

Far East Hospitality Trust (FEHT SP)

Riding the tailwinds

Robust 9M23 performance

FEHT's 3Q23 distributable income (DI) of SGD22.9m rose 19.3% QoQ and +51% YoY. 9M23 DI of SGD60.3m grew 36.7% YoY and was 80.5% of our full-year forecast. Growth was underpinned by continued recovery of RevPAR for hotels and service residences (SRs), and distribution of divestment gains. Cost of debt held steady, helped by a lower hedge ratio. We raise our FY23 DPU forecast by 6% by factoring in better performance but lower our DDM-based TP to SGD0.75 (-6%) due to a higher discount rate. Maintain BUY on distribution stability and the sector's growth outlook.

Lodging keeps growing

3Q23 gross revenue of SGD30.2m grew 12.4% QoQ and 42.5% YoY. NPI grew 11.1% QoQ and 42.4% YoY. Growth was underpinned by hotels and SRs, while contribution from commercial premises dipped sequentially. 3Q23 revenue for hotels grew 15.9% QoQ and 56.3% YoY. Meanwhile, SRs saw 9.6% QoQ and 14.5% YoY revenue growth. On a 9M23 basis, gross revenue and NPI for the group rose 42.6% and 32.2% YoY respectively. The cost of debt was flat sequentially but rose 120bps YoY. Notwithstanding that, the growth in NPI and distribution of divestment gains led to 19.3% QoQ and 51% YoY growth in DI for 3Q23. On a 9M23 basis, DI grew 36.7%.

Operating metrics surprise on upside, divestment gains to offset potentially higher cost of debt

Hotel RevPAR for 3Q23 rose 12.8% QoQ and 42.9% YoY. This was primarily led by growth in occupancy (+8.4% QoQ). Room rates grew QoQ, albeit at a slower pace of 2.4%. RevPAR for SRs for 3Q23 rose 6.7% QoQ and 12.2% YoY. Unlike hotels, sequential growth was led by room rates. Occupancy was relatively flat while room rates rose 6.3% QoQ. Gearing is one of the lowest at 32.2%. Cost of debt was unchanged at 3.2%, helped by a lower hedge ratio of 40.6% (2Q23 47.2%, 2Q22 60.9%). FEHT is likely to distribute additional divestment gains from Central Square to offset potentially higher cost of debt. Management indicated a slower growth outlook for room rates and RevPAR growth will depend on occupancy levels. Year-end valuations are likely to remain sticky. FEHT will look to acquire overseas assets such as in Japan, which offer a healthy spread to local funding cost.

Trimming TP, but maintain BUY

We raise our FY23 DPU forecast by 6% but lower our TP to SGD0.75 due to a higher discount rate. We reiterate BUY. The sector continues to recover, albeit at a slower pace, and FEHT offers a stable distribution profile and a lowly geared balance sheet.

FYE Dec (SGD m)	FY21A	FY22A	FY23E	FY24E	FY25E
Revenue	83	84	110	108	111
Net property income	75	77	102	99	102
Core net profit	41	50	71	68	68
Core EPU (cts)	2.1	2.5	3.6	3.4	3.4
Core EPU growth (%)	20.1	19.5	42.6	(5.2)	(0.2)
DPU (cts)	2.6	2.8	4.0	4.0	4.0
DPU growth (%)	9.0	7.8	39.5	0.2	1.0
P/NTA (x)	0.7	0.7	0.6	0.6	0.6
DPU yield (%)	4.5	4.6	7.0	7.0	7.0
ROAA (%)	1.6	1.9	2.7	2.5	2.5
Debt/Assets (x)	0.36	0.29	0.28	0.28	0.27
Consensus DPU	-	-	3.8	4.0	4.3
MIBG vs. Consensus (%)	-	-	4.4	(1.4)	(5.6)

Krishna Guha
krishna.guha@maybank.com
(65) 6231 5842

BUY

Share Price	SGD 0.57
12m Price Target	SGD 0.75 (+35%)
Previous Price Target	SGD 0.80

Company Description

FEHT is the first and only Singapore-focused hotel and serviced residence hospitality trust listed on the SGX (portfolio 12 properties).

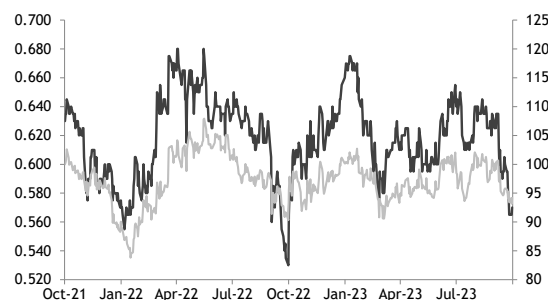
Statistics

52w high/low (SGD)	0.68/0.57
3m avg turnover (USDm)	0.6
Free float (%)	49.0
Issued shares (m)	2,000
Market capitalisation	SGD1.1B USD832M

Major shareholders:

Golden Development Pte Ltd.	22.5%
F.E. Holdings Pte Ltd.	14.7%
Estate of Ng Teng Fong	6.7%

Price Performance



	-1M	-3M	-12M
Absolute (%)	(10)	(12)	8
Relative to index (%)	(6)	(6)	4

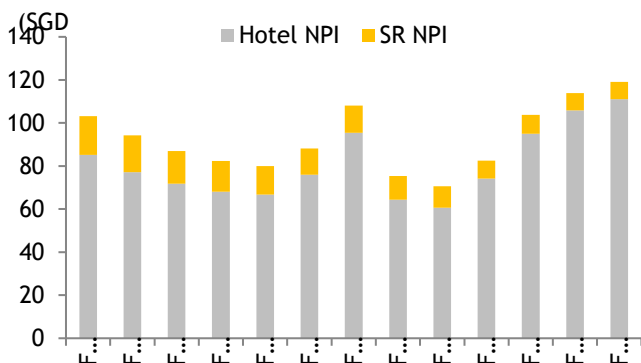
Source: FactSet

ESG@MAYBANK IBG
Tear Sheet Insert

Value Proposition

- Singapore-focused portfolio of SGD2.3b as of Dec 2021, comprising 12 properties with 2,775 hotel rooms and 368 serviced apartments.
- Backed by sponsor the Far East Organisation Pte Ltd group, Singapore's largest private property developer. Further entrenchment in Singapore after its Oasia Hotel Downtown acquisition in 1Q18 and completion of Sentosa JV hotels from 4Q18.
- Sponsor has a pipeline of 1,767 rooms for acquisition potentially.

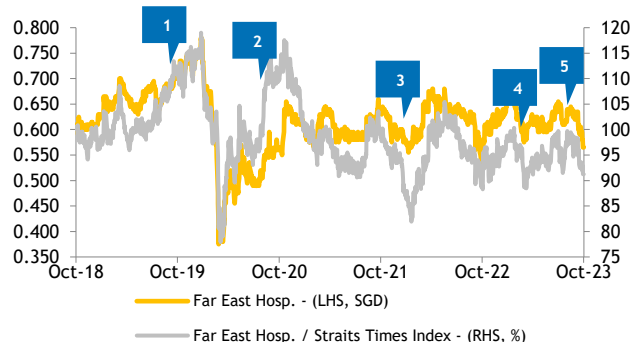
NPI breakdown (FY13-FY25E)



Source: Company

Price Drivers

Historical share price trend



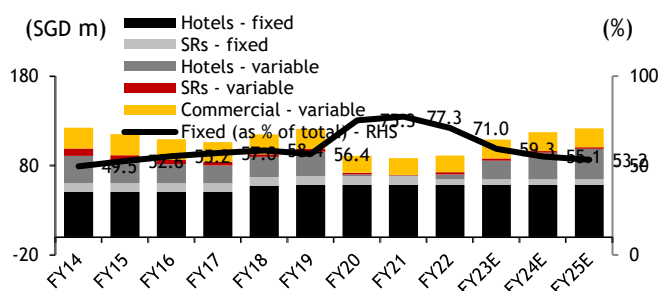
Source: Company, Maybank IBG Research

1. Apr-19: Opens two hotels in Sentosa - the 606-room mid-tier Village hotel and 193-room upscale Outpost hotel.
2. Jul-20: RevPARs/RevPAUs fell less than peers in 2Q20 due to demand from government agencies for isolation facilities and to house workers affected by border closures.
3. Dec-21: Announced divestment of Central Square for c.SGD313m (c.58% above book and c.71% premium to Aug 2012 purchase price) to deliver SGD112m in net gains.
4. Mar-23: Announced receipt of additional payment of SGD18m related to the divestment of Central Square.
5. Sep-23: Article in The Business Times stating FEHT eyeing maiden overseas acquisition and grow REIT market cap from SGD1.3b to SGD2.5b.

Financial Metrics

- DPU growth of 31.6%, 6.5% and 3.7% forecasted for FY23-25E.
- DPU growth driven by increase in RevPAR, which results in variable rents kicking in for hotels in FY23 and FY24. FY23 growth is also supported by SGD8m distribution of divestment gain from Central Square disposal. We forecast hotel RevPAR of SGD137 for 2023 and SGD153 by 2024. SR RevPAU is expected to stabilize at SGD200 in 2023 before falling to SGD180 for 2024.
- We expect all-in debt cost to rise from 2% to 3.4% by 2024.

Revenue profile



Source: Company

Swing Factors

Upside

- Earlier-than-expected pick-up in corporate demand.
- Better-than-anticipated RevPAR and variable rents.
- Accretive acquisitions where cap rates exceed cost of funds, or divestments at low cap rates, which unlock asset values.

Downside

- Sizeable increases in hotel and serviced apartment room supply without corresponding growth in demand.
- Deterioration in global economy, resulting in decline in RevPARs.
- Sharper-than-expected rise in interest rates could increase cost of debt and affect earnings, with higher cost of capital lowering valuations.

ESG@MAYBANK IBG

krishna.guha@maybank.com

Risk Rating & Score ¹	12.3(low)
Score Momentum ²	+2.6
Last Updated	22 Nov 2022
Controversy Score ³ (Updated: 22 Nov 2022)	

Business Model & Industry Issues

- FEHT draws on its available pool of funds to invest in hospitality and hospitality-related real estate, undertake AEs, and redevelop properties to optimise value for its unitholders. It is susceptible to sustainability-focused investors with strong preference for investing in companies that meet specific ESG criteria, given its incessant need for additional capital.
- Its activities relating to permissible investments, leverage limits and annual reporting requirements are regulated by the MAS under Singapore's code on collective investment schemes. Independence, real estate and capital markets experience on its board is high, with representation by members with international experience, even as it focusses in Singapore.
- Improved 2 places in 2021 to rank 2nd out of 43 companies in the Singapore Governance and Transparency Index (from 4th of 45 in 2020, 6th of 46 in 2019); ranked 9th of 45 in the Governance Index for Trusts, also receiving 5th highest gov score.
- Introduced environmental action targets in 2020, to reduce energy consumption by 2% pa, and to ensure all new developments are designed to minimally qualify for the BCA Green Mark Gold status. We see room for an expansion of its reporting scope to disclose metrics at the asset-level and also to add targets to reduce water and carbon emissions.

Material E issues

- Four of its nine hotels achieved the BCA Green Mark certification in 2020 - Oasia Hotel Downtown, Village Hotel Changi, Rendezvous Hotel (Gold) and Village Hotel Albert Court (Platinum), while Village Hotel Bugis was certified as Gold-Plus from Nov 2021.
- Refinanced a SGD125m term loan in Mar 2021 with a first (5-year) sustainability-linked facility.
- Engaged KPMG as external consultant in FY21 to develop a GHG carbon inventory template for monitoring emissions, while adding disclosure of Scope 1 and 2 GHG.
- On track for the BCA certification of its new buildings in Singapore, in particular the Sentosa hotels (Village, The Outpost, and The Barracks), that are designed to minimally qualify for the BCA Green Mark Gold certification.

Material S issues

- Gender diversity is high, with females representing five of its eight permanent employees in FY21 (from 6 of 9 in FY20), 20% at the management level (similar to FY20), and half of the board's members.
- Achieved a 100% participation rate for the annual Colleague Engagement Survey in FY21 (from 88% in FY20), which seeks to assess its employees' level of engagement and to identify their strengths and areas for improvement.
- Have supported charities and not-for-profit organisations for various causes, and also participated in some of its sponsor's community activities; has committed an annual budget from FY21 to supplement efforts.
- Stepped up tenant engagement and assistance to pandemic-affected businesses with temporary revision of rental structure or rental rebates.

Key G metrics and issues

- Stapled group managed externally by wholly-owned subsidiaries of its sponsor Far East Orchard, which supports its growth via a pipeline of property assets from its development activities, and access to capital markets.
- Board independence is high - it does not comprise any members with executive functions, and 4 of its 6 members are independent.
- Revised down base fee from 0.3% to 0.28% pa of deposited property, and performance fee to the lower of 4.0% of NPI or 4.0% of distributable income (after base fee, trust expenses and finance costs) in FY20 to better align its management fees to peers. As such, REIT management fees were lower by 12.3% YoY in FY21.
- Its CEO's salary is disclosed separately, while the cumulative remuneration of its key management team including the CEO, represented <3.5% of distributable income since this was first reported in FY15.
- Payout ratio for taxable income has been consistently maintained at above the minimum 90% threshold for tax transparency.
- Its 30% interest in a JV with its sponsor, an 839-room hotel development in Sentosa was at an estimated investment cost of SGD522k per key in Sep 2014, versus comparable market transactions of SGD1-1.3m per key when the property opened in 2019.
- Receives minimum gross revenue that is supported by the fixed rent component of the master leases, which is highest amongst its peers at an estimated 77% of its rental revenue in FY20, which provides downside support to DPU's.
- Divested Central Square for a SGD112m gain, with the sales proceeds reducing borrowings, after securing an outline planning permission from the URA for a 78% increase in maximum GFA and evaluating options for the asset.
- Was added as a constituent of the FTSE EPRA Nareit Global Real Estate Index Series since Sep 2021.

¹**Risk Rating & Score** - derived by Sustainalytics and assesses the company's exposure to unmanaged ESG risks. Scores range between 0 - 50 in order of increasing severity with low/high scores & ratings representing negligible/significant risk to the company's enterprise value, respectively, from ESG-driven financial impacts. ²**Score Momentum** - indicates changes to the company's score since the last update - a **negative** integer indicates a company's improving risk score; a **positive** integer indicates a deterioration. ³**Controversy Score** - reported periodically by Sustainalytics in the event of material ESG-related incident(s), with the impact severity scores of these events ranging from Category 0-5 (0 - no reports; 1 - negligible risks; ...; 5 - poses serious risks & indicative of potential structural deficiencies at the company).

1. Results highlights

Fig 1: 3Q23 results highlights

SGDm	3Q22	2Q23	3Q23	% QoQ	% YoY	9M22	9M23	% YoY
Hotels	14.9	20.1	23.3	15.9	56.3	43.4	61.9	42.6
Serviced Residences	2.6	2.7	2.9	9.6	14.5	7.8	8.3	6.6
Commercial premises	3.7	4.1	3.9	-2.7	6.5	11.0	12.0	9.5
Gross revenue	21.2	26.9	30.2	12.4	42.5	62.2	82.2	32.2
Property expenses	-1.4	-1.5	-2.1					
Net property income	19.7	25.3	28.1	11.1	42.4	57.2	77.1	34.8
Income available for distribution	15.1	19.2	22.9	19.3	51.0	44.1	60.3	36.7
Hotels	3Q22	1H23	3Q23	QoQ	YoY	9MFY22	9MFY23	% YoY
Occupancy	76.1%	78.3%	86.7%	8.4%	10.6%	70.8%	81.2%	10.4%
ADR, SGD	137	169	173	2.4	26.3	113	171	51.4
Hotels - RevPAR, SGD	105	133	150	12.8	42.9	80	139	73.4
Serviced Residences (SRs)	3Q22	1H23	3Q23	QoQ	YoY	9MFY22	9MFY23	% YoY
Occupancy	90.4%	88.3%	88.7%	0.4%	-1.7%	89.0%	88.4%	-0.6%
ADR, SGD	235	253	269	6.3	14.5	215	259	20.5
SR - RevPAR, SGD	213	224	239	6.7	12.2	191	229	19.9
Gearing	33.5%	32.0%	32.2%					
Cost of debt	2.0%	3.2%	3.2%					
Proportion of fixed rate	60.9%	47.2%	40.6%					

Source: Maybank IBG Research, Company Data

2. Forecast changes

Fig 2: Changes in our FY23-24 forecasts

	FY23E	FY24E	FY23E	FY24E	FY23	FY24
SGDm	New	New	Old	Old	% chg	% chg
Revenue	110.3	107.5	100.3	107.5	10%	0%
NPI	101.6	98.6	91.6	98.6	11%	0%
Mgt and trust fees	(10.3)	(10.3)	(10.0)	(10.3)	3%	0%
Borrowing costs	(25.8)	(31.1)	(24.3)	(25.9)	6%	20%
Distributable income	79.4	80.1	74.9	80.3	6%	0%
DPU, cents	3.97	3.98	3.74	3.99	6%	0%

Source: Maybank IBG Research, Company Data

3. Valuation

We value FEHT using a 3-stage dividend discount model with a risk-free rate of 3.3% and COE of 7.2%. This is higher than our prior inputs of 2.8% and 6.6%, respectively. We raise our FY23 DPU estimate by 6% after factoring in the stronger-than-expected revenue and NPI trend. For FY24, we raise our cost of debt assumption, leading to SGD6m, or 20% increase in funding cost from our prior estimate. However, this is offset by factoring in higher distribution of divestment gains. All in, we maintain BUY but lower our target price to SGD0.75 from SGD0.80.

4. Risks

Risks include: 1) Chinese demand is slower than expected; 2) decline in residential rents spills over to serviced residences; 3) higher-than-expected interest rates; 4) new supply from rivals; and 5) dilutive transactions.

FYE 31 Dec	FY21A	FY22A	FY23E	FY24E	FY25E
Key Metrics					
Price/DPU(x)	22.4	21.8	14.4	14.3	14.2
P/BV (x)	0.7	0.7	0.6	0.6	0.6
P/NTA (x)	0.7	0.7	0.6	0.6	0.6
DPU yield (%)	4.5	4.6	7.0	7.0	7.0
FCF yield (%)	6.0	5.3	7.9	8.1	8.2
INCOME STATEMENT (SGD m)					
Revenue	83.2	83.6	110.3	107.5	111.2
Net property income	75.2	77.3	101.6	98.6	102.1
Management and trustee fees	(9.8)	(9.7)	(10.3)	(10.3)	(10.5)
Net financing costs	(19.9)	(18.4)	(25.8)	(31.1)	(33.3)
Associates & JV	(4.1)	0.0	0.0	0.0	0.0
Exceptionals	78.2	102.2	102.2	25.0	25.2
Other pretax income/expenses	0.5	1.6	1.6	1.6	1.6
Pretax profit	119.5	151.9	168.3	82.8	84.2
Income tax	(0.1)	(0.1)	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Total return avail to unitholders	119.5	151.8	168.3	82.8	84.2
Core net profit	41.2	49.6	71.4	68.1	68.4
Distributable inc to unitholders	52.0	56.4	79.4	80.1	81.4
BALANCE SHEET (SGD m)					
Cash & Short Term Investments	11.7	49.8	54.7	53.7	54.0
Accounts receivable	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	0.0	0.0	0.0	0.0	0.0
Investment properties	2,336.5	2,446.8	2,495.7	2,520.6	2,545.8
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	2.5	0.0	53.3	53.3	53.3
Other assets	314.2	58.6	58.6	58.6	58.6
Total assets	2,664.8	2,555.1	2,662.2	2,686.1	2,711.6
ST interest bearing debt	0.0	0.0	0.0	0.0	0.0
Accounts payable	53.1	2.7	2.7	2.7	2.7
LT interest bearing debt	947.6	737.8	739.8	739.8	739.8
Other liabilities	15.7	14.8	14.8	14.8	14.8
Total Liabilities	1,016.4	755.3	757.3	757.3	757.3
Shareholders Equity	1,648.4	1,799.8	1,904.9	1,928.8	1,954.3
Minority Interest	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Total shareholder equity	1,648.4	1,799.8	1,904.9	1,928.8	1,954.3
Total liabilities and equity	2,664.8	2,555.1	2,662.2	2,686.1	2,711.6
CASH FLOW (SGD m)					
Cash flow from operations	69.3	71.9	95.6	97.5	100.1
Capex	0.0	(7.2)	(5.0)	(5.0)	(5.0)
Acquisitions & investments	46.0	262.2	0.0	0.0	0.0
Disposal of FA & investments	0.0	0.0	0.0	0.0	0.0
Dividend income from associates	(3.1)	0.0	0.0	0.0	0.0
Other investing cash flow	0.0	0.5	1.6	1.6	1.6
CF from investing activities	43.0	255.5	(3.4)	(3.4)	(3.4)
Dividends paid	(48.8)	(60.8)	(63.5)	(64.1)	(65.2)
Interest expense	(21.2)	(18.5)	(25.8)	(31.1)	(33.3)
Change in debt	(41.5)	(210.0)	2.0	0.0	0.0
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Other financial activities	0.0	(0.0)	0.0	0.0	0.0
CF from financing activities	(111.5)	(289.3)	(87.3)	(95.2)	(98.4)
Effect of exchange rate changes	0.0	0.0	0.0	0.0	1.0
Net cash flow	0.8	38.1	4.9	(1.0)	(0.7)

FYE 31 Dec	FY21A	FY22A	FY23E	FY24E	FY25E
Key Ratios					
Growth ratios (%)					
Revenue growth	(0.0)	0.4	31.9	(2.5)	3.4
Net property income growth	4.1	2.9	31.4	(3.0)	3.6
Core net profit growth	21.0	20.4	43.9	(4.6)	0.5
Distributable income growth	9.9	8.5	40.8	0.9	1.7
Profitability ratios (%)					
Net property income margin	90.3	92.5	92.1	91.7	91.8
Core net profit margin	49.5	59.4	64.7	63.3	61.5
Payout ratio	126.0	113.6	111.2	117.6	119.0
DuPont analysis					
Total return margin (%)	143.5	181.6	152.6	77.0	75.7
Gross revenue/Assets (x)	0.0	0.0	0.0	0.0	0.0
Assets/Equity (x)	1.6	1.4	1.4	1.4	1.4
ROAE (%)	na	na	na	na	na
ROAA (%)	1.6	1.9	2.7	2.5	2.5
Leverage & Expense Analysis					
Asset/Liability (x)	2.6	3.4	3.5	3.5	3.6
Net gearing (%) (excl. perps)	56.8	38.2	36.0	35.6	35.1
Net interest cover (x)	3.3	3.6	3.5	2.8	2.7
Debt/EBITDA (x)	14.6	11.1	8.2	8.5	8.3
Capex/revenue (%)	0.0	8.7	4.5	4.6	4.5
Net debt/ (net cash)	935.9	688.0	685.2	686.1	685.9
Debt/Assets (x)	0.36	0.29	0.28	0.28	0.27

Source: Company; Maybank IBG Research

Research Offices

ECONOMICS

Suhaimi ILIAS
Chief Economist
Malaysia | Philippines | Global
(603) 2297 8682
suhaimi_ilias@maybank-ib.com

CHUA Hak Bin
Regional Thematic Macroeconomist
(65) 6231 5830
chuahb@maybank.com

Dr Zamros DZULKAFI
Malaysia | Philippines
(603) 2082 6818
zamros.d@maybank-ib.com

Erica TAY
China | Thailand
(65) 6231 5844
erica.tay@maybank.com

Brian LEE Shun Rong
Indonesia | Singapore | Vietnam
(65) 6231 5846
brian.lee1@maybank.com

Fatin Nabila MOHD ZAINI
(603) 2297 8685
fatinnabila.mohdzaini@maybank-ib.com

Luong Thu Huong
(65) 6231 8467
hana.thuhuong@maybank.com

FX

Saktiandi SUPAAT
Head of FX Research
(65) 6320 1379
saktiandi@maybank.com

Fiona LIM
(65) 6320 1374
fionalim@maybank.com

Alan LAU
(65) 6320 1378
alanlau@maybank.com

Shaun LIM
(65) 6320 1371
shaunlim@maybank.com

STRATEGY

Anand PATHMAKANTHAN
ASEAN
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

FIXED INCOME

Winson PHOON, FCA
Head of Fixed Income
(65) 6340 1079
winsonphoon@maybank.com

SE THO Mun Yi, CFA
(603) 2074 7606
munyi.st@maybank-ib.com

PORTFOLIO STRATEGY

ONG Seng Yeow
(65) 6231 5839
ongsengyeow@maybank.com

MIBG SUSTAINABILITY RESEARCH

Jigar SHAH
Head of Sustainability Research
(91) 22 4223 2632
jigars@maybank.com

Neerav DALAL
(91) 22 4223 2606
neerav@maybank.com

REGIONAL EQUITIES

Anand PATHMAKANTHAN
Head of Regional Equity Research
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com

WONG Chew Hann, CA
Head of ASEAN Equity Research
(603) 2297 8686
wchewh@maybank-ib.com

MALAYSIA

Anand PATHMAKANTHAN *Head of Research*
(603) 2297 8783
anand.pathmakanthan@maybank-ib.com
• Strategy

WONG Chew Hann, CA
(603) 2297 8686
wchewh@maybank-ib.com
• Equity Strategy
• Non-Bank Financials (stock exchange)
• Construction & Infrastructure

Desmond CH'NG, BFP, FCA
(603) 2297 8680
desmond.chng@maybank-ib.com
• Banking & Finance

ONG Chee Ting, CA
(603) 2297 8678
ct.ong@maybank-ib.com
• Plantations - Regional

YIN Shao Yang, CPA
(603) 2297 8916
samuel.y@maybank-ib.com
• Gaming - Regional
• Media • Aviation • Non-Bank Financials

TAN Chi Wei, CFA
(603) 2297 8690
chiwei.t@maybank-ib.com
• Power • Telcos

WONG Wei Sum, CFA
(603) 2297 8679
weisum@maybank-ib.com
• Property • Glove

Jade TAM
(603) 2297 8687
jade.tam@maybank-ib.com
• Consumer Staples & Discretionary

Nur Farah SYIFAA
(603) 2297 8675
nurfarahsyifaa.mohamadfuad@maybank-ib.com
• Renewable Energy • REITs

LOH Yan Jin
(603) 2297 8687
lohyanjin.loh@maybank-ib.com
• Ports • Automotive • Technology (EMS)

Jeremie YAP
(603) 2297 8688
jeremie.yap@maybank-ib.com
• Oil & Gas • Petrochemicals

Arvind JAYARATNAM
(603) 2297 8692
arvind.jayaratnam@maybank.com
• Technology (Semicon & Software)

TEE Sze Chiah *Head of Retail Research*
(603) 2082 6858
szechiah.t@maybank-ib.com
• Retail Research

Nik Ihsan RAJA ABDULLAH, MSTA, CFTe
(603) 2297 8694
nikmohdihsan.ra@maybank-ib.com
• Chartist

Amirah AZMI
(603) 2082 8769
amirah.azmi@maybank-ib.com
• Retail Research

SINGAPORE

Thilan WICKRAMASINGHE *Head of Research*
(65) 6231 5840
thilanw@maybank.com
• Banking & Finance - Regional
• Consumer

Eric ONG
(65) 6231 5849
ericong@maybank.com
• Healthcare • Transport • SMIDs

Kelvin TAN
(65) 6231 5837
kelvin.tan1@maybank.com
• Telcos • Industrials

LI Jialin
(65) 6231 5845
jialin.li@maybank.com
• REITs

Jarick SEET
(65) 6231 5848
jarick.seet@maybank.com
• Technology

Krishna GUHA
(65) 6231 5842
krishna.guha@maybank.com
• REITs

PHILIPPINES

Rachelleen RODRIGUEZ, CFA *Head of Research*
(63) 2 8849 8843
rachelleen.rodriguez@maybank.com
• Banking & Finance • Transport • Telcos
• Utilities

Daphne SZE
(63) 2 8849 8847
daphne.sze@maybank.com
• Consumer

Alexa Mae CARVAJAL
(63) 2 8849 8838
alexamae.carvajal@maybank.com
• Consumer • Gaming • Property • REITs

THAILAND

Chak REUNGSINPINYA *Head of Research*
(66) 2658 5000 ext 1399
chak.reungsinpinya@maybank.com
• Strategy • Energy

Jesada TECHAHUSDIN, CFA
(66) 2658 5000 ext 1395
jesada.t@maybank.com
• Banking & Finance

Wasu MATTANAPOTCHANART
(66) 2658 5000 ext 1392
wasu.m@maybank.com
• Telcos • Technology • REITs • Property
• Consumer Discretionary

Surachai PRAMUALCHAROENKIT
(66) 2658 5000 ext 1470
surachai.p@maybank.com
• Auto • Conmat • Contractor • Steel

Suttatip PEERASUB
(66) 2658 5000 ext 1430
suttatip.p@maybank.com
• Food & Beverage • Commerce

Natchaphon RODJANAROWAN
(66) 2658 5000 ext 1393
natchaphon.rodjanarowan@maybank.com
• Utilities

INDONESIA

Jeffrosenberg CHENLIM *Head of Research*
(62) 21 8066 8680
jeffrosenberg.lim@maybank.com
• Strategy • Banking & Finance • Property

Willy GOUTAMA
(62) 21 8066 8500
willy.goutama@maybank.com
• Consumer

Etta Rusdiana PUTRA
(62) 21 8066 8683
etta.putra@maybank.com
• Telcos • Internet • Construction

William Jefferson W
(62) 21 8066 8563
william.jefferson@maybank.com
• Property

Adi WICAKSONO
(62) 21 8066 8686
adi.wicaksono@maybank.com
• Plantations

Satriawan HARYONO, CEWA, CTA
(62) 21 8066 8682
satriawan@maybank.com
• Chartist

VIETNAM

Quan Trong Thanh *Head of Research*
(84 28) 44 555 888 ext 8184
thanh.quan@maybank.com
• Strategy • Banks

Hoang Huy, CFA
(84 28) 44 555 888 ext 8181
hoanghuy@maybank.com
• Strategy • Technology

Le Nguyen Nhat Chuyen
(84 28) 44 555 888 ext 8082
chuyen.le@maybank.com
• Oil & Gas • Logistics

Nguyen Thi Sony Tra Mi
(84 28) 44 555 888 ext 8084
trami.nguyen@maybank.com
• Consumer Discretionary

Tran Thi Thanh Nhan
(84 28) 44 555 888 ext 8088
nhan.tran@maybank.com
• Consumer Staples

Nguyen Le Tuan Loi
(84 28) 44 555 888 ext 8182
loi.nguyen@maybank.com
• Property

Nguyen Thanh Hai
(84 28) 44 555 888 ext 8081
thanhhai.nguyen@maybank.com
• Industrials

Nguyen Thanh Lam
(84 28) 44 555 888 ext 8086
thanhlam.nguyen@maybank.com
• Retail Research

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES

DISCLAIMERS

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "Maybank IBG") and consequently no representation is made as to the accuracy or completeness of this report by Maybank IBG and it should not be relied upon as such. Accordingly, Maybank IBG and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. Maybank IBG expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Maybank IBG and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. One or more directors, officers and/or employees of Maybank IBG may be a director of the issuers of the securities mentioned in this report to the extent permitted by law.

This report is prepared for the use of Maybank IBG's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of Maybank IBG and Maybank IBG and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

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. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Research Pte. Ltd. ("MRPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact MRPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), MRPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

Thailand

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of Maybank Securities (Thailand) Public Company Limited. Maybank Securities (Thailand) Public Company Limited ("MST") accepts no liability whatsoever for the actions of third parties in this respect.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research products of MST Institutional and Retail Research departments may differ in either recommendation or target price, or both. MST reserves the rights to disseminate MST Retail Research reports to institutional investors who have requested to receive it. If you are an authorised recipient, you hereby tacitly acknowledge that the research reports from MST Retail Research are first produced in Thai and there is a time lag in the release of the translated English version.

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 may be changed after that date. MST does not confirm nor certify the accuracy of such survey result.

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, MST does not confirm, verify, or certify the accuracy and completeness of the assessment result.

US

This third-party research report is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Wedbush Securities Inc. ("Wedbush"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Wedbush in the US shall be borne by Wedbush. This report is not directed at you if Wedbush is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Wedbush is permitted to provide research material concerning investments to you under relevant legislation and regulations. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security mentioned within must do so with: Wedbush Securities Inc. 1000 Wilshire Blvd, Los Angeles, California 90017, +1 (646) 604-4232 and not with the issuer of this report.

UK

This document is being distributed by Maybank Securities (London) Ltd (“MSUK”) which is authorized and regulated, by the Financial Conduct Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938- H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This report is distributed in Singapore by MRPL (Co. Reg No 198700034E) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Maybank Sekuritas Indonesia (“PTMSI”) (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the Financial Services Authority (Indonesia). **Thailand:** MST (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank Securities Inc (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Securities Limited (License Number: 117/GP-UBCK) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** MIB Securities (Hong Kong) Limited (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** MIB Securities India Private Limited (“MIBSI”) is a participant of the National Stock Exchange of India Limited and the Bombay Stock Exchange and is regulated by Securities and Exchange Board of India (“SEBI”) (Reg. No. INZ000010538). MIBSI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) and as Research Analyst (Reg No: INH000000057). **UK:** Maybank Securities (London) Ltd (Reg No 2377538) is authorized and regulated by the Financial Conduct Authority.

Disclosure of Interest

Malaysia: Maybank IBG and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 26 October 2023, Maybank Research Pte. Ltd. and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MST may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MST, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: As of 26 October 2023, MIB Securities (Hong Kong) Limited and the authoring analyst do not have any interest in any companies recommended in this research report.

India: As of 26 October 2023, and at the end of the month immediately preceding the date of publication of the research report, MIBSI, authoring analyst or their associate / relative does not hold any financial interest or any actual or beneficial ownership in any shares or having any conflict of interest in the subject companies except as otherwise disclosed in the research report.

In the past twelve months MIBSI and authoring analyst or their associate did not receive any compensation or other benefits from the subject companies or third party in connection with the research report on any account what so ever except as otherwise disclosed in the research report.

Maybank IBG may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

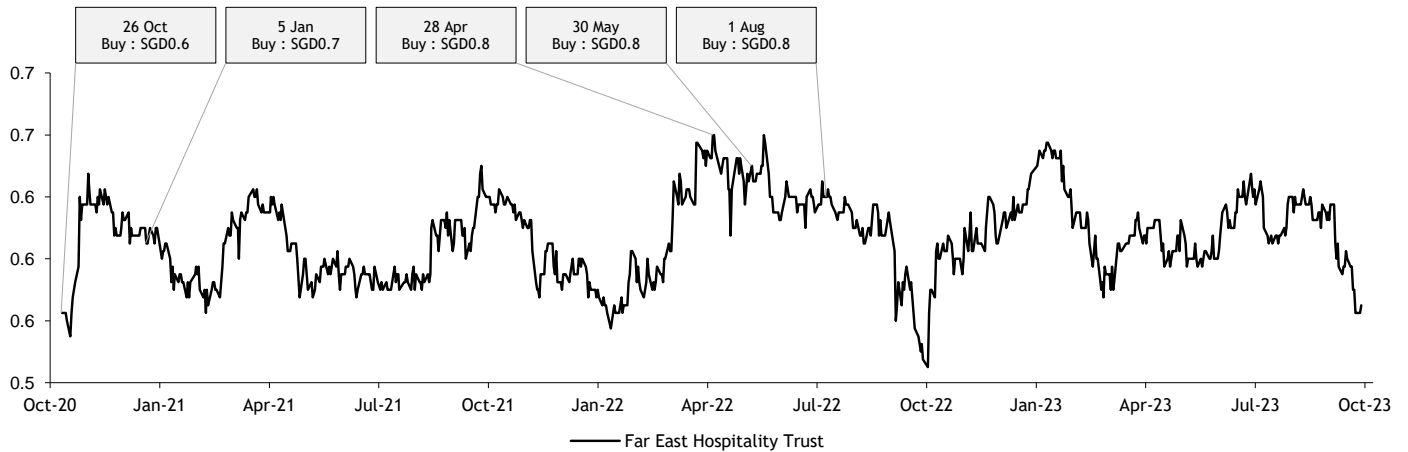
The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of Maybank IBG.

Historical recommendations and target price: Far East Hospitality Trust (FEHT SP)



Definition of Ratings

Maybank IBG Research uses the following rating system

- BUY** Return is expected to be above 10% in the next 12 months (including dividends)
- HOLD** Return is expected to be between 0% to 10% in the next 12 months (including dividends)
- SELL** Return is expected to be below 0% in the next 12 months (including dividends)

Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

 **Malaysia**

Maybank Investment Bank Berhad
(A Participating Organisation of
Bursa Malaysia Securities Berhad)
33rd Floor, Menara Maybank,
100 Jalan Tun Perak,
50050 Kuala Lumpur
Tel: (603) 2059 1888;
Fax: (603) 2078 4194

Stockbroking Business:
Level 8, Tower C, Dataran Maybank,
No.1, Jalan Maarof
59000 Kuala Lumpur
Tel: (603) 2297 8888
Fax: (603) 2282 5136

 **Singapore**

Maybank Securities Pte Ltd
Maybank Research Pte Ltd
50 North Canal Road
Singapore 059304

Tel: (65) 6336 9090

 **Indonesia**

PT Maybank Sekuritas Indonesia
Sentral Senayan III, 22nd Floor
Jl. Asia Afrika No. 8
Gelora Bung Karno, Senayan
Jakarta 10270, Indonesia

Tel: (62) 21 2557 1188

Fax: (62) 21 2557 1189

 **Thailand**

Maybank Securities (Thailand) PCL
999/9 The Offices at Central World,
20th - 21st Floor,
Rama 1 Road Pathumwan,
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)

Tel: (66) 2 658 6801 (research)

 **London**

Maybank Securities (London) Ltd
PNB House
77 Queen Victoria Street
London EC4V 4AY, UK

Tel: (44) 20 7332 0221

Fax: (44) 20 7332 0302

 **India**

MIB Securities India Pte Ltd
1101, 11th floor, A Wing, Kanakia
Wall Street, Chakala, Andheri -
Kurla Road, Andheri East,
Mumbai City - 400 093, India

Tel: (91) 22 6623 2600

Fax: (91) 22 6623 2604

 **Vietnam**

Maybank Securities Limited
Floor 10, Pearl 5 Tower,
5 Le Quy Don Street,
Vo Thi Sau Ward, District 3
Ho Chi Minh City, Vietnam

Tel : (84) 28 44 555 888

Fax : (84) 28 38 271 030

 **Hong Kong**

MIB Securities (Hong Kong)
Limited
28/F, Lee Garden Three,
1 Sunning Road, Causeway Bay,
Hong Kong

Tel: (852) 2268 0800

Fax: (852) 2877 0104

 **Philippines**

Maybank Securities Inc
17/F, Tower One & Exchange
Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1200

Tel: (63) 2 8849 8888

Fax: (63) 2 8848 5738

 **Sales Trading**
Indonesia

Helen Widjaja
helen.widjaja@maybank.com
(62) 21 2557 1188

Philippines

Keith Roy
keith_roy@maybank.com
Tel: (63) 2 848-5288

London

Greg Smith
gsmith@maybank.com
Tel: (44) 207-332-0221

India

Sanjay Makhija
sanjaymakhija@maybank.com
Tel: (91)-22-6623-2629

www.maybank.com/investment-banking
www.maybank-keresearch.com