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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)

ACQUISITION OF A HOTEL PROPERTY AND A KABUSHIKI KAISHA IN JAPAN

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1. INTRODUCTION

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**") are pleased to announce that:

(i) Far East H-REIT, through a Japan *tokutei mokuteki kaisha* ("**TMK**")[1], Nagoya Falcon TMK ("**Hotel TMK**") has entered into a trust beneficiary interest sale and purchase agreement ("**TBI SPA**") with an unrelated third party (the "**Vendor**") to acquire the trust beneficial interest of a hotel property (the "**Property**") (comprising of the land and building ("**Building**") thereon) known as Four Points by Sheraton Nagoya, Chubu International Airport, which is located at 4-10-5, Centrair, Tokoname-shi, Aichi (the trust beneficial interest of the Property, the "**Property TBI**", and the acquisition of the Property TBI, the "**Property TBI Acquisition**"); and

(ii) Far East H-BT, through its wholly-owned subsidiary, FE Falcon Three Pte. Ltd. ("**Falcon 3**"), has entered into a shares transfer agreement ("**Shares SPA**") with the Vendor to acquire 100.0% of the shares in CENTRAIR hotel systems, Ltd., a *kabushiki kaisha* ("**Op Co**")[2] incorporated under the laws of Japan (the "**Op Co Acquisition**", together with the Property TBI Acquisition, the "**Acquisitions**").

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[1] A TMK is a corporate entity established under the Act on Securitization of Assets of Japan and is entitled to reduced tax rates upon the acquisition of a real estate provided that certain criteria are met. A TMK is often used in Japan for real estate investments where the TMK acquires actual real properties or trust beneficiary interests.

[2] A *kabushiki kaisha* is a joint stock company in Japan.

Far East H-BT is currently dormant, and it is intended that Far East H-BT will be activated to be the master lessee of the Property (through the Op Co) upon the completion of the Acquisitions. In connection with the Acquisitions, Far East H-BT (through the Op Co) will be appointed as the master lessee of the Property pursuant to a master lease agreement with Mitsubishi UFJ Trust and Banking Corporation, the trustee of the Property TBI (the "**Master Lease Agreement**").

2. KEY ASPECTS OF THE ACQUISITIONS

2.1 Information on the Property

The Property is a 12-storey hotel known as Four Points by Sheraton Nagoya, Chubu International Airport located on the airport island of Chubu Centrair International Airport. A summary of the Property is as follows:

Hotel Opening Date	November 2018
Land Title	Freehold
Land Area	Hotel: approximately 3,000 square metres ("**sqm**") Carpark: approximately 6,750 sqm Total: approximately 9,750 sqm
Gross Floor Area	Approximately 14,062 sqm
Number of Rooms	319
Average Room Size	Approximately 26 sqm
Facilities	Restaurant, Bar, Fitness gym
Operator	Marriott International

The Hotel TMK will be appointing EGW Asset Management Inc., an unrelated third party (the "**Asset Manager**"), as the asset manager of the Property and the Property TBI under an asset management agreement (the "**Asset Management Agreement**") between the Hotel TMK and the Asset Manager. The entry into the Asset Management Agreement would not constitute an "interested person transaction" under the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Listing Manual**").

2.2 Activation of Far East H-BT and the Master Lease Agreement

Far East Hospitality Trust ("**Far East H-Trust**") is a hospitality stapled group comprising Far East H-REIT and Far East H-BT. The units in each of Far East H-REIT and Far East H-BT are stapled together under the terms of a stapling deed dated 1 August 2012 (as amended, varied or supplemented from time to time) entered into between the REIT Manager, DBS Trustee Limited, in its capacity as trustee of Far East H-REIT (the "**REIT Trustee**") and the Trustee-Manager (the "**Stapling Deed**") and cannot be traded separately. Each stapled security in Far East H-Trust ("**Stapled Security**") comprises a unit in Far East H-REIT and a unit in Far East H-BT. As such, each holder of the Stapled Securities ("**Stapled Securityholder**") will be a holder of Far East H-REIT units and at the same time a holder of

Far East H-BT units.

Far East H-BT is currently dormant, and it is intended that Far East H-BT will be activated to be appointed as the master lessee of the Property (through the Op Co) pursuant to the Master Lease Agreement upon the completion of the Acquisitions. The Op Co has an existing management contract with Marriott International (the "**Operator**") to operate the Property under the "Four Points by Sheraton" brand. The Operator's "Marriott Bonvoy loyalty program", which is the largest in the world with nearly 228 million members,[3] represents a substantial potential customer base for the Property.

Far East H-BT (through the Op Co) will also continue to take on the operating contracts in connection with the running of the business of the Property, including any ancillary agreements. The Master Lease Agreement is an agreement within the stapled group comprising of Far East H-REIT and Far East H-BT.

2.3 Purchase Consideration and Valuation

The purchase consideration payable to the Vendor in connection with the Acquisitions comprises (the "**Total Purchase Consideration**"):

(i) in respect of the Property TBI Acquisition (the "**Property TBI Purchase Consideration**"),

(a) an amount of JPY 6.0 billion (approximately S$52.8 million)[4] (the "**Initial Purchase Consideration**") payable by the Hotel TMK on the Property TBI Closing Date (as defined below); and

(b) a total adjusted amount ("**Adjusted Purchase Consideration**") not exceeding JPY 1.75 billion (approximately S$15.4 million). Under the TBI SPA, the Adjusted Purchase Consideration (a) may be payable in April or May of the calendar year from 2026 to 2028 ("**Calendar Year**") and (b) shall be the amount that is derived from subtracting the Initial Purchase Consideration from the value obtained from applying a 5.0% capitalisation rate to the net operating income generated from the Property TBI for the relevant Calendar Year[5] in the Relevant Period[6] (i.e. by dividing the net operating income generated from the Property TBI for such Relevant Period by 5.0%) ("**Relevant Additional Purchase Consideration**") and further subtracting any Relevant Additional Purchase Consideration(s) that had been paid in the preceding Calendar Year(s), provided further that, in the event that capital expenditure was incurred towards the Building to improve

[3] Source: CoStar's "Hotel Brand Loyalty by the Numbers" report (June 2024), and latest loyalty programme membership figures from Marriott International and Hilton Worldwide Holdings as reported in their 4Q 2024 results.

[4] Unless otherwise stated, the S$ equivalent of the JPY figures in this Announcement have been arrived at based on assumed exchange rates of JPY 1 : S$0.0088.

[5] For the payment made in 2026, the relevant Calendar Year in the Relevant Period shall be 2025; for the payment made in 2027, the relevant Calendar Year in the Relevant Period shall be 2026; and for the payment made in 2028, the relevant Calendar Year in the Relevant Period shall be 2027.

[6] **"Relevant Period"** means the period from 1 January 2025 to 31 December 2025 ("**2025**"), 1 January 2026 to 31 December 2026 ("**2026**") or 1 January 2027 to 31 December 2027 ("**2027**").

the quality of the Property ("**CAPEX**"), the CAPEX amount shall be deducted from the Relevant Additional Purchase Consideration. In the event that the value derived is zero or negative in respect of any Relevant Period, no amount is payable to the Vendor for such Relevant Period. The total amount of the Adjusted Purchase Consideration over the full Relevant Period of 2025, 2026 and 2027 shall not exceed JPY 1.75 billion (approximately S$15.4 million), and once the total amount of Relevant Additional Purchase Consideration reaches JPY 1.75 billion, the Hotel TMK shall not be obliged to pay any further amounts in respect of any outstanding Relevant Period(s); and

(ii) in respect of the Op Co Acquisition ("**Op Co Purchase Consideration**"), an estimated amount of JPY 0.05 billion (approximately S$0.4 million) payable by Falcon 3 on the Shares Closing Date (as defined below).

The Property TBI Purchase Consideration was negotiated on a willing-buyer and willing-seller basis and is supported by the Independent Valuation (as defined below). The Op Co Purchase Consideration was negotiated on a willing-buyer and willing-seller basis and it is based on the estimated adjusted aggregate net asset value of the Op Co as at 31 December 2024 (subject to post-completion adjustments).

The REIT Manager and the REIT Trustee have commissioned an independent valuer, CBRE K.K. ("**CBRE**") to value the Property. The independent valuation of the Property as at 31 December 2024 is JPY 7.79 billion (approximately S$68.6 million) (the "**Independent Valuation**"). The valuation methods used by CBRE were the cost approach and the income capitalisation approach comprising of the direct capitalisation method and the discounted cash flow method. The Initial Purchase Consideration of JPY 6.0 billion (approximately S$52.8 million) represents a 23.0% discount compared to the Independent Valuation, and the Property TBI Purchase Consideration of up to JPY 7.75 billion (approximately S$68.2 million) is also supported by the Independent Valuation.

2.4 Estimated Acquisition Cost

Excluding the Total Purchase Consideration, the other estimated cost of the Acquisitions (the "**Other Acquisition Cost**") is approximately S$7.2 million, comprising:

(i) refundable consumption tax and local consumption tax of JPY 0.6 billion (approximately S$5.2 million), which is paid in relation to the Property TBI Acquisition, as well as those associated with relevant acquisition costs and debt financing related cost for acquiring the Property TBI, and which are generally expected to be refunded;

(ii) the acquisition fee payable in cash to the REIT Manager for the Property TBI Acquisition pursuant to the trust deed dated 1 August 2012 (as amended, varied or supplemented from time to time) constituting Far East H-REIT (the "**REIT Trust**

Deed"), which amounts to approximately S$0.5 million[7]; and

(iii) the estimated stamp duty, professional and other fees and expenses incurred or to be incurred by Far East H-Trust in connection with the Acquisitions (inclusive of debt financing related expenses) of approximately S$1.5 million.

2.5 Method of Financing

The Managers intend to finance the Total Purchase Consideration and Other Acquisition Cost of approximately S$75.8 million (the "**Total Acquisition Cost**") through external debt financing.

2.6 Certain Principal Terms of the TBI SPA

The principal terms of the TBI SPA include, among others:

(a) the Hotel TMK shall provide a deposit ("**Deposit**") of JPY 0.3 billion (approximately S$2.6 million) to the Vendor by way of an irrevocable bank guarantee, which shall be returned by the Vendor to the Hotel TMK immediately after the payment of the Initial Purchase Consideration on the Property TBI Closing Date;

(b) The initial purchase price (inclusive of the Deposit, refundable consumption tax and local consumption tax) of JPY 6.4 billion (approximately S$56.7 million);

(c) the total amount of the Adjusted Purchase Consideration over the full Relevant Period of 2025, 2026 and 2027 shall not exceed JPY 1.75 billion (approximately S$15.4 million), and once the total amount of Adjusted Purchase Consideration reaches JPY 1.75 billion (approximately S$15.4 million), the Hotel TMK shall not have any obligation to pay the Adjusted Purchase Consideration;

(d) if the Hotel TMK sells the Property TBI or causes the trustee of the Property TBI to sell the Property to a third party by 1 January 2028, the Hotel TMK shall, pay the remaining amount calculated by deducting the Adjusted Purchase Consideration that has been paid at the time of the sale from JPY 1.75 billion (approximately S$15.4 million) to the Vendor ("**Early Sale Purchase Consideration**");

(e) the Hotel TMK shall cause the REIT Trustee to undertake the obligations to pay to the Vendor, the Adjusted Purchase Consideration (if any) or the Early Sale Purchase Consideration (if applicable) and any delinquent charges in respect of the Adjusted Purchase Consideration (if any) or the Early Sale Purchase Consideration (if applicable), in the event that that the Hotel TMK has failed to pay in accordance with the terms of the TBI SPA;

(f) completion under the TBI SPA is subject to the fulfilment of conditions precedent including, among others, that the transfer of the shares of the Op Co under the Shares SPA has been executed or is reasonably judged to be certain to be executed

[7] Being 1.0% of the Initial Purchase Consideration.

on the Property TBI Closing Date; and

(g) the completion of the Property TBI Acquisition shall take place on 25 April 2025, or such other date as may be otherwise agreed upon by the Hotel TMK and the Vendor ("**Property TBI Closing Date**").

2.7 Certain Principal Terms of Shares SPA for Op Co

Completion under the Shares SPA is subject to the fulfilment of conditions precedent including, among others, that the transfer of the Property TBI under the TBI SPA has been executed or is certain to be executed on the Shares Closing Date.

The completion of the Op Co Acquisition shall take place on 25 April 2025, or such other date as may be separately agreed between Falcon 3 and the Vendor ("**Shares Closing Date**").

3. Certain Principal Terms of the Asset Management Agreement

The Hotel TMK will be appointing the Asset Manager as the asset manager of the Property and the Property TBI under the Asset Management Agreement.

The services to be provided by the Asset Manager include assisting to carry out property management duties, monitoring the hotel operation in the Property, advising and reporting on the operational strategy for the Property TBI and the Property, preparation of annual business plans and execution of such plans.

4. RATIONALE FOR AND THE KEY BENEFITS OF THE ACQUISITIONS

The Managers believe that the Acquisitions will bring the following key benefits to Far East H-Trust and the Stapled Securityholders:

Diversification

While Far East H-Trust currently has a strong market presence in Singapore, in which it currently has 12 properties consisting of hotels and serviced residences located in Singapore, the Managers regularly review Far East H-Trust's portfolio and is of the view that the Acquisitions are in line with Far East H-Trust's diversification and growth strategy.

The Manager had today, also provided notice that the investment strategies of Far East H-REIT and Far East H-BT will be expanded to include a global scope and other adjacent lodging asset classes.[8] The expansion of Far East H-REIT's and Far East H-BT's investment strategies is targeted to provide Far East H-Trust with more investment opportunities for the portfolio, increase diversification of income sources and help mitigate potential concentration risks.

The Acquisitions will be Far East H-Trust's first investment under the expanded investment strategy. This strategic move into Japan not only diversifies Far East H-Trust's geographical

[8] For further details, please refer to the announcement dated 20 February 2025 titled '*Expansion of Investment Strategies*'.

footprint but also mitigates risks associated with having a portfolio concentrated solely in Singapore. By diversifying its portfolio, this balanced approach ensures sustained growth and stability, which aligns with long-term stakeholder interests.

Tapping New Growth Market

The Acquisitions mark Far East H-Trust's entry into the Japan market. In 2024, Japan experienced a strong recovery in tourist arrivals, welcoming a record 36.9 [9] million international visitors, which represents a 47.1% increase from the previous year. The government has also set a target of attracting 60.0 million international visitors and achieving visitor spending of JPY 15.0 trillion by 2030[10].

By leveraging on Japan's robust tourism and business sectors, the Managers believe that expanding into the Japanese market will allow Far East H-Trust to tap into a new growth vector, and in turn, enhance Far East H-Trust's overall portfolio.

Entering a Major Japanese City - Nagoya

The Property is situated in Greater Nagoya, the third largest metropolitan area in Japan, and it is known for being a major economic and industrial hub.

Nagoya and the surrounding region in the Aichi prefecture are surrounded by a significant presence of well-known manufacturing companies. The region around Nagoya in Central Japan is the industrial powerhouse of Japan, anchored not only by the automotive industry (over 180 companies, including the home base of Toyota), but also the aerospace industry (one of the largest clusters in the world with 176 companies[11]) and robotics industry (20% of Japan's output [12] with 77 companies [13]). The region also houses major manufacturing companies in sectors such as ceramics, electronics, appliances, and pharmaceutical. These companies provide the base for corporate travellers that the Property is well equipped to tap into and serve.

Recovery in Air Traffic

In 2024, the Chubu Centrair International Airport in Nagoya welcomed 4.6 million [14] international visitors, registering an approximately 78.0% increase in the number of international visitors from 2023. While this is a substantial increase, it represents only approximately 68.0% of the airport's pre-COVID-19 traffic level in 2019. This slower pace of recovery, partly attributable to supply constraints, underscores the potential for further growth in air traffic as conditions continue to improve.

The Property is within walking distance from the award-winning Chubu Centrair International Airport and the Central Japan International Airport Train Station, offering international and

9 Source: Japan Tourism Statistics, Japan National Tourism Organization (JNTO).

10 Source: APAC Hotels & Hospitality Market Update April 2024, CBRE.

11 Source: Aichi-Nagoya Aerospace Consortium (<https://aichi-nagoya-aerospace.jp>).

12 Source: Aichi Sky Expo (<https://www.aichiskyexpo.com/aichi-spirit/?lang=en>).

13 Source: Conference & Meetings World (<https://www.c-mw.net/aichi-the-crossroad-between-innovation-and-tradition/>).

14 Source: Centrair Group

domestic travellers easy access to one of Central Japan's key travel hubs. The Chubu Centrair International Airport has been awarded the title of World's Best Regional Airport in the World Airport Awards 2024 by Skytrax (U.K.) for the 10th consecutive year and is ranked first in the Best Regional Airport in Asia category for the 14th consecutive year, recognising its excellence in passenger experience, service quality and operational efficiency.

In addition, the Japanese government is also targeting to reduce congestion in the major tourist cities while encouraging visits to lesser-known regions, such as Central Japan. Consistent with this strategy, Aichi Sky Expo, which is in close proximity to the hotel has also been chosen to host the Tourism Expo Japan in September 2025. One of the key themes of the expo is to reaffirm the Chubu Centrair International Airport's critical role as a key gateway for global travellers to Japan[15]. The government initiatives may potentially further drive demand for the hospitality space, and the Property is positioned to benefit from the increase in tourism in the region.

Capturing MICE and Events traffic

The Property is well-positioned to capture event-driven traffic given its proximity to the Aichi Sky Expo, which is the fourth largest exhibition centre in Japan,[16] with 60,000 sqm of event spaces. As a state-of-the-art, bonded exhibition and conference centre, it attracts a diverse range of events including international conventions, trade shows, concerts, and cultural gatherings. It is also a permanent bonded exhibition centre where exhibits arriving from overseas are not subject to import duties. The major events that are scheduled to be held at the Aichi Sky Expo include concerts by well-known groups such as NCT 127 and TOMORROW X TOGETHER[17], Tourism Expo Japan, Advance Air Mobility (AAM) Asia Symposium 2025[18] and the Asian Games in 2026.

The Property is located within a six-minute walk to the Aichi Sky Expo, and with limited competition within its product class positioned in the vicinity, the Property is able to capitalise on the demand from participants attending the events at the Aichi Sky Expo throughout the year.

Performance-Based Purchase Consideration Mechanism

As the Property is still recovering from the effects of COVID-19, the Acquisitions are expected to be yield neutral to the Stapled Securityholders on a pro forma basis assuming that the Acquisitions were completed on 1 January 2024. Accordingly, the Managers have negotiated with the Vendor for part of the Property TBI Purchase Consideration to be contingent on the operational performance of the Property.[19] This structure benefits the Stapled Securityholders as it ensures that part of the acquisition cost is contingent on the actual performance of the Property after the Acquisitions.

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15 Source: TTG Asia, Aichi Prefecture to host Tourism Expo Japan in 2025 (<https://www.ttgasia.com/2024/07/08/aichi-prefecture-to-host-tourism-expo-japan-in-2025/>).

16 Source: Aichi Now, Aichi International Exhibition Center "Aichi Sky Expo" (<https://www.aichi-now.jp/en/spots/detail/2995/>).

17 Source: Aichi Sky Expo (<https://www.aichiskyexpo.com/ase-event/>).

18 Source: AAM Asia (<https://aam-asia.com>).

19 Please refer to paragraph 2.3 of this Announcement on when the Adjusted Purchase Consideration is payable.

Notwithstanding the above, for illustration purposes, assuming the net operating income of the Property has stabilised and consequently, the Adjusted Purchase Consideration of JPY 1.75 billion is payable, the Acquisitions are expected to be 1.7% distribution per Stapled Security ("**DPS**") accretive on a pro forma basis. Please refer to paragraph 5 for the pro forma financial effects of the Acquisitions, assuming that the Adjusted Purchase Consideration is payable.

In any event, the Property TBI Purchase Consideration, which assumes the maximum Adjusted Purchase Consideration is paid out is also supported by the Independent Valuation.

Development Potential for Carpark Space

The Property TBI Acquisition comprises of the land which the Property is currently situated on. Subject to planning approval, part of the land that is adjacent to the Property may be repurposed in the future into facilities that could augment the Property's growth, such as additional guest rooms or be repurposed for alternative revenue-generating activities, such as retail outlets. With the ability to leverage this land for broader development purposes, the Property TBI Acquisition introduces a significant dimension of scalability to the investment, creating more opportunities for long-term value creation.

5. FINANCIAL EFFECTS

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisitions on the DPS and the net asset value ("**NAV**") per Stapled Security presented below are **strictly for illustrative purposes only** and were prepared based on the unaudited financial statements of Far East H-Trust for the financial year ending 2024 ("**FY2024**", and the unaudited financial statements, the "**FY2024 Unaudited Financial Statements**") and the assumptions as stated under the respective sections, taking into account the Total Acquisition Cost and assuming the Acquisitions are 100% financed through borrowings.

As the Property is still recovering from the effects of COVID-19, based on the net operating income of the Property for FY2024, no Adjusted Purchase Consideration would be payable. Additional information on the pro forma effect of the Acquisitions have been prepared based on the assumptions that the net operating income of the Property has stabilised and the Adjusted Purchase Consideration of JPY 1.75 billion would be payable ("**FY2024 (Stabilised)**"). The Managers are of the view that the presentation of such information will be meaningful to the Stapled Securityholders to understand the performance of the Property on a stabilised basis.[20]

In preparing the pro forma DPS and NAV per Stapled Security for FY2024, the exchange rates for the S$ equivalent of the JPY figures are assumed to be as follows:

(i) the average exchange rate for FY2024 being JPY 1 : S$0.008827; and

(ii) the exchange rate as at 31 December 2024 being JPY 1 : S$0.008711.

[20] Statements in respect of the Adjusted Purchase Consideration and net operating income of the Property are not intended as a forecast of the performance of the Property, and, accordingly, should not be construed as such.

5.1 Pro Forma DPS – FY2024

The pro forma financial effects of the Acquisitions on the DPS for FY2024, as if the Acquisitions were completed on 1 January 2024, and the Property had been leased out and operated by the Op Co through to 31 December 2024, are as follows:

	Pro Forma Effects of the Acquisitions for FY2024	
	Before the Acquisitions[(1)]	**After the Acquisitions[(2)]**
Distributable Income (S$'000)	81,397	81,396
No. of Stapled Securities ('000)	2,016,476	2,016,557[(3)(4)]
DPS (cents)[(5)]	4.04	4.04

Notes:

(1) Based on the FY2024 Unaudited Financial Statements.

(2) Based on the net operating income of the Property for FY2024, the value derived from computing the Adjusted Purchase Consideration is zero and as such, no Adjusted Purchase Consideration is payable.

(3) Adjusted to include approximately 80,000 new Stapled Securities issued to the REIT Manager as Base Fee (as defined in the REIT Trust Deed).

(4) To demonstrate support for the proposed Acquisitions, the REIT Manager is electing to receive only 50.0% of the Management Fee (as defined in the REIT Trust Deed) in respect of the Property for the first and second years after Acquisitions.

(5) Based on distributable income divided by number of Stapled Securities in issue.

5.2 Pro Forma NAV per Stapled Security – FY2024

The pro forma financial effects of the Acquisitions on the NAV per Stapled Security as at 31 December 2024, as if the Acquisitions were completed on 31 December 2024, are as follows:

	Pro Forma Effects of the Acquisitions as at 31 December 2024	
	Before the Acquisitions[(1)]	**After the Acquisitions**
NAV (S$'000)	1,851,803	1,851,202[(2)]
No. of Stapled Securities ('000)	2,044,631[(3)]	2,044,631
NAV per Stapled Security (S$)	0.9057	0.9054

Notes:

(1) Based on the FY2024 Unaudited Financial Statements.

(2) Assuming that the Acquisitions were completed on 31 December 2024, no Adjusted Purchase Consideration would be payable as no Adjusted Purchase Consideration would be calculated at date of completion.

(3) Based on the number of Stapled Securities in issue and to be issued as at 31 December 2024.

5.3 Pro Forma DPS – FY2024 (Stabilised)

Based on the expected performance of the Property in the stabilised phase and assuming the Adjusted Purchase Consideration is triggered, the pro forma financial effects of the Acquisitions on the DPS for FY2024, as if the Acquisitions were completed on 1 January 2024, the Property had been leased out and operated by the Op Co through to 31 December 2024 and the Adjusted Purchase Consideration of JPY 1.75 billion would be payable, are as follows:

	Pro Forma Effects of the Acquisitions for FY2024	
	Before the Acquisitions[(1)]	**After the Acquisitions[(2)]**
Distributable Income (S$'000)	81,397	82,796
No. of Stapled Securities ('000)	2,016,476	2,016,579[(3)(4)]
DPS (cents)[(5)]	4.04	4.11

Notes:

(1) Based on the FY2024 Unaudited Financial Statements.

(2) Assuming the net operating income of the Property for FY2024 has been adjusted and the value derived from computing the Relevant Additional Purchase Consideration for FY2024 results in an Adjusted Purchase Consideration of JPY 1.75 billion being payable.

(3) Adjusted to include approximately 103,000 new Stapled Securities issued to the REIT Manager as Base Fee (as defined in the REIT Trust Deed).

(4) To demonstrate support for the proposed Acquisitions, the REIT Manager is electing to receive only 50.0% of the Management Fee (as defined in the REIT Trust Deed) in respect of the Property for the first and second years after Acquisitions.

(5) Based on distributable income divided by number of Stapled Securities in issue.

5.4 Pro Forma NAV per Stapled Security – FY2024 (Stabilised)

The pro forma financial effects of the Acquisitions on the NAV per Stapled Security as at 31 December 2024, as if the Acquisitions were completed on 31 December 2024 and the Adjusted Purchase Consideration of JPY 1.75 billion would be payable, are as follows:

	Pro Forma Effects of the Acquisitions as at 31 December 2024	
	Before the Acquisitions[(1)]	**After the Acquisitions**
NAV (S$'000)	1,851,803	1,851,202[(2)]
No. of Stapled Securities ('000)	2,044,631[(3)]	2,044,631
NAV per Stapled Security (S$)	0.9057	0.9054

Notes:

(1) Based on the FY2024 Unaudited Financial Statements.

(2) Based on the assumption that the Adjusted Purchase Consideration is calculated at the date of completion, and an Adjusted Purchase Consideration of JPY1.75 billion is payable.

(3) Based on the number of Stapled Securities in issue and to be issued as at 31 December 2024.

6. OTHER INFORMATION

6.1 Interests of Directors and Substantial Stapled Securityholders

Based on information available to the Managers as at the date of this announcement, none of the directors of the Managers or the Substantial Stapled Securityholders has an interest, direct or indirect, in the Acquisitions (other than through their stapled securityholdings (if any) in Far East H-Trust).

6.2 Directors' Service Contracts

No person is proposed to be appointed as a director of the Managers in connection with the Acquisitions or any other transactions contemplated in relation to the Acquisitions.

6.3 Disclosure under Rule 1006 of the Listing Manual

The relative figures computed on the following bases set out in Rules 1006(b) and 1006(c) of the Listing Manual are as follows:

(i) the net profits attributable to the assets acquired compared with Far East H-Trust's net profits; and

(ii) the aggregate value of the consideration given compared with Far East H-Trust's capitalisation.

Comparison of:	The Acquisitions	Far East H-Trust	Relative Figure
Profits[(1)] (S$ million)	1.24[(2)]	99.3[(3)]	1.25%
Consideration against market capitalisation (S$ million)	68.60[(4)]	1,161.7 [(5)]	5.91%

Notes:

(1) Based on Net Property Income ("**NPI**"). In the case of a REIT, the NPI is a close proxy to the net profits attributable to its assets.

(2) Based on unaudited NPI attributable to the Property for FY2024.

(3) Based on the unaudited NPI attributable to Far East H-Trust for FY2024.

(4) Based on the Total Purchase Consideration.

(5) Based on the weighted average price of S$0.5761 per Stapled Security on the SGX-ST on 19 February 2025, being the market day preceding the date of execution of the TBI SPA and Shares SPA.

Rule 1006(a) of the Listing Manual is not applicable to the Acquisitions as Far East H-Trust will not be disposing of any assets under the Acquisitions. Rule 1006(d) of the Listing Manual is not applicable to the Acquisitions as Far East H-Trust will not be issuing any Stapled Securities as consideration for the Acquisitions.

Under Rule 1010 of the Listing Manual, where any of the relative figures computed on the bases set out above exceeds 5% but does not exceed 20%, the Acquisitions are regarded as being a disclosable transaction.

6.4 Documents for Inspection

Copies of the following documents are available for inspection during normal business hours at the registered office of the REIT Manager and the Trustee-Manager at 1 Tanglin Road, #05-01 Orchard Rendezvous Hotel, Singapore 247905 [21], from the date of this announcement up to and including the date falling three months after the date of this announcement:

(i) the TBI SPA;

(ii) the Shares SPA;

(iii) the valuation report on the Property issued by the independent valuer; and

(iv) the FY2024 Unaudited Financial Statements.

The REIT Trust Deed, the trust deed dated 1 August 2012 (as amended, varied or supplemented from time to time) constituting Far East H-BT and the Stapling Deed, will also be available for inspection at the registered offices of the Managers, for so long as Far East H-Trust is in existence.

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)
20 February 2025

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)
20 February 2025

[21] Prior appointment with the REIT Manager and the Trustee-Manager (telephone number: +65 6833 6676) will be appreciated.

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.