

**AXTERIA GROUP BERHAD (f.k.a. Acoustech Berhad) (“AXTERIA” or “Owner”))**

- **Letter of Intent (LOI) entered into between Far East Hospitality Management (S) Pte. Ltd. and the wholly owned subsidiaries of Axteria Group Berhad namely, Axteria Assets Sdn. Bhd. (f.k.a. TE Hotel Sdn. Bhd.) and Axteria Eco Sdn. Bhd. (f.k.a. Teras Eco Sdn. Bhd.)**
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**1. INTRODUCTION**

The Board of Directors of AXTERIA wishes to announce that AXTERIA had on 15 October 2021 signed a non-binding Letter of Intent (“LOI”) with **FAR EAST HOSPITALITY MANAGEMENT (S) PTE. LTD.** (“**FEH**” or “Operator”) expressing its intent in managing the hotel and serviced suites located in Kota Laksamana, Melaka, Malaysia (the “**Properties**”) vide the projects currently undertaken by the wholly-owned subsidiaries, Axteria Assets Sdn. Bhd. (encompassing a 16-storey development building with 241 hotel rooms) and Axteria Eco Sdn. Bhd. (encompassing a 44-storey development building with 306 service suites), both proposed to be managed under the FEH brands.

**2. INFORMATION ON FEH**

FEH is an international premier hospitality owner and operator established in Singapore with a diverse portfolio of ten (10) unique and complementary brands of hotels, serviced residences, and apartment hotels. FEH operates a combined portfolio of over 16,500 rooms across 105 hotels and services residences in nine (9) countries – Australia, Austria, Denmark, Germany, Hungary, Japan, Malaysia, New Zealand and Singapore, with more in its development pipeline. In 2020, FEH group was ranked amongst top 100 hotel companies by HotelsMag.

FEH is a wholly-owned subsidiary of Far East Hospitality Holdings Pte Ltd, a 70-30 joint venture between the following companies which are currently listed on Mainboard of the Singapore Exchange (SGX) – Far East Orchard Limited and The Straits Trading Company Limited:

- a) Far East Orchard Limited is a real estate company with a lodging platform that aims to achieve sustainable and recurring income through a diversified and balanced portfolio. Far East Orchard Limited has been listed on the Mainboard of the Singapore Exchange since 1968. It is a member of Far East Organization, Singapore’s largest private property developer.
- b) Incorporated in 1887, The Straits Trading Company Limited is a conglomerate-investment company with diversified operations and financial interests internationally in resources, property and hospitality.

More information on FEH is assessible via <https://www.fareasthospitality.com/en/Far-East-Hospitality>.

**3. PURPOSE OF THE LOI**

It is the intention and understanding of the Parties to ensure the smooth and effective joint collaboration whereby FEH shall operate and provide management, brand licensing and other related services to the Properties meeting international upscale standards in accordance with the terms and conditions outlined therein and subject to the negotiation and execution of binding legal documents (the “**Definitive Agreements**”) and FEH’s board approval.

**4. LOI PERIOD**

Upon conclusion of the negotiation and to be mutually agreed upon, the Parties shall endeavour to enter into the Definitive Agreements.

**5. EFFECT OF THE LOI**

The LOI will not have any effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholding of AXTERIA for the financial year ending 31 December 2021.

**6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST**

None of the Directors and/or major shareholders of AXTERIA and/or persons connected with them have any interest, direct or indirect, in the LOI.

**7. APPROVALS REQUIRED**

The LOI is not subject to the approval of the shareholders of AXTERIA or any regulatory authorities.

**8. DIRECTORS' OPINION**

The Board, having taken into consideration all aspects of the LOI, is of the view that the LOI is in the best interest of AXTERIA.

AXTERIA will make further announcement if there is any progress on the LOI and a detailed announcement will be made upon the execution of the Definitive Agreement.

This announcement is dated 15 October 2021.