CORPORATE GOVERNANCE

Far East Hospitality Trust ("Far East H-Trust") was listed on the Mainboard of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 27 August 2012. Far East H-Trust 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 is a real estate investment trust constituted by the Trust Deed dated 1 August 2012 (as amended, varied or supplemented from time to time) ("REIT Trust Deed") and entered into between FEO Hospitality Asset Management Pte. Ltd. (in its capacity as the manager of Far East H-REIT) (the "REIT Manager") and DBS Trustee Limited (in its capacity as the trustee of Far East H-REIT) (the "REIT Trustee").

Far East H-BT is a business trust constituted by the Trust Deed dated 1 August 2012 (as amended, varied or supplemented from time to time) ("BT Trust Deed") and entered into by FEO Hospitality Trust Management Pte. Ltd. (in its capacity as the trustee-manager of Far East H-BT) (the "Trustee-Manager"). Far East H-BT was previously dormant and was activated in April 2025 in connection with the acquisition of Four Points by Sheraton Nagoya in Japan.

The REIT Manager has been issued a Capital Market Services Licence by the Monetary Authority of Singapore ("MAS") for real estate investment management ("CMS Licence") pursuant to the Securities and Futures Act 2001 of Singapore (the "SFA") on 10 August 2012.

FAR EAST H-TRUST AND CORPORATE GOVERNANCE

The framework of relevant legislations and guidelines governing Far East H-Trust include:

i. The SFA;
ii. The Code on Collective Investment Schemes (including Appendix 6 thereon on property funds) (the "CIS Code", and Appendix 6 of the CIS Code, the "Property Funds Appendix");
iii. The Listing Manual issued by SGX-ST (the "Listing Manual");
iv. The Business Trusts Act 2004 of Singapore;
v. The Code of Corporate Governance 2018 ("the Code"); and
vi. Written directions, notices, codes and other guidelines that may be issued by the MAS from time to time.

The REIT Manager and the Trustee-Manager ("the Managers") are fully committed to upholding the highest standards of corporate governance, business integrity and professionalism in all its activities. The Managers believe that sound and effective corporate governance policies and practices are essential in achieving sustainable growth, and consequently a trusted, successful and respected Far East H-Trust.

This corporate governance report ("CG Report") sets out Far East H-Trust's corporate governance framework and practices with specific reference to the principles and the provisions of the Code of Corporate Governance 2018, in accordance with Rule 710 ("Rule 710") of the SGX Listing Rules, and where applicable, the Listing Manual and the Companies Act 1967 of Singapore, ("Companies Act"). For the financial year ended 31 December 2025 ("FY 2025"), save as stated in this CG Report, Far East H-Trust has complied in all material aspects with the principles of the Code. Where there are variations from any of the provisions of the Code, an explanation has been provided within this CG Report, which includes the reason for the variation, as well as the practices adopted to be consistent with the intent and philosophy of the relevant principle in question.

Due to the different legislative and regulatory requirements in relation to a REIT as compared with a business trust, the corporate governance disclosure requirements in relation to the REIT Manager are different from those in relation to the Trustee-Manager.

CORPORATE GOVERNANCE

(A) BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

ROLE OF THE BOARD

Pursuant to the BT and REIT Trust Deeds, the board of directors of the REIT Manager and Trustee-Manager (the "Boards") are entrusted with the responsibility for the overall management of the Managers and have general powers of management over the assets of Far East H-Trust.

The key roles and responsibilities of the Board are to:

- Set strategic objectives and direction, and provide guidance to the management of the REIT Manager ("Management") in executing those objectives;
- Manage Far East H-Trust's assets and liabilities for the benefit of the stapled securityholders of Far East H-Trust ("Stapled Securityholders");
- Formulate the business plans in relation to Far East H-Trust's properties;
- Recommend to the REIT Trustee on the acquisition, divestment or enhancement of assets of Far East H-REIT in accordance with its stated investment strategy;
- Ensure Management discharges its duties with integrity and accountability, and demonstrate the highest level of skills and professionalism;
- Establish a framework of prudent and effective controls that enables risks to be assessed and managed to safeguard the interests of the Stapled Securityholders and the assets of Far East H-Trust;
- Consider sustainability issues such as environmental issues as part of its strategic formulation;
- Ensure that Management maintains sound measures relating to corporate governance, financial regulations and internal policies including the Code of Conduct (further elaborated on page 121); and
- Consider the perceptions of stakeholders that will affect Far East H-Trust's reputation.

BOARD COMMITTEES

In the discharge of its functions, the Boards are supported by two board committees which also serve to ensure that there are appropriate checks and balances. These committees are the Audit, Sustainability and Risk Committee ("ASRC"), and the Nominating and Remuneration Committee ("NRC") which was formed following the consolidation of the former Nominating Committee ("NC") and Remuneration Committee ("RC") on 1 August 2025 (collectively known as "Board Committees"). Each of the Board Committees is chaired by independent directors ("IDs") and reports to the Boards. Membership of the various Board Committees is managed to ensure an equitable distribution of responsibilities among Board members, to maximise the effectiveness of the Boards and to foster active participation and contribution from Board members. Diversity of experience and appropriate skills are considered in the composition of the respective Board Committees. The two Board Committees have different compositions in terms of members to encourage optimal contribution by all Board members and to have a wider range of views and perspectives.

Each of the Board Committees has its own written terms of reference and operates under delegated authority from the Boards. However, the Boards retain overall responsibility for all decisions made by the Board Committees. Information on the ASRC and NRC can be found in the "Accountability and Audit"; "Board Membership" and "Board Performance"; and "Remuneration Matters" sections of this CG Report respectively.

CORPORATE GOVERNANCE

BOARD MEETINGS AND ACTIVITIES

The Boards meet regularly, at least once every quarter, and as required by business imperatives or particular circumstances, to discuss and review business strategies and policies of Far East H-Trust, including any significant acquisition or disposal, portfolio performance, business outlook, movement in stapled securityholdings, and to approve the release of half-yearly and annual financial results as well as interim business updates.

In addition, the IDs of the Boards have met to discuss matters independently without the presence of Management.

As a general rule, Board and Boards Committee meeting notices and papers are required to be sent to the Directors and members of Board Committees at least five business days before the meetings. This would also enable any director who is unable to attend a meeting to provide input and raise queries on the agenda items. Board papers give the background, explanatory information, justification, risks and mitigating measures for each agenda item and mandate sought by Management, including, where applicable, relevant details, budgets, business plans, forecasts and projections. Directors can ask for additional information as needed to make informed decisions. However, papers containing price sensitive information may be tabled at the meetings themselves or discussed without any papers being distributed. All Boards and Board Committee papers are kept and disseminated via an electronic board portal, which has proven to be an effective, secure and sustainable form of communication.

Executive officers of Far East Organization, external consultants or advisers who can provide additional insight into the relevant matters at hand may be invited to attend the meetings. The executive officers of Far East Organization do not participate in any decision-making process involving transactions between Far East H-Trust and the Sponsor, comprising Far East Organization and its group of companies ("FEO").

Management recognises that the flow of information in an accurate, complete, adequate and timely manner is critical for the Boards to be effective in discharging its duties. At the quarterly Board and ASRC meetings, Directors are updated on developments, challenges and changes in the operating environment, including changes in accounting standards, laws and regulations governing the REIT industry, or other developments that may have a bearing on Far East H-Trust. The Boards and Board Committee papers given to the Directors include updates on the operating and financial performance, strategic plans, regulatory and compliance updates and any other matters for discussion. On a monthly basis, Management also provides the Boards with a brief update on the operating performance of Far East H-Trust, to enable the Boards to exercise effective oversight.

The Directors of the Boards have separate and independent access to Management and the Company Secretary at all times, and they are entitled to request from Management additional information to make informed decisions. The Directors, either individually or as a group, may at the Managers' expense seek independent professional advice where appropriate, in order to discharge their duties effectively.

CORPORATE GOVERNANCE

The corporate secretarial agent is Tricor Singapore Pte. Ltd., and the named Company Secretaries are Lin Moi Heyang and Tang Pei Chan. They attend to all corporate secretarial matters for the Managers. At least one of the Company Secretaries attends all Board and Board Committee meetings and prepares minutes of meeting proceedings. They assist the Chairmen of the Boards and Board Committees in ensuring that Board and Board Committee procedures are followed and that the Managers' Constitution, Terms of Reference of the Board and Board Committees, applicable rules and regulations and best practices are complied with. The Company Secretaries advise the Boards on all governance matters. They also work with Management to ensure that Board and Board Committee papers are provided to each Director at least five business days ahead of meetings. Their responsibilities also include assisting the Managers in preparing the announcements to be released on the SGXNET as required under the Listing Manual.

Where exigencies prevent a Director from attending a Board meeting in person, the Constitution of the Managers permits the Director to participate via audio or video conference. The Boards and Board Committees may also make decisions by way of resolutions in writing. In each meeting where matters requiring the Board's approval are to be considered, all members of the Boards participate in the discussions and deliberations; and resolutions in writing are circulated to all Directors for their consideration and approval. The exception is where a Director has a conflict of interest in a particular matter, in which case, he or she will be required to recuse himself or herself from the deliberations and abstain from voting on the matter. This principle of collective decisions adopted by the Boards ensures that no individual influences or dominates the decision-making process.

The number of meetings of the Board, the ASRC, and the NRC held during FY 2025 (including meetings of the former NC and RC held prior to their consolidation on 1 August 2025), as well as the attendance of every Director at these meetings and at the last annual general meeting are set out in the table below:

	Board	ASRC	NC[1]	RC[1]	Annual General Meeting
Number of meetings held in FY 2025	6	4	2	2	1

Board members	Number of meetings attended in FY 2025				
Wee Kheng Jin[2]	3/3	N.A.	2/2	2/2	1/1
Quek See Tiat[3]	6/6	N.A.	2/2	2/2	1/1
Vivienne Lim Hui Bian	6/6	3/3[4]	2/2	2/2	1/1
Catherine Lee Khia Yee	6/6	4/4	2/2	N.A.	1/1
Celestine Khoo Geok Choo	6/6	4/4	N.A.	2/2	1/1
Benedict Leh Song Boon	6/6	4/4	N.A.	N.A.	1/1
Gerald Lee Hwee Keong[5]	6/6	4/4	2/2	2/2	1/1

(1) With effect from 1 August 2025, the NC and RC were consolidated into the NRC. No meetings of the NRC were held in FY 2025.
(2) Mr Wee Kheng Jin retired from his appointment as Chairman of the Board, effective 30 April 2025.
(3) Mr Quek See Tiat was appointed Chairman of the Board, effective 1 May 2025.
(4) Ms Vivienne Lim ceased to be a member of the ASRC, effective 1 August 2025.
(5) Mr Gerald Lee Hwee Keong is also the CEO of the REIT Manager and Trustee-Manager.
N.A. Not applicable.

Subsequent to the activation of Far East H-BT in April 2025, three Board meetings and two ASRC meetings of the Trustee-Manager were convened in FY 2025, with full attendance by the Directors.

The Boards have approved a list of matters reserved for the Boards' decision-making. This sets clear directions for Management on matters that must be approved by the Boards.

CORPORATE GOVERNANCE

The list of matters reserved for the Boards' approval includes, but is not limited to:

- Long term strategy and objectives of Far East H-Trust
- Annual budget and business plans in relation to Far East H-Trust's properties
- Policies to safeguard the interests of the Stapled Securityholders and the assets of Far East H-Trust
- Investment strategy and mandate
- Distribution policy
- Announcements and press releases concerning Far East H-Trust
- Board memberships and other appointments
- Appointment and removal of the Company Secretary

In fulfilling its responsibilities to Far East H-Trust, the Boards have approved a set of financial controls which sets out approval limits for operating expenditures, capital expenditures, procurements, general and administrative expenses and leases as well as arrangements in relation to cheque signatories. Appropriate delegation of authority and approval sub-limits are also provided at management level to facilitate operational efficiency.

ORIENTATION AND TRAINING FOR DIRECTORS

The NRC exercises oversight on the orientation, training and professional development of Directors, and also ensures that new Directors are aware of their duties and obligations.

The Managers have a structured orientation and training framework to facilitate a smooth onboarding for new Directors. Newly appointed Directors undergo a familiarisation programme tailored to provide them with a comprehensive understanding of Far East H-Trust.

The orientation training programme includes:

- Management presentations on Far East H-Trust's strategic objectives, business, operations, key management responsibilities, financial performance and governance practices; and
- Site visits to selected Far East H-Trust's hotels and serviced residences to gain insights of the assets.

In addition to the above, newly appointed Directors are given access to past Board and Board Committee meetings minutes and are also provided with key materials such as the Boards and Board Committees terms of reference, relevant guidelines and policies relevant to their appointments.

The NRC recognises the importance of continuous training and professional development to ensure Directors remain well-informed and effective in performing their roles on the Boards and Board Committees to the best of their abilities. Directors are encouraged to undertake relevant training programmes as part of Continuing Professional Development ("CPD") so as to be equipped with the appropriate skills and updated knowledge. The NRC reviews the adequacy and relevance of the training programmes undertaken by Directors on a periodic basis. As part of this programme, Directors receive ongoing training on key areas such as:

- New laws and regulatory developments, including updates to the Companies Act, Listing Manual, and Securities and Futures Act;
- Sustainability-related matters, including Environmental, Social, and Governance ("ESG") considerations;
- Industry trends and best practices; and
- Accounting and financial reporting standards.

CORPORATE GOVERNANCE

In addition to CPD, Directors are encouraged to participate in relevant industry conferences, seminars, and courses, including those organised by the SID on corporate governance, leadership and industry-related topics. Directors may also recommend suitable training and development programmes to the Boards to further enhance their expertise in specific areas.

Recognising the growing importance of sustainability in corporate governance, the NRC ensures that Directors have the necessary knowledge and expertise in this area. In line with Rule 720 (7) of the Listing Manual, all Directors have completed sustainability training as prescribed by SGX-ST. New Directors who have not yet undertaken this training will either possess relevant expertise in sustainability or undergo further training as required.

Directors engage in learning and development activities on an ongoing basis, either independently or through programmes facilitated or supported by the Managers, such as seminars, conferences, and workshops. Where applicable, the Managers support and fund relevant training and development initiatives. In FY 2025, Directors participated in various professional development and training initiatives, including:

- Applying the IFRS Sustainability Disclosure Standards by ISCA
- Strategic Integration of ESG Risks into Enterprise Risk Management by ISCA
- SID Directors Conference 2025
- ASEAN Corporate Governance Scorecard
- Corporate Governence Conference 2025 by SIAS & ISCA

The Boards are regularly updated either during Board meetings or at specially convened meetings (with the attendance of professional advisors, consultants, auditors and Management) on areas that may affect Far East H-Trust's business and developments. The Management also provides the Boards with timely information through regular updates on financial results, market trends in the hospitality sector and business developments.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Boards review the size and composition of the Boards, with a view to ensuring effective decision making by taking into account the scope and nature of the operations of Far East H-Trust.

REVIEW OF DIRECTORS' INDEPENDENCE

The independence of Directors is reviewed annually on a formal basis by the NRC. Prior to the consolidation of the NC with the RC on 1 August 2025, such reviews were conducted by the NC. The Boards were established in 2012, and none of the independent directors has served on the Board beyond nine years since the date of his or her first appointment. Additionally, none of the Directors has been a substantial shareholder of the Managers, or substantial Stapled Securityholder of Far East H-Trust.

Directors complete an annual confirmation of independence, whereby they are required to critically assess their own independence, including independence from the major shareholder and management, which the NRC takes into account for the purposes of this review.

CORPORATE GOVERNANCE

Based on the annual review of Directors' independence conducted by the NRC in FY 2025, the criteria of independence set out in the Code and SGX Listing Rule 210 (5)(d), the declarations provided by the Independent Directors, and the Boards' assessment of any relationships or circumstances which could affect, or be perceived to affect, the exercise of independent judgement, the Boards have determined that Ms Vivienne Lim, Ms Catherine Lee, Ms Celestine Khoo, Mr Benedict Leh and Mr Quek See Tiat are independent.

In FY 2025, none of the IDs had any business relationship with the Managers, its related companies, its substantial shareholders or its officers, as well as with Far East H-Trust and its substantial Stapled Securityholders that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of Far East H-Trust.

During FY 2025, each of the IDs was independent from the management of the Managers and Far East H-Trust, as well as from every substantial shareholder of the Managers, and every substantial Stapled Securityholder of Far East H-Trust. This is in accordance with the guidance in the Securities and Futures (Licensing and Conduct of Business) Regulations (SFR), Regulation 13E(b)(i).

Mr Wee Kheng Jin served as Chairman of the Boards until 30 April 2025. He was previously an Executive Director in FEO until his retirement on 31 December 2018, after which he continued his association with the Group as a Senior Advisor.

Mr Quek See Tiat was appointed as Chairman of the Boards with effect from 1 May 2025. Based on the assessment and recommendation of the NRC, the Boards have determined that Mr Quek is independent in accordance with the Code and the SGX Listing Rule 210 (5)(d).

The Lead Independent Director role, which serves as an additional safeguard where the Chairman is not independent, ceased following the appointment of an independent Chairman in May 2025.

Mr Gerald Lee Hwee Keong, CEO of the REIT Manager and Trustee-Manager was appointed as an Executive Director on 1 July 2022. Mr Lee's appointment comes as the Boards sought to achieve a greater balance of diversity in the aspects of gender, age and professional qualifications. In addition, Mr Lee has over 30 years of tourism, hospitality and real estate experience, adding to the Boards' wealth of experience, skills, knowledge and perspective.

The Boards have reviewed and is satisfied that, as at the last day of FY 2025, the non-independent Directors, namely Mr Wee Kheng Jin (during his tenure until 30 April 2025), and Mr Gerald Lee Hwee Keong were able to act in and have acted in the best interests of all the Stapled Securityholders of Far East H-Trust. This is in accordance with the guidance in the Securities and Futures (Licensing and Conduct of Business) Regulations (SFR), Regulation 13E(b)(ii).

BOARD COMPOSITION AND DIVERSITY POLICY

As of 31 December 2025, the Boards comprise six directors, of whom five are independent directors and one is a non-independent executive director (being the CEO). The Chairman of the Boards is an independent non-executive director. The composition of the Boards therefore complies with Provision 2.2 of the Code which requires a majority of independent directors, and Provision 2.3 of the Code which requires a majority of non-executive directors. This enables Management to benefit from their invaluable and objective perspectives on issues that are brought before the Boards.

CORPORATE GOVERNANCE

The current composition of the Boards and the Board Committees is set out below:

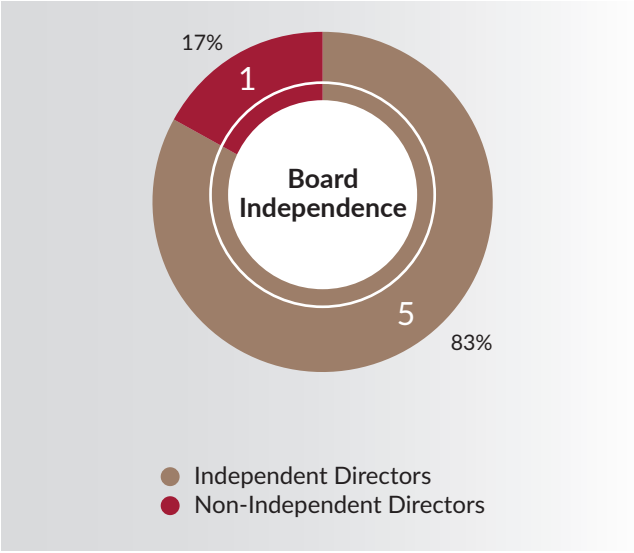
Name of Director	Appointment	Audit, Sustainability and Risk Committee	Nominating and Remuneration Committee
Quek See Tiat	Chairman Non-Executive Independent Director	–	Member
Vivienne Lim Hui Bian	Non-Executive Independent Director	–	Chairman
Catherine Lee Khia Yee	Non-Executive Independent Director	Member	Member
Celestine Khoo Geok Choo	Non-Executive Independent Director	Member	–
Benedict Leh Song Boon	Non-Executive Independent Director	Chairman	–
Gerald Lee Hwee Keong	Executive Director and CEO	–	–

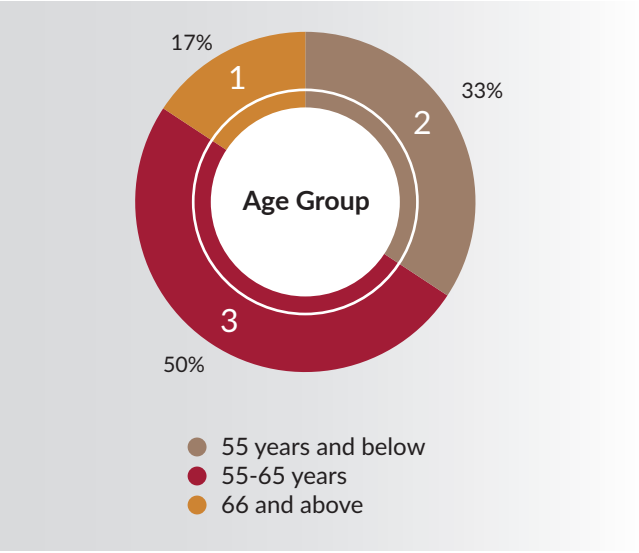
In Board meetings, directors participate in open and constructive discussions, actively questioning Management's assumptions and proposals. The Boards assess Management's performance in achieving agreed goals, monitor performance reporting, and provide valuable perspectives and experiences.

The NRC believes that a well-balanced Board fosters diversity viewpoints and insights, enriching the quality of deliberations and decision-making. To achieve this, the Boards have implemented a Diversity Policy that seeks to have an appropriate level of diversity in skills, knowledge, industry experiences, gender, age and tenure within its composition.

Under the Board Diversity Policy, the NRC will, in reviewing and assessing the composition of the Boards and making recommendations to the Board on the appointment of new directors, consider aspects such as professional qualifications, industry and geographic knowledge, skills, length of service, age, gender, and the needs of the Trust. The NRC will review the structure, size, balance and diversity of the Boards annually and propose any changes to the Boards to complement the Trust's objectives and strategies. In this regard, the NRC will review and report to the Boards annually the objectives and progress made in achieving an appropriately diverse board composition.

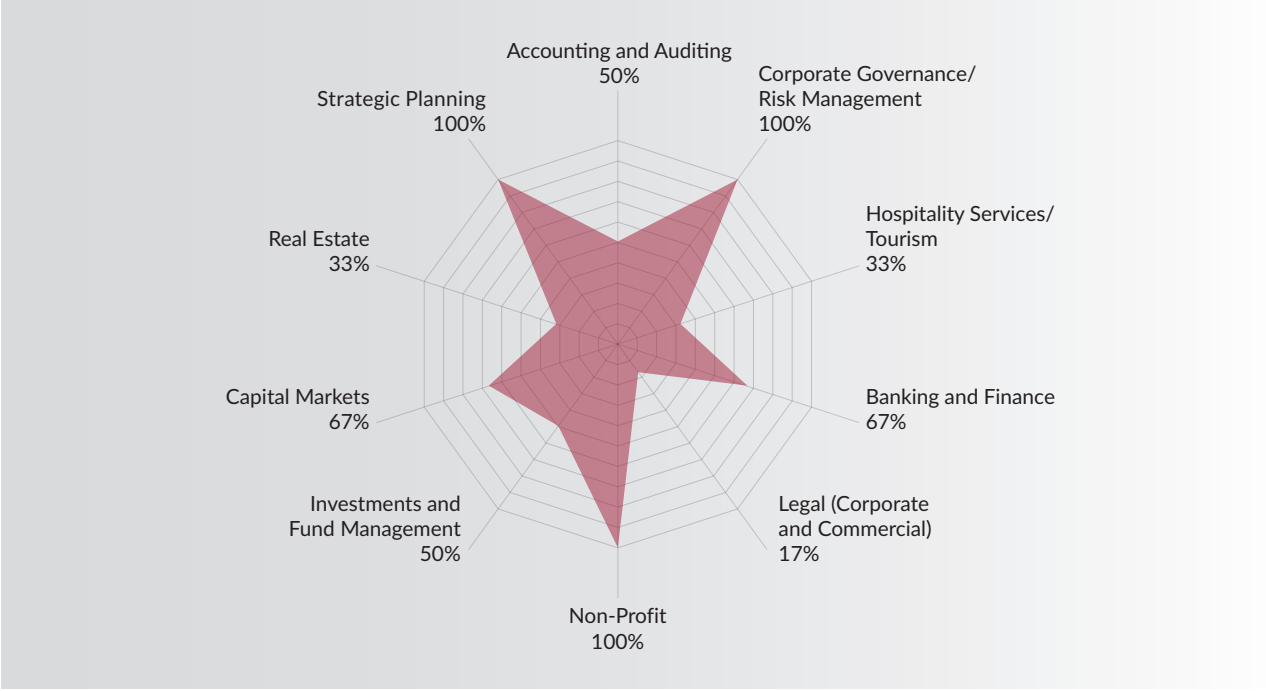
Independence and Age Group





CORPORATE GOVERNANCE

Skills, Knowledge and Industry Experience



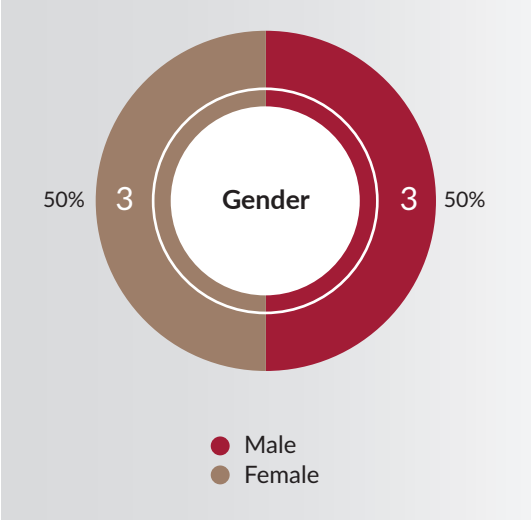
The NRC consistently evaluates the skills, knowledge, and industry experience of its Directors to ensure alignment with Far East H-Trust's purpose and strategic objectives. The assessment includes a consideration of whether the current mix effectively addresses the skills needed for existing and emerging business and governance issues concerning both the Managers and Far East H-Trust.

Target
Considering Far East H-Trust's size, complexity, business and regulatory environment it operates in, the NRC strives to maintain well-rounded Boards with diverse qualifications and competencies, covering core areas including accounting, auditing, capital markets, banking, finance, investment, fund management, real estate, hospitality services, tourism, corporate governance, strategic planning, and legal. We believe this diversity will enhance the Boards' effectiveness, shaping Far East H-Trust's strategic goals and providing valuable guidance and oversight to the Managers.

Status: Achieved
The Boards and its Board Committees comprise directors with an appropriate balance and diversity of skills, experience and knowledge. The Directors have diverse backgrounds in accounting and auditing, capital markets, banking and finance, investment and fund management, real estate, hospitality services, tourism, corporate governance, strategic planning, and corporate and commercial law.

CORPORATE GOVERNANCE

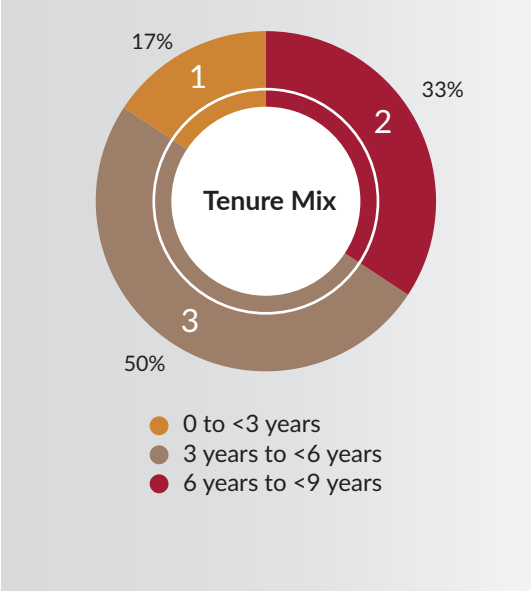
Gender Diversity



Target
The NRC aims for a minimum of 30% female directors, aligning with the Council for Board Diversity's objective for women to constitute 30% of the boards of SGX-ST largest 100 listed companies by 2030.

Status: Achieved
The Boards comprise three female directors, representing 50% of the Boards, which is well above the national average of 25.5%[1] for the largest 100 SGX-listed companies by market capitalisation.

Tenure of Directorship



Target
A diversity of tenure will achieve the progressive renewal of the Boards so that there is the continuity of experienvced directors as well as the onboarding of new directors to provide fresh perspectives on an ongoing basis. All director appointments will be based on merit, having due regard to the overall balance and effectiveness of the Boards.

Status: Achieved
The Boards comprise at least 1 director across the different identified tenure bands, providing a mix of fresh and experienced views.

The Independent Directors have an average tenure of approximately 5.2 years, reflecting a balance between continuity and renewal, and a tenure profile that is shorter than the average of approximately 6.4 years[1] observed among the largest 100 SGX-listed companies by market capitalisation.

1 Statistics reported as at 30 June 2025 by the Council for Board Diversity.

CORPORATE GOVERNANCE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The positions of Chairman of the Boards and Chief Executive Officer ("CEO") of the Managers are held by two different individuals in order to maintain effective segregation of duties, ensure an appropriate balance of power and authority, increased accountability and to maintain effective checks and balances. Mr Wee Kheng Jin served as Chairman of the Board of the Managers until 30 April 2025, and Mr Quek See Tiat was appointed Chairman with effect from 1 May 2025. The CEO of the Managers is Mr Gerald Lee Hwee Keong. At all times during FY 2025, the Chairman and the CEO were not related to each other and did not have close family ties.

There is a clear separation of the roles and responsibilities between the Chairman and the CEO of the Managers. The Chairman leads the Boards to ensure its effectiveness on all aspects of its role. He ensures that adequate time is given for discussion of all items at the board meeting, in particular strategic matters. He also facilitates effective contribution of the directors and encourages a culture of openness and debate at board meetings. The Chairman also ensures that the Boards works together with integrity and competency, and that the Boards engage Management in constructive debate on strategy, business operations, enterprise risk management and other plans.

Mr Gerald Lee is principally responsible for the management and conduct of the business of the Managers. He has full executive responsibilities over the business direction and operational decisions in managing Far East H-Trust.

During the period when the Chairman was not independent (up to 30 April 2025), Ms Vivienne Lim Hui Bian was designated as the Lead Independent Director in line with Provision 3.3 of the Code. In this role, she provided leadership among the Independent Directors to enhance objectivity and independence of the Boards, and served as an additional communication channel for Stapled Securityholders where the normal channels of communication with the Chairman or Management were inappropriate or inadequate.

Following the appointment of an independent Chairman in May 2025, the Lead Independent Director role ceased.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

NOMINATING AND REMUNERATION COMMITTEE

The Boards established the NRC on 1 August 2025, following the consolidation of the former NC and RC. The NRC members are appointed by the Boards from among its members. The NRC is composed entirely of independent directors, and its members as at 31 December 2025 are Ms Vivienne Lim (Chairman of the NRC), Ms Catherine Lee (Independent Director) and Mr Quek See Tiat (Independent Director).

CORPORATE GOVERNANCE

ROLES AND RESPONSIBILITIES OF THE NRC (NOMINATING FUNCTION)

The NRC has written terms of reference setting out its scope and authority in performing the functions of a nominating committee, including assisting the Board in matters relating to:

- Reviewing the structure, adequacy of the size and composition of the Board and Board Committees, taking into consideration the scope and nature of operations of Far East H-Trust;
- Selection and appointment of new directors and re-appointment of the existing Directors of the Board, taking into account their contribution, performance and ability to commit sufficient time and attention to the affairs of Far East H-Trust, as well as their respective commitments outside Far East H-Trust;
- Implementation and monitoring of the Board Diversity Policy in order to make recommendations to the Boards on the diversity of skills, experience, gender, age, knowledge, size and composition of the Boards;
- Determining annually whether or not a director is independent, having regard to the circumstances set forth in Provisions 2.1 and 2.2 of the Code and SGX Listing Rule 210 (5)(d);
- Deciding whether or not a director is able to and has been adequately carrying out his or her duties as a director;
- Review of succession plans, in particular the appointment and/or replacement of the Chairman, Board Members, the CEO and key management personnel;
- Development of the process and criteria for evaluation of the performance of the Boards, its Board Committees and Directors;
- Identification and development of training and professional development programmes for the Boards and its Directors; and
- Such other authorities and duties as provided in the Code.

The NRC administers nominations to the Boards, reviews the structure, size and composition of the Boards and reviews the performance and independence of the Directors. In addition, as part of regulatory requirements, MAS also requires prior approval for any change of the CEO or of any appointment of director.

The NRC is of the view that the members of the Boards provide an appropriate balance and diversity of skills and commercial experience, as elaborated on in the Board Composition and Diversity Policy section on pages 93 to 96. The NRC believes that a director's eligibility for selection, appointment and re-appointment goes beyond his or her attendance at meetings. The NRC takes into consideration a director's competencies, commitment, contribution and performance, and is committed to providing an appropriate balance and diversity of skills, experience and knowledge.

REVIEW OF DIRECTORS' TIME COMMITMENTS

All directors are required to commit sufficient time and attention to the affairs of Far East H-Trust and the Managers. The NRC will annually, and as required, assess the major commitments including employment and listed company directorships and whether the director has and can suitably fulfil his or her duties as a director of the Managers.

Towards this end, the Managers have established a policy that any of its directors may not take on more than the following number of listed company directorships without prior consultation and agreement of the NRC and the Boards:

- For a director who is an executive of a company (including the Managers): not more than two external listed company directorships.
- For a director who is not an executive of any company: not more than five listed company directorships.

None of the current directors have reached the limits as set out in the above policy.

CORPORATE GOVERNANCE

Based on Directors' full attendance record at Board and Board Committee meetings (set out on page 90) and contributions outside of formal Board and Board Committee meetings, the NRC is satisfied that all Directors are able to and have committed sufficient time and discharged their duties adequately for the financial year ended 31 December 2025. The REIT Manager has no alternate directors on its Boards.

Key information regarding the Directors such as academic and professional qualifications, committee membership, date of appointment, and details about the present and past directorships of each Director are set out on pages 11 to 14. The Directors' Stapled Securityholdings in Far East H-Trust are set out on page 234.

SELECTION, APPOINTMENT AND SUCCESSION PLANNING FOR DIRECTORS

The NRC regularly reviews the existing composition, attributes and competencies of the Boards in order to determine the desired experience or expertise required to strengthen or supplement the Boards. The NRC is responsible for identifying and recommending suitable candidates for Board appointments.

As part of the Boards' renewal and succession planning process, the NRC applies the following principles when identifying candidates:

- The Boards should comprise directors with a broad range of commercial experience, including expertise in business management, tourism and hospitality, real estate, finance, investments and legal matters;
- The Boards should have diversity including in terms of gender and age;
- More than half of the Boards should comprise independent directors;
- Candidates identified based on the needs of the Trust, taking into account the strategic priorities and the relevant skills required;
- Candidates must be able to commit the necessary time and effort to fulfil their duties and responsibilities effectively; and
- Candidates must be fit and proper in accordance with MAS' fit and proper guidelines, taking into account their track records, capabilities and such other relevant experiences as may be determined by the Boards.

To ensure a structured, rigorous and comprehensive search process, the NRC sources potential candidates through recommendations from Board members and Management, as well as conducting external searches as a standard practice. As part of this process, the Board engages external search agencies, such as the Board Appointment Service of SID, as a platform to identify potential candidates. This approach broadens the pool of qualified candidates beyond internal networks, allowing the Boards to tap into a wider range of expertise and diverse perspectives. In 2019, one of the Board members was successfully appointed through this channel.

The NRC shortlists and interviews candidates before further evaluation by the Chairman of the Boards. This ensures that recommendations on proposed candidates are objective and well-supported. Candidates are evaluated and selected based on their relevant expertise and potential contributions. Other factors including the current, mid-term and long-term needs and goals of Far East H-Trust. Once a candidate is selected, the NRC conducts due diligence through reference checks before putting it up to the Boards for approval.

CORPORATE GOVERNANCE

As part of its ongoing Board succession planning, the NRC reviews the Boards' size, composition and competencies annually to ensure it remains well-balanced, diverse and aligned with regulatory requirements. The NRC evaluates the Boards' expertise with a long-term view, identifying areas that may require future strengthening to support governance, leadership effectiveness and organisational priorities. Board succession planning also considers:

- The need for progressive Boards renewal to ensure a balance between continuity and fresh perspectives;
- The independence of long-serving Directors, including those approaching the nine-year tenure threshold under SGX Listing Rules; and
- Potential leadership transitions, ensuring that appointments are made in an orderly manner while preserving institutional knowledge.

In recent years, the NRC has progressively refreshed the Boards, appointing independent directors at regular intervals to enhance board effectiveness. Past independent director appointments include Ms Vivienne Lim (2018), Ms Catherine Lee (2019), Ms Celestine Khoo (2020), and Mr Benedict Leh (2021). Additionally, Mr Quek See Tiat joined the Board in May 2024, further contributing to the Boards' diversity and expertise.

Mr Gerald Lee, who was appointed to the Boards in 2022, serves as the CEO of the REIT Manager and Trustee-Manager and is an Executive Director.

KEY MANAGEMENT SUCCESSION

In addition to succession planning of the Boards, the NRC reviews the succession plans for the CEO and key management positions. Potential candidates for succession are reviewed for their readiness in the immediate, medium and long term. Given the small size of the management team, the succession planning includes reviewing possible cross-deployment of personnel from the wider group of the Sponsor. In January 2021, a senior staff from FEO joined the management team to assume the role of Vice President, Asset Management and Enhancement.

BOARD PERFORMANCE AND INDIVIDUAL DIRECTOR EVALUATION

The NRC assesses and discusses the performance of the Boards as a whole and its Board Committees on an annual basis. The NRC has in place a process to evaluate the effectiveness of the Boards and its Board Committees, as well as the contribution by the Chairman and each individual Director. The review allows each Director to individually express his or her personal and confidential assessment of the Boards' overall effectiveness in discharging its duties and responsibilities. It provides insights into the functioning of the Boards and its Board Committees, whilst identifying areas that need strengthening or improvement.

The criteria for evaluation of the Boards' performance includes board composition, access to information, board process, risk management, strategy and planning, board accountability, and engagement with CEO and Management. These performance criteria are approved by the Boards, and are generally unchanged from year to year so that trends may be determined.

Directors complete evaluation questionnaires covering the Boards and its Committees, as well as a self-assessment questionnaire for individual Directors. Their performance is assessed based on their duties, contributions, knowledge, and interaction with fellow Directors and Management.

CORPORATE GOVERNANCE

For FY 2025, in line with the Boards' practice of engaging an external facilitator on a biennial basis, Bronze Phoenix Consulting Pte. Ltd., an independent external consultant with experience in board and leadership development was engaged. The firm assisted the NRC in conducting this evaluation and assessment of the performance of the Boards, its Board Committees and individual Directors. The external facilitator is independent, has no other business relationship with the Trust, and is not related to the directors. This biennial approach balances independent assessments with continuity in evaluating key performance areas.

The Company Secretaries of the Managers (from Tricor Singapore Pte. Ltd., the corporate secretarial agent) assist in compiling and tabulating the responses received from Directors to facilitate the internal and external facilitator's assessment and analysis. The questionnaires are on a no-name basis and the submissions are kept confidential by the Company Secretaries of the Managers who administer this process.

From the responses, a consolidated report is prepared and provided for the NRC's review. The NRC reviews the responses and feedback, as well as the areas where the Boards' performance and effectiveness could be enhanced. The board performance evaluation results and recommendations for improvement are then presented to the Boards for discussion and for implementation to help the Board discharge its duties more effectively.

Each director is given sufficient opportunity to bring to the Boards his or her perspective to enable balanced and well-considered decisions to be made.

The Boards in consultation with the NRC, are satisfied that the Boards have met their performance objectives for the year under review.

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

ROLES AND RESPONSIBILITIES OF THE NRC (REMUNERATION FUNCTION)

Following the consolidation of the NC and RC into the NRC with effect from 1 August 2025, the NRC also undertakes the roles and responsibilities relating to remuneration matters under Principles 6 to 8 of the Code.

CORPORATE GOVERNANCE

The NRC plays an important role in ensuring the attraction, recruitment, motivation and retention of talents through competitive remuneration and progressive policies so as to achieve Far East H-Trust's goals, and to deliver sustainable Stapled Securityholder value, distribution income, as well as growth in total returns. Terms of reference setting out the scope and authority in performing the function of the NRC have been written, and these include assisting the Boards in matters relating to:

- Reviewing and recommending to the Boards for endorsement a framework of remuneration for the directors and key management personnel (no member of the Boards is involved in any decision of the Board relating to his or her own remuneration). The framework covers all aspects of remuneration, including fees, salaries, allowances, bonuses, grant of shares and share options and benefits-in-kind;
- Reviewing and recommending to the Boards on the specific remuneration packages for each director as well as for the key management personnel;
- Consulting independent professional consultancy firms, where necessary in determining remuneration packages; and
- Considering the various disclosure requirements for directors' remuneration and ensuring that there is adequate disclosure in the financial statements to ensure and enhance transparency between Far East H-Trust and relevant interested parties.

The NRC seeks to ensure that the remuneration paid to the key management personnel of the REIT Manager is closely linked to the achievement of corporate and individual performance targets. The performance targets approved by the Board at the start of each year are set with the purpose of motivating a high degree of business performance with emphasis on both short-and longer-term quantifiable goals. At the close of each financial year, the NRC reviews the achievements of the REIT Manager against the targets set to determine the overall performance taking into consideration qualitative factors such as the business environment, regulatory landscape and industry trends, and approves a bonus pool that is commensurate with the performance achieved.

Where necessary, the Board modifies the framework of remuneration to align the REIT Manager's compensation with the interests of the Stapled Securityholders. Remuneration of the directors, executive officers and employees of the REIT Manager is not paid out of the deposited property of Far East H-REIT but paid by the REIT Manager from the fees it receives.

KEY MANAGEMENT EXECUTIVES' REMUNERATION FRAMEWORK

The remuneration of key management personnel is structured to take into account:

- The strategic objectives and goals of Far East H-Trust
- Corporate and individual performance, both in terms of financial and non-financial performance of Far East H-Trust through the incorporation of appropriate key performance indicators that are specific, measurable and result-oriented

CORPORATE GOVERNANCE

The key performance indicators used to determine the remuneration of the CEO and key management personnel of the REIT Manager include:

- Far East H-Trust's income available for distribution
- Distribution per Stapled Security
- Total Stapled Securityholder Return
- Investor relations management
- Asset enhancement initiatives
- Corporate governance
- Environmental, social and corporate governance initiatives
- Other strategic initiatives as determined from time to time

These performance indicators are appropriate and meaningful measures which assess Management's performance, whilst taking into account the risk policies of Far East H-Trust. Structuring the level of remuneration as such aligns the interests of key management personnel with that of the Stapled Securityholders and promotes the long-term success of Far East H-Trust.

The remuneration of key management personnel comprises a fixed and a variable component. The fixed component comprises a fixed salary and compulsory employer contribution to the employees' Central Provident Fund. The variable component comprises short-term cash bonuses, and long-term equity-based incentives whereby stapled securities in Far East H-Trust ("Stapled Securities") are awarded under a Restricted Unit Plan based on pre-determined targets (e.g. total Stapled Securityholder return), set over a one-year performance period and vesting over a three-year period.

This structure links rewards only to the performance of Far East H-Trust and the individual's performance, and there is no link to the performance of the controlling shareholder of the Managers. It takes into consideration the risk policies of Far East H-Trust so as to be symmetric with risk outcomes and sensitive to the time horizon of risks.

The remuneration of the CEO and each of the key management personnel are reviewed by the NRC and recommended to the Board for approval.

NON-EXECUTIVE DIRECTORS' REMUNERATION AND FEE STRUCTURE

The NRC also ensures that the remuneration of non-executive directors is appropriate to their level of contribution taking into account factors such as effort and time spent, and their responsibilities. The NRC ensures that independent directors are not over-compensated to the extent that their independence may be compromised. None of the Directors has any service contracts with the Managers.

The structure of directors' fees for non-executive directors comprises a base fee for serving as a Director and additional fee for serving as Chairman or member on each Board Committee. It also takes into account the following:

- Directors' responsibilities and contributions; and
- Industry practices and norms on remuneration, including the guidelines set out in the Remuneration Committee Guide of the SID.

The CEO, who is an executive Director, is remunerated as part of the key management personnel of the REIT Manager and does not receive any director's fees.

CORPORATE GOVERNANCE

The directors' fees (including the Chairman) are paid in the form of cash (80% of the total fees) and Stapled Securities (20% of the total fees) with effect from the financial year commencing 2018. The incorporation of an equity component in the total remuneration of the Directors is intended to achieve the objective of aligning the interests of Directors with those of Stapled Securityholders and the long-term interests of the Trust. Non-executive directors are required to hold the Stapled Securities awarded under the above policy for as long as he/she is on the Boards in order to better align the interests of non-executive Directors with the interests of Stapled Securityholders. A Director who steps down from the Boards during a financial year will be paid fees calculated on a pro-rated basis.

Directors' fees are reviewed and endorsed by the NRC. The framework for determining the Directors' fees is shown in the table below:–

Main Board	Chairman	S$70,000 per annum
	Director	S$55,000 per annum
Audit, Sustainability & Risk Committee	Chairman	S$50,000 per annum
	Member	S$25,000 per annum
Nominating & Remuneration Committee	Chairman	S$30,000 per annum
	Member	S$15,000 per annum
Remuneration Committee	Chairman	S$20,000 per annum
	Member	S$10,000 per annum
Nominating Committee	Chairman	S$15,000 per annum
	Member	S$ 7,500 per annum

INDUSTRY BENCHMARKING AND ENGAGEMENT OF CONSULTANT

In determining the remuneration of its directors and key management personnel, the REIT Manager benchmarks against the industry and seeks views on market practices and trends by engaging an independent remuneration consultant, HR Guru Pte. Ltd. The consultant is not related to the REIT Manager, its controlling shareholder, its related corporations or any of its Directors. The REIT Manager also takes reference from market practices in the formulation and review of its remuneration policies.

The REIT Manager applies the principle that remuneration matters are to be sufficiently structured and benchmarked to good market practices in order to attract suitably qualified talent, to grow and manage Far East H-REIT. The REIT Manager applies the principle that the remuneration for the Board and key executives should be viewed in totality. It is a concerted pursuit of strong and ethical leadership for the success of Far East H-Trust and the REIT Manager.

The NRC reviews the employment contracts to ensure that they contain fair and reasonable termination clauses. Contractual provisions have also been instituted to allow the REIT Manager to reclaim incentive components of the remuneration from the CEO and the key management personnel paid in prior years in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss.

The Board and NRC have reviewed and ensured that the level and structure of remuneration for the REIT Manager's key management personnel and non-executive directors are in alignment with the long-term interests and risk management policies of Far East H-Trust.

CORPORATE GOVERNANCE

DISCLOSURE OF REMUNERATION

Directors' fees

The exact remuneration payable to each individual director for the financial year ended 31 December 2025 is as follows:–

	Components of Directors' fees[1]		
Name of Director	Cash Component (S$)	Stapled Securities Component[2]	Total (S$)[3]
Quek See Tiat[4]	94,500	23,625	118,125
Wee Kheng Jin[5]	38,000	9,500	47,500
Vivienne Lim Hui Bian	77,334	19,333	96,667
Catherine Lee Khia Yee	72,500	18,125	90,625
Celestine Khoo Geok Choo	73,334	18,333	91,667
Benedict Leh Song Boon	84,000	21,000	105,000
Gerald Lee Hwee Keong[6]	–	–	–
Total	439,668	109,916	549,584

(1) Computed based on composition of the Nominating Committee and the Remuneration Committee from 1 January 2025 to 31 July 2025 and composition of the consolidated Nominating and Remuneration Committee from 1 August 2025 to 31 December 2025.
(2) Each of the Directors (including the Chairman) will receive 20% of his or her total directors' fees in the form of Stapled Securities. The actual number of Stapled Securities to be awarded will be determined by reference to the volume-weighted average price for a Stapled Security for all trades on the SGX-ST in the ordinary course of trading during the 15 business days after the announcement of Far East H-Trust's FY 2025 results.
(3) The Directors' fees comprise a cash component and a Stapled Securities component. The cash component is paid by the REIT Manager, while the Stapled Securities component will be fulfilled through the transfer of Stapled Securities from the existing holdings of the REIT Manager. No new Stapled Securities will be issued for this purpose.
(4) Mr Quek See Tiat was redesignated from Independent Director to Chairman of the Board with effect from 1 May 2025.
(5) Mr Wee Kheng Jin retired from his appointment as Chairman of the Board and as a member of the Remuneration Committee and the Nominating Committee with effect from 30 April 2025.
(6) Mr Gerald Lee Hwee Keong, being the CEO and an Executive Director does not receive any Directors' fees for serving as a Director.

Level and Mix of Remuneration of the CEO and other Top 5 Key Executives

The exact remuneration paid to or payable to the CEO for the financial year ended 31 December 2025 is as follows:–

	Salary and Allowances[1] S$	Variable Bonus[1][2] S$	Benefits-In-Kind S$	Long-Term Incentive[3] S$	Total[4] S$
Gerald Lee Hwee Keong	571,764	156,046	200	232,632	960,642
	60%	16%	0%	24%	100%

(1) Inclusive of employer's Central Provident Fund contributions.
(2) Payout is based on the achievement of pre-determined performance targets of FY 2025.
(3) Long-term incentive will be paid by Stapled Securities in Far East H-Trust pursuant to the REIT Manager's Restricted Unit Plan. The value of Stapled Securities awarded is based on the fair value of the Stapled Securities at the time of grant in FY 2025.The actual vesting can range between 0 to 150% of the initial contingent award depending on the achievement of the pre-determined targets at the end of the one-year performance period. The award will be vested annually over 3 years at the rate of 33% for 1st and 2nd vesting, and 34% for final vesting.
(4) Remuneration of the employees including long-term incentive is borne by the REIT Manager.

CORPORATE GOVERNANCE

The remuneration paid to or payable to each of the other top five key executives, in bands of S$250,000, for the financial year ended 31 December 2025 is as follows:–

Remuneration Band and Names of Top 5 Key Executives	Salary and Allowances[1] %	Variable Bonus[1][2] %	Benefits-In-Kind %	Long-Term Incentive[3] %	Total[4] %
Between S$500,000 to S$750,000					
Regina Yap Siew Buay	68%	18%	0%	14%	100%
Between S$250,000 to S$500,000					
Desmond Tan Eng Kiat	69%	16%	0%	15%	100%
Edmond Tan Wei De	67%	18%	0%	15%	100%
Below S$250,000					
Chow Wai Yen	69%	18%	1%	12%	100%
James Tan You Rong	82%	18%	0%	0%	100%
Total of Top 5 Key Executives (excluding CEO)					**S$1,657,182**

(1) Inclusive of employer's Central Provident Fund contributions.
(2) Payout is based on the achievement of pre-determined performance targets of FY 2025.
(3) Long-term incentive will be paid by Stapled Securities in Far East H-Trust pursuant to the REIT Manager's Restricted Unit Plan. The value of Stapled Securities awarded is based on the fair value of the Stapled Securities at the time of grant in FY 2025.The actual vesting can range between 0 to 150% of the initial contingent award depending on the achievement of the pre-determined targets at the end of the one-year performance period. The award will be vested annually over 3 years at the rate of 33% for 1st and 2nd vesting, and 34% for final vesting.
(4) Remuneration of the employees including long-term incentive is borne by the REIT Manager.

The remuneration of the CEO and other employees of the REIT Manager is paid out of the fees that the REIT Manager receives, and is not borne by Far East H-Trust.

There is no employee with the REIT Manager who is an immediate family member of a Director or the CEO of the REIT Manager or a shareholder of the REIT Manager or a substantial Stapled Securityholder of Far East H-Trust, and whose remuneration exceeds S$100,000 during the year. None of our employees are shareholders of the REIT Manager or substantial Stapled Securityholders of Far East H-Trust.

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

ROLE OF THE BOARD AND ASRC IN ENSURING EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROLS

The Boards recognise the importance of a sound system of risk management and internal controls to safeguard Stapled Securityholders' interests and Far East H-Trust's assets. The Boards affirm their responsibility for Far East H-Trust's system of risk management and internal controls, and for reviewing the adequacy and effectiveness of Far East H-Trust's risk management and internal control systems, including financial, operational, compliance and Information Technology ("IT") controls on an annual basis.

CORPORATE GOVERNANCE

The ASRC assists the Boards in examining the adequacy and effectiveness of internal controls policies and procedures to ensure that a robust risk management framework and internal control system is maintained while the Boards review the adequacy and effectiveness of the risk management and internal control system. The ASRC also assesses the materiality of specific developments or risks that might have an impact on the business operations and security price of Far East H-Trust.

FORMULATION OF RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEM

Far East H-Trust utilises the Enterprise Risk Management ("ERM") framework to identify, monitor and manager its risks. In setting up the risk management framework, the extent of risk tolerance and the risk parameters based on Far East H-Trust's current operations have been set and approved by the Boards after taking into consideration Far East H-Trust's strategic objectives. The risk parameters guide Management on managing the risks of Far East H-Trust and these parameters are regularly reviewed to ensure they are relevant to Far East H-Trust's operating profile.

The ASRC guides Management in the formulation of risk policies and processes in identifying, evaluating and managing key risks while the ownership of risk management lies with the CEO and he is supported by the respective managers. The nature and extent of risks are assessed regularly by Management and internal auditors, and reports are submitted to the ASRC as and when necessary. The ASRC reports to the Boards on material findings and makes recommendations or seeks guidance from the Boards in respect of any material risk issues.

Any findings on material non-compliance or weaknesses in internal controls and risk management by the internal auditors are reported to the ASRC. The recommendations to further improve the internal control system and risk management system are reported to the ASRC and actions are taken by Management.

ASSESSMENT AND MANAGEMENT OF MATERIAL RISKS

The assessment of material risks, countermeasures and mitigating strategies are elaborated under the ERM section on pages 85 and 86 of this Annual Report.

In managing conflicts of interest risk, the Managers have instituted the following procedures:

- The Managers will not manage any other Trust which invests in the same type of properties as Far East H-Trust;
- All executive officers will be employed by the REIT Manager and will not hold executive positions in any other entities;
- All resolutions in writing of the Directors of the Managers in relation to matters concerning Far East H-Trust must be approved by a majority of the Directors, including at least one Director independent from management and business relationships with the Managers;
- At least half of the Boards shall comprise such independent directors;
- In respect of matters in which a director of the Managers or his or her associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors of the Managers and must exclude such interested director;

CORPORATE GOVERNANCE

- In respect of matters in which the Sponsor has an interest, direct or indirect, any director appointed by the Sponsor to the Boards to represent its interests will abstain from deliberations and voting on such matters. In such matters, the quorum must comprise a majority of the Directors of the Managers independent from management and business relationships with the Managers and must exclude such directors of the Sponsor. Save for resolutions relating to the removal of the Managers, the Managers and its associates (as defined in the Listing Manual) are prohibited from voting or being counted as part of a quorum in Stapled Securityholders' meetings convened to approve any matter in which the Managers and/or any of its associates has an interest, and for so long as the REIT Manager is the manager of Far East H-REIT or Trustee-Manager is the trustee-manager of Far East H-BT, the controlling shareholders of the Managers and of any of its associates (as defined in the Listing Manual) are prohibited from voting or being counted as part of a quorum in any Stapled Securityholders' meetings convened to consider a matter in respect of which the relevant controlling shareholders of the Managers and/or of any of its associates have an interest; and
- It is also provided in the REIT Trust Deed that if the REIT Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the REIT Trustee for and on behalf of Far East H-REIT with an Interested Person (as defined in the Listing Manual) and/or, as the case may be, an Interested Party (as defined in the Property Funds Appendix) (collectively, a "Related Party") of the REIT Manager, the REIT Manager shall be obliged to consult with a reputable law firm (acceptable to the REIT Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the REIT Trustee, on behalf of Far East H-REIT, has a prima facie case against the party allegedly in breach under such agreement, the REIT Manager shall be obliged to take appropriate action in relation to such agreement. Directors of the REIT Manager will have a duty to ensure that the REIT Manager so complies. Notwithstanding the foregoing, the REIT Manager shall inform the REIT Trustee as soon as it becomes aware of any breach of any agreement entered into by the REIT Trustee for and on behalf of Far East H-REIT with a Related Party of the REIT Manager and the REIT Trustee may take such action as it deems necessary to protect the rights and interests of the Stapled Securityholders of Far East H-Trust. Any decision by the REIT Manager not to take action against a Related Party of the REIT Manager shall not constitute a waiver of the REIT Trustee's right to take such action as it deems fit against such Related Party.

INTERNAL CONTROL SYSTEM FOR RELATED PARTY AND INTERESTED PERSON TRANSACTIONS

The Managers have established an internal control system to ensure that all Related Party Transactions, Interested Party Transactions (as defined in the Property Fund Appendix) and Interested Person Transactions (as defined in the Listing Manual) (collectively "IPT"):

- will be undertaken on an arm's length basis and on normal commercial terms; and
- will not be prejudicial to the interests of the Stapled Securityholders of Far East H-Trust.

Related party transactions have been disclosed in the financial statements of this annual report. As a general rule, the Managers must demonstrate to the ASRC that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Managers, or obtaining valuations from independent professional valuers (in accordance with the Property Funds Appendix).

The Managers maintain a register to record all IPT which are entered into by Far East H-Trust and the bases, including any quotations from unrelated parties and independent valuations obtained, on which they are entered into.

CORPORATE GOVERNANCE

The Managers have incorporated into its internal audit plan to review all IPT entered into by Far East H-Trust. The ASRC will monitor the procedures established to regulate IPT, including reviewing any IPT entered into from time to time and the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor IPT have been complied with (including relevant provisions of the Listing Manual and Property Funds Appendix). If a member of the ASRC has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

In addition, the REIT Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the ASRC.

Further, the following procedures will be adhered to:

- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding S$100,000 in value but less than 3.0% of the value of Far East H-Trust's latest audited net tangible assets/net asset value will be subject to review by the ASRC at regular intervals;
- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of Far East H-Trust's latest audited net tangible assets/net asset will be subject to the review and prior approval of the ASRC. Such approval shall only be given if such transaction is conducted on an arm's length basis, on normal commercial terms and consistent with similar types of transactions made with third parties which are not interested parties; and
- Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested party during the same financial year) equal to or exceeding 5.0% of the value of Far East H-Trust's latest audited net tangible assets/net asset value will be reviewed and approved prior to such transaction being entered into, on the basis described in the preceding paragraph, by the ASRC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Further, under the Listing Manual and the Property Funds Appendix, such transaction would have to be approved by the Far East H-Trust Stapled Securityholders at a meeting duly convened.

Where matters concerning Far East H-REIT relate to transactions entered into or to be entered into by the REIT Trustee for and on behalf of Far East H-REIT with an interested party (which would include relevant associates thereof), the REIT Trustee is required to ensure that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of Far East H-REIT and the Stapled Securityholders of Far East H-Trust, and are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question. Furthermore, the REIT Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving an interested party. If the REIT Trustee is to sign any contract with an interested party, the REIT Trustee will review the contract to ensure that it complies with the requirements relating to IPT in the Property Funds Appendix (as may be amended from time to time) and the provisions of the Listing Manual relating to IPT (as may be amended from time to time) as well as guidance prescribed by the MAS and SGX-ST.

Save for the IPT described under "Setting Up of Far East H-REIT and Future Related Party Transactions" in the IPO prospectus, Far East H-REIT will comply with Rule 905 of the Listing Manual by announcing any Interested Person Transaction in accordance with the Listing Manual if such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person (as defined in the Listing Manual) during the same financial year, is 3.0% or more of the value of Far East H-REIT's latest audited net tangible assets/net asset value.

CORPORATE GOVERNANCE

The aggregate value of all Interested Person Transactions in accordance with the Listing Manual in FY 2025, and which are subject to Rules 905 and 906 of the Listing Manual excluding transactions of less than S$100,000 in value, is disclosed below:

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
Far East H-REIT			
FEO Hospitality Asset Management Pte. Ltd.	REIT Manager		
Rental and utilities income[1]		339	–
Management fees[2]		10,541	–
Reimbursable expenses[3]		98	–
Acquisition fees[4]		549	–
DBS Trustee Limited	REIT Trustee		
Trustee's fee		322	–
Far East Organization and its related companies	Controlling Stapled Security-holders of Far East H-Trust and its associate		
Rental income – Master Lease[5]		86,138	–
Hotel management fee[6][7][8]		977	–
Shared service fees[9]		917	–
Reimbursable expenses[6]		856	–
Technical and operation support service fee[6][10]		626	–
Leasing commission – REIT Commercial Premises[11]		27	–
Other expenses[6][12]		3,139	–
Other revenue[6]		148	–
Reimbursable expenses received/receivable[6][13]		458	–
Interest income[14]		976	–
Interest expense[6][15]		683	–
Rental income - Others[6][16]		270	–

(1) The REIT Trustee has entered into tenancy agreement with the REIT Manager during the year which has been reviewed and approved by ASRC as follows:

Name of interested person	Term	Contract value S$'000
FEO Hospitality Asset Management Pte. Ltd.	2 years	699

(2) Pursuant to the Trust Deed, the REIT Manager is entitled to a management fee comprising a base fee of 0.28% per annum of the value of the Far East H-REIT Deposited Property (as defined in the Trust Deed) and a performance fee of 4.0% per annum of net property income ("NPI") or the annual distributable amount (as defined in the Trust Deed) in the relevant year, whichever is lower.

(3) This relates to service fee for website maintenance, annual report production, AGM expenses, air tickets and other miscellaneous expenses.

(4) This relates to the acquisition of Four Points by Sheraton Nagoya, Chubu International Airport which was completed on 25 April 2025.

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(5) This relates to the rental income received/receivable from the master lessees of the properties:
- First Choice Properties Pte Ltd
- Far East Organization Centre Pte. Ltd.
- Golden Landmark Pte Ltd
- Transurban Properties Pte. Ltd.
- Far East Orchard Limited
- Golden Development Private Limited
- Far East SOHO Pte. Ltd.
- Serene Land Pte Ltd
- Oxley Hill Properties Pte Ltd
- Riverland Pte Ltd

(6) Far East H-REIT holds 30% interest in Fontaine Investment Pte Ltd ("FIPL"), a joint venture company established to develop a hotel site in Sentosa. FIPL meets the criteria of an Entity at Risk being an associated company that is not listed on the Exchange. The aggregate value of interested person transactions included value at risk for transactions with Interested Persons of 30% on the basis of the Far East H-REIT's shareholding.

(7) This relates to hotel management fee paid/payable by FIPL to Far East Hospitality Management (S) Pte. Ltd..

(8) There is a top-up of shortfall of actual Gross Operating Profit ("GOP") less than Guaranteed GOP of S$388k for FY2025 pursuant to the Hotel Management Agreement dated 24 April 2018 entered by FIPL with Far East Hospitality Management (S) Pte. Ltd..

(9) This relates to the shared services agreements between the master lessees and Far East H-REIT in respect of the properties. The master lessees are paid monthly for a share of the costs of the applicable services provided to and attributed to the REIT Commercial Premises based on the agreed proportion of the total costs and expenses for the properties. The services provided or procured by the master lessees included cleaning and maintenance services, fire alarm system maintenance, lifts maintenance, landscape maintenance, waste disposal services, provision of security services, chiller plant maintenance, air conditioner maintenance and other services.

(10) This relates to technical and operation support service fee paid/payable to related corporations of the REIT Manager:
- First Choice Properties Pte Ltd
- Far East Organization Centre Pte. Ltd.
- Golden Landmark Pte Ltd
- Golden Development Private Limited
- Far East Orchard Limited
- Agape Services Pte. Ltd.
- Serene Land Pte Ltd
- Oxley Hill Properties Pte Ltd
- Riverland Pte Ltd

REIT Trustee has extended the technical services agreements with the related corporations of the REIT Manager for 1 year with an estimated contract sum of S$0.2 million during the year, which have been reviewed and approved by ASRC.

(11) This relates to leasing commission paid/payable to Far East Real Estate Agency Pte. Ltd. and other third party marketing agents.

(12) This relates to central engineering, property management & leasing services, vehicle lease, breakfast, all day dining, room service & banquet, technical and back office support fee paid/payable by FIPL to related corporations of the REIT Manager.

FIPL has entered into agreements with Far East Management (Private) Limited and Commonwealth Concepts Pte. Ltd. with an estimated total contract sum of S$0.8 million for 1 to 3 years and S$5.7 million for 3 years respectively during the year which have been reviewed and approved by ASRC.

(13) This relates to reimbursement of utilities and other miscellaneous expenses from related corporations of the REIT Manager.

(14) This relates to interest on shareholders' loan received/receivable from FIPL.

(15) This relates to interest on shareholders' loan paid/payable by FIPL to Far East Organization Centre Pte. Ltd.

(16) FIPL has entered into a tenancy agreement with an estimated contract sum of S$0.8 million for 3 years with an option to renew for 3 years with Commonwealth Concepts Pte. Ltd. during the year which has been reviewed and approved by ASRC.

Far East H-Trust has not obtained a Stapled Securityholders' mandate pursuant to Rule 920 of the Listing Manual for IPT.

Save as disclosed above, (a) there are no other material contracts entered into by Far East H-Trust and/or its subsidiaries including the interests of the CEO, any director or controlling Stapled Securityholder, either still subsisting at the end of the year or entered into since the end of the previous financial year; and (b) there were no additional IPT (excluding transactions of less than S$100,000 each) entered into during the period under review.

The entry into and the fees and charges payable by Far East H-REIT under the REIT Trust Deed, the Stapling Deed, the Shared Services Agreements, the Shared Electricity Services Agreements, the License Agreement and the leases set out in the section "Other Related Party Transactions" in the IPO Prospectus and/or circular, to the extent that details of these have been specifically disclosed in the IPO Prospectus and/or circular, which each constitutes an Interested Person Transaction, are deemed to have been specially approved by Stapled Securityholders upon purchase of the Stapled Securities and/or in the Extraordinary General Meeting and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect Far East H-REIT.

CORPORATE GOVERNANCE

BOARD'S COMMENT ON INTERNAL CONTROLS AND RISK MANAGEMENT

The Boards receive quarterly certification of assurance from the CEO and CFO which assures that to the best of their knowledge, the accounting records have been properly maintained and the financial statements are drawn up so as to give a true and fair view of the financial position and financial performance, and that they are prepared in accordance with accounting standards. The CEO, CFO and other key management personnel also provide a certification of assurance to the Board that Far East H-Trust's risk management and internal control systems, to the extent that they address the financial, operational, compliance and IT risks faced by Far East H-Trust in its current business environment, have been adequately designed and are operating effectively in all material aspects, as at 31 December 2025.

Based on the risk management and internal control systems established and adhered to by Far East H-Trust, the assurance received from the CEO, CFO and other key management personnel, work performed by the internal and external auditors, and compliance manager, reviews conducted by Management and various Board Committees, the Boards are of the view that Far East H-Trust's internal controls (including financial, operational, compliance and IT controls) and risk management system have been adequately designed and are operating effectively in all material aspects faced by Far East H-Trust in its business environment as at 31 December 2025. Far East H-Trust has no exposure or link to any sanction-related risk and has no material change in its risk of being subject to any Sanction Law. Far East H-Trust will continue to monitor its position on an ongoing basis and make any necessary disclosures as required by SGX and other relevant authorities on a timely and accurate basis.

The Boards note that the internal controls and risk management system established provides reasonable though not absolute assurance against material misstatement of loss and that Far East H-Trust will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. The Boards accept that the internal control systems contain inherent limitations and notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human errors, fraud and other irregularities.

The ASRC concurs with the Boards' comment on the internal controls and risk management systems of Far East H-Trust.

ROLE AND DUTIES OF COMPLIANCE MANAGER

During the year, KPMG Services Pte Ltd, assisted the Managers in regulatory and compliance matters. With the aim of having fresh perspective, Deloitte Singapore Assurance Pte. Ltd. has been appointed as the Compliance Manager starting from 2026.

The Compliance Manager reports to the ASRC and their duties include:

- Advising and checking for the Managers' compliance with its regulatory obligations under the SFA and Listing Manual;
- Advising and checking for the representatives' compliance with their regulatory obligations under the SFA, such as the maintenance of their relevant interests in listed specified products;
- Checking the returns and other documents to be submitted by the REIT Manager and its representatives to the MAS under the SFA from time to time, in relation to the REIT Manager's CMS License for the regulated activity of REIT management; and
- Conducting regulatory training, as and when requested, to the Managers, its Directors and its representatives as part of the quarterly compliance review.

CORPORATE GOVERNANCE

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

AUDIT, SUSTAINABILITY AND RISK COMMITTEE

The ASRC members are appointed by the Boards from among its members. The ASRC is comprised entirely of independent directors, and its members as at 31 December 2025 are Mr Benedict Leh (Chairman), Ms Catherine Lee and Ms Celestine Khoo.

The Boards are of the view that the members of the ASRC bring with them invaluable and relevant managerial and professional expertise in accounting and related financial management domains to discharge their responsibilities. Mr Leh, Ms Lee and Ms Khoo have extensive experience in financial management and the capital markets. Both Ms Lee and Ms Khoo are Chartered Accountants with the Institute of Singapore Chartered Accountants and have extensive accounting and financial management expertise and experience.

None of the ASRC members are former partners or directors of Far East H-Trust's existing external auditing firm, Ernst & Young LLP ("EY") (a) within a period of two years commencing from the date of their ceasing to be partners or directors of EY; or (b) who have any financial interest in EY.

KEY RESPONSIBILITIES AND ACTIVITIES OF THE ASRC

The ASRC's responsibilities include and are not limited to:

i. Reviewing the financial statements of Far East H-REIT, Far East H-BT and Far East H-Trust;
ii. Reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of Far East H-Trust, and announcements relating to Far East H-Trust's financial performance;
iii. Reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Managers' internal controls, including financial, operational, compliance and IT controls, and risk management systems;
iv. Reviewing the adequacy and effectiveness of the Managers' internal audit and compliance functions;
v. Reviewing the scope and results of the external audit and independence and objectivity of the external auditors;
vi. Reviewing IPT and monitoring the procedures established to regulate IPT, including ensuring compliance with the provisions of the Listing Manual and the provisions of the Property Funds Appendix;
vii. Deliberating on resolutions relating to conflicts of interest involving Far East H-Trust;
viii. Monitoring the procedures in place to ensure compliance with applicable legislation, the Listing Manual and the Property Funds Appendix;
ix. Reviewing the arrangements by which employees of the REIT Manager may, in confidence, safely raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action;
x. Making recommendations to the Boards on the appointment, reappointment and removal of external auditors and approving the remuneration and terms of engagement of external auditors;
xi. Meeting with internal and external auditors, without the presence of the Management, at least once annually;
xii. Overseeing sustainability and ESG issues and strategies as well as the process used to identify, evaluate and manage material ESG related issues;

CORPORATE GOVERNANCE

xiii. Making recommendations to the Board on the Far East H-Trust's strategies, targets, policies and roadmap pertaining to sustainability;
xiv. Monitoring the compliance with applicable regulations and policies;
xv. Reviewing the effectiveness of strategies, targets, policies and roadmaps pertaining to sustainability;
xvi. Reviewing the status updates on the implementation and progress against sustainability targets.

The ASRC has explicit authority to investigate any matter within its terms of reference. The ASRC has full access to and co-operation by Management and the internal and external auditors and has full discretion to invite executive officers of the REIT Manager and the Sponsor, external consultants or advisers to attend its meetings. The internal and external auditors have unrestricted access to the ASRC.

During the year under review, four ASRC meetings were held. The ASRC also met separately with the internal auditor and external auditor, without the presence of the executive officers of the Managers on one occasion each to discuss issues and to confirm that they had full access to and received co-operation and support from the Management.

The ASRC has conducted a review of all non-audit services provided and/to be rendered by EY, the external auditor, during the year under review. The aggregate amount of fees paid and payable to EY was S$231,044, of which audit fees amounted to S$151,944 and non-audit fees amounted to S$79,100. The non-audit fees paid/payable to EY relates to general tax, GST compliance, tax advisory and other assurance services. The statutory audit fee for Far East H-Trust is relatively low compared to peer organisations because a significant part of the audit work relating to Far East H-REIT's gross revenue has been performed by the auditors of the Master Lessees.

The fees paid to EY for non-audit services did not exceed 50% of the total fees paid. The ASRC, having regard to the nature and performance of the work by EY, is of the view that the auditor's independence and objectivity are not impaired or threatened.

In reviewing the nomination of EY for re-appointment for the financial year ending 31 December 2025, the ASRC had taken into consideration the Audit Quality Indicators Framework introduced by ACRA. The ASRC also considered the adequacy and experience of the professional staff and audit engagement partner assigned, EY's experience in the REIT sector and the size and complexity of the audit. The ASRC is satisfied with the independence and work of the external auditors and has recommended to the Board the re-appointment of EY as the external auditors of Far East H-Trust at the forthcoming annual general meeting.

The Board confirms that Far East H-Trust complies with the requirements of Rule 712 and Rule 715 of the Listing Manual in respect of the suitability of the auditing firm for Far East H-Trust.

WHISTLE BLOWING POLICY

The Managers have established a Whistle Blowing Policy and a Loss Management Policy for which relevant employees and Directors of the REIT Manager and the Trustee-Manager, as well as external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters in good faith, with the confidence that the relevant persons making the reports will be treated fairly and be protected from reprisal.

The objective of the Whistle Blowing Policy is to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken. The Whistle Blowing Policy deals with defalcation, impropriety, or wrongdoing by employees in situations including but not limited to suspected fraud, corruption, and unlawful or dishonest conduct.

CORPORATE GOVERNANCE

Whistle-blowers are given the option to remain anonymous and may report via an external independent hotline or directly to FEO's Head of Internal Audit. Establishing these policies reflects the Managers' commitment to conduct its business within a framework that fosters the highest ethical standards.

The Whistle Blowing Policy is made available to all new employees when they join the REIT Manager, and they are briefed on this together with FEO's Code of Conduct. The Whistle Blowing Policy is also publicly disclosed on Far East H-Trust's website at https://www.fehtrust.com/corporate-governance.html.

REVIEWS CONDUCTED BY THE ASRC

During the year under review, the ASRC performed independent reviews of the half-yearly and full year financial results as well as interim business updates of Far East H-Trust before recommending to the Boards for approval on the release of the financial statements and SGX announcements relating to Far East H-Trust's financial statements. In the process, the ASRC reviewed the significant financial reporting issues and judgements, including the appropriateness of accounting policies and the quality and completeness of disclosure to ensure the integrity of the financial statements. The ASRC also reviewed, among other matters, the following key audit matters ("KAM") identified by the external auditor for the financial year ended 31 December 2025:

Key Audit Matter	How the issue was addressed by ASRC
Valuation of Investment Properties	The ASRC considered the approach and methodology applied to the valuation model in assessing the valuation of investment properties. The ASRC noted that: • There was appropriate use of third party valuers who have recognised professional qualification and experience in the location and category of properties being valued; • In accordance with the Property Funds Appendix, the valuers have been changed every two years to provide independent and fresh perspective to the valuation process; and • Material judgmental assumptions used in the valuations were within reasonable parameters. The ASRC considered the findings of the external auditor, including the assessment of the appropriateness of the valuation techniques and the underlying assumptions applied, as well as the rapid changes in the market and economic conditions which increases the level of estimation uncertainty and judgement required. The ASRC considered the valuation of the investment properties to be appropriate.

The ASRC reviewed and approved the audit plan and scope of the external auditors on the audit of the full year financial statements. The ASRC also reviewed and approved the internal audit plan and scope of the internal auditor's work and its audit programme. It reviewed the findings during the year and Management's responses thereto and it satisfied itself to the adequacy of the internal audit function. In addition, the ASRC reviewed the IPT to ensure compliance with the Listing Manual and the Property Funds Appendix.

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Changes to the accounting standards and issues which have direct impact on the financial statements were reported and discussed with the ASRC at its meetings. The ASRC has considered the introduction of new accounting standards for the annual periods beginning on 1 January 2025 and the effect to the financial statements of Far East H-Trust.

The ASRC does not expect the adoption of the new standards to have material impact to the financial statements of Far East H-Trust.

ROLE AND DUTIES OF INTERNAL AUDITORS

The role of the internal auditors is to assist the ASRC to ensure that the Managers maintain a sound system of internal controls by regularly monitoring key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the ASRC, and conducting regular in-depth audits of high-risk areas.

The ASRC approves the hiring, removal, evaluation and compensation of the internal auditor or the accounting/ auditing firm or corporation to which the internal audit function is outsourced. The Managers engaged BDO Advisory Pte Ltd ("BDO") as the internal auditor for a three-year period from 1 January 2023 to 31 December 2025. The ASRC has approved the reappointment of BDO for a further three-year term commencing 1 January 2026. BDO adopts the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors ("IIA"). The internal auditor is independent of management and reports directly to the Chairman of the ASRC.

The internal auditor plans the internal audit schedules in consultation with, but independent of the Managers. The audit plan is submitted to the ASRC for approval prior to the commencement of the internal audit work. The internal auditor has unfettered access to all the Managers' documents, records, properties and personnel, including access to the ASRC. The ASRC reviews the internal audit report regularly and monitors the implementation of the improvements required on internal control weaknesses identified.

During the year under review, Far East Management (Private) Limited ("FEMPL") assisted in administering the Whistle Blowing Policy and Loss Management Policy of the Managers. FEMPL reports to the ASRC on any whistle-blowing report or loss management incidents.

For the year under review, the ASRC is of the view that the internal audit function is adequately resourced and has appropriate standing within the company. The ASRC has reviewed and is satisfied with the adequacy, independence and effectiveness of the internal audit function.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Boards are responsible for providing a balanced and understandable assessment of Far East H-Trust's performance, position and prospects. In this regard, Management provides timely, complete, adequate information to the Boards through the most expedient means. On a monthly basis, Management provides the Boards with an update on Far East H-REIT's operating performance. A set of management accounts with analysis is provided to the Board on a quarterly basis.

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The Boards embrace openness and transparency in the management of Far East H-REIT, whilst preserving its commercial interests. Financial reports, press releases, media and analyst presentation slides and other price sensitive information are disseminated to Stapled Securityholders through announcements via SGXNET and Far East H-Trust's website.

The Managers are committed to treating all Stapled Securityholders fairly and equitably, and seeks to facilitate the exercise of ownership rights by all Stapled Securityholders.

Far East H-Trust is committed to communicating with investors, analysts and the investment community in a timely and comprehensive manner. The Managers release corporate information through posting announcements on SGXNET and Far East H-Trust's corporate website. The Managers continue to strive towards improving the standard of disclosures and transparency to help investors make more informed investment decisions.

ANNUAL GENERAL MEETING ("AGM")

Stapled Securityholders are informed of AGMs or Extraordinary General Meetings ("EGM") through reports or circulars sent to them. Notices of the general meetings are also announced via SGXNET and Far East H-Trust's website. The Notice includes a disclosure of detailed information on each agenda item for the AGM. The requisite notice period for general meetings was adhered to. In addition, Securityholders will be able to submit their questions in advance with answers announced on SGXNet before proxy closes.

At Far East H-Trust's 13th AGM held on 22 April 2025 the Chairman of the meeting with the assistance of the service providers, briefed Stapled Securityholders on the rules of the meeting, including poll voting procedures, which govern the meeting before they vote on the resolutions at the meeting by way of poll.

Directors, key management personnel of the REIT Manager and representatives from the REIT Trustee were physically present to address every Stapled Securityholders' queries at the AGM and EGM. The external auditor was also physically present to answer Stapled Securityholders' questions about the conduct of the audit and the content of the auditors' report.

During the AGM, the CEO of Far East H-Trust made a presentation to update Far East H-Trust's Stapled Securityholders on the market and industry operating environment, performance of Far East H-Trust's hotels and serviced residences, asset enhancement initiatives that had taken place during the year, and other recent developments in relation to acquisitions or projects that had been undertaken.

Opportunity was also given to Stapled Securityholders to interact with Directors and Management of the REIT Manager, to communicate their views and ask questions on matters affecting Far East H-Trust.

Under normal circumstances, if any Stapled Securityholder who is not a Relevant Intermediary[(2)], is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the meetings through proxy form sent in advance.

2 "Relevant Intermediary" shall have the meaning ascribed to it in the Companies Act 1967, Section 181 (6) and apply with such modifications and qualifications as may be necessary.

CORPORATE GOVERNANCE

Stapled Securityholders who are Relevant Intermediaries may appoint more than two proxies to exercise all or any of its rights provided that each proxy is appointed to exercise rights attached to a different Stapled Security held by it. Where such Stapled Securityholder appoints more than two proxies, the appointments shall be invalid unless the Stapled Securityholder specifies the number of Stapled Securities in relation to which each proxy has been appointed. The amendment is consistent with the multiple proxies regime under the Companies (Amendment) Act 2014.

In line with Principle 11 of the Code, Stapled Securityholders who are absent in attendance will still be able to vote by proxy. Therefore, the Managers have decided, for the time being, to refrain from implementing absentia voting until security, integrity, and other pertinent issues are satisfactorily resolved.

Each distinct issue is proposed as a separate resolution at the general meetings and the reasons and material implications are explained. All the resolutions at the AGM and EGM are moved by voting by poll. The voting and vote tabulation procedures are declared before the voting commences, and an independent scrutineer is appointed to count and validate the votes. Reliance 3P Advisory Pte. Ltd. was the appointed scrutineer for the last AGM. The voting results, showing the number of votes cast for and against each resolution and the respective percentages, are disclosed at the general meetings right after the votes are casted.

After the general meetings, announcements of the voting results are also made through SGXNET and on Far East H-Trust's website. Since 2019, the Managers publish minutes of general meetings of Stapled Securityholders on its corporate website, as soon as practicable. The minutes of Stapled Securityholders' meetings capture the attendance of Board members at the meetings, matters approved by Stapled Securityholders, voting results and substantial and relevant comments or queries from Stapled Securityholders relating to the agenda of the meetings, together with responses from the Boards and Management. Minutes for the prior period are also available to our Stapled Securityholders upon their request. Stapled Securityholders' questions and answers were published through SGXNET and on Far East H-Trust's corporate website within one month after the AGM.

DISTRIBUTION POLICY

Far East H-REIT's distribution policy is to distribute at least 90% of its taxable income. This distribution policy is stated on the corporate website. The actual level of distribution will be determined at the REIT Manager's discretion, taking into account the needs of Far East H-REIT for capital expenditure, working capital requirements and the liquidity position of Far East H-REIT. Since Far East H-Trust's listing in 2012, Far East H-Trust has distributed 100% of its taxable income to Stapled Securityholders.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

The Managers have established an Investor Relations Policy that governs regular, effective and fair communication with Stapled Securityholders.

CORPORATE GOVERNANCE

Material information is disclosed in a comprehensive, accurate and timely manner via SGXNET and on Far East H-Trust's website. The CEO, CFO and the Investor Relations Manager actively engage institutional investors, analysts and fund managers to solicit and understand the views of the investment community via:

- Analyst briefings held every quarter after the financial results or business update announcements;
- One-on-one or group meetings, conference calls, investor luncheons, local/overseas road shows and conferences; and
- Far East H-Trust's website at www.fehtrust.com (an email alert option is available to subscribers who wish to be notified of newly posted announcements, press releases, presentations and publications).

During the analyst briefings, analysts are given the opportunity to ask questions. The questions are responded to by the CEO or CFO immediately.

The Managers have established Far East H-Trust's corporate website as an information resource centre for retail and institutional investors and for regular dialogue with investors, such as to gather their views or inputs. They can also send their feedback or voice any concerns through Far East H-Trust's corporate email: enquiry@fehtrust.com.

With a majority of Stapled Securities held by institutional investors, Management considers meetings with local and foreign fund managers an integral part of investor relations. During the year, the CEO, CFO and the Investor Relations Manager had a number of meetings with institutional investors. These meetings and roadshows with investors enabled the CEO to update potential and existing Stapled Securityholders on Far East H-Trust's developments. The Managers also participated in various conferences as part of its efforts to build interest in Far East H-Trust. Further details on the various Investor Relations activities during the year can be found on page 45.

(E) MANAGING STAKEHOLDER RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Far East H-Trust strives to maintain open and fair communication with its key stakeholders, to understand their views, concerns, and objectives in order to work towards more sustainable growth. The Managers have identified stakeholder groups which have a significant influence and interest in Far East H-Trust's operations and business and engaged these stakeholders to understand their ESG expectations. The key stakeholders identified are the Board, Employees, Sponsor/Master Lessees, Trustee, Stapled Securityholders/Investment Community/Media, Hotel and Serviced Residence Operator/Property Manager, Guests/Residents/Tenants, Government/Regulators and Industry/Business associations and the Local Community.

The Sustainability Report section of the Annual Report provides more details about the strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period, including:

- Sustainability strategy, governance overview, stakeholder engagement, materiality assessment, etc;
- Delivering long-term sustainable and growing distributions to the Stapled Securityholders;
- Health, safety, welfare and development of employees; and
- Interaction and support for relevant communities.

CORPORATE GOVERNANCE

The rights of Far East H-Trust's creditors, which comprise the lending banks, are protected with a well-spread out debt maturity, healthy interest coverage ratio and gearing ratio well below the regulated limits. Quarterly internal compliance reviews are also conducted to ensure that various capital management metrics remain compliant with loan covenants.

Far East H-Trust maintains a current corporate website at www.fehtrust.com, and an email alert option is available to subscribers who wish to be notified of newly posted announcements, press releases, presentations and publications.

(F) ADDITIONAL INFORMATION

DEALINGS IN STAPLED SECURITIES

The REIT Manager has adopted its own Trading Policy to provide guidance to relevant employees and Directors of the Sponsor, the REIT Manager and the Trustee-Manager in the dealing of the Stapled Securities. The Trading Policy sets out the implications of insider trading and principles that all relevant employees and Directors have to observe at all times:

- To act in the best interests of Stapled Securityholders;
- To avoid, and be seen to avoid, actual or potential conflict between personal interest and that of the Stapled Securityholders;
- To comply with the prohibition on trading in the Stapled Securities;
- To inform the Compliance Manager of Far East H-Trust within two working days of completion of the trade; and
- To avoid dealing in the securities of Far East H-Trust on short term considerations.

All relevant employees and Directors are strictly prohibited from dealing in the following instances:

- During the period commencing one month before the announcement of Far East H-Trust's half-year and full-year financial statements, as the case may be, and ending on the date of announcement of the relevant results; or
- (If Far East H-Trust announces its quarterly financial statements where required by the Exchange or otherwise), during the period commencing two weeks before the announcement of Far East H-Trust's financial statements for each of the first three quarters of its financial year and one month before the announcement of Far East H-Trust's financial statements for the full financial year, as the case may be, and ending on the date of announcement of the relevant results; and
- At any time when relevant employees and Directors are in possession of material or price sensitive information that is not available in the market.

Staff members of the REIT Manager who wish to trade in the Stapled Securities must obtain pre-trade approval from the CEO; the CEO is required to obtain pre-trade approval from either the Chairman of the ASRC or the Chairman of the Board for trading in securities of Far East H-Trust.

A pre-trade Board approval process has been put in place for Board members of the REIT Manager who wish to trade in the Stapled Securities.

CORPORATE GOVERNANCE

CORRUPTION AND BRIBERY PREVENTION POLICY

The Managers adopt a strong stance against bribery and corruption. There are detailed guidelines and procedures listed in FEO's Code of Conduct for the giving and receiving of gifts (monetary or otherwise), kickbacks, concessionary offers, lavish entertainment, and business dealings that may place the employee under any real or apparent obligation or indebtedness to any party. In relation to these guidelines, all employees of the REIT Manager are required to make a declaration on an annual basis where they pledge to be compliant and uphold the core values in line with the Code of Conduct, which include not engaging in any corrupt or unethical practices. This serves as a reminder to all employees to maintain the highest standards of integrity in their work and business dealings. The Managers' zero-tolerance policy towards bribery and corruption extends to its business dealings with third parties. Hence, the Managers require that certain agreements incorporate anti-bribery and anti-corruption provisions.

FEO's Code of Conduct is published on the intranet which is accessible by all employees of the REIT Manager. New employees of the REIT Manager are briefed on the Code of Conduct and are required to read and acknowledge the guidelines listed therein when they join the REIT Manager.

ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM MEASURES

As a holder of a Capital Markets Services Licence issued by the Monetary Authority of Singapore ("MAS"), the REIT Manager complies with the applicable anti-money laundering and countering the financing of terrorism ("AML/CFT") requirements, including MAS Notice SFA04-N02 and the associated Guidelines.

The Managers have in place an AML/CFT policy and procedures designed to prevent its services and properties from being used to facilitate money laundering or terrorist financing. These measures include a risk-based approach to customer due diligence, customer and beneficial owner screening, ongoing monitoring of business relations, record keeping, suspicious transaction reporting and staff training.

Where higher risks are identified, enhanced due diligence measures are applied in accordance with the Managers' internal policies. Any suspicious transactions are escalated internally and, where appropriate, reported to the Suspicious Transaction Reporting Office in accordance with applicable regulatory requirements.

Records relating to customer due diligence and transactions are retained for a minimum period of five years following the termination of business relations or completion of transactions.

RATIONALE FOR CHOICE OF REIT MANAGER

FEO Hospitality Asset Management Pte. Ltd. comprises employees with a diverse set of functional competencies such as hospitality, asset management, capital markets and finance that enable the REIT Manager to carry out its duties in a satisfactory manner. Oversight of the REIT Manager is provided by the Board of Directors, which comprises experienced individuals with a diversity of thought and background, the majority of whom are independent.

PROVISIONS FOR REMOVAL OF THE REIT MANAGER

REIT Trust Deed provides certain circumstances under which the REIT Manager may be removed by notice in writing given by the REIT Trustee in certain situations, including by a resolution passed by a simple majority of Stapled Securityholders present and voting (with no Stapled Securityholders being disenfranchised) at a meeting of Stapled Securityholders duly convened and held in accordance with the provisions of the Trust Deed.

CORPORATE GOVERNANCE

AVAILABILITY OF TRUST DEEDS

A copy of the REIT and BT Trust Deeds and of any supplemental deed (including any amending and restating deed) are available for inspection at the registered office of the Managers during usual business hours in accordance with the relevant laws, regulations and guidelines and on application at a charge per copy of the document.

PROPERTY MANAGEMENT AND LEASING FEES

Under the property management agreement in relation to the REIT commercial premises ("RCP"), Jones Lang LaSalle Property Consultant Pte Ltd ("JLL") provides property management services, lease management services, arrears management services, property tax services and marketing coordination services for the RCP at a fixed service fee.

Under the marketing service agreements in relation to the RCP, marketing and leasing services for the office and retail premises are provided by JLL. JLL is paid commission fees equivalent to a certain month's rent depending on the lease term.

DISCLOSURES ON FEES PAYABLE TO THE REIT MANAGER

Pursuant to the REIT Trust Deed, the REIT Manager is entitled to receive fees payable out of the deposited property of Far East H-REIT.

The methodology for the computation and payment of fees, with reference to the relevant clauses in the REIT Trust Deed, is disclosed on page 160 under the "Notes to the Financial Statements" section of this Annual Report.

The management fees are earned by the REIT Manager for the management of Far East H-REIT's portfolio of properties. These fees are reviewed from time to time and benchmarking is conducted to ensure alignment to the interests of Far East H-Trust's Stapled Securityholders.

The various fees earned by the REIT Manager and their rationale are further elaborated below:

BASE FEE AND PERFORMANCE FEE

The base fee covers the day-to-day operational, compliance, monitoring and reporting costs as well as administrative overheads incurred by the REIT Manager. The base fee represents the compensation to the REIT Manager for executing its core responsibilities and is based on a percentage of the value of the Far East H-REIT's deposited properties. The base fee is an appropriate metric to determine the resources required for managing Far East H-REIT given that as Far East H-REIT grows in portfolio size, the complexity of management increases and the REIT Manager is expected to expend greater effort in fulfilling its responsibilities. Since 1 January 2020, the base fee was reduced from 0.3% to 0.28% per annum of the value of deposited property.

The performance fee is an objective benchmark and incentivises the REIT Manager to proactively manage its portfolio, which may include but are not limited to asset enhancement initiatives, repositioning or re-branding of its properties, re-segmentation of its properties' customer base and driving cost efficiencies to improve profit margins. Since 1 January 2020, the performance fee was changed to the lower of 4% of the net property income or annual distributable amount (after accounting for base fee but before accounting for performance fee) from 4% of the net property income previously.

CORPORATE GOVERNANCE

Such fee methodology aligns the interests of the REIT Manager and Stapled Securityholders and ensures the long-term sustainability of the assets, instead of taking on excessive short-term risks to the detriment of the Stapled Securityholders.

ACQUISITION FEE AND DIVESTMENT FEE

To continue delivering long-term sustainable distribution income to the Stapled Securityholders, the REIT Manager regularly reviews its portfolio of properties and sources for growth opportunities and yield-accretive acquisitions, and efficiently recycles capital through the divestment of underperforming or non-core assets. This involves a thorough review of the exposures, risks and returns as well as the overall value-add of the acquisition or divestment to the existing portfolio and future growth expectations.

The acquisition fee and divestment fee payable to the REIT Manager serve as a form of compensation for the time, effort and resources spent in sourcing, evaluating and executing potential opportunities to acquire new properties or in rebalancing and unlocking the underlying value of the existing properties within its asset portfolio to optimise Far East H-REIT's returns. The REIT Manager provides these services in addition to the provision of ongoing management services with the aim of ensuring income sustainability and achieving the investment objectives of Far East H-REIT.

The acquisition fee is 0.75% of purchase consideration for properties from related parties and 1% for properties for all other cases (or lower as the REIT Manager can determine). The divestment fee is 0.5% of the sale price. The acquisition fee is higher than the divestment fee because the time and efforts undertaken in terms of sourcing, evaluating and conducting due diligence, and fund raising for an acquisition, are higher as compared to a divestment.

OPERATING EXPENSES AND TAXATION

According to disclosure requirements under paragraph 11.1 item (l) of the Property Funds Appendix of the Code on Collective Investment Schemes, the total operating expenses incurred by Far East H-Trust in FY 2025 was S$26.9 million. The amount included all fees and charges paid to the Managers and interested parties. This translates to 1.5% of the property fund's net asset value as at 31 December 2025. Taxation incurred was S$0.8 million.

STATEMENT OF POLICIES AND PRACTICES

Apart from the corporate governance practices disclosed in pages 87 to 123, the Trustee-Manager has prepared a statement of policies and practices in relation to the management and governance of Far East H-BT (as described in section 87(1) of the Business Trusts Act 2004 of Singapore) in respect of FY 2025, which is set out in pages 124 to 133 in this Annual Report.