

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)

**ISSUANCE OF EARN-OUT STAPLED SECURITIES IN RELATION TO THE
ACQUISITION OF OASIA HOTEL DOWNTOWN**

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**") (the Trustee-Manager together with the REIT Manager, the "**Managers**") refer to:

- (i) the announcement dated 12 January 2018 titled "Acquisition of Oasia Hotel Downtown";
- (ii) the circular to stapled securityholders of Far East Hospitality Trust ("**Far East H-Trust**", and the stapled securityholders of Far East H-Trust, the "**Stapled Securityholders**") dated 13 February 2018 (the "**Circular**");
- (iii) the announcement dated 2 April 2018 titled "Completion of the Acquisition of Oasia Hotel Downtown";
- (iv) the announcement dated 29 October 2020 titled "Extension Event under the Earn-Out Agreement in relation to the Acquisition of Oasia Hotel Downtown" (the "**29 October 2020 Announcement**"); and
- (v) the announcement dated 25 November 2022 titled "Extension Event under the Earn-Out Agreement in relation to the Acquisition of Oasia Hotel Downtown" (the "**25 November 2022 Announcement**").
- (vi) Far East H-Trust's unaudited financial statements announcement for the half year and full year ended 31 December 2024 as announced on 12 February 2025; and
- (vii) Far East H-Trust's annual report for the financial year ended 31 December 2024 as published on 21 March 2025 ("**Annual Report 2024**").

Unless otherwise defined herein, all capitalised terms in this announcement shall have the meanings ascribed to them in the Circular.

In connection with the acquisition of Oasia Hotel Downtown (the "**Property**", and the acquisition of the Property, the "**Acquisition**"), DBS Trustee Limited, in its capacity as trustee of Far East H-REIT (the "**REIT Trustee**"), and Far East SOHO Pte. Ltd. (the "**Vendor**") had entered into an earn-out agreement (the "**Earn-out Agreement**") on 2 April 2018, being the date of the completion of the Acquisition. Pursuant to the Earn-out Agreement, the REIT Trustee will issue an aggregate of S\$15.0 million worth of stapled securities of Far East H-Trust (the "**Earn-out Stapled Securities**") to the

Vendor or its nominee if, during the Earn-out Period¹, the net property income (“NPI”) of the Property is at least S\$9.9 million per annum (the “**Target NPI PA**”) for each of (a) an entire Earn-out Year² (the “**First Consecutive Earn-out Year**”) and (b) the “Second Consecutive Earn-out Year”³ (the “**Earn-out Event Condition**”), and the Earn-out Event Condition is deemed to have been met in accordance with the Earn-out Agreement.

As announced by the Managers in the 29 October 2020 Announcement and the 25 November 2022 Announcement, due to the disruption caused by the Covid-19 pandemic and the various restrictions imposed, which have rendered the Property not fully operational and accessible in the normal course of business as a hotel for more than one month, Extension Events⁴ had occurred and the Earn-out Expiry Date was extended from 31 December 2023 to 31 December 2024, and subsequently, to 31 December 2025, in accordance with Clause 2.5 of the Earn-out Agreement.

As stated in the Annual Report 2024, the Earn-out Event Condition was satisfied as the NPI of the Property was at least S\$9.9 million per annum for the full fiscal year ended 31 December 2023 (*being the First Consecutive Earn-out Year*) and the full fiscal year ended 31 December 2024 (*being the Second Consecutive Earn-out Year*). A confirmation (in the form set out in the Earn-out Agreement) in respect of the First Consecutive Earn-out Year and the Second Consecutive Earn-out Year had also been executed by the REIT Trustee and the Vendor.

Following the satisfaction of the Earn-out Event Condition, the Earn-out Stapled Securities will be issued to the Vendor or its nominee in accordance with the Earn-out Agreement.

The issue price of the Earn-out Stapled Securities will be determined based on the volume weighted average price for a Stapled Security for all trades on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the period of 10 business days commencing on the first day of “ex-dividend” trading in relation to the books closure date for the advanced distribution or, as the case may be, cumulative distribution declared by the REIT Manager (in relation to the Stapled Securities in issue).

The Managers had obtained the approval of the Stapled Securityholders at the extraordinary general meeting of the Stapled Securityholders on 12 March 2018 (the “**EGM**”) for the issuance of the Earn-out Stapled Securities and the Earn-out Stapled Securities will be issued pursuant to the specific approval of the Stapled Securityholders at the EGM.

The Managers intend to declare, in respect of the existing Stapled Securities, an advance distribution for the period from 1 July 2025 to 19 August 2025, being the day immediately preceding the day of the issuance of the Earn-out Stapled Securities (the “**Advanced Distribution**”). The Advanced Distribution is intended to ensure that the distributable income accrued by Far East H-Trust up to the day immediately preceding the day of the issuance of the Earn-out Stapled Securities is only

¹ “**Earn-out Period**” refers to the period commencing from (and including) 2 April 2018, up to (and including) 31 December 2023, or such extended expiry date (the “**Earn-out Expiry Date**”) in accordance with Clause 2.5 of the Earn-out Agreement, whichever is later.

² “**Earn-out Year**” refers to any full Fiscal Year within the Earn-out Period.

³ “**Second Consecutive Earn-out Year**” means:

- (a) the entire Earn-out Year immediately following the First Consecutive Earn-out Year; or
- (b) the Fiscal Year immediately following the Disrupted Year(s), if the First Consecutive Earn-out Year is followed by one or two consecutive Fiscal Year(s) in which an Extension Event has occurred and for which the Target NPI PA has not been achieved (each a “**Disrupted Year**”).

⁴ See “Summary – The Proposed Earn-out Arrangement” on page 2 of the Circular for further details on Clause 2.5 of the Earn-out Agreement and the Extension Events.

distributed in respect of the existing Stapled Securities, and is being proposed as a means to ensure fairness to the holders of the existing Stapled Securities.

The Earn-out Stapled Securities will, upon issue and allotment, rank pari passu in all respects with the existing Stapled Securities, excluding the right to any distributions which may accrue prior to issuance of the Earn-out Stapled Securities.

The Managers will make further announcements on the allotment and issuance of the Earn-out Stapled Securities.

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)
30 July 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)
30 July 2025

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, 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.