

**Far East Hospitality Trust**  
**Unaudited Financial Statements Announcement**  
**For the half year and full year ended 31 December 2023**

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**

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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 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 has 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 2023**
**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**

		<b>Far East H-REIT</b>					
Note	2H 2023	2H 2022	Better / (Worse)	FY 2023	FY 2022	Better / (Worse)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
	46,657	35,035	33.2	90,649	68,783	31.8	
	8,110	7,546	7.5	16,156	14,796	9.2	
	<b>54,767</b>	<b>42,581</b>	<b>28.6</b>	<b>106,805</b>	<b>83,579</b>	<b>27.8</b>	
(a)							
	(3,447)	(1,514)	>(100.0)	(5,330)	(3,909)	(36.4)	
(b)	(54)	(48)	(12.5)	(103)	(94)	(9.6)	
	(158)	(169)	6.5	(316)	(349)	9.5	
	(988)	(764)	(29.3)	(1,857)	(1,491)	(24.5)	
	(140)	(3)	>(100.0)	(40)	24	>(100.0)	
	(209)	(209)	-	(418)	(431)	3.0	
	<b>(4,996)</b>	<b>(2,707)</b>	<b>(84.6)</b>	<b>(8,064)</b>	<b>(6,250)</b>	<b>(29.0)</b>	
	<b>49,771</b>	<b>39,874</b>	<b>24.8</b>	<b>98,741</b>	<b>77,329</b>	<b>27.7</b>	
	(5,444)	(4,918)	(10.7)	(10,501)	(9,430)	(11.4)	
	(160)	(154)	(3.9)	(317)	(309)	(2.6)	
	(406)	(485)	16.3	(938)	(1,041)	9.9	
(c)	2,014	1,271	58.5	3,893	1,648	>100.0	
(d)	(13,085)	(10,308)	(26.9)	(25,169)	(18,440)	(36.5)	
	<b>32,690</b>	<b>25,280</b>	<b>29.3</b>	<b>65,709</b>	<b>49,757</b>	<b>32.1</b>	
	-	-	N.M.	-	-	N.M.	
(e)							
	<b>32,690</b>	<b>25,280</b>	<b>29.3</b>	<b>65,709</b>	<b>49,757</b>	<b>32.1</b>	
	2,643	-	N.M.	726	-	N.M.	
(f)							
	(7,845)	1,973	>(100.0)	(13,003)	12,673	>(100.0)	
(g)							
	59,244	102,182	(42.0)	59,244	102,182	(42.0)	
(h)							
	-	(6)	100.0	17,912	39,290	(54.4)	
(i)							
	<b>86,732</b>	<b>129,429</b>	<b>(33.0)</b>	<b>130,588</b>	<b>203,902</b>	<b>(36.0)</b>	
	(142)	(107)	(32.7)	(278)	(146)	(90.6)	
	<b>86,590</b>	<b>129,322</b>	<b>(33.0)</b>	<b>130,310</b>	<b>203,756</b>	<b>(36.0)</b>	
	<b>86,732</b>	<b>129,429</b>	<b>(33.0)</b>	<b>130,588</b>	<b>203,902</b>	<b>(36.0)</b>	
(j)	(50,165)	(99,921)	49.8	(57,272)	(145,628)	60.7	
(k)	384	-	N.M.	384	-	N.M.	
(l)	2,348	171	>100.0	-	-	N.M.	
	39,299	29,679	32.4	73,700	58,274	26.5	
	696	521	33.6	1,360	713	90.7	
	<b>39,995</b>	<b>30,200</b>	<b>32.4</b>	<b>75,060</b>	<b>58,987</b>	<b>27.2</b>	
	39,299	29,665	32.5	73,700	58,260	26.5	
	-	597	(100.0)	-	597	(100.0)	
	4,211	4,181	0.7	8,211	6,167	33.1	
	<b>43,510</b>	<b>34,443</b>	<b>26.3</b>	<b>81,911</b>	<b>65,024</b>	<b>26.0</b>	

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**

Far East H-Trust						
Note	2H 2023	2H 2022	Better / (Worse)	FY 2023	FY 2022	Better / (Worse)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Master lease rental	46,657	35,035	33.2	90,649	68,783	31.8
Retail and office revenue	8,110	7,546	7.5	16,156	14,796	9.2
<b>Gross revenue</b> (a)	<b>54,767</b>	<b>42,581</b>	<b>28.6</b>	<b>106,805</b>	<b>83,579</b>	<b>27.8</b>
Property tax (b)	(3,447)	(1,514)	>(100.0)	(5,330)	(3,909)	(36.4)
Property insurance	(54)	(48)	(12.5)	(103)	(94)	(9.6)
MCST contribution	(158)	(169)	6.5	(316)	(349)	9.5
Retail and office expenses	(988)	(764)	(29.3)	(1,857)	(1,491)	(24.5)
Reversal of/ (Impairment losses) on trade receivables	(140)	(3)	>(100.0)	(40)	24	>(100.0)
Property manager fees	(209)	(209)	(0.5)	(418)	(431)	2.8
<b>Property expenses</b>	<b>(4,996)</b>	<b>(2,707)</b>	<b>(84.6)</b>	<b>(8,064)</b>	<b>(6,250)</b>	<b>(29.1)</b>
<b>Net property income</b>	<b>49,771</b>	<b>39,874</b>	<b>24.8</b>	<b>98,741</b>	<b>77,329</b>	<b>27.7</b>
REIT Manager's fees	(5,444)	(4,918)	(10.7)	(10,501)	(9,430)	(11.4)
Trustee's fees	(160)	(154)	(3.9)	(317)	(309)	(2.6)
Other trust expenses	(407)	(485)	16.1	(940)	(1,042)	9.9
Interest and other income (c)	2,014	1,271	58.5	3,893	1,648	>100.0
Finance expenses (d)	(13,085)	(10,308)	(26.9)	(25,169)	(18,440)	(36.5)
<b>Net income before joint venture's results</b>	<b>32,689</b>	<b>25,280</b>	<b>29.3</b>	<b>65,707</b>	<b>49,756</b>	<b>32.0</b>
Share of results of joint venture (e)	-	-	N.M.	-	-	N.M.
<b>Net income before tax and fair value changes</b>	<b>32,689</b>	<b>25,280</b>	<b>29.3</b>	<b>65,707</b>	<b>49,756</b>	<b>32.0</b>
Unrealised foreign exchange gain (f)	2,643	-	N.M.	726	-	N.M.
Fair value change in derivative financial instruments (g)	(7,845)	1,973	>(100.0)	(13,003)	12,673	>(100.0)
Fair value change in investment properties (h)	59,244	102,182	(42.0)	59,244	102,182	(42.0)
(Loss) / Gain on disposal of investment property (i)	-	(6)	100.0	17,912	39,290	(54.4)
<b>Total return for the period before income tax</b>	<b>86,731</b>	<b>129,429</b>	<b>(33.0)</b>	<b>130,586</b>	<b>203,901</b>	<b>(36.0)</b>
Income tax expense	(142)	(107)	(32.7)	(278)	(146)	(90.4)
<b>Total return for the period</b>	<b>86,589</b>	<b>129,322</b>	<b>(33.0)</b>	<b>130,308</b>	<b>203,755</b>	<b>(36.0)</b>
<b>Distribution Statement</b>						
<b>Total return for the period before income tax</b>	<b>86,731</b>	<b>129,429</b>	<b>(33.0)</b>	<b>130,586</b>	<b>203,901</b>	<b>(36.0)</b>
Net distribution adjustments (j)	(50,165)	(99,921)	49.8	(57,272)	(145,628)	60.7
Rollover adjustment (k)	384	-	N.M.	384	-	N.M.
Undistributed taxable income from previous period (l)	2,348	171	>100.0	-	-	N.M.
Other adjustments (m)	2	-	N.M.	2	-	N.M.
Taxable income	39,300	29,679	32.4	73,700	58,273	26.5
Tax-exempt income	696	521	33.6	1,360	713	90.7
<b>Income available for distribution</b>	<b>39,996</b>	<b>30,200</b>	<b>32.4</b>	<b>75,060</b>	<b>58,986</b>	<b>27.3</b>
<b>Distribution comprises:</b>						
- from taxable income	39,299	29,665	32.5	73,700	58,260	26.5
- from tax-exempt income	-	597	(100.0)	-	597	(100.0)
- from other gains	4,211	4,181	0.7	8,211	6,167	33.1
	<b>43,510</b>	<b>34,443</b>	<b>26.3</b>	<b>81,911</b>	<b>65,024</b>	<b>26.0</b>

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**

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The Manager resolved to distribute S\$43.5 million to Stapled Securityholders for 2H 2023, comprising taxable income of S\$39.3 million; and other gains of S\$4.2 million from the 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 FY2023, the Manager has resolved to distribute 100.0% of its taxable income available for distribution to the Stapled Securityholders.

**Notes:**

NM – Not meaningful

- (a) Refer to section 8 on "Review of performance" for the explanation of variances.
- (b) The increase in property tax expense is due to higher annual values upon finalisation of assessment by Inland Revenue Authority of Singapore ("IRAS") for all properties.
- (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.
- (d) Higher finance expenses are mainly due to higher interest rates on the floating rate loans.
- (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) The unrealised foreign exchange gain arose from exchange difference on the US dollar denominated term loan. A cross currency swap ("CCS") has been entered into to hedge against any foreign exchange exposure on the principal and interest payments. This is a non-tax chargeable / deductible item and has no impact on the taxable income and distributable income to the Stapled Securityholders.
- (g) This relates to net change in fair value of interest rate swap and cross currency swap contracts entered to hedge against the interest rate and foreign currency 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.
- (h) The fair value change in investment properties of S\$59.2 million for FY2023 arose from the revaluation of 9 hotels and 3 SRs as at 31 December 2023. 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.
- (i) The gain on disposal of investment property pertains to the incentive fee received on 24 March 2023 for the divestment of VRCQ which was completed in March 2022.

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**

(j) Included in the net distribution adjustments are the following:

	Note	2H 2023	2H 2022	Better / (Worse)	FY 2023	FY 2022	Better / (Worse)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
- REIT Manager's fees paid/payable in Stapled Securities	(i)	4,899	4,426	10.7	9,451	8,487	11.4
- Trustee's fees		160	154	3.9	317	309	2.6
- Amortisation of debt-related transaction cost		244	288	(15.3)	503	667	(24.6)
- Front end fees		(741)	-	N.M.	(741)	-	N.M.
- Unrealised foreign exchange gain		(2,643)	-	N.M.	(726)	-	N.M.
- Fair value change in derivative financial instruments		7,845	(1,973)	>100.0	13,003	(12,673)	>100.0
- Fair value change in investment properties		(59,244)	(102,182)	42.0	(59,244)	(102,182)	42.0
- Loss/(Gain) on disposal of investment property		-	6	(100.0)	(17,912)	(39,290)	54.4
- Other items		(685)	(640)	(7.0)	(1,923)	(946)	>(100.0)
<b>Net distribution adjustments</b>		<b>(50,165)</b>	<b>(99,921)</b>	<b>49.8</b>	<b>(57,272)</b>	<b>(145,628)</b>	<b>60.7</b>

**Notes:**

N.M. – Not meaningful

(i) This represents 90% of REIT Manager's fees paid/payable in Stapled Securities.

- (k) The rollover adjustment for FY 2023 relates to the difference between the taxable income previously distributed and the quantum finally agreed with the IRAS for the Year of Assessment ("YA") 2021 and 2022.
- (l) For 2H 2023, this relates to the release of the S\$2.3 million of taxable income available for distribution to Stapled Securityholders that was not distributed in 1H 2023. For 2H 2022, this relates to taxable income that was undistributed in 1H 2022 due to rounding.
- (m) Other adjustments for Far East H-Trust pertains primarily to the net accounting results of Far East H-BT.

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**
**1(b) Balance Sheets**
**1(b)(i) Balance Sheets as at 31 December 2023**

	Note	As at 31 December 2023			As at 31 December 2022		
		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)	2,509,550	2,509,550	-	2,446,750	2,446,750	-
Joint venture	(b)	-	-	-	-	-	-
Derivative financial assets	(c)	951	951	-	8,982	8,982	-
<b>Total non-current assets</b>		<b>2,510,501</b>	<b>2,510,501</b>	<b>-</b>	<b>2,455,732</b>	<b>2,455,732</b>	<b>-</b>
<b>Current assets</b>							
Cash and cash equivalents	(d)	63,093	63,093	-	49,774	49,774	-
Prepayments		85	85	-	81	81	-
Trade and other receivables	(e)	47,500	47,500	30	45,489	45,489	30
Derivative financial assets	(c)	1,276	1,276	-	4,017	4,017	-
<b>Total current assets</b>		<b>111,954</b>	<b>111,954</b>	<b>30</b>	<b>99,361</b>	<b>99,361</b>	<b>30</b>
<b>Total assets</b>		<b>2,622,455</b>	<b>2,622,455</b>	<b>30</b>	<b>2,555,093</b>	<b>2,555,093</b>	<b>30</b>
<b>Current liabilities</b>							
Trade and other liabilities	(f)	3,348	3,340	38	2,704	2,698	36
Accruals	(h)	4,101	4,100	1	5,892	5,891	1
Rental deposits		1,534	1,534	-	1,775	1,775	-
Deferred income		90	90	-	90	90	-
Income tax payable		278	278	-	146	146	-
<b>Total current liabilities</b>		<b>9,351</b>	<b>9,342</b>	<b>39</b>	<b>10,607</b>	<b>10,600</b>	<b>37</b>
<b>Non-current liabilities</b>							
Borrowings	(g)	736,752	736,752	-	737,816	737,816	-
Derivative financial liabilities	(c)	2,231	2,231	-	-	-	-
Rental deposits		6,721	6,721	-	6,094	6,094	-
Deferred income		690	690	-	781	781	-
<b>Total non-current liabilities</b>		<b>746,394</b>	<b>746,394</b>	<b>-</b>	<b>744,691</b>	<b>744,691</b>	<b>-</b>
<b>Total liabilities</b>		<b>755,745</b>	<b>755,736</b>	<b>39</b>	<b>755,298</b>	<b>755,291</b>	<b>37</b>
<b>Net assets</b>		<b>1,866,710</b>	<b>1,866,719</b>	<b>(9)</b>	<b>1,799,795</b>	<b>1,799,802</b>	<b>(7)</b>
Represented by:							
<b>Unitholders' funds</b>							
Unitholders' funds of Far East H-REIT		1,866,719	1,866,719	-	1,799,802	1,799,802	-
Unitholders' funds of Far East H-BT		(9)	-	(9)	(7)	-	(7)
		<b>1,866,710</b>	<b>1,866,719</b>	<b>(9)</b>	<b>1,799,795</b>	<b>1,799,802</b>	<b>(7)</b>

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**

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**Notes:**

- (a) The increase in investment properties was mainly attributable to the fair value change in investment properties of S\$59.2 million and capital expenditure capitalised for Orchard Rendezvous Hotel, Vibe Hotel Singapore Orchard, Village Hotel Changi and Rendezvous Hotel Singapore. 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 2023.
- (c) This relates to the fair value of interest rate swap and CCS contracts entered to hedge against interest rate risk and foreign exchange exposure of Far East H-REIT.
- (d) Cash and cash equivalents comprise cash at bank of S\$4.9 million and fixed deposits of S\$58.2 million. The increase in cash and cash equivalents is mainly due to the incentive fee received from divestment of VRCQ.
- (e) This includes a shareholders' loan and accrued interest due from FIPL of S\$38.0 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 higher trade receivables and interest receivables from FIPL.
- (f) The increase in trade and other payables is mainly due to higher GST payable arising from higher lease billings in the fourth quarter.
- (g) The total gross borrowings as at 31 December 2023 of S\$738.6 million. The decrease from the balances as at 31 December 2022 is due to unrealised foreign exchange gain on the US dollar denominated term loan.  
  
On 31 March 2023, a new facility with an option for either US or Singapore dollar denomination was drawn down to early refinance the existing S\$100.0 million term loan ahead of its maturity on 28 March 2024.  
  
On 29 December 2023, two new facilities of S\$62.5 million each were drawn down to early refinance \$125.0 million term loans due to mature on 30 March 2024.  
  
As at 31 December 2023, Far East H-REIT has undrawn and uncommitted revolving credit facilities ("RCF") of S\$275.0 million with 3 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)(4) *Borrowings*.
- (h) The decrease in accruals is mainly due to lower interest expense and capital expenditure accrued as at 31 December 2023 as compared to preceding year.



**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**
**1(c) Cash Flow Statements**

		<b>Far East H-REIT</b>			
Note	2H 2023	2H 2022	FY 2023	FY 2022	
	S\$'000	S\$'000	S\$'000	S\$'000	
<b>Cash flows from operating activities</b>					
Total return before income tax	86,732	129,429	130,588	203,902	
Adjustments for:					
Interest and other income	(2,014)	(1,271)	(3,893)	(1,648)	
Finance expenses	13,085	10,308	25,169	18,440	
Unrealised foreign exchange gain	(2,643)	-	(726)	-	
Fair value change in derivative financial instruments	7,845	(1,973)	13,003	(12,673)	
Fair value change in investment properties	(59,244)	(102,182)	(59,244)	(102,182)	
Loss/(Gain) on disposal of investment property	-	6	(17,912)	(39,290)	
REIT Manager's fees issued/issuable in Stapled Securities	4,899	4,426	9,451	8,487	
(Reversal of)/Impairment losses on trade receivables	140	3	40	(24)	
Operating profit before working capital changes	48,800	38,746	96,476	75,012	
Changes in working capital					
Trade and other receivables	1,466	(613)	(828)	(251)	
Trade and other liabilities	752	1,350	1,467	(2,368)	
Rental deposits	276	(81)	288	(452)	
Income tax paid	-	-	(146)	(67)	
<b>Cash flows generated from operating activities</b>	<b>51,294</b>	<b>39,402</b>	<b>97,257</b>	<b>71,874</b>	
<b>Cash flows from investing activities</b>					
Capital expenditure on investment properties	(1,545)	(4,949)	(4,382)	(7,237)	
Net proceeds from divestment of investment property	-	(6)	17,912	263,710	
Loan to joint venture company	-	-	-	(1,500)	
Interest received	1,507	528	2,054	528	
<b>Cash flows (used in) / generated from investing activities</b>	<b>(38)</b>	<b>(4,427)</b>	<b>15,584</b>	<b>255,501</b>	
<b>Cash flows from financing activities</b>					
Proceeds from borrowings	125,000	132,150	225,000	149,971	
Finance costs paid	(14,014)	(10,556)	(26,678)	(18,456)	
Repayment of borrowings	(125,000)	(132,150)	(225,000)	(359,971)	
Distribution to Stapled Securityholders	(38,401)	(30,581)	(72,844)	(60,839)	
<b>Cash flows used in financing activities</b>	<b>(52,415)</b>	<b>(41,137)</b>	<b>(99,522)</b>	<b>(289,295)</b>	
Net (decrease) / increase in cash and cash equivalents	(1,159)	(6,162)	13,319	38,080	
Cash and cash equivalents at beginning of the period	64,252	55,936	49,774	11,694	
<b>Cash and cash equivalents at end of the period</b>	<b>63,093</b>	<b>49,774</b>	<b>63,093</b>	<b>49,774</b>	

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**

<b>Far East H-Trust</b>				
Note	2H 2023	2H 2022	FY 2023	FY 2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Total return before income tax	86,731	129,429	130,586	203,901
Adjustments for:				
Interest and other income	(2,014)	(1,271)	(3,893)	(1,648)
Finance expenses	13,085	10,308	25,169	18,440
Unrealised foreign exchange gain	(2,643)	-	(726)	-
Fair value change in derivative financial instruments	7,845	(1,973)	13,003	(12,673)
Fair value change in investment properties and investment property held for sale	(59,244)	(102,182)	(59,244)	(102,182)
Loss/ (Gain) on disposal of investment property	-	6	(17,912)	(39,290)
REIT Manager's fees issued/issuable in Stapled Securities	4,899	4,426	9,451	8,487
Share of results of joint venture	-	-	-	-
(Reversal of)/Impairment losses on trade receivables	140	3	40	(24)
Operating profit before working capital changes	48,799	38,746	96,474	75,011
Changes in working capital				
Trade and other receivables	1,466	(613)	(828)	(251)
Trade and other liabilities	753	1,350	1,469	(2,367)
Rental deposits	276	(81)	288	(452)
Income tax paid	-	-	(146)	(67)
<b>Cash flows generated from operating activities</b>	<b>51,294</b>	<b>39,402</b>	<b>97,257</b>	<b>71,874</b>
<b>Cash flows from investing activities</b>				
Capital expenditure on investment properties	(1,545)	(4,949)	(4,382)	(7,237)
Net proceeds from divestment of investment property	-	(6)	17,912	263,710
Loan to joint venture company	-	-	-	(1,500)
Interest received	1,507	528	2,054	528
<b>Cash flows (used in) / generated from investing activities</b>	<b>(38)</b>	<b>(4,427)</b>	<b>15,584</b>	<b>255,501</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	125,000	132,150	225,000	149,971
Finance costs paid	(14,014)	(10,556)	(26,678)	(18,456)
Repayment of borrowings	(125,000)	(132,150)	(225,000)	(359,971)
Distribution to Stapled Securityholders	(38,401)	(30,581)	(72,844)	(60,839)
<b>Cash flows used in financing activities</b>	<b>(52,415)</b>	<b>(41,137)</b>	<b>(99,522)</b>	<b>(289,295)</b>
Net (decrease) / increase in cash and cash equivalents	(1,159)	(6,162)	13,319	38,080
Cash and cash equivalents at beginning of the period	64,252	55,936	49,774	11,694
<b>Cash and cash equivalents at end of the period</b>	<b>63,093</b>	<b>49,774</b>	<b>63,093</b>	<b>49,774</b>

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**
**Notes:**

- (a) Capital expenditure incurred mainly relates to asset enhancement work carried out at the properties such as Orchard Rendezvous Hotel, Vibe Hotel Singapore Orchard, Village Hotel Changi and Rendezvous Hotel Singapore.
- (b) The term loan of S\$100.0 million equivalent was drawn down in March 2023 to refinance a S\$100.0 million term loan due on 28 March 2024. Another S\$125.0 million of term loans were drawn down in December 2023 to refinance a S\$125.0 million term loan due on 30 March 2024.
- (c) The distribution to Stapled Securityholders in 2H 2023 relates to the cash distribution for the financial period from 1 January 2023 to 30 June 2023, which was paid on 5 September 2023. In the corresponding period, 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.

**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 2023 to 31 December 2023**

	Stapled Securityholders' Funds						
	Far East H-REIT			Far East H-BT			Far East H-Trust
	Units in issue S\$'000	Accumulated 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 2023</b>	<b>1,784,343</b>	<b>29,288</b>	<b>1,813,631</b>	<b>28</b>	<b>(36)</b>	<b>(8)</b>	<b>1,813,623</b>
<b>Operations</b>							
Increase in net assets resulting from operations	-	86,590	86,590	-	(1)	(1)	86,590
	-	86,590	86,590	-	(1)	(1)	86,590
<b>Unitholders' transactions</b>							
Issuance of Stapled Securities:							
- REIT Manager's fees <sup>(a)</sup>	4,899	-	4,899	-	-	-	4,899
Distribution to Stapled Securityholders <sup>(b)</sup>	-	(38,401)	(38,401)	-	-	-	(38,401)
Net increase/(decrease) in net assets resulting from unitholders' transactions	4,899	(38,401)	(33,502)	-	-	-	(33,502)
<b>Balance at 31 December 2023</b>	<b>1,789,242</b>	<b>77,477</b>	<b>1,866,719</b>	<b>28</b>	<b>(37)</b>	<b>(9)</b>	<b>1,866,710</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 2023 to 31 December 2023. 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 2023 will be issued in April 2024.
- (b) Distribution to Stapled Securityholders relates distribution paid in respect of financial period from 1 January 2023 to 30 June 2023.

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**
**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 were issued on 26 April 2023.
- (b) Distribution to Stapled Securityholders relates to distribution paid in respect of the financial period from 1 January 2022 to 30 June 2022.

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**
**1(d)(ii) Statements of Changes in Stapled Securityholders' Funds  
for the period from 1 January 2023 to 31 December 2023**

	Stapled Securityholders' Funds						Far East H-Trust Total S\$'000
	Far East H-REIT			Far East H-BT			
	Units in issue S\$'000	Accumulated profit S\$'000	Total S\$'000	Units in issue S\$'000	Accumulated loss S\$'000	Total S\$'000	
<b>Balance at 1 January 2023</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>
<b>Operations</b>							
Increase/(Decrease) in net assets resulting from operations	-	130,310	130,310	-	(2)	(2)	130,308
	-	130,310	130,310	-	(2)	(2)	130,308
<b>Unitholders' transactions</b>							
Issuance of Stapled Securities:							
- REIT Manager's fees <sup>(a)</sup>	9,451	-	9,451	-	-	-	9,451
Distribution to Stapled Securityholders <sup>(b)</sup>	-	(72,844)	(72,844)	-	-	-	(72,844)
Net increase/(decrease) in net assets resulting from unitholders' transactions	9,451	(72,844)	(63,393)	-	-	-	(63,393)
<b>Balance at 31 December 2023</b>	<b>1,789,242</b>	<b>77,477</b>	<b>1,866,719</b>	<b>28</b>	<b>(37)</b>	<b>(9)</b>	<b>1,866,710</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 2023 to 31 December 2023. 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 2023 will be issued in April 2024.
- (b) Distribution to Stapled Securityholders relates to distribution paid in respect of the financial period from 1 July 2022 to 30 June 2023.

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**
**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 were issued on 26 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.

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**

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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 unitholders 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 2023 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 2023. 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 2022 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 2023**


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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 revised RAP 7 and 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 the revised RAP 7 and 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 2022.

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*.

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 2023		As at 31 December 2022	
	Far East H-Trust	Far East H-REIT	Far East H-Trust	Far East H-REIT
	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January	2,446,750	2,446,750	2,336,500	2,336,500
Capital expenditure capitalised	3,556	3,556	8,068	8,068
Fair value change recognised in statement of total return	59,244	59,244	102,182	102,182
At 31 December	2,509,550	2,509,550	2,446,750	2,446,750

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, discount rates, revenue per available room/unit, price per room and price per square foot/metre. The ongoing geo-political headwinds and macro-economic uncertainty may have impact on the Singapore economy and the property market. The valuers have recommended to monitor the situation closely. The REIT Manager is of the view that the valuation methods and estimates are reflective of the market conditions as at 31 December 2023.



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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**


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The independent valuations of the investment properties were undertaken by Savills Valuation And Professional Services (S) Pte Ltd based on the income capitalisation approach, discounted cash flow analysis and direct comparison approach for the hotels; and CBRE Pte. Ltd. based on the income capitalisation approach and discounted cash flow analysis for the serviced residences (direct comparison approach was also used for the retail commercial premises). The REIT Manager believes that these independent valuers possess appropriate professional qualifications and recent experience in the location and category of the investment properties being valued.

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, discount rates, revenue per available room/unit, price per room and price per square foot/metre. 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 measurement*

Description	Fair value at 31 December 2023 S\$'000	Valuation Techniques	Unobservable inputs	Range
Investment properties				
- <i>Hotels, retail and office</i>	2,161,700	Discounted cash flow	Discount rate Revenue per available room	6.50% S\$114 - S\$259
		Income capitalisation method	Capitalisation rate	4.00% - 5.25%
		Direct comparison method (hotel)	Price per room	\$0.81 million - \$1.11 million
		Direct comparison method (retail and office)	Price per square foot	S\$1,397 - S\$5,231
- <i>Serviced residences, retail and office</i>	347,850	Discounted cash flow	Discount rate Revenue per available unit	5.50%-6.50% S\$198 - S\$323
		Income capitalisation method	Capitalisation rate	3.50% - 4.85%
		Direct comparison method	Price per square metre	S\$15,672-S\$31,250
	2,509,550			

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**

Description	Fair value at 31 December 2022 S\$'000	Valuation Techniques	Unobservable inputs	Range
Investment properties				
- <i>Hotels, retail and office</i>	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 (retail)	Price per square foot	S\$880 - S\$15,424
- <i>Serviced residences, retail and office</i>	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 (serviced residences, retail and office)	Price per square metre	S\$8,113 - S\$57,143
	<u>2,446,750</u>			

**4. Borrowings**

As at 31 December 2023		As at 31 December 2022	
Far East H-Trust S\$'000	Far East H-REIT S\$'000	Far East H-Trust S\$'000	Far East H-REIT S\$'000

**Unsecured**

Amounts repayable in one year or less, or on demand

- - - -

Amounts repayable after one year

736,752 736,752 737,816 737,816

736,752 736,752 737,816 737,816

**Details of borrowings and collateral:**

The total facilities of Far East H-REIT as at 31 December 2023 are as follows:

- Unsecured term loan facilities of S\$738.6 million; and
- S\$275.0 million of uncommitted RCF.

On 30 March 2023, DBS Trustee Limited in its capacity of Far East H-REIT entered into a S\$125.0 million sustainability-linked facility agreement comprising S\$100.0 million 7 years term loan facility and S\$25.0 million uncommitted RCF with its existing lender to refinance the term loan of S\$100.0 million well ahead of its maturity on 28 March 2024.

On 27 December 2023, DBS Trustee Limited in its capacity of Far East H-REIT entered into two S\$62.5 million sustainability-linked facility agreements for a tenor of 7 years and 3 years (with a 3-year extension option) with two lenders to refinance the term loan of S\$125.0 million due on 30 March 2024.

The weighted average cost of debt was approximately 3.3% per annum. The weighted average debt-to-maturity was 3.8 years.

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**

Gearing as of 31 December 2023 was 31.3% (31 December 2022: 32.0%). Interest coverage ratio<sup>1</sup> as at 31 December 2023 was 3.5x (31 December 2022: 3.8x).

**5. 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 2023</b>	<b>2H 2022</b>	<b>FY 2023</b>	<b>FY 2022</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>
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>
<b>Stapled Securities in issue at beginning of period</b>	<b>1,997,378</b>	<b>1,983,373</b>	<b>1,988,382</b>	<b>1,974,831</b>
Issuance of Stapled Securities:				
- REIT Manager's fees	5,255	5,009	14,251	13,551
<b>Stapled Securities in issue</b>	<b>2,002,633</b>	<b>1,988,382</b>	<b>2,002,633</b>	<b>1,988,382</b>
Stapled Securities to be issued:				
- REIT Manager's fees – Base fees	2,438	2,524	2,438	2,524
- REIT Manager's fees – Performance fees (a)	4,393	3,724	4,393	3,724
<b>Stapled Securities in issue and to be issued at end of period</b>	<b>2,009,464</b>	<b>1,994,630</b>	<b>2,009,464</b>	<b>1,994,630</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 2023 to 31 December 2023 are not entitled to 2H 2023 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 3.5x (31 December 2022: 3.6x) 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 2023**
**6. Earnings per Stapled Security (“EPS”) and Distribution per Stapled Security (“DPS”)**

	Far East H-Trust			
	2H 2023	2H 2022	FY 2023	FY 2022
Weighted average number of Stapled Securities ('000)	2,000,620	1,986,377	1,996,773	1,982,854
Basic EPS (cents)	4.33	6.51	6.53	10.28
Weighted average number of Stapled Securities ('000) <sup>(1)</sup>	2,007,450	1,992,625	2,003,603	1,989,102
Diluted EPS (cents)	4.31	6.49	6.50	10.24
Number of Stapled Securities in issue at end of period ('000)	2,002,633	1,988,382	2,002,633	1,988,382
Number of Stapled Securities to be issued before Books Closure Date ('000)	2,438	2,524	2,438	2,524
Total number of Stapled Securities entitled to distribution ('000)	2,005,071	1,990,906	2,005,071	1,990,906
DPS (cents) <sup>(2)</sup>	2.17	1.73	4.09	3.27

<sup>(1)</sup> 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.

<sup>(2)</sup> 2H 2023 DPS includes the release of S\$2.3 million of taxable income available for distribution to Stapled Securityholders that was not distributed in 1H 2023.

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

	Far East H-Trust	
	31 December 2023	31 December 2022
Stapled Securities in issue and to be issued at end of period ('000)	2,009,464	1,994,630
NAV / NTA per Stapled Security (cents)	92.90	90.23

**8. Financial ratios**

	2H 2023 / FY 2023		2H 2022 / FY 2022	
	Far East H-Trust	Far East H-REIT	Far East H-Trust	Far East H-REIT
	%	%	%	%
Expense ratio <sup>(1)</sup>				
- Including performance component of the REIT Manager’s management fees	0.65	0.65	0.64	0.64
- Excluding performance component of the REIT Manager’s management fees	0.47	0.47	0.49	0.49
Turnover ratio <sup>(2)</sup>	–	–	–	–

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**

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- (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.
- (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.

**9. Subsequent events**

On 30 January 2024, Far East H-Trust issued 2,438,000 new Stapled Securities at a price of S\$0.6724 per Stapled Security in payment of 90% of the REIT Manager's fees (base fees) for the period from 1 July 2023 to 31 December 2023.

On 14 February 2024, the REIT Manager declared a distribution of S\$43,510,000 or 2.17 Singapore cents per Stapled Security to Stapled Securityholders in respect of the period from 1 July 2023 to 31 December 2023.

**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)(6) *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)(7) *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 2023**
**8 A review of the performance for the half year and full year ended 31 December 2023**
**8(a) Statement of net income and distribution of Far East Hospitality Trust**

	2H 2023	2H 2022	Better / (Worse)	FY 2023	FY 2022	Better / (Worse)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	54,767	42,581	28.6	106,805	83,579	27.8
Net property income	49,771	39,874	24.8	98,741	77,329	27.7
<i>Net property income margin</i>	<i>90.9%</i>	<i>93.6%</i>	<i>(2.7pp)</i>	<i>92.4%</i>	<i>92.5%</i>	<i>(0.1pp)</i>
Income available for distribution <sup>(1)</sup>	39,996	30,200	32.4	75,060	58,986	27.3
Distribution to Stapled Securityholders	43,510	34,443	26.3	81,911	65,024	26.0
DPS (cents)	2.17	1.73	25.4	4.09	3.27	25.1

<sup>(1)</sup> 2H 2023 income available for distribution includes the release of S\$2.3 million of taxable income available for distribution to Stapled Securityholders that was not distributed in 1H 2023.

**8(b) Review of the performance of half year and full year ended 31 December 2023**
**2H 2023 vs 2H 2022**

Gross revenue for 2H 2023 grew 28.6% YoY to S\$54.8 million, driven by higher master lease rental from the hotels and SRs, as well as higher revenue from the retail and office spaces.

For the period, average daily rate (“ADR”) of the hotels grew 16.1% to S\$171 as demand from both leisure and corporate travellers improved with the recovery. Average occupancy grew 2.6 pp to 81.7% even though some hotels in the portfolio were ramping up after exiting the government contracts during the year. Consequently, revenue per available room (“RevPAR”) grew 19.9% to S\$140.

Demand for the SRs remained strong as average occupancy grew 0.9 pp to 87.4% and ADR increased 9.5% to S\$267. Correspondingly, revenue per available unit (“RevPAU”) registered a 10.7% YoY increase to S\$234, reaching an all-time high since initial public offering.

A snapshot of the hotel and SR performance in 2H 2023 is set out below.

	2H 2023		2H 2022		Better / (Worse)	
	Hotels	SRs	Hotels	SRs	Hotels	SRs
<b>Average Occupancy (%)</b>	81.7	87.4	79.1	86.5	2.6pp	0.9pp
<b>Average Daily Rate (S\$)</b>	171	267	147	244	16.1%	9.5%
<b>RevPAR / RevPAU (S\$)</b>	140	234	116	211	19.9%	10.7%

Revenue from the retail and office spaces grew 7.5% YoY to S\$8.1 million on the back of improving rents and occupancy rates.

Net property income for 2H 2023 stood at S\$49.8 million, 24.8% higher than 2H 2022. Finance expenses were higher by S\$2.8 million as compared to 2H 2022 due mainly to higher interest rates on the floating rate loans.

Distribution to Stapled Securityholders for 2H 2023 grew 26.3% to S\$43.5 million as a result of higher net property income. This translates to a higher distribution per Stapled Security of 2.17 cents compared to 1.73 cents for the preceding period.

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**


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**FY 2023 vs FY 2022**

Gross revenue for FY 2023 increased 27.8% YoY to S\$106.8 million, driven by higher master lease rental from the hotels and SRs, as well as higher revenue from the retail and office spaces. All properties on the master lease rental in the portfolio performed above the minimum fixed rent, achieving variable rents similar to that of 2019.

During the year, the hotels experienced a healthy recovery of leisure travellers with revenue contribution growing 2.7 times as compared to the year before. Demand from corporate groups also continued to strengthen. As a result, ADR grew 36.1% to S\$170 and average occupancy grew 6.3 pp to 80.1%. Correspondingly, RevPAR grew 47.8% to S\$136.

The SRs performed very well during the year, with RevPAU registering a 17.0% YoY growth to S\$229, an all-time high since the initial public offering of the Trust. Buoyed by continued inflow of professionals and project groups, average occupancy for the full year grew 0.3 pp to 87.8% and ADR increased 16.6% to S\$260.

A snapshot of the hotel and SRs performance for FY 2023 is set out below.

	FY 2023		FY 2022		Better / (Worse)	
	Hotels	SRs	Hotels	SRs <sup>2</sup>	Hotels	SRs
<b>Average Occupancy (%)</b>	80.1	87.8	73.7	87.5	6.3pp	0.3pp
<b>Average Daily Rate (S\$)</b>	170	260	125	223	36.1%	16.6%
<b>RevPAR / RevPAU (S\$)</b>	136	229	92	195	47.8%	17.0%

Revenue from the retail and office spaces increased 9.2% YoY to S\$16.2 million on the back of improving rents and occupancy rates. More retail spaces were leased out at the hotels which exited the government contracts for isolation purposes.

Net property income grew 27.7% YoY to S\$98.7 million as a result of higher revenue. Finance expenses increased 36.5% YoY to S\$25.2 million mainly due to higher interest rates on the floating rate loans.

Distribution to Staped Securityholders for FY 2023 grew 26.0% to S\$81.9 million as a result of higher net property income as well as distribution of some of the gains from the divestment of Central Square (also known as Village Residence Clarke Quay). This translates to a higher distribution per Staped Security of 4.09 cents compared to 3.27 cents for the preceding period.

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

No forecast has been disclosed.

**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.**

In 2023, international tourism recovered to 88%<sup>3</sup> of pre-pandemic levels. In Singapore, visitor arrivals reached 71% of pre-pandemic levels or 13.6 million arrivals.

For 2024, the United Nations Tourism ("UN Tourism"<sup>4</sup>) expects a full recovery of international tourism, supported by pent-up demand, increased air connectivity and a stronger recovery of Asian markets and destinations. For Singapore, the Singapore Tourism Board expects 15 million to 16 million visitor arrivals by the end of 2024. While lower than 2019, it still represents an increase from the 13.6 million arrivals recorded in 2023.

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<sup>2</sup> On a same-store basis, excluding VRCQ for FY 2022, average occupancy for FY 2023 would have decreased 0.5pp YoY from 88.3% to 87.8% while ADR would have grown 15.3% from S\$226 to S\$260. Correspondingly, RevPAU would have grown 14.7% YoY from S\$199 to S\$229.

<sup>3</sup> World Tourism Barometer (United Nations Tourism), 18 January 2024.

<sup>4</sup> Previously known as the United Nations World Tourism Organization.



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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**


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Economic growth in 2024 is expected to drive the recovery in travel and hospitality, especially in corporate travel. Global economic growth for 2024 is projected to reach 3.1%<sup>5</sup>, while China and the ASEAN-5 (Indonesia, Malaysia, Philippines, Singapore, Thailand) region are also expected to grow at a higher rate of 4.6%<sup>5</sup> and 4.7%<sup>5</sup> respectively. The International Monetary Fund also expects the Federal Reserve, the European Central Bank and the Bank of England to hold policy rates steady until the second half of the year.

Notwithstanding the above, recovery may be moderated by geopolitical tensions and slower rebound in visitor arrivals from some key markets. In addition, leisure inbound into Singapore may also be affected by the relative strength of the Singapore dollar.

In summary, the REIT Manager remains optimistic for the year ahead, underpinned by a healthy pipeline of MICE (Meetings, incentives, conferences and exhibitions) events, large-scale performances, and positive policy changes such as further expansion of air services into Singapore and the 30-day visa-waiver for Chinese travellers (Singapore's largest source market of tourists in 2019).

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

<b>Any distribution declared for the current period?</b>	Yes
<b>Distribution period</b>	Distribution for the half year from 1 July 2023 to 31 December 2023
<b>Distribution type</b>	Taxable income Other gains

**Distribution per stapled security**

<b>Distribution Type</b>	<b>Distribution Rate (cents)</b>
Taxable income	1.96
Other gains	0.21
<b>Total</b>	<b>2.17</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%.

**Other gains distribution**

Other gains distribution is not taxable in the hands of all Stapled Securityholders.

<b>Date paid/payable</b>	21 March 2024
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<b>Books closure date</b>	22 February 2024
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<sup>5</sup> World Economic Outlook Update (International Monetary Fund), 30 January 2024.

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**


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**Stapled Securityholders must complete and return Form A or Form B, as applicable**

7 March 2024

**Corresponding period of the preceding financial period**

**Any distribution declared for the preceding period?**  
**Distribution period**

Yes

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%.

Tax-exempt income distribution

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

Other gains distribution

Other gains distribution is not taxable in the hands of all Stapled Securityholders.

**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.

**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**
**14 Segment revenue and results of operating segments**
**(a) Operating segments for the year ended 31 December 2023**

	<b>Hotels and serviced residences</b>	<b>Retail units, offices and others</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000
Gross revenue	90,649	16,156	106,805
Segment net property income	86,244	12,497	98,741
REIT Manager's fees			(10,501)
Trustee's fees			(317)
Other trust expenses			(940)
Interest and other income			3,893
Finance expenses			(25,169)
Net income before tax and fair value changes			65,707
Unrealised foreign exchange gain			726
Fair value change in derivative financial instruments			(13,003)
Fair value change in investment properties	50,779	8,465	59,244
Gain on disposal of investment property			17,912
Total return for the year before income tax			130,586
Income tax expense			(278)
Total return for the year after income tax before distribution			130,308

**(b) 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 2023**
**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 2023</b> S\$'000	<b>FY 2022</b> S\$'000	<b>Better / (Worse)</b> %	
Gross revenue reported for first half year	52,038	40,998	26.9
Net income for first half year	43,719	74,433	(41.3)
Gross revenue reported for second half year	54,767	42,581	28.6
Net income for second half year	86,589	129,322	(33.0)

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

<b>In respect of the period</b>	<b>2023</b> <b>S\$'000</b>	<b>2022</b> <b>S\$'000</b>
1 July 2021 to 31 December 2021	-	30,258
1 January 2022 to 30 June 2022	-	30,581
1 July 2022 to 31 December 2022	34,443	-
1 January 2023 to 30 June 2023	38,401	-
	<b>72,844</b>	<b>60,839</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 2024

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 2024

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**Unaudited Financial Statements Announcement for the half year and full year ended 31 December 2023**

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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.