

Singapore

ADD (no change)

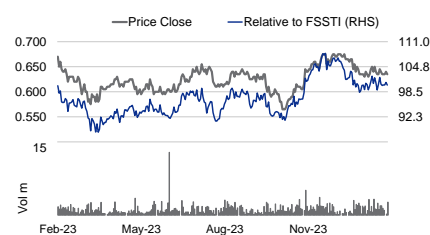
Consensus ratings*: Buy 7 Hold 1 Sell 0

Current price:	S\$0.635
Target price:	S\$0.75
Previous target:	S\$0.77
Up/downside:	18.1%
CGS-CIMB / Consensus:	-3.0%
Reuters:	FAEH.SI
Bloomberg:	FEHT SP
Market cap:	US\$943.5m
	S\$1,273m
Average daily turnover:	US\$0.75m
	S\$1.01m
Current shares o/s:	1,904m
Free float:	44.6%

*Source: Bloomberg

Key changes in this note

- FY24F DPU lowered by 1.5%.
- FY25F DPU lowered by 2.8%.
- Introduce FY26F estimates.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-1.6	3.3	-5.2
Relative (%)	0.1	2.2	0.2

Major shareholders	% held
Golden Development Pte Ltd	22.0
Golden Landmark Pte Ltd	10.5
Far East Organization Centre Pte	9.8

Analyst(s)

Natalie ONG

 T (65) 6210 8662
 E natalie.ong@cgs-cimb.com

LOCK Mun Yee

 T (65) 6210 8606
 E munyee.lock@cgs-cimb.com

Far East Hospitality Trust

Looking for acquisitions in FY24F

- Management signalled intent to acquire in FY24F – likely in Japan/Singapore.
- Higher hotel & retail occupancy to drive FY24F earnings growth, in our view.
- Reiterate Add on geographical diversification as a re-rating catalyst.

Eyeing acquisitions in FY24F

FEHT's gearing stood at 31.3% as at end-FY23, translating into a debt headroom of c.S\$500m to reach 45% gearing level. In the FY23 analyst briefing, management ranked acquisitions above share buybacks and said it continues to look for acquisitions in Japan given the positive yield spread. Management said asset yields in Japan are in the c.4% range. It said it will wait for interest rates to moderate down, likely in 2H24F, before revisiting acquisitions in Singapore. While assets in Singapore are pricier and come with lower yields, similar to the Oasis Downtown acquisition, the sponsor could sell its assets with a partial land lease, thereby lowering the purchase value and making the acquisition more accretive for FEHT, in our view.

FY23 same-store revenue at pre-Covid levels

FY23 DPU of 4.09 Scts (+25.1% yoy) was a slight beat to our estimate, at 106.9% of our FY23F forecast due to stronger topline growth and NPI margins (FY23: 92.4% vs. FY19: 90.3%, owing to lower utilisation rates and operating costs for hotels under government contracts). We see more occupancy-driven recovery for the hotel portfolio in FY24F – FY23 hotel revenue per available room (RevPAR) recovered to 96% of 2019 levels compared to peers' c.120% as four of FEHT's hotels were ramping up after exiting their respective government contracts during the year. FY23 serviced residence (SR) RevPAR reached as high as 126% of 2019 levels. Occupancy for the retail and office stood at 80% and 100% respectively, the former depressed due to vacancy at Village Changi which has not been backfilled since the hotel exited its government contract in Mar 23.

Incentive fee on standby to cushion higher interest rates

Cost of debt averaged 3.3% in FY23 while interest coverage ratio stood at 3.5x. FEHT has refinanced c.S\$225m of loans maturing in Mar 24 with 3- and 7-year sustainability-linked debt. Management guided for FY24F cost of debt to average c.4% post-refinancing as half of the interest rate hedged (42.6% fixed at end-FY23) will roll off. Given its low interest rate hedge, management said the S\$18m additional incentive fee from the divestment of Central Square could be used to cushion the impact of higher interest rates. Nonetheless, we expect interest coverage ratio to fall to c.2.8x in FY24F amid higher interest expense.

Reiterate Add with geographical diversification as re-rating catalyst

Our DDM-TP dips from S\$0.77 to S\$0.75 as we lower FY24F-25F DPU by 1.5-2.8% to factor in higher interest costs, partially offset by higher NPI margin assumptions. Re-rating catalysts include geographical diversification, accretive acquisitions/divestments and faster ramp-up period for its hotels that have exited government block-booking contracts. Downside risks are lower-than-forecast leisure and/or corporate travel demand, which would impact FEHT's occupancy and room rates.

Financial Summary	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Gross Property Revenue (S\$m)	83.6	106.8	111.7	118.2	121.2
Net Property Income (S\$m)	77.3	98.7	102.0	108.0	110.8
Net Profit (S\$m)	164.5	112.4	65.3	72.5	75.1
Distributable Profit (S\$m)	65.02	81.91	85.03	86.21	86.86
Core EPS (S\$)	0.025	0.033	0.032	0.036	0.037
Core EPS Growth	19.7%	30.9%	(1.1%)	10.1%	2.8%
FD Core P/E (x)	25.31	19.33	19.55	17.75	17.27
DPS (S\$)	0.033	0.041	0.042	0.042	0.042
Dividend Yield	5.15%	6.44%	6.63%	6.67%	6.67%
Asset Leverage	28.9%	28.1%	28.7%	29.0%	29.2%
BVPS (S\$)	0.91	0.93	0.92	0.91	0.90
P/BV (x)	0.70	0.68	0.69	0.70	0.70
Recurring ROE	2.88%	3.58%	3.51%	3.91%	4.05%
% Change In DPS Estimates			(1.49%)	(2.83%)	
DPS/Consensus DPS (x)			0.98	0.99	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 1: Results Comparison

FYE Dec (\$\$ m)	1H FY23	1H FY22	yoy chg	2H FY22	hoh % chg	FY22 cum	FY21 cum	yoy chg	Prev. FY23F	Comments
Revenue	54.8	42.6	28.6%	52.0	5.2%	106.8	83.6	27.8%	103.3	FY23 was in line at 103.4% our our FY23F.
Property operating expense	(5.0)	(2.7)	84.6%	(3.1)	62.8%	(8.1)	(6.3)	29.0%	(11.3)	
Net property income	49.8	39.9	24.8%	49.0	1.6%	98.7	77.3	27.7%	92.0	FY23F NPI beat at 107.3% of our FY23F due to higher-than-forecasted revenue and NPI margin
<i>NPI margin</i>	<i>90.9%</i>	<i>93.6%</i>		<i>94.1%</i>		<i>92.4%</i>	<i>92.5%</i>		<i>89.1%</i>	<i>NPI margin was higher due to lower utilisation rates and operating cost for hotels under government contracts</i>
Finance cost	(13.1)	(10.3)	26.9%	(12.1)	8.3%	(25.2)	(18.4)	36.5%	(28.9)	
Finance income	2.0	1.3	58.5%	1.9	7.2%	3.9	1.6	136.2%	0.3	
Manager's & trustee's fees	(5.6)	(5.1)	10.5%	(5.2)	7.5%	(10.8)	(9.7)	11.1%	(11.0)	
Share of JV's profit	-	-	0.0%	-	0.0%	-	-	0.0%	6.0	
Other trust expenses	(0.4)	(0.5)	n.m.	(0.5)	n.m.	(0.9)	(1.0)	n.m.	(0.7)	
Profit before FV adjustment	32.7	25.3	29.3%	33.0	-1.0%	65.7	49.8	32.1%	65.7	
Revaluation of IP & derivative	51.4	104.2	-50.7%	(5.2)	n.m.	46.2	114.9	-59.7%	-	
Profit before tax	86.7	129.4	-33.0%	43.9	97.8%	130.6	z	-36.0%	57.7	
Tax	(0.1)	(0.1)	32.7%	(0.1)	4.4%	(0.3)	(0.1)	90.4%	(0.1)	
<i>Tax rate</i>	<i>0.2%</i>	<i>0.1%</i>		<i>0.3%</i>		<i>0.2%</i>	<i>0.1%</i>		<i>0.3%</i>	
Minority interests	-	-	-	-	-	-	-	-	-	
Profit after tax	86.6	129.3	-33.0%	43.7	98.1%	130.3	203.8	-36.0%	57.5	
Distributable profit	40.0	30.2	32.4%	38.4	4.2%	81.9	59.0	38.9%	76.7	-
DPU (cts)	2.17	1.73	25.4%	1.92	13.0%	4.09	3.27	25.1%	3.83	FY23 DPU beat at 106.9% of our FY23F.

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 2: FEHT's key earnings changes

FYE Dec	Previous		New		Change	
	FY24F	FY25F	FY24F	FY25F	FY24F	FY25F
Gross revenue (\$\$ m)	112.0	118.3	111.7	118.2	-0.3%	-0.1%
Gross profit (\$\$ m)	100.3	105.9	102.0	108.0	1.7%	1.9%
DPS (Scts)	4.28	4.36	4.21	4.24	-1.5%	-2.8%
Target price (\$\$)	0.77		0.75		-2.2%	



SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 3: SREITs' peer comparison

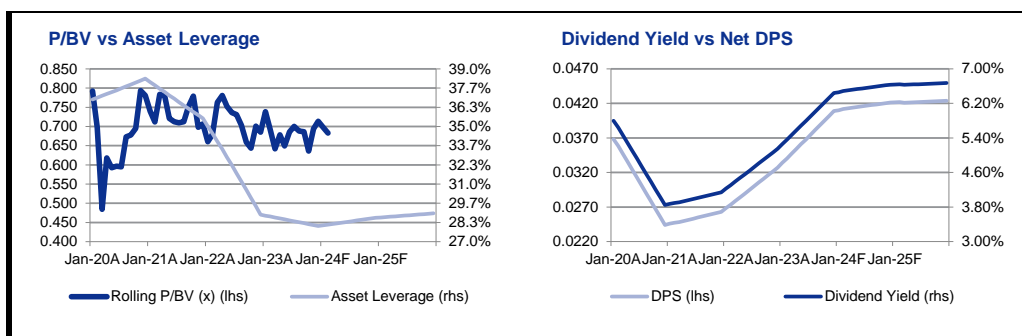
SREIT	Bloomberg Ticker	Rec.	Price (LC)	Target	Mkt Cap (US \$m)	Last reported asset leverage	Last stated NAV	Price / Stated NAV	Dividend Yield (%)		
			as at 14 Feb 24	Price (LC) (DDM-based)					Price / Stated NAV	FY23F	FY24F
Hospitality											
CapitalLand Ascott Trust	CLAS SP	Add	0.92	1.29	\$2,566	37.9%	1.16	0.79	7.1%	7.3%	7.4%
CDL Hospitality Trust	CDREIT SP	Add	0.97	1.25	\$897	38.4%	1.31	0.74	5.9%	6.1%	6.7%
Far East Hospitality Trust	FEHT SP	Add	0.64	0.75	\$944	31.3%	0.93	0.68	6.4%	6.6%	6.7%
Frasers Hospitality Trust	FHT SP	NR	0.48	NA	\$675	39.3%	0.65	0.73	4.7%	5.0%	5.2%
Simple Average						36.7%		0.74	6.0%	6.2%	6.5%
Industrial											
AIMS AMP	AAREIT SP	NR	1.30	NA	\$758	36.4%	1.38	0.94	7.8%	7.5%	7.6%
CapitalLand Ascendas REIT	CLAR SP	Add	2.72	3.06	\$8,856	36.7%	2.31	1.18	5.6%	5.7%	5.8%
Cromwell European REIT	CERT SP	Add	1.36	2.15	\$819	37.4%	2.25	0.60	11.3%	11.4%	11.5%
ESR-LOGOS REIT	EREIT SP	Add	0.30	0.39	\$1,709	37.7%	0.33	0.91	8.5%	8.5%	8.5%
Frasers Logistics & Commercial Trust	FLT SP	Add	1.09	1.27	\$3,030	30.2%	1.17	0.93	6.5%	6.1%	6.3%
Keppel DC REIT	KDCREIT SP	Hold	1.76	1.88	\$2,247	37.3%	1.37	1.28	5.3%	4.8%	5.1%
Mapletree Industrial Trust	MINT SP	Add	2.35	2.61	\$4,936	37.9%	1.88	1.25	5.8%	5.8%	6.0%
Mapletree Logistics Trust	MLT SP	Add	1.51	1.88	\$5,575	38.9%	1.42	1.06	6.0%	5.7%	5.8%
Sabana Shariah	SSREIT SP	NR	0.38	NA	\$309	33.8%	0.53	0.72	7.9%	7.9%	8.2%
Simple Average						36.3%		0.99	7.2%	7.0%	7.2%
Office											
Keppel REIT	KREIT SP	Add	0.88	1.14	\$2,482	39.5%	1.31	0.67	6.6%	6.7%	6.9%
OUE REIT	OUEREIT SP	Hold	0.26	0.36	\$1,038	39.4%	0.59	0.43	8.3%	8.5%	8.7%
Suntec REIT	SUN SP	Hold	1.15	1.29	\$2,480	42.7%	2.09	0.55	6.2%	5.7%	5.9%
Simple Average						40.5%		0.55	7.0%	7.0%	7.2%
Retail											
CapitalLand Integrated Commercial	CICT SP	Add	1.91	2.18	\$9,424	40.8%	2.12	0.90	5.6%	5.6%	6.0%
Frasers Centrepoint Trust	FCT SP	Add	2.22	2.54	\$2,970	37.2%	2.31	0.96	5.5%	5.3%	5.4%
Lendlease Global Commercial REIT	LREIT SP	Add	0.59	0.83	\$1,029	40.6%	0.77	0.77	7.9%	7.2%	7.8%
Mapletree Pan Asia Commercial Trust	MPACT SP	Add	1.36	1.54	\$5,291	40.8%	1.81	0.75	7.1%	6.3%	6.4%
Paragon REIT	PGNREIT SP	Hold	0.83	0.86	\$1,734	30.0%	0.91	0.91	6.1%	5.4%	5.8%
Starhill Global REIT	SGREIT SP	Add	0.49	0.62	\$812	36.8%	0.80	0.61	7.8%	8.1%	8.4%
Simple Average						37.7%		0.82	6.7%	6.3%	6.6%
Overseas-centric											
CapitalLand China Trust	CLCT SP	NR	0.82	NA	\$1,139	42.4%	1.33	0.62	8.6%	9.2%	9.5%
Elite Commercial REIT	ELITE SP	Add	0.26	0.49	\$191	49.6%	0.43	0.60	14.0%	15.7%	15.7%
Manulife US REIT	MUST SP	Add	0.06	0.22	\$107	56.0%	0.40	0.15	0.0%	0.0%	0.0%
Sasseur REIT	SASSR SP	Add	0.68	0.95	\$622	25.4%	0.85	0.79	9.2%	9.3%	9.8%
Simple Average						43.4%		0.54	7.9%	8.5%	8.8%
Healthcare											
Parkway Life REIT	PREIT SP	Add	3.65	4.50	\$1,636	36.0%	2.29	1.59	4.0%	4.1%	4.2%
Simple Average						35.5%		1.59	4.0%	4.1%	4.2%
Simple average for SIN						38.2%		0.82	6.9%	6.9%	7.1%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, BLOOMBERG, COMPANY REPORTS

NR estimates are based on Bloomberg consensus forecasts

 Refinitiv ESG Scores	
ESG in a nutshell	
<p>FEHT scored B- for its combined ESG score in 2022, as assessed by Refinitiv, with a C+ in Environmental, B- in Social, and B+ in Governance. According to Refinitiv, FEHT’s Environmental score was dragged down by emission (C-) and environmental innovation (D+), although it scored relatively well in resource use (B). Its Social score was dragged down by human rights (D-) and product responsibility (C), although it scored well in community (B). As a REIT, FEHT has obtained several real estate sustainability certifications used as key benchmarks for the real estate industry. Five out of 12 of its properties are certified under the Green Mark scheme by the Building and Construction Authority (BCA) of Singapore. To this end, it aims to achieve the Singapore Green Mark Gold certification for its new hotels in Sentosa. It also targets to reduce the average energy consumption of its properties by 2% per year.</p>	
Keep your eye on	Implications
<p>FEHT lacks detailed disclosures on ESG. Its combined ESG score was mainly dragged down by the environmental pillar.</p>	<p>The delays in implementing responsible practices and disclosures would be a drag on the stock. This is especially so if its peers move ahead. Our current valuations have not ascribed any premium/discount for ESG.</p>
ESG highlights	Implications
<p>FEHT ranked 45 out of 99 companies in Singapore and 15 out of the 26 REITs in Singapore, according to Refinitiv. It scored A+ for ESG controversies.</p> <p>In FY22, on a same store basis, FEHT reduced water and energy consumption by 19.0% and 4.0% yoy, respectively.</p>	<p>FEHT has demonstrated its commitment towards ESG by obtaining real estate sustainability certifications. Stronger focus, faster implementation and better disclosures will help improve its ESG scores; this should help it draw investors’ attention.</p>
Trends	Implications
<p>FEHT’s combined ESG score improved from C+ to B- in 2022. It improved its Environmental pillar score from D+ to C+ and Social pillar score from C+ to B-. Its Governance pillar score was unchanged (B+).</p>	<p>We believe FEHT is working to improve its ESG. The continuous efforts to improve its ESG scores would have a positive impact on its operations and financials in the longer term.</p>
<small>SOURCES: CGS-CIMB RESEARCH, REFINITIV</small>	

BY THE NUMBERS



Profit & Loss

(\$m)	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Rental Revenues	83.6	106.8	111.7	118.2	121.2
Other Revenues					
Gross Property Revenue	83.6	106.8	111.7	118.2	121.2
Total Property Expenses	(6.3)	(8.1)	(9.6)	(10.2)	(10.5)
Net Property Income	77.3	98.7	102.0	108.0	110.8
General And Admin. Expenses					
Management Fees	(9.4)	(10.5)	(11.1)	(11.4)	(11.5)
Trustee's Fees	(0.3)	(0.3)	(0.5)	(0.5)	(0.5)
Other Operating Expenses	(1.0)	(0.9)	(0.9)	(0.9)	(0.9)
EBITDA	66.5	87.0	89.5	95.2	97.8
Depreciation And Amortisation					
EBIT	66.5	87.0	89.5	95.2	97.8
Net Interest Income	(16.8)	(21.3)	(31.0)	(30.4)	(30.7)
Associates' Profit	0.0	0.0	7.1	8.0	8.2
Other Income/(Expenses)					
Exceptional Items	114.9	47.0	0.0	0.0	0.0
Pre-tax Profit	164.6	112.7	65.6	72.8	75.4
Taxation	(0.1)	(0.3)	(0.3)	(0.3)	(0.3)
Minority Interests	0.0	0.0	0.0	0.0	0.0
Preferred Dividends					
Net Profit	164.5	112.4	65.3	72.5	75.1
Distributable Profit	65.0	81.9	85.0	86.2	86.9

Cash Flow

(\$m)	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Pre-tax Profit	164.6	112.7	65.6	72.8	75.4
Depreciation And Non-cash Adj.	16.8	21.3	23.9	22.4	22.5
Change In Working Capital	(3.1)	0.9	(5.9)	(2.9)	(1.4)
Tax Paid	(0.1)	(0.1)	(0.3)	(0.3)	(0.3)
Others	(106.4)	(37.5)	10.0	10.2	10.3
Cashflow From Operations	71.9	97.3	93.3	102.2	106.5
Capex	(7.2)	(4.4)	(5.0)	(5.0)	(5.0)
Net Investments And Sale Of FA	263.7	17.9	0.0	0.0	0.0
Other Investing Cashflow	(1.0)	2.1	7.2	9.1	9.3
Cash Flow From Investing	255.5	15.6	2.2	4.1	4.3
Debt Raised/(repaid)	(210.0)	0.0	17.0	10.0	7.0
Equity Raised/(Repaid)	0.0	0.0	0.0	0.0	0.0
Dividends Paid	(60.8)	(72.8)	(85.0)	(86.2)	(86.9)
Cash Interest And Others	(16.8)	(22.8)	(31.0)	(30.4)	(30.7)
Cash Flow From Financing	(287.6)	(95.6)	(99.0)	(106.6)	(110.5)
Total Cash Generated	39.7	17.2	(3.5)	(0.3)	0.3
Free Cashflow To Firm	329.0	116.7	95.8	107.6	112.1
Free Cashflow To Equity	100.6	90.1	81.5	85.9	87.1

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(\$m)	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Total Investments	2,456	2,511	2,516	2,521	2,526
Intangible Assets	0	0	0	0	0
Other Long-term Assets	0	0	0	0	0
Total Non-current Assets	2,456	2,511	2,516	2,521	2,526
Total Cash And Equivalents	50	63	59	58	57
Inventories					
Trade Debtors	45	48	54	57	58
Other Current Assets	4	1	1	1	1
Total Current Assets	99	112	114	116	116
Trade Creditors	3	3	4	4	4
Short-term Debt	0	0	157	125	132
Other Current Liabilities	8	6	6	6	6
Total Current Liabilities	11	9	167	135	142
Long-term Borrowings	738	737	597	639	639
Other Long-term Liabilities	7	10	10	10	10
Total Non-current Liabilities	745	746	606	648	648
Shareholders' Equity	1,800	1,867	1,857	1,854	1,852
Minority Interests					
Preferred Shareholders Funds					
Total Equity	1,800	1,867	1,857	1,854	1,852

Key Ratios

	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Gross Property Revenue Growth	0.4%	27.8%	4.6%	5.8%	2.6%
NPI Growth	2.9%	27.7%	3.3%	5.8%	2.6%
Net Property Income Margin	92.5%	92.4%	91.4%	91.4%	91.4%
DPS Growth	24.3%	25.1%	3.0%	0.6%	(0.0%)
Gross Interest Cover	3.61	3.46	2.86	3.00	3.06
Effective Tax Rate	0.089%	0.247%	0.424%	0.382%	0.369%
Net Dividend Payout Ratio	40%	73%	130%	119%	116%
Current Ratio	9.37	11.97	0.69	0.86	0.82
Quick Ratio	9.37	11.97	0.69	0.86	0.82
Cash Ratio	4.69	6.75	0.36	0.43	0.40
Return On Average Assets	6.30%	4.34%	2.49%	2.75%	2.84%

Key Drivers

	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Hotel RevPAR	92.4	136.8	150.6	158.8	163.5
Serviced residence RevPAU	210.8	223.3	220.8	225.2	230.1

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

DISCLAIMER

The content of this report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by and belongs to CGS. Reports relating to a specific geographical area are produced and distributed by the corresponding CGS entity as listed in the table below.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.

By accepting this report, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth below and agrees to be bound by the limitations contained herein (including the “Restrictions on Distributions” set out below). Any failure to comply with these limitations may constitute a violation of law. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means; or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CGS.

The information contained in this research report is prepared from data believed to be correct and reliable at the time of issue of this report. CGS may or may not issue regular reports on the subject matter of this report at any frequency and may cease to do so or change the periodicity of reports at any time. CGS has no obligation to update this report in the event of a material change to the information contained in this report. CGS does not accept any obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant, (ii) ensure that the content of this report constitutes all the information a prospective investor may require, (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, CGS, its affiliates and related persons including CGS International Holdings Limited (“CGI”) and its related corporations (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof. In particular, CGS disclaims all responsibility and liability for the views and opinions set out in this report.

Unless otherwise specified, this report is based upon sources which CGS considers to be reasonable. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research.

Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of CGS or any of its affiliates (including CGI and its related corporations) to any person to buy or sell any investments.

CGS, its affiliates and related corporations (including CGI and its related corporations) and/or their respective directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CGS, its affiliates and their respective related corporations (including CGI and its related corporations) do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS or its affiliates (including CGI and its related corporations) may enter into an agreement with the company(ies) covered in this report relating to the production of research reports. CGS may disclose the contents of this report to the company(ies) covered by it and may have amended the contents of this report following such disclosure.

The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report. The analyst(s) who prepared this research report is prohibited from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific recommendation for, or view of, a particular company. Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations and the research personnel involved in the preparation of this report may also participate in the solicitation of the businesses as described above. In reviewing this research report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the duties of confidentiality, available on request.

Reports relating to a specific geographical area are produced by the corresponding CGS entity as listed in the table below. The term “CGS” shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case except as otherwise stated herein, CGS International Securities Pte. Ltd. and its affiliates, subsidiaries and related corporations.

Country	CGS Entity	Regulated by
Hong Kong	CGS International Securities Hong Kong Limited	Securities and Futures Commission Hong Kong
Indonesia	PT CGS International Sekuritas Indonesia	Financial Services Authority of Indonesia
Malaysia	CGS-CIMB Securities Sdn. Bhd.	Securities Commission Malaysia
Singapore	CGS International Securities Singapore Pte. Ltd.	Monetary Authority of Singapore
South Korea	CGS International Securities Hong Kong Limited, Korea Branch	Financial Services Commission and Financial Supervisory Service
Thailand	CGS International Securities (Thailand) Co. Ltd.	Securities and Exchange Commission Thailand

Other Significant Financial Interests:

(i) As of February 14, 2024 CGS has a proprietary position in the securities (which may include but not be limited to shares, warrants, call warrants

and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

(ii) Analyst Disclosure: As of February 14, 2024, the analyst(s) who prepared this report, and the associate(s), has / have an interest in the securities (which may include but not be limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

This report does not purport to contain all the information that a prospective investor may require. Neither CGS nor any of its affiliates (including CGI and its related corporations) make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any such information and opinion contained in this report. Neither CGS nor any of its affiliates nor their related persons (including CGI and its related corporations) shall be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CGS's clients generally and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. The information and opinions in this report are not and should not be construed or considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.

Investors are advised to make their own independent evaluation of the information contained in this research report, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this research report.

The securities of such company(ies) may not be eligible for sale in all jurisdictions or to all categories of investors.

Restrictions on Distributions

Australia: Despite anything in this report to the contrary, this research is provided in Australia by CGS International Securities Singapore Pte. Ltd. ("CGS SG") and CGS International Securities Hong Kong Limited ("CGS HK"). This research is only available in Australia to persons who are "wholesale clients" (within the meaning of the Corporations Act 2001 (Cth) and is supplied solely for the use of such wholesale clients and shall not be distributed or passed on to any other person. You represent and warrant that if you are in Australia, you are a "wholesale client". This research is of a general nature only and has been prepared without taking into account the objectives, financial situation or needs of the individual recipient. CGS SG and CGS HK do not hold, and are not required to hold an Australian financial services license. CGS SG and CGS HK rely on "passporting" exemptions for entities appropriately licensed by the Monetary Authority of Singapore (under ASIC Class Order 03/1102) and the Securities and Futures Commission in Hong Kong (under ASIC Class Order 03/1103).

Canada: This research report has not been prepared in accordance with the disclosure requirements of Dealer Member Rule 3400 – Research Restrictions and Disclosure Requirements of the Investment Industry Regulatory Organization of Canada. For any research report distributed by CIBC, further disclosures related to CIBC conflicts of interest can be found at <https://researchcentral.cibcwm.com>.

China: For the purpose of this report, the People's Republic of China ("PRC") does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan. The distributor of this report has not been approved or licensed by the China Securities Regulatory Commission or any other relevant regulatory authority or governmental agency in the PRC. This report contains only marketing information. The distribution of this report is not an offer to buy or sell to any person within or outside PRC or a solicitation to any person within or outside of PRC to buy or sell any instruments described herein. This report is being issued outside the PRC to a limited number of institutional investors and may not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

France: Only qualified investors within the meaning of French law shall have access to this report. This report shall not be considered as an offer to subscribe to, or used in connection with, any offer for subscription or sale or marketing or direct or indirect distribution of financial instruments and it is not intended as a solicitation for the purchase of any financial instrument.

Germany: This report is only directed at persons who are professional investors as defined in sec 31a(2) of the German Securities Trading Act (WpHG). This publication constitutes research of a non-binding nature on the market situation and the investment instruments cited here at the time of the publication of the information.

The current prices/yields in this issue are based upon closing prices from Bloomberg as of the day preceding publication. Please note that neither the German Federal Financial Supervisory Agency (BaFin), nor any other supervisory authority exercises any control over the content of this report.

Hong Kong: This report is issued and distributed in Hong Kong by CGS HK which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities) and Type 4 (advising on securities) activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact the Head of Sales at CGS HK. The views and opinions in this research report are our own as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CGS HK has no obligation to update its opinion or the information in this research report.

This publication is strictly confidential and is for private circulation only to clients of CGS HK.

CHK does not make a market on other securities mentioned in the report.

Indonesia: This report is issued and distributed by PT CGS International Sekuritas Indonesia ("CGS ID"). The views and opinions in this research report are our own as of the date hereof and are subject to change. CGS ID has no obligation to update its opinion or the information in this research report. This report is for private circulation only to clients of CGS ID. Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable Indonesian capital market laws and regulations.

This research report is not an offer of securities in Indonesia. The securities referred to in this research report have not been registered with the Financial Services Authority (Otoritas Jasa Keuangan) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the

meaning of the Indonesian capital market law and regulations.

Ireland: CGS is not an investment firm authorised in the Republic of Ireland and no part of this document should be construed as CGS acting as, or otherwise claiming or representing to be, an investment firm authorised in the Republic of Ireland.

Malaysia: This report is distributed in Malaysia by CGS-CIMB Securities Sdn. Bhd. ("CGS-CIMB Malaysia") solely for the benefit of and for the exclusive use of our clients. Recipients of this report are to contact CGS-CIMB Malaysia, at Level 29, Menara Aras Raya, No. 11, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia, in respect of any matters arising from or in connection with this report. CGS-CIMB Malaysia has no obligation to update, revise or reaffirm its opinion or the information in this research report after the date of this report.

New Zealand: In New Zealand, this report is for distribution only to persons who are wholesale clients pursuant to section 5C of the Financial Advisers Act 2008.

Singapore: This report is issued and distributed by CGS SG. CGS SG is a capital markets services licensee under the Securities and Futures Act 2001. Accordingly, it is exempted from the requirement to hold a financial adviser's licence under the Financial Advisers Act, 2001 ("FAA") for advising on investment products, by issuing or promulgating research analyses or research reports, whether in electronic, print or other form. CGS SG is subject to the applicable rules under the FAA unless it is able to avail itself to any prescribed exemptions.

Recipients of this report are to contact CGS SG, 10 Marina Boulevard, Marina Bay Financial Centre Tower 2, #09-01, Singapore 018983 in respect of any matters arising from, or in connection with this report. CGS SG has no obligation to update its opinion or the information in this research report. This publication is strictly confidential and is for private circulation only. If you have not been sent this report by CGS SG directly, you may not rely, use or disclose to anyone else this report or its contents.

If the recipient of this research report is not an accredited investor, expert investor or institutional investor, CGS SG accepts legal responsibility for the contents of the report without any disclaimer limiting or otherwise curtailing such legal responsibility. If the recipient is an accredited investor, expert investor or institutional investor, the recipient is deemed to acknowledge that CGS SG is exempt from certain requirements under the FAA and its attendant regulations, and as such, is exempt from complying with the following:

- (a) Section 34 of the FAA (obligation to disclose product information);
- (b) Section 36 (duty not to make recommendation with respect to any investment product without having a reasonable basis where you may be reasonably expected to rely on the recommendation) of the FAA;
- (c) MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03];
- (d) MAS Notice on Recommendation on Investment Products [Notice No. FAA-N16];
- (e) Section 45 (obligation on disclosure of interest in specified products), and
- (f) any other laws, regulations, notices, directive, guidelines, circulars and practice notes which are relates to the above, to the extent permitted by applicable laws, as may be amended from time to time, and any other laws, regulations, notices, directive, guidelines, circulars, and practice notes as we may notify you from time to time. In addition, the recipient who is an accredited investor, expert investor or institutional investor acknowledges that as CGS SG is exempt from Section 36 of the FAA, the recipient will also not be able to file a civil claim against CGS SG for any loss or damage arising from the recipient's reliance on any recommendation made by CGS SG which would otherwise be a right that is available to the recipient under Section 36 of the FAA.

CGS SG, its affiliates and related corporations, their directors, associates, connected parties and/or employees may own or have positions in specified products of the company(ies) covered in this research report or any specified products related thereto and may from time to time add to or dispose of, or may be materially interested in, any such specified products. Further, CGS SG, its affiliates and its related corporations do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in specified products of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS SG does not make a market on the securities mentioned in the report.

South Korea: This report is issued and distributed in South Korea by CGS International Securities Hong Kong Limited, Korea Branch ("CGS KR") which is licensed as a cash equity broker, and regulated by the Financial Services Commission and Financial Supervisory Service of Korea. In South Korea, this report is for distribution only to professional investors under Article 9(5) of the Financial Investment Services and Capital Market Act of Korea ("FSCMA").

Spain: This document is a research report and it is addressed to institutional investors only. The research report is of a general nature and not personalised and does not constitute investment advice so, as the case may be, the recipient must seek proper advice before adopting any investment decision. This document does not constitute a public offering of securities.

CGS is not registered with the Spanish Comision Nacional del Mercado de Valores to provide investment services.

Sweden: This report contains only marketing information and has not been approved by the Swedish Financial Supervisory Authority. The distribution of this report is not an offer to sell to any person in Sweden or a solicitation to any person in Sweden to buy any instruments described herein and may not be forwarded to the public in Sweden.

Switzerland: This report has not been prepared in accordance with the recognized self-regulatory minimal standards for research reports of banks issued by the Swiss Bankers' Association (Directives on the Independence of Financial Research).

Thailand: This report is issued and distributed by CGS International Securities (Thailand) Co. Ltd. ("CGS TH") based upon sources believed to be reliable (but their accuracy, completeness or correctness is not guaranteed). The statements or expressions of opinion herein were arrived at after due and careful consideration for use as information for investment. Such opinions are subject to change without notice and CGS TH has no obligation to update its opinion or the information in this research report.

Corporate Governance Report (CGR): ([Thai CGR and Anti-Corruption of Thai Listed Companies - Click here](#))

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market

for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS TH does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

United Arab Emirates: The distributor of this report has not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This report is strictly private and confidential and has not been reviewed by, deposited or registered with UAE Central Bank or any other licensing authority or governmental agencies in the United Arab Emirates. This report is being issued outside the United Arab Emirates to a limited number of institutional investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. Further, the information contained in this report is not intended to lead to the sale of investments under any subscription agreement or the conclusion of any other contract of whatsoever nature within the territory of the United Arab Emirates.

United Kingdom and European Economic Area (EEA): In the United Kingdom and European Economic Area, this material is also being distributed by CGS International Securities UK Ltd. (“CGS UK”). CGS UK is authorized and regulated by the Financial Conduct Authority and its registered office is at 53 New Broad Street, London EC2M 1JJ. The material distributed by CGS UK has been prepared in accordance with CGS’s policies for managing conflicts of interest arising as a result of publication and distribution of this material. This material is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of CGS UK; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Order”), (c) fall within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the Order; (d) are outside the United Kingdom subject to relevant regulation in each jurisdiction, material(all such persons together being referred to as “relevant persons”). This material is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

This material is categorised as non-independent for the purposes of CGS UK and therefore does not provide an impartial or objective assessment of the subject matter and does not constitute independent research. Consequently, this material has not been prepared in accordance with legal requirements designed to promote the independence of research and will not be subject to any prohibition on dealing ahead of the dissemination of research. Therefore, this material is considered a marketing communication.

United States: This research report is distributed in the United States of America by CGS International Securities USA, Inc, a U.S. registered broker-dealer and an affiliate of CGS-CIMB Malaysia, CGS SG, CGS ID, CGS TH and CGS HK and is distributed solely to persons who qualify as “U.S. Institutional Investors” as defined in Rule 15a-6 under the Securities and Exchange Act of 1934. This communication is only for Institutional Investors whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. CGS International Securities USA, Inc. (“CGS US”) is a FINRA/SIPC member and takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS US.

CGS-CIMB Securities (USA) Inc. does not make a market on other securities mentioned in the report.

CGS US has not managed or co-managed a public offering of any of the securities mentioned in the past 12 months.

CGS US has not received compensation for investment banking services from any of the company mentioned in the past 12 months.

CGS US neither expects to receive nor intends to seek compensation for investment banking services from any of the company mentioned within the next 3 months.

United States Third-Party Disclaimer: If this report is distributed in the United States of America by Raymond James & Associates, Inc (“RJA”), this report is third-party research prepared for and distributed in the United States of America by RJA pursuant to an arrangement between RJA and CGS International Securities Pte. Ltd. (“CGSI”). CGSI is not an affiliate of RJA. This report is distributed solely to persons who qualify as “U.S. Institutional Investors” or as “Major U.S. Institutional Investors” as defined in Rule 15a-6 under the Securities and Exchange Act of 1934, as amended. This communication is only for U.S. Institutional Investors or Major U.S. Institutional Investor whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major U.S. Institutional Investor must not rely on this communication. The delivery of this report to any person in the U.S. is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. If you are receiving this report in the U.S from RJA, a FINRA/SIPC member, it takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CGS US or RJA.

<https://raymondjames.com/InternationalEquityDisclosures>

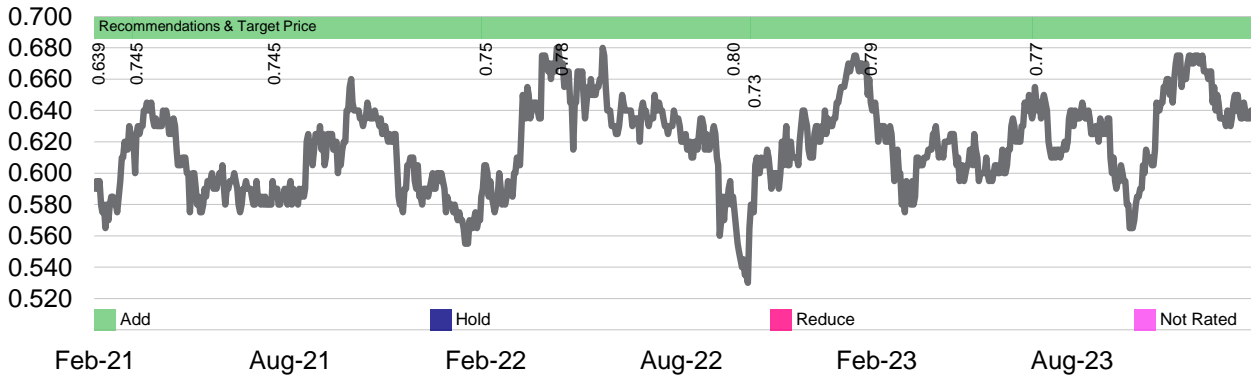
Other jurisdictions: In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is only for distribution to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2023		
636 companies under coverage for quarter ended on 31 December 2023		
	Rating Distribution (%)	Investment Banking clients (%)
Add	67.5%	1.3%
Hold	22.5%	0.0%
Reduce	10.1%	0.2%

Spitzer Chart for stock being researched (2 year data)

Far East Hospitality Trust (FEHT SP)

— Price Close



Recommendation Framework

Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.