

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)

INCENTIVE FEE FROM THE DIVESTMENT OF CENTRAL SQUARE

*Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the announcements of Far East Hospitality Trust (“**Far East H-Trust**”) dated 2 December 2021 titled “**Divestment of Central Square**” and dated 25 March 2022 titled “**Completion of the Divestment of Central Square**” (collectively, the “**Divestment and Completion Announcements**”).*

Singapore, 27 March 2023 – Further to the Divestment and Completion Announcements, the Managers¹ of Far East H-Trust are pleased to announce that Far East H-REIT has received an additional payment of S\$18.0 million, being the maximum amount of the incentive fee payable by the Acquirer to the REIT in consideration of the Acquirer having obtained provisional permission from the Urban Redevelopment Authority in accordance with the terms of the Contract for the redevelopment of Central Square.

The additional payment of S\$18.0 million, together with the purchase consideration of S\$313.2 million received earlier, amount to total aggregate sum of S\$331.2 million. It represents a 67.0% premium to the book value of the property as at 30 September 2021, and an 80.7% premium to the original purchase price of S\$183.3 million in August 2012. After providing for the divestment costs of S\$2.6 million, the net gain is approximately S\$130.3 million².

The divestment of Central Square comes after a multi-year effort by the REIT Manager in master planning and consultations with various parties, resulting in the ability for Far East H-Trust to unlock latent value in its portfolio of hospitality assets and to strengthen its balance sheet. It has provided greater financial flexibility for the REIT Manager to redeploy the proceeds to deliver optimal value to Stapled Securityholders.

¹ FEO Hospitality Asset Management Pte. Ltd., as manager of Far East Hospitality Real Estate Investment Trust (“Far East H-REIT”, and as manager of Far East H-REIT, the “REIT Manager”), and FEO Hospitality Trust Management Pte. Ltd., as trustee-manager of Far East Hospitality Business Trust (“Far East H-BT”, and as trustee-manager of Far East H-BT, the “Trustee-Manager”, and together with the REIT Manager, the “Managers”).

² In excess of the book value of the Leasehold Interest of the Property of approximately S\$198.3 million as at 30 September 2021.

By Order of the Board

Gerald Lee Hwee Keong
Chief Executive Officer
FEO Hospitality Asset Management Pte. Ltd.
(as manager of Far East Hospitality
Real Estate Investment Trust)
(Company Registration No. 201102629K)

27 March 2023

By Order of the Board

Gerald Lee Hwee Keong
Chief Executive Officer
FEO Hospitality Trust Management Pte. Ltd.
(as trustee-manager of Far East Hospitality
Business Trust)
(Company Registration No. 201210698W)

27 March 2023

Important Notice

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for stapled securities in Far East H-Trust (the “**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.

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