

FAR EAST HOSPITALITY TRUST

A stapled group comprising:

Far East Hospitality Real Estate Investment Trust

(a real estate investment trust constituted on 1 August 2012 under the laws of the Republic of Singapore)

Far East Hospitality Business Trust

(a business trust constituted on 1 August 2012 under the laws of the Republic of Singapore)

ANNOUNCEMENT

**Annual General Meeting held on 22 April 2024
 Responses to Substantial and Relevant Questions**

FEO Hospitality Asset Management Pte. Ltd., as manager of Far East Hospitality Real Estate Investment Trust (“**Far East H-REIT**”, and the manager of Far East H-REIT, the “**REIT Manager**”), and FEO Hospitality Trust Management Pte. Ltd. as trustee-manager of Far East Hospitality Business Trust (“**Far East H-BT**”, and the trustee-manager of Far East H-BT, the “**Trustee-Manager**”, and together with the REIT Manager, the “**Managers**”, and Far East H-REIT and Far East H-BT together, “**Far East H-Trust**”) would like to thank all stapled securityholders of Far East H-Trust (“**Stapled Securityholders**”) who have submitted their questions in advance of our Annual General Meeting (“**AGM**”) to be held at Antica Ballroom, Orchard Rendezvous Hotel, 1 Tanglin Road, Singapore 247905 on Monday, 22 April 2024 at 2.30 p.m..

Questions that are similar in nature are grouped together as shown below. Please refer to the subsequent pages for responses to the list of substantial and relevant questions.

A. Business Performance and Market Environment	
1.	<p>There has been a lot of talk about the impact of the slew of concerts including the recent Taylor Swift concerts happening in Singapore on the hospitality industry.</p> <ul style="list-style-type: none"> • Could Management provide some figures to help Stapled Securityholders appreciate the impact (e.g. Occupancy, Average Daily Rate (“ADR”), etc.) of Taylor Swift’s concert on Far East H-REIT’s hotels? • What are the nationalities of these tourists? <p>Manager’s Response: Generally, large-scale special events with a global following, such as the Formula 1 Singapore Grand Prix, Singapore Airshow, and Taylor Swift’s tours, have benefited the hospitality sector. The uniqueness of these events attracts international arrivals to Singapore.</p> <p>Taylor Swift’s Eras tour, in particular, drew significant attention as an exclusive event held in Singapore for Southeast Asia, attracting fans mainly from the surrounding region. Consequently, Far East H-REIT’s hotels experienced increases in Occupancy and ADR, resulting in Revenue per Available Room (“RevPAR”) growth of over 40% year-on-year for the performance dates of Taylor Swift.</p>

2.	<ul style="list-style-type: none"> • Before COVID-19, what was the total number and percentage of hotel guests at Far East H-REIT that originated from China as compared to the current number and percentage from China? • With the recent 30-day visa-free scheme to Singapore for Chinese travellers, what potential impact do you foresee on Far East H-REIT's hotels? <p>Manager's Response: Far East H-REIT has a diverse range of guests staying at its properties. Prior to COVID-19, the revenue contribution from Chinese travellers was about 10%. Despite the slower pace of recovery of Chinese arrivals into Singapore in 2023, China was among the top 5 markets for Far East H-REIT's hotels in terms of revenue contribution.</p> <p>After the introduction of the 30-day visa-free scheme which took effect on 9 February 2024 as well as the major concerts and events held in Singapore, visitor arrivals from China registered an encouraging rebound in the first quarter of 2024, reaching about 82% of the level recorded during the corresponding period in 2019 before COVID-19. As a result, our hotels enjoyed a much higher proportion of Chinese travellers in recent months. The REIT Manager remains optimistic about the further recovery and improvement in the number of Chinese travellers to Singapore and the corresponding impact on Far East H-REIT's hotels.</p>
3.	<p>Would the recent warning by the Chinese government to its citizens against gambling in Singapore have an impact on Far East H-REIT's hotels and is it realistically possible for China to track and police its citizens in Singapore?</p> <p>Manager's Response: The statement issued by the Chinese embassy in Singapore serves as a reminder to Chinese nationals on their legal obligation to abide by their national laws. It was also issued to other Chinese embassies, including South Korea and Sri Lanka.</p> <p>The REIT Manager does not anticipate any meaningful negative impact on Far East H-REIT's hotels as the attractiveness of Singapore as a tourist destination for Chinese travellers extends beyond the offerings of its casinos. Singapore also appeals to Chinese travellers as a family-friendly, bilingual and safe destination, providing a wide range of attractions and events for leisure and business travellers.</p>

B. Capital Management	
4.	<p>What is the prevailing interest rate that Far East Hospitality Trust could refinance its existing borrowings at?</p> <p>Manager's Response: The average cost of debt for Far East Hospitality Trust increased to 3.3% from the year before, partially mitigated by existing interest rate hedges.</p> <p>Term loans of S\$225.0 million due in March 2024 were successfully refinanced ahead of their maturity dates in 2023. As such, there are no term loans due in 2024. The interest margins secured on the refinanced term loans were at competitive rates which help to partially offset the impact of the higher floating Singapore Overnight Rate Average ("SORA").</p> <p>Overall, the average cost of debt is expected to increase in 2024 as the compounded 1-month SORA published by the Monetary Authority of Singapore ranged between 3.51% and 3.76% for the quarter ended 31 March 2024. In addition, some of the existing Interest Rate Swap ("IRS") contracts would mature in 2024. The REIT Manager will continue to monitor interest rate movements closely and execute new IRS contracts at appropriate times when the rates are more favourable.</p> <p>Additionally, the REIT Manager plans to utilise a portion of the S\$18.0 million incentive fee received from the divestment of Central Square to cushion the impact from higher interest expenses.</p>

5. **Thanks for keeping Far East Hospitality Trust well capitalised. Does the REIT Manager intend to maintain Far East Hospitality Trust's current level of gearing in the future?**

Manager's Response: As at 31 December 2023, Far East Hospitality Trust had a gearing of 31.3%, making it one of the lowest geared S-REITs.

The healthy balance sheet and low gearing provides the REIT Manager with greater financial flexibility and ample debt headroom to acquire yield-accretive hospitality assets locally and abroad should opportunities arise. The REIT Manager aims to maintain a gearing ratio within the S-REIT industry average gearing of 38%, and well below the permissible gearing limit of 45% (up to 50% if certain conditions are met) as set by the Monetary Authority of Singapore.

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)

16 April 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)

16 April 2024