derivative financial liabilities	(i)	-	-	-	970	970	-
Rental deposits		1,775	1,775	-	2,567	2,567	-
Deferred income		90	90	-	90	90	-
Income tax payable		146	146	-	67	67	-
<b>Total current liabilities</b>		<b>10,607</b>	<b>10,600</b>	<b>37</b>	<b>242,399</b>	<b>242,393</b>	<b>36</b>
<b>Non-current liabilities</b>							
Borrowings	(g)	737,816	737,816	-	766,335	766,335	-
Derivative financial liabilities	(i)	-	-	-	1,154	1,154	-
Rental deposits		6,094	6,094	-	5,657	5,657	-
Deferred income		781	781	-	871	871	-
<b>Total non-current liabilities</b>		<b>744,691</b>	<b>744,691</b>	<b>-</b>	<b>774,017</b>	<b>774,017</b>	<b>-</b>
<b>Total liabilities</b>		<b>755,298</b>	<b>755,291</b>	<b>37</b>	<b>1,016,416</b>	<b>1,016,410</b>	<b>36</b>
<b>Net assets</b>		<b>1,799,795</b>	<b>1,799,802</b>	<b>(7)</b>	<b>1,648,392</b>	<b>1,648,398</b>	<b>(6)</b>
Represented by:							
<b>Unitholders' funds</b>							
Unitholders' funds of Far East H-REIT		1,799,802	1,799,802	-	1,648,398	1,648,398	-
Unitholders' funds of Far East H-BT		(7)	-	(7)	(6)	-	(6)
		<b>1,799,795</b>	<b>1,799,802</b>	<b>(7)</b>	<b>1,648,392</b>	<b>1,648,398</b>	<b>(6)</b>

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**

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**Notes:**

- (a) The increase in investment properties was mainly attributable to the fair value change in investment properties and capital expenditure capitalised for Orchard Rendezvous Hotel, Vibe Singapore Orchard (formerly known as The Elizabeth Hotel) and Oasia Hotel Novena. Please refer to the details in Note 1(e)(3) *Investment properties*.
- (b) This relates to the 30% joint venture interest in FIPL, for which the share of losses exceeded the carrying value of investment as at 31 December 2022.
- (c) Cash and cash equivalents comprise cash at bank of S\$6.7 million and fixed deposits of S\$43.1 million. The increase in cash and cash equivalents is due to balance proceeds from divestment after repayment of term loans and cash generated from operations.
- (d) This includes a shareholders' loan and accrued interest due from FIPL of S\$36.4 million. The amount is used to finance the development of Village Hotel Sentosa, The Outpost Hotel Sentosa and The Barracks Hotel Sentosa which commenced hotel operations in 2019. The increase in trade and other receivables is mainly due to a S\$1.5 million loan provided to FIPL during the period and accrued interest from the loan provided to FIPL as well as interest receivable for interest rate swap contracts.
- (e) This pertains to VRCQ which was reclassified from investment properties to investment property held for sale as a put and call option agreement was entered in December 2021 to divest the investment property. The divestment of VRCQ was completed on 24 March 2022.
- (f) The decrease in trade and other payables is mainly due to option fee of S\$47.0 million received for the put and call option entered in December 2021 to divest VRCQ which was realised as gain on disposal of investment property upon completion of the divestment on 24 March 2022.
- (g) The total gross borrowings as at 31 December 2022 of S\$739.3 million was S\$210.0 million lower compared to balances as at 31 December 2021 due to repayment of term loans of S\$210.0 million in March 2022 from the proceeds of the divestment of VRCQ.

In December 2022, two new facilities was drawn down to early refinance \$132.2 million term loans due to mature in April 2023.

As at 31 December 2022, Far East H-REIT has undrawn and uncommitted RCF of S\$300.0 million with 4 banks to fulfill its liabilities as and when they fall due.

Please refer to the details of aggregate amount of borrowings as disclosed in Note 1(e)(5) *Borrowings*.

- (h) The increase in accruals is mainly due to higher interest payable and capital expenditure as at 31 December 2022.
- (i) This relates to the fair value of interest rate swap contracts entered to hedge against interest rate risk exposure of Far East H-REIT.



**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**
**1(c) Cash Flow Statements**

		<b>Far East H-REIT</b>			
Note	2H 2022	2H 2021	FY 2022	FY 2021	
	S\$'000	S\$'000	S\$'000	S\$'000	
<b>Cash flows from operating activities</b>					
Total return before income tax	129,429	104,203	203,902	131,078	
Adjustments for:					
Interest and other income	(1,271)	(259)	(1,648)	(500)	
Finance expenses	10,308	9,183	18,440	19,874	
Fair value change in derivative financial instruments	(1,973)	(4,138)	(12,673)	(11,558)	
Fair value change in investment properties and investment property held for sale	(102,182)	(76,985)	(102,182)	(78,237)	
Loss/(gain) on disposal of investment property	6	-	(39,290)	-	
REIT Manager's fees issued/issuable in Stapled Securities	4,426	4,361	8,487	8,497	
Share of results of joint venture	-	1,564	-	4,060	
(Reversal of)/impairment losses on trade receivables	3	(344)	(24)	2	
Operating profit before working capital changes	38,746	37,585	75,012	73,216	
Changes in working capital					
Trade and other receivables	(613)	675	(251)	(1,618)	
Trade and other liabilities	1,350	3,385	(2,368)	(1,967)	
Rental deposits	(81)	(187)	(452)	(265)	
Income tax paid	-	-	(67)	(90)	
<b>Cash flows generated from operating activities</b>	<b>39,402</b>	<b>41,458</b>	<b>71,874</b>	<b>69,276</b>	
<b>Cash flows from investing activities</b>					
Capital expenditure on investment properties	(4,949)	(873)	(7,237)	(943)	
Net proceeds from divestment of investment property	(6)	46,980	263,710	46,980	
Loan to joint venture company	-	-	(1,500)	(3,060)	
Interest received	528	-	528	-	
<b>Cash flows (used in) / generated from investing activities</b>	<b>(4,427)</b>	<b>46,107</b>	<b>255,501</b>	<b>42,977</b>	
<b>Cash flows from financing activities</b>					
Proceeds from borrowings	132,150	122,100	149,971	280,760	
Finance costs paid	(10,556)	(9,230)	(18,456)	(21,179)	
Repayment of borrowings	(132,150)	(172,400)	(359,971)	(322,260)	
Distribution to Stapled Securityholders	(30,581)	(21,694)	(60,839)	(48,799)	
<b>Cash flows used in financing activities</b>	<b>(41,137)</b>	<b>(81,224)</b>	<b>(289,295)</b>	<b>(111,478)</b>	
Net increase in cash and cash equivalents	(6,162)	6,341	38,080	775	
Cash and cash equivalents at beginning of the period	55,936	5,353	11,694	10,919	
<b>Cash and cash equivalents at end of the period</b>	<b>49,774</b>	<b>11,694</b>	<b>49,774</b>	<b>11,694</b>	

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**

	Note	Far East H-Trust			
		2H 2022	2H 2021	FY 2022	FY 2021
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>					
Total return before income tax		129,429	104,203	203,901	131,077
Adjustments for:					
Interest and other income		(1,271)	(259)	(1,648)	(500)
Finance expenses		10,308	9,183	18,440	19,874
Fair value change in derivative financial instruments		(1,973)	(4,138)	(12,673)	(11,558)
Fair value change in investment properties and investment property held for sale		(102,182)	(76,985)	(102,182)	(78,237)
Loss/(gain) on disposal of investment property		6	-	(39,290)	-
REIT Manager's fees issued/issuable in Stapled Securities		4,426	4,361	8,487	8,497
Share of results of joint venture		-	1,564	-	4,060
(Reversal of)/impairment losses on trade receivables		3	(344)	(24)	2
Operating profit before working capital changes		38,746	37,585	75,011	73,215
Changes in working capital					
Trade and other receivables		(613)	675	(251)	(1,618)
Trade and other liabilities		1,350	3,385	(2,367)	(1,966)
Rental deposits		(81)	(187)	(452)	(265)
Income tax paid		-	-	(67)	(90)
<b>Cash flows generated from operating activities</b>		<b>39,402</b>	<b>41,458</b>	<b>71,874</b>	<b>69,276</b>
<b>Cash flows from investing activities</b>					
Capital expenditure on investment properties	(a)	(4,949)	(873)	(7,237)	(943)
Net proceeds from divestment of investment property		(6)	46,980	263,710	46,980
Loan to joint venture company		-	-	(1,500)	(3,060)
Interest received		528	-	528	-
<b>Cash flows (used in) / generated from investing activities</b>		<b>(4,427)</b>	<b>46,107</b>	<b>255,501</b>	<b>42,977</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings	(b)	132,150	122,100	149,971	280,760
Finance costs paid		(10,556)	(9,230)	(18,456)	(21,179)
Repayment of borrowings	(b)	(132,150)	(172,400)	(359,971)	(322,260)
Distribution to Stapled Securityholders	(c)	(30,581)	(21,694)	(60,839)	(48,799)
<b>Cash flows used in financing activities</b>		<b>(41,137)</b>	<b>(81,224)</b>	<b>(289,295)</b>	<b>(111,478)</b>
Net increase in cash and cash equivalents		(6,162)	6,341	38,080	775
Cash and cash equivalents at beginning of the period		55,936	5,353	11,694	10,919
<b>Cash and cash equivalents at end of the period</b>		<b>49,774</b>	<b>11,694</b>	<b>49,774</b>	<b>11,694</b>

**Notes:**

- (a) Capital expenditure incurred mainly relates to asset enhancement work carried out at the properties namely Orchard Rendezvous Hotel, Vibe Hotel Singapore Orchard (formerly known as The Elizabeth Hotel), Adina Serviced Apartments Singapore Orchard (formerly known as Regency House), Oasia Hotel Novena and Village Hotel Bugis.
- (b) The term loans of S\$132.2 million term loans and RCF of S\$17.8 million were drawdown during the period to early refinance S\$132.2 million term loans due in April 2023 and partially fund the 2H 2021 cash distributions to

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**

Stapled Securityholders. Besides refinancing of S\$132.2 million term loans, repayment of borrowings pertain to repayment of S\$210.0 million term loans and RCF of S\$17.8 million from consideration received from divestment of the leasehold interest in VRCQ and cash flows generated from operations.

- (c) The distribution to Stapled Securityholders in 2H 2022 relates to the cash distribution for the financial period from 1 January 2022 to 30 June 2022, which was paid on 6 September 2022. In the corresponding period, the distribution to Stapled Securityholders in 2H 2021 relates to the cash distribution for the financial period from 1 January 2021 to 30 June 2021, which was paid on 7 September 2021.

**1(d) Statements of Movement in Stapled Securityholders' Funds**
**1(d)(i) Statements of Changes in Stapled Securityholders' Funds for the period from 1 July 2022 to 31 December 2022**

	Stapled Securityholders' Funds						
	Far East H-REIT			Far East H-BT			Far East H-Trust
	Units in issue S\$'000	Accumulated (loss)/profit S\$'000	Total S\$'000	Units in issue S\$'000	Accumulated (loss) S\$'000	Total S\$'000	Total S\$'000
<b>Balance at 1 July 2022</b>	<b>1,775,365</b>	<b>(78,730)</b>	<b>1,696,635</b>	<b>28</b>	<b>(35)</b>	<b>(7)</b>	<b>1,696,628</b>
<b>Operations</b>							
Increase in net assets resulting from operations	-	129,322	129,322	-	-	-	129,322
	-	129,322	129,322	-	-	-	129,322
<b>Unitholders' transactions</b>							
Issuance of Stapled Securities:							
- REIT Manager's fees <sup>(a)</sup>	4,426	-	4,426	-	-	-	4,426
Distribution to Stapled Securityholders <sup>(b)</sup>	-	(30,581)	(30,581)	-	-	-	(30,581)
Net increase/(decrease) in net assets resulting from unitholders' transactions	4,426	(30,581)	(26,155)	-	-	-	(26,155)
<b>Balance at 31 December 2022</b>	<b>1,779,791</b>	<b>20,011</b>	<b>1,799,802</b>	<b>28</b>	<b>(35)</b>	<b>(7)</b>	<b>1,799,795</b>

**Notes:**

- (a) This represents the Stapled Securities issued and to be issued as partial satisfaction of the base and performance management fees incurred for the financial period of 1 July 2022 to 31 December 2022. The Stapled Securities relating to base management fee will be issued within 30 days from quarter end. Stapled Securities relating to performance management fee for FY 2022 will be issued in April 2023.
- (b) Distribution to Stapled Securityholders relates distribution paid in respect of financial period from 1 January 2022 to 30 June 2022.

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**


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**1(d)(i) Statements of Changes in Stapled Securityholders' Funds  
for the period from 1 July 2021 to 31 December 2021**

	Stapled Securityholders' Funds						
	Far East H-REIT			Far East H-BT			Far East H-Trust
	Units in issue S\$'000	Accumulated (loss) S\$'000	Total S\$'000	Units in issue S\$'000	Accumulated (loss) S\$'000	Total S\$'000	Total S\$'000
<b>Balance at 1 July 2021</b>	<b>1,766,943</b>	<b>(205,381)</b>	<b>1,561,562</b>	<b>28</b>	<b>(34)</b>	<b>(6)</b>	<b>1,561,556</b>
<b>Operations</b>							
Increase in net assets resulting from operations	-	104,169	104,169	-	-	-	104,169
	-	104,169	104,169	-	-	-	104,169
<b>Unitholders' transactions</b>							
Issuance of Stapled Securities:							
- REIT Manager's fees <sup>(a)</sup>	4,361	-	4,361	-	-	-	4,361
Distribution to Stapled Securityholders <sup>(b)</sup>	-	(21,694)	(21,694)	-	-	-	(21,694)
Net increase/(decrease) in net assets resulting from unitholders' transactions	4,361	(21,694)	(17,333)	-	-	-	(17,333)
<b>Balance at 31 December 2021</b>	<b>1,771,304</b>	<b>(122,906)</b>	<b>1,648,398</b>	<b>28</b>	<b>(34)</b>	<b>(6)</b>	<b>1,648,392</b>

**Notes:**

- (a) This represents the Stapled Securities issued and to be issued as partial satisfaction of the base and performance management fees incurred for the financial period of 1 July 2021 to 31 December 2021. The Stapled Securities relating to base management fee will be issued within 30 days from quarter end. Stapled Securities relating to performance management fee for FY 2021 were issued on 28 April 2022.
- (b) Distribution to Stapled Securityholders relates to distribution paid in respect of the financial period from 1 January 2021 to 30 June 2021.

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**


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**1(d)(ii) Statements of Changes in Stapled Securityholders' Funds  
for the period from 1 January 2022 to 31 December 2022**

	Stapled Securityholders' Funds						
	Far East H-REIT			Far East H-BT			Far East H-Trust
	Units in issue S\$'000	Accumulated (loss)/profit S\$'000	Total S\$'000	Units in issue S\$'000	Accumulated (loss) S\$'000	Total S\$'000	Total S\$'000
<b>Balance at 1 January 2022</b>	<b>1,771,304</b>	<b>(122,906)</b>	<b>1,648,398</b>	<b>28</b>	<b>(34)</b>	<b>(6)</b>	<b>1,648,392</b>
<b>Operations</b>							
Increase/(Decrease) in net assets resulting from operations	-	203,756	203,756	-	(1)	(1)	203,755
	-	203,756	203,756	-	(1)	(1)	203,755
<b>Unitholders' transactions</b>							
Issuance of Stapled Securities:							
- REIT Manager's fees <sup>(a)</sup>	8,487	-	8,487	-	-	-	8,487
Distribution to Stapled Securityholders <sup>(b)</sup>	-	(60,839)	(60,839)	-	-	-	(60,839)
Net increase/(decrease) in net assets resulting from unitholders' transactions	8,487	(60,839)	(52,352)	-	-	-	(52,352)
<b>Balance at 31 December 2022</b>	<b>1,779,791</b>	<b>20,011</b>	<b>1,799,802</b>	<b>28</b>	<b>(35)</b>	<b>(7)</b>	<b>1,799,795</b>

**Notes:**

- (a) This represents the Stapled Securities to be issued as partial satisfaction of the base and performance management fees incurred for the financial period from 1 January 2022 to 31 December 2022. The Stapled Securities relating to base management fee will be issued within 30 days from quarter end. Stapled Securities relating to performance management fee for FY 2022 will be issued in April 2023.
- (b) Distribution to Stapled Securityholders relates to distribution paid in respect of the financial period from 1 July 2021 to 30 June 2022.

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**
**1(d)(ii) Statements of Changes in Stapled Securityholders' Funds  
for the period from 1 January 2021 to 31 December 2021**

	Stapled Securityholders' Funds						
	Far East H-REIT			Far East H-BT			Far East H-Trust
	Units in issue S\$'000	Accumulated (loss) S\$'000	Total S\$'000	Units in issue S\$'000	Accumulated (loss) S\$'000	Total S\$'000	Total S\$'000
<b>Balance at 1 January 2021</b>	1,762,807	(205,118)	1,557,689	28	(33)	(5)	1,557,684
<b>Operations</b>							
Increase/(Decrease) in net assets resulting from operations	-	131,011	131,011	-	(1)	(1)	131,010
	-	131,011	131,011	-	(1)	(1)	131,010
<b>Unitholders' transactions</b>							
Issuance of Stapled Securities:							
- REIT Manager's fees <sup>(a)</sup>	8,497	-	8,497	-	-	-	8,497
Distribution to Stapled Securityholders <sup>(b)</sup>	-	(48,799)	(48,799)	-	-	-	(48,799)
Net increase/(decrease) in net assets resulting from unitholders' transactions	8,497	(48,799)	(40,302)	-	-	-	(40,302)
<b>Balance at 31 December 2021</b>	<b>1,771,304</b>	<b>(122,906)</b>	<b>1,648,398</b>	<b>28</b>	<b>(34)</b>	<b>(6)</b>	<b>1,648,392</b>

**Notes:**

- (a) This represents the Stapled Securities to be issued as partial satisfaction of the base and performance management fees incurred for the financial period from 1 January 2021 to 31 December 2021. The Stapled Securities relating to base management fee will be issued within 30 days from quarter end. Stapled Securities relating to performance management fee for FY 2021 were issued on 28 April 2022.
- (b) Distribution to Stapled Securityholders relates to distribution paid in respect of the financial period from 1 July 2020 to 30 June 2021.

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**

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**1(e) Notes to the interim financial information****1. Corporate information**

Far East Hospitality Trust (“Far East H-Trust” or “Stapled Group”) is a 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 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 “Far East 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 (“Far East 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 Far East H-REIT and a unit in Far East H-BT.

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 Far East 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.

**2. Basis of preparation**

The interim financial information of Far East H-REIT and the Stapled Group for the six months ended 31 December 2022 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 Far East 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 interim financial information do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Far East H-REIT and the Stapled Group’s financial position and performance of Far East H-REIT and the Stapled Group since the last interim financial statements for the period ended 30 June 2022. The accounting policies and methods of computation adopted in the interim financial information for the current reporting period are consistent with those applied in the audited financial statements for the year ended 31 December 2021 except for the adoption of new and amended standards as set out in Note 2.1.

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**


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The financial information are presented in Singapore dollars, which is the functional currency of Far East H-REIT and rounded to the nearest thousand (S\$'000), unless otherwise stated. The financial information have been prepared on the historical cost basis except for investment properties and financial derivative instruments which are stated at fair value.

**2.1 New and amended standards adopted by Far East H-REIT and the Stapled Group**

A number of amendments to Standards have become applicable for the current reporting period. Far East H-REIT and the Stapled Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

**2.2 Use of judgements and estimates**

In preparing the interim financial information, the REIT Manager has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by the REIT Manager in applying the Far East H-REIT and the Stapled Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

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* and Note 4 – *Investment property held for sale*.

Far East 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, the REIT Manager 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.

**3. Investment properties**

	As at 31 December 2022		As at 31 December 2021	
	Far East H-Trust S\$'000	Far East H-REIT S\$'000	Far East H-Trust S\$'000	Far East H-REIT S\$'000
At 1 January	2,336,500	2,336,500	2,528,700	2,528,700
Capital expenditure capitalised	8,068	8,068	963	963
Fair value change recognised in statement of total return	102,182	102,182	78,237	78,237
Transfer to investment property held for sale	-	-	(271,400)	(271,400)
At 31 December	2,446,750	2,446,750	2,336,500	2,336,500

Investment properties are stated at fair value based on valuations performed by independent professional valuers. The key assumptions used to determine the fair value of investment properties include market-corroborated capitalisation yields, terminal yields and discount rates. The ongoing geo-political headwinds, economic uncertainty and rising interest rate cost may have impact on the Singapore economy and the property market. The valuers have recommended to monitor the situation closely to reflect any potential impact on the valuation in due course. The REIT Manager is of the view that the valuation methods and estimates are reflective of the market conditions as at 31 December 2022.



**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**

The fair value of the investment properties is categorised as Level 3 of the fair value measurement hierarchy and is determined by key assumptions which include market-corroborated capitalisation yields, terminal yields and discount rates. 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.

*Information about significant unobservable inputs used in Level 3 fair value measurements*

Description	Fair value at			
	31 December 2022 S\$'000	Valuation Techniques	Unobservable inputs	Range
Investment properties				
- Hotels	2,104,850	Discounted cash flow	Discount rate Revenue per available room	5.75% - 6.50% S\$82 - S\$267
		Income capitalisation method	Capitalisation rate	3.50% - 5.25%
		Direct comparison method	Price per square metre	S\$880 - S\$15,424
- Serviced residences	341,900	Discounted cash flow	Discount rate Revenue per available unit	6.50% S\$168 - S\$324
		Income capitalisation method	Capitalisation rate	3.25% - 4.25%
		Direct comparison method	Price per square metre	S\$8,113 - S\$57,143
	<u>2,446,750</u>			
Description	Fair value at			
	31 December 2021 S\$'000	Valuation Techniques	Unobservable inputs	Range
Investment properties				
- Hotels	2,005,300	Discounted cash flow	Discount rate Revenue per available room	5.75% - 6.50% S\$41 - S\$245
		Income capitalisation method	Capitalisation rate	3.50% - 5.25%
		Direct comparison method	Price per square metre	S\$1,000 - S\$5,465
- Serviced residences	331,200	Discounted cash flow	Discount rate Revenue per available unit	6.50% S\$147 - S\$303
		Income capitalisation method	Capitalisation rate	3.25% - 4.25%
		Direct comparison method	Price per square metre	S\$9,253 - S\$58,333
	<u>2,336,500</u>			

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**


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**4. Investment property held for sale**

On 2 December 2021, Far East H-REIT entered into a put and call option agreement and the binding contract for the sale and purchase of the leasehold Interest deemed entered into upon exercise of the call option or (as the case may be) the put option with an unrelated third-party acquirer, to divest its leasehold interest in Village Residences Clarke Quay, for S\$313.2 million plus a potential incentive fee of up to S\$18.0 million. The divestment was completed on 24 March 2022.

The carrying amount of the investment property held for sale as at 31 December 2021 of S\$271.4 million was based on an independent valuation undertaken by Savills Valuation And Professional Services (S) Pte Ltd using the residual method and direct comparison approach.

The valuation method used in determining the fair value involves certain estimates including the gross development value and cost of construction. The specific risks inherent in the property are taken into consideration in arriving at the property valuation. The REIT Manager has reviewed the appropriateness of the valuation methodologies, assumptions and estimates adopted and is of the view that they are reflective of the market conditions as at 31 December 2021.

The fair value measurement has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. The significant unobservable inputs include price per square metre, gross development value per square metre or per room and cost of construction per square metre. The higher the comparable sales price, the higher the fair value. An increase in the gross development value per square foot or a decrease in the cost of construction per square foot would result in a higher fair value.

**5. Borrowings**

<b>As at 31 December 2022</b>		<b>As at 31 December 2021</b>	
<b>Far East H-Trust</b>	<b>Far East H-REIT</b>	<b>Far East H-Trust</b>	<b>Far East H-REIT</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Unsecured</u></b>			
Amounts repayable in one year or less, or on demand	-	-	181,304
Amounts repayable after one year	737,816	737,816	766,335
	<u>737,816</u>	<u>737,816</u>	<u>947,639</u>

**Details of borrowings and collateral:**

The total facilities of Far East H-REIT as at 31 December 2022 are as follows:

- Unsecured term loan facilities of S\$739.3 million; and
- S\$300.0 million of uncommitted RCF.

On 22 December 2022, DBS Trustee Limited in its capacity of Far East H-REIT entered into S\$67.15 million facility agreement for a tenor of 5 years with its existing lender to refinance of term loan of S\$67.15 million due in April 2023.

On 23 December 2022, DBS Trustee Limited in its capacity of Far East H-REIT entered into S\$65.0 million facility agreement for a tenor of 5 years with a new lender to refinance of term loan of S\$65.0 million due in April 2023.

The weighted average cost of debt was approximately 2.2% per annum. The weighted average debt-to-maturity was 3.1 years.

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Gearing as of 31 December 2022 was 32.0% (31 December 2021: 38.3%). Interest coverage ratio<sup>1</sup> as at 31 December 2022 was 3.8x (31 December 2021: 3.4x).

**6. 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.

**Details of Changes in Stapled Securities**

	<b>Far East H-Trust</b>			
	<b>2H 2022</b>	<b>2H 2021</b>	<b>FY 2022</b>	<b>FY 2021</b>
	<b>No. of</b>	<b>No. of</b>	<b>No. of</b>	<b>No. of</b>
	<b>Stapled</b>	<b>Stapled</b>	<b>Stapled</b>	<b>Stapled</b>
	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>	<b>Securities</b>
	'000	'000	'000	'000
<b>Stapled Securities in issue at beginning of period</b>	<b>1,983,373</b>	<b>1,969,458</b>	<b>1,974,831</b>	<b>1,961,401</b>
Issuance of Stapled Securities:				
- REIT Manager's fees	5,009	5,373	13,551	13,430
<b>Stapled Securities in issue</b>	<b>1,988,382</b>	<b>1,974,831</b>	<b>1,988,382</b>	<b>1,974,831</b>
Stapled Securities to be issued:				
- REIT Manager's fees – Base fees	2,524	2,825	2,524	2,825
- REIT Manager's fees – Performance fees (a)	3,724	3,382	3,724	3,382
<b>Stapled Securities in issue and to be issued at end of period</b>	<b>1,994,630</b>	<b>1,981,038</b>	<b>1,994,630</b>	<b>1,981,038</b>

**Footnotes:**

- (a) Stapled Securities to be issued to the REIT Manager as part satisfaction of REIT Manager's performance fee for the period from 1 January 2022 to 31 December 2022 are not entitled to 2H 2022 distribution.

<sup>1</sup> Interest coverage ratio is computed based on earnings before interest, tax, depreciation and amortisation ("EBITDA") over interest expense as per the definition in the loan covenants. This would be 3.6x (31 December 2021: 3.1x) based on the definition prescribed by Appendix 6 of the Code on Collective Investment Schemes.

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**
**7. Earnings per Stapled Security (“EPS”) and Distribution per Stapled Security (“DPS”)**

	Far East H-Trust			
	2H 2022	2H 2021	FY 2022	FY 2021
Weighted average number of Stapled Securities ('000)	1,986,377	1,972,741	1,982,854	1,969,201
Basic EPS (cents)	6.51	5.28	10.28	6.65
Weighted average number of Stapled Securities ('000) <sup>(1)</sup>	1,992,625	1,978,948	1,989,102	1,975,408
Diluted EPS (cents)	6.49	5.26	10.24	6.63
Number of Stapled Securities in issue at end of period ('000)	1,988,382	1,974,831	1,988,382	1,974,831
Number of Stapled Securities to be issued before Books Closure Date ('000)	2,524	2,825	2,524	2,825
Total number of Stapled Securities entitled to distribution ('000)	1,990,906	1,977,656	1,990,906	1,977,656
DPS (cents) <sup>(2)</sup>	1.73	1.53	3.27	2.63

- (1) The weighted average number of Stapled Securities is adjusted to take into account the number of Stapled Securities to be issued to the REIT Manager as partial payment of the REIT Manager's management fee incurred.
- (2) 2H 2021 DPS includes the release of S\$3.5 million of taxable income available for distribution to Stapled Securityholders retained in 1H 2021.

**8. Net Asset Value (“NAV”) / Net Tangible Asset (“NTA”) per Stapled Security**

	Far East H-Trust	
	31 December 2022	31 December 2021
Stapled Securities in issue and to be issued at end of period ('000)	1,994,630	1,981,038
NAV / NTA per Stapled Security (cents)	90.23	83.21

**9. Financial ratios**

	2H 2022 / FY 2022		2H 2021 / FY 2021	
	Far East H-Trust	Far East H-REIT	Far East H-Trust	Far East H-REIT
	%	%	%	%
Expense ratio <sup>(1)</sup>	0.64	0.64	0.67	0.67
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.

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**

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- (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.

**10. Subsequent events**

On 30 January 2022, Far East H-Trust issued approximately 2,524,000 new Stapled Securities at a price of S\$0.6252 per Stapled Security in payment of 90% of the REIT Manager's fees (base fees) for the period from 1 October 2022 to 31 December 2022.

On 14 February 2023, the REIT Manager declared a distribution of S\$34,443,000 or 1.73 Singapore cents per Stapled Security to Stapled Securityholders in respect of the period from 1 July 2022 to 31 December 2022.

**Other information required by Listing Rule Appendix 7.2****2 Whether the figures have been audited or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagement to Review Financial Statements), or an equivalent standard)**

The interim financial information of the Far East H-REIT and the Far East H-Trust have neither been audited or reviewed by the auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Please refer to 1(e)(2) *Basis of preparation* for details.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to 1(e)(2) *Basis of preparation* for details.

**6 Earnings per Stapled Security and Distribution per Stapled Security**

Please refer to Note 1(e)(7) *Earnings per Stapled Security and Distribution per Stapled Security* for details.

**7 Net Asset Value / Net Tangible Asset per Stapled Security**

Please refer to Note 1(e)(8) *Net Asset Value / Net Tangible Asset per Stapled Security* for details.

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**
**8 A review of the performance for the half year and full year ended 31 December 2022**
**8(a) Statement of net income and distribution of Far East Hospitality Trust**

	2H 2022	2H 2021	Better / (Worse)	FY 2022	FY 2021	Better / (Worse)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	42,581	41,679	2.2	83,579	83,248	0.4
Net property income	39,874	38,979	2.3	77,329	75,172	2.9
<i>Net property income margin</i>	93.6%	93.5%	0.1pp	92.5%	90.3%	2.2pp
Income available for distribution	30,200	32,994	(8.5)	58,986	54,847	7.5
Distribution to Stapled Securityholders	34,443	30,258	13.8	65,024	51,952	25.2
DPS (cents)	1.73	1.53	13.1	3.27	2.63	24.3

**8(b) Review of the performance of half year and full year ended 31 December 2022**
**2H 2022 vs 2H 2021**

Gross revenue for 2H 2022 grew 2.2% YoY to S\$42.6 million with growth from both the hotel and SR portfolio offsetting the decrease in revenue contribution from VRCQ following its divestment on 24 March 2022. The master lease rental for 2H 2022 improved with more hotels performing above fixed rent along with the SRs' continued performance with higher variable rents achieved.

For the period, the average daily rate ("ADR") of hotels grew 98.6% to S\$147, as demand persisted through the second half of 2022 with an increase in leisure and business travellers and the return of high-profile events. Higher contracted rates from remaining government contracts and the launch of Vibe Hotel Singapore Orchard also helped to lift ADR. Average occupancy declined 2.0pp to 79.1% as a few hotels in the portfolio exited the government contracts at the end of 2021. The Elizabeth Hotel was also closed for renovation for part of the second half of 2022. As a result, Revenue per available room ("RevPAR") grew 93.3% to S\$116.

The SRs continued their strong performance, aided by an increased mix of short-stay guests with higher rates. The average occupancy of SRs increased 7.7pp year-on-year to 86.5% and ADR grew 34.8% to S\$244. As a result, revenue per available unit ("RevPAU") registered an 47.6% YoY increase to S\$211.

A snapshot of the hotel and SR performance in 2H 2022 is set out below.

	2H 2022		2H 2021		Better / (Worse)	
	Hotels	SRs <sup>2</sup>	Hotels	SRs <sup>2</sup>	Hotels	SRs
<b>Average Occupancy (%)</b>	79.1	86.5	81.1	78.8	(2.0pp)	7.7pp
<b>Average Daily Rate (S\$)</b>	147	244	74	181	98.6%	34.8%
<b>RevPAR / RevPAU (S\$)</b>	116	211	60	143	93.3%	47.6%

Revenue from the retail and office spaces declined 2.2% YoY to S\$7.5 million due to the divestment of VRCQ. Excluding VRCQ and rental rebates provided to tenants, revenue would have grown 8.8% YoY on the back of improving rental rates and occupancy rates.

<sup>2</sup> On a same-store basis, excluding VRCQ for 2H 2022 and 2H 2021, average occupancy for 2H 2022 would have increased 4.3pp YoY from 82.2% to 86.5% and ADR would have grown 27.1% from S\$192 to S\$244. Correspondingly, RevPAU would have been 33.5% higher YoY from S\$158 to S\$211.

## Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022

Income available for distribution for 2H 2022 was 8.5% lower than 2H 2021 as income available for distribution for 2H 2021 included the release of S\$3.5 million of taxable income available for distribution to Stapled Securityholders retained in 1H 2021. Excluding the release of S\$3.5 million of taxable income in 2H 2021, income available for distribution would have increased by 2.3% on the back of higher net property income contribution.

Distribution to Stapled Securityholders for 2H 2022 grew 13.8% to S\$34.4 million on the back of higher net property income contribution and distribution of other gains from the divestment of VRCQ. This translates to a higher distribution per Stapled Security of 1.73 cents, compared to 1.53 cents for the preceding period.

### **FY 2022 vs FY 2021**

Gross revenue for FY 2022 grew 0.4% YoY to S\$83.6 million with growth from both the hotel and SR portfolio offsetting the loss in revenue contribution from VRCQ following its divestment on 24 March 2022.

During the year, the hotel portfolio saw healthy demand from corporate groups and improved pick-up from leisure travellers following Singapore's relaxation and streamlining of border measures in April 2022. As a result, ADR grew 78.6% to S\$125. Contracts with the Government were also renewed at higher rates. Average occupancy declined 5.7pp to 73.7% as some hotels in the portfolio exited the government contracts at the end of 2021 and The Elizabeth Hotel was also closed for renovation for part of the year. Correspondingly, RevPAR grew 64.3% to S\$92.

The SRs continued to do well in FY 2022, exceeding the performance achieved in FY 2019. Buoyed by the tight supply and continued inflow of professionals and project groups, average occupancy for the full year grew 10.0pp to 87.5%, while ADR increased 23.2% to S\$223. RevPAU registered a 39.3% YoY increase to S\$195.

A snapshot of the hotel and SRs performance for FY 2022 is set out below.

	FY 2022		FY 2021		Better / (Worse)	
	Hotels	SRs <sup>3</sup>	Hotels	SRs <sup>3</sup>	Hotels	SRs
<b>Average Occupancy (%)</b>	73.7	87.5	79.4	77.5	(5.7pp)	10.0pp
<b>Average Daily Rate (S\$)</b>	125	223	70	181	78.6%	23.2%
<b>RevPAR / RevPAU (S\$)</b>	92	195	56	140	64.3%	39.3%

Revenue from the retail and office spaces declined 1.9% YoY to S\$14.8 million due to the divestment of VRCQ which contained 21.3% of the commercial spaces in the portfolio. Excluding VRCQ and rental rebates provided to tenants in FY 2021, revenue would have grown 4.8% YoY on the back of improving rental rates and occupancy rates.

Net property income was higher by 2.9% at S\$77.3 million resulting from lower property tax and retail and office expenses. Excluding the effects arising from the divestment of Central Square, net property income would have grown 9.0% YoY to S\$76.2 million.

Finance expenses decreased 7.2% YoY to S\$18.4 million mainly due to the repayment of S\$260.3 million of term loans and RCF using proceeds from the divestment of VRCQ and lower fixed rates on interest rate swap contracts.

Overall, distribution to Stapled Securityholders grew 25.2% to S\$65.0 million on the back of higher net property income contribution and interest income, lower finance expenses, tax-exempt income distribution and other gains distribution from the divestment of VRCQ, translating into a distribution per Stapled Security of 3.27 cents compared to 2.63 cents for the preceding period.

## **9 Variance between forecast and the actual results**

No forecast has been disclosed.

<sup>3</sup> On a same-store basis, excluding VRCQ for FY 2022 and FY 2021, average occupancy for FY 2022 would have increased 6.2pp YoY from 82.1% to 88.3% and ADR would have grown 16.5% from S\$194 to S\$226. Correspondingly, RevPAU would have been 25.2% higher YoY from S\$159 to S\$199.

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**


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**10 Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

As the world transitioned to living with COVID-19 as an endemic, international tourism recovered 63%<sup>4</sup> of the pre-pandemic level by the end of 2022, supported by pent-up demand for travel. In Singapore, visitor arrivals reached 6.3 million visitor arrivals or 33% of the pre-pandemic level.

For the year 2023, the Singapore Tourism Board expects visitor arrivals to reach around 12 to 14 million before a full recovery to the pre-pandemic level of about 19 million visitors by the year 2024. The World Tourism Organization (“UNTWO”) expects international tourism to reach 80% to 95% of the pre-pandemic level with strong demand from the Asia Pacific and in particular, China with its reopening of borders in January 2023.

While geopolitical risks alongside an elevated inflation and interest rate environment remain in the next 12 months, the REIT Manager remains optimistic over the prospects of the hospitality industry given renewed efforts by the Government and the industry to build Singapore into an attractive destination for investments and tourism. The expected increase in visitor arrivals into Singapore arising from the reopening of more major markets and increased flight capacity in 2023 will enable more properties in Far East H-Trust’s portfolio to perform above their fixed rents.

**11 DISTRIBUTIONS**
**Current financial period**

**Any distribution declared for the current period?**

Yes

**Distribution period**

Distribution for the half year from 1 July 2022 to 31 December 2022

**Distribution type**

Taxable income  
 Tax-exempt income  
 Other gains

**Distribution per stapled security**

<b>Distribution Type</b>	<b>Distribution Rate (cents)</b>
Taxable income	1.49
Tax-exempt income	0.03
Other gains	0.21
<b>Total</b>	<b>1.73</b>

**Tax rate**

Taxable income distribution

Qualifying investors and individuals (other than those who held their stapled securities through a partnership) would receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors and foreign funds received their distributions after deduction of tax at the rate of 10%.

All other investors received their distributions after deduction of tax at the rate of 17%.

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<sup>4</sup> UNWTO World Tourism Barometer and Statistical Annex, January 2023



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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**


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	<u>Tax-exempt income distribution</u> Tax-exempt income distribution is exempt from tax in the hands of all Stapled Securityholders.
	<u>Other gains distribution</u> Other gains distribution is not taxable in the hands of all Stapled Securityholders.
<b>Date paid/payable</b>	22 March 2023
<b>Books closure date</b>	22 February 2023
<b>Stapled Securityholders must complete and return Form A or Form B, as applicable</b>	8 March 2023

**Corresponding period of the preceding financial period**

<b>Any distribution declared for the preceding period?</b>	Yes
<b>Distribution period</b>	Distribution for the half year from 1 July 2021 to 31 December 2021
<b>Distribution type</b>	Taxable income Tax-exempt income

**Distribution per stapled security**

<b>Distribution Type</b>	<b>Distribution Rate (cents)</b>
Taxable income	1.42
Tax-exempt income	0.11
<b>Total</b>	<b>1.53</b>

**Tax rate**
Taxable income distribution

Qualifying investors and individuals (other than those who held their stapled securities through a partnership) would receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors and foreign funds received their distributions after deduction of tax at the rate of 10%.

All other investors received their distributions after deduction of tax at the rate of 17%.

Tax-exempt income distribution

Tax-exempt income distribution is exempt from tax in the hands of all Stapled Securityholders.

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**


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**12 If no distribution has been declared/recommended, a statement to that effect.**

Not applicable.

**13 If the Group has obtained a general mandate from Stapled Securityholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Far East H-Trust did not obtain a general mandate from Stapled Securityholders for IPT.

**14 Segment revenue and results of operating segments**
**(a) Operating segments for the year ended 31 December 2022**

	<b>Hotels and serviced residences</b>	<b>Retail units, offices and others</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000
Gross revenue	68,783	14,796	83,579
Segment net property income	65,814	11,515	77,329
REIT Manager's fees			(9,430)
Trustee's fees			(309)
Other trust expenses			(1,042)
Interest and other income			1,648
Finance expenses			(18,440)
Net income before tax and fair value changes			49,756
Fair value change in derivative financial instruments			12,673
Fair value change in investment properties	101,282	900	102,182
Gain on disposal of investment property			39,290
Total return for the year before income tax			203,901
Income tax expense			(146)
Total return for the year after income tax before distribution			203,755

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**
**(b) Operating segments for the year ended 31 December 2021**

	<b>Hotels and serviced residences</b>	<b>Retail units, offices and others</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000
Gross revenue	68,172	15,076	83,248
Segment net property income	64,423	10,749	75,172
REIT Manager's fees			(9,442)
Trustee's fees			(319)
Other trust expenses			(695)
Interest and other income			500
Finance expenses			(19,874)
Net income before tax and fair value changes			45,342
Fair value change in derivative financial instruments			11,558
Fair value change in investment properties	3,499	1,651	5,150
Fair value change in investment property held for sale			73,087
Share of results of joint venture			(4,060)
Total return for the year before income tax			131,077
Income tax expense			(67)
Total return for the year after income tax before distribution			131,010

**15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to Section 8 for a review of the performance.

**16 Breakdown of gross revenue and net income**

	<b>Far East H-Trust</b>		
	<b>FY 2022</b> S\$'000	<b>FY 2021</b> S\$'000	<b>Better / (Worse)</b> %
Gross revenue reported for first half year	40,998	41,569	(1.4)
Net income for first half year	74,433	26,841	>100.0
Gross revenue reported for second half year	42,581	41,679	2.2
Net income for second half year	129,322	104,169	24.1

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**


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**17 Breakdown of annual distribution for the current full year and its previous full year is as follow:**

In respect of the period	2022 S\$'000	2021 S\$'000
1 July 2020 to 31 December 2020	–	27,105
1 January 2021 to 30 June 2021	–	21,694
1 July 2021 to 31 December 2021	30,258	–
1 January 2022 to 30 June 2022	30,581	–
	<b>60,839</b>	<b>48,799</b>

**18 Confirmation pursuant to Rule 704(13) of the Listing Manual**

Pursuant to Rule 704(13) of the Listing Manual of the SGX-ST, the REIT Manager and the Trustee-Manager confirm that there are no persons occupying managerial position in the REIT Manager and the Trustee-Manager who are related to a director or the chief executive officer or a substantial shareholder of the REIT Manager or of the Trustee-Manager respectively or a substantial stapled securityholder of Far East H-Trust.

**19 Confirmation that the Issuer has procured undertakings from all of its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The REIT Manager and Trustee-Manager confirm that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

By Order of the Board

Gerald Lee Hwee Keong  
 Chief Executive Officer and Executive Director  
 FEO Hospitality Asset Management Pte. Ltd.  
 (Company Registration No. 201102629K)  
 14 February 2023

By Order of the Board

Gerald Lee Hwee Keong  
 Chief Executive Officer and Executive Director  
 FEO Hospitality Trust Management Pte. Ltd.  
 (Company Registration No. 201210698W)  
 14 February 2023

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2022**

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**Important Notice**

This announcement 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 master lease rental revenue, retail and office rental revenue, changes in operating expenses (including employee wages, benefits and training costs), property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the REIT Manager's and Trustee-Manager's current view on future events.

The value of Stapled Securities and the income derived from them, if any, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the REIT Manager, Trustee-Manager or any of its affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they have no right to request the REIT Manager and Trustee-Manager to redeem their Stapled Securities while the Stapled Securities are listed. It is intended that 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.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe 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.