

## **FAR EAST HOSPITALITY TRUST**

A hospitality stapled group comprising:

### **Far East Hospitality Real Estate Investment Trust**

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

### **Far East Hospitality Business Trust**

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

- (1) **NOTICE OF BOOKS CLOSURE AND DISTRIBUTION PAYMENT DATE**
- (2) **APPLICATION OF DISTRIBUTION REINVESTMENT PLAN TO THE DISTRIBUTION FOR THE PERIOD FROM 1 OCTOBER 2018 TO 31 DECEMBER 2018**

**NOTICE IS HEREBY GIVEN THAT** the Transfer Books and Register of Stapled Securityholders of Far East Hospitality Trust ("**Far East H-Trust**") will be closed at **5.00 p.m.** on **Thursday, 21 February 2019** (the "**Books Closure Date**") for the purpose of determining the entitlements of stapled securityholders of Far East H-Trust ("**Stapled Securityholders**") to Far East H-Trust's distribution for the period from 1 October 2018 to 31 December 2018, as detailed below.

FEO Hospitality Asset Management Pte. Ltd., as manager (the "**REIT Manager**") of Far East Hospitality Real Estate Investment Trust ("**Far East H-REIT**") and FEO Hospitality Trust Management Pte. Ltd., as trustee-manager (the "**BT Trustee-Manager**", and together with the REIT Manager, the "**Managers**") of Far East Hospitality Business Trust ("**Far East H-BT**"), have determined that the Far East Hospitality Trust Distribution Reinvestment Plan ("**DRP**") will apply to the distribution for the period from 1 October 2018 to 31 December 2018. Please refer to the section below on "Distribution Reinvestment Plan" for details.

Stapled Securityholders whose securities accounts with The Central Depository (Pte) Limited ("**CDP**") are credited with stapled securities of Far East H-Trust ("**Stapled Securities**") as at **5.00 p.m.** on the Books Closure Date will be entitled to the distribution, to be either paid in cash or new Stapled Securities credited to the relevant Stapled Securityholders' securities accounts on **28 March 2019**.

## **DISTRIBUTION DETAILS**

We are pleased to inform you that Far East H-Trust has announced a distribution of 1.00 Singapore cents per Stapled Security (the "**Distribution**") for the period from 1 October 2018 to 31 December 2018, comprising entirely taxable income distribution from Far East H-REIT.

## **DECLARATION FOR SINGAPORE TAX PURPOSES**

1. For Singapore income tax purposes, the components making up a Stapled Security are recognised separately, i.e. as one Far East H-REIT unit and one Far East H-BT unit. Accordingly, distributions from Far East H-Trust are recognised separately as distributions from Far East H-REIT and distributions from Far East H-BT for the purpose of determining the applicable Singapore tax treatment.
2. For taxable income distribution from Far East H-REIT, tax will be deducted at source in certain circumstances. The following paragraphs describe the circumstances in which tax will or will not be deducted from such distribution.

3. The following categories of Stapled Securityholders will receive a gross distribution (i.e. no tax will be deducted from it):-
  - (a) holders who are individuals and who hold the Stapled Securities either in their sole names or jointly with other individuals;
  - (b) holders which are companies incorporated and tax resident in Singapore;
  - (c) holders which are Singapore branches of companies incorporated outside Singapore;
  - (d) holders which are body of persons (excluding companies or partnerships) incorporated or registered in Singapore, such as:
    - (i) charities registered under the Charities Act (Cap. 37) or established by any written law; or
    - (ii) town councils; or
    - (iii) statutory boards; or
    - (iv) co-operative societies registered under the Co-operative Societies Act (Cap. 62); or
    - (v) trade unions registered under the Trade Unions Act (Cap. 333);
  - (e) holders which are international organisation that is exempt from tax on such distribution by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145)
  - (f) holders which are real estate investment trust exchange-traded funds ("REIT ETFs") which have been accorded the tax transparency treatment; and
  - (g) Supplementary Retirement Scheme ("**SRS**") operators, acting in their capacity as nominees for Stapled Securities purchased using SRS funds.
4. To receive a gross distribution, Stapled Securityholders in categories (b) to (f) under Paragraph 3 above must complete a prescribed form – the "*Declaration for Singapore Tax Purposes Form*" ("**Form A**").
5. These categories of Stapled Securityholders, unless they are exempt from tax because of their own circumstances, will have to pay income tax subsequently at their own applicable tax rates.
6. Stapled Securityholders in category (a) under Paragraph 3 above are not required to submit any form. The gross distribution received by these Stapled Securityholders (irrespective of their tax residence status) is exempt from tax if it is not derived through a partnership in Singapore or from the carrying on of a trade, business or profession. Where the distributions are received by such Stapled Securityholders through a partnership in Singapore or from the carrying on of a trade, business or profession, such Stapled Securityholders must declare the distributions received as income in their Singapore income tax returns.
7. Tax at the reduced rate of 10 per cent. (10%) will be deducted from the distribution made to foreign non-individual Stapled Securityholders. A foreign non-individual Stapled Securityholder is one (other than an individual) who is not a resident of Singapore for income tax purposes and:-
  - (a) who does not have a permanent establishment in Singapore; or

- (b) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Stapled Securities in Far East H-Trust are not obtained from that operation.
8. To receive the distribution net of tax deducted at 10 per cent. (10%), foreign non-individual Stapled Securityholders are required to complete Form A.
9. Beneficial owners of Stapled Securities in Far East H-Trust who hold their Stapled Securities through depository agents will receive:-
- (a) gross distribution if they are persons described in categories (a) to (f) under Paragraph 3 above; and
- (b) distribution net of tax deducted at 10 per cent. (10%) if they are foreign non-individuals described in Paragraph 7 above.
10. To receive gross distribution or distribution net of tax deducted at 10 per cent. (10%), depository agents are required to complete the "*Declaration by Depository Agents for Singapore Tax Purposes Form*" ("**Form B**") and its annexes.
11. Form A and Form B (and its annexes) will be sent to Stapled Securityholders and depository agents respectively, by Far East H-Trust's Stapled Security Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. (the "**Registrar**") on or around **28 February 2019**.
12. Stapled Securityholders (Form A) and the depository agents (Form B and its annexes) will have to complete the forms legibly and send it to the Registrar by **5.00 p.m. on 12 March 2019**. DBS Trustee Limited, the trustee of Far East H-REIT (the "**REIT Trustee**") and the REIT Manager will rely on the declarations made in Form A and Form B to determine if tax is to be deducted. Failure to comply with any of these requirements will render Form A and Form B invalid and the REIT Trustee and the REIT Manager will be obliged to deduct the appropriate amount of tax from the Distribution.
13. Stapled Securityholders who hold the Stapled Securities under the SRS do not have to return any form as they will receive gross distributions as long as distributions are paid to their respective SRS accounts.

## **DISTRIBUTION REINVESTMENT PLAN**

The DRP will be applicable to the Distribution. The statement containing the terms and conditions of the DRP (the "**DRP Statement**") is available on the website at <http://www.fareasthospitalitytrust.com>.

The DRP provides eligible Stapled Securityholders with the option to receive their Distribution, either in the form of Stapled Securities or cash or a combination of both. A Stapled Securityholder will have the following options in respect of his Distribution:

- elect to receive his or its entitlement to the Distribution solely in cash;
- elect to receive an allotment of Stapled Securities credited as fully paid in lieu of the cash amount of the distribution entitlement for the distribution period from 1 October 2018 to 31 December 2018 only; or

- elect to receive an allotment of Stapled Securities credited as fully paid in lieu of part of the cash amount of the distribution entitlement for the distribution period from 1 October 2018 to 31 December 2018 and the remaining distribution entitlement in cash.

Participation in the DRP is voluntary and Stapled Securityholders may elect to participate in respect of all or part of their stapled security holding. Stapled Securities to be issued under the DRP in respect of the Distribution will be issued under the existing general mandate for the issuance of Stapled Securities which was granted on **23 April 2018** and which will expire upon (i) the conclusion of the next annual general meeting of Far East H-Trust; or (ii) the date by which the next annual general meeting of Far East H-Trust is required by law to be held, whichever is earlier.

## 1. Notice of Election

The Notices of Election<sup>1</sup> will be sent to eligible Stapled Securityholders registered in the Register of Stapled Securityholders or Depository Register<sup>2</sup> (as the case may be) as at the Books Closure Date.

Stapled Securityholders who wish to participate in the DRP will have to complete the Notice of Election and send it to the Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 (Telephone number: +65 6536 5355), such that it is received by **5.00 p.m. on 12 March 2019**.

Stapled Securityholders who wish to receive their Distribution solely in cash need not take any action.

Stapled Securityholders who wish to participate in the DRP and do not receive the Notice of Election within three (3) Market Days<sup>3</sup> after the expected date of despatch on **28 February 2019** may obtain a copy from the Registrar.

## 2. Overseas Stapled Securityholders

Only Stapled Securityholders with Singapore registered addresses will be eligible to participate in the DRP. For practical reasons and to avoid any violation of the securities laws applicable in countries outside Singapore where Stapled Securityholders may have their registered addresses, the DRP will not be offered to Overseas Stapled Securityholders (as defined in the DRP Statement). Stapled Securityholders with registered mailing addresses outside Singapore as at the Books Closure Date and who wish to be eligible to participate in the DRP should provide an address in Singapore for the service of notices and documents to (i) in the case of Overseas Stapled Securityholders who are Depository Stapled Securityholders (as defined in the DRP Statement), The Central Depository (Pte) Limited, 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589 or (ii) in the case of Overseas Stapled Securityholders who are Non-Depository Stapled Securityholders (as defined in the DRP Statement), the Managers c/o the Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than three (3) Market Days prior to the Books Closure Date. Stapled Securityholders should note that all correspondences and

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<sup>1</sup> "Notice of Election" shall mean the one (1) or more notices of election (in such form as the Managers may approve) through which an eligible Stapled Securityholder may indicate whether it wishes to participate in the DRP.

<sup>2</sup> "Depository Register" shall have the meaning ascribed to it in the Securities and Futures Act, Chapter 289 of Singapore.

<sup>3</sup> "Market Day" means a day on which the SGX-ST is open for trading in securities.

notices will be sent to their last registered addresses with CDP (in the case of Overseas Stapled Securityholders who are Depository Stapled Securityholders) or the Registrar (in the case of Overseas Stapled Securityholders who are Non-Depository Stapled Securityholders). Stapled Securityholders who are subject to the laws and regulations of jurisdictions outside Singapore shall, in participating in the DRP, be deemed to have complied with all applicable legal and regulatory requirements of the relevant jurisdictions.

Where deduction of income tax is applicable and the Stapled Securityholders elect to receive the distributions in Stapled Securities, the number of Stapled Securities to be allotted under the DRP will be computed based on the distributions net of tax deducted.

### 3. Issue Price

The issue price of each new Stapled Security for this DRP will be set at a two per cent. (2%) discount to the volume-weighted average trading price per Stapled Security for all trades on the SGX-ST for each of the Market Days during the period of 10 Market Days immediately prior to, and ending on, the Books Closure Date.

The Managers will announce further details in relation to the application of the DRP to the Distribution, including the issue price of new Stapled Securities, in due course.

### DECLARATION IN INCOME TAX RETURN

This Distribution is considered as income for the year 2018. Beneficial owners of the Distribution, other than those who are exempt from tax on the Distribution or who are entitled to the reduced tax rate of 10 per cent. (10%) are required to declare the gross amount of the Distribution as taxable income in their Singapore income tax return for the year of assessment 2019.

### IMPORTANT REMINDER

The Registrar will despatch the relevant forms to Stapled Securityholders on or around **28 February 2019**.

Stapled Securityholders and the depository agents must complete and return the Notice of Election and Declaration for Singapore Tax Purposes Forms A and B (and its annexes), respectively to the Registrar's office by 5.00 p.m. on **Tuesday, 12 March 2019** in order to receive the Distributions either at gross or at net (after deduction of tax at 10 per cent. (10%)) as described above.

### IMPORTANT DATES AND TIMES

Date/Time	Event
Tuesday, 19 February 2019	Last date that the Stapled Securities are quoted on a "cum" distribution basis
Thursday, 21 February 2019 at 5.00 p.m.	Closure of the Transfer Books and Register of Stapled Securityholders
Thursday, 21 February 2019	Date of announcement of Issue Price

Thursday, 28 February 2019	Despatch of Notices of Election and Tax Declaration Forms <sup>4</sup>
Tuesday, 12 March 2019 at 5.00 p.m.	Completed Notice of Election and Tax Declaration Form (if applicable) in respect of participation in the DRP must be received by the Registrar
Thursday, 28 March 2019	Payment of Distribution and Listing of the Stapled Securities issued pursuant to the DRP on the SGX-ST

Should Stapled Securityholders have any queries in relation to the matters stated above, please do not hesitate to contact:

**Ms Charissa Liu**

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 Telephone: +65 6536 5355

**By Order of the Board**

Gerald Lee Hwee Keong  
 Chief Executive Officer  
 FEO Hospitality Asset Management Pte. Ltd.  
 (Company Registration No. 201102629K)  
 13 February 2019

**By Order of the Board**

Gerald Lee Hwee Keong  
 Chief Executive Officer  
 FEO Hospitality Trust Management Pte. Ltd.  
 (Company Registration No. 201210698W)  
 13 February 2019

**Important Notice**

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Stapled Securities.

The value of Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of their affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Managers to redeem their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on the SGX-ST. Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities. The past performance of Far East H-Trust is not necessarily indicative of the future performance of Far East H-Trust.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Stapled Securities in the United States. This announcement is not for publication or distribution,

<sup>4</sup> "Tax Declaration Forms" means Declaration for Singapore Tax Purposes Form A and Form B (and its annexes), which are sent to all Stapled Securityholders except individual Stapled Securityholders.

directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Canada or Japan. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. No public offering of securities is being made in the United States.