

FAR EAST HOSPITALITY TRUST COMPLETES DIVESTMENT OF CENTRAL SQUARE

Singapore, 25 March 2022 – FEO Hospitality Asset Management Pte. Ltd. (the “**REIT Manager**”), as the manager of Far East Hospitality Real Estate Investment Trust (“**Far East H-REIT**”), and FEO Hospitality Trust Management Pte. Ltd. (“**Trustee-Manager**”), as trustee-manager of Far East Hospitality Business Trust (“**Far East H-BT**”) (collectively, the “**Managers**”), are pleased to announce that the divestment of Central Square has been completed yesterday.

The divestment consideration of S\$313.2 million represents a gain of approximately 70.8% over the original purchase consideration made in August 2012 for S\$183.3 million. In addition to the agreed consideration, a potential incentive fee of up to S\$18.0 million could be attained, subject to certain conditions¹ being fulfilled by 31 December 2023. More details can be found in the announcement dated 2 December 2021 titled “Divestment of Central Square”.

Mr. Gerald Lee, Chief Executive Officer of the Managers, said, “The completion of the divestment of Central Square is the fruition of years of planning and engagement with all relevant stakeholders. This divestment represents an attractive exit yield of 1.8%², allowing us to realise significant value for our Stapled Securityholders.

The proceeds from the transaction will be used to pare down debt, reduce the aggregate leverage from 41.3%³ to approximately 33.5%, and allow the Managers greater financial flexibility to seek out potential yield accretive opportunities.”

Following the divestment, the portfolio in the Trust will comprise nine hotels and three serviced residences in Singapore with a total portfolio value of S\$2.3 billion⁴. In addition, Far East H-REIT holds a 30.0% stake in Fontaine Investment Pte Ltd (a joint venture with Far East Organization Centre Pte. Ltd., a member company of Far East Organization), which has developed three hotels in Sentosa.

¹ These conditions include getting provisional permission with a higher mix for residential use.

² Exit yield is calculated based on the net property income for the financial year ended 31 December 2020 over the divestment consideration.

³ Aggregate leverage was 41.3% as at 30 June 2021 before the divestment announcement.

⁴ Based on valuation as at 31 December 2021.

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ABOUT FAR EAST HOSPITALITY TRUST (“Far East H-Trust”)

Far East H-Trust is a Singapore-focused Hotel and Serviced Residence Hospitality Trust listed on the Main Board of The Singapore Exchange Securities Trading Limited (“SGX-ST”). Comprising Far East Hospitality Real Estate Investment Trust (“Far East H-REIT”) and Far East Hospitality Business Trust (“Far East H-BT”), Far East H-Trust was listed on the SGX-ST on 27 August 2012 and has a portfolio of 12 properties totaling 3,015 hotel rooms and serviced residence units valued at approximately S\$2.34 billion as at 31 December 2021. Managed by FEO Hospitality Asset Management Pte. Ltd. and FEO Hospitality Trust Management Pte. Ltd. (collectively, the “Managers”) and sponsored by members of Far East Organization Group (the “Sponsor”), Far East H-Trust seeks to provide Stapled Securityholders with regular, stable and growing distributions on a half-yearly basis.

ABOUT THE MANAGERS

FEO Hospitality Asset Management Pte. Ltd. and FEO Hospitality Trust Management Pte. Ltd. are the managers of Far East H-REIT and Far East H-BT respectively. Both are 67.0% owned by FEO Asset Management Pte. Ltd., which is a wholly-owned subsidiary of Far East Organization Centre Pte. Ltd., and 33.0% owned by Far East Orchard Limited (“FEOR”). FEOR is 63.0% owned by Far East Organization Pte. Ltd. as at 31 December 2021.

IMPORTANT NOTICE

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers’ current view of future events.

The value of the Stapled Securities and the income derived from them, if any, may fall as well as rise. The Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of their affiliates. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors should note that they will have no right to request the Managers to redeem or purchase their Stapled Securities for so long as the Stapled Securities are listed on the SGX-ST. It is intended that investors and 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.