

STATEMENT OF POLICIES AND PRACTICES FOR FAR EAST HOSPITALITY BUSINESS TRUST

Far East Hospitality Business Trust (“Far East H-BT”) was dormant since the listing of Far East Hospitality Trust (“Far East H-Trust”) on the Main Board of the SGX-ST on 27 August 2012 until it was activated on 25 April 2025.

The board of directors of the Trustee-Manager (the “Trustee-Manager Board”) is committed to complying with the requirements under the Listing Manual, the Business Trust Act 2004 of Singapore (the “BTA”) and the Business Trusts Regulations 2005 (the “BTR”) (except where waivers have been obtained from the Monetary Authority of Singapore (the “MAS”) and disclosed in the IPO prospectus of Far East H-Trust), the Securities and Futures Act 2001 of Singapore (the “SFA”) as well as the Far East H-BT Trust Deed and the Stapling Deed.

The Trustee-Manager has the dual responsibilities of safeguarding the interests of the holders of Far East H-BT units (the “Far East H-BT Unitholders”), and managing the business conducted by Far East H-BT. The Trustee-Manager has general powers of management over the business and assets of Far East H-BT and its main responsibility is to manage Far East H-BT’s assets and liabilities for the benefit of the Far East H-BT Unitholders as a whole.

The Trustee-Manager, in exercising its powers and carrying out its duties as trustee-manager of Far East H-BT, is required to:

- treat the Far East H-BT Unitholders in the same class fairly and equally and Far East H-BT Unitholders who hold Far East H-BT units in different classes (if any) fairly;
- ensure that all payments out of the trust property of Far East H-BT (the “Far East H-BT Trust Property”) are made in accordance with the BTA and the Far East H-BT Trust Deed and the Stapling Deed;
- report to the MAS any contravention of the BTA or the BTR by any other person that:
 - relates to Far East H-BT; and
 - has had, has or is likely to have, a materially adverse effect on the interests of all the Far East H-BT Unitholders, or any class of Far East H-BT Unitholders, as a whole, as soon as practicable after the Trustee-Manager becomes aware of the contravention;
- ensure that the Far East H-BT Trust Property is properly accounted for; and
- ensure that the Far East H-BT Trust Property is kept distinct from the property held in its own capacity.

In addition, the Trustee-Manager will:

- at all times act honestly and exercise reasonable diligence in the discharge of its duties as trustee-manager of Far East H-BT in accordance with the BTA, the Far East H-BT Trust Deed and the Stapling Deed;
- act in the best interests of all Far East H-BT Unitholders as a whole and give priority to the interests of all Far East H-BT Unitholders as a whole over its own interests in the event of a conflict between the interests of all Far East H-BT Unitholders as a whole and its own interests;
- not make improper use of any information acquired by virtue of its position as trustee-manager of Far East H-BT to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the Far East H-BT Unitholders;
- hold the Far East H-BT Trust Property on trust for all Far East H-BT Unitholders as a whole in accordance with the terms of the Far East H-BT Trust Deed and the Stapling Deed;
- adhere with the business scope of Far East H-BT as set out in the Far East H-BT Trust Deed and the Stapling Deed;
- ensure that potential conflicts between the interests of the Trustee-Manager and the interests of all the Far East H-BT Unitholders as a whole are appropriately managed;
- review interested person transactions in relation to Far East H-BT;

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The management team of the Trustee-Manager (“Trustee-Manager Management”) provides regular updates to the Trustee-Manager Board and the Audit, Sustainability and Risk Committee on potential opportunities it is looking into on behalf of Far East H-BT and the Audit, Sustainability and Risk Committee also reviews and ensure that all such opportunities adhere to the business scope as set out in the Far East H-BT Trust Deed. The Trustee-Manager Management, the Trustee-Manager Board and the Audit, Sustainability and Risk Committee will have careful regard to the provisions of the Far East H-BT Trust Deed and when in doubt, will seek advice from professional advisers.

FEES PAYABLE TO THE TRUSTEE-MANAGER

Management Fee

The Trustee-Manager is entitled under the Far East H-BT Trust Deed to a management fee comprising 10.0% per annum of the profit of Far East H-BT before interest and tax in the relevant financial year (calculated before accounting for this management fee in that financial year).

Subject to the relevant laws, regulations and guidelines, the management fee shall be payable in cash or, at the election of the Trustee-Manager, in Units (or Stapled Securities, where Far East H-BT is part of a stapled group), or a combination of both.

In the financial year 2025, no management fees was paid to the Trustee Manager.

Trustee Fee

Under the Far East H-BT Trust Deed, 0.1% per annum of the value of the Far East H-BT Trust Property and subject to a minimum fee of S\$10,000 per month, if any, shall be paid to the Trustee-Manager as trustee fees, provided that the value of the Far East H-BT Trust Property is at least S\$50.0 million and Far East H-BT is active.

In the financial year 2025, no trustee fee was paid to the Trustee-Manager as the value of FH-BT Trust Property was below S\$50.0 million.

Acquisition Fee and Divestment Fee

The Trustee-Manager is entitled to:

- an acquisition fee at a rate of 0.75% for acquisitions from Interested Persons and at a rate of 1.0% for all other cases of each of the following as is applicable (subject to there being no double-counting):
 - (i) in the case of an acquisition of real estate, the acquisition price of such real estate purchased by Far East H-BT, whether directly or indirectly through one or more special purpose vehicles (plus any other payments in addition to the acquisition made by Far East H-BT or its special purpose vehicles to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of Far East H-BT’s interest);

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- (ii) in the case of an acquisition of the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value of such real estate which is taken into account when computing the acquisition price payable for the equity interests of such vehicle holding directly or indirectly the real estate purchased by Far East H-BT, whether directly or indirectly through one or more special purpose vehicles (plus any other payments made by Far East H-BT or its special purpose vehicles to the vendor in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of Far East H-BT's interest); or
 - (iii) the acquisition price of any investment purchased by Far East H-BT, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.
- a divestment fee at a rate of 0.5% of each of the following as is applicable (subject to there being no double-counting):
 - (i) sale price of real estate sold or divested, whether directly or indirectly through one or more special purpose vehicles, by Far East H-BT, plus any other payments in addition to the sale price received by Far East H-BT or its special purpose vehicles from the purchaser in connection with the sale or divestment of the property (pro-rated, if applicable, to the proportion of Far East H-BT's interest);
 - (ii) the underlying value of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested, whether directly or indirectly through one or more special purchase vehicles, by Far East H-BT, plus any other payments received by Far East H-BT or its special purpose vehicles from the purchaser in connection with the sale or divestment of such equity interests (pro-rated, if applicable, to the proportion of Far East H-BT's interest); or
 - (iii) the sale price of any other investment sold or divestment by Far East H-BT, whether directly or indirectly through one or more special purpose vehicles, in any debt securities of any property corporation or other special purpose vehicle owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The acquisition fee and divestment fee shall be payable in cash or, at the election of the Trustee-Manager, in Units (or Stapled Securities, where Far East H-BT is part of a stapled group).

In the financial year 2025, no acquisition fee and divestment fee were paid to the Trustee-Manager.

EXPENSES CHARGED TO FAR EAST H-BT

The Trustee-Manager Board will carry out quarterly reviews to review the material expenses, cost allocations and fees charged to Far East H-BT to ensure that the expenses payable to the Trustee-Manager out of the Far East H-BT Trust Property are appropriate and in accordance with the Far East H-BT Trust Deed.

In the financial year 2025, no expenses were paid to the Trustee-Manager and any out-of-pocket expenses incurred were funded by Far East H-BT's working capital.

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COMPLIANCE WITH THE BTA AND THE LISTING MANUAL

The Trustee-Manager will engage the services of and obtain advice from professional advisers and consultants from time to time to ensure compliance with the requirements of the BTA and the Listing Manual.

The Trustee-Manager also has an internal compliance manual which summarises all the applicable rules and regulations (including the requirements of the BTA and the Listing Manual) which Far East H-BT Trust needs to comply with. The manual will be consistently updated whenever there are changes to the rules and regulations, and this will help management to ensure that applicable rules and regulations are being complied with.

Composition of the Trustee-Manager Board

Under Regulation 12(1) of the BTR, the Trustee-Manager Board is required to comprise:

- at least a majority of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager;
- at least one-third of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager and from every Substantial Shareholder of the Trustee-Manager; and
- at least a majority of Trustee-Manager Directors who are independent from any single Substantial Shareholder of the Trustee-Manager.

The Trustee-Manager Board consists of six Directors, five of whom are Non-Executive and Independent Directors for the purposes of the BTA. They are:

Name	Position
Mr Quek See Tiat	Chairman and Non-Executive Independent Director
Mr Gerald Lee Hwee Keong	Chief Executive Officer and Executive Director
Ms Vivienne Lim Hui Bian	Non-Executive Independent Director
Ms Catherine Lee Khia Yee	Non-Executive Independent Director
Ms Celestine Khoo Geok Choo	Non-Executive Independent Director
Mr Benedict Leh Song Boon	Non-Executive Independent Director

In accordance with Regulation 12(8) read with Regulations 12(6) and 12(9) of the BTR, the following directors are independent from management and business relationships with the Trustee-Manager and from every substantial shareholder of the Trustee-Manager:

- Mr Quek See Tiat
- Ms Vivienne Lim Hui Bian
- Ms Catherine Lee Khia Yee
- Ms Celestine Khoo Geok Choo
- Mr Benedict Leh Song Boon

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Access to Information

The Trustee-Manager Board has separate and independent access to the Trustee-Manager Management and the company secretary of the Trustee-Manager (the “Company Secretary”) at all times and they are entitled to request from the Trustee-Manager Management additional information as needed to make informed decisions. The Directors also have access to independent professional advice where appropriate and whenever requested.

The Company Secretaries for the REIT Manager, Ms Lin Moi Heyang and Ms Tang Pei Chan are also the Company Secretaries for the Trustee-Manager.

The Company Secretary’s responsibilities include assisting the Trustee-Manager in putting in place processes to ensure that the Trustee-Manager fulfils the compliance requirements under the Listing Manual, the SFA as well as the Far East H-BT Trust Deed and the Stapling Deed.

Their roles also include the following:

- ensuring that board procedures of the Trustee-Manager Board are followed;
- assisting the Trustee-Manager with corporate secretarial matters for the Trustee-Manager; and
- assisting the Trustee-Manager in preparing the announcements and notifications to be uploaded on the SGXNET as required under the Listing Manual.

External Auditor

The Trustee-Manager, on behalf of Far East H-BT, confirms that Far East H-BT has complied with Rules 712 and 715 of the Listing Manual in relation to its auditing firm.

Internal Auditor

The internal auditor, BDO Advisory Pte Ltd, has been appointed.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Trustee-Manager Board has put in place the following internal control systems including the following to manage business risk of Far East H-BT:

- the Trustee-Manager Board will meet quarterly or more frequently if necessary and will review the financial performance of Far East H-BT against a previously approved budget. The Trustee-Manager Board will also review the business risks of Far East H-BT, examine liability management and will act upon any comments from both the internal and external auditors of Far East H-BT;
- in assessing business risk, the Trustee-Manager Board will consider the economic environment and risks relevant to the property industry. It will review management reports prior to approving major transactions; and
- the Management will meet regularly to review the operations of the Trustee-Manager and Far East H-BT and discuss any disclosure issues.

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INTERESTED PERSON TRANSACTIONS AND POTENTIAL CONFLICTS OF INTEREST

In general, transactions between:

- an entity at risk (in this case, the Trustee-Manager), a subsidiary of Far East H-BT that is not listed on the Exchange or an associated company of the Far East H-BT; and
- any of the Interested Persons (namely the Trustee-Manager (acting in its personal capacity), a related corporation or related entity of the Trustee-Manager (other than a subsidiary or subsidiary entity of Far East H-BT), an associated company or associated entity of the Trustee-Manager (other than an associated company or associated entity of Far East H-BT) (as defined in the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005), a Director, Chief Executive Officer or controlling shareholder of the Trustee-Manager, a controlling Far East H-BT Unitholder or an associate of any such Director, Chief Executive Officer, controlling shareholder or controlling Far East H-BT Unitholder),

would constitute an Interested Person Transaction.

For so long as Far East H-BT is part of a stapled group and in the event that the REIT Manager Board and the Trustee-Manager Board cannot reach an agreement on any resolution relating to governance or compliance matters before them where such resolution would require the collective approval of both the boards of directors of the REIT Manager and the Trustee-Manager, the votes of the Independent Directors of the REIT Manager will prevail in the event that the Trustee-Manager Board has approved such resolutions.

Since the Far East H-REIT units and Far East H-BT units are held by the same pool of investors in the same proportion, concerns and potential abuses applicable to interested party transactions will be absent in transactions between Far East H-REIT and Far East H-BT.

Internal Control System

The Trustee-Manager has in place an internal control system as well as policies and procedures to ensure that all future Interested Person Transactions will be undertaken on normal commercial terms, will not be prejudicial to the interests of Far East H-BT and the minority Far East H-BT Unitholders and will be in accordance with all applicable requirements of the BTA, the Listing Manual and all applicable guidelines as may from time to time be prescribed to apply to business trusts relating to the transaction in question.

As a general rule, the Trustee-Manager must demonstrate to the ASRC that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Trustee-Manager, or obtaining valuations from independent professional valuers.

The Trustee-Manager Management identifies the Interested Person Transaction in relation to Far East H-BT. The Trustee-Manager maintains a register to record all Interested Person Transaction which are entered into by Far East H-BT and the bases, including any quotations from unrelated parties and independent valuations obtained, on which they are entered into.

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The Trustee-Manager will also incorporate into its internal audit plan a review of all Interested Person Transactions entered into by Far East H-BT during the financial year. 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.

Prior to entering into an Interested Person Transaction, the Trustee-Manager will review the transaction to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to business trusts. The review include examining the nature of the transactions and their supporting documents or such other data as it deems necessary.

If a member of the board of the Trustee-Manager and the ASRC has an interest in a transaction, he / she will abstain from participating in the approval process in relation to that transaction.

Depending on the materiality of such Interested Person Transactions, Far East H-BT will comply with the Listing Manual by making a public announcement of or obtain prior approval of the Far East H-BT Unitholder for such a transaction in accordance with the Listing Manual.

The aggregate value of all Interested Person Transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will also be disclosed in Far East H-Trust's annual report for the relevant financial year.

Potential Conflicts of Interests

The Trustee-Manager is not involved in any other businesses other than managing Far East H-BT. All potential conflicts of interest, as and when they arise, will be identified by the Trustee-Manager Board and the Trustee-Manager Management, and will be reviewed accordingly.

The Trustee-Manager has instituted, among others, the following procedures to deal with conflicts of interest issues:

- the Trustee-Manager Board has five independent and non-executive directors who do not have management or business relationships with the Trustee-Manager and are independent from the substantial shareholders of the Trustee-Manager. Having a majority of Trustee-Manager Directors that is independent allows the board of the Trustee-Manager to examine independently and objectively, any potential conflicts of interests issues;
- all resolutions in writing of the Trustee-Manager Directors in relation to matters concerning Far East H-BT will be approved by a majority of the Trustee-Manager Directors, including at least one Independent Trustee- Manager Director;
- save for the corresponding executive positions held in the REIT Manager, all key executive officers will be employed by the Trustee-Manager and will not hold executive positions in other entities;
- in respect of matters in which a Trustee-Manager Director or his 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 Trustee-Manager Directors and must exclude such interested director;

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- in respect of matters in which the Sponsor have an interest, direct or indirect, any nominees appointed by the Sponsor to the Trustee-Manager Board to represent its/their interests will abstain from voting. In such matters, the quorum must comprise a majority of the Independent Trustee-Manager Directors and must exclude any nominee directors of the Sponsor; and
- where matters concerning Far East H-BT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of Far East H-BT with an Interested Person of the Trustee-Manager (which would include relevant associates thereof) or Far East H-BT, the Trustee-Manager Board is required to consider the terms of the transactions to satisfy itself that the transactions are conducted on normal commercial terms, are not prejudicial to the interests of Far East H-BT and the Far East H-BT Unitholders and are in compliance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question. If the Trustee-Manager is to sign any contract with an Interested Person of the Trustee-Manager or Far East H-BT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (as may be amended from time to time) as well as any other guidelines as may from time to time be prescribed by the MAS and SGX-ST that apply to business trusts.