

FAR EAST HOSPITALITY TRUST

A 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)

ANNOUNCEMENT

Annual General Meeting held on 22 April 2025 Responses to Substantial and Relevant Questions

FEO Hospitality Asset Management Pte. Ltd., as manager of Far East Hospitality Real Estate Investment Trust (“**Far East H-REIT**”, and the 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 the trustee-manager of Far East H-BT, the “**Trustee-Manager**”, and together with the REIT Manager, the “**Managers**”, and Far East H-REIT and Far East H-BT together, “**Far East H-Trust**” or the “**Trust**”) would like to thank all stapled securityholders of Far East H-Trust (“**Stapled Securityholders**”) who have submitted their questions in advance of our Annual General Meeting (“**AGM**”) to be held at Antica Ballroom, Orchard Rendezvous Hotel, 1 Tanglin Road, Singapore 247905 on Tuesday, 22 April 2025 at 2.30 p.m..

Questions that are similar in nature are grouped together as shown below. Please refer to the subsequent pages for responses to the list of substantial and relevant questions.

A. Sponsor Pipeline & Capital Management

1. What is Far East H-Trust’s approach towards acquiring properties from its Sponsor?

- Please share the timeline for potential acquisitions, and when the last such acquisition took place.
- Why has there been limited acquisition activity from the Sponsor?

Manager’s Response: Far East H-Trust adopts a disciplined and prudent approach to acquisitions, including those from the Sponsor, Far East Organization. All potential acquisitions must be yield-accretive and aligned with our long-term strategy to deliver sustainable value to Stapled Securityholders.

The REIT Manager maintains regular engagement with the Sponsor to evaluate potential acquisition opportunities, including properties under the Right of First Refusal (“**ROFR**”) arrangement as well as other Sponsor-owned assets. Examples of such assets include Amoy Hotel, The Clan Hotel, Oasia Residence, and the three hotels on Sentosa — Village Hotel Sentosa, The Outpost Hotel, and The Barracks Hotel.

The last acquisition from the Sponsor was Oasia Hotel Downtown in April 2018. Since then, the REIT Manager has focused on asset enhancement initiatives (“**AEIs**”) and asset recycling as part of its ongoing efforts to strengthen both the portfolio and balance sheet. Notable AEIs in recent years include the façade enhancement and upgrading of the outdoor refreshment area at Orchard Rendezvous Hotel (completed in January 2023), the renovation and rebranding of The Elizabeth Hotel to Vibe Hotel Singapore Orchard (completed in November 2022), and the refurbishment and rebranding of Regency House to Adina Serviced Apartments Singapore Orchard (completed in July 2022).

	<p>As part of the asset recycling strategy for Far East H-Trust, Central Square — a mixed-use development comprising Village Residence Clarke Quay and commercial/office spaces — was divested in March 2022 for S\$313.2 million. An additional incentive fee of S\$18.0 million was received in March 2023 upon meeting certain conditions under the sale agreement, bringing the total proceeds to S\$331.2 million. This represented an uplift of approximately S\$147.9 million or 80.7% over the original purchase price of S\$183.3 million. The divestment achieved a final exit yield of 1.7%, enabling Far East H-Trust to unlock value from a mature asset. Proceeds from the divestment were used to partially pre-pay borrowings and reduce interest costs, a move that was timely given the sharp rise in interest rates between 2022 and 2024.</p> <p>While the REIT Manager remains open to acquisitions from the Sponsor, the pace has been dampened by several factors. Firstly, performance of the Sponsor's assets was affected by COVID-19 in the last few years. These assets need to reach a level of stabilised operating performance before they can be considered for acquisition. Secondly, the high interest rate environment has made debt-funded acquisitions more challenging, particularly where the yield spread over borrowing costs is insufficient. In parallel, the REIT Manager also evaluates third-party acquisition opportunities as part of its broader strategy to identify yield-accretive assets.</p> <p>The REIT Manager remains disciplined and selective in its evaluation of acquisition opportunities, proceeding only when a transaction is expected to be yield-accretive and aligned with Far East H-Trust's long-term strategic and financial objectives. With a strong balance sheet and a clear investment framework, Far East H-Trust is well-positioned to capitalise on suitable opportunities as they arise.</p>
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2.	<p>With the Far East H-Trust's current low gearing of around 30%, would management consider acquiring sponsor assets to optimise capital structure?</p> <p>Manager's Response: As at 31 December 2024, Far East H-Trust reported a healthy gearing level of 30.8%, providing ample financial flexibility to pursue growth opportunities. Based on the average S-REIT gearing of 40%, the Trust has an estimated debt headroom of approximately S\$412 million. While the Monetary Authority of Singapore permits a maximum gearing of 50% for S-REITs, the REIT Manager adopts a measured approach to capital management in order to maintain balance sheet strength and support long-term strategic objectives.</p> <p>In February 2025, Far East H-Trust expanded its investment mandate to allow for overseas investments. This strategic shift facilitated Far East H-Trust's first hotel acquisition outside Singapore — Four Points by Sheraton Nagoya, a freehold property in Japan. The acquisition marks a meaningful step towards diversifying the Trust's portfolio both geographically and by income stream, enhancing its long-term resilience and growth potential.</p> <p>Management recognises that deploying available debt capacity for yield-accretive acquisitions can enhance capital efficiency and support sustainable growth in distributions to Stapled Securityholders. Each acquisition opportunity is carefully evaluated based on its individual merits, including expected returns, market positioning, and fit within the overall portfolio. The Trust's disciplined capital management framework remains central to enhancing long-term value for Stapled Securityholders while ensuring flexibility to capitalise on suitable growth opportunities.</p>
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By Order of the Board

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

17 April 2025

By Order of the Board

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

17 April 2025